

December 2021 Quarter Report

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PERTH, Jan. 25, 2022 - [Perseus Mining Ltd.](#) ("Perseus" or the "Company") (TSX & ASX: PRU) reports on its activities for the three months' period ended December 31, 2021 (the "Quarter").

PERFORMANCE INDICATOR	UNIT	CALENDAR JUNE 2021 2020 YEAR	SEPTEMBER 2021 QUARTER	DECEMBER 2021 QUARTER	DECEMBER HALF YEAR
Gold recovered	Ounces	260,045	191,246	112,786	241,164
Gold poured	Ounces	257,592	191,510	110,535	237,483
Production Cost	US\$/ounce	871	894	857	839
All-In Site Cost (AISC)	US\$/ounce	1,002	1,030	966	949
Gold sales	Ounces	265,127	194,114	107,650	238,136
Average sales price	US\$/ounce	1,579	1,642 ¹	1,655	1,663
Notional Cashflow	US\$ million	150.0	103.3 ¹	77.8	94.0

Notes: 1. Includes Yaour? cost and sales data from 31 March 2021 following declaration of Commercial Production.

- Key Operating highlights include:
 - Gold production increased 14% quarter-on-quarter to 128,378 ounces or 66% year-on-year to 432,410 ounces.
 - Weighted average AISCs decreased by 3% or US\$32 quarter-on-quarter to US\$934 per ounce or 5% year-on-year to US\$985 per ounce.
 - Gold production of 241,164 ounces and AISC of US\$949 per ounce, comfortably achieved market guidance for the December Half Year of 225 - 255,000 ounces of gold at US\$925 -1,025 per ounce.
 - Quarterly gold sales increased by 21%, giving a 63% increase in year-on-year gold sales to 432,250 ounces.
 - Average quarterly cash margin of US\$735 per ounce of gold was US\$46 more than prior quarter.
 - Notional cashflow from operations increased by 21% quarter-on-quarter to US\$ 94.0 million, and 84% year-on-year to \$275.1 million.
 - Operating performance consistently in line with ESG KPIs.
- Perseus's strong operating performance is forecast to continue with production of 230,000 to 265,000 ounces at an ASIC of US\$915 to US\$1,085 per ounce planned in the June 2022 Half Year, translating to 471,000 to 506,000 ounces at an ASIC of US\$932 to US\$1,020 per ounce for the full 2022 Financial Year.
- Business development activities continued to deliver encouraging results, demonstrating potential to materially increase Perseus's Ore Reserves inventory and extend the economic mine lives of its operations:
 - Exploration programmes on the Nkosuo prospect near Edikan and the CMA Underground prospect at Yaour? both returned excellent drill results, confirming the potential for strong organic growth of each mine.
 - Assessment of inorganic growth opportunities continue to generate encouraging results.
- Perseus's financial position continues to strengthen with available cash and bullion of US\$212 million (A\$292 million), debt of US\$50 million (A\$68 million), and net cash of US\$162 million (A\$269 million) at 31 December 2021, after returning US\$13 million (A\$18 million) of capital to shareholders, reducing debt by US\$50 million (A\$68 million) and investing US\$11 million (A\$15 million) in organic growth during the quarter.

OPERATIONS

QUARTERLY PRODUCTION, COSTS AND NOTIONAL CASHFLOW

Perseus's three operating gold mines, Yaour? and Sissingu? in C?te d'Ivoire, and Edikan in Ghana have combined to produce a total of 128,378 ounces of gold in the December 2021 quarter, 14% more than in the prior quarter. The weighted average production cost at the operations was US\$823 per ounce, while the weighted average AISC incurred during the quarter was US\$934 per ounce of gold. Production costs and AISC's were 4% and 3% respectively, lower than comparative costs in the previous quarter.

This performance contributed to Half Yearly gold production at our three mines of 241,164 ounces of gold, produced at an average AISC of US\$949 per ounce. This strong performance compared favourably to market guidance for the Half Year of 225,000 to 255,000 ounces of gold produced at an AISC of US\$925 to 1,025 per ounce and has positioned Perseus to achieve our corporate objective of producing more than 500,000 ounces of gold at a margin of greater than US\$400 per ounce in FY2022.

Table 1: Cost and Production Summary by Mine

MINE	TOTAL GOLD PRODUCED (OUNCES)			ALL-IN SITE COST (US\$/OUNCE)		
	SEPTEMBER 2021 QUARTER	DECEMBER 2021 QUARTER	DECEMBER 2021 HALF YEAR	SEPTEMBER 2021 QUARTER	DECEMBER 2021 QUARTER	DECEMBER 2021 HALF YEAR
Yaour?	64,558	75,189	139,747	671	700	687
Edikan	32,161	35,124	67,285	1,574	1,450	1,509
Sissingu?	16,067	18,065	34,132	931	905	917
Perseus Group	112,786	128,378	241,164	966	934	949

Combined gold sales from all three operations totalled 130,486 ounces, 21% more than last quarter. The weighted average gold price realised was US\$1,669 per ounce, slightly better than the price received in the September 2021 quarter. Perseus's average cash margin for the December 2021 quarter was US\$735 per ounce, US\$46 per ounce or 7% more than that achieved during the September 2021 quarter. Notional operating cashflow from operations was US\$94.3 million, US\$16.5 million or 21% more than that generated in the prior period, driven by quarter-on-quarter production growth of 14%, derived largely from improved production performance at all three mines, combined with improved AISCs at Sissingu? and Edikan.

