



ABN 27 106 808 986

**NOTICE OF MEETING**

**AND**

**EXPLANATORY MEMORANDUM**

**in respect of the**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**to be held on Tuesday, 22 November 2022 at 3 pm (Perth time), Perth, Western Australia**

**As at and dated 6 October 2022**

**IMPORTANT INFORMATION**

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

**NOTICE OF MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of holders of ordinary shares (the “**Shareholders**”) of Perseus Mining Limited (the “**Company**”) will be held at the Vibe Hotel, 9 Alvan Street, Subiaco, Western Australia on Tuesday, 22 November 2022 at 3pm (AWST time) for the purpose of transacting the business set out below.

The enclosed explanatory memorandum (“**Explanatory Memorandum**”) accompanies and forms part of this Notice of Meeting.

**AGENDA****ORDINARY BUSINESS****1. Financial Report for the Year Ended 30 June 2022**

To receive and consider the financial report of the Company for the year ended 30 June 2022, together with the reports by the directors and auditors thereon.

**2. Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution in accordance with section 250R(2) of the *Corporations Act 2001* (Cth) (the “**Corporations Act**”):

“That the Remuneration Report as set out in the Directors’ Report section of the 2022 Annual Report of the Company be adopted.”

*Note: The vote on this resolution is advisory only and does not bind the directors or the Company.*

***Voting Exclusion applies and is described below.***

**3. Resolution 2 - Re-Election of Mr Sean Harvey as a Director**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Sean Harvey, who retires in accordance with Clause 7.1 of the Constitution of the Company and Listing Rule 14.4 and 14.5 and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company.”

**4. Resolution 3 - Re-Election of Mr John McGloin as a Director**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr John McGloin, who retires in accordance with Clause 7.1 of the Constitution of the Company and Listing Rule 14.4 and 14.5 and, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company.”

**5. Resolution 4 – Approval of Issue of Performance Rights to Mr Quartermaine**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, under and for the purposes of Listing Rule 10.14 and for all other purposes, the issue of Performance Rights under the Performance Rights Plan to Mr Jeffrey Quartermaine on the terms set out in the Explanatory Memorandum accompanying this Notice, be and is hereby approved.”

***Voting Exclusion applies and is described below.***

#### **6. Resolution 5 – Non-Executive Directors Fees**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*“That, pursuant to clause 7.3 of the Company’s Constitution and Listing Rule 10.17, aggregate non-executive Directors’ fees be increased from \$900,000 per annum to \$1,200,000 per annum.”*

***Voting Exclusion applies and is described below.***

### **GENERAL BUSINESS**

#### **7. To transact any other business which may lawfully be brought forward.**

Accompanying this Notice of Meeting is (i) an explanatory memorandum, which provides additional information relating to the matters to be dealt with at the Meeting; and (ii) a Form of Proxy or a Voting Instruction Form (“VIF”).

#### **Voting Restrictions and Explanatory Notes**

Voting restrictions apply to Resolutions 1, 4 and 5 as follows.

In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1:

- (a) by or on behalf of either a member of the Company’s key management personnel, details of whose remuneration are included in the Remuneration Report, or their closely related parties (which includes a spouse, dependent, certain other close family members as well as any companies controlled by the member), regardless of the capacity in which the votes are cast; or
- (b) as proxy if that proxy is a member of the Company’s key management personnel as at the date of the Meeting, or their closely related parties.

However, in each case above, votes will not be disregarded if they are cast as a proxy for a person who is entitled to vote on Resolution 1:

- (c) in accordance with a direction as to how to vote on the Form of Proxy; or
- (d) by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy as the Chair decides even if the resolution is connected with the remuneration of the Company’s key management personnel.

If you appoint the chair of the Meeting as your proxy and you do not direct your proxy how to vote on Resolution 1 on the Form of Proxy, you will be expressly authorising the chair to exercise your proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the Company’s key management personnel.

In relation to Resolution 4, pursuant to the ASX Listing Rules, the Company will disregard any votes cast in favour of the resolution by or on behalf of Mr Quartermaine or any of his associates.

In relation to Resolution 5, the Company will disregard any votes cast on this resolution by Directors and any of their associates.

However, the above ASX Listing Rule voting exclusions do not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with the Corporations Act, a vote must not be cast on Resolution 4 or 5 by a person appointed as a proxy if the proxy is either a member of the Company's key management personnel or any of their closely related parties and the appointment does not specify the way the proxy is to vote on this resolution.

