Perseus
MINING LIMITED

ANNUAL REPORT 2013

Corporate directory 2013

Directors	Reginald Norman Gillard	Non-executive chairman
	Jeffrey Allan Quartermaine	Managing director
	Michael Andrew Bohm	Non-executive director
	Rhett Boudewyn Brans	Executive director
	Colin John Carson	Executive director
	Neil Christian Fearis	Non-executive director
	Terence Sean Harvey	Non-executive director

Company secretary
Susmit Mohanlal Shah

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Australia	Canada
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Auditors
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Stock exchange listings

Australian Securities Exchange	(ASX – PRU)
Toronto Stock Exchange	(TSX – PRU)
Frankfurt Stock Exchange	(WKN: AOB7MN)

Contents

Chairman's address	2
Managing director's address	3
Directors' report	4
Auditor's independence declaration	37
Sustainability report	38
Corporate governance statement	45
Financial statements	55
Directors' declaration	108
Independent auditor's report	109
Additional shareholder information	111

Chairman's address

Dear Fellow Shareholder,

It is my pleasure to present Perseus Mining Limited's Annual Report for the year ended 30 June 2013.

The past year has been a very trying one for us and the gold mining industry generally, highlighted by a slump in the price of the precious metal and difficult financial markets.

Despite the difficulties your company has continued to evolve operationally and from a management perspective.

Mark Calderwood stepped down as Managing Director in January, as part of a pre-arranged succession plan, to take on a part-time role with the Company focusing on project generation. His efforts throughout the nine years at the helm were outstanding. He discovered high-quality assets and was a major factor in the company being able to transition from a junior explorer to a mid-tier gold producer. Mark was replaced by Jeff Quartermaine, previously our Chief Financial Officer, who, in a short space of time, has shown substantial leadership qualities, an enormous work ethic and an attention to detail, all of which skills have been on display in the past few turbulent months.

On behalf of the board I would like to take this opportunity to congratulate Jeff on the successful transition to his management style which has seen significant cost reductions and a focus on Edikan operations which should stand us in good stead in the future. We are still in difficult times and your board is aware that there is much to do in order to realise the company's full potential.

Our profit for the year $41.4 million was acceptable but room remains for significant improvement.

Recently, Mr Neil Fearis and Mr Rhett Brans announced their intention to step down as directors at the Company's AGM in November. Both of these men have had a significant influence on this company. Mr Fearis has been a director since 2004 and his experience, guidance and legal expertise have been invaluable. Mr Brans also joined the company in 2004 and was instrumental in bringing the Edikan Gold Mine in Ghana in on budget and on time. A rare achievement in Africa. Mr Brans will continue as an executive. The board extends its appreciation to both men for a job well done.

On behalf of the board I offer our sincere appreciation of the efforts of the management team both on site in Ghana and at Perth head office. Everyone has been tested by recent events and has responded to the challenges.

I commend the 2013 Annual Report to shareholders.

Yours sincerely,

Reg Gillard
Non-Executive Chairman

Managing director's address

The financial year that ended on 30 June 2013, has been a period of significant change for Perseus Mining Limited, and one that has seen us continue our journey from being a successful exploration company to becoming an accomplished gold company that not only explores, but also develops and operates its mines. Many companies struggle to successfully make this transition, and our journey has not been without challenges. However, unlike others who have failed in this phase of corporate development, we have met our challenges head on and are now in a very strong position to deliver on the potential that has been evident to our many supporters for several years.

In FY2013, we produced 208,444 ounces of gold at an all-in site cash cost (which includes production costs, royalties, sustaining capital and capital invested in pre-stripping and stockpiles) of US$1,150/oz and recorded a profit after tax of A$41.435 million or 9.1 cents per share. While this performance fell marginally short of our expectations, it was a very solid result that provides a strong platform on which to build in future years.

During the year, the global economy underwent a series of material changes, some of which impacted our Company. Most notably, in early 2013 on the announcement of a possible reduction in quantitative easing programmes in the USA, a sharp drop occurred in the gold price after a prolonged period of strong gold prices. This in turn triggered a flight from the market for gold equities by unnerved investors, triggering a massive, and at time illogical, sell-off of gold equities. We did not escape the rout and exacerbated the problem by delivering a disappointing June Quarter result after achieving a production record in the prior Quarter. A significant gap developed between our share price and the underlying value of our core business operations presenting us with a different challenge as we headed into a new financial year.

I'm pleased to report that we have moved swiftly to adjust to the change in economic circumstances and are continuing to work towards positioning ourselves to continue to trade profitably, irrespective of the change in gold price. Our strategy has been to focus on the things that we can control such as preserving our cash resources and ensuring that every ounce of gold that we produce is profitable. Such a plan is neither radical nor new however it does represent a change from the focus of the gold industry in recent times where priority was placed on Mineral Resources and Ore Reserves and gold production ahead of profitability and cash flow.

Our approach to managing our business has demanded that changes be made to the level of performance and accountability of all of our staff. We have made changes to salaries – a 15% reduction in the case of all Directors, put a freeze on bonus payments and without damaging our business capability, we have moved to reduce our headcount. None of these changes have been comfortable, yet we consider it essential if we are to consolidate the foundations of our business and to prosper in our changed operating environment.

Looking forward, we are confident that the changes made in FY2013 will serve us well and are aligned with the interests of our shareholders. We are very well positioned to continue to grow the Company's earnings and cash flow and to reduce our business risk by establishing an additional cash flow stream from a second gold mining operation when economic conditions permit.

I would sincerely like to thank all of our staff in Ghana, Cote d'Ivoire and in Australia for their efforts during a challenging year. Thanks must also go to the directors of our subsidiaries, in particular Perseus Mining (Ghana) Limited, and the directors of our parent company, Perseus Mining Limited, for sharing their wisdom and providing support to management throughout the year.

Finally, recognition must be given to the contribution made to Perseus by my predecessor and our founding CEO, Mark Calderwood. In his time as Managing Director and CEO of Perseus, Mark made an enormous contribution, not only to developing the foundations of the Company that Perseus is today, but also in the process, creating a lot of wealth for shareholders. His talents are not lost to Perseus, as he will be continuing to contribute to our exploration and business development activities.

After a challenging period of change in FY2013, this year represents a new beginning for Perseus and we are looking forward with optimism strengthened by the continued support of you, our loyal shareholders.

Regards,

Jeff Quartermaine
Managing Director and Chief Executive Officer

Back to contents

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the "group") consisting of Perseus Mining Limited ("Perseus" or the "company") and its controlled entities for the year ended 30 June 2013 (the "period"). Perseus is a company limited by shares that is incorporated and domiciled in Australia. Unless noted otherwise, all amounts stated are expressed in Australian dollars.

DIRECTORS

The following persons were directors of Perseus during the period and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Reginald Norman Gillard
Mark Andrew Calderwood (resigned 31 January 2013)
Jeffrey Allan Quartermaine (appointed 1 February 2013)
Michael Andrew Bohm
Rhett Boudewyn Brans
Colin John Carson
Neil Christian Fearis
Terence Sean Harvey

PRINCIPAL ACTIVITIES

The principal activities of the group during the period were mining operations and the sale of gold, mineral exploration and gold project evaluation and development in the Republics of Ghana and Côte d'Ivoire, in West Africa.

REVIEW OF OPERATIONS

During the period the group continued to focus its activities on its two key projects, the Edikan Gold Mine ("EGM") in Ghana and the Sissingué Gold Project ("SGP") in Côte d'Ivoire, as well as continuing to investigate opportunities for expanding the group's inventory of Mineral Resources and Ore Reserves by identifying, investigating and, where appropriate, acquiring tenement holdings in West Africa through direct application to government authorities, joint venture activities or acquisition from existing holders.

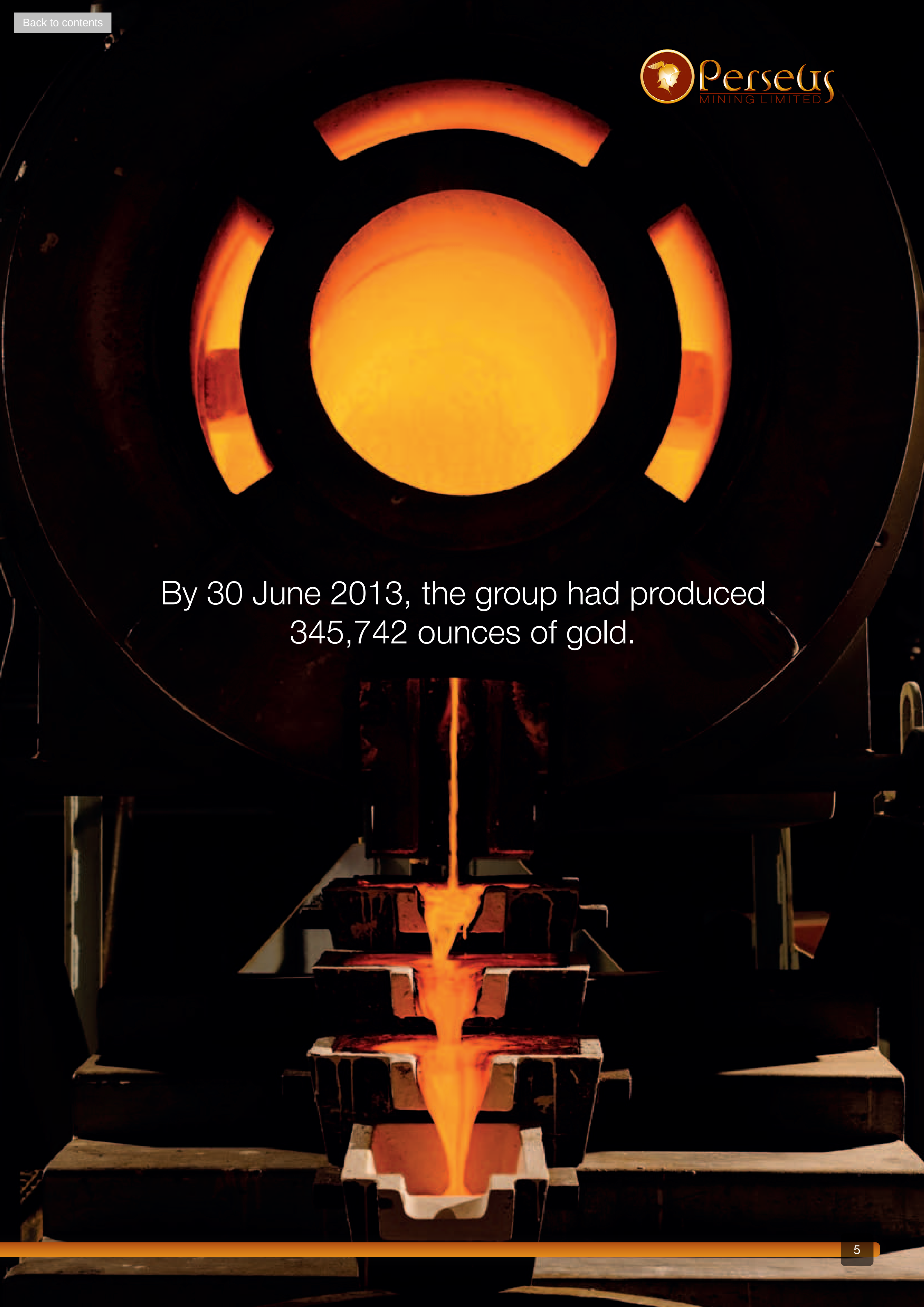
Following the completion of construction of the EGM in 2011, the first gold pour and the first receipt of revenue from gold sales took place on 21 August 2011 and on 28 September 2011 respectively. On 1 January 2012 commercial production was declared. By 30 June 2013, the group had produced 345,742 ounces of gold.

Preparations for the development of Perseus's second gold project, the SGP in Côte d'Ivoire, advanced during the period with the Exploitation Permit for the development of the Sissingué gold deposit granted to Occidental Gold SARL, a subsidiary of Perseus. Discussions with the Ivorian government on applicable fiscal terms and stability undertakings have advanced positively, with negotiation of a Mining Convention consistent with the proposed new Mining Code in Côte d'Ivoire underway. The SGP plant design was completed, and the SAG mill was fully paid off by the end of the period, with the majority of the SAG mill's components complete and in storage in Abidjan, Côte d'Ivoire.

Active exploration continued throughout the year in both Ghana and Côte d'Ivoire. The Mineral Resources associated with the SGP and EGM were updated in the March 2013 quarter and June 2013 quarter respectively. Preparation of optimised Life of Mine Plans for both the SGP and EGM is in progress and these will be used as a basis for updating the Ore Reserves of each project in the latter part of 2013.

The group's Proved and Probable Ore Reserves as at 30 June 2013 decreased to 96.6Mt containing 3.77 million ounces of gold after allowing for mining depletion. During the period, the group's Measured and Indicated Mineral Resources (inclusive of Ore Reserves) were 7.092 million ounces of gold and Inferred Mineral Resources were 2.968 million ounces of gold.

Back to contents



By 30 June 2013, the group had produced 345,742 ounces of gold.

Directors' report

EGM, Ghana

The EGM is located on the Ayanfuri and Nanankaw mining leases spanning the border between the Central and Western Provinces of the Republic of Ghana, in West Africa. These mining leases, together with the adjoining exploration license areas of Grumesa, Kwatechi, Dunkwa, Nsuaem and Nkotumso that are also held by the group, cover a total area of about 650 square kilometres. The group owns a 90% interest in the EGM, with the remaining 10% a free carried interest owned by the Ghanaian government.

Gold production operations

The 52% increase in gold production during the period, relative to the corresponding period in 2012, represents Perseus's first full year of production after the commissioning of the EGM processing plant. Gold production for the period was 208,444 ounces at an all-in site cash cost (including production, royalties, development and sustaining capital) of US$1,150/oz.

A total of 14,962,000 bcm of ore and waste was mined during the period from the Abnabna, AF Gap and Fobinso pits, including 837,000 tonnes of oxide ore at 0.9g/t gold, 6,162,000 tonnes of transition and primary ore at 1.3g/t gold and 25,710,000 tonnes of waste.

Ore stockpiles (including both high and low grade ore but not mineralised waste) increased to 4,312,000 tonnes grading 0.6 g/t containing approximately 85,200 oz of gold. This included approximately 41% oxide ore and 59% transitional/primary ore. Stockpiles at the end of the year were significantly larger and of lower grade than forecast due to more low grade ore being mined than forecast and lower mill throughput rates mainly due to low crusher availability.

Total mill throughput for the period was 5,647,000 tonnes of ore grading 1.4g/t of gold, slightly more than the original nameplate capacity of the plant of 5.5Mtpa. This annual throughput represented a 35% increase over the prior period. Gold recovery of 83.3% resulted in the production of 208,444 ounces of gold. The 209,450 ounces of gold poured during the year included all recovered gold plus an incremental amount of gold in circuit at the end of the prior period.

Unscheduled mill downtime during the period was higher than budgeted. The lack of mill feed due to the failure of several items of equipment during the period, particularly in the crushing circuit, contributed significantly to the downtime, and the shortfall of production relative to market guidance. The remediation of the crushing circuit undertaken in February and completed in May 2013 was successful with average crusher availability for the final three months of the period at 79% (peaking at 88% in June 2013), clearly demonstrating that the primary crusher is mechanically capable of operating at or above target levels of performance.

Of the 205,109 ounces of gold that were sold at an average delivered price of US$1,469/oz, 90,000 ounces were delivered into forward sales contracts at a weighted average price of US$1,237/oz while the balance of the gold sales were made at prevailing spot prices. During the period the group renegotiated the terms of its project loan facility and changed it to a revolving line of credit with a limit of US$100 million and extended the tenor by 12 months to 31 December 2015. As part of the debt restructure, 70,000 ounces of additional forward sales at US$1,600/oz were put in place requiring delivery of gold between January 2015 and December 2015.

Operating results at the EGM for the 12 months to 30 June 2013 and the corresponding period in 2012 were as follows:

Table 1: Key production statistics - EGM

Parameter	Units	Twelve months to 30 June 2013	Twelve months to 30 June 2012
Ore mined	kt	6,999	7,308
Ore milled	kt	5,647	3,688
Head grade	g/t gold	1.4	1.4
Gold recovery	%	83.3	83.5
Gold produced	ounces	208,444	137,298

Back to contents

A cost reduction program has been implemented across all departments to reduce the operating and capital cost base of the EGM in future periods.

Directors' report

At the end of the period, a total of 170,000 ounces of gold, including the 70,000 ounces of additional hedging, remained committed to forward sales contracts to be delivered at an average gold price of US$1,408/oz in quarterly instalments with the last delivery under the existing forward sales contracts scheduled for the December 2015 quarter.

The all-in site cash cost (including production, royalties, development and sustaining capital) for the period of US$1,150/oz is in line with the previous period of US$1,153/oz (since commercial production was declared).

Mining costs per tonne of material mined have increased from the prior period due to higher drill and blast costs resulting from mining more fresh rock in the pits and also longer haul distances resulting from mining deeper in the pits. Processing costs have increased from the prior period due to an increase in maintenance charges associated with remediation of the crusher and other parts of the plant. These costs are expected to decrease to around the levels of the prior period in future periods. General and administrative ("G&A") costs have increased mainly due to increases in security and salaries across the site. Salary increases also increased mining and processing costs. A cost reduction program has been implemented across all departments to reduce the operating and capital cost base of the EGM in future periods.

Table 2: Key financial operating statistics - EGM

Parameter	Units	Twelve months to 30 June 2013	Six month period to 30 June 2012 (commercial production)
Total gold sales	ounces	205,109	98,769
Average sales price	US$/oz of gold sold	1,469	1,508
• Mining cost	US$/tonne of material mined	3.23	2.64
• Processing cost	US$/tonne of ore milled	12.08	8.98
• G & A cost	US$M / month	1.68	1.31
Royalties	US$/oz	95	106
All-in site cost	**US$/oz**	**1,150**	**1,153**

Back to contents

Exploration

Following an infill drilling programme conducted on the EGM mining leases during the period, updated Mineral Resource estimates for EGM were completed during the June 2013 quarter.

EGM Mineral Resource estimate:

Relative to the previously published (March 2012) un-depleted Mineral Resource estimate for EGM, the updated Mineral Resource estimate contains an additional 530,000 (9%) ounces of gold in the Measured and Indicated ("M&I") categories and 723,000 (42%) ounces in the Inferred category. After taking into account mining depletion of Mineral Resource to 30 April 2013, the net increase in Mineral Resources is 92,000 ounces in the M&I category and 719,000 ounces in the Inferred category.

Drilling on the Fetish deposit during the past year has grown the size of the deposit, with significant potential remaining to further expand the Mineral Resource. M&I Mineral Resources at Fetish have increased 10% to 31.4Mt at 1.1g/t gold for 1,065,000 ounces, and Inferred Mineral Resources increased by 42% to 10.0Mt at 1.1g/t gold for 353,000 ounces.

Infill drilling at Chirawewa enabled an increase in Indicated Mineral Resources by 18% to 5.8Mt at 1.1g/t gold for 197,000 ounces and Inferred Mineral Resources increased 16% to 10.5Mt at 0.9g/t gold for 288,000 ounces.

Additional infill drilling and grade control drilling on the Abnabna-Fobinso deposit during the period targeting conversion of Inferred Mineral Resources to the M&I category resulted in an increase in Mineral Resources. M&I Mineral Resources at Abnabna-Fobinso increased 10% to 70.6Mt at 1.0g/t gold for 2,318,000 ounces, while Inferred resources increased 117% to 30.5Mt at 0.8g/t gold for 782,000 ounces. These figures include mining depletion to 30 April 2013.

The Mineral Resource estimates for the EGM are tabulated below in Tables 3 and 4 respectively.

Table 3: M&I Mineral Resources - EGM[1]

	Measured Resources[2]			Indicated Resources[2]			Measured + Indicated Resources		
Deposit	**Quantity Mt**	**Grade g/t gold**	**Gold Ounces**	**Quantity Mt**	**Grade g/t gold**	**Gold Ounces**	**Quantity Mt**	**Grade g/t gold**	**Gold Ounces**
Abnabna/AFGap/Fobinso[3]	42.9	1.1	1,529,000	27.7	0.9	789,000	70.6	1.0	2,318,000
Esuajah South	9.5	1.8	546,000	7.3	1.6	370,000	16.8	1.7	916,000
Esuajah North	16.9	0.9	494,000	18.4	0.8	493,000	35.3	0.9	987,000
Fetish	12.9	0.9	388,000	18.5	1.1	677,000	31.4	1.1	1,065,000
Chirawewa	-	-	-	5.8	1.1	197,000	5.8	1.1	197,000
Bokitsi	-	-	-	2.6	2.6	213,000	2.6	2.6	213,000
Mampong	-	-	-	-	-	-	-	-	-
Dadieso	-	-	-	-	-	-	-	-	-
Total	**82.2**	**1.1**	**2,957,000**	**80.3**	**1.1**	**2,739,000**	**162.5**	**1.1**	**5,696,000**

1. Based on June 2013 Resource estimation.
2. Last updated in July 2013.
3. Last updated in July 2013 and allows for mining depletion to 30 April 2013.

Table 4: Inferred Mineral Resources - EGM[1]

	Inferred Resources[2]		
Deposit	**Quantity Mt**	**Grade g/t gold**	**Gold Ounces**
Abnabna/AFGap/Fobinso[3]	30.5	0.8	782,000
Esuajah South	5.7	1.1	211,000
Esuajah North	3.6	0.9	105,000
Fetish	10.0	1.1	353,000
Chirawewa	10.5	0.9	288,000
Bokitsi	3.0	1.8	174,000
Mampong	8.8	0.9	264,000
Dadieso	5.3	1.5	253,000
Total	**77.4**	**1.0**	**2,430,000**

1. Based on June 2013 Resource estimation.
2. 0.4g/t gold cut-off applied.
3. Last updated in July 2013 and allows for mining depletion to 30 April 2013

Back to contents

Directors' report

EGM Ore Reserve estimate:
To date, Ore Reserves as shown below in table 5 have been reported at a 0.4g/t gold cut-off for Abnabna-Fobinso and 0.5g/t gold for Esuajah South, Esuajah North and Fetish. Due to the relatively low marginal processing cost at EGM, material between 0.2g/t and 0.4g/t gold is currently stockpiled for future treatment but is not recorded as Ore Reserves.

New pit designs are being completed for the Abnabna-Fobinso, Esuajah North, Esuajah South and Fetish deposits as part of the new optimised Life of Mine plan to be reported in the next financial year.

Further Mineral Resource and Ore Reserve estimation work is being undertaken on the Bokitsi, Chirawewa, Chirawewa South, Mampong, Dadieso deposits amongst others subsequent to the end of the period. The underground potential of the Esuajah South deposit is also being assessed. The company is continuing to work on long-term initiatives to improve open pit mining methods and equipment selection with the aim of reducing mining unit costs.

Table 5: Ore Reserves - EGM[1]

	Proved Reserves[2]			Probable Reserves[2]			Proved & Probable Reserves			
Deposit	**Quantity Mt**	**Grade g/t gold**	**Gold '000 Ounces**	**Quantity Mt**	**Grade g/t gold**	**Gold '000 Ounces**	**Quantity Mt**	**Grade g/t gold**	**Gold '000 Ounces**	**W: O Ratio[3]**
Abnabna-Fobinso[4]	31.7	1.2	1,193	9.7	0.8	257	41.4	1.1	1,450	2.9
Esuajah South	7.2	1.8	422	1.0	2.1	71	8.2	1.9	493	9.0
Esuajah North	12.7	0.9	376	4.4	0.9	125	17.1	0.9	501	1.9
Fetish	7.4	0.9	222	8.4	1.3	354	15.8	1.1	576	3.4
ROM Stockpiles				4.4	0.6	89	4.4	0.6	89	-
Total	**59.0**	**1.2**	**2,213**	**27.9**	**1.0**	**896**	**86.9**	**1.1**	**3,109**	**3.2**

1. Based on December 2011 Resource estimation.
2. 0.4g/t gold cut-off applied to Abnabna-Fobinso and 0.5g/t gold cut-off applied to other deposits.
3. Inferred mineral resources totalling 1.35Mt at 1.2g/t gold is considered as waste.
4. Last updated in August 2012 and allows for material mined to 30 June 2013.

The company is continuing to work on long-term initiatives to improve open pit mining methods and equipment selection with the aim of reducing mining unit costs.

Directors' report

SGP, Côte d'Ivoire

The SGP is located in the north of Côte d'Ivoire and is situated within an 885sq km land package consisting of the Sissingué exploitation permit area and the adjoining Tengrela South exploration permit area, together referred to as the Tengrela Gold Project. The permits are located along a structural/stratigraphic corridor within the Syama-Boundiali greenstone belt approximately 150km south-southeast of the Morila gold mine (7Moz) in Mali and 65km west northwest of Randgold's Tongon deposit (4.3Moz) in Côte d'Ivoire.

Project permitting

The exploitation permit for the SGP was issued to a subsidiary of the company, Occidental Gold SARL, during the period. Discussions with the Ivorian government on applicable fiscal terms and stability undertakings have advanced, with negotiation of a Mining Convention consistent with the proposed new Mining Code in Côte d'Ivoire underway.

Project engineering

An Australian engineering firm, GR Engineering Services, in conjunction with Perseus's SGP team, has completed the total detailed design of the SGP processing plant during the period. Letters of intent have been issued (and in some cases subsequently renewed) for major equipment and tender packages for fabrication and construction works have been prepared.

A US$5.5 million order was placed with Outotec Pty Ltd in December 2011 for the supply of a 4,500kW, 5.5m diameter, 9.2m long, semi-autogenous grinding (SAG) mill. Fabrication of the SAG mill has been completed and paid for, delivery of the majority of the SAG mill's components is complete and paid for, and these are currently in storage in Abidjan

Development financing

During the period the group successfully renegotiated the terms of its project loan facility changing it to a revolving line of credit with a limit of US$100 million. The intention of establishing the line of credit was to provide a source of financing for the development of the SGP to supplement internally generated cash flow and cash reserves that were designated as the primary source of funding for the SGP development.

The recent fall in the price of gold towards the end of the period reduced the amount of free cash forecast to be generated at the EGM, and also increased risk associated with servicing any debt drawn down in the short to medium term (assuming Perseus was prepared to draw down debt in the current economic climate).

As a result, Perseus decided not to commit to the development of the SGP until it is confident of its ability to finance the mine development and generate an acceptable rate of return on its investment. This decision will be reviewed in the coming financial year.

