



ABN 27 106 808 986

Interim Financial Report

For the half-year ended
31 December 2019

This interim report incorporating Appendix 4D is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3

Perseus Mining Limited
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Perseus Mining Limited
Appendix 4D
For the half-year ended 31 December 2019

Appendix 4D under the ASX Listing Rule 4.2A.3

Results for announcement to the market

		Six months to 31 December 2018 \$'000		Six months to 31 December 2019 \$'000
Revenue from ordinary activities	Down 3%	281,643	to	274,421
Profit after tax from ordinary activities	Up 193%	10,393	to	30,410
(Loss) / profit after tax attributable to members	Up 187%	10,438	to	29,813

Net tangible assets per share

	31 December 2018	31 December 2019
Net tangible assets per share	\$0.66	\$0.67

Dividends / distributions

No interim dividend was paid or declared for the period ended 31 December 2019.

Details of entities over which control has been gained or lost during the half-year

No control over entities has been gained or lost in the half-year ended 31 December 2019.

Explanation of results

See commentary on results in the Directors' report on pages 3-6.

Perseus Mining Limited
Corporate directory

Directors

Terence Sean Harvey
 Jeffrey Allan Quartermaine
 John Francis Gerald McGloin
 Sally-Anne Georgina Layman
 Daniel Richard Lougher
 David Meldrum Ransom

Non-Executive Chairman
 Managing Director & Chief Executive Officer
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director

Company secretary

Martijn Paul Bosboom

**Registered and
corporate office**

Level 2
 437 Roberts Road
 Subiaco, Western Australia 6008
 Australia

PO Box 1578
 Subiaco, Western Australia 6904
 Telephone:
 Facsimile:
 Email address:
 Website:

(61 8) 6144 1700
 (61 8) 6144 1799
 info@perseusmining.com
 www.perseusmining.com

Ghana office

4 Chancery Court
 147A Giffard Road, East Cantonments
 Accra - Ghana

PO Box CT2576
 Cantonments
 Accra - Ghana
 Telephone:
 Facsimile:

(233) 302 760 530
 (233) 302 760 528

Côte d'Ivoire office

Il Plateaux - Vallons
 Rue J75/J44 Lot 1438 ilot 145
 06 BP 1958 Abidjan 06, Côte d'Ivoire
 Telephone:
 Facsimile:

(225) 22 41 9126
 (225) 22 41 0925

Share registry

Computershare Investor Services Pty Limited
 Level 11
 172 St Georges Terrace
 Perth, Western Australia 6000
 Australia
 Telephone: (61 3) 9415 4000
 Facsimile: (61 3) 9473 2500
 www.computershare.com

Computershare Investor Services Inc.
 Level 3
 510 Burrard Street
 Vancouver, British Columbia V6C3B9
 Canada
 Telephone: (1 604) 661 9400
 Facsimile: (1 604) 661 9401
 www.computershare.com

Auditors

PricewaterhouseCoopers
 125 St Georges Terrace
 Perth, Western Australia 6000

Stock exchange listings

Australian Securities Exchange
 Toronto Stock Exchange
 Frankfurt Stock Exchange

(ASX – PRU)
 (TSX – PRU)
 (WKN: AOB7MN)

Perseus Mining Limited

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the “group”) consisting of Perseus Mining Limited (“Perseus” or the “company”) and its controlled entities for the half-year ended 31 December 2019 (the “period”). Perseus is a company limited by shares that is incorporated and domiciled in Australia. Unless noted otherwise, all amounts stated are expressed in Australian dollars.

DIRECTORS

The following persons were directors of Perseus during the period and up to the date of this report:

Terence Sean Harvey	Non-Executive Chairman
Jeffrey Allan Quartermaine	Managing Director and Chief Executive Officer
John Francis Gerald McGloin	Non-Executive Director
Sally-Anne Georgina Layman	Non-Executive Director
Daniel Richard Lougher	Non-Executive Director
David Meldrum Ransom (appointed 29 November 2019)	Non-Executive Director

Resignation

Colin John Carson resigned as Executive Director effective 29 November 2019.

RESULTS

The group's net profit after tax for the period ended 31 December 2019, after bringing to account a foreign exchange gain, was \$30.410 million (31 December 2018: \$10.393 million). EBITDA for the period ended 31 December 2019 was up significantly from the comparative period to \$123.940 million (31 December 2018: \$86.937 million). EBITDA excluding foreign exchange gain and write offs was \$117.299 million, up from \$70.630 million in the comparative period. There was a \$50.328 million decrease in cost of sales in the current period to \$148.668 million (31 December 2018: \$198.996 million) mainly attributable to the lower mining costs at Edikan following a revised mining strategy that took effect from 1 January 2019.

The foreign exchange gain reduced by \$9.428 million in the current period to a gain of \$6.974 million (31 December 2018: \$16.402 million gain) which related to the weakening of the United States dollar against the Australian dollar compared to the comparative period. Further information on the group's results can be found in the Statement of Comprehensive Income on page 9.

PRINCIPAL ACTIVITIES

The principal activities of the group during the period were gold production, mineral exploration and gold project development in the Republic of Ghana (“Ghana”) and the Republic of Côte d'Ivoire (“Côte d'Ivoire”), both of which are located in West Africa.

