

SEPTEMBER 2017 QUARTER ACTIVITIES REPORT



ASX/TSX code: PRU

Capital structure as at 16 October 2017:

Ordinary shares:
1,033,234,191
Outstanding warrants:
130,562,956
Unvested performance rights:
18,266,666

Directors:

Mr Sean Harvey
Non-Executive Chairman
Mr Jeff Quartermaine
Managing Director & CEO
Mr Mike Bohm
Non-Executive Director
Mr Colin Carson
Executive Director
Mr Alex Davidson
Non-Executive Director
Ms Sally-Anne Layman
Non-Executive Director
Mr John McGloin
Non-Executive Director

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OVERVIEW

Perseus Mining Limited has delivered a third consecutive quarter of strong operating results and remains on track to achieve its production and cost guidance for the half year to 31 December 2017. Key highlights in the three months to 30 September 2017 include:

- Perseus's first mine, the Edikan Gold Mine in Ghana, produced 51,309 ounces of gold during the Quarter, maintaining the solid production rates achieved in the previous six months to June 2017, which saw the highest output recorded since June 2015.
- Significant operational improvements continued at Edikan, with access to higher grade ore and process plant enhancements delivering increased throughputs as the Quarter progressed.
- All-In Site Cost ("AISC") of production at Edikan of US\$1,116 per ounce, in line with previous quarters and the December Half Year guidance.
- Development of Perseus's second operating mine, the Sissingué Gold Mine in Côte d'Ivoire, continued according to plan, with commissioning scheduled to start in the December 2017 quarter and first gold production expected in the March 2018 quarter. The addition of production from Sissingué is forecast to lift Perseus's total 2018 gold production to 250-285,000 ounces, compared with 176,218 ounces in the year to June 2017.
- At 30 September, US\$32.2 million remained to be spent to complete development and commissioning of Sissingué, funded by a combination of project debt and internal cash resources.
- The Definitive Feasibility Study ("DFS") for the Yaouré Gold Project in Côte d'Ivoire is on schedule for completion in the December 2017 quarter. The resource confirmation drilling undertaken as part of the DFS has facilitated a robust Mineral Resource and Ore Reserve estimation process to support the initial project development, and reveals significant potential to expand Ore Reserves in coming periods.
- At 30 September 2017, the Company held cash and bullion of A\$48.1 million (A\$5.1 million more than at 30 June 2017), an undrawn line of credit of US\$30 million and combined outstanding bank debt of US\$20 million.

Perseus remains on track to achieve its stated production guidance for the current half year, is making steady progress in the development of its growth projects and remains on track to achieve annual production of 500,000 ounces by 2020.

OPERATIONS

Edikan Gold Mine, Ghana

Edikan's operating performance during the Quarter is summarised in detail as follows:

Table 2: Quarterly Performance Statistics

Parameter	Unit	Dec 2016 Quarter	Mar 2017 Quarter	Jun 2017 Quarter	Sept 2017 Quarter
Production & Sales:					
Total material mined:					
• Volume	bcm ¹	4,567,877	4,126,768	4,083,444	4,762,944
• Weight	Tonnes	9,397,353	8,942,287	9,225,105	10,908,941
Ore mined:					
• Oxide	Tonnes	205,542	188,790	104,745	62,366
• Fresh/Transitional	Tonnes	<u>1,287,992</u>	<u>2,202,133</u>	<u>2,141,120</u>	<u>2,222,916</u>
• Total ore mined	Tonnes	1,493,534	2,390,923	2,245,865	2,285,282
Ore grade mined:					
• Oxide	g/t ² gold	0.94	1.21	1.14	0.78
• Fresh/Transitional	g/t gold	<u>1.02</u>	<u>1.08</u>	<u>1.00</u>	<u>1.08</u>
• Average grade	g/t gold	1.01	1.09	1.00	1.07
Strip ratio	t:t	5.3	2.7	3.1	3.8
Ore stockpiles:					
• Quantity	Tonnes	1,854,470	2,428,892	2,861,934	3,565,601
• Grade	g/t gold	0.6	0.7	0.6	0.7
Ore crushed	Tonnes	1,159,817	1,554,967	1,583,754	1,402,267
Ore milled	Tonnes	1,398,757	1,816,501	1,812,822	1,581,616
Milled head grade	g/t gold	0.88	1.01	1.03	1.16
Gold recovery	%	82	83	86	87
Gold produced	Ozs	32,223	48,655	51,563	51,309
Gold sales ³	Ozs	22,431	55,532	53,319	50,105
Average sales price	US\$/oz	1,115	1,266	1,286	1,290
Unit Costs:					
Mining cost	US\$/t mined	3.05	2.95	2.91	2.83
Processing cost	US\$/t milled	11.70	8.95	10.31	10.61
G & A cost	US\$/month	1.37	1.29	1.54	1.53
All-In Site Cost					
Production cost	US\$/oz	1,526	957	974	1,017
Royalties	US\$/oz	<u>84</u>	<u>93</u>	<u>86</u>	<u>83</u>
Sub-total	US\$/oz	1,610	1,050	1,060	1,100
Sustaining capital	US\$/oz	<u>237</u>	<u>61</u>	<u>52</u>	<u>16</u>
Total All-In Site Cost	US\$/oz	1,847	1,112	1,112	1,116
Site Exploration Cost	US\$/M	0.78	0.37	0.46	0.26

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.

Edikan produced 51,309 ounces of gold during the September 2017 quarter, maintaining the strong production performance achieved in the June 2017 quarter, and leaving the Company well placed to achieve its stated production guidance of 110-125,000 ounces for the December 2017 Half Year. The strong result for the Quarter was driven primarily by:

- An important business improvement initiative was conducted in July, aimed at rectifying previous reconciliation inconsistencies in contained gold by processing a tightly controlled and measured 165,000 tonne test parcel of lower grade fresh material over a 12 day period. The exercise resulted in improved control and measurement of milled tonnages, but briefly reduced throughput, head grade and therefore gold production in July 2017. Based on the results of the initiative, a series of remedial measures have been implemented and for the six months to 30 September 2017, the reconciliation of contained ounces of gold between the Resource Model to grade control was 100% and reconciliation of contained ounces between the grade control and the mill is now well within accepted industry standards.
- The head grade of ore processed improved materially, averaging 1.16 g/t gold for the Quarter, 13% higher than in the June quarter, and reaching 1.30 g/t gold in the month of September 2017.
- Plant run-times and throughputs improved as the Quarter progressed as measures were implemented to deal with harder ores encountered in the Esujah North pit early in the Quarter. Unscheduled maintenance stoppages in July and August, partly due to the effects of processing harder ores, were resolved and with improved blending, run-times and through put rates, the quantity of ore processed in September was only 6% lower than the monthly average for the past six months.
- The gold recovery rate increased by 1% during the Quarter to 87%, notwithstanding an increase in the percentage of oxide and transitional ore in the mill feed from 5% to 13% during the Quarter.

Table 3: Plant Performance Statistics

	<i>Sep 2016 Quarter</i>	<i>Dec 2016 Quarter</i>	<i>Mar 2017 Quarter</i>	<i>Jun 2017 Quarter</i>	<i>Sept 2017 Quarter</i>
Crusher					
Run time (%)	48	43	58	54	43
Hourly throughput rate (t)	1,388	1,224	1,249	1,335	1,487
Oxide Circuit					
Run time (%)	74	53	69	37	62
Hourly throughput rate (t)	138	127	129	123	150
SAG Mill					
Run time (%)	89	70	90	89	85
Hourly throughput rate (t)	921	907	932	938	845
Gold recovery rate (%)	83	82	83	86	87

Unit mining costs reduced from \$2.91/tonne to \$2.83/tonne reflecting increased mining efficiencies with higher total material movement. Unit processing costs increased marginally to \$10.61/tonne from US\$10.31/tonne due to the lower quantity of ore processed during the period, and slightly higher maintenance costs as a result of processing harder ores. G&A costs were relatively flat quarter-on-quarter at an average of US\$1.53 million per month.

