



ABN 27 106 808 986

Interim Financial Report

For the Half-Year ended
31 December 2017

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 2017

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

Results for announcement to the market

		Six months to 31 December 2016 \$'000		Six months to 31 December 2017 \$'000
Revenue from ordinary activities	Up 24% from	134,551	to	167,483
(Loss) / profit after tax from ordinary activities	Down 55% from	(25,610)	to	(11,470)
(Loss) / profit after tax attributable to members	Down 46% from	(22,285)	to	(12,134)

Net tangible assets per share

	31 December 2016	31 December 2017
Net tangible assets per share	\$0.71	\$0.82

Dividends / distributions

No interim dividend was paid or declared for the period ended 31 December 2017.

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

On 16 August 2017, Perseus Mining Limited's subsidiary, Winston Mining Limited (BVI), was put into liquidation.

Explanation of results

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

Perseus Mining Limited
Corporate directory

Directors

Terence Sean Harvey	Non-Executive Chairman
Jeffrey Allan Quartermaine	Managing Director
Colin John Carson	Executive Director
Michael Andrew Bohm	Non-Executive Director
John Francis Gerald McGloin	Non-Executive Director
Alexander John Davidson	Non-Executive Director
Sally-Anne Georgina Layman	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:	(61 8) 6144 1700
Facsimile:	(61 8) 6144 1799
Email address:	info@perseusmining.com
Website:	www.perseusmining.com

Ghana office

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

PO Box CT2576
Cantonments
Accra - Ghana

Telephone:	(233) 302 760 530
Facsimile:	(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:	(225) 22 41 9126
Facsimile:	(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 2017 (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
Colin John Carson	Executive Director
Michael Andrew Bohm	Non-Executive Director
John Francis Gerald McGloin	Non-Executive Director
Alexander John Davidson	Non-Executive Director
Sally-Anne Georgina Layman (Appointed 13 September 2017)	Non-Executive Director

RESULTS

The group's net loss after tax for the half-year ended 31 December 2017, after bringing to account a foreign exchange loss and writing off capitalised exploration and development expenses, was \$11.470 million (31 December 2016: \$25.610 million loss). EBITDA for the half-year ended 31 December 2017 was up significantly from the comparative period to \$34.783 million (31 December 2016 loss: \$15.714 million). EBITDA excluding foreign exchange movements, write offs or legal settlements was \$45.793 million, up from 31 December 2016 loss: \$0.750 million. There was a \$32.932 million increase in revenue in the current period to \$167.483 million (31 December 2016: \$134.551 million). This related to an increase in gold sold due to increased gold production stemming from a higher head grade as well as higher gold prices realised in the current period.

The foreign exchange gain decreased by \$12.420 million in the current period to a loss of \$3.313 million (31 December 2016 gain: \$9.107 million), related to the strengthening of the Australian dollar against the United States dollar compared to the weakening in the comparative period. The decrease in the net loss after tax is largely attributable to the US\$20.000 million settlement of a legal dispute with Bayswater Construction & Mining sarl ("BCM") which occurred in 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 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 three key projects, namely the Edikan Gold Mine in Ghana ("EGM" or "Edikan"), Sissingué Gold Project ("SGP" 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% beneficial interest in the EGM is a free carried shareholding in the project company owned by the Ghanaian government.

Mining and Processing Operations

Operating results at the EGM for the 6 months to 31 December 2017 and the corresponding period in 2016 were as follows.

Key operating parameter	Units	31 December 2017	31 December 2016
Waste + ore mined	bcm	8,815,000	9,061,000
Ore mined	tonnes	4,660,000	2,995,000
Ore milled	tonnes	3,462,000	3,199,000
Head grade	g/t gold	1.13	0.89
Recovery	%	86	83
Gold produced	oz	108,008	75,999

Gold production for the period was 108,008 ounces (an increase of 42% relative to the corresponding prior period) at an all-in site cost ("AISC" - including production, royalties and sustaining capital costs) of US\$1,104/oz, down 30% relative to the corresponding period in 2016, largely as a result of improved head grade and a reduction in capital works undertaken during the period in comparison to the large capital works programme undertaken during the corresponding period.