However, a person described above may cast a vote on Resolution 4 or 5 if:

- (a) the person is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

If you appoint the chair of the Meeting as your proxy, and you do not direct your proxy how to vote on Resolution 4 or 5 on the Form of Proxy, you will be expressly authorising the chair to exercise your proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Directors (who, by definition, form part of the key management personnel in any case) or any of their associates must not cast votes in relation to Resolutions 1, 4 and 5 except as a proxy in the circumstances described above.

If you wish to appoint a member of the key management personnel (which includes each of the Chair and other directors) as your proxy, please read the voting exclusion above and in the proxy form carefully. Shareholders are encouraged to direct their proxies how to vote.

#### **How the Chair will vote available proxies**

The Chair of the Meeting intends to vote all available proxies in favour of all of the resolutions set out in the Notice. The proxy form expressly authorises the Chair to exercise undirected proxies in favour of remuneration related resolutions (Resolutions 1, 4 and 5).

**Default to the Chair**

Any directed proxies that are not voted on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote those proxies as directed.

**Registered Shareholders**

A registered Shareholder may attend the Meeting in person or may be represented thereat by proxy. In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- the proxy need not be a shareholder of the Company;
- each Shareholder may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

Accordingly, if you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please execute the accompanying form of proxy in accordance with the instructions contained in the form and return it in accordance with the following:

1. **in respect of Shareholders registered on the Company's Australian share register**, prior to 3pm (AWST time) on Sunday 20 November 2022:
  - I. Online: at [www.investorvote.com.au](http://www.investorvote.com.au);
  - II. Mobile: scan the QR Code on the enclosed Proxy Form and follow the prompts;
  - III. by mail: complete and sign the enclosed Proxy Form and return to:  

Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne VIC 3001 Australia;
  - IV. By Fax: complete and sign the enclosed Proxy Form and fax to:  

Inside Australia 1800 783 447  
Outside Australia +61 3 9473 2555;
  - V. Custodian voting: For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.
2. **in respect of Shareholders registered on the Company's Canadian register**, prior to 3pm (AWST time) on Friday 18 November 2022:
  - I. Online: at [www.investorvote.com](http://www.investorvote.com);
  - II. By mail: complete and sign the enclosed Proxy Form and return to:  

Computershare  
8th Floor, 100 University Avenue  
Toronto, ON M5J 2Y1;
  - III. By Telephone: 1-866-732-VOTE (8683) Toll Free.

**Beneficial Shareholders**

If you are a beneficial Shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the VIF or proxy in accordance with the instructions provided to you, by your broker, or by the other intermediary.

The board of directors of the Company (the “**Board**”) has fixed 4 October 2022 as the record date for determining the registered Shareholders of the Company entitled to receive the Notice of Meeting and 5 pm (AWST time) on Sunday, 20 November 2022 as the record date for determining the Shareholders of the Company entitled to vote at the Meeting. However, any shareholder who acquires shares in the Company after 4 October 2022 can obtain a copy of the Notice of the Meeting and a Proxy Form by contacting the Company.

**Voting Procedure**

Under the Company’s constitution (“Constitution”), any poll will be conducted as directed by the chair of the Meeting (the “Chair”).

Please note that, in accordance with ASX guidance, all ASX Listing Rule resolutions will be decided by a poll rather than by a show of hands.

**Receiving Documents from the Company (Australian register)**

Shareholders can elect to receive some or all of their communications in physical or electronic form, or elect not to receive certain documents such as annual reports. The Company encourages shareholders to provide an email address so we can communicate with you electronically for items such as notices of meeting and annual reports. To review or update your communication preferences, please contact the Company’s share registry on [www.computershare.com.au/easyupdate/pru](http://www.computershare.com.au/easyupdate/pru).

**Notice-and-access Delivery (Canadian register)**

The Company is using the notice-and-access model for the delivery of meeting materials to both its beneficial and registered shareholders on its Canadian share register in respect of the Meeting. Under notice-and-access, instead of receiving paper copies of this Notice of Meeting and the Annual Report for the year ended June 30, 2022 (collectively, the “Meeting Materials”), shareholders will be able to access the Meeting Materials electronically. Paper copies should be requested by no later than November 4, 2022. The webhost for Notice and access is <https://perseusmining.com/2022-agm/> and the phone number 1-866-962-0498 within North America and outside North America (514) 982-8716. A separate notice has already been issued to Shareholders providing prescribed information required under the notice-and-access model. Shareholders will continue to receive a proxy or voting instruction form, as applicable, enabling them to vote at the Meeting. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Company’s printing and mailing costs.