Unit production costs for the Quarter (including all mining including waste stripping, processing and G&A costs but excluding royalty) increased by 4% to US\$1,017 per ounce compared to US\$974 per ounce in the prior period, due mainly to increased mining volumes.

After taking into account a slight decrease in royalty payments and a 69% reduction in sustaining capital, the AISC for the Quarter at Edikan was US\$1,116 per ounce, which is in line with the previous two quarters (US\$1,112 per ounce) and within the guidance range of US\$950 to US\$1,150 per ounce for the December Half Year.

Outlook for Operations in financial year ending 30 June 2018 (“FY2018”)

Looking forward to FY2018, Perseus will continue producing gold from Edikan and from the end of the March quarter 2018, gold is also forecast to be produced from Sissingué.

Total production and AISC guidance for the Perseus Group for FY2018 remains unchanged as follows:

Table 4: FY2018 Group Production and Cost Guidance

Parameter	Units	Production and Cost Guidance		
		December 2017 Half Year	June 2018 Half Year	Full Fiscal Year 2018
Group Gold Production	’000 ounces	110-125,000	140-160,000	250-285,000
Average All-In Site Costs	\$US per ounce	950-1,150	950-1,050	950-1,100

DEVELOPMENT

Sissingué Gold Mine, Côte d’Ivoire

Development Works

Construction of Perseus’s second gold mine at Sissingué continued to advance strongly in line with plans. At the end of the Quarter, 77% of the works were complete. Refer to **Appendix A** for photos showing progress in developing the mine and infrastructure.

The development project remains on budget, with incurred expenditure to date (including expenditure on operational readiness) of US\$84 million, with a further US\$32 million to be spent to complete the construction and commissioning of the Sissingué mine and all processing and associated infrastructure.

Procurement is 100% complete and at the end of the Quarter, 91% of all construction material, plant and equipment were on site awaiting installation. Major concrete work is complete and concreting contractors have demobilized. All plant buildings are complete, as is installation of underground services including conduits and piping. The primary crusher is in place and erection of the SAG mill is nearing completion, with the SAG mill motor recently installed. CIL tanks are fully built including top of tank steel.

The diesel power station cooling system and switch rooms have arrived on site for installation, while the seven diesel generator sets have arrived in Abidjan and are awaiting customs clearance ahead of being transported to site. Tanks for the one million litre diesel fuel farm needed to provide fuel for the mining fleet and the power station are on site and placed in position.

Commissioning of the plant front end is expected to begin in early November 2017, with ore crushing to begin in early December 2017. Production of first gold is expected in the March quarter of 2018 and commercial production is expected to start as of 1 April 2018.

Operations Readiness

The majority of key management appointments have been made and employees are progressively arriving on site in readiness for commissioning activities. Installation of various management systems, processes and procedures (including the important maintenance systems) is also well advanced.

Procurement of commissioning spares and consumables including mill balls, carbon, oils, coolant and other lubricants is complete. Plant spares procurement is also well advanced. The river water pumping system has been commissioned and water is being pumped into the tailings dam to provide a water source during the dry season. At the end of the Quarter, approximately 166 million litres of water were stored in the tailings dam, representing approximately 38% of targeted requirements.

The mining contractor, Société de Forage et de Travaux Public – Mining SA (“SFTP”) has assembled its mining fleet on site and is ready to start mining in early November 2017. Grade control drilling which is also being performed by SFTP started in early September and it is intended that approximately three months of grade control data will have been obtained by the time that mining activities start.

