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Marketwired / <u>Perseus Mining Ltd.</u> (ASX:PRU)(TSX:PRU) recently completed a re-estimation of Mineral Resources for the Bélé mineral deposit on the Mahalé Exploration Licence ("Bélé") that is located within trucking distance of Perseus's currently developing Sissingué Gold Mine in Côte d'Ivoire ("Sissingué"). Details are as follows:

EXECUTIVE SUMMARY

- Snowden Mining Industry Consultants Pty Ltd ("Snowden") has updated the recently published maiden Mineral Resource estimate for Bélé.
- The updated global Indicated Mineral Resource for Bélé, estimated as at February 2017, is estimated as 1.90 million tonnes grading at 2.0g/t gold, containing 130,000 ounces of gold. A further 0.42 million tonnes of material grading at 1.8 g/t gold and containing a further 25,000 ounces of gold are classified as Inferred Resources.
- The gold contained in the combined Measured and Indicated Mineral Resources of Sissingué and Bélé is now estimated to be 830,000 ounces of gold which is less than 6% lower than the original Sissingué estimate of 880,000 ounces of gold.
- Work is currently in progress on estimating Ore Reserves for both Sissingué and Bélé based on the revised Measured and Indicated Mineral Resources estimates and a Life-of-Mine Plan for a project encompassing both the Sissingué and Bélé Mineral Resources is expected to be completed by the end of the March 2017 quarter.

Perseus's Managing Director and CEO, Jeff Quartermaine, commented:

"The identification and delineation of additional Mineral Resources located within trucking distance of the processing plant that is currently being constructed at Sissingué has been a prime objective of our exploration team for some time. The delineation of the Indicated Mineral Resources at Bélé announced today goes some way towards achieving that objective and as well as materially compensating for the downgrade of the Sissingué Mineral Resource announced in late 2016.

We believe that there is further significant exploration potential on both our Sissingué exploitation permit and our Mahalé exploration permit and through successful exploration we are aiming to assemble a Mineral Resource inventory that will keep the Sissingué plant fully operational for many years beyond the currently defined mine life."

BÉLÉ MINERAL RESOURCE ESTIMATE

In conjunction with the recent re-estimation of the Sissingué Mineral Resource, Snowden was requested to estimate the Mineral Resources contained in the Bélé mineral deposit that was drilled with a series of RC and diamond drill programmes during the period from 2013 to 2016. Since then, further drilling has been completed at Bélé and Snowden has reviewed this additional data and updated their earlier Mineral Resource estimate.

The revised global Mineral Resource estimate prepared by Snowden was reported in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to *Appendix 1* of the full press release available on www.perseusmining.com and www.sedar.com for MPR's assessment of the JORC Table 1 assessment criteria. The Mineral Resource estimate is summarised in the following table that reports the Mineral Resources by category and area, above a 0.8 g/t gold cut-off grade. The Indicated and Inferred classification categories under the JORC Code (2012) are equivalent to the CIM category of the same name (CIM, 2014).

The Bélé deposit comprises two main areas of mineralisation: Bélé East and Bélé West. In summary, the updated global Indicated Mineral Resource for the Bélé deposit is now estimated as 1.90 Mt grading at 2.0 g/t gold, containing 130,000 ounces of gold. A further 0.42 Mt of material grading at 1.8 g/t gold and containing a further 25,000 ounces of gold are classified as Inferred Resources. Details of these estimates are shown below in *Table 1*.

Geology

The Bélé gold deposits are located within a north-westerly striking splay of the Syama-Boundiali Greenstone Belt. At Bélé, Birimian aged rocks comprise a sequence of metasedimentary rocks and subordinate mafic volcanics that have been intruded by a nearly circular granitoid body approximately 4 kilometres in diameter. The sequence has also been intruded by numerous felsic dykes of various compositions.

Gold mineralisation at both Bélé East and Bélé West is associated with deformation zones developed at and adjacent to the margins of the granitoid intrusion. Gold is associated with disseminated pyrite and lesser pyrrhotite hosted by both mafic and felsic lithologies where they feature chlorite-sericite-calcite alteration. Vein-hosted mineralisation is rare.

Bélé West mineralisation is interpreted to extend around 1 kilometre in strike, 50 metres thickness (comprising several lodes up to 20 metres thick each) and to a depth of 150 metres. Bélé East mineralisation extends around 500 metres along strike, 130 metres thickness (comprising several lodes up to 20 m thick each) and to a depth of 170 metres. The currently defined mineralisation in both areas is open at depth but appears to be closed out along strike.

