DECEMBER 2017 QUARTER ACTIVITIES REPORT

ASX/TSX code: PRU

Capital structure as at 30 Jan 2018:
Ordinary shares:
1,033,285,944
Outstanding warrants:
130,511,203
Unvested performance rights:
19,700,000

Directors:
Mr Sean Harvey
Non-Executive Chairman
Mr Jeff Quartermaine
Managing Director & CEO
Mr Mike Bohm
Non-Executive Director
Mr Colin Carson
Executive Director
Mr Alex Davidson
Non-Executive Director
Ms Sally-Anne Layman
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Mr John McGloin
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OVERVIEW

Perseus has delivered its fourth consecutive quarter of strong operating performance across all parts of its business and materially advanced its transformation into a West African focussed, multi-mine gold producer, developer and explorer. Highlights of the December 2017 quarter included:

- Perseus's Edikan Gold Mine in Ghana ("Edikan") produced 56,699 ounces of gold for the quarter, 11% more than in the previous quarter and 76% more than the corresponding period in 2016.

- Annual gold production of 208,226 ounces in calendar year 2017 was the highest annual total since commercial production started in 2012.

- Edikan's quarterly production cost was US$998 per ounce and its all-in site cost ("AISC") was US$1,093 per ounce, 2% less than the prior quarter and 41% less than the corresponding period in 2016. On an annual basis, the AISC was US$1,109 per ounce, 28% less than in 2016.

- The average price of gold sold during the quarter was US$1,260 per ounce and for the full year, US$1,275 per ounce, generating positive cash margins of US$167 per ounce and US$166 per ounce in each of the periods.

- Development of the Sissingué Gold Mine in Côte d'Ivoire ("Sissingué"), Perseus's second operating mine, progressed strongly with first gold being poured at Sissingué on 26 January 2018, a month ahead of schedule and on budget. The mine is on track to start commercial gold production on or before 31 March 2018.

- The positive Definitive Feasibility Study for the Yaouré Gold Project in Côte d'Ivoire ("Yaouré"), Perseus's planned third gold mine, confirmed that Yaouré is economically attractive and has a strong production and relatively low cost profile over its currently defined 8.5 year mine life, with significant potential for extension.

- Perseus's stated production and cost guidance for the June 2018 half year is unchanged at 140-160,000 ounces at an AISC of US$950–US$1,050 per ounce. Guidance is also unchanged for the full 2018 fiscal year at 250-285,000 ounces at an AISC of US$950–US$1,100 per ounce underlining the Company's steady progress towards achieving its goal of annual production of 500,000 ounces from three operating gold mines.

- At 31 December 2017, Perseus held cash and bullion of A$45.3 million, had undrawn lines of credit of US$20 million and outstanding bank debt of US$50 million. Perseus also had the price of 150,522 ounces of gold hedged at an average forward price of US$1,285 per ounce.

OPERATIONS

Edikan Gold Mine, Ghana

Edikan's operating performance during the Quarter is summarised as follows:

Table 2: Quarterly Performance Statistics

Parameter	Unit	June 2017 Half Year	Sept 2017 Quarter	Dec 2017 Quarter	Dec 2017 Half Year	2017 Full Year
Gold Production & Sales						
Total material mined:						
• Volume	bcm[1]	8,210,212	4,762,944	**4,051,761**	8,814,705	17,024,917
• Weight	Tonnes	18,167,392	10,908,941	**9,524,959**	20,433,900	38,601,292
Total ore mined	Tonnes	4,636,788	2,285,282	**2,374,428**	4,659,710	9,296,498
Average ore grade mined	g/t gold	1.05	1.07	**1.10**	1.08	1.07
Strip ratio	t:t	2.9	3.8	**3.0**	3.4	3.2
Ore stockpiles:						
• Quantity	Tonnes	2,861,934	3,565,601	**4,059,189**	4,059,189	4,059,189
• Grade	g/t gold	0.6	0.7	**0.6**	0.6	0.6
Ore milled	Tonnes	3,629,323	1,581,616	**1,880,839**	3,462,456	7,091,779
Milled head grade	g/t gold	1.02	1.16	**1.10**	1.13	1.07
Gold recovery	%	84	87	**86**	86	85
Gold produced	Ozs	100,218	51,309	**56,699**	108,008	208,226
Gold sales[3]	Ozs	108,850	50,105	**53,842**	103,946	212,796
Average sales price	US$/oz	1,276	1,290	**1,260**	1,274	1,275
Unit Costs						
Mining cost	US$/t mined	2.93	2.83	**3.49**	3.13	3.04
Processing cost	US$/t milled	9.63	10.61	**10.08**	10.32	9.97
G & A cost	US$M/month	1.42	1.53	**1.47**	1.50	1.48
All-In Site Cost						
Production cost	US$/oz	965	1,017	**998**	1,007	988
Royalties	US$/oz	90	83	**78**	80	85
Sub-total	**US$/oz**	1,055	1,100	**1,076**	1,087	1,073
Sustaining capital	US$/oz	57	16	**17**	17	36
Total All-In Site Cost	**US$/oz**	1,112	1,116	**1,093**	1,104	1,109
Site Exploration Cost	US$M	0.83	0.26	**0.28**	0.54	1.37

Notes:

1. *Denotes bank cubic metres*
2. *Denotes grams of gold/tonne of ore*
3. *Gold sales are recognised in Perseus's accounts when the contracted gold refiner takes delivery of gold in the gold room.*

Edikan produced 56,699 ounces of gold during the December 2017 quarter, continuing the trend of strong production performance achieved in the previous three quarters. The result was 11% higher than in the September 2017 quarter and 76% more than the December 2016 quarter.

On a full year basis, gold production totalled 208,226 ounces in calendar year 2017, the highest annual production since commercial production started at Edikan in 2012, and 36% more than the amount of gold produced in calendar year 2016.

The strong result for the quarter was driven primarily by improved plant run-time and throughput rate of 10% and 8% respectively, resulting in 19% more ore being processed during the quarter relative to the prior period. (Refer to ***Table 3***.) This material improvement can be attributed to a range of factors including improved maintenance practices, improved blending of the mill feed, improved fragmentation of mill feed using an increased powder factor and a mobile crusher to supplement the primary crusher.