Perseus’s community relations staff is continuing to work closely with nearby communities to ensure that residents have a clear understanding of development activities and that expectations are maintained at a reasonable level. Work on construction of a community centre in the Sissingué village is scheduled to start as soon as local building contracts are arranged and a design is agreed.

Project Funding

As noted above, US\$32 million of funds is required to complete construction and commissioning of Sissingué. To date, US\$10 million has been drawn under the Company’s US\$40 million project debt facility provided by Macquarie Bank Limited. The balance of the US\$30 million available funds will be drawn in coming months and supplemented with US\$2 million of existing cash resources to complete development.

Outlook for Sissingué

Based on the current Life of Mine Plan, Sissingué is forecast to produce 385,000 ounces of gold at an all-in site cost of US\$632/ounce over a 5.25 year period from first gold production, generating an after tax IRR of 29% at an average gold price of US\$1,200/ounce. Excellent potential exists for exploration success to generate a material expansion of the Ore Reserves available for processing through the Sissingué plant. Once Sissingué becomes cash positive in early 2018, funds will be allocated to drill test the numerous targets located within trucking distance of the plant that have been identified by our exploration team over the last twelve months.

Yaouré Gold Project, Côte d’Ivoire

The DFS for Perseus’s prospective third gold mine, Yaouré, advanced positively on all fronts and is on schedule for completion in the December 2017 quarter.

Geological Overview

Previous mining at Yaouré exploited oxide gold mineralisation in two adjacent pits, namely, the Yaouré pit and, to the east, the CMA pit. The CMA pit has been backfilled with waste material from the Yaouré pit. The CMA deposit comprises gold mineralisation hosted by a north-striking shear zone up to 40 metres true thickness and dipping consistently at 25-30 degrees to the east and carrying a grade commonly in excess of 2 g/t gold. Gold is associated with pyrite in ankerite-quartz veins and adjacent altered basalt. Mineralisation in the Yaouré pit is more complex and lower grade, with gold mineralisation hosted variously by east-dipping structures similar to the CMA lode, steep east, north-east and south-east striking faults and as sheeted vein arrays hosted by a granodiorite intrusive body. Similar to CMA, gold is associated with pyrite within, and adjacent to, quartz and quartz-carbonate veins. Sterilisation drilling for infrastructure close to the two pits has identified a number of targets for follow-up drilling programs, and planned infrastructure has been relocated away from these areas.

Drill Testing

The DFS drilling was completed in the quarter. The programme was aimed at resource confirmation as well as gathering additional information required for DFS purposes. A total of 72,307 metres of reverse circulation, diamond and air core drilling had been completed as follows:

Table 5: Summary of Yaouré drill testing

Drilling Type	Metres
Resource Definition Drilling	34,807
Grade Control Drilling	12,709
Geotechnical Drilling	2,616
Hydrogeological Drilling	1,202
Sterilisation Drilling	18,728
Extensional Resource Drilling	2,245
Total	72,307

The CMA deposit has been drilled to a 25m x 50m spacing in the zone where a likely pit will be developed and the Yaoure deposit has been similarly drilled to a spacing of 25m x 25m. The drill hole spacing in these areas is expected to be adequate for the classification of Indicated Resources.

All assays have been returned from the drilling program. The results confirm the tenor of previous intercepts and the continuity of mineralisation in both the CMA and Yaouré pits. It is anticipated that the relatively straightforward structural architecture of the CMA mineralisation will result in the preparation of a robust Mineral Resource estimate, which is important because CMA is expected to contribute the majority of the economic mineralisation underpinning Yaouré’s DFS.

Geological logging and assays from drilling in the Yaouré pit have provided a much clearer view of structural controls on mineralisation in that pit. The 25 x 25 metre spaced drill coverage has allowed the application of tight controls on the mineralisation in the planned Mineral Resource estimate, particularly when combined with the knowledge gained from the closely spaced grade control drilling.

