



30 March 2006

The Manager
Australian Stock Exchange Ltd
Level 4
20 Bridge Street
Sydney, NSW 2000

Dear Sir

PROPOSED ISSUE OF NEW SECURITIES

Perseus Mining Ltd is pleased to announce that it has entered into agreements for the placement of 15,350,000 fully paid ordinary shares at an issue price of 40 cents each for a total subscription amount of \$6,140,000. The completion of this fundraising will enable the Company to maintain active drilling programmes at its Tolubay and Tengrela gold projects, as well as progressing feasibility studies for a mining operation at the Grumesa project.

An agreement has been reached with Montagu Corporate Pty Ltd ("Montagu") for it to procure subscriptions, on a best endeavours basis, for 9,600,000 shares to raise \$3,840,000. A prospectus for the offer of these shares will be issued soon.

An agreement has been entered into with Macquarie Bank Ltd for it to subscribe for 5,750,000 shares for a total subscription amount of \$2,300,000. Completion of the placement to Macquarie Bank Ltd is subject to shareholder approval under ASX Listing Rule 7.1. A general meeting to seek that approval will be held as soon as possible. This placement, combined with an earlier placement of shares in September 2005, will result in a total investment of \$3 million by Macquarie Bank Ltd in the Company.

The total funds raised of \$6.14 million will be used for exploration programs and for general working capital. Exploration programs include:

- the Tengrela Project, where substantial drilling is planned over the next twelve months to follow up significant intercepts from wide spaced RAB drilling;
- the Tolubay Project, where the Company will continue diamond drilling the Obdilla discovery, which has already produced highly encouraging results; and
- the Grumesa Project, where the Company is continuing feasibility work for a mining operation.

Yours faithfully

Mark Calderwood
Managing Director

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