



# 2020

## ANNUAL REPORT

## DIRECTORS

**Terence Sean Harvey**  
Non-Executive Chairman

**Jeffrey Allan Quartermaine**  
Managing Director &  
Chief Executive Officer

**John Francis Gerald McGloin**  
Non-Executive Director

**Sally-Anne Georgina Layman**  
Non-Executive Director

**Daniel Richard Lougher**  
Non-Executive Director

**David Meldrum Ransom**  
(Appointed 29 November 2019)  
Non-Executive Director

## COMPANY SECRETARY

**Martijn Paul Bosboom**

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Australian Securities Exchange  
(**ASX – PRU**)  
Toronto Stock Exchange  
(**TSX – PRU**)  
Frankfurt Stock Exchange  
(**WKN: AOB7MN**)



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Consistent operating performance

# OUR STRATEGY

A simple corporate strategy for value creation.

## DEVELOP MINES

Unlock value by efficiently and effectively converting mineral resources into producing gold mines.

## INVEST IN ASSETS

Acquire and replenish through organic or inorganic means, a geopolitically diverse portfolio of mineral resources.

## CONTINUOUSLY IMPROVE

Strive to continuously improve our business at all levels.

## PRODUCE GOLD

Consistently perform to plan and generate targeted returns on funds employed.

## LICENCE TO OPERATE

Develop and maintain strong relationships with host governments and communities.

## INVEST IN PEOPLE

Lead, motivate and continuously up-skill our operating and management teams.

Consistently produce ~500koz of gold per year at a cash margin of not less than US\$400 per ounce.

# OPERATING HIGHLIGHTS



Group gold production of **257,639 ounces** at **AISC US\$972 per ounce**, including

- Edikan gold production of **171,638 ounces** at **AISC US\$1,082 per ounce**.
- Sissingué gold production of **86,001 ounces** at **AISC US\$753 per ounce**.



Group gold sales totalled **272 778 ounces** at a weighted average sale price of **US\$1,457 per ounce** resulting in a cash margin of **US\$485 per ounce**



**US\$125 million** of notional cashflow from operations, **55% increase** year on year.



Yaouré development **67% complete** and remains **on schedule and on budget**, with first gold expected in December 2020.

**STRONG MANAGEMENT**  
FOCUS ON **MINIMISING THE POTENTIAL IMPACTS** OF COVID-19 ON OUR PEOPLE, COMMUNITIES AND OPERATIONS.

# COMPANY HIGHLIGHTS

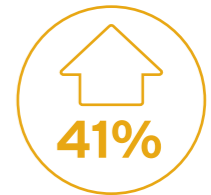
**A\$273.8M**

EBITDA from operations



**A\$212.8M**

Net cash flows from operations



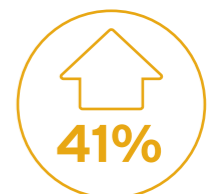
**8.1 cents**

Earnings per share



**A\$237.5M**

Cash and bullion on hand



**REVENUE UP**  
**COST OF SALES DOWN**

**YAOURÉ GOLD PROJECT ON TRACK**  
**FOR DECEMBER FIRST GOLD DESPITE**  
**COVID-19**

# CHAIRMAN'S ADDRESS



Dear Fellow Shareholder,

It gives me pleasure to present Perseus Mining Limited's (ASX/TSX: PRU) 2020 Annual Report, reflecting on a year that has seen challenges and uncertainty but also led our Company to the cusp of our goal of becoming a 500,000-ounce per year gold producer.

While the global COVID-19 pandemic has affected our operations during the past year, the Perseus Management team, ably led by our Managing Director and CEO Jeff Quartermaine, has performed extremely well under pressure to keep our Company's plans on target, with gold production at Edikan and Sissingué improving in the second half, and construction on schedule at Yaouré. We've done our best to negate the effects of the virus on our operations by moving into tight lockdowns under 'island mode', based on our experience in managing the Ebola outbreak across Africa earlier this decade. Our ability to meet and overcome hurdles on the way to achieving our goal has demonstrated our resilience and our determination to deliver on our promises.

Amid the global uncertainty, gold prices have continued to strengthen, moving above US\$2,000 (A\$2,800) per ounce in recent weeks. This bodes well for Perseus as we bring our third gold mine into production within the next few months. First gold is expected to pour at our Yaouré gold project in Côte d'Ivoire in December 2020 – we have maintained this timeframe to date despite the impact of COVID-19 on our plans. The project was 67 per cent complete by year end and we are confident that we can maintain our momentum on the project and commence commissioning there soon.

Yaouré is fully funded and Perseus has maintained a strong balance sheet during FY2020, finishing the year with cash and bullion of US\$164 million with a net cash and bullion position of US\$14 million. This gives us operating flexibility as we continue to ride out the effects of COVID-19 and positions us well for future growth.


Towards the end of the year, we announced plans to acquire Exore Resources via a Scheme of Arrangement. Bringing in Exore's highly prospective 2,000km<sup>2</sup> land package in northern Côte d'Ivoire, including the Bagoé project which has a maiden JORC-compliant resource, is a logical way of enabling us to extend the mine life of Sissingué or alternatively, developing a new mine once Sissingué's resources are exhausted. Subject to shareholder approval and other conditions being satisfied, the Scheme is expected to be implemented by the end of the September 2020 quarter, and we look forward to achieving this to provide Perseus with an even stronger foundation for future growth.