Notwithstanding this decision, Perseus will continue to perform a range of value adding tasks associated with the SGP in the first half of the 2014 financial year to ensure that when it is satisfied that the project development can be financed without placing significant pressure on the group's balance sheet, Perseus can respond promptly and commence project development.

Subsequent to the end of the financial period, and as part of the group's cost reduction program, Perseus reduced the Available Commitment limit to nil. This eliminates the 1.75% per annum undrawn line fee, as well as political risk insurance relating to the debt. A commitment limit will be renegotiated with the lenders if and when a decision to go ahead with the development of the SGP is taken.

Exploration

During the period 108,819 metres were drilled on various targets in Côte d'Ivoire. A large amount of infill drilling has been focussed around the Sissingué deposit on the Tengrela East tenement. Strong infill and extension drill results were obtained from a number of holes at Sissingué. In other drilling, several anomalous exploration intercepts were also recorded, including 2m at 10.8g/t and 2m at 18.7g/t gold at Papara, 4m at 13.1g/t and 2m at 37.8g/t gold at Logbog and 2m at 24.2g/t and 2m at 35.6g/t gold at Sissingué North.

The company was granted the Mbengué, Napié and Mahale exploration licences on 19 December 2012. These licences are valid for three years with up to two renewals of two years each.

First pass air core ("AC") and reverse circulation ("RC") drilling was undertaken on the Mbengué deposit during the period. In addition, auger drilling was undertaken to refine soil geochemistry targets for drill testing and to test

Back to contents

areas of subdued geochemistry in areas of likely regolith masking. An exceptionally high-grade RC intercept of 28m at 8.1g/t (including 6m at 22.1g/t) and 27m at 3.7g/t gold (including 11m at 7.4g/t) was received from the K1 Prospect which is part of the Kanadi anomaly located 7km north of Randgold's Tongon deposit. Follow up RC drilling and an airborne heli-magnetics/radiometrics survey on this very significant intercept is planned.

First pass rotary air blast ("RAB") drilling began on the Napié licence following grant of the exploration licence to evaluate extensive soil anomalism delineated on the licence. Grab samples from quartz float situated in areas of soil anomalism have returned up to 59.4g/t, 23.7g/t, 14.0g/t and 10g/t gold. Several significant drill intercepts were returned from drilling on the Napié licence including, 16m at 2.1g/t, 8m at 2.7g/t, 12m at 2.4g/t and 9m at 2.8g/t gold. The airborne heli-magnetics/radiometrics survey that is planned for Mbengué will also cover some of the Napié deposit.

A program of first pass AC exploration drilling was undertaken on the Mahale licence during the June 2013 quarter to evaluate gold in soil anomalism with coincident anomalous auger drill holes at the Bélé prospect, located 43km west-southwest of the currently planned SGP plant site. Several anomalous AC drill intercepts were returned including 9m at 3.7g/t, 5m at 2.4g/t, 9m at 2.2g/t, 9m at 2.0g/t and 13m at 1.7g/t. The mineralisation at the Bélé prospect is hosted in altered granite and is associated with minor quartz veining and sulphides. AC drilling will continue to follow up these results and to test other areas with anomalous gold in soils and auger drill holes.

SGP Mineral Resource estimate:

Following an infill drilling programme during the period targeting the Sissingué mineral deposit, an updated Mineral Resource estimate has been prepared by Widenbar and Associates ("Widenbar"). While the total amount of gold contained in the M&I Resource has not materially changed compared to the previous Mineral Resource estimate, the proportion of the Mineral Resource in the Measured category has increased by 320% giving an even higher level of confidence that the Mineral Resource can be economically mined.

Furthermore, the contained ounces of gold in the Inferred category have increased by 21% due to an increase in grade. This also indicated the potential for further increases to the M&I category of Mineral Resources as further drill results come to hand.

Table 6: M&I Mineral Resources - SGP

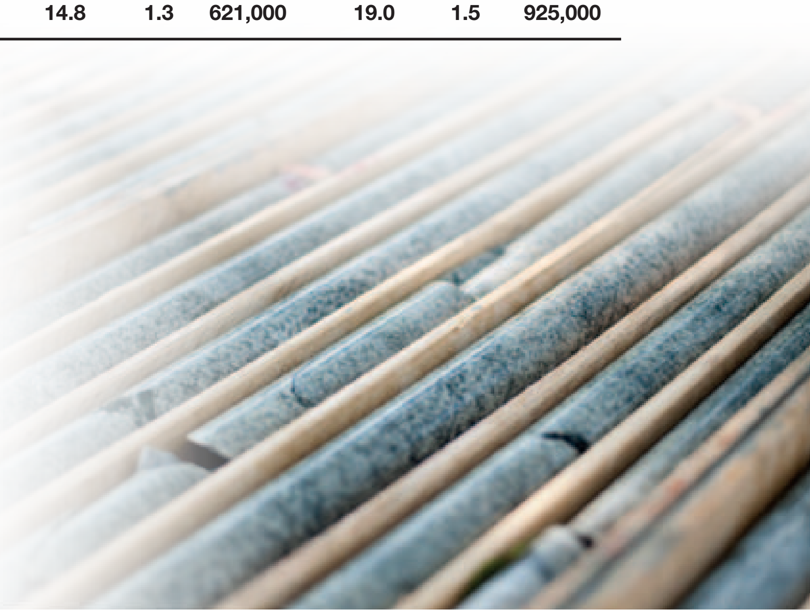
	Measured Resources[1]			Indicated Resources[1]			Measured & Indicated Resources		
Ore type	**Quantity Mt**	**Grade g/t gold**	**Gold Ounces**	**Quantity Mt**	**Grade g/t gold**	**Gold Ounces**	**Quantity Mt**	**Grade g/t gold**	**Gold Ounces**
Oxide	0.9	1.6	48,000	4.6	1.2	171,000	5.5	1.2	219,000
Transition	0.6	2.0	39,000	1.3	1.3	56,000	1.9	1.6	95,000
Primary	2.7	2.5	217,000	8.9	1.4	394,000	11.6	1.6	611,000
Total	**4.2**	**2.2**	**304,000**	**14.8**	**1.3**	**621,000**	**19.0**	**1.5**	**925,000**

1. 0.6g/t gold cut-off applied.

Table 7: Inferred Mineral Resources - SGP

	Inferred Resources[1]		
Ore type	**Quantity Mt**	**Grade g/t gold**	**Gold Ounces**
Oxide	0.9	1.0	31,000
Transition	0.7	1.0	21,000
Primary	5.4	1.4	239,000
Total	**7.0**	**1.3**	**291,000**

1. 0.6g/t gold cut-off applied.



Directors' report

SGP Ore Reserve estimate:

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

Table 8: Ore Reserves - SGP

	Proved Reserves			Probable Reserves			Proved & Probable Reserves		
Ore type	**Quantity Mt**	**Grade g/t gold**	**Gold '000 Ounces**	**Quantity Mt**	**Grade g/t gold**	**Gold '000 Ounces**	**Quantity Mt**	**Grade g/t gold**	**Gold '000 Ounces**
Oxide/Transition	-	-	-	3.4	2.1	224	3.4	2.1	224
Primary	-	-	-	6.3	2.1	433	6.3	2.1	433
Total	**-**	**-**	**-**	**9.7**	**2.1**	**657**	**9.7**	**2.1**	**657**

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

The next Ore Reserve and Mineral Resource estimate update for the SGP is expected to be completed and published in late 2013.

GROUP ORE RESERVES AND MINERAL RESOURCES

Table 9: Total Group Ore Reserves

	Proven			Probable			Total		
Deposit	**Tonnes Mt**	**Gold g/t**	**Gold '000 Ounces**	**Tonnes Mt**	**Gold g/t**	**Gold '000 Ounces**	**Tonnes Mt**	**Gold g/t**	**Gold '000 Ounces**
EGM >0.4g/t [1,2,3]	59.0	1.2	2,213	27.9	1.0	896	86.9	1.1	3,109
SGP >0.55g/t [4]	-	-	-	9.7	2.1	657	9.7	2.1	657
Total	**59.0**	**1.2**	**2,213**	**37.6**	**1.3**	**1,553**	**96.6**	**1.2**	**3,766**

1. Based on December 2011 Resource estimation.
2. >0.4g/t gold cut-off for Abnabna-Fobinso, >0.5g/t gold cut-off for all other deposits.
3. Last updated in August 2012 and allows for material mined to 30 June 2013.
4. Last updated in November 2010.

Table 10: Total Group Mineral Resources (including Ore Reserves)

	Measured			Indicated			Inferred		
Deposit (cut-off g/t gold)	**Tonnes Mt**	**Gold g/t**	**Gold '000 Ounces**	**Tonnes Mt**	**Gold g/t**	**Gold '000 Ounces**	**Tonnes Mt**	**Gold g/t**	**Gold '000 Ounces**
EGM[1] >0.4g/t	82.2	1.1	2,957	80.3	1.1	2,739	77.4	1.0	2,430
GGP[2] >0.4 g/t[3]	-	-	-	25.1	0.6	471	16.4	0.5	247
SGP[4] >0.6g/t	4.2	2.2	304	14.8	1.3	621	7.0	1.3	291
Total	**86.4**	**1.2**	**3,261**	**120.2**	**1.0**	**3,831**	**100.8**	**1.1**	**2,968**

1. Last updated in July 2013 and allows for material mined to 30 April 2013.
2. Last updated in December 2010.
3. Primary reported above a 0.4g/t gold cut-off, oxide/transition report above a 0.2g/t gold cut-off.
4. Last updated in March 2013.
5. The company holds 90% of EGM, 90% of GGP and 85% of SGP after allowing for Government equity at mining stage.

During the period, the group's Measured and Indicated Mineral Resources (inclusive of Ore Reserves) were 7.092 million ounces of gold and Inferred Mineral Resources were 2.968 million ounces of gold.

Directors' report

FINANCIAL RESULTS

The group recorded a net profit after tax of $41.4 million for the period, compared to a net profit after tax of $52.5 million in the previous financial year. Profit has decreased this period by 21%, compared to the prior period, due to a number of factors including:

- A reduction in the gold price received due to a declining gold market;
- Increases in operating costs as discussed in the earlier review of the EGM;
- A write down of low grade run of mine stockpiles to net realisable value due to lower gold price, lower grade and higher operating costs;
- An impairment of the group's investment in Burey Gold Limited ("Burey") due to a significant decline in market value;
- A loss recognised on discontinuing equity accounting for Manas Resources Limited ("Manas"); and
- An impairment of exploration as a result of discontinuing exploration on Dunkwa, one of the Ghanaian tenements.

Summary of financial information	**30 June 2013 $'000**	30 June 2012 $'000
Net profit / (loss) after tax	**41,435**	52,461
Net increase/(decrease) in cash held	**(72,630)**	8,430
Total assets	**589,608**	528,971
Shareholders' equity	**481,343**	359,868

Cash and investments

At 30 June 2013 available cash totalled $35.5 million (30 June 2012: $105.5 million) while additional deposits totalling $10.3 million (30 June 2012: $2.2 million) supported performance guarantees for environmental rehabilitation of the EGM and letters of credit to contractors involved in the construction of the EGM. The group's cash holding has decreased from prior periods mainly due to the US$63 million repayment of the debt facility.

As at 30 June 2013, Perseus held $0.7 million (30 June 2012: $11.4 million) of equity accounted investments comprising security holdings in Burey. It also held $3.3 million (30 June 2012: nil) of available for sale financial instruments comprising security holdings in Manas, which in the prior period was classified as an equity accounted investment.

Debt finance

At 30 June 2013 the group had no borrowings, (30 June 2012: $60.3 million (US$63 million)). Repayment of the outstanding balance occurred in November 2012. Subsequent to the end of the financial year, Perseus reduced the Available Commitment limit to nil.

Financial position

At 30 June 2013 the group had net assets of $481.3 million (30 June 2012: $359.9 million) and an excess of current assets over current liabilities of $34.2 million (30 June 2012: $56.6 million).

The group's net assets increased by 34% compared with the prior period due to the group's gold hedging moving from a liability to an asset as a result of a decline in the gold market, the current year's profit after tax, and movements in foreign exchange increasing asset balances.

CORPORATE

Dividends

No dividends were paid during the period and the directors do not recommend payment of a dividend.

Equity capital raising

No equity capital raising was undertaken during the period.

Revenue protection

During the period the group renegotiated the terms of its project loan facility and changed it to a revolving line of credit with a limit of US$100 million. 70,000oz of additional hedging at US$1,600/oz was put in place requiring delivery between January 2015 and December 2015. In August 2013 the commitment limit on the revolving line of credit was reduced to nil as a cost reduction measure.

A total of 90,000 ounces of gold were delivered during the period under the forward sales agreement at an average price of US$1,237 per ounce, reducing the company's hedging commitment at the end of the period to 170,000 ounces of gold at a weighted average price of US$1,408 per ounce. The last delivery under the existing forward sales contracts is scheduled for the December 2015 quarter.

The 170,000 ounces of forward gold sales contracts equates to approximately 5% of the gold contained in currently defined Ore Reserves at the EGM and approximately 33% of forecast gold production in the period from September 2013 to December 2015.

In addition, options granting the right but not the obligation to sell 25,000 ounces of gold at US$850 per ounce in the period from July 2013 to December 2013 are held as part of the group's financial risk management strategy.

Metal markets

From 1 July 2012 to 30 June 2013 the price of gold decreased 25% to US$1,192.00/oz, (30 June 2012: US$1,598.50/oz). Subsequent to the end of the financial year gold prices have recovered slightly however, still remain lower than prices received in recent history.

Back to contents

The risk posed to Perseus's business by the gold price has, to a certain extent, been mitigated by partial hedging of its Ore Reserves as discussed above. Perseus has no reason to believe that the gold market fundamentals will not remain consistent with the current position over the short to medium term.

Outlook

Operations

- Gold production for the EGM for the year ended 30 June 2014 is forecast to be in the range of 190,000 to 210,000 ounces at a total site cash cost of US$1,000/oz to US$1,200/oz.
- The group's focus during the coming years will be on maximising the cash margin at the EGM. Improved recoveries coupled with less waste stripping and a targeted cost reduction program will contribute to this outcome.

Development and Exploration

- The decision to temporarily defer a decision on the development of the SGP and associated infrastructure will be reviewed taking into account the results of optimised life of mine plans for both the EGM and the SGP and gold market conditions.
- The group will continue to explore on a limited basis for gold on exploration tenements associated with these projects as well as on other exploration tenements held by the group in West Africa.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the group during the period were as follows:

1. The market in which the group operates significantly declined towards the end of the period. This resulted in altered mine plans at EGM for the short term to ensure continued cash positive margins. The group also decided not to commit to development of the SGP until market conditions improved.

MATTERS SUBSEQUENT TO BALANCE DATE

Subsequent to the end of the period, the following events have occurred:

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

LIKELY DEVELOPMENTS

The likely developments in the operations of the group and the expected results of those operations in the coming financial year are as follows:

- The production of gold from the EGM;
- A decision regarding the development of the SGP;
- Limited mineral exploration;
- Group wide cost reduction program.

Further commentary on planned activities in these projects over the forthcoming year is provided in the section of this report headed "Review of Operations".

ENVIRONMENTAL REGULATIONS

Located in Ghana and Côte d'Ivoire, the group's exploration and development projects are not subject to any significant Australian environmental laws. They are however, subject to environmental laws, regulations and permit conditions that apply in each of Ghana and Côte d'Ivoire respectively. There have been no known material breaches of environmental laws or permit conditions by the group while conducting operations in either of these jurisdictions during the period.

Directors' report

INFORMATION ON DIRECTORS

The names, qualifications, experience and special responsibilities of the directors in office during or since the end of the financial year are as follows. Directors were in office for the entire financial year unless otherwise stated.

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

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

Other current directorships:	
Platina Resources Limited	appointed 1 July 2009
Former directorships in the last 3 years	
Mount Magnet South NL	appointed 18 April 2011and resigned 2 August 2013
Nemex Resources Limited	appointed 21 February 2011 and resigned 31 October 2012
Aspen Group Limited	appointed 24 December 2001 and resigned 30 April 2012
Tiger Resources Limited	appointed 9 December 2005 and resigned 26 May 2011
Eneabba Gas Limited	appointed 2 August 2005 and resigned 25 February 2011
Caspian Oil & Gas Limited	appointed 6 July 1994 and resigned 31 August 2010
Lindian Resources Limited	appointed 30 October 2006 and resigned 20 August 2010

Jeffrey Allan Quartermaine BE (Civil), MBA, FCPA – Managing director
(Appointed 01/02/2013)

The managing director and chief executive officer, Mr. Jeffrey Quartermaine, was appointed on 1 February 2013 after previously serving as the group's chief financial officer from 2010 to 2013. Jeff Quartermaine has more than 25 years experience in senior financial and strategic management roles with ASX and TSX-listed resources companies. He is a Fellow of the Society of Certified Practising Accountant (CPA) who holds both business management (MBA) and engineering qualifications (BE). Mr. Quartermaine has extensive experience as chief financial officer and chief operating officer of a number of Australian public companies. During the past three years he has also served as a director of the following listed companies:

Former directorships in the last 3 years	
TriAusMin Limited	appointed 6 October 2009 and resigned 5 July 2010

Mark Andrew Calderwood AusIMM
(Appointed 23/01/2004 and resigned 31/01/2013)

Mr. Mark Calderwood is a member of the Australasian Institute of Mining and Metallurgy and has extensive experience exploring for and mining gold. He has over 16 years of experience in West Africa and has a wide network of contacts throughout the region. Mr. Calderwood resigned from his position of managing director and chief executive officer on 31 January 2013. During the past three years he has also served as a director of the following listed company:

Other current directorships	
Manas Resources Limited	appointed 17 October 2007

INFORMATION ON DIRECTORS - continued

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

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

Mr. Brans has more than 30 years of experience in the design and construction of mineral treatment facilities. His experience extends across the full spectrum of development activities, ranging from mining feasibility studies through to commissioning operations. He has also managed the development of several gold and base metal projects. As an executive director, Mr. Brans is responsible for Perseus's project development and operating activities. During the past three years he has also served as a director of the following listed company:

Other current directorships	
Syrah Resources Limited	appointed 12 June 2013
Former directorships in the last 3 years	
Tiger Resources Limited	appointed 11 July 2008 and retired 22 May 2013

Michael Andrew Bohm B.AppSc (Mining Eng.), MAusIMM - Non-executive director
(Appointed 15/10/2009)

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

Mr. Bohm serves on the company's remuneration committee. During the past three years he has also served as a director of the following listed companies:

Other current directorships	
Ramelius Resources Limited	appointed 29 November 2012
Herencia Resources plc.	appointed 14 June 2006

Colin John Carson CPA FCIS - Executive director
(Appointed 24/10/2003)

Mr. Colin Carson has served as a director and company secretary of a number of Australian public companies since the early 1980s. As an executive director of Perseus, Mr. Carson is responsible for the company's joint venture negotiations, corporate and legal matters. During the past three years he has also served as a director of the following listed companies:

Other current directorships	
Manas Resources Limited	appointed 17 October 2007
Former directorships in the last 3 years	
Equus Mining Limited	appointed 10 October 1994 and resigned 27 May 2013

Neil Christian Fearis LL.B. (Hons) FAICD F FIN - Non-executive director
(Appointed 26/05/2004)

Mr. Neil Fearis has more than 30 years of experience as a commercial lawyer in the UK and Australia. He practices principally in the area of mergers and acquisitions, takeovers, public floats, and other forms of capital raising and is a member of several professional bodies associated with commerce and the law.

Mr. Fearis serves as chairman of the company's audit committee and a member of the remuneration committee. During the past three years he has also served as a director of the following listed companies:

Other current directorships	
Carnarvon Petroleum Limited	appointed 30 November 1999
Tiger Resources Limited	appointed 26 May 2011
Former directorships in the last 3 years	
Magma Metals Limited	appointed 8 October 2009, resigned 25 June 2012

Directors' report

INFORMATION ON DIRECTORS - continued

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

Mr. Sean Harvey has extensive experience in investment banking and the resources sector and brings valuable experience in capital markets to the board to assist the company as it seeks to broaden global market awareness of its growth into a West African gold producer. Mr. Harvey holds an Honours BA degree in Economics and Geography and an MA in Economics, both from Carleton University; an LLB from the University of Western Ontario; and an MBA from the University of Toronto and is a member of the Law Society of Upper Canada.

Mr. Harvey serves on the company's audit committee. During the past three years he has also served as a director of the following listed companies:

Other current directorships	
Victoria Gold Corporation	appointed 31 July 2007
Serabi Gold plc	appointed 30 March 2011
Sarama Resources Ltd	appointed 2 November 2011
Former directorships in the last 3 years	
Azimuth Resources Limited	appointed 10 May 2012 and resigned 5 July 2013
Andina Minerals Inc	appointed 29 December 2004 and resigned 20 March 2013
Allied Gold Limited	appointed 11 March 2010 and resigned 7 September 2012

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

Mr. Susmit Shah is a chartered accountant with more than 25 years of experience. Over the past 17 years, Mr. Shah has been involved with a diverse range of Australian public listed companies as a director or in company secretarial and financial roles.

DIRECTORS' MEETINGS

The number of meetings of the directors and the number of meetings attended by each director during the year ended 30 June 2013 were:

	Full meetings of directors		Audit committee meetings		Remuneration committee meetings	
	A	B	A	B	A	B
R N Gillard	9	9	4	4	3	3
J A Quartermaine (i)	3	3	-	-	-	-
M A Calderwood (ii)	6	6	-	-	-	-
C J Carson	9	9	-	-	-	-
R B Brans	9	9	-	-	-	-
N C Fearis	9	9	4	4	3	3
T S Harvey	9	9	4	4	-	-
M A Bohm	9	9	-	-	3	3

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the relevant committee during the period.
(i) Appointed 1 February 2013
(ii) Resigned 31 January 2013

DIRECTORS' INTERESTS

The following relevant interests in shares and options of the company were held directly and beneficially by the directors as at the date of this report:

	Name	Fully paid ordinary shares	Options to acquire ordinary shares	Performance rights
Non-executive directors	R N Gillard	902,250	-	-
	N C Fearis	477,732	-	-
	T S Harvey	500,000	-	-
	M A Bohm	420,000	-	-
Executive directors	J A Quartermaine	88,100	250,000	274,286
	C J Carson	653,200	-	300,000
	R B Brans	950,000	-	300,000

Directors' report

REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for Perseus's non-executive directors, executive directors and other key management personnel ("KMP") of the group and Perseus for the financial year ended 30 June 2013. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report has been set out under the following main headings:
1. Principles used to determine the nature and amount of remuneration
2. Details of remuneration
3. Service agreements
4. Share-based compensation

1.0 Principles used to determine the nature and amount of remuneration

Remuneration committee

The remuneration committee (the "committee") assists the board to fulfill its responsibilities to shareholders and other stakeholders by ensuring the group has remuneration policies for fairly and competitively rewarding executives with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive management team. The committee's decisions on reward structures are based on the state of the market for experienced resources industry executives, remuneration packages for executives and employees performing comparative roles in other companies in the resources industry and the size and complexity of the group.

The committee is primarily responsible for making recommendations to the board on:

- non-executive director's fees;
- executive remuneration (directors and other executives); and
- the over-arching executive remuneration framework and incentive plan policies.

Independent remuneration consultants are engaged by the committee from time to time to ensure the group's remuneration system and reward practices are consistent with current market practices. Various remuneration arrangements in relation to the company's key management personnel during the financial year were based on recommendations made by an independent remuneration consultant, PJ Kinder Consulting.

Fees paid to PJ Kinder Consulting for this advice was $11,000 (2012: nil; 2011: $38,940). Instructions and scope of terms for the engagement of PJ Kinder Consulting were issued by the committee.

The board is satisfied that the remuneration recommendations made by PJ Kinder Consulting were made free from undue influence by the member or members of the key management personnel to whom the recommendations relate. The board's reasons for stating so are:

(i) that the instructions and terms were issued and set by the committee;
(ii) PJ Kinder Consulting discussed its findings and recommendations with the committee only and not any members of the management;
(iii) PJ Kinder Consulting's fees were based on a time basis at rates commensurate with such professional services; and
(iv) the committee had satisfied itself that PJ Kinder Consulting is a qualified and well-credentialed firm for the purposes of such professional advice and is independent from Perseus.

Policy and structure of non-executive directors' remuneration

Perseus's non-executive director remuneration policy aims to reward the directors fairly and responsibly with regards to the demands which are made on, and the responsibilities of, the directors. It seeks to set aggregate remuneration of non-executive directors at a level which provides Perseus with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

REMUNERATION REPORT - continued

With the assistance of external remuneration consultants, the committee reviews fees paid to non-executive directors on an annual basis and makes recommendations to the board. The committee considers fees paid to non-executive directors of comparable companies when undertaking the annual salary review process.

Any equity components of non-executive directors' remuneration, including the issue of options or performance rights, are required to be approved by shareholders prior to award.

Directors' fee limits
The aggregate amount of fees payable to non-executive directors is subject to periodic review and approval by shareholders. The maximum amount of directors' fees that is currently approved for payment to non-executive directors is $750,000 per annum (excluding the value of approved share based payments). The current limit of non-executive directors' fees was approved by shareholders at the 2010 Annual General Meeting.

Directors' fees framework
Non-executive directors' remuneration consists of a base fee plus 9% statutory superannuation where the director is covered by Australian superannuation guarantee legislation. Board fees are not paid to executive directors as the time spent on board work and the responsibilities of board membership are considered in determining the remuneration package provided to executive directors as part of their normal employment conditions.

The remuneration of the non-executive directors for the year ended 30 June 2013 is detailed below.

Table 1 - Annual Board and committee fees payable to non-executive directors

Position	Annual fees[1] from 1 July 2012 to 30 June 2013 $	Annual fees[1] from 1 July 2013[2] $
Base Fees		
Chair	200,000	170,000
Other non-executive directors	100,000	85,000
Additional Fees		
Audit committee – Chair	20,000	17,000
Audit committee – member	10,000	8,500
Remuneration committee – Chair	15,000	12,750
Remuneration committee - member	8,000	6,800

1 Inclusive of statutory superannuation where applicable
2 Effective 1 July 2013 all directors have taken a voluntary reduction of 15% of their fees

Directors' retirement benefits
No retirement benefits are paid to non-executive directors other than the statutory superannuation contributions (if applicable) of 9% for the year ending 30 June 2013, required under Australian superannuation guarantee legislation.