During the period, a total of 8,815,000 bcms of material was mined from the Esuajah North, Fetish, Chirawewa and Fobinso open pits, including 4,660,000 tonnes of ore grading 1.08g/t plus 15,774,000 tonnes of waste material. The run of mine ("ROM") ore stockpiles that include both high and low-grade ore (but not mineralised waste) plus crushed ore increased by 1,197,000 tonnes to 4,059,000 tonnes grading 0.6g/t during the period. The increase in the stockpile reflected a surplus of ore mined relative to ore milled during the period.

A total of 3,462,000 tonnes of ore grading 1.13 g/t of gold was milled during the period. Overall gold recovery rate of 86% resulted in the recovery of 108,008 ounces of gold. A total of 103,946 ounces of gold were sold at a weighted average price of US\$1,274/oz.

A total of 150,522 ounces of gold were committed across the group to forward sales contracts at a weighted average gold price of US\$1,285/oz as at the end of the period, including 67,000 ounces at a weighted average gold price of US\$1,301/oz that is currently earmarked to support the Sissingué project finance debt facility.

The Company's US\$20 million working capital debt facility provided to Perseus's Ghanaian subsidiary by Macquarie Bank Limited was converted into a US\$30 million revolving line of credit to improve flexibility in terms of managing working capital and fund high potential exploration activities in coming months. The amount drawn at the end of the period was US\$25 million.

Sissingué Gold Project – Côte d'Ivoire

The group owns an 86% beneficial interest in the SGP, located in the north of Côte d'Ivoire. The Company's 86% interest in the SGP reflects a 10% free carried shareholding in the project company held by the Government of Côte d'Ivoire and a 4% free carried shareholding owned by local interests. The development of its second gold mine at Sissingué provides Perseus with a relatively low cost, low technical risk opportunity to pursue its strategy of diversifying its production base by establishing a second financially robust, producing mine in Côte d'Ivoire.

Construction at Sissingué progressed strongly on all fronts during the period with construction ahead of schedule and on budget at the end of the period. Commissioning of the plant front end as well as ore crushing began towards the end of the period.

The majority of key management appointments for the mine were made during the period and employees progressively arrived on site in readiness for commissioning activities.

The mining contractor, Société de Forage et de Travaux Public – Mining SA (“SFTP”) assembled its mining fleet on site and commenced mining towards the end of the period. Grade control drilling which is also being performed by SFTP started during the period and approximately three months of grade control data was obtained by the time that mining activities start.

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

The loan agreement for the US\$40 million Sissingué project debt facility provided by Macquarie Bank Limited was executed during the period and a total of US\$25 million was drawn during the period. The US\$15 million balance remaining available under the facility at 31 December 2017 is available to be drawn in coming months to fund completion of the Sissingué mine development.

Yaouré Gold Project – Côte d’Ivoire

The group owns a 90% beneficial interest in Yaouré, with the remaining 10% a free carried interest in the eventual project company reserved for the Ivorian government.

The Definitive Feasibility Study (“DFS”) for Yaouré, Perseus’s prospective third gold mine, was completed on schedule during the period, confirming the high quality of the project and the significant potential contribution that it can make to Perseus’s short to medium term plans. The DFS has demonstrated that Yaouré economics are attractive at a range of gold prices and discount rates and that Yaouré is technically very robust, with sound operating metrics based on an estimated Ore Reserve of 26.8 Mt of ore grading 1.76g/t gold containing 1.52 million ounces of gold.

Subsequent to the end of the period, Perseus lodged an application with the Ivorian Minerals Commission for an Exploitation Permit (“EP”) covering the Yaouré project development area. Negotiation with the government of Côte d’Ivoire for a Mining Convention to apply throughout the projected life of Yaouré is expected to start following the granting of the EP which is expected before the end of the financial year.

