

Date of release: 20 April 2021

ASX/TSX code: PRU

Capital structure as at 20 April 2021

Ordinary shares: 1,226,456,870

Performance rights: 24,016,373

Directors:

Mr Sean Harvey

Non-Executive Chairman

Mr Jeff Quartermaine

Managing Director & CEO

Ms Elissa Brown

Non-Executive Director

Mr Dan Lougher

Non-Executive Director

Mr John McGloin

Non-Executive Director

Mr David Ransom

Non-Executive Director

Registered Office:

Level 2

437 Roberts Road

Subiaco WA 6008

Telephone: +61 8 6144 1700

Email: IR@perseusmining.com

Website: www.perseusmining.com

Contacts:

Jeff Quartermaine

Managing Director & CEO

jeff.quartermaine@perseusmining.com

Claire Hall

Corporate Communications

+61 414 558 202

claire.hall@perseusmining.com

Nathan Ryan

Media Relations

+61 4 20 582 887

nathan.ryan@nwrcommunications.com.au

EXECUTIVE SUMMARY

Perseus achieved a 29% increase in gold production with its third mine, Yaouré ramping up, 31% increase in gold sales and a 3.5% decrease in AISC for the quarter, highlighting its consistently improving operating performance.

Table 1: Operating and Financial Summary

Performance Indicator	Unit	December 2020 Quarter	December 2020 Half Year	March 2021 Quarter	2021 Financial Year to Date
Gold recovered ¹	Ounces	68,614	137,386	88,458	225,845
Gold poured ¹	Ounces	65,657	133,717	86,042	219,759
Production Cost ²	US\$/ounce	915	868	852	863
All-In Site Cost (AISC) ²	US\$/ounce	1,036	1,000	999	1,000
Gold sales ¹	Ounces	66,644	127,085	87,215	214,300
Average sales price ²	US\$/ounce	1,687	1,643	1,628	1,637
Notional Cashflow ²	US\$ million	44.6	88.3	41.7	130.0

- Yaouré Gold Mine **commissioning successfully completed** during the Quarter with “Commercial Production” formally declared on 31 March 2021.
- The Group’s **quarterly gold production** of 88,458 ounces **increased 29%** from the December Quarter¹.
- The Group’s **AISC** for the quarter was US\$999 per ounce, a 3.5% decrease from last quarter².
- **Quarterly gold sales** increased 31% to 87,215 ounces.
- The average realised gold price decreased 3.5% to US\$1,628 per ounce resulting in quarterly notional **cashflows from these operations** of US\$41.7 million, US\$2.9 million or 7% less than in the December 2020 quarter.
- Perseus’s gold production and AISC **market guidance** of 175,000 to 190,000 ounces at US\$950 to US\$1,150 per ounce for the June 2021 Half Year **remains unchanged**.
- **Encouraging exploration results** achieved at Bagoé near Sissingué and at Govisou on the Yaouré mining lease (Refer to [ASX Exploration Results announcement](#) 7 April 2021).
- Available cash and bullion on hand of US\$136 million and debt of US\$130 million giving a **net cash position** of US\$6 million at quarter end, US\$18 million more than at the end of last quarter.
- Perseus is on track to achieve its goal of producing more than 500,000 ounces of gold per year at a cash operating margin of not less than US\$400 per ounce.

Notes:

1. Includes gold produced at Yaouré.

2. Excludes Yaouré’s AISC, and sales pending declaration of Commercial Production on 31 March 2021.

PERSEUS GROUP PRODUCTION & COST GUIDANCE

Production and cost guidance for the June 2021 Half Year and the 2021 Full Financial Year remains unchanged (see **Table 2**).

Table 2: Production and Cost Guidance:

Parameter	Unit	December 2020 Half Year (Actual)	June 2021 Half Year (Forecast)	2021 Financial Year (Forecast)
Edikan Gold Mine				
Gold production	Ounces	78,790	87,500 – 95,000	166,290 – 173,790
All-In Site Cost (AISC)	US\$/ounce	1,253	1,000 – 1,200	1,115-1,225
Sissingué Gold Mine				
Gold production	Ounces	55,909	39,500 – 43,000	95,409 – 98,909
All-In Site Cost (AISC)	US\$/ounce	643	650 - 725	646-677
Yaouré Gold Mine				
Gold production	Ounces	2,687	48,000 – 52,000	50,687 – 54,687
All-In Site Cost (AISC)	US\$/ounce	-	1,100 – 1,300	1,100-1,300
Perseus Group				
Gold production	'000 Ounces	137,386	175,000 – 190,000	312,386 – 327,386
All-In Site Cost (AISC)	US\$/ounce	1,000	950 -1,150	970 – 1,067

GOLD MINING OPERATIONS

Perseus's three operating gold mines, Edikan in Ghana, and Sissingué and Yaouré in Côte d'Ivoire, performed strongly in the March 2021 quarter, producing a combined total of 88,458 ounces of gold, 29% more than the 68,614 ounces produced in the prior quarter (see **Table 3** for summary of cost and production by site). Total Recordable Injury Frequency Rates (TRIFR) at the end of March are Edikan 1.24, Sissingué 1.42 and Yaouré 2.16.

Gold sales from all three operations totalled 87,215 ounces, 31% more than last quarter. The weighted average gold price¹ realised from sales of gold from Sissingué and Edikan was US\$1,628 per ounce, 3.5% less than the price received in the December 2020 quarter.

The weighted average production costs¹ at Sissingué and Edikan were US\$852 per ounce, while AISC of US\$999 per ounce of gold were recorded during the quarter. These costs were 7% and 4% lower respectively than comparative costs incurred in the previous quarter.

Perseus's average cash margin for the quarter was US\$629 per ounce, approximately US\$22 per ounce less than that achieved during the December 2020 quarter, resulting in notional operating cashflow from the Sissingué and Edikan operations of US\$41.7 million, US\$2.9 million less than that generated in the prior period.

Table 3: Cost and Production Summary by Site

Mine	Total Gold Produced (Ounces)		All in Site Cost (US\$/ounce)	
	Dec 2020 Quarter	March 2021 Quarter	Dec 2020 Quarter	March 2021 Quarter
Edikan	39,105	40,824	1,266	1,202
Sissingué	26,822	25,539	701	675
Yaouré	2,687	22,095	-	-
Perseus Group	68,614	88,458	1,036	999

Note:

- Note that all costs and gold sales associated with gold produced at Yaouré this quarter are excluded from the Group's reported combined AISC, sales price, cash margin and notional operating cash flow as these have been capitalised in accordance with IFRS. Going forward, with Commercial Production declared at Yaouré as of 31 March 2021, all future AISC, sales prices, cash margins and operating cash flow from Yaouré will be included in Group data.

Sissingué Gold Mine, Côte d'Ivoire

Table 4 below summarises the key performance statistics at Sissingué during the quarter as well as in prior periods.