Policy on executive directors' and other senior executives' remuneration

Perseus aims to reward its executive directors and other senior executives with a level of remuneration commensurate with their position and responsibilities within the group. In doing so, it aims to:

- provide competitive rewards that attract, retain and motivate high calibre executives;
- align executive rewards with the achievement of strategic objectives and performance of the group and the creation of value for shareholders;
- ensure total remuneration is competitive and reasonable; and
- comply with applicable legal requirements and appropriate standards of governance.

In consultation with external remuneration consultants, the group has developed an executive remuneration framework that is market competitive and is consistent with the reward strategy of the organisation.

Directors' report

REMUNERATION REPORT - continued

Executive remuneration structure

The executive remuneration framework has two components, namely:

- Fixed salary package including base salary and benefits such as superannuation; and
- Variable remuneration.

During the prior year the group conducted a review of incentive plans to ensure that the variable component of remuneration is appropriately structured taking into account "best practice" in the resources industry and is directly aligned to the achievement of the group's financial and strategic objectives. This incentive plan was implemented and is effective for the 2013 financial year. Further details are provided below under variable remuneration.

Fixed salary package
The fixed component of an executive's remuneration comprises base salary and superannuation contributions. The size of the executive's salary package is based on the scope of each executive's role, the level of knowledge, skill and experience required to satisfactorily perform the role and the individual executive's performance in the role. The proportion of an executive's total fixed salary package that is paid as superannuation is at the executive's discretion, subject to compliance with relevant superannuation guarantee legislation.

The committee annually reviews each executive's performance and benchmarks the executive's salary package against appropriate market comparisons using information and advice provided by external consultants. There are no guarantees of salary increases included in any executive's employment contract.

Variable remuneration
The objective of providing a variable "at risk" component within executive directors' and senior executives' total remuneration packages is to link a proportion of their remuneration directly to the objective of creating shareholder wealth. The group has introduced a Remuneration Framework during the period which sets out the basis of short term incentives ("STI") and long term incentives ("LTI"), which are discussed further below.

Receipt of variable remuneration in any form is not guaranteed under any executive's employment contract.

The remuneration of executive directors and senior executives including both fixed and variable remuneration components for the year ended 30 June 2013 is detailed in table 2 of this report.

STI

The STI is the annual component of the "at risk" reward opportunity, which takes the form of a cash bonus. The STI is reliant on the achievement of job related KPI's, both financial and non-financial, over a mix of group, business unit, department and individual targets. The objective of a STI is to align the performance of the individual to the short term operational and financial objectives of the group.

After the Board evaluates and approves the group's operating budget for the forthcoming financial year, a series of physical, financial and business sustainability targets are set. These are used to determine the KPI's of the CEO and executives, their direct reports and so on down the organisation structure.

These performance measures are chosen to represent the key drivers of short term success for the group with reference to the group's long term strategy. The CEO and executives have a target STI opportunity of up to 25% and 10% of fixed remuneration respectively.

On an annual basis the Board will evaluate the group's physical, financial and business sustainability targets to determine whether these were met, give consideration to the group's external environment including the outlook for future years and then determine the STI pool that is available for payment to individuals.

REMUNERATION REPORT - continued

Each individual has a performance review conducted to measure performance against set KPI's, with a rating from 1 to 5 being awarded.

Overall performance review rating
1 – Unsatisfactory
2 – Needs improvement
3 – Meets expectations
4 – Exceeds expectations
5 – Outstanding

A rating less than or equal to 3 attracts a nil STI opportunity, greater than 3 but less than or equal to 4, a pro rata of 0% to 75% of STI opportunity, and greater than 4 a pro-rata of 75% to 100% STI opportunity.

The Remuneration Committee will then, after consideration of performance against KPI's and recommendation from the CEO, determine the amount if any of the STI to be paid to each executive. STI payments are awarded in the month of August for all eligible participants to the extent they reach specific targets that were set at the beginning of the financial year. The cash bonuses are inclusive of superannuation.

Given the introduction of an LTI plan the Board does not consider it appropriate to defer a portion of the STI. The Board has the discretion to scale the size of the STI pool up or down. For the financial year ended 30 June 2013, given the current economic climate, the Board has determined that no STI payments will be made for the period.

LTI

The LTI is the "at risk" component that takes the form of an equity based incentive designed to attract, motivate and retain high quality employees at the same time as aligning their interests with those of the group's shareholders. LTI awards are made under the Performance Rights Plan ("PRP") and give eligible employees rights to acquire shares in Perseus subject to vesting conditions.

The company uses both total shareholder return ("TSR") and individual achievement of a KPI rating of 3 or more over the vesting period as the performance measure for the LTI. TSR was selected as the LTI performance measure as it links rewards of the executives to the creation of long term shareholder wealth. Furthermore vesting only occurs if the group performs in the 50th percentile of its peer group or above, the greater the outperformance the greater the reward to the executive.

The peer group chosen for comparison, having considered the following factors: ASX listing; TSX listing; commodity focus; geographic focus; and business development stage, is shown below.

African Barrick Gold plc	Medusa Mining Limited	Resolute Mining Limited	Semafo Inc
Golden Star Resources Ltd	Endeavour Mining Corp	Kingsgate Consolidated	Regis Resources
Teranga Gold Corporation	St Barbara Mines		

Subject to the performance conditions, the vesting date for the rights is three years from the commencement of the performance period. The vesting schedule is as follows:

Relative TSR over the vesting period	Proportion of performance rights vested
Below the 50th percentile	0%
At the 50th percentile	25%
Between the 50th and the 75th percentile	Pro-rate between 25% and 50%
Above the 75th percentile	100%

TSR performance and individual KPI performance is monitored on an annual basis. If the hurdles are not achieved during the performance period the rights will lapse, no re-testing of rights is permitted.

Table 7 provides details of rights awarded and vested during the year and table 5 provides details of the value of rights awarded, exercised and lapsed during the year.

Where a participant ceases employment for any reason, any unvested rights will lapse and be forfeited, subject to the discretion of the Board in the case of death, disability, retirement or redundancy. If the Board exercises its discretion in this manner the rights will only vest upon meeting the relevant LTI performance measures.

In the event of a change of control of the group, the Board may in its absolute discretion determine that all or a portion of the unvested rights automatically vest and are automatically exercised.

Directors' report

REMUNERATION REPORT - continued

2.0 Details of remuneration (including link to performance)

Details of the remuneration of the directors and the KMP of Perseus and the group are set out in table 2 below.

KMP (as defined in AASB 124 *Related Party Disclosures*) of the group are those persons having authority and responsibility for planning, directing and controlling the major activities of Perseus and the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

At the date of this report, the KMP of the group are the directors of Perseus (refer to pages 18 to 20 for details) plus the following executives who report directly to the managing director.

Mr. Susmit Shah	Company secretary
Ms. Elissa Brown[1]	Chief financial officer
Mr. Jon Yelland	Chief operating officer
Mr. Kevin Thomson	Exploration manager

1. Ms. Elissa Brown, one of the KMP listed above, was appointed chief financial officer with effect from 1 February 2013

Company performance and its link to STIs

For the financial year ended 30 June 2013, given the current economic climate, the Board has determined that no STI payments will be made for the period gone.

Company performance and its link to LTIs

During the period the Board issued performance rights to the executives of the group, as well as other employees with a certain level of influence over the group's performance. The performance measures that drive the vesting of this LTI include Perseus's TSR relative to its peer group and the individual's performance over the vesting period, 1 July 2012 to 30 June 2015.

Perseus's performance during the 12 months to 30 June 2013 and the four previous years are set out below:

Year ended 30 June	2013	2012	2011	2010	2009
Market capitalisation ($'000)	201,503	1,135,746	1,115,117	961,474	217,874
Closing share price ($)	0.44	2.48	2.62	2.30	0.73
TSR – 1 year (%)	(82.3)	(5.3)	13.9	215.1	(38.7)
TSR – 3 year rolling (%)	(80.9)	239.7	120.2	98.3	52.1
Median peer group TSR – 1 year (%)[1]	(68.0)				

1. Only relevant for 2013 financial year as prior years would have had a different peer group.

For the 2013 grant of performance rights, based on the period's performance, Perseus is below the 50th percentile of the peer group. If the ranking remains unchanged at the vesting date of 30 June 2015 then no vesting of these rights would occur.

REMUNERATION REPORT - continued

Table 2 - Directors' and executives' remuneration for the year ended 30 June 2013

	Short-term Salary / Fees	Short-term Cash bonus (v)	Short-term Other	Post-employment superannuation	Share-based payments Options	Share-based payments Performance rights (vii)	Total	Performance related
	$	$	$	$	$	$	$	%
Non-executive directors								
Reginald Gillard								
2013	206,422	-	-	18,578	-	-	225,000	-
2012	164,106	-	-	14,770	-	-	178,876	-
Neil Fearis (i)								
2013	128,000	-	-	-	-	-	128,000	-
2012	101,488	-	-	-	-	-	101,488	-
Sean Harvey								
2013	110,000	-	-	-	-	-	110,000	-
2012	96,988	-	-	-	-	-	96,988	-
Michael Bohm								
2013	99,083	-	-	8,917	-	-	108,000	-
2012	88,521	-	-	7,967	-	-	96,488	-
Sub-total non-executive directors								
2013	*543,505*	-	-	*27,495*	-	-	*571,000*	-
2012	*451,103*	-	-	*22,737*	-	-	*473,840*	-
Executive directors								
Mark Calderwood (ii)								
2013	525,000	-	301,926	14,583	-	-	841,509	-
2012	674,250	40,000	-	25,000	-	-	739,250	5
Jeffrey Quartermaine (iii)								
2013	609,167	17,760	-	25,000	-	33,129	685,056	7
2012	432,500	40,000	-	25,000	264,139	-	761,639	5
Colin Carson								
2013	363,530	-	-	16,470	-	88,708	468,708	19
2012	304,000	40,000	-	25,000	-	-	369,000	11
Rhett Brans								
2013	469,250	-	-	10,750	-	88,708	568,708	16
2012	418,250	40,000	-	43,000	-	-	501,250	8
Sub-total executive directors								
2013	1,966,947	17,760	301,926	66,803	-	210,545	2,563,981	9
2012	1,829,000	160,000	-	118,000	264,139	-	2,371,139	7
Directors total								
2013	**2,510,452**	**17,760**	**301,926**	**94,298**	**-**	**210,545**	**3,134,981**	**7**
2012	2,280,103	160,000	-	140,737	264,139	-	2,844,979	6

Directors' report

REMUNERATION REPORT - continued

Table 2 - Directors' and executives' remuneration for the year ended 30 June 2013 (continued)

	Salary / Fees	Short-term Cash bonus (v)	Other	Post-employment superannuation	Share-based payments Options	Performance rights (vii)	Total	Performance related
	$	$	$	$	$	$	$	%
Senior executives								
Susmit Shah (v)								
2013	137,426	-	-	-	-	-	137,426	-
2012	145,896	-	-	-	158,483	-	304,379	-
Kevin Thomson (vi)								
2013	449,502	-	-	-	-	28,298	477,800	6
2012	267,619	-	24,827	-	211,311	-	503,757	-
Elissa Brown (viii)								
2013	263,530	16,280	-	16,470	-	21,741	318,021	12
2012	-	-	-	-	-	-	-	-
Jon Yelland								
2013	432,496	24,975	-	25,000	-	33,129	515,600	11
2012	314,858	-	-	30,000	-	-	344,858	-
Senior executives total								
2013	**1,282,954**	**41,255**	**-**	**41,470**	**-**	**83,168**	**1,448,847**	**9**
2012	728,373	-	24,827	30,000	369,794	-	1,152,994	2

Notes:

(i) Fees for director services provided by Mr. Neil Fearis are charged to Perseus by an interposed entity, and include an amount equal to the superannuation benefit that would otherwise have been paid to him as an individual.

(ii) Mr. Calderwood resigned from the position of managing director and chief executive officer with effect from 31 January 2013. Other short-term benefits relate to Mr. Calderwood's entitlement paid for accumulated annual leave and long service leave.

(iii) Mr. Quartermaine was appointed managing director and chief executive officer on 1 February 2013. Before this appointment he was the group's chief financial officer. Amounts shown above include all of Mr. Quartermaine's remuneration during the reporting period, whether as managing director and chief executive officer or chief financial officer. Amounts received in his position as managing director and chief executive officer amount to $354,167, made up of cash salary of $343,750 and superannuation of $10,417.

(iv) Following a performance review conducted by the board, it was resolved that certain executives would be paid a cash bonus in recognition of their contribution to the group in the prior period.

(v) Fees for company secretarial services provided by Mr. Shah are charged to Perseus by Corporate Consultants Pty Ltd ("CCPL"), a company in which Mr. Shah has a beneficial interest. Remuneration for secretarial and corporate service fees provided by CCPL to Perseus throughout the year is disclosed in note 22 to the financial statements.

(vi) Includes the value of benefits such as allowances for travel, school fees, accommodation and local taxes paid on behalf of employee.

(vii) Vesting expense for the financial year of performance rights issues to directors and employees under the terms of the company's Performance Rights Plan approved by shareholders in November 2012. The fair value of the performance rights is calculated at the date of grant using the Monte-Carlo Simulation pricing model.

(viii) Ms. Brown was appointed chief financial officer on 1 February 2013. Before this appointment she was the group's financial controller. Amounts shown above include all Ms. Brown's remuneration during the reporting period, whether as chief financial officer or as financial controller. Amounts received in her position as chief financial officer amount to $150,000, made up of cash salary of $143,137 and superannuation of $6,863.

REMUNERATION REPORT - continued

3.0 Service agreements

Remuneration and other terms of employment for the chief executive officer and managing director, chief financial officer, chief operating officer and the other KMP are also formalised in service agreements. Major provisions of the agreements relating to remuneration of the CEO are set out below.

Remuneration of the chief executive officer, Mr. Jeffrey Quartermaine

Mr. Jeffrey Quartermaine was appointed on 1 February 2013 as managing director and CEO and an employment contract with Perseus was entered outlining the terms of his employment.

Under his employment contract with Perseus, Mr. Quartermaine is currently entitled to receive fixed remuneration including a base salary and superannuation, plus variable remuneration including performance rights, options and cash bonuses determined under the STI/LTI plans and at the discretion of the board. A summary of these and other key terms of Mr. Quartermaine's employment contract are described below and set out in table 3 below.

Fixed remuneration – Mr. Quartermaine's annual salary was set at $850,000 per annum, inclusive of statutory superannuation entitlements, with effect from 1 February 2013. This was subsequently voluntarily decreased to $722,500 per annum, inclusive of statutory superannuation entitlements, with effect from 1 July 2013, as part of the group's cost reduction program.

Variable remuneration – Following a performance review conducted by the board, it was resolved that Mr. Quartermaine would be paid a cash bonus of $17,760 in recognition of his contribution to the group acting as chief financial officer for the prior period. In addition, Mr. Quartermaine received 274,286 performance rights while he was the chief financial officer. These performance rights were issued under the terms of the company's Performance Rights Plan approved by shareholders in November 2012. No other variable remuneration was paid to Mr. Quartermaine in respect of his services during the 12 months ended 30 June 2013.

Statutory entitlements
Mr. Quartermaine is entitled to 10 days sick leave per annum, 20 days of annual leave and long service leave of 13 weeks after 10 years of service.

Termination of contract
Perseus can terminate Mr. Quartermaine's contract without notice under certain circumstances including but not limited to material breaches of contract, grave misconduct, dishonesty, fraud or bringing the group into disrepute. Mr. Quartermaine may terminate the contract by giving Perseus three months' notice, whilst Perseus may terminate the contract by giving Mr. Quartermaine the greater of six months or a period that is not less than that specified by the Fair Work Act 2009 (Cth) and the National Employment Standards. In the case of Perseus, it may at its sole discretion, terminate the contract sooner than the conclusion of the notice period by choosing to pay Mr. Quartermaine in lieu of the notice period.

If the terms of Mr. Quartermaine's employment contract are materially changed to the detriment of the chief executive officer then he is entitled to receive an amount of money from Perseus that is equivalent to two months of his originally contracted gross base salary as for each year of employment by Perseus with a minimum payment equivalent to six months of his originally contracted gross base salary and a maximum of twelve months of his originally contracted gross base salary.

Directors' report

REMUNERATION REPORT - continued

Contracts for KMP

A summary of the key contractual provisions as at the date of this report for each of the current KMP is set out in table 3 below.

Table 3 - Contractual provisions for key management personnel

Name and job title	Employing company	Contract duration	Notice period	Fixed remuneration (including base salary and superannuation as applicable)	Variable remuneration	Termination provision
Jeffrey Quartermaine (i) *CEO & Managing director*	Perseus Mining Limited	No fixed term and review annually	3 months	$722,500	STI/LTI plan	Applicable on early termination by the company (v)
Colin Carson (ii) *Executive director*	Perseus Mining Limited	No fixed term and review annually	3 months	$323,000	STI/LTI plan	Applicable on early termination by the company (v)
Rhett Brans *Executive director*	Perseus Mining Limited	No fixed term and review annually	3 months	$408,000	STI/LTI plan	Applicable on early termination by the company (v)
Susmit Shah *Company secretary*	Corporate Consultants Pty Ltd (vi)	Not Applicable	N/A	Not applicable	Not applicable	Not applicable
Elissa Brown (iii) *Chief financial officer*	Perseus Mining Limited	No fixed term and review annually	3 months	$360,000	STI/LTI plan	Applicable on early termination by the company (v)
Jon Yelland *Chief operating officer*	Perseus Mining Limited	No fixed term and review annually	3 months	$480,000	STI/LTI plan	Applicable on early termination by the company (v)
Kevin Thomson *Exploration manager*	Perseus Mining Services Ltd	No fixed term and review annually	2 months	CAD$454,750 (iv)	STI/LTI plan	Applicable on early termination by the company (v)

Notes:
(i) Mr. Quartermaine was appointed managing director and chief executive officer with effect from 1 February 2013.
(ii) Mr. Carson was engaged on a part time basis until 1 October 2012 when he became engaged on a full time basis.
(iii) Ms. Brown was appointed chief financial officer with effect from 1 February 2013.
(iv) CAD$454,750 gross per annum, inclusive of Canadian Pension Plan (CPP) contributions.
(v) Termination benefits are payable on early termination by the company. Other than for gross misconduct, executives receive payment of between 2 to 12 months of originally contracted salary.
(vi) Service provided to Perseus under the terms of a service agreement between CCPL and Perseus.

REMUNERATION REPORT – continued

4.0 Share based compensation

KMP are eligible to participate in Perseus's employee share option plan ("ESOP"), or PRP. The terms and conditions of each grant of options or rights affecting remuneration of directors and KMP in the current or a future reporting period are set out below. Options and performance rights granted carry no dividend or voting rights. When exercisable, each option or performance right is convertible into one ordinary share. Further information is set out in note 31 to the financial statements.

Table 4 - Key terms of share based compensation held by KMP and directors as at 30 June 2013

Type	Grant date	Exercise price	Fair value at grant date	Vesting date	% of grant vested	Expiry date
Option (i)	15 June 2011	$3.00	$1.13	16 June 2012	100	15 June 2014
Performance right (ii)	25 November 2012	nil	$0.89	30 June 2015	-	31 December 2015
Performance right (ii)	1 January 2013	nil	$0.71	30 June 2015	-	31 December 2015

(i) The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(ii) The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the performance period (three year period from 1 July 2012 to 30 June 2015 over which the individuals and the company's performance is assessed), and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Monte Carlo Simulation pricing model. Further information is set out in note 31 to the financial statements.

REMUNERATION REPORT – continued

Further information relating to the portion of KMP remuneration related to equity compensation for the period are set out below in table 5.

Table 5 - Value of share based compensation

Name	Percentage of remuneration consisting of:		Value granted, exercised or lapsed in 12 months ended 30 June 2013						Amount paid per share on exercise
			Granted $		Exercised $		Lapsed $		
	Options	Performance rights	Options	Performance rights [i]	Options	Performance rights	Options	Performance rights	
Executive directors									
Jeffrey Quartermaine	-	5%	-	194,743	-	-	-	-	-
Colin Carson	-	19%	-	267,000	-	-	-	-	-
Rhett Brans	-	16%	-	267,000	-	-	-	-	-
Senior executives									
Kevin Thomson	-	6%	-	166,343	-	-	-	-	-
Elissa Brown	-	7%	-	127,800	-	-	-	-	-
Jon Yelland	-	6%	-	194,743	-	-	-	-	-

Notes:

(i) The value at grant date calculated in accordance with AASB 2 Share-based payment of performance rights granted during the year as part of remuneration. The total value of the performance rights granted is included in the table above. This amount is allocated to remuneration over the vesting period (i.e. in years 1 July 2012 to 30 June 2015).

No amounts were unpaid on any shares issued on the exercise of options.

Back to contents

The movement in options and performance right holdings for KMP and directors during the period are set out below in table 6.

Table 6 – Movement of options and performance rights granted to KMP and directors during the period

Name		Balance at the start of the period	Granted during the period as remuneration	Exercised during the period	Forfeited / lapsed	Other movements	Balance at the end of the period	Vested during the period	Vested and exercisable at the end of the period
Non-executive directors									
Reg Gillard	Options	-	-	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-	-	-
Neil Fearis	Options	-	-	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-	-	-
Sean Harvey	Options	-	-	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-	-	-
Michael Bohm	Options	-	-	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-	-	-
Executive directors									
Jeffrey Quartermaine	Options	650,000	-	-	(400,000)	-	250,000	-	250,000
	Performance rights	-	274,286(iii)	-	-	-	274,286	-	-
Colin Carson	Options	-	-	-	-	-	-	-	-
	Performance rights	-	300,000(ii)	-	-	-	300,000	-	-
Rhett Brans	Options	-	-	-	-	-	-	-	-
	Performance rights	-	300,000(ii)	-	-	-	300,000	-	-
Senior executives									
Susmit Shah	Options	150,000	-	-	-	-	150,000	-	150,000
	Performance rights	-	-	-	-	-	-	-	-
Kevin Thomson	Options	200,000	-	-	-	-	200,000	-	200,000
	Performance rights	-	234,286(iii)	-	-	-	234,286	-	-
Elissa Brown(i)	Options	100,000	-	-	-	-	100,000	-	100,000
	Performance rights	-	180,000(iii)	-	-	-	180,000	-	-
Jon Yelland	Options	-	-	-	-	-	-	-	-
	Performance rights	-	274,286(iii)	-	-	-	274,286	-	-

Notes:

(i) Ms. Brown was appointed chief financial officer on 1 February 2013. Before this she was the group's financial controller.

(ii) Performance rights issued on 25 November 2012.

(iii) Performance rights issued on 1 January 2013.

Back to contents

Directors' report

REMUNERATION REPORT - continued

Details of remuneration: share-based compensation benefits

The following table details the percentage of the available grant that vested in the financial year and the percentage forfeited because the person did not meet either/or service and performance criteria specified. The maximum value of the options and performance rights yet to vest has been determined as the amount of the grant date fair value of the options or performance rights.

Table 7 – Options and performance rights granted as at 30 June 2013

Name		Number of options and performance rights	Financial period granted	Vested in current financial period	Vested in prior financial period	Forfeited in current financial period	Financial period in which options / performance rights may vest	Minimum total value of grant yet to vest	Maximum total value of grant yet to vest
		No	Yr	%	%	%	Yr	$	$
Executive directors									
Jeffrey Quartermaine	Options	250,000	2011	-	100	-	-	-	-
	Performance rights	274,286	2013	-	-	-	2015	-	194,743
Colin Carson	Options	-	-	-	-	-	-	-	-
	Performance rights	300,000	2013	-	-	-	2015	-	267,000
Rhett Brans	Options	-	-	-	-	-	-	-	-
	Performance rights	300,000	2013	-	-	-	2015	-	267,000
Senior executives									
Susmit Shah	Options	150,000	2011	-	100	-	-	-	-
	Performance rights	-	-	-	-	-	2015	-	-
Kevin Thomson	Options	200,000	2011	-	100	-	-	-	-
	Performance rights	234,286	2013	-	-	-	2015	-	166,343
Elissa Brown	Options	100,000	2011	-	100	-	-	-	-
	Performance rights	180,000	2013	-	-	-	2015	-	127,800
Jon Yelland	Options	-	-	-	-	-	-	-	-
	Performance rights	274,286	2013	-	-	-	2015	-	194,743

LOANS TO DIRECTORS AND EXECUTIVES

There were no loans outstanding at the reporting date to directors or executives.

SHARES UNDER OPTION

As at the date of this report, the total number of unissued ordinary shares in Perseus under option was 1,990,000 as follows:

Type of Security	Number	Exercise price	Issue date	Expiry date
Unlisted Options	250,000	$3.00	7 October 2010	6 October 2013
Unlisted Options	200,000	$3.20	4 November 2010	3 November 2013
Unlisted Options	1,540,000	$3.00	15 June 2011	15 June 2014

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

Shares issued on exercise of options

During the financial year no ordinary shares were issued by Perseus as a result of the exercise of options. None have been issued since the end of the financial year.

PERFORMANCE RIGHTS

As at the date of this report, the total number of performance rights under the Performance Rights Plan was 2,844,415 as follows:

Type of Security	Number	Exercise price	Issue date	Expiry date
Performance Rights	600,000	nil	25 November 2012	31 December 2015
Performance Rights	2,244,415	nil	1 January 2013	31 December 2015

These performance rights do not entitle the holder to participate in any share issue of Perseus or any other body corporate. There are no performance rights to subscribe for shares in any controlled entity. 500,000 performance rights for Mark Calderwood were approved for issue following shareholder approval of the Performance Rights Plan in November 2012, however, the issue of these performance rights did not occur following his resignation on 31 January 2013. No other performance rights have been issued.

Shares issued on exercise of performance rights

During the financial year no ordinary shares were issued by Perseus as a result of the exercise of performance rights. None have been issued since the end of the financial year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

Perseus's Constitution requires it to indemnify directors and officers of any entity within the group 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 group's auditors under the terms of their engagement. The directors and officers of the group 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 premiums, paid during the year ended 30 June 2013 amounted to $202,725, and relates to:

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

Back to contents

Directors' report

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of Perseus or to intervene in any proceedings to which Perseus is a party, for the purposes of taking responsibility on behalf of Perseus for all or part of the proceedings. No proceeding has been brought or intervened in on behalf of Perseus with leave of the Court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

During the year Ernst & Young, the group's auditor, performed other non-audit services in addition to statutory duties. The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the group, acting as an advocate for the group or jointly sharing risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Ernst & Young, to provide the directors of Perseus with an independence declaration in relation to the audit of the annual report. This independence declaration is set out on page 37 and forms part of this directors' report for the year ended 30 June 2013.

