12 April 2017

MARCH 2017 QUARTER ACTIVITIES REPORT

PERSEUS MINING LIMITED
ASX/TSX code: PRU

Capital Structure as at 4 Apr 2017:
Ordinary shares:
1,033,205,814
Outstanding warrants:
130,591,333
Unvested performance rights:
15,600,000

Directors:
Mr Sean Harvey
Non-Executive Chairman
Mr Jeff Quartermaine
Managing Director
Mr Mike Bohm
Non-Executive Director
Mr Colin Carson
Executive Director
Mr Alex Davidson
Non-Executive Director
Mr John McGloin
Non-Executive Director

Substantial Shareholders:
Van Eck Associates Corporation
13.6%
Franklin Resources, Inc.
7.7%

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OVERVIEW

Perseus Mining Limited ("Perseus" or the "Company") has made a positive start to 2017 reporting a strong result for the three months ending 31 March 2017 (the "March 2017 quarter" or the "Quarter") as summarised below:

EDIKAN GOLD MINE ("EDIKAN") OPERATIONS

- *Quarterly gold production of 48,655 ounces exceeded December 2016 Quarter production by 51% placing Edikan on track to achieve its June 2017 Half Year production guidance of 90-110,000 ounces;*
- *All-in site costs ("AISC") of US$1,098/ounce, were 41% lower than in the December 2016 Quarter, placing Edikan on track to achieve June 2017 Half Year AISC guidance of US$1,000 to US$1,220/ounce;*

Table 1: Key Performance Indicators

Parameter	*Units*	*December 2016 Quarter*	*March 2017 Quarter*
Recovered Gold	Ounces	32,223	**48,655**
Production Cost	US$/ounce	1,526	**957**
All in Site Cost	US$/ounce	1,847	**1,098**
Gold Sales	Ounces	22,431	**55,532**
Av. Sale Price	US$/ounce	1,115	**1,266**

- *Re-estimation of Edikan's Mineral Resources and Ore Reserves was completed using estimating techniques better suited to Edikan's complex geology, resulting in a relatively insignificant change in contained gold;*
- *Edikan's Life of Mine Plan ("LOMP") was updated based on the re-estimated Ore Reserves. This updated plan forecasts average annual gold production of 240,000 ounces at an AISC of US$875 per ounce for the next five years;*
- *The updated LOMP also forecasts strong positive after tax cash flow of nearly US$403 million (or A$0.52per share) from 1 January 2017 (assuming existing hedge book and a flat spot gold price of US$1,200 per ounce).*

SISSINGUÉ GOLD MINE ("SISSINGUÉ") DEVELOPMENT

- *Development of Sissingué was 42% complete by Quarter-end. The mine remains on track to produce its first gold in the March 2018 quarter;*
- *US$12 million was spent during the Quarter on development activities bringing total expenditure to date (including early works) to US$55 million;*
- *The forecast cost to complete Sissingué's development of US$61 million will be funded by existing cash and US$40 million of project debt finance provided by Macquarie Bank under agreements reached during the Quarter;*

- *Maiden Mineral Resources and Ore Reserves were estimated for the Bélé East and Bele West deposits and an Ore Reserve estimated for the Sissingué deposit based on Mineral Resources re-estimated in December 2016;*

- *An updated LOMP was prepared for Sissingué, assuming that Ore Reserves from each of the Sissingué, Bélé East and Bélé West mineral deposits would be processed through the Sissingué processing facility;*

- *Estimated annual gold production of 80,000 ounces at an AISC of US$624 per ounce is predicted for the first 3.25 years of operation, or 70,000 ounces at an AISC of US$628 per ounce over the currently estimated 5 year mine life.*

- *The LOMP forecasts strong positive after tax cash flow of nearly US$104 million (or approximately A$0.13 per share) resulting in an ungeared, after tax internal rate of return of approximately 28% (real) and a capital payback period of approximately 39 months assuming existing hedging and at a flat spot gold price of US$1,200 per ounce.*

YAOURÉ GOLD PROJECT ("YAOURE") DEFINITIVE FEASIBILTY STUDY ("DFS")

- *Land and crop compensation negotiations were completed subsequent to the end of the Quarter enabling access to the entire Yaouré project site for drilling and future construction and operating activities.*

- *A planned 48,000m Mineral Resource confirmation drilling programme was 80% complete at Quarter end. Early drill results are encouraging with a number of probable new structures associated with the Yaouré deposit being defined. The drilling results will be incorporated into an updated Mineral Resource estimate that is now scheduled for completion early in the September Quarter.*

