November 12, 2015

MANAGEMENT'S DISCUSSION & ANALYSIS
For the three months ended September 30, 2015

This Management's Discussion and Analysis ("MD&A") of Perseus Mining Limited and its controlled entities ("Perseus" or the "Company") is dated November 12, 2015 and provides an analysis of the Company's performance and financial condition for the three months ended September 30, 2015 (the "September 2015 Quarter" or "Quarter").

This MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended June 30, 2015 (the "2015 Financial Report"), and the Company's unaudited interim consolidated financial statements for the September 2015 Quarter. The financial statements (and the financial information contained in this MD&A) comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These documents are available under the Company's profile on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at sedar.com and on the Company's website, www.perseusmining.com.

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

COMPANY OVERVIEW

Perseus was incorporated in Australia on October 24, 2003. Perseus's corporate office is in Perth, Western Australia. On September 22, 2004, the Company's shares were listed for trading on the Australian Securities Exchange ("ASX") and on February 3, 2010 the Company's shares commenced trading on the Toronto Stock Exchange ("TSX"). The Company's shares are also listed on the German Stock Exchange. Perseus is an integrated gold company whose activities include exploration and evaluation, development and gold production. The Company conducts its activities on under-explored gold belts located in West Africa. Its principal assets are:

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

- An 86% interest in the Sissingué gold deposit, a development stage gold project (the ''Sissingué Gold Project'' or "SGP"). The Sissingué gold deposit was discovered during an exploration programme focussed on the Tengréla exploration tenements located in the north of Côte d'Ivoire. In November 2010, the Company completed a DFS on developing an open cut mining operation together with a conventional carbon in leach ("CIL") gold processing plant and related infrastructure based on the Sissingué gold deposit. In April 2015 the Company completed a revised feasibility study ("RFS") following a period of review on the process flow sheet and underlying operating and cost assumptions. Subsequently, a decision was taken to proceed with an early works program. The Company's 86% interest in the SGP reflects (as if it had been granted) a 10% free carried interest in the mine-owning company which is required to be allocated to the Government of Côte d'Ivoire in consideration of the issue of an Exploitation Permit pursuant to the Ivorian Mining Code, and 4% owned by local interests.

In addition, as at the date of this report Perseus owns (i) a 10.53% interest in Burey Gold Limited ("Burey"), an ASX-listed junior exploration company holding a portfolio of gold exploration properties in Africa; and (ii) a 7.78% interest in Manas Resources Limited (''Manas''), an ASX-listed company that owns a portfolio of gold properties in Central Asia that were sold to Manas by Perseus in mid-2008.

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As at the date of this report, Perseus has no long term debt obligations. The Company had a commitment to deliver 149,100 ounces of gold at a weighted average gold price of US$1,240/oz under outstanding gold forward sale contracts as at September 30, 2015. (Refer to the section below titled "*Liquidity and Capital Resources*").

OVERVIEW OF THE SEPTEMBER 2015 QUARTER

Summary

Following a strong operating performance in the June 2015 quarter, the trend of solid performance has continued in most aspects of Perseus's flagship operation during the Quarter including quarter-on-quarter reductions of 45% in unit mining costs and 15% of processing costs.

Key production statistics for the Quarter are as shown below in Table 1.

Table 1: Key Production Statistics

Parameter	Unit	September Quarter 2015	June Quarter 2015	March Quarter 2015
Total material mined	bcm	**3,776,440**	1,605,603	1,346,539
	tonnes	**7,555,548**	3,354,107	3,260,139
Waste to ore strip ratio	tonnes:tonnes	**9.8**	1.75	0.97
Ore mined				
• Oxide	tonnes	**272,989**	-	-
• Primary	tonnes	**427,257**	1,221,767	1,658,147
Ore grade mined				
• Oxide	g/t gold	**0.68**	-	-
• Primary	g/t gold	**1.49**	1.40	1.26
Ore stockpiles				
• Quantity	tonnes	**2,418,200**	3,441,200	3,880,483
• Grade	g/t gold	**0.60**	0.60	0.66
Mill throughput	tonnes	**1,723,294**	1,661,021	1,384,574
Milled head grade	g/t gold	**0.93**	1.36	1.21
Gold recovery	%	**86**	89	88
Gold produced	ounces	**44,267**	64,669	47,450

Total ore and waste movement of 3,776,440 bank cubic metres ("bcm") for the Quarter was 135% more than the June 2015 quarter (the "June quarter") of 1,605,603 bcm. Mill head grade at 0.93g/t was 32% lower than the June quarter head grade, while recovery of 86% was 3% lower than the June quarter recovery. The average mill throughput rate of 969 dry tonnes per hour ("dtph") was 5% higher than the June quarter of 926 dtph.

On August 12, 2015 the Ghanaian Environmental Protection Agency ("EPA") formally granted environmental approval for full-scale mining of the Fetish, Chirawewa, Bokitsi (collectively referred to as the "Eastern Pits") and Esuajah North gold deposits. Following which waste stripping for the new Fetish and Chirawewa open pits was accelerated to mitigate the impact on the production schedule as a result of delayed access to Eastern Pits mining areas;

Infrastructure works for housing to relocate former residents of the Eastern Pits mine take area on schedule and under budget. Housing construction is scheduled to start early in the December 2015 quarter.

Preparations for the development of the SGP continued during the Quarter with the Mining Convention signed with the Ivorian government. An early works programme commenced and pending a review of development plans, a decision on full-scale construction will take place in the December 2015 quarter. Meanwhile, integrated security and community development programs in the Sissingué area have been implemented.

As at September 30, 2015 Perseus had an available cash balance of $123.4 million (excluding $13.6 million in escrow), plus 5,267 ounces of gold held either on site, in the process of being refined or in the Company's metal account valued at $8.4 million. The combined balance of cash and bullion on hand was $131.8 million.

EGM, Ghana

The EGM is located on the Ayanfuri and Nanankaw mining leases in the Republic of Ghana in West Africa. These mining leases, together with the adjoining exploration license areas of Grumesa, Kwatechi, Dunkwa, Nsuaem and Nkotumso that are also held by the Company or in which the Company has an interest, cover a total area of about 480 square kilometres.

Mining

During the Quarter, mining activities took place in Stages 2 and 3 of the AG pit, Stage 3 of the Fobinso pit, and in Stage 1 of the Fetish and Chirawewa pits. A total of 3,776,440 bcm of ore and waste was mined during the Quarter, 135% more than in the June quarter. The significant majority of the material was waste removed from the Fobinso, Fetish and Chirawewa pits in line with mine plans. A total of 700,246 tonnes of oxide, transitional and fresh ore were mined, resulting in a waste to ore strip ratio of 9.8 for the Quarter.

Relatively high grade ore made up the majority of material movements from Stages 2 and 3 of the AG Pit as mining advanced towards designed pit floors of the AG pit. Mining ceased in the AG pit in mid-August 2015. A final cutback of the AG Pit to access further high grade ore located below the current pit floor is scheduled to commence in 2018.

Waste stripping for Stage 3 of the Fobinso pit by the mining contractor, Rocksure International Ltd ("Rocksure"), was accelerated during the Quarter. Small quantities of ore were also mined during the Quarter and the tonnes and the grade of ore mined from Fobinso are expected to increase in the December 2015 quarter.