Signed in accordance with a resolution of directors.

J A Quartermaine
Managing Director
Perth, 30 August 2013

Competent Person Statement

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

The information in this report that relates to Mineral Resources for the Sissingue Gold Project is based on information compiled by Mr. Lynn Widenbar a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Widenbar is a full time employee of Widenbar and Associates Pty Ltd. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr. Widenbar consents to the inclusion in the report of the matters based on his information in the form and context that the information appears.

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Auditor's Independence Declaration to the Directors of Perseus Mining Limited

In relation to our audit of the financial report of Perseus Mining Limited for the financial Year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
30 August 2013

GB:PS:PERSEUS:025

Sustainability report

EDIKAN

OCCUPATIONAL HEALTH & SAFETY (OHS)

Clinic Visits

West African Rescue Association ("WARA") are contracted to provide medical services at the EGM site clinic, which is available to all Perseus Mining (Ghana) Limited ("PMGL") employees and contractors. WARA provide a local doctor, expatriate paramedic and their nurses are recruited from the local catchment communities. Figure 1 below details the total workforce numbers on site each month as well as the number of people presenting at the site clinic during the year.

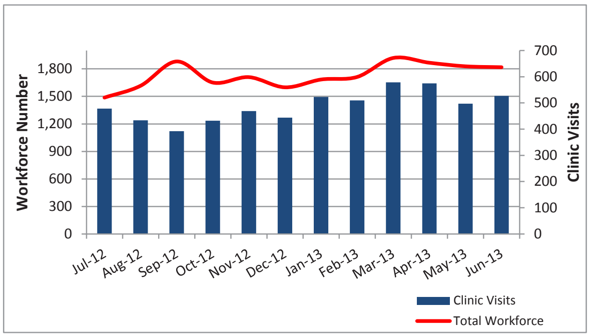

Figure 1: EGM Site Clinic Visits

Injuries

EGM did not sustain any Lost Time Injuries ("LTIs") this year and the LTI frequency rate ("LTIFR") actually returned to zero in June 2013 following 4 LTIs the previous year, as shown in Figure 2 below. At the end of June 2013, the EGM was 384 days LTI free.

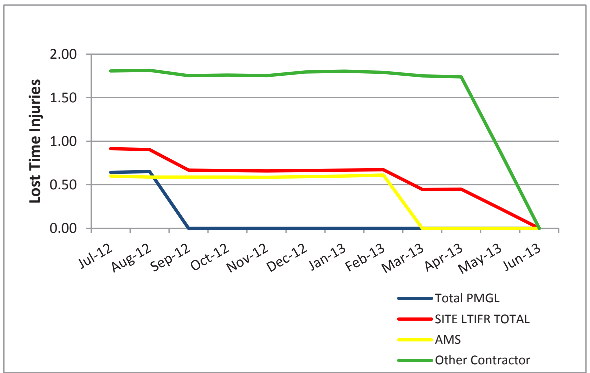

Figure 2: EGM Lost Time Injuries

The site was not without injuries though unfortunately, with 57 injuries reported during the year. This consisted of 48 First Aid Injuries ("FAI") recorded, 6 Medical Treatment Injuries ("MTI") and 3 Restricted Work Injuries ("RWI").

Malaria

Malaria continues to be an issue at the EGM as detailed in Figure 3 below, despite efforts on site and in the local communities to minimise the risk. Fogging and spraying programs have continued in the EGM camp and the verandahs on all buildings have had mesh installed to prevent entry by mosquitos. Treated mosquito nets have been distributed in local communities, waste management initiatives have been implemented in some of the local villages and World Malaria Day is marked with a series of employee and community information sessions to raise awareness of the issue.

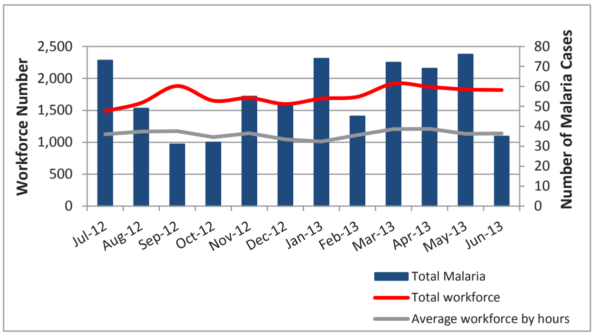

Figure 3: Malaria Cases

Incidents

There were 290 incidents formally reported at the EGM during the year, not including environmental incidents. Incidents by category are displayed in Figure 4 on the following page. Incident reporting has increased due to ongoing education across site that stresses the importance of reporting so that actions can be implemented to prevent the event from recurring. Perseus has also introduced an electronic incident reporting system at the EGM which personnel are finding more user-friendly than the original paper-based system.

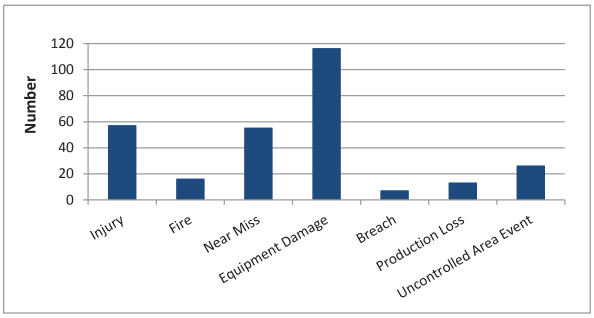

Figure 4: Incidents by Category

ENVIRONMENT

Incidents

There were 56 environmental incidents formally reported at the EGM during the year. Incidents by category are displayed in Figure 5 below. Whilst hydrocarbon spills were the most commonly reported incident, site procedures require that all spills be cleaned up immediately and any contaminated soil is taken to the site bioremediation facility for treatment. Going forward, there will be a focus on trying to reduce the number of hydrocarbon spills occurring.

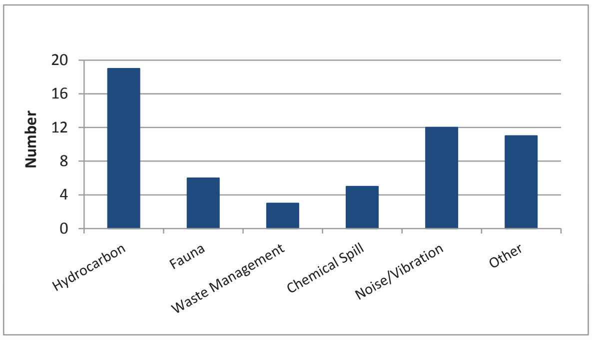

Figure 5: Environmental Incidents by Category

Land Disturbance and Rehabilitation

During the year, additional land was cleared of vegetation to allow for expansion of the waste rock dumps, to improve access to the Flotation Tailings Storage Facility ("FTSF") and for the eastern haul road that will provide access to the new eastern pits. Cleared topsoil is stockpiled for future rehabilitation works and the stockpiles are planted with grass species to protect them from erosion. The details of the land disturbance that occurred at the EGM this year and to date are shown in Figure 6 top right.

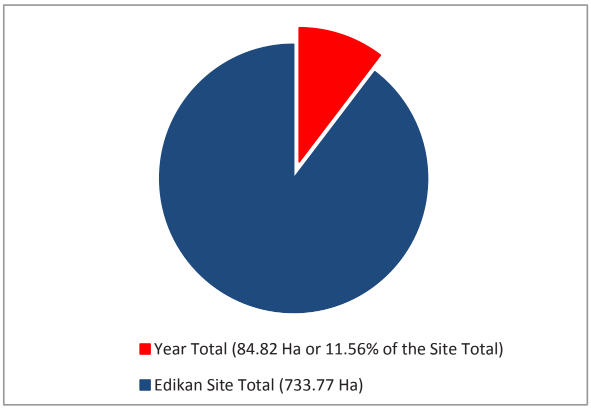

Figure 6: Land Disturbance this Year and to Date

Rehabilitation of disturbed areas back to a natural state is being done progressively at the EGM as final areas become available. Areas are landformed in an effort to ensure that final slopes are stable and erosion will be minimised, topsoil is spread and vegetation is planted. Species being planted are a mixture of indigenous and semi-exotic grasses, shrubs and trees, many of which are propagated in the EGM nursery. Some areas which may not be the proposed final landform or are too steep to plant trees and shrubs are being planted with grass species alone for erosion control purposes.

The details of land disturbance and rehabilitation works undertaken at the EGM to date are shown in Figure 7 below.

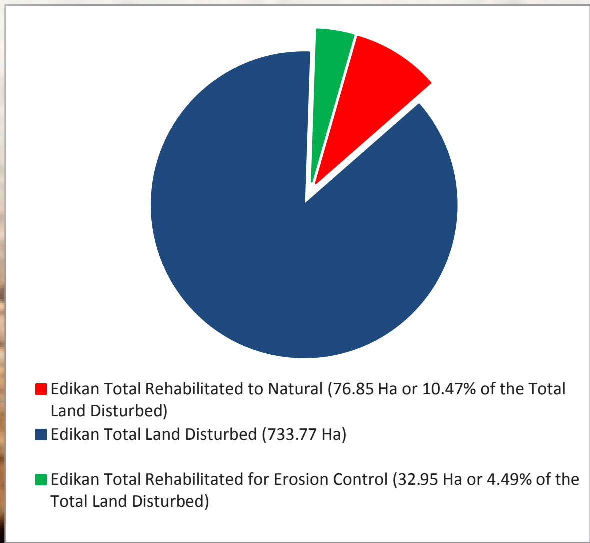

Figure 7: Rehabilitation Works to Date

Sustainability report

Environmental Monitoring Programmes

Monitoring environmental performance in the workplace is ongoing through activities including workplace inspections and internal audits. Recommendations from these activities will help Perseus better manage their environmental risks going forward.

Perseus also monitors a number of parameters on a regular basis in an effort to detect any impact the mine's activities may have on the natural environment and surrounding communities. Some of the monitoring undertaken includes:

- Analysis of surface and ground water quality, including village bore water;
- Noise levels in the five villages immediately surrounding the mine monitored during daylight hours and at night;
- Vibration and air pressure monitored at Fobinso and Abenabena villages during mine pit blasts;
- Terrestrial and aquatic fauna;
- Analysis of stream sediments; and
- Dust levels.

Additionally, 21 piezometers were installed on the Tailings Storage Facility's (FTSF and Cyanide Tailings Storage Facility) embankments and saddle dams during the year to monitor the integrity of the dam walls. The site environmental laboratory was also commissioned during the year which enables water samples to be analysed on site, saving the Company both time and money. For quality assurance/ quality control purposes, extra samples collected from the same location are also sent to an external laboratory for analysis. This due diligence helps to ensure the integrity of the site laboratory's analysis results.

SOCIAL DEVELOPMENT

Employment

Perseus has a policy of employing local personnel in available positions whenever possible, and has a local employment schedule for unskilled labour that was developed in conjunction with the Community Consultative Committee. Each impacted village has a weighting, and the Company tries to adhere to those percentages at all times. The percentage of personnel employed at the EGM by Perseus and its contractors in June 2013 by location is shown in Figure 8 right.

As Perseus cannot employ everyone directly, it also tries to utilise local suppliers and service providers. The progressive rehabilitation work of tree and grass planting was granted to small groups from each of the Abenabena, Ayanfuri and Fobinso villages, with GHS 12,000 paid for every hectare of area rehabilitated. Some youth from Ayanfuri were also contracted through the village Chief to manually dig trenches to bury pipelines and to dig a pond to be used for aquaculture. This contract was for GHS 30,000. The Environment department has also continued to source seedlings for their nursery at competitive prices from the communities.

As well as a policy to employ as many local people as possible, Perseus also supports equal opportunity principals and encourages women to apply for positions with the Company. Figure 9 below details the split between male and female employees and contractors at the EGM in June 2013. Perseus also has a number of females in management positions within the organisation, including the OHS Manager and Social Development Manager at Edikan and the Chief Financial Officer and Group HSEC Manager in Perth.

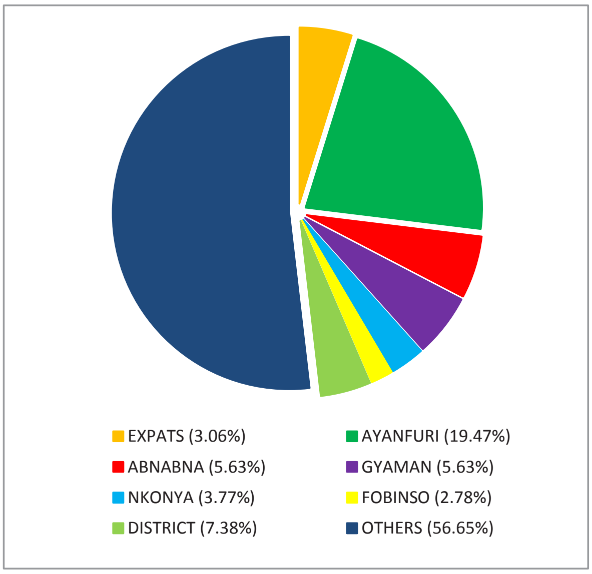

Figure 8: Edikan Employees by Location

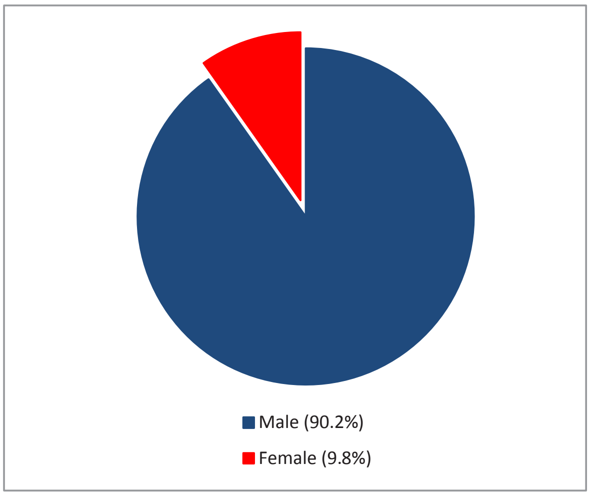

Figure 9: Total Employment by Gender

Back to contents

Perseus's policy is to employ local personnel in available positions whenever possible, and is an equal opportunity employer

Sustainability report

Community Support
The Company supports their local communities in many ways, including through donations that help to achieve the objectives of improving health, education and sanitation. Cultural events are also supported to help maintain the sense of community within the villages. In total this year, PMGL donated GHS 282,656 to support these target areas.

In addition to the donations, Perseus established the Edikan Community Development Fund ("Fund") which will manage the GHS 750,000 Perseus deposits in it each year. So far, the Fund has accrued GHS 1.5 million which is available to be used by the local community for development projects of their choice. Following the finalisation of the Fund, the representatives consulted their fellow community members and developed lists of their preferred projects for implementation.

Other in-kind support was also provided to the local communities, including 40 wheelchairs sent from Australia courtesy of Wheelchairs for Kids Inc., an initiative of the Rotary Club, whose volunteers build and donate wheelchairs to needy children worldwide. PMGL worked with Ghanaian orthopedic medical specialists to assess local children for suitability and also donated some of the wheelchairs to other areas of Ghana.

The Perseus corporate office in Perth has also collected donated books and stationary shipped them to Ghana to help populate school and community libraries. The first batch arrived during the year and was distributed with much appreciation from the local communities. The second batch of books were collected in Perth, with 18 primary and secondary schools donating a variety of class sets, novels and non-fiction works. These were also shipped to Ghana and will be distributed this coming year.

In its ongoing support of education, Perseus also commissioned the two new six-classroom primary schools. The new schools at Fobinso and Abenabena communities greatly improve the learning environment for the children, and the teachers, and will hopefully encourage them to attend on a regular basis. Desks and chairs were also provided along with other materials to assist the teachers.

Additionally, to help improve sanitation in some of its catchment communities by supplying clean drinking water, during the year Perseus installed new bores at the Ataase/Prinsiso School, the new Fobinso School, Wampim, Adwenpa Ye, Nkonya and Abenabena.

Community Grievances
Perseus has a grievance procedure in place that allows people to raise issues with the Company. In turn, the Company formally responds to the complaint and endeavours to resolve the issue in a timely manner. Grievances for the year by category are detailed in Figure 10 below.

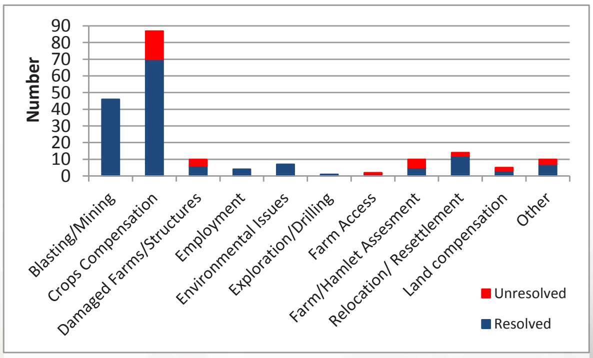

Figure 10: Community Grievances by Category

Community Training & Education

Despite the EGM employing many people from the local area, it cannot employ everyone. Perseus has therefore endeavoured to provide educational opportunities and skills training to members of its local communities. A number of the local youth are undertaking technical and vocational scholarships provided by the Company that will help them to develop sustainable livelihoods and pursue future employment in mining and other industries.

Thirty students currently attending senior high school and tertiary institutions have been awarded scholarships through the Perseus scholarship program.

Perseus had developed a special four year training programme with the Kumasi Technical Institute last year in areas such as mechanics, welding and fabrication and carpentry and joinery. In addition to the initial 40 local youth who were initially awarded scholarships, this year Perseus provided a further 50 scholarships as interest in the training increased. The scholarships are fully funded by Perseus, and cover expenses related to tuition, accommodation, meals, school books and other necessities. Many of the youth are from poor homes and would not have the opportunity to continue their education without these scholarships. The students are currently undertaking training and the first group will graduate in 2015.

With the expected resettlement activities required for the EGM expansion, Perseus has also invested in construction training to up-skill local people so that they can help build the estimated 300 resettlement houses that will be required. This will allow for future construction companies to employ their skilled personnel directly from the local communities.

Workers with brick laying, plumbing, electrical installation and carpentry skills will be needed to build the resettlement homes, and so 80 candidates were selected to complete a Perseus-funded GHS 380,000 training program in those four skill areas. This training has rewarded the 76 successful trainees with a National Vocational Training Institute certificate. As part of the training, participants were able to practise their skills by building a nursery school in Abenabena community, which provides additional benefit to the local people.

Financial management training was also provided to 150 project affected persons from five communities who had received compensation payments, covering topics such as managing cash and credit, investment planning and business planning. The aim of the training was to equip each project affected person with knowledge that would allow them to effectively manage their compensation monies to ensure a better future for their family.

Community Consultation

Perseus endeavours to consult with the community on a regular basis to discuss a variety of issues, and has a number of forums in place to achieve this, including the following:

- Compensation Negotiation Committee and sub-committees – the main discussion point during the year was the crop compensation rates;
- Community Consultative Committee and sub-committees – key discussion points during the year included local employment, grievances and the establishment of the Fund; and
- Resettlement Negotiation Committee ("RNC") – was established during the year to discuss issues associated with resettlement activities for the eastern pits. Access to the eastern pits will allow Perseus to expand and mine additional ore reserves. The RNC was introduced to the valuation processes used in the assessment of compensation for structures, including the legislative background and valuation methods.

The two Community Information Centres established in the local community last year, at Ayanfuri and Abenabena, continue to be utilised by community members on a regular basis.

Resettlement

Resettlement activities continued during the year with a total of 67 new houses constructed for people displaced from the western side of the EGM. Payment also commenced for the western side deprivation of land use compensation which is a requirement under Ghanaian law.

For the eastern land take, which incorporates the areas of Fetish, Esuajah North and Esuajah South, there were some anomalies identified with the initial crop surveys and so it was necessary to audit the majority of the farms to ensure the compensation to be paid accurately reflected the crops at the time the mining area Moratorium was declared. The audit involved Perseus personnel, community representatives as well as Ghana's Land Valuation Division, with most of the crop compensation being paid to affected persons by the end of the financial year.

Other resettlement activities during the year included assessing the structures in the eastern land take area, with an external organisation commencing a Building Condition and Structural Survey. The proposed resettlement area was also surveyed and negotiations undertaken for Perseus to procure that land.

Sustainability report

SISSINGUÉ GOLD PROJECT

COMMUNITY RELATIONS ACTIVITIES

The Sissingué Gold Project's ("SGP") Community Consultative Committee ("CCC") has met twice, with five elected CCC representatives from each of the five main impacted communities, being Sissingué, Kanakono, Tialaka, M'Basso and Tengrela. These communities were considered to be the most impacted as the proposed mine site will sit between the villages of Sissingué and Kanakono, the mine's access road will pass through both Tialaka and M'Basso, and the nearby town of Tengrela is the project area's administrative centre. To maximise attendance and participation by representatives, the first CCC meeting was held in Tengrela and the second meeting was held in Abidjan, as not all members are still living in the local area.

The main objectives of the CCC is to allow for information to flow freely between Perseus and the local community, to resolve any grievances, help manage community expectations and provide Perseus with community perspectives on relevant issues.

Prior to commencing construction activities at the SGP it was necessary to compensate project affected persons for their crops and land. Crop compensation was paid to those people who had cash crops, such as cotton, cashews and mangoes as well as subsistence farmers growing food items like maize, cassava, ground nuts and okra.

Land compensation is however yet to be paid, and the determination of the rightful owner/s of the project-impacted land is ongoing. The land ownership is not clear, and so the government have conducted an investigation that looked at relevant aspects including who were the first family/s to settle on the land and who is benefitting from the current land use activities. The government representatives have been negotiating a split of the compensation with the relevant affected persons based on these factors and it is hoped a resolution will be obtained in the near future.

There were also 11 hamlets (structures/camps) identified on the project-impacted land which will need to be either relocated or compensated prior to project construction activities commencing. The government representative undertaking the assessment determined that 5 hamlets need to be relocated and therefore rebuilt by Perseus, and 6 hamlet owners can receive compensation for their structures.

ENVIRONMENTAL ACTIVITIES

Twenty-two groundwater bores were drilled during the year in an effort to identify a reliable source of groundwater for the construction activities and for future mining and processing operations. Basic airlift tests were conducted to determine approximate water yields, with a few bores proving worthy of further investigation.

The groundwater levels in the bores were consequently monitored during the year to examine the rise and fall of the water table and see how it reacts to rainfall and the distinct wet and dry seasons that the north of Côte d'Ivoire experiences. In conjunction with this, the nearby Bagoe River levels were also monitored on a regular basis as well as rainfall and temperature.

Corporate governance statement

This statement reports on Perseus Mining Limited's ("Perseus" or the "company") corporate governance framework, principles and practices as at the date of this report. These principles and practices are reviewed regularly and revised as appropriate to reflect changes in law and best practice in corporate governance. The company and its controlled entities together are referred to as the group in this statement.

ASX Listing Rule 4.10.3 requires ASX listed companies to report on the extent to which they have followed the ASX Corporate Governance Principles and Recommendations ("ASX Principles") released by the ASX Corporate Governance Council ("CGC"). The ASX Principles require the board to consider carefully the development and adoption of appropriate corporate governance policies and practices founded on the ASX Principles. 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 with 2010 Amendments*.

In a small number of instances, the company has determined not to meet the standard set out in the recommendations at the present time. This applies in situations where the board considers the recommendation to be inappropriate for a company of Perseus's stage of corporate development or where the company philosophically differs to the ASX Principles. As the company's activities expand in size, nature and scope, 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.

The table below summarises the company's compliance with the CGC's recommendations.

Recommendation	Comply Yes / No	Reference / explanation	ASX listing rule / CGC recommendations
Principle 1 — Lay solid foundations for management and oversight			
1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Yes	Page 47-48	*ASX CGC 1.1*
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Yes	Page 48	*ASX CGC 1.2*
1.3 Companies should provide the information indicated in the guide to reporting on Principle 1.	Yes	Page 47-48	*ASX CGC 1.3*
Principle 2 — Structure the board to add value			
2.1 A majority of the board should be independent directors.	Yes	Page 48-49	*ASX CGC 2.1*
2.2 The chair should be an independent director.	Yes	Page 49	*ASX CGC 2.2*
2.3 The roles of chair and chief executive officer (CEO) should not be exercised by the same individual.	Yes	Page 49	*ASX CGC 2.3*
2.4 The board should establish a nomination committee.	No	Page 49	*ASX CGC 2.4*
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Yes	Page 49	*ASX CGC 2.5*
2.6 Companies should provide the information indicated in the guide to reporting on Principle 2.	Yes	Pages 48-50	*ASX CGC 2.6*
Principle 3 — Promote ethical and responsible decision-making			
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to: • The practices necessary to maintain confidence in the company's integrity • The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • The responsibility and accountability of individuals for reporting and investigating reports of unethical practices	Yes	Page 50 Website	*ASX CGC 3.1*

Corporate governance statement

Recommendation	Comply Yes / No	Reference / explanation	ASX listing rule / CGC recommendations
Principle 3 — Promote ethical and responsible decision-making - continued			
3.2 Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Yes	Page 51 Website	*ASX CGC 3.2*
3.3 Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	No	Page 51-52	*ASX CGC 3.3*
3.4 Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Yes	Page 52	*ASX CGC 3.4*
3.5 Companies should provide the information indicated in the guide to reporting on Principle 3.		Pages 50-52	*ASX CGC 3.5*
Principle 4 — Safeguard integrity in financial reporting			
4.1 The board should establish an audit committee.	Yes	Page 52	*ASX CGC 4.1*
4.2 The audit committee should be structured so that it: • Consists only of non-executive directors • Consists of a majority of independent directors • Is chaired by an independent chair, who is not chair of the board • Has at least three members	Yes	Page 52	*ASX CGC 4.1* *ASX CGC 4.2* *ASX LR 12.7*
4.3 The audit committee should have a formal charter.	Yes	Page 52 Website	*ASX CGC 4.3*
4.4 Companies should provide the information indicated in the guide to reporting on Principal 4.	Yes	Page 52	*ASX CGC 4.4*
Principle 5 — Make timely and balanced disclosure			
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	Yes	Page 52-53 Website	*ASX CGC 5.1*
5.2 Companies should provide the information indicated in the guide to reporting on Principle 5.	Yes	Page 52-53	*ASX CGC 5.2*
Principle 6 — Respect the rights of shareholders			
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Yes	Page 52-53	*ASX CGC 6.1*
6.2 Companies should provide the information indicated in the guide to reporting on Principle 6.	Yes	Page 52-53	*ASX CGC 6.2*
Principle 7 — Recognise and manage risk			
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Yes	Page 53	*ASX CGC 7.1*
7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Yes	Page 53	*ASX CGC 7.2*

Recommendation	Comply Yes / No	Reference / explanation	ASX listing rule / CGC recommendations
Principle 7 — Recognise and manage risk - continued			
7.3 The board should disclose whether it has received assurance from the CEO (or equivalent) and the Chief Financial Officer (CFO) (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Yes	Page 53	*ASX CGC 7.3*
7.4 Companies should provide the information indicated in the guide to reporting on Principle 7.	Yes	Page 53	*ASX CGC 7.4*
Principle 8 — Remunerate fairly and responsibly			
8.1 The board should establish a remuneration committee.	Yes	Page 54	*ASX CGC 8.1*
8.2 The remuneration committee should be structured so that it: • Consists of a majority of independent directors • Is chaired by an independent chair • Has at least three members	Yes	Page 54	*ASX CGC 8.2*
8.3 Companies should clearly distinguish the structure of non-executive director's remuneration from that of executive directors and senior executives.	Yes	Page 54	*ASX CGC 8.3*
8.4 Companies should provide the information indicated in the guide to reporting on Principle 8.	Yes	Page 54	*ASX CGC 8.4*

Unless otherwise disclosed Perseus's corporate governance practices were in place throughout the year ended 30 June 2013.

