



ANNUAL INFORMATION FORM

of

PERSEUS MINING LIMITED

ABN 27 106 808 986

FOR THE YEAR ENDED JUNE 30, 2015

September 25, 2015

Unless otherwise indicated, the information in this annual information form is given as of June 30, 2015.

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FORWARD-LOOKING INFORMATION

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

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

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

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

A GLOSSARY OF TECHNICAL TERMS USED IN THIS AIF IS INCLUDED IN APPENDIX A.

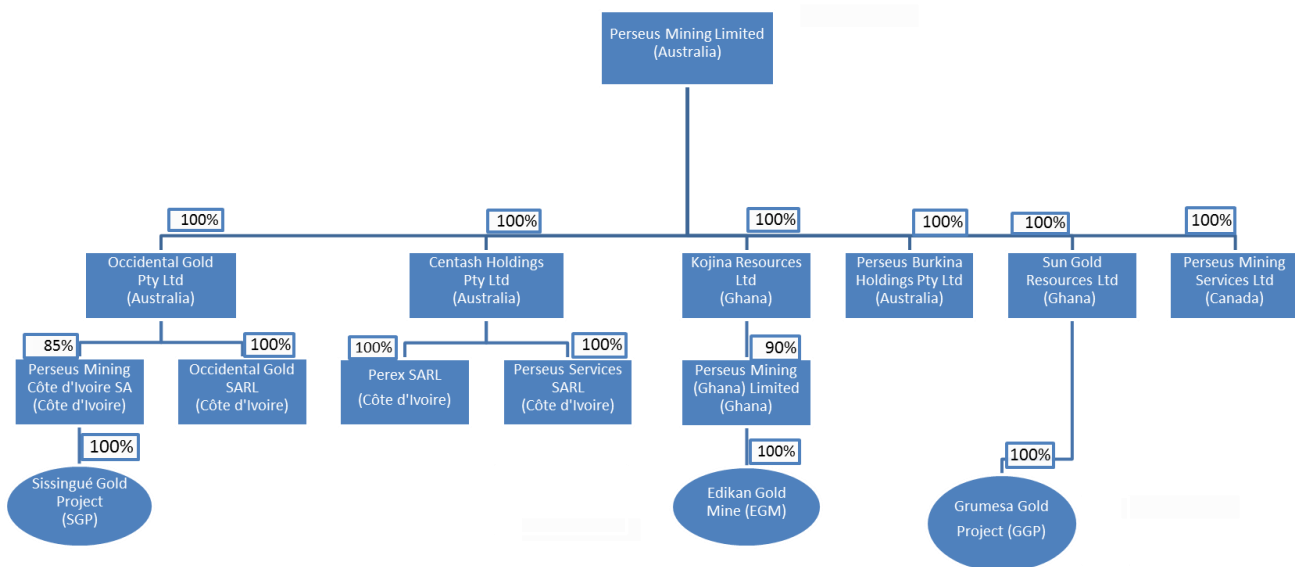
CORPORATE STRUCTURE

Name, Address and Incorporation

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

Intercorporate Relationships

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



Notes:

- (1) The remaining 10% in Perseus Mining (Ghana) Limited is held by the Government of Ghana.
- (2) The 10% non-contributory interest in the SGP is to be transferred to the Government of Côte d’Ivoire. The remaining 5% interest in the SGP is held by Societé Minière De Côte d’Ivoire, Perseus’s joint venture partner, leaving Perseus with an 85% interest in the capital of Perseus Mining Côte d’Ivoire SA.
- (3) The GGP is subject to a 10% non-contributory interest in favour of the Government of Ghana, which will be issued upon the grant of a mining lease for the GGP.

GENERAL DEVELOPMENT AND DESCRIPTION OF THE BUSINESS

Overview

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

- a 90% interest in Perseus Mining (Ghana) Limited, which owns the Edikan Gold Mine (“EGM”), located in Ghana and which has been in commercial production since January 2012. The remaining 10% is held by the Ghanaian government;
- a 85% interest in the Sissingué Gold Project (the “SGP”), a development stage project, located in Côte d’Ivoire; and

- a 100% interest in the Grumesa Gold Project (the “**GGP**”), an exploration stage project located in the Grumesa region of Ghana. The Ghanaian government has the right to a 10% non-contributory interest in a production company if a mining lease is granted. Perseus is considering divestment of the GGP.

As at the date of this AIF Perseus also has: (i) a 7.78% interest in Manas Resources Limited, an ASX listed company holding a portfolio of properties in Central Asia, which assets were spun out of Perseus in mid-2008; and (ii) a 11.83% interest in Burey Gold Limited, an ASX listed company holding a portfolio of gold exploration properties in Guinea and the Democratic Republic of Congo.

Strategy and Objectives

Perseus’s corporate strategy is to organically grow cash flows and create shareholder wealth through successful exploration, effective development and efficient operation of multiple gold mines in diverse geopolitical settings within West Africa.

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

- Efficiently produce gold at the EGM in quantities and at a cost that is in line with or better than market guidance;
- Continue to improve the metallurgical performance and throughput rates of the EGM processing facility as well as upgrade the skill levels of our plant operating and maintenance staff;
- Conduct a comprehensive review of all available data sets relating to our EGM Mining Lease with the aim of identifying potential drill targets that may yield higher grade mineral deposits that can be economically mined and processed in the EGM processing facility;
- Subject to satisfactory macro-economic conditions, commence development of the Sissingué Gold Mine in Côte d’Ivoire with the aim of establishing as soon as practical a second income stream for Perseus, in accordance with the Company’s stated corporate strategy.
- Undertake a programme of green fields exploration in highly prospective regions of Côte d’Ivoire.
- Assess new opportunities where these are considered to have synergies with existing projects or where the Company can add value through the use of its exploration, development, operating and commercial expertise.
- Have harmonious relationships with host governments and communities in the countries in which we operate and ensure that our social obligations are either met or exceeded.
- Ensure that the Company remains in full compliance with our obligations to responsibly manage the physical environments in which we operate and to ensure that any environmental disturbance is minimised and capable of being rehabilitated in accordance with our environmental plans.

Edikan Gold Mine

Background

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

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

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

Operations

Ore and waste movements totalled 6,176k bank cubic metres (“**bcm**”) for the year ended June 30, 2015 (“**2015 Financial Year**”), which was 44.8% lower than the previous year due to a reduction in the amount of waste stripping as the majority of material movements were from the AG Pit where relatively little waste remains to be removed as mining advances towards the designed pit floors for Stages 2 and 3. Waste stripping in the Stage 3 cutback of the Fobinsop pit began during the second half of the year.

In early December 2014, the Ghanaian government announced a plan to reduce the amount of power available to Perseus (and other mining companies operating in Ghana) by up to 25% in response to the country's power shortages. This arrangement remained in place until late January 2015, during which time the impact of the reduced power availability on Perseus's gold production was minimal due to supplementing power drawn from the grid with an existing standby generator. In late January 2015, the government increased the compulsory load shedding required to 33% and introduced a roster which temporarily permitted Edikan to draw power for only four days out of every six, 66% of the time. In response to the new government initiative, Perseus purchased four new diesel generators with a total output of 5.8MW of power to substantially increase the on-site power generating capacity at Edikan and pursued other alternative power supplies to enable 100% power supply to the processing plant. This outcome was achieved on April 19, 2015 and for the remainder of the year Edikan's processing operations were largely unaffected by power shortages.

Total mill throughput for the 2015 Financial Year was 6,394k tonnes of ore grading 1.17 g/t of gold, 3.8% lower than the previous period. Gold recovery of 87.9%, which was 4.3% higher than the previous period, resulted in the production of 212,135 ounces of gold. The improvements in productivity above were despite the power setbacks felt during the period, and were a large part of Perseus's strategy for the period to make significant operational improvements.

Ore stockpiles (including both high and low grade ore but not mineralised waste) plus crushed ore decreased to 3,441k tonnes grading 0.60 g/t containing approximately 66,550 oz of gold. This included approximately 8% oxide ore and 82% primary ore. Stockpiles at the end of the year were in line with expectations due to less ore being mined than forecast matching the lower mill throughput rates mainly due to the power issues described above.

The all-in site cost (including production, royalties, investment in pre-stripping and inventory, development and sustaining capital divided by gold ounces produced) for the period of US\$877/oz is 32.2% lower than the previous period of US\$1,294/oz. This is due to a decrease in the operating cost base due to reduced processing costs, more effective procurement practices, lower-than-forecast capital expenditure on relocation housing and waste stripping due to delayed access to the new mining areas, combined with strong gold production resulting from improved operating efficiency and an expected increase in head grade of processed ore.

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

Table 1: Key production statistics - EGM

| Parameter | Unit | Twelve months to June 30, 2015 | Twelve months to June 30, 2014 |
|----------------------|----------|--------------------------------------|--------------------------------------|
| Ore mined | kt | 6,153 | 6,148 |
| Total material mined | kt | 15,243 | 27,109 |
| Ore milled | kt | 6,394 | 6,650 |
| Head grade | g/t gold | 1.2 | 1.0 |
| Gold recovery | % | 87.9 | 84.3 |
| Gold produced | ounces | 212,135 | 180,519 |

The key financial results of EGM operations for the 2015 Financial Year are set out below:

Table 2: Key financial operating statistics - EGM

| Parameter | Units | Twelve months to June 30, 2015 | Twelve months to June 30, 2014 |
|--|---|---|---|
| Total gold sales | Ounces | 208,613 | 183,325 |
| Average sales price | US\$/oz of gold sold | 1,324 | 1,322 |
| <ul style="list-style-type: none"> • Mining cost • Processing cost • G & A cost | <ul style="list-style-type: none"> US\$/tonne of material mined US\$/tonne of ore milled US\$M / month | <ul style="list-style-type: none"> 4.55 10.78 1.59 | <ul style="list-style-type: none"> 4.09 10.99 1.59 |
| Royalties | US\$/oz | 71 | 84 |
| All-in site cost | US\$/oz | 877 | 1,294 |

Of the 208,613 ounces of gold that were sold at an average delivered price of US\$1,324/oz, 75,000 ounces were delivered under forward sales contracts at a weighted average price of US\$1,443/oz while the balance of the gold sales were made at prevailing spot prices or short term spot deferred contracts.

As at June 30, 2015, the Company's gold price hedging position included 33,000ozs of gold deliverable in quarterly instalments up to and including December 31, 2015 at a weighted average price of US\$1,600/oz. In addition, as at June 30, 2015, the Company held forward metal contracts for 30,000ozs of gold on a spot deferred basis with a weighted average price of US\$1,247/oz. Subsequent to the end of the period, additional forward gold sales contracts have been put in place, at the date of this AIF the outstanding contracts totalled 147,000 ounces of gold at a weighted average price of US\$1,241/oz.

Mining costs per tonne of material mined have increased from the prior period due to a decrease in the tonnes of material mined thus inflating the unit fixed mining costs including mining overheads, mining contractor management fees etc. Underlying costs have actually reduced due to negotiation of two new mining contracts. The first new mining contract was awarded to Rocksure International Limited for the cutback of the Fobinso pit, commencing in January 2015. The second was awarded to African Mining Services for the provision of mining services for the Eastern Pits. This work commenced just prior to the end of the period. Both new contracts represent material reductions in mining costs, the full effect of which will be seen in the coming periods.

Processing costs have decreased from the prior period due to a reduction in consumable and maintenance costs as well as a reduction in consumption rates of some consumables due to improvements in operational efficiency. General and administrative costs have remained consistent with the prior period. Further cost reductions are being targeted across all departments to build on the success in reducing the operating cost base to date.

Mineral Resource Estimate

An updated Mineral Resource estimate for Edikan was prepared during the period by independent consultant, RungePincockMinarco ("RPM") in accordance with the JORC Code – 2012 Edition. This estimate was based on the May 1, 2014 Mineral Resource estimate previously prepared by RPM amended for mining depletion to January 31, 2015 in the case of the AF Gap and Fobinso pits. It was also updated to include in-fill drilling results returned from a recent drilling campaign on the Mampong mineral deposit. Subsequently, in July 2015, the Mineral Resource was updated to include additional drilling results from Chirawewa as well as mining depletion to June 30, 2015.

The updated global Measured and Indicated Mineral Resource estimate for Edikan is now estimated as 151.7Mt grading 1.1g/t gold, containing 5,265k ounces of gold. A further 62.0Mt of material grading 1.0g/t gold and containing a further 2,018k ounces of gold are classified as an Inferred Mineral Resource.

The Mineral Resource estimates for the EGM are tabulated below in table 3.

Table 3: Mineral Resources^{3,4,5}, Edikan Gold Mine

| Deposit | Measured Resources | | | Indicated Resources | | | Measured + Indicated Resources | | | Inferred Resources | | |
|-----------------------------|--------------------|------------|--------------|---------------------|------------|--------------|--------------------------------|------------|--------------|--------------------|------------|--------------|
| | Quantity | Grade | Gold | Quantity | Grade | Gold | Quantity | Grade | Gold | Quantity | Grade | Gold |
| | Mt | g/t gold | Kozs | Mt | g/t gold | Kozs | Mt | g/t gold | Kozs | Mt | g/t gold | Kozs |
| AF Gap-Fobinso ¹ | 28.5 | 1.1 | 972 | 23.7 | 0.9 | 678 | 52.2 | 1.0 | 1,649 | 28.4 | 0.8 | 729 |
| Bokitsi | 0.7 | 3.7 | 86 | 1.6 | 2.6 | 133 | 2.3 | 3.0 | 219 | 2.9 | 1.8 | 170 |
| Fetish | 12.6 | 0.9 | 380 | 18.1 | 1.1 | 663 | 30.8 | 1.1 | 1,043 | 9.8 | 1.1 | 346 |
| Chirawewa ² | 2.5 | 1.0 | 83 | 4.5 | 1.2 | 179 | 7.0 | 1.2 | 262 | 4.2 | 1.0 | 139 |
| Dadieso | - | - | - | - | - | - | - | - | - | 5.3 | 1.5 | 253 |
| Esujah North | 16.9 | 0.9 | 494 | 18.4 | 0.8 | 493 | 35.3 | 0.9 | 986 | 3.6 | 0.9 | 105 |
| Esujah South | 9.5 | 1.8 | 546 | 7.3 | 1.6 | 370 | 16.8 | 1.7 | 916 | 5.7 | 1.1 | 211 |
| Mampong | 0.2 | 0.9 | 6 | 3.7 | 1.0 | 122 | 3.9 | 1.0 | 127 | 2.1 | 1.0 | 67 |
| Stockpiles | 3.4 | 0.6 | 62 | - | - | - | 3.4 | 0.6 | 62 | - | - | - |
| Total | 74.4 | 1.1 | 2,629 | 77.3 | 1.1 | 2,637 | 151.7 | 1.1 | 5,265 | 62.0 | 1.0 | 2,018 |

Notes:

1. Allows for mining depletion at AF Gap – Fobinso to June 30, 2015.
2. Based on updated March 2015 Mineral Resource estimate for Chirawewa deposit.

3. All Mineral Resources current as at June 30, 2015.
4. 0.4g/t gold cut-off applied.
5. Numbers contain some rounding.

Mineral Reserve Estimate

Based on the re-estimated Mineral Resources, pit optimisation and scheduling, RPM also independently calculated the Mineral Reserves for Edikan as at January 31, 2015 in accordance with the requirements of the JORC Code, 2012 Edition. These were subsequently updated in July 2015 to include results from the recent Chirawewa drilling programme.

The updated Proved and Probable Mineral Reserves for Edikan are now estimated as 61.3Mt grading 1.2g/t gold, containing 2,345k ounces of gold including 44.5Mt of ore grading 1.2g/t gold and containing 1,656k ounces of gold in the Proved category and a further 16.8Mt of ore grading 1.3g/t gold containing 690k ounces of gold classified as Probable Mineral Reserves. Details of these estimates are shown in table 4.

