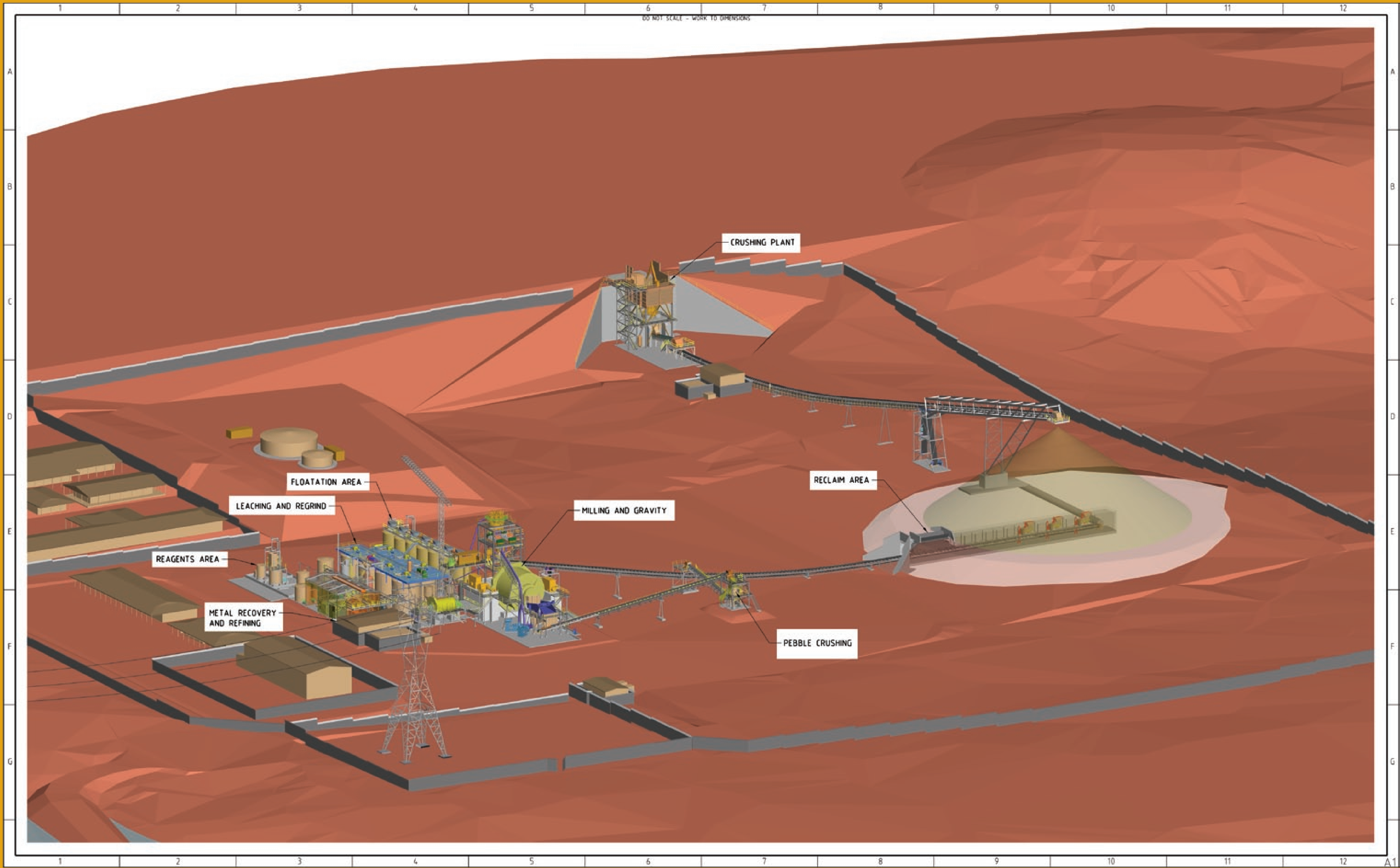
Perseus
MINING LIMITED

emerging producer
annual report 2009

Proposed Processing Plant Ayanfuri Gold Project

Perseus MINING LIMITED



Corporate Directory 2009

Directors	Reginald Norman Gillard	Non-Executive Chairman
	Mark Andrew Calderwood	Managing Director
	Colin John Carson	Executive Director
	Rhett Boudewyn Brans	Executive Director
	Neil Christian Fearis	Non-Executive Director
	Terence Sean Harvey	Non-Executive Director

Company Secretary
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Stock Exchange Listings
Australian Securities Exchange (Code – PRU)
German Stock Exchanges

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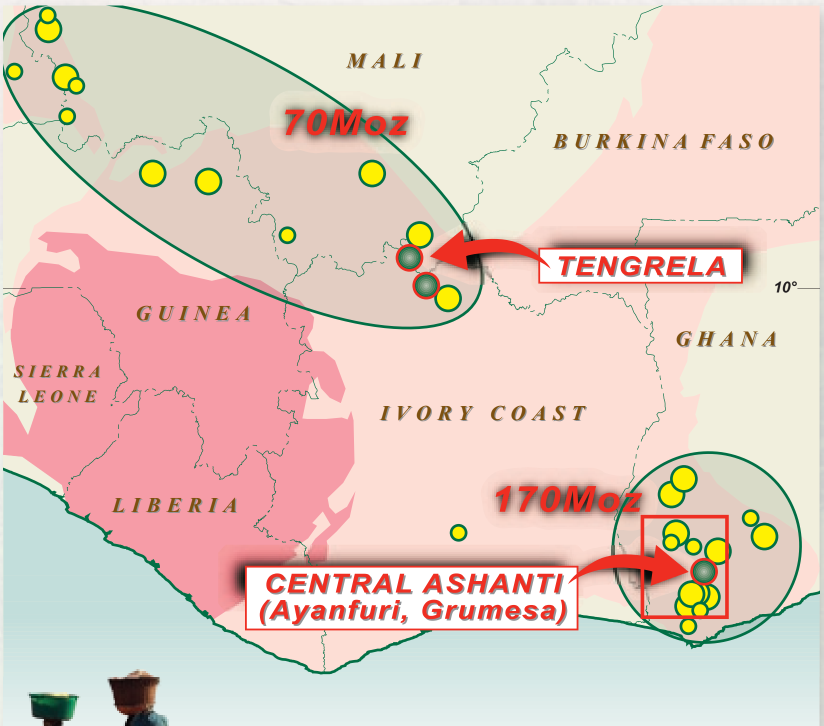


Project Locations

Chairman's Address

The past year proved to be tumultuous for the markets and currencies. Gold has proven to be the out-performing long term asset class but gold stocks have been volatile as they are not only linked to gold price but the overriding market conditions. The Perseus share price bottomed in November at 20c and at the time of writing to you the price has rebounded to its previous all time high.

Perseus's main focus now is to close the large valuation gap that generally exists between emerging producers and producers. In terms of the Australian domiciled gold companies your Company is ranked 7th in resources and reserves and with the Ayanfuri development aims to be among the top 10 Australian gold producers in 2011-2012. The Ayanfuri gold project is set to be a very robust project, producing more than 200,000 ounces of gold per annum from start-up, which is expected in Q3 2011.

At the same time we will maintain our track record of aggressive exploration and resource growth to maintain our position as one of the most successful explorers in West Africa, which was recognised by the industry with your Company winning the National award for "Excellence in Frontier Exploration".

Your Company issued 108.75m new shares in placements and a rights issue during the year to raise $83.7M. About $50 million of our year end A$80 million cash on hand has nominally been allocated to the Ayanfuri development, with some $10.5M used to date for the purchase of European gold put options to provide gold price downside protection for 100,000 oz of gold production across 2012 and 2013.

Recently the Board was strengthened with the addition of Sean Harvey, who will be our Canadian based Non-Executive Director as we move towards an anticipated TSX listing in the 2009-2010 financial year. The Company plans to add another Non-Executive Director with a project development and operations background.

On behalf of the Board I would like to thank management and staff for the tremendous effort over the past year and can assure shareholders that 2009/10 is shaping up to be at least as exciting.

Reg Gillard
Chairman

Managing Director's Address

The completion of the definitive feasibility study (DFS) on time in July this year was a key milestone in the Company's progress towards production. The DFS confirmed the potential for the Ayanfuri project to become a robust, low cost low risk gold mine.

Subsequent progress on the engineering tender and project financing gives me confidence that we can commence commissioning at Ayanfuri in Q3 2011 or earlier.

The year to June 30 again saw a 50% increase in our West African resource base from 4.7Moz to 7.1Moz, and importantly, Measured and Indicated gold resources increased by about 100% to 3.7Moz.

On the exploration front our aim for 2009/10 is to continue to actively increase resources in Ghana and Ivory Coast and to increase reserves above the 2.1Moz gold in our maiden Ayanfuri reserve estimate announced in July this year. We currently have seven to eight rigs operating in Ghana and Ivory Coast, and in addition to infill and extensional drilling we will be testing a number of green-fields targets.

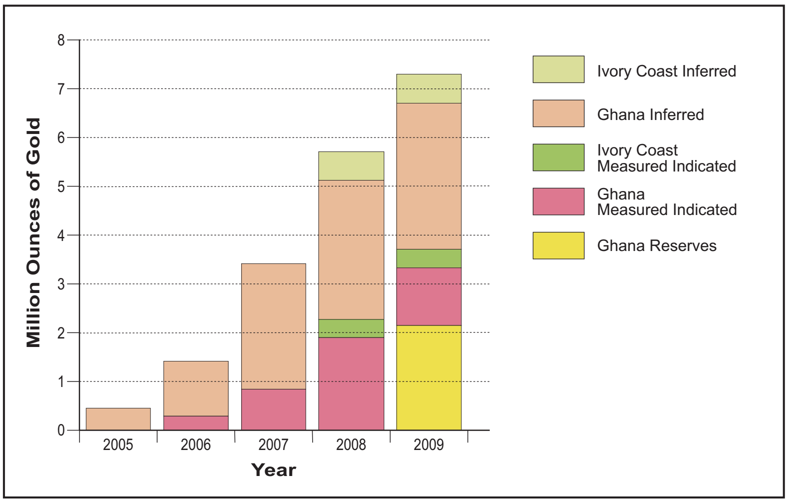
In the year ahead we also expect to make significant progress on a DFS for Tengrela with the view to announcing the results in Q3 2010.

We also have exposure to additional exploration upside with our 28% holding in Manas Resources Limited, which has impressive Carlin style gold projects in the Kyrgyz Republic, current resources of 0.88Moz and an active drilling program. The Manas assets were spun out of Perseus in mid-2008.

I would like to take the opportunity to thank the Perseus staff, contractors and consultants for their endeavors over the last year in completing the Ayanfuri feasibility study. As testament to their efforts Perseus took out the "Excellence in Frontier Exploration" award at the 2009 National Excellence in Mining Awards in Sydney in September 2009.

Mark Calderwood

Managing Director



Resource / Reserve Growth

Review of Operations

Despite the disruptive events of the Global Financial Crisis ("GFC"), the year ending 30 June 2009 ("the Year") has been one of continued solid growth for Perseus Mining Limited ("Perseus" or the "Company"). Perseus's total gold resources increased from 4.7Moz to 7.3Moz, and importantly, Measured and Indicated resources at Ayanfuri were increased from 1.7Moz to 3.0Moz of gold.

Another important milestone was the release in July 2009 of the Definitive Feasibility Study ("DFS") for the Ayanfuri Gold Project in Ghana after an intensive five month study period.

The Company has also completed a maiden resource estimate and scoping study for the Tengrela gold project in Ivory Coast.

Perseus spun out its Kyrgyz gold projects into a new ASX listed company Manas Resources Limited in July 2008, retaining a 42% interest in Manas which diluted to 28% as a result of a fundraising by Manas in July 2009. Manas has a resource base of 870,000oz and significant exploration upside.

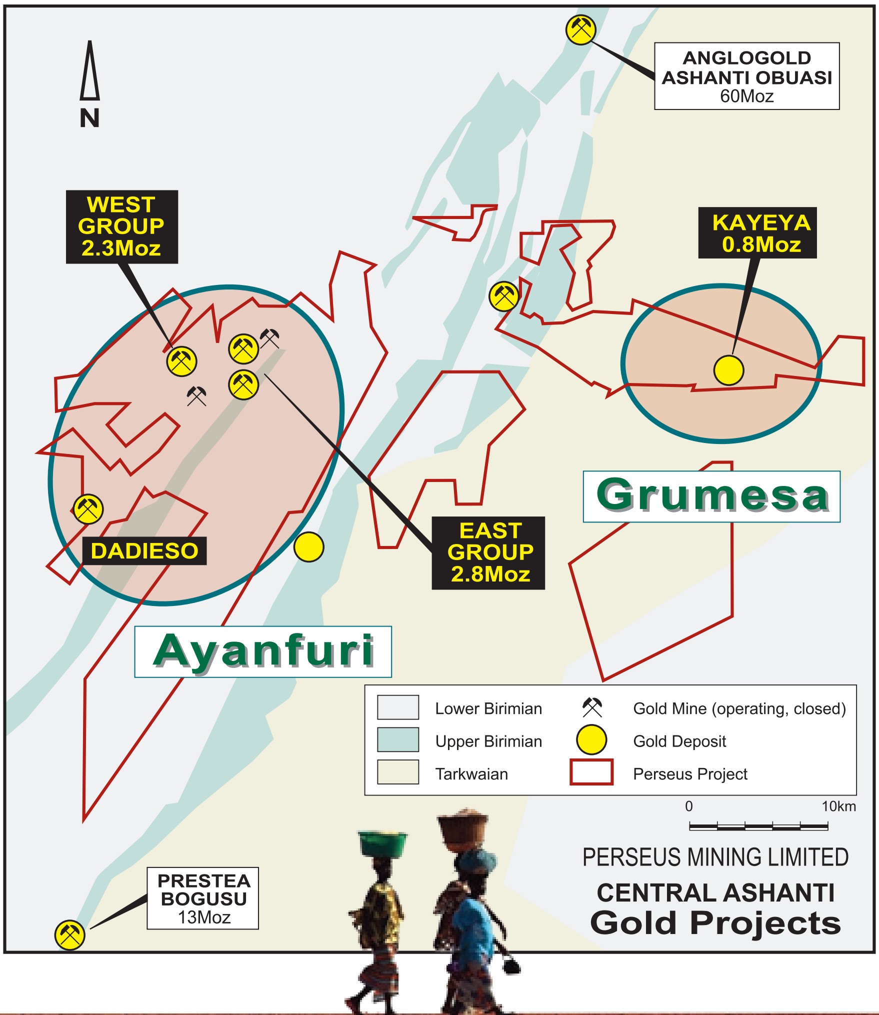
The year ahead is expected see several major milestones included permitting, finance and commencement of construction of the Company's first mine, Ayanfuri.

GHANA

Ghana again proved itself to be a shining light of democracy in Africa, with an extremely close but fair election which resulted in a change in government.

Ghana is Africa's second largest gold producer and has climbed from a world ranking of 11th largest producer in 2005 to 9th in 2008. Production is on the increase with three new mines expected to be developed in 2010 and 2011 (including Ayanfuri).

Ghana's main economic policy objective is to achieve middle-income status by 2015 and become a leading agri-industrial country. Ghana's investment regime is liberal with the mining and energy sectors attracting the lion's share of foreign direct investment. Ghana will enjoy the benefits of the moderate-large oil discovery currently being developed off-shore from the port city of Takoradi.



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RIG 2
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Review of Operations

GHANA OPERATIONS

Perseus's Central Ashanti Projects comprise 650sq km of tenements located from 30km south-west and south-east of the 60Moz Obuasi gold deposit.

Gold resources at the Company's Ayanfuri and Grumesa Projects increased 40% to 6.0Moz during the year. Exploration was predominately focused on infill and extensional drilling of known deposits at Ayanfuri to facilitate the DFS Phase 1 Reserve Estimates. Numerous untested exploration targets remaining on the Company's Central Ashanti licences will be assessed in 2009/2010.

Ayanfuri Gold Project

Perseus's Ayanfuri Gold Project lies in the Central Ashanti region of Ghana, some 320km and five hours from the capital Accra and 185km from the port of Takoradi. It is located 25-65kms south-west of Obuasi, and 70km north of Tarkwa on the Ashanti Gold Belt.

The first three months of exploration drilling during the year accounted for 80% of the 21,905m of core and 21,712m of RC drilling completed during the year reflecting the subsequent focus on cash conservation due to funding constraints imposed by the GFC. Despite the reduced level of drilling the Company significantly increased the resource base and at the same time improved the ratio of Indicated and Measured resources to Inferred resources. Current resources and reserves are summarized in tables 2 to 5 below, drilling activity is again increasing in momentum.

Feasibility Study

The Definitive Feasibility Study ("DFS") released in July 2009 confirmed the attractive project economics highlighted by earlier Ayanfuri studies.

Mintrex, as manager of the independent DFS, co-ordinated internal and independent participants. Each expert is considered competent in its or his discipline and where applicable has recent experience in West Africa. Independent contributors to the DFS included:

Mintrex
DFS manager, process design, infrastructure cost, implementation and organisation

Runge Limited
Geology and resources, pit optimisations

Coffey Mining
Geotechnical, hydrogeology, hydrology, TFS designs, mining costs and scheduling

John Nolan Consulting
Pit, waste dump and haul road design

Metallurg Pty Ltd
Metallurgical management

AMMTEC Ltd
Metallurgical test-work

Montessura Holdings Pty Ltd
Metallurgical review & specialist float, crusher designs

BEC Engineering
Electrical engineering

Dr Edward Watkins
Environment, community and sustainability matters

Tagit Consult
Environmental baseline and EIS scoping

Southern Mining Consultants Pty Ltd
Preparation of financial models and economic assessment.

A two-phase feasibility approach has been adopted in order to fast track the development process for the first ten years of mine life. Perseus is now seeking the necessary mining approvals based on the completed DFS.

The Company is assembling a highly experienced team to successfully transition from explorer to producer and, having raised $75 million in June, it has the financial capacity to fast track the project implementation where possible. Contingent on gaining the appropriate approvals, Perseus is targeting the commencement of construction activities by early 2010, first gold pour by Q3 2011 and production of 230,000 ounces in the first year, as well as the scope to expand this beyond 300,000oz+ p.a. later with modest additional capital expenditure.

Infill drilling to upgrade the 3.1Moz of resources outside Ayanfuri's reserve is expected to result in a reserve increase and support increased throughput scenarios which will be evaluated during the 'Phase Two Upgrade' study.

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Surveying - Tengrela

RC Logging - Tengrela

RC Drilling - Tengrela

Core Drilling - Ayanfuri

Core Cutting

Core Logging

Review of Operations

Table 1: Ayanfuri Project Economics Snapshot

Gold price	**US$850/oz Base[3] Case**	US$950/oz Base[3] Case	US$850/oz "In Pit Resource"[4] Case
Ore processed - tonnes @ g/t Au	**55.5Mt @1.2g/t**	55.5Mt @1.2g/t	59.3Mt @1.2g/t
Strip Ratio	**2.5:1**	2.5:1	2.0:1
Capital Cost	**$147.9M**	$147.9M	$147.9M
Mining Costs	**$9.99/t ore, $288/oz**	$9.99/t ore, $288/oz	$9.34/t ore, $270/oz
Process Recovery	**90.4%**	90.4%	90.4%
Processing Costs	**$5.31/t ore, $153/oz**	$5.31/t ore, $153/oz	$5.31/t ore, $153/oz
Administration Costs	**$0.95/t ore, $27/oz**	$0.95/t ore, $27/oz	$0.95/t ore, $27/oz
EBITDA[1]	**$685M**	$872M	$759M
IRR[6]	**50%**	64%	50%
Payback period	**1 yr 7 months**	1 yr 3 months	1 yr 5 months
Corporate Tax paid (Ghana)	**$131M**	$177M	$149M
Royalties paid (State)[2]	**$49M**	$55M	$52M
Cash Operating Cost/oz Av.(C1)[5]	**$494/oz**	$498/oz	$480/oz

Notes for Table 1

1) EBITDA is earnings prior to interest, tax, depreciation and amortisation but includes refining costs and Government royalties.
2) Royalties are based on the current industry rate of 3% payable to the Government of Ghana; no allowance has been made for acquisition royalties totalling approximately 1.75%.
3) The Base Case reflects mining of three deposits only and a fixed 0.5g/t Au cut-off grade for ore. It treats mined Inferred Resources as waste.
4) The In Pit Resource Case is the same as the Base Case apart from the inclusion of gold production from Inferred Resources from within mined pits.
5) C1 definition includes operating costs, government royalties only and refining costs.
6) IRR is calculated at the commencement of production.