It has been pleasing to see our hard work reflected in our improved share price during the past year, particularly its strong recovery since market-wide volatility due to COVID-19 in March 2020. Perseus's share price finished FY2020 at its highest point in more than six

years. We understand the importance of providing value for our shareholders and we hope that investor interest in our company and the spotlight on gold producers continues. I would like to thank our shareholders for their loyalty to us and belief in Perseus as a company that meets its targets.

With such a busy 12 months behind us, I would also like to thank our Management and staff, many of whom have been dealing with extra pressures since the outbreak of COVID-19 and restrictions placed on us all. The team at Perseus remains very focused on working together to achieve our goals, and that is an attribute of which our Company should be very proud.

The coming year also looks to be busy, as we bring Yaouré online, finalise arrangements with Exore and ramp up exploration across our projects as we eye further resource growth. However, I have confidence that we will achieve what we set out to do, and I look forward to updating you of our progress during FY2021.

  
**Sean Harvey**  
Chairman



“  
It has been pleasing to see our hard work reflected in our improved share price during the past year...”

# MANAGING DIRECTOR'S ADDRESS



During the last twelve months, each of us who are employed in the mining industry has been presented with a set of challenges that many of us have never encountered before. For us at Perseus, dealing with the COVID-19 pandemic meant that for a significant part of the year we have been operating in uncharted waters, notwithstanding the fact that the outbreak of the Ebola virus in 2016 in parts of West Africa presented us with similar challenges and to an extent, prepared us for the current pandemic.

I am pleased to be able to report that so far, Perseus has emerged from the COVID-19 crisis relatively unscathed and if anything, we have emerged stronger, as we continue on our path to achieve our 500,000 ounces of gold per year production target and position ourselves to consistently deliver on our corporate mission of generating material benefits for all of our stakeholders, in fair and equitable proportions.

While the global uncertainty related to COVID-19 has made it impossible to guarantee ongoing strong performance, we continue to do our absolute best to deliver it. Development of our third gold mine, Yaouré, is well advanced and although challenges remain between now and the end of CY2020, we expect to pour first gold by year-end and we are working hard to achieve that milestone. By the end of the financial year, the engineering was finished, construction was more than two thirds complete and all equipment needed to finalise the development of Yaouré was either on site or headed that way. Since then, almost everything has tracked according

to plan and right now, we believe we are very much on track to achieve the target of first gold by year-end. When fully commissioned, we expect Yaouré to produce 215,000oz gold per year on average in its first five years of operation at an all-in site cost of less than \$850/oz, with a current mine life of more than eight years.

Bringing our third mine into production has been an important focus for us this year, but in the background, our two producing mines, Edikan and Sissingué continued to perform strongly. We produced nearly 260,000oz gold at the two mines during FY2020, with our all-in site costs stable compared to the previous year, at US\$972 per ounce. Costs were impacted by our COVID-19 measures in the second half of the year. In the June 2020 quarter, these added about US\$18/ounce to our production costs, however we were still able to generate a very strong cashflow from operations amounting to approximately \$212.8M through the year.

In recent months, we've outlined plans to extend the future of both of our operating

mines, albeit in different ways. To extend the life of our Sissingué mine that is a relatively short three years, we made an offer to acquire Exore Resources Limited, an exploration company that owns 2,000 square kilometres of very prospective land adjacent to Sissingué. Exore's landholding contains a Mineral Resource which if proven to be economically mineable can either be trucked to Sissingué for processing, or alternatively can be developed into a standalone mining operation using infrastructure from Sissingué. The proposition to acquire Exore was accepted by Exore's shareholders and the transaction has now been completed. Exploration work and work required for the preparation of an ESIA is due to start on the ground at the Bagoé Project in early October 2020.

At Edikan, Perseus has identified potential for underground mining at the Esuajah South deposit, which has a Measured and Indicated Resource of more than 500,000 ounces of gold. We are progressing this work, having received approvals to move ahead with the Exploration phase of the project in



“EBITDA from Operations is up 67% to \$273.8M

This impressive figure is a reflection of Perseus's long term strategy in action.

the June 2020 quarter. The approvals allow development of the decline and establishment of ore drives on the first three sub-levels of the orebody, which will allow us to better assess the deposit before proceeding. Subject to confirming acceptable prices, we plan to award an underground mining services contract in the December 2020 quarter with mobilisation and site establishment to take place shortly thereafter. If it proceeds as planned, this project will be Perseus's first underground mining development. As many of our people are very experienced underground miners, we are all looking forward to the additional challenges associated with bringing this deposit into production.

As our operations grow, Perseus continues to support our host communities and governments in the part of Africa where we operate. During the past year, Perseus has paid royalties and taxes totalling \$83M to the Ghanaian and Ivorian governments, while also providing support through provision of education, health and environmental programs to local communities. Support

for the communities' efforts to combat the COVID-19 pandemic has represented a significant part of our community development programmes since the start of CY2020. We aim to have a strong local workforce, providing training and employment opportunities at a range of levels, and we achieve about 99 per cent of local employment in Ghana and 90 percent local employment in Côte d'Ivoire. As previously noted, our corporate mission is to generate material benefits for all stakeholders in fair and equitable proportions and this is a mission that we take very seriously.