Table 4: Proven and Probable Mineral Reserves – EGM^{3,4,6}

| Deposit | Proved Reserves | | | Probable Reserve | | | Proved + Probable Reserves | | | Strip Ratio ⁵ |
|-------------------------------|-----------------|-------------------|--------------|------------------|-------------------|--------------|----------------------------|-------------------|--------------|--------------------------|
| | Quantity Mt | Grade g/t gold | Gold Kozs | Quantity Mt | Grade g/t gold | Gold Kozs | Quantity Mt | Grade g/t gold | Gold Kozs | |
| AF Gap – Fobinso ¹ | 12.7 | 1.2 | 486 | 1.7 | 0.9 | 47 | 14.4 | 1.2 | 533 | 4.5 |
| Fetish | 8.2 | 1.0 | 260 | 8.4 | 1.4 | 378 | 16.6 | 1.2 | 638 | 3.8 |
| Esujah North | 11.7 | 1.0 | 360 | 2.8 | 0.9 | 82 | 14.5 | 1.0 | 442 | 1.6 |
| Esujah South | 5.8 | 1.8 | 334 | 0.9 | 1.9 | 57 | 6.7 | 1.8 | 391 | 7.7 |
| Chirawewa ² | 2.1 | 1.1 | 73 | 2.9 | 1.3 | 118 | 4.9 | 1.2 | 191 | 3.9 |
| Bokitsi | 0.7 | 3.4 | 80 | 0.1 | 2.9 | 7 | 0.8 | 3.4 | 87 | 9.7 |
| Stockpiles | 3.4 | 0.6 | 63 | - | - | - | 3.4 | 0.6 | 63 | - |
| Total | 44.5 | 1.2 | 1,656 | 16.8 | 1.3 | 690 | 61.3 | 1.2 | 2,345 | 3.7 |

Notes:

1. Allows for mining depletion at AF Gap – Fobinso to June 30, 2015.
2. Based on June 2015 Mineral Reserve estimate for Chirawewa deposit.
3. All Mineral Reserves current as at June 30, 2015.
4. Variable gold grade cut-off based on recovery of each material type in each deposit: Oxide 0.35 - 0.4g/t, Transition 0.50 – 0.65g/t and Fresh 0.45 – 0.55g/t.
5. Inferred Mineral Resource is considered as waste, t:t
6. Numbers contain some rounding.

Revised Life of Mine Plan

On April 20, 2015 the Company announced a revised life of mine plan for the EGM (“**2015 LOMP**”), based on the RPM Mineral Resource and Mineral Reserve estimates and applying a set of technical assumptions that reflect actual operating parameters.

The updated life of mine production profile for the EGM is forecast as shown in **Table 5** below. In summary, in the eight years of production between FY2016 and FY2023 inclusive, annual gold production will average approximately 235,000ozs at weighted average all-in site cost of US\$937/oz.

Compared to the previous October 2013 LOMP (adjusted for mining depletion to January 31, 2015), the 2015 LOMP results in the following changes to physical parameters:

- Tonnes of ore and waste moved - Up by 4%
- Tonnes of Ore - Down by 18%
- Life of mine strip ratio - Up by 1.3 to 4.0
- Head grade - Up by 8%
- Contained gold in Ore Reserve - Down by 10%
- Life of mine - Reduced by 14 months to July 2023

The forecast unit all-in site cash costs for the 2015 LOMP are also as shown in **Table 5** below. It should be noted that these costs differ marginally from the input costs used in the calculation of the Mineral Reserve and reflect actual cost reductions achieved plus cost reductions expected to be realised from recently implemented initiatives at the EGM in the period between the commencement of calculation of Mineral Reserves and finalisation of pit optimisations.

These estimated unit costs are based on the following assumptions:

1. The weighted average un-escalated life of mine mining cost assumed in the 2015 LOMP is US\$3.33/t of material moved. Mining costs include the cash cost of mining both ore and waste (including all waste stripping costs) during the period. The weighted average mining cost is based on the following:
 - a. AG Pit – For Stages 2 and 3 of the pit, costs are contracted rates negotiated in November 2009 with mining contractor, African Mining Services (Ghana) Pty Ltd (“AMS”), adjusted for historical rise and fall factors. The costs for mining the Final Stage of the AG Pit are based on recently negotiated rates for mining the Final Stage of the Fobinso Pit.
 - b. Fobinso Pit – un-escalated contracted rates negotiated in September 2014 with mining contractor Rocksure International.
 - c. Fetish, Bokitsi, and Chirawewa (the “Eastern Pits”) - un-escalated contracted rates for mining the negotiated in March 2015 with mining contractor, AMS.
 - d. Esuajah North and Esuajah South - mining rates are based on recently negotiated rates for mining the Eastern Pits.
2. Un-escalated unit processing costs are assumed to be US\$9.03/t of ore processed plus a further US\$0.04/t of ore processed for bullion transport and refining costs.
3. An un-escalated General and Administration unit cost of US\$2.48/t of ore processed has been assumed for the remaining years of the mine.
4. Royalty is based on a US\$1,200/oz gold price and assumes a 5% royalty paid to the Ghanaian government, a 1.5% royalty payable to Franco Nevada and a 0.25% royalty payable to Waratah Investments Ltd.
5. Sustaining capital expenditure is estimated at US\$108 million (un-escalated) over the remaining life of mine. (Refer to **Table 5** below for details).

The largest items of forecast capital expenditure relate to the total costs of gaining access to areas for mining within the existing Mining Lease boundary. Under Ghanaian laws, Perseus is required to compensate landowners for loss of crops, structures and livelihood as well as provide alternative housing built to the rigorous building standards specified in relevant legislation. In addition, where infrastructure such as roads is located within a blast radius of 500 metres from a planned open pit, the infrastructure needs to be relocated. In the case of the Esuajah South pit, this involves the relocation of several roads as well as a number of dwellings. In total, access costs accounts for approximately 64 percent of the total estimated sustaining capital required to be spent during the remaining 8-9 years of mine life.

Notwithstanding the relatively high estimated cost of gaining access to the Esuajah South mine area, the economics of developing an open pit mining operation and processing the ore are incrementally positive, and therefore development of this pit has been included in the LOMP schedule. Further investigation of underground mining options to mine the Esuajah South Mineral Resource (and therefore minimise disruption to existing land use and the need for housing and infrastructure relocation) are in progress.

Table 5: LOMP Production and Costs

| Parameter | | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | Total |
|---|----------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| PRODUCTION | | | | | | | | | | | |
| Ore mined | Mt | 5.4 | 6.8 | 10.7 | 10.4 | 7.1 | 6.8 | 6.2 | 0.4 | - | 53.8 |
| Waste mined | Mt | 27.2 | 39.1 | 41.4 | 48.4 | 37.2 | 21.6 | 5.5 | 0.1 | - | 220.5 |
| Total Material Mined | Mt | 32.6 | 45.9 | 52.1 | 58.8 | 44.3 | 28.4 | 11.7 | 0.5 | - | 274.3 |
| Strip ratio | t:t | 5.0 | 5.8 | 3.9 | 4.7 | 5.2 | 3.2 | 0.9 | 0.3 | - | 4.1 |
| Unit mining costs | US\$/t mined | 3.26 | 3.00 | 3.31 | 3.14 | 3.37 | 3.57 | 4.37 | 6.26 | - | 3.30 |
| Ore processed | Mt | 7.3 | 7.2 | 7.3 | 7.1 | 6.9 | 6.8 | 6.8 | 6.8 | 0.5 | 56.7 |
| Head grade | g/t gold | 1.1 | 1.1 | 1.2 | 1.3 | 1.6 | 1.3 | 1.4 | 0.7 | 0.7 | 1.2 |
| Recovery | % | 85.0 | 89.2 | 90.5 | 91.1 | 89.7 | 90.2 | 91.1 | 90.3 | 80.2 | 89.7 |
| Gold production | kozs | 208 | 222 | 245 | 275 | 312 | 258 | 286 | 129 | 9 | 1,944 |
| COSTS | | | | | | | | | | | |
| Unit mining costs | US\$/t mined | 3.26 | 3.00 | 3.31 | 3.14 | 3.37 | 3.57 | 4.37 | 6.26 | - | 3.33 |
| Unit processing costs** | US\$/t milled | 8.99 | 8.95 | 8.99 | 9.02 | 9.37 | 9.35 | 9.41 | 8.33 | 7.63 | 9.04 |
| Unit G&A costs | US\$/t milled | 2.66 | 2.66 | 2.64 | 2.70 | 2.79 | 2.84 | 2.12 | 1.36 | 0.65 | 2.48 |
| Production cash costs ¹ | US\$/oz | 916 | 998 | 1,048 | 973 | 745 | 711 | 453 | 531 | 485 | 800 |
| Royalties | US\$/oz | 88 | 82 | 81 | 81 | 81 | 81 | 81 | 81 | 81 | 82 |
| Sustaining capital costs ² | US\$/oz | 158 | 74 | 192 | 7 | 7 | 2 | 11 | 1 | 404 | 56 |
| Total all-in site cash cost | US\$/oz | 1,162 | 1,155 | 1,321 | 1,062 | 833 | 795 | 545 | 613 | 970 | 937 |
| ¹ Includes mining (incl. all waste stripping), processing, general and administration cash costs | | | | | | | | | | | |
| ² Sustaining capital includes: | | | | | | | | | | | |
| Access* to all mining areas | US\$M | 10.616 | 14.057 | 45.204 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 69.877 |
| Mining infrastructure | US\$M | 3.925 | 0.000 | 0.000 | 0.000 | 0.500 | 0.000 | 0.000 | 0.000 | 0.000 | 4.425 |
| Processing infrastructure | US\$M | 17.850 | 1.956 | 1.374 | 1.535 | 0.750 | 0.100 | 0.100 | 0.100 | 0.100 | 23.865 |
| G&A sustaining | US\$M | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 | 0.500 | 0.000 | 0.000 | 0.000 | 3.00 |
| Reclamation & Closure | US\$M | 0.000 | 0.000 | 0.000 | 0.000 | 0.466 | 0.031 | 3.156 | 0.000 | 3.498 | 7.151 |
| Total sustaining capital | US\$M | 32.891 | 16.513 | 47.078 | 2.035 | 2.216 | 0.631 | 3.256 | 0.100 | 3.598 | 108.318 |

*Access costs include the cost of all forms of compensation to be paid to landholders, acquisition of land for relocation housing, and development costs for relocation housing including civil works, house construction and project management

** Excludes cost of transporting and refining bullion at \$0.04/oz

The sustaining capital cost estimate includes the cost of site rehabilitation net of equipment salvage value in the final year of the mine.

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

Sissingué Gold Project, Côte d'Ivoire

The SGP is located in the north of Côte d'Ivoire along a structural/stratigraphic corridor within the Syama-Boundiali greenstone belt approximately 150km south-southeast of the Morila gold mine (7.0 Moz) in Mali and 65km west northwest of Randgold's Tongon deposit (4.3Moz) in Côte d'Ivoire.

Project development

In the December 2014 quarter, Lycopodium Minerals Pty Ltd ("Lycopodium"), an internationally recognised engineering and project management consultancy, was appointed to prepare a RFS for the development of the SGP. The RFS was intended to not only reflect the preferred processing flow sheet, but also update where necessary, all assumptions on mining, processing and various service functions associated with the project.

In April 2015, the RFS was completed and Perseus's Board conditionally approved the group's plans to advance the development of the SGP. During the year, material progress was made towards satisfying the pre-requisites and the development project is currently on schedule for commencement of early works in the September 2015 quarter and commencement of full scale development in the December 2015 quarter, subject to final Board approval and financing.

Project implementation

During the year and subsequent to its end, material progress was made on planning the implementation of the SGP and documenting the Project Execution Plan that will be used to guide activities during the development phase of the project. This began with negotiation of the purchase of a new, immediately available, SAG mill realising a capital saving, reducing the length of the development schedule, simplifying the flow sheet and improving the operability of the SGP processing circuit. Lycopodium were engaged to conduct a Front End Engineering and Design ("FEED"), this work encompasses finalising details of plant layout, flowsheets, equipment lists etc. Following the successful completion of FEED, and subject to agreeing satisfactory commercial terms, either an Engineering/Procurement or an Engineering/Procurement/Construct contract will then be awarded to a suitability qualified engineering firm.

A package of early works was approved and commenced in September 2015. This work includes, amongst other things, engineering associated with critical path items, construction of site access roads, initial earthworks, site clearing and fencing, design and procurement of elements of the mine camp and certain items of mobile equipment.

Permitting and Fiscal Arrangements

The exploitation permit for the SGP was issued to a subsidiary of Perseus, Occidental Gold SARL ("OG"), in August 2012. In July 2013 the permit was transferred to a newly incorporated subsidiary, Perseus Mining Côte d'Ivoire SA ("PMCI"), and in June 2015 the assets and liabilities of the SGP were transferred to PMCI. This transfer will be followed by the transfer to the Ivorian government of a 10% shareholding in PMCI. While the SGP has been on hold, a new Mining Code came into effect in March 2014 which provided a framework for obtaining fiscal stability for mining projects and the Government granted an extension of time of two years until March 2016 to develop the SGP. During the year, the terms of a Mining Convention covering the SGP were negotiated with the Ivorian Government's negotiating team and in July 2015 the Convention was signed.

SGP Mineral Resource Estimate

In October 2014, independent mining industry consultant, Snowden Mining Industry Consultants (“Snowden”) was commissioned by Perseus to estimate Mineral Resources at the SGP deposit. The Mineral Resource estimate was prepared in accordance with the JORC Code 2012 Edition. The Mineral Resource estimate is summarised in the following table that reports the Resources by category and area, above a 0.6 g/t gold cut-off grade. The classification categories of Inferred, Indicated and Measured under the JORC Code are equivalent to the CIM categories of the same name (CIM, 2014).

The updated global Measured and Indicated Mineral Resource for the SGP is now estimated as 16.0Mt grading 1.7g/t gold, containing 880k ounces of gold. A further 1.1Mt of material grading 1.7g/t gold, containing a further 63k ounces of gold are classified as Inferred Mineral Resources. Details of these estimates are shown below in tables 5 and 6.

Table 5: M&I Mineral Resources – SGP^{1,2,3,4}

| Ore type | Measured Resources | | | Indicated Resources | | | Measured + Indicated Resources | | |
|--------------|--------------------|-------------------|----------------|---------------------|-------------------|----------------|--------------------------------|-------------------|----------------|
| | Quantity Mt | Grade g/t gold | Gold Ounces | Quantity Mt | Grade g/t gold | Gold Ounces | Quantity Mt | Grade g/t gold | Gold Ounces |
| Oxide | 1.0 | 1.8 | 59,000 | 3.1 | 1.3 | 130,000 | 4.1 | 1.4 | 190,000 |
| Transition | 0.6 | 2.3 | 49,000 | 0.8 | 1.5 | 38,000 | 1.4 | 1.9 | 87,000 |
| Primary | 3.2 | 2.5 | 260,000 | 7.1 | 1.5 | 350,000 | 10.0 | 1.8 | 600,000 |
| Total | 4.8 | 2.4 | 370,000 | 11.0 | 1.4 | 510,000 | 16.0 | 1.7 | 880,000 |

Notes:

1. Based on October 2014 Mineral Resource estimation.
2. 0.6g/t gold cut-off applied.
3. Mineral Resource current as at June 30, 2015.
4. Numbers contain some rounding.

Table 6: Inferred Mineral Resources – SGP^{1,2,3,4}

| Ore type | Inferred Resources | | |
|--------------|--------------------|-------------------|----------------|
| | Quantity Mt | Grade g/t gold | Gold Ounces |
| Oxide | 0.3 | 1.2 | 12,000 |
| Transition | 0.1 | 1.2 | 2,100 |
| Primary | 0.8 | 2.0 | 49,000 |
| Total | 1.1 | 1.7 | 63,000 |

Notes:

1. Based on October 2014 Mineral Resource estimation.
2. 0.6g/t gold cut-off applied.
3. Mineral Resources current as at June 30, 2015.
4. Numbers contain some rounding.

SGP Mineral Reserve Estimate

RPM was commissioned by Perseus to complete a mining study and a subsequent independent estimate of the open cut Ore Reserves for the SGP. The Ore Reserve Statement estimates the Ore Reserves as at February 1, 2015 and has been undertaken in compliance with the requirements of the reporting guidelines of the JORC Code 2012 Edition. A total of 5.5 Mt of open cut Ore Reserves grading 2.4g/t gold were estimated for the SGP as at February 1, 2015, classified as follows in table 7:

Table 7: Mineral Reserves – SGP^{1,2,3,4}

| Ore type | Proved Reserves | | | Probable Reserves | | | Proved & Probable Reserves | | |
|------------------|-----------------|-------------------|-----------------|-------------------|-------------------|-----------------|----------------------------|-------------------|-----------------|
| | Quantity Mt | Grade g/t gold | Gold '000 oz | Quantity Mt | Grade g/t gold | Gold '000 oz | Quantity Mt | Grade g/t gold | Gold '000 oz |
| Oxide/Transition | 1.4 | 2.2 | 97 | 1.4 | 1.4 | 61 | 2.8 | 1.8 | 159 |
| Primary | 2.0 | 3.3 | 215 | 0.7 | 2.3 | 54 | 2.7 | 3.1 | 270 |
| Total | 3.4 | 2.8 | 312 | 2.1 | 1.7 | 115 | 5.5 | 2.4 | 429 |

Notes:

1. Based on February 2015 Mineral Reserve estimation.
2. Variable gold grade cut-off based on recovery of each material type: Oxide 0.6 g/t, Transition 0.8 g/t, Granite – Porphyry 0.8 g/t and Sediment 1.0 g/t.
3. Mineral Reserve current as at June 30, 2015.
4. Numbers contain some rounding.