- *The forecast completion date of the DFS has been adjusted to reflect delays in gaining full land access for drilling and is now scheduled to be completed early in the December Quarter. The forecast total cost of the DFS remains unchanged at US$8 million.*

CORPORATE

- *Cash (A$50.4 million) and bullion (A$13.7) million totalled A$64.1 million at 31 March 2017, A$3.4 million less than the 31 December 2016 balance of A$67.5 million after expenditure on Sissingué development, exploration and corporate expenditure;*

- *Gold forward sales at Quarter-end totalled 159,022 ounces at a weighted average price of US$1,275/ounce;*

- *A US$20 million working capital facility was established and drawn during the Quarter. Drawdown of an additional US$40 million project debt facility intended to fund the development of Sissingué, is planned to occur in the September 2017 quarter;*

- *A payment of US$15 million was made to Bayswater Contract Mining ("BCM") during the Quarter, this being the final instalment of a US$20 million settlement of a legal dispute between Amara Mining plc ("Amara"), who was acquired by Perseus in 2016, and BCM.*

Operations

Edikan Gold Mine, Ghana

Edikan's operating performance during the Quarter and its two preceding quarters, is summarised as follows:

Table 2: Quarterly Performance Statistics

Parameter	Unit	September 2016 Quarter	December 2016 Quarter	March 2017 Quarter
Production & Sales:				
Total material mined:				
• *Volume*	*bcm*[1]	*4,492,727*	*4,567,877*	***4,126,768***
• *Weight*	*tonnes*	*9,167,718*	*9,397,353*	***8,942,287***
Ore mined:				
• *Oxide*	*tonnes*	*239,013*	*205,542*	***188,790***
• *Fresh/Transitional*	*tonnes*	*1,262,517*	*1,287,992*	***2,202,133***
• *Total ore mined*	*tonnes*	*1,501,530*	*1,493,534*	***2,390,923***
Ore grade mined:				
• *Oxide*	*g/t*[2] *gold*	*1.01*	*0.94*	***1.21***
• *Fresh/Transitional*	*g/t gold*	*1.05*	*1.02*	***1.08***
• *Average grade*	*g/t gold*	*1.04*	*1.01*	***1.09***
Strip ratio	*t:t*	*5.1*	*5.3*	***2.7***
Ore stockpiles:				
• *Quantity*	*tonnes*	*1,759,695*	*1,854,470*	***2,428,892***
• *Grade*	*g/t gold*	*0.6*	*0.6*	***0.7***
Ore crushed	*tonnes*	*1,479,127*	*1,159,817*	***1,554,967***
Ore milled	*tonnes*	*1,800,380*	*1,398,757*	***1,816,501***
Milled head grade	*g/t gold*	*0.91*	*0.88*	***1.01***
Gold recovery	*%*	*83*	*82*	***83***
Gold produced	*ozs*	*43,776*	*32,223*	***48,655***
Gold sales[3]	*ozs*	*43,952*	*22,431*	***55,532***
Average sales price	*US$/oz*	*1,223*	*1,115*	***1,266***
Unit Costs:				
Mining cost	*US$/t mined*	*3.09*	*3.05*	***2.95***
Processing cost	*US$/t milled*	*8.63*	*11.70*	***8.95***
G & A cost	*US$M/month*	*1.37*	*1.37*	***1.40***
All-In Site Cost				
Production cost	*US$/oz*	*1,095*	*1,526*	***957***
Royalties	*US$/oz*	*78*	*84*	***93***
Sub-total	***US$/oz***	*1,173*	*1,610*	***1,050***
Sustaining capital	*US$/oz*	*215*	*237*	***48***
Total All-In Site Cost	***US$/oz***	*1,388*	*1,847*	***1,098***
Site Exploration Cost	*US$M*	*0.80*	*0.78*	***0.37***

Notes:

[1] *Denotes bank cubic metres*

[2] *Denotes grams of gold/tonne of ore*

[3] *Gold sales are recognised in Perseus's accounts when the contracted gold refiner takes delivery of gold in the gold room.*

The total quantity of ore plus waste mined during the Quarter decreased by approximately 5% to 8,942,287 tonnes. The quantity of ore mined increased by approximately 897,389 tonnes to 2,390,923 tonnes, however the quantity of waste stripped decreased by 1,352,455 tonnes to 6,551,364 tonnes. These movements were reflected in a significant decrease in the total strip ratio across the Edikan site from 5.3:1 in the prior period to 2.7:1 in the Quarter.