Table 2: Realised Gold Price and Notional Cash Flow by Mine

MINE	REALISED GOLD PRICE (US\$ PER OUNCE)			NOTIONAL CASH FLOW FROM OPERATION (US\$ MILLION)		
	SEPTEMBER 2021 QUARTER	DECEMBER 2021 QUARTER	DECEMBER 2021 HALF YEAR	SEPTEMBER 2021 QUARTER	DECEMBER 2021 QUARTER	DECEMBER 2021 HALF YEAR
Yaour?	1,690	1,699	1,695	65.8	75.1	140.9
Edikan	1,602	1,613	1,608	0.9	5.7	6.6
Sissingu?	1,624	1,638	1,631	11.1	13.2	24.3
Perseus Group	1,655	1,669	1,663	77.8	94.0	171.8

YAOUR? GOLD MINE, C?TE D'IVOIRE

During the quarter, Perseus's newest mine, Yaour?, increased its gold production by a further 16% compared to the prior quarter to 75,189 ounces of gold at a production cost of US\$589 per ounce and an AISC of US\$700 per ounce. The weighted average sales price of the 79,669 ounces of gold sold during the quarter was US\$1,699 per ounce, giving rise to a cash margin of US\$999 per ounce. Notional operating cashflow generated by Yaour? was US\$75.1 million during the quarter, US\$9.3 million more than in the September 2021 quarter. Refer to Table 3 below for details of operating and financial parameters.

This performance contributed to half yearly gold production at Yaour? of 139,747 ounces of gold, produced at an average AISC of US\$687 per ounce which compared favourably to market guidance for the half year of 130,000 to 140,000 ounces of gold produced at an AISC of US\$675 to US\$775 per ounce.

The improving operating performance at Yaour? was a result of strong operating fundamentals compared to the prior quarter, including mill throughput rates (487 tph compared to 449 tph), gold recovery rates (93.6% compared to 92.7%) and importantly, the head grade of processed ore (2.64 g/t to 2.37 g/t).

Table 3: Yaour? Quarterly Performance

PARAMETER	UNIT	CALENDAR 2020 YEAR	JUNE 2021 HALF YEAR ²	SEPTEMBER 2021 QUARTER	DECEMBER 2021 QUARTER	DECEMBER 2021 HALF YEAR
Gold Production & Sales						
Total material mined	Tonnes	6,449,440	16,979,488	6,340,478	9,870,283	16,210,761
Total ore mined	Tonnes	128,148	659,620	1,070,285	1,378,535	2,448,820
Average ore grade	g/t gold	0.78	1.23	2.07	1.98	2.02
Strip ratio	t:t	49.3	24.74	4.92	6.16	5.62
Ore milled	Tonnes	122,545	1,462,177	913,530	946,052	1,859,582
Milled head grade	g/t gold	1.01	1.40	2.37	2.64	2.51
Gold recovery	%	67.7	90.01	92.7	93.6	93.2
Gold produced	ounces	2,687	59,438	64,558	75,189	139,747
Gold sales ¹	ounces	-	54,182	60,055	79,669	139,724
Average sales price	US\$/ounce	-	1,692	1,690	1,699	1,695
Unit Production Costs						
Mining cost	US\$/t mined	-	2.71	2.95	2.56	2.71
Processing cost	US\$/t milled	-	9.90	13.74	13.52	13.63
G & A cost	US\$/month	-	1.70	1.89	2.08	1.99
All-In Site Cost						
Production cost	US\$/ounce	-	951	572	589	581
Royalties	US\$/ounce	-	83	85	90	87
Sub-total	US\$/ounce	-	1,033	657	679	669
Sustaining capital	US\$/ounce	-	3	14	21	18
Total All-In Site Cost ³	US\$/ounce	-	1,036	671	700	687
Notional Cashflow from Operations ²						
Cash Margin	US\$/ounce	-	648	1,019	999	1,008
Notional Cash Flow	US\$/M	-	24.2	65.8	75.1	140.9

Notes:

1. Gold sales are recognised in Perseus's accounts when gold is delivered to the customer from Perseus's metal account
2. Includes Yaour? data from declaration of Commercial Production on 31 March 2021.
3. Included in the AISC for the quarter is US\$6.91 million of costs relating to excess waste stripping. When reporting cost of sales, in line with accepted practice under IFRS, this cost will be capitalised and the costs amortised over the remainder of the relevant pit life.

MINERAL RESOURCE TO MILL RECONCILIATION

The reconciliation of processed ore tonnes, grade and contained gold relative to the Yaour? Mineral Resource block model are shown in Table 4. During the last quarter, 17% more ore tonnes at 10% lower grade for 6% more ounces have been produced compared to the Mineral Resource model. Over the last six months and project to-date, Yaour? has produced more metal than predicted by the Mineral Resource model. The performance of the Yaour? Mineral Resource model to date is considered satisfactory, however work will continue to optimise the grade and reduce dilution.

