



ABN 27 106 808 986

Interim Financial Report

For the Half-Year ended
31 December 2014

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 2014

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

Results for announcement to the market

		Six months to 31 December 2013 \$'000		Six months to 31 December 2014 \$'000
Revenue from ordinary activities	Up 5% from	135,361	to	142,168
Profit / (loss) after tax from ordinary activities	Up 1,123% from	(4,024)	to	41,167
Profit / (loss) after tax attributable to members	Up 1,157% from	(3,831)	to	40,508

Net tangible assets per share

	31 December 2013	31 December 2014
Net tangible assets per share	\$1.0	\$1.0

Dividends / distributions

No interim dividend was paid or declared for the period ended 31 December 2014.

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

Nil.

Explanation of results

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

Perseus Mining Limited
Corporate directory

Directors	Reginald Norman Gillard Jeffrey Allan Quartermaine Michael Andrew Bohm Colin John Carson Terence Sean Harvey	Non-executive chairman Managing director Non-executive director Executive director Non-executive director
Company secretary	Martijn Paul Bosboom	
Registered and corporate office	Second Floor 437 Roberts Road Subiaco, Western Australia 6008 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
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Côte d'Ivoire office	Cocody II Plateaux Vallons, Quartier Lemanina Lot 1846 ilot 169 derrière Pako Gourmand 28 BP 571 Abidjan 28, Côte d'Ivoire Telephone: Facsimile:	(225) 22 41 9126 (225) 22 41 0925
Share registry	Advanced Share Registry Limited 110 Stirling Highway Nedlands, Western Australia 6009 Australia Telephone: (61 8) 9389 8033 Facsimile: (61 8) 9389 7871 www.advancedshare.com.au	TMX Equity Transfer Services Inc. 200 University Avenue, Suite 300 Toronto, Ontario M5H4H1 Canada Telephone: (1 866) 393 4891 Facsimile: (1 416) 361 0470 www.tmxequitytransferservices.com
Auditors	Ernst & Young 11 Mounts Bay Road 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”) and its controlled entities for the half-year ended 31 December 2014 (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:

Reginald Norman Gillard	Non-executive chairman
Jeffrey Allan Quartermaine	Managing director
Michael Andrew Bohm	Non-executive director
Colin John Carson	Executive director
Terence Sean Harvey	Non-executive director

RESULTS

The group’s net profit after tax for the half-year ended 31 December 2014 was \$41.167 million (31 December 2013: loss of \$4.024 million). The improvement in results is largely attributable to a foreign exchange gain in the current year of \$39.101 million (31 December 2013: \$0.151 million) due to a weakening of the Australian dollar against the United States dollar and the revaluation of the intercompany loan. The group’s underlying operational performance has improved with increased production driving higher revenues in the current year of \$142.168 million (31 December 2013: \$135.361 million) coupled with cost reductions across the group. 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 mining operations and the sale of gold, mineral exploration and gold project evaluation and development in the Republics of Ghana and Côte d’Ivoire, in West Africa.

REVIEW OF OPERATIONS

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

Edikan Gold Mine - Ghana

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

Mining and Processing Operations

During the period, Perseus continued on its short term strategy of focusing on productivity improvements and cost reductions as well as the medium term plan of upgrading the overall grade of ore produced through successful exploration within trucking distance of the processing facility. Perseus’s strategy of pursuing sustainable efficiency improvements took effect with key processing plant operating parameters either exceeding or approaching targets and further material mining cost reductions anticipated to take effect in 2015.

Perseus Mining Limited
Directors' report

Operating results at the EGM for the 6 months to 31 December 2014 and the corresponding period in 2013 were as follows.

Key operating parameter	Units	31 December 2014	31 December 2013
Ore mined	tonnes	3,273,000	3,161,000
Ore milled	tonnes	3,348,000	3,420,000
Head grade	g/t gold	1.07	1.02
Recovery	%	87.00	83.90
Gold produced	oz	100,016	94,190

The 6% increase in gold production relative to the corresponding period in 2013 is due to a higher average head grade along with improved gold recoveries. Gold production for the period was 100,016 ounces at a total site cash cost (including production, royalties, investment in pre-stripping and inventory, development and sustaining capital) of US\$988/oz, down 23% relative to the corresponding period in 2013.

During the period a total of 3,224,000 bcms of material was mined from the AF Gap and Fobinso open pits, including 3,273,000 tonnes of ore grading 1.1g/t plus 2,012,000 bcms of waste material. The ROM ore stockpiles that include both high and low grade ore (but not mineralised waste) plus crushed ore decreased by 75,000 tonnes to 3,607,000 tonnes grading 0.61g/t. The reduction in the stockpile reflected the surplus of ore milled relative to ore mined during the period.

A total of 3,348,000 tonnes of ore grading 1.07 g/t of gold was milled during the period. Overall gold recovery of 87.0% resulted in the recovery of 100,016 ounces of gold of which 96,568 ounces of gold were poured during the period. A total of 96,369 ounces of gold was sold at a weighted average price of US\$1,310 per ounce. A total of 55,000 ounces of gold were delivered into forward sales contracts at a weighted average price of US\$1,301/oz while the balance of gold sales were made at prevailing spot prices for gold. A total of 71,000 ounces of gold were committed to forward sales contracts at a weighted average gold price of US\$1,595/oz as at the end of the period.