Table 3: Plant Performance Statistics

	Mar 2017 Quarter	Jun 2017 Quarter	Sept 2017 Quarter	Dec 2017 Quarter	Full Year 2017
Crusher					
Run time (%)	*58*	*54*	*43*	***50***	***49***
Hourly throughput rate (t)	*1,249*	*1,335*	*1,487*	***1,350***	***1,413***
SAG Mill					
Run time (%)	*90*	*89*	*85*	***94***	***89***
Hourly throughput rate (t)	*932*	*938*	*845*	***911***	***880***
Gold recovery rate (%)	*83*	*86*	*87*	***86***	***86***

The 19% quarter on quarter increase in mill throughput was partially offset by a 5% lower average head grade of processed ore at 1.10 g/t gold and a 1% decrease in the gold recovery rate to 86% during the quarter. In combination, the net result was that 11% more gold was produced in the December 2017 quarter relative to the September 2017 quarter and 8% more gold was produced in the December 2017 half year relative to the June 2017 half year, confirming the strong trend of operating improvement at Edikan.

An exercise conducted during the Quarter aimed at checking the reconciliation of tonnes, head grade and contained gold ounces estimated in the Edikan Mineral Resource block model relative to estimates by grade control modelling has indicated that over a 12 month period from the date of adoption of MIK modelling techniques in January 2017, reconciliation of contained metal was close to 100%. A feature of this analysis was that while reconciliation over an extended period is very good, on a short term horizon, significant positive and negative variances do occur. A similar variability occurs in the reconciliation between the grade control model and the mill, which has a direct impact on month to month gold production and also impacts quarterly gold production. Arising from the reconciliation exercise, a series of potential improvements in the modelling, mining and processing areas aimed at reducing variability were identified and are being implemented.

Unit mining costs increased from $2.83/tonne to US$3.49/tonne reflecting lower total material movements over which to spread the contractor's fixed costs (which contributed to half of the unit cost increase), adoption of a higher powder factor to improve rock breakage and greater haul distances as pits deepened. Unit processing costs decreased 5% from $10.61/tonne from US$10.08/tonne notwithstanding the 19% increase in tonnes of ore processed. The increase in total processing cost base (which is divided by the number of tonnes processed to calculate unit costs) was the result of several factors including increased rehandling of ore on the ROM to improve the blend of ore feed plus the temporary use of a mobile crusher to supplement the primary crusher pending a major overhaul carried out in December 2017. G&A costs were relatively flat quarter-on-quarter at an average of US$1.47 million per month compared to US$1.53 million in the prior quarter.

Unit production costs for the Quarter (including all mining including waste stripping, processing and G&A costs but excluding royalty) decreased by 2% to US$998 per ounce compared to US$1,017 per ounce in the prior period. After accounting for a slight decrease in royalty payments and a slight increase in sustaining capital, the AISC for the Quarter at Edikan was US$1,093 per ounce, about 2% lower than the AISC in the September 2017 quarter (US$1,117 per ounce) and about 2% lower than the average AISC of the previous three quarters (US$1,113 per ounce).

Outlook for Operations in financial year ending 30 June 2018

Looking forward to the second half of FY2018, Perseus will continue producing gold from Edikan and will also start producing gold from Sissingué, part way through the period. Total production and AISC guidance for the Perseus Group for FY2018 remains unchanged as follows:

Table 4: FY2018 Group Production and Cost Guidance

Parameter	Units	Production and Cost Guidance	
		June 2018 Half Year	Full Fiscal Year 2018
Group gold production	'000 ounces	140-160,000	250-285,000
Group average all-In site costs	$US per ounce	950-1,050	950-1,100

DEVELOPMENT

Sissingué Gold Mine, Côte d'Ivoire

Recent Achievements

Development of Perseus's second gold mine at Sissingué progressed strongly on all fronts during the quarter with construction ahead of schedule and on budget. Subsequent to the end of the Quarter:

- Crushed ore was introduced to the mill and CIL plant for the first time on 13 January 2018;
- First gold was produced approximately one month ahead of schedule on 26 January 2018;
- The ramp up of operations to full scale commercial production is on schedule for completion on or before 31 March 2018;
- Current forecasts indicate that the US$107 million capital cost estimate for the full development of the Sissingué mine and infrastructure, excluding early works but including operational readiness initiatives, will not be exceeded.

Outlook for Sissingué

Based on the updated life of mine plan for Sissingué published in March 2017, estimated gold production totals 358,000 ounces over the life of mine including approximately 80,000 ounces per annum for the first 3.25 years and approximately 70,000 ounces per annum over the full five year life of mine. Forecast average weighted all-in site costs, including all direct production costs, royalties, waste stripping costs and sustaining capital expenditure, are estimated at approximately US$630 per ounce over the mine life.

Significant potential exists to increase Sissingué's currently delineated Mineral Resources, Ore Reserves and mine life. Perseus has developed exploration programmes targeting mineralisation located within trucking distance of the mine and implementation of these programmes is scheduled to start in the March 2018 quarter.

Aerial view of Sissingué Plant site

Yaouré Gold Project, Côte d'Ivoire

Definitive Feasibility Study

The Definitive Feasibility Study for Yaouré, Perseus's prospective third gold mine, was completed on schedule during the Quarter, confirming the high quality of the project and the significant potential contribution that it can make to Perseus's short to medium term plans. The DFS has demonstrated that:

- Yaouré economics are attractive at a range of gold prices and discount rates:

Table 5: Key Economic Parameters

Gold Price (US$/Oz)	IRR[1] (%)	Payback (Months)	NPV_5		NPV_{10}	
			US$ m	A$/sh	US$ m	A$/sh
1,200	23	35	210	0.26	130	0.16
1,250	27	32	259	0.33	170	0.21
1,300	30	30	302	0.38	205	0.26
1,350	33	28	351	0.44	245	0.31

[1] After tax, ungeared

- Yaouré is technically very robust, with attractive operating metrics based on an estimated Ore Reserve of 26.8 Mt of ore grading 1.76g/t gold containing 1.52 million ounces of gold.

