

PERSEUS TO RAISE A\$102 MILLION OF EQUITY TO FUND GROWTH STRATEGY

Not for release in the United States

Highlights

- Institutional placement to raise up to approximately A\$61 million (Placement)
- 1 for 10 accelerated non-renounceable entitlement offer to raise up to approximately A\$41 million (Entitlement Offer)
- New shares to be issued at A\$0.50 per share (Offer Price), representing a 9.4% discount to TERP of A\$0.552 as at 20 June 2016
- Perseus has mandated Macquarie Bank and BNP Paribas to provide a US\$60 million debt facility to be applied to fund the development of the Sissingué Gold Project
- Perseus expects to be fully funded to commence delivering on its growth strategy following the successful completion of the Equity Raising and finalisation and drawdown of the debt facility

Overview

Perseus Mining Limited (**Perseus** or the **Company**) is pleased to announce the launch of an institutional Placement of up to approximately A\$61 million (approximately US\$45 million) and a 1 for 10 pro rata accelerated non-renounceable Entitlement Offer to raise up to approximately A\$41 million (approximately US\$30 million) for total proceeds of up to approximately A\$102 million (approximately US\$75 million) (collectively the **Equity Raising**).

Proceeds raised via the Equity Raising will be used to fund and accelerate Perseus's growth strategy, which includes the development of the Sissingué Gold Project, completion of the Definitive Feasibility Study (**DFS**) at the Yaouré Gold Project and increased exploration across its operations. Funds will also be applied to working capital and general corporate purposes to ensure continued balance sheet strength and flexibility.

Development of Perseus's Sissingué Gold Project is expected to resume in the September quarter 2016, subject to the successful completion of the Equity Raising and finalisation of a US\$60 million project finance facility outlined below. The project is forecast to deliver average gold production of 75,000 ounces per annum at a Life of Mine (**LOM**) average All-In Site Cost (**AISC**)¹ of US\$632/oz over 5.25 years. Post the development of Sissingué, Perseus will have two cash flow positive, geographically diversified, operating mines and expects to be well placed to fund future growth projects² (including the Yaouré Gold Project) from internal cash flows and/or future debt facilities.

With the recent acquisition of Amara Mining plc, Perseus acquired the Yaouré Gold Project in Côte d'Ivoire, one of West Africa's highest quality development stage projects. Yaouré has the potential for a large scale, long life and low cost gold operation. Completion of the Equity Raising will allow Perseus to undertake further

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

² Based on current life of mine plans, a gold price of US\$1,200/oz and Perseus's current estimates of Yaouré which may change as a result of the DFS

Resource definition drilling, progress the definitive feasibility study (DFS) which is expected to be complete by mid-2017 and fund pre-development costs ahead of a development decision expected around mid-2018.

In late April 2016 Perseus revised its production and cost guidance for the half year to June 2016 due to reconciliation issues, delays in accessing fresh ore and unscheduled maintenance shutdowns at its Edikan gold mine in Ghana. Perseus has implemented remedial actions to address these issues and Edikan continues to demonstrate improvement in key operating parameters and daily gold production. The Company is expecting its FY2016 gold production to be towards the lower end of the production guidance range at between 152,000 – 157,000 ounces and AISC to be towards the upper end of the guidance range of US\$1,300-\$1,400/oz given the substantial ongoing capital investment and lower production levels. In line with its recently published life of mine plan for Edikan, production is expected to increase to 226,000 ounces in FY2017 and to 282,000 ounces in FY2018 while AISC costs are anticipated to fall to US\$1,207/oz (production costs³ of US\$1,115/oz) and US\$996/oz (production costs³ of US\$977/oz) in FY2017 and FY2018 respectively, benefiting from the capital investment incurred in FY2016/2017 including a plant upgrade, and higher grades as new ore sources are opened up by the current investment in waste stripping.

Perseus's Managing Director and CEO Jeff Quartermaine commented, "The successful completion of the Equity Raising and finalising debt financing for Sissingué will provide Perseus with the ability to implement our growth strategy. Perseus has the opportunity to transform from a company with a single producing gold mine in Ghana into a diversified West African focussed miner with two producing operations, a very high quality development project in Yaouré Gold Project and further exploration potential. The Equity Raising will also provide us with the balance sheet flexibility to accelerate exploration and completion of the DFS at the Yaouré Gold Project. Following completion of construction at Sissingué, we expect to be in a position to fund further growth initiatives through a combination of internal cash flows and/or future debt."

Use of Proceeds

The A\$102 million gross proceeds from the Equity Raising will be applied to the following:

Proposed Use of Proceeds	A\$ million ⁴	US\$ million
To provide the equity funding component of development capital for the Sissingué Gold Project	54	40
To complete the Definitive Feasibility Study at the recently acquired Yaouré Gold Project including a 42,000m drilling programme plus pre-development costs	22	16
For working capital, exploration and general corporate purposes to ensure continued balance sheet strength and flexibility during a period of increased growth spend	26	19
Total	102	76

Financing Update

Perseus has mandated Macquarie Bank and BNP Paribas to provide a project debt facility of US\$60 million to fund the balance of the US\$100 million Sissingué capital development cost.

Bank technical due diligence is underway, site visits have been undertaken and an indicative term sheet has been commercially agreed (including a requirement for 100,000 ounces of hedging at US\$1,200/oz or higher). Macquarie Bank has been a long term lender to Perseus and has a good understanding of the Edikan operation. Credit approval and documentation are anticipated to be completed in the coming months.

³ Production costs reflect All-In Site Costs excluding sustaining capital.

⁴ An assumed A\$/US\$ exchange rate of 0.74 used to convert from US\$ to A\$ values.