Looking ahead to 2021, commissioning and ramp up of production at Yaouré is a major milestone for the coming months, as well as undertaking exploration and feasibility work on the Bagoé Project near Sissingué. We also expect to further optimise production at Edikan and Sissingué with continuous improvement initiatives aimed at increasing gold production and reducing our AISC. We have several exploration programmes planned to roll out across all three properties as we look to add to our gold

inventory. We will also be looking further afield to assess what other opportunities might be available to continue to create value for our shareholders. Perseus has shown itself to be a company that does not rest on its laurels; we continue to set new goals and we continue to deliver on our promises.

Despite the challenges of the past year and the uncertainty ahead of us, it is an exciting time in our Company's growth, and I look forward to achieving the goals that we have set for ourselves in the year to come.

**Jeff Quartermaine**  
Managing Director and CEO

# REVIEW OF OPERATIONS

During the financial year under review, Perseus made significant progress in the development of its third gold mine and continued to produce gold from its two West African mines, demonstrating the success of its corporate plan to transform into a 500,000 ounce per annum, US\$400/oz margin gold producer.

Gold sales for the Perseus group during the year totalled 272,778 ounces at an average sales price of US\$1,457/oz. This result included 93,120 ounces of gold sold by the Sissingué Gold Mine in Côte d'Ivoire ('Sissingué') at an average sales price of US\$1,463/oz and 179,658 ounces of gold sold by the Edikan Gold Mine in Ghana ('Edikan') at an average sales price of US\$1,454/oz. Compared to the 2019 financial year, gold sold by the group was down by 6% but the average sales price was up by 16%.

**Table 1: Key financial operating statistics - group**

Parameter	Unit	Twelve months to 30 June 2020	Twelve months to 30 June 2019
Total gold sales	Ounces	272,778	289,389
Average sales price	US\$/oz of gold sold	1,457	1,257
Gold produced	Ounces	257,639	271,824
All-in site cost	US\$/oz	972	960

Gold production for the Perseus group during the year totalled 257,639 ounces at an All-in site cost (including production costs, royalties and sustaining capital) ("AISC") of US\$972/oz. This result included 86,001 ounces of gold produced at Sissingué at an AISC of US\$753/oz and 171,638 ounces of gold produced at Edikan at an AISC of US\$1,082/oz. Compared to the 2019 financial year, gold produced by the group was down by 5% but AISCs were up by only 1%.

Gold production for the Perseus group during the year totalled 257,639 ounces at AISC of US\$972/oz. Group gold sales totalled 272,778 ounces at a weighted average sale price of US\$1,457 per ounce resulting in a cash margin of US\$485 per ounce.

## REVIEW OF OPERATIONS (CONTINUED)

The development of the Company's third gold mine, the Yaouré Gold Mine ('Yaouré') in Côte d'Ivoire remains on schedule at the date of this report to achieve the stretch target of first gold pour in December 2020, subject to no COVID-19 related delays. On 9 December 2019 the Mining Convention that confirms fiscal stability and other arrangements that will apply to the Yaouré Gold Mine was executed. The terms of the Yaouré Mining Convention are similar to the terms contained in the Sissingué Mining Convention with some adjustments incorporated to suit Yaouré's specific circumstances.

Development of Yaouré was 67% complete, with US\$204.2 million (77%) of the US\$265.0 million budgeted project cost committed and US\$155.8 million (59%) paid to suppliers of goods and services, by 30 June 2020. Important progress has been made in preparation for a seamless transition from development activities to operations at Yaouré by the end of the 2020 calendar year. A workforce plan has been finalised and the recruitment of key employees has begun.

In early December 2019, a mining services contract was awarded to EPSA Internacional SA ('EPSA'), a privately owned, global earthmoving and mining contractor that is headquartered in Spain. Towards the end of the financial year, EPSA commenced establishing its operations with its earthmoving fleet beginning to arrive on site at Yaouré and planning for their site facilities was advanced. Following the end of the financial year, the build-up of EPSA staff onsite began.

In the September 2020 quarter, a range of further operational readiness initiatives will be implemented to ensure critical infrastructure is in place and ready for plant commissioning and production ramp up from late December 2020.

During the year, the US\$30.0 million revolving line of credit that was available to the Company's Ghanaian subsidiary and the US\$40.0 million debt facility that funded the Sissingué project were fully repaid through the drawdown of a US\$150.0 million revolving corporate cash advance facility. Remaining funds from the drawdown will be used to provide operational flexibility while managing through the COVID-19 crisis as well as progress the development of Yaouré. As at 30 June 2020, this facility was fully drawn down and the amount outstanding was US\$150.0 million.

In June 2020, Perseus and Exore Resources Limited entered into a Scheme Implementation Deed under which it is proposed that Perseus will acquire 100% of the issued share capital of Exore by way of a scheme of arrangement. With the acquisition of Exore's land package, including defined Mineral Resources at the Bagoé Project, Perseus will be able to either delineate further Mineral Resources and develop the Bagoé Project into a new gold mine, or alternatively, truck ore to the Sissingué plant for processing.

Exore shareholders are expected to vote on the Scheme at a Court-convened shareholder meeting in mid-September 2020. Subject to shareholder approval and the other conditions being satisfied, the Scheme is expected to be implemented by the end of the September 2020 quarter.

