



11 October 2018

MARKET RELEASE

PERSEUS COMPLETES ENGINEERING AND DESIGN STUDY FOR YAOURÉ GOLD PROJECT

West African gold producer Perseus Mining Limited (ASX/TSX: PRU) is pleased to announce that a value engineering assessment (“VEA”) and the front-end engineering and design (“FEED”) study for the Yaouré Gold Project in Côte d’Ivoire, has been completed. The studies confirm the cost estimates in Yaouré’s October 2017 definitive feasibility study (“DFS”) that demonstrated the quality and strength of Yaouré, Perseus’s planned third mine.

The Yaouré DFS reported that the project is:

- **Economically attractive** - IRR of 27% with a 32-month payback period at a US\$1,250 /ounce gold price;
- **Technically robust** - 3.3MTPA plant with average annual gold production of 215,000 ounces at an AISC of US\$734/oz for first 5 years of production;
- **Readily financeable** - capital cost estimate of US\$263 million and robust cash flows to service debt; and
- **Able to be extended beyond its initial 8.5-year mine life** through near mine opportunities to expand Mineral Resources and Ore Reserves mineable using both open pit and underground mining techniques.

Independent consultant Lycopodium Minerals Pty Ltd started the VEA and FEED Study in June 2018 and completed on time and on budget on 6 October 2018. Lycopodium is well qualified to undertake the studies having played a critical role in the successful engineering, procurement and construction of several high-profile West African gold mines in the last three years, including Perseus’s Sissingué Gold Mine that was successfully developed and commissioned in early 2018.

The scope of the VEA included the evaluation of opportunities to improve plant design and optimise the estimated capital expenditure. The FEED study focussed on progressing the design of the processing plant and infrastructure to enable a detailed capital cost estimate to be prepared to a level of accuracy of +/- 10%.

Based on the FEED study, the total capital cost estimate for the development of Yaouré is US\$264m (including a contingency allowance of approximately 8%) which is within 0.5% of the DFS estimate. The FEED capital cost estimate breakdown is as shown in **Table 1** below.

The FEED study assumes that the process plant is developed under an Engineering, Procurement and Construction (“EPC”) contract. Based on our current plans, first gold is expected to be produced at Yaouré in December 2020.

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Component	DFS Capital Cost Estimate	FEED Study Capital Cost Estimate	Variance
Distributables	29.4	28.8	(0.6)
Process Plant	77.2	75.2	(2.0)
Reagents and Services	11.3	11.5	0.2
Infrastructure	54.0	59.5	5.5
Sub-total	171.9	175.0	3.1
Mining	18.1	18.2	0.1
Management	19.6	18.6	(1.0)
Owners Costs	53.1	52.1	(1.0)
Sub-total	90.8	88.9	(0.9)
Total	262.7	263.9	1.2

Note: All dollar amounts are expressed in US dollar millions based on prices and conditions current at the September quarter, 2018.

Managing Director Jeff Quartermaine Comments:

“The completion of the FEED study is an important milestone on the path to delivering Yaouré, our third gold mine. The FEED study was completed on schedule and on budget and has delivered a satisfactory outcome with the capital cost less than 0.5% greater than the cost originally estimated in the Yaouré DFS.

With this estimate now in hand we can confidently advance the implementation of our finance plan which involves the deployment of a debt funding package to complement a combination of existing cash reserves and expected future cash flow from our two existing operations – both of which are performing in line with internal expectations and contributing to a steady build in our net cash reserves.”

For further information, please contact:

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Competent Person Statement: All production targets for the Yaouré Gold Project 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 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 3 November 2017. 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.

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 and the Sissingué Gold Mine without any major disruption, development of a mine at 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.*