On August 12, 2015 the Ghanaian Environmental Protection Agency ("EPA") formally granted environmental approval for full-scale mining of the Eastern Pits and Esuajah North gold deposits. The receipt of the EPA's approval was the culmination of a very lengthy process during which the impact of mining activities on both the environment and community was exhaustively examined and documented. The environmental approval opened the way for mining contractor, African Mining Services ("AMS"), to mine in the Eastern Pits area under the terms of their new contract with Perseus. During the Quarter, AMS has expeditiously deployed equipment to the Eastern Pits area, including that previously deployed in the AG pit, and in conjunction with Perseus has accelerated mine production with the aim of the recovering time lost due to the delayed EPA approval.

During the Quarter, ore stockpiles that include both high and low grade ore (but not mineralised waste) plus crushed ore, decreased by 1,023,000 tonnes to 2,418,200 tonnes grading 0.6g/t gold. Contained in the stockpile is approximately 42,990 ounces of gold, a decrease of 23,560 ounces or 35%, quarter-on-quarter. The decrease in stockpiles reflects the deficit of ore mined relative to ore milled during the Quarter as a result of the later than planned approval for mining of the Eastern Pits. At the end of the Quarter, the ore stockpiles were made up of approximately 15% oxide ore and 85% transitional/primary ore. Approximately 8% of the remaining stockpiled ore is classified as medium/high grade, containing greater than 0.6g/t gold, while 92% of the ore is classified as low grade containing 0.4 to 0.6g/t gold.

Processing

During the Quarter, 44,267 ounces of gold were recovered at Edikan after processing 1,723,294 tonnes of ore. While down on the record level of gold production achieved in the June quarter, this quarterly production was in line with expectations and consistent with the level of production required to achieve the Company's Half Year production guidance of 90,000-100,000ozs of gold.

As noted above, mining of fresh ore in the AG Pit ceased in mid-August 2015 and limited quantities of ore were mined from the Fobinso, Fetish or Chirawewa pits during the Quarter. As a result, the majority of ore processed at Edikan was drawn from our relatively low grade ore stockpiles. As a consequence, at 0.93g/t the average head grade of ore processed during the Quarter was 32% below the average head grade of ore processed in the June quarter when record levels of gold production were recorded.

The run-time of Edikan's SAG mill at 81% was similar to the June quarter however the throughput rate at 969dtph was approximately 5% higher than in the June quarter. The higher throughput rate was largely a function of an increase in the proportion of softer oxide and transitional ores relative to primary ore included in the mill feed. The average blend of ore processed ranged from 93% fresh to 7% oxide in July 2015 to 86% fresh to 14% oxide in September 2015. While this processing strategy did enable an increase in the quantity of ore to be processed, the benefits of higher throughput were slightly offset by a resulting decrease in the quarter-on-quarter average gold recovery rate from 89% to 86% as the gold recovery rate from oxide and transitional ores is lower than primary ore.

The following key plant operating statistics were recorded during the Quarter:

Table 2: Plant Performance Statistics

	September 2015 Quarter	June 2015 Quarter	Change
Crusher			
Run time (%)	51%	55%	Down 7%
Hourly throughput rate (wmt)	1,119	1,189	Down 6%
Oxide Circuit			
Run time (%)	57%	51%	Up 12%
Hourly throughput rate (t)	154	138	Up 12%
SAG Mill			
Run time (%)	81%	82%	Down 1%
Hourly throughput rate (dmt)	969	926	Up 5%
Gold recovery rate (%)	86%	89%	Down 3%

Production Costs

During the Quarter approximately 47% of Edikan's total production costs were incurred by the mining department (39% in the June quarter), while 42% was incurred by processing and maintenance (49% in the June quarter), with the balance by general and administration functions.

The trend of strongly improving operating costs at Edikan has continued during the Quarter, with material reductions in unit mining and processing costs as shown in Table 3.

Table 3: Unit Costs

Unit Cost		September 2015 Quarter	June 2015 Quarter	March 2015 Quarter
Mining[1]	US$/t mined	**2.35**	4.28	4.59
Processing	US$/t mined	**9.10**	10.73	10.77
G & A	US$/t mined	**1.42**	1.36	1.49

Notes:

1. Unit mining cost includes the weighted average cost of mining as charged by the mining contractors plus overheads (including but not limited to staff costs) incurred by Perseus's mining department.

The 45% decrease in quarter-on-quarter unit mining costs is the result of several factors including:

- Materially lower rates contained in the new mining contracts taking full effect;
- A significant increase (125%) in the tonnes of material mined during the Quarter enabled fixed mining costs to be spread over more tonnes of ore; and
- Being relatively shallow and soft, the majority of material mined during the Quarter required limited drilling and blasting. In addition, the vertical climb from the Fetish, Chirawewa and Fobinso pits was also significantly less than the climb from the deeper pits in prior periods.

Processing costs also reduced significantly quarter-on-quarter, falling 15% to US$9.10/tonne of ore processed. This material reduction can mainly, be attributed to:

- 4% more ore (containing higher proportions of fines and oxide ore which have lower crushing and grinding costs) was processed this Quarter relative to last quarter providing more tonnes over which to amortise fixed processing costs. The impact of the volume increase equated to US$0.34/tonne reduction in unit processing costs; and
- Renegotiation of various supply contracts (e.g. cyanide), a reduction in energy costs including the costs of both electricity and diesel, plus more efficient use of contractors and consultants contributed a combined saving of US$1.29/tonne.

Cash payments for royalties during the Quarter (US$133/oz) were materially higher than in prior periods due to royalty payments attributable to production in the June quarter being deferred to the September 2015 Quarter while assays of doré were being checked by the umpire. It is expected that in future periods royalties will revert back to recently reported levels of approximately US$85/oz (subject to the gold price achieved).

Expenditure on sustaining and development capital remained relatively low during the Quarter at US$76/oz. This is expected to increase in the December 2015 quarter when infrastructure and relocation housing construction work required for mining access to some of the Eastern Pits begins to accelerate.

Given that gold production was 32% lower than in the record June quarter, principally as a result of the head grade of processed ore also falling by 32%, the all-in site unit costs for the Quarter (including production, royalties, investment in pre-stripping and inventory, development and sustaining capital) at US$1,060/oz were higher than in the June quarter but were 4% below the bottom end of the cost guidance range for the December 2015 Half Year of US$1,100-US$1,300/oz.

Table 4: Key Quarterly Financial Statistics - EGM

Parameter	**Units**	**September Quarter 2015**	**June Quarter 2015**	**March Quarter 2015**	**December Quarter 2014**
Gold produced	ounces	**44,267**	64,669	47,450	48,487
Total gold sales[1]	ounces	**45,344**	63,308	48,936	46,666
Average sales price	US$/oz of gold sold	**1,291**	1,307	1,375	1,283
Mining cost	US$/t material mined	**2.35**	4.28	4.59	4.65
Processing cost	US$/t ore milled	**9.10**	10.73	10.77	11.89
G & A cost	US$M/month	**1.42**	1.36	1.49	2.04
All-In Site Cash Cost					
Gold Production Cost:					
Cash Cost	US$/oz	**948**	679	744	861
Royalties	US$/oz	**133**	39	100	66
Total production cost	US$/oz	**1,081**	718	844	927
Capital Costs:					
Inventory and Stripping	US$/oz	**(97)**	(119)	(20)	34
Other Capital	US$/oz	**76**	86	79	58
Total capital cost	US$/oz	**(21)**	(33)	59	92
Total All-In Site Cost	US$/oz	**1,060**	685	903	1,019

Notes:
1. Gold sales are recognised in Perseus's accounts when the contracted gold refiner takes delivery of gold in the gold room. For accounting purposes, the sales price is the spot price of gold on the day of transfer and subsequently adjusted to reflect the realised gold price.