### EDIKAN, GHANA

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

#### Operations

Operating results at Edikan for the year ending 30 June 2020 and the corresponding year ending in 2019 were as follows:

**Table 2: Key production statistics - Edikan**

Parameter	Unit	Twelve months to 30 June 2020	Twelve months to 30 June 2019
Total ore and waste mined	kt	25,158	26,660
Ore mined	kt	5,631	7,038
Ore milled	kt	6,943	6,680
Milled head grade	g/t gold	1.00	1.09
Gold recovery rate	%	76.6	81.8
Gold produced	Ounces	171,638	191,971

A total of 25,158k tonnes of ore and waste were mined during the year from the Abenabna, Bokitsi, Fetish and Esuajah North pits, including 283k tonnes of oxide ore at 1.51g/t gold and 5,348k tonnes of fresh/transitional ore at 1.11g/t gold. Ore stockpiles (including both high and low-grade ore but not mineralised waste) plus crushed ore decreased to 5,233 tonnes grading 0.67g/t for approximately 113,560 ounces of contained gold. This stockpile is comprised of approximately 10% oxide ore and 90% primary ore.

Mill throughput for the year was 6,943k tonnes of ore grading on average 1.00 g/t gold, an 8.3% reduction in grade from the previous year. The gold recovery rate of 76.6%, was 5.2% lower than in the previous year. In pursuit of higher gold production in January and February 2020, additional quantities of ore from the Bokitsi pit were included in the mill feed blend. This was done in the expectation that the softer, higher grade Bokitsi ore would materially increase throughput rates and the weighted average head grade

## REVIEW OF OPERATIONS (CONTINUED)

compared to an ore blend dominated by harder, lower grade ore from the Esuajah North Pit and from low grade stockpiles, resulting in higher gold production. Instead, the improvement in throughput rates and increase in head grade resulting from the increased concentration of Bokitsi ore was offset by a reduction in the gold recovery rate that resulted from the presence of carbonaceous materials in the Bokitsi ore that negatively impacted gold recovery from the flotation circuit.

Gold production for the year was 171,638 ounces at an AISC of US\$1,082/oz. The 10.6% decrease in gold production during the year, relative to the 2019 financial year, is mainly due to a lower average head grade of processed ore in line with our revised mining strategy along with a lower recovery, slightly offset by increased tonnage of ore milled. The AISC for the year of US\$1,082/oz is 3.1% higher than the previous year of US\$1,049/oz. This was due to lower gold produced during the financial year compared to the prior year as well as lower total production costs compared to the prior year.

**Table 3: Key financial operating statistics - Edikan**

Parameter	Unit	Twelve months to 30 June 2020	Twelve months to 30 June 2019
Total gold sales	Ounces	179,658	200,933
Average sales price	US\$/oz of gold sold	1,454	1,257
Production costs including:			
• Mining cost	US\$/tonne of material mined	3.18	3.65
• Processing cost	US\$/tonne of ore milled	8.89	9.61
• G & A cost	US\$/month	1.79	1.41
Royalties	US\$/oz	97	83
Sustaining Capital	US\$/oz	33	38
<b>All-in site cost</b>	<b>US\$/oz</b>	<b>1,082</b>	<b>1,049</b>

Unit mining costs decreased by 12.9% relative to the prior year. Total mining costs decreased due to the updated mining strategy where Perseus moved from a two-contractor operation to a single mining contractor operation with effect from 1 January 2019.

Unit processing costs have decreased by 7.5% from the prior year due mainly to favourable power costs charged by the Ghanaian government in response to the COVID-19 crisis and also due to the fact that as a result of improved national electricity grid stability, less power needed to be generated on site using standby diesel generators.

### Mine Planning

Towards the end of the financial year, details of Edikan's updated Life of Mine Plan ('LOMP') were finalised. The LOMP covered the period from 1 July 2020 and was based on Perseus's revised mining strategy that was implemented in January 2019 involving use of a single mining contractor, mining at a reduced rate of total material movement. Costs, recoveries, mill throughput rates and run times have been updated to reflect recent performance.

The LOMP was based on the revised Ore Reserves reported on 20 February 2020. Ore loss and dilution included in the estimate of Ore Reserves was based on recent mine to mill reconciliation results. Comparisons of ore tonnes and grade by Edikan's Mineral Resource models relative to ore tonnes and grade delineated by grade control, indicate that the Mineral Resource estimates on which the Ore Reserves are based are reliable predictors of ore tonnes and grades. The Esuajah South Underground mine has been included in the LOMP, employing a sub-level stoping under rock fill mining method.

Total estimated gold production of 1,307,000 ounces over the life of mine from 1 July 2020 is 95% higher than the amount estimated for the corresponding period in the previous LOMP. The substantial increase is largely due to the addition of Esuajah South Underground and a much larger AG Open Pit. Forecast weighted average AISC, are in the range of US\$870-US\$890 per ounce over the remaining life of mine. This represents a 5% decrease in average AISC relative to the previous LOMP, over the corresponding period. Forecast sustaining capital costs (including the cost of site rehabilitation) of US\$37 million or US\$28 per ounce are included in the AISC estimate.

### Esuajah South ('ESS') Underground Development Project

Perseus made strong progress with the implementation of the Esuajah South Underground Project during the financial year. Approvals from Mincom and the EPA were received for the Exploration Phase of the Project. The approvals allow development of the decline and establishment of ore drives on the first three sub-levels of the orebody from which geological, geotechnical, hydrological and metallurgical parameters will be assessed and confirmed before moving to the next phase of the project. The Exploration Phase extends to September 2021 and during this period, the approvals process for the Production Phase will be completed in anticipation of positive results from the Exploration Phase.