Principle 1: Lay solid foundations for management and oversight

Functions reserved to the board and delegated to senior executives
The relationship between the board and the senior management team is considered to be critical to the successful operation of the company.

The board is responsible for understanding the expectations of the company's shareholders, regulators and other key stakeholders and for identifying areas of significant business risk. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the company is properly managed. The board has established a framework for the management of the group that involves a system of internal controls, a business risk management process and the establishment of clear standards of behaviour with which all employees are required to comply as a condition of their continuing employment by the company.

The responsibility for the day to day operation and administration of the group is delegated by the board to the CEO who in turn delegates specific responsibilities to the senior management team. The board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the senior management team.

The board is responsible for ensuring that management's objectives and activities once defined, are aligned with the expectations and risks identified by the board. The board has a number of mechanisms in place to ensure this is achieved including:

- Board approval of a strategic plan designed to meet stakeholders' needs and manage business risk;
- Ongoing development of the strategic plan and approving initiatives and strategies designed to ensure the continued growth and success of the company;
- Consider and if thought fit approve policies designed to guide the conduct of the company's employees in conducting the company's business;
- Consider and if thought fit, approve systems for health, safety and environmental management; risk and internal control, and regulatory compliance;

Corporate governance statement

Principle 1: Lay solid foundations for management and oversight - continued

- Monitoring management's progress relative to approved budgets — via the establishment and reporting of both financial and non-financial key performance indicators;
- Approval of the annual and half-yearly financial reports;
- Consider, approve and monitor the progress of strategic initiatives including major capital expenditure, capital management, and acquisitions and divestitures;
- Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored;
- Reporting to shareholders.

Senior executive performance review

The company has implemented a Remuneration Framework which forms the basis of remuneration in the form of salary, short term and long term incentives and links these to KPI's which are agreed with executives and are used as a basis for monitoring performance. Performance reviews are scheduled to occur at six monthly intervals. Typically KPIs include measures related to individual performance, corporate performance, and the performance of the executive's team as well as measurable indicators relating to business unit performance (e.g. gold produced, cash operating costs, various environmental, occupational health and safety, community and government relations) as applicable.

Principle 2: Structure the board to add value

Perseus endorses the proposition 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 structured to achieve this outcome, and its directors believe that they have adequately discharged their responsibilities and duties to the benefit of shareholders and other key stakeholders.

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report are included in the directors' report.

The board reviews its composition on an annual basis to ensure that it has an appropriate mix of expertise and experience. When a vacancy occurs, 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 were not formally set out in a letter of appointment however this practice will change when any new directors are appointed. 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 existing directors, who are experienced public company directors.

Independent directors

Directors of Perseus are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with — or could reasonably be perceived to materially interfere with — the exercise of their unfettered and independent judgement.

In the context of director independence, "materiality" is considered from both the group and director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the group's loyalty.

Principle 2: Structure the board to add value - continued

In accordance with the definition of independence above, and the materiality thresholds set, the following directors of Perseus are considered to be independent ensuring compliance with the recommendation that the board be comprised of a majority of independent directors:

Reginald N Gillard	Independent	Non-executive chairman
Michael A Bohm	Independent	Non-executive director
Neil C Fearis	Independent	Non-executive director
T Sean Harvey	Independent	Non-executive director

Mr Jeffrey A Quartermaine is the managing director and CEO of the company and is not considered to be independent nor are Mr Colin J Carson and Mr Rhett B Brans both of whom are employed by the company in executive roles.

Prior to the commencement of each full board meeting, the independent directors meet separately to discuss any matters that need to be canvassed without input from executive or non-independent directors. Where required, matters arising from the meeting of independent directors will be added to the agenda of the full board meeting for consideration by all of the directors.

Chairman and CEO

The chairman of the board 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 the board's relationship with the company's senior executives. The board considers that the chairman, Mr Reginald N Gillard, is independent as discussed above.

The CEO is Mr Jeffrey A Quartermaine who is responsible for implementing company strategies and policies.

Nomination Committee

The board of the company does not use a nomination committee. Directors are of the opinion that due to the nature and size of the company, the functions normally performed by a nomination committee can and should be discharged by the full board.

If a casual vacancy occurs on the board or if as part of the annual board performance appraisal, it is felt that additional skill sets are required on the board, the chairman will initiate a process designed to recruit a new director. Typically, a formal gap analysis of the skills, experience and expertise of the incumbent directors will be performed, to identify specific skill sets and experience that could add value to the board. A short-list of potential candidates who are thought to possess the requisite skills and experience is prepared, using where appropriate the advice of independent search consultants. Candidates are invited to meet with all directors who then debate the relative merits of candidates and select the most suitable candidate to fill the position. This director must stand for election by shareholders 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 CEO) must retire and may offer themselves for re-election.

Board performance review

It is the policy of the board to conduct an annual evaluation of the performance of each of the directors. Performance is measured by the efficiency and effectiveness with which the Company goes about achieving its corporate objectives.

Prior to the current period this performance evaluation has been informal in nature and has not been based on financial or physical indicators such as gold production, unit costs, earnings or dividends as the company has been in a pre-production phase where the main focus has been on exploration and development activities making these parameters of limited relevance.

With the transition of Perseus into an integrated gold production company, the board considers that a more rigorous review process is warranted and to this end a formal evaluation structure has been implemented. This evaluation process involves each director making a formal appraisal of their peers' performance relative to a series of measures related to the achievement of the company's objectives. This data is then collated and a ranking assigned to each performance measure based on the peer review. This ranking then forms the basis for a discussion between the individual director and the chairman during which feedback is provided and as necessary, plans for performance improvement agreed. Part of this feedback process also involves consideration of more subjective appraisal of the overall board's performance as gathered by the chairman during the period based on contacts with shareholders and other key stakeholders.

Corporate governance statement

Principle 2: Structure the board to add value - continued

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 information

Directors have the right of access to any employee of the group for the purpose of seeking information about aspects of the company's business and are encouraged to do so.

For each formal meeting of the board, a set of board papers is prepared by management addressing each of the functional areas of the business and is typically provided to directors in advance of the meeting to afford directors the opportunity to familiarise themselves with matters to be considered ahead of the meeting. Information provided to the board includes all material information on: exploration, development, operations, finance and corporate activities including 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.

Share ownership

Directors are encouraged to own shares in the company.

Principle 3: Promote ethical and responsible decision making

Code of conduct

A code of conduct has been adopted by the group that is intended to provide all directors and employees of the group with a framework of principles by which the group's business is to be conducted and by which all directors and employees are required to interact with each other and with external stakeholders in the company. In summary, it is intended that directors and employees will at all times:

- act with total integrity and professionalism and be scrupulous in the proper use of the group's information, funds, equipment and facilities;
- exercise fairness, equity, respect, courtesy, consideration and sensitivity in dealing with colleagues, customers, suppliers and other stakeholders; and
- avoid real or perceived conflicts of interest.

The code of conduct, which formally documents existing practise, applies equally to all employees of the group and compliance with the code of conduct is an explicit condition of their continued employment by the group.

Whistle blower policy

Under the group's whistle blower policy, any employee can report concerns about the conduct or practices of the company or any of its employees that they consider places the interests of the company, its employees, its other stakeholders or members of the general public at risk of loss, injury or damage, including reputational damage, to the company secretary who is then responsible for initiating an investigation of the allegation in consultation with the CEO. If the alleged breach is not rectified to the satisfaction of the employee, they have the right to report any alleged breach to an independent director without further reference to senior managers of the company.

Securities trading policy

The group has adopted a formal policy that governs behaviour in relation to trading in the company's securities. In order to preserve the reputation and integrity of the company, it is imperative that when associates of Perseus deal in Perseus's securities, those dealings are not only fair, but are also seen to be fair. The securities trading policy is intended to eliminate the potential for misconceptions, misunderstandings or suspicions which might arise in relation to dealings in the securities of Perseus.

Principle 3: Promote ethical and responsible decision making - continued

The general principle on which this policy is based is that directors, employees, advisers, contractors and consultants of Perseus (Applicable Persons) and their related parties (spouses, de facto spouses, parents and children, and entities controlled by Applicable Persons) (Related Persons) who deal in Perseus's securities should:

- never engage in short term trading of Perseus's securities;
- not deal in Perseus's securities while in possession of inside information;
- notify the company secretary of any intended transactions involving Perseus's securities if the person is a member of Perseus's key management personnel ("KMP"); and
- ensure that all buying or selling of Perseus's securities by KMP of Perseus occurs outside of prohibited periods unless prior written clearance is obtained in accordance with this policy.

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 ASX in the required timeframe prescribed by the ASX Listing Rules.

Diversity

The group recognises the value contributed to the organisation by employing people with varying skills, gender, cultural backgrounds, ethnicity and experience. Perseus believes its diverse workforce is an important element of its continued growth, improved productivity and performance.

To this end the company has adopted an equal opportunity and anti-discrimination policy whereby to the extent possible permitted by the laws of the jurisdictions in which we operate, Perseus is committed to providing equal employment opportunities to all directors and employees and to all applicants for employment regardless of race, colour, gender, religion, age, nationality, disability, marital status, sexual orientation, political conviction or any other grounds and to providing a workplace where differences are respected and accepted and anti-discriminatory behaviour of any kind is strictly prohibited. Merit is the sole basis of appointment, promotion and remuneration.

This commitment is enacted through:

- Encouraging diversity in our workforce in the course of our business provided that this does not conflict with "local employment" rules and quotas that apply in some jurisdictions in which we operate;
- Avoiding discrimination of any form in our recruitment practices;
- Educating employees on issues of diversity, tolerance and respect for differences;
- Proactively discouraging behaviour involving harassment, bullying or disrespectful conduct by employees towards other employees;
- Establishing and enforcing disciplinary procedures which include sanctions against discriminatory behaviour.

The group supports the fundamental premise of the recommendations contained in the ASX corporate governance principles and recommendations requiring diversity in the workplace.

The group has developed a Localisation Plan in Ghana as required by law as a commitment to the localisation of some expatriate roles within a specified timeframe. The plan identifies roles requiring localisation, deadlines for achieving localisation and mentoring and training programs required to develop local employees with the goal that they acquire the requisite experience and knowledge for the management position identified. The following objectives have been set for the 2014 year:

- Implement a formal mentoring program for the future Ghanaian supervisors and managers;
- Establish structured training plans around those roles identified for localisation to ensure target dates outlined in the Localisation Plan are met;
- Continue with the provision of training programs at a technical institute for the local youth, ensuring children of displaced farmers attain new skills and qualifications to assist them with future employment.

While not setting specific targets for achieving gender diversity, the group:

- Encourages diversity in the appointment of employees to roles at all levels of the organisation by interviewing suitably qualified men and women for the positions. The actual data on the gender diversity that currently exists within the group is set out below;
- Has an employee development policy under which the company is committed to providing all employees, irrespective of gender, with support and opportunities to improve their skills, knowledge and qualifications required for the performance of their existing role and for improving their prospects of promotion to other roles within the company.

Corporate governance statement

Principle 3: Promote ethical and responsible decision making - continued

- Has implemented a Remuneration Framework to ensure a uniform approach to performance based pay and remuneration. Salaries are set on the basis of the level of responsibility of the position, technical skills and qualifications required to perform the role. Performance based pay is determined through the use of KPI's set at the beginning of each financial year with reference to the group's performance as well as business unit, team and individual objectives;
- Provides flexible work arrangements, to the extent practically possible, taking into account the nature of work performed by employees.

The current number (and proportion) of women at various levels in the organisation is as follows: Board level: nil, senior management: 1 (17%), EGM department management 2 (22%) and throughout the entire group 115.5 (13%). In relation to ethnicity, 96% of the workforce of the company's subsidiaries in Ghana are Ghanaian nationals, this includes representation from all five catchment communities that surround the EGM as well as other Ghanaian communities further afield. 94% of the workforce of the company's subsidiaries in Côte d'Ivoire are Ivorian.

Principle 4: Safeguard integrity in financial reporting

Audit committee

The company has an audit committee comprising three independent, non-executive directors, with two committee members constituting a quorum.

Name		Meetings held	Meetings attended
N C Fearis (Chairman)	Independent, non-executive director	4	4
R N Gillard	Independent, non-executive chairman	4	4
T S Harvey	Independent, non-executive director	4	4

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 the 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 are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

Ernst and Young were appointed as external auditor in 2011. In accordance with the Corporations Act Ernst and Young is required to rotate its audit engagement partners on listed companies at least every 5 years.

Principle 5 & 6: Making timely and balanced disclosure and shareholder communication

Continuous disclosure policy and shareholder communication

The company has adopted a formal policy and procedures designed to ensure compliance with ASX listing rule continuous disclosure requirements and accountability for compliance. In summary, when the company becomes aware of any information concerning the company that a reasonable person would expect to have a material effect on the price or value of Perseus's securities, the company will immediately make that information publicly available unless the information is of a nature that a reasonable person would not expect it to be disclosed and the information is confidential and one of the following applies:

- the information is incomplete or indefinite, which would make disclosure premature;
- the information comprises matters of supposition or matters that are not definite;
- the information has been generated expressly for internal management purposes;
- the information is a trade secret; or
- it would be a breach of the law to disclose the information publicly.

Principle 5 & 6: Making timely and balanced disclosure and shareholder communication - continued

All stock exchange announcements including all financial reports are posted to the company's website. 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 company announcements, media briefings, details of company meetings, press releases and financial reports are available on the company's website. Following the release to the ASX and TSX of important announcements including but not limited to quarterly reports and financial statements, open "dial–in" teleconferences are convened which are open for all shareholders, potential investors and analysts to participate. The CEO and CFO conduct investor relation presentations throughout the year.

Shareholders and interested investors are also encouraged to subscribe to the company's database, through which participants are made aware of news releases as soon as possible after such releases have been issued to the ASX and TSX. Hard copies of financial reports and news releases are made available on request.

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and the preparation of the audit report.

Principle 7: Recognise and manage risk

The board has the responsibility for the risk management, compliance and internal controls systems of the company. The company's size and activities do not, at this stage, warrant the formation of a separate committee of the board or an internal audit team for this purpose, although financial risk management is a key concern of the audit committee.

Risk management

Group management, through the CEO, is responsible for designing, implementing and reporting on the adequacy of the group's risk management and internal control system. The group'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 group adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the group's adopted risk profile. The risks involved in operating a resources sector company and the specific uncertainties faced by the group continue to be regularly monitored and the CEO regularly appraises the full board of the company as to the effectiveness of the company's management of its material business risks. All investment proposals reviewed by the board include a consideration of the issues and specific risks associated with the proposal.

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

Assurances from the chief executive officer and the chief financial officer

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.

The CEO and the CFO have declared in writing to the board that the company's financial statements 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 CEO and the CFO prior to the board'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.

Corporate governance statement

Principle 8: Remunerate fairly and responsibly

Remuneration committee

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	2	2
N Fearis	Independent, non-executive director	2	2
M Bohm	Independent, non-executive director	2	2

The remuneration committee is responsible for determining and reviewing compensation arrangements for the non-executive directors, the CEO and the executive management team. The remuneration committee has adopted a formal charter setting out its role and responsibilities and the committee obtains external advice in relation to remuneration arrangements when deemed appropriate.

Remuneration policy

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.

For a full discussion of the company's remuneration philosophy and framework and the remuneration received by directors and executives in the current period please refer to the remuneration report, which is contained in the directors' report.

There is no scheme to provide retirement benefits to non-executive directors.

Contents of the financial statements

Financial statements	
Statement of comprehensive income	56
Statement of financial position	57
Statement of changes in equity	58
Statement of cash flows	59
Notes to the financial statements	60
Directors' declaration	108
Independent auditor's report	109

These financial statements are the financial statements of the consolidated entity consisting of Perseus Mining Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Perseus Mining Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Perseus Mining Limited
Second Floor
437 Roberts Road
Subiaco WA 6008
AUSTRALIA

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the directors' report on pages 4 to 15, which is not part of these financial statements.

These financial statements were authorised for issue by the directors on 30 August 2013. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the company. All press releases, financial statements and other information are available at our News and Reports section on our website at www.perseusmining.com.au.

Statement of comprehensive income

For the year ended 30 June 2013

		CONSOLIDATED	
	Notes	**2013 $**	2012 $
Revenue		**293,589,630**	144,687,162
Other income	4	**144,237**	1,048,094
Changes in inventories of finished goods and work in progress		**(15,467,940)**	5,010,438
Direct costs of mining and processing		**(172,012,918)**	(68,734,474)
Movement in deferred waste		**19,970,293**	6,484,474
Royalties		**(19,349,140)**	(9,417,865)
Employee benefits expense		**(24,512,214)**	(10,752,675)
Depreciation and amortisation expense		**(20,242,744)**	(10,167,105)
Foreign exchange gains / (losses)		**20,280,284**	10,392,938
Finance cost	5	**(3,089,109)**	(1,946,022)
Impairment of investment in associate	11	**(2,675,938)**	-
Impairment of exploration	14	**(2,193,945)**	-
Share of net losses of associate	11	**(1,368,548)**	(614,661)
Loss recognised on discontinuing of equity accounting	11	**(3,979,302)**	-
Gain / (loss) on derivative financial instruments		**233,310**	(255,050)
Other expenses		**(7,094,054)**	(5,514,145)
Profit before income tax expense		**62,231,902**	60,221,109
Income tax expense	6	**(20,796,479)**	(7,760,179)
Profit after tax expense		**41,435,423**	52,460,930
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**21,011,378**	(3,143,870)
Net changes in fair value of cash flow hedges		**91,159,630**	(10,998,437)
Net changes in fair value of financial assets		**(651,160)**	-
Income tax benefit relating to cash flow hedges		**(31,905,870)**	17,169,243
Total comprehensive income for the year		**121,049,401**	55,487,866
Profit attributable to:			
Owners of the parent		**38,369,024**	47,155,881
Non-controlling interests		**3,066,399**	5,305,049
		41,435,423	52,460,930
Total comprehensive income attributable to:			
Owners of the parent		**111,416,696**	49,612,899
Non-controlling interests		**9,632,705**	5,874,967
		121,049,401	55,487,866
Basic earnings per share	30	**8.38 cents**	10.56 cents
Diluted earnings per share	30	**8.38 cents**	10.52 cents

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2013

	Notes	CONSOLIDATED 2013 $	2012 $
Current assets			
Cash and cash equivalents	7	**35,480,300**	105,496,585
Receivables	8	**8,202,851**	10,507,416
Inventories	9	**30,677,407**	37,334,846
Other assets	10	**10,344,815**	5,621,573
Derivative financial instruments	15	**2,548,309**	-
Total current assets		**87,253,682**	158,960,420
Non-current assets			
Receivables	8	**53,100,896**	29,563,428
Other assets	10	**4,180,557**	35,629
Deferred tax asset	17	**-**	12,089,893
Investments accounted for using the equity method	11	**651,999**	11,420,668
Property, plant and equipment	12	**211,342,735**	162,043,648
Mine properties	13	**156,019,996**	125,732,030
Mineral interest acquisition and exploration expenditure	14	**47,311,312**	29,124,828
Derivative financial instruments	15	**29,746,570**	-
Total non-current assets		**502,354,065**	370,010,124
Total assets		**589,607,747**	528,970,544
Current liabilities			
Payables	16	**53,084,392**	31,731,613
Derivative financial instruments	15	**-**	32,836,085
Income tax payable		**-**	3,118,510
Borrowings	18	**-**	34,657,400
Total current liabilities		**53,084,392**	102,343,608
Non-current liabilities			
Provisions	16	**7,982,765**	6,864,724
Deferred tax liability	17	**47,197,637**	-
Derivative financial instruments	15	**-**	34,287,361
Borrowings	18	**-**	25,606,959
Total non-current liabilities		**55,180,402**	66,759,044
Total liabilities		**108,264,794**	169,102,652
Net assets		**481,342,953**	359,867,892
Equity			
Issued capital	20	**445,403,853**	445,449,793
Reserves	20	**11,609,379**	(61,854,467)
Retained earnings / (accumulated losses)	21	**15,267,458**	(23,101,566)
Parent entity interest		**472,280,690**	360,493,760
Non-controlling interest		**9,062,263**	(625,868)
Total equity		**481,342,953**	359,867,892

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2013

CONSOLIDATED

	Issued capital $	Retained earnings / (accumulated losses) $	Share based payments reserve $	Foreign currency translation reserve $	Asset Revaluation Reserve $	Hedging reserve $	Non-controlling interest's reserve $	Non-controlling interest $	Total equity $
Balance at 1 July 2012	**445,449,793**	**(23,101,566)**	**18,449,409**	**(51,824,293)**	**-**	**(28,697,164)**	**217,581**	**(625,868)**	**359,867,892**
Profit for the year	-	38,369,024	-	-	-	-	-	3,066,399	41,435,423
Currency translation differences	-	-	-	19,154,105	-	-	-	640,930	19,795,035
Share of currency translation difference of associated entity	-	-	-	824,748	-	-	-	-	824,748
Reclassification of balance of share of reserves of associate on discontinuation of equity accounting	-	-	-	391,595	-	-	-	-	391,595
Net change in fair value of financial assets	-	-	-	-	(651,160)	-	-	-	(651,160)
Net change in fair value of cash flow hedges	-	-	-	-	-	82,043,667	-	9,115,963	91,159,630
Income tax relating to components of) other comprehensive income / (loss)	-	-	-	-	-	(28,715,283)	-	(3,190,587)	(31,905,870
Total comprehensive income/(loss) for the year	**-**	**38,369,024**	**-**	**20,370,448**	**(651,160)**	**53,328,384**	**-**	**9,632,705**	**121,049,401**
Shares issued during the year	-	-	-	-	-	-	-	-	-
Share issue expenses	(45,940)	-	-	-	-	-	-	-	(45,940)
Exercise of options	-	-	-	-	-	-	-	-	-
Share based payments	-	-	416,174	-	-	-	-	55,426	471,600
Balance at 30 June 2013	**445,403,853**	**15,267,458**	**18,865,583**	**(31,453,845)**	**(651,160)**	**24,631,220**	**217,581**	**9,062,263**	**481,342,953**
Balance at 1 July 2011	**355,759,201**	**(70,257,447)**	**16,242,006**	**(48,727,585)**	**-**	**(34,250,890)**	**217,581**	**(6,598,046)**	**212,384,820**
Profit for the year	-	47,155,881	-	-	-	-	-	5,305,049	52,460,930
Currency translation differences	-	-	-	(3,064,956)	-	-	-	(47,162)	(3,112,118)
Share of currency translation difference of associated entity	-	-	-	(31,752)	-	-	-	-	(31,752)
Net change in fair value of cash flow hedges	-	-	-	-	-	(9,898,593)	-	(1,099,844)	(10,998,437)
Income tax relating to components of other comprehensive income / (loss)	-	-	-	-	-	15,452,319	-	1,716,924	17,169,243
Total comprehensive income/(loss) for the year	**-**	**47,155,881**	**-**	**(3,096,708)**	**-**	**5,553,726**	**-**	**5,874,967**	**55,487,866**
Shares issued during the year	89,121,209	-	-	-	-	-	-	-	89,121,209
Share issue expenses	(4,926,167)	-	-	-	-	-	-	-	(4,926,167)
Exercise of options	5,495,550	-	-	-	-	-	-	-	5,495,550
Share based payments	-	-	2,207,403	-	-	-	-	97,211	2,304,614
Balance at 30 June 2012	**445,449,793**	**(23,101,566)**	**18,449,409**	**(51,824,293)**	**-**	**(28,697,164)**	**217,581**	**(625,868)**	**359,867,892**

The accompanying notes form part of these financial statements.

Perseus MINING LIMITED

Statement of cash flows

For the year ended 30 June 2013

		CONSOLIDATED	
	Notes	**2013 $**	2012 $
Operating activities			
Receipts in the course of operations		**285,184,976**	134,228,962
Payments to suppliers and employees		**(235,710,087)**	(90,390,230)
Interest received		**187,660**	916,508
Payments for borrowing costs		**(2,981,498)**	(1,688,322)
Net cash flows from operating activities	29	**46,681,051**	43,066,918
Investing activities			
Payments for exploration and evaluation expenditure		**(13,378,367)**	(29,400,677)
Payments for acquisition of assets under construction		**(37,499,890)**	(123,979,629)
Receipts from gold sales capitalised to development		**-**	57,958,370
Payments for acquisition of property, plant and equipment		**(919,716)**	(3,720,915)
Payments for borrowing costs		**-**	(1,728,907)
Investment in associates		**-**	(2,386,000)
Advances to third parties		**-**	(866,783)
Funds received / (payments) for security deposits and bank guarantee		**(6,913,815)**	1,037,388
Net cash flows used in investing activities		**(58,711,788)**	(103,087,153)
Financing activities			
Proceeds from share issues		**-**	89,121,209
Proceeds from exercise of options		**-**	5,495,550
Repayment of borrowings		**(60,553,633)**	(21,240,467)
Share issue expenses		**(45,940)**	(4,926,167)
Net cash (used in) / provided by financing activities		**(60,599,573)**	68,450,125
Net (decrease) / increase in cash held		**(72,630,310)**	8,429,890
Cash and cash equivalents at the beginning of the financial year		**105,496,585**	96,462,044
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		**2,614,025**	604,651
Cash and cash equivalents at the end of the financial year	7	**35,480,300**	105,496,585

The accompanying notes form part of these financial statements.

