



ABN 27 106 808 986

# Interim Financial Report

For the Half-Year ended  
**31 December 2015**

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 2015**

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

**Results for announcement to the market**

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		Six months to 31 December 2014 \$'000		Six months to 31 December 2015 \$'000
Revenue from ordinary activities	Up 5% from	142,168	to	<b>149,111</b>
Profit after tax from ordinary activities	Down 71% from	41,167	to	<b>11,972</b>
Profit after tax attributable to members	Down 70% from	40,508	to	<b>12,127</b>

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**Net tangible assets per share**

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	31 December 2014	<b>31 December 2015</b>
Net tangible assets per share	\$1.0	<b>\$1.3</b>

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**Dividends / distributions**

No interim dividend was paid or declared for the period ended 31 December 2015.

**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**

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<b>Directors</b>	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
<b>Company secretary</b>	Martijn Paul Bosboom	
<b>Registered and corporate office</b>	Level 2 437 Roberts Road Subiaco, Western Australia 6008 Australia  PO Box 1578 Subiaco, Western Australia 6904 Telephone: Facsimile: Email address: Website:	(61 8) 6144 1700 (61 8) 6144 1799 info@perseusmining.com www.perseusmining.com
<b>Ghana office</b>	4 Chancery Court 147A Giffard Road, East Cantonments Accra - Ghana  PO Box CT2576 Cantonments Accra - Ghana Telephone: Facsimile:	(233) 302 760 530 (233) 302 760 528
<b>Côte d'Ivoire office</b>	Cocody II Plateaux Vallons, Quartier Lemania 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
<b>Share registry</b>	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
<b>Auditors</b>	Ernst & Young 11 Mounts Bay Road Perth, Western Australia 6000	
<b>Stock exchange listings</b>	Australian Securities Exchange Toronto Stock Exchange Frankfurt Stock Exchange	(ASX – PRU) (TSX – PRU) (WKN: AOB7MN)

## **Perseus Mining Limited**

### **Directors' report**

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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 2015 (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 2015 was \$11.972 million (31 December 2014: \$41.167 million). The fall in net profit after tax is largely attributable to the \$21.238 million decrease in foreign exchange gain in the current period to \$17.863 million (31 December 2014: \$39.101 million), related to the weakening of the Australian dollar against the United States dollar, being less in the half-year ended 31 December 2015 compared to the comparative period. In addition, operational expenses increased as a result of increased mining activity as Perseus worked to mitigate the impact of the delay in accessing the eastern side of its mining lease at the Edikan Gold Mine ("Edikan" or "EGM"). Further information on the group's results can be found in the Statement of Comprehensive Income on page 10.

#### **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 Edikan 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***

Following formal approval by the Ghanaian Environmental Protection Agency mining activity at the Fetish and Chirawewa pits (together "Eastern Pits") commenced to access higher grade fresh ore supplies. Material movements for the Fetish, Chirawewa and Fobinso pits were accelerated to mitigate the impact on the production schedule of the delayed access to the Eastern Pits. Operating efficiencies of the processing plant continued to improve during the period and the cost reduction program implemented in prior periods showed strong results on the 6 months to 31 December 2015.

**Perseus Mining Limited**  
**Directors' report**

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Operating results at the EGM for the 6 months to 31 December 2015 and the corresponding period in 2014 were as follows.

Key operating parameter	Units	31 December 2015	31 December 2014
Waste + ore mined	bcm	7,644,000	3,224,000
Ore mined	tonnes	2,053,000	3,273,000
Ore milled	tonnes	3,537,000	3,348,000
Head grade	g/t gold	0.80	1.07
Recovery	%	84	87
Gold produced	oz	76,693	100,016

A delay in the receipt of statutory approval to develop open pits on the eastern side of Perseus's mining lease has impacted Edikan's mine production schedule and resulted in temporarily delayed access to higher grade mineralisation in the Fetish and Chirawewa pits. As a result, gold production decreased by 23% relative to the corresponding period in 2014 due to a lower average head grade along with lower gold recoveries. This was due to the majority of ore processed being drawn from relatively low grade ore stockpiles and a higher blend of oxide material as a result of limited quantities of higher grade fresh ore being mined from the Fobinso, Fetish and Chirawewa pits. Gold production for the period was 76,693 ounces at a total site cost (including production, royalties, investment in pre-stripping and inventory, development and sustaining capital) of US\$1,208/oz, up 22% relative to the corresponding period in 2014.

During the period a total of 7,644,000 bcms of material was mined from the stage 2 and 3 of AF Gap, Fetish, Chirawewa and Fobinso open pits, including 2,053,000 tonnes of ore grading 0.95g/t plus 6,652,000 bcms of waste material. Perseus began a cut back of the Fobinso pit and commenced mining in the Eastern Pits. In addition to mining activities in Fobinso and the eastern pits, 280,000 tonnes of oxide ore was mined from decommissioned heap leach pads located near former workings on the mining lease. This material which on average grades 0.64g/t has been used to supplement stockpiled oxide ore as a means of optimising mill throughput rates.

