13 January 2014 **Market Release**

PERSEUS ON TARGET WITH DECEMBER QUARTER GOLD PRODUCTION

Perseus Mining Limited (ASX/TSX: PRU) is pleased to announce preliminary operating highlights at its Edikan Gold Mine in Ghana ("Edikan") during the three months and six months ending 31 December 2013 (the "December Quarter" and the "December Half Year" respectively).

Full details of activities in the December Quarter, including reconciled production and all-in site cash costs, will be included in the Company's December 2013 Quarterly Activities Report that is scheduled to be released to the market on 28 January 2014.

Preliminary Highlights

- December Quarter gold production of 48,360oz, 6% higher than the previous quarter as a result of significant improvement in operating efficiency. All-in site costs of US$1,228/oz for the Quarter, were 8.5% lower than the previous quarter.
- Gold production of 94,190oz for the December Half Year was in line with guidance of 91,000 to 101,000oz, while at US$1,283/oz, December Half Year all-in site costs were 2.7% above guidance.
- Improved gold production and all-in site costs reflect materially improved operating performance by the team at Edikan.
- At 31 December 2013, available cash and bullion valued at A$28.2M (September 30, 2013: A$27.3M) and a hedge position valued at US$31.6M.
- Material progress made towards resolution of an outstanding VAT liability of GHC93.0M (or US$39.4M) owed to Perseus Mining (Ghana) Limited by the Ghanaian Government.
- Bank credit committee approval of terms for a US$25M working capital facility. Perseus is re-evaluating merits of using debt finance in current gold price environment.

Comments from Perseus's Managing Director, Jeff Quartermaine

"The trend of steadily improving operating performance at Edikan continued during the December Quarter, resulting in 6% more gold production and 8.5% lower all-in site costs compared to the September 2013 quarter. This meant that our gold production for the December Half year is in line with production guidance and perhaps more importantly, our costs are steadily reducing and are now tracking within the cost guidance range as well.

This pleasing outcome is the result of a significant improvement in the operating performance of our team at Edikan who have remained focussed on managing those things that they can control.

If this performance continues as expected, the Company will be very well positioned to meet challenges arising from a weaker gold price should this occur, and also create a solid foundation on which to build when the gold price recovers."

Jeffrey A Quartermaine
Managing Director and Chief Executive Officer

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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 Tengréla, 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.*