Evaluation of financing alternatives is underway and front end engineering and design is expected to begin towards the end of the financial year, with a development decision expected by December 2018.

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 half-year ended 31 December 2017.

Signed in accordance with a resolution of directors.



J A Quartermaine
Managing Director and Chief Executive Officer
Perth, 21 February 2018



Auditor's Independence Declaration

As lead auditor for the review of Perseus Mining Limited for the half-year ended 31 December 2017, 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 black ink, appearing to read 'Craig Heatley'.

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
21 February 2018

Perseus Mining Limited
Financial statements
31 December 2017

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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	7. Derivative financial instruments	11. Contingencies
2. Other income / expenses	5. Property, plant and equipment	8. Interest-bearing liabilities	12. Commitments
3. Income tax benefit / (expense)	6. Mineral interest acquisition and exploration expenditure	9. Issued capital and reserves	13. Events occurring after the end of the reporting period
		10. Fair value of financial instruments	

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 21 February 2018. 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 2017

	Notes	Consolidated	
		31 Dec 2017	31 Dec 2016
		\$'000	\$'000
Continuing operations			
Revenue		167,483	134,551
Other income	2	284	293
Changes in inventories of finished goods and work in progress		15,821	4,762
Contractors, consumables, utilities and reagents		(107,984)	(109,328)
Royalties		(11,132)	(8,133)
Employee benefits expense	2	(16,515)	(16,510)
Depreciation and amortisation expense	2	(42,063)	(21,799)
Foreign exchange (loss) / gain	2	(3,313)	9,107
Finance cost	2	(1,320)	(12)
Write-off of assets under construction	5	(7,054)	-
Write-off of exploration	6	(643)	-
Legal Settlement	2	-	(24,071)
Other expenses		(2,164)	(6,385)
Loss before income tax		(8,600)	(37,525)
Income tax (expense) / benefit	3	(2,870)	11,915
Net loss after income tax		(11,470)	(25,610)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		4,307	2,290
Net changes in fair value of cash flow hedges		(7,038)	20,533
Net changes in fair value of financial assets		(1,552)	(536)
Income tax benefit / (expense) relating to cash flow hedges		509	(7,186)
Total comprehensive loss for the year		(15,244)	(10,509)
Loss attributable to:			
Owners of the parent		(12,134)	(22,285)
Non-controlling interests		664	(3,325)
		(11,470)	(25,610)
Total comprehensive loss attributable to:			
Owners of the parent		(15,740)	(8,736)
Non-controlling interests		496	(1,773)
		(15,244)	(10,509)
Basic loss per share		(1.18) cents	(2.21) cents
Diluted loss per share		(1.18) cents	(2.21) cents

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Statement of financial position
As at 31 December 2017

	Notes	Consolidated	
		31 Dec 2017	30 June 2017
		\$'000	\$'000
Current assets			
Cash and cash equivalents		21,833	24,027
Receivables		36,234	30,436
Inventories	4	55,758	45,819
Prepayments		4,939	4,290
Derivative financial instruments	7	-	490
Total current assets		118,764	105,062
Non-current assets			
Receivables		12,127	12,375
Inventories	4	12,493	6,311
Available for sale financial assets		1,743	3,324
Derivative financial instruments		-	1,265
Property, plant and equipment	5	504,809	299,622
Mine properties		237,884	252,884
Mineral interest acquisition and exploration expenditure	6	13,560	183,956
Total non-current assets		782,616	759,737
Total assets		901,380	864,799
Current liabilities			
Payables and provisions		72,879	74,040
Derivative financial instruments	7	5,440	157
Interest bearing liabilities	8	18,628	18,158
Total current liabilities		96,947	92,355
Non-current liabilities			
Provision		18,063	19,201
Derivative financial instruments	7	3,385	-
Interest bearing liabilities	8	42,275	-
Deferred tax liability		39,719	37,944
Total non-current liabilities		103,442	57,145
Total liabilities		200,389	149,500
Net assets		700,991	715,299
Equity			
Issued capital	9	720,756	720,739
Reserves		24,804	27,467
(Accumulated losses) / retained earnings		(51,415)	(39,281)
Parent entity interest		694,145	708,925
Non-controlling interest		6,846	6,374
Total Equity		700,991	715,299