## REVIEW OF OPERATIONS (CONTINUED)



“  
Mill throughput for the year was 6,943k tonnes of ore grading on average 1.00 g/t gold.”

Relocation of the small number of residents from the area began in June 2020. The construction of relocation housing and relocation of all residents is expected to be completed early in the December 2020 quarter. A request for tender was sent to four mining contractors during the June 2020 quarter for both the Exploration and Production Phases of the Project, and award of an underground mining services contract is expected to be made during the September 2020 quarter with mobilisation and site establishment to take place during the December 2020 quarter. The tender process for excavation of the box-cut is also in progress, with excavation due to start early in the December 2020 quarter. Geotechnical drilling is due to commence early in the September 2020 quarter to finalise the specific location of the portal and decline. Infill Mineral Resource drilling is also due to commence in this period in preparation for potentially moving into the Production phase following completion of the Exploration Phase.

Perseus recruited an experienced Underground Manager and a Senior Underground Geologist during the June 2020 quarter to manage the implementation of the Exploration Phase and then the Production Phase of the ESS underground project.

### Exploration

During the year, 3,010 metres of reverse circulation ('RC') and 342 metres of diamond core were drilled within the Edikan project area. Drilling was focussed on exploring mineralised felsic dyke systems in the Huntado and Mampong South areas on the Nanankaw Mining Lease. This dyke system represents the southwestern extension of the Abenabena and Fobinso intrusives, the largest individual orebodies on the Edikan permits, where previous drilling has defined a small resource at the Mampong prospect. The 2020 drilling confirmed results from previous wide-spaced RC drilling that indicated the Mampong dyke continued for at least another two kilometres, with potentially significant widths and gold grades. Work has now focused on a 600-metre-long zone where intercepts of up to 70 metres of mineralised dyke were encountered, with drilling ongoing.



## REVIEW OF OPERATIONS (CONTINUED)

The Company significantly expanded its ground position in the Edikan district during the period with the signing of option agreements on three new exploration permits, Agyakusu, Agyakusu DML and Domenase. The latter two agreements are subject to customary statutory approval. The three contiguous properties total 148 km<sup>2</sup> in area and bring the total land package held by Perseus at Edikan to 417 km<sup>2</sup>. Soil sampling on a nominal 160 x 40 metre grid was completed over the Agyakusu permit, with assays from the 1,542 samples collected confirming a strong gold-in-soil anomaly over the granite-hosted Breman prospect. Negotiations are ongoing with the local community to allow access for a first-pass RC drilling program at Breman. An initial 3,000 metres of drilling on a 40 x 80 metre pattern is planned, including 500 metres of diamond coring.

### Edikan Mineral Resource estimate:

The Mineral Resource estimate for Edikan is prepared in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). The Mineral Resource estimate is summarised in the following table that reports the Mineral Resources by category, deposit and deposit type.

The classification categories of Measured, Indicated and Inferred under the JORC Code are equivalent to the CIM categories of the same name (CIM, 2010).

The updated Measured and Indicated Mineral Resource estimate for Edikan is now estimated as 79.4Mt grading 1.01g/t gold, containing 2,573k ounces of gold, as at 30 June 2020. A further 7.2Mt of material grading 1.5g/t gold and containing a further 344k ounces of gold are classified as an Inferred Mineral Resource.

The Mineral Resource estimates have been constrained to material lying within optimal pit shells derived using US\$1,800/oz gold price and depleted to 30 June 2020 surveyed mining surfaces. Mineral Resource estimates for Bokitsi South and AF Gap deposits were updated in November 2019 and March 2020, respectively, based on mill reconciliations and readers are referred to ASX release "Perseus Updates Mineral Resource and Ore Reserve Estimates" dated 26 August 2020 and the notes contained therein.

The Mineral Resource estimate for the Esuajah South deposit was last updated in July 2019 and readers are referred to ASX release "Perseus Mining Updates Edikan Gold Mine's Mineral Resource and Ore Reserve" dated 20 February 2020 and the notes contained therein. An updated Mineral Resource estimate was completed for the Heap Leach deposit in February 2017 and readers are referred to ASX release "Perseus Updates Mineral Resource and Reserve Estimates for Edikan Gold Mine" dated 21 February 2017 and the notes contained therein. The Company confirms that in all other respects there have been no material changes from the estimates of open pit, underground and heap leach Mineral Resources previously released.

The Mineral Resource estimates for Edikan are tabulated below in Tables 4 and 5.

**Table 4: Edikan Measured and Indicated Mineral Resources – 30 June 2020<sup>9,10,11</sup>**

Deposit	Deposit Type	Measured Resources			Indicated Resources			Measured & Indicated Resources		
		Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz
AF Gap <sup>1,2,3</sup>	Open Pit	10.0	0.99	316	21.7	0.91	634	31.6	0.93	950
Esuajah North <sup>2,3,4</sup>	Open Pit	2.8	0.79	72	4.0	0.74	95	6.9	0.76	168
Fetish <sup>2,3,5</sup>	Open Pit	7.5	1.01	244	13.8	0.93	410	21.3	0.96	654
Bokitsi South <sup>2,3,6</sup>	Open Pit	0.7	1.58	34	1.3	1.24	50	1.9	1.36	84
<b>Sub Total</b>		<b>21.0</b>	<b>0.99</b>	<b>668</b>	<b>40.7</b>	<b>0.91</b>	<b>1,189</b>	<b>61.7</b>	<b>0.94</b>	<b>1,857</b>
Esuajah South <sup>7</sup>	U/Ground	-	-	-	9.0	1.8	530	9.0	1.8	530
Heap Leach <sup>2,8</sup>	Stockpile	-	-	-	3.5	0.6	72	3.5	0.6	72
Stockpiles	Stockpile	5.2	0.68	114	-	-	-	5.2	0.68	114
<b>Total</b>		<b>26.3</b>	<b>0.93</b>	<b>781</b>	<b>53.2</b>	<b>1.05</b>	<b>1,792</b>	<b>79.4</b>	<b>1.01</b>	<b>2,573</b>