Total all in site cash costs have reduced during the period as a range of business initiatives that were implemented at the beginning of the period start to be realised. While the impact of some initiatives has been immediate, it is expected that further significant efficiency gains and cost improvements will be recorded in future periods.

During the period, Perseus received GHS17.6 million (\$6.1 million) and a further GHS30.0 million (\$10.5 million) of Treasury Credit Notes as final payment of the audited outstanding VAT debt owed to the company by the Government of Ghana. Following the receipt of payments, a total of GHS45.8 million (US\$14.3 million) of VAT refunds were outstanding at the end of the period, that is currently in the process of being audited.

During the period, mining contractors were invited to tender for the provision of mining services for Stage 3 of the Fobinso Pit and the Eastern Pits. The tender for mining Stage 3 of the Fobinso Pit was awarded to Rocksure International Limited, an experienced, wholly Ghanaian-owned mining contractor that has provided mining and drilling services at several other African gold mines including Golden Star's Wassa and Bogoso-Prestea mines in Ghana. The tendered price for the provision of the mining services will result in a material decrease in Edikan's unit mining costs in coming periods.

Eight contractors tendered for the provision of services for the mining of the Eastern Pits, including Edikan's current mining contractor Africa Mining Services ("AMS") and seven other companies/consortia ranging from wholly Ghanaian-owned mining contractors to an assortment of international mining contractors.

Discussions are progressing with a shortlist of Tenderers and a contract will be awarded shortly to enable the successful Tenderer to be in a position to start mining the Eastern Pits during the March 2015 Quarter. While the final contract price has not been settled, it is highly likely that there will be a material decrease in Edikan's overall unit mining costs in coming periods relative to current mining costs.

Irrespective of the outcome of the Eastern Pits Tender, it is expected that AMS will continue to mine Stages 2 and 3 of the AG Pit under the terms of their existing contract.

Sissingué Gold Project, Côte d'Ivoire

The group owns an 85% interest in the SGP, a development stage gold deposit at Sissingué located in the north of Côte d'Ivoire. The Company's 85% interest in the SGP reflects (as if it had been granted) a 10% free carried interest in favour of the Government of Côte d'Ivoire and 5% owned by local interests.

During the period, Lycopodium Minerals Pty Ltd ("Lycopodium"), an internationally recognised engineering and project management consultancy, was appointed by Perseus to revise the project Feasibility Study for the SGP.

The revised study will reflect not only the processing flow sheet adopted following a preliminary economic assessment of a "scaled down" version of the SGP that was completed earlier in the period but also updated assumptions on mining, processing and various service functions associated with the project. This work has included a review of various energy sources for powering the project with consideration being given to a range of alternatives including electricity drawn from the national electricity grid as well as stand-alone power plants fuelled by diesel or gas products. As energy is a key consumable for the project, the outcome of this aspect of the study is expected to have a material impact on forecast project economics.

During the period, Perseus has continued to engage constructively with the Ivorian Government on the drafting of a Mining Convention for the project. This process has been greatly assisted by the introduction in 2014 of a new Mining Code in Côte d'Ivoire which clearly specifies many of the fiscal terms under which projects can be operated in country. Perseus is very confident, that in the event of a positive development decision on the project, an appropriate Mining Convention could be promptly finalised.

Exploration

A total of 19,653 metres of drilling was completed in Côte d'Ivoire during the period to follow up previous favourable drilling results at the Mahalé Exploration Permit and auger anomalies at the Sissingué Exploitation Permit.

A total of 5,268 metres was drilled at the Bélé anomaly on the Mahalé licence during the period, including 280 metres of diamond ("DD") drilling and 4,988 metres of reverse circulation ("RC") drilling following up on drilling results from the last financial year. The Bélé Prospect is located 40 kilometres west-southwest of the SGP.

Most of the drill holes tested new targets and returned weak anomalous results at best. The final 6 holes of the program tested the Bélé East and West targets at depth. Based on the latest drilling, the Bélé East high grade mineralisation remains partially open to depth, however it appears to be of limited strike extent and is therefore likely relatively small in volume. Recent drilling at the Bélé West mineralisation, although apparently weaker at depth in the central portion, persists to moderate depths at comparable grade to the northeast and may be improving further northeast and remains open on strike. However, the potential strike continuation is only open for 150 metres to the northeast where a fence of north to south drilled holes returned very weak results and cut off the north-eastern strike continuation of the zone, at least to shallow levels.

As was the case at Bélé East, the Bélé West zone appears to be limited in extent and unlikely to produce a significant Mineral Resource at economic grades.

A total of 14,384 metres was drilled at the Sissingué Exploitation Permit during the period to evaluate areas of potential geochemical masking by transported regolith along the Papara-Sissingué-Kanakono mineralized corridor. During the period, a total of 11,532 metres of auger and 2,853 metres of rotary air blast ("RAB") drilling was completed. A number of modest auger anomalies were identified by the program, some of which were followed up with RAB drill testing with weak results.

ROUNDING

The amounts contained in this report and in the interim financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the class order applies.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, 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 half-year ended 31 December 2014.

Signed in accordance with a resolution of directors.