Table 5: Quarter-on-Quarter Changes in Site Costs

Cost	**Quarter-on-Quarter Change in:**		
	Volume	**Unit costs**	**Total Costs**
Mining	125.0%	-45.0%	24.0%
Processing	4.0%	-15.0%	-12.0%
Cash Production costs	-32.0%	40.0%	-4.0%
Sustaining & Other Capital	-32.0%	-36.0%	-56.0%
All-in Site Costs	-32.0%	55.0%	6.0%

FY2016 Production and Cost Guidance

As noted above, Perseus remains on track to achieve both production and cost guidance previously published for the six month and twelve month periods ending June 30, 2016 as shown below.

Table 6: FY 2016 Production and Cost Guidance

Parameter	**Units**	**December 2015 Half Year**	**June 2016 Half Year**	**Financial Year 2016**
Gold Production	Ounces	90,000-100,000	100,000-110,000	190,000-210,000
All-In Site Cash Costs	US$/oz	1,150-1,300	1,050-1,150	1,100-1,200

Gold Sales and Price Hedging

A total of 45,344 ounces of gold were sold during the Quarter into a combination of spot and spot deferred contracts at a weighted average delivered price of US$1,291/oz (June quarter: US$1,307/oz).

As at September 30, 2015, Perseus's gold price hedging included 149,100 ounces of gold sold forward at a weighted average price of US$1,240/oz. The total hedge position was "in the money" to the extent of $26.5 million as at September 30, 2015.

Relocation Housing Project

During the Quarter, civil construction contractor, PW Ghana Ltd, mobilised to prepare the site on which housing to relocate residents impacted by mining in the Eastern Pits and Esuajah North mining areas will be built. By the end of the Quarter, stripping of vegetation and topsoil was complete and earthworks were 77% complete for Area 1 – the location of the Eastern Pits relocation housing. Works in Area 2, the location for the Esuajah North housing, are less advanced but are tracking on schedule.

Tenders for the construction of the Eastern Pits housing (“Lot 1”) were evaluated and a contract for the construction of the 46 dwellings has been awarded to a Ghanaian construction company, Wilhelm Construction Limited. Pending the receipt of requisite building permits, construction of the Lot 1 housing is expected to start early in the December 2015 quarter.

Housing infrastructure works are expected to be completed by June 2016 and construction of the houses required for both the Eastern Pits residents and Esuajah North residents is scheduled for completion at the end of September 2017 and December 2017 respectively. The forecast cost to complete the Fetish and Esuajah North relocation housing is expected to be less that the budget of approximately US$23 million.

Illegal Mining near Edikan

During the Quarter, Ghanaian media outlets published reports of illegal mining activities being conducted on the fringe of Edikan’s Mining Lease and a clash that occurred between the illegal miners and Ghana’s national security forces at Ayanfuri, a town near Edikan, as part of a nationwide campaign to eliminate illegal mining activities in the country.

In conducting their unlawful activities, the illegal miners cause damage to the environment, risk their lives and general well-being with highly dangerous work practices and deprive the government and taxpayers of Ghana of significant income from royalties and taxation that would otherwise have been paid if this material was processed by legitimate mining operations such as that contemplated by Perseus as part of its rehabilitation plan. In recognising the damage and financial loss inflicted by the illegal miners, the government of Ghana has adopted a “zero tolerance” policy and has formed a National Security Task Force to rid the country of such activities.

Perseus is cooperating fully with the government and seeking to ensure that peace and safety is maintained around Edikan to allow its management team and workers to continue to focus on building on the material operating improvements that have been achieved at Edikan in recent times.

Updated Mineral Resources

An updated Mineral Resource estimate for Edikan was prepared 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 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 the EGM 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. Details of the estimates are shown in Table 7.

Table 7: 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
Esuajah North	16.9	0.9	494	18.4	0.8	493	35.3	0.9	986	3.6	0.9	105
Esuajah 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.

Updated Mineral Reserves

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 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 Edition). These were subsequently updated in July 2015 to include results from the recent Chirawewa drilling program.

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 8.

Table 8: Proved and Probable Mineral Reserves – EGM[3,4,6]

Deposit	Proved Reserves			Probable Reserve			Proved + Probable Reserves			Strip ratio[5]
	Quantity	Grade	Gold	Quantity	Grade	Gold	Quantity	Grade	Gold	
	Mt	g/t gold	Kozs	Mt	g/t gold	Kozs	Mt	g/t 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
Esuajah North	11.7	1.0	360	2.8	0.9	82	14.5	1.0	442	1.6
Esuajah 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.

SGP – Côte d'Ivoire

The SGP is located in the north of Côte d'Ivoire and is situated within an 885sq km land package consisting of the SGP exploitation permit area and the adjoining Tengrela South exploration permit area. The permits are located along a structural/stratigraphic corridor within the Syama-Boundiali greenstone belt approximately 150km south-southeast of the Morila gold mine (7.0 million ounces) in Mali and 65km west northwest of Randgold's Tongon deposit (4.3 million ounces) in Côte d'Ivoire. The group owns a 86% interest in the SGP, with (as if it had been granted) a 10% free carried interest owned by the Ivorian government and the remaining 4% owned by local interests.

Project Implementation

During the Quarter, the following initiatives were implemented as a pre-cursor to considering the strategically important investment decision on the full scale development of Sissingué.

- The terms of a Mining Convention for Sissingué were finalised in accordance with Côte d'Ivoire's Mining Code and the Convention was executed in late July 2015 by Perseus and the Minister for Industry and Mines, and the Ministers attached to the Prime Minster with responsibility for the Economy and Finance and the Budget respectively;

- Engineering consultant, Lycopodium, materially advanced Front End Engineering and Design ("FEED"). As well as finalising details of plant layout, flowsheets, equipment lists etc. this work enabled an accurate allocation of the scope of work to different contract packages and the preparation of comprehensive budgets for each package employing a Work Breakdown Structure suitable for a high level of cost control. In addition consultants, Knight Piesold, completed a review of tailings dam options and undertook a geotechnical programme aimed at confirming the geotechnical integrity of a new tails dam site and the site for key items of plant infrastructure;

- Organisation structures were developed for both the construction and operating phases of the project and Perseus recruited a small number of construction staff. In due course, operations staff will be recruited and integrated into the construction team during development to ensure that mine and plant operability remains a key focus at all times during construction;

- A Recruitment Committee involving representatives of all villages located in the vicinity of Sissingué was established to ensure fair allocation of employment opportunities to local residents during both the construction and operating phases of the project;

- Implementation of a programme of early works was started, including amongst other things FEED, 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. By the end of the Quarter work was proceeding on schedule and on budget, with important advances being made especially in terms of site clearing and establishment;

- A programme of engagement was initiated with all national, regional and local government and community security stakeholders to ensure that all parties are adequately briefed on details of the project and committed to maintaining peace and security in the vicinity of Sissingué.