The weighted average head grade of ore mined during the Quarter increased in line with plans to 1.09g/t and the reconciliation between the head grade of ore as per grade control drilling and the head grade of ore as per the block model (re-estimated in the December 2016 quarter using multiple indicator kriging ("MIK") techniques) was close to 99%. Of the 2,390,923 tonnes of ore mined, approximately 27% or 634,947 tonnes grading on average 1.19g/t, was classified as transitional ore. Because of the physical properties of this material and the associated impact on recovery rates, the best results are achieved by blending this transitional ore with fresh ore rather than processing it as a single stream of mill feed. As a result, much of the transitional ore has been stockpiled and will be progressively fed to the mill in coming months.

Unit mining costs decreased slightly during the Quarter from US$3.05/tonne mined to US$2.95/tonne mined, notwithstanding a 5% decrease in mine material movements in this Quarter compared to the prior period. A reduction in payments to grade control consultants and mining contractor costs relative to the prior period were the main drivers in the unit cost reduction.

The performance of the processing plant at Edikan improved materially relative to both the September and December 2016 quarters as shown below:

Table 3: Plant Performance Statistics

	September 2016 Quarter	*December 2016 Quarter*	*March 2017 Quarter*
Crusher			
Run time (%)	*48*	*43*	***58***
Hourly throughput rate (t)	*1,388*	*1,224*	***1,249***
Oxide Circuit			
Run time (%)	*74*	*53*	***69***
Hourly throughput rate (t)	*138*	*127*	***129***
SAG Mill			
Run time (%)	*89*	*70*	***90***
Hourly throughput rate (t)	*921*	*907*	***932***
Gold recovery rate (%)	*83*	*82*	***83***

During the Quarter, the amount of ore processed was the highest amount ever achieved in a single quarter since production began at Edikan in 2011 and the run-time of the mill was also an all-time quarterly record. The improved performance as illustrated by the operating parameters listed in ***Table 3*** are in large part a function of the mill upgrade which took place during the December 2016 quarter but also reflect an improved performance by the operating team at Edikan supported by our Technical Services team.

Quarterly gold production totalled 48,655 ounces, approximately 51% more than the 32,223 ounces produced in the prior quarter and in line with internal targets. The gold production result places Perseus on track to achieve production guidance for the June 2017 Half Year of 90-110,000 ounces.

Unit processing costs incurred during the Quarter decreased by 24% to US$8.95/tonne milled from US$11.70/tonne milled in the prior quarter, due largely to the 30% increase in the tonnes of ore processed.

Production costs for the Quarter (including all mining including waste stripping, processing and G&A costs but excluding royalty) amounted to US$957/ounce, about 37% below the December 2016 quarter's production cost. Of the US$569/ounce decrease in unit production costs, US$516/ounce or 91% was due to increased gold production (i.e. was volume related). The remainder of the decrease can mainly be attributed to a decrease in total expenditure on mining due to lower tonnes mined during the period and the mining cost reductions mentioned above.

The AISC during the Quarter (including production costs plus royalty plus all sustaining capital costs) decreased by 41% to US$1,098/ounce relative to the ASIC in the prior quarter. As well as the decrease in production costs noted above, sustaining capital expenditure expressed on a per ounce basis, also decreased during the Quarter. Sustaining capital expenditure in total cost terms reduced US$5.3 million during the quarter relative to the prior quarter.

The cost performance at Edikan this Quarter, places the Company well on track to achieve the AISC guidance of US$1,000 to US$1,220/ounce in the June 2017 Half Year.

Updated Mineral Resources and Ore Reserves

Edikan's Mineral Resources and Ore Reserves were re-estimated as at 31 December 2016, during the Quarter.

Whereas previous Mineral Resources estimates at Edikan have been prepared using the ordinary kriging ("OK") estimation method, the updated Open Pit Mineral Resource estimate (including the AFG, Fobinso, Fetish, Chirawewa, Bokitsi and Esuajah North deposits) were based on MIK estimating techniques. Estimates of the Esuajah South deposit and the Heap Leach material use the OK estimation method which is more appropriate for estimating underground mining projects and stockpiles.