Table 6: Key Operating and Cost Parameters

Technical Parameters		Annual Average Years 1-5	Total Life of Mine[2]
Ore mined	Mt	4.6[1]	26.8[1]
Strip ratio	t:t	5.4:1[1]	5.1:1[1]
Ore processed	Mt	3.3	26.8
Head grade	g/t gold	2.27	1.76
Gold recovery rate	%	90.1	90.1
Gold production	**'000 ounces**	**215**	**1,367**
Unit Operating Costs			
Production costs	US$/oz	670	690
Royalty	US$/oz	44	44
Sustaining capital	US$/oz	20	25
Average All-in site costs	**US$/oz**	**734**	**759**

[1] Includes ore mined ex-pit plus ore drawn from decommissioned heap leach pads
[2] Total mine life is 8.5 years

- An upfront development cost of US$263 million including US$11 million of pre-stripping costs is well within Perseus's funding capacity using internally generated cash from its Edikan and Sissingué Gold Mines combined with bank finance.

- Yaouré has good potential for growth, being located on a very prospective tenement package that provides significant potential to incrementally expand Mineral Resources and Ore Reserves and rapidly extend expected mine life through further drilling in and around the planned pits as well as systematic exploration of the surrounding 513 km^2 land holding.

- Yaouré is highly likely to create the significant value envisaged by Perseus when the project was studied in detail prior to its acquisition in April 2016.

The Way Forward for Yaouré

In January 2018, Perseus lodged an application with the Ivorian Minerals Commission for the granting of an Exploitation Permit ("EP") covering the Yaouré project development area. Negotiation with the government of Côte d'Ivoire of a Mining Convention to apply throughout the projected life of Yaouré is expected to start while the EP application is being considered.

Following the award of the EP, which is currently expected in the June 2018 quarter, the final instalment of crop and land compensation will be paid to relevant stakeholders and minor early works designed to secure the site and facilitate a rapid ramp up of full scale construction activities once a development decision is taken, are expected to start.

Perseus has engaged the services of a leading corporate advisor to assist in evaluating the full range of financing alternatives that are available to fund the development of Yaouré. In selecting components of the preferred funding package, Perseus's key objective will be to maximise returns for existing shareholders and in this regard, speed and risk of execution will also be important factors to consider. The evaluation of alternatives is expected to be complete by the end of the March 2018 quarter. Implementation of a board approved financing plan is expected to follow shortly there-after.

Further critical tasks to be undertaken during the June 2018 Half Year to prepare for a development decision in the December 2018 Half Year include:

- A planned exploration programme aimed at delineating Mineral Resources in areas where mineralisation was discovered during recent sterilisation drilling of the previously proposed plant site and tailings dam is planned for execution during the March 2018 quarter. Further drilling will also be undertaken to upgrade Inferred Mineral Resources located within the optimised pit shell to Measured or Indicated categories. This work is expected to result in an upgrade in Yaouré's Ore Reserves later in 2018.

- Front end engineering and design ("FEED") of the Yaouré mine and infrastructure is planned to start in the June 2018 quarter once information from the resource drilling programme is to hand to assist in finalising the location of key infrastructure. This work will provide an estimate of capital costs that is accurate to +/- 10%, information that is essential for finalising financing plans.

- Development of a comprehensive execution plan including a comprehensive contracting strategy, work force planning and operations readiness plan will start during the June 2018 quarter based on information derived from FEED.

EXPLORATION

Côte d'Ivoire Exploration

Sissingué Exploitation Permit

Papara Prospect

The Papara prospect is an area of extensive artisanal mining located 20 kilometres north of the Sissingué mine site (***Appendix A - Figure 1***). Regolith mapping, combined with interpretation of airborne magnetic and radiometric data and scout auger drilling was conducted during the quarter to better define regolith geology and provide a better understanding of the widespread gold in soil anomalism throughout the district. This work identified several targets for follow-up detailed augering, most notably at the Tiongoli and Zekoundougou prospects, to commence in the next quarter.

Regolith mapping, combined with interpretation of airborne magnetic and radiometric data, was also conducted over the southern part of the Sissingué permit, covering the Zanikan-Gbeni-Katara district. This is an area of extensive artisanal workings and widespread soil gold anomalism, but as in the Papara district, historical wide spaced rotary air blast ("RAB") drilling encountered only sporadic anomalous bedrock mineralisation. Interpretation of the aero magnetics and relogging of chips from the historical drilling, combined with inspection of artisanal pits confirmed the presence of dioritic intrusives similar to those hosting the Papara mineralisation, increasing the chances that significant mineralisation may be found nearby. Detailed augering to refine Perseus's understanding of the geochemical anomalism is planned to commence in the next quarter.

Mahalé Exploration Permit

Data from the airborne magnetic and radiometric survey flown earlier in 2017 was used to inform regolith mapping and a reassessment of historical soil geochemistry covering the Bélé East and West prospects. Areas of combined soil and auger anomalism, structural complexity and magnetic anomalism will be prioritised for air core ("AC") drilling during the next quarter.

Yaouré Exploration Permits

A total of 1,809 metres of AC drilling (Refer to ***Appendix A - Figures 2, 3 and Table 1 and Appendix B***.) was completed over extensions of the CMA zone to the northeast of previous sterilisation drilling for the planned mill site. The sterilisation drilling returned several anomalous intersections, suggesting the CMA zone may follow the contact between basalts that host the main CMA zone and the volcaniclastic basin to the northeast. The more significant results returned from the AC drilling programme included:

Table 7: Selection of Yaouré drill results

Drill Hole Number	Location	Intercept
YAC0662	223,546E; 779,067N	3m @ 31.71 g/t Au from 51m, including 1m @ 86.68 g/t
YAC0659	223,143E; 778,792N	4m @ 2.86 g/t Au from 14m, including 1m @ 9.71 g/t Au from 14m
YAC0660	223,129E; 778,821N	2m @2.60 g/t from 53m
YAC0663	223,531E; 779,088N	6m @1.58 g/t Au from surface
YAC0653	223,228E; 778,653N	3m @ 1.57 g/t from 22m, including 1m @ 3.32 g/t Au from 22m
YAC0658	223,161E; 778,772N	9m @ 1.48 g/t Au from 47m, including 2m @ 3.53 g/t Au from 53m
YAC0649	223,031E; 778,994N	2m @ 1.24 g/t Au from 55m

These intercepts occur along strike from east-west trending artisanal workings in basalts, and is a different zone to an historical intercept of 9m at 1.07 g/t that appears to be on or close to the basalt-volcaniclastic contact. Drilling to infill between the initial lines to undercut some of the better intersections, and to extend drill coverage to the interpreted basalt-volcaniclastic contact, is currently in progress.