An important outcome of the 2017 work programme is the recognition of possible extensions of both the Yaouré and CMA mineralised systems in several locations. Drill testing of those areas is beyond the scope of the DFS and they remain targets for future near-mine exploration.

Update on DFS

Completion of the DFS was scheduled to take 10 months from commencement of the 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.

A final estimate of Mineral Resources is due for completion in the next few weeks based on the complete drill database. It is expected that the final Mineral Resource estimate will be close to Perseus’s assessment of the project potential, formed as part of a due diligence study completed prior to acquisition of the project in April 2016.

Work on the DFS has progressed positively on all other fronts including mining, processing, and infrastructure assessments. Results from these studies have confirmed earlier assessments of the potential of Yaouré.

Information on the outcomes of the DFS, including the publication of a new Mineral Resource and a new Ore Reserve estimate, will be completed in the December 2017 Quarter.

Land Access

Land and crop negotiations were completed during the Quarter, enabling access to the proposed Yaouré project site for future construction and operating activities. The area of land that has been the subject of these negotiations represents the entire footprint of the project as currently contemplated. Individual agreements are being progressively executed with each of the landowners and farmers and initial payments for crops were made during the Quarter.

EXPLORATION

Côte d'Ivoire Exploration

Sissingué Exploitation Permit

Papara Prospect

The Papara prospect is an area of extensive artisanal mining located 20 kilometres north of the Sissingué mine site (**Appendix B - Figure 1**). A diamond and reverse circulation drilling program was undertaken at the prospect earlier this year. The program involved 40 RC holes and 26 diamond core holes for a total of 2,761 metres RC and 3,115 metres diamond core respectively. The results were released in the June quarter and confirmed extensive mineralisation.

The latest drilling program followed previous wide-spaced rotary air blast and RC drilling which had intersected scattered, locally high-grade gold mineralisation, associated with quartz veining within the contact zone of a dioritic intrusive with sediments.

Perseus is currently continuing to assess the results of both the historical and recent drill programs. Regolith mapping and limited auger drilling is being carried out in the vicinity of the Papara prospect to better define the regolith geology and its influence on previous soil geochemistry and to provide a better understanding of the widespread gold in soil anomalism throughout the district. Soil anomalies in many cases do not coincide with known artisanal workings, and the work being undertaken seeks to define the source of the surface anomalism.

Katara Prospect

Final results were received for diamond drilling undertaken at the Katara prospect, approximately 25 kilometres south of Sissingué (Refer to **Appendix B - Figure 2**). The results for the final three holes in the program showed continuation of low grade mineralisation.

Mineralisation consists of fine-grained pyrite and arsenopyrite associated with strong quartz veining within highly carbonated and sericitised mafic volcanics. Results are being reviewed in light of ongoing regolith mapping through the broader Katara district to determine whether further drilling is warranted.

Mahalé Exploration Permit

Results were received from the 7,316 km airborne magnetics and radiometrics survey recently completed. The data is being assessed but preliminary indications are that the bedrock geology of the Mahalé permit has been well defined by the survey, which has also identified strong magnetic anomalism associated with magnetite alteration and gold mineralisation at the Bélé East and West prospects. Historically acquired geochemical data is being reassessed in light of the survey data and recent RAB drilling to determine future exploration programs.

Ghana Exploration

Exploration activities in Ghana continued to focus on following up targets generated from the interpretation and targeting exercise conducted at Edikan by consulting group Corporate Geoscience Group in late 2016. (Refer to **Appendix B - Figure 3**).

Drilling has focused on resistivity anomalies defined by airborne electro-magnetics at three targets, with the results confirming the presence of weakly mineralised narrow granitic dykes. Results are being assessed to identify targets and determine future drilling plans.