Edikan's updated global Measured and Indicated Mineral Resource estimate, as at 31 December 2016, is 155.8 million tonnes grading 1.0g/t gold, containing 5,011 kozs of gold. A further 30.0 million tonnes of material grading 0.9 g/t gold and containing a further 899kozs of gold are classified as Inferred Resources.

When compared to a global Open Pit Mineral Resource estimate calculated based on the same data using the OK method, the revised MIK based Mineral Resource estimate includes:

- 15% more tonnes
- 8% lower grade
- 199 kozs or 5% more contained gold
- 35% less material in the Measured classification and 60% more material in the Indicated classification as a result of the adoption of more rigorous criteria for classification of Mineral Resources.

Edikan's independently estimated Proved and Probable Ore Reserve estimate was based on the revised Mineral Resources as at 31 December 2016, updated pit optimisation, design and scheduling of the Open Pit resources and a new Esuajah South Ore Reserve based on underground mining methods, and totals 56.5 million tonnes of ore, grading 1.14 g/t gold and containing 2,078kozs of gold.

Allowing for ore depletion from mining since 30 June 2016 and for the addition of Ore Reserves contained in decommissioned heap leach stockpiles not previously included in Reserves, the updated Ore Reserve estimate contains 99kozs or approximately 5% less gold than Edikan's previous Ore Reserve estimated as at 30 June 2016.

Updated Life of Mine Plan

Following the re-estimation of Mineral Resources and Ore Reserves, a revised LOMP commencing on 1 July 2017 was prepared for the Edikan operation during the Quarter.

Consistent with the revised Mineral Resource that contains 15% more tonnes, 8% lower grade and 5% more contained gold than previously estimated the life of mine production profile is slightly flatter but extends for longer than the previous Edikan LOMP published in April 2016.

The estimated remaining life of mine gold production of 1,388 kozs is 96.6% of the amount estimated for the corresponding period (i.e. from 1 July 2017 to the end of the mine) in the previous LOMP. Gold production averages 214,000 ounces/annum over Edikan's remaining 6.5 year mine life (from 1 July 2017) and includes production averaging approximately 240,000 ounces/annum for the next 5 years.

AISCs including all direct production costs, royalties, waste stripping costs and sustaining capital expenditure are forecast to average US$875 per ounce in the 5 year period from 1 July 2017 to 30 June 2022 and US$864 per ounce over the full life of mine. Forecast sustaining capital costs (including the cost of site rehabilitation) which are included in the estimate of the AISC, total US$34.5 million.

The revised Edikan LOMP forecasts strong positive after tax cash flow totalling approximately US$403 million (or A$0.52per share at an A$:US$ exchange rate of 0.75), assuming delivery into existing hedges and sale of the balance of production at a flat spot gold price of US$1,200 per ounce for the remaining mine life from 1 January 2017.

The key forecast operating statistics for Edikan's LOMP are summarised below in ***Table 4*** below.

Table 4: Overview Key Parameters of the updated LOMP

Parameter	Units	Average per year	Total
Ex-Pit Mining		**FY18-22[1]**	**Life of Mine**
Total ore + waste mined	Mt	34.7	156.1
Waste mined	Mt	25.4	114.5
Ore mined	Mt	9.2	41.6[2]
Head grade	g/t gold	1.13	1.13
Strip ratio	t:t	2.8	2.8
Processing			
Quantity ore processed	Mt	7.3	47.6[2]
Head grade processed	g/t gold	1.19	1.06
Contained gold	'000 ounces	281	1,624
Gold recovery rate	%	88.3	88.1
Mine Call Factor[3]	%	3.0	3.0
Gold production	'000 ounces	240	1,388
Operating and Capital Costs			
Average mining costs	US$/tonne mined	3.24	3.29
Average processing costs	US$/tonne processed	9.14	9.21
Average general & administration ("G&A) costs	US$/tonne processed	2.37	2.16
Production costs	US$/ounce	769	758
Royalty	US$/ounce	81	81
Sustaining capital	US$/ounce	25	25
All-in site costs	US$/ounce	875	864

Notes:

1. Perseus has a financial year that ends on 30 June.
2. Includes Ore mined ex-pit plus Ore drawn from ROM stockpile and Heap Leach pads.
3. The Mine Call Factor is an allowance to cover any residual mine to mill reconciliation issues that may exist after the full implementation of improvement measures that among other things, have included the new Mineral Resource estimates.
4. The LOMP excludes the Esuajah South Ore Reserve, but all other Ore Reserves are included.