**By Order of the Board of Directors****Martijn Bosboom**

Company Secretary

Perth, Western Australia

Dated: 6 October 2022

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is furnished in connection with the solicitation of proxies by Perseus Mining Limited (“**Perseus**” or the “**Company**”) for use at the annual general meeting of the holders of the ordinary shares (the “**Shares**”) of the Company (the “**Shareholders**”) to be held on Tuesday, 22 November 2022 at 3.00 pm (AWST time), and any adjournment thereof (the “**Meeting**”), at the place and for the purposes set forth in the accompanying notice of meeting (the “**Notice**”).

In this Explanatory Memorandum, unless otherwise indicated all dollar amounts are expressed in Australian dollars. Unless otherwise stated, the information contained in this Explanatory Memorandum is as of the date of the Notice.

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the matters set forth in the Notice attached hereto for approval at the Meeting. The directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision regarding the matters set forth in the Notice.

**1. Financial Statements and Reports**

In accordance with the requirements of the Company’s Constitution and the *Corporations Act 2001* (Cth) Australia (the “**Corporations Act**”), the audited consolidated financial statements for the financial year ended 30 June 2022, together with the report of the auditor thereon and the Directors’ Report (the “**Annual Report**”), will be tabled at the Meeting. Shareholders will have the opportunity at the Meeting to discuss the Annual Report, make comments and raise queries in relation to the Annual Report.

Representatives of the Company’s auditors, PwC, will be present to take questions and comments from Shareholders about the conduct of the audit and the preparation and content of the audit report.

Companies are no longer required to mail out a hard copy of their annual report to shareholders except to those shareholders who have elected to receive a hard copy and notified the Company to that effect. Shareholders who have not already made such an election may obtain a hard copy of the Annual Report by contacting the Company. Alternatively, the Annual Report is available on the Company’s website at [www.perseusmining.com](http://www.perseusmining.com) and may be downloaded or read online.

**2. Resolution 1 - Adoption of Remuneration Report**

Pursuant to section 250R(2) of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its remuneration report for the year ended 30 June 2022 (the “**Remuneration Report**”). The Remuneration Report is a distinct section of the Annual Report which deals with the remuneration of directors and executives of the Company.

By way of summary, the Remuneration Report:

- (a) explains the Company’s remuneration policy and the process for determining the remuneration of its directors and executive officers;
- (b) addresses the relationship between the Company’s remuneration policy and the Company’s performance; and
- (c) sets out the remuneration details for each director and executive officer named in the Remuneration Report for the financial year ended 30 June 2022.

The directors recommend that Shareholders vote in favour of the adoption of the Remuneration Report. As previously stated, this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote on this resolution into consideration when reviewing the remuneration practices and policies of the Company in the future. The Chair will provide Shareholders with reasonable opportunity at the Meeting to ask questions about, or to make comments on, the Remuneration Report.

If at least 25% of the votes cast at the Meeting on Resolution 1 are voted against adoption of the Remuneration Report, and then again at the Company's next annual general meeting, the Company will be required to put to Shareholders a resolution at that meeting proposing the calling of a general meeting to consider the appointment of new directors of the Company ("**Spill Resolution**"). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a general meeting ("**Spill Meeting**") within 90 days of the Company's next annual general meeting. All of the directors who are in office when the Company's 2023 Directors' Report is approved, other than the managing director of the Company, would cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

**Chairman authorised to exercise undirected proxies:** Where Shareholders have appointed the Chair as their proxy, the Chair will vote in favour of Resolution 1 "Adoption of Remuneration Report" unless the Shareholder has expressly indicated a different voting intention. This is so notwithstanding that the resolution is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

### **3. Resolutions 2 and 3 - Re-Election of Mr Sean Harvey and Mr John McGloin as Directors**

In accordance with the requirements of the Company's Constitution and Listing Rules 14.4 and 14.5, one-third of the directors of the Company (excluding the managing director), and those who were last re-elected more than three years ago, must retire from office at the Meeting but if they are eligible, may offer themselves for re-election. In accordance with these requirements, Mr Sean Harvey and Mr John McGloin retire at the Meeting. Being eligible, both Mr Harvey and Mr McGloin have offered themselves for re-election.

Details of Mr Harvey's and Mr McGloin's qualifications and experience are available in the Annual Report. Mr Harvey has been a director of the Company since 2009 and the Chairman since 2017. Mr McGloin has been a director of the Company since 2016. The Board considers both Mr Harvey and Mr McGloin to be independent.

