Revised Mine Plan for Perseus Mining's Edikan Gold Mine

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PERTH, WESTERN AUSTRALIA -- (Marketwired - Oct. 15, 2013) - Perseus Mining Limited ("Perseus" or the "Company") (TSX:PRU)(ASX:PRU) is pleased to announce details of its revised Life of Mine Plan ("LOMP") for the Edikan Gold Mine ("EGM") in Ghana, West Africa.

HIGHLIGHTS

- The revised LOMP is based on seven open pits designed using US$1,200/oz pit shells, containing 6% less gold than the previous LOMP but requiring mining of 15% less ore and waste, resulting in material cash flow benefits.

- Production and cost guidance for FY 2014 of +/- 200,000 ounces at an all-in site cash cost1 of +/- US$1,100/ounce remains unchanged.

- For the period from FY2015 to FY2018, average gold production increases with an increase in grade relative to FY2014 to 240,000 ounces/year at an average all-in site cash cost of US$1,050/ounce.

- The LOMP estimates average gold production of 230,000 ounces/year at an all-in site cash cost of US$937/ounce from FY2014 to FY2024.

- The independent estimate of the Ore Reserves for the EGM as at 1 July 2013 indicates Proved and Probable Ore Reserves totalling 82.7 million tonnes of ore grading 1.1 g/t of gold and containing 2.925 million ounces of gold.

Comments from Perseus's Managing Director, Jeff Quartermaine

"The revised Life of Mine Plan for the Edikan Gold Mine represents a robust and financially attractive way forward for our flagship operation. The plan clearly indicates that at a gold price of US$1,200/ounce, a significant amount of cashflow can be generated at Edikan, and at even lower gold prices the operation remains viable, based on our assumptions.

Going forward, our financial performance will continue to be highly leveraged to the gold price and operational improvements, and the revised LOMP represents an important element in our ongoing efforts to improve our operating performance on the EGM site."

1 All in site cash costs include direct production costs, royalties, investment in waste stripping and sustaining capital expenditure. It does not include exploration expenditure, income taxes or corporate costs.

MINERAL RESOURCES

Following an infill drilling programme on the EGM mining leases in the period up to early June 2013, an updated Mineral Resource estimate was prepared for the Company by mining consultants, RungePincockMinarco ("RPM") in accordance with the JORC Code - 2004 Edition. A detailed summary of the current Mineral Resource estimate for each of the mineral deposits identified to date on the EGM mining leases, calculated using a 0.40 g/t gold cut-off grade, was published in Perseus's June 2013 Quarterly Report.

In summary, the revised global Measured and Indicated Mineral Resource estimate for the EGM, which takes into account mining depletion as at 30 April 2013, was estimated as 162.5 million tonnes grading 1.1g/t gold and containing 5.7 million ounces of gold. A further 77.4 million tonnes of material grading 1.0g/t gold and containing a further 2.4 million ounces of gold were classified as an Inferred Mineral Resource. Details of these estimates are shown below in Tables 1 and 2 respectively.

Table 1: EGM Measured and Indicated Mineral Resources

	Measured			Indicated			Measured + Indicated		
Weathering Domain	'000 Tonnes	Grade (g/t Au[1])	Contained Gold (oz)	'000 Tonnes	Grade (g/t Au)	Contained Gold (oz)	'000 Tonnes	Grade (g/t Au)	Cont Gold
Oxides	220	1.5	10,600	600	0.8	16,000	820	1.1	26,600
Transition	764	1.1	28,100	3,100	1.2	119,700	3,860	1.2	147,800
Fresh	81,220	1.1	2,917,700	76,610	1.0	2,603,200	157,840	1.1	5,520,90
TOTAL	82,204	1.1	2,956,400	80,310	1.0	2,738,900	162,520	1.1	5,695,30

Note 1: Denotes grams per tonne of gold

Table 2: EGM Inferred Mineral Resources

		Inferred	
Weathering Domain	'000 Tonnes	Grade (g/t Au)	Contained Gold (oz)
Oxides	2,763	1.2	102,700
Transition	3,284	1.1	113,700
Fresh	71,400	1.0	2,213,400
TOTAL	77,447	1.0	2,429,800

SCENARIO PLANNING

Based on the revised Mineral Resource estimate, the Company examined a range of development scenarios with the objective of identifying the scenario that would maximise the net present value of the EGM. This exercise involved varying key parameters such as the pit development sequence, applying technical assumptions that reflected actual operating parameters, and working within known constraints such as the expected timing of access to new mining areas. The planning exercise was required to achieve the following objectives:

1. Minimise investment in FY2014 without compromising the future by mining ore from existing pits (Fobinso and AF Gap) and reclaiming ore from existing ore stockpiles;

2. Commence development of Eastern Pits as early as possible after July 2014;

3. Include new pits (Chirawewa and Bokitsi) not previously included in Ore Reserves;

4. Give priority to cash generation over marginal gold production; and

5. Preserve the capacity to expand pits in a higher gold price environment.

Based on this work, the following pit development schedule was developed:
http://media3.marketwire.com/docs/904344_graph_1015.pdf.