CORPORATE

Cash and Bullion

Based on the gold price of US\$1,283.10/ounce and an A\$:US\$ exchange rate of 0.7834 as at 30 September 2017, the total value of available cash and bullion on hand at the end of the Quarter was \$48.1 million. This sum that includes cash of A\$24.9 million and 14,179 ounces of bullion on hand, valued at A\$23.2 million, is \$5.1 million more than the balance of cash and bullion as at 30 June 2017. The increase in cash and bullion during the Quarter takes into account positive inflows from Edikan (A\$11 million), positive working capital move (A\$16 million), Sissingué facility draw down (US\$10 million), capital investment at Sissingué (A\$22 million), exploration and evaluation expenditure (A\$6 million) and corporate costs including but not limited to the repayment of US\$5 million of the Company's short term corporate debt facility.

Gold Price Hedging

At the end of the Quarter, gold forward sales contracts were in place for 165,022 ounces of gold at US\$1,274/ounce. This hedging includes all mandatory hedging required under the terms of the Company's recently negotiated debt facilities.

Debt Financing

Execution of the loan agreement for the US\$40 million Sissingué project debt facility provided by Macquarie Bank Limited was completed during the Quarter and the first draw down of US\$10 million was completed. The balance of the US\$30 million of available funds will be drawn progressively in the coming months.

A second US\$20 million debt facility provided to Perseus's Ghanaian subsidiary by Macquarie Bank Limited that was established in the March 2017 quarter has been partially repaid from cash flow. The amount outstanding at the end of the Quarter was US\$10 million. This will be progressively repaid from cash flow prior to the end of March 2018.

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

PROGRAM FOR THE DECEMBER 2017 QUARTER

Edikan

- Produce gold at a total all-in site cost that is in line with December 2017 Half Year guidance;
- Continue to implement practices aimed at improving mine to mill reconciliation;
- 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;
- Begin commissioning of the plant front end;
- Drawn down the balance of available funds under the project debt facility;
- Complete implementation of operational readiness plans in anticipation of first gold production in the March quarter of 2018;and
- Resume drilling at the Papara prospect with the aim of determining the potential for additional Mineral Resources which could be processed at the Sissingué processing facility.

Yaouré

- Complete and publish a bankable DFS for Yaouré, including a JORC Compliant estimate of Mineral Resources and Ore Reserves along with a NI 43-101 compliant Technical Report on the Project;
- Plan and commence implementation of the next phase of Resource definition drilling adjacent to the proposed Yaouré and CMA pits;
- Plan a programme of early work to establish the project site in readiness for a decision to commence full scale construction;
- Prepare and file documentation required for an application for an Exploitation Permit to operate the Yaouré mine
- Commence discussions with various institutions regarding potential sources of debt funding to develop the Yaouré mine.

Jeff Quartermaine

Managing Director and Chief Executive Officer

16 October 2017

To discuss any aspect of this announcement, please contact:

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Media Relations: *Nathan Ryan at telephone +61 4 20 582 887 or email nathan.ryan@nwrcommunications.com.au (Melbourne)*

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 and was updated for depletion in the Financial Statements released on 30 August 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.

The information in this report and the attachments that relates to exploration drilling results at the Papara and Katara prospects was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 18 July 2017. The Company confirms that it is not aware of any new information or data that materially affect the information in that market release.

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.

APPENDIX A – PHOTOS OF SISSINGUÉ SITE WORKS

Tailings Dam containing approximately 210 Megalitres of water or 38% of requirements



Structural steel work for Power Station in place awaiting installation of gensets and control room.



Fuel Farm nearing completion





Erection of steel work and installation of plant for the grinding and CIL circuits is well advanced.