As noted above, Perseus intends to review its development plans and take a decision on the timing of the development of Sissingué towards the end of the December 2015 quarter. A number of factors will influence this development decision including:

- Importance to Perseus of the strategic, financial and risk mitigation benefits arising from establishing a second income stream from a project located in a different geo-political setting to the Company's flagship operation at Edikan;

- Relative attractiveness of the risk versus reward balance compared to other investment opportunities;

- Status of the gold market with particular emphasis on the implications for gold prices of possible movements in United States interest rates and the ability of Perseus to fund the Sissingué development without exerting undue balance sheet pressure in a volatile gold market;

- Continued political stability, sound community relations and security in Cote d'Ivoire following the Presidential elections held on October 25, 2015 which saw the incumbent government secure another 5 year term.

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 Resource estimate was prepared in accordance with 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 2012 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 and containing a further 63k ounces of gold are classified as Inferred Mineral Resources. Details of these estimates are shown below in Table 9.

Table 9: 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 10: 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 Mineral Reserves for the SGP. The Mineral Reserve Statement estimates the Mineral Reserves as at February 1, 2015 and has been undertaken in compliance with the requirements of the reporting guidelines of the JORC Code 2012.

A total of 5.5 Mt of open cut Mineral Reserves grading 2.4g/t gold were estimated for the SGP as at February 1, 2015 classified as follows in Table 11:

Table 11: 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.

Exploration

Ghana

During the Quarter, a total of US$0.811 million was spent by Perseus on exploration activities on the Edikan mining leases in Ghana.

Edikan Mine, Ghana

Exploration programs conducted at Edikan included field mapping, prospecting, sampling and several small self-potential ("SP") geophysical surveys to evaluate several near-mine geological targets. Additionally, an ongoing data review and analysis has resulted in the planning of several small drilling programs to test near-mine targets in the December 2015 quarter.

Agyakusu Prospecting License, Ghana

A program of soil sampling and SP geophysical survey was conducted on the Agyakusu License to extend previous encouraging results in soil sampling on strike with the Abnabna-Fobinso granite dike, 3 to 8km north-east of the Fobinso pit. Reverse circulation ("RC") drill testing of the previously identified soil anomalism in September 2014 returned several very weak anomalous drill intercepts, however no granite was identified in the drilling. The recent work extended coverage further to the north-east and included 240 soil samples and 14 line-kilometres of SP survey. The results unfortunately were weak. Given that the best of the soil anomalism was previously drill tested with weak results and drilling failed to indicate a continuation of the Abnabna-Fobinso granite dike, the Agyakusu License, which was under option from Adio-Mabas Ghana Ltd, has been returned to the vendor.

Côte d'Ivoire

A total of US$0.439 million was spent by Perseus during the Quarter on exploration activities on the Sissingué Exploitation and Mahalé Exploration Permits in Côte d'Ivoire with the following results.

Sissingué Exploitation Permit

A sterilization rotary air blast ("RAB") drilling program was commenced at Sissingué to sterilize a new proposed location for the tailings dam site. A total of 2,004 metres was drilled in 53 holes with little evidence of mineralisation being detected thus far.

Mahalé Permit

A small drilling program, commenced in the June quarter, of RC and diamond drilling ("DD") was completed on the Mahalé Permit to further test the Bélé prospects. A total of 1,350 metres was drilled in the Quarter, including 862 metres of RC plus 488 metres of DD tails, to test the depth extension of the Bélé East prospect, the area between the Bélé West and Central prospects and the southern strike extension of Bélé West.

All assay results were returned from this small program and they were disappointing. Results were weak from drilling east and south of Bélé West and do not indicate a significant extension to this zone. The holes drilled at Bélé East extended the known mineralization, however grades were weaker than previously encountered. A Mineral Resource for the Bélé East zone will be estimated in order to determine its viability as additional mill feed for Sissingué and whether tighter Resource drilling is warranted.

An auger drilling program to evaluate significant historic lag gold geochemistry anomalism along the margin of a magnetic low, presumably a granitic intrusive, situated 10 kilometres to the north-west of the Bélé prospects, was completed with 1,554 metres drilled in 219 holes. All assay results were received from this program with negligible results.

New Permits

Perseus has a number of exploration permits under application in Côte d'Ivoire in its own name and under joint venture farm-in arrangements. One of these permits, the Kounahiri permit, was granted during the Quarter to Générale des Mines et Carrières Sarl ("GEMICA"). Perseus has a 93% interest in the permit under a joint venture agreement with Gemica with exploration expenditure being funded solely by Perseus. The 392 square km Kounahiri permit straddles the western margin of the same greenstone belt which hosts Amara Mining plc's Yaoure deposit 80km to the south, in an area where the belt appears to be bending and accordingly is considered to be geologically prospective. A program of reconnaissance stream sediment geochemical sampling will commence on the permit in the December 2015 quarter.

Under its farm-in arrangement with GEMICA, Centash Holdings Pty Ltd ("Centash"), a wholly owned subsidiary of Perseus, has the right to earn a 93% equity in the Kounahiri project before allowance for the 10% carried equity reserved for the Government at the mining stage (83.7% after allowance for the government equity) in exchange for funding the project, with a priority right to recover the funds it invests. Centash may withdraw from the joint venture arrangement at any time and also has an option to acquire half of GEMICA's interest in the project for US$1 million at any stage.

Burkina Faso

During the Quarter a total of US$0.09 million was spent by Perseus on exploration activities on the Koutakou, Tangayé, Touya and Barga licences in north-western Burkina Faso that are being explored under an earn-in agreement with unlisted Australian company West African Gold Limited.

A 5,005 metre air-core drilling program was completed on the Koutakou permit during the June quarter to test a large, low-tenor gold in soil anomaly. The assay results from the drilling program were received during the present quarter and were generally very weak with the exception of several anomalous holes. The two more significant drill intercepts of 12m at 2.4g/t gold and 6m at 3.9g/t gold are open-ended on strike and warrant follow-up. Following more ground work to include detailed mapping, prospecting, trenching and possibly limited geophysical surveys, further drilling on the Koutakou prospect may be considered next year.

Corporate

Third Party Debt

Trade creditors and accruals that will be paid in the ordinary course of business totalled $40.7 million at September 30, 2015, an increase of $4.4 million during the Quarter. Aside from trade creditors, Perseus remained debt free during the Quarter.

Financing plans to fund the Company's capital works programme that currently envisages developing the Sissingué Gold Mine, constructing relocation housing, stripping waste from new mining areas and implementing a range of productivity improvement initiatives at Edikan, are being carefully considered. The previously disclosed plan to borrow up to a total of US$80 million using a corporate debt facility and a revolving line of credit has been reassessed and a revised plan is being formulated which increases reliance on internally generated cash reserves and reduces potential reliance on debt at this point in the gold price cycle. It is expected that the financing plan will be evaluated along with individual investment opportunities at the Company's general corporate strategic review that is scheduled to occur in the December 2015 quarter.