J A Quartermaine



Managing Director
Perth, 13 February 2015

Competent Person Statement:

The information in this report that relates to exploration results was first reported by the Company in compliance with the JORC Code 2012 in its September 2014 Quarterly Activities Report dated 16 October 2014 and its December 2014 Quarterly Activities Report dated 20 January 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred to above.



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Auditor's Independence Declaration to the Directors of Perseus Mining Limited

In relation to our review of the financial report of Perseus Mining Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Gavin Buckingham
Partner
Perth
13 February 2015

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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 13 February 2015. 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 2014

	Notes	Consolidated	
		31 Dec 2014	31 Dec 2013
		\$'000	\$'000
Revenue	4	142,168	135,361
Changes in inventories of finished goods and work in progress		(2,495)	5,358
Contractors, consumables, utilities and reagents		(81,484)	(94,256)
Royalties		(8,690)	(8,507)
Employee benefits expense		(13,478)	(14,697)
Depreciation and amortisation expense	4	(23,557)	(20,712)
Foreign exchange gain	4	39,101	151
Finance cost	4	(461)	(912)
Impairment of available-for-sale financial asset		(1,030)	(2,225)
Share of net losses of associate	10	(108)	-
Gain recognised on discontinuation of equity accounting	10	507	-
Other expenses		(5,035)	(4,102)
Profit / (loss) before income tax expense		45,438	(4,541)
Income tax (expense) / benefit	5	(4,271)	517
Profit / (loss) after income tax		41,167	(4,024)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		17,989	8,345
Net changes in fair value of cash flow hedges		12,766	(1,163)
Net changes in fair value of available for sale financial assets		(380)	651
Income tax (expense) / benefit relating to cash flow hedges		(4,468)	407
Total comprehensive income for the period		67,074	4,216
Profit / (loss) attributable to:			
Owners of the parent		40,508	(3,831)
Non-controlling interests		659	(193)
		41,167	(4,024)
Total comprehensive income attributable to:			
Owners of the parent		64,767	4,305
Non-controlling interests		2,307	(89)
		67,074	4,216
Basic profit / (loss) per share		7.69 cents	(0.84) cents
Diluted profit / (loss) per share		7.58 cents	(0.84) cents

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Statement of financial position
As at 31 December 2014

	Notes	Consolidated	
		31 Dec 2014 \$'000	30 June 2014 \$'000
Current assets			
Cash and cash equivalents	6	43,087	36,937
Receivables	7	32,982	32,985
Inventories	8	42,735	37,111
Other assets	9	7,583	5,943
Derivative financial instruments	14	35,530	9,557
Total current assets		161,917	122,533
Non-current assets			
Receivables	7	11,572	17,243
Inventories	8	-	2,025
Other assets	9	2,405	2,053
Investments accounted for using the equity method	10	-	1,548
Property, plant and equipment	11	199,759	184,521
Mine properties	12	210,913	189,005
Mineral interest acquisition and exploration expenditure	13	40,931	33,565
Derivative financial instruments	14	-	9,529
Total non-current assets		465,580	439,489
Total assets		627,497	562,022
Current liabilities			
Trade and other payables		36,573	53,077
Derivative financial instruments	14	-	115
Total current liabilities		36,573	53,192
Non-current liabilities			
Provision		9,213	7,669
Deferred tax liability		47,725	34,552
Total non-current liabilities		56,938	42,221
Total liabilities		93,511	95,413
Net assets		533,986	466,609
Equity			
Issued capital	16	476,429	476,429
Reserves		23,380	(1,110)
Retained earnings / (accumulated losses)		25,228	(15,280)
Parent entity interest		525,037	460,039
Non-controlling interest		8,949	6,570
Total equity		533,986	466,609

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Statement of changes in equity
For the half-year ended 31 December 2014

	Consolidated								
	Issued capital	Retained earnings / (accumulated losses)	Share based payments reserve	Foreign currency translation reserve	Asset revaluation reserve	Cash flow 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 2014									
Balance at 1 July 2014	476,429	(15,280)	19,071	(33,739)	54	13,286	218	6,570	466,609
Profit for the period	-	40,508	-	-	-	-	-	659	41,167
Currency translation differences	-	-	-	17,244	-	-	-	818	18,062
Share of currency translation difference of associated entity	-	-	-	(73)	-	-	-	-	(73)
Net change in fair value of available-for-sale financial assets	-	-	-	-	(380)	-	-	-	(380)
Net change in fair value of cash flow hedges	-	-	-	-	-	11,489	-	1,277	12,766
Income tax relating to components of other comprehensive income	-	-	-	-	-	(4,021)	-	(447)	(4,468)
Total comprehensive income for the period	-	40,508	-	17,171	(380)	7,468	-	2,307	67,074
Shares issued during the period	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-
Share based payments	-	-	231	-	-	-	-	72	303
Balance at 31 December 2014	476,429	25,228	19,302	(16,568)	(326)	20,754	218	8,949	533,986
Six months to 31 December 2013									
Balance at 1 July 2013	445,404	15,267	18,865	(31,454)	(651)	24,631	218	9,062	481,342
Changes in accounting policies	-	402	-	50	-	-	-	50	502
Balance at 1 July 2013	445,404	15,669	18,865	(31,404)	(651)	24,631	218	9,112	481,844
Loss for the period	-	(3,831)	-	-	-	-	-	(193)	(4,024)
Currency translation differences	-	-	-	8,166	-	-	-	179	8,345
Share of currency translation difference of associated entity	-	-	-	-	-	-	-	-	-
Net change in fair value of available-for-sale financial assets	-	-	-	-	651	-	-	-	651
Net change in fair value of cash flow hedges	-	-	-	-	-	(1,047)	-	(116)	(1,163)
Income tax relating to components of other comprehensive income	-	-	-	-	-	366	-	41	407
Total comprehensive income for the period	-	(3,831)	-	8,166	651	(681)	-	(89)	4,216
Shares issued during the period	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-
Share based payments	-	-	(13)	-	-	-	-	12	(1)
Balance at 31 December 2013	445,404	11,838	18,852	(23,238)	-	23,950	218	9,035	486,059