Development

Sissingué Gold Mine, Côte d'Ivoire

The development of Sissingué is an integral element of Perseus's corporate strategy of geographically and technically diversifying its production base as soon as possible by establishing a second producing mine in Côte d'Ivoire.

Project Development

During the Quarter, Perseus advanced the development of Sissingué and at Quarter-end, development works were on schedule with 42% of the works completed, and on budget with incurred expenditure (including US$10.4 million of early works and holding costs) totalling US$54.7 million, and the forecast expenditure to complete (including contingency) estimated at US$60.6 million.

Off-site, detailed engineering is largely complete as is the procurement of all significant long lead items of plant and equipment.

The contractor's construction team that was mobilised to site last quarter has made excellent progress with the bulk concrete works associated with the plant, and installation of underground services is well underway. On-site work by the Owner's Team on the construction of the airstrip, tailings dam and mine camp has also continued to progress in line with the project's Master Schedule during the Quarter and is expected to be completed in the June 2017 quarter.

Given the progress made to date, Sissingué remains on track to produce its first gold in the March 2018 quarter.

Refer to ***Appendix A*** for a photographic record of recent on-site activities.

Updated Mineral Resources and Ore Reserves

During the Quarter, Perseus completed an update of its Mineral Resources estimate for the Bélé East and Bélé West mineral deposits that are located on the Mahalé Exploration Licence which is located within trucking distance of Sissingué. Based on the updated global Measured and Indicated Mineral Resource that combines the Sissingué and Bélé East and West deposits, a combined Ore Reserve, available for processing at the Sissingué processing facility, was also estimated.

The updated global Indicated Mineral Resource for the Bélé deposits, estimated as at February 2017, was 1.9 million tonnes grading 2.0g/t gold, containing 130,000 ounces of gold. A further 0.4 million tonnes of material grading 1.8 g/t gold and containing a further 25,000 ounces of gold are classified as Inferred Resources. When combined with Mineral Resources contained in the Sissingué deposit, the updated global Measured and Indicated Mineral Resource that combines the Sissingué and Bélé East and West deposits is now estimated as 15.0 million tonnes grading 1.7 g/t gold, containing 820 kozs of gold. A further 1.4 million tonnes of material grading 1.9 g/t gold and containing a further 80 kozs of gold are classified as Inferred Resources.

Sissingué's updated Ore Reserve is based on the Sissingué Mineral Resource that was updated in December 2016 and the Bélé East and West Mineral Resource estimates as at February 2017 as well as updated pit optimisation, design and scheduling of the open pit resources. The Ore Reserves are estimated at 5.9 million tonnes grading 2.1 g/t gold and containing 400 kozs of gold.

Updated Life of Mine Plan

Following the re-estimation of Mineral Resources and Ore Reserves, a revised LOMP that assumed a production commencement date of 1 March 2018, was prepared for the Sissingué operation.

Based on the revised LOMP, Sissingué's estimated life-of-mine gold production totals 358 kozs including approximately 80,000 ounces per annum for the first 3.25 years of production, and approximately 70,000 ounces per annum over the full five year mine life.

AISCs for the operation, including all direct production costs, royalties, waste stripping costs and sustaining capital expenditure, are estimated at approximately US$624 per ounce in the first 3.25 years of production and approximately US$628 per ounce over the full life of mine.

The total capital cost estimate for the development of Sissingué (excluding exploration costs, early works and pre-development holding costs) is US$107 million and the forecast sustaining capital costs (including the cost of site rehabilitation), which are included in the estimate of the AISC, total US$13 million.

The LOMP forecasts strong positive after tax cash flow totalling approximately US$104 million (or approximately A$0.13 per share at an A$:US$ exchange rate of 0.75), assuming a flat spot gold price of US$1,200 per ounce for unhedged ounces over the life of the mine starting from 1 March 2018 and taking into account existing designated hedges for 67 kozs of gold at a weighted average price of US$1,301 per ounce.

Based on a total estimated construction cost of US$107 million, the ungeared, after tax internal rate of return from the project is approximately 28% (real) and the capital payback period is estimated at 39 months.

The key forecast operating statistics for Sissingué's LOMP are summarised below in ***Table 5*** below.