REVIEW OF OPERATIONS

During the period, the group continued to focus its activities on its three key projects, namely the Edikan Gold Mine in Ghana (“EGM” or “Edikan”), Sissingué Gold Mine (“SGM” or “Sissingué”) and Yaouré Gold Project (“Yaouré”), both in Côte d'Ivoire.

Edikan Gold Mine - Ghana

The group owns a 90% beneficial interest in the EGM, a producing gold mine located in Ghana. The remaining 10% interest in the EGM is a free carried shareholding in the project company owned by the Ghanaian government.

Operations

Operating results at the EGM for the six months to 31 December 2019 and the corresponding period in 2018 were as follows.

Parameter	Unit	Six months to 31 December 2019	Six months to 31 December 2018
Total ore and waste mined	kt	12,636	15,386
Ore mined	kt	3,121	4,600
Ore milled	kt	3,577	3,551
Milled head grade	g/t gold	0.94	1.16
Gold recovery	%	85	79
Gold produced	ounces	92,338	104,736

A total of 12,636k tonnes of ore and waste were mined during the period from the Abenabna, Bokitsi and Esuajah North pits, including 238k tonnes of oxide ore at 1.46g/t gold and 2,883k tonnes of fresh/transitional ore at 0.97/t gold. Ore stockpiles (including both high and low-grade ore but not mineralised waste) plus crushed ore decreased to 5,920k tonnes grading 0.63 g/t containing approximately 119,311 oz of gold during the six months to 31 December 2019. This stockpile is comprised of approximately 10% oxide ore and 90% primary ore.

Total mill throughput for the period was 3,577k tonnes of ore grading 0.94g/t of gold, combined with a gold recovery rate of 85% resulted in the recovery of 92,338 ounces of gold. A total of 90,265 ounces of gold were sold at a weighted average price of US\$1,388/oz.

The 92,338 ounces of gold were produced at an all-in site cost (including production costs, royalties and sustaining capital) ("AISC") of US\$1,031/oz. The 12% decrease in gold production from 104,736 ounces in the corresponding period was a result of lower mill head grade, whilst the 6% decrease in AISC from US\$1,096/oz in the corresponding period was as a result of lower mining costs, following a revised mining strategy that took effect from 1 January 2019.

Sissingué Gold Mine – Côte d'Ivoire

The SGM is located in the north of Côte d'Ivoire and lies within the Sissingué exploitation permit that covers an area of 446km² and is bounded on one side by the international border between Côte d'Ivoire and Mali. The exploitation permit is located along a structural/stratigraphic corridor within the Syama-Boundiali greenstone belt approximately 42km south-southwest of the Syama gold mine in Mali and 65km west northwest of the Tongon deposit in Côte d'Ivoire. The group owns an 86% interest in the SGM, with a 10% a free carried interest held by the Ivorian government and 4% owned by local interests.

Operations

Operating results at the SGM for the six months to 31 December 2019 and the corresponding period in 2018 were as follows.

Parameter	Unit	Six months to 31 December 2019	Six months to 31 December 2018
Total ore and waste mined	kt	3,338	2,562
Ore mined	kt	1,153	598
Ore milled	kt	895	699
Milled head grade	g/t gold	1.57	1.67
Gold recovery	%	94	95
Gold produced	ounces	42,642	35,819

A total of 3,338k tonnes of ore and waste were mined during the period, including 745k tonnes of oxide ore at 0.87g/t gold and 408k tonnes of fresh/transitional ore at 1.25g/t gold. Ore stockpiles (including both high and low-grade ore but not mineralised waste) plus crushed ore increased to 551k tonnes grading 0.71 g/t containing approximately 12,721 oz of gold during the six months to 31 December 2019. This stockpile is comprised of approximately 79% oxide ore and 21% primary ore.

Total mill throughput for the period was 895k tonnes of ore grading 1.57g/t of gold, combined with a gold recovery rate of 94% resulted in the recovery of 42,642 ounces of gold. A total of 44,471 ounces of gold were sold at a weighted average price of US\$1,401/oz. The 42,642 ounces of gold were produced at an AISC of US\$750/oz, representing a 5% increase in AISC from US\$717/oz in the corresponding period as a result of higher mining costs due to higher material mined, higher processing costs due to higher tonnes milled and higher royalty expenses stemming from higher gold prices.

Yaouré – Côte d'Ivoire

Yaouré is located in central Côte d'Ivoire, 40km northwest of Yamoussoukro, the political capital, and 270km northwest of Abidjan, the economic capital, of Côte d'Ivoire. Yaouré lies within a rural area, 22km east-northeast of the city of Bouaflé, and 5km west of the Kossou dam and hydroelectric power station. The nearest villages to the site are Angovia and Allahou-Bazi, which are located approximately 1km east of the proposed mine site.

Engineering

With a decision taken in May 2019 to develop Perseus's third gold mine, Yaouré, onsite and offsite activities have continued to schedule and on budget during the period, with significant progress being made on both fronts.

By the end of the period, planned plant engineering was 99% complete and procurement work (including delivery to site) was on schedule at 63% complete. Ninety-eight of the planned 101 contract packages had been awarded and tenders were under consideration for a further contract package. Off-site fabrication of critical steel work including the SAG and Ball Mills is well advanced and on schedule for completion and delivery to site by March 2020. Full scale construction of the processing facilities and associated infrastructure began in October 2019 and since then encouraging progress has been made on a range of fronts.