Table 4: Yaour? Block Model to Mill Reconciliation

PARAMETER	BLOCK MODEL TO MILL CORRELATION FACTOR					
	3 MONTHS		6 MONTHS		PROJECT TO DATE	
Tonnes of Ore	117	%	114	%	109	%
Head Grade	90	%	97	%	99	%
Contained Gold	106	%	110	%	108	%

SISSINGU? GOLD MINE, C?TE D'IVOIRE

During the quarter, 18,065 ounces of gold were produced at Sissingu? at a production cost of US\$817 per ounce and an AISC of US\$905 per ounce. The weighted average sales price of the 16,621 ounces of gold sold during the quarter was US\$1,638 per ounce, giving rise to a cash margin of US\$732 per ounce. Notional cashflow generated from the Sissingu? operation totalled US\$13.2 million for the quarter, US\$ 2.1 million more than in the prior quarter, due to a combination of improved production, costs and average gold sale prices. Refer to Table 5 below for details of operating and financial parameters.

This performance contributed to half yearly gold production at Sissingu? of 34,132 ounces of gold, produced at an average AISC of US\$917 per ounce. This outstanding performance materially exceeded market guidance for the half year of 25,000 to 30,000 ounces of gold produced at an AISC of US\$950 to US\$1,070 per ounce.

The overall result for the quarter at Sissingu?, was also better than forecast by Perseus with each of the key operating parameters including runtime (95%), throughput rate (178 tph), and recovery (90%) improving relative to the prior quarter. Average head grade (1.67g/t) was down relative to the prior quarter in line with company expectations.

Table 5: Sissingu? Quarterly Performance

PARAMETER	UNIT	CALENDAR JUNE 2021	SEPTEMBER	DECEMBER 2021	DECEMBER 2021	
		2020 YEAR	HALF YEAR 2021	QUARTER	QUARTER	
					HALF YEAR	
Gold Production & Sales						
Total material mined	Tonnes	5,144,335	1,738,136	395,727	706,459	1,102,186
Total ore mined	Tonnes	1,681,633	851,552	162,912	186,063	348,975
Average ore grade	g/t gold	2.20	2.13	1.52	0.87	1.17
Strip ratio	t:t	2.1	1.0	1.4	2.8	2.2
Ore milled	Tonnes	1,349,807	596,416	299,757	375,615	675,372
Milled head grade	g/t gold	2.41	2.70	1.91	1.67	1.78
Gold recovery	%	94.9	92.6	87.1	89.8	88.5
Gold produced	ounces	99,268	48,763	16,067	18,065	34,132
Gold sales ¹	ounces	95,765	55,519	18,250	16,621	34,870
Average sales price	US\$/ounce	1,606	1,670	1,624	1,638	1,630
Unit Production Costs						
Mining cost	US\$/t mined	4.72	6.20	9.62	6.80	7.81
Processing cost	US\$/t milled	15.98	18.8	19.4	16.90	18.01
G & A cost	US\$/month	1.05	1.05	1.24	1.20	1.22
All-In Site Cost ¹						
Production cost	US\$/ounce	589	580	830	817	823
Royalties	US\$/ounce	79	107	94	85	89
Sub-total	US\$/ounce	668	687	924	902	912
Sustaining capital	US\$/ounce	24	28	7	3	5
Total All-In Site Cost	US\$/ounce	692	715	931	905	917
Notional Cashflow from Operations ¹						
Cash Margin	US\$/ounce	927	956	693	732	713
Notional Cash Flow	US\$M	92.0	46.6	11.1	13.2	24.3

Notes: 1. Gold sales are recognised in Perseus's accounts when gold is delivered to the customer from Perseus's metal account.

MINERAL RESOURCE TO MILL RECONCILIATION

The reconciliation of processed ore tonnes, grade and contained ounces relative to the Sissingu? Mineral

Resource block model is in Table 6 below. During the last three months, grade control has predicted similar tonnes (100%) grade (99%) and ounces (99%) when compared to the Mineral Resource Estimate (MRE). Over the last six- and 12-month periods of operation, Sissingu? has produced more metal than predicted by the Mineral Resource model. Perseus regards the overall outperformance as being within normal industry standards.

Table 6: Sissingu? Block Model to Mill Reconciliation

PARAMETER	BLOCK MODEL TO MILL CORRELATION FACTOR					
	3 MONTHS		6 MONTHS		1 YEAR	
Tonnes of Ore	100	%	116	%	108	%
Head Grade	99	%	105	%	103	%
Contained Gold	99	%	121	%	107	%

UPDATED LIFE OF MINE PLAN FOR THE SISSINGU? OPERATION

An updated Life of Mine Plan for the Sissingu? operation that models the mining and processing of ore from each of the Sissingu?, Fimbiasso and the yet to be granted, Bago? exploitation permit areas, is being prepared and will be published in the June 2022 quarter when the results of a recent successful drilling campaign in and around the existing Sissingu? pits are fully collated, understood and incorporated into the revised mine plan and processing schedule. Based on preliminary optimisations and scheduling, it indicates that the life of the Sissingu? operation could be extended by several years. Current work is focusing on the sequencing of mining to optimise the return on the investment of capital required to access the new mining areas.