Back to contents

Contents of the notes to the financial statements

1	Summary of significant accounting policies	61
2	Critical accounting estimates and judgements	74
3	Segment information	76
4	Other income	78
5	Expenses	78
6	Income tax expense	78
7	Cash and cash equivalents	80
8	Receivables	80
9	Inventories	81
10	Other assets	81
11	Investments accounted for using the equity method	82
12	Property, plant and equipment	84
13	Mine properties	85
14	Mineral interest acquisition and exploration expenditure	85
15	Derivative financial instruments	86
16	Payables and provisions	86
17	Deferred tax	88
18	Borrowings	89
19	Financial risk management	89
20	Issued capital and reserves	96
21	Retained earnings / (accumulated losses)	97
22	Key management personnel disclosures	98
23	Remuneration of auditors	101
24	Contingencies	101
25	Commitments	102
26	Related party transactions	102
27	Subsidiaries	103
28	Events occurring after the end of the reporting period	103
29	Reconciliation of profit after income tax to net cash flow from operating activities	104
30	Earnings per share	104
31	Share based payments	105
32	Parent entity disclosures	107

Notes to the financial statements

For the Year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Perseus Mining Limited and its subsidiaries (the "group" or the "consolidated entity"). Perseus Mining Limited is a listed for-profit public company, incorporated and domiciled in Australia. During the year ended 30 June 2013, the consolidated entity conducted operations in Australia, Ghana and Côte d'Ivoire.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group Interpretations and the *Corporations Act 2001.*

Compliance with IFRS
The consolidated financial statements of the group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

New and amended standards adopted by the group
In the year ended 30 June 2013, the group has reviewed all of the new and revised Standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012. From 1 July 2012 the group applied amendments to AASB101 *Presentation of Financial Statements* outlined in AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*. The change in accounting policy only relates to disclosures and has no impact on consolidated earnings per share or net income. The changes have been applied retrospectively and require the group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. These changes are included in the statement of profit or loss and other comprehensive income.

Early adoption of standards
At the date of the authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the group. Management anticipates that all of the relevant pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement.

See section (z) of this note for details related to issued standards not early adopted.

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(b) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Perseus Mining Limited (the 'company' or 'parent entity') as at 30 June 2013 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date in which control is transferred to the group. They are de-consolidated from the date that control ceases.

Notes to the financial statements

For the Year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(b) Principles of consolidation - continued

The purchase method of accounting is used to account for the acquisition of subsidiaries by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The group's investment in its associate includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 11).

The group's share of its associate's post-acquisition comprehensive income is recognised in comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Impairment of investment in associate' in the income statement.

(iii) Joint ventures

The proportionate interests in the assets, liabilities and expenses of a joint venture activity are incorporated in the financial statements under the appropriate headings.

Where part of a joint venture is farmed out and in consideration the incoming party undertakes to carry out further expenditure in the joint venture area of interest, expenditure incurred prior to farm out is carried forward without adjustment unless the terms of the farm out 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.

(iv) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognised within equity attributable to owners of the parent entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(b) Principles of consolidation - continued

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team and board of directors of the parent entity.

(d) Foreign currency transactions and balances

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Perseus Mining Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis.

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. 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 gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position are translated at the closing rate at the balance date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

Notes to the financial statements

For the Year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(d) Foreign currency transactions and balances – continued

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the translation reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The functional currencies of the Perseus Mining Limited's overseas subsidiaries are as follows:

Jurisdiction	Entity	Functional currency
Ghana	Kojina Resources Limited Sun Gold Resources Limited Perseus Mining (Ghana) Limited	United States dollars (USD) United States dollars (USD) United States dollars (USD)
Côte d'Ivoire	Occidental Gold Sarl Perex Sarl Perseus Mining Côte d'Ivoire SA Perseus Services Sarl	CFA[1] francs (XOF) CFA[1] francs (XOF) CFA[1] francs (XOF) CFA[1] francs (XOF)
Canada	Perseus Mining Services Ltd	Canadian dollars (CAD)

1. Communauté financière d'Afrique or Financial Community of Africa

(e) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount can be reliably measured and it is probable that future economic benefits will flow to the entity. The following criteria are also applicable to specific revenue transactions:

(i) Gold bullion sales
Revenue from gold bullion sales is recognised when there has been a transfer of risks and rewards from the group to an external party, no further processing is required by the group, quality and quantity of the goods has been determined with reasonable accuracy, the selling price is fixed or determinable, and collectability is probable. The point at which risk and rewards pass for the group's commodity sales is upon dispatch of the gold bullion from the mine site. Adjustments are made for variations in commodity price, assay and weight between the time of dispatch and the time of final settlement.

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

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(f) Income tax - continued

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affect neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generated units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions with an original maturity not exceeding three months, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. If greater than three months principal amounts can be redeemed in full with interest payable at the same cash rate from inception as per the agreement with each bank. Bank overdrafts, if utilised, are shown within borrowings in current liabilities on the statement of financial position.

(i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are generally due for settlement within 30 to 90 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

An allowance for doubtful debts is made when collection of the full amount is no longer probable. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses.

Notes to the financial statements
For the Year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(j) Inventories

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and stated at the lower of cost and net realisable value.

Cost comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs in getting such inventories to their existing location and condition, based on weighted average costs incurred during the period in which such inventories were produced. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product.

Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost. Obsolete or damaged inventories of such item are valued at net realisable value.

(k) Investments and other financial assets

Classification
The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in receivables (note 8) in the statement of financial position.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition
Purchase and sale of investments are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses on sale of available-for-sale financial assets.

Measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss in the period in which they arise. Changes in value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 19.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(k) Investments and other financial assets - continued

Impairment
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from other comprehensive income and recognised in the profit or loss.

(l) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At the inception of a hedge transaction, the group formally designates and documents the hedge relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedge items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 15. Movements in the hedging reserve in shareholders' equity are shown in the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Where forward contracts are entered into and continue to be held for the purpose of receipt or delivery of a physical commodity in accordance with expected purchase, sale or usage requirements, the contracts are outside of the scope of AASB 139 Financial Instruments: Recognition and Measurement and are therefore off balance sheet.

(i) Fair value hedges
Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in the comprehensive income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of derivative contracts are recognised in the statement of comprehensive income within "sale of goods" with a corresponding offsetting amount to the carrying amount of the asset or liability being the fair value movement of the hedged asset or liability. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income as other income or expense.

(ii) Cash flow hedges
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss related to the ineffective portion is recognised immediately in profit or loss within other income or expense.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of derivative contracts is recognised in the statement of comprehensive income within "revenue". However when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are included in the measurement of the initial cost or carrying amount of the asset or liability.

Notes to the financial statements

For the Year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(l) Derivatives and hedging activities - continued

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

(m) Property, plant and equipment and mine properties

Land and buildings and all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (note 1(g)). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated.

Accumulated mine development costs (classified as either 'plant and equipment' or 'mine properties') are depreciated/ amortised on a unit of production basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of mine, in which case the straight line method is applied. The units of measure for amortisation of mine properties is tonnes of ore mined and the amortisation of mine properties takes into account expenditures incurred to date, together with sanctioned future development expenditure. The EGM mine properties work in progress is assessed at the end of every month and when the work is completed it is transferred to mine properties and then amortised.

The units of measure for depreciating m ine related plant and equipment is tonnes of ore processed.

Depreciation on other assets is calculated using the straight-line method to allocate their cost net of their residual values, over their estimated useful lives as follows:

Item	Estimated useful life (years)
Plant and equipment	3-10
Buildings	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)). Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

Assets under construction

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 as 'assets under construction', and disclosed as a component of property, plant and equipment.

All subsequent expenditure incurred in the construction of a mine by or on behalf of, the group is accumulated separately for each area of interest in which economically recoverable reserves have been identified. This expenditure includes net direct costs of construction and borrowing costs capitalised during construction. On completion of development, all assets included in 'assets under construction' are reclassified as either 'plant and equipment' or 'mine properties'.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(n) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest with current tenure are carried forward to the extent that:

- such expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- 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 is continuing.

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.

In the event that an area of interest if abandoned or, if facts and circumstances suggest that the carrying amount of an exploration and evaluation asset is impaired (as outlined in 1(g)) then the accumulated costs carried forward are written off in the year in which the assessment is made.

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 as 'assets under construction' (note 1(m)).

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probably that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(r) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Notes to the financial statements

For the Year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(r) Provisions - continued

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

(s) Employee benefits

(i) Short term obligations

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.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments. Consideration is given to expected future wage and salary level, experience of employees' departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

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

(iv) Share based payments

Share based compensation benefits are provided to employees, consultants and contractors via the Perseus Mining Limited Employee Option Plan and the Performance Rights Plan. Information relating to share based payments is set out in note 31.

The fair value of options or performance rights granted under the Perseus Mining Limited's Employee Option Plan or the Performance Rights Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options or performance rights granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specific vesting conditions are to be satisfied. At the end of each reporting period, the group revises its estimate of the number of options or performance rights that are expected to become vested. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

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.

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.

(t) Rehabilitation provision

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(t) Rehabilitation provision - continued

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(u) Contributed equity

Ordinary shares are classified as equity and 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. If the company reacquires its own equity instruments for the purpose of reducing its issued capital, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of tax) is recognised directly in equity.

(v) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the net result attributable to owners of the parent, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus element.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of ordinary shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

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

(x) Parent entity financial information

The financial information for the parent entity, Perseus Mining Limited, disclosed in note 32 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Perseus Mining Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Notes to the financial statements
For the Year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(x) Parent entity financial information - continued

(ii) Share-based payments
The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(y) Deferred stripping costs

In mining operations, it is necessary to remove overburden and other barren waste materials to access ore from which minerals can economically be extracted. The process of mining overburden and waste materials is referred to as stripping. Stripping costs incurred before production commences are included within capitalised mine development expenditure and subsequently amortised. The group defers stripping costs incurred subsequently during the production stage of operation.

The excess stripping costs that are incurred during production are deferred based on the strip ratio method. Stripping ratios are a function of the quantity of ore mined compared with the quantity of overburden, or waste required to be removed to mine the ore. For each individual pit and interim pit the actual strip ratio is compared to the life of pit strip ratio and costs are deferred to the extent that the current period ratio exceeds the life of pit strip ratio. The deferred costs are then expensed to the income statement in the period where the current ratio falls below the life of pit ratio.

(z) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments (December 2010)* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2015). AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. This standard is mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6 defers the application date of AASB 9 from 1 January 2013 to 1 January 2015, but is available for early adoption. The directors anticipate that the application of AASB 9 in the future will not impact the group's financial assets (i.e. the group's equity investments classified as available-for-sale are already measured at fair value, with changes in the fair value being recognised in other comprehensive income).

There will be no impact of the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The group has not yet decided when to adopt AASB 9.

(ii) AASB 10 *Consolidated Financial Statements,* AASB 11 *Joint Arrangements,* AASB 12 *Disclosure of Interests in Other Entities, revised* AASB 127 *Separate Financial Statements and* AASB 128 *Investments in Associates and Joint Ventures and* AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2013). In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements,* and Interpretation 12 *Consolidation – Special Purpose Entities.* The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. The group does not expect the new standard to have any impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(z) New accounting standards and interpretations - continued

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. The group does not expect the new standard to have any impact on its composition.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the group's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The group does not expect the new standard to have any impact on its composition.

(iii) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013). AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(iv) AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods beginning on or after 1 January 2013). This Standard makes amendments to AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosure requirements by Australia specific paragraphs. When adopted, these amendments are unlikely to have any significant impact on the financial statements.

(v) AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) (applicable for annual reporting periods beginning on or after 1 January 2013). This Standard introduces a number of changes to presentation and disclosure of a defined benefit plan. AASB 119 also includes changes to the criteria for determining when termination benefits should be recognised as obligation. The entity does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the entity.

(vi) AASB Interpretation 20: Stripping Costs in the Production Phase of Surface Mining (applicable for annual reporting periods beginning on or after 1 January 2013). This interpretation clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production stage of a mine must be capitalized as inventories under AASB 102: Inventories if the benefits from stripping activity is realised in the form of inventory produced. The group is yet to determine the impact of the new rules on any of the amounts recognised in the financial statement. The group does not intend to adopt the interpretation before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(vii) AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (application for annual reporting periods commencing on or after 1 January 2014). This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's statement of financial position. When adopted, there will be no impact on the entity as the entity does not have any netting arrangements in place.

(viii) AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 (applicable for annual reporting periods beginning on or after 1 January 2013). These amendments are a consequence of the annual improvement process, which provides a vehicle for making non-urgent but necessary amendments to Standards.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Notes to the financial statements

For the Year ended 30 June 2013

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The group makes estimates and assumptions concerning the future. The resulting accounting will, by definition, seldom equal the actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Exploration and evaluation expenditure

In accordance with accounting policy note 1(n) management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made. See note 14 for disclosure of carrying values.

(ii) Impairment of assets

In accordance with accounting policy note 1(g), in determining whether the recoverable amount of each cash generating unit is the higher of fair value less costs to sell or value-in-use against which asset impairment is to be considered, the group undertakes future cash flow calculations which are based on a number of critical estimates and assumptions including, for its assets under construction and in production, forward estimates of:

(i) Mine life including quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction with given technology;

(ii) Estimated production and sales levels;

(iii) Estimate future commodity prices;

(iv) Future costs of production;

(v) Future capital expenditure;

(vi) Future exchange rates; and/or

(vii) Discount rates applicable to the cash generating unit.

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

(iii) Share-based payment transactions

The 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 of options granted is determined using a Black-Scholes model and the fair value of performance rights granted is determined using a Monte Carlo simulation model, using the assumptions detailed in note 31.

(iv) Restoration and rehabilitation provisions

As set out in accounting policy note 1(t), the value of the current restoration and rehabilitation provision is based on a number of assumptions including the nature of restoration activities required and the valuation at the present value of a future obligation that necessitates estimates of the cost of performing the work required, the timing of future cash flows and the appropriate discount rate. Additionally current provisions are based on the assumption that no significant changes will occur in either relevant legislation covering restoration of mineral properties. A change in any, or a combination, of these assumptions used to determine current provisions could have a material impact to the carrying value of the provision – see note 16 for disclosure of carrying values.

(v) Derivative financial instruments

The group makes judgements on the effectiveness of all derivative financial instrument entered into, including forward metal contracts, metal options and foreign currency option contracts in accordance with accounting policy note 1(l). Management's assessment is that, unless otherwise disclosed, the derivatives have been highly effective in offsetting changes in the fair value of the future cash flows against which they have been designated and as such are compliant with the hedge effectiveness requirements of AASB 139. Further information on the group's use of derivative financial instruments, including carrying values, is set out in note 15.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS – continued

(vi) Taxes

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

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

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

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

(viii) Deferred stripping expenditure

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

(ix) Inventory

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

(x) Reserves and resources

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

Notes to the financial statements
For the Year ended 30 June 2013

3. SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the executive management team and board of directors that are used to make strategic decisions.

The group primarily reports on a geographical basis as its risks and rates of return are affected predominantly by differences in geographical areas in which it operates and this is the format of the information provided to the executive management team and board of directors.

The group operated principally in three geographical segments in 2013 being Australia and the West African countries of Ghana and Côte d'Ivoire. The segment information is prepared in conformity with the group's accounting policies.

The group comprises the following main segments:

Australia	Investing activities and corporate management.
Ghana	Mining, mineral exploration, evaluation and development activities.
Côte d'Ivoire	Mineral exploration, evaluation and development activities.

Back to contents

3. SEGMENT INFORMATION – continued

(b) Segment information provided to the executive management team and board of directors

	Australia 2013 $	Australia 2012 $	**Ghana 2013 $**	Ghana 2012 $	**Côte d'Ivoire 2013 $**	Côte d'Ivoire 2012 $	**Consolidated 2013 $**	Consolidated 2012 $
Total revenue								
Revenue	**-**	-	**293,589,630**	144,687,162	**-**	-	**293,589,630**	144,687,162
Other income	**112,740**	1,004,716	**31,497**	43,378	**-**	-	**144,237**	1,048,094
Reconciliation to total revenue and other income	**112,740**	1,004,716	**293,621,127**	144,730,540	**-**	-	**293,733,867**	145,735,256
Results								
Operating profit / (loss) before income tax	**6,103,613**	837,174	**56,911,814**	60,079,151	**(783,525)**	(695,216)	**62,231,902**	60,221,109
Income tax expense							**(20,796,479)**	(7,760,179)
Net profit							**41,435,423**	52,460,930
Included within segment results:								
Share of net loss of associate accounted for using the equity method	**(1,368,548)**	(614,661)	**-**	-	**-**	-	**(1,368,548)**	(614,661)
Depreciation	**(859,210)**	(806,658)	**(19,277,989)**	(9,296,972)	**(105,545)**	(63,475)	**(20,242,744)**	(10,167,105)
Gain/(loss) on derivative financial instruments	**-**	-	**233,310**	(255,050)	**-**	-	**233,310**	(255,050)
Devaluation of gold put options	**(47,208)**	(6,103)	**-**	(201)	**-**	-	**(47,208)**	(6,304)
Impairment of investment in associate	**(2,675,938)**	-	**-**	-	**-**	-	**(2,675,938)**	-
Impairment of exploration	**-**	-	**(2,193,945)**	-	**-**	-	**(2,193,945)**	-
Share based payments to employees, directors and consultants	**(369,434)**	(1,068,172)	**(92,648)**	(424,233)	**(9,518)**	(36,161)	**(471,600)**	(1,528,566)
Foreign exchange gain/(loss)	**25,786,504**	10,541,026	**(5,504,272)**	(52,111)	**(1,948)**	(95,977)	**20,280,284**	10,392,938

	As at 30 June 2013	As at 30 June 2012	**As at 30 June 2013**	As at 30 June 2012	**As at 30 June 2013**	As at 30 June 2012	**As at 30 June 2013**	As at 30 June 2012
Assets								
Segment assets	**29,172,268**	98,644,008	**502,436,526**	393,137,294	**57,998,963**	37,189,242	**589,607,747**	528,970,544
Total assets includes:								
Investments in associates	**651,999**	11,420,668	**-**	-	**-**	-	**651,999**	11,420,668
Additions to non-current assets (other than financial assets)	**394,107**	6,108,191	**59,001,903**	39,975,900	**16,227,915**	13,979,259	**75,623,925**	60,063,350
Liabilities								
Segment liabilities	**2,479,897**	2,264,213	**104,382,617**	165,555,545	**1,402,280**	1,282,894	**108,264,794**	169,102,652

Notes to the financial statements
For the Year ended 30 June 2013

4. OTHER INCOME

	CONSOLIDATED	
	2013 $	2012 $
Interest income	**144,237**	863,259
Other	**-**	184,835
	144,237	1,048,094

5. EXPENSES

Profit before income tax has been determined after:

	2013 $	2012 $
Expenses		
Finance costs:		
Unwinding of discount on rehabilitation provision	**13,726**	12,761
Interest and finance charges paid / payable	**3,075,383**	1,933,261
	3,089,109	1,946,022
Other costs:		
Devaluation of gold put options	**47,208**	6,304

6. INCOME TAX EXPENSE

(a) Income tax expense

	2013 $	2012 $
Current tax expense	**5,090**	3,068,382
Deferred tax expense	**23,875,900**	5,079,350
Adjustment for current tax of prior periods	**(3,084,511)**	(387,553)
Income tax expense	**20,796,479**	7,760,179
Income tax expense is attributable to:		
Profit from continuing operations	**20,796,479**	7,760,179
Profit from discontinued operations	**-**	-
Aggregate income tax expense	**20,796,479**	7,760,179
Deferred income tax expense included in tax comprises:		
Decrease / (increase) in deferred tax assets	**(10,694,899)**	(8,865,486)
(Decrease) / increase in deferred tax liabilities	**34,570,799**	13,944,836
Aggregate income tax expense	**23,875,900**	5,079,350

6. INCOME TAX EXPENSE – continued

	CONSOLIDATED	
	2013 $	2012 $
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit / (loss) from continuing operations before income tax expense	**62,231,902**	60,221,109
Profit / (loss) from discontinuing operations before income tax expense	**-**	-
	62,231,902	60,221,109
Tax at the Australian tax rate of 30%	**18,669,571**	18,066,333
Effect of tax rates in foreign jurisdictions	**2,718,086**	1,150,206
Non deductible expenses	**558,165**	878,554
Share of net loss of associates	**410,564**	184,398
Share based payments	**128,515**	315,450
Recognition of previously unrecognised deferred tax assets	**(2,899,101)**	(13,908,593)
Deferred tax asset not brought to account	**-**	1,461,384
	19,585,800	8,147,732
Under / (over) provision in prior years	**1,210,679**	(387,553)
Income tax expense	**20,796,479**	7,760,179
(c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity	**(31,905,870)**	17,169,243
Net deferred tax credited directly to equity	**(31,905,870)**	17,169,243
(d) Tax losses		
Unused Australian revenue tax losses for which no deferred tax asset has been recognised	**15,717,925**	3,634,067
Unused Australian capital tax losses for which no deferred tax asset has been recognised	**932,840**	932,840
	16,650,765	4,566,907
Potential tax benefit at 30%	**4,995,229**	1,370,072
Unused foreign tax losses for which no deferred tax has been recognised	**-**	-
	4,995,229	1,370,072

Notes to the financial statements

For the Year ended 30 June 2013

7. CASH AND CASH EQUIVALENTS

		CONSOLIDATED	
		2013 $	2012 $
Cash assets	(i)	**18,959,196**	6,067,978
Short term deposits	(ii)	**16,521,104**	99,428,607
		35,480,300	105,496,585

(i) Cash at bank earns interest at floating rates based on daily bank deposit rates.
(ii) Short-term deposits are made for varying periods, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

Risk exposure
The group's exposure to interest rate risk is discussed in note 19. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

8. RECEIVABLES

Current			
Trade debtors	(i)	**7,974,544**	10,063,042
Sundry debtors	(i)	**228,307**	444,374
		8,202,851	10,507,416
Non-current			
Other receivable	(ii)	**42,782,996**	25,867,871
Loans to external party	(iii)	**-**	1,483,382
Security deposits	(iv)	**10,317,900**	2,212,175
		53,100,896	29,563,428

Terms relating to the above financial instruments:

(i) Trade and sundry debtors are non-interest bearing and generally on 30 day terms.
(ii) Other receivable relates to a VAT refund from the Ghana Revenue Authority ("GRA"). The method of recovery of this receivable is currently under negotiation.
(iii) The loan relates to advances made to SOMICI SARL for exploration on the Tengrela South tenement where the group has agreed to fund exploration to feasibility stage. These advances have been reclassified to exploration and evaluation expenditure.
(iv) At 30 June 2013, the group has US$9.4 million (approximately A$10.3 million) held in bank deposits which are subject to a lien and are collateral for a bank guarantee that has been issued to the Ghana Environmental Protection Agency in relation to environmental rehabilitation provisions concerning the EGM.

Past due but not impaired
Age analysis of both current and non-current receivables is set out in note 19.

Fair value and foreign exchange and credit risk
Due to the short term nature of the current receivables, their carrying amount is assumed to approximate their fair value. Long term receivables are evaluated by the group based on parameters such as individual creditworthiness of the customer and specific country risk factors. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

The other receivable relating to a VAT refund from the GRA is immediately repayable on demand in Ghanaian Cedis ("GHS"), is unsecured and bears no interest. The GRA has confirmed the amount owing in GHS. Management is engaged in discussions with the GRA regarding the recovery of this VAT refund and although no time frame has been agreed upon as yet, the directors are of the view that the debt will eventually be recovered. The fair value of the receivable, determined using a 10% discount rate and assuming it takes a year to recover the receivable in full, is approximately $38.9 million (30 June 2012: $23.5 million). Further information about the group's exposure to these risks is provided in note 19.

9. INVENTORIES

	CONSOLIDATED 2013 $	2012 $
Ore stockpiles – at cost	**10,428,235**	15,381,546
Ore stockpiles – at net realisable value	**-**	13,053,289
Gold in circuit	**832,582**	1,148,740
Bullion on hand	**4,776,616**	490,287
Materials and supplies	**14,639,974**	7,260,984
	30,677,407	37,334,846

Inventory expense

The inventory expense during the year ended 30 June 2013 was $204.7 million (30 June 2012: $71.2 million). The write down of inventories to net realisable value recognised as an expense during the year ended 30 June 2013 amounted to $21.8 million (30 June 2012: $11.6 million) and is included in 'changes in inventories of finished goods and work in progress' in the statement of comprehensive income.

10. OTHER ASSETS

		2013 $	2012 $
Current			
Prepayments		**10,344,815**	5,618,204
Financial assets at fair value through profit or loss	(i)	**-**	3,369
		10,344,815	5,621,573
Non-current			
Prepayments		**870,494**	-
Financial assets at fair value through profit or loss	(i)	**-**	35,629
Available for sale financial assets	(ii)	**3,310,063**	-
		4,180,557	35,629
Reconciliation of movements in financial assets at fair value:			
Balance at beginning of the year		**38,998**	42,424
Additions		**3,961,223**	-
Devaluation on mark to market		**(698,368)**	(6,304)
Foreign exchange gain on mark to market		**8,209**	2,873
Foreign currency translation movement		**1**	5
Balance at end of the year		**3,310,063**	38,998
Current financial assets		**-**	3,369
Non-current financial assets		**3,310,063**	35,629
		3,310,063	38,998

(i) Terms and conditions relating to the above financial instruments:
On 26 August 2009, the group purchased a strip of Bullion Options pursuant to which the group has the right but not the obligation to sell a total of 100,000 ounces of gold to counterparties at a fixed price of US$850 per ounce in twenty four equal monthly amounts commencing on 27 January 2012 and ending on 27 December 2013. The put options were purchased for a consideration of US$9,140,000 (A$10,888,730).

(ii) During the period, the group discontinued equity accounting for Manas Resources Limited ("Manas") as it no longer qualified as an associate. The investment was subsequently recognised as an available for sale financial asset. Refer to note 11 for further detail.