The ROM ore stockpiles that include both high and low grade ore (but not mineralised waste) plus crushed ore decreased by 1,484,000 tonnes to 1,957,000 tonnes grading 0.5g/t. The reduction in the stockpile reflected the deficit of ore mined relative to ore milled during the period as a result of the later than planned approval for mining of the eastern pits.

A total of 3,537,000 tonnes of ore grading 0.80 g/t of gold was milled during the period. Overall gold recovery of 84% resulted in the recovery of 76,693 ounces of gold, whilst 78,129 ounces of gold were poured during the period. A total of 77,960 ounces of gold were sold at a weighted average price of US\$1,280/oz. A total of 120,267 ounces of gold were committed to forward sales contracts at a weighted average gold price of US\$1,276/oz as at the end of the period.

Underlying unit costs have decreased considerably compared to the December 2014 costs as a result of the concerted effort to reduce costs across the business. Mining unit cost per tonne of US\$2.40/t have reduced 48% and processing cost of US\$9.19/t have reduced 15% compared to the corresponding period in 2014. On an all-in site cost per ounce basis, total all-in site costs have increased by 22% due to the 23% decrease in gold production.

### **Sissingué Gold Project, Côte d'Ivoire**

The group owns an 86% interest in the SGP, a development stage gold deposit at Sissingué located in the north of Côte d'Ivoire. The Company's 86% interest in the SGP reflects a 10% free carried interest in favour of the Government of Côte d'Ivoire and 4% owned by local interests.

The potential development of the SGP 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. In the context of a progressively weakening global economic environment, Perseus has adopted a disciplined approach to taking a development decision on this project, having established a well-defined set of criteria to be achieved before major capital is deployed.

During the period, the terms of a Mining Convention for the SGP were finalised in accordance with Côte d'Ivoire's recently legislated Mining code and the Convention was executed in late July 2015 by Perseus and the Minister of Industry and Mines, and the Ministers attached to the Prime Minister with responsibility for the Economic and Finance and the Budget respectively.

In addition, a well-structured programme of early works was undertaken during the period, including a material part of the front end engineering and design programme, construction of site access roads, initial earthworks, site clearing and fencing, design and procurement of elements of the mine camp and certain items of mobile equipment. A community engagement programme continued with all national, regional and local government and local community security stakeholders to ensure that all parties are adequately briefed on details of the project and committed to maintaining peace and security in the vicinity of the SGP.

Perseus conducted a formal review of its development plans for the SGP at the end of the period. While a number of the defined criteria for development had been achieved including a peaceful Presidential election which looks likely to ensure political stability in Côte d'Ivoire in the foreseeable future, Perseus elected to defer a decision on full scale development largely on commercial grounds. The weakening economic environment is a concern with Perseus's desire to preserve its balance sheet strength in a volatile capital market; a full scale development decision has been temporarily deferred until a clearer line of sight is available to economic development and operation of the SGP.

### **Exploration**

#### **Ghana**

Exploration programs conducted at Edikan included field mapping, prospecting, sampling, a small trenching program, limited ground geophysical surveys including magnetics, VLF and self-potential ("SP") surveys to evaluate several near-mine geological targets. Additionally, ongoing data review and analysis resulted in the planning of several small drilling programs to test near-mine targets during the period.

Several small exploration drilling programs were conducted on the Edikan mine leases and neighbouring licenses with a total of 3,802 metres of reverse circulation ("RC") plus 893 metres of diamond drilling ("DD") completed. A number of exploration targets were tested near the Fetish and Bokitsi South deposits with generally modest results. A small exploration RC drilling program also unsuccessfully tested the Kwadwo San prospect on the neighbouring Nkotumso Prospecting License, approximately 6.7 kilometres west of the Edikan plant site, and RC drilling around the Besem North prospect, 3 kilometres northeast of the Fetish pit returned marginal results.

## **Perseus Mining Limited**

### **Directors' report**

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#### *Côte d'Ivoire*

An auger drilling programme designed to evaluate spotty soil anomalism between the Sissingué deposit and the Papara prospect 20 kilometres to the north-northwest continued at a slow pace during the period, with 129 auger holes drilled for a total of 841 metres. Two auger holes returned significant assays of 933 and 1,003ppb gold, with this anomaly remaining open on strike. Auger drilling will continue to follow up these results with subsequent RC drill testing as warranted.

A small drilling program of RC and DD commenced late in the period on the Mahalé Permit to further test the Bélé East and West prospects with the aim of ultimately defining a Mineral Resource which might be trucked to and processed at the SGP. A total of 1,400 metres of RC drilling and 488 metres of DD tails was completed at the Bélé East and West prospects. Drilling resumed in early January 2016.

