



24 June 2013

NEWS RELEASE

EDIKAN UPDATE

Perseus Mining Limited (ASX/TSX: PRU) wishes to advise of a number of recent developments relating to the operation of the Edikan Gold Mine in Ghana.

Operational Performance

In the week ending 22 June 2013 a series of relatively minor plant maintenance issues combined to cause instability in the processing circuit resulting in lower daily gold production than forecast. As a consequence, management estimates that in the absence of improved performance in the last week of the financial year, the Company's production for the second half of FY2013 is likely to be marginally below the lower end of the guidance range of 105,000 to 125,000 ounces and mainly as a result of the reduced gold production the predicted all-in cash cost for the Half Year ending 30 June 2013 is likely to exceed the forecast of US\$1,100 per ounce.

Notwithstanding the above, the Company is encouraged by the material operational improvements that have been achieved at the Edikan Gold Mine during the June Quarter to date. Recoveries are closer to target while processing ore with a head grade that is at or below the life of mine average of 1.16 g/t. Crushing and milling rates have stabilised towards the upper end of the range of 5.5 to 8.00MTPA with individual days (particularly with the renovated crusher) exceeding this level by a material margin.

Full production and cost results for the full Financial Year and Quarter ending 30 June 2013 will be published in the Company's June Quarter Activities Report on or about 15 July 2013.

Mine Planning

The recent fall in the gold price combined with an in depth review of our cost structure has caused a reassessment of operating plans for the Edikan Gold Mine going forward. Guidance for the next 18 months (i.e. to the end of calendar year 2014) will be provided as part of the June Quarter Activities Report, along with an updated Mineral Resource estimate for the Edikan Gold Mine. The soon to be published guidance will reflect Perseus's strategy of focussing on maximising the cash margin per ounce of gold produced ahead of maximising gold production.

Using the updated Mineral Resource as a basis, and combined with the results of other optimisation and feasibility assessments that have been conducted in recent months, a revised Life of Mine Plan will be prepared and published towards the end of the September Quarter 2013.

Operating Management Changes

As part of its strategy of focussing on maximising the cash margin generated from every ounce of gold produced, Perseus has made a number of changes to the structure and composition of its management team at the Edikan Gold Mine.

From 1 August 2013, the current position of General Manager – Edikan Gold Mine will be replaced by two new positions, namely the General Manager – Edikan Production (“GMP”) and the General Manager – Edikan Sustainability (“GMS”).

The GMP will focus solely on the efficient and effective production of gold at Edikan. His primary KPIs will include:

- Mine safety;
- Tonnes of ore mined;
- Ounces of gold recovered; and
- Cost per ounce of gold production.

The GMS will focus on ensuring the continued strength of the Company’s social licence to operate in Ghana (and in particular at Edikan) in addition to the well-being and motivation of our employees in Ghana. His primary KPIs will include:

- Continuity of business of the Edikan Gold Mining operation;
- Compliance with all Ghanaian laws relevant to the Edikan gold Mining operation;
- Satisfaction of obligations to the host communities;
- Asset security;
- Maintaining a motivated and productive workforce.

The Company is very pleased to announce that a highly qualified and well respected Ghanaian professional manager has been appointed to the role of GMS. He has more than 25 years of experience working with multinational companies involved in the mining industry in Ghana. Perseus’s Chief Operating Officer, Mr Jon Yelland will perform the role of GMP on a full time basis until the recruitment of a new GMP is finalised to replace the current General Manager of the Edikan Gold Mine, Mr Wayne Nicoletto, who will cease employment with the Company on 30 June 2013.

A range of additional cost reduction programmes have also been initiated at the Edikan Gold Mine and in the Company’s corporate office in Perth. The cost impact of these initiatives is expected to be evident from the September 2013 Quarter onwards.

Comments from Perseus’s Managing Director, Jeff Quartermaine

“While we are disappointed at the production result at Edikan this Quarter after our record performance in the March Quarter, we note that the fluctuating gold production is the result of our recent efforts to fine tune our processing plant – an activity that we were prevented from undertaking in the latter part of 2012 by problems with our primary crusher. That said, a number of material operational advances have been achieved and these augur well for improved gold production and cost performance in the year ahead, something that is essential in a revised gold price environment.

The operations management changes announced today demonstrate our commitment to ensuring that we operate the Edikan Gold Mine in the most efficient way possible. The tasks of managing our social licence and producing gold at the lowest possible cost are inextricably linked but do require different skill sets and different focuses by the managers involved. The structure that we have designed allows our key managers to focus on their respective strengths and in the process produce results that are aimed at satisfying the objectives of our shareholders and stakeholders alike.”

To discuss any aspect of this announcement, please contact:

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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.