In early December 2019, a mining services contract was awarded to EPSA Internacional SA ("EPSA"), a privately owned, global earthmoving and mining contractor that is headquartered in Spain and provides a range of mining, civil works and earthmoving services to a blue-chip list of mining clients located in 15 countries.

Land compensation is also progressing with the Inter-Ministerial Committee expected to make a recommendation on compensation rates shortly. Full access to the site has been provided to Perseus pending finalisation of the land compensation rates.

At the end of the period, works required to enable the first pour of gold at Yaouré by the stretch target date of late December 2020 were generally on schedule.

Execution of Mining Convention

Discussions between Perseus's special purpose exploitation company, Perseus Mining Yaouré SA ("PMY") and the Ivorian departments of Mining and Geology, Customs, Environment, Budget and Finance on the terms of a Mining Convention to confirm fiscal stability and other arrangements that will apply during the life of the Yaouré Gold Mine, were successfully concluded during the period and the Mining Convention was executed on 9 December 2019.

The Mining Convention sets out the general, legal, fiscal, customs, financial, economic, social, administrative and environmental conditions under which PMY will conduct mining operations at Yaouré. It provides stability of the

fiscal and customs regime under which PMY will operate, including confirming benefits and arrangements contained in the Ivorian Mining Code, such as VAT, customs and other tax concessions, and stabilises royalties payable at the rates set in the current mining regulations.

The terms of the Yaouré Mining Convention are similar to the terms contained in the Sissingué Mining Convention with some adjustments incorporated to suit the specific circumstances of the Yaouré Gold Mine.

ROUNDING

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$'000) under the option available to the group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. This legislative instrument applies to the group.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, PricewaterhouseCoopers, to provide the directors of Perseus with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on the next page and forms part of this directors' report for the period ended 31 December 2019.

Signed in accordance with a resolution of directors.



J A Quartermaine
Managing Director and Chief Executive Officer
Perth, 19 February 2020



Auditor's Independence Declaration

As lead auditor for the review of Perseus Mining Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Perseus Mining Limited and the entities it controlled during the period.

A handwritten signature in dark ink, appearing to read 'Craig Heatley'.

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
19 February 2020

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Table of notes to the consolidated financial statements:

Performance	Operating assets and liabilities	Capital and financial risk management	Unrecognised items
1. Segment information	4. Inventories	8. Derivative financial instruments	12. Change in accounting policies and disclosures
2. Other income / expenses	5. Property, plant and equipment	9. Interest-bearing liabilities	13. Contingencies
3. Income tax benefit / (expense)	6. Mine properties	10. Issued capital and reserves	14. Commitments
	7. Mineral interest acquisition and exploration expenditure	11. Fair value of financial instruments	15. Events occurring after the end of the reporting period

These half-year financial statements are the financial statements of the consolidated entity consisting of Perseus Mining Limited and its subsidiaries. The financial statements are presented in the Australian currency.

Perseus Mining Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Perseus Mining Limited
Second Floor
437 Roberts Road
Subiaco, Western Australia 6008
Australia

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the directors' report on pages 3 to 6, which is not part of these interim financial statements.

These interim financial statements were authorised for issue by the directors on 19 February 2020. The directors have the power to amend and reissue the interim financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the company. All press releases, financial statements and other information are available at our News and Reports section on our website at www.perseusmining.com.

Perseus Mining Limited
Statement of comprehensive income
For the half-year ended 31 December 2019

	Notes	Consolidated	
		31 Dec 2019	31 Dec 2018
		\$'000	\$'000
Continuing operations			
Revenue		274,421	281,643
Cost of sales		(148,668)	(198,996)
Gross profit before depreciation and amortisation		125,753	82,647
Depreciation and amortisation relating to gold production	2	(77,931)	(78,082)
Gross profit from operations		47,822	4,565
Other income		3,005	1,092
Other expenses		(126)	(5,251)
Administration and other corporate expenses		(11,460)	(7,812)
Foreign exchange gain	2	6,974	16,402
Depreciation and amortisation expense	2	(181)	(74)
Write-downs and impairment	2	(208)	(95)
Finance cost	2	(2,502)	(3,357)
Profit before income tax		43,324	5,470
Income tax (expense) / benefit	3	(12,914)	4,923
Net profit after income tax		30,410	10,393
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(11,328)	14,589
Net changes in fair value of cash flow hedges		2,255	(4,788)
Net changes in fair value of financial assets		(51)	(522)
Income tax benefit relating to cash flow hedges		(1,505)	1,323
Total comprehensive income for the period		19,781	20,995
Gain attributable to:			
Owners of the parent		29,813	10,438
Non-controlling interests		597	(45)
		30,410	10,393
Total comprehensive income attributable to:			
Owners of the parent		17,061	20,807
Non-controlling interests		2,720	188
		19,781	20,995
Basic earnings per share		2.55 cents	1.01 cents
Diluted earnings per share		2.50 cents	0.88 cents

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Statement of financial position
As at 31 December 2019