Key Parameters of the Ayanfuri Definitive Feasibility Study Gold Production

Year One	230,000oz
Years 1-4 (average)	220,000oz
Years 1-10 (average)	192,000oz
Reserves	2.14 million oz (Proved and Probable Reserves)

Capital Costs and Operating Costs

Initial Capital Cost	US$147.9M (incl. contingency)
Plant Capacity	5.5 million tpa
Cash Operating Cost	US$392/oz (Year 1) US$494/oz (10 years)

Earnings Capability

EBITDA at US$850/oz	US$284M (first 3 years) US$685M (10 years)
EBITDA at US$950/oz	US$351M (first 3 years) US$872M (10 years)

Planned Timing of Development and Production

Construction start	Q1 2010
Gold Production	Q3 2011
Payback	1yr 7mths (at US$850), 1yr 3mths (at US$950)
IRR	50% (at US$850 gold price), 64% (at US$950 gold price)

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School Infrastructure

Water Pumps

Electricity

Review of Operations

Table 2: Mineral Resources (Gold) - Ayanfuri Gold Project - High Grade (prior to reserves)

	Measured			Indicated			Inferred		
Deposit	**Tonnes (million)**	**g/t Au**	**Ounces Au**	**Tonnes (million)**	**g/t Au**	**Ounces Au**	**Tonnes (million)**	**g/t Au**	**Ounces Au**
Esuajah North(1)				10.1	1.2	373,000	2.6	1.0	80,000
Esuajah South(3)				6.0	1.9	359,000	3.9	2.1	260,000
Fetish(1)				12.0	1.3	484,000	5.5	1.7	310,000
Abnabna-Fobinso(4)	15.9	1.5	783,000	12.7	1.4	559,000	6.4	1.3	261,000
Ataasi(2)				0.3	2.6	29,000	0.2	2.8	18,000
Chirawewa(6)							5.6	1.2	214,000
Mampon(6)							3.1	1.4	142,000
Dadieso(6)							2.9	1.7	156,000
Totals	**15.9**	**1.5**	**783,000**	**41.1**	**1.4**	**1,804,000**	**30.2**	**1.5**	**1,441,000**

Table 3: Mineral Resources (Gold) - Ayanfuri Gold Project - Low Grade (prior to reserves)

	Measured			Indicated			Inferred		
Deposit	**Tonnes (million)**	**g/t Au**	**Ounces Au**	**Tonnes (million)**	**g/t Au**	**Ounces Au**	**Tonnes (million)**	**g/t Au**	**Ounces Au**
Esuajah North(5)				10.1	0.6	206,000	6.7	0.6	133,000
Esuajah South(7)				0.9	0.6	18,000	1.7	1.0	55,000
Fetish(5)				5.4	0.6	113,000	2.5	0.6	50,000
Abnabna-Fobinso(8)	4.1	0.6	85,000	7.6	0.6	148,000	10.0	0.8	253,000
Chirawewa(9)							6.9	0.6	127,000
Mampon(9)							3.7	0.6	67,000
Dadieso(9)							0.3	0.6	6,000
Totals	**4.1**	**0.6**	**85,000**	**24.0**	**0.6**	**485,000**	**31.9**	**0.7**	**691,000**

*Rounding applied to totals

Notes:

1) Runge Ltd estimate Feb 2009 (Reported at 0.8g/t cut-off)
2) Perseus Mining Limited estimate May 2006 (Reported at 0.8g/t cut-off)
3) Runge Ltd estimate Feb 2009 (Reported at 0.8g/t cut-off above -100mRL and 1.2g/t below -100mRL)
4) Runge Ltd estimate May 2009 (Reported at 0.8g/t cut-off above -100mRL and 1.2g/t below -100mRL)
5) Runge Ltd estimate Feb 2009 (Reported 0.4-0.8g/t)
6) Runge Ltd estimate Mar 2009 (Reported 0.4-0.8g/t)
7) Runge Ltd estimate Feb 2009 (Reported 0.4-0.8g/t above -100mRL and 0.8-1.2g/t below -100mRL)
8) Runge Ltd estimate May 2009 (Reported 0.4-0.8g/t above -100mRL and 0.8-1.2g/t below -100mRL)
9) Runge Ltd estimate Mar 2009 (Reported 0.4-0.8g/t)

Table 4: Mineral Reserves (Gold) - Ayanfuri Gold Project

	Proven			Probable			Total		
Deposit	**Tonnes (million)**	**g/t Au**	**Ounces Au**	**Tonnes (million)**	**g/t Au**	**Ounces Au**	**Tonnes (million)**	**g/t Au**	**Ounces Au**
Abnabna-Fobinso	18.4	1.40	828,000	11.5	1.19	441,000	29.9	1.33	1,269,000
Esuajah North				11.9	1.01	387,000	11.9	1.01	387,000
Fetish				13.7	1.12	485,000	13.7	1.12	485,000
Totals	**18.4**	**1.40**	**828,000**	**37.2**	**1.11**	**1,313,000**	**55.5**	**1.20**	**2,141,000**

*Rounding applied to totals

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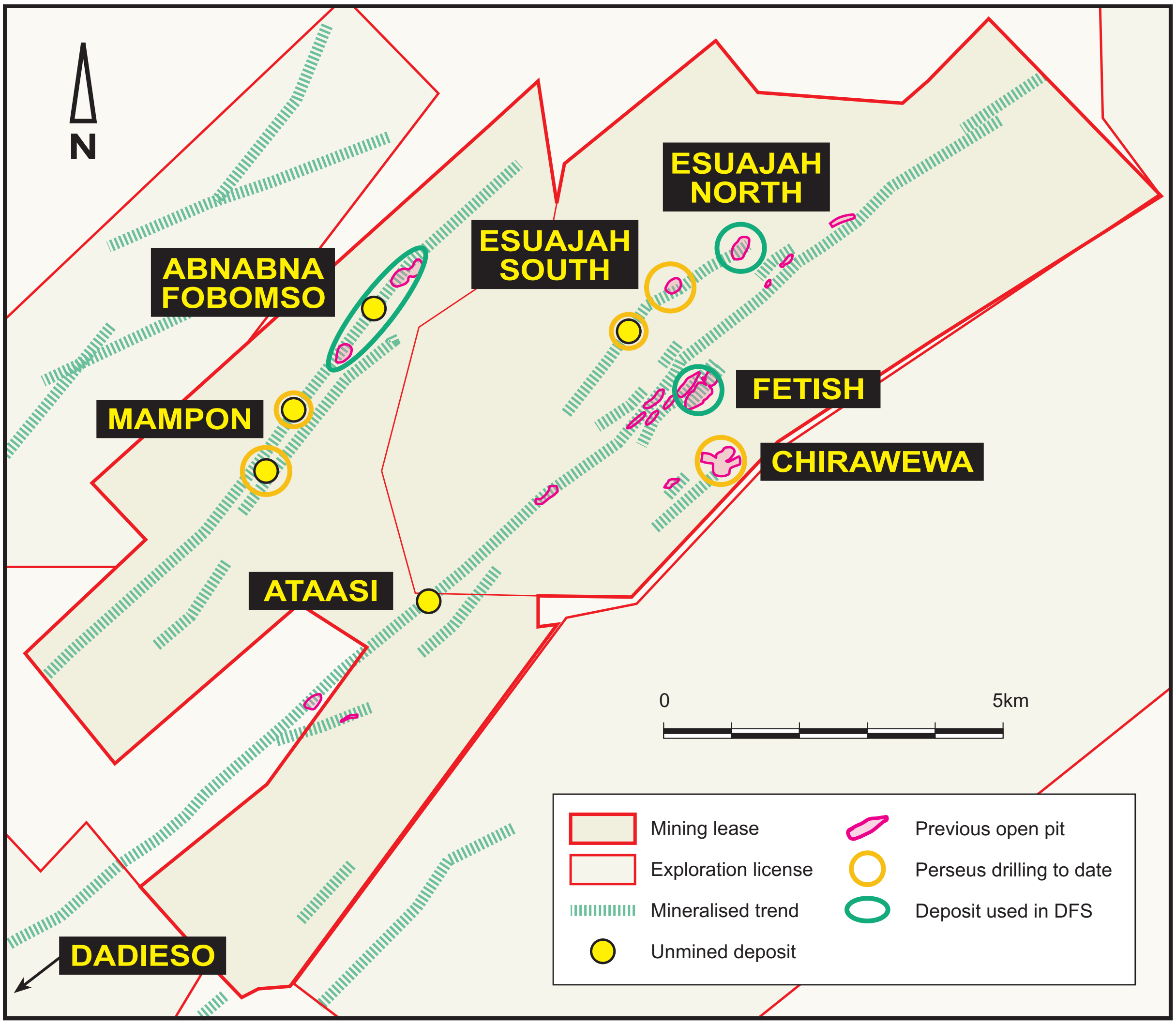
Table 5: Summary of Mineral Reserve and Resources (Gold) - Ayanfuri Gold Project

	Proven & Probable Reserves			Measured & Indicated Resources [1]			Inferred Resources [2]		
Deposit	**Tonnes (million)**	**g/t Au**	**Ounces Au**	**Tonnes (million)**	**g/t Au**	**Ounces Au**	**Tonnes (million)**	**g/t Au**	**Ounces Au**
Abnabna-Fobinso	29.9	1.33	1,269,000						
Esuajah South	11.9	1.01	387,000						
Fetish	13.7	1.12	485,000						
Additional HG Resources				15.8	1.5	764,000	30.2	1.5	1,441,000
Additional LG Resources				14.1	0.6	267,000	31.9	0.7	691,000
Totals	**55.5**	**1.20**	**2,141,000**	**29.9**	**1.1**	**1,031,000**	**62.1**	**1.1**	**2,132,000**

* Rounding applied to totals

Notes:
1) Measured and Indicated resources outside current pit designs
2) Inferred resources within and outside of current pit designs



Mining Leases - Ayanfuri

Review of Operations

Grumesa Gold Project

The Grumesa Gold Project is located 30km east of the Ayanfuri Gold Project. The Kayeya deposit on the Grumesa licence is a very large low grade Tarkwaian hosted gold deposit that is amenable to heap leach gold extraction. Current resources are 30 million tonnes at 0.8g/t Au.

Limited drilling (1,700m) was undertaken on the Kayeya deposit during the year.

The Company will complete the Grumesa feasibility study during the 2009-2010 financial year to assess whether Grumesa may represent a satellite production opportunity, managed from Ayanfuri.

IVORY COAST

Ivory Coast is one of Africa's best developed countries, with good infrastructure and a relatively sophisticated bureaucracy.

Ivory Coast's agricultural industry dominates over mining, even though it has the largest share of greenstone belts prospective for gold in West Africa. In 2008 Equigold's Bonikro mine became the first significant gold producer for the under-explored country.

Randgold's 4.3Moz Tongon project in northern Ivory Coast is expected to commence production in 2010 at the rate of about 290,000oz of gold per annum.

Perseus's tenement holding in Ivory Coast stands at 2,724sq km, with the main area of focus being the Tengrela Gold Project.

Tengrela Gold Project

The 885sq km Tengrela Gold Project is located immediately south of Resolute Mining Limited's 6.8Moz Syama and Finkalo projects, along the same structural/stratigraphic corridor within the Syama-Boundiali greenstone belt. The project lies 150km SSE of the Morila gold mine (7Moz) and 65km WNW of the Tongon deposit (4.3Moz).

Despite limited activity over the five month period from November 2008 to March 2009 the Company completed an impressive 61,130m of drilling to eclipse the 38,592m completed in the prior year. Two significant milestones achieved during the year were:

1) The completion of a maiden resource estimate over the 1km portion of the 4km-long Sissingue prospect drilled to sufficient density to enable estimation. Mineralisation remains open to the north, south and at depth.

   The maiden resource estimate set out in the table below totals 15.7Mt at 1.9g/t Au containing 970,000 ounces of gold including:

   8.4Mt at 2.5g/t Au containing 680,000 ounces of gold at a 1.5g/t cut-off; or
   5.1Mt at 3.1g/t Au containing 500,000 ounces of gold at a 2.0g/t cut-off.

2) While the Sissingue gold deposit at Tengrela has only been partially resource drilled, a Scoping Study was undertaken to evaluate its economic potential. The Scoping Study indicated that even at this early stage the project has potential to deliver strong cash returns and complement the Company's larger and more advanced Ayanfuri project in neighboring Ghana.

   Two phases of metallurgical testwork were carried out on global composites prepared for each of the oxide and primary zones.

   The mineralised material can be classified as extremely clean with no obvious metallurgical problems. Oxide and primary ore zones exhibit a high proportion of coarse gold, such that the gravity circuit should recover between 35-50% of the gold and total recovery from combined gravity-cyanidation for the oxide and primary mineralisation was very high at 97%. A predicted gold recovery of 95% is expected in the full scale plant. Leach kinetics were extremely fast, with more than 95% of the gold recovered after 16 hours of leaching.

There is significant upside resource potential at Sissingue. It is anticipated that resource upgrades will be released in the 2009 – 2010 financial year as resource drilling extends over the open 5km strike of mineralisation encountered to date at Sissingue and as RC and diamond drilling commences on other prospects at Tengrela defined by RAB drilling.

A definitive feasibility study will commence in October 2009 with additional comprehensive metallurgy.

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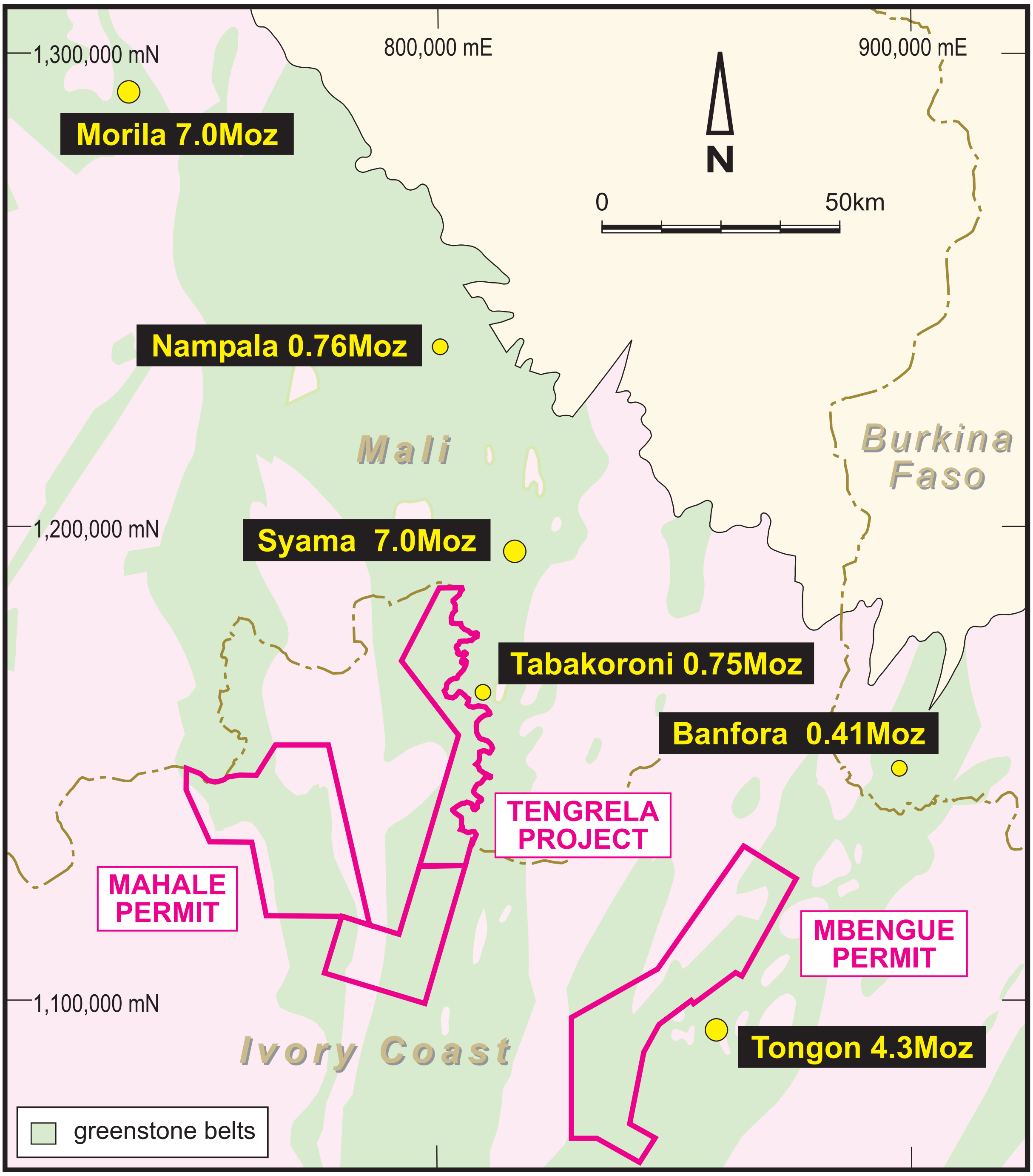

Tenement Locations - Ivory Coast

Review of Operations

Table 6: Resource by Classification and Weathering

Sissingue Prospect (Tengrela) Mineral Resource Estimate (Gold) >1.0g/t						
	Indicated			Inferred		
	Tonnes	Grade Au g/t	Ounces cont	Tonnes	Grade Au g/t	Ounces cont.
Oxide Transition	830,000	2.1	56,000	2,490,000	2.1	170,000
Fresh	5,210,000	1.9	323,000	7,130,000	1.8	421,000
Total	**6,040,000**	**2.0**	**379,000**	**9,620,000**	**1.9**	**591,000**

* Rounding applied

Table 7: Sissingue Scoping Study - Economic Assessment in US Dollars

Gold price	US$750/oz	**US$850/oz 'base case'**	US$950/oz[1]
Ore processed tonnes @ g/t Au	14.6Mt@1.75g/t & LG 2.9Mt@0.62g/t	**14.6Mt@1.75g/t & LG 2.9Mt@0.62g/t**	14.6Mt @1.75g/t & LG 2.9Mt@0.62g/t
Strip Ratio (excludes LG)[2]	3.4:1	**3.4:1**	3.4:1
Capital Cost	$89.3M	**$89.3M**	$89.3M
Mining Costs (includes LG)[2]	$11.1/t ore $230/oz	**$11.1/t ore $230/oz**	$11.1/t ore $230/oz
Process Recovery	95% CIL	**95% CIL**	95% CIL
Processing Costs	$8.3/t, $170/oz	**$8.3/t, $170/oz**	$8.3/t, $170/oz
G&A Costs (includes LG)[2]	$2.5/t ore, $52/oz	**$2.5/t ore, $52/oz**	$10/t ore, $52/oz
Cash Operating Cost/oz	$452/oz	**$452/oz**	$452/oz
Payback period	1 yr 9 months	**1 yr 5 months**	1 yr 2 months
Tax paid	$6.6M	**$14.7M**	$23.2M
Royalties paid	$19.9M	**$21.5M**	$24.0M
Free cash (before capital, interest and tax)	$233.2M	**$314.6M**	$395.8M
Free cash after capital and tax (interest costs not included)	$137.3M	**$210.5M**	$283.2M
IRR	40%	**57%**	75%

Notes:
1) Each of the US$750, US$850 and US$950 gold price scenarios are based on mining pits optimized at a gold price of US$850.
2) LG is low grade ore 0.4g/t - 0.8g/t Au