#### **Exemption from TSX Rules**

In reliance on Section 401.1 of the TSX Company Manual, the Company has sought and been granted an exemption from the requirements of Section 461.1 to 461.4 of the TSX Company Manual, the effect of which is that (i) not every director of the Company must submit himself for re-election at the Meeting; and (ii) the Company is not required to have a majority voting policy in respect of director elections. Effectively, the re-election of directors for the purposes of this Meeting is subject only to the requirements of the Company's Constitution, the ASX Listing Rules and the Corporations Act. The Company sought the exemption on the basis that: (i) the Company's primary listing is the Australian Stock Exchange; (ii) the Company is incorporated in Australia; and (iii) less than 25% of trading volume in the Company's shares was on Canadian marketplaces. In accordance with the requirement to notify the TSX of its continued reliance on the exemption before each successive annual general meeting, the Company has notified the TSX of such continued reliance.

In view of their respective expertise, experience and contributions already made, the directors (excluding Messrs Harvey and McGloin in respect of their own re-election) recommend that Shareholders vote in favour of the re-election of Messrs Harvey and McGloin.

If Shareholders approve Resolutions 2 and/or 3, Mr Harvey in the case of Resolution 2, and Mr McGloin, in the case of Resolution 3, will be re-elected as directors of the Company. If Shareholders do not approve Resolutions 2 and/or 3, Mr Harvey, in the case of Resolution 2, and Mr McGloin, in the case of Resolution 3, will cease to be directors of the Company.

#### **4. Resolution 4 - Approval of Issue of Performance Rights to Mr Quartermaine**

Shareholder approval is being sought for the granting of Performance Rights (“PRs”) to Mr Jeffrey Quartermaine, the Managing Director and Chief Executive Officer of the Company.

The Directors (excluding Mr Quartermaine), based on recommendations by the Board’s Remuneration Committee, are seeking approval for the issue of 493,122 PRs to Mr Quartermaine, which, subject to satisfaction of vesting criteria, can convert to up to 493,122 fully paid ordinary shares. The total number of PRs includes 127,076 STI PRs and 531,619 LTI PRS (as defined below).

The Shares issuable upon exercise of the PRs to be granted to Mr Quartermaine represent 0.0004% of the issued and outstanding Shares of the Company on the date hereof. The PRs proposed for issue will be subject generally to the terms and conditions of the performance rights plan of the Company known as the “Perseus Mining Limited Performance Rights Plan” (the “PR Plan”) which was approved by Shareholders at the annual general meeting held on 26 November 2020 and the material terms of which are summarised in **Attachment 1**. A copy of the plan may be obtained by contacting the Company. PRs are contractual rights only and do not entitle the holder to any entitlements Shareholders have, such as voting rights, dividends, return or reduction of capital, participation in surplus profits or assets upon a winding up, participation in new issues unless and until the PRs have vested and have been converted into Shares. The quantum of the PRs is determined by reference to the executive’s total fixed remuneration (“TFR”), being \$744,266 per annum as at 30 June 2022. The “at risk” component of Mr Quartermaine’s remuneration package is allocated into short term incentive (“STI”) (up to 70% of TFR) subject to specified vesting criteria to be satisfied in a financial year and payable in cash and long-term incentive (“LTI”) (up to 100% of TFR).

LTI. The LTI is payable through an issue of securities in the Company by way of participation in the PR Plan. The number of LTI PRs to be issued was calculated by taking the cash amount - 100% of Mr Quartermaine’s TFR for the LTI PRs - and divide that number by the volume weighted average price (“VWAP”) of Perseus’s shares on the ASX during the 20 trading days before 1 July 2022, which was \$ 1.81. Mr Quartermaine’s TFR at 30 June 2022 was \$744,266, which divided by the VWAP of \$1.81 results in 411,197 PRs for his LTI. The issue of PRs and their subsequent conversion, if any, to shares in the Company enables the alignment of Mr Quartermaine’s interests with those of the Shareholders. The vesting conditions for the LTI PRs are measured over a three year period (1 July 2022 to 30 June 2025) and constitute a comparison of the three year average total shareholder return (“TSR”) of a group of gold explorers, developers and producers which were considered by Perseus to be its peers (based on market capitalization, precious metals and/or West African production focused) (“Peer Group”).

