

14 July 2009

UPDATE - WEST AFRICAN GOLD PROJECTS

Ramp-up of Exploration in Ghana and Ivory Coast

HIGHLIGHTS

- **10,000m of drilling completed at Tengrela in June, up from 4,250m in May**
- **May drill intercepts from Tengrela include 42m at 3.6g/t and 10m at 6.9g/t Au**
- **Perseus will have six rigs operating, up from two in June**
- **Soil programs are generating numerous new drill targets**
- **The Ayanfuri feasibility study is in on track for release in July**

Perseus Mining Limited (ASX: PRU) is pleased to announce that the level of exploration activity at the company's gold projects in Ghana and Ivory Coast is being ramped up significantly following the successful completion of a \$75 million capital raising in June.

Ivory Coast

10,000m of drilling was completed at Tengrela in June, primarily focussed on the Sissingue prospect, where extensive mineralisation has been encountered over a 4,000m long by 100m-800m wide area.

Significant results from drilling completed at Sissingue in May included 42m at 3.6g/t, 10m at 6.9g/t, 16m at 1.8g/t, 2m at 27.5g/t, 10m at 1.7g/t, 10m at 1.7g/t and 8m at 3.1g/t Au. There are about 6,000 drill samples currently awaiting assay.

Perseus is doubling the number of drill rigs at Tengrela from two to four, comprising two multi purpose RC-diamond rigs, one diamond core rig and a RAB rig. Three rigs will drill on the Sissingue prospect to extend and infill the existing resource base and the RAB rig will continue testing regional targets.

Managing Director's Comments

"We are at very exciting stages of development at both our Ayanfuri and Tengrela gold projects, with the success of the \$75 million equity raising placing Perseus in a very strong financial position to fast-track development and speed up exploration."

"The definitive feasibility study for the Ayanfuri project in Ghana will be released by the end of the month. Ayanfuri is shaping up as an attractive operation, with plenty of upside potential remaining."

"At Tengrela in the Ivory Coast, we are focussed on adding to the existing resource base. We are doubling the number of operating rigs to four, which will ensure a steady flow of results."

Exchanges:

ASX : PRU

Börse Frankfurt: P4Q

Issued Shares: 298.5M

Unlisted Options: 11.8M

Cash at bank
(June 09) \$78M

Resources:

Ghana

6Moz

Ivory Coast

1.0Moz

Market Cap

Per resource oz
US\$23

Ghana

Two rigs have mobilised to drill on a number of projects in Ghana. There are numerous priority targets which have not been drilled given the previous focus on the Ayanfuri DFS drill-out. Plans for the balance of 2009 include:

- 1) Drilling beneath the existing resources at the Fobinso, AF-Gap, Esuajah South, Fetish, Esuajah North and Chirawewa deposits on the Ayanfuri project, targeting areas where pit optimisation shells have reached the base of current resource models and areas with potential for higher grade gold mineralisation. This drilling is designed to increase resources relevant to the planned Stage 2 Ayanfuri reserve upgrade.
- 2) Infill drilling at Ayanfuri to convert large quantities of Inferred resources to Indicated status, facilitating expanded US\$850 pit designs for use in the planned Stage 2 reserve upgrade. Inferred resources are not used for calculating reserves, but historically the conversion rate from Inferred to Indicated resources at Ayanfuri has been high.
- 3) Drilling a number of soil anomalies, structural targets and below a number of shallow pits from the previous mining operation at Ayanfuri which are as yet untested by Perseus.
- 4) Deeper drilling on the Grumesa licence to test for extensions of mineralisation at depth. Drilling to date on the extensive Kayeya gold deposit has been relatively shallow.
- 5) RC follow-up drilling of RAB and trench intercepts on the Kwatechi licence.
- 6) Ongoing soil sampling and pitting programs, which are expected to maintain a steady flow of drill targets.

Ayanfuri Feasibility Study Progress

The Stage 1 Ayanfuri Definitive Feasibility Study is on track for release before the end of July. Work required for the Stage 2 feasibility upgrade is already in progress, with the aim of substantially increasing reserves and the plant throughput rate early in the Ayanfuri mine life.



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The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Mark Calderwood, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Calderwood is a Director and full-time employee of the Company. Mr Calderwood 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'. Mr Calderwood consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Statements regarding the Company's plans with respect to its mineral properties are forward-looking statements. There can be no assurance that the plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that the Company will be able to convert Inferred resources to Indicated resources, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's mineral properties.