Perseus has a number of exploration permits under application in Côte d'Ivoire in its own name and under joint venture farm-in arrangements. The Zouan-Hounien permit was granted in December to Gemica. Perseus has a 93% interest in the permit under a joint venture agreement with Gemica with exploration expenditure being sole funded by Perseus. The 173 square km Zouan-Hounien permit covers highly favourable geology in southwestern Côte d'Ivoire, adjacent to Endeavour Mining's Ity Gold Mine. Programs of reconnaissance stream sediment and soil geochemical sampling will commence on the permit in the next period.

#### **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 2015.

Signed in accordance with a resolution of directors.

**J A Quartermaine**



**Managing Director**

Perth, 12 February 2016

#### **Competent Person Statement:**

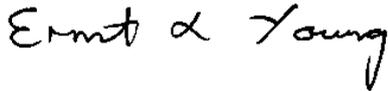
*The information in this report that relates to exploration results was first reported by the Company in compliance with the JORC Code 2012 in its September 2015 Quarterly Activities Report dated 22 October 2015 and its December 2015 Quarterly Activities Report dated 28 January 2016. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred to above.*

## Auditor's independence declaration to the Directors of Perseus Mining Limited

As lead auditor for the review of Perseus Mining Limited for the half-year ended 31 December 2015, I declare 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 financial period.



Ernst & Young



Gavin Buckingham  
Partner  
12 February 2016

**Perseus Mining Limited**  
**Financial statements**  
**31 December 2015**

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1. Segment information	4. Cash and cash equivalents	11. Derivative financial instruments	14. Contingencies
2. Other income / expenses and adjustments	5. Receivables	12. Financial risk management	15. Commitments
3. Income tax expense	6. Inventories	13. Issued capital and reserves	16. Events occurring after the end of the reporting period
	7. Available for sale financial assets		
	8. Property, plant and equipment		
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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 12 February 2016. 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](http://www.perseusmining.com).

**Perseus Mining Limited**  
**Statement of comprehensive income**  
**For the half-year ended 31 December 2015**

	Notes	Consolidated	
		31 Dec 2015	31 Dec 2014
		\$'000	\$'000
Revenue	2	149,111	142,168
Changes in inventories of finished goods and work in progress		(5,239)	(2,495)
Contractors, consumables, utilities and reagents		(92,097)	(81,484)
Royalties		(11,441)	(8,690)
Employee benefits expense		(12,874)	(13,478)
Depreciation and amortisation expense	2	(22,315)	(23,557)
Foreign exchange gain	2	17,863	39,101
Finance cost	2	(293)	(461)
Impairment of available-for-sale financial asset	7	(709)	(1,030)
Impairment of exploration		(4,844)	-
Share of net losses of associate		-	(108)
Gain recognised on discontinuation of equity accounting		-	507
Other expenses		(3,297)	(5,035)
<b>Profit before income tax expense</b>		<b>13,865</b>	<b>45,438</b>
Income tax expense	3	(1,893)	(4,271)
<b>Profit after income tax</b>		<b>11,972</b>	<b>41,167</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		10,567	17,989
Net changes in fair value of cash flow hedges		(18,548)	12,766
Net changes in fair value of financial assets		(397)	(380)
Income tax benefit / (expense) relating to cash flow hedges		6,590	(4,468)
<b>Total comprehensive income for the period</b>		<b>10,184</b>	<b>67,074</b>
<b>Profit attributable to:</b>			
Owners of the parent		12,127	40,508
Non-controlling interests		(155)	659
		<b>11,972</b>	<b>41,167</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		11,004	64,767
Non-controlling interests		(820)	2,307
		<b>10,184</b>	<b>67,074</b>
<b>Basic profit per share</b>		<b>2.29 cents</b>	7.69 cents
<b>Diluted profit per share</b>		<b>2.25 cents</b>	7.58 cents

The accompanying notes form part of these financial statements.

**Perseus Mining Limited**  
**Statement of financial position**  
**As at 31 December 2015**

	Notes	Consolidated	
		31 Dec 2015	30 June 2015
		\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents	4	94,641	103,741
Receivables	5	29,838	40,720
Inventories	6	46,445	43,960
Prepayments		6,250	6,033
Derivative financial instruments	11	35,328	21,276
<b>Total current assets</b>		<b>212,502</b>	<b>215,730</b>
<b>Non-current assets</b>			
Receivables	5	12,968	12,337
Available for sale financial assets	7	1,714	2,820
Property, plant and equipment	8	215,267	210,672
Mine properties	9	233,259	214,699
Mineral interest acquisition and exploration expenditure	10	41,717	41,568
<b>Total non-current assets</b>		<b>504,925</b>	<b>482,096</b>
<b>Total assets</b>		<b>717,427</b>	<b>697,826</b>
<b>Current liabilities</b>			
Trade and other payables		47,566	38,054
<b>Total current liabilities</b>		<b>47,566</b>	<b>38,054</b>
<b>Non-current liabilities</b>			
Provision		12,396	10,477
Deferred tax liability		64,333	66,073
<b>Total non-current liabilities</b>		<b>76,729</b>	<b>76,550</b>
<b>Total liabilities</b>		<b>124,295</b>	<b>114,604</b>
<b>Net assets</b>		<b>593,132</b>	<b>583,222</b>
<b>Equity</b>			
Issued capital	13	476,427	476,427
Reserves		20,542	22,007
Retained earnings		84,666	72,539
<b>Parent entity interest</b>		<b>581,635</b>	<b>570,973</b>
Non-controlling interest		11,497	12,249
<b>Total equity</b>		<b>593,132</b>	<b>583,222</b>