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Statement of cash flows
For the half-year ended 31 December 2014

	Consolidated	
	Six months ended	
	31 Dec 2014	31 Dec 2013
	\$'000	\$'000
Operating activities		
Receipts in the course of operations	137,058	130,962
Payments to suppliers and employees	(126,316)	(123,194)
Interest received	261	26
Payments for borrowing costs	-	(255)
Net cash from operating activities	11,003	7,539
Investing activities		
Payments for exploration and evaluation expenditure	(3,214)	(5,164)
Payments for acquisition of property, plant and equipment	(31)	(344)
Payments for mine properties	(5,211)	(9,321)
Payments for acquisition of assets under construction	(6,943)	(12,205)
Proceeds on disposal of property, plant and equipment	-	81
Purchase of gold put options	-	(179)
Investment in listed entity	(100)	-
Net cash used in investing activities	(15,499)	(27,132)
Financing activities		
Proceeds from share issues	-	-
Repayment of borrowings	-	-
Share issue expenses	-	-
Net cash provided by financing activities	-	-
Net decrease in cash held	(4,496)	(19,593)
Cash and cash equivalents at the beginning of the financial period	36,937	35,480
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies	10,646	129
Cash and cash equivalents at the end of the financial period	43,087	16,016

The accompanying notes form part of these financial statements.

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Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2014

1. BASIS OF PREPARATION

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 half-year ended 31 December 2014, 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 2014 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 full 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 2014, and any public announcements made by the group during the half-year 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 off 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 2014, 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 2014. 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 2014. As a result of this review the directors have determined that there is no change necessary to group accounting policies.

Historical cost convention

These consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative instruments and available for sale financial assets.

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 in note 2.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

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 below.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2014

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS – continued

(i) Exploration and evaluation expenditure

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.

(ii) Impairment of assets

In determining whether the recoverable amount of each cash generating unit is the higher of fair value less costs to sell or value-in-use against which asset impairment is to be considered, the group undertakes future cash flow calculations which are based on a number of critical estimates and assumptions, forward estimates including:

- (i)* Mine life including quantities of mineral ore reserves and mineral resources for which there is a high degree of confidence of economic extraction with given technology;
- (ii)* Estimated production and sales levels;
- (iii)* Estimate future commodity prices;
- (iv)* Future costs of production;
- (v)* Future capital expenditure;
- (vi)* Future exchange rates; and/or
- (vii)* Discount rates applicable to the cash generating unit.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

(iii) Share-based payment

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 options granted is determined using a Black-Scholes model and the fair value of performance rights granted is determined using a Monte Carlo simulation model.

(iv) Restoration and rehabilitation provisions

The value of the current restoration and rehabilitation provision is based on a number of assumptions including the nature of restoration activities required and the valuation at the present value of a future obligation that necessitates estimates of the cost of performing the work required, the timing of future cash flows and the appropriate discount rate. Additionally current provisions are based on the assumption that no significant changes will occur in relevant legislation covering restoration of mineral properties. A change in any, or a combination, of these assumptions used to determine current provisions could have a material impact to the carrying value of the provision.

(v) Derivative financial instruments

The group makes judgements on the effectiveness of all derivative financial instruments entered into, including forward metal contracts, metal options and foreign currency option contracts. 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 and as such are compliant with the hedge effectiveness requirements of AASB 139. Further information on the group's use of derivative financial instruments, including carrying values, is set out in note 14.

(vi) Taxes

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.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS – continued

(vii) 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.

(viii) 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. 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 mine are accounted for prospectively.

(ix) Inventory

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.

(x) Reserves and resources

Our 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.

(xi) 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.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2014

3. 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 on a geographical basis as its risks and rates of return are affected predominantly by differences in geographical areas 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 three geographical segments during the half-year ended 31 December 2014 being Australia and the West African countries of Ghana and Côte d'Ivoire. The segment information is prepared in conformity with the group's accounting policies.

The group comprises the following main segments:

Australia	Investing activities and corporate management.
Ghana	Mining, mineral exploration, evaluation and development activities.
Côte d'Ivoire	Mineral exploration, evaluation and evaluation activities.