STI. The STI PRs relate to Mr Quartermaine’s STI for the financial year 21/22. Under Perseus’s remuneration framework, the STI for executives are paid 60% in cash and 40% on a deferred basis by issuing PRs with a vesting period of one year. Mr Quartermaine’s STI for the 21/22 financial year was determined on the basis of KPIs set by the Board relating to gold production, production cost, share price performance, safety performance and reserve growth during the year. Based on assessment against those KPIs Mr Quartermaine’s STI was determined to be \$222,427 in cash and \$148,285 in PRs. The number of STI PRs was then calculated by dividing the cash amount of \$148,285 by the 20 day VWAP - \$1.81 – resulting in 81,925 STI PRs. The vesting condition for the STI PRs is for Mr Quartermaine to remain employed until 30 June 2023 after which the STI PRs would vest.

Following approval by shareholders at the Company's annual general meeting held in November 2018, PRs were issued to Mr Quartermaine. The vesting conditions were to be measured over a three year period (1 January 2019 to 31 December 2021) and to be compared to the three year average TSR of the Peer Group. In May and June 2019, the Company issued PRs to a number of its employees and executives with these same vesting conditions.

In August 2020, the Company issued PRs to a number of its employees and executives. The vesting conditions will be measured over a three year period (1 July 2020 to 30 June 2023) and be compared to the three year average TSR of the Peer Group. Following approval by shareholders at the Company's general meeting held in November 2020, PRs were issued to Mr Quartermaine with these same vesting conditions.

In August 2021, the Company issued STI PRs to a number of its executives. The vesting condition for the 2021 STI PRs was being employed on 30 June 2022. In August 2021, the Company also issued LTI PRs to a number of its employees and executives. The vesting conditions will be measured over a three year period (1 July 2021 to 30 June 2024) and be compared to the three year average TSR of the Peer Group. Following approval by shareholders at the Company's general meeting held in November 2021, PRs were issued to Mr Quartermaine with these same vesting conditions.

In August 2022, the Company issued STI PRs to a number of its executives ("**2022 STI PRs**"). The vesting condition for the 2022 STI PRs was being employed on 30 June 2023. The vesting conditions for the STI PRs for Mr Quartermaine, for which approval is sought at the Meeting, are the same as those for the 2022 STI PRs.

In August 2022, the Company also issued LTI PRs to a number of its employees and executives ("**2022 LTI PRs**"). The vesting conditions will be measured over a three year period (1 July 2022 to 30 June 2025) and be compared to the three year average TSR of the Peer Group. The vesting conditions for the PRs for Mr Quartermaine, for which approval is sought at the Meeting, are the same as those for the 2022 LTI PRs.

Subject to the Board's discretion described below and provided individual performance is rated as at least satisfactory, the 2022 LTI PRs would vest or be forfeited as follows:

- (i) If Perseus's TSR is < 50th percentile - all PRs would be forfeited.
- (ii) If Perseus's TSR = 50th percentile - 50% of PRs would vest.
- (iii) If Perseus's TSR falls between the 50th to 75th percentiles - the number of PRs to vest would be pro-rated between 50% and 100%.
- (iv) If Perseus's TSR is >75th percentile - all PRs would vest.

However, the Board has the ultimate discretion to vest PRs even if performance conditions have not been met or to not vest PRs even if performance conditions have been met. The Board has exercised this discretion in the past. The Board believes that the grant of PRs with these vesting conditions to Mr Quartermaine will provide him, as the Company's chief executive, with incentive to achieve the long-term performance objectives of the Company by aligning shareholder return objectives with the vesting of his PRs.

The PRs proposed for grant to the executive are subject to the terms and conditions of the PR Plan and are 'at risk' in view of the vesting conditions described above.

At the date of this Notice, a total of 2,844,412 performance rights are issued and outstanding to Mr Quartermaine.

Shareholder approval is required under ASX Listing Rule 10.14 for the issue of the 2022 STI PRs and the 2022 LTI PRs to Mr Quartermaine as he is a Director and therefore a related party of the Company under Listing Rule 10.11.1. ASX Listing Rule 10.14 provides that the Company must not issue equity securities under an employee incentive scheme to a director of the Company without Shareholder approval. As the PR Plan is an employee incentive scheme as referred to in ASX Listing Rule 10.14 and Mr Quartermaine is a director of the Company, Shareholder approval is sought for the issue of PRs to Mr Quartermaine. If such approval is not received, no PRs will be granted to Mr Quartermaine. In such event cash arrangements would be put in place to provide Mr Quartermaine with similar LTI and STI incentives as the Company's other executives who have been granted PRs under the PR Plan. The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by Section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not also seek approval for the issue of PRs to Mr Quartermaine pursuant to Section 208 of the Corporations Act. ASX Listing Rule 10.15 requires the following information to be provided in relation to the PRs proposed to be granted to Mr Quartermaine pursuant to the PR Plan:

- (a) The number of PRs (and hence the maximum number of Shares) to be issued to Mr Quartermaine is 81,925 STI PRs and 411,197 LTI PRs.
- (b) No consideration is payable by Mr Quartermaine at the time of issue of the PRs or upon vesting thereof into ordinary shares.
- (c) At the date of this Notice, a total of 493,122 PRs have been issued to Mr Quartermaine since the date of last approval, being the PRs approved by shareholders at the 2020 annual general meeting, for no consideration. No PRs have been issued to non-executive directors.
- (d) Participation in the PR Plan is available to Eligible Participants, as defined in the PR Plan. Mr Quartermaine has been determined to be an Eligible Participant for the purposes of the PR Plan. Non-executive directors are not eligible to participate.
- (e) No loans will be made by the Company in connection with the issue of PRs to Mr Quartermaine or their vesting, if any, into shares.
- (f) If the Resolution is approved, it is intended that the PRs will be issued to Mr Quartermaine as soon as possible after the date of the Meeting and in any event no later than one year after the date of the Meeting (or such later date as permitted by ASX by way of a waiver from the Listing Rules). The 2022 STI PRs will have a vesting and measurement period from 1 July 2022 until 30 June 2023. The 2022 LTI PRs will have a vesting and measurement period from 1 July 2022 until 30 June 2025. Subject to satisfaction of vesting criteria (detailed elsewhere in this Explanatory Memorandum), conversion of PRs to Shares may occur after the end of the term.
- (g) Refer to page 9 of this Notice for details of Mr Quartermaine's total remuneration package as well as the value attributed to the PRs by reference to a percentage of Mr Quartermaine's TFR and the share price.
- (h) All other terms and conditions of PRs proposed for grant to Mr Quartermaine are as described in the PR Plan, summarised in Attachment 1 and on page 9 of this Notice.
- (i) A voting exclusion statement in respect of Resolution 4 is included in the Notice of Meeting.
- (j) Details of any securities issued under the PR Plan will be published in the Company's annual report relating to a period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the PR Plan after the Resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

The Board, excluding Mr Quartermaine because of his interest in this matter, recommends that Shareholders vote in favour of the issue of PRs to Mr Quartermaine. If Shareholders approve the

Resolution, the Performance Rights will be issued to Mr Quartermaine as per the Resolution. If Shareholders do not approve the Resolution, the proposed Performance Rights will not be issued.

#### **7. Resolution 5 – Non-Executive Directors Fees**

Resolution 5 seeks shareholder approval for an increase in the fees available for payment to the non-executive directors of the Company. Non-executive directors' fees are currently limited to an aggregate of \$900,000 and shareholder approval is sought to increase this amount by \$300,000 for a new aggregate limit of \$1,200,000. Listing Rule 10.17 requires that any increase of aggregate directors' fees be approved by the Shareholders.

At the annual general meeting of Shareholders in November 2016, Shareholders approved an increase in the non-executive directors' fees from \$750,000 to \$900,000 per annum, following the addition of two non-executive directors.

The Board reduced the non-executive director fees by 15% with effect from 1 July 2013. These fees have been increased from 1 July 2022 after a peer group review by an external remuneration consultant. In addition, the number of non-executive directors was increased to six in 2021. Although the current fees are still within the previously approved limit, it is considered appropriate to create the flexibility to increase non-executive director fees over time in view of the significant change in the scale of the Company's activities operating three gold mines and having a development project in Sudan.

Resolution 5 provides for a maximum of \$1,200,000 in non-executive director fees, which will provide the Company flexibility to allow for an appropriate increase. It is not the Board's present intention to utilise the entire proposed \$1,200,000 of fees and the amount is simply the maximum that the Company will be allowed to pay its non-executive directors in aggregate without further shareholder approval.

No securities have been issued to a non-executive director under Listing Rule 10.11 or 10.14 with the approval of shareholders within the preceding 3 years.

The Company's executive director, Mr Jeff Quartermaine (who is not eligible for directors' fees) recommends that Shareholders approve Resolution 5 for the increase in non-executive directors' fees. If Shareholders approve the Resolution, the aggregate fees allowed to be payable to directors will increase to \$1,200,000, allowing for increases of actual directors' fees up to that amount in the future. If Shareholders do not approve the Resolution, the aggregate directors' fees will remain at \$900,000. Current fees payable to directors are within that amount but there would not be sufficient approved fees to increase actual fees or appoint additional directors.