BAGO? MINING LEASE

Work by consultants (CECAF), on preparing an Environmental and Social Impact Assessment (ESIA) for the Bago? exploration permit area was completed during the quarter. The ESIA has been lodged with the environmental regulator (ANDE) for approval. Once approval is granted, it will be lodged with the Department of Mines, Petroleum and Energy together with the recently completed Definitive Feasibility Study of an operation located on the Bago? exploration permit. This is expected to occur during the June 2022 quarter and an Exploitation Permit should be granted once assessment of the submissions is complete.

EDIKAN GOLD MINE, GHANA

In the December 2021 quarter, Perseus produced 35,124 ounces of gold at Edikan (9% more than in the September quarter) at a production cost of US\$1,327 per ounce and an AISC of US\$1,450 per ounce. Gold sales of 34,196 ounces were 17% more than in the prior quarter, at a weighted average realised gold price of US\$1,613 per ounce. This generated a cash margin of US\$163 per ounce, a significant improvement on the prior quarter. Notional cashflow of US\$5.7 million, was US\$4.8 million better than in the prior period. Table 7 below summarises the key operating and financial parameters.

While the overall performance of Edikan was materially better than in the September quarter, there is still significant room for improvement. Signs of this improvement were evident in the month of December when the mill feed was made up predominantly of ore from the AG Pit which resulted in the head grade of ore treated increasing sharply to 0.86g/t on average and the gold recovery rate increasing to 86.2%.

This quarterly performance contributed to Half Yearly gold production at Edikan of 67,285 ounces of gold, produced at an average AISC of US\$1,509 per ounce. This performance fell short of market guidance for the Half Year of 70,000 to 80,000 ounces of gold produced at an AISC of US\$1,350 to 1,450 per ounce.

The shortfall in production relative to guidance was a function of several factors including poor reconciliation of tonnes and grade of ore mined from the AG pit in the September 2021 quarter and a conscious decision by Perseus to process ore from low grade ore stockpiles during the December quarter until a comprehensive grade control programme could be completed to provide a thorough understanding of the distribution of gold bearing material in the upper benches of the pit. As noted above, in December a marked improvement in

head grade and recovery of ore had been achieved giving confidence in forecasts for future periods.

Table 7: Edikan Quarterly Performance

PARAMETER	UNIT	CALENDAR 2020 YEAR	JUNE 2021 HALF YEAR	SEPTEMBER 2021 QUARTER	DECEMBER 2021 QUARTER	DECEMBER 2021 HALF YEAR
Gold Production & Sales						
Total material mined	Tonnes	27,056,108	14,829,935	7,823,678	7,589,717	15,413,395
Total ore mined	Tonnes	4,379,485	1,968,783	788,612	836,266	1,624,878
Average ore grade	g/t gold	1.24	1.08	0.92	0.90	0.91
Strip ratio	t:t	5.2	6.5	8.9	8.1	8.5
Ore milled	Tonnes	6,787,946	3,280,435	1,731,146	1,756,072	3,487,218
Milled head grade	g/t gold	1.01	0.93	0.72	0.73	0.73
Gold recovery	%	71.7	85.0	80.2	85.6	83.0
Gold produced	ounces	158,090	83,045	32,161	35,124	67,285
Gold sales ¹	ounces	169,362	84,412	29,345	34,196	63,541
Average sales price	US\$/ounce	1,564	1602	1,602	1,613	1,608
Unit Production Costs						
Mining cost	US\$/t mined	3.13	3.22	3.36	3.45	3.41
Processing cost	US\$/t milled	9.05	9.60	8.56	8.23	8.39
G & A cost	US\$/month	1.64	1.39	1.78	2.04	1.89
All-In Site Cost²						
Production cost	US\$/ounce	1,048	1,054	1,445	1,327	1,383
Royalties	US\$/ounce	107	106	98	105	102
Sub-total	US\$/ounce	1,155	1,160	1,543	1,432	1,485
Sustaining capital	US\$/ounce	42	53	32	18	24
Total All-In Site Cost ²	US\$/ounce	1,197	1,213	1,574	1,450	1,509
Notional Cashflow from Operations¹						
Cash Margin	US\$/ounce	370	389	28	163	98
Notional Cash Flow	US\$/M	58.4	32.3	0.9	5.7	6.6

Notes:

1. Gold sales are recognised in Perseus's accounts when gold is delivered to the customer from Perseus's metal account.

2. Included in the AISC for the quarter is US\$8.49 million of costs relating to excess waste stripping. When reporting cost of sales, in line with accepted practice under IFRS, this cost will be capitalised and the costs amortised over the remainder of the relevant pit life.

MINERAL RESOURCE TO MILL RECONCILIATION

The disconnect in the Edikan reconciliation has been analysed in detail to understand the performance to ensure that the trend will not continue in the Stage 3 cutback of the AG Pit. From the work undertaken, it is apparent that the large block size in the resource model (20 metres x 20 metres x 10 metres) is the cause of the issue whilst mining around an existing cutback void. Material that is present in the large block has already been partially mined in the previous Stage 2 pit, which was the higher-grade part of the large block. Overall, the pit continues to reconcile well, however this section of the cutback is strongly affected by this circumstance. The pit mining is within 10 metres of reaching the previous cutback base, and from here it is expected the reconciliation will revert to previous correlation of ~95%-105% overall.