COMPANY OUTLOOK FOR THE QUARTER ENDING DECEMBER 31, 2015

Based on current work scheduled for the quarter ending December 31, 2015 the Company provides the following outlook:

Edikan Gold Mine

- Produce gold at a total all-in site cost that is in line with Half Year guidance;
- Continue to fine-tune plant metallurgical performance and maximise SAG mill throughput;
- Continue training of operating and maintenance staff;
- Continue to implement business improvement initiatives across all departments at Edikan;
- Commence construction of houses to relocate former residents of the Eastern Pits mine take area;
- Complete a feasibility study for mining the Esuajah South deposit using a selective underground mining method in preference to the currently planned open pit mining method; and
- Complete the current re-assessment of geological datasets with the aim of formulating near mine exploration programmes targeting high grade mineralisation that can be mined using either underground mining or open pit mining methods.

Sissingué Gold Project

- Complete early works programme including but not limited to certain site works at Sissingué;
- Continue to engage with all national, regional and local government and community security stakeholders to ensure that peace and security is maintained in the vicinity of Sissingué;
- Review development plans and take a decision regarding the timing of the development of Sissingué. Subject to an affirmative development decision being taken:

- o Appoint an EP or EPC contractor and commence early works on site at Sissingué;
- o Appoint key members of staff needed for the development and operation of Sissingué; and
- Continue exploration on the Mahalé exploration licence and at Sissingué.

Corporate

- Formulate and implement an approved financing plan to ensure that Perseus is adequately funded to undertake all planned capital expenditure without exerting undue pressure on the Company's balance sheet in a volatile gold market.

OVERALL FINANCIAL PERFORMANCE OF THE COMPANY

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

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

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

DISCUSSION OF OPERATING RESULTS

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

Operating results[1] for the three months ended	**Sep 30 2015**	**Jun 30 2015**	**Mar 31 2015**	**Dec 31 2014**	**Sep 30 2014**	**Jun 30 2014**	**Mar 31 2014**	**Dec 31 2013**
Total revenue	81.552	105.444	85.890	70.466	71.702	64.595	64.262	63.373
Net profit / (loss) after tax	35.810	20.859	30.141	18.436	22.731	(12.034)	(16.002)	(6.878)
Basic profit / (loss) per share (cents)	6.63	3.55	5.44	3.45	4.24	(2.25)	(3.34)	(1.25)

[1]All amounts shown above are in millions of dollars

The operating results for the September 2015 Quarter included revenue earned from the sale of precious metals (September 2015 Quarter: $81.278 million; September 2014 quarter: $71.532 million) less the cost of the goods sold (September 2015 Quarter: $63.222 million; September 2014 quarter: $52.083 million). The decrease in total revenue, from $105.444 million in the June quarter to $81.552 million in the September 2015 Quarter, is a result of lower gold sales (September 2015 Quarter: 45,344 ounces; June quarter: 63,308 ounces) and a decrease in average USD sales prices (September 2015 Quarter: US$1,291/oz; June quarter: US$1,307/oz), slightly offset by the depreciation of the AUD relative to the USD during the period.

During the September 2015 Quarter a foreign exchange gain ($33.037 million) was recognised (September 2014 quarter: $20.182 million gain) arising from a depreciation of the AUD relative to the USD during the period (September 30, 2015: 0.6978; June 30, 2015: 0.7658).

In addition, the result includes interest revenue (September 2015 Quarter: $0.274 million; September 2014 quarter: $0.170 million), depreciation and amortisation (September 2015 Quarter: $9.105 million; September 2014 quarter: $12.217 million), administration and corporate overheads (September 2015 Quarter: $1.508 million; September 2014 quarter: $1.243 million).

DISCUSSION OF FINANCIAL CONDITION

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

Financial position[1] as at:	Sep 30 2015	Jun 30 2015	Mar 31 2015	Dec 31 2014	Sep 30 2014	Jun 30 2014	Mar 31 2014	Dec 31 2013
Cash and cash equivalents	123.414	103.741	77.807	43.087	44.321	36.937	42.510	16.016
Total assets	760.356	697.826	673.350	627.497	595.114	562.022	594.445	603.192
Total liabilities	126.083	114.604	107.786	93.511	89.743	95.413	108.485	117.113
Net assets	634.273	583.222	565.564	533.986	505.371	466.609	485.960	486.059

[1]All amounts shown are in millions of dollars

Total assets
Total assets have increased during the September 2015 Quarter by $62.530 million (June quarter increase of $24.476 million). The September 2015 Quarter increase is due to an increase in current assets of $17.937 million and an increase in non-current assets of $44.593 million. Details of movements in specific accounts follow.

Cash and cash equivalents
At September 30, 2015, the Company had available cash or cash equivalent resources of $123.414 million plus a further $13.553 million of restricted funds on deposit securing environmental obligations. This cash balance represents an increase relative to the position as at June 30, 2015 ($103.741 million plus restricted cash of $12.337 million). The increase in cash reserves of $19.673 million during the September 2015 Quarter is due to an increase in inflows from the sale of gold and silver during the period slightly offset by payments associated with capital work in progress and operation of the EGM, purchase of other fixed assets and payments for exploration and administration activities.

The net increase in cash reserves of $19.673 million during the September 2015 Quarter is discussed in some detail in the "Discussion on Cash flows".

Receivables
At September 30, 2015, the Company's current receivables were $28.066 million (June 30, 2015: $40.270 million) while non-current receivables amounted to $13.553 million (June 30, 2015: $12.337 million). The decrease in current receivables during the September 2015 Quarter relative to the prior quarter is a result of the timing of gold sales and the receipt of debtor payments. The increase in non-current receivables is due to the effect of the depreciation of the AUD relative to the USD during the period on the restricted funds on deposit.

Inventory
At September 30, 2015, the Company held inventories of $48.637 million (June 30, 2015: $43.960 million). The net increase in inventory during the September 2015 Quarter ($4.677 million) relative to the position at June 30, 2015, is the result of an increase in materials and supplies on hand, an increase in gold in circuit, along with the depreciation of the AUD relative to the USD during the period, slightly offset by a decrease in the high grade and crushed ore stockpiles.

Property, plant and equipment
At September 30, 2015, the Company recognised on its balance sheet a total of $233.007 million for property, plant and equipment ("PP&E") (June 30, 2015: $210.672 million).

The Company capitalised $6.680 million of expenditure on PP&E during the September 2015 Quarter before expensing depreciation of $4.767 million. In addition, a $20.422 million foreign exchange gain was recorded against PP&E during the September 2015 Quarter as the majority of these assets are recorded in USD in the subsidiary companies' accounts and are translated into AUD on consolidation.

Mine Properties
At September 30, 2015, the Company recognised mine properties of $231.413 million on its balance sheet (June 30, 2015: $214.699 million). During the September 2015 Quarter, $0.850 million of expenditure of Mine Properties (most of which relates to deferred waste accounting entry) has been capitalised and $4.338 million of amortisation has been expensed. In addition, the net appreciation of the USD against AUD during the period referred to above gave rise to $20.202 million foreign exchange gain being recorded against mine properties.

