



monitor blasts and to help educate their communities on the effects of blasting;

- Voluntary participation in the 2010 AKOBEN Audit to establish a baseline for compliance with future compulsory audits; and
- A site rehabilitation program has commenced with the establishment of a tree species nursery with a total capacity of 75,000 seedlings. Re-vegetation of areas disturbed during the construction phase of the Edikan Gold Mine has commenced with immediate success.

Community Relations and Development

The ongoing success of Perseus as an explorer, developer and operator of mines in West Africa relies on establishing and maintaining secure access to land and infrastructure in areas of our operations. It is recognised that only through establishing positive relationships with local communities and host governments will we be able to establish the strong “social licence” that is an essential prerequisite for operating in our host countries.

In both Ghana and in Côte d’Ivoire, we have set out to build enduring relationships with our host communities, characterised by mutual respect, active partnership, and long term commitment.

In Ghana, where our activities are more advanced, our efforts to build relationships with the local community have been characterised by:

- **Communications and consultation** – this involves conducting regular meetings with local chiefs as well as public meetings and the formation of additional consultative committees such as the Women’s Consultative Committee and both Employment and Compensation Negotiation committees.
- **Employment of local citizens** – Preference is given to the employment of local residents over all other Ghanaian citizens for unskilled positions and for skilled roles. Where skill sets are equal, preference is given to local residents. As at June 30, 2011, 38% of employees were drawn from local communities and surrounds with a further 56% of employees from elsewhere in Ghana.
- **Compensation** – As required by Ghanaian law, where the Company’s activities have disturbed the livelihood of local residents, whether in terms of loss of crops or structures, compensation has been paid or alternative accommodation constructed. These programs will be ongoing as the Company’s mining activities extend beyond the current pits.
- **Encourage and foster the development of sustainable business activities** – As opportunities arise, Perseus has assisted local residents to establish small businesses that will be sustainable after mining has ended and the site has been rehabilitated. A notable example is a small business established by local women

that involves the weaving of matting from local plants that is now being sold to several mining operations in Ghana for use in land rehabilitation activities.

- **Community development** – A fund has been established by Perseus into which significant annual payments will be deposited. The fund will be administered by representatives of the local community who will be responsible for determining priorities and for execution of the selected local community development projects. In addition to the above, Perseus has also been directly involved in a number of community development programs including the construction of six- classroom schools with sanitation facilities, library and stores in the nearby villages of Abnabna and Fobinso.

In Côte d’Ivoire where our activities to date have been restricted to exploration activities, we have adopted a similar approach to that applied in Ghana. Our exploration crews have assisted local communities with the construction of water storage facilities, employment of local citizens and donating to local charitable causes.

It is expected that as we move towards development of the Sissingue Gold Mine near Tengrela in northern Côte d’Ivoire, our level of engagement with the communities located in the vicinity of our activities will increase markedly and that a range of community relations and development initiatives will be implemented.