Additional drilling has been undertaken this quarter to confirm the continuity of the grade and geology. The drilling assays returned emulated the block model grades giving good confidence in the ongoing cutback ore content and has enhanced the geological model. The Edikan Block Model to mill reconciliation figures are shown in Table 8 below.

Table 8: Edikan Block Model to Mill Reconciliation

PARAMETER	BLOCK MODEL TO MILL CORRELATION FACTOR					
	3 MONTHS		6 MONTHS		1 YEAR	
Tonnes of Ore	78	%	87	%	89	%
Head Grade	81	%	84	%	87	%
Contained Gold	63	%	73	%	77	%

GROUP GOLD PRODUCTION AND COST MARKET GUIDANCE

Table 9: Production and Cost Guidance

PARAMETER	UNITS	DECEMBER 2021 HALF YEAR (ACTUAL)	JUNE 20212 HALF YEAR (FORECAST)	2022 FINANCIAL YEAR (FORECAST)
Yaour? Gold Mine				
Production	Ounces	139,747	130,000 - 140,000	269,747 - 279,747
All-in Site Cost	USD per ounce	687	765 to 815	725 to 750
Sissingu? Gold Mine				
Production	Ounces	34,133	25,000 to 35,000	59,133 - 69,133
All-in Site Cost	USD per ounce	917	810 to 1,280	872 to 1,100
Edikan Gold Mine				
Production	Ounces	67,284	75,000 to 90,000	142,284 - 157,284
All-in Site Cost	USD per ounce	1,509	1,210 to 1,430	1,350 to 1,465
PERSEUS GROUP				
Production	Ounces	241,164	230,000 to 265,000	471,164 - 506,164
All-in Site Cost	USD per ounce	949	915 to 1,085	932 to 1,020

SUSTAINABILITY

COVID-19 UPDATE

A fourth wave of COVID-19 has spread across West Africa during the quarter, with higher infection rates consistent with the Omicron variant. In response, Perseus continued to update its COVID-19 critical controls, with focus on keeping its people safe and healthy, maintaining safe and stable operations, and supporting host governments and local communities. Although around 190 cases of COVID-19 have been recorded across the Company's operations since the beginning of the pandemic, no cases have led to serious illness and our controls have been effective in limiting the spread in our workforce.

During the quarter 60 new cases of COVID-19 were recorded, mainly at the Edikan and Yaour? operations and almost all in the month of December. Vaccination campaigns progressed across our operations, and with increased vaccine availability across the region, around 50 per cent of Perseus's employees and contractors are now fully vaccinated. Efforts continue to improve vaccination rates as they become available under government programs.

SUSTAINABILITY GOVERNANCE

During the quarter, Perseus continued to strengthen its sustainability governance by:

- Releasing the second Modern Slavery Statement in line with the *Australian Modern Slavery Act 2018* (Cth), for the period 1 July 2020 to 30 June 2021, providing further information on the human rights risk profile of Perseus's global supply chain, and outlining its human rights and modern slavery due diligence program.
- Commencing a global project to transform Perseus's health and safety approach and performance across the operations in line with international best practice, focusing on leadership, culture, capability and risk management. The work will be delivered throughout the remainder of FY22 and FY23.
- Commencing an independent review of closure plans and cost estimates, to be completed by the end of Q3.

- Updating security risk assessments at Sissingu? due to the increased terrorism risks in countries to the north of C?te d'Ivoire associated with activity of Jihadist groups in the Sahel region.

SUSTAINABILITY PERFORMANCE

This quarter, Perseus continued its strong sustainability performance relative to objectives and targets, as shown below in Table 10 and summarised as follows:

- **Safety:** Perseus's record of zero fatalities across the operations was maintained, and safety performance improved significantly from the previous quarter at Edikan and Sissingu?, with Total Recordable Injury Frequency Rates (TRIFR) to the end of December 1.36 and 0.0 respectively. The TRIFR across the Group was 1.49, a significant improvement on the September quarter and our FY21 performance, however still higher than our FY22 target of 1.3. Sissingu? achieved 1 year without a recordable incident, and Edikan was awarded the Best Performer in Occupational Health and Safety during the 7th Ghana Mining Industry Awards, established by the Ghana Chamber of Mines.
- **Social:**
 - Total economic contribution to Perseus's host countries of Ghana and C?te d'Ivoire for the financial year to date of around US\$223 million (around 60% of revenue), included approximately US\$166 million paid to local suppliers, US\$21 million paid as salaries and wages to local employees, US\$35 million in payments to government as taxes, royalties and other payments, and around US\$591,000 in social investment.
 - Local and national employment has been maintained at above 95% for the quarter, and local procurement around 81%.
 - Zero significant community events occurred.
- **Environment:**
 - Scope 1 and 2 greenhouse gas emissions remained steady from the first quarter. Water intensity increased slightly due to dry season conditions across the region.
 - As part of development of Perseus's emissions reduction strategy, two vendors were shortlisted to support further detailed studies to partially replace the diesel fired back-up generators at Yaour? with solar power.
 - Zero environmental events or significant tailings dam integrity issues occurred during the period.