Drilling Techniques

The Bélé drill holes data includes reverse circulation ("RC"), diamond and air core ("AC") drill holes. AC drill holes were used as a guide to interpretation but were not used for grade estimation due to the poor quality of AC samples.

Drilling used for the Mineral Resource includes 274 RC drill holes for 21,937 metres, 54 diamond drill holes for 2,599 metres and 47 RC drill holes with diamond tails for 5,431 metres. Nominal drill holes spacing over the resource area is predominantly 20 metres by 40 metres to 40 metres by 40 metres at Bélé West and 20 metres by 20 metres at Bélé East. Data spacing is sufficient to establish grade and geological continuity appropriate to the resource estimation procedures and classifications applied.

Table 1: Bélé Mineral Resource Estimate - February 2017

Category	Area	Tonnage (kt)	Grade (g/t gold)	Contained Gold (koz)
Bélé Ea	st			
Bélé East Indicated	Laterite	33	1.9	2
	Completely weathered	80	2.1	5
	Partially weathered	49	1.9	3
	Weakly weathered	120	2.0	8
	Fresh	360	2.6	30
Total Bélé Bélé East Inferred	East Indicated	650	2.3	49
	Laterite	16	1.5	1
	Completely weathered	11	1.9	1
	Partially weathered	-	-	-
	Weakly weathered	19	1.5	1
	Fresh	240	1.8	14
Total Bélé	East Inferred	280	1.8	16
Bélé We	est			
Bélé West Indicated	Laterite	38	1.7	2
	Completely weathered	82	1.7	4
	Partially weathered	90	1.6	5
	Weakly weathered	190	1.6	10
	Fresh	870	2.0	57
Total Bélé	West Indicated	1,300	1.9	78
Bélé West Inferred	Laterite	15	2.0	1
	Completely weathered	18	1.7	1
	Partially weathered	13	1.3	1
	Weakly weathered	16	1.6	1
	Fresh	77	2.0	5
Total Bélé	West Inferred	140	1.8	8
Total Bé	lé East and West			
Total	Laterite	71	1.8	4
Indicated	Completely weathered	160	1.9	10
	Partially weathered	140	1.7	8
	Weakly weathered	320	1.7	18
	Fresh	1.200	2.2	88
Total Indic	ated Resource	1.900	2.0	130
Total Inferred	Laterite	31	1.7	2
	Completely weathered	29	1.8	2
	Partially weathered	16	1.4	1
	Weakly weathered	36	1.6	2
	Fresh	310	1.9	_ 19
Total Infer	red Resource	420	1.8	25

Notes: Mineral Resources are inclusive of any Mineral Reserves. Mineral Resources are reported to two significant

figures. Rounding may cause minor discrepancies in the table.

RC drilling (5 1/4" diameter) was usually 80 metres or less in depth. Generally RC holes only have the collar azimuth and inclination measured.

Diamond drilling was carried out using HQ in oxide and transitional rock and NQ diameter in fresh rock. All diamond holes are downhole surveyed at 30 m intervals. Downhole surveys were conducted by the drill contractors using a FlexIT tool.

Orientation of drill holes is approximately perpendicular to the strike of the geology and mineralisation at Bélé West. At Bélé East, drill holes are angled to cross the steep dip of the geological domains. At Bélé East, 12 early RC holes have been drilled along exploration fences oriented towards the east and hence sub-parallel to the mineralisation. Three of these holes intercepted significant mineralisation.

These intercepts have been verified by holes drilled in the opposite direction however, they have been removed from the database for estimation to ensure no bias occurs due to the orientation.

Sampling

All RC samples were collected at the drill site at 1 m intervals and split using a multi-stage riffle splitter. Each two consecutive samples were composited (where applicable) in one bag. Sample weights were nominally 2.5 kg and 5 kg for 1 metre and 2 metre samples respectively.

Diamond core was sawn in half using a motorised diamond blade saw, with the right half sent for assaying and the left half stored in core trays for reference. One metre samples were taken in fresh material and 1.5 metres in oxide and transition.