### Notes:

- Based on March 2020 Mineral Resource model constrained to US\$1,800/oz pit shell.
- Depleted to 30 June 2020 mining surfaces.
- 0.4g/t gold cut-off applied.
- Based on June 2019 Mineral Resource model constrained to US\$1,800/oz pit shell.
- Based on January 2017 Mineral Resource model constrained to US\$1,800 pit shell, includes Bokitsi North lode.
- Based on November 2019 Mineral Resource model constrained to US\$1,800/oz pit shell.
- Based on July 2019 Mineral Resource model, 0.8g/t gold cut-off applied.
- At zero cut-off grade.
- All Mineral Resources are current as at 30 June 2020.
- Measured and Indicated Mineral Resources are inclusive of Ore Reserves.
- Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

## REVIEW OF OPERATIONS (CONTINUED)

**Table 5: Edikan Inferred Mineral Resources – 30 June 2020<sup>8,9</sup>**

Deposit	Deposit Type	Inferred Resources		
		Quantity Mt	Grade g/t gold	Gold '000oz
AF Gap <sup>1,2,3</sup>	Open Pit	0.3	0.8	8
Esuajah North <sup>2,3,4</sup>	Open Pit	0.03	1.0	1
Fetish <sup>2,3,5</sup>	Open Pit	0.6	0.9	19
Bokitsi South <sup>2,3,6</sup>	Open Pit	0.2	1.1	8
Esuajah South <sup>7</sup>	U/Ground	6	1.6	307
<b>Total</b>		<b>7.2</b>	<b>1.5</b>	<b>344</b>

### Notes:

- Based on March 2020 Mineral Resource model constrained to US\$1,800/oz pit shell.
- Depleted to 30 June 2020 mining surfaces.
- 0.4g/t gold cut-off applied.
- Based on June 2019 Mineral Resource model constrained to US\$1,800/oz pit shell.
- Based on January 2017 Mineral Resource model constrained to US\$1,800 pit shell, includes Bokitsi North lode.
- Based on November 2019 Mineral Resource model constrained to US\$1,800/oz pit shell.
- Based on July 2019 Mineral Resource model, 0.8g/t gold cut-off applied.
- All Mineral Resources are current as at 31 December 2019.
- Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

## EDIKAN ORE RESERVE ESTIMATE

The Ore Reserve is summarised below in Table 6 and is based on the Edikan Mineral Resources as at 30 June 2020 and updated pit optimisation, design and scheduling of the Open Pit Resources and updated Esuajah South Ore Reserve based on underground mining methods. All Ore Reserves are reported in accordance with the JORC Code. The Ore Reserve estimate is summarised in the following table that reports the Ore Reserves by category, deposit and type, above variable cut-off grades. The classification categories of Proved and Probable under the JORC Code are equivalent to the CIM categories of the same name (CIM, 2010).

The updated Proved and Probable Ore Reserves for Edikan are now estimated as 42.1Mt grading 1.09g/t gold, containing 1,477k ounces of gold including 16.3Mt of ore grading 1.01g/t gold and containing 532k ounces of gold in the Proved category and a further 25.8Mt of ore grading 1.14g/t gold containing 945k ounces of gold classified as Probable Ore Reserves. Details of these estimates are shown in Table 6. Mining of the Esuajah North deposit was completed in April 2020 with the Ore Reserve being fully depleted.

**Table 6: Edikan Ore Reserves – 30 June 2020<sup>2,4,7,8</sup>**

Deposit	Proved Reserves			Probable Reserves			Proved & Probable Reserves			Strip Ratio
	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	
AF Gap <sup>1,5</sup>	6.6	1.12	238	11.6	1.03	385	18.2	1.07	624	3.0
Fetish <sup>1,5</sup>	4.2	1.19	161	6.71	1.10	238	10.9	1.13	399	2.7
Bokitsi South <sup>1,5</sup>	0.3	1.97	19	0.1	1.86	8	0.4	1.93	27	0.7
<b>Sub Total</b>	<b>11.1</b>	<b>1.17</b>	<b>418</b>	<b>18.5</b>	<b>1.06</b>	<b>631</b>	<b>29.6</b>	<b>1.10</b>	<b>1,049</b>	<b>2.8</b>
Esuajah South	-	-	-	3.8	1.96	241	3.8	1.96	241	-
Heap Leach <sup>1,6</sup>	-	-	-	3.5	0.6	72	3.5	0.6	72	-
Stockpile <sup>3</sup>	5.2	0.68	114	-	-	-	5.2	0.68	114	-
<b>Total</b>	<b>16.3</b>	<b>1.01</b>	<b>532</b>	<b>25.8</b>	<b>1.14</b>	<b>945</b>	<b>42.1</b>	<b>1.09</b>	<b>1,477</b>	<b>2.0</b>

### Notes:

- Based on depletion to 30 June 2020 mining surfaces.
- Based on Mineral Resource Estimates which were current at 30 June 2020.
- Based on EOM June 2020 stockpile balance report.
- All Ore Reserves current as at 30 June 2020.
- Variable gold grade cut-off based on recovery of each material type in each deposit: Oxide 0.35 – 0.40 g/t, Transition 0.50 – 0.70 g/t and Fresh 0.50 – 0.55 g/t.
- Based on 0.40 g/t gold grade cut-off.
- Inferred Mineral Resource is considered as waste, t : t.
- Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.