APPENDIX B – EXPLORATION PROJECTS

Figure 1: Sissingué Gold Project and Mahalé Permits and Prospects

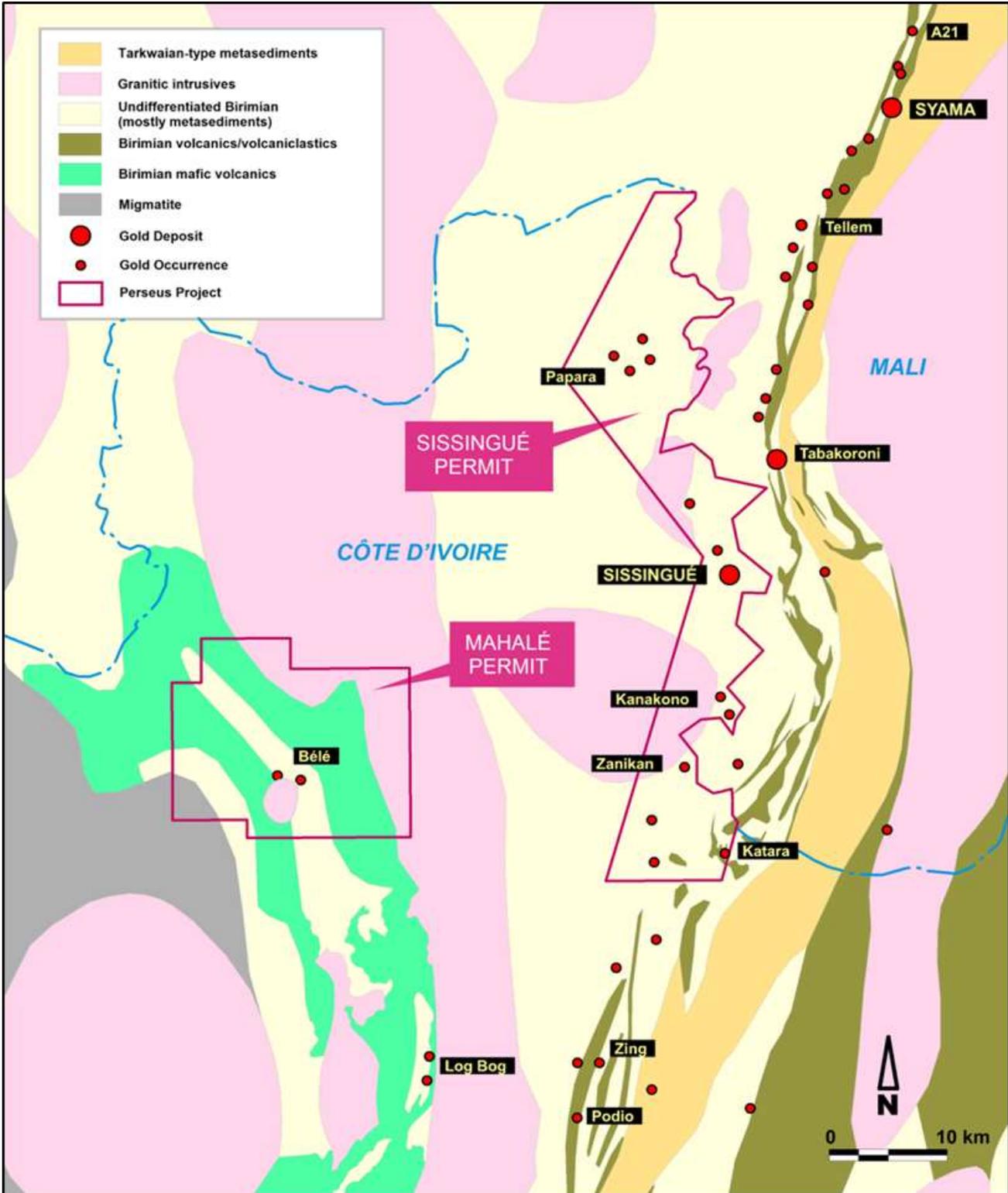


Figure 2: Katara drill hole locations and interpreted geology.

