

PERSEUS TO ACQUIRE 15% INTEREST IN ORCA GOLD

Perseus Mining Limited (“Perseus” or the “Company”) (ASX/TSX:PRU) is pleased to announce that it has agreed to acquire a 15% interest in Orca Gold Inc (“Orca”) from Resolute Mining Limited (“RSG”). Orca is a gold developer, listed on the TSX Venture Exchange (“TSX-V”). Its key assets include a 70% interest in the Block 14 Gold Project (“Block 14”) in northern Sudan and a 31.5% interest in Montage Gold Corp (“Montage”), which owns the Koné Gold Project in northern Côte d’Ivoire.

Perseus has agreed to acquire 39,092,233 million common shares in Orca from RSG representing 15% of Orca’s common shares on issue (the “RSG Share Acquisition”). The RSG Share Acquisition was executed at a price of approximately 44.8 Canadian cents per Orca share representing the 10-day VWAP of Orca on the TSX-V to 28 January 2022. Total consideration for the RSG Share Acquisition is approximately C\$17.5 million. Prior to the RSG Share Acquisition, Perseus held no common shares or other securities of Orca.

Simultaneous with the RSG Share Acquisition, Perseus has agreed to provide Orca with a US\$5.0 million short term loan facility (the “Orca Loan Facility”). Orca plans to use the loan for working capital and for further exploration and development activities at Block 14. The Orca Loan Facility matures on 30 June 2022 with interest charged at a rate of 7.5% per annum.

Prior to the RSG Share Acquisition Perseus has engaged in exclusive discussions with Orca with respect to a possible change of control transaction whereby Perseus would acquire all the outstanding securities of Orca. Orca potentially provides Perseus with exposure to two highly prospective assets with significant resource bases and is consistent with Perseus’ strategy of building a platform of long life, highly profitable African gold assets.

While the discussions regarding a possible transaction with Orca are continuing, any change of control transaction would be subject to, among other matters, the completion of outstanding due diligence including an assessment of the geopolitical situation in Sudan by Perseus and reaching agreement with Orca on definitive terms. As a result, there can be no assurance that any such transaction will be completed. Depending on market conditions and other factors, Perseus may, from time to time in the future, increase or decrease its direct or indirect ownership, control or direction over securities of Orca through market transactions, private agreements, subscriptions from treasury or otherwise.

The RSG Share Acquisition and Orca Loan Facility together demonstrate the Company’s intent on working collaboratively with Orca and the Government of Sudan to potentially progress an exciting development opportunity.

Perseus’s Managing Director and CEO Jeff Quartermaine said:

“The acquisition of the 15% interest in Orca provides Perseus with a pivotal position in Orca that gives us a platform from which to further evaluate what appears to be a very exciting potential growth opportunity.”

Perseus has recently achieved an annualised gold production rate of 500,000 ounces of gold per year from its three existing operating mines, and while it expects to be able to maintain this level of production based on exploration success around its existing gold mines, we are always seeking to identify value accretive inorganic growth opportunities. We believe that Orca could represent such an opportunity.”

OVERVIEW OF ORCA

Orca is a TSX-V listed gold developer focused on the acquisition, exploration and development of mineral properties in Africa. Orca's main asset is a 70% interest in the Block 14 Project that is located in northern Sudan near the border with Egypt. Please refer to Orca's website for information in relation to the Mineral Resource and Reserve estimates prepared by Orca for Block 14. Orca also announced completion of a feasibility study on the Block 14 Project in September 2020.

Orca also owns a 31.5% interest in TSX-V listed Montage who is nearing completion of a definitive feasibility study at its cornerstone Koné Gold Project located in Côte d'Ivoire. Please refer to Montage's website for information relating to the Mineral Resource estimates completed by Montage on the Koné Gold Project.

A copy of the early warning report required to be filed with the applicable securities commissions in connection with this transaction will be available on SEDAR at www.sedar.com and can be obtained by contacting Perseus's Company Secretary Martijn Bosboom at +61 8 6144 1700. Orca's head office is at 2000 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, Canada.

Perseus is being advised by Sternship Advisers.

This announcement was approved for release by the Board.

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 Yaouré Gold Mine, the Edikan Gold Mine and the Sissingué Gold Mine without any major disruption due to the COVID-19 pandemic or otherwise, 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.

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