The accompanying notes form part of these financial statements.

**Perseus Mining Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2015**

	Consolidated								
	Issued capital	Retained earnings	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
<b>Six months to 31 December 2015</b>									
<b>Balance at 1 July 2015</b>	<b>476,427</b>	<b>72,539</b>	<b>19,212</b>	<b>(8,124)</b>	<b>(93)</b>	<b>10,762</b>	<b>250</b>	<b>12,249</b>	<b>583,222</b>
Profit for the period	-	12,127	-	-	-	-	-	(155)	11,972
Currency translation differences	-	-	-	10,036	-	-	-	531	10,567
Net change in the available-for-sale financial assets	-	-	-	-	(397)	-	-	-	(397)
Net change in fair value of cash flow hedges	-	-	-	-	-	(16,557)	-	(1,991)	(18,548)
Income tax relating to components of other comprehensive income	-	-	-	-	-	5,795	-	795	6,590
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>12,127</b>	<b>-</b>	<b>10,036</b>	<b>(397)</b>	<b>(10,762)</b>	<b>-</b>	<b>(820)</b>	<b>10,184</b>
Shares issued during the period	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-
Share based payments	-	-	165	-	-	-	-	37	202
Non-controlling interest arising from change in ownership interest	-	-	-	-	-	-	(507)	31	(476)
<b>Balance at 31 December 2015</b>	<b>476,427</b>	<b>84,666</b>	<b>19,377</b>	<b>1,912</b>	<b>(490)</b>	<b>-</b>	<b>(257)</b>	<b>11,497</b>	<b>593,132</b>
<b>Six months to 31 December 2014</b>									
<b>Balance at 1 July 2014</b>	<b>476,429</b>	<b>(15,280)</b>	<b>19,071</b>	<b>(33,739)</b>	<b>54</b>	<b>13,286</b>	<b>218</b>	<b>6,570</b>	<b>466,609</b>
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 the 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)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>40,508</b>	<b>-</b>	<b>17,171</b>	<b>(380)</b>	<b>7,468</b>	<b>-</b>	<b>2,307</b>	<b>67,074</b>
Shares issued during the period	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-
Share based payments	-	-	231	-	-	-	-	72	303
<b>Balance at 31 December 2014</b>	<b>476,429</b>	<b>25,228</b>	<b>19,302</b>	<b>(16,568)</b>	<b>(326)</b>	<b>20,754</b>	<b>218</b>	<b>8,949</b>	<b>533,986</b>

The accompanying notes form part of these financial statements.

**Perseus Mining Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2015**

	Notes	Consolidated	
		31 Dec 2015	31 Dec 2014
		\$'000	\$'000
<b>Operating activities</b>			
Receipts in the course of operations		143,809	137,058
Payments to suppliers and employees		(133,947)	(126,316)
Interest received		442	261
<b>Net cash from operating activities</b>		<b>10,304</b>	<b>11,003</b>
<b>Investing activities</b>			
Payments for exploration and evaluation expenditure		(2,691)	(3,214)
Payments for acquisition of property, plant and equipment		(607)	(31)
Payments for mine properties		(4,167)	(5,211)
Payments for acquisition of assets under construction		(18,761)	(6,943)
Investment in listed entity		-	(100)
<b>Net cash used in investing activities</b>		<b>(26,226)</b>	<b>(15,499)</b>
<b>Financing activities</b>			
Proceeds from share issues		-	-
Share issue expenses		-	-
Acquisition of minority interest		(475)	-
<b>Net cash provided by financing activities</b>		<b>(475)</b>	<b>-</b>
Net decrease in cash held		(16,397)	(4,496)
Cash and cash equivalents at the beginning of the financial period		103,741	36,937
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		7,297	10,646
<b>Cash and cash equivalents at the end of the financial period</b>	4	<b>94,641</b>	<b>43,087</b>

The accompanying notes form part of these financial statements.

**Perseus Mining Limited**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2015**

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**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 2015, 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 2015 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 2015, 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 2015, 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 2015. 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 2015. 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 throughout the notes.

**SIGNIFICANT JUDGEMENTS AND ESTIMATES**

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

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.