Revenue is derived from two external customers arising from the sale of gold bullion reported under the Ghana reporting segment.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2014

3. SEGMENT INFORMATION – continued

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

	Australia		Ghana		Côte d'Ivoire		Consolidated	
	31 Dec 2014	31 Dec 2013						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Total revenue	300	18	141,868	135,343	-	-	142,168	135,361
Results								
Operating profit / (loss) before income tax	34,195	(578)	12,120	(2,753)	(877)	(1,210)	45,438	(4,541)
Income tax (expense) / benefit							(4,271)	517
Net profit / (loss)							41,167	(4,024)
Included within segment results:								
Share of net loss of associate accounted for using the equity method	(108)	-	-	-	-	-	(108)	-
Impairment of available-for-sale financial asset	(1,030)	(2,225)	-	-	-	-	(1,030)	(2,225)
Depreciation and amortisation	(519)	(454)	(22,970)	(20,186)	(68)	(72)	(23,557)	(20,712)
Devaluation of gold put options	-	-	-	(141)	-	-	-	(141)
Share based payments to employees, directors and consultants	(263)	2	7	27	(20)	(2)	(276)	27
Foreign exchange gain / (loss)	39,257	7,631	(158)	(7,475)	2	(5)	39,101	151
	As at	As at						
	31 Dec 2014	30 June 2014						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Segment assets	42,196	43,272	519,470	456,590	65,831	62,160	627,497	562,022
Total assets includes:								
Investments in associates	-	1,548	-	-	-	-	-	1,548
Additions to non-current assets (other than financial assets)	45	404	13,767	41,881	1,889	3,792	15,701	46,077
Liabilities								
Segment liabilities	1,061	1,013	92,049	93,925	401	475	93,511	95,413

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2014

4. OTHER INCOME / EXPENSES AND ADJUSTMENTS

	Consolidated	
	Six months ended	
	31 Dec 2014	31 Dec 2013
	\$'000	\$'000
Profit before income tax has been determined after:		
Other revenue:		
Interest revenue	<u>313</u>	<u>25</u>
Interest revenue is included in 'revenue' in the statement of comprehensive income.		
Foreign exchange gain:		
Foreign exchange gain on translation of inter-company loans	37,791	7,453
Foreign exchange loss on translation of VAT receivable	(1,526)	(7,146)
Foreign exchange gain / (loss) on other translations	<u>2,836</u>	<u>(156)</u>
	<u>39,101</u>	<u>151</u>
Changes in inventories of finished goods and work in progress:		
(Write down) / write up of inventories due to (decrease) / increase in net realisable value	(6,704)	10,403
(Write down) / write up of inventories due to a (decrease) / increase in net realisable value is included in 'changes in inventories of finished goods and work in progress' in the statement of comprehensive income.		
Finance costs:		
Interest and finance charges	<u>(461)</u>	<u>(912)</u>
Other costs:		
Devaluation of gold put options	-	(141)
Loss on disposal of property, plant and equipment	(4)	(1,053)
Write-down of receivable	<u>(2,294)</u>	<u>-</u>
Depreciation and amortisation:		
Amortisation of stripping asset	(9,504)	(8,401)
Other depreciation and amortisation	<u>(14,053)</u>	<u>(12,311)</u>
	<u>(23,557)</u>	<u>(20,712)</u>

5. INCOME TAX EXPENSE

The income tax expense that has been recognised in the statement of comprehensive income comprises \$4,270,949 (31 December 2013 income tax benefit: \$517,137), fully relating to the EGM profit for the period.

6. CASH AND CASH EQUIVALENTS

		Consolidated	
		31 Dec 2014	30 June 2014
		\$'000	\$'000
Cash assets	(i)	3,530	1,685
Short term deposits	(ii)	<u>39,557</u>	<u>35,252</u>
		<u>43,087</u>	<u>36,937</u>

- (i) Cash at bank earns interest at floating rates based on daily bank deposit rates.
(ii) Short-term deposits are made for varying periods, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

Perseus Mining Limited
Notes to the financial statements
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6. CASH AND CASH EQUIVALENTS – continued

Risk exposure

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

7. RECEIVABLES

		Consolidated	
		31 Dec 2014	30 June 2014
		\$'000	\$'000
Current			
Trade debtors	(i)	15,316	12,061
Sundry debtors	(i)	3,541	3,267
Other receivable	(ii)	17,547	20,615
Allowance for doubtful debts	(iii)	(3,422)	(2,958)
		32,982	32,985
Non-current			
Other receivable	(ii)	-	7,245
Security deposits	(iv)	11,572	9,998
		11,572	17,243

Terms relating to the above financial instruments:

- (i) Trade and sundry debtors are non-interest bearing and generally on 30 day terms.
- (ii) Other receivable relates to a VAT refund from the Ghana Revenue Authority (“GRA”). During the period, \$17.5 million (30 June 2014: \$20.6 million) of this receivable has been classified as current as it is expected to be recovered within the next twelve months. On 8 July 2014 GHS17.6 million (\$6.1 million) of the current VAT receivable was received from the GRA.
- (iii) Allowance for doubtful debts are recognised against sundry debtors for estimated irrecoverable amounts determined by reference to an analysis of the counterparty’s current financial position.
- (iv) At 31 December 2014, the group has US\$9.4 million (approximately A\$11.6 million) held in bank deposits which are subject to a lien and are collateral for a bank guarantee that has been issued to the Ghana Environmental Protection Agency in relation to environmental rehabilitation provisions concerning the EGM.