Grumesa Gold Project

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

Burkina Faso

Perseus has a farm-in agreement with West African Gold Limited (“WAG”), an Australian unlisted junior explorer, in respect of four exploration permits (Koutakou, Barga, Touya and Tangayé) in the North of Burkina Faso. Under the terms of the agreement Perseus must spend a minimum of US\$250,000 during the first year on exploration. Perseus may earn a 50% interest in the permits by spending US\$2M and up to an 80% interest by spending an additional US\$2M within 5 years. A short soil sampling program was conducted on the licences during the first half of the period, with an air-core drilling program to follow up on a large, low tenor gold in soil anomaly on the Koutakou licence. Minimum expenditure has been achieved.

Project Loan

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

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

During the second half of 2012 Perseus successfully renegotiated the terms of the Credit Agreement by changing it to a revolving line of credit with a limit of US\$100 million. During the 2014 Financial Year, and as part of the Company's cost reduction program, Perseus reduced the available commitment limit under the Credit Agreement to nil, eliminating the 1.75% per annum undrawn line fee and the political risk insurance relating to the debt. The security package associated with the Facilities remains in place and may be used for future financing purposes.

Personnel changes at EGM

Following the resignation of the Company's Chief Operating Officer and acting Executive General Manager, Mr. Jon Yelland, Mr. John Seaward was appointed to the role of Executive General Manager at the EGM in July 2014 on an interim basis. In December 2014, Mr. Brent Horochuk was appointed in the role. Mr Horochuk is a Canadian citizen who resides full time in Ghana for the duration of his role at Edikan. He is a highly experienced professional manager and mining engineer who has been responsible for managing both open pit and underground mining operations for a number of major corporations around the world and in particular, in Africa. Most relevant to Edikan is his 12 years of experience with Ashanti Goldfields Company and AngloGold Ashanti Limited, where he held senior and general management positions at the Obuasi, Iduapriem and Bibiani Mines in Ghana, Siguri Mine in Guinea, Geita Mine in Tanzania and Freda Rebecca Mine in Zimbabwe.

Performance Rights and options

At the Company's Annual General Meeting held in November 2014 approval of the Performance Rights Plan ("PRP") was renewed. As at the date of this AIF, 9,162,500 performance rights are outstanding under the PRP as follows:

| Grant date | Performance period | Outstanding as at the date of this AIF |
|------------|-------------------------|--|
| 01/01/2014 | 01/01/2014 - 31/12/2016 | 2,125,000 |
| 04/06/2014 | 01/01/2014 - 31/12/2016 | 562,500 |
| 01/01/2015 | 01/01/2015 - 30/06/2016 | 750,000 |
| 01/01/2015 | 01/01/2015 - 31/12/2017 | 750,000 |
| 12/08/2015 | 01/07/2015 - 30/06/2017 | 4,975,000 |

The performance rights do not entitle the holder to participate in any share issue of Perseus or any other body corporate.

During the 2015 Financial Year no shares were issued by Perseus as a result of the exercise of performance rights. In July 2015 2,687,500 shares were issued to staff due to vesting conditions of certain performance rights having been met. In August 2015, 4,975,000 performance rights were issued to staff. In September 2015, 1,502,418 performance rights lapsed because vesting conditions were not met.

At the Company's Annual General Meeting held in November 2013 shareholder approval to issue shares under the Company's Employee Option Plan was renewed. No options were exercised or issued during the 2015 Financial Year and since the end of the 2015 Financial Year, and no options are outstanding as at the date of this AIF.

Specialized Skill and Knowledge

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

Business Cycle

The Company is an exploration, development and mining corporation, currently focused on gold. As a result, gold prices can have a direct impact on the Company's business. Declining prices can, for example, impact operations by requiring a

re-assessment of the feasibility of a particular project. See *“Risk Factors — Price of Gold”* and *“Risk Factors — Currency Fluctuations”*.

Environmental Protection

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

Perseus has estimated the total reclamation costs for the EGM (including reclamation in respect of activities by previous operators) at US\$13 million. As at June 30, 2015, the Company had US\$9.4 million of this estimated US\$13 million held in bank deposits, subject to a lien, as collateral for a bank guarantee issued to the Ghana EPA in relation to environmental rehabilitation provisions concerning the operation of the EGM. At the request of the Ghana EPA, Perseus has prepared and submitted a complete reclamation plan. This reclamation plan has not resulted in an increase in the estimated reclamation cost but there can be no assurance that the actual reclamation cost will not exceed US\$13 million. See *“Risk Factors — Environmental Risks and Hazards”*.

The total reclamation costs for the SGP are estimated at about US\$3.5 million. This amount will be secured partly by making deposits in an escrow account and partly by way of bank guarantees proportionally over a period of 4 years from commencement of commercial production.

Environmental Policies

The Company seeks to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, policies, regulations and plans and conducts extensive on-going operations, to keep any environmental impacts to a minimum and to rectify or rehabilitate those that necessarily occur as part of the mining and exploration activity of the Company. See *“Risk Factors — Environmental Risks and Hazards”*.

Employees

As at June 30, 2015, the Company had 14 full-time employees at its office in Perth, 380 in Ghana and 70 in Côte d’Ivoire.

Foreign Operations

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

Competitive Conditions

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

RISK FACTORS

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

Price of Gold

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

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

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

Production, Cost and Life-Of-Mine Estimates

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

Third Party Funding May be Required

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

Risks Related to the Potential Development of the SGP

Should the Company decide to develop the SGP, its ability to do so is subject to many risks and uncertainties. These include obtaining and maintaining various permits and approvals from governmental authorities, securing required

surface and other land rights, finding or generating suitable sources of power and water, potential resistance from stakeholders and other interested parties, political and social risk, confirming the availability and suitability of appropriate local area infrastructure.

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

Operating Cost Increases at the EGM

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

Sustaining and Increasing Production Levels

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

Operational Risks

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

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

Political Stability and Security Concerns in West Africa

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

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

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

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

Global Economic Conditions

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

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

Failure to Comply with Restrictions and Covenants in Credit Agreement

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

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

The Effectiveness of Perseus's Hedging Policies

As at June 30, 2015, the Company's gold price hedging position included 33,000ozs of gold deliverable in quarterly instalments up to and including December 31, 2015 at a weighted average price of US\$1,600/oz. In addition, as at June 30, 2015, the Company held forward metal contracts for 30,000ozs of gold on a spot deferred basis with a weighted average price of US\$1,247/oz. As at the date of this AIF, the outstanding contracts totalled 147,000 ounces of gold at a weighted average price of US\$1,241/oz.

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

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

Currency Fluctuations

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

Labour and Employment Matters

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

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

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

Effect of Inflation on Results of Operations

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

Environmental Risks and Hazards

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

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

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could also have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or require abandonment or delays in the development of new mining properties.

Further, the Company's balance sheet as at June 30, 2015, contains a provision of AU\$10.3 million for rehabilitation work relating to the EGM, representing the Company's estimate of the reclamation obligation arising at that reporting date. The total estimated reclamation obligation for EGM is US\$13 million and a formal rehabilitation plan was submitted to the EPA to address reclamation due to historical activities by previous owners and planned activities by Perseus. There can be no assurance the actual cost of completing the reclamation will not be significantly higher than the present estimate of US\$13 million.

Permitting and Licencing

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

Exploration Risks

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

Governmental Regulation of the Mining Industry

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

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

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or a more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

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

Uncertainty in the Estimation of Mineral Resources and Mineral Reserves

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

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

Land Title

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper

title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. Land use for mineral exploitation activities is also subject to reaching satisfactory agreement with local communities on various matters such as crop compensation, housing relocation, assistance with community welfare and social development activities and employment of members of the local communities. There can be no assurances that the Company's title interests will not be challenged or impugned by third parties.

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

Insurance and Uninsured Risks

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

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. In addition, insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

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

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

Dependence on Key Management Personnel and Executives

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

Litigation

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

Repatriation of Earnings

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

Dilution

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

Stock Exchange Prices

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

GHANA

Location, Population and Economy

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

Ghana has a total area of approximately 239,000 km². Its capital city is Accra, and other major centres include Kumasi, Tema, Tamale and Sekondi-Takoradi. Its population is estimated at 27 million people.

Mineral Rights and Mining in Ghana

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

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

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

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

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

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

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

Prospecting licences may be converted into mining leases upon application. The area covered by a mining lease shall not be less than 21 hectares representing one block and not more than 300 contiguous blocks.

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

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

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

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

Government Free Carried Interest

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

Royalty Requirements

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

Environmental Regulations

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

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

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

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

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

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

CÔTE D'IVOIRE

Location, Population and Economy

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

Côte d'Ivoire has a total area of approximately 322,462 km². The capital city is Yamoussoukro, however the city of Abidjan is the commercial and administrative centre. The population of Côte d'Ivoire is estimated to be approximately 22 million people.

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

Mineral Rights and Mining in Côte d'Ivoire

The right to explore for minerals and develop a mine are regulated by the Law no. 2014-553 of March 24, 2014 ("**Mining Code**"). The Mining Code is administered by the Minister of Mining ("**Minister of Mining**"). Perseus permits granted at the time the Mining Code came into effect are governed by the old Mining Code (Law no. 95-553 of July 18, 1995) ("**Old Mining Code**"), any applications are subject to the Mining Code. Permit holders have the option to have the Mining Code apply to permits granted under the Old Mining Code. The Company has opted for the Mining Code to apply to its Sissingué exploitation permit.

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

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

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

The regime described below is the regime under the new Mining Code. Where appropriate a comparison with the Old Mining Code is given.

Prospecting Authorization

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

Exploration Permit

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

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

The holder of an exploration permit must begin exploration activities within six months (Old Mining Code: one year) from the effective date of the permit.

The term of an exploration permit must not exceed twelve years, consisting of four distinct terms, being an initial term of four years (Old Mining Code: three years), two successive three year terms (Old Mining Code: two years each), and an exceptional renewal of up to two years (Old Mining Code: three years). If the holder of the exploration permit satisfies its obligations and complies with the Mining Code during the initial term, renewals are automatically granted. Renewal may be refused if the holder of the exploration permit fails to satisfy its commitments relating to the general work program or the minimum financial expenditure. At each renewal of the exploration permit, 25% (Old Mining Code: 50%) of the area held must be relinquished.

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

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

Exploitation Permit

A holder of a mining permit has the exclusive right to extract minerals within the perimeter, surface and underground boundaries of a specified area. The Council of Ministers on the recommendation of the Minister of Mining issues decrees granting mining permits to holders of exploration permits who have furnished evidence of existence of a mineral deposit within the area of the exploration permit in the form a feasibility study which must include amongst others a socio-economic impact study, an environmental impact study and a community development plan.

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

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

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

Government Interest

The State of Côte d'Ivoire has a 10% free carried interest in any mining venture undertaken pursuant to an exploitation permit via a non-dilutable free carried interest in the permit holding company. The Mining Code fixes the State's additional and contributing shareholding at 15%.

Royalty Requirements

In addition to the taxes provided for in the General Tax Code, the holder of a mineral title is required to pay: (i) a non-refundable fixed duty, (ii) an annual land rent, and (iii) a royalty on gold as follows:

| Royalty | Gold price |
|----------------|-----------------------|
| 3% | Up to US\$1,000 |
| 3.5% | US\$1,000 – US\$1,300 |
| 4% | US\$1,300 – US\$1,600 |
| 5% | US\$1,600 – US\$2,000 |
| 6% | Over US\$2,000 |

The royalty is based on the gross revenue from minerals produced, after deduction of transportation and refining or smelting costs. Under the Old Mining Code, the royalty was a flat 3%.

Environmental Regulations and Community

The application for an exploitation permit must include a socio-economic impact study, an environmental impact study and a community development plan.

A holder of an exploitation permit must establish a reserve fund for the rehabilitation and restoration of the site upon completion of mining activities.

A holder of an exploitation permit is required to establish a community development plan and an investment plan. This is in addition to the constitution of a fund to which they are required to contribute an annual amount equal to 0.5% of gross revenue from minerals produced, after deduction of transportation and refining or smelting costs for the realisation of socioeconomic projects for the benefit of local communities.

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

DETAILS OF THE EDIKAN GOLD MINE

Unless otherwise stated, the information that follows relating to the EGM is derived from, and in some instances is an extract from, the latest technical report entitled "*Technical Report — Central Ashanti Gold Project, Ghana*" dated May 30, 2011 prepared by Aaron Green, Operations Manager, Runge Limited (the "**Central Ashanti Technical Report**") available under the Company's profile at www.sedar.com. Unless stated otherwise this information has not been updated.

Property Description, Location and Access

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



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

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

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

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

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

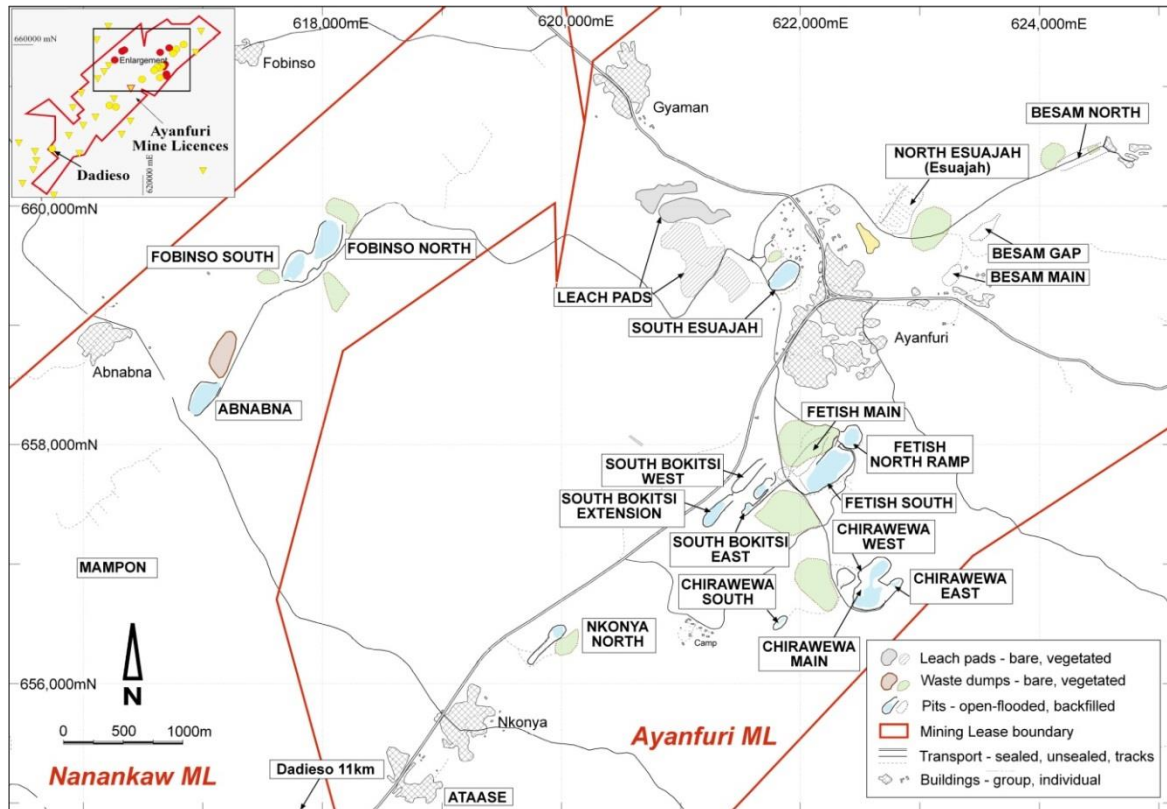
The Dadieso prospecting licence is registered in the name of PMGL. As at the date of the Central Ashanti Technical Report, the Dadieso prospecting licence was subject to an application for renewal. The licence was subsequently renewed twice, currently until March 11, 2016.

