

REVIEW OF  
SEPTEMBER 2013 QUARTER

Jeff Quartermaine  
Managing Director & CEO



Perseus  
MINING LIMITED

ASX/TSX: PRU  
[www.perseusmining.com](http://www.perseusmining.com)

# Cautionary Statements

## Forward-Looking Statements

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, 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.

## Competent Person's Statement

The information in this presentation that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr. Kevin Thomson, who is a Professional Geoscientist with the Association of Professional Geoscientists of Ontario. Mr. Thomson is a full-time employee of the Company. Mr. Thomson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administration. Mr. Thomson consents to the inclusion in this presentation of matters based on this information in the form and context in which it appears.

The information in this report that relates to Mineral Resources for the Edikan Gold Mine (Table 1, Attachment 2 of this Report) is based on information compiled by Mr Trevor Stevenson a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy and a CP Geo. Mr Stevenson is a full time employee of RungePincockMinarco. Mr Stevenson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' and to qualify as a "Qualified Person" under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr Stevenson consents to the inclusion in the report of the matters based on his information in the form and context that the information appears.

The information in this report that relates to Mineral Resources for the Sissingué Gold Project is based on information compiled by Mr Lynn Widenbar a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Widenbar is a full time employee of Widenbar and Associates Pty Ltd. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Widenbar consents to the inclusion in the report of the matters based on his information in the form and context that the information appears.

## Summary – Edikan Gold Mine (EGM) Operations, Ghana

- Gold production of 45,830oz in Quarter
- Material improvements in availability and metallurgical performance of process plant
- Total all-in site unit cash costs of US\$1,342/oz<sup>1</sup> – 5% less than prior quarter
- Business improvement initiatives commenced targeting efficiency and cost improvements
- Proved and Probable Ore Reserves total 82.7Mt grading 1.1 g/t of gold containing 2.925Moz of gold
- Life of mine plan (“LOMP”) revised based on seven open pits using US\$1,200/oz pit shells
- Ore containing 6% less gold will be mined; total ore and waste movements reduced 15%
- Average production of 230,000oz/year at all-in site cash cost of US\$937/oz from FY2014 to FY2024
- No change to FY 2014 production guidance but intra-year guidance has been amended to reflect updated LOMP

<sup>1</sup>Includes production cost, royalty, development and sustaining capital but not exploration, taxes or corporate overheads

## Summary – Development, Exploration and Corporate

- Discussions with Ivorian government on fiscal terms for new Mining Code advanced positively
- Remain committed to decision to defer development pending assessment of potential of Mahalé prospect and improved market conditions
- 16,435m of drilling in Côte d'Ivoire; significant drill intercepts from multiple prospects at Mahalé and Mbengué
- Available cash and bullion (excluding \$10.1M in escrow) of \$27.3M at 30 September 2013
- Forward sales contracts for 147,000oz at weighted average price of US\$1,432/oz “in the money” by approximately US\$14.4M
- Ghanaian government refunded GHC3.0M of its GHC86.4M (approximately US\$39.2M) VAT refund liability
- Discussions on monetising outstanding VAT refund progressing

## Operations – Edikan Gold Mine

Parameter	Unit	June 2013 Quarter	September 2013 Quarter
<b>Total material mined:</b>			
Volume	bcm <sup>1</sup>	3,097,974	2,562,917
Weight	tonnes	7,794,700	6,960,972
<b>Ore mined</b>			
Oxide	tonnes	227,787	42,178
Primary	tonnes	1,494,354	1,747,590
<b>Ore grade mined</b>			
Oxide	g/t Au <sup>2</sup>	0.8	1.0
Primary	g/t Au	1.2	1.0
Strip ratio	t:t	3.53	2.89
<b>Ore stockpiles</b>			
Quantity	tonnes	4,311,679	4,472,546
Grade	g/t Au	0.6	0.6
Ore crushed	wet tonnes	1,158,829	1,577,104
Ore milled	dry tonnes	1,511,162	1,628,900
Milled head grade	g/t Au	1.21	1.05
Gold recovery	%	80.7	83.4
<b>Gold produced</b>	<b>ounces (oz)</b>	<b>47,565</b>	<b>45,830</b>