		Consolidated	
	Notes	31 Dec 2019	30 June 2019
		\$'000	\$'000
Current assets			
Cash and cash equivalents		67,467	125,406
Receivables		13,193	10,089
Inventories	4	121,580	126,899
Prepayments		7,540	6,080
Income tax receivable		12,310	-
Total current assets		222,090	268,474
Non-current assets			
Receivables		4,342	7,162
Inventories	4	55,407	24,325
Financial assets at fair value through other comprehensive income		397	444
Property, plant and equipment	5	551,661	418,712
Right of use assets	12 (a)	2,363	-
Mine properties	6	193,300	232,761
Mineral interest acquisition and exploration expenditure	7	22,306	17,405
Total non-current assets		829,776	700,809
Total assets		1,051,866	969,283
Current liabilities			
Payables and provisions		88,056	69,494
Derivative financial instruments	8	6,533	8,508
Interest bearing liabilities	9	-	7,831
Lease liabilities	12 (a)	1,281	-
Total current liabilities		95,870	85,833
Non-current liabilities			
Provision		23,380	19,522
Derivative financial instruments	8	-	1,603
Interest bearing liabilities	9	71,286	36,996
Lease liabilities	12 (a)	939	-
Deferred tax liability		51,720	41,817
Total non-current liabilities		147,325	99,938
Total liabilities		243,195	185,771
Net assets		808,671	783,512
Equity			
Issued capital	10	776,564	776,564
Reserves		54,142	61,228
Accumulated losses		(31,763)	(61,576)
Parent entity interest		798,943	776,216
Non-controlling interest		9,728	7,296
Total Equity		808,671	783,512

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Statement of changes in equity
For the half-year ended 31 December 2019

	Consolidated								
	Issued capital	Accumulated losses	Share based payments reserve	Foreign currency translation reserve	Asset revaluation reserve	Hedge reserve	Non-controlling interest's reserve	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Six months to 31 December 2019									
Balance at 1 July 2019	776,564	(61,576)	26,964	40,766	383	(6,627)	(258)	7,296	783,512
Profit for the period	-	29,813	-	-	-	-	-	597	30,410
Currency translation differences	-	-	-	(11,811)	-	-	-	483	(11,328)
Net change in financial assets at fair value through other comprehensive income	-	-	-	-	(51)	-	-	-	(51)
Net change in fair value of cash flow hedges	-	-	-	-	-	465	-	1,790	2,255
Income tax relating to components of other comprehensive income	-	-	-	-	-	(1,355)	-	(150)	(1,505)
Total comprehensive income	-	29,813	-	(11,811)	(51)	(890)	-	2,720	19,781
Share based payments	-	-	5,666	-	-	-	-	(288)	5,378
Balance at 31 December 2019	776,564	(31,763)	32,630	28,955	332	(7,517)	(258)	9,728	808,671
Six months to 31 December 2018									
Balance at 1 July 2018	720,943	(68,567)	24,645	24,809	739	4,550	(258)	7,453	714,314
Profit for the period	-	10,438	-	-	-	-	-	(45)	10,393
Currency translation differences	-	-	-	14,110	-	-	-	479	14,589
Net change in financial assets at fair value through other comprehensive income	-	-	-	-	(522)	-	-	-	(522)
Net change in fair value of cash flow hedges	-	-	-	-	-	(4,410)	-	(378)	(4,788)
Income tax relating to components of other comprehensive income	-	-	-	-	-	1,191	-	132	1,323
Total comprehensive income	-	10,438	-	14,110	(522)	(3,219)	-	188	20,995
Exercise of warrants	60	-	-	-	-	-	-	-	60
Share based payments	-	-	1,175	-	-	-	-	(87)	1,088
Balance at 31 December 2018	721,003	(58,129)	25,820	38,919	217	1,331	(258)	7,554	736,457

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Statement of cash flows
For the half-year ended 31 December 2019

Notes	Consolidated	
	31 Dec 2019 \$'000	31 Dec 2018 \$'000
Operating activities		
Receipts in the course of operations	274,177	281,232
Payments to suppliers and employees	(202,266)	(196,296)
Interest received	1,300	678
Net cash inflow from operating activities	73,212	85,614
Investing activities		
Payments for exploration and evaluation expenditure	(6,378)	(4,332)
Payments for property, plant and equipment	(1,068)	(24)
Payments for mine properties	(8,195)	(10,417)
Payments for assets under construction	(134,636)	(11,712)
Refund of / (payments for) security deposits	4,226	(6,692)
Net cash outflow from investing activities	(146,051)	(33,177)
Financing activities		
Proceeds from exercise of warrants	-	60
Repayment of borrowings	(45,518)	(19,910)
Proceeds from borrowings	73,013	-
Borrowing costs	(12,002)	(3,369)
Net cash inflow / (outflow) from financing activities	15,493	(23,219)
Net (decrease) / increase in cash held	(57,346)	29,218
Cash and cash equivalents at the beginning of the financial period	125,406	31,166
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	(593)	2,711
Cash and cash equivalents at the end of the financial period	67,467	63,095

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2019

ABOUT THIS REPORT

The interim financial statements are for the consolidated entity consisting of Perseus Mining Limited and its subsidiaries (the “group” or the “consolidated entity”). Perseus Mining Limited is a listed for-profit public company, incorporated and domiciled in Australia. During the period ended 31 December 2019, the consolidated entity conducted operations in Australia, Ghana and Côte d’Ivoire.