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

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

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

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



Gold production from the EGM is subject to the following royalties:

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

In addition to the foregoing (though not contained in the Central Ashanti Technical Report), the EGM is subject to a royalty on gold produced from the Edikan Mining Leases of 1% if the gold price is below US\$350/oz, 1.25% if the gold price is over

US\$350 but below US\$500/oz and 1.5% if the gold price exceeds US\$500/oz. By deed of assignment dated June 30, 2011 this royalty was assigned to Franco-Nevada Corporation.

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

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

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

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

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

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

History

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

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

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

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

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

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

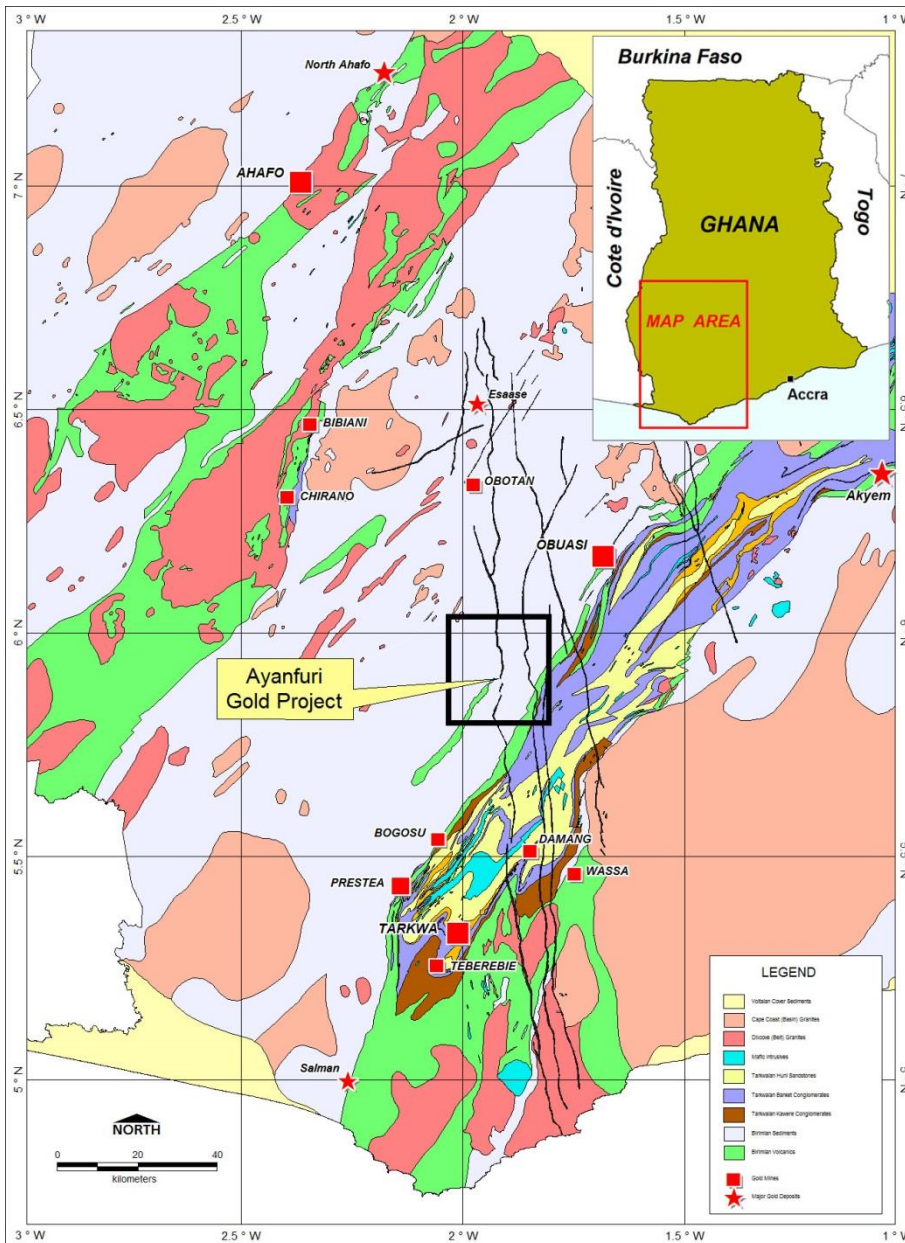
Notes:

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

Geological Setting, Mineralization and Deposit Types

Regional Geology

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



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

The EGM is underlain principally by Paleoproterozoic Birimian metasediments of the Kumasi-Afema basin positioned between the Ashanti and Sefwi greenstone belts. The flysch type metasediments consist of dacitic volcanoclastics, greywackes plus argillaceous (phyllitic) sediments, intensely folded and faulted and metamorphosed to upper greenschist facies. Minor cherty and manganiferous exhalative sediments are locally present, and graphitic schists coincide with the

principal shear (thrust) zones. Bedding and parallel to sub parallel cleavage follows the regional trend of the Akropong structure(s) striking 050° on average with steep to sub vertical dips to the south-east and north-west.

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

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

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

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

Exploration

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

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

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

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

Since the Central Ashanti Technical Report, Perseus drilled 183,947 metres in 2011, 127,745 metres in 2012, 30,081 meters in 2013, 4,866 in 2014 and 16,484 in 2015.

Drilling

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

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

RC drilling was completed either using an MPD1000, MPD1500, KWL-700, UDRKL900 or UDR650 drill rig drilling a 5¹/₄ inch diameter hole. Diamond core drilling was completed using a variety of core rigs including Longyear 38, Longyear LF70 and LF90, UDR650 (multipurpose) or UDRKL900 rigs plus Atlas Copco CS14 core rigs drilling PQ, HQ or NQ size holes.

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

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

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

Sampling, Analysis and Data Verification

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

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

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

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

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

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

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

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

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

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

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

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

- RC samples are combined in the field to two metre composite samples which are packed into large bags and the numbers are recorded;
- core is transported to the Ayanfuri exploration office either by Perseus staff or drill contractors;
- core samples are stored in the core logging area of a fenced compound where the sample intervals are rechecked, recoveries are noted and core is photographed;

- half core samples are placed in plastic bags, stapled shut and combined in numerical sequence in larger bags;
- a sample submission form accompanies each shipment of core sample to the assay laboratory in trucks operated by laboratory employees or contractors; and
- assays and analyses are sent electronically by the laboratory to a pre-determined list of recipients with final paper certificates sent to the office site.

Mineral Processing and Metallurgical Testing

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

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

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimate

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

| Deposit ² | Measured Mineral Resource | | Indicated Mineral Resource | | Measured and Indicated Mineral Resource | | | Inferred Mineral Resource | | |
|---|---------------------------|------------|----------------------------|------------|---|------------|------------------|---------------------------|------------|------------------|
| | Mt | Gold (g/t) | Mt | Gold (g/t) | Mt | Gold (g/t) | Au (Ounces) | Mt | Gold (g/t) | Au (Ounces) |
| Abnabna/AF Gap/Fobinso ³ | 42.9 | 1.2 | 23.3 | 0.9 | 66.2 | 1.1 | 2,324,000 | 4.6 | 1.2 | 173,000 |
| Esujah South ³ | 8.3 | 1.8 | 6.2 | 1.7 | 14.5 | 1.8 | 818,000 | 5.3 | 1.3 | 224,000 |
| Esujah North ⁴ | | | 20.2 | 0.9 | 20.2 | 0.9 | 579,000 | 9.3 | 0.7 | 213,000 |
| Fetish ⁴ | | | 17.4 | 1.1 | 17.4 | 1.1 | 597,000 | 8.0 | 1.4 | 360,000 |
| Chirawewa ⁴ | | | — | — | — | — | — | 12.5 | 0.8 | 341,000 |
| Mampong ⁴ | | | — | — | — | — | — | 6.9 | 0.9 | 208,000 |
| Dadieso ⁴ | | | — | — | — | — | — | 3.2 | 1.6 | 201,000 |
| Total¹..... | 51.2 | 1.3 | 67.1 | 1.0 | 118.4 | 1.2 | 4,318,000 | 49.8 | 1.0 | 1,720,000 |

Notes:

1. Estimates include mineral reserves.
2. Using cut-off grade of 0.4g/t gold.
3. Effective Date December 2010
4. Effective Date May 2009.

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

the material above -100mRL and 0.8g/t gold for material below -100mRL. Small pods at Esuajah South were estimated using Inverse Distance Squared grade interpolation due to the sparsity of data.

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

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

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

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

Mineral Reserve Estimate

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

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

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

Notes:

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

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

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

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

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

The estimated Mineral Reserve for Abnabna, AF Gap, Fobinso and Esuajah South was based on optimisation work that used the following criteria: (1) gold processing recovery of between 66% to 91% oxide to fresh rock; (ii) processing throughput of 5.5 Mtpa; and (iii) mining recovery of 100% and mining dilution of 3%.

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

Mining Operations

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

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

Geotechnical

The unweathered rock units at the EGM are generally competent, and relatively steep overall wall angles are recommended. The oxidised rock is less competent, and the recommendations for wall slopes in the less competent materials reflect this.

The slopes reflect current wall slopes at the EGM in the oxide materials and other similar wall conditions seen in Ghana in the primary rock.

Blasting

To be able to achieve production targets, the fresh rock is blasted due to the intact rock strength. To minimise the effect of the blasting on the slopes, control blasting must be used. Different techniques are used like pre-splitting, buffer rows, trimming or a combination of techniques.

Drainage for depressurisation of pit walls is recommended, especially in the weathered units when they are over 40m thick, since the stability depends on at least 30m depressurisation from the face into the slope.

Water Management

Surface water is managed through suitably designed stream diversion prior to mining. To control silt, the in-pit dewatering flows are settled and conditioned prior to discharge to the runoff system.

The TSF is constructed and lifted in the dry season. Process water is recycled to the process plant.

To lower and maintain groundwater levels, in-pit pumps have been sized appropriately.

Mining Philosophy and Mining Method

The mining operation is undertaken by experienced contractors with local experience and who are responsible for site preparation, haul-road construction and maintenance, grade control drilling, drill and blast, load and haul of ore to the ROM pad and waste material to form waste dumps. The technical services comprising of mine planning, production scheduling, grade control and ore blending is managed by Perseus.

The ore and waste is mined utilising hydraulic excavators in a backhoe configuration nominally on 2.5m flitches, dependent on swell. The material is loaded into off highway trucks for cartage to respective destinations.

The mining operation excavates and loads the ore and waste in accordance with marked ore and waste boundaries and ensures minimum contamination and maximum recovery of ore.

Production Schedule

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

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

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

Processing and Recovery Operations

Based on the metallurgical testwork conducted at the date of the Central Ashanti Technical Report, the preferred process flowsheet consists of the following unit process stages:

- Primary jaw crusher
- Single stage SAG mill (in closed circuit with Pebble Crusher)
- Gravity circuit
- Flotation circuit
- Regrind ball mill
- Concentrate CIL circuit
- Elution circuit

The overall mining models have been assessed and considered to be mineable without further addition of dilution or application of losses. The overall combined plant recovery is predicted to be 90.0%.

Infrastructure, Permitting and Compliance Activities

The village of Ayanfuri is connected to the national electricity grid. Water supply for the EGM was initially drawn from dewatering the flooded Abnabna and Fobinso pits and upon commencement of operations, the majority of the process water will be returned from the tailings storage facilities. This will be supplemented by the pumping of water from other flooded pits and from rainfall catchment. The Ayanfuri village also has land and mobile telephone coverage, internet

services and is centrally located to the principal mining and exploration contractors and suppliers in Ghana. Ghana has an excellent depth of personnel experienced at many levels in modern open pit and underground mining technology.

For information on environmental and permitting factors reference is made to the paragraph entitled “Property Description, Location and Access” above.

Capital and Operating Costs

Capital Cost Estimate

The capital cost estimate is based upon the actual costs incurred as at the date of the Central Ashanti Technical Report plus the forecast cost to complete. The table below summarises the capital cost estimate.

| COST AREA | TOTAL (US\$M) |
|---|---------------|
| DIRECT COSTS | |
| Process Plant And Equipment | 95.6 |
| Tailings Storage Facility | 12.6 |
| Project Infrastructure | 3.4 |
| HV Power Reticulation | 10.6 |
| TOTAL DIRECT COSTS | 122.2 |
| INDIRECT COSTS | |
| Spares + First Fills + Inventory | 7.3 |
| Owners Costs | |
| Project Management | 3.6 |
| Resettlement Housing | 1.2 |
| Community Relations incl. Compensation | 8.3 |
| Pre-Production environmental management | 2.9 |
| Pre-Production stripping and mining | 16.2 |
| Other Owner’s cost | 13.0 |
| TOTAL INDIRECT COSTS | 52.5 |
| TOTAL PROJECT COSTS | 174.7 |

A total of \$139.5M has been estimated for sustaining capital over the estimated 12 year mine life for plant upgrades to increase throughput to 8MTPA, FTSF upgrade, light vehicle replacements, housing relocation, land, structures and crop compensation, future cyanide detoxification facility and general allowances for mining, process and administration.

An overall, life of mine, summary of operating costs is tabled below.

| LIFE OF MINE OPERATING COSTS | LOM (US\$M) | \$/T (US\$) | \$/OZ (US\$) |
|------------------------------|----------------|--------------|--------------|
| Mining | 991.1 | 11.28 | 338 |
| Process and Maintenance | 493.4 | 5.62 | 168 |
| Administration | 120.1 | 1.37 | 41 |
| Sub-Total | 1,604.6 | 18.27 | 547 |
| Bullion and Refining | 9.7 | 0.11 | 3 |
| Royalties ¹ | 219.9 | 2.50 | 75 |
| Sub-Total | 229.6 | 2.61 | 78 |
| TOTAL | 1,834.2 | 20.88 | 625 |

Notes

¹ Royalties are calculated at US\$1,150 per recovered ounce and excludes the royalty payable to Waratah Limited (0.25%) as that royalty was not payable by PMGL at the date of the Central Ashanti Technical Report.

Economic analysis

The results of the analysis are presented in the table below.

| Gold price | \$US 1,000/oz | \$US1,150/oz | \$US1,300/oz |
|--------------------------------|------------------|------------------|------------------|
| Ore processed tonnes @ g/t Au | 87,852,000 @1.16 | 87,852,000 @1.16 | 87,852,000 @1.16 |
| Strip Ratio (t:t) | 2.9:1 | 2.9:1 | 2.9:1 |
| Capital Cost | US\$174.7 M | US\$174.7 M | US\$174.7 M |
| Mining Costs | US\$991.1 M | US\$991.1 M | US\$991.1 M |
| Process Recovery | 90% | 90% | 90% |
| Processing Costs | US\$493.4 M | US\$493.4 M | US\$493.4 M |
| Administration Costs | US\$120.1 M | US\$120.1 M | US\$120.1 M |
| Cash Operating Cost/oz Av.(C1) | US\$551 | US\$551 | US\$551 |
| EBITDA | US\$1,184.5 M | US\$1,558.9 M | US\$1,935.3 M |
| IRR | 40.27% | 53.28% | 66.08% |
| NPV 5% | US\$440.9M | US\$647.4 M | US\$855.3 M |
| NPV 10% | US\$300.2M | US\$457.7 M | US\$616.7 M |
| Payback period (months) | 26 | 21 | 17 |
| Tax paid | 213.7 | 307.3 | 401.4 |
| Royalties paid | 191.2 | 219.9 | 248.6 |

The results of the economic analysis presented in the above table are based on un-escalated, 100% equity funded, project cashflows before taking into account:

- Management company fees for security against other corporate assets (typically 2.5% to 5% of net revenue);
- Short term working capital movements;
- Sunk costs (at the date of the Central Ashanti Technical Report estimated at approximately US\$59.8M) as they affect taxes, royalties and returns to shareholders;

The following items have been included in the economic analysis:

- A state royalty of 5% of revenue and a royalty to AGA (now Franco Nevada) of 1.5% of revenue earned;
- Corporate taxes at a rate of 25% are payable on assessable income (which rate has increased to 35% for mining companies since the date of the Central Ashanti Technical Report);
- Eighty percent of capital costs deductible for tax in year one, thereafter 50% of uplifted reducing balance. Since the date of the Central Ashanti Technical Report, the capital allowance claim and the 80% simplified depreciation schedule was replaced with a depreciation schedule that allows 20% of the capital to be amortized over a five-year period;
- Gold price of US\$1,000 – 1,300/ounce (no credit has been allowed for silver);
- Refining and bullion transport costs at US\$3.30/oz of doré;
- Closure costs have been included in sustaining capital costs; and
- Rehabilitation costs have been included in the sustaining capital costs;

Exploration, Development and Production

In the Central Ashanti Technical Report the mine life is estimated at 11.2 years, with exploration potential in the mineral resources identified but not yet included in the Mineral Reserve estimate. Mine life estimates have been updated since the date of the Central Ashanti Technical Report. Reference is made to the 2015 LOMP discussed earlier in this AIF.