Table 5: Overview Key Parameters of the updated LOMP

Parameter	Units	Average per year	Total
Ex-Pit Mining		**FY18-21[1,2]**	**Life of Mine**
Total ore + waste mined	Mt	6.7	25.0
Waste mined	Mt	5.1	19.2
Ore mined	Mt	1.6	5.8
Head grade	g/t gold	2.1	2.1
Strip ratio	t:t	3.2	3.3
Processing			
Quantity ore processed	Mt	1.3	5.8
Head grade processed	g/t gold	2.2	2.1
Contained gold	'000 ounces	91	400
Gold recovery rate	%	90.0	89.6
Gold production	'000 ounces	82	358
Operating and Capital Costs			
Average mining costs	US$/tonne mined	3.29	3.17
Average processing costs	US$/tonne processed	12.27	13.16
Average general & administration ("G&A) costs	US$/tonne processed	6.33	6.71
Production costs	US$/ounce	541	543
Royalty	US$/ounce	50	50
Sustaining capital	US$/ounce	33	35
All-in site costs	US$/ounce	624	628

Notes:

1. *Perseus has a financial year that ends on 30 June.*
2. *Covers the 3.25 year period from 1 April 2018 to 30 June 2021*

Yaouré Gold Project, Côte d'Ivoire

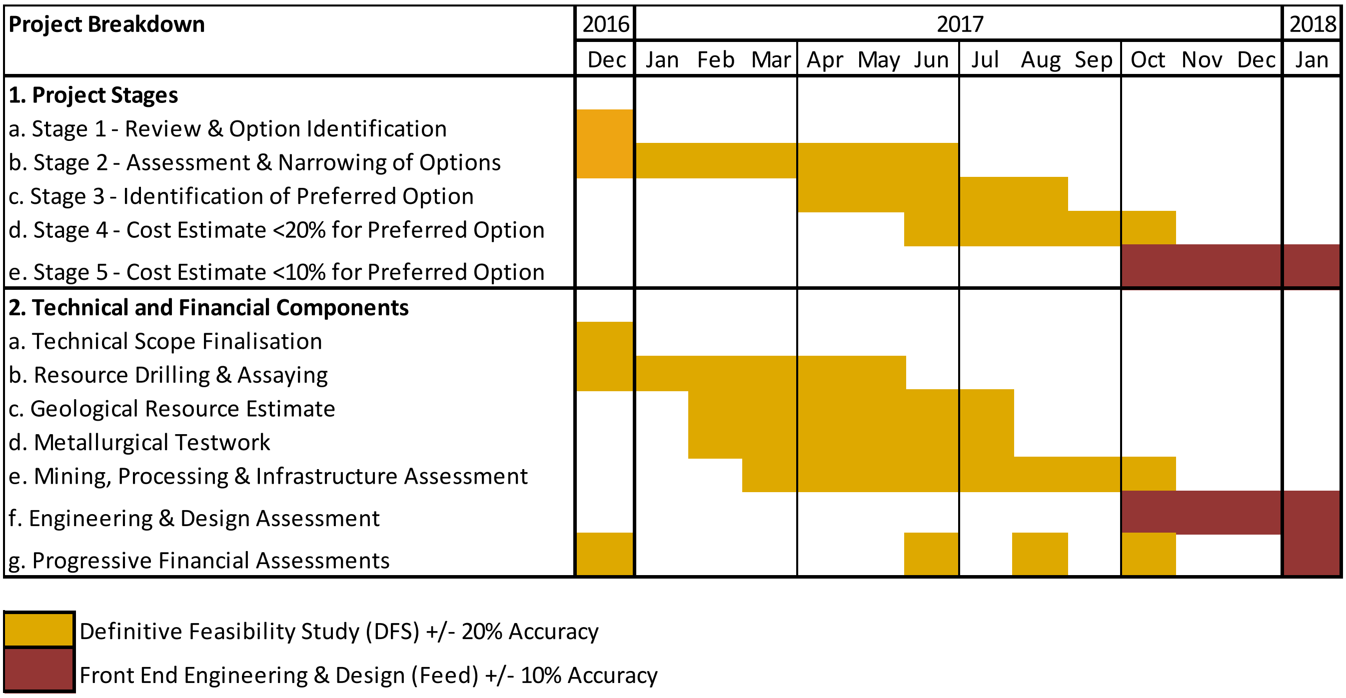
Definitive Feasibility Study

Work on preparation of the Yaouré DFS is progressing slightly behind schedule due to delays in completing land access negotiations. As shown below in ***Table 6***, the resource drilling programme progressed well during the Quarter (80% complete by Quarter-end) and work began on resource modelling, metallurgical test work, and assessment of mining, processing and infrastructure options as part of Stage 2 of the DFS. This stage is due to be completed in the June 2017 quarter.