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Statement of changes in equity
For the half-year ended 31 December 2017

	Consolidated								
	Issued capital	Retained earnings/ (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 2017									
Balance at 1 July 2017	720,739	(39,281)	22,855	1,553	1,412	1,902	(255)	6,374	715,299
Loss for the period	-	(12,134)	-	-	-	-	-	664	(11,470)
Currency translation differences	-	-	-	4,380	-	-	-	(72)	4,308
Net change in the available-for-sale financial assets	-	-	-	-	(1,552)	-	-	-	(1,552)
Net change in fair value of cash flow hedges	-	-	-	-	-	(6,893)	-	(145)	(7,038)
Income tax relating to components of other comprehensive income	-	-	-	-	-	459	-	49	508
Total comprehensive (loss) / income	-	(12,134)	-	4,380	(1,552)	(6,434)	-	496	(15,244)
Shares issued during the period	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-
Exercise of warrants	17	-	-	-	-	-	-	-	17
Share based payments	-	-	943	-	-	-	-	(24)	919
Non-controlling interest arising from change in ownership interest	-	-	-	-	-	-	-	-	-
Balance at 31 December 2017	720,756	(51,415)	23,798	5,933	(140)	(4,532)	(255)	6,846	700,991
Six months to 31 December 2016									
Balance at 1 July 2016	708,692	36,899	19,904	5,500	2,794	(12,388)	(255)	8,192	769,338
Loss for the period	-	(22,285)	-	-	-	-	-	(3,325)	(25,610)
Currency translation differences	-	-	-	2,074	-	-	-	216	2,290
Net change in the available-for-sale financial assets	-	-	-	-	(536)	-	-	-	(536)
Net change in fair value of cash flow hedges	-	-	-	-	-	18,479	-	2,054	20,533
Income tax relating to components of other comprehensive income	-	-	-	-	-	(6,468)	-	(718)	(7,186)
Total comprehensive income / (loss)	-	(22,285)	-	2,074	(536)	12,011	-	(1,773)	(10,509)
Shares issued during the period	7,651	-	-	-	-	-	-	-	7,651
Share issue expenses	(797)	-	-	-	-	-	-	-	(797)
Exercise of warrants	5,046	-	-	-	-	-	-	-	5,046
Share based payments	-	-	1,151	-	-	-	-	66	1,217
Non-controlling interest arising from change in ownership interest	-	-	-	-	-	-	-	-	-
Balance at 31 December 2016	720,592	14,614	21,055	7,574	2,258	(377)	(255)	6,485	771,946

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Statement of cash flows
For the half-year ended 31 December 2017

	Consolidated		
	Notes	31 Dec 2017	31 Dec 2016
		\$'000	\$'000
Operating activities			
Receipts in the course of operations		166,062	121,654
Payments to suppliers and employees		(142,604)	(139,498)
Interest received		335	457
Net cash (used in) / from operating activities		23,793	(17,387)
Investing activities			
Payments for exploration and evaluation expenditure		(9,531)	(5,804)
Payments for acquisition of property, plant and equipment		(27)	(110)
Payments for mine properties		(19,739)	(9,887)
Payments for acquisition of assets under construction		(41,919)	(77,629)
Proceeds on disposal of investment in listed entity		27	-
Net cash used in investing activities		(71,189)	(93,430)
Financing activities			
Proceeds from share issues		-	7,651
Proceeds from exercise of warrants		17	5,046
Repayment of borrowings		(6,415)	-
Proceeds from borrowings		51,112	-
Borrowing costs		(2,903)	-
Share issue expenses		-	(797)
Net cash provided by / (used in) financing activities		41,811	11,900
Net decrease in cash held		(5,585)	(98,917)
Cash and cash equivalents at the beginning of the financial period		24,027	151,257
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		3,391	2,315
Cash and cash equivalents at the end of the financial period		21,833	54,655

The accompanying notes form part of these financial statements.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

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 half-year ended 31 December 2017, 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 2017 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 2017, 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 2017, 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 2017. 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 2017. 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, except for derivative instruments and available for sale financial assets which are carried at fair value, as well as the disposal group which is carried at the lower of carrying value and fair value less cost of disposal.

