

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

[Perseus Mining Ltd.](#) ("Perseus" or the "Company") (TSX:PRU)(ASX:PRU) reports on its activities for the three month period ended June 30, 2016 (the "Quarter"). An executive summary is provided below. However, full details of activities in the June Quarter, including reconciled production and all-in site cash costs, are included in the Company's June 2016 Quarterly Activity Report released to the market on July 26, 2016. The full report is available for download from www.perseusmining.com, www.asx.com.au and www.sedar.com.

CORPORATE

- On April 18, 2016, a scheme of arrangement in which Perseus acquired all of the outstanding shares in [Amara Mining plc](#) ("Amara") took effect giving Perseus ownership of one of West Africa's highest quality development stage projects, the Yaouré Gold Project in Cote d'Ivoire ("Yaouré"). This asset, together with Perseus's Edikan Gold Mine in Ghana ("Edikan") and the soon-to-be producing Sissingué Gold Mine in Côte d'Ivoire ("Sissingué"), provides Perseus with a balanced portfolio of producing and growth assets;
- On June 20, 2016, Perseus announced an equity placement and an accelerated entitlements offer. The institutional portion of the offering closed oversubscribed on June 22, 2016 and the retail portion of the offering closed subsequent to Quarter-end. In total, \$102 million¹ of equity was raised from new and existing institutional and retail investors to fund Perseus's growth strategy;
- Perseus's financial position at the end of the Quarter was strong, with:
 - Immediately available cash and bullion of \$166 million and subsequent to the end of the Quarter, a further \$8 million has been received following the completion of the retail equity offering;
 - No third party debt (other than accounts payable in the ordinary course of business). Plans to borrow US\$60 million of project finance to partially fund the development of Sissingué are well advanced;
 - Gold forward sales contracts for 216,190 ounces of gold sold forward at an average price of US\$1,272/ounce (including 100,000 ounces of hedging contracted at an average price of US\$1,308/ounce specifically to support the proposed Sissingué project finance debt facility);
- Perseus has a further six months of capital investment to undertake at Edikan before the operation enters a period of sustained strong positive cash flows starting in early 2017.

Notes:

¹ All dollar amounts are expressed in Australian dollars unless notified otherwise.

- The successful acquisition of new pre-development assets, together with the equity and planned debt capital raisings plus future cash flows from Edikan and from Sissingué from the March Quarter of 2016, means Perseus is well placed to fund its growth strategy that will transform the Company from a single-country, single-mine enterprise to a multi-mine, multi-country gold producer with production in excess of 500,000 ounces of gold within five years without further recourse to shareholders.

EDIKAN OPERATIONS

- The intensive work programme implemented earlier this year to improve operating performance at Edikan has been successful in materially improving operating performance at the mine in recent months;
- Adjusted grade control procedures contributed to the average head grade of ore processed during the Quarter increasing 19% to 1.01g/t. In the month of June 2016 the head grade averaged 1.04g/t. Mill run time has also progressively improved with the plant operating 88% of the time (including downtime for scheduled maintenance) in the month of June 2016;
- Gold production for the Quarter totalled 40,058 ounces, 8% more than the March 2016 quarter and 24% more than the December 2015 quarter;
- For the six months ended June 30, 2016, Perseus produced 77,208 ounces, in line with its revised half year production guidance of 75,000 to 90,000 ounces and for the 12 months ended June 30, 2016, 153,902 ounces, in line with its revised annual production guidance of 152,000 to 167,000 ounces of gold;
- Unit mining costs decreased during the Quarter to US\$3.00/tonne from US\$3.14/tonne mined in the prior quarter on the back of increased mining quantities, but this was offset by an increase in unit processing costs to US\$10.86/tonne milled from US\$9.11/tonne milled, due largely to a 10% fall in the tonnes of ore processed, increased maintenance costs and payment of retrospective costs;

- Total unit production costs amounted to US\$1,168/ounce about 13% above the US\$1,034/ounce recorded in the prior quarter, while sustaining capital expenditure decreased 10% to US\$291/ounce from US\$322/ounce resulting in quarterly All-In Site Costs ("AISC")¹ for the Quarter of US\$1,542/ounce compared to US\$1,441 in the prior quarter;
- For the six months ended June 30, 2016, Perseus's AISC was US\$1,493/ounce in line with its revised half year production guidance of US\$1,350/ounce to US\$1,550/ounce and for the 12 months ended June 30, 2016, US\$1,351/ounce, in line with its revised annual cost guidance of US\$1,300/ounce to US\$1,400/ounce;
- Construction of houses required to relocate residents of the Eastern Pits and Esuajah North mine take areas is on schedule and under budget with first houses due for occupation in late July 2016;
- Commissioning of a diesel fired power station to ensure 100% power self-sufficiency for Edikan in the event of possible future power shortages in Ghana, was completed post Quarter end;
- Planned upgrades to the processing plant to improve run time and reduce maintenance costs are on track for implementation during the six months ending December 31, 2016, with downtime required for installation incorporated into production forecasts; and
- Production and AISCs at Edikan in the financial year ending June 30, 2017 are expected to be as follows:

Parameter	Units	Production and Cost Guidance		
		Dec 16 Half Year	Jun 17 Half Year	Full Year F2017
<i>Gold Production</i>	<i>'000 ounces</i>	<i>80 - 100</i>	<i>125 - 145</i>	<i>205 - 245</i>
<i>Production costs</i>	<i>\$US per ounce</i>	<i>1,145 - 1,420</i>	<i>950 - 1,080</i>	<i>1,030 - 1,210</i>
<i>All-In Site Cost¹</i>	<i>\$US per ounce</i>	<i>1,285 - 1,595</i>	<i>995 - 1,135</i>	<i>1,110 - 1,325</i>

Notes:

¹ All-In Site Costs include all production, royalties, development and sustaining capital.