Past due but not impaired

With the exception of \$3.4 million disclosed above which is fully provided for, all of the remaining trade and other receivables are current.

Fair value and foreign exchange and credit risk

Due to the short term nature of the current receivables, their carrying amount is assumed to approximate their fair value. Long term receivables are evaluated by the group based on parameters such as individual creditworthiness of the customer and specific country risk factors. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

The other receivable relating to a VAT refund from the GRA is immediately repayable on demand in Ghanaian Cedis (“GHS”), is unsecured and bears no interest. Since the authorisation of treasury credit notes by the GRA, payments of employment taxes, withholding taxes and royalties have been offset against the VAT receivable. During the period, the group received a partial payment of the outstanding VAT debt from the GRA, totalling GHS17.6 million (US\$5.8 million) and GHS 30.0 million (US\$9.4 million) of Treasury Credit Notes to cover that part of the VAT refund that has been formerly audited and approved. The fair value of the non-current receivable, determined using a 10% discount rate and assuming it takes a year to recover the receivable in full was \$6.6 million at 30 June 2014. There are no non-current receivables as at 31 December 2014.

Perseus Mining Limited
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For the half-year ended 31 December 2014

8. INVENTORIES

	Consolidated	
	31 Dec 2014	30 June 2014
	\$'000	\$'000
Current		
Ore stockpiles – at cost	9,799	7,817
Ore stockpiles – at net realisable value	-	4,303
Gold in circuit	6,516	2,311
Materials and supplies	26,420	22,680
	42,735	37,111
Non-current		
Ore stockpiles – at net realisable value	-	2,025

Inventory expense

The inventory expense during the six month period ended 31 December 2014 was \$118.4 million (30 June 2014: \$238.4 million). The write down of inventories due to a decrease in net realisable value recognised during the period ended 31 December 2014 amounted to \$6.7 million (30 June 2014: write up of \$6.5 million) and is included in 'changes in inventories of finished goods and work in progress' in the statement of comprehensive income.

9. OTHER ASSETS

Current

Prepayments	7,583	5,943
	7,583	5,943

Non-current

Prepayments	-	212
Available for sale financial assets	(i) 2,405	1,841
	2,405	2,053

Reconciliation of movements in available for sale financial assets:

Balance at beginning of the year	1,841	3,310
Reclassification from investments accounted for using the equity method	1,875	-
Additions	100	51
Impairment of available for sale financial asset (Devaluation) / revaluation on mark to market	(ii) (1,030)	(2,225)
	(381)	705
Balance at end of the year	2,405	1,841

Terms and conditions relating to the above financial instruments:

- (i) The group's investment in Manas Resources Limited (\$0.8 million) and Burey Gold Limited (\$1.6 million) is recognised as an available for sale financial asset. During the period, the group discontinued equity accounting for Burey Gold Limited as it no longer qualified as an associate. The investment was subsequently recognised as an available for sale financial asset. Refer to note 10 for further detail.
- (ii) During the half-year, impairment of the investment in Manas was considered. The prolonged decline in the fair value of Manas's shares was considered objective evidence of impairment and as such, an impairment of \$1.0 million was made and is shown at 'impairment of available for sale financial assets' in the statement of comprehensive income. The investment in Manas is recognised at fair value at 31 December 2014.

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Notes to the financial statements
For the half-year ended 31 December 2014

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Burey Gold Limited (“Burey”)

In the prior year, the group held a 20.0% interest in Burey and accounted for the investment as an associate. On 5 September 2014 Burey completed the capital raising of \$2.72 million announced on 8 September 2014. Perseus did not participate in the capital raising and subsequently Perseus’s interest in Burey reduced from 20.0% to 15.5%. Due to the change of interest, the equity method of accounting was discontinued and the remaining investment recognised as an available for sale financial asset. Refer to note 9 for further detail.

On 26 November 2014 Burey completed a capital raising of \$1.00 million. Perseus did not participate in the capital raising and subsequently Perseus’s interest in Burey reduced from 15.5% to 14.2%.

The discontinuation of equity accounting resulted in the recognition of a gain in the statement of comprehensive income, as a result of the group shareholding in Burey being marked to market at the date of cessation of equity accounting, as illustrated below.

	Consolidated	
	31 Dec 2014	30 June 2014
	\$’000	\$’000
Investment in associated entity - Burey Gold Limited	-	1,548
Reconciliation of movements in investments accounted for using the equity method:		
Balance at 1 July	1,548	652
Share of loss for the period	(108)	(1,383)
Share of foreign currency translation reserve movement	(72)	24
Impairment reversal	-	2,255
Mark to market gain recognised on discontinuation of equity accounting	507	-
Reclassification of remaining interest to financial assets	(1,875)	-
Balance at the end of the period	-	1,548

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For the half-year ended 31 December 2014