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.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

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.

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
Deferred stripping expenditure	2
Income tax	3
Inventory	4
Exploration and evaluation expenditure	6
Derivative financial instruments	7
Share based payments	9
Measurement of fair value	10

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 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 2017 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 development activities.

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

(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 2017

1. SEGMENT INFORMATION – continued

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

	Australia		Ghana	Six months ending		Côte d'Ivoire	Consolidated	Consolidated
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	31 Dec 2017		31 Dec 2017	31 Dec 2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and other income								
Revenue	-	-	167,483	118,747	-	15,804	167,483	134,551
Other income	111	293	173	-	-	-	284	293
Total revenue and other income	111	293	167,656	118,747	-	15,804	167,767	134,844
Results								
Operating (loss) / profit before income tax	(11,018)	(15,919)	10,109	(27,310)	(7,691)	5,704	(8,600)	(37,525)
Income tax (expense) / benefit							(2,870)	11,915
Net loss							(11,470)	(25,610)
Included within segment results:								
Depreciation and amortisation	(703)	(508)	(41,327)	(21,190)	(33)	(101)	(42,063)	(21,799)
Share based payments to employees, directors and consultants	(611)	(826)	(232)	(184)	-	(210)	(843)	(1,220)
Foreign exchange (loss) / gain	(3,846)	9,523	536	(396)	(3)	(20)	(3,313)	9,107
	As at	As at	As at	As at	As at	As at	As at	As at
	31 Dec 2017	30 June 2017	31 Dec 2017	30 June 2017	31 Dec 2017	30 June 2017	31 Dec 2017	30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Segment assets	43,279	30,786	470,719	490,802	387,382	343,211	901,380	864,799
Total segment assets							901,380	864,799
Total assets includes:								
Additions to non-current assets (other than financial assets)	13	38	22,651	62,485	46,486	106,440	69,150	168,963
Liabilities								
Segment liabilities	36,349	810	143,795	123,423	20,245	25,267	200,389	149,500
Total segment liabilities							200,389	149,500

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

2. OTHER INCOME / EXPENSES

	Consolidated	
	Six months ended	
	31 Dec 2017	31 Dec 2016
	\$'000	\$'000
Loss before income tax has been determined after:		
Other income:		
Interest Revenue	<u>284</u>	<u>293</u>
	<u>284</u>	<u>293</u>
Foreign exchange gain:		
Unrealised foreign exchange (loss) / gain on translation of inter-company loans	(4,006)	9,125
Unrealised foreign exchange (loss) / gain on translation of VAT receivable	(155)	(970)
Unrealised foreign exchange gain on other translations	<u>848</u>	<u>952</u>
	<u>(3,313)</u>	<u>9,107</u>
Changes in inventories of finished goods and work in progress:		
Write back / (write down) of inventories due to increase / (decrease) in net realisable value	1,199	(10,317)
Write back / (write down) of inventories due to increase / (decrease) 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>(1,320)</u>	<u>(12)</u>
Other costs:		
Employee benefits expense	(16,515)	(16,510)
Employee benefits expense relates to employee benefits paid to employees across the entire group.		
Legal settlement	<u>-</u>	<u>(24,071)</u>
BCM legal settlement relates to outstanding claims made by BCM against Amara in relation to contract mining services provided by BCM at Amara's now closed Kalsaka and Seguenega mines in Burkina Faso.		
Depreciation and amortisation:		
Amortisation of stripping asset	(9,163)	(314)
Other depreciation and amortisation	<u>(32,900)</u>	<u>(21,485)</u>
	<u>(42,063)</u>	<u>(21,799)</u>