These consolidated interim financial statements of the consolidated entity for the period ended 31 December 2019 are general purpose condensed financial statements prepared in accordance with the requirements of the Australian *Corporations Act 2001* (Cth) and AASB 134 ‘Interim Financial Reporting’.

These condensed interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the annual financial report. It is recommended that these interim financial statements be read in conjunction with the annual financial report for the year ended 30 June 2019, and any public announcements made by the group during the period in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The consolidated interim financial statements are presented in Australian dollars, which is Perseus Mining Limited’s functional and presentation currency. These consolidated interim financial statements are rounded to the nearest thousand dollars (\$’000), unless otherwise indicated.

New and amended standards and interpretations adopted by the group

In the period ended 31 December 2019, the group has reviewed and adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or before 1 July 2019. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the group’s annual consolidated financial statements for the year ended 30 June 2019 except for the adoption of AASB 16 Leases, which is detailed at note 12 (a). As a result of this review the directors have determined that there is no other change necessary to group accounting policies.

Historical cost convention

These consolidated interim financial statements have been prepared under the historical cost convention, except for derivative instruments which are carried at fair value.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed throughout the notes.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectations of future events that may have a financial impact on the consolidated entity and that are believed to be reasonable under the circumstances.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2019

The group makes estimates and assumptions concerning the future. The resulting accounting will, by definition, seldom equal the actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the notes indicated below.

	Note
Impairment	2
Unit-of-production method of depreciation/amortisation	2
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Exploration and evaluation expenditure	7
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1. SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the executive management team and board of directors that are used to make strategic decisions.

The group primarily reports based on a business segment basis as its risks and rates of return are affected predominantly by differences in the various business segments in which it operates, and this is the format of the information provided to the executive management team and board of directors.

The group operated principally in four segments in 2019 being Edikan, Sissingué, Yaouré and Corporate / Other. The segment information is prepared in conformity with the group's accounting policies.

The group comprises the following main segments:

Edikan	Mining, mineral exploration, evaluation and development activities.
Sissingué	Mining, mineral exploration, evaluation and development activities.
Yaouré	Mineral exploration, evaluation and development activities.
Corporate / Other	Investing activities and corporate management.

Revenue is derived from one external customer arising from the sale of gold bullion reported under both the Edikan and Sissingué reporting segments.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team and board of directors of the parent entity.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2019

1. SEGMENT INFORMATION – continued

(c) Segment information provided to the executive management team and board of directors

	Edikan		Sissingué		Yaouré		Corporate / other		Consolidated	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and other income										
Revenue	183,039	200,357	91,382	81,286	-	-	-	-	274,421	281,643
Other income	1,472	602	398	-	-	-	1,135	490	3,005	1,092
Total revenue and other income	184,511	200,959	91,780	81,286	-	-	1,135	490	277,426	282,735
Results										
Operating profit before income tax	37,021	(13,787)	10,799	6,263	5,411	(3,166)	(9,907)	16,160	43,324	5,470
Income tax (expense) / benefit									(12,914)	4,923
Net profit after tax									30,410	10,393
Included within segment results:										
Impairment and write-offs	-	(59)	(51)	(25)	(157)	-	-	(11)	(208)	(95)
Depreciation and amortisation	(39,297)	(52,421)	(37,198)	(24,629)	-	-	(1,617)	(1,106)	(78,112)	(78,156)
Share based payments	(256)	(329)	(329)	(99)	-	-	(1,328)	(783)	(1,913)	(1,211)
Foreign exchange gain / (loss)	985	1,145	(608)	(4,009)	570	-	6,027	19,266	6,974	16,402
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019	31 Dec 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets										
Segment assets	424,046	428,413	185,495	241,252	395,543	227,613	46,782	72,005	1,051,866	969,283
Total segment assets									1,051,866	969,283
Total assets include:										
Additions to non-current assets (other than financial assets)	14,267	20,258	16,518	17,609	149,319	25,532	9	260	180,113	63,659
Liabilities										
Segment liabilities	112,957	128,444	29,312	47,519	29,937	9,601	70,989	207	243,195	185,771
Total segment liabilities									243,195	185,771

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2019

2. OTHER INCOME / EXPENSES

	Consolidated	
	Six months ended	
	31 Dec 2019	31 Dec 2018
	\$'000	\$'000
Foreign exchange gain:		
Foreign exchange gain on translation of inter-company loans	1,637	17,595
Foreign exchange gain on translation of VAT receivable	411	223
Foreign exchange gain / (loss) on other translations	4,926	(1,416)
	6,974	16,402
Changes in inventories of finished goods and work in progress:		
Write back of inventories due to increase in net realisable value	17,406	430
Finance costs:		
Interest and finance charges	(2,502)	(3,357)
Other costs:		
Write-down of receivable	(126)	(285)
Depreciation and amortisation:		
Amortisation of stripping asset	(13,250)	(15,435)
Other depreciation and amortisation	(64,862)	(62,721)
	(78,112)	(78,156)

SIGNIFICANT JUDGEMENTS AND ESTIMATES

(i) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any) which is the amount by which the assets carrying value exceeds its recoverable amount. At 31 December 2019 the group determined that there were no external indicators of impairment as the carrying value of its net assets was below its market capitalisation and furthermore, no other technical indicators of impairment were identified.