Both core and RC samples followed a sample preparation path involving drying, crushing and grinding. Samples were pulverised with a ring mill and thoroughly mixed on a rolling mat ("carpet roll"), and then 200 grams of sub-sample was collected. Internal laboratory checks required at least 90% of the pulp passing -75 microns. A 40 to 50 grams charge was produced for subsequent analysis of gold by fire assay.

RC samples were weighed at 1 metre intervals and recoveries back-calculated using nominal hole diameter and expected density values. Recoveries average between 60% and 75% in strongly weathered material depending on rock type, around 75% in the transition zone and >85% in fresh rock.

Recovered length of diamond samples were measured in the core trays. The overall recovery of 93% is considered good, although Snowden notes that the recovery is lower in the oxide and transitional materials.

No apparent relationship exists between sample recovery and grade for diamond drilling.

Some RC samples at depth were identified as having downhole contamination and resultant smearing of grades as a result of wet drilling in 'sticky' material, with the samples being 'hung up' in the cyclone and subsequently contaminating later samples. This issue appears to only occur in a few drill holes and is not as prevalent as what was seen at the nearby Sissingué deposit. As a result of this, all RC holes in the pit area were reviewed and any suspected of containing smeared assays were removed from the dataset prior to estimation. 277 metres from four RC drill holes (<1% of the samples) were removed due to suspected downhole contamination. In addition, 2016 drilling focused on diamond drill holes to confirm areas with RC drilling in the core of the deposit. With the exception of the issue noted above, the sub-sampling is considered appropriate and representative.

Sample Analytical Methods

All analytical work up till March 2016 was carried out by independent, commercial laboratory Bureau Veritas Minerals Laboratory ("BMVL") in Abidjan, Côte d'Ivoire. Analytical work for the recent drill holes program between November 2016 and January 2017 was carried out by independent, commercial laboratory Actlabs Burkina Faso SARL ("Actlabs") in Ouagadougou, Burkina Faso.

Two types of analysis for gold were performed, a standard fire assay using a 40 g to 50 g sub-sample, and BLEG bottle roll using a 1 kilogram sub-sample. Both methods were read by atomic absorption spectroscopy ("AAS") with a detection limit of 0.01 g/t Au. The first 13 RC holes were assayed by 1 kilogram 24-hour bottle roll, with all subsequent diamond core and RC samples assayed by 50 gram fire assay.

Quality Assurance and Quality Control

As part of the 2016 drilling program, several RC drill holes with suspected downhole smearing due to contamination at Bélé East

were twinned with diamond drill holes. As a result, the suspect RC drill holes were removed as discussed previously.

Between one and two field duplicates were taken for each RC hole, preferably within mineralised intervals. The results of duplicate analysis show no bias, but only moderate repeatability. Field duplicates of diamond core were not taken as 1/4 core is considered inappropriate for comparison. Coarse crush and pulp duplicates were taken for RC and diamond samples during the recent drilling program and show good precision.

Certified reference material (blanks and standards) were submitted into the sample stream at a rate of 1 in 20 to 25 samples. Review of the standards results indicates that Actlabs tends to under call the gold standards for low grade samples by around 5% to 10%. As a result, umpire analysis was carried out on two batches using BMVL. The umpire results show that BMVL reports the low grade standards accurately. BMVL reports around a 5% to 10% higher gold grade for the low grade samples between 0.3 and 0.8 g/t gold. Results are comparable at all other grade ranges.

As a result of the above analysis, Snowden considers the Actlabs results acceptable for resource estimation, with the acknowledgement that the low grade samples are slightly conservative. Given the Mineral Resource reporting cut-off of 0.8 g/t gold, this should not have a material impact on the Mineral Resource.

With the exception of the item above, the QA/QC shows acceptable precision and no bias. Overall assaying quality is considered adequate.

Estimation Methodology

The Mineral Resource was estimated using CAE Studio (Datamine) software. Estimation was constrained within mineralisation envelopes (wireframes) defined based on a nominal 0.2 g/t gold to 0.5 g/t gold cut-off together with the geological logging and lithology interpretation. The cut-off used for the interpretation is observed as a population change in the global log-probability plot. The mineralisation domains were used as hard boundaries to control estimation.

Estimation of gold grades was carried out using ordinary kriging with top cuts applied to limit the influence of outliers. Parent blocks of 10 mE by 10 mN by 5 mRL were derived from a kriging neighbourhood analysis together with the geometry of the orebody.