In achieving the above, the following sustainability challenges were encountered by Perseus during the quarter:

- Total Recordable Injury Frequency Rates (TRIFR) at Yaour? increased from 3.24 in the September quarter to 3.49, tracking significantly higher than its FY21 result of 1.59 and higher than its FY22 target of 2.2. Given its performance and the significant work required to embed Perseus's Health and Safety standards at this new operation, Yaour? will be the primary focus of the Health and Safety improvement program for the remainder of FY22.
- Government administrative delays to the establishment of the Yaour? Community Development Fund, and associated delays to commencement of community projects. Perseus is working with Government to establish the fund as soon as possible, and community funding is being accumulated in an account each month since commercial production was achieved at Yaour?.
- Illegal mining activities on Perseus's mining and exploration licence areas continues to present challenges for the Company in both Ghana and C?te d'Ivoire. The Company continues to work closely with relevant government authorities to manage these activities that have proven to negatively impact both the environmental and social fabric of local communities.
- Ongoing tensions with the community around Yaour? regarding employment and business opportunities and land compensation.
- Security risks at Sissingu? and satellite exploration activity areas (Fimbiasso and Bago?) are being closely monitored due to ongoing political and social unrest which has given rise to terrorist activities in Mali which lies immediately to the north of the Sissingu? mine.

Table 10: Sustainability Quarterly Performance

PERFORMANCE DRIVER	SUB-AREA	METRIC
Governance	Compliance	Material legal non-compliance
Social	Worker Health, Safety and Wellbeing	Workplace fatalities

		Total Recordable Injury Frequency (TRIF)
		Lost Time Injury Frequency (LTIFR)
		COVID-19 Cases
	Community	Number of significant ² community events
		Community investment
	Economic Benefit	Proportion local and national employment
		Proportion local and national procurement
	Gender Diversity	Board gender diversity
		Executive gender diversity
		Proportion of women employees
Responsible Operations	Environment	Number of significant ² environmental events
	Tailings	Number of significant ² tailings dam integrity failures
	Water stewardship	Water used per ounce of gold produced
	Greenhouse Gas Emissions	Scope 1 and 2 Greenhouse Gas Emissions per ounce

Notes:

1. Corrected/re-stated figure from the September 2021 Quarter report
2. A significant event is one with an actual severity rating of four and above, based on Perseus's internal severity rating scale (ranged from one to five by increasing severity) as defined in our Risk Management Framework
3. Permanent employees only.

BUSINESS GROWTH

CÔTE D'IVOIRE EXPLORATION

YAOURÉ EXPLORATION & EXPLOITATION PERMITS

Exploration activities during the quarter on the Yaouré exploitation permit focused on drilling at the CMA underground and CMA Down-dip Extension prospects, both within two kilometres of the Yaouré mill. Other programs included auger drilling at Degbezere (*Appendix 1 - Figure 1.1*). In all, 7,828 metres of RC and 23,398 metres of diamond core were drilled at CMA and CMA Down-dip during the quarter.

Work at the CMA Underground prospect focused on infill drilling to firm up previously defined underground resources extending below the currently planned CMA pit. Perseus defined an Inferred Mineral Resource of 1.8 million tonnes grading 6.1 g/t Au, extending to a maximum 275 metre down dip beneath the open pit resource (refer Resources and Reserves ASX announcement dated 24 August 2021), with potential to extend mineralisation further down dip beyond this (*Appendix 1 - Figure 1.2*). Perseus has also completed a Scoping Study that identified the potential to mine the CMA structure using underground mining methods (refer to ASX Release 'Perseus Mining Completes Scoping Study for Potential Underground Mine at Yaouré' dated 5 November 2018).

Drilling on the CMA structure expanded towards the northern end, beyond the drilling during the previous quarter that focused on the lower grade southern end of the structure due to operational demands. Drilling during the quarter comprised 21,015 metres in 67 Reverse Circulation ("RC") pre-collared diamond ("DD") holes, continuing the infill of the existing 50 x 50 metre coverage to a nominal 25 x 25 metre pattern to allow conversion of the Inferred resource to Indicated. Results to date from the infill drilling program have been encouraging, with intercepts generally consistent with those previously encountered in both thickness and

grade.

Step-out drilling to investigate the next 300 metre down-dip from the current CMA Underground resource also continued, with 10,211 metres drilled in 18 RC pre-collared DD holes focused in the area around the explosives magazine. The step-out program is guided by the 2020 3D seismic survey that clearly identified the CMA structure extending to depth beyond the current drill coverage. Drilling is being undertaken on an initial 100 x 200 metre pattern to better define the position of the CMA structure and the intensity of mineralisation. If results are encouraging, this will be infilled to 100 x 100 metres to allow an initial Inferred Mineral Resource Estimate. The results from the CMA Underground infill and extension drilling continue to demonstrate the potential for the Company to materially grow its gold inventory at Yaour? organically, as is more fully detailed in the Company's ASX release dated 19 January 2022 '*High Grade Results Continue at Perseus's Yaour? Gold Mine*'.

