



11 December 2015

Full Year Production and Cost Guidance

West African gold producer Perseus Mining Limited (ASX/TSX: PRU) is pleased to advise that the company's production guidance for the full financial year ending 30 June 2016 ("FY2016") remains unchanged and a modest improvement in unit costs is now forecast for the same period.

The full-year guidance numbers are confirmed despite a prolonged period of processing low grade ore from its run-of-mine ore stockpile at the Edikan Gold Mine in Ghana ("Edikan") during the December 2015 quarter (the "Quarter").

During the six months to 31 December 2015 (the "December 2015 Half Year"), it has been necessary to process more low-grade, stockpiled ore than planned to supplement fresh ore production at Edikan as a result of a delay in obtaining statutory approval to commence the development of new open pits on the eastern side of the mining lease. Since obtaining the approval in July 2015, Perseus and its mining contractors have worked to mitigate the impact of the delay by accelerating mining in each of the Fobinso Stage 3, Fetish and Chirawewa pits. Total mining movements will be back on schedule by late December 2015, however, because of the late start to mining not all of the ore can be processed during the current period and some higher grade ore that might otherwise have been processed during the Quarter will be held over for processing during the March 2016 quarter. Notwithstanding a significant improvement in both the quantity and the grade of ore mined in December 2015, a shortfall in gold production relative to plan in the second half of the Quarter will result in a shortfall of gold production relative to guidance for the December 2015 Half Year. This shortfall is expected to be recovered in the following six months to 30 June 2016 (the "June 2016 Half Year"), enabling full-year gold production guidance to remain unchanged.

Perseus has continued to reduce its cost base at Edikan during the past six months and, as a consequence, unit cost guidance for this period remains largely unchanged (changed to US\$1,150-\$1,250/oz from US\$1,150-US\$1,300/oz) – notwithstanding reduced gold production in the December 2015 Half Year. Unit cost guidance for the June 2016 Half Year has also been reduced to reflect higher gold production and the reduced cost base. This has resulted in a reduction in unit cost guidance for the Full Financial year from US\$1,100-US\$1,200/oz to US\$1,050-US\$1,150/oz.

Accordingly, Perseus advises that guidance of the remainder of FY2016 is as follows:

Parameter	Units	December 2015 Half Year	June 2016 Half Year	Financial Year 2016
Gold Production	Ounces	80,000-85,000	110,000-125,000	190,000-210,000
All-In Site Cash Costs	US\$/oz	1,150-1,250 ¹	975-1,100 ¹	1,050-1,150 ¹

Note: 1. This compares to Perseus's current gold price hedge position of 150,000 ounces of gold forward sold at a weighted average price of US\$1,241/oz

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Managing Director Jeff Quartermaine Comments:

“We have been working very hard to get back on track at Edikan after being prevented from starting mining earlier in the Fetish and Chirawewa pits by bureaucratic delays. Despite the best efforts by our staff and both of our mining contractors, African Mining Services and Rocksure International, we have fallen short by about two weeks of gold production, necessitating this change to half-year production guidance.

“When seen in the context of the 10-year life of Edikan and taking into account the inexact science of Mineral Resource estimation, two weeks is insignificant but it has impacted on our ability to continue our recent record of achieving short term production targets. That said, we do expect to make up lost ground in the second half of this financial year and by year end, we once again expect to be delivering promised outcomes.”

To discuss any aspect of this announcement, please contact:

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Competent Person Statement: All production targets for the Edikan Gold Mine referred to in this report are underpinned by estimated Ore Reserves which have been prepared by competent persons in accordance with the requirements of the JORC Code.

Caution Regarding Forward Looking Information: This report contains forward-looking information which is based on the assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management of the Company believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Assumptions have been made by the Company regarding, among other things: the price of gold, continuing commercial production at the Edikan Gold Mine without any major disruption, development of a mine at Sissingué, the receipt of required governmental approvals, the accuracy of capital and operating cost estimates, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used by the Company. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of current exploration, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. The Company believes that the assumptions and expectations reflected in the forward-looking information are reasonable. Assumptions have been made regarding, among other things, the Company's ability to carry on its exploration and development activities, the timely receipt of required approvals, the price of gold, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers should not place undue reliance on forward-looking information. Perseus does not undertake to update any forward-looking information, except in accordance with applicable securities laws.