Zouan Hounien Exploration Permit

Results were received from auger sampling over the northern part of this permit, located in the Ity district of western Côte d'Ivoire. Previous soil sampling by the Company had identified patchy, low level gold anomalism in a favourable structural position several kilometres west of Endeavour Mining's multi-million ounce Ity deposit. Unfortunately the auger sampling confirmed the low tenor of the gold in soil anomalism extends into bedrock, thereby severely downgrading the potential of the property. The Company will look to relinquish its interest in this property.

Ghana Exploration

Exploration activities in Ghana continued to focus on following up targets generated from the interpretation and targeting exercise conducted at Edikan by consulting group Corporate Geoscience Group in late 2016. (Refer to ***Appendix B - Figure 4***).

Drilling of resistivity anomalies defined by airborne electro-magnetics, interpreted to reflect potential granite bodies, has confirmed the presence of weakly mineralised granitic dyke swarms along the Esuajah intrusive trend. Although the gold grades of these dykes have not been economic where intersected, they are being worked by artisanal miners further south on the Company's permits at the Abreshia prospect. This zone is being mapped and sampled by the Company's geologists prior to planned drill testing.

Soil sampling was completed over two other CGSG targets, Huntado and Saa, and encouraging gold-in-soil anomalism was identified at both sites. Deep auger drilling is planned to further refine these targets prior to drill testing.

CORPORATE

Cash and Bullion

Based on the gold price of US$1,291 per ounce and an A$:US$ exchange rate of 0.7807 as at 31 December 2017, the total value of available cash and bullion on hand at the end of the Quarter was $45.3 million. This sum that includes cash of A$21.8 million and 14,218 ounces of bullion on hand, valued at A$23.5 million, is $2.8 million less than the $48.1 million balance of cash and bullion as at 30 September 2017. The decrease in cash and bullion during the Quarter takes into account positive inflows from Edikan (A$12.3 million), negative working capital movements (A$22.1 million), Sissingué facility draw down (US$15.0 million), revolving corporate debt facility draw down (US$15.0 million), capital investment at Sissingué (A$19.2 million), exploration and evaluation expenditure (A$3.4 million) and corporate costs.

Gold Price Hedging

At the end of the Quarter, gold forward sales contracts were in place for 150,522 ounces of gold at a weighted average price of US$1,285 perounce.

Debt Financing

During the Quarter, a further US$15 million was drawn under the US$40 million Sissingué project debt facility provided by Macquarie Bank Limited, bringing the total drawn amount US$25 million. The US$15 million balance remaining available under the facility may be drawn in coming months to fund completion of the Sissingué mine development.

The Company's US$20 million working capital debt facility provided to Perseus's Ghanaian subsidiary by Macquarie Bank Limited was converted into a US$30 million revolving line of credit to improve flexibility in terms of managing working capital and fund high potential exploration activities in coming months. The amount drawn at the end of the Quarter was US$25 million. Perseus has no other debts other than its trade creditors that are payable in the ordinary course of business.

PROGRAM FOR THE MARCH 2018 QUARTER

Edikan

- Produce gold at a total all-in site cost is in line with June 2018 Half Year guidance;
- Continue to implement practices aimed at optimising and improving mine to mill performance;
- Continue training operating and maintenance staff;
- Continue to implement business improvement initiatives across all departments at Edikan; and
- Assess exploration targets and prepare drill programmes for targets identified by the recent review of geological datasets relating to the Edikan mining leases.

Sissingué

- Complete commissioning of the Sissingué mine and plant and ramp up to full scale gold production.
- Complete implementation of operational readiness plans; and
- Resume drilling at the Papara prospect with the aim of determining the potential for additional Mineral Resources which could be processed at the Sissingué processing facility.

Yaouré

- File documentation required for an application for an Exploitation Permit to operate the Yaouré mine and commence discussions on the terms of a Mining Convention for the mine;
- Plan and commence implementation of the next phase of Resource definition drilling adjacent to the proposed Yaouré and CMA pits;
- Plan a programme of early work to establish the project site in readiness for a decision to commence full scale construction; and
- Develop a definitive financing plan to fund the Yaouré development and commence preparations for implementation of the plan.

Jeff Quartermaine
Managing Director and Chief Executive Officer
30 January 2018

To discuss any aspect of this announcement, please contact:

Managing Director: *Jeff Quartermaine at telephone +61 8 6144 1700 or email jeff.quartermaine@perseusmining.com;*

Media Relations: *Nathan Ryan at telephone +61 4 20 582 887 or email nathan.ryan@nwrcommunications.com.au (Melbourne)*

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 in relation to Edikan 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 released on 21 February 2017 and was updated for depletion in the Financial Statements released on 30 August 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 — Central Ashanti Gold Project, Ghana" dated 30 May 2011 continue to apply.

The information in this report that relates to Mineral Resources for Sissingué was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 15 December 2016. The information in this report that relates to Mineral Resources for Bélé was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 20 February 2017. The information in this report that relates to Ore Reserves for the Sissingué and Bélé was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 31 March 2017. The Company confirms that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, in those market releases 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 previously published in a market release dated 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.

The information in this report and the attachments that relates to exploration drilling results at the Yaouré Gold Project is based on, and fairly represents, information and supporting documentation prepared by Dr Douglas Jones, a Competent Person who is a Chartered Professional Geologist. Dr Jones is the Group General Manager Exploration of the Company. Dr Jones has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 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"). Dr Jones consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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 without any major disruption, development of a mine at Sissingué and/or 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.