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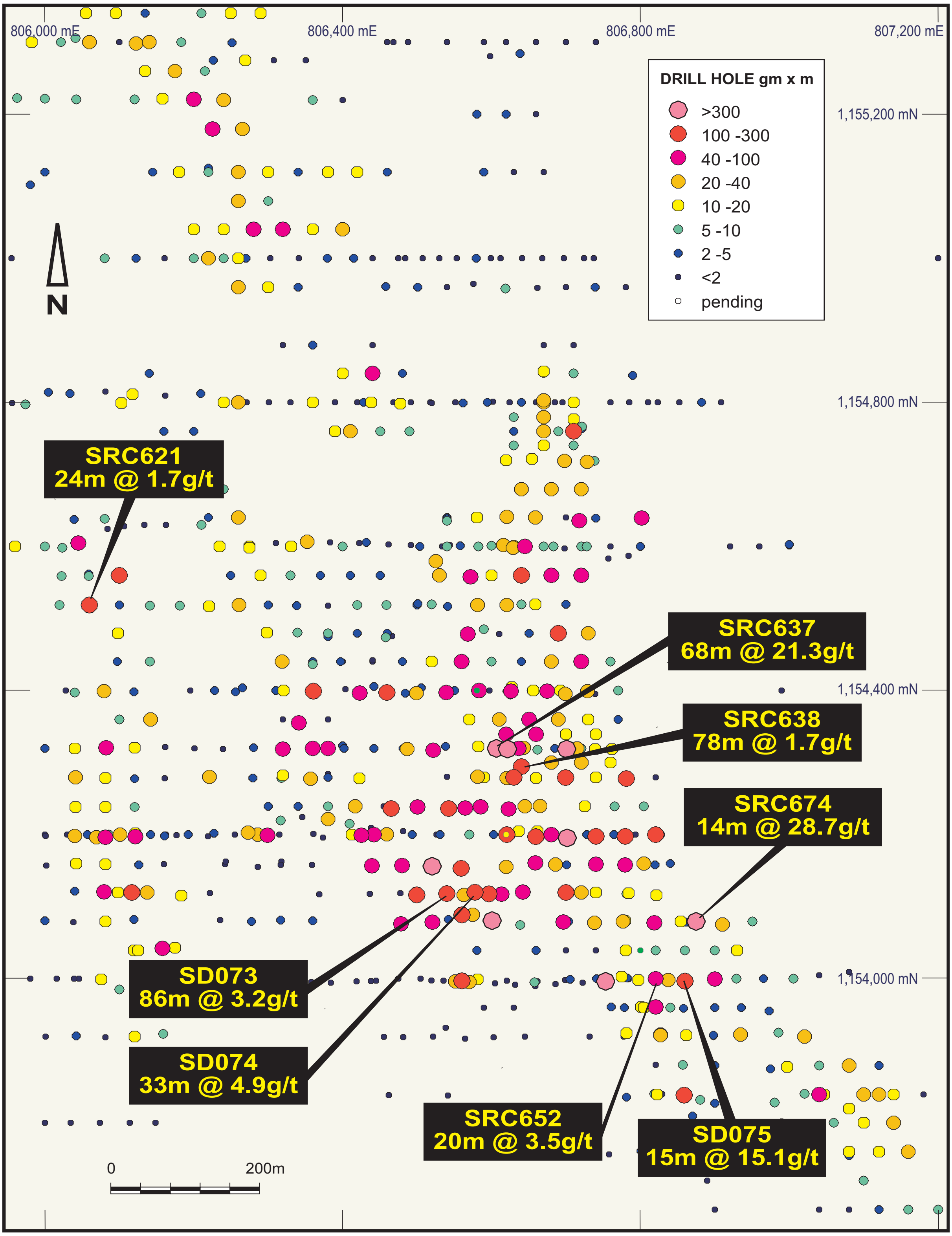

Recent Resource Drilling **Tengrela - Ivory Coast**

Review of Operations

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY

Perseus Mining operated in Australia, Ghana and Ivory Coast with over 270 people from diverse cultural backgrounds managing exploration and development activities. The safety record across the Company has been commendable. The challenging locations come with various health risks and the environmental management team has performed admirably in Ghana and Ivory Coast.

The ongoing development of OH&S policies, systems and procedures has been a driver for the enhanced results of improved health of Perseus staff.

SAFETY

It is pleasing to note that during the year no lost time injuries occurred and only three significant incidents were recorded. This is particularly pleasing given the refurbishment of the heap leach plant, the scale of exploration activities and the mine predevelopment works completed at Ayanfuri.

The initiatives of 2008 resulted in sound and successful policy implementation across the operations with the results a reward in themselves.

"Tool box" meetings continued and were expanded into the exploration operations with regular meetings addressing work safe practice, hygiene and health issues.

HEALTH

Regular inspections of safety stations and medical supplies were undertaken with support for the local medical services established to enhance the quality of medical services available within the operating areas of Perseus.

Community meetings were conducted to assist with enhanced hygiene and to develop understandings of effective utilisation of the sustainable fresh clean water systems developed by Perseus. Perseus continued its support for community based inoculations programmes in Tengrela and Ayanfuri. Community based sanitation projects were implemented with significant reduction in sanitation related health issues.

Baseline studies have identified primary causes of health issues within the Ayanfuri area and programmes will be developed to focus on dealing with these primary health issues. Meningitis, Buruli Ulcer and Urinary Schistosomiasis will be the focus for the next year.

ENVIRONMENTAL

The EPA approved the Environmental Impact Assessment Scoping Report and Terms of Reference and gave permission to proceed with the preparation of an Environmental Impact Statement.

An independent Accra based environmental consulting company was contracted to proceed with environmental and social baseline studies using experts drawn from universities and scientific agencies in Ghana.

SGS Laboratory Services, Ghana was contracted to undertake a quarterly water quality sampling programme of rivers, streams and community boreholes in the Project area.

A preliminary environmental assessment of the Tengrela Project was undertaken by independent Ivorian environmental consultants and approved by the Ministry of Environment as a basis for undertaking future detailed environmental and social baseline studies leading to the preparation of an Environmental Impact Assessment.

COMMUNITY

Perhaps due to Perseus's focus on an integrated management approach, cultural sensitivity has been developed through an ability to listen and understand community issues and then relate them to the executive management. The close working relationship with the community with interwoven goals and outcomes has been an integral part of the operating practices. Key socio-economic programmes aimed at delivering community needs and targeting their needs with a consultative approach has resulted in an open and respected relationship between the community and the operating staff.

Perseus has established a direct line management pathway to the Managing Director for community based project approval thus accelerating the implementation of critical projects supporting the community. The next step is to establish a community based management committee with key company personnel to implement and help administer the Economic and Social Development Fund as part of the Ayanfuri Project development initiatives.

Perseus continues to work with local government and national authorities in assisting with community initiatives.

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Table 8: Mineral Reserves (Gold) - Perseus Mining Limited Projects

	Proven			Portable			Total				
Project	**Tonnes**	**g/t Au**	**Ounces Au**	**Tonnes**	**g/t Au**	**Ounces Au**	**Tonnes**	**g/t Au**	**Ounces Au**	**Max Equity (2)**	**Equity Ounces**
Ayanfuri (1) >0.5g/t Au	18,400,000	1.4	828,000	37,200,000	1.1	1,313,000	55,500,000	1.2	2,141,000	90%	1,927,000

Notes:
1) Last updated on 30 July 2009.
2) Maximum equity available to Perseus Mining Limited at mining stage

* Rounding applied to totals

Table 9: Mineral Resources (Gold) - Perseus Mining Limited Projects (excluding reserves)

	Measured & Indicated			Inferred			Total				
Project / Country	**Tonnes**	**g/t Au**	**Ounces Au**	**Tonnes**	**g/t Au**	**Ounces Au**	**Tonnes**	**g/t Au**	**Ounces Au**	**Max Equity (2)**	**Equity Ounces**
Ayanfuri (1) >0.8g/t Au	15,800,000	1.5	764,000	30,200,000	1.5	1,441,000	46,000,000	1.5	2,205,000	90%	1,984,500
Ayanfuri (1) 0.4-0.8g/t Au	14,100,000	0.6	267,000	31,900,000	0.7	691,000	46,000,000	0.7	958,000	90%	862,200
Grumesa (2)	7,100,000	0.9	195,000	23,300,000	0.8	619,000	30,400,000	0.8	814,000	90%	732,600
Total Ghana			**1,226,000**			**2,751,000**			**3,977,000**		**3,579,300**
Tengrela	6,000,000	2.0	379,000	9,600,000	1.9	591,000	15,700,000	1.9	970,000	85%	824,500
Total Ivory Coast (3)			**379,000**			**591,000**			**970,000**		**824,500**

Notes:
1) Last updated 30/7/2009
2) Last updated 30/4/2007
3) Maiden resource announced on 27 November 2008
4) Maximum equity available to Perseus Mining Limited at mining stage

* Rounding applied to totals

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Mark Calderwood, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Calderwood is a Director and full-time employee of the Company. Mr Calderwood has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Calderwood consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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Directors' Report

Your Directors present their report together with the financial report of Perseus Mining Limited and its controlled entities (collectively referred to as the "consolidated entity") for the year ended 30 June 2009 and the auditor's report thereon. In order to comply with the provisions of the Corporations Act, the Directors report as follows:

DIRECTORS

The names and details of the Directors in office during or since the end of the financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Names, qualifications, experience and special responsibilities

Reginald Norman Gillard BA FCPA FAICD JP
Non-Executive Chairman
(Appointed 24/10/2003)

After practising as an accountant for over 30 years, during which time he formed and developed a number of service related businesses, Reg Gillard now focuses on corporate management, corporate governance and the evaluation and acquisition of resource projects. Mr Gillard also serves on the audit committee of the Company. During the past three years he has also served as a director of the following listed companies:

Caspian Oil & Gas Limited *

Aspen Group Limited *

Lindian Resources Limited*
appointed 30 October 2006

Eneabba Gas Limited *

Tiger Resources Limited *

Lafayette Mining Limited
resigned 20 June 2008

Pioneer Nickel Limited
appointed 17 March 2005 and resigned 13 June 2008

Elemental Minerals Limited
appointed 6 June 2006 and resigned 30 June 2008

Mark Andrew Calderwood AusIMM
Managing Director
(Appointed 23/01/2004)

Mark Calderwood is a member of the Australasian Institute of Mining and Metallurgy and has extensive experience in exploring for and mining gold. He has over 10 years' experience in the West African region and has a network of contacts throughout the region. During the past three years he has also served as a director of the following listed company:

Manas Resources Limited *
appointed 17 October 2007

Colin John Carson CPA FCIS FCIM
Executive Director
(Appointed 24/10/2003)

Colin Carson has been involved as a Director and Company Secretary of a number of Australian public companies since the early 1980s and is responsible for the Company's joint venture negotiations and corporate and legal matters. During the past three years he has also served as a director of the following listed companies:

Caspian Oil & Gas Limited *

Manas Resources Limited *
appointed 17 October 2007

Directors' Report

Rhett Boudewyn Brans MIEAust CPEng
Executive Director
(Appointed 26/05/2004)

Rhett Brans qualified as a civil engineer at what is now known as Monash University in 1974 and completed an advanced management program at the University of Melbourne in 1991.

Mr Brans has operated a consultancy providing project management services to the mining industry for the past 14 years. In this capacity, he has managed the development of gold and base metal projects. His experience extends across the full range from mining feasibility studies through to commissioning operations. Mr Brans has over 30 years' experience in the design and construction of mineral treatment facilities. During the past three years he has also served as a director of the following listed company:

Tiger Resources Limited *
appointed 11 July 2008

Neil Christian Fearis LL.B.(Hons) MAICD F FIN
Non-Executive Director
(Appointed 26/05/2004)

Neil Fearis has over 30 years' experience as a commercial lawyer in the UK and Australia. He practises principally in the area of mergers and acquisitions, takeovers, public flotations, and other forms of capital raising.

Mr Fearis also serves as Chairman of the Company's audit committee and is a member of several professional bodies associated with commerce and the law. During the past three years he has also served as a director of the following listed companies:

Kresta Holdings Limited *

Carnarvon Petroleum Limited *

Liberty Resources Ltd
appointed 25 June 2007, resigned 10 November 2008

Terence Sean Harvey BA MA LL.B MBA
Non-Executive Director
(Appointed 02/09/2009)

Sean Harvey has extensive experience in the investment banking and resources sector and has been recently appointed to assist the Company as it seeks to broaden global market awareness of its evolution into a West African gold producer

Sean Harvey holds an Honours BA degree in Economics and Geography and an MA in Economics, both from Carleton University; an LL.B from the University of Western Ontario; and an MBA from the University of Toronto. He is currently a member of the Law Society of Upper Canada. During the past three years he has also served as a director of the following listed companies:

Moto Goldmines Limited *

Andina Minerals Inc.*

Nord Resources Corp*

Victoria Gold Corporation*

Australian Solomons Gold Limited*

Polaris Geothermal Inc.
resigned 16 June 2009

* denotes current directorship

COMPANY SECRETARY

Susmit Mohanlal Shah BSc Econ CA
(Appointed 24/10/2003)

Susmit Shah is a chartered accountant with over 25 years' experience. Over the last 15 years, Susmit Shah has been involved with a diverse range of Australian public listed companies in company secretarial and financial roles.

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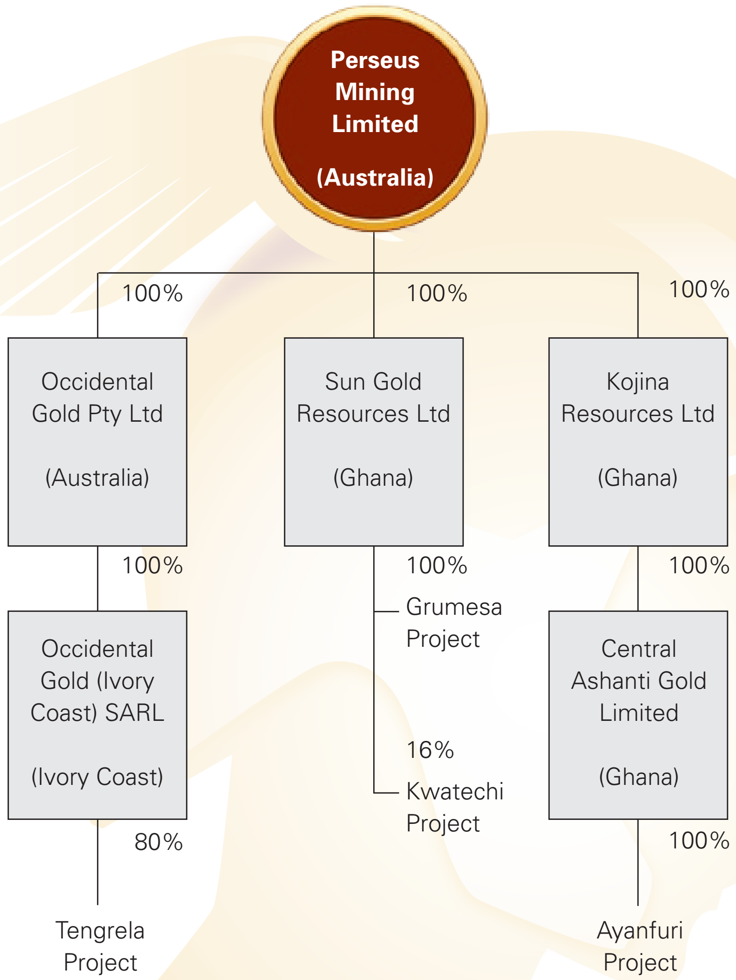
CORPORATE INFORMATION

Corporate Structure

Perseus Mining Limited is a limited liability company that is incorporated and domiciled in Australia. It has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in the following illustration of the group's corporate structure.

PERSEUS MINING LIMITED – GROUP STRUCTURE 30 JUNE 2009



Directors' Report

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were mineral exploration and project development in West Africa.

RESULTS AND DIVIDENDS

The consolidated loss after tax for the year ended 30 June 2009 was $4,789,201 (2008: $4,841,074). No dividends were paid during the year and the Directors do not recommend payment of a dividend.

EARNINGS PER SHARE

Basic loss per share for the year was 2.53 cents (2008: 3.41 cents).

REVIEW OF OPERATIONS

A review of operations of the consolidated entity during the year ended 30 June 2009 is provided in the section headed "Review of Operations" immediately preceding this Directors' Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

- The Company disposed of its Kyrgyz Republic assets to Manas Resources Limited (Manas), in exchange for shares and options, retaining a 42% ownership in Manas.
- The Company issued a total of 108,746,099 new shares through private placements as well as an entitlement offer at issue prices ranging from $0.50 to $0.82 per share to raise $83,731,801 in gross proceeds for the purposes of funding Ayanfuri mine development including acquisition of plant and equipment and continuing exploration activity.
- The Company also issued a total of 13,895,168 new shares upon conversion of options at issue prices ranging from $0.20 to $0.50 per share to raise $2,871,034.

EVENTS SUBSEQUENT TO BALANCE DATE

On 30 July 2009 Perseus announced the results of the Definitive Feasibility Study for the Ayanfuri Gold Project in Ghana and the classification of 2.1 million ounces of gold as Reserves. Consequently, in accordance with the terms of the purchase of the Ayanfuri Gold Project, Perseus issued 2 million shares and 2 million options to the vendor on 13 August 2009. The liability for this payment is included within these financial statements.

On 26 August 2009, Perseus completed the purchase of European gold Puts ("Puts") for the delivery of 100,000 ounces of gold in 2012 and 2013 for US$9.1 million. The Puts represent approximately 22% of planned production in that period, enabling the Company to sell those ounces at US$850/oz should the prevailing price be less, or at prevailing spot prices if they are higher.

Since the end of the financial year and to the date of this report no other matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

LIKELY DEVELOPMENTS

The Company's focus over the next financial year will be on its key projects, Ayanfuri and Tengrela. Further commentary on planned activities in these projects over the forthcoming year is provided in the "Review of Operations". The Company will also assess new opportunities where these have synergies with existing projects.

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DIRECTORS' MEETINGS

The number of meetings of the Directors and the number of meetings attended by each Director during the year ended 30 June 2009 were:

	Directors' meetings held during period of office	Directors's meetings attendance
R N Gillard	10	10
M A Calderwood	10	10
C J Carson	10	10
R B Brans	10	10
N C Fearis	10	9

Mr Sean Harvey was appointed as a director on 2 September 2009

The audit committee consists of N C Fearis (Chairman) and R N Gillard. There was one audit committee meeting during the year ended 30 June 2009.

DIRECTORS' INTERESTS

The interests of each Director in the shares and options of the Company at the date of this report are as follows:

	Fully Paid Ordinary Shares	Options Over Ordinary Shares
R N Gillard	748,000	600,000
M A Calderwood	4,000,000	1,200,000
C J Carson	673,200	1,200,000
R B Brans	475,000	1,000,000
N C Fearis	330,000	400,000
T S Harvey	100,000	-

Options granted to directors and officers and analysis of share-based payments granted as remuneration

The Company granted the following options over unissued ordinary shares during or since the end of the financial year to any Directors or officers as part of their remuneration.

- Options exercisable at $1.00 each with an expiry date of 30 June 2011 were issued to R B Brans (600,000) following shareholder approval.
- Options exercisable at $1.50 each with an expiry date of 10 July 2011 were issued to S Shah (150,000).
- Options exercisable at $0.65 each with an expiry date of 23 January 2012 were issued to S Shah (350,000) and K Thomson (600,000).

During or since the end of the financial year, the following options over unissued ordinary shares in the Company were exercised by Directors or officers of the Company:

- 5,000 options by R Gillard at an exercise price of 20 cents per share.
- 2,070,000 options by M Calderwood at an exercise price of 20 cents per share.
- 239,000 options by C Carson at an exercise price of 20 cents per share.
- 425,000 options by R Brans at an exercise price of 20 cents per share.
- 300,000 options by N Fearis at an exercise price of 20 cents per share.
- 100,000 and 215,000 options at exercise prices of 26 cents and 20 cents respectively per share by S Shah.

600,000 options and 250,000 options held by K Thomson and S Shah respectively were cancelled during the year.