On the Yaour? West exploration permit auger geochemical drilling was undertaken along the Degbezere NE trend, with 732 metres drilled in 81 holes. The augering covers the Degbezere Shear Zone, a structural target identified highlighted in soil geochemistry, airborne geophysical surveys and the 2D seismic line surveyed in 2020.

Results from the Aircore ("AC") program conducted in the previous quarter were received but with generally negative results.

BAGO? EXPLORATION PERMIT

Limited drilling was conducted on the Bago? permit during the December Quarter, with 4,619 metres drilled in 102 metres of infill AC along the Bago? Shear Zone at Antoinette South. Assays were received from both this program and from AC and RC drilling completed during the previous quarter at the Veronique South and SE, Juliette, A-J Gap and Brigitte prospects (*Appendix 1 - Figures 1.2 & 1.3*). The results from these programs were generally disappointing, with mostly narrow, low-grade intercepts being recorded.

In addition to the drilling, ground magnetic surveys were conducted over the Ludivine and Brigitte areas, data from which is being assessed.

GHANA

AGYAKUSU OPTION

Exploration drilling continued throughout the December quarter at the Nkosuo prospect on the Agyakusu permit north of the Company's Edikan Gold Mine (*Appendix 1 - Figure 1.4*). A total of 16,202 metres was drilled in 37 RC holes, five DD holes and 44 RC pre-collared diamond holes ("RD"), bringing the total drilled at Nkosuo since drilling commenced on 1 July 2021 to 24,280 metres in 134 holes. Drilling continued on a nominal 80 x 80 metre grid to scope out the extent and overall geometry of the host granite and contained mineralisation and commenced local infill to 40 x 40 and 40 x 20 metres. As fully reported in the Company's ASX announcement of 18 January 2022 '*Perseus Achieves Near-mine Exploration Success in Ghana*', drilling continues to produce highly encouraging results, confirming strong potential for shallow gold resources capable of being mined using open pit methods, just seven kilometres from the Edikan mill.

Drilling now underway at Nkosuo will focus on extending 80 x 80 metre over the still open southern extension of the granite, completing the 40 x 40 metres coverage and ultimately infilling to 40 x 20 metres to support a planned Mineral Resource estimate to be completed early in the June 2022 quarter. Metallurgical testwork and geotechnical drilling has commenced to allow the evaluation of the Ore Reserve potential in the September Quarter of 2022, along with preliminary studies to meet the requirements of the ESIA process.

In anticipation that this work will lead to a positive outcome the Company is in the process of exercising its option over the Agyakusu permit.

AGYAKUSU-DML OPTION

A planned AC drilling program to test gold-in-soil anomalism along the main structural/intrusive corridor extending SW from the Nkosuo prospect on the adjoining Agyakusu permit has been deferred in favour of an initial lower impact auger program (*Appendix 1 - Figure 1.4*). This work will commence during the next quarter.

DOMENASE OPTION

Planned first-pass soil sampling covering the main structural/intrusive corridors on this property was delayed pending renewal of the permit and finalisation of a new option agreement.

EXPLORATION EXPENDITURE

Expenditure on exploration activities throughout West Africa up to 31 December 2021 is outlined in Table 11 below.

Table 11: Group Exploration Expenditure December Quarter

REGION	UNITS	CALENDAR JUNE 2021	SEPTEMBER 2021	DECEMBER 2021	DECEMBER 2021	CALENDAR JUNE 2021
		2020 YEAR HALF	2021 QUARTER	2021 QUARTER	2021 HALF YEAR	2021 YEAR
Ghana	US\$ million	3.03	0.85	2.14	4.13	7.12
Côte d'Ivoire						
Sissingu?	US\$ million	3.81	4.41	1.10	0.53	6.04
Yaour?	US\$ million	11.65	5.95	4.16	6.09	16.20
Regional	US\$ million	1.27	0.19	0.25	0.01	0.45
Sub-total	US\$ million	16.73	10.55	5.52	6.62	22.69
Total West Africa	US\$ million	19.76	11.40	7.66	10.75	29.82

GROUP FINANCIAL POSITION

CASHFLOW AND BALANCE SHEET (UNAUDITED)

Perseus achieved yet another strong quarter of cash generation, with a US\$66.0 million increase in its overall net cash position (or cash plus bullion less interest-bearing debt) relative to the prior quarter. The Yaour? Gold Mine continued its strong cash generation performance, with comparable performance to Q1 achieved by Sissingu? and a noticeable improvement by Edikan.

Based on the spot gold price of US\$1,820.1 per ounce and an A\$:US\$ exchange rate of 0.726267 at 31 December 2021, the total value of cash and bullion on hand at the end of the quarter was A\$292.0 million, (US\$212.1 million) including cash of A\$268.6 million (US\$195.1 million) and 9,342 ounces of bullion on hand, valued at A\$23.4 million (US\$17.0 million). A debt repayment of A\$68.3 million (US\$50.0 million) was made during the quarter, reducing the principal amount owing to US\$50.0 million.

The graph below (Figure 1) shows the notional operating cash flows from the three mines, the largest single driver of cash movement, and how this compares historically over the past 2 years. Note that "Notional Operating Cash Flow" is obtained by multiplying average sales price less AISC (the "notional margin") by the ounces of gold recovered.