DETAILS OF THE SISSINGUÉ GOLD PROJECT

Unless otherwise stated, the information, tables and figures that follow relating to the SGP are derived from, and in some instances are extracts from, the most recent technical report entitled *“Technical Report — Sissingué Gold Project, Côte d’Ivoire”* dated May 29, 2015 by Chris Waller, Manager of Studies, Lycopodium Minerals, Paul Thompson, Group General Manager Technical Services, Perseus Mining, Steffen Brammer, Senior Resource Geologist, Perseus Mining, Joe McDiarmid, Principal Mining Engineer, RungePincockMinarco and Chris Lane, Principal Consultant, Worley parsons Consulting (the **“Sissingué Technical Report”**), available under the Company’s profile on www.sedar.com. Unless stated otherwise, this information has not been updated.

Property Description, Location and Access

The Sissingué Gold Project, formerly known as the Tengrela Gold Project, is located in northern Côte d'Ivoire, adjacent to the Mali border and approximately 620 km north of the commercial capital, Abidjan. The nearest town is Tengrela, located approximately 15 km to the west of the concession boundaries. Korhogo, the principal regional centre, is located 150 km to the southeast. The Project area is centred at National Grid reference 1,141,666N and 804,166E



Principal access is gained by sealed road through Korhogo and Boundiali to Bolona and thereafter by all-weather formed gravel road to Tengrela. From Mali, access to Tengrela is also possible by the Bougouni–Kolondieba–Kadiana secondary road. This road is currently poorly maintained and this route would be impractical during the wet season.

Initially, the SGP area consisted of the exploration permit, RP145 ('Tengrela East') covering an aggregate area of approximately 446 km². Exploration permits confer on holders, within boundaries, surface and depth, the exclusive right to explore for mineral substances as well as the free disposal of the products extracted during exploration. Tengrela East was registered to Perseus's Ivorian subsidiary Occidental Gold Sarl ('OGIC'). Tengrela East was last renewed on April 21, 2009 and expired on November 19, 2011. In replacement of the Tengrela East exploration permit, OGIC was granted exploitation permit PE 39 (the 'Exploitation Permit') for the development of the Sissingué gold deposit in August 2012. The Exploitation Permit was subsequently transferred to another Ivorian subsidiary company, Perseus Mining Côte d'Ivoire SA ('PMCI') in July 2013.

Under the conditions of the Exploitation Permit, PMCI had to commence production from the Permit by no later than August 8, 2014. By order dated March 17, 2014, the Ivorian Government has granted an extension to commence production until March 16, 2016.

As a result of the grant of the Exploitation Permit for the SGP, the Government of Côte d'Ivoire has a statutory 10% free carried interest in the SGP and Perseus's interest has reduced to 85%. This is reflected in the shareholding of PMCI as follows:

- Perseus (through OGPL): 85%
- The State of Côte d'Ivoire
(held by SOMICI and to be transferred to the State): 10%
- Perseus joint venture partner Société Minière De Côte d'Ivoire Sarl (SOMICI) : 5%

Occidental Gold Pty Ltd (OGPL) is an Australian registered company and a wholly owned subsidiary of Perseus Mining Limited.

The SGP is subject to the following royalties:

- US\$0.80 per ounce of gold produced from the area covered by Tengrela East;
- a royalty of 0.5% of the value of all minerals recovered from the areas covered by Tengrela East, less transportation, smelting, treatment and refining costs, payable by PMCI; and
- a royalty on total production from the SGP payable to the government of Côte d'Ivoire (reference is made to the royalty requirements described on page 28 of this AIF).

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

There are currently no known environmental liabilities or significant risks that could affect access, title or the right or ability to undertake project activities. An Environmental Permit was issued by the Ivorian National Environment Agency in February 2012. Other permits and approvals required for the project activities will be obtained prior to the commencement of the relevant works.

History

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

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

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

Exploration by RRL

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

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

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

Exploration by OGIC

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

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

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

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

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

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

Geological Setting, Mineralization and Deposit Types

Regional Geology

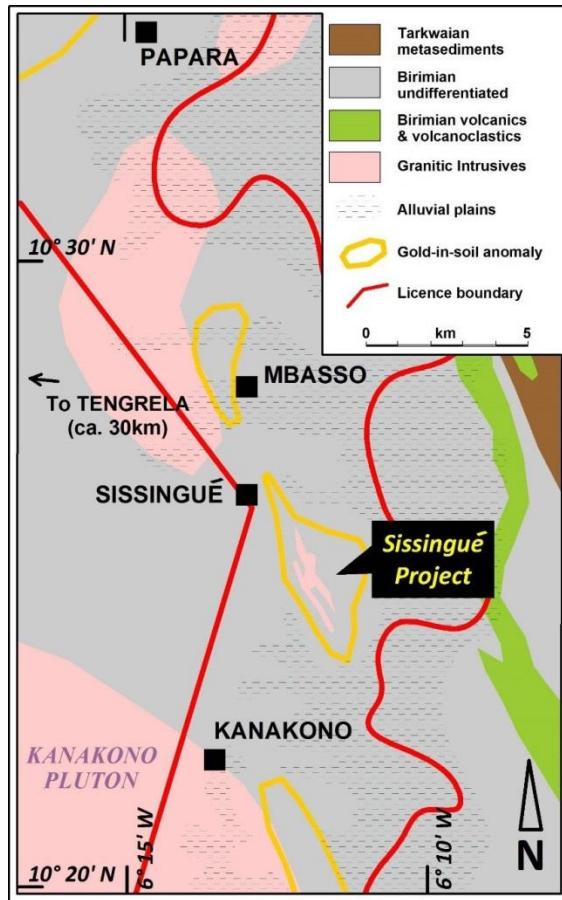
Most gold and base metal deposits in the Proterozoic Birimian Shield of West Africa occur in volcano-sedimentary greenstone belts. These belts generally consist of fine-grained sedimentary rocks and tholeiitic to calc-alkaline volcanic rocks. Regionally, the most prominent feature is a north-south striking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

Local Geology

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

Property Geology

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



Mineralization

Gold mineralisation at Sissingué is associated with the porphyritic dykes of tonalitic composition that cross cut the flysch sediments (turbidites). Subsequent metasomatism of the tonalite has led to:

- a sericite-carbonate alteration within the intrusives and the more permeable horizons (sandstones and conglomerates) of the turbidites
- low to moderate grade disseminated gold mineralisation.

Gold mineralisation is found as three distinct styles as summarised below:

- Disseminated or fracture related mineralisation in the felsic intrusive closely associated sericite-carbonate alteration, silification and a pyrite and arsenopyrite mineralisation. The average gold tenor of this type of mineralisation is usually relatively high (2 g/t Au to 5 g/t Au).
- Significant low grade gold mineralisation (commonly below 2 g/t Au) is encountered within sediments immediately adjacent to the intrusive bodies within their respective alteration halos. The gold tenor are perceived to be closely correlated to alteration intensity and hence with primary porosity of the rocks. Sandstones and conglomerate are usually better mineralised than fine grain mud- and siltstones.
- High grade mineralisation (with grades exceeding 1,000 g/t Au) is associated with quartz-veins which are encountered in the upper portion of the intrusive bodies and in the altered and brittle portion of sediments directly above. Visible gold is common.

It appears that weathering has an effect on the gold distribution. Boundary plots and sample histograms for the various weathering domains suggest that gold has been depleted in weathered (oxidised) material. Descending waters resulted in gold enrichment in the transition zone as well as in nugget growth where existing nuggets have been freed from country rock during weathering processes.

Deposit types

In the central part of the Sissingué prospect ('Sissingué Main'), the major host rock is a medium to coarse grained, veined, altered and sulphidised granite. Chemically identical to the porphyritic dykes, it is formed by several of these dykes that have been attenuated by a structural feature, possibly a fold plane, to flow into each other and to form a pear-shaped, approximately 50m thick body.

Alteration is most intense and gold grades, on average, are highest in the roof of this intrusive body and in the coarse grained sediments above. Emplacement of the dykes is believed to have occurred in several stages or over an extended period as several dykes cross cut the granitic body, some with fuzzy contacts (interpreted as emplaced during cooling period of the granitic body), others with sharp contacts (emplaced after cooling of granite). Gold mineralisation is relatively homogeneous in the upper portion the granite. At depth, with decreasing intensity of alteration, the tenor of the mineralisation decreases.

Elsewhere, mineralisation is interpreted to be associated with isolated dykes and altered sediments in their respective vicinities. This distribution leads to a bi-directional ore body: Granite and associated altered sediments in north-north-eastern extent and with sub-vertical or steep westerly dips, and north-west striking dykes with associated altered sediments, obliquely cross cutting and steep to moderate easterly dips. The most significant zone of gold mineralisation is the Main Zone with its granitic bodies, various dykes and a pervasive alteration halo due to the larger mass of the intrusives.

Exploration

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

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

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

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

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

Between March and May 2008, an airborne VTEM/Magnetics survey was flown by Geotech Airborne Ltd, in a joint venture with Resolute Mining Ltd and Etruscan Resources Inc, both operating on the other side of the Bagoé river in Mali.

In 2008, Ivorian-based Sagax Afrique was contracted for a ground IP survey over the Sissingue deposit, including processing and imaging of the data. Coffey Mining Pty Ltd in Notting Hill, Australia, was contracted to carry out a structural study during a site visit that resulted in the current geological model of the Sissingué ore body. Resource definition drilling at Sissingué was completed in mid-2012.

Since 2010, the focus of exploration has gradually shifted towards other prospects close to Sissingue (e.g. Papara, Kanakono, and Mbasso) in an effort to add resources to a potential mine.

In 2012, Paolo Constantini was contacted to reprocess the existing ground IP data and to reinterpret the available geophysical data set for regional target identification.

A summary of the exploration completed is set out below.

| Period | Surveys | Geochemical Samples # | Pitting # | Auger # | Drilling | | | |
|-------------|---|--------------------------|--------------|------------|---------------|--------|---------|--------|
| | | | | | RAB / AirCore | | RC / DD | |
| | | | | | # | [m] | # | [m] |
| 1998 - 1999 | Airborne Magnetics, Radiomagnetics, VLF | 12,254 | 370 | | | | | |
| 2001 - 2002 | | 5,737 | 119 | | 1 | 22 | | |
| 2002 - 2004 | No exploration activities due to civil unrest | | | | | | | |
| 2005 | | | 55 | | 104 | 4,608 | 0 | 0 |
| 2006 | | | | | 346 | 14,271 | 0 | 0 |
| 2007 | | | | | 388 | 13,932 | 138 | 11,236 |
| 2008 | VTEM, IP | | | | 450 | 14,869 | 332 | 37,888 |
| 2009 | | 2,954 | | | 738 | 28,629 | 549 | 43,908 |
| 2010 | | 1,868 | | | 573 | 26,444 | 687 | 66,394 |
| 2011 | | 560 | | | 737 | 35,068 | 206 | 22,028 |
| 2012 | | | | | 697 | 35,333 | 460 | 51,240 |
| 2013 | | | | | 0 | 0 | 0 | 0 |
| 2014 | | | | 252 | 136 | 5,592 | 0 | 0 |

Drilling

Drilling at Sissingué and in other adjacent areas is presented in the table below.

| Year | Drilling | | | | | | | |
|------|---------------|--------|---------|--------|---------------|--------|---------|--------|
| | Sissingué | | | | Other | | | |
| | RAB / AirCore | | RC / DD | | RAB / AirCore | | RC / DD | |
| | # | [m] | # | [m] | # | [m] | # | [m] |
| 2005 | 104 | 4,608 | 0 | | | | | |
| 2006 | 271 | 11,346 | 0 | | 75 | 2,925 | | |
| 2007 | 114 | 4,887 | 138 | 11,236 | 274 | 9,045 | | |
| 2008 | 0 | | 332 | 37,888 | 450 | 14,869 | | |
| 2009 | 539* | 21,531 | 549 | 43,908 | 199 | 7,098 | | |
| 2010 | 261* | 14,219 | 507 | 50,347 | 312 | 12,225 | 180 | 16,047 |
| 2011 | 470 | 25,434 | 169 | 18,757 | 267 | 9,634 | 37 | 3,271 |
| 2012 | 227 | 14,035 | 327 | 39,415 | 470 | 21,298 | 133 | 11,825 |
| 2013 | 0 | | 0 | | 0 | | 0 | |
| 2014 | 0 | | 0 | | 136 | 5,592 | 0 | |

* Including sterilisation drilling for mine planning

Since March 2007, a total of 1,685 RC holes totalling 131,027m have been drilled at Sissingué within an area of 5.7 km strike and 2.5 km width, of which 931 holes have been used for the Mineral Resource estimate. All RC holes were aligned either 90° east or 270° west with inclinations between -50° and -60°.

1,326 RC holes were completed by contract drilling company Foramin Limited (formerly Drillex Limited), using four different drill rigs as follows:

- Two GK850 multi-purpose rigs, mounted on tracks with auxiliary Sullair compressors.
- DB750 multi-purpose rig, mounted on tracks and equipped with an Elgi compressor and a separate Hydco V8 booster.
- DB900 track mounted RC rig with an Elgi compressor and a separate Hydco V8 booster.

The other 359 RC holes have been drilled by contract drilling company Boart Longyear using a CATMAX RC rig, equipped with a Sullair compressor.

RC drilling intersected sediments, granite and feldspar porphyry lithologies. The holes were sampled in their entirety. All RC samples were collected at the drill site at 1 m interval and split using a multi-stage riffle splitter. Each two consecutive samples were composited (where applicable) in one bag and given a pre-printed sample ticket.

Diamond (DD) drilling commenced at Sissingué in January 2008. A total of 319 diamond drillholes for 68,148.35 m have been completed over the Sissingué prospect and an additional 18 RC holes that have been continued with diamond tails

(for 898 m). All but one diamond drillhole were drilled either 90° east or 270° west with inclination between -50° and -60°. Drillhole SD80 was drilled at -50° towards 0° north.

260 diamond holes, and all 18 combined RC and diamond holes, have been completed by Foramin Limited with a track mounted YDXL / Coretec core rig, and the two multi-purpose rigs (see above). The other 59 diamond holes have been drilled by Boart Longyear with a platform-mounted Boart Longyear LY44 core rig. Drilling was typically completed at HQ size in weathered material and NQ size in fresh rock. All core was orientated by the 'AceTool' orientation tool. The first 43 holes drilled by Boart Longyear were orientated using a spear.

The collar locations of 1,225 of the RC and diamond core drill holes within the Mineral Resource area have been surveyed. Only four RC drill hole collars from drill holes used for the Mineral Resource estimate have not been surveyed, but estimated to be within 2 m to 3 m accuracy of the position established by handheld GPS.

All RC and diamond holes until September 2009 were surveyed using differential GPS, by a certified contract surveyor (SEMS Exploration Services Ltd, Ghana). Drillholes between September 2009 and October 2010 were surveyed by CBM Surveys Ltd of Ghana. All subsequent drillholes were surveyed by the Company's surveyor.

All diamond core holes were downhole surveyed nominally every 30 m with a 'Flexit SmartTool' digital downhole survey instrument. Most RC holes have not been surveyed downhole. Measurements of inclination have been taken at collar with a goniometer, azimuths taken with a precision compass.

Sampling, Analysis and Data Verification

RC Drilling was carried out on west-east aligned lines at nominal 80 m by 80 m spacing followed by 40 m by 40 m and 20 m by 20 m infill. A 120 m long zone between 1,154,460 mN and 1,154,580 mN has been drilled on a 10 m by 10 m grid (59 holes).

The natural water table varies by season, but is typically at around 30 m to 40 m vertical in depth. With the use of a booster compressor during drilling, samples generally stay dry until approximately 80 m depth. Wet samples were taken from the drill bag at the cyclone using a spear. Approximately 4% of all RC drill samples have been reported to be wet. There is no evidence of downhole smearing, depletion or enrichment during wet RC drilling.