SHARE OPTIONS

As at the date of this report, there are 13,845,000 options over unissued ordinary shares in the Company outstanding, summarised as follows:

	Number	Exercise Price	Expiry Date
Unlisted Options	2,250,000	$0.40	30 Nov 2009
Unlisted Options	1,000,000	$0.80	31 Dec 2009
Unlisted Options	1,000,000	$1.00	31 Dec 2010
Unlisted Options	525,000	$0.50	1 Apr 2010
Unlisted Options	3,800,000	$1.50	31 Jul 2010
Unlisted Options	600,000	$1.00	30 Jun 2011
Unlisted Options	2,000,000	$0.60	13 Aug 2011
Unlisted Options	2,670,000	$0.65	23 Jan 2012

Directors' Report

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. There are no options to subscribe for shares in any controlled entity.

Options issued during the year are as follows:

- In November 2008, 600,000 options were issued to a Director of the Company, exercisable at $1.00 each on or before 30 June 2011.
- Since 1 July 2008, 2,820,000 options were issued under the terms of the Perseus Mining Limited Employee Option Plan.
- 2,000,000 options were issued as a fee for corporate and investor relations services.
- 2,500,000 options were issued as part consideration for the purchase of the Company's interest in the Ayanfuri Gold Project.

Options issued after 30 June 2009 and up to the date of this report are as follows:

- On 13 August 2009, 2,000,000 options were issued as additional purchase consideration for the Company's interest in the Ayanfuri Gold Project following the classification of 2.1M ozs of gold in the reserve category.

No other options have been issued.

Shares issued on exercise of options

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options as follows:

Number of shares	Amount paid on each share ($)
12,945,168	0.20
700,000	0.26
250,000	0.40

No amounts were unpaid on these shares.

REMUNERATION REPORT (AUDITED)

This report outlays the remuneration arrangements in place for the Directors and Executives (as defined under section 300A of the Corporations Act 2001) of Perseus Mining Limited.

It also provides the remuneration disclosures required by paragraphs Aus 25.4 to Aus 25.7.2 of AASB 124 "Related Party Disclosures", which have been transferred to the Remuneration Report in accordance with Corporations Regulations and have been audited.

The following were Directors and Executives of the Company during or since the end of the financial year:

Non-Executive Directors	Executive Directors
Mr Reginald Gillard	Mr Mark Calderwood
Mr Neil Fearis	Mr Colin Carson
Mr T. Sean Harvey	Mr Rhett Brans
(appointed 2 September 2009)	

Other Senior Management

The term 'senior management' is used in this remuneration report to refer to the following persons. Except as noted the named persons held their current position for the whole of the financial year and since the end of the financial year:

Susmit Shah – Company Secretary. Mr Shah's services are provided by Corporate Consultants Pty Ltd, a company in which Mr Gillard and Mr Shah are directors and have beneficial interests.

Kevin Thomson - Regional Exploration Manager (West Africa) commenced April 2007 and was appointed to key management role from 1 July 2007.

There have been no changes of the CEO or key management personnel after reporting date and the date the financial report was authorised for issue.

Remuneration philosophy

The Board reviews the remuneration packages applicable to the Executive Directors and Non-Executive Directors on an annual basis. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. Independent advice on the appropriateness of remuneration packages is obtained, where necessary.

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REMUNERATION REPORT (AUDITED) - continued

Remuneration committee

The Company has a formally constituted remuneration committee of the Board, comprising Mr Gillard and Mr Fearis. The Committee's charter includes the following duties:

- Reviewing the remuneration guidelines for senior management, including base salary, bonuses, share options, salary packaging and final contractual agreements.
- Reviewing non-executive fees and costs by seeking external benchmarks.
- Reviewing the Managing Director's remuneration, allowances and incentives and final package in consultation with both independent and external reference.

Equity components of remuneration, including the issue of options, are required to be approved by shareholders prior to award.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and senior managers on a periodical basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and management team.

Remuneration structure

In accordance with best practice corporate governance, the structure of remuneration for Non-Executive Directors and Executive Directors is separate and distinct.

Non-Executive Directors' remuneration

Objective
The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by the shareholders in general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed.

The latest determination was at a general meeting on 21 November 2003 when shareholders approved aggregate remuneration of $200,000 per year.

The Board reviews the remuneration packages applicable to the Non-Executive Directors on an annual basis. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

The remuneration of the Non-Executive Directors for the year ending 30 June 2009 is detailed in Table 1 of this report.

Senior Managers and Executive Directors' remuneration

Objective
The Company aims to reward the Senior Managers and Executive Directors with a level of remuneration commensurate with their position and responsibilities within the Company and so as to:

- align the interests of the senior managers and Executive Directors with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure
Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of companywide, business unit and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practice. Independent advice on the appropriateness of remuneration packages is obtained, where necessary.

Directors' Report

The fixed component of the Senior Managers and Executive Directors' remuneration for the year ending 30 June 2009 is detailed in Table 1 of this report.

Variable remuneration – Long Term Incentive ('LTI')

Objective

The objective of the LTI plan is to reward executives and senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth.

As such LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance.

Structure

LTI grants to executives are delivered in the form of options. The issue of options as part of the remuneration packages of Executive and Non-Executive Directors is an established practice of junior public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding each of the Directors.

The remuneration of the Senior Managers and Executive Directors for the year ending 30 June 2009 is detailed in Table 1 of this report.

Employment agreements

Mark Calderwood has entered into an agreement with the Company to be employed as Managing Director. The contract commenced on 1 January 2004 and there is no specific termination date.

The terms of the arrangement during the year included remuneration of $320,000 per annum commencing 1 July 2008. However, as a result of the global financial crisis, Mark Calderwood agreed to a reduction in salary with effect from 1 November 2008 for the rest of the financial year. The reduced salary was $280,000 per annum, with superannuation contributions by the Company being capped based on the statutory maximum earnings. Either party can terminate the agreement by giving six months' written notice.

Colin Carson has entered into an agreement with the Company to be employed as an Executive Director. The contract commenced on 22 September 2004, which was the listing date of the Company on the ASX, and there is no specific termination date.
The terms of the arrangement during the year included remuneration of $140,000 per annum commencing 1 July 2008. Colin Carson agreed to a reduced salary of $100,000 per annum with effect from 1 November 2008 for the rest of the financial year.

Rhett Brans's services as an Executive Director, commencing in early July 2008, are not provided under a formal contract. His services are billed through his related entity, Proman Consulting Engineers Pty Ltd, at a fixed monthly rate. The commencing rate was $163,500 per annum, but with effect from 1 November 2008, Rhett Brans agreed to a reduced rate of $147,000 per annum.

Kevin Thomson was appointed Exploration Manager in April 2007. The employment contract includes remuneration of CDN$160,000 per annum (CDN$185,000 effective from 1 July 2008 but reduced to CDN$160,000 with effect from 1 November 2008) net of taxes, furnished accommodation in Accra, Ghana, company vehicle, company phone, medical and disability insurance up to a value of US$2,000 per annum, family school fees of US$7,000 per annum and a travel allowance up to US$15,000. Either party can terminate the agreement by giving two months' written notice.

Company secretarial services provided by Susmit Shah are charged to the Company by Corporate Consultants Pty Ltd (CCPL), a company in which Reg Gillard and Susmit Shah have a beneficial interest. Remuneration for accounting, company secretarial and administrative services provided by CCPL throughout the year is included in Note 23.

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REMUNERATION REPORT - continued

Table 1 Director remuneration for the year ended 30 June 2009

	Salary/Fees $	Primary Other $	Post Employment Superannuation $	Equity Value of Options $	Total $
Directors					
Reginald Gillard					
2009	56,667	3,258	5,100	-	65,025
2008	45,000	2,525	4,050	410,400	461,975
Mark Calderwood					
2009	293,333	3,258	18,763	-	315,354
2008	250,000	2,525	13,129	820,800	1,086,454
Colin Carson					
2009	113,333	3,258	10,200	-	126,791
2008	100,000	2,525	9,000	820,800	932,325
Rhett Brans					
2009	148,875	3,258	-	88,323	240,456
2008	35,000	2,525	3,150	273,600	314,275
Neil Fearis					
2009	51,250	3,258	-	-	54,508
2008	35,000	2,524	3,150	273,600	314,274
Total, all specified Directors					
2009	**663,458**	**16,290**	**34,063**	**88,323**	**802,134**
2008	465,000	12,624	32,479	2,599,200	3,109,303
Senior Managers					
Susmit Shah (ii)					
2009	-	-	-	149,578	149,578
2008	-	-	-	55,300	55,300
Kevin Thomson (i)					
2009	251,047	33,873	-	186,386	471,306
2008	165,732	71,429	-	323,565	560,726
Total, Senior Managers					
2009	**251,047**	**33,873**	**-**	**335,964**	**620,884**
2008	165,732	71,429	-	378,865	616,026

(i) Includes the value of non-cash benefits such as allowances for travel, school fees, and accommodation. Also in-country taxes paid on behalf of employee

(ii) Company Secretarial services provided by Mr Shah are charged to the Company by Corporate Consultants Pty Ltd (CCPL), a company in which Mr Gillard and Mr Shah have a beneficial interest. Remuneration for accounting, company secretarial and administrative services provided by CCPL throughout the year is included in Note 23.

All Directors, Executive and Non-Executive, accepted a reduction in remuneration with effect from 1 November 2008 for the rest of the financial year.

Directors’ Report

Options granted as part of remuneration

	Value of options granted as remmuneration $	Value of options exercised at exercise date $	Value of options lapsed at time of lapse $	Total value of options granted, exercised and lapsed $	Remuneration represented by options for the %
Directors					
Reginald Gillard					
2009	-	-	-	-	-
2008	410,400	-	-	410,400	88.8
Mark Calderwood					
2009	-	-	-	-	-
2008	820,800	-	-	820,800	75.5
Colin Carson					
2009	-	-	-	-	-
2008	820,800	-	-	820,800	88.0
Rhett Brans					
2009	88,323	176,000	-	264,323	36.7
2008	273,600	-	-	273,600	87.1
Neil Fearis					
2009	-	142,500	-	142,500	-
2008	273,600	-	-	273,600	87.1
Total, all specified Directors					
2009	**88,323**	**318,500**	**-**	**406,823**	
2008	2,599,200	-	-	2,599,200	
Senior Managers					
Susmit Shah					
2009 (i)	162,427	4,000	-	166,427	-
2008	55,300	-	-	55,300	-
Kevin Thomson					
2009 (ii)	114,365	-	-	114,365	24.3
2008	337,400	51,750	-	389,150	57.7
Total, Senior Managers					
2009	**276,792**	**4,000**	**-**	**280,792**	
2008	392,700	51,750	-	444,450	

For details on the valuation of options, including models and assumptions used, refer to Note 18.

On 23 January 2009, the Company cancelled options previously issued to employees and issued replacement and/or new options in accordance with the Perseus Mining Limited Employee Option Plan. The market price of shares in the Company on this date was $0.60. Details of the cancelled and new options are as follows:

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REMUNERATION REPORT - continued

	Terms of cancelled options	Time to Expiry (days)	Terms of replacement options	Incremental fair value of new options $
(i) Mr Shah	150,000 options exercisable at $1.50 by 10 July 2011	899	150,000 options exercisable at $0.65 between 23 July 2009 and 23 January 2011	10,769
	100,000 options exercisable at $1.00 by 12 July 2010	536	100,000 options exercisable at $0.65 between 23 July 2009 and 23 January 2011	19,956
(ii) Mr Thomson	400,000 options exercisable at $1.30 by 26 October 2010	642	400,000 options exercisable at $0.65 between 23 July 2009 and 23 January 2011	74,454
	200,000 options exercisable at $1.00 by 12 July 2010	536	200,000 options exercisable at $0.65 between 23 July 2009 and 23 January 2011	39,911

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company's Constitution requires it to indemnify Directors and officers of any entity within the consolidated entity against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement. The Directors and officers of the consolidated entity have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium, amounting to $16,290, relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

ENVIRONMENTAL REGULATIONS

The consolidated entity's operations are not subject to any significant Australian environmental laws but its exploration and development activities in West Africa are subject to environmental laws, regulations and permit conditions. There have been no known breaches of environmental laws or permit conditions while conducting operations in West Africa.

NON-AUDIT SERVICES

There have been no non-audit services provided by the Company's auditor during the year (2008: $15,400). The prior year non-audit services were provided by our auditors, HLB Mann Judd. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor, HLB Mann Judd, has provided the Board of Directors with an independence declaration in accordance with section 307C of the Corporations Act 2001.

The independence declaration is attached to and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.

M A Calderwood
Managing Director

Perth, 30 September 2009

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Perseus Mining Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Perseus Mining Limited

Perth, Western Australia
30 September 2009

M R W OHM
Partner, HLB Mann Judd

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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financial statements

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Income Statements

For the Year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Revenue					
Finance revenue		**700,633**	776,160	**626,534**	774,219
Other revenue		**1,536,399**	126,239	**8,361,365**	10,000
Total revenue	2	**2,237,032**	902,399	**8,987,899**	784,219
Expenses from ordinary activities					
Depreciation expense	3	**(31,487)**	(29,652)	**(29,180)**	(11,277)
Employee, Directors and consultants costs		**(2,133,811)**	(4,667,402)	**(2,133,811)**	(4,520,359)
Impairment of loans to subsidiaries and investments in associates	3	**(3,330,819)**	-	**(3,432,840)**	(704,260)
Foreign exchange losses		**-**	-	**-**	(3,744,578)
West African administration and overhead costs		**(472,850)**	(216,176)	**-**	-
Securities Exchange listing and compliance fees		**(305,832)**	(181,900)	**(235,273)**	(178,633)
Travel expenses		**(107,161)**	(167,035)	**(107,161)**	(167,035)
Other expenses from ordinary activities	3	**(316,591)**	(277,872)	**(274,154)**	(271,245)
Share of net loss of associate accounted for using the equity method		**(327,682)**	-	**-**	-
Expenses from ordinary activities		**(7,026,233)**	(5,540,037)	**(6,212,419)**	(9,597,387)
(Loss)/profit from ordinary activities before related income tax expense		**(4,789,201)**	(4,637,638)	**2,775,480**	(8,813,168)
Income tax (expense)/benefit relating to ordinary activities	5	**-**	-	**-**	-
Loss from disposal group held for sale	10	**-**	(203,436)	**-**	-
Net (loss)/profit attributable to members of the parent entity		**(4,789,201)**	(4,841,074)	**2,775,480**	(8,813,168)
Basic earnings/(loss) per share from continuing operations	6	**(2.53) cents**	(3.27) cents		
Basic earnings/(loss) per share		**(2.53) cents**	(3.41) cents		

Balance Sheets

As at 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Current Assets					
Cash and cash equivalents	8	**79,876,095**	19,153,491	**79,587,896**	18,642,501
Receivables	9	**679,780**	1,281,674	**306,685**	924,476
Other	11	**79,042**	69,581	**17,580**	-
		80,634,917	20,504,746	**79,912,161**	19,556,977
Assets of disposal group classified as held for sale	10	**-**	5,229,743	**-**	5,280,643
Total Current Assets		**80,634,917**	25,734,489	**79,912,161**	24,847,620
Non-Current Assets					
Receivables	9	**2,696,149**	1,827,218	**71,452,818**	37,892,901
Investments accounted for using the equity method	12	**2,500,000**	-	**2,500,000**	-
Other financial assets	13	**-**	-	**1**	1
Property, plant and equipment	14	**1,903,816**	1,259,827	**33,532**	14,925
Mineral interest acquisition, exploration and development expenditure	15	**58,167,962**	36,971,268	**-**	-
Total Non-Current Assets		**65,267,927**	40,058,313	**73,986,351**	37,907,827
Total Assets		**145,902,844**	65,792,802	**153,898,512**	62,755,447
Current Liabilities					
Payables	16	**10,231,779**	4,407,765	**6,383,406**	1,794,757
Liabilities directly associated with assets of a disposal group classified as held for sale	10	**-**	76,643	**-**	-
Total Current Liabilities		**10,231,779**	4,481,408	**6,383,406**	1,794,757
Non-Current Liabilities					
Provision	16	**2,874,196**	2,340,094	**-**	-
Total Non-Current Liabilities		**2,874,196**	2,340,094	**-**	-
Total Liabilities		**13,105,975**	6,821,502	**6,383,406**	1,794,757
Net Assets		**132,796,869**	58,971,300	**147,515,106**	60,960,690
Equity					
Issued capital	17	**152,220,729**	69,679,727	**152,220,729**	69,679,727
Option premium reserve	17	**6,055,969**	4,426,085	**5,664,019**	4,426,085
Foreign currency translation reserve	17	**(13,143,745)**	(7,587,629)	**-**	-
Accumulated losses		**(12,336,084)**	(7,546,883)	**(10,369,642)**	(13,145,122)
Total Equity		**132,796,869**	58,971,300	**147,515,106**	60,960,690

Statements of Changes in Equity

For the Year ended 30 June 2009

	Consolidated					
	Issued Capital $	Accumulated Losses $	Option Premium Reserve $	Foreign Currency Translation Reserve $	Financial Assets Reserve $	Total Equity $
Balance at 1 July 2007	25,235,460	(2,705,809)	1,046,449	(1,626,145)	-	21,949,955
Shares issued during the year	37,100,000	-	-	-	-	37,100,000
Exercise of options	8,988,063	-	-	-	-	8,988,063
Currency translation differences	-	-	-	(5,961,484)	-	(5,961,484)
Loss attributable to members of the parent entity	-	(4,841,074)	-	-	-	(4,841,074)
Share issue expenses	(1,643,796)	-	-	-	-	(1,643,796)
Fair value of options issued	-	-	3,379,636	-	-	3,379,636
Balance at 30 June 2008	**69,679,727**	**(7,546,883)**	**4,426,085**	**(7,587,629)**	**-**	**58,971,300**
Balance at 1 July 2008	69,679,727	(7,546,883)	4,426,085	(7,587,629)	-	58,971,300
Shares issued during the year	84,157,408	-	-	-	-	84,157,408
Exercise of options	2,871,034	-	-	-	-	2,871,034
Currency translation differences	-	-	-	(5,389,827)	-	(5,389,827)
Loss attributable to members of the parent entity	-	(4,789,201)	-	-	-	(4,789,201)
Share issue expenses	(4,487,440)	-	-	-	-	(4,487,440)
Reserves attributable to share of associated company	-	-	391,950	(166,289)	-	225,661
Fair value of options issued	-	-	1,237,934	-	-	1,237,934
Balance at 30 June 2009	**152,220,729**	**(12,336,084)**	**6,055,969**	**(13,143,745)**	**-**	**132,796,869**

Statements of Changes in Equity

For the Year ended 30 June 2009

	Company				
	Issued Capital $	Accumulated Losses $	Option Premium Reserve $	Foreign Currency Translation Reserve $	Total Equity $
Balance at 1 July 2007	25,235,460	(4,331,954)	1,046,449	-	21,949,955
Shares issued during the year	37,100,000	-	-	-	37,100,000
Exercise of options	8,988,063	-	-	-	8,988,063
Loss attributable to members of the parent entity	-	(8,813,168)	-	-	(8,813,168)
Share issue expenses	(1,643,796)	-	-	-	(1,643,796)
Fair value of options issued	-	-	3,379,636	-	3,379,636
Balance at 30 June 2008	**69,679,727**	**(13,145,122)**	**4,426,085**	**-**	**60,960,690**
Balance at 1 July 2008	69,679,727	(13,145,122)	4,426,085	-	60,960,690
Shares issued during the year	84,157,408	-	-	-	84,157,408
Exercise of options	2,871,034	-	-	-	2,871,034
Profit attributable to members of the parent entity	-	2,775,480	-	-	2,775,480
Share issue expenses	(4,487,440)	-	-	-	(4,487,440)
Fair value of options issued	-	-	1,237,934	-	1,237,934
Balance at 30 June 2009	**152,220,729**	**(10,369,642)**	**5,664,019**	**-**	**147,515,106**

Statements of Cash Flows

For the Year ended 30 June 2009

		Consolidated		Company	
	Notes	**2009 $**	2008 $	**2009 $**	2008 $
Cash Flows from Operating Activities					
Cash payments in the course of operations		**(2,198,612)**	(2,163,199)	**(1,586,738)**	(1,773,863)
Interest received		**630,684**	732,082	**556,586**	732,606
Other income		**5,772**	-	**5,772**	-
Net Cash used in Operating Activities	22 (a)	**(1,562,156)**	(1,431,117)	**(1,024,380)**	(1,041,257)
Cash Flows from Investing Activities					
Payments for exploration and development expenditure		**(22,127,389)**	(26,588,094)	**-**	-
Payments for acquisition of mineral interest		**(193,408)**	-	**-**	-
Payments for property, plant and equipment		**(982,373)**	(717,047)	**(47,786)**	(7,042)
Proceeds on disposal of property, plant and equipment		**-**	3,463	**-**	-
Advances to controlled entities		**-**	-	**(23,534,192)**	(28,175,772)
Receipts from/(payments to) related parties		**769,225**	(230,535)	**769,225**	(230,535)
Advances to third parties		**36,177**	(541,333)	**-**	(500,000)
Security deposit for bank guarantee		**(520,997)**	(819,906)	**(520,997)**	(544,366)
Net Cash used in Investing Activities		**(23,018,765)**	(28,893,452)	**(23,333,750)**	(29,457,715)
Cash Flows from Financing Activities					
Proceeds from share issues		**83,731,801**	37,100,000	**83,731,801**	37,100,000
Proceeds from exercise of options		**2,879,314**	8,978,963	**2,879,314**	8,978,963
Share issue expenses		**(2,060,335)**	(1,643,796)	**(2,060,335)**	(1,643,796)
Net Cash provided by Financing Activities		**84,550,780**	44,435,167	**84,550,780**	44,435,167
Net Increase in Cash Held		**59,969,859**	14,110,598	**60,192,650**	13,936,195
Cash and cash equivalents at the beginning of the financial year		**19,296,798**	5,390,895	**18,642,501**	4,938,164
Cash within group disposed of during the year		**(143,307)**	-	**-**	-
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		**752,745**	(204,695)	**752,745**	(231,858)
Cash and cash equivalents at the end of the Financial Year	8	**79,876,095**	19,296,798	**79,587,896**	18,642,501

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and International Financial Reporting Standards (IFRS). The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value.