Exploration and evaluation expenditure
At September 30, 2015, the Company recognised mineral interest acquisition and exploration expenditure of $47.363 million on its balance sheet (June 30, 2015: $41.568 million).

The Company capitalised $1.715 million of exploration and evaluation expenditure incurred on its Ghanaian and Ivorian exploration tenements during the September 2015 Quarter ($0.781 million in the June quarter). In addition, a foreign exchange gain of $4.080 million was recognised during the September 2015 Quarter.

Other assets
At September 30, 2015, the Company recognised other assets of $8.375 million on its balance sheet (June 30, 2015: $8.853 million), of which $7.022 million is classified as current and $1.353 million is classified as non-current. The decrease in other assets during the September 2015 Quarter is due to a loss on the mark-to-market revaluation of the available for sale financial asset (investment in Manas and Burey) offset by an increase in prepayments. The increase in prepayments during the September 2015 Quarter reflects the normal commercial activity associated with the EGM, along with the unwinding of capitalised borrowing costs classified as prepayments.

Derivative financial instruments
As at September 30, 2015, the Company held forward sales contracts for 12,000 ounces of gold and recorded an asset of $8.309 million (June 30, 2015: 33,000 ounces of gold and recorded an asset of $18.397 million) on its balance sheet. The movement in mark-to-market value has been recorded as equity. $8.309 million has been classified as a current asset as these forward contracts settle within twelve months of balance date (June 30, 2015: current asset of $18.397 million; non-current asset of nil). The asset reflects the difference in value of the hedge contracts on the respective balance dates relative to the value of the contracts on the date of inception of hedge accounting.

In addition, the Company held financial assets at fair value through profit and loss in the form of forward sales contracts for 137,100 ounces of gold and recorded an asset of $18.219 million (June 30, 2015: 30,000 ounces of gold and recorded an asset of $2.879 million) on its balance sheet. The movement in mark-to-market value has been recorded in the income statement. $18.219 million has been classified as a current asset as these forward contracts settle within twelve months of balance date (June 30, 2015: current asset of $2.879 million).

Total liabilities
As at September 30, 2015, the Company had liabilities totalling $126.083 million compared to $114.604 million at June 30, 2015. The changes in total liabilities during the September 2015 Quarter are attributable to increases in current liabilities of $4.390 million and increases in non-current liabilities of $7.089 million. Details of movements in specific accounts follow below.

Payables
During the September 2015 Quarter, amounts owed to creditors relating mainly to the operation of the EGM, increased to $42.444 million from a total outstanding at June 30, 2015 of $38.054 million.

On a quarter-on-quarter basis, creditors at September 30, 2015 were $4.390 million higher than at the end of the June quarter. The increase relative to the June quarter reflects changes in timing of payment of outstanding invoices in the September 2015 Quarter.

Provision
A provision of $11.423 million as at September 30, 2015 for future rehabilitation work relating mainly to both old and new mining activity at EGM as well as for the long-service entitlement was $0.946 million higher than the amount provided for at June 30, 2015 of $10.477 million. The change during the September 30, 2015 Quarter reflects a slight increase in the area requiring rehabilitation as a result of increased mining activity and an appreciation of the USD against the AUD during the period, as highlighted above.

DISCUSSION ON CASHFLOWS

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

Cash flows[1] for three months ended	**Sep 30 2015**	**Jun 30 2015**	**Mar 31 2015**	**Dec 31 2014**	**Sep 30 2014**	**Jun 30 2014[2]**	**Mar 31 2014[2]**	**Dec 31 2013[2]**
Operating activities	14.690	38.464	36.326	2.504	8.499	4.033	7.527	5.688
Investing activities	(9.829)	14.977	(8.738)	(7.829)	(7.671)	(10.220)	(10.674)	(14.664)
Financing activities	-	-	(0.002)	-	-	(0.002)	31.027	-

[1]All amounts shown are in millions of dollars
[2]Payments relating to capitalised deferred waste have been reclassified from operating activities to investing activities

After considering the effects of foreign exchange movements, the Company's cash balance increased by $19.673 million during the September 2015 Quarter while in the corresponding period in 2014 cash increased by $7.384 million.

Operating activities during the September 2015 Quarter resulted in total cash receipts of $89.566 million (June quarter: $86.014 million) from the sale of precious metals produced at the EGM and $0.256 million (June quarter: $0.199 million) from bank interest that were offset by administration expenses and production expenses at EGM of $75.132 million (June quarter: $47.749 million), giving a net cash inflow for Operating Activities during the period of $14.690 million (June quarter: inflow of $38.464 million). This net cash inflow was $6.191 million more than the corresponding amount in the September 2014 quarter when net inflows associated with Operating Activities totalled $8.499 million. In the September 2014 quarter, there were cash receipts of $73.026 million from the sale of precious metals produced at the EGM and interest received of $0.123 million offset by administration expenses and production expenses of $64.650 million.

Investing activities during the September 2015 Quarter included payments for mine properties of $0.644 million (June quarter: $5.515 million), development expenses at EGM and SGP of $8.010 million (June quarter: $8.774 million), payments relating to exploration in Ghana and Côte d'Ivoire of $1.169 million (June quarter: $0.686 million) and investment in fixed assets of $0.006 million (June quarter: $0.002 million), that generated a net cash outflow of $9.829 million (June quarter: $14.977 million). In the corresponding September 2014 quarter, investing activities included payments for mine properties ($3.234 million), payments for development of EGM and SGP ($2.628 million), payments relating to exploration in Ghana and Côte d'Ivoire ($1.705 million), investment in fixed assets ($0.004 million and investments in listed entities ($0.100 million), resulting in a net cash outflow associated with investing activities of $7.671 million.

Financing activities cash flows in the September 2015 Quarter included payments for share issue expenses of nil (June quarter: nil). There were no financing activities during the September 2014 quarter.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2015, the Company's cash and cash equivalents amounted to $123.414 million (June 30, 2015: $103.741 million).

The Company does not currently have a working capital deficiency. At September 30, 2015, the Company has sufficient funds or assets available to convert into cash, to enable payment of debts as and when they fall due and to meet its planned growth. As previously stated, the Company's short to medium term plans include maximising the cash margin at the EGM through continuing to fine-tune plant metallurgical performance and maximise SAG mill throughput, coupled with the continuing cost reduction program, continue construction of resettlement housing, study the economic viability of purchasing and installing a power station at Edikan that is capable of generating 100% of Edikan's power requirements, advance the structuring of a financing facility to supplement existing cash resources to fund development of the SGP, appoint an EP or EPC contractor and complete early works on site at the SGP, continue exploration for gold on exploration tenements associated with these projects as well as on other exploration tenements held by the Company in West Africa, all of which require significant levels of funding. The Company's ability to generate sufficient amounts of cash and cash equivalents in the long term (if required) to maintain capacity, meet planned growth and fund development of activities depends on its ability to generate sufficient cash from the EGM and failing that, to raise additional funds from the debt or capital markets.