#### **Other Business**

Management is not aware of any other business to come before the Meeting other than as set forth in the accompanying Notice. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

**INFORMATION FOR CANADIAN HOLDERS****Designated Foreign Issuer Status**

The Company confirms that it is a designated foreign issuer as defined in National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers and is subject to Australian law and the regulatory requirements of the ASX. As a result, the Company does not include a management information circular pursuant to National Instrument 51-102 - Continuous Disclosure Obligations (“NI 51-102”) in this Notice of Meeting.

**Advice for Beneficial Holders**

Shares may not be registered in the Shareholder’s name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). **A non-registered Shareholder cannot be recognized at the Meeting for the purpose of voting his Shares unless such holder is appointed by the applicable intermediary as a proxyholder.**

The Company is distributing Meeting materials to non-objecting beneficial owners in accordance with National Instrument 54-101 – *Communications with Beneficial Shareholders* (“**NI 54-101**”). Persons who are objecting beneficial owners for the purposes of NI 54-101 will not receive Meeting materials unless the beneficial owner’s intermediary assumes the cost of delivery. Non-registered Shareholders who receive meeting materials will be given a voting instruction form (a “**VIF**”) which must be completed and signed by the non-registered Shareholder in accordance with the instructions noted on it. In this case, the mechanisms described above for registered Shareholders cannot be used and the instructions on the VIF **must** be followed (which in some cases may allow completion of the VIF by telephone or the Internet). The VIF is provided instead of a proxy. By returning the VIF in accordance with its instructions, a non-registered owner is able to instruct the registered Shareholder how to vote on behalf of the non-registered owner. The purpose of these procedures is to allow non-registered Shareholders to direct the voting of the shares that they own but that are not registered in their name. Should a non-registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on his behalf), the non-registered Shareholder should carefully follow the instructions provided on the VIF.

Proxies returned by intermediaries as “non-votes” because the intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having those Shares voted in respect of any such matter.

**APPROVAL OF THIS EXPLANATORY MEMORANDUM**

The contents and the sending of this Explanatory Memorandum have been approved by the directors of the Company.

**By order of the Board of Directors****Mr Martijn Bosboom**

Company Secretary

Dated: 6 October 2022

**ATTACHMENT 1****KEY TERMS OF THE PERSEUS MINING LIMITED PERFORMANCE RIGHTS PLAN**

The current version of the PR Plan was approved by shareholders at the AGM in November 2020 and applies to all Performance Rights currently on issue.

- (i) **Participation:** The Performance Rights Plan is available to Eligible Participants, as defined below, of the Company and its related bodies corporate, as such term is defined in the Corporations Act (collectively, the “**Group**” and each a “**Group Member**”). Eligible Participants are full and part-time employees and directors of a Group Member, and Eligible Contractors (collectively, “**Eligible Participants**”). An Eligible Contractor means an individual, or company, that has performed work for a Group Member for more than 12 months and received 80% or more of its income from a Group Member. No payment is required for a grant of Performance Rights, nor for the conversion of the Performance Rights to ordinary shares.
- (ii) **Maximum Number Issuable:** An invitation to apply for Performance Rights will not be made where the grant of Performance Rights contemplated by the invitation would result in the Company exceeding the limit that applies under any applicable law from time to time. The limit that currently applies is 5% of the issued capital of the Company. The Performance Rights Plan also provides that the maximum number of Shares that may be issuable pursuant to Performance Rights under the Performance Rights Plan, together with all of the Company’s other previously established or proposed security based compensation arrangements, shall not exceed 10% of the Company’s total issued shares from time to time. The Performance Rights Plan does not set out a maximum number of Performance Rights that may be granted to insiders of the Company or to any one person or company.
- (iii) **Vesting:** Vesting conditions may be determined by the Board at the time an invitation is made and may include a minimum employment term. Performance Rights may not be exercised until vesting conditions, as specified in the invitation, have been met. The Board has the discretion not to impose vesting conditions. As described further in item (xi) below, the Board has the power to amend or waive vesting conditions.
- (iv) **Lapse:** Unless the Board determines otherwise in its absolute discretion, a Performance Right will lapse on the earliest to occur of: (a) a purported transfer, assignment, mortgage, charge, disposition of or encumbrance of the Performance Right, other than with the prior written consent of the Board; (b) the holder of such Performance Right (a “**Performance Rights Holder**”) ceasing to be an Eligible Person for any reason, subject to the provisions described below; (c) a determination by the Board that a Performance Rights Holder has acted fraudulently or dishonestly or is in breach of his or her obligations to any Group Member; (d) subject to any automatic vesting in accordance with the Performance Rights Plan, if applicable vesting conditions have not been met in the prescribed period; (e) the expiry date set out in the related invitation; or (f) the seventh anniversary of the grant of the Performance Right.
- (v) **Cessation of Entitlement – Death or Ill Health:** Subject to any invitation’s terms and conditions, if a holder of a Performance Right ceases to be an Eligible Person due to ill health or death, then (a) if all relevant vesting conditions are met or no vesting conditions are imposed, Performance Rights may be exercised (by the personal representatives in the case of death) until it lapses in accordance with the terms of the Performance Rights Plan; or (b) if any relevant vesting conditions have not been met, the Performance Rights will automatically lapse immediately upon the Performance Rights Holder ceasing to be an Eligible Participant, unless the Board determines otherwise that all or a portion of those Performance Rights immediately vest, notwithstanding non-fulfilment of the vesting conditions.
- (vi) **Cessation of Entitlement – Termination for Cause:** Subject to any invitation’s terms and conditions, if the holder of a Performance Right is terminated for cause, then (a) if all relevant vesting conditions are met or no vesting conditions are imposed, the right to exercise Performance Rights is immediately suspended for a period of 10 Business Days, during which period the Board may determine to lift the suspension and allow such Performance Rights to be exercisable for a period of 20 Business Days after the holder ceases to be an Eligible Participant, following which such Performance Rights will lapse (however, if the Board does not determine to lift the suspension, the Performance Rights will automatically lapse at the end of the 10 Business Day suspension); or (b) if any relevant vesting conditions have not been met, the Performance Rights will lapse on the day the holder ceases to be an Eligible Participant.

