

## Directors' Report

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

1. The Group's inventory of Mineral Reserves and Mineral Resources was significantly expanded as a direct result of exploration success. The Group's Measured and Indicated Resources now include 158.8 Mt grading 1.1 g/t gold and containing 5.721 million ounces of gold including Proven and Probable Mineral Reserves of 96.6 Mt grading 1.3 g/t gold containing 3.93 M ounces of gold. In addition, the Group has identified a further 73.0 Mt grading 0.9g/t gold containing 2.186 M ounces of gold in the Inferred Mineral Resource category.
2. The US\$85 million Project Finance Facility provided to Central Ashanti Gold Limited ('CAGL') by Macquarie Bank Limited and Credit Suisse AG was fully drawn down on 23 June 2011.
3. By 30 June 2011, the Group had capitalised a total of US\$161.087 million on the construction of the CAGP and has estimated a total cost to completion of US\$174 million.
4. In November 2010, the Group completed a positive feasibility study of the TGP resulting in a decision to proceed to apply for permits to develop a gold processing facility and associated infrastructure at the TGP.

### MATTERS SUBSEQUENT TO BALANCE DATE

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

1. Practical Completion of the construction of the CAGP processing facility was achieved on 20 July 2011 and full scale commissioning of the facility commenced with commercial production expected to be achieved in the fourth quarter of 2011.
2. First gold was poured at the CAGP on 21 August 2011, in line with expectations.
3. Effective 1 August 2011 Central Ashanti Gold Limited's name was changed to Perseus Mining (Ghana) Limited (PMGL").

4. On 19 August 2011 CAGL took over responsibility for plant commissioning, relieving the lump sum turn-key ("LSTK") contractor of its obligations to complete performance testing. The LSTK contractor will remain liable for all contractual obligations other than the obligation to complete performance testing under the contract.

Since the end of the period and to the date of this report, no other 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.

### LIKELY DEVELOPMENTS

The Group's focus during the next financial year will be on the commissioning, ramp up to design capacity and subsequent de-bottlenecking of the CAGP operation in Ghana and acquiring all permits and authorisations required to develop the TGP in Côte d'Ivoire. In addition, the Group will continue to aggressively explore for gold on exploration tenements associated with these projects as well as on other exploration tenements held by the Group in West Africa. Further commentary on planned activities in these projects over the forthcoming year is provided in the section of this report headed "Review of Operations". Perseus will also assess new opportunities where these are considered to have synergies with existing projects or that the Company can add value through the use of its exploration and development expertise.

### 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.