11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	31 Dec 2014	30 June 2014
	\$'000	\$'000
Plant and equipment - at cost	160,517	139,142
Accumulated depreciation	(40,119)	(28,675)
	120,398	110,467
<i>Reconciliation of plant and equipment:</i>		
Balance at the beginning of the period	110,467	119,987
Additions	31	634
Transferred from assets under construction	177	7,652
Depreciation	(6,828)	(13,121)
Disposals	(10)	(1,220)
Translation difference movement	16,561	(3,465)
Carrying amount at the end of the period	120,398	110,467
Assets under construction – at cost	79,361	74,054
<i>Reconciliation of assets under construction:</i>		
Balance at the beginning of the period	74,054	91,356
Additions	6,780	16,952
Write-off / disposal	-	(1,933)
Transferred to property, plant and equipment	(177)	(7,652)
Transferred to mine properties	(4,913)	(24,877)
Translation difference movement	3,617	208
Carrying amount at the end of the period	79,361	74,054
Total property, plant and equipment net book value	199,759	184,521

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2014

12. MINE PROPERTIES

	Consolidated	
	31 Dec 2014	30 June 2014
	\$'000	\$'000
Mine properties - at cost	297,400	248,264
Accumulated depreciation	(86,487)	(59,259)
	210,913	189,005

Reconciliation of mine properties:

Balance at the beginning of the period	189,005	156,411
Additions	5,623	22,183
Transferred from assets under construction	4,913	24,877
Transferred from mineral interest acquisition and exploration expenditure	-	19,059
Amortisation	(16,729)	(27,841)
Translation difference movement	28,101	(5,684)
Carrying amount at the end of the period	210,913	189,005

13. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE

Mineral interest acquisition and exploration – at cost	40,931	33,565
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Reconciliation:

Balance at the beginning of the period	33,565	47,311
Additions	3,151	6,173
Transferred to mine properties	-	(19,059)
Impairment of exploration	-	-
Translation difference movement	4,215	(860)
Carrying amount at the end of the period	40,931	33,565

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.

Perseus Mining Limited
Notes to the financial statements
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14. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	31 Dec 2014	30 June 2014
	\$'000	\$'000
Current assets		
Cash flow hedge asset	35,477	9,557
Financial assets at fair value – gold forward contracts	53	-
	35,530	9,557
Current liabilities		
Financial liabilities at fair value – gold forward contracts	-	115
Non-current assets		
Cash flow hedge asset	-	9,529

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 2014 there were cash flow designated hedge contracts in place for 70,000 ounces of gold with settlements scheduled between March 2015 and December 2015 with a weighted average price of US\$1,600/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 year to the income statement was a gain of \$5,823,958 (30 June 2014 gain: \$3,294,154).

Financial assets at fair value – gold forward contracts:

Financial assets at fair value through profit or loss include the change in value of gold forward contracts put in place during the half-year ending 31 December 2014. The group uses USD forward metal contracts to hedge movements in USD precious metal prices on its anticipated sales of gold. The risk management policies related to these contracts are provided in note 15. Movements in fair value between inception and close-out of the contract are taken to the statement of comprehensive income.

At 31 December 2014 the group held forward metal contracts for 1,000 ounces of gold on a spot deferred basis with a weighted average price of US\$1,228/oz. When necessary, these contracts may be rolled over into new contracts at maturity, subject to counterparty credit approval.

Perseus Mining Limited
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15. FINANCIAL RISK MANAGEMENT

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the group as at 31 December 2014:

	Loans and receivables	Available-for- sale	Fair value through profit and loss	Fair value through other comprehensive income (Cash flow hedge)
	\$'000	\$'000	\$'000	\$'000
Financial assets:				
Receivables	32,982	-	-	-
Gold forward contracts	-	-	53	-
Derivative financial instruments	-	-	-	35,477
Total current	32,982	-	53	35,477
Receivables	11,572	-	-	-
Available for sale investments	-	2,405	-	-
Total non-current	11,572	2,405	-	-
Total	44,554	2,405	53	35,477
Financial liabilities:				
Payables	35,021	-	-	-
Total current	35,021	-	-	-
Total	35,021	-	-	-

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the group as at 30 June 2014:

	Loans and receivables	Available-for- sale	Fair value through profit and loss	Fair value through other comprehensive income (Cash flow hedge)
	\$'000	\$'000	\$'000	\$'000
Financial assets:				
Receivables	32,985	-	-	-
Derivative financial instruments	-	-	-	9,557
Total current	32,985	-	-	9,557
Receivables	17,243	-	-	-
Available for sale investments	-	1,841	-	-
Derivative financial instruments	-	-	-	9,529
Total non-current	17,243	1,841	-	9,529
Total	50,228	1,841	-	19,086
Financial liabilities:				
Payables	51,576	-	-	-
Gold forward contracts	-	-	115	-
Total current	51,576	-	115	-
Total	51,576	-	115	-

Perseus Mining Limited
Notes to the financial statements
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15. FINANCIAL RISK MANAGEMENT – continued

Fair values

Set out below is a comparison of the carrying amounts and fair values of financial instruments:

	Consolidated			
	31 Dec 2014		30 June 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets:				
Receivables	32,982	32,982	32,985	32,985
Gold forward contracts	53	53	-	-
Derivative financial instruments	35,477	35,477	9,557	9,557
Total current	68,512	68,512	42,542	42,542
Receivables	11,572	11,572	17,243	16,636
Available for sale investments	2,405	2,405	1,841	1,841
Derivative financial instruments	-	-	9,529	9,529
Total non-current	13,977	13,977	28,613	28,006
Total	82,489	82,489	71,155	70,548
Financial liabilities:				
Payables	35,021	35,021	51,576	51,576
Gold forward contracts	-	-	115	115
Total non-current	35,021	35,021	51,691	51,691
Total	35,021	35,021	51,691	51,691

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, 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.

