

1 PURPOSE

This Charter sets out the principal role, responsibilities, structure and processes of the Board of Directors of Perseus Mining Limited (**Company**).

The Board is constituted and empowered pursuant to the Company's Constitution and the *Corporations Act 2010* (Cth) (**Corporations Act**).

2 ROLE AND RESPONSIBILITIES OF THE BOARD

The role of the Board is to approve the overall strategy of the Company and its controlled entities (**Perseus Group**) and guide and monitor the executive management of the Perseus Group (**Executive Management**) in achieving that strategy for the benefit of the Company's shareholders and within a framework of good corporate governance. The Board recognises the interests of, and its responsibilities to, the employees of the Perseus Group, the environment and communities in which the Perseus Group operates and other stakeholders.

The following is a summary of the matters reserved to the Board as a general guide:

- (a) Approve the strategic and business plans of the Perseus Group and monitor the Perseus Group's performance in delivering those plans;
- (b) Approve the corporate policies of the Perseus Group including, without limitation, the Code of Conduct, the Trading in Securities Policy and the Disclosure and Communication Policy;
- (c) Approve investments, divestments, major capital and operating expenditures and major funding activities proposed by Executive Management;
- (d) Approve the annual report and financial statements of the Company;
- (e) Develop and promote a system of corporate governance which ensures the Perseus Group is properly managed and controlled;
- (f) Upon the Audit and Risk Committee's recommendation, approve, re-appoint or remove the Company's external auditors and approve the auditor's remuneration;
- (g) Upon the Remuneration Committee's recommendation, approve the overall remuneration policy, including, without limitation, Director and Executive Management remuneration, and employee incentive plans;
- (h) Upon the Audit and Risk Committee's recommendation, review, monitor and approve the Perseus Group risk management systems, including, without limitation, internal compliance and control mechanisms;
- (i) Appoint and, when necessary, remove the Managing Director & Chief Executive Officer (**MD&CEO**) and oversee the performance review of the MD&CEO;
- (j) Establish and appoint members of Board Committees; and
- (k) Appoint and, when necessary, replace the Chair.

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		Date Issued: 13/02/2015	Date Printed: 13/02/2015	Page 1 of 5

3 ROLE OF THE CHAIR

The Board must appoint a Chair in accordance with the Company's Constitution.

The Chair must be a non-executive Director and satisfy the criteria for independence set out in clause 5 of this Charter.

The role of Chair must not be performed by someone who is performing the role of MD&CEO or chair of the Audit and Risk Committee.

The Chair's main responsibilities are:

- (a) Maintain effective communication between the Board and Executive Management;
- (b) Lead the Board;
- (c) Ensure effective contribution by all Directors; and
- (d) Chair general meetings of the Company.

4 ROLE OF EXECUTIVE MANAGEMENT

Subject to the powers reserved to the Board set out in clause 2 of this Charter, the MD&CEO, supported by other members of Executive Management, is responsible for the day-to-day management of the Perseus Group. The Board may approve specific delegations of authority to the MD&CEO.

The MD&CEO's main responsibilities are:

- (a) Manage and administer the day-to-day operations of the Perseus Group in accordance with the strategy, business plans and policies approved by the Board;
- (b) Develop the strategy for the Perseus Group and its operations and make recommendations to the Board in relation to that strategy;
- (c) Develop the Perseus Group annual budget and conduct the Perseus Group activities in accordance with that budget;
- (d) Develop and maintain the Perseus Group risk management systems, including, without limitation, internal compliance and control mechanisms;
- (e) Ensure compliance with the Company's continuous disclosure obligations in accordance with the Company's Disclosure and Communication Policy;
- (f) Assign responsibilities to Executive Management and supervise and report on their performance to the Board;
- (g) Recommend to the Board significant operational changes, major capital and operational expenditures, and investments and divestments which are beyond delegated authority; and
- (h) Report regularly to the Board to keep the Board fully informed to discharge its duties effectively.

5 COMPOSITION OF THE BOARD

Composition

The Board must ensure that it is constituted in accordance with the Company's Constitution and the Corporations Act with the appropriate mix of skills, knowledge, experience and diversity necessary to discharge its duties effectively. The majority of Directors must satisfy the criteria for independence set out

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		Date Issued: 13/02/2015	Date Printed: 13/02/2015	Page 2 of 5

below in this clause. The Board will develop and disclose a skills matrix in accordance with the ASX Corporate Governance Council Principles and Recommendations.

Independence

Directors are considered independent if they are independent of Executive 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 considering whether a Director is independent, the Board will have regard to the factors relevant to assessing the independence of a director set out in the ASX Corporate Governance Council Principles and Recommendations and Canadian National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. In the context of Director independence, “materiality” is considered from both the Company’s and the Director’s perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. Qualitative factors to be considered include, without limitation, 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 Perseus Group’s loyalty.