The financial report is presented in Australian dollars.

The Company is a listed public company, incorporated and domiciled in Australia and operating during the year in Australia, Ghana and Ivory Coast.

Adoption of new and revised standards
Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2009, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

The Group has also reviewed all Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2009. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and, therefore, no change necessary to Group accounting policies.

Statement of compliance

The financial report was authorised for issue on 30 September 2009.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and subsidiaries, and the Company as an individual entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and cease to be consolidated from the date on which control is transferred out of the consolidated entity. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

Notes to the Financial Statements
For the Year ended 30 June 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Significant accounting judgments, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Exploration and evaluation expenditure

The Board of Directors 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. The Directors' decision is made after considering the likelihood of finding commercially viable reserves.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they were granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in Note 18.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue is capable of being reliably measured.

Interest income is recognised in the income statement as it accrues, using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Foreign currency transactions and balances

The functional and presentation currency of the Company is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences in the consolidated financial report are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of a net investment, at which time they are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Foreign currency transactions and balances - continued

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

The functional currencies of the overseas subsidiaries are as follows:

Ghanaian subsidiaries	Ghanaian cedis (GHC);
Ivory Coast subsidiary	CFA francs (BCEAO – XOF)

As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the reporting currency of the Company at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period.

The exchange differences on the retranslation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity is recognised in the income statement.

Taxes

Income tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements

For the Year ended 30 June 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. The consolidated entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

During the year, the consolidated entity has held loans and receivables and available-for-sale investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as financial assets held for trading ("financial assets at fair value"), investments intended to be held to maturity or loans and receivables. After initial recognition available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property, Plant and Equipment

Items of plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy (impairment testing)).

Plant and equipment

Plant and equipment acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives commencing from the time the asset is held ready for use, using the following rates:

Plant and Machinery	20%
Freehold Land and Buildings	5%
Field Equipment	20%
Furniture and Fittings	12.5%
Motor Vehicles	20%
Office Equipment	12.5%

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. The estimated useful lives used in the calculation of depreciation for plant and equipment for the current and corresponding period are between three and ten years.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Mineral interest acquisition, exploration and development expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

(a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

(b) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Notes to the Financial Statements
For the Year ended 30 June 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Mineral interest acquisition, exploration and development expenditure - continued

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

Impairment testing

The carrying amount of the consolidated entity assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. Where such an indication exists, a formal assessment of recoverable amount is then made and where this is in excess of carrying amount, the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit. In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Any resulting impairment loss is recognised immediately in the income statement.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Joint Ventures

Joint venture interests are incorporated in the financial statements by including the consolidated entity's proportion of joint venture assets and liabilities under the appropriate headings.

Where part of a joint venture is farmed out and in consideration the farminee undertakes to carry out further expenditure in the joint venture area of interest, expenditure incurred prior to farmout is carried forward without adjustment unless the terms of the farmout indicate that the expenditure carried forward is excessive based on the diluted interest retained. Provision is then made to reduce expenditure carried forward to a recoverable amount.

Any cash received in consideration for farming out part of a joint venture interest is treated as a reduction in the carrying value of the related mineral property.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investment in associated entities

The Group's investment in its associate is accounted for using the equity method of accounting in the consolidated financial statements. The associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The consolidated income statement reflects the Group's share of the results of operations of the associate.

Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this in the consolidated statement of recognised income and expense.

The reporting dates of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services.

Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee Benefits

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Contributions are made by the consolidated entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

Notes to the Financial Statements

For the Year ended 30 June 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Share-based payment transactions

Equity settled transactions

The consolidated entity provides benefits to employees, consultants and contractors of the consolidated entity in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently an Employee Option Plan in place to provide these benefits to employees, consultants and contractors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, further details of which are given in Note 18.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the consolidated entity's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the consolidated entity's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Share-based payment transactions - continued

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 6).

Share based payment transactions with parties other than employees and contractors are measured by reference to the fair value of the good or services rendered at the date of which the consolidated entity obtains the goods or the counterparty renders services.

Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per Share

Basic earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

Segment Reporting

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists.

Segment assets include all assets used by a segment and consist principally of cash, receivables, property, plant and equipment net of accumulated depreciation and mineral interest acquisitions, exploration and development expenditure. Whilst most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Where segment revenues and expenses include transfers between segments, these are at the same rates which would apply to parties outside the consolidated entity on an arm's length basis. These transfers are eliminated on consolidation.

Notes to the Financial Statements
For the Year ended 30 June 2009

	Consolidated		Company	
	2009 **$**	2008 $	**2009** **$**	2008 $
2. REVENUE				
Finance revenue - interest income	**700,633**	776,160	**626,534**	774,219
Gain on disposal of investments	**832,925**	-	**1,190,888**	-
Gain on loss of control of subsidiary	**-**	52,328	**-**	-
Other income	**11,542**	10,226	**11,542**	10,000
Foreign currency exchange gains	**691,932**	63,685	**7,158,935**	-
	2,237,032	902,399	**8,987,899**	784,219

3. LOSS FROM ORDINARY ACTIVITIES
Loss from ordinary activities before income tax has been determined after:

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Expenses				
Depreciation of plant and equipment	**31,487**	29,652	**29,180**	11,277
Impairment of loans to subsidiaries	**-**	-	**-**	704,260
Impairment of investments in associates	**3,330,819**	-	**3,432,840**	-
Share based payments to directors and employees	**817,184**	3,379,636	**817,184**	3,379,636
Share based payments to consultants	**24,000**	-	**24,000**	-
Defined contribution superannuation expense	**50,912**	53,384	**50,912**	53,384
Other expenses include:				
Corporate promotion and advertising	**36,261**	33,913	**36,261**	33,913
Conferences and seminars	**19,059**	20,291	**19,059**	20,291
Insurance	**53,223**	44,703	**53,223**	44,703
Legal expenses	**11,372**	85,955	**11,372**	85,955
Printing and stationery	**30,370**	12,835	**30,370**	12,835
Bank Fees	**39,718**	13,256	**39,718**	13,256
Loss on disposal of property, plant and equipment	**42,437**	2,894	**-**	-

4. AUDITORS' REMUNERATION
Amounts received or due and receivable by HLB Mann Judd for:

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
An audit or review of the financial report of the entity and any other entity in the Group	**39,800**	30,100	**39,800**	30,100
Non-statutory audit services in relation to the entity and any other entity in the Group	**-**	15,400	**-**	15,400
	39,800	45,500	**39,800**	45,500
Amounts received or due and receivable by non HLB Mann Judd audit firms				
An audit or review of the financial report of subsidiaries	**70,559**	35,594	**-**	-
	110,359	81,094	**39,800**	45,500

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
5. INCOME TAX EXPENSE				
(a) The prima facie tax benefit at 30% on loss from ordinary activities is reconciled to the income tax provided in the financial statements as follows:				
Loss/(profit) from ordinary activities	**4,789,201**	4,841,074	**(2,775,480)**	8,813,168
Prima facie income tax benefit at 30%	**1,436,760**	1,452,322	**(832,644)**	2,643,950
Tax effect of permanent differences:				
Provision for non-recovery of loans and write-down in investments in controlled entities	**-**	-	**-**	(211,278)
Provision for non-recovery of loans and write-down in investments in associates	**(999,246)**	-	**(1,029,852)**	-
Foreign exchange gains/(losses) not deductible	**(129,414)**	-	**1,796,432**	(1,004,413)
Share based payments to consultants and employees	**(252,355)**	(1,013,891)	**(252,355)**	(1,013,891)
Capitalised exploration expenses	**7,353,364**	8,406,310	**-**	-
Share issue costs amortised	484,837	214,857	484,837	214,857
Other non-deductible items	**(119,827)**	(26,952)	**(12,439)**	(26,952)
Income tax benefit/(expense) adjusted for permanent differences	**7,774,119**	9,032,646	**153,979**	602,273
Deferred tax asset not brought to account	**(7,774,119)**	(9,032,646)	**(153,979)**	(602,273)
Income tax attributable to operating losses	**-**	-	**-**	-
(b) The potential deferred tax asset arising from tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet considered sufficiently probable.				
Australian tax losses	**765,685**	767,267	**765,685**	767,267

The tax benefits will only be obtained if the conditions in Note 1 (Income taxes) are satisfied and if:

a) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

b) the consolidated entity continues to comply with the conditions for deductibility imposed by the relevant tax legislation; and

c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for losses.

For the purposes of income tax, the Company and its 100%-owned Australian subsidiaries have not formed a tax consolidated group. Tax consolidation is not expected to have a material effect on the consolidated entity's deferred tax asset.

Notes to the Financial Statements
For the Year ended 30 June 2009

	Consolidated			
	2009 $ Earnings/ (Loss)	**2009 cents**	2008 $ Earnings/ (Loss)	2008 cents
6. EARNINGS PER SHARE				
Basic earnings/(loss) per share from continuing operations	**(4,789,201)**	**(2.53)**	(4,637,638)	(3.27)
Basic earnings/(loss) per share from disposal group held for sale	**-**	**-**	(203,436)	(0.14)
Basic earnings/(loss) per share	**(4,789,201)**	**(2.53)**	(4,841,074)	(3.41)

	2009 Number	2008 Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**189,542,834**	142,033,924

The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease in the net loss per share.

7. SEGMENT INFORMATION

The consolidated entity's primary reporting format is geographical segments as the consolidated entity's risks and rates of return are affected predominantly by differences in the geographical areas in which it operates.

The consolidated entity operated principally in two geographical segments (primary reporting segments) being Australia, and West Africa, and two business segments (secondary reporting segments), namely investing and mineral exploration. The segment information is prepared in conformity with the accounting policies described in Note 1.

Geographical Segments (Primary Segment)

The consolidated entity comprises the following main geographical segments:

Australia	Investing activities and corporate management
West Africa	Mineral exploration activities

Business Segments (Secondary Segment)

In presenting information on the basis of business segments, segment revenue, expenses and assets are based on the business nature of the operations.

The consolidated entity operates in the following business segments:

Investing	Investing in equities, cash management and corporate management
Mineral Exploration	Mineral exploration, predominantly for gold in West Africa

7. SEGMENT INFORMATION – CONTINUED

	Note	Australia 2009 $	Australia 2008 $	West Africa 2009 $	West Africa 2008 $	Central Asia 2008 $	Unallocated 2009 $	Unallocated 2008 $	Consolidated 2009 $	Consolidated 2008 $
		Continuing Operation				Disposal Group held for Sale				
Geographical segments (Primary Segment)										
Revenue										
Finance revenue		**-**	-	**-**	-	-	**700,633**	776,160	**700,633**	776,160
Other external revenue		**2,015,296**	(334,207)	**(478,897)**	460,446	6,960	**-**	-	**1,536,399**	133,199
Total segment revenue	3,10(b)	**2,015,296**	(334,207)	**(478,897)**	460,446	6,960	**700,633**	776,160	**2,237,032**	909,359
Results										
Operating loss before income tax		**(4,496,883)**	(5,537,025)	**(992,951)**	123,227	(203,436)	**700,633**	776,160	**(4,789,201)**	(4,841,074)
Income tax expense									**-**	-
Net loss									**(4,789,201)**	(4,841,074)
Non-Cash Expenses										
Depreciation		**29,180**	11,277	**2,307**	18,375	22,225	-	-	**31,487**	51,877
Non-cash expenses other than depreciation		**4,172,003**	3,379,636	**42,437**	-	81,636	-	-	**4,214,440**	3,461,272
Assets										
Segment assets		**84,930,783**	21,172,479	**60,972,061**	39,390,580	5,229,743	-	-	**145,902,844**	65,792,802
Non-current assets acquired		**2,547,786**	7,043	**22,454,641**	26,604,046	2,126,993	-	-	**25,002,427**	28,738,082
Liabilities										
Segment liabilities		**6,383,406**	1,794,757	**6,722,569**	4,950,102	76,643	-	-	**13,105,975**	6,821,502

	Investing 2009 $	Investing 2008 $	Mineral Exploration 2009 $	Mineral Exploration 2008 $	Consolidated 2009 $	Consolidated 2008 $
Business segments (Secondary Segment)						
Segment revenue	**2,237,032**	909,359	**-**	-	**2,237,032**	909,359
Segment assets	**84,930,782**	21,172,479	**60,972,062**	44,620,323	**145,902,844**	65,792,802

Notes to the Financial Statements

For the Year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
8. CASH AND CASH EQUIVALENTS					
Cash assets		**367,156**	567,597	**78,957**	56,607
Short term deposits		**79,508,939**	18,585,894	**79,508,939**	18,585,894
		79,876,095	19,153,491	**79,587,896**	18,642,501
Cash and cash equivalents attributable to disposal group	10(c)	**-**	143,307	**-**	-
		79,876,095	19,296,798	**79,587,896**	18,642,501

- Cash at bank earns interest at floating rates based on daily bank deposit rates.
- Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
9. RECEIVABLES					
Current					
Sundry debtors		**679,780**	484,887	**306,685**	193,940
Sundry debtors – amounts due from related entities (i)		**-**	260,610	**-**	230,536
Sundry debtors – amounts due from third parties (ii)		**-**	536,177	**-**	500,000
		679,780	1,281,674	**306,685**	924,476
Ageing of past due but not impaired					
60 - 90 days		**-**	-	**-**	11,462
90 – 120 days		**-**	-	**-**	-
Total		**-**	-	**-**	11,462
Non-current					
Security deposit (iii)		**2,696,149**	1,827,218	**2,485,089**	1,590,578
		2,696,149	1,827,218	**2,485,089**	1,590,578
Loans to subsidiaries		**-**	-	**71,547,403**	38,881,997
Impairment of loans to subsidiaries (iv)		**-**	-	**(2,579,674)**	(2,579,674)
		-	-	**68,967,729**	36,302,323
		2,696,149	1,827,218	**71,452,818**	37,892,901

9. RECEIVABLES - CONTINUED

Terms and conditions relating to the above financial instruments:

Trade and sundry debtors are non-interest bearing and generally on 30 day terms.
Loan advances have been made to subsidiaries. The loans are interest free, unsecured and repayable only when the borrower's cash flow permits. The recoverability of these loans is dependent upon the successful development and commercial exploitation, or alternatively sale, of the respective areas of interest.

(i) The Company had a receivable from a director-related entity, Manas Resources Limited. The loan was repaid during the reporting period.

(ii) The Company advanced $0.5 million to Strategic Systems Pty Ltd in the prior year. Interest was charged at 12%, compounded monthly. The loan was repaid during the current reporting period (refer also Note 20 (b)).

(iii) At 30 June 2009, the Company has US$2.25 million (approximately AUD$2.7M) held in bank deposits which are subject to a lien and is collateral for a bank guarantee that has been issued to the Ghana Environmental Protection Agency in relation to environmental rehabilitation provisions concerning the Ayanfuri Gold Project.

(iv) An impairment loss has been recognised against the loans to subsidiaries on the basis that the subsidiaries have incurred losses during the year and the impairment loss generally matches the losses incurred by the subsidiaries. The impairment loss has been eliminated on consolidation

10. NON-CURRENT DISPOSAL GROUP HELD FOR SALE

(a) Description

In May 2008 the Company entered into a Sale and Purchase Agreement with Manas Resources Limited ("Manas").

The Sale and Purchase Agreement provided for the transfer of the shares held by Perseus in the subsidiaries incorporated in Kyrgyz and the assignment to Manas of outstanding loans by Perseus to those subsidiaries in exchange for the issue of 25,000,000 shares and 12,500,000 options in Manas.

Completion of the Sale and Purchase Agreement was conditional upon Manas raising at least $4 million via a public flotation and listing on the ASX. This was achieved on 21 July 2008 and transfer of the ownership of the Kyrgyz subsidiaries was completed on 21 July 2008.

The Kyrgyz subsidiaries and the related loans have been reported in the comparatives of this financial report as a non-current disposal group held for sale and comprise the Central Asia segment in Note 7.

	Consolidated		Company	
	2009 $	2008 $	**2009 $**	2008 $
Investment in subsidiaries – unlisted shares at cost (refer 12 (a))	**-**	-	**-**	35,623
Impairment loss	**-**	-	**-**	(1,308)
	-	-	**-**	34,315
Loans to subsidiaries	**-**	-	**-**	5,262,737
Impairment of loans to subsidiaries (ii)	**-**	-	**-**	(16,409)
				5,246,328
	-	-	**-**	5,280,643

Notes to the Financial Statements
For the Year ended 30 June 2009

	Consolidated		Company	
	2009 $	2008 $	**2009 $**	2008 $
10. NON-CURRENT DISPOSAL GROUP HELD FOR SALE - CONTINUED				
(b) Financial Performance and cash flow information of disposal group				
Revenue				
Foreign currency exchange gains	-	4,923	-	-
Gain on sale of plant and equipment	-	2,037	-	-
	-	6,960	-	-
Expenses				
Depreciation of plant and equipment	-	(22,225)	-	-
Exploration expenditure written off	-	(81,636)	-	-
Kyrgyz Republic administration and overhead costs	-	(106,535)	-	-
Foreign currency exchange losses	-	-	-	-
Loss before income tax	-	(203,436)	-	-
Income tax	-	-	-	-
Loss after income tax of disposal group held for sale	-	(203,436)	-	-
Net cash outflows from operating activities	-	(106,535)	-	-
Net cash outflows from investing activities	-	(2,029,196)	-	-
Net decrease in cash generated by the disposal group	-	(2,135,731)	-	-
(c) Carrying amounts of assets and liabilities				
Cash	-	143,307	-	-
Receivables	-	11,950	-	-
Prepayments	-	19,758	-	-
Total Current Assets	-	175,015	-	-
Property, plant and equipment	-	146,837	-	-
Mineral interest acquisition, exploration and development expenditure	-	4,907,891	-	-
Total Non-Current Assets	-	5,054,728	-	-
Total Assets	-	5,229,743	-	-
Payables	-	76,643	-	-
Total Current Liabilities	-	76,643	-	-
Net Assets	-	5,153,100	-	-

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
11. OTHER				
Prepayments	**79,042**	69,581	**17,580**	-
12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Investment in associated entity	**2,500,000**	-	**2,500,000**	-
Reconciliation of movements in investments accounted for using the equity method:				
Balance at 1 July	**-**	-	**-**	-
Investment in associate at cost	**5,932,840**	-	**5,932,840**	-
Share of loss for the year	**(327,682)**	-	**-**	-
Share of reserves of associate	**225,661**	-	**-**	-
Impairment of investment	**(3,330,819)**	-	**(3,432,840)**	-
Balance at 30 June	**2,500,000**	-	**2,500,000**	-

Name of associated entity:	Principal activity	Country of incorporation	Published fair value 2009 %	Published fair value 2008 %	Ownership interest 2009 $	Ownership interest 2008 $
Manas Resources Limited	Gold exploration	Australia	**42**	-	**2,500,000**	-

	Consolidated 2009 $	Consolidated 2008 $
Summarised financial information of associate:		
Financial Position		
Total Assets	**10,645,218**	-
Total Liabilities	**151,719**	-
Net Assets	**10,493,499**	-
Group's share of associates' net assets	**4,407,270**	-
Financial Performance		
Total Revenue	**324,555**	-
Total Loss for the year	**779,880**	-
Group's share of associates' loss	**327,682**	-
Capital commitments and contingent liabilities of associate	**-**	-
Share of capital commitments incurred jointly with other investors	**-**	-
Share of contingent liabilities incurred jointly with other investors	**-**	-

Events after Balance date related to investment in associate

Following the year-end, Perseus Mining Limited subscribed for 8,333,334 new shares in Manas Resources Limited under a pro-rata entitlement offer at a total cost of $833,333. As a consequence of this pro-rata offer and a placement issue of shares by Manas Resources Limited, Perseus Mining Limited's interest in the issued shares of Manas Resources Limited fell from 42% to 28% post year-end. There are no other material subsequent events of Manas Resources Limited to report.