Gold production for the year was 86,001 ounces at an AISC of US\$753/oz.

**SISSINGUÉ, CÔTE D'IVOIRE**

Sissingué is located in the north of Côte d'Ivoire and lies within the Sissingué exploitation permit that covers an area of 446km<sup>2</sup> and is bounded on one side by the international border between Côte d'Ivoire and Mali. The exploitation permit is located along a structural/stratigraphic corridor within the Syama-Boundiali greenstone belt approximately 42km south-southwest of the Syama gold mine in Mali and 65km west northwest of the Tongon deposit in Côte d'Ivoire. The group owns an 86% interest in Sissingué, with a 10% a free carried interest held by the Ivorian government and 4% owned by local interests.

**Operations**

Operating results at Sissingué for the year ending 30 June 2020 and the corresponding year ending in 2019 were as follows:

**Table 7: Key production statistics - Sissingué**

Parameter	Unit	Twelve months to 30 June 2020	Twelve months to 30 June 2019
Total ore and waste mined	kt	6,504	6,586
Ore mined	kt	1,987	1,651
Ore milled	kt	1,579	1,530
Milled head grade	g/t gold	1.79	1.71
Gold recovery rate	%	94.9	95.0
Gold produced	ounces	86,001	79,853

A total of 6,504k tonnes of oxide ore and waste was mined during the year from the Sissingué pit, including 975k tonnes of oxide ore at 0.86g/t and 1,012k tonnes fresh/transitional ore at 1.94g/t gold. Ore stockpiles plus crushed ore increased to 841k tonnes of ore at an average grade of 0.82 g/t, containing approximately 22,097 ounces of gold.

Total mill throughput for the year was 1,579k tonnes of ore at an average grade of 1.79 g/t gold, a 4.7% increase in grade from the previous year. The average gold recovery rate achieved of 94.9%, was 0.1% lower than the previous year. The increase in head grade and slight decrease in recovery was as a result of mining pushing deeper into Sissingué Stage 2 pit which contains harder higher grade ore.

Gold production for the year was 86,001 ounces at an AISC of US\$753/oz. The 7.7% increase in gold production during the year, relative to the 2019 financial year, is mainly due to the higher average grade of processed ore as well as the increased tonnage of ore milled. Sissingué's AISC was slightly higher than in the previous financial year due to higher mining, processing, royalties and G&A costs, offset by the increase in production, compared to the prior year.

Unit mining costs increased by 4.8% as the proportion of harder, fresher material mined increased, as well as slightly lower material movements compared to the prior year. Unit processing costs also increased by 8.2% due to the processing of this harder ore increased, slightly offset by higher throughput compared to the prior year. Whilst G&A expenditure increased relative to the prior year due to costs associated with COVID-19 including additional transport costs, meals, accommodation, and incentive payments.

**Table 8: Key financial operating statistics - Sissingué**

Parameter	Unit	Twelve months to 30 June 2020	Twelve months to 30 June 2019
Total gold sales	Ounces	93,120	88,456
Average sales price	US\$/oz of gold sold	1,463	1,257
Production costs including:			
• Mining cost	US\$/tonne of material mined	3.92	3.74
• Processing cost	US\$/tonne of ore milled	12.36	11.42
• G & A cost	US\$/month	0.96	0.88
Royalties	US\$/oz	68	53
Sustaining Capital	US\$/oz	27	34
<b>All-in site cost</b>	<b>US\$/oz</b>	<b>753</b>	<b>746</b>

**Licencing of Fimbiasso**

During the financial year, discussions commenced with the Ivorian Ministry of Mines and Geology on the granting of the Exploitation Permit required to mine the Fimbiasso Ore Reserves that are located within trucking distance of the Sissingué mill but outside of the Sissingué Exploitation Permit area. The matter has been considered by the Council of Ministers (CIM) and a recommendation to the Minister for Mines and Geology is expected soon.

Under Sissingué's current Life of Mine Plan, Fimbiasso ore will be mined and hauled to the Sissingué mill for processing towards the end of the mine life. In anticipation of the granting of the Exploitation Permit for Fimbiasso in the foreseeable future by the Ivorian government, work will start in the September 2020 quarter on the upgrade of the public road between Sissingué and Fimbiasso.

**Acquisition of Exore Resources Limited**

In June 2020, Perseus and Exore Resources Limited entered into a Scheme Implementation Deed under which it is proposed that Perseus will acquire 100% of the issued share capital of Exore by way of a scheme of arrangement. The acquisition of Exore will result in Perseus gaining ownership of approximately 2,000 square kilometres of geologically prospective land in northern Côte d'Ivoire, close to our operating Sissingué Gold Mine.