RC sampling was generally conducted for the full length of the drillholes at regular 1 m intervals with 2 m composites submitted for analysis, with exception of the 58 RC holes drilled on the 10 m by 10 m grid where 1 m samples were submitted for analysis. Compositing of two consecutive samples was done using a scale to ensure equal representation of the individual samples. Nominally, composite samples consist of two 2.5 kg samples collected from the RC drilling are considered to be representative of the mineralisation.

Diamond core sampling was conducted for the full length of the drillholes in regular intervals. No attempt was made to selectively sample portion of the holes or according to lithology.

Samples from RC drilling are collected and bagged at drill site during the drilling operation. Core samples are cut in a central facility in Tengrela and samples placed into sample bags as they are cut.

All samples are then catalogued and placed in large woven bags and sealed prior to dispatch to ALS, Intertek or BVML for preparation and analysis. Dispatch from site to Korhogo (Intertek) is by Perseus staff and vehicles. Samples dispatched to ALS and BVML are collected from Tengrela by staff and vehicles of the respective laboratories.

Sample numbering is limited to non-descriptive number. All aspects of the process are supervised by Perseus personnel and limited opportunity exists for tampering with samples.

Three analytical laboratories have been used to assay samples from the Sissingué project:

- ALS Chemex Laboratories (ALS), in Bamako, Mali with head office in Vancouver, Canada. This laboratory was formerly operated by Abilabs Ltd (Abilabs) until taken over by ALS Global in March 2007.
- Intertek Minerals Ltd (Intertek) in Tarkwa, Ghana under the umbrella of Intertek Minerals / Genalysis Laboratory Services Pty Ltd with head office in Maddington, Australia. This facility was until August 2010 operated by Transworld Laboratories Ltd (TWL).
- Bureau Veritas Minerals Laboratory (BVML) in Abidjan, Côte d'Ivoire with head office in Paris, France.

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

Initially, every 25th RC sample was duplicated and a blank inserted at a ratio of 1 in 25. Since April 2007, certified standard material was submitted in a rate of 1 in 50 samples and then at a rate of 1 in 20 since early 2008 for both RC and diamond core samples. Certified material was supplied by Gannet and Rocklabs until November 2008 and Geostats Pty Ltd (Geostats) since November 2008. QC samples were inserted by Perseus employees prior to sample dispatch.

In early 2012, Perseus standardized its QAQC protocols for drilling and sampling across its various projects by implementation of formal, company-wide standard operating procedures (SOPs).

Certified reference material (CRM) sourced from Gannet and Rocklabs (until November 2008) and Geostats (since November 2008) has been used to test the accuracy of the sample analysis for both RC and diamond core samples. Since beginning of 2011, 29 different CRM have been used covering a grade range between 0.154 g/t Au and 7.24 g/t Au.

Since early 2011, QAQC data has been reviewed for each of the assay batches upon return from the laboratory. QAQC samples which fall outside specified tolerance ranges are flagged and investigated.

Results of CRM assays were plotted over time for each sample batch and over grade range for each laboratory. An analysis of performance of CRMs by type and grade range shows that all three laboratories operate satisfactorily. 1% of all standards submitted since 2011 reported values three standard deviations below or above the expected value, in all three laboratories. This is considered to be acceptable and in line with industry standards.

ALS Internal Quality Control

The following procedure was forwarded by ALS for the quality assurance and quality control (QAQC) protocols:

- Preparation:
 - samples are crushed to >70% passing 2 mm and pulverised to better than 85% passing 75 um
 - screen tests are done on 5% of all samples to ensure that this is achieved
 - a duplicate prep sample is taken after every 50th sample, prepared and subject to analyses.

- Analytical:
 - work in batches of 24, consisting of 20 client samples, a CRM, a blank and two repeat samples
 - participate in round robins tests organised from ALS Vancouver on a monthly basis
 - participate in independent round robin analyses from Geostats, Australia on a six monthly basis
 - participate in six monthly tests from Rocklabs New Zealand in proficiency testing.

Intertek Internal Quality Control

Intertek has several control procedures to monitor precision and accuracy of results. These are as follows:

- Internal standards (1 in 20).
- Internal duplicates (1 in 20).
- Internal repeats (1 in 20).
- Reagent and sample blanks (1 in 20).
- Inter-laboratory cross checks.
- Sizing tests on pulverised material.
- Blank tests on jaw crusher, roll mills and pulverising mills.
- Fire assay copper maps and loss-lead maps.
- Repeat assays on unusual outliers (upon visual check of results).

BVML Internal Quality Control

The following procedure was forwarded by BVML for the QAQC protocols:

- Internal standards (2 in 25 – one blank, one CRM).
- Internal duplicates (3 in 50).
- Sizing test on jaw crusher (2% for 90% passing 2 mm).
- Sizing tests on pulverised material (5% of sample passing 85% 75 um).

Perseus carried out detailed validation of the dataset and retains overall responsibility for the database quality. All drillhole data was validated during data entry by Perseus including the following:

- Checks for duplicate collars (LogChief, Datashed).
- Checks for missing samples (Datashed).
- Checks for downhole from-to interval consistency (LogChief, Datashed).
- Checks for overlapping samples (LogChief, Datashed).
- Checks for samples beyond hole depth (LogChief, Datashed).
- Checks for inexistent or misspelt log items (LogChief).
- Check for missing assays (Datashed).
- Check for downhole information beyond hole depth (Datashed).

Snowden carried out a basic statistical and visual validation prior to estimation including the following:

- Drillholes with overlapping sample intervals.
- Sample intervals with no assay data.
- Duplicate records.
- Assay grade ranges.
- Collar coordinate ranges.
- Valid hole orientation data.

No issues were found with the data and the data were considered to be appropriate for estimation.

Mineral Processing and Metallurgical Testing

Between 2010 and 2012 a series of three metallurgical testwork programmes have been completed to support the feasibility study of the SGP. Conclusions from the test work programs on the Sissingué samples are as follows:

- Sissingué samples are predominantly 'free-milling', non-'preg-robbing' and are amenable to gold extraction by conventional cyanidation. Some of the samples tested, exhibited a refractory nature, however it is noted that only two of these are located inside the planned pit shell.
- The oxide samples typically yield high recoveries (90% to 98%) at a grind size P80 of 106 µm. Leach kinetics are variable with approximately 40% of the samples tested completing leaching with 24 hours, while the remainder exhibit a slow leaching component to 48 hours.

- The granite hosted sulphide samples typically; have high recoveries (87% to 94%) and exhibit a slow leaching component with leach time of 48 hours being required.
- The porphyry hosted sulphide samples responded similarly to granite samples.
- The sediment hosted sulphide samples had variable recoveries ranging from 39.9% to 95.6%. A slow leaching component is present and a leach time of 48 hours is required.
- The oxide and sulphide samples have dissimilar physical and comminution characteristics. The oxide material is soft and non-abrasive, while the sulphide materials are abrasive, hard and competent to very competent. Oxide material will be processed by a two stage crushing circuit, with a third stage of crushing added for processing of the sulphide material.
- Gravity test-work showed variable recovery to (0.7% to 87.4%) of gold by centrifugal gravity concentration and intensive cyanidation of gravity concentrate. A gravity circuit has been included in the flowsheet as visible gold is present in drill core.
- Pre-oxidation is found to be beneficial in leach kinetics and overall recovery, predominantly for sulphide samples.

Mineral Resource and Mineral Reserve Estimates

Mineral Resources

The Mineral Resource estimate for the Sissingué gold deposit as at October 2014 2010 is set out below.

| Category | Area | Tonnage (kt) | Grade (g/t Au) | Contained Gold (oz) |
|-----------------------------------|--------------|---------------|----------------|---------------------|
| Measured | Oxide | 1,000 | 1.8 | 59,000 |
| | Transitional | 650 | 2.3 | 49,000 |
| | Fresh | 3,200 | 2.5 | 260,000 |
| Total Measured | | 4,800 | 2.4 | 370,000 |
| Indicated | Oxide | 3,100 | 1.3 | 130,000 |
| | Transitional | 800 | 1.5 | 38,000 |
| | Fresh | 7,100 | 1.5 | 350,000 |
| Total Indicated | | 11,000 | 1.4 | 510,000 |
| Measured + Indicated | Oxide | 4,100 | 1.4 | 190,000 |
| | Transitional | 1,400 | 1.9 | 87,000 |
| | Fresh | 10,000 | 1.8 | 600,000 |
| Total Measured + Indicated | | 16,000 | 1.7 | 880,000 |
| Inferred | Oxide | 310 | 1.2 | 12,000 |
| | Transitional | 54 | 1.2 | 2,100 |
| | Fresh | 760 | 2.0 | 49,000 |
| Total Inferred | | 1,100 | 1.7 | 63,000 |

Notes: Mineral Resources are inclusive of Mineral Reserves. Mineral Resources are reported to two significant figures. Rounding may cause minor discrepancies in the table. Oxide includes small portions of laterite (571 kt total).

Mineral Resources were estimated by Snowden Mining Industry Consultants (Snowden). The Mineral Resource was estimated using ordinary kriging and multiple indicator kriging using CAE Studio (Datamine) software.

Estimation was constrained within mineralisation envelopes (wireframes) based on geological logging and grade thresholds. The three main host lithologies are granite, porphyritic dykes and sediments. Where geological contacts were not clearly controlling the distribution of mineralisation, a grade cut-off of 0.3 g/t Au was used to construct Mineral Resource boundaries. Analysis of the global grade distribution shows that there is a natural change in grade population at around 0.3 g/t Au.

Due to the highly skewed nature and mixed populations evident in the granites and sediments, multiple indicator kriging (MIK) was used to estimate gold grades.

Ordinary kriging with top cuts was used to estimate the lower grade dyke domains. A dynamic anisotropy approach was used, whereby the true dip and azimuth of the mineralised lodes was estimated into each block in the model and the search and variogram orientations were locally adjusted to reflect the geological orientation. This method allows the estimate to better reflect the changing orientation and undulating nature of some of these dykes along strike.

Parent block dimensions of 10 mE by 10 mN by 5 mRL were used for estimation. All samples were composited to 2 m prior to estimation.

The Sissingué Mineral Resource has been classified in the Measured, Indicated and Inferred categories, in accordance with the CIM Definition Standards (CIM, 2005). A range of criteria has been considered in determining this classification including geological and grade continuity, data quality and drillhole spacing. The key classification criteria are described as follows:

- Geological continuity is understood with reasonable confidence. The classification reflects this level of confidence. Porphyry lithologies (dyke domains) were limited to Inferred and Indicated categories due to the mostly narrow nature of the mineralised bodies and consequently their sensitive geometry.

- Resource classification is based on information and data provided from the Perseus database. Descriptions of drilling techniques, survey, sampling, sample preparation, analytical techniques and database management/validation provided indicate to Snowden that data collection and management is well within industry standards. The database represents an accurate record of the drilling undertaken at the project.
- Drillhole location plots have been used to ensure that local drill spacing conforms to the minimum expected for the various resource classification categories.
 - The Measured category requires a drill spacing of 20m by 20m or closer.
 - The Indicated category is confined to areas where drill spacing is greater than 20m by 20m, but nominally up to 20 m (east-west) by 40 m (north-south) spacing. In the dyke domains, in addition to the drill spacing constraints, a minimum of two drillhole intercepts per drill section is required.
 - The Inferred category is assigned to all other estimated blocks within the potentially economic areas of the deposit.
 - Trial optimisation has been run at a USD2400 gold price to define the base of potentially economic material. All blocks outside this shell are unclassified.

Snowden considered the estimation technique and parameters appropriate for this style of mineralisation.

Mineral Reserves

Mineral Reserves were estimated by RungePincockMinarco Ltd (RPM). As shown in the table below **Error! Reference source not found.**, a total of 5.5 Mt of Open Cut Mineral Reserves at 2.4 g/t gold were estimated as at February 1, 2015.

| Classification | Tonnes dry Mt | Au Grade g/t | Gold koz |
|--------------------------|----------------------|---------------------|-----------------|
| Proved | 3.4 | 2.8 | 312 |
| Probable | 2.1 | 1.7 | 115 |
| Proved + Probable | 5.5 | 2.4 | 429 |

The estimates have been rounded to two significant figures to reflect accuracy.

Mineral Reserves have been classified based on the underlying Mineral Resources classifications and the level of detail in the mine planning. The Mineral Resources were classified as Measured, Indicated and Inferred. The Mineral Reserves, based only on the Measured and Indicated Resources, have been classified as Proven and Probable Mineral Reserves, respectively.

The Mineral Reserve is classified as Proved and Probable in accordance with the CIM Definition Standards (CIM, 2005), corresponding to the Mineral Resource classifications of Measured and Indicated and taking into account other factors where relevant. The deposit's geological model is well constrained. The Mineral Reserve classification is considered appropriate given the nature of the deposit, the moderate grade variability, drilling density, structural complexity and mining history. Therefore it was deemed appropriate to use Measured Mineral Resources as a basis for Proven Reserves and Indicated Mineral Resources as a basis for Probable Reserves.

The gold cut-offs used for reserving were provided by Perseus based on the latest mineral processing studies. These cut-offs, which vary by material type, are shown in the table below.

| Ore Type | Units | Au Cut-off |
|------------------|-------|------------|
| Oxide | g/t | 0.6 |
| Transitional | g/t | 0.8 |
| Granite/Porphyry | g/t | 0.8 |
| Sediment | g/t | 1.0 |

The economic pit shell was defined using Whittle 4X pit optimisation software (“Whittle 4X”) with inputs such as geotechnical parameters, ore loss and dilution, metallurgical recovery and mining costs and the pit optimisation was run with revenue generated only by Measured and Indicated Mineral Resources. No value was allocated to Inferred Mineral Resources.

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

Mining Operations

The chosen method of mining is conventional open pit mining utilising hydraulic excavators and trucks, mining bench heights of 5 m in ore and 10m in waste with 2.5m flitches to minimise ore loss and waste rock dilution.

The mining method planned for the operation is conventional open pit excavation with ex-pit waste dumping. The pit will be accessed by a 20 m wide haul road incorporating a 10 percent gradient and two lane ramps. At the pit floor the final benches will be accessed using single lane ramps.

In assessing and selecting a preferred mining method, the deposit characteristics, operating objectives, as well as other salient factors have been considered.

The key considerations in relation to the selection of a preferred mining method are as follows:

- The key deposit characteristics affecting the mining method are near surface location, high value ore, ore occurs in zones including high grade zones and generally low strength.
- High processing cost warrants mining method which minimises dilution.
- Nominal ore production target of 1 Mt per year.
- A selective mining method will be required to minimise ore loss and dilution and control risks to the processing plant.

Based on the above requirements and characteristics, the preferred approach is for open cut selective mining. To support this approach it is recommended that the method employs hydraulic excavators mining in 5 m benches loading standard off-highway rear dump trucks hauling to surface ore stockpiles and waste disposal dumps. These would be supported by front-end loaders for stockpile rehandle.

Other features of the mining method include:

- free dig oxides, except for limited areas to be ripped by dozer
- separation of various grades into stockpiles to facilitate preferential high grade feed to the process plant
- a detailed grade control system to ensure material is directed to the correct stockpile
- initial waste dumping primarily on surface dumps.

Slope parameters have been determined following geotechnical investigations that reflect the rock mass being categorised into three geotechnical domains based on weathering (i.e. the Oxide (saprolite) Domain, the Transition Rock Domain, and the Fresh Rock Domain).

Processing and Recovery Operations

The proposed process plant design for the SGP is based on a robust metallurgical flowsheet designed for optimum recovery with minimum operating costs. The flowsheet is constructed from unit operations that are well proven in industry.

The Sissingué plant will process a range of ore types (oxide, transition and primary porphyry, granite and sediment ores) with variable ore characteristics, gold grades and metallurgical treatment requirements. The primary ores are significantly more competent than the oxide ores and require a longer leach time in order to optimise gold recovery.

Ores will be mined so that predominantly oxide/transitional ore will be processed in two phases; during the first year and then again for a five month period in Year 3. Some blending with primary ores will be required in the final two years. Oxide ore will be processed at a rate of up to 1.2 Mt/y using a two stage crushing and single stage SAG mill circuit. Primary ore will be processed at a rate of up to 1.0 Mt/y using a three stage crushing and ball mill circuit, where the SAG mill has been re-configured to operate as a ball mill.