During the quarter, Sissingué produced 25,539 ounces of gold at a production cost of US\$533 per ounce and an AISC of US\$675 per ounce. The weighted average sales price of the 33,847 ounces of gold sold during the quarter was US\$1,693 per ounce, giving rise to a cash margin of US\$1,018 per ounce. Notional cashflow generated from the Sissingué operations amounted to US\$26 million for the quarter, US\$3.3 million less than in the prior quarter largely due to lower realised gold price as well as a 5% decrease in the mine's quarter-on-quarter gold production.

The total of 269,373 dry metric tonnes of ore milled during the quarter was 8% less than in the prior quarter, reflecting a 5% decrease in run time and a 3% decrease in throughput rate reflecting a planned increase in the proportion of fresh ore milled. At 94%, the gold recovery rate was marginally lower than the rate of 95% achieved in the prior quarter reflecting lower recovery of fresh ore, but this was more than offset by a 5% increase in head grade of ore treated (3.13g/t compared to 2.98g/t) which also served to partially offset the impact of reduced quantity of processed ore.

Unit production costs for the quarter at US\$533 per ounce were 9% lower than in the prior period notwithstanding slightly lower gold production. Unit mining, processing and G&A costs were all lower than in the preceding quarter even though total tonnes of material mined were down slightly and tonnes of ore processed were also down slightly.

AISC at US\$675 per ounce were 4% lower than the AISC of US\$701 per ounce recorded in the prior period. As noted above, production costs were lower in the period, but this was offset slightly by royalty costs which were US\$18 per ounce more than in December due to the timing of sales and royalty payments. Sustaining capital was also slightly higher during the period, further offsetting the improved production costs this quarter.

Table 4: Sissingué Quarterly Performance Statistics

Parameter	Unit	September 2020 Quarter	December 2020 Quarter	December 2020 Half Year	March 2021 Quarter	2021 Financial Year to Date
Gold Production & Sales						
Total material mined	tonnes	913,816	1,064,834	1,978,650	1,047,159	3,025,809
Total ore mined	tonnes	457,462	390,075	847,537	515,902	1,363,439
Average ore grade	g/t gold	2.38	2.47	2.42	2.34	2.39
Strip ratio	t:t	1.0	1.7	1.3	1.0	1.2
Ore milled	Tonnes	370,396	294,883	665,279	269,373	934,652
Milled head grade	g/t gold	2.62	2.98	2.78	3.13	2.88
Gold recovery	%	93.4	95.1	94.2	93.7	94.1
Gold produced	ounces	29,087	26,822	55,909	25,539	81,448
Gold sales ¹	ounces	20,298	26,818	47,116	33,847	80,963
Average sales price	US\$/ounce	1,562	1,795	1,695	1,693	1,694
Unit Costs						
Mining cost	US\$/t mined	5.99	5.61	5.78	5.40	5.65
Processing cost	US\$/t milled	15.25	20.70	17.67	18.61	17.94
G & A cost	US\$/month	1.08	1.23	1.15	0.99	1.10
All-In Site Cost						
Production cost	US\$/ounce	493	588	539	533	537
Royalties	US\$/ounce	<u>88</u>	<u>84</u>	<u>86</u>	<u>102</u>	<u>91</u>
Sub-total	US\$/ounce	581	672	625	635	628
Sustaining capital	US\$/ounce	<u>7</u>	<u>29</u>	<u>18</u>	<u>40</u>	<u>25</u>
Total All-In Site Cost	US\$/ounce	588	701	643	675	653
Cash Margin						
	US\$/ounce	974	1,094	1,052	1,018	1,041
Notional Cash Flow						
	US\$/M	28.3	29.3	58.8	26.0	84.8
Site Exploration Cost ²						
	US\$/M	0.43	2.09	2.52	1.86	4.38

Notes:

1. Gold sales are recognised in Perseus's accounts when gold is delivered to the customer from Perseus's metal account.
2. Includes costs associated with exploration of the Bagoé project deposits.

Mineral Resource model to mill reconciliation

Reconciliation of processed ore tonnes, grade and contained ounces relative to the Mineral Resource block model on which mine plans are based (Refer to **Table 5** below) has shown much lower month-to-month variations over the last quarter, with consistently more tonnes at similar grade compared to the Mineral Resource model. During the quarter 33% more ore tonnes at 2% lower grade have been produced compared to the Mineral Resource model. Over the last 12 months, Sissingué has produced tonnes of ore at a grade that is close to that predicted in the Mineral Resource model, and well within industry standard expectations.

Table 5: Sissingué Block Model to Mill Reconciliation Statistics:

Parameter	Block Model to Mill Correlation Factor		
	3 Months	6 Months	1 Year
Tonnes of Ore	1.33	1.25	1.08
Head Grade	0.98	0.93	0.97
Contained Gold	1.31	1.16	1.07

Mining Licence for Fimbiasso satellite deposit

During the quarter, Perseus continued discussions with the Ivorian Ministry of Mines and Geology regarding the granting of an Exploitation Permit to mine the Ore Reserves at Fimbiasso, a satellite deposit located outside of the existing Exploitation Permit area but within trucking distance of the Sissingué mill. The Ivorian Council of Ministers (CIM) had considered the matter in October 2020 and resolved that a Decree granting the Exploitation Permit for the Fimbiasso deposit should be drafted and submitted for approval. The Decree was drafted during the quarter but has not yet been considered for approval by the CIM.

Due to Ivorian Government ministerial changes in April 2021, the Ministry of Mining and Geology is now part of an expanded Ministry for Mines, Petroleum Resources and Energy. Perseus intends to engage with the new Minister at the first available opportunity to discuss approval of the Fimbiasso licence.

Under Sissingué's current Life of Mine Plan, Fimbiasso ore is scheduled to be mined and hauled to the Sissingué mill for processing towards the end of the September 2021 quarter. In anticipation of the Fimbiasso Exploitation Permit being granted, work on the upgrade of the public road between Sissingué and Fimbiasso continued during the March 2021 quarter. Options to delay the start-up of Fimbiasso are now being considered based on the delays in the approval process, timing of the wet season impacting infrastructure works and optimisation of Fimbiasso mining with Bagoé.

Feasibility Study for development of the Véronique, Antoinette and Juliette satellite deposits

During the quarter, assay results were progressively received for drill samples acquired by Resource definition drilling programs conducted last quarter at each of the Véronique, Antoinette and Juliette deposits located on the Bagoé exploration licence. These deposits are within trucking distance of the Sissingué mill and if mining proves feasible and is permitted, ore from these deposits could potentially provide sufficient mill feed to materially extend the life of the Sissingué operation.

Shortly following the end of the quarter, the last of the outstanding assay results were received and are now being put into a Mineral Resource estimation model. The estimated Mineral Resource will be used as a basis for mine planning and the preparation of a Definitive Feasibility Study (DFS) that is due to be published during the June 2021 quarter.

