ASX RELEASE

8 October 2009

Exchanges:

ASX : PRU

Börse Frankfurt: P4Q

Issued Shares: 303M

Unlisted Options: 11.2M

Cash at bank
(Sep 09) $60M

Resources:

Ghana

6Moz

Ivory Coast

1.0Moz

Reserves:

Ghana

2.1Moz

AYANFURI GOLD PROJECT UPDATE

HIGHLIGHTS

- 'Fixed lump sum' tender prices received for process plant engineering contract - three of the four prices were within the DFS estimate.
- Indicative financing term sheets received and negotiations have commenced.
- Preferred engineer and financier expected to be selected in November.
- Draft EIS, DFS presented to Ghanaian Government Authorities.
- Recruitment of key personnel has commenced.

Perseus Mining Limited (ASX: PRU) is pleased to provide an update of the progress of the Company's flagship Ayanfuri Gold Project "the Project" in Ghana.

Engineering Tender

The eight-week long tender process for the 'fixed lump sum' construction of the 5.5mtpa Ayanfuri process plant ended on 29 September 2009. Four conforming tenders were received, three of which were competitively priced and within the Definitive Feasibility Study ("DFS") estimate of US$148M. The tenders are being reviewed in detail and a preferred contractor is expected to be selected by the end of November for final contract award. All three shortlisted companies have tendered combined design and construct periods that are shorter than the applicable schedule in the DFS.

Finance Term Sheets

Nine financial institutions submitted indicative terms sheets for funding participation in the project. Perseus's financial adviser, Noah's Rule, has confirmed an excellent level of competition amongst the banks and the process of 'short listing' has commenced. The selection of the lead bank is scheduled to occur by the end of November. Importantly, the banks recognise the Company's recent purchase of put options has significantly reduced the requirement for committed hedging (forward sales) to support the proposed debt. As a result, the Company expects committed hedging, if applied, will total less than 10% of current reserves.

Managing Director's Comments

"We are pleased with the progress being made in advancing the 5Moz Ayanfuri gold project towards construction in Q1 next year and ultimately production by Q3 2011."

"It is encouraging to see the robustness of the DFS capital cost assumptions confirmed through the competitive pricing offered by the bidding engineers."

"Lending institutions also appear eager to finance large, robust, low risk, gold projects such as Ayanfuri and understand the Company's objective of minimising committed forward gold sales."

Approvals

The draft Environmental Impact Statement has been submitted to the Ghanaian EPA and the DFS documentation has been submitted to the Minerals Commission for review with a request for a mining lease extension.

Perseus' Management Additions

The Company is in the process of assembling its team for the construction and mining operation. We have been successful in recruiting Paul Criddle as our in-house Senior Metallurgist. Paul has 11 years' industry experience in Western Australia, PNG, Tanzania (East Africa) and Senegal (West Africa). His most recent project completion was the Sabodala gold project in Senegal, where he was responsible for supervision of plant and infrastructure engineering & design, development of feasibility studies for financing, site operations management (processing and construction), and ultimately operations set-up, commissioning and management. In addition to working on design, construction and commissioning for Ayanfuri, Paul will also work on the Tengrela DFS and Ayanfuri stage two development plans.

Mark Calderwood
Managing Director

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