Risk exposure and fair value measurements

Information about the group's exposure to price risk and about the methods and assumptions used in determining fair value is provided in note 19.

Notes to the financial statements

For the Year ended 30 June 2013

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of associated entity:	Principal activity	Country of incorporation	Ownership interest 2013 %	Ownership interest 2012 %	Published fair value 2013 $	Published fair value 2012 $
Burey Gold Limited	Gold Exploration	Australia	**23.0**	23.0	**651,999**	2,689,500

Manas

In the prior year, the group held a 23.7% interest in Manas and accounted for the investment as an associate. On 11 June 2013 Manas completed the capital raising of $4.69 million announced on 2 April 2013. Perseus did not participate in the capital raising and subsequently Perseus's interest in Manas reduced from 23.7% to 19.7%. Due to the change of interest, the equity method of accounting was discontinued and the remaining investment recognised as a financial asset at fair value. Refer to note 10 for further detail. The discontinuation of equity accounting resulted in the recognition of a loss in the profit and loss, as a result of the group shareholding in Manas being marked to market at the date of cessation of equity accounting, as illustrated below.

	CONSOLIDATED 2013 $	CONSOLIDATED 2012 $
Investment in associated entity – Manas	**-**	7,830,602
Reconciliation of movements in investments accounted for using the equity method:		
Balance at 1 July	**7,830,602**	5,957,660
Investment in associate at cost	**-**	2,386,000
Share of loss for the year	**(723,997)**	(481,306)
Share of reserves of associate	**442,325**	(31,752)
Reclassification of balance of share of reserves of associate on discontinuation of equity accounting	**391,595**	-
Mark to market loss recognised on discontinuation of equity accounting	**(3,979,302)**	-
Reclassification of remaining interest to financial assets	**(3,961,223)**	-
Balance at 30 June	**-**	7,830,602
Summarised financial information of associate:		
Financial position		
Total assets	**33,809,089**	30,490,129
Total liabilities	**(662,405)**	(449,003)
Net assets	**33,146,684**	30,041,126
Financial performance		
Total revenue	**543,905**	686,752
Total loss for the year	**(3,054,837)**	(2,030,826)
Group's share of associates' loss	**(723,997)**	(481,306)
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	**-**	-

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD - continued

Burey Gold Limited ("Burey")

The 34,800,000 "piggy-back" options that were issued on 30 June 2011 expired unexercised on 31 December 2012.

		CONSOLIDATED	
		2013 $	2012 $
Investment in associated entity - Burey		**651,999**	3,590,066
Reconciliation of movements in investments accounted for using the equity method:			
Balance at 1 July		**3,590,066**	3,723,421
Share of loss for the year		**(644,551)**	(133,355)
Share of foreign currency translation reserve movement		**382,422**	-
Impairment of investment in associate	(i)	**(2,675,938)**	-
Balance at 30 June		**651,999**	3,590,066
Summarised financial information of associate:			
Financial position			
Total assets		**16,376,750**	16,972,890
Total liabilities		**(256,290)**	(28,123)
Net assets		**16,120,460**	16,944,767
Financial performance			
Total revenue		**186,668**	431,721
Total loss for the year		**(2,802,397)**	(579,806)
Group's share of associates' loss		**(644,551)**	(133,355)
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		**-**	-

(i) The group equity holding in Burey has been impaired to the published fair value at 30 June 2013.

Notes to the financial statements
For the Year ended 30 June 2013

12. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2013 $	2012 $
Plant and equipment - at cost	**136,371,597**	118,962,255
Accumulated depreciation	**(16,384,418)**	(5,415,243)
	119,987,179	113,547,012
Reconciliation of plant and equipment:		
Balance at the beginning of the year	**113,547,012**	4,674,295
Additions	**919,715**	3,722,403
Transferred from assets under construction	**2,401,920**	107,371,482
Depreciation	**(9,262,215)**	(3,621,750)
Depreciation capitalised	**-**	(500,539)
Assets written off	**-**	(1,487)
Translation difference movement	**12,380,747**	1,902,608
Carrying amount at the end of the year	**119,987,179**	113,547,012
Assets under construction – at cost	**91,355,556**	48,496,636
Reconciliation of assets under construction:		
Balance at the beginning of the year	**48,496,636**	223,805,872
Additions	**37,732,674**	23,957,349
Transferred from mineral interest acquisition and exploration expenditure	**-**	32,959,961
Transferred to property, plant and equipment	**(2,401,920)**	(107,371,482)
Transferred to mine properties	**(3,288,481)**	(128,643,364)
Translation difference movement	**10,816,647**	3,788,300
Carrying amount at the end of the year	**91,355,556**	48,496,636
Total property, plant and equipment net book value	**211,342,735**	162,043,648

Non-current assets pledged as security

Refer to note 18 for information on non-current assets pledged as security by the group.

13. MINE PROPERTIES

	CONSOLIDATED	
	2013 $	2012 $
Mine properties - at cost	**137,574,551**	125,782,102
Accumulated depreciation	**(19,546,243)**	(6,640,482)
Deferred mining costs	**37,991,688**	6,590,410
	156,019,996	125,732,030
Reconciliation of mine properties:		
Balance at the beginning of the year	**125,732,030**	-
Additions	**22,939,629**	1,739,910
Transferred from assets under construction	**3,288,481**	128,643,364
Amortisation	**(10,980,529)**	(6,545,355)
Translation difference movement	**15,040,385**	1,894,111
Carrying amount at the end of the year	**156,019,996**	125,732,030

14. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE

	CONSOLIDATED	
	2013 $	2012 $
Mineral interest acquisition and exploration – at cost	**47,311,312**	29,124,828
Reconciliation:		
Balance at the beginning of the year	**29,124,828**	32,245,535
Additions	**14,031,907**	30,643,689
Transferred from receivables	**1,608,311**	-
Transferred to assets under construction	**-**	(32,959,961)
Impairment of exploration	**(2,193,945)**	-
Translation difference movement	**4,740,211**	(804,435)
Balance at the end of the year	**47,311,312**	29,124,828

The expenditure above relates principally to exploration and evaluation activities. The ultimate recoupment of this expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The impairment recognised of $2,193,945 (30 June 2012: nil) which relates to expenditure incurred on specific exploration properties located in Ghana, is due to the decision to discontinue exploration in those particular areas of interest.

Back to contents

Notes to the financial statements
For the Year ended 30 June 2013

15. DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	2013 $	2012 $
Current		
Cash flow hedge asset	**2,548,309**	-
Cash flow hedge liability	**-**	32,836,085
Non-current		
Cash flow hedge asset	**29,746,570**	-
Cash flow hedge liability	**-**	34,287,361

The group is party to derivative financial instruments in the normal course of business in order to hedge exposure to future price and currency fluctuations in the primary commodity markets in which it operates. This is done in accordance with the group's financial risk management policies.

Forward metal contracts – cash flow hedges:
The group uses cash flow designated USD forward metal contracts to hedge movements in USD precious metal prices on its anticipated sales of gold. At 30 June 2013 there were cash flow designated hedge contracts in place for 170,000 ounces of gold with settlements scheduled between September 2013 and December 2015.

The portion of the gain or loss on these hedging instruments that are determined to be an effective hedge are recognised and retained directly in equity. The ineffective portion will be recognised in the statement of comprehensive income.

The amount reclassified during the year to profit or loss was $22,829,232 (30 June 2012: $12,508,259).

Risk exposures and fair value measurements
Information about the group's exposure to credit risk, price risk and liquidity risk related to the undiscounted cash flow exposure from derivative contracts is provided at note 19.

16. PAYABLES AND PROVISIONS

		CONSOLIDATED	
		2013 $	2012 $
Current			
Trade creditors and accruals	(i)	**51,440,185**	30,646,311
Employee benefits		**1,644,207**	1,085,302
		53,084,392	31,731,613

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.

Risk exposure
Information about the group's exposure to risk is provided in note 19.

Perseus MINING LIMITED

16. PAYABLES AND PROVISIONS – continued

	CONSOLIDATED	
	2013 $	2012 $
Non-current		
Provision for rehabilitation work	**7,863,891**	6,730,048
Balance at the beginning of the year	**6,730,048**	4,461,842
Arising during the year	**724,760**	2,232,788
Amounts used during the year	**(393,978)**	(202,179)
Unwinding of discount	**13,726**	12,761
Translation difference movement	**789,335**	224,836
Balance at the end of the year	**7,863,891**	6,730,048
Employee benefits	**118,874**	134,676
Total non-current provisions	**7,982,765**	6,864,724

The provision for rehabilitation work relates to the EGM in Ghana. The timing of settlement of this obligation cannot be established with any certainty. The group has commenced mining the project area and many of the old pits identified for rehabilitation work will be subject to new mining. The provision has been reviewed and increased in line with the additional development that has occurred since June 2012.

Notes to the financial statements
For the Year ended 30 June 2013

17. DEFERRED TAX

	CONSOLIDATED	
	2013 $	2012 $
Deferred tax asset	**13,236,422**	26,034,729
Set off of deferred tax liabilities of entity pursuant to set off provisions	**(13,236,422)**	(13,944,836)
Net deferred tax asset	**-**	12,089,893
Deferred tax liability	**60,434,059**	13,944,836
Set off of deferred tax assets of entity pursuant to set off provisions	**(13,236,422)**	(13,944,836)
Net deferred tax liability	**47,197,637**	-
(a) The deferred tax asset balance comprising of temporary differences attributable to:		
Employee benefits	**-**	178,906
Other	**2,166,744**	2,362,617
Tax losses	**11,069,678**	-
Cash flow hedges	**-**	23,493,206
Net deferred tax asset	**13,236,422**	26,034,729
(b) Movement in the deferred tax asset:		
Opening balance at 1 July	**26,034,729**	-
Credited to the income statement	**10,694,899**	8,865,486
Credited to the equity – hedging reserve	**(23,493,206)**	17,169,243
Closing balance at 30 June	**13,236,422**	26,034,729
(c) The deferred tax liability comprises temporary differences attributable to:		
Receivables	**-**	1,244
Property, plant and equipment	**25,132,799**	7,813,547
Mine properties in use	**23,998,052**	6,130,045
Cash flow hedges	**11,303,208**	-
Net deferred tax liability	**60,434,059**	13,944,836
(d) Movement in the deferred tax liability:		
Opening balance at 1 July	**13,944,836**	-
Charged to the income statement	**34,570,799**	13,944,836
Charged to the equity – hedging reserve	**8,412,664**	-
Foreign exchange	**3,505,760**	-
Closing balance at 30 June	**60,434,059**	13,944,836

18. BORROWINGS

		CONSOLIDATED	
		2013 $	2012 $
Current			
Interest-bearing loan facility	(i)	-	34,657,400
Non-current			
Interest-bearing loan facility	(i)	-	25,606,959

(i) The group successfully renegotiated the terms of its US$85 million project debt facility with Credit Suisse AG and Macquarie Bank Limited in October 2012. The facility changed from a conventional project debt facility to a revolving line of credit. The size of the facility increased from US$85 million to US$100 million with commitment limits that progressively reduce from US$100 million in September 2013 to nil in December 2015. The company has flexibility to vary the amount drawn under the facility at its election, within commitment limits. No amount is currently drawn down under the facility, following the repayment of the outstanding balance in November 2012. The undrawn line fee is 1.75%, while the margin above LIBOR on the drawn amount is 4.0%. The permitted uses of the facility were expanded to include the repayment of intercompany loans made by Perseus to Perseus Mining (Ghana) Limited ("PMGL"). Subsequent to year end and as part of the group's cost reduction program, Perseus reduced the Available Commitment limit on its US$100 million line of credit to nil. This eliminates the 1.75% undrawn line fee that was payable in future periods. The Available Commitment limit will be renegotiated with the lenders once a decision to go ahead with the development of the SGP is taken.

Secured liabilities and assets pledged as security
The debt and hedge facilities provided by Macquarie Bank Limited and Credit Suisse AG are secured by a guarantee and indemnity from the company covering all money due under the facilities as well as mortgages over certain of the company's assets including its shares in Kojina Resources Ltd ("Kojina") and receivables under intercompany loan arrangements with subsidiaries. In addition, the security package includes fixed and floating charges over all of the assets and undertakings of both Kojina and PMGL including a first ranking mortgage over the EGM tenements.

Risk exposures and fair value measurements
Information about the group's exposure to interest rate and foreign currency changes is provided in note 19.

19. FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and equity price risk. The group therefore has an overall risk management program that focuses on the unpredictability of financial and precious metal commodity markets and seeks to minimise potential adverse effects on the financial performance of the group.

The group uses different methods to measure different types of risk to which it is exposed including sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk. The group then uses derivative financial instruments such as forward metal and forward metal option contracts to hedge certain risk exposures.

Financial risk management is carried out by the finance area of the group under policies approved by the board of directors with identification, evaluation and hedging of financial and commodity risks being undertaken in close co-operation with the group's operating units. The board provides written principles for overall risk management as well as written policies covering specific areas such as use of derivative financial instruments and investment of excess liquidity.

Notes to the financial statements
For the Year ended 30 June 2013

19. FINANCIAL RISK MANAGEMENT – continued

The group holds the following financial instruments:

	CONSOLIDATED	
	2013 $	2012 $
Financial assets		
Cash and cash equivalents	**35,480,300**	105,496,585
Receivables	**61,303,747**	40,070,844
Financial assets at fair value	**3,310,063**	-
Derivative financial instruments	**32,294,879**	38,998
Total financial assets	**132,388,989**	145,606,427
Financial liabilities		
Payables	**51,440,185**	30,646,311
Derivative financial instruments	**-**	67,123,446
Interest-bearing liabilities	**-**	60,264,359
Total financial liabilities	**51,440,185**	158,034,116

Market risk

(i) Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The group is also exposed to foreign exchange risk arising from the translation of its foreign operations, the group's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature. In addition, the parent entity has an intercompany receivable from its subsidiary denominated in US Dollars which is eliminated on consolidation. The gains or losses on re-measurement of this intercompany receivable from US Dollars to Australian Dollars are not eliminated on consolidation.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

			2013		
	USD $	**GHS $**	**EUR $**	**AUD $**	**ZAR $**
Financial assets					
Cash and cash equivalents	**475,170**	**412,602**	**279,465**	**-**	**-**
Receivables	**8,906,860**	**42,782,996**	**-**	**-**	**-**
Financial assets at fair value	**-**	**-**	**-**	**-**	**-**
Total assets	**9,382,030**	**43,195,598**	**279,465**	**-**	**-**
Financial liabilities					
Payables	**462,477**	**4,726,733**	**466,666**	**946,773**	**449,386**
Total liabilities	**462,477**	**4,726,733**	**466,666**	**946,773**	**449,386**

19. FINANCIAL RISK MANAGEMENT – continued

Market risk - continued

	USD $	GHS $	2012 EUR $	AUD $	ZAR $
Financial assets					
Cash and cash equivalents	70,333,966	412,776	308,607	-	-
Receivables	3,658,960	25,867,871	123,211	-	-
Financial assets at fair value	38,998	-	-	-	-
Total assets	74,031,924	26,280,647	431,818	-	-
Financial liabilities					
Payables	632,526	8,652,316	-	553,884	-
Total liabilities	632,526	8,652,316	-	553,884	-

Sensitivity

The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the AUD to the USD with all other variables held constant and the AUD to the GHS with all other variables held constant. The 10% sensitivity is based on management's estimate of reasonably possible changes over a financial year.

			CONSOLIDATED	
			2013 $	2012 $
Impact on profit or loss before tax	USD	+10%	**(23,754,920)**	(23,209,637)
	USD	-10%	**28,950,987**	29,193,254
	GHS	+10%	**(3,497,170)**	(1,602,576)
	GHS	-10%	**4,274,318**	1,958,703

The group's exposure to other foreign exchange movements is not material.

(ii) Price risk

The group is exposed to commodity price risk for its future gold production. These risks are measured using sensitivity analysis and cash flow forecasting and to manage exposures the group enters into forward commodity price derivatives.

At the end of the reporting period the group has 170,000 ounces of forward metal contracts in place over approximately 30% of anticipated monthly gold production through to December 2015. The group also has 25,000 ounces of forward metal options over the anticipated monthly gold production through to December 2013. When necessary these contracts may be rolled over into new contracts at maturity, subject to counterparty credit approval.

Balance date exposures and further details of current commodity price derivative operation are provided at note 15.

Sensitivity

The following table summarises the sensitivity of the fair value of instruments held at balance date to movements in the forward gold price, with all other variables held constant.

Increase / decrease in gold prices	Impact on profit or (loss) before tax 2013 $	2012 $	Impact on equity before tax 2013 $	2012 $
10% increase	**(22,824)**	(23,977)	**(24,883,701)**	(30,045,459)
10% decrease	**84,118**	65,048	**24,883,701**	30,045,459

Back to contents

Notes to the financial statements
For the Year ended 30 June 2013

19. FINANCIAL RISK MANAGEMENT – continued

Market risk - continued

(iii) Interest rate risk

The group's main interest rate risk arises from long-term borrowing through its borrowing facility which is based on a 4.0% margin above LIBOR on the drawn amount, while the undrawn line fee is 1.75%. No amount is currently drawn under the facility following the repayment of the outstanding balance in November 2012. Borrowings issued at variable rates expose the group to cash flow interest rate risk. During the period the group's borrowings at variable rate were denominated in US dollars. The group has not entered into any hedge/interest rate swap instruments to manage interest rate risk exposure. Subsequent to the end of the period the group has reduced the Available Commitment limit to nil, removing the exposure to the undrawn line fee. See note 28 for further details.

At the end of the reporting period the group's interest rate risk exposure and the weighted average interest rate for each class of financial assets and liabilities was:

	Weighted average effective interest rate	Fixed interest rate $	Floating interest rate $	Non-interest bearing $	Total $
30 June 2013					
Financial assets:					
Cash and cash equivalents	0.13%	201,559	15,735,473	19,543,268	35,480,300
Security deposit	0.25%	6,681,190	2,178,395	1,449,315	10,308,900
Net exposure to cash flow interest rate risk		**6,882,749**	**17,913,868**	**20,992,583**	**45,798,200**
Financial liabilities:					
Interest-bearing liabilities	4.0%	-	-	-	-
Net exposure to cash flow interest rate risk		**-**	**-**	**-**	**-**
30 June 2012					
Financial assets:					
Cash at bank	0.4%	51,607,126	47,611,154	6,278,305	105,496,585
Security deposit	0.0%	-	1,968,893	243,282	2,212,175
Net exposure to cash flow interest rate risk		**51,607,126**	**49,580,047**	**6,521,587**	**107,708,760**
Financial liabilities:					
Interest-bearing liabilities	4.0%	-	60,264,359	-	60,264,359
Net exposure to cash flow interest rate risk		**-**	**60,264,359**	**-**	**60,264,359**

Sensitivity

If interest rates were to move up by 1% with all other variables held constant then the pre tax impact on the group's profit would be a movement of $247,736 (30 June 2012: $391,854), a 1 % decrease would be a movement of $73,658 (30 June 2012: $246,359).

19. FINANCIAL RISK MANAGEMENT – continued

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted under a financial instrument resulting in a financial loss to the group and arises from deposits with banks and financial institutions, favourable derivative financial instruments as well as credit exposures to customers including outstanding receivables and committed transactions. For banks and financial institutions, only independent parties with a minimum credit rating of 'A' are accepted.

The carrying amount the group's financial assets, represents the maximum credit exposure.

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, that as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

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

Financing arrangements
The group successfully renegotiated the terms of its US$85 million project debt facility with Credit Suisse AG and Macquarie Bank Limited in October 2012. The facility changed from a conventional project debt facility to a revolving line of credit. The size of the facility increased from US$85 million to US$100 million with commitment limits that progressively reduce from US$100 million in September 2013 to nil in December 2015. Subsequent to the end of the period the group has reduced the Available Commitment limit to nil, removing the exposure to the undrawn line fee. See note 28 for further details.

Maturities of financial liabilities
The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Consolidated	Less than 6 months $	6 months – 1 year $	1 – 2 years $	2 – 5 years $	Greater than 5 years $	Total Contractual cash flows $
30 June 2013						
Non-derivatives						
Interest-bearing liabilities	-	-	-	-	-	-
Trade payables	51,440,185	-	-	-	-	51,440,185
	51,440,185	**-**	**-**	**-**	**-**	**51,440,185**
Derivatives						
Cash flow hedge liability	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
30 June 2012						
Non-derivatives						
Interest-bearing liabilities	17,328,700	17,328,700	23,831,695	1,775,264	-	60,264,359
Payables	30,646,311	-	-	-	-	30,646,311
	47,975,011	**17,328,700**	**23,831,695**	**1,775,264**	**-**	**90,910,670**
Derivatives						
Cash flow hedge liability	16,181,905	16,654,180	21,627,547	12,659,814	-	67,123,446
	16,181,905	**16,654,180**	**21,627,547**	**12,659,814**	**-**	**67,123,446**

Notes to the financial statements

For the Year ended 30 June 2013

19. FINANCIAL RISK MANAGEMENT – continued

Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the group's assets and liabilities measured and recognised at fair value at 30 June 2013 and 30 June 2012.

	Level 1 $	Level 2 $	Level 3 $	Total $
30 June 2013				
Assets				
Financial assets at fair value	3,310,063	-	-	3,310,063
Derivative financial instruments used for hedging	-	32,294,879	-	32,294,879
	3,310,063	**32,294,879**	**-**	**35,604,942**
Liabilities				
Derivative financial instruments used for hedging	-	-	-	-
	-	**-**	**-**	**-**
30 June 2012				
Assets				
Financial assets at fair value	-	38,998	-	38,998
	-	**38,998**	**-**	**38,998**
Liabilities				
Derivative financial instruments used for hedging	-	67,123,446	-	67,123,446
	-	**67,123,446**	**-**	**67,123,446**

19. FINANCIAL RISK MANAGEMENT – continued

Fair value measurements – continued

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include;

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period.
- Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The net fair value of cash and cash equivalents and non-interest bearing financial assets and liabilities of the group approximate their carrying values. The carrying values (less impairment provision if provided) of trade receivables and payable are assumed to approximate their fair values due to their short-term nature. The carrying amount of financial liabilities approximates their fair values for which, for disclosure purposes, are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant. Information about the fair value of the other receivable of VAT is provided in note 8.

Equity price risk

The group's investment in Manas Resources Limited, which is classified as an available for sale financial asset, is susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to listed equity securities at fair value was $3,310,063 (30 June 2012: nil). A decrease of 10% on the share price of Manas Resources Limited could have an impact of approximately ($331,006) on the income or equity attributable to the group, depending on whether the decline is prolonged. An increase of 10% in the value of the listed securities would only impact equity by $331,007 and would not have an effect on the profit or loss.

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 twenty four 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.

Notes to the financial statements

For the Year ended 30 June 2013

20. ISSUED CAPITAL AND RESERVES

	CONSOLIDATED	
	2013 $	2012 $
(a) Issued and paid-up share capital		
457,962,088 (2012: 457,962,088) ordinary shares, fully paid	**445,403,853**	445,449,793

	CONSOLIDATED			
	2013		2012	
	$	**Number**	$	Number
Balance at the beginning of the year	**445,449,793**	**457,962,088**	355,759,201	425,617,088
Shares issued pursuant to exercise of options	**-**	**-**	5,495,550	3,595,000
Share placements at issue price of $3.10 on 2 November 2011	**-**	**-**	77,395,694	25,000,000
Shares issued to underwriters pursuant to exercise of over-allotment options at issue price of $3.13 per share on 14 November 2011	**-**	**-**	11,725,515	3,750,000
Transaction costs arising from issue of securities for cash	**(45,940)**	**-**	(4,926,167)	-
Balance at the end of the year	**445,403,853**	**457,962,088**	445,449,793	457,962,088

(b) Share options

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

Exercise Period	Exercise Price	Opening Balance 1 July 2012 *Number*	Options Issued *Number*	Options Exercised/ Cancelled/ Expired *Number*	Closing Balance 30 June 2013 *Number*
On or before 16 June 2013	$2.13	820,000	-	(820,000)	-
On or before 29 July 2012	$2.45	400,000	-	(400,000)	-
On or before 6 October 2013	$3.00	450,000	-	(200,000)	250,000
On or before 14 October 2012	$3.00	160,000	-	(160,000)	-
On or before 14 October 2012	$3.45	280,000	-	(280,000)	-
On or before 3 November 2013	$3.20	270,000	-	(70,000)	200,000
On or before 15 June 2014	$3.00	2,090,000	-	(550,000)	1,540,000
		4,470,000	-	(2,480,000)	1,990,000

Performance rights have been granted as follows:

Grant Date	Exercise Date	Exercise Price	Opening Balance 1 July 2012 *Number*	Performance Rights Issued *Number*	Performance Rights Exercised/ Cancelled/ Expired *Number*	Closing Balance 30 June 2013 *Number*
25 November 2012	30 June 2013	nil	-	600,000	-	600,000
1 January 2013	30 June 2013	nil	-	2,922,093	(486,464)	2,435,629
			-	3,522,093	(486,464)	3,035,629

20. ISSUED CAPITAL AND RESERVES - continued

(c) Ordinary shares

Ordinary shares entitle the holder to participate in 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.

(d) Nature and purpose of reserves

Share based payments reserve

The share based payments reserve is used to record the fair value of options and performance rights issued but not 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 along with Perseus's share of the movement in its associate's foreign currency translation reserve.

Non-controlling interest's reserve

The non-controlling interest's reserve records the difference between the fair value of the amount by which the non-controlling interests were adjusted to record their initial relative interest and the consideration paid.

Hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

Asset revaluation reserve

The asset revaluation reserve is used to record the revaluation of the investment in Manas Resources Limited to market value as the investment is designated as an available for sale financial asset.

21. RETAINED EARNINGS / (ACCUMULATED LOSSES)

Movements in retained earnings / accumulated losses were as follows:

	CONSOLIDATED	
	2013 $	2012 $
Balance at beginning of financial year	**(23,101,566)**	(70,257,447)
Profit attributable to the owners of the Parent	**38,369,024**	47,155,881
Balance at end of financial year	**15,267,458**	(23,101,566)

Notes to the financial statements
For the Year ended 30 June 2013

22. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel

The following directors were key management personnel of the group 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
Mr. Sean Harvey
Mr. Michael Bohm

Executive directors
Mr. Mark Calderwood (resigned 31 January 2013)
Mr. Jeffrey Quartermaine (appointed 1 February 2013)
Mr. Colin Carson
Mr. Rhett Brans

Other key management personnel

Other key management personnel of the group as at the date of this financial report, other than the directors listed above were:

Mr. Susmit Shah	Company secretary
Ms. Elissa Brown	Chief financial officer (appointed 1 February 2013)
Mr. Kevin Thomson	Exploration manager
Mr. Jon Yelland	Chief operating officer

Key management personnel compensation

The key management personnel compensation included in ‘Employee benefits expense’ and ‘Share based payments’ is as follows:

	CONSOLIDATED	
	2013 $	2012 $
Short-term employee benefits	**4,154,347**	3,193,303
Post-employment benefits	**135,768**	170,737
Share-based payments	**293,713**	633,933
	4,583,828	3,997,973

Details of remuneration disclosures are provided in the remuneration report on pages 22 to 34.