Environmental consultant, CECAF, also finalised data collection required for the preparation of an Environmental and Social Impact Assessment (ESIA), during the quarter. The ESIA along with the proposed mine plan, will form part of a formal DFS for developing the Véronique, Antoinette and Juliette deposits. Once complete, the DFS will be submitted to the Ivorian government, along with an application for an Exploitation Permit covering the Bagoé exploration licence area.

Edikan Gold Mine, Ghana

Table 6 below summarises the key performance statistics achieved at Edikan during the quarter as well as in prior periods.

In the March 2021 quarter, Perseus produced 40,824 ounces of gold at Edikan at a production cost of US\$1,051 per ounce and an AISC of US\$1,202 per ounce. These costs were 8% and 5% respectively lower than comparable costs recorded in the prior period. Gold sales (41,450 ounces) were 4% more than in the prior quarter, at a weighted average realised gold price of US\$1,574 per ounce, giving rise to a cash margin of US\$372 per ounce, 7% more than in the December quarter. Notional cashflow generated from Edikan during the quarter was US\$15.2 million, 12% more than in the prior period.

During the quarter, Edikan processed ore from the AG and Fetish pits as well as from the ROM stockpiles. As a result of the properties of the mill feed, throughput rates decreased by 2%, head grade increased by 1% and the average gold recovery rate for the quarter increased by nearly 10% to 83.8% (including a recovery rate of 88.4% in the month of March), all in line with expectations. When combined with a slight decrease of run time from 91% to 90%, gold production of 40,824 ounces, was 4.4% more than the amount produced during the prior quarter.

Production costs for the quarter at US\$1,051 per ounce were 8% lower than the prior period, reflecting a combination of 1.5% less gold production and slightly higher mining, processing, and G&A costs.

Unit mining costs at US\$3.10 per tonne were marginally higher than in the prior period, but with 2% less tonnes mined, total mining costs were down. The 4% increase in gold recovered helped to reduce overall production costs per ounce. Unit processing costs at \$10.20 per tonne were 2% higher than the prior period, however tonnes of ore milled were down nearly 6%, and this also contributed to the decrease in production costs. G&A costs at US\$1.36M per month were also slightly lower than the US\$1.59M per month incurred in the December quarter.

The quarterly AISC at US\$1,202 per ounce was 5% down on the AISC in the prior period. While production costs were lower, both royalties and sustaining capital were marginally higher quarter on quarter due mainly to the timing of payments.

Table 6: Edikan Quarterly Performance Statistics:

Parameter	Unit	September 2020 Quarter	December 2020 Quarter	December 2020 Half Year	March 2021 Quarter	2021 Financial Year to Date
Gold Production & Sales						
Total material mined	Tonnes	7,148,510	7,385,771	14,534,282	7,226,051	21,760,332
Total ore mined	Tonnes	975,988	892,351	1,868,339	887,650	2,755,989
Average ore grade	g/t gold	1.29	1.05	1.17	1.06	1.14
Strip ratio	t:t	6.3	7.3	6.8	7.2	6.9
Ore milled	Tonnes	1,733,723	1,688,426	3,422,149	1,595,443	5,017,592
Milled head grade	g/t gold	0.96	0.94	0.95	0.95	0.95
Gold recovery	%	73.9	76.5	75.2	85.1	78.0
Gold produced	ounces	39,685	39,105	78,790	40,824	119,614
Gold sales ¹	ounces	40,143	39,826	79,969	41,450	121,419
Average sales price	US\$/ounce	1,611	1,614	1,612	1,574	1,599
Unit Costs						
Mining cost	US\$/t mined	3.09	3.09	3.09	3.10	3.09
Processing cost	US\$/t milled	8.97	10.04	9.50	10.20	9.72
G & A cost	US\$/month	1.56	1.59	1.57	1.36	1.50
All-In Site Costs						
Production cost	US\$/ounce	1,065	1,139	1,102	1,051	1,085
Royalties	US\$/ounce	<u>111</u>	<u>111</u>	<u>111</u>	<u>121</u>	<u>114</u>
Sub-total	US\$/ounce	1,176	1,250	1,213	1,172	1,199
Sustaining capital	US\$/ounce	<u>64</u>	<u>16</u>	<u>40</u>	<u>30</u>	<u>37</u>
Total All-In Site Cost	US\$/ounce	1,240	1,266	1,253	1,202	1,236
Cash Margin	US\$/ounce	371	348	359	372	363
Notional Cash Flow	US\$/M	14.7	13.6	28.3	15.2	43.4
Site Exploration Cost	US\$/M	0.67	1.17	1.83	0.46	2.29

Notes:

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

2. Included in the quarter's All-In Site Costs quoted above is US\$6.52 million of costs relating to excess stripping of waste, which when reporting Cost of sales, in line with accepted practice under IFRS, will be capitalised to the balance sheet and the costs amortised over the remainder of the relevant pit life

Mineral Resource model to mill reconciliation

A review of the reconciliation of processed tonnes and grade of ore relative to the Mineral Resource block model on which the Edikan mine plans are based, showed that reconciliations in the past three months continued to be negative in terms of contained metal due to lower tonnes and grade. The reconciliation performance of the AG pit improved in February and March as the cutbacks have progressed into areas containing larger amounts of ore. Reconciliation of the footwall granite in the Fetish pit stage 2 cutback has shown poor reconciliation of both tonnes (-13%) and grade (-10%). The poor reconciliation is likely related to lower density of drilling on the west side of the pit. This will be verified through infill drilling, which is currently underway, with a re-estimation of the of the Mineral Resource to be carried out when drilling is completed. The overall position for the last 12 months shows very good reconciliation on ounce production with slightly more tonnes at slightly lower grade than predicted as shown below in **Table 7**.

Table 7: Edikan Block Model to Mill Reconciliation Statistics:

Parameter	Block Model to Mill Correlation Factor		
	3 Months	6 Months	12 months
<i>Tonnes of Ore</i>	0.84	0.91	1.03
<i>Head Grade</i>	0.86	0.90	0.94
<i>Contained Gold</i>	0.73	0.81	0.97

Esuajah South (ESS) Underground Development Project

Following careful consideration of the economic merits of the proposed Esuajah South Underground development project, and notwithstanding further technical work that increased confidence in a range of key technical parameters including estimated tonnes, grade and the size of the estimated ESS Mineral Resource, Perseus has concluded that the overall project risk / return ratio does not currently meet its investment criteria. As a result, the implementation of the ESS underground development has been deferred for the time being. Further technical reviews of the project will be undertaken to investigate potential for additions to the Ore Reserve at depth, and additional optimisation of designs and mining methods will be undertaken. Perseus will also be engaging with the Ghanaian government on the future of the project and in the meantime, and all outstanding commitments to our host community in relation to the project development will be met in full.