APPENDIX A – EXPLORATION PROJECTS

Figure 1: Sissingué Gold Project and Mahalé Permits and Prospects

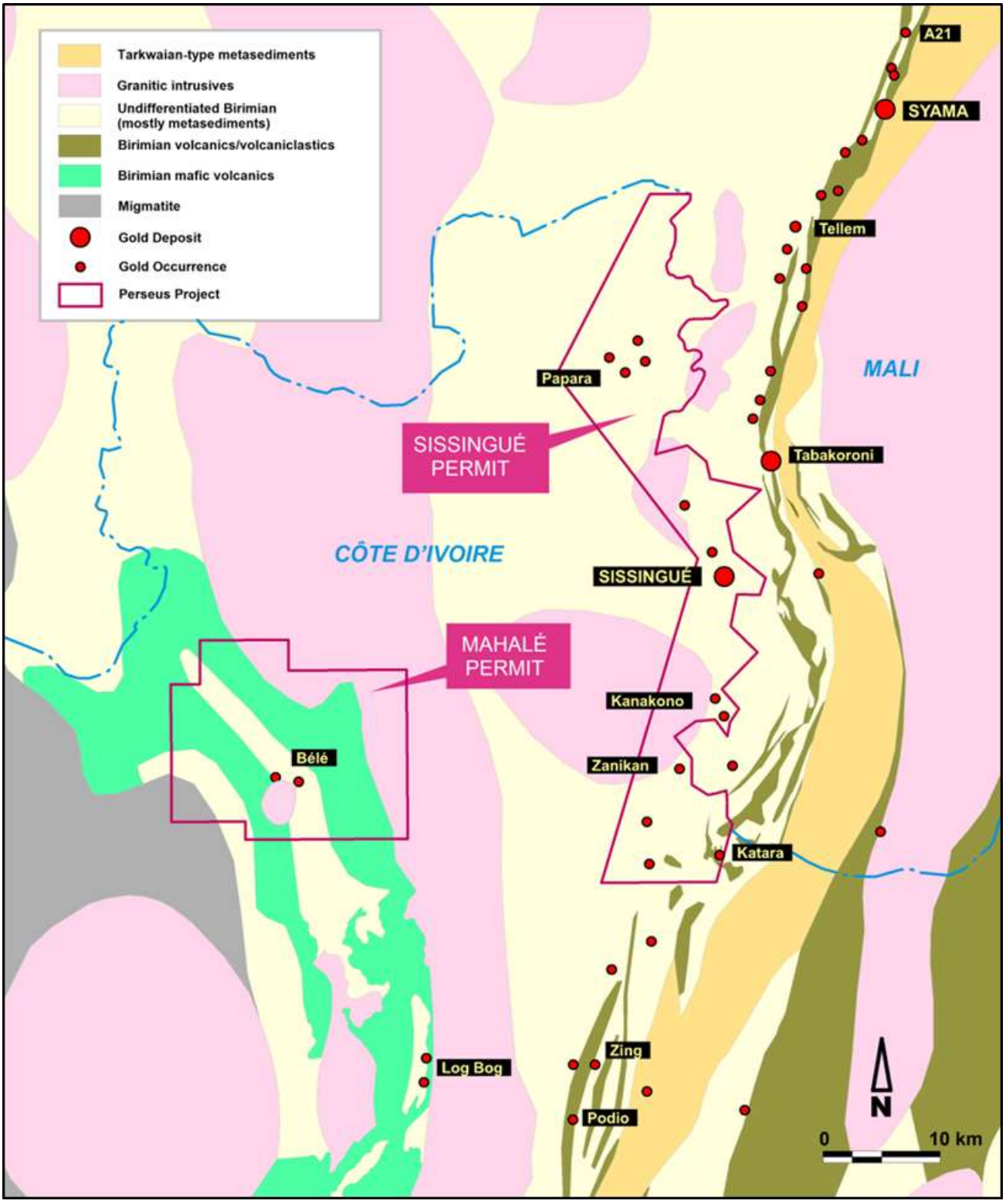

Figure 2: CMA NE - completed holes showing anomalous intercepts and interpreted basin contact