Notes to the Financial Statements
For the Year ended 30 June 2009

	Notes	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
13. OTHER FINANCIAL ASSETS					
Investment in subsidiaries – unlisted shares at cost (refer 12 (a))		**-**	-	**15,556**	15,556
Impairment loss		**-**	-	**(15,555)**	(15,555)
		-	-	**1**	1

(a) Particulars in relation to subsidiaries

	Notes	Place of Incorporation	Consolidated Entity Interest 2009 %	Consolidated Entity Interest 2008 %
Parent Entity				
Perseus Mining Limited		Australia		
Subsidiaries				
Occidental Gold Pty Ltd (i)		Australia	**100**	100
Sun Gold Resources Ltd	(a)	Ghana	**100**	100
Kojina Resources Ltd (ii)	(a)	Ghana	**100**	100
JSC Z-Explorer (iii)	(a)	Kyrgyzstan	**-**	100
JSC Savoyardy	(a)	Kyrgyzstan	**-**	100
(i) Subsidiaries of Occidental Gold Pty Ltd				
Occidental Gold (Ivory Coast) sarl		Ivory Coast	**100**	100
(ii) Subsidiaries of Kojina Resources Ltd				
Central Ashanti Gold Limited	(a)	Ghana	**100**	100
(iii) Subsidiaries of JSC Z-Explorer				
JSC LandMark	(a)	Kyrgyzstan	**-**	100

Notes:

(a) Not audited by HLB Mann Judd.

	Consolidated		Company	
	2009 **$**	2008 $	**2009** **$**	2008 $

14. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment - at cost	**2,468,577**	1,505,011	**88,811**	41,025
Accumulated depreciation	**(564,761)**	(245,184)	**(55,279)**	(26,100)
Total property, plant and equipment net book value	**1,903,816**	1,259,827	**33,532**	14,925
Reconciliation:				
Balance at the beginning of the year	**1,259,827**	1,178,303	**14,925**	19,160
Additions	**1,305,337**	717,047	**47,787**	7,042
Depreciation	**(31,487)**	(51,877)	**(29,180)**	(11,277)
Depreciation capitalised to exploration expenditure	**(264,461)**	(128,720)	**-**	-
Assets included in a disposal group classified as held for sale	**-**	(146,837)	**-**	-
Disposals	**-**	(6,329)	**-**	-
Assets written off	**(42,437)**	-	**-**	-
Translation difference movement	**(322,963)**	(301,760)	**-**	-
Carrying amount at the end of the year	**1,903,816**	1,259,827	**33,532**	14,925

15. MINERAL INTEREST ACQUISITION, EXPLORATION AND DEVELOPMENT EXPENDITURE

Balance at the beginning of the year	**36,971,268**	19,170,593	**-**	-
Purchase price for mineral interests	**3,442,619**	-	**-**	-
Expenditure incurred during the period	**24,511,214**	28,021,035	**-**	-
Assets included in a disposal group classified as held for sale	**-**	(4,907,891)	**-**	-
Costs written-off	**-**	(81,636)	**-**	-
Translation difference movement	**(6,757,139)**	(5,230,833)	**-**	-
Carried forward	**58,167,962**	36,971,268	**-**	-

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Notes to the Financial Statements
For the Year ended 30 June 2009

	Consolidated		Company	
	2009 $	2008 $	**2009 $**	2008 $
16. PAYABLES AND PROVISIONS				
Current				
Trade creditors and accruals (i)	**7,027,498**	2,836,664	**3,193,702**	223,656
Amount due for acquisition of subsidiary entity (ii)	**3,140,000**	1,521,750	**3,140,000**	1,521,750
Employee benefits	**64,281**	49,351	**49,704**	49,351
	10,231,779	4,407,765	**6,383,406**	1,794,757

Terms and conditions relating to the above financial instruments:

(i) Trade and other creditors are non-interest bearing and are normally settled on 30 day terms.

(ii) The Company issued 2.5 million shares and 2.5 million options (exercisable at 40 cents on or before 30 November 2009) as initial purchase consideration for Central Ashanti Gold Limited (CAGL) upon the receipt of all necessary Ghana Government approvals during the year. The initial purchase consideration was valued at $1,521,750, at the date (April 2007) of exercise of the option to acquire this investment, using the then market value of Perseus shares and the Black-Scholes valuation methodology. The actual number of shares issued in February 2009 as purchase consideration was reduced from 2,500,000 to 1,461,554 in settlement of a loan provided by the Company to the vendors of the Ayanfuri assets.

The Company announced the Ayanfuri Gold Project had exceeded 500,000 ounces of Proven and Probable Reserves on 30 July 2009 requiring the issue of 2,000,000 shares and 2,000,000 options exercisable at 60 cents each on or before 13 August 2011 as further purchase consideration payable for the (2007) acquisition of wholly owned subsidiary, CAGL, the holder of the Ayanfuri Gold Project. As the announcement of the reserves provided evidence of conditions which existed at the reporting date, the amount has been recorded as a liability in the current year. Purchase consideration is $3,140,000 based on the shares valued at market price and the options valued using the Black-Scholes valuation methodology.

	Consolidated		Company	
	2009 **$**	2008 $	**2009** **$**	2008 $

16. PAYABLES AND PROVISIONS - CONTINUED

	Consolidated 2009 $	Consolidated 2008 $	Company 2009 $	Company 2008 $
Non-Current				
Provision for rehabilitation work	**2,874,196**	2,340,094	**-**	-
Balance at the beginning of the year	**2,340,094**	2,750,000	**-**	-
Arising during the year	**-**	-	**-**	-
Translation difference movement	**534,102**	(409,906)	**-**	-
Balance at the end of the year	**2,874,196**	2,340,094	**-**	-

The provision for rehabilitation work relates to the Ayanfuri project area in Ghana and forms part of the liabilities of CAGL at the time of its acquisition by the consolidated entity during the year. The obligation arises as a result of gold mining previously conducted on the project area by the former owner, AngloGold Ashanti (Ghana) Ltd (''AGC''). The timing of settlement of this provision can not be established with any certainty. Subject to completion of a bankable feasibility study, the Company plans to commence mining the project area. In that event, many of the old pits identified for rehabilitation work would be subject to new mining. New rehabilitation plans would be drawn up, with the actual work carried out over the life of the mine.

Notes to the Financial Statements
For the Year ended 30 June 2009

	Consolidated		Company	
	2009 $	2008 $	**2009 $**	2008 $
17. ISSUED CAPITAL AND RESERVES				
(a) Issued and paid-up share capital				
298,457,088 (2008:174,354,267) ordinary shares, fully paid	**152,220,729**	69,679,727	**152,220,729**	69,679,727

	Number	Number	**$**	**$**
Movements in Ordinary Shares:				
Balance at the beginning of the year	**174,354,267**	117,573,166	**69,679,727**	25,235,460
Share placements at issue price of $1.40 on 27 May and 20 June 2008	**-**	10,714,286	**-**	15,000,000
Share placement at issue price of $1.06 each on 7 March 2008	**-**	10,000,000	**-**	10,600,000
Share placement at issue price of $1.15 each on 23 July 2007	**-**	10,000,000	**-**	11,500,000
Shares issued pursuant to exercise of options	**-**	26,066,815	**-**	8,988,063
Share placements at issue price of $0.50 on 28 January 2009	**17,000,000**	-	**8,500,000**	-
Share placements at issue price of $0.82 on 22 June 2009	**71,100,000**	-	**58,302,000**	-
Rights issue at issue price of $0.82 each on 22 June 2009	**20,646,099**	-	**16,929,801**	-
Shares issued pursuant to exercise of options	**13,895,168**	-	**2,871,034**	-
Transaction costs arising from issue of securities for cash	**-**	-	**(4,487,439)**	(1,643,796)
Shares issued to Vendor on 27 February 2009 as part consideration for purchase of the Company's interest in the Ayanfuri Project, net of loan settlement.	**1,461,554**	-	**425,606**	-
Balance at the end of the year	**298,457,088**	174,354,267	**152,220,729**	69,679,727

17. ISSUED CAPITAL AND RESERVES - CONTINUED

(b) Share Options

Options to subscribe for ordinary shares in the Company have been granted as follows:

Exercise Period	Note	Exercise Price	Opening Balance 1 July 2008	Options Issued 2008/09	Options Exercised/ Cancelled/ Expired 2008/09 (i)	Closing Balance 30 June 2009
On or before 31 March 2009	(i)	$0.20	6,805,969	-	6,805,969	-
On or before 31 March 2009	(i)	$0.20	2,100,000	-	2,100,000	-
On or before 31 March 2009	(i)	$0.20	4,000,000	-	4,000,000	-
On or before 31 March 2009	(i)	$0.20	200,000	-	200,000	-
On or before 30 November 2009	(ii)	$0.40	-	2,500,000	250,000	2,250,000
On or before 31 December 2009	(iii)	$0.80	-	1,000,000	-	1,000,000
On or before 01 December 2008	(iv)	$0.26	700,000	-	700,000	-
On or before 1 April 2010		$0.50	525,000	-	-	525,000
On or before 30 May 2010	(v)	$0.50	150,000	-	150,000	-
On or before 12 July 2010	(v)	$1.00	610,000	-	610,000	-
On or before 31 July 2010		$1.50	3,800,000	-	-	3,800,000
On or before 26 October 2010	(v)	$1.30	400,000	-	400,000	-
On or before 31 December 2010	(vi)	$1.00	-	1,000,000	-	1,000,000
On or before 26 February 2011	(v)	$1.15	1,080,000	-	1,080,000	-
On or before 31 March 2011	(v)	$1.15	50,000	-	50,000	-
On or before 10 July 2011	(v)	$1.50	-	150,000	150,000	-
On or before 30 June 2011	(vii)	$1.00	-	600,000	-	600,000
On or before 23 January 2012	(viii)	$0.65	-	2,670,000	-	2,670,000
			20,420,969	7,920,000	16,495,969	11,845,000

(i) 12,945,168 options were exercised at 20 cents each to acquire shares in the Company during the financial year raising $2,589,033. 160,801 options lapsed without being exercised.

(ii) 2,500,000 options were issued as part consideration for the acquisition of the Ayanfuri asset following the completion of all formalities. 250,000 of these options were exercised at 40 cents each to acquire shares in the Company during the financial year raising $100,000.

(iii) 1,000,000 options were issued as a fee for corporate and investor relations services.

(iv) 700,000 options were exercised at 26 cents each to acquire shares in the Company during the financial year raising $182,000.

(v) 1,890,000 options were cancelled on 29 January 2009. 550,000 options were cancelled following the resignation of applicable employees.

(vi) 1,000,000 options were issued as a fee for corporate and investor relations services.

(vii) 600,000 options were issued to a director in accordance with shareholder approval granted at the Annual General Meeting held on 28 November 2008

(viii) 2,670,000 options were issued under the terms of the Perseus Mining Limited Employee Option Plan.

Notes to the Financial Statements
For the Year ended 30 June 2009

17. ISSUED CAPITAL AND RESERVES - CONTINUED

(c) Terms and conditions of issued capital

Ordinary Shares:

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Nature and purpose of reserves

Option Premium Reserve

The option premium reserve is used to record the fair value of options issued but not exercised. The reserve is transferred to accumulated losses upon expiry or recognised as share capital if exercised.

Foreign Currency Translation Reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Financial Assets Reserve

The financial assets reserve is used to record fair value changes on available-for-sale investments.

18. SHARE-BASED PAYMENT PLANS

Employee Share Option Plan
In November 2005, the Company adopted the Perseus Mining Limited Employee Option Plan ("Plan").
The Plan is designed to provide incentives, assist in the recruitment, reward, retention of employees and provide opportunities for employees (both present and future) to participate directly in the equity of the Company.
The contractual life of each option granted is three years. There are no cash settlement alternatives. The Plan does not allow for the issue of options to Directors of the Company.

Non Plan based payments
The Company also makes share-based payments to consultants and/or service providers from time to time, not under any specific plan.

The expense recognised in the income statement in relation to share-based payments is disclosed in Note 3.

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year under the Plan:

18. SHARE-BASED PAYMENT PLANS - CONTINUED

	2009 Number of options	2009 Weighted average exercise price	2008 Number of options	2008 Weighted average exercise price
Outstanding at the beginning of the year	3,515,000	$0.85	2,495,000	$0.41
Granted during the year	2,820,000	$0.70	2,140,000	$1.14
Forfeited during the year	(2,440,000)	$1.13	-	-
Exercised during the year	(700,000)	$0.26	(1,120,000)	$0.43
Expired during the year	-	-	-	-
Outstanding at the end of the year	3,195,000	$0.63	3,515,000	$0.85
Exercisable at the end of the year	525,000	-	1,575,000	-

The outstanding balance as at 30 June 2009 is represented by:

Number	Exercise period	Exercise price - $
525,000	01/04/2008 to 01/04/2010	0.50
2,670,000	23/07/2009 to 23/01/2012	0.65
3,195,000		

Other share-based payments, not under any plans, are as follows (with additional information provided in Note 17 above):

	2009 Number	2009 $	2008 Number	2008 $
Options to directors as part of their remuneration arrangements	**600,000**	**88,323**	3,800,000	2,599,200
Options issued as initial consideration for the purchase of the Ayanfuri asset	**2,500,000**	**396,750**	-	-
Options to consultants (valued at the fair value of services received)	**2,000,000**	**24,000**	-	-

The weighted average fair value of options granted during the year was $0.23 (2008: $0.63).

The fair value of the equity-settled share options granted under the Plan as well as not under any plans is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The fair value of shares issued is calculated by reference to the market value of the shares trading on the Australian Securities Exchange (ASX) on or around the date of grant.

The following table lists the inputs to the model used for the years ended 30 June 2009 and 30 June 2008:

	2009	2008
Volatility (%) - range	**68% to 138%**	57% to 60%
Risk-free interest rate (%) - range	**3% to 7.25%**	6.5% to 7%
Expected life of option (years)	**¾ to 3 years**	3 years
Exercise price (cents)	**$0.60 to $1.50**	$1.00 to $1.50
Weighted average share price at grant date (cents)	**$0.73**	$1.40

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Notes to the Financial Statements
For the Year ended 30 June 2009

19. FINANCIAL INSTRUMENTS

Overview

The Company and Group have exposure to the following risks from their use of financial instruments:
- credit risk
- liquidity risk
- market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

		Consolidated		Company	
	Notes	**2009 $**	2008 $	**2009 $**	2008 $
Cash	8, 10(c)	**79,876,095**	19,296,798	**79,587,896**	18,642,501
Receivables	9, 10(c)	**3,375,929**	3,120,842	**71,759,503**	38,817,377
Non-Current disposal group held for sale		**-**	-	**-**	5,280,643
Prepayments	11, 10(c)	**79,042**	89,339	**17,580**	-
Total Assets		**83,331,066**	22,506,979	**151,364,979**	62,740,521
Payables	16, 10(c)	**10,231,779**	4,407,765	**6,383,406**	1,794,757
Total Liabilities		**10,231,779**	4,407,765	**6,383,406**	1,794,757

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. For the Company it arises from receivables due from subsidiaries.

(i) Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

(ii) Receivables

As the Group operates in the mineral exploration sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

The Company and Group have established an allowance for impairment that represents their estimate of incurred losses in respect of other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. The management does not expect any counterparty to fail to meet its obligations.

Presently, the Group undertakes exploration and evaluation activities in Australia and West Africa. At the balance sheet date there were no significant concentrations of credit risk.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure.

19. FINANCIAL INSTRUMENTS - CONTINUED

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that 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 Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Due to the nature of the Group's activities and the present lack of operating revenue, the Company has to raise additional capital from time to time in order to fund its exploration activities. The decision on how and when the Company will raise future capital will depend on market conditions existing at that time and the level of forecast activity and expenditure.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of between three and six months, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following tables detail the Company's and the Group's remaining contractual maturity for its non-derivative financial liabilities. These are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Consolidated	Less than 3 months $	3 months – 1 year $	1 – 5 years $
30 June 2009			
Non-interest bearing	10,231,779	-	-
	10,231,779	-	-
30 June 2008			
Non-interest bearing	2,766,740	1,714,668	-
	2,766,740	1,714,668	-

Company	Less than 3 months $	3 months – 1 year $	1 – 5 years $
30 June 2009			
Non-interest bearing	6,383,406	-	-
	6,383,406	-	-
30 June 2008			
Non-interest bearing	273,007	1,521,750	-
	273,007	1,521,750	-

Notes to the Financial Statements

For the Year ended 30 June 2009

19. FINANCIAL INSTRUMENTS - CONTINUED

The following tables detail the Company's and the Group's remaining contractual maturity for its non-derivative financial assets. These have been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company/Group anticipates that the cash flow will occur in a different period.

Consolidated	Less than 3 months $	3 months – 6 months $	6 months + $
30 June 2009			
Non-interest bearing	730,794	-	28,229
Variable interest rate instruments	29,092,920	-	-
Fixed interest rate instruments	34,266,400	19,212,724	-
	64,090,114	19,212,724	28,229
30 June 2008			
Non-interest bearing	854,211	-	30,074
Variable interest rate instruments	18,512,748	-	-
Fixed interest rate instruments	-	3,184,059	-
	19,366,959	3,184,059	30,074

Company	Less than 3 months $	3 months – 6 months $	6 months + $
30 June 2009			
Non-interest bearing	324,465	-	68,967,729
Variable interest rate instruments	28,804,721	-	-
Fixed interest rate instruments	34,055,341	19,212,724	-
	63,184,527	19,212,724	68,967,729
30 June 2008			
Non-interest bearing	425,799	-	41,582,967
Variable interest rate instruments	17,621,810	-	-
Fixed interest rate instruments	-	3,184,059	-
	18,047,609	3,184,059	41,582,967

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Group is exposed to currency risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currency of Group entities, primarily the Australian dollar (AUD). The currencies in which these transactions are primarily denominated are AUD and USD.

The Group has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

Group's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature.