Yaouré Gold Mine, Côte d'Ivoire

Operational Ramp up and Declaration of Commercial Production

Full commissioning of all mining and processing facility systems at the Yaouré Gold Mine was completed during the quarter with internal completion tests being fully satisfied by 31 March 2021 and "Commercial Production" declared on schedule.

Up to the date of Commercial Production, all costs incurred and all revenue generated during commissioning was capitalised in accordance with international financial reporting standards (IFRS). Going forward, with effect from 1 April 2021, all future production costs, AISC, sales prices, cash margins and operating cash flow from Yaouré will be included in Perseus's Quarterly Reports.

Operations

Table 8 below summarises key performance statistics achieved at Yaouré during the quarter as well as in prior periods.

Table 8: Yaouré Quarterly Performance Statistics

Parameter	Unit	September 2020 Quarter	December 2020 Quarter	December 2020 Half Year	March 2021 Quarter	2021 Financial Year to Date
Gold Production & Sales						
Total material mined	Tonnes	121,069	6,328,371	6,449,440	8,816,630	15,266,070
Total ore mined	Tonnes	1,353	126,795	128,148	163,476	291,624
Average ore grade	g/t gold	0.52	0.78	0.78	0.82	0.8
Strip ratio	t:t	88.5	48.9	49.3	52.9	51.4
Ore milled	Tonnes	-	122,545	122,545	624,827	747,372
Milled head grade	g/t gold	-	1.01	1.01	1.27	1.23
Gold recovery	%	-	67.7	67.7	86.8	84.2
Gold produced	ounces	-	2,687	2,687	22,095	24,783
Gold sales ¹	ounces	-	-	-	11,918	11,918
Average sales price	US\$/ounce	-	-	-	1,719	1,719
Site Exploration Cost	US\$M	2.99	2.09	5.08	2.43	7.51

During the quarter, Yaouré processed ore from the ROM SE pit, the decommissioned heap leach pads and the CMA pit from which small amounts of oxide and transitional ore have been mined to date. As the quarter progressed, all operating metrics progressively improved in the month of March 2021, run time totalled 89%, the throughput rate averaged 435 dry metric tonnes per hour and gold recovery averaged 87%.

Gold production for March 2021 totalled 9,576 ounces, while for the full March 2021 the quarter, a total of 22,095 ounces of gold were produced, placing the Company in a strong position to achieve its market guidance for Yaouré for the June 2021 Half Year of 48,000 to 52,000 ounces of gold at an AISC of US\$1,100 to US\$1,300 per ounce.

Revised Life of Mine Plan

Perseus published an inaugural Life of Mine Plan for the Yaouré Gold Mine in October 2017 when results of its Definitive Feasibility Study were released to the market and later confirmed assumed cost parameters with the release of its Front-End Engineering and Design Study in October 2018. Since that date, significant additional technical and commercial work has been conducted in relation to the Yaouré mine and on the broader mining licence area. This includes exploration, grade control drilling and re-optimisation of mine plans as well as execution of firm contracts for the supply of goods and services and recruitment of an operating team. Taking the above into account, along with actual performance by the mining contractor and in the processing facility, an updated Life of Mine Plan is being prepared and is scheduled to be released with the 30 June 2021 statement of Mineral Resources and Ore Reserves.

GROUP FINANCIAL POSITION

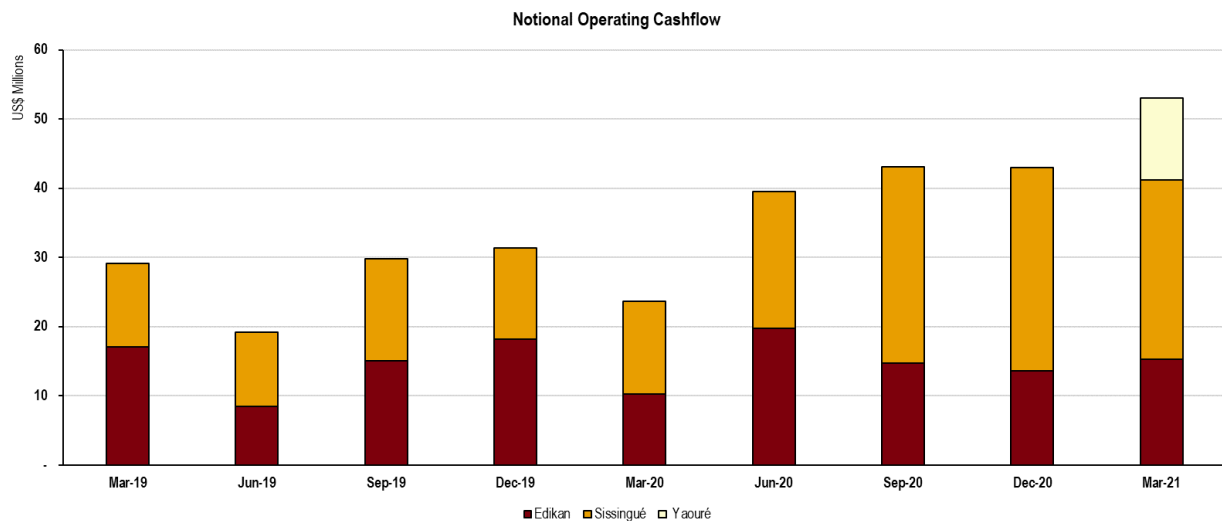
Cashflow and Balance Sheet (Unaudited)

Perseus achieved another excellent quarter of cash flow generation as capital expenditure on Yaouré wound down and the first cash inflows from the mine were realised. Cash inflows from Sissingué and Edikan were also strong and consistent with previous quarters. Perseus maintained its balance sheet strength and reports an overall net cash figure of US\$5.8 million, compared with a net debt figure in the previous quarter.

Based on the spot gold price of US\$1,691 per ounce and a A\$:US\$ exchange rate of 0.7608 on 31 March 2021, the total value of cash and bullion on hand at the end of the quarter was A\$178.5 million, (US\$135.8 million) including cash of A\$151.9 million (US\$115.5 million) and 12,004 ounces of bullion on hand, valued at A\$26.7 million (US\$20.3 million). This equated to an increase of US\$17.7 million in cash and bullion or A\$25.3 million in AUD terms. No debt repayments were made in the quarter.

As a result of the above, Perseus's net cash position at the end of the quarter was US\$5.8 million compared with a net debt position at the start of the quarter of US\$11.9 million. This increase of US\$17.7 million was largely the result of consistent operating margins at Sissingué and Edikan, contribution from Yaouré for the first time, and a much-reduced capital expenditure.

Figure 1: Notional Operating Cashflow for the previous nine quarters, by mine site.

