

Perseus Mining Limited – Mid-Quarter Update

Perseus Mining Limited (ASX/TSX: PRU) (“Perseus”) is pleased to provide the following update on progress towards the implementation of its corporate growth strategy designed to transform Perseus within five years into a producer of more than 500,000 ounces of gold per year from three operating mines in West Africa.

OPERATIONS

Edikan Gold Mine – Ghana (“Edikan”)

- The intensive work programme implemented earlier this year to improve operating performance at Edikan, continues to generate the required results with materially improved operating performance continuing during the September 2016 quarter (the “Quarter”);
- Gold production up to the 12th August 2016 is ahead of target with approximately 21,000 ounces of gold recovered Quarter-to-date. This level of production is consistent with guidance for the December 2016 half year of 80-100,000 ounces of gold;
- A US\$120 million contract for the mining of the Esujah North (“ESN”) open pit has been awarded to African Mining Services (“AMS”), a Ghanaian contract mining subsidiary of mining services company Ausdrill Limited. AMS is currently contracted to mine both the Fetish and Chirawewa open pits at Edikan. With construction of housing needed to accommodate former residents of the mine take area proceeding on track and grade control drilling in ESN under way, preparations for the start of full scale mining by AMS in ESN in early October 2016 are well in hand.

DEVELOPMENT

Sissingué Gold Project – Côte d’Ivoire (“Sissingué”)

- Contracts related to approximately 50% of the scope of work for the Sissingué mine development have been awarded to Lycopodium, the experienced and highly regarded international engineering group. The balance of the Sissingué scope of works will be supervised by Perseus’s in-house development team. Procurement for this portion of the works is also well underway. First gold is forecast to be poured at Sissingué in the December 2017 quarter;
- Work is progressing towards obtaining final credit approval and documentation of a US\$60 million project financing facility for Sissingué which, together with US\$40 million of Perseus’s cash, will fully fund the approximately US\$100 million cost to complete development of Sissingué.

Yaouré Gold Project – Côte d’Ivoire (“Yaouré”)

- A contract for 42,000 metres of diamond and reverse circulation (“RC”) infill drilling and 40,000 metres of rotary air blast (“RAB”) sterilisation drilling has been signed with drilling contractor Geodrill Limited. By month end, four drill rigs are expected to be mobilised to the Yaouré site;
- All key Consultants are well advanced on Stage 1 of the definitive feasibility study (“DFS”) which involves a comprehensive review of all existing data related to Yaouré in each discipline and the selection of specific options for evaluation as part of the DFS. This stage of the DFS is expected to be completed on schedule by the end of August 2016.

EXPLORATION

Baomahun Gold Project (Sierra Leone)

- Perseus has been advised by the Sierra Leone National Minerals Agency that the Minister for Mines and Mineral Resources has cancelled Mineral Right ML 02/08 on which the Baomahun gold deposit is located. This action has been taken following Perseus's advice to the Minerals Advisory Board that development of the Baomahun Gold Project as defined by Amara Mining plc, which was acquired by Perseus in April 2016, is not economically feasible at current gold prices and that further exploration success and a positive feasibility study would be required before Perseus could consider committing to development.

To discuss any aspect of this announcement, please contact:

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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 and/or Yaouré, 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.