The resource definition drilling is comprised of 48,000 metres of infill diamond and reverse circulation ("RC") drilling. The RC drilling includes grade control drilling in targeted areas, designed to enhance Perseus's confidence in the existing Mineral Resource estimate as well as examine opportunities for incremental expansion of the Mineral Resource. A 14,000 metre Rotary Air Blast ("RAB") drilling programme to sterilise the planned sites of mine infrastructure is also planned and will start in the June 2017 quarter. A further 5,000m of drilling for geotechnical, hydrogeological and engineering design purposes will also be completed.

Completion of the DFS is scheduled to take a total of 10 months from commencement of the Stage 2 drilling program, which began at the end of December 2016 following the extension of Yaouré's Exploration Licences 168 and 397 for two years on 1 December 2016. This should see the full study completed by October 2017. Information associated with progress of the DFS will be progressively released as the study progresses, with the first milestone being release of a new Mineral Resource early in the September Quarter.

Table 6: Yaouré Definitive Feasibility Study Schedule



Land Access Negotiations

Land and crop negotiations were completed subsequent to the end of the Quarter, enabling access to the proposed Yaouré project site for drilling and future construction activities.

Exploration Projects

Ghana

Exploration activities in Ghana focused on assessing targets generated from the interpretation and targeting exercise conducted at Edikan by consulting group Corporate Geoscience Group (“CGSG”). The study that was completed late in the December 2016 quarter, identified over 50 exploration targets defined by various criteria, of which 10 were ranked as high priority. Company geologists have since field checked these targets and re-ranked them for drill testing.

Drilling commenced in late March 2017, testing three resistivity targets defined by airborne EM (“VTEM”) with potential to represent shallowly buried mineralised granite bodies analogous to those currently being exploited elsewhere within the Edikan project. Initial results indicate the possible presence of intrusive rocks within the targeted anomalies although gold values intersected to date have been low.

A total of approximately 10,500 metres of predominantly RC drilling is planned over the coming months to test these and other high-priority targets generated by the CGSG study.

Côte d’Ivoire

Sissingué Exploitation Permit

Papara Prospect

Diamond and RC drilling is underway at the Papara prospect, an area of extensive artisanal mining located 20 kilometres north of the Sissingué mine site. Previous wide-spaced RAB and RC drilling through this zone intersected scattered, locally high grade gold mineralisation, apparently associated with quartz veining within the contact zone of a dioritic intrusive with sediments.

Initial results from the latest program have been encouraging, with the intersection of a previously unrecognised series of altered granite dykes with associated gold mineralisation. Drilling is now focussed on determining the geometry of these dykes and their lateral extent, with over 5,000 metres of drilling planned for the current program.

Mahalé Exploration Permit

RAB drilling has commenced on the Mahalé property to follow up soil and auger gold anomalies around the western margins of the Bélé granite. Based on knowledge gained from the Bélé East and West gold deposits, there is a strong correlation recognised between gold mineralisation and magnetite alteration within the sheared contacts of the Bélé granite, and an airborne magnetic survey is planned to help define better the contact zone and potential alteration, and hence rank gold geochemical anomalies.

Corporate

Cash and Bullion

Based on the gold price of US$1,244.85/ounce and an A$:US$ exchange rate of 0.7645 as at 31 March 2017, the total value of available cash and bullion on hand at the end of the Quarter was $64.1 million. This sum which includes cash of A$50.4 million and 8,428 ounces of bullion on hand valued at A$13.7 million, is $3.4 million less than the balance of cash and bullion as at 31 December 2016 and takes into account all capital investment at Sissingué, exploration and corporate costs including the payment money to finally settle a legal dispute inherited from Amara following the takeover of that company in 2016.

Gold Price Hedging

At the end of the Quarter, gold forward sales contracts were in place for 159,022 ounces of gold at US$1,275/ounce. This hedging includes all mandatory hedging required under the terms of the Company's recently negotiated debt facilities.

Debt Financing

On 10 March 2017, Perseus formally accepted offers from Macquarie Bank Limited ("Macquarie") to provide members of the Perseus group with a total of US$60 million of debt finance to be used to finance its growth strategy.