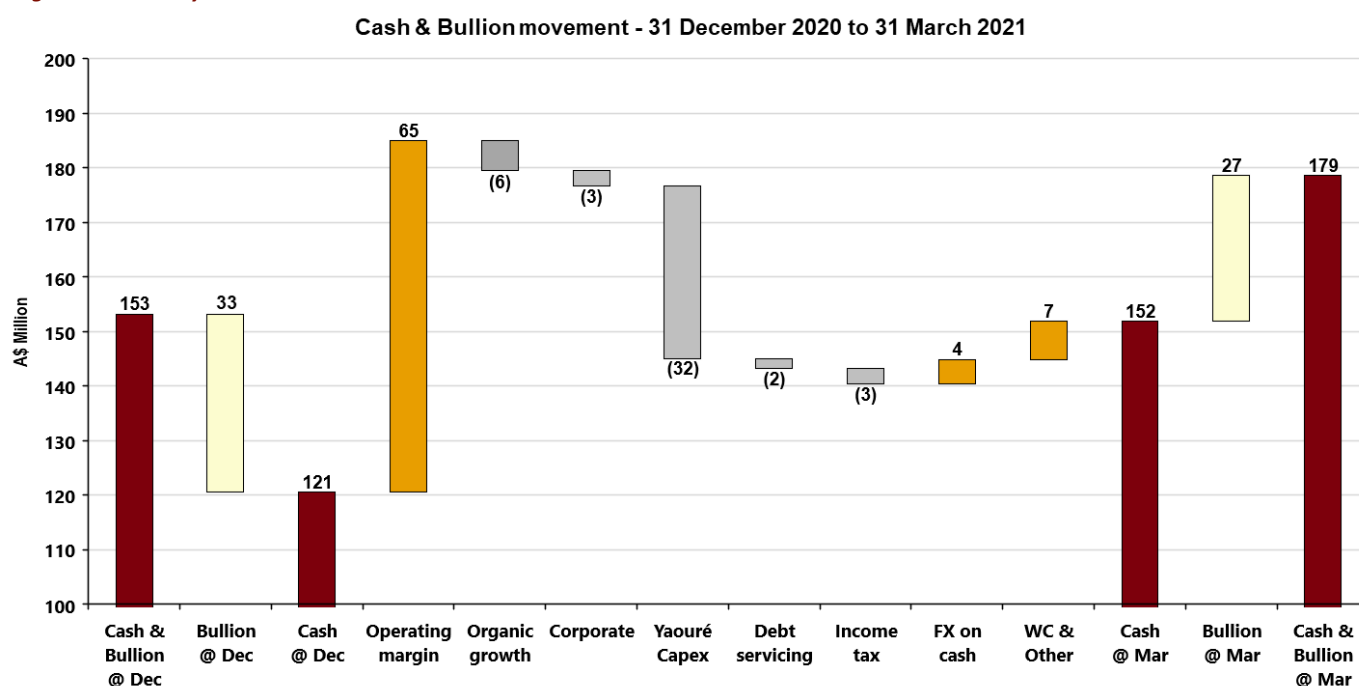


Notes: "Notional Operating Cashflow" is obtained by taking the notional margin (average sales price less AISC), multiplied by the ounces recovered.

The overall movement in cash and bullion during the quarter as shown below in **Figure 2** takes account of the positive operating margins from both the Edikan (A\$20 million) and Sissingué (A\$44.4 million) operations, Australian and West African corporate costs (A\$2.8 million), exploration (A\$5 million), debt service (A\$1.9 million), Yaouré capex, net of its operating margin (A\$31.6 million), foreign exchange gain on cash and bullion (A\$4.3 million), and Ghana income tax instalment (A\$2.7 million).

On 31 March 2021, Perseus's working capital totalled A\$198.9 million, an increase of A\$26.9 million relative to the 31 December 2020 balance (A\$172 million), largely the result of the A\$25.3 increase in cash and bullion on hand during the period.

Figure 2: Quarterly cash and bullion movements



Gold Price Hedging

At the end of the quarter, Perseus held gold forward sales contracts for 210,301 ounces of gold at a weighted average sales price of US\$1,513 per ounce. These hedges are designated for delivery progressively over the period up to 30 June 2022. Perseus also held spot deferred sales contracts for a further 101,806 ounces of gold at a weighted average sales price of US\$1,634 per ounce. Combining both sets of sales contracts, Perseus's total hedged position at the end of the quarter was 312,107 ounces at a weighted average sales price of US\$1,552 per ounce.

Perseus's hedge position has increased by 1,673 ounces since the end of the December 2020 quarter. As a result of our policy of replacing lower priced hedges with higher priced hedges when possible, the weighted average sales price of the hedge book increased by US\$35 per ounce or 2.3% during the quarter.

Hedging contracts currently provide downside price protection to approximately 20% of Perseus's currently forecast gold production for the next three years, leaving 80% of forecast production potentially exposed to movements (both up and down) in the gold price.

BUSINESS GROWTH

With the successful completion of commissioning and progressive ramp up of Perseus's third gold mine, Yaouré, Perseus is now positioned to achieve its strategic goal of producing more than 500,000 ounces of gold per year by CY2022. The Company's focus has moved to ensuring, at the very least, that this level of production can be consistently maintained in the future.

In the short to medium term, Perseus is primarily focussed on replacing mining depletion through organic means, namely through exploration success. To achieve this, the emphasis over the next six to twelve months will be on the incremental addition of Mineral Resources and Ore Reserves from near mine deposits that are currently the subject of exploration and or feasibility studies. The results of some of these initiatives aimed at achieving this objective are outlined in the Exploration section below.

Potential inorganic business growth opportunities involving either mergers or acquisitions are also regularly assessed by Perseus's technical and commercial teams. In doing so, Perseus is actively targeting value accretive transactions, applying strict financial discipline when assessing opportunities. While our preference is given to West African opportunities, we also consider opportunities elsewhere on the African continent, using a more stringent risk-reward framework to account for the uncertainty inherent in entering new jurisdictions.

In the past five years, Perseus has successfully executed two strategic acquisitions, acquiring both Amara Mining plc that yielded the Yaouré Project, and more recently, Exore Resource Limited, the owner of the Bagoé Project. Both acquisitions have added materially to the value of Perseus and are indicative of the Company's capacity to successfully transact when the right merger or acquisition opportunity presents.

EXPLORATION

A detailed exploration report was released to the market on 7 April 2021. Refer [ASX Exploration Results announcement](#) for further details.