On February 17, 2014, Perseus completed a placement to institutional and sophisticated investors of about 68.7 million ordinary shares, representing 15% of the Company's existing capital to raise approximately $32 million (the "Placement"). Settlement of the Placement occurred on February 21, 2014, and the new shares that rank equally with existing shares, were allotted and commenced trading on the ASX on February 24, 2014. The price under the Placement was set at $0.47 ("Placement Price") per new share issued. The Placement Price represented a 6.9% discount to the last ASX closing price of Perseus shares of $0.505 on February 14, 2014 and a 2.3% discount to the ASX five-day volume weighted average price of $0.48 (up to and including February 14, 2014). The proceeds of the Placement were intended for capital expenditure to accelerate productivity improvements and access to the eastern pits at the EGM and to provide for further balance sheet flexibility.

In June 2014, the Company received two partial payments of the outstanding VAT debt from the GRA, totalling GHS30.0 million (US$10.0 million). During the September 2014 quarter, Perseus received a cash payment of GHS17.6 million (US$5.8 million) and a further GHS77.6 million (US$21.3 million) of Treasury Credit Notes.

The Company's liquidity is expected to fluctuate with production from the EGM and the price of gold. The Company's ability to raise funds from the debt or capital markets will be affected by, among other things, global economic conditions (including the price of gold). As mentioned below, as part of the Company's cost reduction program, Perseus reduced the Available Commitment limit on its revolving line of credit to nil, following the decision to postpone development on the SGP.

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

During the last three financial years, both the debt and equity capital markets have been used as sources of funding by the Company. As discussed above, the Company completed a 68.7 million share placement during the March 2014 quarter. The Company has nil options outstanding as at September 30, 2015 and no new options were issued during the September 2015 Quarter. During the June 2011 quarter, the Company drew $80.211 million under its project debt facility. This was subsequently fully repaid in November 2012. There can be no assurance however that the Company will be successful in raising additional funds, as and when required, from the debt or capital markets in the future. See "*Risk Factors*".

The project debt facility agreement (the "Facility Agreement"), which is still on foot and governs the Company's hedge arrangements, contains covenants and imposes restrictions on the Company's ability to complete certain transactions. For example, the Facility Agreement requires that the Company maintain certain financial ratios and prohibits the Company from incurring additional indebtedness or entering into hedging arrangements beyond that specifically permitted. The Facility Agreement also contains (i) certain conditions precedent to the drawing down of funds, which were either satisfied or waived, and (ii) certain conditions subsequent, some of which remain outstanding. The Company has previously received waivers of breaches of, and extensions for satisfaction of, non-financial conditions to the Facility Agreement. In particular, the Company has received waivers in respect of breaches of, and extensions to the time required for satisfaction of, the conditions subsequent that: (i) the Company grants additional security in favour of the lenders by December 31, 2011 (as extended); (ii) there is parliamentary ratification of the Edikan mining leases and stability agreement by December 31, 2011 (as extended); (iii) the Company execute a foreign exchange retention account agreement with the Republic of Ghana, the Bank of Ghana, the lenders and a financial institution in Ghana as soon as possible. While the Company is currently in compliance with the terms of the Facility Agreement and believes it will be able to satisfy the foregoing conditions subsequent in the prescribed time, it may require one or more waivers or extensions from the lenders in the future. A breach by the Company of certain provisions of the Facility Agreement, unless waived, will constitute an event of default, entitling the lenders to accelerate the payment of amounts due there under. The project loan is effectively secured by all (or substantially all) of the Company's interest in the Edikan Gold Mine. An obligation to repay the amount owing under the project loan before its stated maturity could have an adverse effect on the Company and its financial position. As at September 30, 2015 no amounts were drawn under the Facility Agreement.

During the December 2012 quarter, the Company executed a Deed of Amendment and Restatement (the "Amending Deed") which documented amendments to the Facility Agreement that had the effect of converting the project debt facility into a revolving line of credit. In addition, the Amending Deed provided for an increase in the facility limit to US$100 million, with the availability limit decreasing over time to zero as at December 28, 2015. The facility margin was revised to 4.0 percent per annum and the Commitment fee was reduced to 1.75 percent per annum. Permitted uses of funds drawn under the facility were amended to allow for repayment of intercompany loans owed by Perseus Mining (Ghana) Limited to Perseus.

During the September 2013 quarter and as part of the Company's cost reduction program, Perseus reduced the Available Commitment limit on its US$100 million line of credit to nil. This eliminated the 1.75% per annum undrawn line fee, and political risk insurance on the debt, that was payable in future periods.

As at September 30, 2015, a total of 149,100 ounces of gold (June 30, 2015: 63,000 ounces of gold) had been hedged under gold forward sale contracts for settlement up to and including December 2015 at an average sale price of US$1,240/oz. This includes a total of 12,000 ounces of gold at an average price of US$1,600/oz that was sold forward in the September 2012 quarter, following the successful restructure, extension and up-sizing of the debt facility. This total hedge book represents 35% of the Company's total forecast gold production to September 30, 2017 and approximately 6% of the gold contained in the Company's currently defined Mineral Reserves.

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

COMMITMENTS

The following table sets forth information regarding the Company's contractual obligations as at September 30, 2015. The Company has no long term debt, finance lease obligations, operating leases or purchase obligations except as indicated below.

	Less than 1 year	1-5 years	After 5 years
Exploration expenditure[1]	0.750	1.700	1.500
Rent of corporate premises	0.415	0.212	-
Total	**1.165**	**1.912**	**1.500**

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The principal financial instruments used by the Company as at September 30, 2015 are cash, receivables, financial assets at fair value, derivative financial instruments, payables and prepayments. As a result of the use of these financial instruments, the Company is exposed to credit risk, liquidity risk and market risk (including currency risk, interest rate risk, commodity price risk and equity price risk).

Credit Risk
Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted under a financial instrument resulting in a financial loss to the Company and arises from deposits with banks and financial institutions, favourable derivative financial instruments as well as credit exposures to customers including outstanding receivables and committed transactions. There has been no significant change in the Company's exposure to credit risk or its objectives and policies for managing these risks during the September 2015 Quarter.

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

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

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

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Ghanaian Cedi. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Company is also exposed to foreign exchange risk arising from the translation of its foreign operations, the Company's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature. In addition, the parent entity has an intercompany receivable from its subsidiary denominated in US dollars which is eliminated on consolidation. The gains or losses on re-measurement of this intercompany receivable from US dollars to Australian dollars are not eliminated on consolidation. There has been no significant change in the Company's exposure to currency risk or its objectives and policies for managing these risks during the September 2015 Quarter.

In November 2012 the Company fully repaid its project finance facility. Consequently, it presently has no borrowings at variable rates. During the September 2013 quarter and as part of the Company's cost reduction program, Perseus reduced the Available Commitment limit on its US$100 million line of credit to nil, eliminating the 1.75% per annum undrawn line fee, as mentioned above. There were no changes in the Company's exposure to interest rate risk during the September 2015 Quarter. The Company's objectives and policies for managing these risks have not changed during the September 2015 Quarter.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements as at September 30, 2015.

TRANSACTIONS WITH RELATED PARTIES

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

(i) Exploration and evaluation expenditure

In accordance with accounting policy note 1(n) in the June 2015 Financial Report, management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made.