SIGNIFICANT JUDGEMENTS AND ESTIMATES

(i) Impairment of assets

In determining whether the recoverable amount of each cash generating unit is the higher of fair value less costs of disposal 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, and reflect the life of mine ("LOM") operating and capital cost assumptions used in the group's latest budget and LOM plans:

- (a) 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;
- (b) Estimated production and sales levels;

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

2. OTHER INCOME / EXPENSES – continued

SIGNIFICANT JUDGEMENTS AND ESTIMATES – continued

(i) Impairment of assets - continued

- (c) Estimate future commodity prices are based on brokers consensus forecast;
- (d) Future costs of production;
- (e) Future capital expenditure;
- (f) Future exchange rates; and/or
- (g) Discount rates based on the group's estimated before tax weighted average cost of capital, adjusted when appropriate to take into account relevant risks such as development risk etc.

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. The expected future cash flows of the cash generating units are most sensitive to fluctuations in the gold price. The group has three cash generating units that were tested for impairment, Edikan Gold Mine, the Sissingué Gold Mine and the Yaoure Gold Mine.

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

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 BENEFIT / (EXPENSE)

The income tax expense that has been recognised in the statement of comprehensive income comprises \$2,870,136 (31 December 2016 income tax benefit: \$11,915,211), fully relating to the EGM profit for the 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.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

4. INVENTORIES

	Consolidated	
	31 Dec 2017	30 June 2017
	\$'000	\$'000
Current		
Ore stockpiles – at cost	-	6,865
Ore stockpiles – at net realisable value	14,206	3,580
Gold in circuit – at cost	10,360	4,840
Materials and supplies	31,192	30,534
	55,758	45,819

Inventory expense

The inventory expense during the six month period ended 31 December 2017 was \$145.9 million (30 June 2017: \$287.8 million). A write back of inventories due to a increase in net realisable value recognised during the period ended 31 December 2017 amounted to \$1.2 million (30 June 2017: write down of \$6.3 million) and is included in 'changes in inventories of finished goods and work in progress' in the statement of comprehensive income.

Non-current

Ore stockpiles – at net realisable value	12,493	6,311
	12,493	6,311

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 2017	30 June 2017
	\$'000	\$'000
Plant and equipment - at cost	210,858	213,664
Accumulated depreciation	(101,405)	(91,605)
	109,453	122,059

Reconciliation of plant and equipment:

Balance at the beginning of the period	122,059	118,731
Additions	27	123
Transferred from assets under construction	-	28,004
Transferred from exploration	262	29
Depreciation	(11,075)	(20,946)
Disposals	-	(6)
Translation difference movement	(1,820)	(3,876)
Carrying amount at the end of the period	109,453	122,059

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

5. PROPERTY, PLANT AND EQUIPMENT – continued

	Consolidated	
	31 Dec 2017	30 June 2017
Assets under construction – at cost	395,356	177,563
Reconciliation of assets under construction:		
Balance at the beginning of the period	177,563	122,072
Additions	43,805	109,409
Transferred to property, plant and equipment	-	(28,004)
Transferred to mine properties	(263)	(35,309)
Transferred from exploration	176,291	7,303
Write off	(7,054)	-
Disposals	-	(577)
Translation difference movement	5,014	2,669
Carrying amount at the end of the period	395,356	177,563
Total property, plant and equipment net book value	504,809	299,622

The write off relates to the writing off of a SAG mill that was originally intended to be utilised in a previous design of the Sissingué plant. That plant design has been superseded making the SAG mill obsolete and as a result of failure to secure a willing buyer for the asset, it has been written off.

6. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE

	Consolidated	
	31 Dec 2017	30 June 2017
	\$'000	\$'000
Mineral interest acquisition and exploration – at cost	13,560	183,956
Reconciliation:		
Balance at the beginning of the period	183,956	184,443
Additions	5,445	26,127
Transferred to plant and equipment	-	(29)
Transferred to assets under construction	(176,291)	(7,303)
Exploration written off	(643)	(16,111)
Translation difference movement	1,093	(3,171)
Carrying amount at the end of the period	13,560	183,956

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 \$0.6 million (31 December 2016: \$16.1 million) is a result of writing-off Zouan Houein area of interest as no commercially viable deposits have been discovered.

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.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

7. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	31 Dec 2017	30 June 2017
	\$'000	\$'000
Current assets		
Cash flow hedge asset	-	490
	-	490
Non-current assets		
Cash flow hedge asset	-	1,265
	-	1,265
Current liabilities		
Cash flow hedge liability	2,298	-
Financial liabilities at fair value – gold forward contracts	3,142	157
	5,440	157
Non-current liabilities		
Cash flow hedge liability	3,385	-
	3,385	-

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 manage movements in USD precious metal prices on its anticipated sales of gold. At 31 December 2017 there were cash flow designated hedge contracts in place for 117,000 ounces of gold with settlements scheduled between June 2018 and September 2020 with a weighted average price of US\$1,299/oz. These include 67,000 ounces of cash flow designated hedge contracts at an average price of US\$1,301/oz specifically to support the proposed Sissingue project finance debt facility. 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 revenue in the income statement was a loss of \$0.6 million (30 June 2017 loss: \$10.5 million)

Financial liabilities at fair value – gold forward contracts:

Financial liabilities at fair value through profit or loss include the change in value of gold forward contracts in place during the half-year ending 31 December 2017. The group uses USD forward metal contracts to hedge movements in USD precious metal prices on its anticipated sales of gold. Movements in fair value between inception and close-out of the contract are taken to the statement of comprehensive income. When necessary, these contracts may be rolled over into new contracts at maturity, subject to counterparty credit approval.

At 31 December 2017 the group held forward metal contracts for 33,522 ounces of gold on forward metal contract and spot deferred contracts with a weighted average price of US\$1,234/oz.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

7. DERIVATIVE FINANCIAL INSTRUMENTS – continued

SIGNIFICANT JUDGEMENTS AND ESTIMATES

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.

8. INTEREST BEARING LIABILITIES

	Consolidated	
	31 Dec 2017	30 June 2017
	\$'000	\$'000
Current		
Interest-bearing loan facility	(i) 18,628	18,158
	18,628	18,158
Non-current		
Interest-bearing loan facility	(i) 42,275	-
	42,275	-

(i) The Company’s US\$20 million working capital debt facility provided to Perseus’s Ghanaian subsidiary by Macquarie Bank Limited was converted into a US\$30 million revolving line of credit to improve flexibility in terms of managing working capital and fund high potential exploration activities in coming months. The amount drawn as at 31 December 2017 was US\$25 million.

Execution of the loan agreement for the US\$40 million Sissingué project debt facility provided by Macquarie Bank Limited was completed during the period and a total of US\$25 million was drawn during the period. The US\$15 million balance remaining available under the facility at 31 December 2017 is available to be drawn in coming months to fund completion of the Sissingué mine development.

Secured liabilities and assets pledged as security

The debt and hedge facilities provided by Macquarie Bank Limited to PMGL are secured by a guarantee and indemnity from the company covering all money due under the facilities as well as mortgages over certain of the company’s assets including its shares in Kojina Resources Ltd (“Kojina”) and receivables under intercompany loan arrangements with subsidiaries. In addition, the security package includes fixed and floating charges over all of the assets and undertakings of both Kojina and PMGL including a first ranking mortgage over the EGM tenements.