19. FINANCIAL INSTRUMENTS - CONTINUED

(ii) Exposure to currency risk

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	30 June 2009		30 June 2008	
	Assets $	**Liabilities $**	Assets $	Liabilities $
United States Dollar	**9,838,762**	**-**	3,401,498	130,005
Kyrgyz Som	**-**	**-**	34,565	76,643
Ghanaian New Cedi	**432,500**	**3,545,099**	362,415	918,752
French West Africa Franc	**290,256**	**303,275**	230,167	383,056
	10,561,518	**3,848,373**	4,028,645	1,508,456

The Company's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	30 June 2009		30 June 2008	
	Assets $	**Liabilities $**	Assets $	Liabilities $
United States Dollar	**79,093,174**	**-**	42,299,653	-
	79,093,174	**-**	42,299,653	-

The following significant exchange rates applied during the year:

	Average rate		**Reporting date spot rate**	
	2009 $	2008 $	**2009 $**	2008 $
United States Dollar	**0.74**	0.89	**0.80**	0.96
Kyrgyz Som	**-**	33.44	**-**	34.55
Ghanaian New Cedi	**1.08**	0.89	**0.84**	1.06
French West Africa Franc	**362.83**	408.16	**382.77**	408.38

(iii) Sensitivity analysis

A 10 percent strengthening of the Australian dollar against the above currencies at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

		Consolidated (ii)		**Company (i)**	
	Notes	**2009 $**	2008 $	**2009 $**	2008 $
(Profit) or loss		**721,450**	(310,403)	**6,597,232**	3,999,400
Equity		**1,967,782**	300,328	**(6,597,232)**	(3,999,400)

(i) this is mainly attributable to the exposure on USD receivables

(ii) this is mainly related to the translation of foreign denominated financial assets and liabilities at balance date

Notes to the Financial Statements
For the Year ended 30 June 2009

19. FINANCIAL INSTRUMENTS – CONTINUED

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(iv) Interest Risk

The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's cash and cash equivalents.

At the reporting date the interest rate profile of the Company's and the Group's interest-bearing financial instruments is as follows:

	Consolidated Carrying Amount		Company Carrying Amount	
	2009 $	2008 $	**2009 $**	2008 $
Fixed rate Instruments				
Financial assets	**53,479,124**	3,115,933	**53,268,065**	3,115,933
Financial liabilities	**-**	-	**-**	-
	53,479,124	3,115,933	**53,268,065**	3,115,933
Variable rate Instruments at call				
Financial assets	**29,092,920**	18,270,119	**28,804,721**	17,615,822
Financial liabilities	**-**	-	**-**	-
	29,092,920	18,270,119	**28,804,721**	17,615,822

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.

	Profit or (Loss)		Equity	
	100bp increase $	**100bp decrease $**	**100bp increase $**	**100bp decrease $**
Consolidated				
30 June 2009				
Variable rate instruments	290,929	(290,929)	290,929	(290,929)
Cash flow sensitivity (net)	290,929	(290,929)	290,929	(290,929)
30 June 2008				
Variable rate instruments	227,637	(227,637)	227,637	(227,637)
Cash flow sensitivity (net)	227,637	(227,637)	227,637	(227,637)
Company				
30 June 2009				
Variable rate instruments	288,047	(288,047)	288,047	(288,047)
Cash flow sensitivity (net)	288,047	(288,047)	288,047	(288,047)
30 June 2008				
Variable rate instruments	218,727	(218,727)	218,727	(218,727)
Cash flow sensitivity (net)	218,727	(218,727)	218,727	(218,727)

19. FINANCIAL INSTRUMENTS – CONTINUED

The Company does not have any material risk exposure to any single debtor or group of debtors.

The following table summarises interest rate risk for the consolidated entity, together with effective interest rates as at balance date.

30 June 2009	Weighted average effective interest rate	Fixed interest rate $	Floating interest rate $	Non-interest bearing $	Total $
Financial Assets:					
Current:					
Cash at bank	3.2%	50,782,975	29,092,920	200	79,876,095
Receivables	-	-	-	679,780	679,780
Non current:		-	-	-	-
Security deposit	1.4%	2,696,149	-	-	2,696,149
Net exposure to cash flow interest rate risk		53,479,124	29,092,920	679,980	83,252,024

30 June 2008	Weighted average effective interest rate	Fixed interest rate $	Floating interest rate $	Non-interest bearing $	Total $
Financial Assets:					
Current:					
Cash at bank	6.2%	1,025,355	18,270,119	1,324	19,296,798
Receivables	12.0%	500,000	-	793,624	1,293,624
Non current:					
Security deposit	2.9%	1,827,218	-	-	1,827,218
Net exposure to cash flow interest rate risk		3,352,573	18,270,119	794,948	22,417,640

(d) Net fair values

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Company has no financial assets where carrying amount exceeds net fair values at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

Notes to the Financial Statements
For the Year ended 30 June 2009

19. FINANCIAL INSTRUMENTS – CONTINUED

(e) Capital Management

Management controls the capital of the Group in order to ensure that the Group can fund its operations on an efficient and timely basis and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's cash projections up to twelve months in the future and any associated financial risks. Management will adjust the Group's capital structure in response to changes in these risks and in the market.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

20. COMMITMENTS

(a) Exploration expenditure commitments

With respect to the Group's mineral property interests in Ghana and Ivory Coast, statutory expenditure commitments specified by the mining legislation are nominal in monetary terms. However, as part of mineral licence application and renewal requirements, the Group submits budgeted exploration expenditure. In assessing subsequent renewal applications, the mining authorities review actual expenditure against budgets previously submitted. The Group's budget expenditures for future periods are shown below. These amounts do not become legal obligations of the Group and actual expenditure may and does vary depending on the outcome of actual exploration programs, and the costs and results from those programs.

	Consolidated		Company	
	2009 $	2008 $	**2009 $**	2008 $
Within one year	**1,070,000**	730,000	**-**	-
One year or later and not later than five years	**7,730,000**	13,380,000	**-**	-
Later than five years	**2,080,000**	1,680,000	**-**	-
	10,880,000	15,790,000	**-**	-

The Kyrgyz properties are not included in the 2008 amounts as they have been disposed of soon after the year end.

(b) Capital commitments

(i) In March 2007, the Company's subsidiary, Kojina Resources Limited ("Kojina"), exercised an option to purchase all of the issued capital of Central Ashanti Gold Ltd (CAGL) (formerly Stratsys Investments Ltd), a Ghanaian company which is the holder of the Ayanfuri Gold Project. The initial consideration payable to the vendor, Strategic Systems Pty Ltd, to acquire the CAGL shares was paid during the current year (refer note 16(ii)). Subsequent purchase consideration, comprising 2 million Perseus shares and 2 million unlisted options to acquire Perseus shares, exercisable at 60 cents each with a 2 year life, was payable when a mining reserve on the project of at least 500,000 ounces of gold was established. This was achieved on 30 July 2009 and a post balance date liability for the issue of the shares and options has been recognised in the current year (refer note 16(ii)) as an adjusting event. The final consideration payable comprises a royalty of 0.25% of gold produced from CAGL's gold assets.

20. COMMITMENTS - CONTINUED

CAGL itself had acquired the Ayanfuri Gold Project from the former owner, AngloGold Ashanti Limited (AGC). Under the contract to purchase the Ayanfuri Gold Project, CAGL is required to pay AGC:

- US$125,000 when all government consents validating the transaction are received. Validation was received during the current year and the payment was completed;
- US$50,000 on completion of a bankable feasibility study; and
- a royalty on gold production of 2% if the gold price is below US$350/oz, 2.5% if the gold price is over US$350 but below US$500/oz and 3% if the gold price exceeds US$500/oz on resources existing on the Ayanfuri Mining Licences when CAGL entered in the contract with AGC, or a royalty at half of those rates on new resources identified by CAGL on those licences.

  CAGL also assumes all rehabilitation responsibilities for the Ayanfuri Mine Licences, which are estimated to cost approximately US$2.25 million and a provision has been recorded for this at balance date.

(c) Remuneration commitments

Mark Calderwood had entered into a service agreement whereby either party can terminate the agreement by giving six months' written notice.

	Consolidated		Company	
	2009 $	2008 $	**2009 $**	2008 $
Within one year	**140,000**	125,000	**140,000**	125,000
One year or later and not later than five years	**-**	-	**-**	-
Later than five years	**-**	-	**-**	-
	140,000	125,000	**140,000**	125,000

21. CONTINGENT LIABILITIES

There were no contingent liabilities of the consolidated entity at 30 June 2009.

Notes to the Financial Statements
For the Year ended 30 June 2009

	Consolidated		Company	
	2009 $	2008 $	**2009 $**	2008 $
22. STATEMENTS OF CASH FLOWS				
(a) Reconciliation of the loss from ordinary activities to net cash used in operating activities				
(Loss)/profit from ordinary activities after income tax	**(4,789,201)**	(4,841,074)	**2,775,480**	(8,813,168)
Add back non-cash items:				
Depreciation	**31,487**	51,877	**29,180**	11,277
Provision for non-recovery of investments in and loans to subsidiaries and associates	**3,330,819**	-	**3,432,840**	704,260
Employee benefits provision	**-**	8,655	**-**	6,863
Foreign currency loss/(gain)	**(691,932)**	(68,608)	**(7,158,935)**	3,744,578
Employee options	**817,184**	3,379,636	**817,184**	3,379,636
Consultants fees satisfied by the issue of shares and options	**24,000**	-	**24,000**	-
Sundry income and expenses on-charged to related entity offset by issue of shares and options	**(78,434)**	-	**(78,434)**	-
Gain on sale of investments	**(832,925)**	-	**(1,190,888)**	-
Share of associates net loss	**327,682**	-	**-**	-
Loss/(gain) on sale of property, plant and equipment	**-**	855	**-**	-
Property, plant and equipment written off	**42,437**	-	**-**	-
Exploration Costs written-off	**-**	81,636	**-**	-
Change in assets and liabilities:				
(Increase) in receivables	**(96,577)**	(127,480)	**(96,578)**	(127,480)
(Increase) in other assets	**(17,580)**	(32,754)	**(17,580)**	(32,754)
Increase/(decrease) in payables	**370,883**	116,140	**439,351**	85,531
Net cash used in operating activities	**(1,562,157)**	(1,431,117)	**(1,024,380)**	(1,041,257)

(b) Non-Cash Financing and Investing Activities

During the year, the Company issued options to employees, consultants and directors for nil consideration. The Company issued shares and options (exercisable at 40 cents on or before 30 November 2009) as initial purchase consideration for acquisition of Central Ashanti Gold Limited (CAGL) – refer to Note 16(ii) for details. A loan receivable from the vendor of CAGL was also settled during the year by reducing the number of shares issued as purchase consideration – refer to Note 16(ii) for details.

The Company also advanced funds to the value of $273,302 to a third party repayable within the next two years either by cash or drilling services provided.

23. DIRECTOR AND EXECUTIVE DISCLOSURES

Key management personnel

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-Executive Directors
Mr Reginald Gillard
Mr Neil Fearis

Executive Directors
Mr Mark Calderwood
Mr Colin Carson
Mr Rhett Brans

Other Key Management Personnel
Susmit Shah – Company Secretary. Mr Shah's services are provided by Corporate Consultants Pty Ltd, a company in which Mr Gillard and Mr Shah are directors and have beneficial interests.

Kevin Thomson - Regional Exploration Manager (West Africa) commenced April 2007, however appointed to key management role from 1 July 2007.

There have been no changes of the CEO or key management personnel after reporting date and the date the financial report was authorised for issue, with the exception of the appointment of T Sean Harvey as a Non-Executive Director in September 2009.

Key management personnel compensation

The key management personnel compensation included in 'Employee, Directors and consultants cost' are as follows:

	Consolidated		Company	
	2009 $	2008 $	**2009 $**	2008 $
Short-term employee benefits	**964,668**	714,785	**964,668**	714,785
Post-employment benefits	**34,063**	32,479	**34,063**	32,479
Share-based payments	**424,287**	2,978,065	**424,287**	2,978,065
	1,423,018	3,725,329	**1,423,018**	3,725,329

Individual directors and other key management personnel compensation disclosures

Individual directors and executives compensation disclosures

Information regarding individual Directors' and Executives' compensation and some equity instruments disclosures as permitted by Schedule 5B to the Corporations Regulations 2001 is provided in the Remuneration Report section of the Directors' Report. Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Notes to the Financial Statements

For the Year ended 30 June 2009

23. DIRECTOR AND EXECUTIVE DISCLOSURES - CONTINUED

Loans to key management personnel and their related parties

There were no loans outstanding at the reporting date to key management personnel and their related parties.

Other key management personnel transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

	Consolidated		Company	
	2009 $	2008 $	**2009 $**	2008 $
(a) Rent, accounting, secretarial and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which Mr Gillard and the company secretary, Mr Susmit Shah, are directors and have beneficial interests.	**273,552**	236,511	**273,552**	236,511
(b) Rent paid or payable to Ledgar Road Partnership, an entity in which Mr Gillard and Mr Carson both have a beneficial interest.	**-**	15,071	**-**	15,071
(c) Taxation services paid or payable to Icon Financial Management Pty Ltd, an entity in which Mr Gillard is a director and has a beneficial interest.	**5,346**	6,685	**5,346**	6,685
Balances due to Directors and Director-Related Entities at year end				
- included in trade creditors and accruals	**25,662**	90,769	**25,662**	90,769

23. DIRECTOR AND EXECUTIVE DISCLOSURES - CONTINUED

Shareholdings

The numbers of shares in the Company held during the financial year by Directors and other key management personnel, including shares held by entities they control, are set out below:

30 June 2009	Balance at 30 June 2008	Received as Remuneration	Options Exercised	Other Movements	Balance at 30 June 2009
Directors					
Reginald Gillard	675,000	-	5,000	68,000	748,000
Mark Calderwood	2,470,237	-	2,070,000	(540,237)	4,000,000
Colin Carson	751,423	-	239,000	(317,223)	673,200
Rhett Brans	50,000	-	425,000	-	475,000
Neil Fearis	100,000	-	300,000	(70,000)	330,000
Senior Managers					
Susmit Shah	30,000	-	315,000	(75,500)	269,500
Kevin Thomson	-	-	-	-	-

30 June 2008	Balance at 30 June 2007	Received as Remuneration	Options Exercised	Other Movements	Balance at 30 June 2008
Directors					
Reginald Gillard	210,000	-	465,000	-	675,000
Mark Calderwood	1,370,000	-	1,000,000	100,237	2,470,237
Colin Carson	751,423	-	-	-	751,423
Rhett Brans	150,000	-	-	(100,000)	50,000
Neil Fearis	100,000	-	-	-	100,000
Senior Managers					
Susmit Shah	30,000	-	-	-	30,000
Kevin Thomson	-	-	75,000	(75,000)	-

Notes to the Financial Statements

For the Year ended 30 June 2009

23. DIRECTOR AND EXECUTIVE DISCLOSURES - CONTINUED

Option holdings

The numbers of options to subscribe for shares in the Company held during the financial year by Directors and other key management personnel, including options held by entities they control, are set out below:

30 June 2009	Balance at 30 June 2008	Received as Remuneration	Options Exercised	Other Movements	Balance at 30 June 2009	Vested and exercisable at year end
Directors						
Reginald Gillard	605,000	-	(5,000)	-	600,000	600,000
Mark Calderwood	3,270,000	-	(2,070,000)	-	1,200,000	1,200,000
Colin Carson	1,450,000	-	(239,000)	(11,000)	1,200,000	1,200,000
Rhett Brans	825,000	600,000	(425,000)	-	1,000,000	400,000
Neil Fearis	700,000	-	(300,000)	-	400,000	400,000
Senior Managers						
Susmit Shah	415,000	500,000	(315,000)	(250,000)	350,000	-
Kevin Thomson	1,125,000	600,000	-	(600,000)	1,125,000	525,000

30 June 2008	Balance at 30 June 2007	Received as Remuneration	Options Exercised	Other Movements	Balance at 30 June 2008	Vested and exercisable at year end
Directors						
Reginald Gillard	470,000	600,000	(465,000)	-	605,000	5,000
Mark Calderwood	3,070,000	1,200,000	(1,000,000)	-	3,270,000	2,070,000
Colin Carson	250,000	1,200,000	-	-	1,450,000	250,000
Rhett Brans	425,000	400,000	-	-	825,000	425,000
Neil Fearis	300,000	400,000	-	-	700,000	300,000
Senior Managers						
Susmit Shah	315,000	100,000	-	-	415,000	315,000
Kevin Thomson	-	600,000	(75,000)	600,000	1,125,000	225,000

23. DIRECTOR AND EXECUTIVE DISCLOSURES - CONTINUED

Other transactions with Directors

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving Directors' interests subsisting at year-end.

(a) Transactions with Related Parties - Subsidiaries

Wholly-Owned Consolidated Entity

The Company incurs exploration expenditure on behalf of the subsidiaries. Investments in and loans to wholly-owned subsidiaries are disclosed in Notes 12 and 9 respectively.

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

(b) Transactions with Other Related Parties

The Company incurred expenses on behalf of Manas Resources Limited up to the date of loss of control of Manas, and until such time as Manas was listed on the Australian Securities Exchange. Expenditure incurred totalling $230,535 as at 30 June 2008 was repaid during the current year. Manas Resources Limited is a director related entity at year end.

24. EVENTS OCCURRING AFTER THE REPORTING DATE

Since the end of the financial year and to the date of this report no matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years other than:

On 30 July 2009 Perseus announced the results of the Definitive Feasibility Study for the Ayanfuri Gold Project in Ghana and the classification of 2.1 million ounces of gold as Reserves. Consequently, in accordance with the terms of the purchase of the Company's interest in the Ayanfuri Gold Project, Perseus issued 2 million shares and 2 million options to the vendor on 13 August 2009. The liability for this payment is included within these financial statements.

On 26 August 2009, Perseus completed the purchase of European gold Puts ("Puts") for the delivery of 100,000 ounces of gold in 2012 and 2013 for US$9.1 million. The Puts represent approximately 22% of planned production in that period, enabling the Company to sell those ounces at US$850/oz should the prevailing price be less, or at prevailing spot prices if they are higher.

Directors' Declaration

30 June 2009

In the opinion of the directors:

1. The financial statements, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:

   (a) comply with accounting standards and the *Corporations Regulations 2001; and*

   (b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company and consolidated entity;

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

3. The remuneration disclosures included in the audited Remuneration Report forming part of the Directors' Report for the year ended 30 June 2009 comply with Accounting Standards AASB 124 Related Party Disclosures and the Corporations Regulations 2001.

The Directors have been given declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

M A Calderwood
Managing Director

Dated at Perth, 30 September 2009

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of
PERSEUS MINING LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Perseus Mining Limited ("the company"), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity, cash flow statement and notes to the financial statements for the year ended on that date, and the directors' declaration for both the company and the consolidated entity as set out on pages 25 to 69. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Liability limited by a scheme approved under Professional Standards Legislation
HLB Mann Judd (WA Partnership) is a member of HLB International, a world-wide organisation of accounting firms and business advisers

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

(a) the financial report of Perseus Mining Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 24 to 29 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Perseus Mining Limited for the year ended 30 June 2009 complies with section 300A of the Corporations Act 2001.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Perth, Western Australia
30 September 2009

M R W OHM
Partner

Statement of Corporate Governance Practices

ASX Listing Rule 4.10.3 requires listed companies to disclose in their Annual Report the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. A description of the Company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year. They comply with the August 2007 ASX *Principles of Good Corporate Governance and Best Practice Recommendations*.

In a number of instances, the Company may determine not to meet the standard set out in the Recommendations, largely due to the relevant Recommendation being considered by the Board to be unduly onerous for a Company of this size.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance structures will be given further consideration.

The Board sets out below its "if not, why not" report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

Principle 1: Lay solid foundations for management and oversight

Role of the Board and of Senior Executives (1.1)

The relationship between the board and senior management is critical to the Company's long-term success. The directors are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Company as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- To set the strategic direction for the Company and monitor progress of those strategies;
- Establish policies appropriate for the Company;
- Monitor the performance of the Company, the Board and management;
- Approve the business plan and work programmes and budgets;
- Authorise and monitor investment and strategic commitments;
- Review and ratify systems for health, safety and environmental management; risk and internal control; codes of conduct and regulatory compliance;
- Report to shareholders, including but not limited to, the Financial Statements of the Company; and
- Take responsibility for corporate governance.

Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director, other Executive Directors, senior managers and the Company Secretary.