Group Exploration Expenditure

Expenditure on exploration activities throughout West Africa during the periods ending 31 March 2021 was as follows:

Table 9: Exploration Expenditure as at March 2021 Quarter

Region	Unit	March 2021 Quarter	2021 Financial Year to Date
Ghana	US\$ million	0.46	2.29
Côte d'Ivoire			
Sissingué	US\$ million	1.86	4.38
Yaouré	US\$ million	2.43	7.51
Regional	US\$ million	0.12	0.12
Sub-total	US\$ million	4.41	12.01
Total West Africa	US\$ million	4.87	14.30

Côte d'Ivoire

Yaouré Exploration & Exploitation Permits

Exploration activities on the Yaouré permits during the quarter included air core ("AC") drilling at Degbezere, and reverse circulation ("RC") drilling at Govisou (**Appendix A – Figure 1**). Target selection from the 3D seismic survey over the CMA deposit advanced and an airborne gravity survey was completed over the Yaouré permits.

Perseus completed AC drilling at Degbezere to follow up strong gold-in-auger anomalies, with 8,787 metres drilled in 173 holes. Sporadic gold hits were recorded from those assays returned to date although the bulk of these remain pending and will be reported in full when available.

Infill RC drilling was completed at the Govisou prospect, with 5,642 metres drilled in 61 holes. Highly encouraging results from both the Govisou drilling and drilling at the Angovia 2 prospect conducted in the December 2020 Quarter were reported in Perseus ASX release dated 7 April 2021.

Interpretation of data from the 3D seismic survey over the CMA zone and environs continued and progressed to drill target selection. The initial focus for drilling will be on near-surface, up-dip extensions of interpreted CMA analogue structures in the hanging wall of the CMA thrust. Drilling is expected to commence early in the June Quarter, subject to rig availability.

An airborne FTGG (Full Tensor Gravity Gradiometry) survey over the Yaouré concessions was completed during the Quarter, with 4,707 line-kilometres flown by contractors Bell Geospace. Processed results from the survey have been received with interpretation to commence in the coming Quarter. Initial indications are that the survey has been successful in delineating major structures, including the CMA thrust, as well as intrusions that may represent drivers for hydrothermal systems within the Yaouré district.

Bagoé Exploration Permit

Highly encouraging results from the resource definition drilling undertaken at the Antoinette, Véronique and Juliette prospects in the December 2020 Quarter were reported in the Company's ASX release of 7 April 2021. A ~7,000 metre RC program targeting extensions to the Juliette and Véronique prospects, as well as the previously undrilled Brigitte prospect, is expected to commence early in the June Quarter. In addition, a 4,000-metre auger program will commence over the Ludvine prospect where low-order gold-in-soil anomalism in transported cover coincides with a sheared granite contact (**Appendix A – Figures 2 & 3**).

Sissingué Exploitation Permit

Exploration at Sissingué during the quarter involved AC drilling at the Tiana South prospect and the commencement of a three-hole deep diamond drilling program beneath the Sissingué Pit (**Appendix A – Figure 2**).

The deep diamond holes beneath the Sissingué pit were designed to investigate possible extensions or repetitions of the main granite body hosting the bulk of mineralisation. The first hole, SD0385 was completed at 853 metres with the second hole, SD0386, advanced to 664 metres at Quarter end (completed at 826.2 metres post Quarter end). Both holes intersected altered porphyry dykes up to 40 metres thick (down hole) at the targeted depths (around 400 metres below surface) with modest amounts of quartz veining, sulphides and occasional visible gold. However, neither hole intersected significant widths of mineralised granite. Assays remain pending for these holes with results for the full program to be reported when available.

At the Tiana South prospect 79 AC holes were drilled for 5,581 metres. This drilling covered the southerly extensions of the Tiana and Cashew Farm zones where extensive artisanal surface workings are associated with small dioritic plugs. Assays for this drilling remain pending.

The remaining assays from AC drilling at the Kakolo prospect last Quarter were received, with no significant intercepts recorded.

Ghana

Agyakusu Option

Negotiations are ongoing with the local community and farmers to allow first-pass RC drilling over the Berman granite prospect on the Agyakusu permit.

Agyakusu-DML Option

Infill soil sampling was completed on the Agyakusu-DML (Dompase) property with the collection of 829 soil samples closing up previous sampling along the main structural/intrusive corridor extending SW from the Berman prospect on the adjoining Agyakusu permit (**Appendix A – Figure 4**). The combined results define three strong gold-in-soil anomalies coincident with the interpreted corridor, with several new occurrences of mineralised felsic intrusives identified. AC drilling to investigate these anomalies is currently being planned.

Domenase Option

Planned first-pass soil sampling covering the main structural/intrusive corridors on this property is now expected to commence in the June Quarter.

Airborne Geophysical Survey

Data from the airborne EM-magnetic-radiometric survey flown over the Agyakusu, Domenase and DML properties late in the December Quarter were received. Initial processing has been completed along with a preliminary interpretation that has highlighted significant lithostructural features, some of which are associated with known gold mineralisation. Data from the new survey will now be integrated with previously acquired VTEM-magnetic-radiometric surveys over the core Edikan properties to better define the geology and structure of the district and the features influencing gold distribution.

PROGRAM FOR JUNE 2021 QUARTER

Gold Mining Operations

All Sites

- Produce gold at an all-in site cost in line with the published Life of Mine Plans (LOMP).
- Continue planning and implementing continuous improvement initiatives aimed at increasing gold production and reducing AISC.

Sissingué

- Continue work on licencing mining of the Fimbiasso, Véronique, Antoinette and Juliette satellite deposits.

Yaouré

- Prepare and publish an updated LOMP for the Yaouré Gold Mine.
- Complete land and crop compensation payments to affected land holders and farmers.

Business Growth

Edikan

- Commence drilling at the Breman prospect on the Agyakusu permit as soon as agreement is reached with the local community.
- Commence AC drilling of soil anomalies on the DML permit.
- Commence soil sampling and mapping on the Domenase permit.
- Complete assessment of the potential of the Mampong South deposit for further drilling.

Sissingué

- Prepare and publish a Definitive Feasibility Study and ESIA for the development of the Bagoé prospects, including Antoinette, Véronique and Juliette deposits.
- Continue exploration drilling on the Bagoé tenement.
- Complete drilling of three deep diamond drill holes below the Sissingué open pit.

Yaouré

- Complete assessment of the CMA South, Govisou and Angovia 2 deposits to define drilling and studies required to convert to Ore Reserves.
- Identify and prioritise drilling targets from the 3D seismic survey.

Other

- Results from the exploration program are expected to contribute incremental growth in Mineral Resources and Ore Reserves by the end of the June 2021 quarter.
- Continue to review both “bolt on” acquisition and merger opportunities for continued corporate growth and value creation.

Sustainability

- Preparation of Perseus’s 2020 Sustainability Report is underway. The Report will be published in April 2021 highlighting advances made by Perseus in Environmental, Social and Governance (ESG) performance during the year. This year, Perseus has enhanced its disclosure on sustainability-related risks and opportunities by aligning with key reporting frameworks used by our stakeholders. These include the World Gold Council Responsible Gold Mining Principles, Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and the Task Force on Climate Related Financial Disclosures (TCFD).