The debt and hedge facilities provided by Macquarie Bank Limited to Perseus Mining Côte d'Ivoire SA (“PMCI”) are secured by a guarantee and indemnity from the company covering all money due under the facilities as well as mortgages over certain of the company’s assets including its shares in Occidental Gold Pty Ltd (“Occidental”) and receivables under intercompany loan arrangements with subsidiaries. In addition, the security package includes fixed and floating charges over all of the assets and undertakings of both Occidental and PMCI including a first ranking mortgage over the Sissingué Gold Mine tenement.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

9. ISSUED CAPITAL AND RESERVES

(a) Issued and paid-up share capital

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$'000	\$'000
1,033,258,283 (31 December 2016: 1,031,818,701) ordinary shares, fully paid	720,756	720,592

	Consolidated			
	31 Dec 2017		31 Dec 2016	
	\$'000	Number	\$'000	Number
Balance at the beginning of the period	720,739	1,033,217,813	708,692	1,004,653,217
Transaction costs arising from issue of securities for cash	-	-	(797)	-
Share placement at issue price of \$0.44 pursuant to the exercise of warrants	17	40,470	5,046	11,488,115
Share placement at issue price of \$0.50 on 22 July 2016	-	-	7,651	15,302,369
Vesting of performance rights on 28 July 2016	-	-	-	375,000
Balance at the end of the period	720,756	1,033,258,283	720,592	1,031,818,701

(b) Performance rights

Performance rights have been granted as follows:

Grant date	End of measurement period	Expiry date	Exercise price	Opening balance	Performance rights issued	Performance rights exercised	Performance rights forfeited/expired	Closing balance
				1 July 2017				31 Dec 2017
				Number	Number	Number	Number	Number
1-Jan-15	31-Dec-17	30-Jun-18	nil	250,000	-	-	-	250,000
1-Jul-15	30-Jun-17	31-Dec-17	nil	3,725,000	-	-	(3,725,000)	-
20-Nov-15	30-Jun-17	31-Dec-17	nil	800,000	-	-	(800,000)	-
20-Nov-15	30-Jun-18	31-Dec-18	nil	500,000	-	-	-	500,000
12-Oct-16	30-Jun-17	31-Dec-17	nil	1,116,668	-	-	(1,116,668)	-
12-Oct-16	30-Jun-18	31-Dec-18	nil	333,333	-	-	-	333,333
12-Oct-16	30-Jun-19	31-Dec-19	nil	333,333	-	-	-	333,333
25-Nov-16	30-Jun-18	30-Jun-25	nil	533,333	-	-	-	533,333
25-Nov-16	30-Jun-19	30-Jun-26	nil	533,333	-	-	-	533,333
25-Nov-16	31-Dec-17	30-Jun-18	nil	1,025,000	-	-	(400,000)	625,000
25-Nov-16	31-Mar-18	30-Sep-18	nil	500,000	-	-	-	500,000
25-Nov-16	31-Dec-18	30-Jun-19	nil	5,300,000	-	-	(100,000)	5,200,000
1-Aug-17	30-Jun-20	30-Jun-27	nil	-	8,958,334	-	(300,000)	8,658,334
24-Nov-17	30-Jun-20	30-Jun-27	nil	-	2,233,334	-	-	2,233,334
				14,950,000	11,191,668	-	(6,441,668)	19,700,000

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 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.

(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.

Perseus Mining Limited
Notes to the financial statements
For the half-year ended 31 December 2017

9. ISSUED CAPITAL AND RESERVES – continued

(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 the fair value of options and performance rights issued but not exercised.

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 an available for sale financial asset.

10. 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.

11. CONTINGENCIES

There were no other known contingent liabilities since the annual financial report for the year ended 30 June 2017.

12. COMMITMENTS

There has been no change to the commitments as disclosed in the Group's 30 June 2017 annual report.

13. 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) The development and commissioning of Sissingué is nearing completion with the introduction of crushed ore to the mill and the CIL plant on Saturday 13 January 2018 and first gold pour on Friday 26 January 2018, one month ahead of schedule.

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 2017 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, 21 February 2018



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), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Perseus Mining Limited Group (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled during that 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 control as the directors determine is 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 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 consolidated entity's financial position as at 31 December 2017 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*.

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 2017 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*.

PricewaterhouseCoopers.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Craig Heatley', written over the printed name.

Craig Heatley
Partner

Perth
21 February 2018