- (vii) Cessation of Entitlement – Termination by Consent or Cessation of Employment for Other Reasons: Subject to any invitation’s terms and conditions, if a holder of a Performance Right ceases to be an Eligible Participant (a) by their own volition, with the written consent of the Board; (b) by reason of redundancy; or (c) for reasons other than ill health or death, termination for cause or by consent, or redundancy, then: (A) if all relevant vesting conditions are met or no vesting conditions are imposed, the Performance Rights may be exercised for a period of 20 Business Days after the holder ceases to be an Eligible Person, following which such Performance Rights will lapse; or (B) if any relevant vesting conditions have not been met, the Performance Rights will lapse on the day the Performance Rights Holder ceases to be an Eligible Participant, unless the Board determines otherwise that all or a portion of those Performance Rights immediately vest, notwithstanding non-fulfilment of the vesting condition.
- (viii) Change of Control: Subject to the terms and conditions of a grant of a Performance Right, unvested Performance Rights automatically vest and are automatically exercised on the occurrence of a change of control.
- (ix) Winding up/Reorganisation: The Board may, in its absolute discretion, permit the exercise of Performance Rights, irrespective of whether the relevant vesting conditions have been met, during such period as the Board determines where the Company passes a resolution for voluntary winding up or an order is made for the Company’s compulsory winding up. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued shares, the number of Performance Rights to which each Performance Rights Holder is entitled will be adjusted in the manner provided for in the listing rules applicable at the time the reorganisation comes into effect.
- (x) Assignability: Performance Rights will be transferable or assignable only with the prior written consent of the Board, which may be withheld in its absolute discretion. If a holder of a Performance Right purports to transfer, assign, mortgage, charge or otherwise dispose of or encumber any Performance Rights without Board consent, the Performance Rights immediately lapse. Performance Rights are transferable to the extent necessary to allow exercise by personal representatives pursuant to the Performance Rights Plan in the event of death of the holder.
- (xi) Amendments: Subject to the rules of the TSX and ASX, the Board may at any time amend or add to all or any of the provisions of the Performance Rights Plan, or the terms or conditions of any Performance Right granted under the Performance Rights Plan, including vesting conditions. Specifically, the Board may amend provisions of the Performance Rights Plan, or the terms or conditions of any Performance Right, for the purposes described as items (a), (b) or (c) below and amend or waive vesting conditions, without shareholder approval. Despite the foregoing, no amendment may be made to the terms of a Performance Right without the consent of the holder of the Performance Right if the effect of the amendment is to reduce the rights of the holder of such Performance Right, other than an amendment introduced primarily (a) for the purpose of complying with present or future legislation or regulations applicable to the Company or the Performance Rights Plan; (b) to correct any manifest error or mistake; or (c) to take into consideration adverse tax implications in respect of the Performance Rights Plan.