1. Denotes bank cubic metres
2. Denotes grams/tonne of gold

## Operations – Edikan Gold Mine

Parameter	Unit	June 2013 Quarter	September 2013 Quarter
Gold sales <sup>1</sup>	oz	52,626	49,069
Average sales price	US\$/oz	1,308	1,342
<b>Unit Costs:</b>			
Mining cost	US\$/t mined	3.42	4.16
Processing cost	US\$/t milled	14.42	11.61
G & A cost	US\$/M/month	2.02	1.63
<b>Production Cost:</b>			
Cash Cost	US\$/oz	1,181	1,252
Royalties	US\$/oz	93	92
Sub-total	US\$/oz	1,274	1,344
<b>Capital Costs:</b>			
Inventory and Stripping	US\$/oz	(36)	(101)
Other Capital	US\$/oz	167	99
Sub-total	US\$/oz	131	(2)
<b>Total All-in Site Cost</b>	<b>US\$/oz</b>	<b>1,405</b>	<b>1,342</b>
<b>Site Exploration Cost</b>	<b>US\$M</b>	<b>1.9</b>	<b>0.5</b>

1. Gold sales are recognised in Perseus's accounts when the contracted gold refiner takes delivery of gold in the gold room. For accounting purposes, the sales price is the spot price of gold on the day of transfer, adjusted to reflect the realised gold price.

## Mining – Edikan Gold Mine

- 2,562,917bcm ore and waste mined during Quarter, nearly 17% less than June 2013 quarter
- Ore mined included 42,178t of oxide at 1.0g/t gold and 1,747,592t of transitional and primary at 1.0g/t gold
- Total quantity of ore mined during Quarter increased 4% to prior period
- ROM ore stockpile increased to 4,472,546t grading 0.6 g/t gold, containing approximately 88,109oz of gold
- ROM ore stockpile includes high and low grade ore plus crushed ore - not mineralised waste
- Ore stockpile made up of approximately 37% oxide ore and 63% transitional/primary ore
- About 19% of stockpiled ore is medium/high grade, containing greater than 0.6g/t gold
- 81% of ore is classified as low grade containing 0.4 to 0.6 g/t gold
- Recovery of 83.4% and improvement on prior quarter (80.7%)
- Milled head grade 13% lower than prior period at 1.05g/t
- Gold production at 45,830 ozs, 4% lower than prior period

## Processing – Edikan Gold Mine

Description	Unit	June 2013 Quarter	September 2013 Quarter	Quarter on Quarter Change
<b>Primary Crusher</b>				
Tonnes Crushed <sup>1</sup>	Wmt <sup>1</sup>	1,158,829	1,577,104	+36%
Availability	%	79%	72%	-9%
Utilisation	%	58%	77%	+33%
Runtime	%	46%	56%	+22%
Run Time	hrs	1,001	1,229	+23%
Throughput rate	wmtph	1,158	1,284	+11%
<b>Oxide Circuit</b>				
Tonnes Fed	wmt	202,473	188,717	-7%
Run Time	%	59%	68%	+15%
Run Time	hrs	1,288	1,496	+16%
Throughput rate	wmtph	157	125	-20%
<b>SAG Mill</b>				
Tonnes Milled	Dmt <sup>2</sup>	1,511,162	1,628,900	+8%
Availability	%	90%	93%	+3%
Utilisation	%	84%	90%	+7%
Run Time	%	75%	84%	+12%
Run Time	hrs	1,739	1,863	+7%
Throughput rate	dmtph	869	874	+1%

1. Denotes wet metric tonnes 2. Denotes dry metric tonnes



## Processing – Edikan Gold Mine

- Positive trend of improving performance of SAG mill has continued into the December Quarter:

As at 25 October 2013;

	<b>Primary Crusher</b>	<b>SAG Mill</b>
<b>Run time</b>	65%	88%
<b>Throughput rate</b>	1,122wmtph	946 dmtph
<b>Gold recovery rate</b>	Not applicable	84.2%