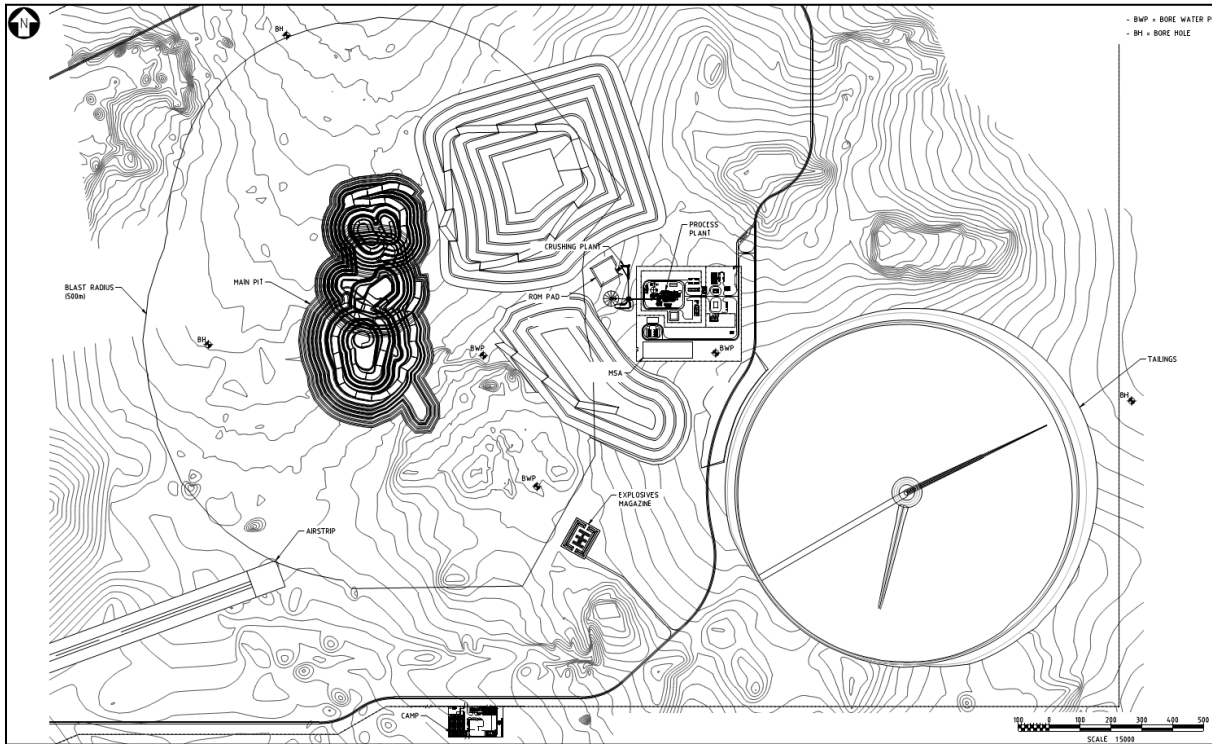
The key process design criteria used as the basis of the process plant design and equipment selection are shown in the table below.

| | | Oxide | Primary Blend | Source |
|---------------------------------|---------------|----------------|-----------------|---------------|
| Crushing Circuit Capacity | t/y | 1,200,000 | 1,000,000 | Perseus |
| Plant Throughput - Design | t/y | 1,200,000 | 800,000 | Perseus |
| Plant Throughput – Nominal Max. | t/y | | 1,000,000 | Perseus |
| Gold Head Grade | g Au/t | 2.50 | 3.75 | Perseus |
| Design Gold Recovery | % | 92 | 90 | Perseus |
| Crushing Plant Utilisation | % | | 70.0 | Lycopodium |
| Plant Availability | % | | 91.3 | Lycopodium |
| Comminution Circuit | | 2° Crush & SAG | 3° Crush & Ball | Perseus / OMC |
| Crush Size, P ₈₀ | mm | 32 | 9.5 | OMC |
| Grind Size, P ₈₀ | µm | 106 | 106 | Perseus |
| Mill Pinion Power | kW | 620 | 1,750 | Perseus |
| Leach /CIL Residence Time | hrs | 31 | 48 | Perseus |
| Leach Slurry Density | % w/w | 45 | 52 | Testwork |
| Number of Pre-Oxidation Tanks | | 0 | 1 | Perseus |
| Number of Leach Tanks | | 1 | 0 | Perseus |
| Number of Adsorption Tanks | | 6 | 6 | Perseus |
| Cyanide Consumption | kg/t | 0.51 | 0.59 | Perseus |
| Quicklime Consumption | kg/t | 0.76 | 0.32 | Perseus |
| Elution Circuit Type | | | Zadra | Perseus |
| Elution Circuit Size | t | | 4 | Lycopodium |
| Frequency of Elution | strips / week | 7 | 4 | Lycopodium |

Infrastructure, Permitting and Compliance Activities

Infrastructure

The overall site development plan is shown in the drawing below. The drawing shows the major features of the SGP and its infrastructure including the process plant, tailings storage facility, accommodation camp, roads, airstrip, mine services area, mine open pit and mine waste dump.



The process plant and tailings storage facility are located on the eastern side of the Sissingué open pit, just outside of the 500 m blast zone. The accommodation camp and airstrip are located south / southwest of the process plant.

The main access road approaches the site from the west and the layout provides easy access for personnel and material movements.

The site as a whole will be fenced to clearly delineate the mine area, prevent animal access and deter access by unauthorised persons. Road access into the fenced area will be through a manned checkpoint. Site security is based on concentric lines of fencing / control. Security fencing will surround the accommodation camp and general site infrastructure. Monitored high security fencing will surround the process plant.

The existing road, approximately 23 km long, between Tengrela and Sissingué will be upgraded to a six metre wide gravel, all weather, and free draining carriageway to provide access for the delivery of equipment, materials and services to the site.

A 1,200 m long x 20 m wide all weather gravel airstrip will be provided for secure transport of bullion to Abidjan for on-shipment to a refinery. The airstrip can also be used for emergency medivac.

The closest connection point to grid power is the 225 kV substation at Boudiali. As a connection is dependent on providing additional infrastructure to connect Tengrela to the national grid this is not an attractive option. Power will therefore be generated on site by a diesel fuelled power station located adjacent to the fuel storage facility. The power station will supply the main HV switchroom inside the processing plant from which power will be distributed. Four 1.6 MW 11 kV high speed generators will be supplied in acoustic containers with a separate vendor supplied containerised 11 kV switchroom.

An accommodation camp will be located approximately 2.2 km south west of the process plant and will provide accommodation for 130 salaried and security staff not originating from the local area.

The existing exploration camp supplemented with the available two bedroom units will be used for pioneer accommodation pending early completion of elements of the permanent camp.

A vendor package modular potable water treatment plant including filtration, ultra-violet sterilisation and chlorination will be installed. Potable water will be stored in the plant potable water tank and will be reticulated to the plant buildings, site ablutions, safety showers and other potable water outlets.

Effluent from all water fixtures in the process plant, mine services area and accommodation camp will drain to gravity sewerage systems. The gravity sewerage system for each area will drain to a sewer pump station from where it will discharge via a pressure main to a vendor package sewage treatment plant system located at the process plant.

Site buildings will be 'fit for purpose' industrial type structures. The workshop and warehouse will be constructed of a concrete slab on ground with structural steel frame and metal cladding. Offices and amenity buildings will be prefabricated structures.

Environment and Social

Studies, investigations and research, conducted by consultants from CECAF International commenced in 2010 and culminated in the publishing of the Environmental and Social Impact Assessment Final Report in December 2011. Although this report was based on the earlier concept of a 1.6 Mtpa operation it remains relevant for the scope of the proposed 1.0 Mtpa operation.

The Environmental Permit was granted in February 2012.

An early activity of the SGP will be the development of comprehensive Environmental and Social Management Plans setting out the standards and outlining procedures and practices that shall be adopted during development and operation of the Project.

A preliminary Closure Plan outlining the closure and rehabilitation of the site has been prepared. A more detailed Closure Plan will be developed during the early stages of operations, following consultation with relevant stakeholders.

Although the positive benefits of the SGP should significantly outweigh the negative, ongoing monitoring will be required to ensure unforeseen adverse impacts are identified and addressed. This may relate to issues such as the blocking of access or rights of way, ensuring employment opportunities are offered to local people, and minimising any negative impact of an influx of migrants to the area looking for employment opportunities. As a social partner, Perseus commits to maintaining an ongoing dialogue with stakeholders in the area to identify and address concerns and issues as they arise.

Capital and Operating Costs

Capital Cost

The capital estimate is summarised in the table below. The initial project capital cost is estimated at US\$105.98 million.

Initial Capital Cost Estimate Summary (US\$, 1Q2015, $\pm 15\%$)

| Initial Capital | | |
|-----------------|---------------------------|---------------|
| Item | Main Area | Total US\$M |
| 1 | Mining | 11.89 |
| 2 | Construction Indirects | 8.01 |
| 3 | Treatment Plant | 21.75 |
| 4 | Reagents & Plant Services | 8.43 |
| 5 | Infrastructure & Tailings | 22.86 |
| 6 | Owners Costs | 14.46 |
| 7 | EPCM Costs | 9.18 |
| 8 | Contingency | 9.40 |
| Subtotal | | 105.98 |

Exclusions to the capital estimate include the following:

- Project sunk costs.
- Import duties and taxes on the assumption that the Project will be exempt.
- Land compensation and community costs.
- Financing costs.
- Escalation.

Operating Cost

Contract mining costs for a conventional drill and blast, shovel and truck operation were developed with key underlying data for the mining cost model coming from a mining contractor quote developed by DTP Mining. Labour for mine management and supervision by Perseus personnel has been developed from an in-house organisation structure. The mining costs were developed to a $\pm 25\%$ level of accuracy.

The overall mining cost for the life of the SGP, of contractor expenditure including establishment, mobilisation and demobilisation, and adjusted to include fuel costs at US\$1.01/L is shown in the table below.

| RPM Contractor Estimate | | | | | | |
|-------------------------|--------------------------------|--------|--------|-------|-------|-------------|
| Item | Item Description | Units | Driver | Rate | Units | Total US\$M |
| 1 | Mobilisation, Site Est & Demob | No. | 1 | 3,609 | US\$K | 3.6 |
| 2 | Fixed Monthly Fee | Months | 65 | 512 | US\$K | 33.3 |
| 3 | Area Preparation | km2 | 796 | 0.88 | US\$ | 0.7 |
| 4 | Drilling | kdrm | 172 | 22.40 | US\$ | 3.8 |
| 5 | Blasting | kholes | 21.8 | 173 | US\$ | 3.8 |
| 6 | Excavate, Load, Haul and Dump | kbcm | 10,872 | 3.63 | US\$ | 39.5 |
| 7 | Stockpile Rehandle | kt | 5,525 | 0.60 | US\$ | 3.3 |
| 8 | Dewatering | Months | 65 | 32.19 | US\$K | 2.1 |
| 9 | Grade Control | ore kt | 5,525 | 0.24 | US\$ | 1.3 |
| Total | | | | | | 91.4 |

Contractor costs incurred in the five months prior to ore processing (\$11.05 million) have been capitalised as mine development costs. Over the life of the SGP, this equates to an average cost of \$16.55 per ore tonne or \$8.42/bcm or \$3.95/tonne rock.

Owner mine management and supervision costs total \$5.99 million life of mine of which \$0.53 million is incurred during pre-stripping and is capitalised.

The LOM processing and general administration operating cost estimates are presented at summary level in the table below. The estimate is considered to have an accuracy of $\pm 15\%$, is presented in US dollars (US\$) and is based on prices obtained during the fourth quarter of 2014 (4Q14). General administration operating costs include site administration functions and costs for maintaining an office in Abidjan. Corporate costs outside of Cote d'Ivoire are excluded.

| Cost Centre | LOM | |
|---|--------------------|--------------|
| | US\$ | US\$/t |
| Power | 39,867,729 | 7.22 |
| Operating Consumables | 25,389,577 | 4.60 |
| Maintenance | 6,236,076 | 1.13 |
| Laboratory | 4,240,832 | 0.77 |
| Process & Maintenance Labour | 14,180,385 | 2.57 |
| Plant Feed Rehandle | 1,546,694 | 0.28 |
| Total Processing Cost | 91,461,293 | 16.56 |
| Abidjan Office (DGA) Labour | 1,273,507 | 0.23 |
| Administration Labour | 13,539,305 | 2.45 |
| General & Administration Costs | 27,738,812 | 5.02 |
| Total General & Administration | 42,551,624 | 7.70 |
| Total Cost including G&A | 134,012,917 | 24.26 |

Economic Analysis

The SGP economically viable at current gold prices. Applying a long term gold price of US\$1,200/oz on a flat line basis from the commencement of production, estimated pre-tax cashflows generated are US\$112.4 million and payback is estimated to occur in 2.7 years. The mine life is estimated at 5.3 years.

An internal rate of return of 27.0% and net present value ('NPV') of US\$52.5 million, based upon real, post-tax cash flows, calculated using a 10% discount rate are estimated.

Life of mine average C1 cash costs of production are US\$570/oz, while all-in sustaining costs are US\$632/oz (net of silver credits, US\$3/oz).

Project returns are mostly sensitive to gold prices and head grade/recovery. For a US\$100/oz increase in gold prices, a further US\$24.3 million NPV is added whilst for a US\$100/oz decrease in gold prices, there is a US\$26.1 million reduction in NPV.

| Gold Price | Unit | US\$1,100/oz | US\$1,200/oz | US\$1,300/oz |
|-------------------------------------|-------------|--------------|--------------|--------------|
| Waste + Ore Mined | '000 tonnes | 23,183 | 23,183 | 23,183 |
| Ore processed | '000 ozs | 5,524 | 5,524 | 5,524 |
| Head Grade | g/t gold | 2.42 | 2.42 | 2.42 |
| Weighted Average Recovery | % | 89.72 | 89.72 | 89.72 |
| Gold Produced | ozs | 385,211 | 385,211 | 385,211 |
| Development Capital | \$'000 | 105,982 | 105,982 | 105,982 |
| Sustaining Capital | \$'000 | 5,249 | 5,249 | 5,249 |
| Mining Costs | \$'000 | 85,835 | 85,835 | 85,835 |
| Processing Costs | \$'000 | 91,461 | 91,461 | 91,461 |
| Administration Costs | \$'000 | 42,358 | 42,550 | 42,743 |
| LOM Cash Operating Cost (C1) | \$/oz | 570 | 570 | 571 |
| Year 1 & 2 Cash Operating Cost (C1) | \$/oz | 596 | 596 | 597 |
| Total Site Cost | \$/oz | 628 | 632 | 643 |
| Free cash | \$'000 | 75,645 | 112,414 | 146,680 |
| IRR | % | 18.8 | 27.0 | 34.2 |
| NPV 10% | \$'000 | 26,382 | 52,515 | 76,794 |
| Payback period | months | 38 | 32 | 26 |
| Tax paid | \$'000 | - | 2 | 140 |
| Royalties paid (State) | \$'000 | 17,258 | 18,798 | 22,842 |

Exploration, Development and Production

All existing geochem anomalies, as identified through soil sampling, have been thoroughly drill tested, without significant discovery apart from Sissingué itself. 'Near-mine' exploration potential exists underneath the large alluvial plains of the Bagoé River to the east and north-east of Sissingué that have not been soil sampled, or where soil

sampling was ineffective. Auger drilling with RAB follow-up has been carried out since 2014 and is currently on-going. The structural corridors between Sissingué and Papara to the north, as well as between Sissingué and Kanakono to the south, as identified by the airborne geophysics, represent another near-mine target, though soil sampling (2009-2011) did not return anomalous results.

Over the life of mine gold production is estimated to be 385 koz. The annual gold production schedule from commencement of plant commissioning is shown in the table below.

| Mill Months | 1-12 | 13-24 | 25-36 | 37-48 | 49-60 | 61-64 | LOM |
|-------------|------|-------|-------|-------|-------|-------|-----|
| '000 Ounces | 67 | 82 | 61 | 74 | 93 | 8 | 385 |

DIVIDEND RECORD AND POLICY

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

CAPITAL STRUCTURE

Description of Ordinary Shares

Under the Corporations Act and its constitution, the Company is authorized to issue an unlimited number of ordinary shares. However, under the ASX listing rules, in order for a corporation listed on the ASX to issue an amount of shares greater than 15% of the total number of existing shares then issued and outstanding, the corporation must seek separate shareholder approval. At the date of this AIF, Perseus has an aggregate of 529,343,901 fully paid ordinary shares issued and outstanding. No other shares in the capital of Perseus of any other class are issued or outstanding.