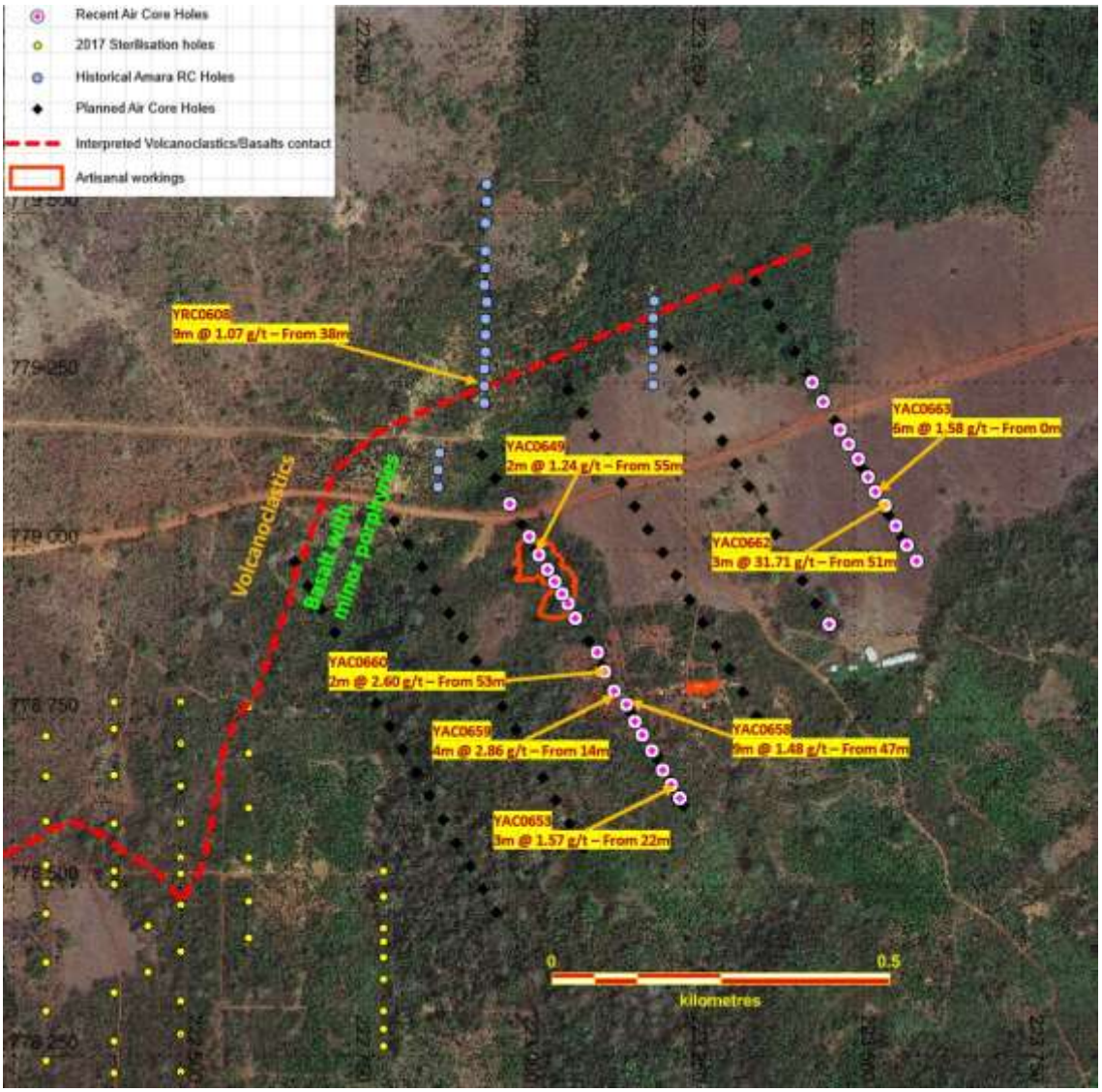

Figure 3: CMA NE – section through YAC0662

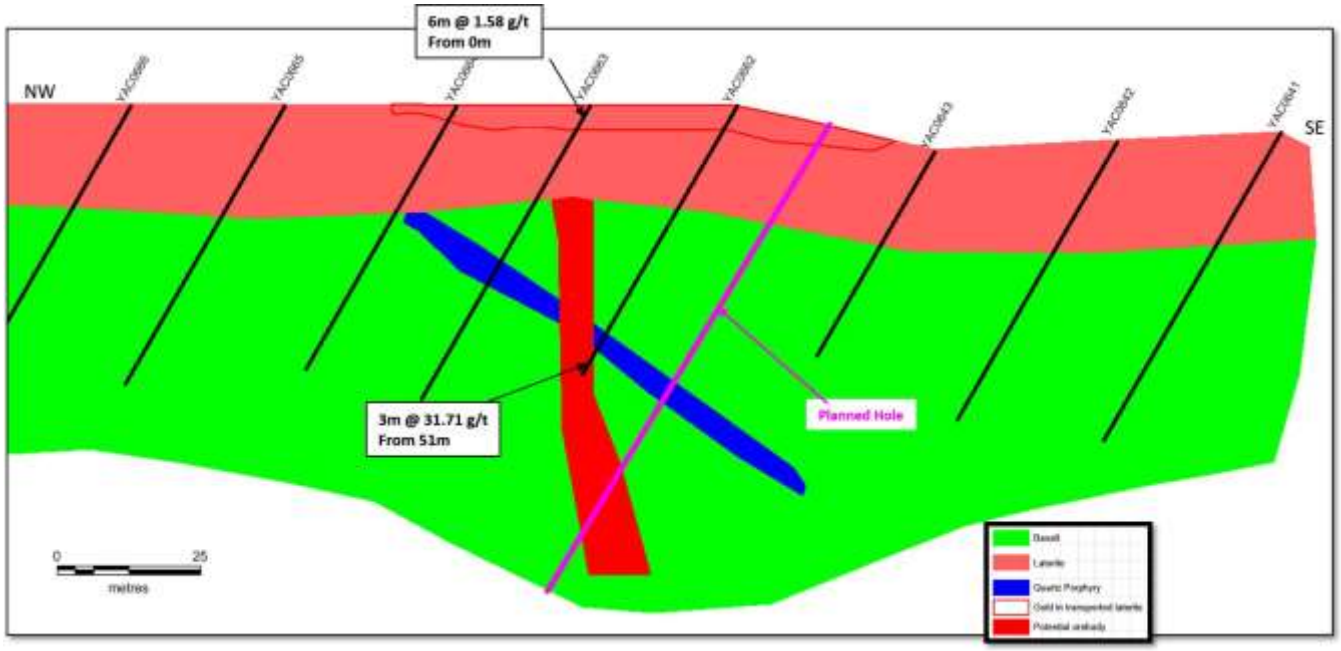

Figure 4: Edikan Project – VTEM Channel 8 Resistivity showing 'granite' targets CGSG 1, 3, 6 & 26