	<b>Note</b>
Depreciation and amortisation	2
Unit-of-production method of depreciation/amortisation	2
Deferred stripping expenditure	2
Impairment	2
Income tax	3

**Perseus Mining Limited**  
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**SIGNIFICANT JUDGEMENTS AND ESTIMATES – continued**

Inventory	6
Reserves and resources	9
Exploration and evaluation expenditure	10
Derivative financial instruments	11
Measurement of fair value	12
Share based payments	13

**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 2015 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**  
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**1. SEGMENT INFORMATION – continued**

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

	Australia		Ghana		Six months ending		Consolidated	Consolidated
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	Côte d'Ivoire	Côte d'Ivoire		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>								
Total revenue	238	300	148,873	141,868	-	-	149,111	142,168
<b>Results</b>								
Operating profit before income tax	10,387	34,195	5,344	12,120	(1,866)	(877)	13,865	45,438
Income tax expense							(1,893)	(4,271)
<b>Net profit</b>							11,972	41,167
<b>Included within segment results:</b>								
Share of net loss of associate accounted for using the equity method	-	(108)	-	-	-	-	-	(108)
Impairment of available-for-sale financial asset	(709)	(1,030)	-	-	-	-	(709)	(1,030)
Depreciation and amortisation	(352)	(519)	(21,883)	(22,970)	(80)	(68)	(22,315)	(23,557)
Share based payments to employees, directors and consultants	(98)	(263)	(89)	7	(11)	(20)	(198)	(276)
Foreign exchange gain	15,752	39,257	3,094	(158)	(983)	2	17,863	39,101
	As at	As at	As at	As at	As at	As at	As at	As at
	31 Dec 2015	30 June 2015	31 Dec 2015	30 June 2015	31 Dec 2015	30 June 2015	31 Dec 2015	30 June 2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>								
Segment assets	77,565	45,104	559,559	587,263	80,303	65,459	717,427	697,826
Total assets includes:								
Additions to non-current assets (other than financial assets)	150	131	18,866	36,023	10,577	3,782	29,593	39,936
<b>Liabilities</b>								
Segment liabilities	1,055	1,543	122,615	112,512	625	549	124,295	114,604

**Perseus Mining Limited**  
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**2. OTHER INCOME / EXPENSES AND ADJUSTMENTS**

	<b>Consolidated</b>	
	<b>Six months ended</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before income tax has been determined after:		
<b>Other revenue:</b>		
Interest revenue	<b>460</b>	313
Interest revenue is included in 'revenue' in the statement of comprehensive income.		
<b>Foreign exchange gain:</b>		
Foreign exchange gain on translation of inter-company loans	<b>15,798</b>	37,791
Foreign exchange gain / (loss) on translation of VAT receivable	<b>2,020</b>	(1,526)
Foreign exchange gain on other translations	<b>45</b>	2,836
	<b>17,863</b>	39,101
<b>Changes in inventories of finished goods and work in progress:</b>		
Write back / (write down) of inventories due to increase / (decrease) in net realisable value	<b>1,850</b>	(6,704)
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.		
<b>Finance costs:</b>		
Interest and finance charges	<b>(293)</b>	(461)
<b>Other costs:</b>		
Loss on disposal of property, plant and equipment	-	(4)
Write-down of receivable	-	(2,294)
<b>Depreciation and amortisation:</b>		
Amortisation of stripping asset	<b>(5,111)</b>	(9,504)
Other depreciation and amortisation	<b>(17,204)</b>	(14,053)
	<b>(22,315)</b>	(23,557)

**SIGNIFICANT JUDGEMENTS**

*(i) 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, and reflect the life of mine ("LOM") operating and capital cost assumptions used in the group's latest budget and LOM plans:

- (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 are based on brokers consensus forecast;
- (iv) Future costs of production;
- (v) Future capital expenditure;
- (vi) Future exchange rates; and/or
- (vii) 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.

**Perseus Mining Limited**  
**Notes to the financial statements**  
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**2. OTHER INCOME / EXPENSES AND ADJUSTMENTS – continued**

**SIGNIFICANT JUDGEMENTS – continued**

*(i) Impairment of assets - continued*

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.

*(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 EXPENSE**

The income tax expense that has been recognised in the statement of comprehensive income comprises \$1,892,524 (31 December 2014 income tax expense: \$4,270,949), fully relating to the EGM profit for the period.

**SIGNIFICANT JUDGEMENTS**

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.

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**4. CASH AND CASH EQUIVALENTS**

		Consolidated	
		31 Dec 2015 \$'000	30 June 2015 \$'000
Cash assets	(i)	40,467	10,795
Short term deposits	(ii)	54,174	92,946
		<b>94,641</b>	<b>103,741</b>

- (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.

*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.