This market announcement was authorised for release by the Board.

Competent Person Statement:

All production targets for Edikan, Sissingué and Yaouré 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. The information in this report that relates to Esuajah North Mineral Resources estimate was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement entitled "Perseus Mining Updates Mineral Resources & Ore Reserves" released on 29 August 2018. The information in this report that relates to the Mineral Resource and Ore Reserve estimates for the Bokitsi South and AFG Gap deposits at the EGM was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 26 August 2020. The information in this report that relates to the Mineral Resource and Ore Reserve estimates for the other EGM deposits (Fetish and Esuajah South Underground) was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 20 February 2020 and was updated for depletion until 30 June 2020 in a market announcement released on 26 August 2020. 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.

The information in this report that relates to Mineral Resources and Ore Reserves for Sissingué was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 29 October 2018 and includes an update for depletion as at 30 June 2020. The information in this report that relates to Mineral Resources and Ore Reserves for the Fimbiasso East and West deposits, previously Bélé East and West respectively, was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 26 August 2020. The Company confirms that material assumptions underpinning the estimates of Mineral Resources and Ore Reserves described in those market announcements. 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 — Sissingué Gold Project, Côte d'Ivoire" dated 29 May 2015 continue to apply.

The information in this report in relation to Yaouré Mineral Resource and Ore Reserve estimates was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement on 28 August 2019. 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 — Yaouré Gold Project, Côte d'Ivoire" dated 18 December 2017 continue to apply.

The information in this report that relates to exploration results at Yaouré and Bagoé was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 7 April 2021. The Company confirms that it is not aware of any new information or data that materially affects the information in that market 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 Yaouré Gold Mine, the Edikan Gold Mine and the Sissingué 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.