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Notes to the financial statements
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15. FINANCIAL RISK MANAGEMENT – continued

The following table presents the group's financial instruments measured and recognised at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2014				
Financial assets:				
Available for sale instruments	2,405	-	-	2,405
Gold forward contracts	-	53	-	53
Derivative financial instruments	-	35,477	-	35,477
Total	2,405	35,530	-	37,935

30 June 2014

Financial assets:

Available for sale instruments	1,841	-	-	1,841
Derivative financial instruments	-	19,086	-	19,086
Total	1,841	19,086	-	20,927

Financial liabilities:

Gold forward contracts	-	115	-	115
Total	-	115	-	115

Valuation techniques

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include;

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of forward metal contracts is determined using forward exchange market rates at the end of the reporting period.
- Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The net fair value of cash and cash equivalents and non-interest bearing financial assets and liabilities of the group approximate their carrying values. The carrying values (less impairment provision if provided) of current receivables and payable are assumed to approximate their fair values due to their short-term nature. Information about the fair value of the non-current VAT receivable is provided in note 7.

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16. ISSUED CAPITAL AND RESERVES

(a) Issued and paid-up share capital

	Consolidated			
	31 Dec 2014		31 Dec 2013	
	\$'000	Number	\$'000	Number
Balance at the beginning of the period	476,429	526,656,401	445,404	457,962,088
Balance at the end of the period	476,429	526,656,401	445,404	457,962,088

(b) Share options

There were no share options on issue during the half-year ended 31 December 2014.

(c) Performance rights

Performance rights have been granted as follows:

Grant date	Exercise / vesting date	Exercise price	Opening balance 1 July 2014	Performance rights issued	Performance rights exercised / cancelled / expired	Closing balance 31 Dec 2014
			<i>Number</i>	<i>Number</i>	<i>Number</i>	<i>Number</i>
25-Nov-12	31-Dec-15	nil	300,000	-	-	300,000
1-Jan-13	31-Dec-15	nil	1,358,911	-	(139,350)	1,219,561
1-Jan-14	30-Jun-15	nil	2,600,000	-	(450,000)	2,150,000
1-Jan-14	31-Dec-16	nil	2,600,000	-	(450,000)	2,150,000
4-Jun-14	30-Jun-15	nil	562,500	-	-	562,500
4-Jun-14	31-Dec-16	nil	562,500	-	-	562,500
			7,983,911	-	(1,039,350)	6,944,561

(d) 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.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2014

17. CONTINGENCIES

Consistent with industry practice in Ghana, Perseus Mining (Ghana) Limited (“PMGL”) is currently undergoing a tax audit in connection with its 30 June 2010, 2011 and 2012 income tax returns. Various matters are currently being discussed as part of the audit process and to date the GRA has not issued PMGL with a formal report on its findings. Based on management's understanding of the matters currently under discussion they do not believe that the group will ultimately have any material exposure as a result of the current tax audit.

There were no other known contingent liabilities identified as at 31 December 2014.

18. COMMITMENTS

(a) Exploration expenditure commitments

With respect to the group's mineral property interests in Ghana and Côte d'Ivoire, statutory expenditure commitments specified by the mining legislation are nominal in monetary terms. However, as part of mineral licence application and renewal requirements, the group submits budgeted exploration expenditure. In assessing subsequent renewal applications, the mining authorities review actual expenditure against budgets previously submitted. The group's budget expenditures for future periods are shown below. These amounts do not become legal obligations of the group and actual expenditure may and does vary depending on the outcome of actual exploration programs, and the costs and results from those programs.

	Consolidated	
	31 Dec 2014	30 June 2014
	\$'000	\$'000
Within one year	1,050	1,050
One year or later and not later than five years	2,150	2,150
Later than five years	1,200	1,200
	4,400	4,400

(b) Capital commitments

The group is responsible for all rehabilitation of the EGM mining leases, which are currently estimated to cost approximately US\$7.4 million and a provision has been recorded for this at balance date.

(c) Operating lease commitments

The company leases office premises under normal commercial arrangements. The lease is for a period of 5 years beginning 1 April 2012. The company is under no legal obligation to accept a renewal of the lease once the lease term has expired.

Future minimum lease payments payable under non-cancellable operating leases at 31 December 2014 are as follows:

	Consolidated	
	31 Dec 2014	30 June 2014
	\$'000	\$'000
Within one year	419	411
One year or later and not later than five years	546	758
Later than five years	-	-
	965	1,169

19. 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, other than:

- a) 1,500,000 performance rights were issued to employees of the company under the terms of the company's Performance Rights Plan approved by shareholders in November 2014. These performance rights were issued at nil consideration with an effective issue date of 1 January 2015. Each performance right will convert to an ordinary share upon satisfaction of vesting criteria.

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 2014 and of its performance for the half year then ended; and
 - (ii) complying with Accounting Standards 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

Dated at Perth, 13 February 2015

Independent 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, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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 controls as the directors determine are necessary to enable the preparation of the half-year financial report that 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 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 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 and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the half-year 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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 consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Gavin Buckingham
Partner
Perth
13 February 2015