**5. RECEIVABLES**

**Current**

Trade debtors	(i)	4,992	24,508
Sundry debtors	(i)	5,436	7,403
Other receivable	(ii)	23,234	12,454
Allowance for doubtful debts	(iii)	(3,824)	(3,645)
		<b>29,838</b>	<b>40,720</b>

**Non-current**

Security deposits	(iv)	12,968	12,337
		<b>12,968</b>	<b>12,337</b>

**Movement in the allowance for doubtful debts:**

Balance at beginning of the period		3,645	2,958
Foreign exchange translation gain		179	687
Balance at the end of the period		<b>3,824</b>	<b>3,645</b>

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, \$23.2 million (30 June 2015: \$12.4 million) related to a VAT refund receivable from the Ghana Revenue Authority ("GRA"). There are no non-current VAT receivables as at 31 December 2015.  
(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 2015, the group has US\$9.5 million (approximately A\$13.0 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 \$3.8 million disclosed above which is fully provided for, all of the remaining trade and other receivables are not past due.

**Perseus Mining Limited**  
**Notes to the financial statements**  
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**5. RECEIVABLES – continued**

*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. No payments were received for the half-year ended 31 December 2015.

**6. INVENTORIES**

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>30 June 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Ore stockpiles – at cost	-	9,176
Ore stockpiles – at net realisable value	<b>4,357</b>	-
Gold in circuit	<b>4,576</b>	4,288
Materials and supplies	<b>37,512</b>	30,496
	<b>46,445</b>	43,960

*Inventory expense*

The inventory expense during the six month period ended 31 December 2015 was \$130.7 million (30 June 2015: \$235.3 million). The write up of inventories due to an increase in net realisable value recognised during the period ended 31 December 2015 amounted to \$1.9 million (30 June 2015: write down of \$6.4 million) and is included in ‘changes in inventories of finished goods and work in progress’ in the statement of comprehensive income.

**SIGNIFICANT JUDGEMENTS**

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.

**7. AVAILABLE FOR SALE FINANCIAL ASSETS**

**Non-current**

Available for sale financial assets	(i)	<u>1,714</u>	<u>2,820</u>
		<b>1,714</b>	<b>2,820</b>

**Reconciliation of movements in available for sale financial assets:**

Balance at beginning of the period		<b>2,820</b>	1,841
Reclassification from investments accounted for using the equity method		-	1,875
Additions		-	281
Impairment of available for sale financial asset	(ii)	<b>(709)</b>	(1,030)
Loss on fair value remeasurements		<b>(397)</b>	(147)
Balance at end of the period		<b>1,714</b>	2,820

**Perseus Mining Limited**  
**Notes to the financial statements**  
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**7. AVAILABLE FOR SALE FINANCIAL ASSETS – continued**

Terms and conditions relating to the above financial instruments:

- (i) The group's investment in Manas Resources Limited (\$0.3 million) and Burey Gold Limited (\$1.4 million) is recognised as an available for sale financial asset.
- (ii) During the half-year, impairment of the investment in Manas was considered. The significant decline in the fair value of Manas's shares was considered objective evidence of impairment and as such, an impairment of \$0.7 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 2015.

**8. PROPERTY, PLANT AND EQUIPMENT**

	Consolidated	
	31 Dec 2015	30 June 2015
	\$'000	\$'000
Plant and equipment - at cost	187,791	177,088
Accumulated depreciation	(63,620)	(51,358)
	<b>124,171</b>	<b>125,730</b>
<b>Reconciliation of plant and equipment:</b>		
Balance at the beginning of the period	125,730	110,467
Additions	607	69
Transferred from assets under construction	1,513	5,935
Depreciation	(9,877)	(15,271)
Disposals	-	(29)
Translation difference movement	6,198	24,559
Carrying amount at the end of the period	<b>124,171</b>	<b>125,730</b>
Assets under construction – at cost	<b>91,096</b>	<b>84,942</b>
<b>Reconciliation of assets under construction:</b>		
Balance at the beginning of the period	84,942	74,054
Additions	19,010	19,362
Transferred to property, plant and equipment	(1,513)	(5,935)
Transferred to mine properties	(14,058)	(5,818)
Translation difference movement	2,715	3,279
Carrying amount at the end of the period	<b>91,096</b>	<b>84,942</b>
Total property, plant and equipment net book value	<b>215,267</b>	<b>210,672</b>

**Perseus Mining Limited**  
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**9. MINE PROPERTIES**

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>30 June 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Mine properties - at cost	<b>366,426</b>	330,017
Accumulated depreciation	<b>(133,167)</b>	(115,318)
	<b>233,259</b>	214,699

**Reconciliation of mine properties:**

Balance at the beginning of the period	<b>214,699</b>	189,005
Additions	<b>6,781</b>	14,992
Transferred from assets under construction	<b>14,058</b>	5,818
Transferred from mineral interest acquisition and exploration expenditure	-	3,267
Amortisation	<b>(12,438)</b>	(39,152)
Translation difference movement	<b>10,159</b>	40,769
Carrying amount at the end of the period	<b>233,259</b>	214,699