MINE DEVELOPMENT PROJECTS

Sissingué

- Execution plans for the full-scale development of Sissingué have been activated with first production of gold scheduled to occur in the December 2017 quarter. Sissingué is currently 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 to generate an after tax IRR of 27% at an average gold price of US\$1,200/ounce. The total cost to complete construction is forecast to be US\$100 million.
- Negotiations with a highly regarded contractor are well advanced on finalising an engineering, procurement and construction ("EPC") contract, accounting for approximately 50% of estimated construction scope. The re-commencement of site works is expected to occur during the current Quarter;
- Final credit approval and documentation of a US\$60 million project financing facility for Sissingué are anticipated to be completed in the coming months; and
- A total of 100,000 ounces of gold has been sold forward at an average price of approximately US\$1,308/ounce in satisfaction of the project lenders' hedging requirement of not less than 100,000 ounces at a price of US\$1,200/ounce or better.

Yaouré

- Following the recent acquisition of Yaouré, contracts for all material work packages to complete the Yaouré Definitive Feasibility Study ("DFS") have been awarded to a range of consultants and contractors including Runge Pincock Minarco ("RPM") who will perform the role of lead consultant for the study;
- A 42,000 metre diamond drilling ("DD") and reverse circulation ("RC") Resource infill drilling programme will commence in the September 2016 quarter. The program includes grade control drilling in targeted areas. A 40,000 metre rotary air-blast ("RAB") drilling program will also be completed in order to sterilise the planned sites of mine infrastructure; and
- The environmental permit ("ESIA") for Yaouré is expected to be formally granted by the government of Côte d'Ivoire during the current quarter.

PROGRAM FOR SEPTEMBER 2016 QUARTER

Edikan

- Produce gold at a total all-in site cost that is in line with Half Year guidance;
- Continue to implement improved grade control practices and investigate potential opportunities for improvements in grade estimation;
- Continue to fine-tune plant metallurgical performance and maximise SAG mill throughput;
- Continue training of operating and maintenance staff;
- Continue to implement business improvement initiatives across all departments at Edikan including the installation of a power plant on site at Edikan;
- Continue construction of houses to relocate former residents of the Eastern Pits mine take area; and
- Complete the current re-assessment of geological datasets with the aim of formulating near mine exploration programmes targeting high grade mineralisation that can be mined using either underground mining or open pit mining methods.

Sissingué

- Finalise contract for the engineering, procurement and construction of the Sissingué processing facility;
- Commence detailed design and procurement;
- Mobilise EPC contractor to site;
- Re-commence construction of Sissingué;
- Finalise the project debt facility required under the project funding plan; and
- Continue drilling of the Bélé deposit to expand the Mineral Resource ahead of optimisation and possible inclusion in the Sissingué mine plan.

Yaouré

- Advance work on preparing a bankable DFS for Yaouré, including the planning and execution of a 42,000 metre drilling programme designed to confirm Mineral Resource estimates as a basis for mine optimisation; and
- Obtain an approved ESIA for Yaouré.

Baomahun Gold Project - Sierra Leone ("Baomahun")

- Undertake a thorough review of existing data associated with Baomahun, including an extended site visit by Perseus's exploration team, to assess the potential of the Project and commence planning the way forward.

Competent Person Statement:

All production targets for the EGM and the SGP 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 Company confirms that all material assumptions underpinning those production targets, or the forecast financial information derived from those production targets, in the market releases dated 19 April 2016 (EGM) and 21 April 2015 (SGP) continue to apply and have not materially changed. Refer "Technical Report - Central Ashanti Gold Project, Ghana" dated 30 May 2011 and "Technical Report - Sissingué Gold Project, Côte d'Ivoire" dated 29 May 2015. Steffen Brammer and Paul Thompson, each of whom is a Qualified Person as defined in NI 43-101 and an employee of the Company, have approved the inclusion of technical and scientific information in this report.

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.

Contact

To discuss any aspect of this announcement, please contact:

Jeff Quartermaine

Managing Director and Chief Executive Officer

+61 8 6144 1700

jeff.quartermaine@perseusmining.com

Cathy Moises

Investor Relations

+ 61 412196350

cathy.moises@perseusmining.com (Perth/Melbourne)

Nathan Ryan

Media Relations

+61 4 20 582 887

nathan.ryan@nwrcommunications.com.au (Melbourne)