(ii) Unit-of-production method of depreciation / amortisation

The group uses the unit-of-production basis when depreciating/amortising life of mine specific assets, which results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's economic life, which is assessed annually, has due regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which it is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The group amortises mine property assets utilising tonnes of ore mined and mine related plant and equipment over tonnes of ore processed.

(iii) Deferred stripping expenditure

The group defers stripping costs incurred during the production stage of its operations. Significant judgement is required to distinguish between production stripping that relates to the extraction of inventory and what relates to the creation of a deferred waste asset. The group also identifies the separate components of the ore body. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify these components, and to determine the expected volumes of waste to be stripped and ore to be mined in each component and a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The group considers that the ratio of the expected waste to be stripped for an expected amount of ore to be mined, for a specific component of the ore body, is the most suitable production measure.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2019

SIGNIFICANT JUDGEMENTS AND ESTIMATES – continued

2. OTHER INCOME / EXPENSES – continued

Furthermore, judgements and estimates are also used to apply the units of production method in determining the amortisation of the stripping activity asset(s).

(iii) Deferred stripping expenditure - continued

Changes in a mine's life and design will usually result in changes to the expected stripping ratio (waste to mineral reserves ratio). Changes in other technical or economical parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine's design. Changes to the life of the component are accounted for prospectively.

3. INCOME TAX (EXPENSE) / BENEFIT

The income tax expense that has been recognised in the statement of comprehensive income comprises \$12.9 million (31 December 2018 income tax benefit: \$4.9 million), fully relating to the EGM taxable profit in the current period.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in jurisdictions in which the group operates could limit the ability of the group to obtain tax deductions in future periods.

4. INVENTORIES

	Consolidated	
	31 Dec 2019	30 June 2019
	\$'000	\$'000
Current		
Ore stockpiles – at cost	7,616	-
Ore stockpiles – at net realisable value	14,565	35,768
Gold in circuit – at cost	9,991	3,313
Gold in circuit – at net realisable value	-	6,922
Bullion on hand – at cost	38,220	12,957
Bullion on hand – at net realisable value	-	20,578
Materials and supplies	51,188	47,361
	121,580	126,899

Inventory expense

The inventory expense during the six-month period ended 31 December 2019 was \$219.9 million (30 June 2019: \$477.5 million). A write back of inventories due to an increase in net realisable value recognised during the period ended 31 December 2019 amounted to \$17.4 million (30 June 2019: \$13.6 million) and is included in 'cost of sales' in the statement of comprehensive income.

	Consolidated	
	31 Dec 2019	30 June 2019
	\$'000	\$'000
Non-current		
Ore stockpiles – at net realisable value	55,407	24,325
	55,407	24,325

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2019

4. INVENTORIES (continued)

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Net realisable value tests are performed at least quarterly and represent the estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

5. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	31 Dec 2019	30 June 2019
	\$'000	\$'000
Plant and equipment - at cost	359,290	360,003
Accumulated depreciation	(215,555)	(187,793)
	143,735	172,210
Reconciliation of plant and equipment:		
Balance at the beginning of the period	172,210	214,790
Additions	1,067	885
Transferred from assets under construction	-	3,078
Depreciation	(29,216)	(53,409)
Disposals	-	(877)
Translation difference movement	(326)	7,743
Carrying amount at the end of the period	143,735	172,210
Assets under construction – at cost	407,926	246,502
Reconciliation of assets under construction:		
Balance at the beginning of the period	246,502	202,532
Additions	164,004	39,101
Transferred to property, plant and equipment	-	(3,078)
Transferred to mine properties	-	(3,663)
Transferred from exploration	-	2,320
Written off	(156)	-
Translation difference movement	(2,424)	9,290
Carrying amount at the end of the period	407,926	246,502
Total property, plant and equipment net book value	551,661	418,712

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2019

6. MINE PROPERTIES

	Consolidated	
	31 Dec 2019	30 June 2019
	\$'000	\$'000
Mine properties - at cost	635,557	626,494
Accumulated depreciation	(442,257)	(393,733)
	193,300	232,761
Reconciliation of mine properties:		
Balance at the beginning of the period	232,761	304,132
Additions	10,123	13,975
Transferred from assets under construction	-	3,663
Amortisation	(49,187)	(101,200)
Translation difference movement	(397)	12,191
Carrying amount at the end of the period	193,300	232,761

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the group's mining properties. The group estimates its Ore Reserves and Mineral Resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body and this requires complex geological judgements to interpret data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgements made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, provision for rehabilitation, recognition of deferred assets, and depreciation and amortisation charges.

7. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE

	Consolidated	
	31 Dec 2019	30 June 2019
	\$'000	\$'000
Mineral interest acquisition and exploration – at cost	22,306	17,405
Reconciliation:		
Balance at the beginning of the period	17,405	9,607
Additions	5,076	9,699
Transferred to assets under construction	-	(2,320)
Exploration costs written off	(51)	(144)
Translation difference movement	(124)	563
Carrying amount at the end of the period	22,306	17,405

7. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE - continued

The expenditure above relates principally to exploration and evaluation activities. The ultimate recoupment of this expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The write-off of \$51,000 in the current period was mainly attributable to the non-discovery of commercially viable deposits in regional Côte d'Ivoire.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made.

8. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	31 Dec 2019	30 June 2019
	\$'000	\$'000
Current liabilities		
Cash flow hedge liability	6,533	8,508
	6,533	8,508
Non-current liabilities		
Cash flow hedge liability	-	1,603
	-	1,603

The group is party to derivative financial instruments in the normal course of business in order to hedge exposure to future price and currency fluctuations in the primary commodity markets in which it operates. This is done in accordance with the group's financial risk management policies.

Forward metal contracts – cash flow hedges

The group uses cash flow designated USD forward metal contracts to hedge movements in USD precious metal prices on its anticipated sales of gold. At 31 December 2019 there were cash flow designated hedge contracts in place for 20,000 ounces of gold with settlements scheduled between March 2020 and September 2020 with a weighted average price of US\$1,300.50/oz. The portion of the gain or loss on these hedging instruments that are determined to be an effective hedge are recognised and retained directly in equity. The ineffective portion will be recognised in the statement of comprehensive income.

The amount reclassified during the period to revenue in the income statement was a loss of \$10.7 million (30 June 2019 gain: \$5.5 million).

Sales contracts

At 31 December 2019, the group held spot deferred sales contracts and forward sales contracts for a further 256,046 ounces of gold at an average sales price of US\$1,352.04 per ounce.

It is management's intention to settle each contract through physical delivery of gold and as such, the spot deferred sale contracts and forward sales contracts do not meet the criteria of financial instruments for accounting purposes. This is referred to as the "own use" exemption. Accordingly, the contracts will be accounted for as sale contracts with revenue recognised once the gold has been delivered.

8. DERIVATIVE FINANCIAL INSTRUMENTS – continued

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The group makes judgements on the effectiveness of all derivative financial instrument entered into, including forward metal contracts, metal options and foreign currency option contracts in accordance with the above accounting policy. Management's assessment is that, unless otherwise disclosed, the derivatives have been highly effective in offsetting changes in the fair value of the future cash flows against which they have been designated.

9. INTEREST BEARING LIABILITIES

		Consolidated	
		31 Dec 2019	30 June 2019
		\$'000	\$'000
Current			
Interest-bearing loan facility	(i)	-	7,831
		-	7,831
Non-current			
Interest-bearing loan facility	(i)	71,286	36,996
		71,286	36,996

- (i) During the period, the US\$30 million revolving line of credit that was available to the Company's Ghanaian subsidiary and the US\$40 million debt facility that funded the Sissingué project were fully repaid and substituted with a US\$150 million revolving corporate cash advance facility. This is a secured facility provided by a consortium of three international banks comprising of Macquarie Bank Limited from Australia, Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division) from South Africa and Société Générale of France. The amount outstanding on the facility was US\$50 million as at 31 December 2019 and funds from the drawdowns were used to settle the superseded loan facilities as well as progress the development of Yaouré.

Assets pledged as security

The revolving corporate cash advance facility is secured over the following assets:

- all of the assets of Perseus Mining Ltd and Occidental Gold Pty Ltd;
- Kojina Resources Ltd's shares held in Perseus Mining Ghana Ltd (PMGL);
- all assets of Amara Mining Ltd, Amara Mining (Côte d'Ivoire) Ltd and Perseus Côte d'Ivoire Ltd; and
- refining agreements of PMGL, Perseus Mining Côte d'Ivoire SA ("PMCI") and Perseus Mining Yaouré SA (PMY).

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2019

10. ISSUED CAPITAL AND RESERVES

(a) Issued and paid-up share capital

	Consolidated	
	31 Dec 2019	31 Dec 2018
	\$'000	\$'000
1,167,980,480 (31 December 2018: 1,034,968,530) ordinary shares, fully paid	776,564	721,003

	Consolidated			
	31 Dec 2019		31 Dec 2018	
	\$'000	Number	\$'000	Number
Balance at the beginning of the period	776,564	1,167,447,147	720,943	1,034,826,432
Share placement at issue price of \$0.44 pursuant to the exercise of warrants	-	-	60	142,098
Shares placement pursuant to the exercise of performance rights	-	533,333	-	-
Balance at the end of the period	776,564	1,167,980,480	721,003	1,034,968,530

(b) Performance rights

Performance rights have been granted as follows:

Grant date	End of measurement period	Expiry date	Exercise price	Balance at start of the period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at the end of the period	Vested and exercisable at end of the period
				<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
12-Oct-16	30-Jun-19	31-Dec-19	Nil	333,333	-	(333,333)	-	-	-
25-Nov-16	30-Jun-19	30-Jun-26	Nil	533,333	-	(200,000)	-	333,333	333,333
3-Aug-17	30-Jun-20	31-Dec-20	Nil	8,358,334	-	-	(200,000)	8,158,334	-
24-Nov-17	30-Jun-20	31-Dec-20	Nil	2,233,334	-	-	-	2,233,334	-
28-Nov-18	31-Dec-21	31-Dec-28	Nil	733,333	-	-	-	733,333	-
7-May-19	31-Dec-21	31-Dec-28	Nil	6,758,333	-	-	-	6,758,333	-
27-Jun-19	31-Dec-21	31-Dec-28	Nil	5,000,000	-	-	(300,000)	4,700,000	-
26-Sep-19	30-Jun-22	30-Jun-29	Nil	-	9,858,700	-	-	9,858,700	-
29-Nov-19	30-Jun-22	30-Jun-29	Nil	-	1,346,500	-	-	1,346,500	-
				23,950,000	11,205,200	(533,333)	(500,000)	34,121,867	333,333

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they were granted. The fair value of performance rights granted is determined using a Monte Carlo simulation model.