APPENDIX A – EXPLORATION PROJECTS

Figure 1: Yaouré Gold Project – Exploration Targets - December 2020 Quarter

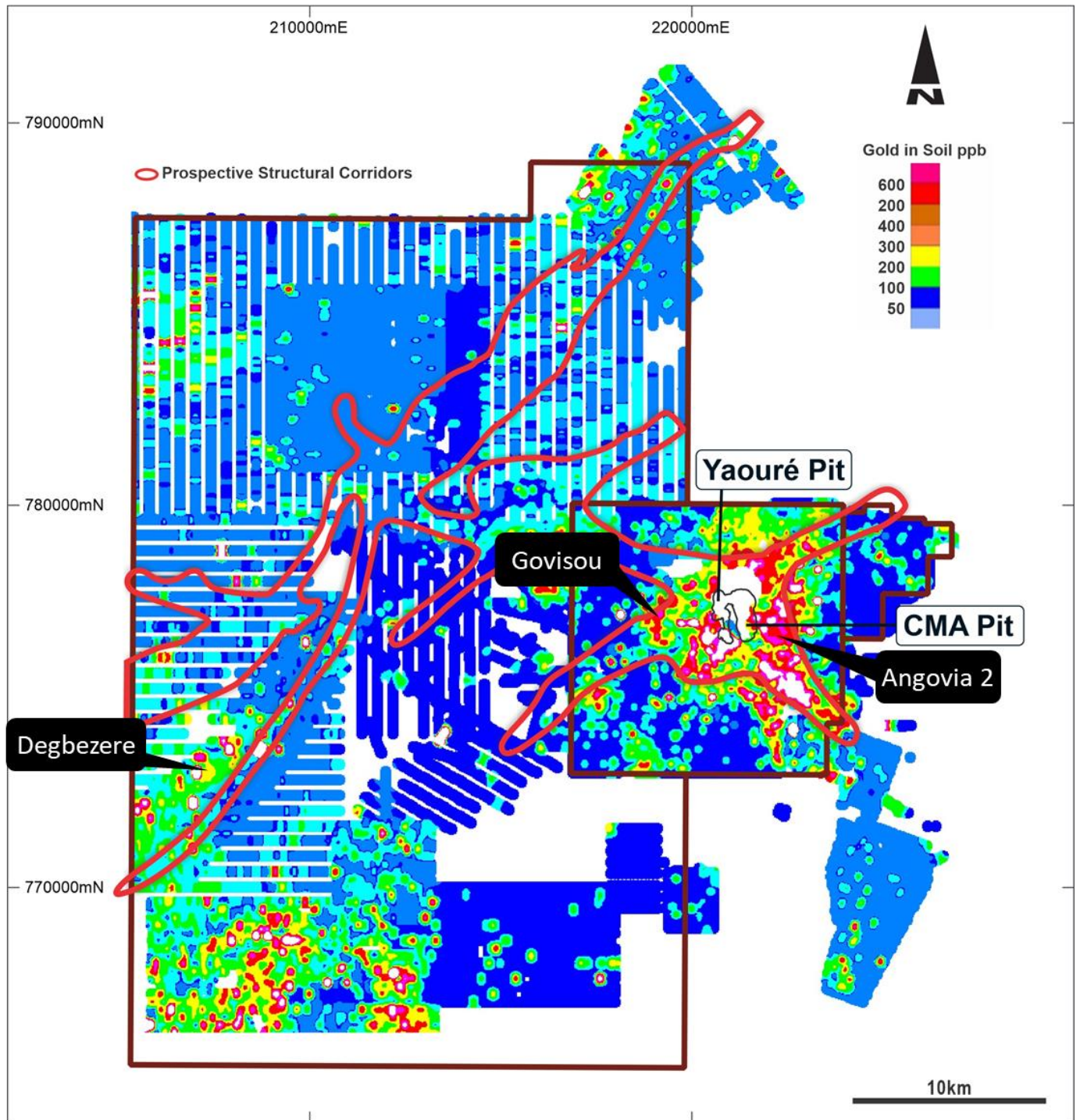


Figure 2: Sissingué Gold Project - Regional Geology, Permits and Prospects

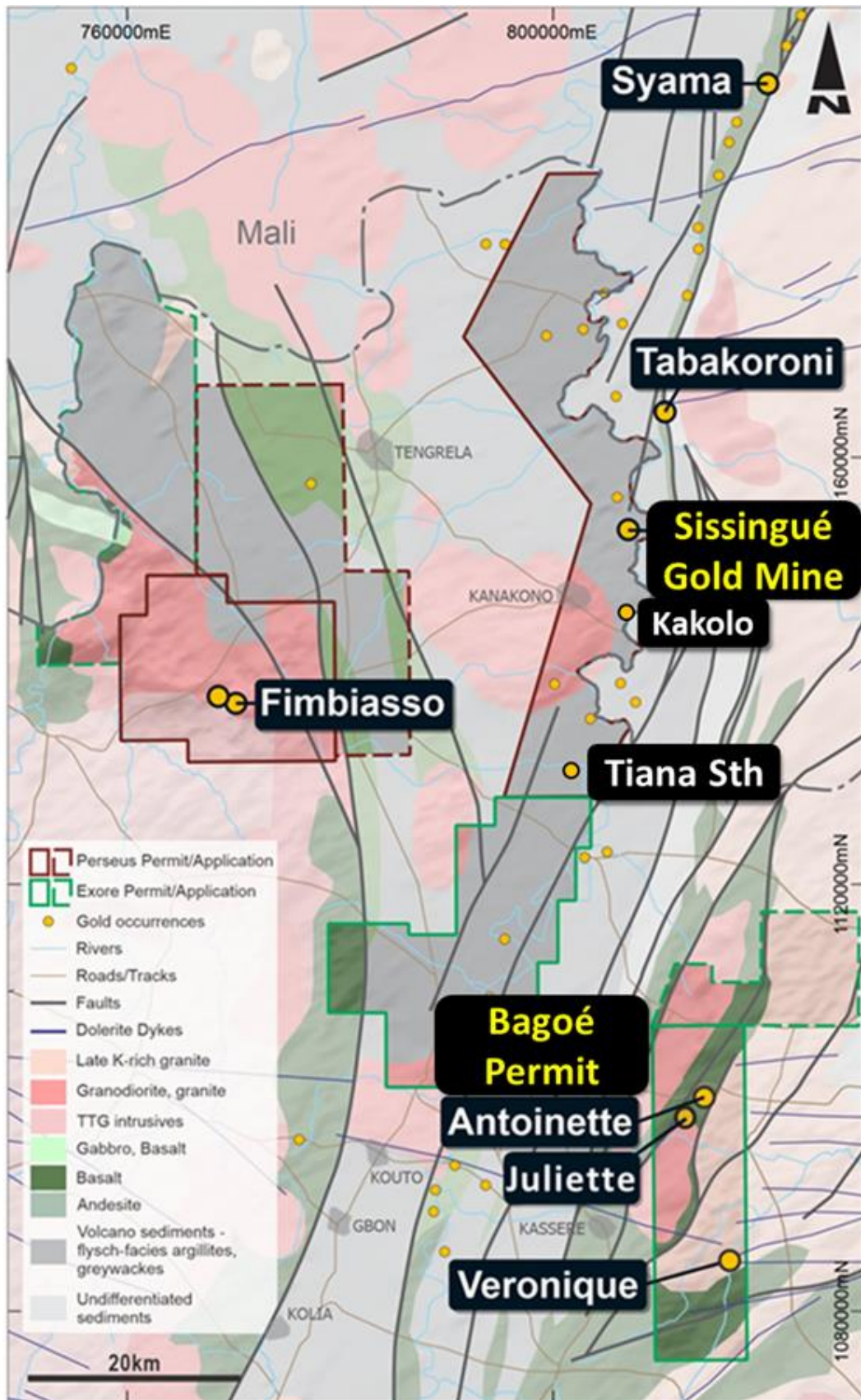


Figure 3: Bagoé Permit Deposits and Prospects

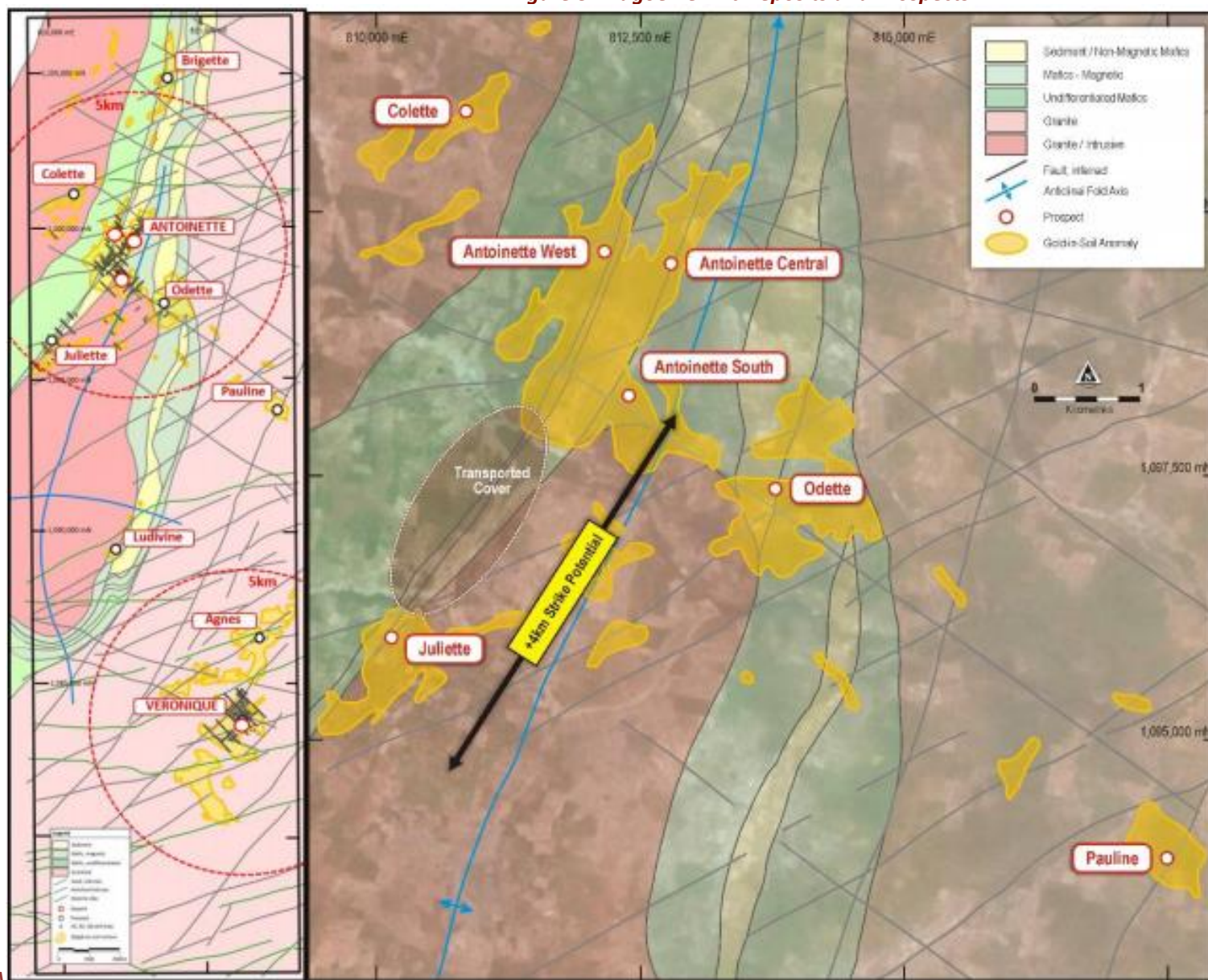


Figure 4: Edikan Gold Project – Regional Geology, Tenements and Prospects.