Review

The Board reviews its composition and performance on an annual basis and will make adjustments if required. Performance is measured by the efficiency and effectiveness with which the Company goes about achieving its objectives. The annual review will be a peer review process on an individual basis, evaluation as a group or a combination of both and will be managed internally or with the assistance of an independent external consultant.

In the event of an evaluation of individual Directors, before discussion at Board level, relevant results are first discussed by the Chair and the individual Director.

As part of the evaluation process, more subjective appraisal of the overall Board’s performance as gathered by the Chair based on contacts with shareholders and other key stakeholders, will also be considered.

Vacancies

If a vacancy occurs or it is considered that the Board would benefit from a new Director with particular skills, the Board will select appropriate candidates with relevant qualifications, skills and experience. External advisors may be used to assist in such a process. Appropriate checks as to a candidate’s character, experience, education, criminal record and bankruptcy history will be conducted as part of the selection process. The Board will then appoint the most suitable candidate who must stand for election at the next general meeting of the Company. New Directors are provided with a letter of appointment which sets out the key terms and conditions of their appointment.

Induction and continuing education

The Company Secretary must put in place and implement an induction program for new Directors. Directors will be given access to continuing education to update and enhance their skills and knowledge. The Company Secretary will keep the Board informed of developments in corporate governance requirements and best practices.

6 BOARD COMMITTEES

The Board may from time to time establish and delegate certain powers to a Board Committee in accordance with the Company’s Constitution. The Board is responsible for the approval and review of the charters and membership of Board Committees.

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Document Owner: Company Secretary		Authorised Document By: Managing Director		
		Date Issued: 13/02/2015	Date Printed: 13/02/2015	Page 3 of 5

The Board has established an Audit and Risk Committee and a Remuneration Committee.

Directors may attend meetings of Board Committees where there is no conflict of interest.

7 COMPANY SECRETARY

The Board will appoint at least one company secretary in accordance with the Company's Constitution. The Company Secretary is appointed and, when necessary, removed by Board resolution.

The Company Secretary is directly accountable to the Board, through the Chair, on all governance matters.

All Directors have access to the advice and services provided by the Company Secretary at all times.

The Company Secretary will attend all Board and Board Committee meetings and is responsible for accurately capturing the business of those meetings in minutes.

8 BOARD MEETINGS AND RESOLUTIONS

The Board will meet as often as the Directors determine necessary to fulfil their duties to the Company.

The non-executive Directors will meet regularly without Executive Management present.

Written resolutions made outside a Board meeting (**Circular Resolutions**) are acceptable in circumstances where there is no real division of opinion and where no discussion of the matter is required or the matter has been discussed at a previous Board meeting and otherwise in accordance with the Company's Constitution. A proposed Circular Resolution must be accompanied by an explanatory note and all relevant materials. The Company Secretary must convene a Board meeting if:

- (a) Any Director is against the Circular Resolution; and/or
- (b) Any Director requests (further) discussion on the matter; and
- (c) Executive Management wishes to continue to seek Board approval of the matter.

9 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

The Board and Board Committees may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chair, individual Directors may seek independent professional advice at the Company's expense on any matter connected with the discharge of their duties.

Each Director has the right of access to all relevant Perseus Group information and to Executive Management.

10 DIRECTORS' DEALINGS IN COMPANY SHARES

Directors must ensure that any dealings in Company securities are in strict compliance with the Company's Trading in Securities Policy.

11 CONFLICTS OF INTEREST

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. All Directors must disclose to the Board details of transactions which may create a conflict of interest for them in the decisions placed before the Board in accordance with the Corporations Act. The Company Secretary will keep a conflicts of interest register which will be on the

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Document Owner: Company Secretary		Authorised Document By: Managing Director		
		Date Issued: 13/02/2015	Date Printed: 13/02/2015	Page 4 of 5

agenda of Board meetings as a standing item (other than Board meetings that are convened at short notice for a specific purpose).

Directors must abstain from voting and, unless the Board specifically determines otherwise, may not participate in discussions on any decisions in which they have or may be perceived to have a material personal interest.

12 CONFIDENTIALITY

The Directors acknowledge that all proceedings of the Board and the Board Committees are confidential and will not be disclosed to any person except as agreed by the Board or as required by law.

13 REVIEW OF CHARTER

This Charter was adopted by the Board on 13 February 2015. The Board will from time to time review this Charter to ensure that it meets best practice standards, taking into account the size and activities of the Company, and the needs of the Company and the Board.

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Document Owner: Company Secretary		Authorised Document By: Managing Director		
		Date Issued: 13/02/2015	Date Printed: 13/02/2015	Page 5 of 5