## Site Operating Costs – Edikan Gold Mine

- Total all-in site cash costs of US\$1,342/oz<sup>1</sup>, 5% less than the prior quarter
- Business improvement initiatives commenced targeting efficiency and cost improvements
- Immediate impact for some initiatives. Further efficiency gains and cost improvements in future periods

Department	Units	June 2013 Quarter	September 2013 Quarter	Change in Physical Parameter	Change in Unit costs
<b>Mining</b>	US\$/t material mined	3.42	4.16	Decreased by 11%	Increased by 22%
<b>Processing</b>	US\$/t ore processed	14.42	11.61	Increased by 8%	Decreased by 20%
<b>G&amp;A</b>	US\$M per month	2.02	1.63	Not applicable	Decreased by 19%

- Unit mining and processing costs impacted by quantities of material mined and ore processed

<sup>1</sup>Includes production cost, royalty, development and sustaining capital but not exploration, taxes or corporate overheads

## Site Operating Costs – Edikan Gold Mine

- \$0.45/t or 60% of US\$0.74/t increase in unit mining cost attributable to reduction of material moved
- Remaining \$0.29/t or 40% of increase can be attributed to:
  - ❑ Increase in load and haul charges from adoption of haul rate calculator coupled with longer haul distances
  - ❑ Back payment of incremental management fee associated with increase in scope of contract in 2012
  - ❑ Increase in grade-control drilling and drill and blast costs to re-establish logical mining sequence and improve blasted stocks
- Company and mining contractor, African Mining Services, working to improve productivity and lower mining costs

## Capital Costs – Edikan Gold Mine

- US\$99/oz spent on capital to sustain the EGM business
  - ❑ Approximately 50% relate to payments for crop compensation and community costs committed in prior periods
  - ❑ Remaining 50% to carry-over expenditure on maintenance, security and projects
- A credit was recorded against capital account for net movements in pre-stripping and ore stockpiles

Item	Units	June 2013 Quarter	September 2013 Quarter
Investment/(reduction) in Pre-stripping	US\$/oz	27	(44)
Investment/(reduction) in Inventory	US\$/oz	(63)	(57)
Other sustaining Capital	US\$/oz	167	99
<b>Total</b>	<b>US\$/oz</b>	<b>131</b>	<b>(2)</b>

## Ore Reserves – Edikan Gold Mine

- Independent estimate from mining consultant RungePincockMinarco
- Ore Reserves from seven open pits: Abnabna, Fobinso, Fetish, Chirawewa, Bokitsi, Esuajah North and Esuajah South plus stockpiles
- Gold metal price US\$1,200/oz

### EGM Proved and Probable Ore Reserves

Category	Tonnes (Mt)	Grade (g/t gold)	Contained Gold (oz)
Proved	59.6	1.1	2,088,800
Probable	23.1	1.1	835,700
<b>TOTAL</b>	<b>82.7</b>	<b>1.1</b>	<b>2,924,500</b>

- Notes:
1. Estimate has been rounded to reflect accuracy
  2. All the estimates are on a dry tonne basis

## Life of Mine Plan – Edikan Gold Mine

Parameter	FY2014	FY2015	FY2016	FY2017	FY2018	LOMP Avg <sup>1,2</sup>
Ore mined (Mt)	5.3	7.7	9.7	9.4	7.4	8.7
Waste mined (Mt)	22.9	26.6	26.5	26.4	28.8	25.1
Strip ratio (t:t)	4.3	3.5	2.7	2.8	3.9	2.9
Ore processed (Mt)	7.5	7.4	7.5	7.5	7.5	7.5
Head grade (g/t) gold	1.0	1.2	1.2	1.1	1.2	1.1
Gold production (kozs)	<b>200</b>	<b>240</b>	<b>240</b>	<b>230</b>	<b>245</b>	<b>230</b>

Notes: 1. Assumes mining occurs over 9 years from 1 July 2013.  
 2. Assumes processing of ore over 11 years from 1 July 2013. Processing of low grade ore stockpile is scheduled to continue for a further 3 months beyond 30 June 2024 at a lower production rate and is not included in the above data.