(ii) Impairment of assets

In accordance with accounting policy note 1(g) in the June 2015 Financial Report, in determining whether the recoverable amount of each cash generating unit is the higher of fair value less costs to sell or value-in-use against which asset impairment is to be considered, the Company undertakes future cash flow calculations which are based on a number of critical estimates and assumptions, and reflect the life of mine ("LOM") operating and capital cost assumptions used in the group's latest budget and LOM plans:

- *(i)* Mine life including quantities of mineral reserves and mineral resources for which there is a high degree of confidence of economic extraction with given technology;
- *(ii)* Estimated production and sales levels;
- *(iii)* Estimate future commodity prices;
- *(iv)* Future costs of production;
- *(v)* Future capital expenditure;
- *(vi)* Future exchange rates; and/or
- *(vii)* Discount rates based on the group's estimated before tax weighted average cost of capital, adjusted when appropriate to take into account relevant risks such as development risk etc.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results. The expected future cash flows of the cash generating units are most sensitive to fluctuations in gold price.

(iii) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments as at the date at which they are granted. The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes option pricing model and the Monte Carlo Simulation model for performance rights, taking into account the terms and conditions upon which the instruments were granted. Differences in estimated future stock price volatility, interest rates and other factors can have a material effect on the calculation of share-based compensation expense and derivative values. As such, the values derived may change significantly from period to period and are subject to significant uncertainty. The Company recorded a total share-based compensation expense of $0.084 million for the quarter ended September 30, 2015 ($0.170 million for the quarter ended June 30, 2015; $0.135 million for the quarter ended September 30, 2014).

(iv) Restoration and rehabilitation provisions

As set out in accounting policy note 1(t) in the June 2015 Financial Report, the value of the current restoration and rehabilitation provision is based on a number of assumptions including the nature of restoration activities required and the valuation at the present value of a future obligation that necessitates estimates of the cost of performing the work required, the timing of future cash flows and the appropriate discount rate. Additionally current provisions are based on the assumption that no significant changes will occur in either relevant legislation covering restoration of mineral properties. A change in any, or a combination, of these assumptions used to determine current provisions could have a material impact to the carrying value of the provision.

(v) Derivative financial instruments

The Company makes judgements on the effectiveness of all derivative financial instrument entered into, including forward metal contracts, metal options and foreign currency option contracts in accordance with accounting policy note 1(l) in the June 2015 Financial Report. Management's assessment is that, unless otherwise disclosed the derivatives have been highly effective in offsetting changes in the fair value of the future cash flows against which they have been designated and as such are compliant with the hedge effectiveness requirements of AASB 139.

(vi) Taxes

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

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

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

(viii) Deferred stripping expenditure
The Company defers stripping costs incurred during the production stage of its operations. Significant judgement is required to distinguish between production stripping that relates to the extraction of inventory and what relates to the creation of a deferred waste asset. The Company also identifies the separate components of the ore body. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify these components, and to determine the expected volumes of waste to be stripped and ore to be mined in each component and suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The Company considers that the ratio of the expected waste to be stripped for an expected amount of ore to be mined, for a specific component of the ore body, is the most suitable production measure. Furthermore, judgements and estimates are also used to apply the units of production method in determining the amortisation of the stripping activity asset(s).

Changes in a mine's life and design will usually result in changes to the expected stripping ratio (waste to mineral reserves ratio). Changes in other technical or economical parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine's design. Changes to the life of the component are accounted for prospectively.

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

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

(xi) Measurement of fair values
When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

In the September 2015 Quarter, the Company reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after July 1, 2015. All of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning July 1, 2015 were adopted and they did not have a material impact on the current period or any prior period, and is not likely to affect future periods.

OUTSTANDING SECURITIES DATA

At September 30, 2015, the Company had issued 529,343,901 shares (June 30, 2015: 526,656,401; March 31, 2015: 526,656,401; December 31, 2014: 526,656,401; September 30, 2014: 526,656,401), nil options (June 30, 2015: nil; March 31, 2014: nil; December 31, 2014: nil; September 30, 2014: nil) and 9,162,500 performance rights (June 30, 2015: 8,377,418; March 31, 2015: 8,377,418; December 31, 2014: 6,944,561; September 30, 2014: 7,263,775).

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

Ordinary shares	529,343,901
Performance rights over unissued shares	9,162,500

Since September 30, 2015 and up to the date of this MD&A, the Company has not issued any shares, options or performance rights.

CONTROLS AND PROCEDURES

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

Disclosure Controls and Procedures

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

As at September 30, 2015, the Chief Executive Officer and Chief Financial Officer, with participation of the Company's management, concluded that there were no material weaknesses in the design of DCP at that date or changes to the Company's DCP during the September 2015 Quarter which have materially affected, or are considered to be reasonably likely to materially affect, the Company's disclosure or its DCP.

Internal Controls over Financial Reporting

Internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Board is responsible for ensuring that management fulfils its responsibilities in this regard. The Audit and Risk Committee is in turn responsible for ensuring the integrity of the reported information through its review of the Company's interim and annual financial statements. There has been no change in the Company's ICFR during the September 2015 Quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. As at September 30, 2015, the Chief Executive Officer and Chief Financial Officer have concluded that there is no material weakness relating to the design of the Company's ICFR.

Limitations of Controls and Procedures

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

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

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws. This forward-looking information may include but is not limited to information with respect to the Company's plans respect the EGM and the SGP, the estimation of mineral reserves and mineral resources, realization of mineral reserve and resource estimates, the timing and amount of future production, costs of production, capital expenditures, costs and timing of development of the SGP, mine life projections, the ability to secure required permits, the results of future exploration and drilling, the adequacy of financial resources and business and acquisition strategies. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking information is based on assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management of the Company believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Assumptions have been made by the Company regarding, among other things: the price of gold, continuing commercial production at the Edikan Gold Mine without any material disruption, the receipt of required governmental approvals, the accuracy of capital and operating cost estimates, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used by the Company. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate.

By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the risks set out below under the heading "*Risk Factors*".

Although Perseus has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. Perseus undertakes no obligation to reissue or update forward-looking information as a result of new information or events after the date of this MD&A, except in accordance with applicable securities laws. All forward-looking information disclosed in this document is qualified by this cautionary statement.

RISK FACTORS

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

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

- risks related to interest rate and foreign exchange rate fluctuations;
- the uncertainty of profitability based upon the cyclical nature of the industry in which the Company operates;
- the risk of changes to fiscal terms or operating approval conditions;
- risks related to environmental regulation and liability; and
- other risks and uncertainties related to the Company's prospects, properties and business strategy.

A detailed discussion of these and other factors that may affect the Company's prospects, actual results, performance, achievements or financial position is contained in the Company's Annual Information Form dated September 26, 2014.

TECHNICAL DISCLOSURES

***Competent Person and ASX Listing Rules Statement**:*
All production targets for the EGM 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 was first reported by the Company in compliance with the JORC Code 2012 in market announcements released on August 27, 2014 and September 4, 2014 and updated in its 2015 Financial Statements released on August 31, 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 April 20, 2015 and updated in its 2015 Financial Statements released on August 31, 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 April 21, 2015. The Company confirms that it is not aware of any new information or data that materially affects the information in that market announcement.

The information in this report that relates to exploration results was first reported by the Company in compliance with the JORC Code 2012 in a market announcement released on October 22, 2015. The Company confirms that it is not aware of any new information or data that materially affects the information in those market announcements.