Senior Executive Performance Review (1.2)

It is the policy of the Board to conduct an evaluation of the performance of senior executives annually. Performance has been measured to date by the efficiency and effectiveness of the enhancement of the Company's mineral interest portfolio, the designing and implementation of the exploration and development programme, maintenance of relationships with joint venture partners and the securing of ongoing funding to continue its exploration and development activities. This performance evaluation is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration and development stage and during this period is expected to incur operating losses.

Due to the size of the Company and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of senior executives. The Remuneration Committee considers adjustments to remuneration of directors and senior executives annually after discussions with the Managing Director and other senior executives. This annual remuneration review encompasses performance reviews of those individuals.

Statement of Corporate Governance Practices

Principle 2: Structure the Board to add value

Principle 2 states that "companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties." The Company's board is so structured, and its directors believe that they have adequately discharged their responsibilities and duties to the benefit of shareholders.

The preferred skills and experiences for a director of the Company include:

- Mineral resources;
- Corporate and business development; and
- Public company administration.

The Board has established a framework for the management of the consolidated entity including a system of internal control, a business risk management process, and the establishment of appropriate ethical standards.

The full Board holds regular meetings to discuss operational matters, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The Board reviews its composition on an annual basis to ensure that the Board has the appropriate mix of expertise and experience. When a vacancy exists, for whatever reason, or where it is considered that the Board would benefit from the services of a new director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience. External advisers may be used to assist in such a process. The Board will then appoint the most suitable candidate who must stand for election at the next general meeting of shareholders.

The terms and conditions of the appointment and retirement of Directors are not formally set out in a letter of appointment. However matters such as remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice are clearly understood by all directors, who are experienced public company directors.

Information regarding Directors' experience and responsibilities is included in the Directors' Report section of the Annual Report.

Each Director has the right to seek independent professional advice at the Company's expense. However, prior approval of the Chairman will be required, which will not be unreasonably withheld.

Independent Directors (2.1)

In assessing whether a Director is classified as independent, the Board considers the independence criteria set out in the ASX Corporate Governance Council Recommendation 2.1 and other facts, information and circumstances deemed by the Board to be relevant.

Using the ASX Best Practice Recommendations on the assessment of the independence of Directors, the Board considers that of a total of five Directors during the financial year ended 30 June 2009, two were considered to be independent (Mr Reg Gillard and Mr Neil Fearis). Mr Mark Calderwood is the Managing Director of the Company and is not considered to be independent. Mr Colin Carson was employed in an executive role since 2004 and is not considered to be independent. Mr Rhett Brans was employed in an executive role in 2009 and although meeting other criteria and bringing independent judgement to bear in the role, is not considered to be independent. Subsequent to year end, a third independent Non-Executive Director, Mr T Sean Harvey has been appointed which puts the Company in accord with Recommendation 2.1.

Chairman and Chief Executive Officer (CEO) (2.2, 2.3)

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing Board's relationship with the Company's senior executives. The Board considers that the Chairman, Mr Reg Gillard, is independent as discussed in the above paragraph.

The CEO is Mr Mark Calderwood, Managing Director, who is responsible for implementing Company strategies and policies.

Nomination Committee (2.4)

The Board of Directors of the Company does not have a nomination committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a nomination committee can be adequately handled by the full Board.

When a new Director is to be appointed the Board reviews the range of skills, experience and expertise on the board, identifies its needs and prepares a short-list of candidates with appropriate skills and experience. Where necessary, advice is sought from independent search consultants.

The Board then appoints the most suitable candidate who must stand for election at the next annual general meeting of the Company.

Retirement and rotation of Directors are governed by the Corporations Act 2001 and the Constitution of the Company. Each year one third of the Directors (excluding the Managing Director) must retire and offer themselves for re-election.

Board Performance Review (2.5)

It is the policy of the Board to conduct an evaluation of the performance of the Board annually. Performance is measured by the efficiency and effectiveness of the designing and implementation of the exploration and development programme, the enhancement of the Company's mineral interest portfolio, the maintenance of relationships with joint venture partners, the securing of required funding and the success of the Company's exploration and development activities. Performance evaluation is not based on specific financial indicators such as earnings or dividends as the Company is at the exploration stage and during this period is expected to incur operating losses.

Due to the size of the Board and the nature of its business, it has not been deemed necessary to institute a formal documented performance review program of individuals. On an ongoing basis, the Chairman conducts an informal review process whereby he discusses with individual Directors their attitude, performance and approach toward meeting the short and long term objectives of the Company. The Board considers that at this stage of the Company's development an informal process is appropriate.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the Company's expense after consultation with the Chairman. Once received, the advice is to be made immediately available to all board members.

Access to Employees

Directors have the right of access to any employee. Any employee can report any breach of corporate governance principles or Company policies to the Executive Directors and/or Company Secretary who shall remedy the breach. If the breach is not rectified to the satisfaction of the employee, they shall have the right to report any breach to an independent Director without further reference to senior managers of the Company.

Statement of Corporate Governance Practices

Share Ownership

Directors are encouraged to own Company shares.

Board Meetings

The following points identify the frequency of Board Meetings and the extent of reporting from management at the meetings:

- A minimum of four meetings are to be held per year;
- Other meetings will be held as required, meetings can be held by telephone link; and
- Information provided to the Board includes all material information on: operations, budgets, cash flows, funding requirements, shareholder movements, broker activity in the Company's securities, assets and liabilities, disposals, financial accounts, external audits, internal controls, risk assessment, new venture proposals, and health, safety and environmental reports.

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the financial year are set out in the Directors' Report.

Principle 3: Promote ethical and responsible decision making

Code of Conduct (3.1)

The Board acknowledges the need for continued maintenance of the highest standards of corporate governance practice and ethical conduct by all Directors and employees. The Company has not established a formal code of conduct, however the Directors ensure that all business affairs are conducted legally, ethically and with the strict observance of the highest standards of integrity and propriety. The Directors and management have the responsibility to carry out their functions with a view to maximising financial performance of the Company. The Board considers that its business practices as set by the Board are the equivalent of a code of conduct. Due to the small size of the Company and lack of complexity in its activities, the Executive Directors are involved in all aspects of the Company's activities. The Directors are familiar with listing rules, legal requirements and general requirements for ethical behaviour and integrity in decision making, including trading in the Company's securities. All Directors and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Trading Policy (3.2)

Trading in Company securities is regulated by the Corporations Act and the ASX Listing Rules. The Board makes all Directors, officers and employees aware on appointment that it is prohibited to trade in the Company's securities whilst that Director, officer or employee is in the possession of price sensitive information. The Company has a formal policy with respect to trading in the Company's securities.

For details of shares held by Directors and officers please refer to the Directors' Report in these Financial Statements. Directors are required to report to the Company Secretary any movements in their holdings of Company securities, which are reported to the ASX in the required timeframe prescribed by the ASX Listing Rules.

Principle 4: Safeguard Integrity in Financial reporting

Audit Committee (4.1, 4.2, 4.3)

The Company has an audit committee comprising two independent Non-Executive Board members, with two committee members constituting a quorum. During the financial year ended 30 June 2009, Mr Rhett Brans was appointed an Executive Director. As Mr Brans is no longer considered independent he stepped down from the audit committee. Although Recommendation 4.2 requires an Audit Committee to have three members, the Board considered it more appropriate that the Committee operate with two independent, Non-Executive Directors.

Details of the qualifications and expertise of these directors is included in the Director's Report. The Audit Committee has adopted a formal Charter which contains details of the procedure for the selection and appointment of external auditor, and for the rotation of the external audit engagement partners.

The Audit Committee Charter can be found on the Company website.

External Auditors

The Company requires external auditors to demonstrate quality and independence. The performance of the external auditor is reviewed and applications for tender of external audit services requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

HLB Mann Judd was appointed as external auditor in 2003. In accordance with the Corporations Act HLB Mann Judd rotates audit engagement partners on listed companies at least every 5 years, and in accordance with that policy a new audit engagement partner was introduced for the year ended 30 June 2008.

Principle 5 & 6: Making Timely and Balanced Disclosure and Shareholder Communication

Continuous Disclosure Policy and Shareholder Communication (5.1, 6.1)

The Company has not established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability for compliance.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated the following internal control framework:

Continuous disclosure – The Company is a "Disclosing Entity" within the meaning of section 111AC of the Corporations Act. As such, regular reporting and disclosure obligations will require the Company to disclose to the ASX information of which it is, or becomes, aware that concerns the Company which a reasonable person would expect to have a material effect on the price or value of the Company unless certain exceptions from the obligation to disclose apply.

The Company has in place informal procedures which it believes are sufficient for ensuring compliance with ASX Listing Rule disclosure requirements and accountability for compliance. All price sensitive matters are handled by Directors, each of whom is aware of the listing rule requirements for disclosure of price sensitive information on a timely basis.

All ASX announcements are to be posted to the Company website as soon as possible after confirmation of receipt is received from ASX, including all financial reports. The Company encourages effective participation at general meetings through a policy of open disclosure to shareholders, regulatory authorities and the broader community of all material information with respect to the Company's affairs. All shareholders receive a copy of the Company's annual and half-yearly reports. All company announcements, media briefings, details of company meetings, press releases and financial reports are available on the Company's website.

Principle 7: Recognise and Manage Risk

The full Board has the responsibility for the risk management, compliance and internal controls systems of the Company. The Company's size and activities do not warrant the formation of a separate committee of the Board for this purpose.

Statement of Corporate Governance Practices

Risk Management (7.1, 7.2)

Management, through the Managing Director, is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. The Company's risk management policy is designed to provide the framework to identify, assess, monitor and manage the risks associated with the Company's business. The Company adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. The risks involved in a resources sector company and the specific uncertainties for the Company continue to be regularly monitored and the Managing Director regularly appraises the full Board of the Company as to the effectiveness of the Company's management of its material business risks. All proposals reviewed by the Board include a consideration of the issues and risks of the proposal. The potential exposures associated with running the Company have been managed by the Directors and Company Secretary who have significant broad-ranging industry experience, work together as a team and regularly share information on current activities.

Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

The Company's main areas of risk include:

- exploration;
- new project acquisitions;
- security of tenure;
- environment;
- commodity price and market;
- government policy changes and political risk;
- occupational health and safety;
- financial reporting; and
- continuous disclosure obligations.

Assurances from the Managing Director and the Company Secretary/Financial Controller (7.3)

It is the responsibility of the Board to regularly assess the adequacy of the Company's risk management and internal control systems and that its financial affairs comply with applicable laws and regulations and professional practices.

Regular consideration is given to all these matters by the Board. The Company has in place an internal control framework to assist the Board in identifying, assessing, monitoring and managing risk.

The Company's internal control system is monitored by the Board and assessed regularly to ensure effectiveness and relevance to the Company's current and future operations. Procedures have been put into place to ensure the Managing Director and the Company Secretary/Financial Controller state in writing to the Board that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively.

The Managing Director and the Company Secretary have declared in writing to the Board that the Company's financial statements for the year ended 30 June 2009 present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards, that this is founded on a sound system of risk management and internal compliance and control and that the

Company's risk management and internal compliance and control system is operating efficiently and effectively. This representation is made by the Managing Director and Company Secretary/Financial Controller prior to the Director's approval of the release of the annual and half yearly accounts. This representation is made after enquiry of, and representation by, appropriate levels of management.

Principle 8: Remunerate Fairly and Responsibly

Remuneration Committee (8.1)

Details of the composition of the Remuneration Committee and meetings held during the period are as follows:

Name		Meetings Held	Meetings Attended
R Gillard (Chairman)	Independent, Non-Executive Chairman	1	1
N Fearis	Independent, Non-Executive Director	1	1

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Non-Executive Directors and the Managing Director and the executive team. The Remuneration Committee has not adopted a formal Charter as the committee members have a good understanding of remuneration policies and practice. The Committee can and does obtain external advice in relation to remuneration arrangements.

Remuneration Policy (8.2)

The Company's policy for determining the nature and amount of emoluments of Board members is as follows:

- Remuneration of Executive and Non-Executive Directors is reviewed annually by the Board.
- Remuneration packages are set at levels intended to attract and retain Directors and Executives capable of managing the Company's operations and adding value to the Company.

Non-Executive Directors

Non-Executive Directors receive fees which are determined by the Board within the aggregate limit set by the shareholders at a General Meeting. All Non-Executive Directors will receive remuneration by way of fees and receive no retirement benefits excluding statutory superannuation, if applicable. External professional advice will be sought to determine the level of Directors fees to ensure they are appropriate. The Board will determine the level of fees with reference to other comparable listed companies determined by size and nature of operations. Directors' fees should be set at a level to attract suitably qualified individuals to accept the responsibilities of a Directorship. The issue of options to non-executive directors is considered an appropriate method of providing sufficient incentive and reward whilst maintaining cash reserves.

Executives

The Executive Officers of the Company are the Managing Director, other executive directors, senior executives and the Company Secretary. The Executive Officers' remuneration is considered to properly reflect the person's duties and responsibilities, and takes account of remuneration levels across the sector.

Share and Option based remuneration

The Company may issue options to Executives as it is considered an appropriate method of providing sufficient incentive and reward whilst maintaining cash reserves. Participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

For details of remuneration paid to Directors and officers for the financial year please refer to the Directors' Report in these Financial Statements.

Mineral Concession Interests

At 1 October 2009

Concession name and type	Registered Holder	File/Permit Number	Perseus's current equity interest	Maximum equity interest capable of being earned	Notes 1
Location - Ghana					
Grumesa-Awisam Prospecting Licence	Sun Gold Resources Limited	PL2/30	90%	90%	3
Kwatechi Prospecting Licence	Tropical Exploration and Mining Company Limited	PL3/64	16%	76%	2
Ayanfuri Leases - Ayanfuri mining lease - Nanakaw mining lease - Dadieso Prospecting Licence	Central Ashanti Gold Ltd ("CAGL")	1110/1994	90%	90%	4,5
Nsuaem Reconnaissance Licence	Central Ashanti Gold Ltd	RL3/26	90%	90%	4
Dunkwa Prospecting Licence	Central Ashanti Gold Ltd	PL3/27	90%	90%	4
Nkotumso Prospecting Licence	W.D. Mining Limited	PL LVB 19127/06	0%	90%	6
Location – Ivory Coast					
Tengrela East Research Permit	Occidental Gold (Ivory Coast) s.a.r.l	145	80%	85%	3,7,8,9
Tengrela South Research Permit	Societe Miniere de Côte d'Ivoire	146	80%	85%	3,7,9
Mahalé Reconnaissance Licence	Occidental Gold (Ivory Coast) s.a.r.l	RL 07	90%	90%	
M'Bengué Reconnaissance Licence	Occidental Gold (Ivory Coast) s.a.r.l	RL 06	90%	90%	

Notes -

1. The Governments of Ghana and Ivory Coast are entitled to a 10% equity interest in mining companies owning projects. Perseus's quoted equity is after allowance for that national interest, which occurs when a new project company is established prior to commencement of mining. In addition, the Ghana Government may negotiate the purchase of up to a further 20% interest upon terms to be agreed with the holder of a mining licence where any mineral is discovered in commercial quantities, although this statutory right is rarely exercised.

   Production royalties are payable to the Governments of Ghana (between 3% and 6%), and Ivory Coast (3%).
2. The Company has the right to earn a 76% interest in the property by funding the development of the project to profitable production. Joint venture partners, Tropical and Leo Shield, each retain a 7% interest which is convertible to a 1.25% net smelter royalty at the option of those parties within 30 days of completion of a feasibility study. The Company can withdraw from the joint venture at any time and is required to pay US$3,600 to Tropical annually whilst it remains in the joint venture.
3. A royalty of 0.5% of the value of minerals recovered from the licence is payable to the vendors of the exploration licence.
4. A royalty of 0.25% of gold produced from the Ayanfuri Project Licences and the Nsuaem and Dunkwa Reconnaissance Licences is payable to the former shareholders of CAGL.
5. Under the original contract to purchase the Ayanfuri Project Licences, CAGL is required to pay AngloGold Ashanti Ltd ("AGC"): US$50,000 on completion of a bankable feasibility study; and a royalty on gold production of: 2% if the gold price is below US$350/oz; 2.5% if the gold price is over US$350 and below US$500/oz; and 3% if the gold price exceeds US$500/oz, on resources existing on the Ayanfuri Mine Licences when CAGL entered in the contract with AGC, or a royalty at half of those rates on new resources identified on those licences after entering into the contract.
6. The Company has an option exercisable on or before 6 July 2011 to purchase the Nkotumso prospecting licence for US$250,000 plus US$5 per ounce royalty of gold produced in excess of 100,000 ounces.
7. The joint venture partner is free carried to production with costs subsequently recoverable by Perseus from production.
8. A royalty of US$0.80 per ounce of gold produced from the licence is payable.
9. The Company has an option to acquire 5% of the joint venture partner's 10% interest (ie giving it a total 85% interest) after completion of a bankable feasibility study. The option exercise price is payment of the amount of US$0.80 per ounce of gold (or equivalent) stated to be a reserve in the bankable feasibility study.

Additional Shareholder Information

The shareholder information set out below was applicable as at 6 October 2009.

SUBSTANTIAL SHAREHOLDERS

Holdings of substantial shareholders as advised to the Company are set out below:

Name of Holder	Number of Ordinary Shares
Acorn Capital Limited	20,800,000
Dundee Corporation	20,227,000
Macquarie Group Limited	36,985,500

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

Size of Holding	Ordinary Shares
1 to 1,000	219
1,001 to 5,000	632
5,001 to 10,000	397
10,001 to 100,000	894
100,001 and over	166
	2,308

The number of shareholdings comprising less than a marketable parcel was 47.

VOTING RIGHTS

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options has any voting rights.

TWENTY LARGEST SHAREHOLDERS	Number of Shares	% Held
HSBC Custody Nominees (Australia) Limited	61,505,815	20.296
Macquarie Bank Limited	36,985,500	12.205
ANZ Nominees Limited	34,535,604	11.396
National Nominees Limited	28,621,058	9.444
J P Morgan Nominees Australia Limited	19,718,352	6.507
Bond Street Custodians Limited	9,607,011	3.170
Citicorp Nominees Pty Limited	9,286,233	3.064
Bond Street Custodians Limited	3,686,975	1.217
Cogent Nominees Pty Limited	3,458,787	1.141
Escor Investments Pty Ltd	3,218,750	1.062
Libra Fund LP	3,187,500	1.052
Waratah (Aust) Pty Ltd	2,221,322	0.733
Mr Mark Andrew Calderwood	2,050,000	0.676
Caspian Oil & Gas Limited	2,032,120	0.671
Exploration Capital Partners 2008 Limited Partnership	2,000,000	0.660
BMO Nesbitt Burns	2,000,000	0.660
Bell Potter Nominees Ltd	1,689,154	0.557
UBS Wealth Management Australia Nominees Pty Ltd	1,589,848	0.525
Franway Pty Ltd	1,430,000	0.472
Mandel Pty Ltd	1,375,000	0.454
	230,199,029	75.962

Additional Shareholder Information

UNQUOTED OPTIONS

Unquoted options on issue at 6 October 2009 were as follows:

Refer Note	Number of Options	Exercise Price	Exercise Periods/ Expiry Dates	Number of Holders
1	525,000	$0.50	On or before 1 April 2010	1
1	2,530,000	$0.65	On or before 23 January 2012	16
1	150,000	$1.30	On or before 29 September 2012	1
2	3,800,000	$1.50	On or before 31 July 2010	5
3	600,000	$1.00	On or before 30 June 2011	1
4	1,800,000	$0.60	On or before 13 August 2011	1
5	1,000,000	$0.80	On or before 31 December 2009	1
5	1,000,000	$1.00	On or before 31 December 2010	1

The names of the holders of 20% or more options in these unquoted securities are listed below:

Note	Name	Number of Options Held
2	M A Calderwood	1,200,000
2	C J Carson	1,200,000
3	R B Brans	600,000
4	Waratah (Aust) Pty Ltd	1,800,000
5	BGF Equities Pty Ltd	1,000,000
5	BGF Equities Pty Ltd	1,000,000

Note 1 – These options have been issued under the terms of the Company's Employee Option Plan.

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