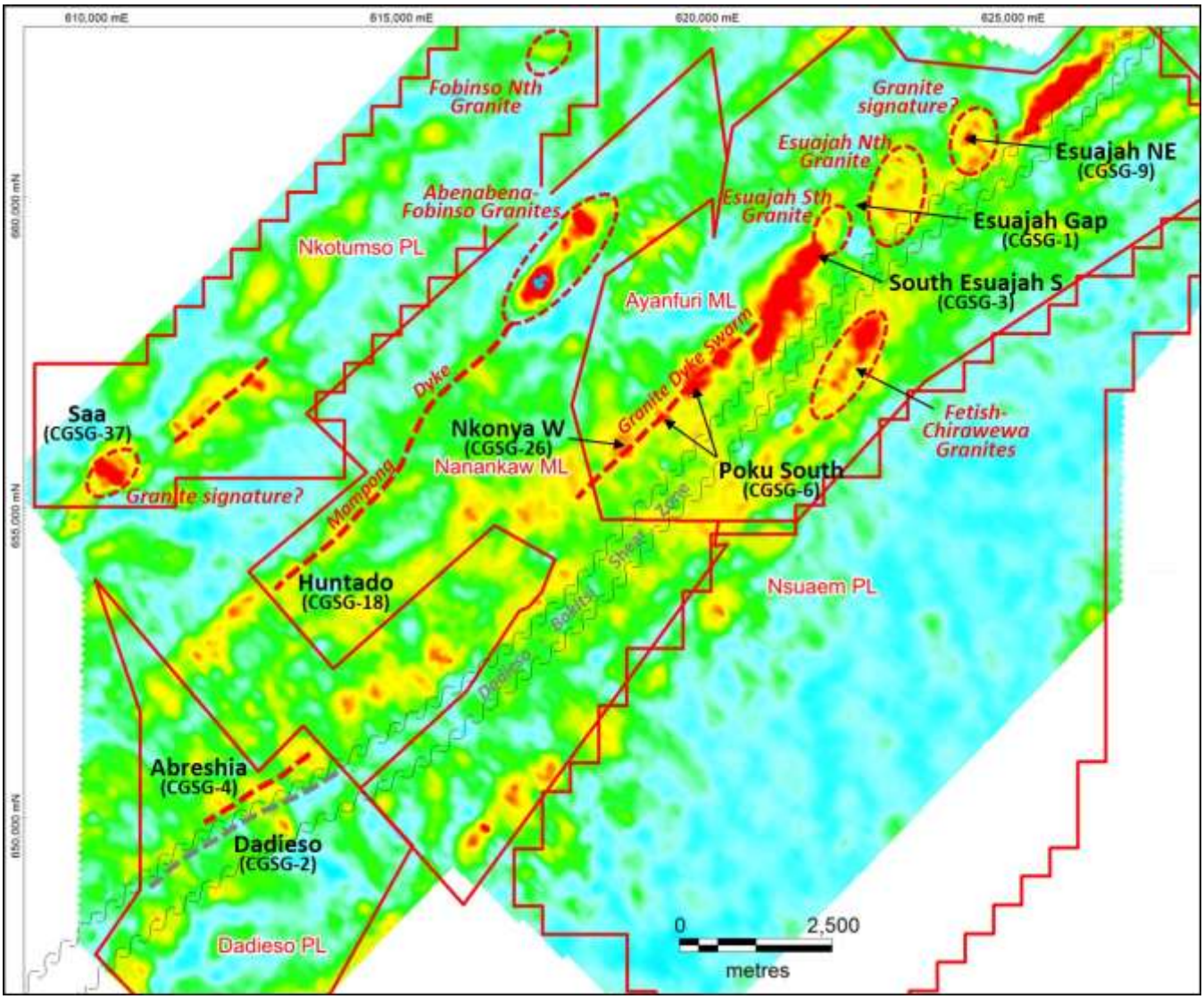

Table 1: Yaouré drill holes and significant intercepts

Hole_ID	East	North	RL	Depth	Drill Type	Azimuth	Dip	No of Samples	From	To	Width	Au g/t
	(mE)	(mN)	(m)	(m)		(°)	(°)					
YAC0641	223591.692	778983.667	235.427	62	AC	330	-60	*NSI*				
YAC0642	223577.371	779008.457	233.734	56	AC	330	-60	*NSI*				
YAC0643	223561.648	779036.249	231.971	41	AC	330	-60	*NSI*				
YAC0644	223085.938	778899.714	237.387	43	AC	330	-60	*NSI*				
YAC0645	223074.037	778920.847	236.77	37	AC	330	-60	*NSI*				
YAC0646	223065.469	778934.76	236.025	48	AC	330	-60	*NSI*				
YAC0647	223054.291	778953.484	234.589	42	AC	330	-60	5	1	6	5	0.37
YAC0647	223054.291	778953.484	234.589	42	AC	330	-60	2	28	30	2	0.6
YAC0648	223043.633	778972.316	233.315	57	AC	330	-60	4	1	5	4	0.41
YAC0649	223031.472	778994.109	231.149	57	AC	330	-60	3	7	10	3	0.59
YAC0649	223031.472	778994.109	231.149	57	AC	330	-60	2	55	57	2	1.24
YAC0650	223016.861	779020.119	228.579	62	AC	330	-60	3	3	6	3	0.86
YAC0650	223016.861	779020.119	228.579	62	AC	330	-60	3	43	46	3	0.85
YAC0651	222988.453	779068.599	221.532	61	AC	330	-60	*NSI*				
YAC0652	223240.317	778631.983	251.678	53	AC	330	-60	2	19	21	2	0.73
YAC0653	223228.291	778653.106	251.19	53	AC	330	-60	3	22	25	3	1.57
YAC0653	223228.291	778653.106	251.19	53	AC	330	-60	11	28	39	11	0.6
YAC0653	223228.291	778653.106	251.19	53	AC	330	-60	4	47	51	4	0.44
YAC0654	223215.97	778674.373	250.637	56	AC	330	-60	7	37	44	7	0.54
YAC0655	223199.457	778702.866	248.158	62	AC	330	-60	5	55	60	5	0.53
YAC0656	223185.599	778726.798	247.456	53	AC	330	-60	3	40	43	3	0.58
YAC0657	223174.213	778746.886	246.773	56	AC	330	-60	*NSI*				
YAC0658	223161	778772	240	56	AC	330	-60	2	27	29	2	0.51
YAC0658	223161	778772	240	56	AC	330	-60	9	47	56	9	1.48
YAC0659	223143	778792	240	63	AC	330	-60	4	14	18	4	2.86
YAC0660	223129	778821	240	56	AC	330	-60	2	53	55	2	2.6
YAC0661	223118	778849	240	62	AC	330	-60	*NSI*				
YAC0662	223546	779067	240	54	AC	330	-60	3	51	54	3	31.71
YAC0663	223531	779088	240	59	AC	330	-60	6	0	6	6	1.58
YAC0664	223521	779109	240	53	AC	330	-60	*NSI*				
YAC0665	223506	779135	240	56	AC	330	-60	*NSI*				
YAC0666	223492	779158	240	56	AC	330	-60	*NSI*				
YAC0667	223479	779180	240	50	AC	330	-60	*NSI*				
YAC0668	223453	779220	240	62	AC	330	-60	3	28	31	3	0.41
YAC0669	223437	779250	240	61	AC	330	-60	*NSI*				
YAC0670	223463	778890	240	62	AC	330	-60	*NSI*				

APPENDIX B – JORC TABLE 1

JORC Code, 2012 Edition – Table 1 Section 1 Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Reverse Circulation (RC) drill holes were routinely sampled at 1m intervals down the hole. RC samples were collected at the drill rig by riffle splitting drill spoils to collect a nominal 1-2 kg sub sample and composited into 2m samples for assay. • Air Core (AC) drill holes were routinely sampled at 1m intervals down the hole. AC samples were collected at the drill rig by riffle splitting drill spoils to collect a nominal 2-3 kg sub. • Half-core from Diamond core drilling (DD) were taken systematically from the 'right' hand side; 1.5 m in oxide and transition, 1 m in fresh • Routine standard reference material, sample blanks, and sample duplicates were routinely inserted/collected in the sample sequence. • RC, AC and DD samples were submitted to Bureau Veritas Cote d'Ivoire for preparation and analysis by 50g Fire Assay.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• All RC holes were completed by reverse circulation (RC) drilling techniques with a hole diameter of 5.5 inch and a face sampling down hole hammer. Air Core drilling was completed with a 3.5 inch hammer. • Diamond drilling used HQ diameter in weathered, and NQ in fresh rock. All drill core was oriented using a Reflex EX Trac tool.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Riffle split samples were weighed to monitor sample recovery • Diamond core recovery was measured. Recoveries in fresh rock average 98% • No apparent relation has been observed between sample recovery and grade
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill samples were geologically logged by Company Geologists. • Geological logging recorded rock types, the abundance of quartz and sulphides and degree of weathering using a standardized logging system. • Small samples of coarse and sieved RC drill material were affixed to "chip boards" to aid geological logging and for future reference. Sieved and washed AC materials were kept in chip boxes for future reference

Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All RC and AC samples were riffle split at the drill rig. • Samples were obtained dry. • Routine field sample duplicates were taken to evaluate representivity of samples with the results stored in the master drill database for reference. • At the Bureau Veritas laboratory, samples were weighed, dried and crushed to -2mm in a jaw crusher. A 1.5kg split of the crushed sample was subsequently pulverised in a ring mill to achieve a nominal particle size of 85% passing 75um. • Sample sizes and laboratory preparation techniques are considered to be appropriate for this stage of gold exploration.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Analysis for gold was undertaken at Bureau Veritas Cote d'Ivoire lab by 50g Fire Assay with AAS finish to a lower detection limit of 0.01ppm. Fire assay is considered a total assay technique. • No geophysical tools or other non-assay instruments were used in the analyses reported. • QAQC samples nominally • Blanks at 1 in 50 • Certified standards at 1 in25 • Field duplicates of RC samples at 1 in 50 • Review of standard reference material, sample blanks and duplicates suggest there are no significant analytical bias or preparation errors in the reported analyses. • Internal laboratory QAQC checks are reported by the laboratory and routine review of the laboratory QAQC suggests the laboratory is performing within acceptable limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Drill hole data is captured by Company geologists at the drill rig and manually entered into a digital database. • The digital data is verified and validated by the Company's database Manager before loading into a master drill hole database on a regularly backed-up server. • Reported drill hole intercepts are compiled by the Company's Group Exploration Manager. • Twin holes were not drilled to verify results. • There were no adjustments to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole collars were set out in UTM grid_Zone30N for Yaouré. • Drill hole collars were positioned using hand held GPS, accurate to +/- 2-3m in the horizontal. • Drill holes were routinely surveyed for down hole deviation using the Flexit tool. DD holes were surveyed at 12m and then every 30m. RC holes were surveyed at 9m and at end of the hole. AC holes were not surveyed downhole. • Locational accuracy at collar and down the drill hole is considered appropriate for this early stage of exploration.

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• All reported RC and DD holes were drilled on 40m to 80m spaced SW-NE orientated drill sections with hole spacing on sections at 40m. Reported AC holes were drilled heel-to-toe on nominal 160m-spaced fences. • The reported drilling has not been used to estimate any mineral resources or reserves. • Prior to assaying, 1m RC sub-samples have been composited by weight to form 2m composites samples. AC samples were assayed for each meter.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Exploration is at an early stage and the true orientation of mineralisation has not yet been confirmed.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored in a fenced compound within the Company's accommodation camp in Tengréla or at secured Yaouré site offices prior to sample collection and road transport to the laboratory of Bureau Veritas in Abidjan.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The Company's sampling techniques employed in Ivory Coast were last reviewed in a site visit to the Tengréla Gold Project by Snowden mining consultants in December 2016.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Reported AC results are from the CMA-NE Extension Prospect, within the Yaoure exploration permit (tenement PR397) • The Yaouré permit is valid until 01 December 2018. • The Government of Côte d'Ivoire is entitled to a royalty on production as follows: **Spot price per ounce - London PM Fix** / **Royalty Rate** Less than or equal to US$1000 / 3% Higher than US$1000 and less than or equal to US$1300 / 3.5% Higher than US$1300 and less than or equal to US$1600 / 4% Higher than US$1600 and less than or equal to US$2000 / 5% Higher than US$2000 / 6% • The CMA NE Extension areas have no known environmental liabilities.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Historical exploration at CMA NE Extension includes limited work by French Bureau des Recherches Géologiques et Minières (BRGM) and Amara Mining. Limited drilling by the latter returned scattered anomalous intersections in RC drilling.

Criteria	JORC Code Explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The CMA NE Extension is underlain by mafic volcanics with minor porphyries, which are unconformably overlain by volcaniclastics. • Gold mineralisation at CMA NE Extension is related to the contact between basalts and volcaniclastics, and also in altered and quartz veined basalts.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Reported results are summarised in Table 2 within the attached announcement.
		• The drill holes reported in this announcement have the following parameters:
		• Grid co-ordinates are UTM WGS84_30N.
		• Collar elevation is defined as height above sea level in metres (RL)
		• Dip is the inclination of the hole from the horizontal. Azimuth is reported in WGS 84_29N degrees as the direction toward which the hole is drilled.
		• Down hole length of the hole is the distance from the surface to the end of the hole, as measured along the drill trace
		• Intersection depth is the distance down the hole as measured along the drill trace.
		• Intersection width is the down hole distance of an intersection as measured along the drill trace
		• Hole length is the distance from the surface to the end of the hole, as measured along the drill trace.
		• Previously reported drilling results (pre-2017) have not been repeated in this announcement.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• A minimum cut-off grade of 0.3 g/t Au is applied to the reported intervals. • Intervals of Internal dilution (<0.3 g/t Au) within a reported interval cannot exceed 2m. • No grade top cut has been applied. One sample at Yaouré has 86.68 g/t • Samples have been weighted by length of sample interval • No metal equivalent reporting is used or applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The reported results are from early stage exploration drilling; the orientation of geological structure is currently not known with certainty. • Results are reported as down hole length, true width is unknown.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Drill hole plans are shown in Figure 2. Assay results are tabulated in body text of this announcement

Criteria	JORC Code Explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results have been comprehensively reported in this announcement. • All drill holes completed, including holes with no significant gold intersections, are reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• There is no other exploration data which is considered material to the results reported in this announcement
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further drilling is warranted at CMA NE Extension to assess the gold at the contact between the mafic volcanics and the volcaniclastics, and to define the strike length of the intersected mineralisation