Macquarie Bank has provided Perseus Mining Limited with an early hedge facility of 100,000 ounces. 50,000 ounces of forward gold sales have been put in place at US\$1,307.45/oz. The execution of this hedging greatly reduces the price risk for completion of the financing.

Subject to the successful completion of the Equity Raising and finalising of these debt arrangements, the development of the Sissingué Gold Mine will be fully funded.

Equity Raising

Perseus is undertaking a A\$102 million Equity Raising at a price of A\$0.50 per share, which, represents (as at market close on the ASX on Monday, 20 June 2016) a:

- 9.4% discount to TERP⁵ of A\$0.552; and
- 11.5% discount to the last closing price of A\$0.565; and
- 14.3% discount to the 5 day VWAP on ASX of A\$0.583.

The Equity Raising is comprised of:

- the Placement of up to approximately 122 million new shares to sophisticated and institutional investors at the Equity Raising price of A\$0.50 per new share (**New Shares**), to raise up to approximately A\$61 million; and
- the Entitlement Offer to raise up to approximately A\$41 million, comprised of:
 - an accelerated institutional entitlement offer (**Institutional Entitlement Offer**); and
 - a retail entitlement offer (**Retail Entitlement Offer**).

New Shares will rank pari passu with existing shares on issue.

Perseus has appointed Macquarie Capital (Australia) Limited as Sole Lead Manager and Bookrunner to the Equity Raising. Arlington Group Asset Management Limited has been appointed as Co-Lead Manager (Europe).

Placement and Institutional Entitlement Offer

Eligible institutional shareholders with registered addresses in the offering jurisdictions will be invited to participate in the Placement and Institutional Entitlement Offer, which is being conducted between Monday, 20 June 2016 and Wednesday, 22 June 2016. Eligible shareholders can choose to take up all, part or none of their entitlement. As the Entitlement Offer is non-renounceable, entitlements cannot be traded.

Together with the Placement, institutional entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to Eligible Institutional Shareholders who apply for New Shares in excess of their entitlement, as well as to certain other eligible institutional investors.

Retail Entitlement Offer

Eligible retail shareholders with retail addresses in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same price as the Placement and Institutional Entitlement Offer. The Retail

⁵ The Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which Perseus shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the entitlement offer will depend on many factors and may not equate to TERP. The TERP includes New Shares to be issued under the Placement.

Entitlement Offer will open on 27 June 2016 and close at 5:00pm (AEST) on 15 July 2016. Applications will not be accepted for additional New Shares in excess of an eligible retail shareholders' entitlement.

Further information will be sent to Eligible Retail Shareholders in a booklet (**Retail Offer Booklet**) expected to be lodged with ASX and despatched on or around 27 June 2016. The Retail Offer Booklet and the accompanying personalised entitlement and acceptance form (**Application Form**) will contain instructions on how to apply. Application Forms and payments are due by no later than 5:00pm (AEST) on 15 July 2016.

In the event not all Retail Entitlements are taken up, Perseus reserves the right to place any retail shortfall securities to select institutions within 3 months following completion of the Equity Raising.

Key Dates

Key Event	Date (AEST) ⁶
Trading halt and announcement of Equity Raising	After-market, 20 June 2016
Placement and Institutional Entitlement Offer bookbuild opens	5.30pm, 20 June 2016
Placement and Institutional Entitlement Offer bookbuild closes	12:00pm, 22 June 2016
Trading halt lifted and trading resumes on an "ex-entitlement" basis	23 June 2016
Record Date for determining Eligible Shareholders under the Entitlement Offer	9.00pm, 23 June 2016
Retail Entitlement Offer opens and Retail Offer Booklets despatched	27 June 2016
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	30 June 2016
Allotment on ASX and normal trading of New Shares issued under Placement and Institutional Entitlement offer	1 July 2016
Retail Entitlement Offer closes	5.00pm, 15 July 2016
Allotment on ASX of New Shares issued under the Retail Entitlement Offer	25 July 2016
Despatch of holding statements and normal trading of New Shares issued under Retail Entitlement Offer	26 July 2016

UK Listing Intentions

As part of the recent scrip acquisition of Amara Mining Plc, the Perseus Board committed to examine the merits of obtaining a standard listing on the official list of the UK Listing Authority. As at the date of this announcement, Perseus has not yet reached a conclusion in relation to this and will continue to consider the merits of obtaining a standard listing on the official list of the UK Listing Authority over the coming months, with the decision being influenced by the level of UK investor participation in the Equity Raising and ongoing engagement with existing and new UK and European investors.

Additional Information

Additional information regarding the Equity Raising is contained in the investor presentation released to the ASX today. The Retail Offer Booklet will be released separately and mailed to eligible retail shareholders.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

⁶ All times are Australian Eastern Standard Time unless otherwise specified. The above timetable is indicative only and subject to change. Perseus, in conjunction with the Sole Lead Manager, reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable laws.

To discuss any aspect of this announcement, please contact:

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Competent Person Statement:

The information in this presentation that relates to Mineral Resources and Ore Reserves for Sissingué was first reported by the Company in compliance with the JORC Code 2012 in a market announcement released on 21 April 2015. The Company confirms that it is not aware of any new information or data that materially affects the information in that market announcement and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not materially changed.

All production targets for Edikan and Sissingué referred to in this release 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 (Edikan) and 21 April 2015 (Sissingué) 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 announcement.

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. This announcement contains forward-looking information in respect of Edikan's forecast production and average All-In Site Costs for the mine. This information supersedes the forward-looking information provided in the Company's updated Life of Mine Plan for Edikan released on 19 April 2016 and the Investor Presentation released on 20 April 2016.