### Comparison to previous LOMP:

- Tonnes of ore and waste moved Down by 15%
- Life of mine strip ratio Down by 16%
- Head grade Unchanged
- Contained gold in Ore Reserve Down by 6%
- Life of mine Increased by 0.6 years to 2024

## Life of Mine Plan Production – Edikan Gold Mine

Pit	2012 LOMP <sup>1,2</sup>					2013 LOMP <sup>1,3</sup>				
	Waste (Mt)	Ore (Mt)	Grade (g/t)	Gold (koz)	Strip Ratio	Waste (Mt)	Ore (Mt)	Grade (g/t)	Gold (koz)	Strip Ratio
AF Gap	78.1	29.9	1.1	1,021	2.6	63.4	27.5	1.1	953	2.3
Fobinso	<u>40.1</u>	<u>11.5</u>	<u>1.2</u>	<u>429</u>	<u>3.5</u>	<u>30.6</u>	<u>9.3</u>	<u>1.1</u>	<u>330</u>	<u>3.3</u>
Sub-total	118.2	41.4	1.1	1,450	2.9	94.0	36.8	1.1	1,283	2.6
Fetish	53.7	15.8	1.1	576	3.4	29.8	13.9	0.9	442	2.1
Esujah Sth	73.8	8.2	1.9	493	9.0	56.2	6.9	1.7	382	78.1
Esujah Nth	32.5	17.1	0.9	501	1.9	22.2	15.7	0.9	465	1.4
Chirawewa	-	-	-	-	-	11.2	2.9	1.1	106	3.9
Bokitsi	-	-	-	-	-	13.3	2.1	2.3	158	6.3
ROM S/pile	-	4.4	0.6	89	-	-	4.4	0.6	89	-
<b>TOTAL</b>	<b>278.2</b>	<b>86.9</b>	<b>1.1</b>	<b>3,109</b>	<b>3.2</b>	<b>226.7</b>	<b>82.7</b>	<b>1.1</b>	<b>2,925</b>	<b>2.7</b>

- Notes:
1. Based on Measured and Indicated Mineral Resources only, adjusted for mining depletion to 30 June 2013.
  2. Based on August 2012 Proved and Probable Ore Reserve; 0.4g/t and 0.5g/t cut-off, sub-blocks.
  3. Based on the June 2013 Measured and Indicated Mineral Resource; Oxide – 0.6g/t cut-off; Transitional – 0.5g/t cut-off; Fresh – 0.4g/t cut-off, regular block.

## Life of Mine Plan Costs – Edikan Gold Mine

US\$/oz Cost	FY2014	FY2015	FY2016	FY2017	FY2018	LOMP Avg
Mining	479	481	474	551	486	410
Processing	344	282	291	293	276	297
General & Admin.	118	95	95	96	88	91
Sub-Total	941	858	860	940	850	798
Royalty	79	82	82	78	78	79
Sustaining Capital	87	80	79	101	94	60
<b>Total All-in Site Cost</b>	<b>1,107</b>	<b>1,020</b>	<b>1,021</b>	<b>1,119</b>	<b>1,022</b>	<b>937</b>

Note: Costs before taking silver credits of US\$5/oz into account



## Production and Cost Guidance FY2014 – Edikan Gold Mine

- No change to expected production for 12-month period to 30 June 2014 but intra-year change reflecting detailed mine planning
- Small increase in cost guidance reflecting timing of recognition of expected cost improvements

Parameter	Units	Six Months to 31 December 2013	Six Months to 30 June 2014	12 Months to 31 December 2014
<b>Prior Guidance</b>				
Production	Ounces	99,000 - 109,000	91,000 – 101,000	190,000-210,000
All-In Site Cash Costs	US\$/oz	1,000 – 1,200	1,000 – 1,200	1,000 – 1,200
<b>Revised Guidance</b>				
Production	Ounces	91,000 – 101,000	99,000 - 109,000	190,000-210,000
All-In Site Cash Costs	US\$/oz	1,050 – 1,250	1,050 – 1,250	1,050 – 1,250