The financing included a US$40 million project debt facility that will be used to finance the completion of the development of Sissingué. As of 31 March 2017, Sissingué's forecast cost to complete was approximately US$60.6 million (including full contingency) and this will be funded by a combination of Perseus's internal cash resources and the project loan provided by Macquarie. Documentation of the Sissingué project debt facility is well advanced and funds under the US$40 million project debt facility are expected to be drawn down toward the end of the September 2017 quarter.

A second US$20 million debt facility provided to Perseus's Ghanaian subsidiary will be used as required for general working capital over the next twelve months while Perseus's corporate cash resources are being applied to fund Sissingué and other corporate expenses.

Perseus has no other debts other than creditors that are payable in the ordinary course of business.

UK Listing

On 18 April 2016, a scheme of arrangement between Perseus and Amara and its shareholders ("the Scheme") became effective. Under the terms of the Scheme, Perseus undertook to examine, within twelve months of the Scheme becoming effective, the merits of obtaining a Standard Listing of its ordinary shares on the Official List of the UK Listing Authority (a "London listing") to complement its existing share listings on the Australian Stock Exchange and the Toronto Stock Exchange. Perseus has considered the merits of a London Listing but in view of uncertainty arising from UK's potential departure from the European Union, a firm decision on listing has been deferred until the commercial implications of such a move by the UK are better understood by Perseus.

Settlement of Legal Dispute

In January 2017, Perseus paid a final instalment of US$15 million to BCM to settle a dispute between BCM and various members of the Amara group that was acquired by Perseus in April 2016. The dispute with BCM related to outstanding claims made by BCM against Amara in relation to contract mining services provided by BCM at Amara's now closed Kalsaka and Seguenega mines in Burkina Faso. The payment was made pursuant to a Settlement Agreement executed in December 2016 and followed the lifting of seizure orders in Côte d'Ivoire and withdrawal of all relevant court processes.

Program for the June Quarter

Edikan

- Produce gold at a total all-in site cost that is in line with June Half Year guidance;
- Continue to implement improved grade control practices and investigate potential opportunities for improvements in grade estimation;
- Continue training of operating and maintenance staff;
- Continue to implement business improvement initiatives across all departments at Edikan; and
- Assess exploration targets and prepare drill programmes for targets identified by the recent review of geological datasets relating to the Edikan mining leases.

Sissingué

- Continue construction of Sissingué in line with schedule and budget;
- Finalise the project debt facility required under the project funding plan; and
- Continue drilling at the Papara prospect and (subject to available funding) the Katara prospect with the aim of determining the potential for additional Mineral Resources which could be processed at the Sissingué processing facility.

Yaouré

- Advance work on preparing a bankable DFS for Yaouré, including:
  - Completion of the resource definition drilling program designed to confirm Mineral Resource estimates;
  - Completion of the metallurgical test work program to be used for optimisation of the process flow sheet and project scale; and
  - Assessment and narrowing of mining, processing and infrastructure options in readiness for delivery of the final Mineral Resource estimates, which will then be used to determine the optimum project.

Jeff Quartermaine
Managing Director and Chief Executive Officer
12 April 2017

To discuss any aspect of this announcement, please contact:

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***Competent Person Statement**:*
All production targets for Edikan and Sissingué 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.

The information in this report in relation to Edikan Mineral Resource and Ore Reserve estimates was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 21 February 2017. The Company confirms that it is not aware of any new information or data that materially affect the information in that market release and that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in "Technical Report — Central Ashanti Gold Project, Ghana" dated 30 May 2011 continue to apply.

The information in this report that relates to Mineral Resources for Sissingué was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 15 December 2016. The information in this report that relates to Mineral Resources for Bélé was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 20 February 2017. The information in this report that relates to Ore Reserves for the Sissingué and Bélé was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 31 March 2017. The Company confirms that it is not aware of any new information or data that materially affect the information in that market release and that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in "Technical Report — Sissingué Gold Project, Côte d'Ivoire" dated 29 May 2011 continue to apply.

***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 Tengrela, 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.

Appendix A – Photos of Sissingué Site Works

***Photo** 1: Tailings Dam construction showing compaction of dam floor*

***Photo 2**: Sissingué's airstrip with sealant being applied*

Photo 3: *Formwork and reinforcing in place for Crusher foundations*

Photo 4: *Foundations for SAG Mill well advanced*

***Photo 5:** Foundations for the CIL tanks well advanced*

***Photo 6**: Aerial view of the Sissingué Camp nearing completion*