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends as declared and, in the event of winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(d) Nature and purpose of reserves

A summary of the transactions impacting each reserve has been disclosed in the statement of changes in equity.

Share-based payments reserve

The share-based payments reserve is used to record performance rights issued but not exercised.

10. ISSUED CAPITAL AND RESERVES – continued

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity along with Perseus's share of the movement in its associate's foreign currency translation reserve.

Non-controlling interest's reserve

The non-controlling interest's reserve records the difference between the fair value of the amount by which the non-controlling interests were adjusted to record their initial relative interest and the consideration paid.

Hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

Asset revaluation reserve

The asset revaluation reserve is used to record the revaluation of the investment in Manas Resources Limited and Amani Gold Limited to fair value as the investment is designated as financial assets at fair value through other comprehensive income.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurement as a whole:

- | | |
|---------|--|
| Level 1 | Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities |
| Level 2 | Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable) |
| Level 3 | Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable) |

For financial instruments that are recognised at fair value on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between categories during the period.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Measurement of fair values

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

12. CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

(a) New and amended standards and interpretations

AASB 16 Leases

The adoption of AASB 16 resulted in the Group recognising a right-of-use asset of \$2.8 million and related lease liability of \$2.8 million at 1 July 2019 in connection with all former operating leases except for those having a remaining lease term of less than 12 months from the date of initial application. The lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rates as at 1 July 2019. The new Standard has been applied using the modified retrospective approach. Prior periods have not been restated.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16. The Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

When the Group has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

Depending on the location of the leased asset and lease term, the following incremental borrowing rates were applied to lease liabilities recognised under AASB 16:

Country / Lease Term	1 Year	2 Years	3 Years	4 Years	5 Years
Australia	7.69%	7.64%	8.03%	8.18%	8.33%
Côte d'Ivoire	13.50%	13.46%	13.85%	14.04%	14.25%
Ghana	13.50%	13.46%	13.85%	14.04%	14.25%

The carrying values of the right of use assets and lease liability at 31 December 2019 are set out in the table below:

	31 Dec 2019
	\$'000
Assets	
Right of use assets – buildings	1,147
Right of use assets – plant and equipment	1,216
	<u>2,363</u>
Liabilities	
Lease liability – current	1,281
Lease liability – non-current	939
	<u>2,220</u>

The right of use assets as at 31 December 2019 is mainly comprised of properties located in Australia, Côte d'Ivoire and Ghana, as well as fuel stations in Côte d'Ivoire and Ghana.

(b) Changes in accounting policies

There have been no other changes in accounting policies during the period ended 31 December 2019.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2019

13. CONTINGENCIES

There were no other known contingent liabilities since the annual financial report for the period ended 31 December 2019.

14. COMMITMENTS

Commitments disclosed in the Group's 30 June 2019 annual report have not changed except the following.

Gold delivery commitments

	Gold for physical delivery oz	Contracted sales price US\$ / oz	Value of committed sales \$'000
Within one year	118,757	1,402	166,497
Later than one but not later than five years	137,289	1,309	179,711

At 31 December 2019, the group held spot deferred sales contracts and forward sales contracts for 256,046 ounces of gold at an average sales price of US\$1,352.04 per ounce. The contracts will be rolled out from 2020 to 2022 and represent 24% of anticipated gold production over the period.

The counterparties to the physical gold delivery contracts are Macquarie Bank and Nedbank Limited. Contracts are settled by the physical delivery of gold as per the contract terms. The contracts are accounted for as sale contracts with revenue recognised once gold has been delivered to the scheduled counterparties. The physical gold delivery contracts are considered a contract to sell a non-financial item and therefore do not fall within the scope of AASB 9 financial Instruments: Recognition and Measurement. Hence, no derivatives are recognised. The contracted sales price is rounded to the nearest dollar.

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	31 Dec 2019 \$'000	30 Jun 2019 \$'000
Property, plant and equipment	11,529	-

The above commitments relate to contractual commitments for the purchase of property, plant and equipment for Yaouré.

15. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Since the end of the period and to the date of this report, no matter or circumstance has arisen that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial periods.

DIRECTORS' DECLARATION

In the opinion of the directors of Perseus Mining Limited (the 'Company'):

- (a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year then ended; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Pursuant to s.303(5) of the Corporations Act 2001, this declaration is signed in accordance with a resolution of the Board of Directors.



J A Quartermaine
Managing Director and Chief Executive Officer
Dated at Perth, 19 February 2020



Independent auditor's review report to the members of Perseus Mining Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Perseus Mining Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected other explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Perseus Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757

Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Perseus Mining Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in dark ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to be 'CH' followed by a flourish.

Craig Heatley
Partner

Perth
19 February 2020