Figure 1: Notional Operating Cashflow is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/a392e58b-8f3a-4201-a0b3-b32765c9365c>

The overall movement in cash and bullion during the quarter is shown below in Figure 2. Aside from the operating margin, other relevant movements are, Australian and West African corporate costs (A\$6.7 million), business growth (A\$14.8 million), debt service and other finance costs (A\$70.3 million), other capex (A\$3.9 million), tax instalment (A\$1.1 million), and a dividend payment to our shareholders (A\$18.2 million).

Figure 2: Quarterly Cash and Bullion Movements is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/0787d92f-c94f-4a8e-9995-d49262cb0983>

GOLD PRICE HEDGING

At the end of the quarter, Perseus held gold forward sales contracts for 209,657 ounces of gold at a weighted average sales price of US\$1,685 per ounce. These hedges are designated for delivery progressively over the period up to 30 June 2023. Perseus also held spot deferred sales contracts for a further 91,637 ounces of gold at a weighted average sales price of US\$1,712 per ounce. Combining both sets of sales contracts, Perseus's total hedged position at the end of the quarter was 301,294 ounces at a weighted average sales price of US\$1,693 per ounce.

Perseus's hedge position has increased by 672 ounces since the end of the September 2021 quarter. As a result of our policy of replacing lower priced hedges with higher priced hedge contracts when possible, the weighted average sales price of the hedge book increased by US\$51 per ounce or 3.1% during the quarter.

Hedging contracts currently provide downside price protection to approximately 21% of Perseus's currently forecast gold production for the next three years, leaving 79% of forecast production potentially exposed to movements (both up and down) in the gold price.

March 2022 quarter Announcements

- 18 January - Edikan Exploration Update
- 19 January - Yaour? Exploration Update
- 23 February- Half Year Financial Results
- 31 March - Sissingu? Life of Mine Update

This market announcement was authorised for release by the board of [Perseus Mining Ltd.](#)

COMPETENT PERSON STATEMENT:

All production targets 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.

Edikan. The information in this report that relates to AF Gap Mineral Resources and Ore Reserve estimate was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 26 August 2020. The information in this report that relates to the Mineral Resource and Ore Reserve estimates for the Fetish deposit and the Heap Leach was first reported by the Company in a market announcement "Perseus Mining Updates Edikan Gold Mine's Mineral Resources and Ore Reserves" released on 20 February 2020. The Mineral Reserve and Ore Reserve estimates for the abovementioned deposits were updated for depletion as at 30 June 2021 in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 24 August 2021. The information in this report that relates to Esuajah North Mineral Resources estimate was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 29 August 2018. The information in this report that relates to the Mineral Resource and Ore Reserve estimates for Esuajah South Underground deposit was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 24 August 2021. The Company confirms that it is not aware of any new information or data that materially affect the information in those market releases 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.

Sissingu?, Fimbiasso, Bago?. The information in this report that relates to Mineral Resource and Ore Reserve estimates for the Fimbiasso deposits was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 26 August 2020. The

information in this report that relates to Mineral Resource and Ore Reserve estimates for the Sissingu? and Bago? deposits was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 24 August 2021. The Company confirms that it is not aware of any new information or data that materially affect the information in these market releases 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 - Sissingu? Gold Project, C?te d'Ivoire" dated 29 May 2015 continue to apply.

Yaour?. The information in this report that relates to Open Pit and Heap Leach Mineral Resources and Ore Reserves at Yaour? was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 28 August 2019 and updated for mining depletion as at 30 June 2021 in a market announcement released on 24 August 2021. The information in this report that relates to Underground Mineral Resources at Yaour? was first reported by the Company in a market announcement "Perseus Mining Completes Scoping Study for Potential Underground Mine at Yaour?" released on 5 November 2018 and adjusted to exclude material lying within the US\$1,800/oz pit shell that constrains the Open Pit Mineral Resources in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 28 August 2019. The information in this report that relates to the Yaour? near mine satellite deposit Mineral Resource and Ore Reserve estimates was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 24 August 2021. The Company confirms that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, in that market release 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 - Yaour? Gold Project, C?te d'Ivoire" dated 18 December 2017 continue to apply.

The information in this report relating to exploration results was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in market updates "Perseus Achieves Near-Mine Exploration Success in Ghana" released on 18 January 2022 and "High Grade Results Continue at Yaour? Gold Mine" released on 19 January 2022. The Company confirms that it is not aware of any new information or data that materially affect the information in these market releases.

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 Yaour? Gold Mine, the Edikan Gold Mine and the Sissingu? Gold Mine without any major disruption due to the COVID-19 pandemic or otherwise, , 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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APPENDIX 1 - FIGURES

Figure 1.1: Yaour? Gold Project - Tenements and Prospects is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/23def5a2-87dc-4670-96f9-fd8b86944ce2>

Figure 1.2: Sissingu? Gold Mine and Bago? Project - Tenements and Prospects is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/7e2a7465-5f23-4b02-8645-d097932d760b>

Figure 1.3: Bago? Gold Project - Main Prospects is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/c6b92576-b222-4bef-9637-24c5d9cac8dc>

Figure 1.4: Edikan Gold Mine - Regional Geology, Tenements and Prospects is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/7107066c-9f66-4c6f-a39d-ae8bf82073ed>

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