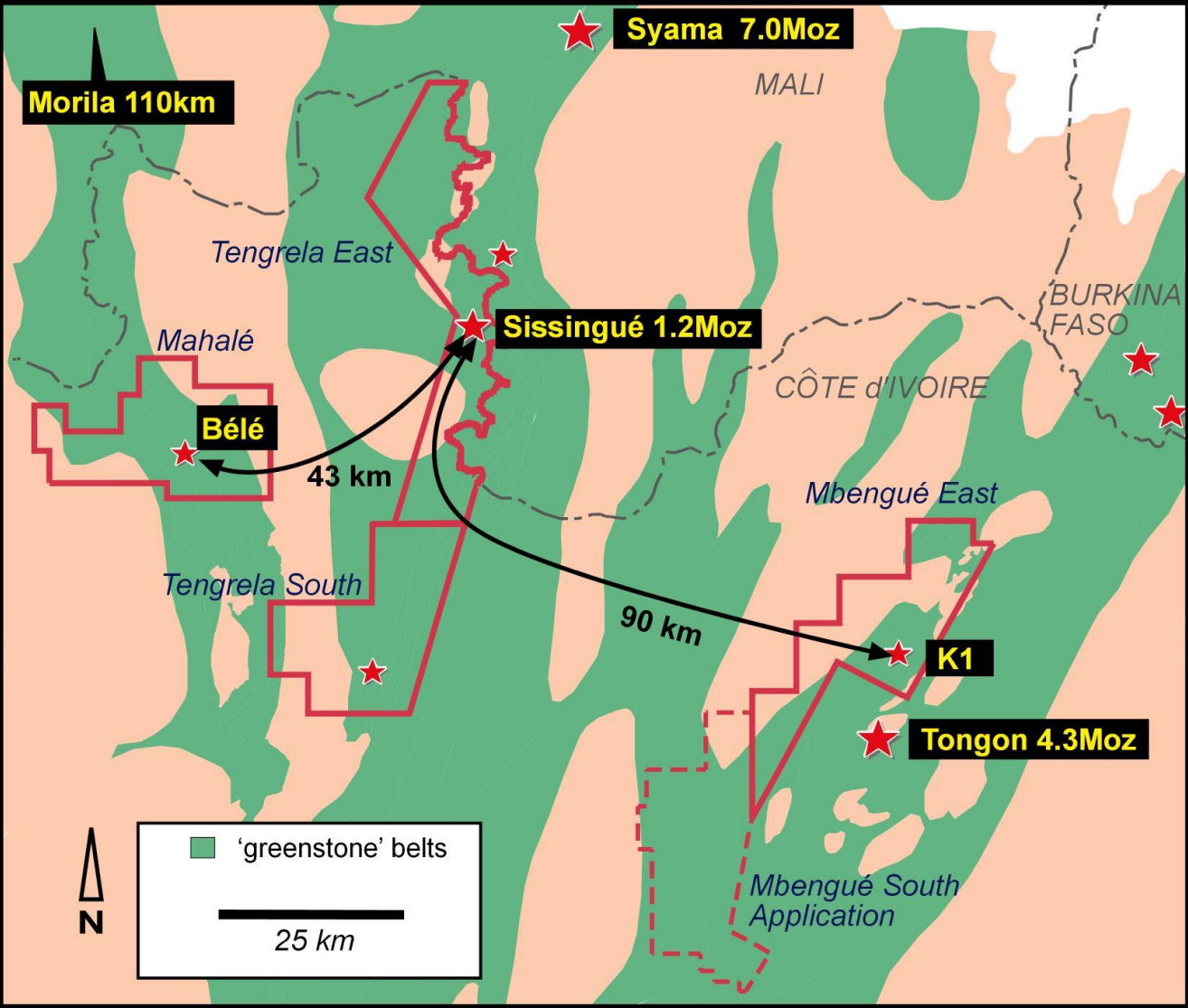
## Project Development – Sissingué Gold Project, Côte d'Ivoire