The holders of Perseus's ordinary shares are entitled:

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

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

MARKET FOR SECURITIES

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

Trading Price and Volume

The following table sets forth the reported high and low sale prices and the trading volume for the Company's ordinary shares on the TSX on a monthly basis for the year ended June 30, 2015.

| <u>Date</u> | <u>High</u> | <u>Low</u> | <u>Volume</u> |
|----------------------|-------------|------------|---------------|
| | (C\$) | (C\$) | |
| July 2014 | 0.57 | 0.41 | 10,987,500 |
| August 2014 | 0.48 | 0.41 | 3,373,500 |
| September 2014 | 0.44 | 0.31 | 14,359,400 |
| October 2014 | 0.39 | 0.27 | 12,206,700 |
| November 2014 | 0.33 | 0.24 | 16,256,600 |
| December 2014..... | 0.28 | 0.18 | 29,372,300 |
| January 2015..... | 0.40 | 0.22 | 17,453,400 |
| February 2015..... | 0.40 | 0.32 | 7,453,000 |
| March 2015..... | 0.36 | 0.23 | 15,418,300 |
| April 2015..... | 0.40 | 0.26 | 8,425,200 |
| May 2015..... | 0.48 | 0.34 | 5,552,400 |
| June 2015..... | 0.45 | 0.35 | 5,203,600 |

Issues of Other Securities

In the year ended June 30, 2015, there were no issues of securities of Perseus that are not listed or quoted on a market place.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

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

| <u>Name and Residence</u> | <u>Position(s) with Perseus</u> | <u>Principal Occupation During Past Five Years</u> | <u>Director Since⁽¹⁾</u> |
|---|---|--|-------------------------------------|
| REGINALD N. GILLARD ⁽²⁾⁽³⁾ Western Australia, Australia | Non-Executive Chairman | Acting as director of various public companies. | 2003 |
| JEFFREY A. QUARTERMAINE Western Australia, Australia | Managing Director and Chief Executive Officer | Managing Director, Perseus (2013 to present), CFO, Perseus (2010 to 2013). | 2013 |
| COLIN J. CARSON Western Australia, Australia | Executive Director | Executive Director, Perseus (2003 to present); Executive Director, Equus Mining Ltd., a minerals and oil producer and explorer (1996 to 2012). | 2003 |

| Name and Residence | Position(s) with Perseus | Principal Occupation During Past Five Years | Director Since⁽¹⁾ |
|---|--|---|-------------------------------------|
| T. SEAN HARVEY ⁽²⁾⁽³⁾ Ontario, Canada | Non-Executive Director | Acting as a director of various public companies (June 2006 to present). | 2009 |
| MICHAEL A. BOHM ⁽²⁾⁽³⁾ Western Australia, Australia | Non-Executive Director | Acting as a director of various public companies and consulting mining engineer (June 2012 to present). Managing Director, Herencia Resources plc, a mineral exploration and development company (January 2009 to June 30, 2012). | 2009 |
| ELISSA S. BROWN Western Australia, Australia | Chief Financial Officer | CFO, Perseus (February 2013 to present; Group Financial Controller, Perseus 2010 – February 2013). | n/a |
| MARTIJN P. BOSBOOM Western Australia, Australia | General Counsel & Company Secretary | General Counsel Perseus (July 2013 – present, appointed Company Secretary in November 2013), General Counsel & Company Secretary, Moly Mines Limited (August 2010 – June 2013). | n/a |
| PAUL W. THOMPSON Western Australia, Australia | Group General Manager – Technical Services | Group General Manager – Technical Services, Perseus (January 2015 to present); Study Manager AECOM Australia Pty Ltd (January 2014 – September 2014); Vice President Technical Services, Alacer Gold Corporation (November 2011 – August 2013); Senior Principal Mining Engineer, Coffey Mining Pty Ltd (April 2010 – November 2011). | n/a |
| BRENT R. HOROCHUK Nova Scotia, Canada | Executive General Manager Edikan | Executive General Manager Edikan, Perseus (December 2014 to present); Chief Operating Officer, Highland Gold Mining (May 2009 – December 2013). | n/a |

Notes:

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

Shareholdings of Directors and Senior Officers

As at June 30, 2015, the directors and executive officers of Perseus, as a group, beneficially owned, controlled or directed, directly or indirectly, 4,069,450 ordinary shares representing approximately 0.77% of the issued and outstanding ordinary shares.

Corporate Cease Trade Orders or Bankruptcies

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

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

- (a) from November 1996 to June 2008, Mr. Gillard was a director of Voyager Resources Limited (“**Voyager**”) (previously Lafayette Mining Limited), an issuer listed on the ASX. Mr. Quartermaine was company secretary and CFO of Voyager from May 2006 to May 2007 and May 2006 to December 2007 respectively. Mr. Quartermaine was also appointed to the Board of Voyager in May 2007 and remained a director until approximately June 2008. On December 18, 2007, Voyager entered into voluntary administration under the provisions of the Corporations Act. In April 2008, Voyager entered into a deed of company arrangement with the consent of its creditors. In August 2009, the deed of company arrangement was effected, completing the term of the deed administrator. Voyager’s securities were reinstated to quotation on the ASX in September 2009; and
- (b) from August 2005 to November 2008, Mr. Bohm was a director of certain unlisted subsidiaries of Mineral Securities Limited, an ASX listed company, including Mineral Securities Operations Limited, Kadina Pty Ltd, Platmin Holdings Pty Ltd and Mineral Securities Holdings Pty Ltd, (collectively, the “**CopperCo Subsidiaries**”). In August 2008, CopperCo Limited (“**CopperCo**”), also an ASX listed company, acquired Mineral Securities Limited and the CopperCo Subsidiaries. In late November 2008, CopperCo and a number of its subsidiaries, including the CopperCo Subsidiaries, were placed in voluntary administration and receivership. Mr. Bohm resigned as a director of the CopperCo Subsidiaries immediately prior to the CopperCo Subsidiaries being placed in voluntary administration and receivership. The CopperCo Subsidiaries are now wholly-owned subsidiaries of Cape Lambert Iron Ore Ltd. and as of the date hereof, are no longer in voluntary administration and receivership.

Penalties or Sanctions

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

Conflicts of Interest

To the best of the Company’s knowledge, there are no known existing or potential conflicts of interest between the Company or a subsidiary of the Company and any director or officer of the Company or a subsidiary of the Company as a result of their outside business interest at the date hereof. However, certain of the directors and officers of the Company

serve as directors and/or officers of other companies. Accordingly, conflicts of interest may arise which would influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company.

AUDIT AND RISK COMMITTEE

Audit and Risk Committee Charter

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

Composition of the Audit and Risk Committee

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

Relevant Education and Experience

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

T. Sean Harvey MBA LL.B MA

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

Michael A. Bohm B.AppSc (Mining Eng.), MAusIMM

Mr. Bohm is a mining engineer with extensive experience in operations management, evaluation and project development in Australia, Northern Europe, SE Asia, North and South America. Mr. Bohm has more than 24 year's minerals industry experience predominantly in the gold, nickel and diamond sectors in both open pit and underground mining environments. He has served on the Boards of various listed mining companies.

Reginald N. Gillard BA FCPA FAICD JP

After practicing as an accountant for over 30 years, during which time Mr. Gillard formed and developed a number of service related businesses, Mr. Gillard now focuses on corporate management, corporate governance and the evaluation and acquisition of resource projects as a director of Corporate & Resources Consultants Pty Ltd. Mr. Gillard is a Fellow of the Australian Society of 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.

External Auditor Service Fees

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

| | <u>Audit Fees</u> | <u>Audit-Related Fees</u> | <u>Tax Fees</u> | <u>All Other Fees</u> |
|--------------------------|-------------------|-------------------------------|-----------------|-----------------------|
| | (A\$) | (A\$) | (A\$) | (A\$) |
| Year ended June 30, 2015 | 196,000 | - | 16,800 | - |
| Year ended June 30, 2014 | 190,000 | - | 18,000 | 9,000 ⁽¹⁾ |

Notes:

1. Site visit by auditors.

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

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

TRANSFER AGENT AND REGISTRAR

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

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Company, there are no legal proceedings or regulatory actions material to the Company to which the Company is or was a party, or to which any of its properties is or was subject, during the 2015 Financial Year, nor are there any such proceedings known by the Company to be contemplated. There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority nor are there any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor making an investment decision and the Company has not entered into any material settlement agreements before a court or with a securities regulatory authority during the financial period ended June 30, 2015.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Company has not entered into any material contracts since the beginning of the 2015 Financial Year.

INTERESTS OF EXPERTS

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

The scientific and technical information in this AIF, other than that derived from the Central Ashanti Technical Report or the Sissingué Technical Report was prepared by or under the supervision of Paul Thompson, Group General Manager – Technical Services of the Company. Mr. Thompson beneficially owns, directly or indirectly, less than one percent of the outstanding securities of Perseus.

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

QUALIFIED PERSON STATEMENT

The scientific and technical information in this AIF, other than that set out under the headings "*Details of the Edikan Gold Mine*" and "*Details of the Sissingué Gold Project*", was approved by Paul Thompson, the Group General Manager - Technical Services of the Company, who is a Qualified Person within the meaning of National Instrument 43-101 — *Standards of Disclosure for Mineral Projects*.

ASX COMPETENT PERSON STATEMENT

All production targets referred to in this report are underpinned by estimated Ore Reserves which have been prepared by competent persons in accordance with the requirements of the JORC Code.

The information in this report that relates to the Mineral Resource for the Fetish, Bokitsi, Esuajah North, Esuajah South, Chirawewa and Dadieso deposits at the EGM which was first reported by the Company in compliance with the JORC Code 2012 in market announcements released on 27 August 2014 and 4 September 2014 and was updated by the Company (including for depletion as at 30 June 2015) in its 2015 Financial Report released to the market on 31 August 2015. The information in this report that relates to the Mineral Resource for the AFGap-Fobinso and Mampong deposits at the EGM and to the EGM Ore Reserves was first reported by the Company in compliance with the JORC Code 2012 in a market announcement released on 20 April 2015 and was updated by the Company (including for depletion as at 30 June 2015) in its 2015 Financial Report released to the market on 31 August 2015. The Company confirms that it is not aware of any new information or data that materially affects the information in those market announcements and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not materially changed.

The information in this report that relates to Mineral Resources and Ore Reserves for Sissingué was first reported by the Company in compliance with the JORC Code 2012 in a market announcement released on 21 April 2015. The Company confirms that it is not aware of any new information or data that materially affects the information in that market announcement and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not materially changed.

ADDITIONAL INFORMATION

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

Additional financial information is available in the Company's audited financial statements and accompanying management's discussion and analysis for the financial period ended June 30, 2015, a copy of which has been filed on SEDAR at www.sedar.com. For copies of documents, please contact the Company at Level 2, 437 Roberts Road, Subiaco, 6008, Western Australia, Australia, info@perseusmining.com.

APPENDIX A

GLOSSARY OF TECHNICAL TERMS

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

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

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

APPENDIX B

AUDIT AND RISK COMMITTEE CHARTER

1. Introduction

- (a) The audit and risk committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of the Company.
- (b) The Committee’s purpose is to assist the Board in fulfilling its obligations and responsibilities relating to financial reporting, internal controls, risk management, corporate governance and the internal and external audit processes.
- (c) In this Charter, a reference to the “**Company**” means Perseus Mining Limited and the economic entity constituted by Perseus Mining Limited and the entities that it controls from time to time.

2. Committee Membership

- (a) The Committee shall consist of not less than three independent, non-executive members of the Board, each of whom shall satisfy the independence and financial literacy requirements of applicable securities regulatory requirements. Members of the Committee shall be selected by the Board. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a director of the Company.
- (b) Rotation of members, if required by the Committee, shall be limited to one per year. The decision as to which member to rotate, when appropriate, will be made by the Board. The Board shall review Committee membership on an annual basis and at other times as the Board may deem appropriate.
- (c) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

3. Responsibilities of the Committee

- (a) While the Committee has the responsibilities and powers set forth in this Charter, the role of the Committee is oversight. Accordingly, the responsibilities of the Committee are to assist the Board fulfil its oversight responsibilities with respect to:
 - (i) reporting of financial information to users of financial reports;
 - (ii) systems of internal controls;
 - (iii) risk management systems and the management of material business risks;
 - (iv) application of accounting policies and improving financial management;
 - (v) the internal and external audit process;
 - (vi) compliance with applicable laws, regulations, standards and relevant best practice guidelines;
 - (vii) improving the effectiveness of the external audit functions and being a forum for communication between the Board and the external auditor;

- (viii) improving the quality of internal and external reporting of financial information; and
- (ix) improving the credibility and objectivity of the accounting process (including financial reporting).

4. Authority of the Committee

- (a) In order to ensure the Committee is able to discharge its responsibilities efficiently and effectively, it is authorised by the Board to:
 - (i) investigate any activity within its terms of reference or involving financial accounting and financial reporting and internal controls;
 - (ii) seek any information it requires from any employee and require all employees to co-operate with any relevant request made by the Committee;
 - (iii) engage independent counsel and other advisors as it determines necessary to carry out its duties, set and pay the compensation for any advisors employed by the Committee, the cost of which shall be borne by the Company; and
 - (iv) communicate directly with the internal and external auditors.

5. Meetings

- (a) The Committee shall have a chairman appointed by the Board (the “**Chairman**”), who shall not be the chairman of the Board. The Chairman shall have the duties and responsibilities set out in Schedule A hereto.
- (b) The Committee shall meet at least twice per annum, with those two meetings designed to coincide with the Company’s reporting of its half-year and annual results, and the Committee shall hold additional Committee meetings as and when the Committee may otherwise deem appropriate.
- (c) Committee meetings may be held in person, over the telephone or as the Committee may otherwise deem fit. The time at which, and the place where meetings of the Committee shall be held, and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided by the Company’s Constitution or by the Board.
- (d) No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present. Two committee members shall constitute a quorum.
- (e) The secretary of the Committee (the “**Secretary**”) will be the company secretary or such other person appointed by the Board. Minutes of the Committee meetings shall be maintained by the Secretary who shall ensure that they are maintained in a secure environment.
- (f) The Committee may invite such other persons to attend its meetings, including the managing director, the chief financial officer, the company secretary, general counsel and the external auditor, as it deems necessary.

6. Specific Duties

- (a) In carrying out its oversight responsibilities, the Committee will:

- (i) Review and assess the adequacy of this Charter from time to time and recommend any changes to the Board for approval;
- (ii) Review, prior to public disclosure, the Company's annual and interim financial statements and MD&A, including any financial statement contained in a AIF, information circular, registration statement or similar document;
- (iii) Review and approve earnings press releases before the Company public disclosure;
- (iv) Review, with reasonable frequency, the adequacy of the Company's accounting and financial reporting controls (include the procedures for the review of the Company's public disclosure financial information extracted or derived from the Company's financial statements) ;
- (v) Review, with reasonable frequency, whether the Company's systems and processes for determining, managing and reporting material business risks are appropriate and effective;
- (vi) Review whether the insurance maintained by the Company is adequate;
- (vii) Prepare a statement, in accordance with applicable law, for inclusion in the Company's annual report that describes the Committee's composition, activities and responsibilities;
- (viii) Recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation to be paid to the external auditors;
- (ix) Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (x) Ensure that the external auditor is "independent" (within the meaning of applicable law) and that the external auditor reports directly to the Committee;
- (xi) Either:
 - (A) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the external auditor (the Committee may delegate authority to pre-approve non-audit services to one or more members of the Committee, however, pre-approval of any non-audit services must be presented by any member to whom authority has been delegated to the full Committee at its first scheduled meeting after such approval); and
 - (B) adopt specific policies and procedures for the engagement of non-audit services, provided that:
 - (1) the policies and procedures are detailed as to the particular service;
 - (2) the Committee is informed of each non-audit service; and
 - (3) the procedures do not include delegation of the Committee's responsibilities to management;

- (x) Review and approve the Company's hiring policies regarding current and former partners and employees of the present and former external auditor;
- (xi) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (xii) Make regular reports to the Board concerning its activities.

SCHEDULE A

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

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