**SIGNIFICANT JUDGEMENTS**

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

**10. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE**

Mineral interest acquisition and exploration – at cost	<b>41,717</b>	41,568
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**Reconciliation:**

Balance at the beginning of the period	<b>41,568</b>	33,565
Additions	<b>3,195</b>	5,389
Transferred to mine properties	-	(3,267)
Impairment of exploration	<b>(4,844)</b>	-
Translation difference movement	<b>1,798</b>	5,881
Carrying amount at the end of the period	<b>41,717</b>	41,568

**Perseus Mining Limited**  
**Notes to the financial statements**  
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**10. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE – continued**

The expenditure above relates principally to exploration and evaluation activities. The ultimate recoupment of this expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. The impairment recognised of \$4.8 million (30 June 2015: nil) is a result of writing-off the Dadieso licence in Ghana due to the assessed complexity of developing that area of interest.

**SIGNIFICANT JUDGEMENTS**

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.

**11. DERIVATIVE FINANCIAL INSTRUMENTS**

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>30 June 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>		
Cash flow hedge asset	-	18,397
Financial assets at fair value – gold forward contracts	<b>35,328</b>	<b>2,879</b>
	<b>35,328</b>	<b>21,276</b>

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 2015 there were no remaining cash flow designated hedge contracts in place. The portion of the gain or loss on the hedging instruments used during the period 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 \$22.0 million (30 June 2015 gain: \$23.6 million).

*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 2015. 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 12. Movements in fair value between inception and close-out of the contract are taken to the statement of comprehensive income.

At 31 December 2015 the group held forward metal contracts for 120,267 ounces of gold on a spot deferred basis with a weighted average price of US\$1,276/oz. When necessary, these contracts may be rolled over into new contracts at maturity, subject to counterparty credit approval.

**SIGNIFICANT JUDGEMENTS**

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.

**Perseus Mining Limited**  
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**12. 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 2015:

	Loans and receivables / amortised cost \$'000	Available-for- sale \$'000	Fair value through profit and loss \$'000	Fair value through other comprehensive income (cash flow hedge) \$'000
<b>Financial assets:</b>				
Receivables	29,838	-	-	-
Gold forward contracts	-	-	35,328	-
<b>Total current</b>	<b>29,838</b>	<b>-</b>	<b>35,328</b>	<b>-</b>
Receivables	12,968	-	-	-
Available for sale investments	-	1,714	-	-
<b>Total non-current</b>	<b>12,968</b>	<b>1,714</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>42,806</b>	<b>1,714</b>	<b>35,328</b>	<b>-</b>
<b>Financial liabilities:</b>				
Payables	46,105	-	-	-
<b>Total current</b>	<b>46,105</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>46,105</b>	<b>-</b>	<b>-</b>	<b>-</b>

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the group as at 30 June 2015:

	Loans and receivables / amortised cost \$'000	Available-for- sale \$'000	Fair value through profit and loss \$'000	Fair value through other comprehensive income (cash flow hedge) \$'000
<b>Financial assets:</b>				
Receivables	40,720	-	-	-
Gold forward contracts	-	-	2,879	-
Derivative financial instruments	-	-	-	18,397
<b>Total current</b>	<b>40,720</b>	<b>-</b>	<b>2,879</b>	<b>18,397</b>
Receivables	12,337	-	-	-
Available for sale investments	-	2,820	-	-
<b>Total non-current</b>	<b>12,337</b>	<b>2,820</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>53,057</b>	<b>2,820</b>	<b>2,879</b>	<b>18,397</b>
<b>Financial liabilities:</b>				
Payables	36,437	-	-	-
<b>Total current</b>	<b>36,437</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>36,437</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Fair values**

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

	<b>Consolidated</b>			
	<b>31 Dec 2015</b>		<b>30 June 2015</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets:</b>				
Receivables	29,838	29,838	40,720	40,720
Gold forward contracts	35,328	35,328	2,879	2,879
Derivative financial instruments	-	-	18,397	18,397
<b>Total current</b>	<b>65,166</b>	<b>65,166</b>	61,996	61,996
Receivables	12,968	12,968	12,337	12,337
Available for sale investments	1,714	1,714	2,820	2,820
<b>Total non-current</b>	<b>14,682</b>	<b>14,682</b>	15,157	15,157
<b>Total</b>	<b>79,848</b>	<b>79,848</b>	77,153	77,153
<b>Financial liabilities:</b>				
Payables	46,105	46,105	36,437	36,437
<b>Total non-current</b>	<b>46,105</b>	<b>46,105</b>	36,437	36,437
<b>Total</b>	<b>46,105</b>	<b>46,105</b>	36,437	36,437