- Decision remains not to develop Sissingué until confident can finance project and generate acceptable return
- Decision reviewed early 2014

### **Upcoming tasks in December 2013 quarter;**

1. Discuss terms to be included in soon-to-be-legislated mining code with Ivorian Ministry of Mines
2. Discuss changes to terms of Exploitation Licence for Sissingué
3. Explore nearby exploration licence areas for new deposits
4. Complete review of capital and operating cost estimates for Sissingué

# Project Development – Sissingué Gold Project, Côte d'Ivoire



# Exploration

- Limited activity in Ghana.
- 16,435 meters of drilling in Cote d'Ivoire on Mahalé, Mbengué and Napié prospects.
- Further encouraging drilling results:

## ☐ Mbengué

<b>MKRC118</b>	-	36m at 2.0g/t Au from 0m including 2m at 8.5g/t Au
<b>MKRC120</b>	-	58m at 1.5g/t Au from 18m including 8m at 3.4g/t Au
<b>MKRC127</b>	-	6m at 6.0g/t Au from 44m including 2m at 16.9g/t Au

## ☐ Mahalé

<b>MHAC220</b>	-	3m at 17.5g/t Au from 18m including 1m at 48.2g/t, plus 3m at 1.7g/t from 24m
<b>MHAC285</b>	-	7m at 10.2g/t Au from 7m including 4m at 23.2g/t, plus 9m at 5.8g/t from 34m

## Corporate – Cash, Bullion and Available Credit

- Available cash balance as at 30 September 2013 was \$23.1M (30 June 2013: \$35.5M)
- In addition, 2,922oz in process of being refined or in the Company's metal account (30 June 2013: 5,407oz plus 4,452oz on hand)
- Total value of cash and bullion at 30 September 2013 was \$27.3M (30 June 2013: \$48.3M)
- \$10.1M of cash on deposit in escrowed accounts
- Company requested banks reduce commitment of undrawn US\$100M line of credit to zero but leave security structure in place

## Corporate – Gold Sales and Price Hedging

- 23,000oz delivered into forward sales contracts at average price of US\$1,255/oz. Remaining sold at spot prices
- 49,069oz sold during the Quarter (June 2013 Quarter: 52,626oz) at weighted average price of US\$1,342/oz
- **147,000oz deliverable in quarterly instalments up to and including 31 December 2015 at weighted average price of US\$1,432/oz**
- Includes a total of 70,000oz deliverable in quarterly instalments during 2015 calendar year at an average price of US\$1,600/oz
- Total hedge position was “in the money” to US\$14.4M at 30 September 2013
- In December 2013 Quarter, 23,000oz will be delivered at average price of US\$1,263/oz

## Corporate – VAT Receivable

- Company filed claims with Ghanaian government for refund of GHC86.4M (US\$39.2M) of VAT paid since start of commercial production on 1 January 2012
- GHC3.0M received leaving a claim balance of GHC83.4M (US\$37.8M)
- Company exploring ways to monetise outstanding VAT receivable in event Ghanaian government continues practice of not refunding VAT within time prescribed

## December 2013 Quarter Program

### **Edikan Gold Mine**

- Produce 45-55,000oz at all-in site cash cost of US\$1,050/oz to US\$1,250/oz in line with Half Year guidance
- Continue to fine tune plant metallurgical performance and maximise SAG mill throughput
- Continue training of operating and maintenance staff
- Continue to implement business improvement initiatives across all departments

### **Sissingué Gold Mine Development Project**

- Review of project cost structure and development options; and
- Review project economics and financing alternatives

### **Tengréla Gold Exploration Project**

- Continue exploration for Mineral Resources on Mahalé, Mbengué and Napié exploration licences



## Contact Details



ASX/TSX: PRU

[www.perseusmining.com](http://www.perseusmining.com)

**Jeff Quartermaine**  
Managing Director & CEO  
+61 8 6144 1700

**Nathan Ryan**  
Investor Relations (Australia)  
+61 420 582 887

**Rebecca Greco**  
Investor Relations (Canada)  
+1 416 822 6483