22. KEY MANAGEMENT PERSONNEL DISCLOSURES - continued

Equity instrument disclosures relating to key management personnel

(i) Options and performance rights provided as remuneration and shares issued on exercise of such options

Details of options and performance rights provided as remuneration and shares issued on the exercise of such options and performance rights, together with terms and conditions of the options and performance rights, can be found in the remuneration report on pages 27 to 28 and 31 to 34.

(ii) Options and performance rights 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 and performance rights held by entities they control, are set out below.

Option holdings are as follows:

	Balance at 30 June 2012	Received as remuneration	Options exercised	Other movements	Balance at 30 June 2013	Vested and exercisable at year end
Directors						
Jeffrey Quartermaine (i)	650,000	-	-	(400,000)	**250,000**	**250,000**
Other key management personnel						
Susmit Shah	150,000	-	-	-	**150,000**	**150,000**
Kevin Thomson	500,000	-	-	(300,000)	**200,000**	**200,000**

(i) Mr Quartermaine was appointed as the managing director and chief executive officer on 1 February 2013

	Balance at 30 June 2011	Received as remuneration	Options exercised	Other movements	Balance at 30 June 2012	Vested and exercisable at year end
Directors						
Sean Harvey	600,000	-	(600,000)	-	**-**	**-**
Michael Bohm	400,000	-	(400,000)	-	**-**	**-**
Other key management personnel						
Susmit Shah	500,000	-	(350,000)	-	**150,000**	**150,000**
Jeffrey Quartermaine	650,000	-	-	-	**650,000**	**650,000**
Kevin Thomson	1,100,000	-	(600,000)	-	**500,000**	**500,00**

Performance rights holdings are as follows:

	Balance at 30 June 2012	Received as remuneration	Options exercised	Other movements	Balance at 30 June 2013	Vested and exercisable at year end
Directors						
Jeffrey Quartermaine	-	274,286	-	-	**274,286**	**-**
Colin Carson	-	300,000	-	-	**300,000**	**-**
Rhett Brans	-	300,000	-	-	**300,000**	**-**
Other key management personnel						
Kevin Thomson	-	234,286	-	-	**234,286**	**-**
Elissa Brown	-	180,000	-	-	**180,000**	**-**
Jon Yelland	-	274,286	-	-	**274,286**	**-**

There were no performance rights issued or exercised during the prior year.

Notes to the financial statements

For the Year ended 30 June 2013

22. KEY MANAGEMENT PERSONNEL DISCLOSURES – continued

(iii) Share holdings

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:

	Balance at 30 June 2012	Received as remuneration	Options exercised	Other movements	Balance at 30 June 2013
Directors					
Reginald Gillard	818,750	-	-	100,000	**918,750**
Mark Calderwood[i]	4,600,000	-	-	(4,600,000)	**-**
Jeffrey Quartermaine[ii]	-	-	-	-	**-**
Colin Carson[iii]	453,200	-	-	-	**453,200**
Rhett Brans	950,000	-	-	-	**950,000**
Neil Fearis	477,732	-	-	-	**477,732**
Sean Harvey	700,000	-	-	(200,000)	**500,000**
Michael Bohm	420,000	-	-	-	**420,000**
Other key management personnel					
Susmit Shah	619,500	-	-	-	**619,500**
Jon Yelland	7,000	-	-	-	**7,000**
Kevin Thomson	600,000	-	-	(310,000)	**290,000**
Elissa Brown	-	-	-	-	-

	Balance at 30 June 2011	Received as remuneration	Options exercised	Other movements	Balance at 30 June 2012
Directors					
Reginald Gillard	972,232	-	-	(153,482)	**818,750**
Mark Calderwood	4,600,000	-	-	-	**4,600,000**
Colin Carson	503,200	-	-	(50,000)	**453,200**
Rhett Brans	1,450,000	-	-	(500,000)	**950,000**
Neil Fearis	477,732	-	-	-	**477,732**
Sean Harvey	100,000	-	600,000	-	**700,000**
Michael Bohm	20,000	-	400,000	-	**420,000**
Other key management personnel					
Susmit Shah	269,500	-	350,000	-	**619,500**
Jon Yelland	-	-	-	7,000	**7,000**
Kevin Thomson	315,000	-	600,000	(315,000)	**600,000**

Note:
(i) Mr. Calderwood resigned on the 31st of January 2013.
(ii) Mr. Quartermaine subsequently acquired 88,100 ordinary fully paid shares from 19 July to 26 July 2013.
(iii) Mr. Carson subsequently acquired 200,000 ordinary fully paid shares on 17 July 2013.

Loans to key management personnel

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

22. KEY MANAGEMENT PERSONNEL DISCLOSURES – continued

Other transactions with key management personnel

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.

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	
	2013 $	2012 $
Rent, accounting, and corporate service fees paid or payable to Corporate Consultants Pty Ltd, a company in which the company secretary, Mr. Susmit Shah, is a director and has beneficial interests:		
- Rent	**-**	96,480
- Accounting and corporate service fees	**20,709**	99,377
Balances due to directors and director-related entities at year end		
- included in trade creditors and accruals	**-**	31,083

23. REMUNERATION OF AUDITORS

Amounts received or due and receivable by Ernst & Young for:

An audit or review of the financial report of the entity and any other entity in the group	**165,804**	162,467
Non-statutory audit services in relation to the entity and any other entity in the group	**87,735**	18,047
	253,539	180,514

24. CONTINGENCIES

Consistent with industry practice in Ghana, PMGL is currently undergoing a tax audit in connection with its 30 June 2010, 2011 and 2012 income tax returns. Various matters are currently being discussed as part of the audit process and to date the GRA have not issued PMGL with a formal report on its findings. Based on management's understanding of the matters currently under discussion they do not believe that the group will have any material exposure as a result of the current tax audit.

There were no other known contingent liabilities identified at 30 June 2013.

Notes to the financial statements

For the Year ended 30 June 2013

25. COMMITMENTS

(a) Exploration expenditure commitments

With respect to the group's mineral property interests in Ghana and Côte d'Ivoire, 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	
	2013 $	2012 $
Within one year	**950,000**	750,000
One year or later and not later than five years	**1,750,000**	1,400,000
Later than five years	**1,000,000**	950,000
	3,700,000	3,100,000

(b) Capital commitments

The group is responsible for all rehabilitation of the EGM mining leases, which are currently estimated to cost approximately US$7.2 million and a provision has been recorded for this at balance date.

(c) Operating lease commitments

The company leases office premises under normal commercial arrangements. The lease is for a period of 5 years beginning 1 April 2012. The company is under no legal obligation to renew the lease once the lease term has expired.

Future minimum lease payments payable under non-cancellable operating leases at 30 June 2013 are as follows:

	CONSOLIDATED	
	2013 $	2012 $
Within one year	**378,527**	360,165
One year or later and not later than five years	**1,119,266**	1,341,615
Later than five years	**-**	-
	1,497,793	1,701,780

26. RELATED PARTY TRANSACTIONS

(a) Identity of related parties
The consolidated entity has a related party relationship with its subsidiaries (see note 27), associates (see note 11) and with its key management personnel (see note 22).

(b) Transactions with other related parties
The consolidated entity had no transactions with any other related party during the period ended 30 June 2013.

27. SUBSIDIARIES

Name of subsidiary	Notes	Place of incorporation	Consolidated entity interest 2013 (%)	Consolidated entity interest 2012 (%)
Parent entity				
Perseus Mining Limited	(a)	Australia		
Subsidiaries				
Occidental Gold Pty Ltd (i)	(a)	Australia	**100**	100
Centash Holdings Pty Limited (ii)	(a)	Australia	**100**	100
Sun Gold Resources Ltd	(b)	Ghana	**100**	100
Kojina Resources Ltd (iii)	(b)	Ghana	**100**	100
Perseus Mining Services Ltd	(a)	Canada	**100**	100
(i) Subsidiaries of Occidental Gold Pty Ltd				
Occidental Gold Sarl	(c)	Côte d'Ivoire	**100**	100
Perseus Mining Côte d'Ivoire SA	(c)	Côte d'Ivoire	**100**	100
(ii) Subsidiaries of Centash Holdings Pty Ltd				
Perex SARL	(c)	Côte d'Ivoire	**100**	100
Perseus Services SARL	(c)	Côte d'Ivoire	**100**	100
(iii) Subsidiaries of Kojina Resources Ltd				
Perseus Mining (Ghana) Limited	(b)	Ghana	**90**	90

Notes:
(a) Audited by Ernst & Young Australia.
(b) Audited by Ernst & Young Ghana.
(c) Audited by Ernst & Young Côte d'Ivoire.

28. EVENTS OCCURING AFTER THE END OF THE REPORTING PERIOD

Since the end of the financial year and to the date of this report no matter or circumstance has arisen that 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:

1. As part of the group's cost reduction program, Perseus reduced the Available Commitment limit on its US$100 million line of credit to nil. This eliminates the 1.75% undrawn line fee that was payable in future periods. The Available Commitment limit will be renegotiated with the lenders once a decision to go ahead with the development of the SGP is taken.

Notes to the financial statements
For the Year ended 30 June 2013

29. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASHFLOW FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2013 $	2012 $
Reconciliation of the profit from ordinary activities to net cash provided in operating activities		
Profit/(loss) from ordinary activities after income tax	**41,435,423**	52,460,930
Add back non-cash items:		
Depreciation	**20,242,744**	10,167,105
Foreign currency gain	**(20,280,284)**	(10,392,938)
Share based payments	**471,601**	1,528,566
Impairment of investment in associate	**2,675,938**	-
Impairment of exploration	**2,193,945**	-
Share of associates' net loss	**1,368,548**	614,661
Borrowing costs	**(209,661)**	392,647
Loss on discontinuation of equity accounting	**3,979,302**	-
Cash flow hedges gains/(losses)	**(11,410,284)**	-
Change in operating assets and liabilities:		
Decrease in net tax balances	**20,791,390**	8,066,085
Increase in deferred mining	**(26,257,466)**	(6,484,474)
(Increase) / decrease in inventories	**6,657,439**	(12,326,751)
(Increase) in receivables	**(15,735,346)**	(20,087,426)
(Increase) / decrease in other assets	**1,558,285**	(2,358,472)
Increase in payables	**18,642,649**	21,199,654
Increase in provision	**556,828**	287,331
Net cash provided by operating activities	**46,681,051**	43,066,918

30. EARNINGS PER SHARE

(a) Earnings used in calculating earnings per share

Profit / (loss) attributable to ordinary shareholders of the parent	**38,369,024**	47,155,881

(b) Weighted average number of shares	**No. of shares**	No. of shares
Weighted average number of ordinary shares used in calculating basic earnings per share	457,962,088	446,442,990
Weighted average number of ordinary shares used in calculating diluted earnings per share	457,962,088	448,311,716

Back to contents

31. SHARE-BASED PAYMENTS

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 generally 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 is recognised in the statement of comprehensive income in relation to share-based payments.

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

Grant date	Expiry date	Exercise price	Balance at start of the year *Number*	Granted during the year *Number*	Exercised during the year *Number*	Forfeited during the year *Number*	Balance at the end of the year *Number*	Vested and exercisable at end of the year *Number*
2013								
17/06/2010	16/06/2013	$2.13	820,000	-	-	(820,000)	-	-
30/07/2010	29/07/2012	$2.45	400,000	-	-	(400,000)	-	-
15/10/2010	14/10/2012	$3.00	160,000	-	-	(160,000)	-	-
15/10/2010	14/10/2012	$3.45	280,000	-	-	(280,000)	-	-
07/10/2010	06/10/2013	$3.00	450,000	-	-	(200,000)	250,000	250,000
04/11/2010	03/11/2013	$3.20	270,000	-	-	(70,000)	200,000	200,000
15/06/2012	15/06/2014	$3.00	2,090,000	-	-	(550,000)	1,540,000	1,540,000
Total			4,470,000	-	-	(2,480,000)	1,990,000	1,990,000
Weighted average exercise price			$2.83	-	-	$2.68	$3.02	$3.02
2012								
23/01/2009	23/01/2012	$0.65	1,035,000	-	(1,035,000)	-	-	-
15/01/2010	14/01/2012	$2.13	1,050,000	-	(1,050,000)	-	-	-
17/06/2010	16/06/2013	$2.13	1,330,000	-	(510,000)	-	820,000	820,000
30/07/2010	29/07/2012	$2.45	400,000	-	-	-	400,000	400,000
15/10/2010	14/10/2012	$3.00	160,000	-	-	-	160,000	160,000
15/10/2010	14/10/2012	$3.45	280,000	-	-	-	280,000	280,000
07/10/2010	06/10/2013	$3.00	450,000	-	-	-	450,000	450,000
04/11/2010	03/11/2013	$3.20	340,000	-	-	(70,000)	270,000	270,000
15/06/2012	15/06/2014	$3.00	2,390,000	-	-	(300,000)	2,090,000	2,090,000
Total			7,435,000	-	(2,595,000)	(370,000)	4,470,000	4,470,000
Weighted average exercise price			$2.39	-	$1.54	$3.04	$2.83	$2.83

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.81 years (2012: 1.34 years).

During the year, there were no employee share option plan share-based payments or any other share-based payments not under any plans.

Back to contents

Notes to the financial statements

For the Year ended 30 June 2013

31. SHARE-BASED PAYMENTS – continued

Performance Rights Plan

Performance rights were issued to directors and employees of the company under the terms of the company's Performance Rights Plan approved by shareholders in November 2012. These performance rights were issued at nil consideration and each performance right will convert to an ordinary share upon satisfaction of vesting criteria.

The following table illustrates the number and movements in performance rights during the year under the Plan:

Grant date	Expiry date	Exercise price	Balance at start of the year *Number*	Granted during the year *Number*	Exercised during the year *Number*	Forfeited during the year *Number*	Balance at the end of the year *Number*	Vested and exercisable at end of the year *Number*
2013								
25/11/2012	31/12/2015	nil	-	600,000	-	-	600,000	-
01/01/2013	31/12/2015	nil	-	2,922,093	-	(486,464)	2,435,629	-
Total			-	3,522,093	-	(486,464)	3,035,629	-

The weighted average exercise price of all performance rights granted was nil.

No performance rights were issued, granted or exercised during the prior period.

The fair value of the equity-settled performance rights granted under the Performance Rights Plan is estimated as at the date of grant using a Monte Carlo model taking into account the terms and conditions upon which the performance rights were granted.

The following table lists the inputs to the model used for the performance rights granted during the year ended 30 June 2013.

	Grant date 25/11/2012	Grant date 01/01/2013
Exercise price (cents)	nil	nil
Expected life of performance rights (years)	2.6	2.5
Price of underlying shares at grant date	$2.45	$2.10
Volatility (%) – Perseus share price	43.2%	43.4%
Volatility (%) – per group range	32.3% - 133.1%	35.7% - 133.1%
Dividends expected on shares	nil	nil
Risk-free interest rate (%) – range	2.74%	2.67%
Performance period	1 July 2012 – 30 June 2015	1 July 2012 – 30 June 2015

The expected life of the performance rights is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

32. PARENT ENTITY DISCLOSURES

	PARENT	
	2013 $	2012 $
Statement of financial position		
Assets		
Current assets	**2,177,271**	74,570,764
Non-current assets	**415,675,318**	318,760,670
Total assets	**417,852,589**	393,331,434
Liabilities		
Current liabilities	**2,319,936**	2,264,243
Non-current liabilities	**118,874**	-
Total liabilities	**2,438,810**	2,264,243
Equity		
Issued capital	**445,403,853**	445,449,793
Accumulated losses	**(48,141,197)**	(72,713,284)
Asset revaluation reserve	**(651,160)**	-
Share-based payments reserve	**18,802,283**	18,330,682
Total equity	**415,413,779**	391,067,191
Profit / (loss) for the year	**24,572,088**	5,793,410
Other comprehensive income / (loss)	**-**	-
Total comprehensive income / (loss)	**24,572,088**	5,793,410
Contingent liabilities of the parent entity:		
There were no contingent liabilities of the parent entity at 30 June 2013.		
Commitments for the acquisition of property, plant and equipment by the parent entity:		
Plant and equipment		
Not longer than 1 year	**-**	-
Longer than 1 year and not longer than 5 years	**-**	-
Longer than 5 years	**-**	-
Commitments for operating lease by the parent entity:		
Operating lease		
Not longer than 1 year	**378,527**	360,165
Longer than 1 year and not longer than 5 years	**1,119,266**	1,341,615
Longer than 5 years	**-**	-
Guarantees entered into by the parent entity		
See note 18 for details of guarantees the parent entity has given.		

Directors' declaration

30 June 2013

1. In the opinion of the directors of Perseus Mining Limited (the 'company'):
   a. the accompanying financial statements, and notes are in accordance with the *Corporations Act 2001* including:
      i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year then ended; and
      ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   b. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards as disclosed in Note 1.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2013.

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

J A Quartermaine
Managing director

Dated at Perth, 30 August 2013

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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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, which comprises the consolidated statements of financial position as at 30 June 2013 and 30 June 2012, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial years.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Building a better working world

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 consolidated entity's financial position as at 30 June 2013 and 30 June 2012 and of its performance for each of the years ended on those dates; and

   ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Report on the remuneration report

We have audited the Remuneration Report included in pages **22 to 34** of the directors' report for the year ended 30 June 2013. 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.

Opinion

In our opinion, the Remuneration Report of Perseus Mining Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
30 August 2013

Additional shareholder information

As at 10 September 2013

MINERAL CONCESSION INTERESTS AT 10 SEPTEMBER 2013

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					
Edikan Gold Mine ("EGM") Leases - Ayanfuri mining lease - Nanankaw mining lease - Dadieso Prospecting Licence	Perseus Mining (Ghana) Ltd ("PMGL")	1110/1994	90%	90%	2,3
Nsuaem Prospecting Licence	Perseus Mining (Ghana) Ltd	RL3/26	90%	90%	2
Dunkwa Prospecting Licence	Perseus Mining (Ghana) Ltd	PL3/27	90%	90%	2
Grumesa-Awisam Prospecting Licence	Sun Gold Resources Limited	PL2/30	90%	90%	4
Kwatechi Prospecting Licence	Tropical Exploration and Mining Company Limited	PL3/64	16%	76%	5
Nkotumso Prospecting Licence	W.D. Mining Limited	PL 3/29 LVB 19127/06	0%	90%	6
Location – Côte d'Ivoire					
Tengrela East Mining licence	Perseus Mining Côte d'Ivoire SA	PE39	85%	85%	4,7,8
Tengrela South Research Permit	Societe Miniere de Côte d'Ivoire	PR291	85%	85%	4,7
Mahalé Research Permit	Occidental Gold s.a.r.l	PR 259	90%	90%	
M'Bengué East Research Permit	Occidental Gold s.a.r.l	PR 272	90%	90%	
Napié Research Permit	Occidental Gold s.a.r.l	PR 281	80%	80%	

Notes -

1. The Governments of Ghana and Côte d'Ivoire 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.
   Production royalties are payable to the Governments of Ghana (5%) and Côte d'Ivoire (3%).
2. A royalty of 0.25% of gold produced from EGM Licences and the Nsuaem and Dunkwa Licences is payable to the former shareholders of PMGL.
3. Under the terms of the contract to purchase the EGM Licences, PMGL is required to pay a 1.5% royalty on gold production.
4. A royalty of 0.5% of the value of minerals recovered from the licence is payable to the vendors of the exploration licence.
5. 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.
6. The Company has an option exercisable on or before 26 July 2016 to purchase the Nkotumso prospecting licence for US$10 plus US$3 per ounce royalty of gold produced.
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. The mining licence decree is valid for 6 years from August 2012.

Mineral permits and licences in which Perseus has an interest are subject to renewal from time to time in accordance with the relevant legislation of the governing jurisdiction and Perseus's compliance therewith.

Additional shareholder information

As at 10 September 2013

The shareholder information set out below was applicable as at 10 September 2013.

SUBSTANTIAL SHAREHOLDERS

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

Name of holder	Number of ordinary shares
GCIC Ltd / Bank of Nova Scotia	44,475,800
Van Eck Associates Corporation	49,299,344

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

Size of holding	Number of holders
1 to 1,000	1,228
1,001 to 5,000	2,065
5,001 to 10,000	1,024
10,001 to 100,000	1,343
100,001 and over	133
	5,793

The number of shareholdings comprising less than a marketable parcel was 835.

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

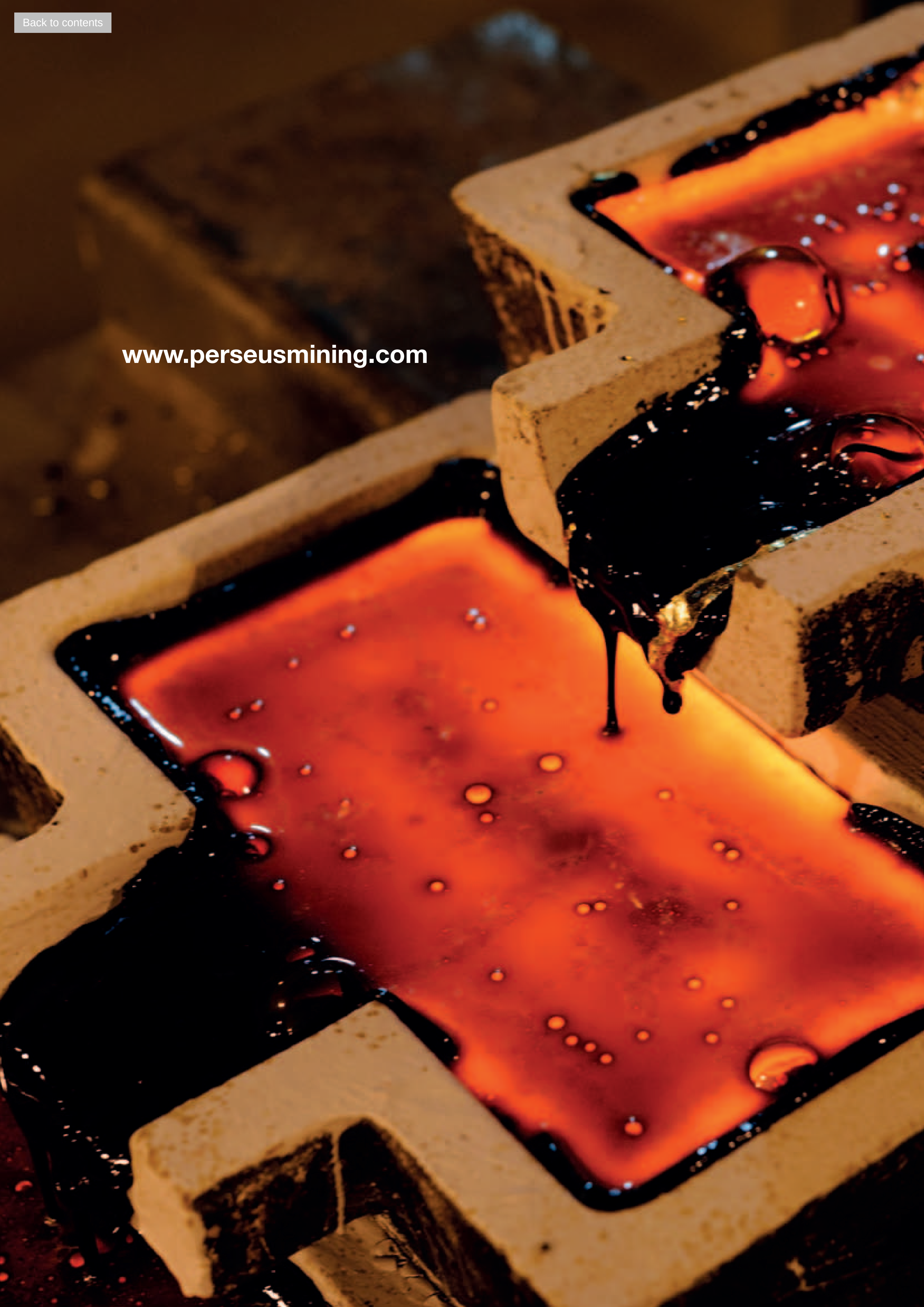
	Number of shares	% Held
CDS & Co	166,142,610	36.28
HSBC Custody Nominees (Australia) Limited	103,758,018	22.66
JP Morgan Nominees Australia Limited	51,902,817	11.33
National Nominees Limited	20,803,643	4.54
Citicorp Nominees Pty Limited	14,997,835	3.27
Bond Street Custodians Limited	4,691,186	1.02
BNP Paribas Noms Pty Ltd	3,385,160	0.74
Mark Andrew Calderwood	2,130,000	0.47
AMP Life Limited	1,939,463	0.42
Merrill Lynch (Australia) Nominees Pty Limited	1,664,254	0.36
UBS Wealth Management Australia Nominees Pty Ltd	1,663,278	0.36
Warbont Nominees Pty Ltd	1,485,156	0.32
ABN Amro Clearing Sydney Nominees Pty Ltd	851,035	0.19
Rhett Boudewyn Brans	672,000	0.15
Amalgamation Sale & Takeover Consultants Pty Ltd	588,250	0.13
Bainpro Nominees Pty Limited	585,065	0.13
Dr Waldemar Mueller	571,000	0.12
Shomron Pty Ltd	552,000	0.12
Mandel Pty Ltd	525,000	0.11
Pershing Australia Nominees Pty Ltd	520,346	0.11
	379,428,116	82.83

UNQUOTED OPTIONS

Unquoted options on issue at 10 September 2013 were as follows:

Number of options	Exercise price	Exercise periods/expiry dates	Number of holders
250,000	$3.00	On or before 6 October 2013	1
200,000	$3.20	On or before 3 November 2013	3
1,540,000	$3.00	On or before 15 June 2014	18

All of the options listed above have been issued under the terms of the Company's Employee Option Plan.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Back to contents

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