ORE RESERVES

Following completion of the above, mining consultant RPM was commissioned to complete an independent estimate of the Ore Reserves for the EGM as at 1 July 2013 in accordance with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition).

The Ore Reserves, which include material from seven open pits including Abnabna, Fobinso, Fetish, Chirawewa, Bokitsi, Esuajah North and Esuajah South plus stockpiles, are as follows:

Table 3: EGM Proved and Probable Ore Reserves

Category	Tonnes (Mt)	Grade (g/t gold)	Contained Gold (oz)
Proved	59.6	1.1	2,177,300
Probable	23.1	1.1	835,700
TOTAL	82.7	1.1	2,924,500

Notes:
1. Estimate has been rounded to reflect accuracy
2. All the estimates are on a dry tonne basis

The Ore Reserve estimate for the EGM was based on actual operating performance and ongoing test work and applied the following criteria:

1. Proven and Probable Mineral Reserves found within the economic pit limits designed based on Measured and Indicated Mineral Resources;

2. Gold metal price US$1,200/ounce;

3. Key mining parameters include:

a. Mining recovery 100%, mining dilution varies by deposit as result of block regularisation resulting in a range, due to multiple block models used, of between 3-12%;

b. Overall pit slopes of 30 to 50 degrees inclusive of berms spaced at between 5m and 20m vertically and berm widths of 5m to 12m. These parameters were derived from ongoing geotechnical studies commenced by George Orr and Associates in August 2012;

c. Pit ramps have been designed for the current 777 truck fleet and are set at a net 16m (single lane) to 26m (dual lane);

d. Vertical mining advance has been set at 60 to 80m/year based on the size of the pit.

4. Ore cut-off grades are based on the gold price and mining parameters described in (2) and (3) above and are as follows:

Table 4: Cut-off grades

Material Type	Gold Grade (g/t)
Oxide	0.6
Transitional	0.5
Sulphide	0.4

5. Gold processing recovery ranging from 61% for oxide to 88% for fresh rock.

6. Processing throughput 7.5Mtpa.

7. Mining operating costs based on rates negotiated in November 2009 with mining contractor (African Mining Services) adjusted for historical rise and fall factors, currently at 25% for load and haul cost and 10% for other mining costs and additional US$2.15/t ore for crusher feed haulage from the Eastern Pits. The average life of mine mining cost is US$3.43/t of material moved.

8. Unit processing costs are assumed to be US$9.05/t of ore processed plus a further US$0.09/t of ore processed for refining costs. A General and Administration unit cost of US$2.82/t of ore processed has been assumed, which equates to approximately US$2 million per month.

LIFE OF MINE PLAN

Based on the Ore Reserves stated above, the production profile for the EGM for next five years is currently expected to be as follows:

Table 5: LOMP Production Statistics

Parameter	FY2014	FY2015	FY2016
Ore mined (Mt)	5.3	7.7	9.7
Waste mined (Mt)	22.9	26.6	26.5
Strip ratio (t:t)	4.3	3.5	2.7
Ore processed (Mt)	7.5	7.4	7.5
Head grade (g/t) gold	1.0	1.2	1.2
Gold production (kozs)	200	240	240

Notes:
1. Assumes mining occurs over 9 years from 1 July 2013.
2. Assumes processing of ore over 11 years from 1 July 2013. Processing of low grade ore stockpile is scheduled to continue for a further 3 months beyond 30 June 2024 at a lower production rate and is not included in the above data.

Compared to the previous LOMP for EGM, which was based on the 2012 Ore Reserve, the updated LOMP results in the following:

- Tonnes of ore and waste moved	- Down by 15%
- Life of mine strip ratio	- Down by 16%
- Head grade	- Steady
- Contained gold in Ore Reserve	- Down by 6%
- Life of mine	- Increased by 0.6 years to 2024

On a pit by pit basis, the technical parameters of each pit are as follows:

Table 6: Comparison LOMP Production

	2012 LOMP 1,2					2013 LOMP 1,3				
Pit	Waste (Mt)	Ore (Mt)	Grade (g/t)	Gold (koz)	Strip Ratio	Waste (Mt)	Ore (Mt)	Grade (g/t)	Gold (koz)	Strip Ratio
AF Gap	78.1	29.8	1.1	1,015	2.6	63.4	27.5	1.1		
Fobinso	40.1	11.5	1.2	429	3.5	30.6	9.3	1.1		
Sub-total	118.2	41.3	1.1	1,444	2.9	94.0	36.8	1.1		
Fetish	53.7	15.8	1.1	576	3.4	29.8	13.9	0.9		
Esuajah Sth	73.8	8.2	1.9	493	9.0	56.2	6.9	1.7		
Esuajah Nth	32.5	17.1	0.9	501	1.9	22.2	15.7	0.9		
Chirawewa	-	-	-	-	-	11.2	2.9	1.1		
Bokitsi	-	-	-	-	-	13.3	2.1	2.3		
ROM S/pile	-	4.4	0.6	89	-	-	4.4	0.6		
TOTAL	278.2	86.9	1.1	3,109	3.2	226.7	82.7	1.1		

Notes:
1. Based on Measured and Indicated Mineral Resources only, adjusted for mining depletion to 30 June 2013.
2. Based on August 2012 Proved and Probable Ore Reserve; 0.4g/t and 0.5g/t cut-off, sub-blocks.
3. Based on the June 2013 Measured and Indicated Mineral Resource; Oxide - 0.6g/t cut-off; Transitional - 0.5g/t cut-off; Fresh - 0.4g/t cut-off, regular block.

Applying the stated unit cost assumptions to this production profile, the forecast unit all-in site cash costs for the EGM are estimated to be as follows:

Table 7: LOMP Costs 1

US$/oz Cost	FY2014	FY2015	FY2016	FY2017	FY2018	LOMP Avg
Mining	479	481	474	551	486	410
Processing	344	282	291	293	276	297
General & Admin.	118	95	95	96	88	91
Sub-Total	941	858	860	940	851	799
Royalty	79	82	82	78	78	79
Sustaining Capital	87	80	79	101	94	60
Total All-in Site Cost	1,107	1,020	1,021	1,119	1,022	937

Note 1: Before taking silver credits of US$5/oz into account.

These estimated unit costs are based on the following assumptions:

1. Mining costs include the total cash cost of mining both ore and waste (including pre-strip) during the period. Mining costs are based on contracted rates negotiated in November 2009 with mining contractor, African Mining Services, adjusted for historical rise and fall factors (currently at 25% for Load and Haul cost and 10% for other mining costs) and an additional US$2.15/t ore for crusher feed haulage from the Eastern Pits. The average life of mine mining cost is US$3.43/t of material moved.

2. Unit processing costs are assumed to be US$9.05/t of ore processed plus a further US$0.09/t of ore processed for refining costs. This cost is based on actual costs adjusted to remove one-off costs incurred in recent periods that related to one-off maintenance events, electricity back-pay etc.

3. A General and Administration unit cost of US$2.82/t of ore processed has been assumed, which equates to approximately US$2 million per month.

4. Future costs do not include estimates of inflation, nor do they assume that the benefits of cost optimisation programmes being implemented across the EGM site will be realised;

5. Royalty is based on a US$1,200/oz gold price and assumes a 5% royalty paid to the Ghanaian government and a 1.5% royalty payable to Franco Nevada;

6. Sustaining capital expenditure is estimated at US$151 million for the remaining life of mine, or on average US$13.7 million per year for 11 years of processing. This estimate includes the cost of site rehabilitation net of equipment salvage value in the final year of the mine. The single largest item of forecast capital expenditure relates to the cost of compensating landowners for loss of crops, structures and livelihood as well as the cost of relocation housing. This accounts for slightly more than half of the sustaining capital estimate and includes expenditure associated with accessing open pits on both the western and eastern sides of the mining lease. The use of underground mining techniques on the Esuajah South Resource could result in a material decrease in the estimate. However, as the feasibility of using this mining technique has not yet been demonstrated, it has been assumed that open pit methods requiring relocation of infrastructure and dwellings will be applied.

It is intended that the EGM LOMP will be reassessed annually taking into account any incremental Mineral Resources delineated during the preceding period and any revisions to design parameters (including, but not limited to, gold price and operating costs) in the design of the pit shells.

Jeffrey A Quartermaine
Managing Director and Chief Executive Officer

Competent Person Statement

The information in this report that relates to Mineral Resources for the Edikan Gold Mine (Tables 1 and 2 of this Report) is based on information compiled by Mr Trevor Stevenson a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy and a CP Geo. Mr Stevenson is a full time employee of RungePincockMinarco. Mr Stevenson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' and to qualify as a "Qualified Person" under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr Stevenson consents to the inclusion in the report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to the Ore Reserves of the Edikan Gold Mine (Table 3 of this Report), is based on information compiled and reviewed by Mr Joe McDiarmid, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy, and is an employee of RungePincockMinarco Ltd. Joe McDiarmid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and to qualify as a "Qualified Person" under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). Joe McDiarmid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

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