ASX RELEASE
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Savoyardy Gold Project Joint Venture

Perseus Mining Limited (ASX: PRU) has entered into an agreement forming a joint venture ("JV") with ASX listed, Kentor Gold Limited ("Kentor") over the Savoyardy Gold Project in the Kyrgyz Republic.

Perseus presently has a 100% interest in the 84.5sq km Savoyardy licence within the Osh Province in the southern Kyrgyz Republic, adjacent to the border with China. Key terms of the JV are as follows:

- Kentor can earn a 70% interest by incurring exploration expenditure of at least US$6 million over a 5 year period up to 31 March 2012.
- Kentor is required to spend at least US$500,000 by 31 March 2008, inclusive of 1,000 metres of drilling, before it can withdraw from the JV.
- The joint venture vehicle is a Kyrgyz company, JSC Savoyardy, presently owned 100% by Perseus.
- Perseus's royalty obligation (to the original project owners) of 0.5% on value of gold produced on the Savoyardy Gold Project shall also be split, with Kentor being responsible for paying 7/10ths of the royalty.

The JV agreement becomes effective after completion of due diligence by Kentor, which must be completed by 23 June 2007.

Perseus has joint ventured the Savoyardy project to allow it to focus on its large Southern Kyrgyz projects that total 3,800 sq km and its more advanced projects in Ghana and Ivory Coast in West Africa. Kentor is established in the Kyrgyz Republic and has extensive experience in the country.

The Savoyardy Gold Project covers a northeast trending belt of sedimentary rocks which form part of the Southern Tien Shan thrust/fold complex. Gold mineralisation is known to occur over at least a 12km strike, and is exposed in Soviet-era costeans and adits at the Savoyardy prospect where Perseus has previously obtained channel samples including 7m at 12.9g/t, 2m at 38.9g/t and 31m at 1.7g/t Au.

The potential of the Savoyardy project is highlighted by resource estimates and recent exploration results obtained by the adjacent licence holder – Majestic Gold Corporation of Canada, which holds the Sawayaerdun licence immediately along strike and over the border into China. In 2006, Majestic calculated that the main Sawayaerdun-IV zone, which extends over a 4km strike length, contained Indicated and Inferred resources totaling 1.5Moz gold. The general stratigraphy and structure present in the Sawayaerdun licence extends along strike into the Savoyardy licence.

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Kentor plans to commence exploration in the near future with the construction of the final part of the access tracks and a drill rig ready to start.

To discuss any aspect of this announcement, please contact Richard Taylor on +61 8 9240 6344 or 0422 811 350 or by email at taylorr@perseusmining.com

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