**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.

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

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

<b>31 December 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets:</b>				
Available for sale instruments	1,714	-	-	<b>1,714</b>
Gold forward contracts	-	35,328	-	<b>35,328</b>
<b>Total</b>	<b>1,714</b>	<b>35,328</b>	<b>-</b>	<b>37,042</b>

**30 June 2015**

**Financial assets:**

Available for sale instruments	2,820	-	-	2,820
Gold forward contracts	-	2,879	-	2,879
Derivative financial instruments	-	18,397	-	18,397
<b>Total</b>	<b>2,820</b>	<b>21,276</b>	<b>-</b>	<b>24,096</b>

**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. The valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties and forward rate curves of the underlying commodity. 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 exchange 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 trade receivables and payable are assumed to approximate their fair values due to their short-term nature.

**SIGNIFICANT JUDGEMENTS**

*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**  
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**13. ISSUED CAPITAL AND RESERVES**

**(a) Issued and paid-up share capital**

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>\$'000</b>	<b>\$'000</b>
529,343,901 (31 December 2014: 526,656,401) ordinary shares, fully paid	<b>476,427</b>	476,429

	<b>Consolidated</b>			
	<b>31 Dec 2015</b>		<b>31 Dec 2014</b>	
	<b>\$'000</b>	<b>Number</b>	<b>\$'000</b>	<b>Number</b>
Balance at the beginning of the period	<b>476,427</b>	<b>526,656,401</b>	476,429	526,656,401
Transaction costs arising from issue of securities for cash	-	-	-	-
Vesting of performance rights on 29 July 2015	-	<b>2,687,500</b>	-	-
Balance at the end of the period	<b>476,427</b>	<b>529,343,901</b>	476,429	526,656,401

**(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	Closing balance
				<b>1 July 2015</b>				<b>31 Dec 2015</b>
				<b>Number</b>	<b>Number</b>		<b>Number</b>	<b>Number</b>
25-Nov-12	30-Jun-15	31-Dec-15	nil	300,000	-	-	(300,000)	-
1-Jan-13	30-Jun-15	31-Dec-15	nil	1,202,418	-	-	(1,202,418)	-
1-Jan-14	30-Jun-15	31-Dec-15	nil	2,125,000	-	(2,125,000)	-	-
1-Jan-14	31-Dec-16	30-Jun-17	nil	2,125,000	-	-	-	2,125,000
4-Jun-14	30-Jun-15	31-Dec-15	nil	562,500	-	(562,500)	-	-
4-Jun-14	31-Dec-16	30-Jun-17	nil	562,500	-	-	-	562,500
1-Jan-15	30-Jun-16	31-Dec-16	nil	750,000	-	-	-	750,000
1-Jan-15	31-Dec-17	30-Jun-18	nil	750,000	-	-	-	750,000
1-Jul-15	30-Jun-17	31-Dec-17	nil	-	4,975,000	-	-	4,975,000
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
				<b>8,377,418</b>	<b>6,275,000</b>	<b>(2,687,500)</b>	<b>(1,502,418)</b>	<b>10,462,500</b>

**SIGNIFICANT JUDGEMENTS**

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**  
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**14. CONTINGENCIES**

There were no changes in contingent liabilities since the annual financial report for the year ended 30 June 2015.

**15. 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.

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	30 June 2015
	<b>\$'000</b>	\$'000
Within one year	<b>750</b>	750
One year or later and not later than five years	<b>1,700</b>	1,700
Later than five years	<b>1,500</b>	1,500
	<b>3,950</b>	3,950

**(b) Capital commitments**

The group is responsible for all rehabilitation of the EGM mining leases, which are currently estimated to cost approximately US\$8.9 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 2015 are as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	30 June 2015
	<b>\$'000</b>	\$'000
Within one year	<b>416</b>	411
One year or later and not later than five years	<b>105</b>	318
Later than five years	-	-
	<b>521</b>	729

**16. 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) 1,325,000 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 14 January 2016. 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 2015 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**

Dated at Perth, 12 February 2016

To the members of Perseus Mining Limited

## Report on the interim 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 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, other information as set out in Appendix 4D to the Australian Stock Exchange (ASX) Listing Rules and the directors' declaration of the consolidated entity. The consolidated entity comprises 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 interim 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 complies with the ASX Listing Rules as they relate to Appendix 4D. The directors are also responsible for such internal controls that 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 2015 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and the ASX Listing Rules as they relate to Appendix 4D. As the auditor of Perseus Mining Limited and the entities it controlled during the half-year, 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.

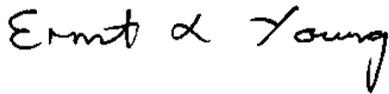
### Independence

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

- a. the *Corporations Act 2001*, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
  - ii complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- b. the ASX Listing Rules as they relate to Appendix 4D.



Ernst & Young



Gavin Buckingham  
Partner  
Perth  
12 February 2016