Dynamic anisotropy was used for estimation, whereby the local dip and azimuth of the mineralised lodes was estimated into each block in the model and the search and variogram orientations were locally adjusted to reflect the geological orientation. This method allows the estimate to better reflect the changing orientation and undulating nature of the lodes.

The resultant estimate contains less tonnes at a higher grade within the main domains compared to the previous estimate. This is a result of the additional data allowing for a more locally accurate estimate. Application of the constraining pit shell has removed the deeper portions of the Inferred Resource, together with some blocks at the northern and southern extents. This has resulted in an overall reduction in tonnes and ounces compared to the previous Mineral Resource.

Criteria for Resource Classification

The Bélé Mineral Resource has been classified as an Indicated and Inferred Mineral Resource, in accordance with the 2012 JORC Code and the CIM Definition Standards (CIM, 2005). A range of criteria has been considered in determining this classification including geological continuity, data quality, drill holes spacing, estimation properties including kriging neighbourhood analysis to determine the appropriate block size and search strategy, and potential for economic extraction.

The above parameters were used in combination to guide the manual digitising of strings on drill sections to control the classification. Typically Indicated Resources are defined in areas of 20 metres by 20 metres drilling at Bélé East and 40 metres by 40 metres drilling at Bélé West which shows more continuity in grade.

Trial optimisation was run at a US\$2,400 gold price to define the base of potentially mineable material by open pit mining.

Cut-Off Grade

The Mineral Resource has been reported by resource classification and weathering above a 0.8 g/t gold cut-off. The reporting cut-off is based on preliminary engineering work which indicates a 0.75 g/t gold to 0.85 g/t gold cut-off will be applicable for mining, depending on the degree of weathering.

Mining and Metallurgical Methods and Parameters

The metallurgical work carried out to date indicates that gold can be satisfactorily recovered from Bélé ore using conventional CIL

extraction techniques as per the nearby Sissingué deposit. The work is considered sufficient to determine that the Bélé resource represents a deposit capable of economic extraction.

COMBINED SISSINGUÉ AND BÉLÉ MINERAL RESOURCES

As previously noted, the Bélé Mineral Resources are located on the Mahalé exploration permit, approximately 40 kilometres from the proposed processing plant for Sissingué and subject to confirmation of its feasibility, it is intended that this material will be processed in due course through the Sissingué process facility. The combined Sissingué and Bélé Mineral Resource is as shown in *Table 2* below:

Table 2: Combined Sissingué and Bélé Mineral Resource Estimate - February 2017

Deposit	Category	Tonnage ('000t)	Grade (g/t gold)	Contained Gold (koz)
SISSINGUE	Measured	4300	2.1	290
	Indicated	8900	1.4	410
	Measured + Indicated	13,000	1.6	700
	Inferred	900	1.9	60
BELE	Measured	-	-	-
	Indicated	1,900	2.0	130
	Measured + Indicated	1,900	2.0	130
	Inferred	420	1.8	25
SISSINGUE + BELE COMBINED	Measured + Indicated	14,900	1.7	830
	Inferred	1,300	1.9	85

This combined Mineral Resource compares favourably to the Measured and Indicated Mineral Resource that contained 880,000 ounces of contained gold on which Sissingué's April 2015 Definitive Feasibility Study and subsequent development decision was based.

Work is currently in progress on estimating Ore Reserves for both Sissingué and Bélé based on the revised Measured and Indicated Mineral Resource estimates and a Life-of-Mine Plan for a project encompassing both the Sissingué and Bélé Mineral Resources is expected to be completed by the end of the March 2017 quarter.

Competent Person Statement:

The information in this report and the attachments that relates to the Bélé Mineral Resource estimate is based on information compiled by Lynn Olssen a Competent Person who is a Chartered Professional (Geology) and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), and a full time employee of Snowden Mining Industry Consultants Pty Ltd. Ms Olssen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she has undertaken to qualify as a Competent Person as defined in the JORC Code 2012 and a Qualified Person as defined in NI43-101.Ms Olssen has no economic, financial or pecuniary interest in the company. Ms Olssen consents to the inclusion in this report of the matters based on her information in the form and context in which it appears and has approved the inclusion of technical and scientific information in this report.

The information in this report that relates to Mineral Resources for the Sissingué Gold Project (SGP) 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 Company confirms that it is not aware of any new information or data that materially affects the information in that market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed.

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.

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