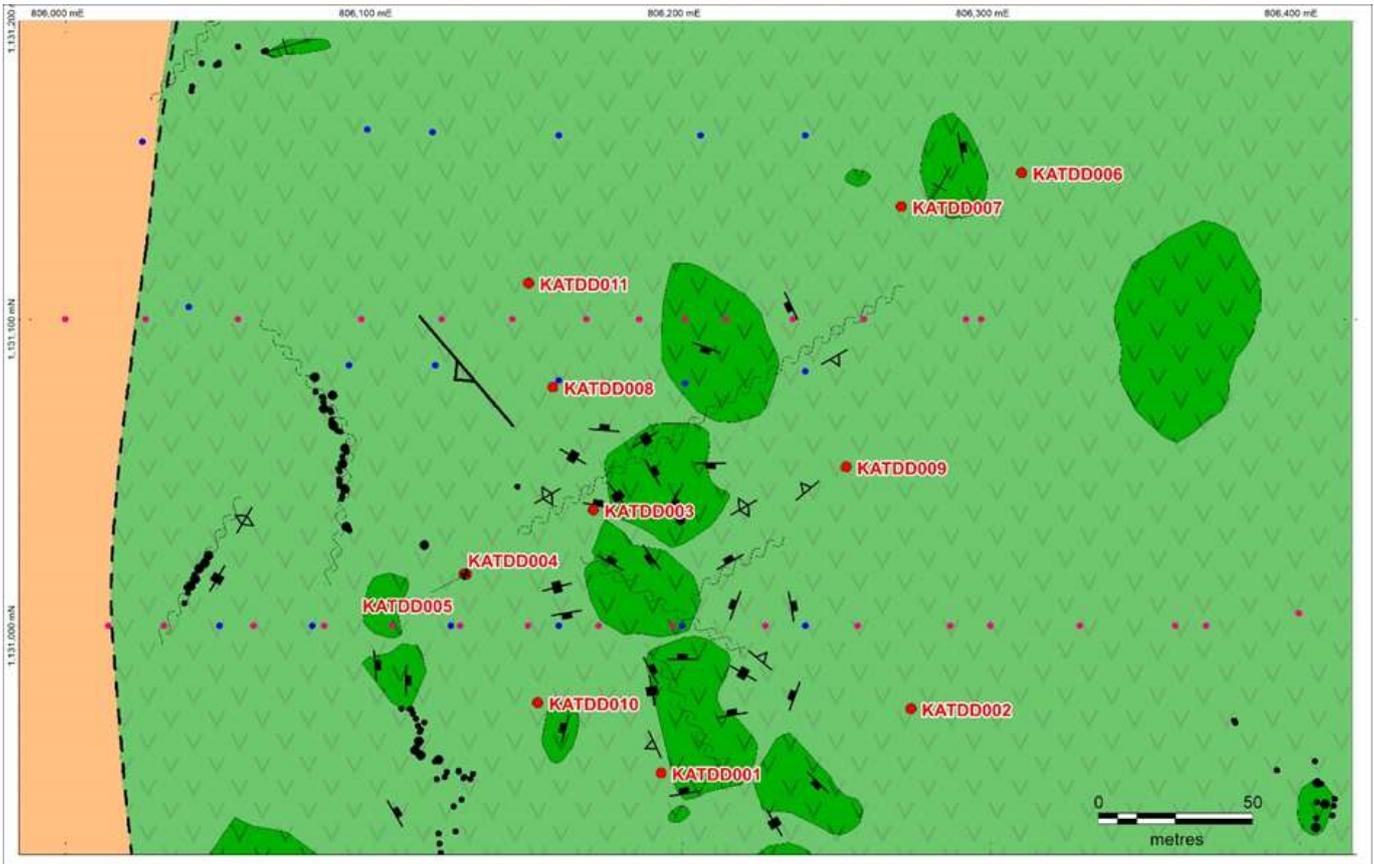


Figure 3: Edikan Project – VTEM Channel 8 Resistivity showing granite targets CGSG 1, 3, 6 & 26