In December 2018, Exore acquired an 80% joint venture interest in exploration permits that make up the Bagoé and Liberty projects, that cover 816 square kilometres, from Apollo Consolidated Limited. Exore subsequently acquired the outstanding 20% interest in the joint venture following the announcement of the Scheme and announced a JORC compliant Mineral Resource at the Bagoé Project.

Sissingué currently has a mine life of three years from 1 July 2020. With the acquisition of Exore's land package, including defined Mineral Resources at the Bagoé Project, Perseus will be able to either develop the Bagoé Project into a new gold mine potentially using the Sissingué infrastructure, or alternatively, delineate further Mineral Resources at Bagoé that can be economically mined and trucked to the Sissingué plant for processing.

Exore shareholders are expected to vote on the Scheme at a Court-convened shareholder meeting in mid-September 2020. Subject to shareholder approval and the other conditions being satisfied, the Scheme is expected to be implemented by the end of the September 2020 quarter.

Once the Scheme is implemented, additional delineation drilling of the Bagoé Mineral Resource and further metallurgical testing of the deposit will commence as a precursor to preparing a feasibility study for potentially mining the deposit and trucking the ore to Sissingué for processing. Such a plan, if proved feasible, should materially increase the life of the Sissingué operation beyond its current three-year time horizon. An Environmental and Social Impact Assessment ('ESIA') will also be prepared as a prerequisite for statutory approval of a mining operation at Bagoé.

# REVIEW OF OPERATIONS (CONTINUED)

## Exploration

Exploration on the Sissingué Exploitation Licence during the year included 27,405 metres of aircore ('AC') drilling, 16,236 metres of RC drilling and 3,312 metres of diamond drilling, mostly at the Zanikan and Tiana prospects in the southern part of the Sissingué permit. Drilling was also conducted at the Papara, Zangalogo, Airport and Kakolo prospects. In addition, 1,754 metres of auger geochemical drilling was undertaken to investigate bedrock sources of widespread gold-in-soil anomalism and surficial artisanal gold mining in the Papara East area.

At Zanikan, 99 RC and nine diamond holes were drilled to infill and extend mineralisation within the Cashew Farm zone. Following an estimation of the available resources, along with preliminary metallurgical testwork, studies concluded that the Cashew Farm deposit was not economic at prevailing gold prices. At Tiana, 31 RC and 111 AC holes targeted artisanal workings exploiting sheared and quartz-veined Birimian sediments along a virtually continuous 1.7kilometre strike length. Although some spectacular intersections were returned by the drilling and the 290 channel samples collected from the artisanal workings, results overall were patchy and further work is required to fully understand and evaluate this system. A ground magnetics survey was completed over the Zanikan-Tiana area, with 362 line-kilometres of data collected in an attempt to better define bedrock geology and structure in the area.

First-pass AC drilling was completed at Zangalogo and Kakolo, with 92 and 32 holes drilled at each site respectively. The Zangalogo drilling failed to return any intersections of note whilst results from the Kakolo drilling remained pending at year end.

On the Mahalé licence, located 40km southwest of the Sissingué plant site, 7,260 metres of RC drilling was completed at the Fimbiasso West prospect. This work comprised just over 4,100 metres of infill drilling to better define the known resource for mine planning purposes, with the remainder devoted to drilling along the southwestern extensions, following up previous anomalous intersections. Assays from the latter program remained pending at year end.

## Combined Sissingué and Fimbiasso Mineral Resource estimate

Mineral Resources at Sissingué have been depleted to the 30 June 2020 surveyed mining surface. There has been no other material change from the estimates of Mineral Resources previously released and readers are referred to ASX release 'Perseus Mining Updates Resources, Reserves and Life of Mine Plan at Sissingué' dated 29 October 2018.

Estimates of Mineral Resources for the Fimbiasso (previously Bélé) deposits were updated in March 2020 following infill drilling and applying a different estimation methodology and readers are referred to ASX release 'Perseus Mining Updates Mineral Resources & Ore Reserves' dated 26 August 2020 and the notes contained therein. The estimates have been constrained to optimal pit shells derived using a gold price of US\$1,800/oz.

The combined global Measured and Indicated Mineral Resource for Sissingué is estimated as 7.7Mt grading 1.62g/t gold, containing 399k ounces of gold. A further 0.2Mt of material grading 1.4g/t gold, containing a further 11k ounces of gold are classified as Inferred Mineral Resources. Details of these estimates are shown below in Tables 9 and 10.

**Table 9: Sissingué Measured and Indicated Mineral Resources – 30 June 2020<sup>6,7,8,9</sup>**

Deposit	Deposit Type	Measured Resources			Indicated Resources			Measured & Indicated Resources		
		Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz
Sissingué <sup>1,2,3</sup>	Open Pit	4.3	1.68	234	0.4	1.37	16	4.7	1.66	250
Fimbiasso East <sup>4,5</sup>	Open Pit	0.8	1.71	45	0.1	1.81	8	1.0	1.73	53
Fimbiasso West <sup>4,5</sup>	Open Pit	1.0	1.64	54	0.4	1.65	20	1.4	1.65	73
Stockpiles	Open Pit	0.6	1.10	22	-	-	-	0.6	1.10	22
<b>Total</b>		<b>6.8</b>	<b>1.63</b>	<b>355</b>	<b>0.9</b>	<b>1.56</b>	<b>44</b>	<b>7.7</b>	<b>1.62</b>	<b>399</b>

### Notes:

- Based on September 2018 Mineral Resource model constrained to US\$1,800/oz pit shell.
- Depleted to 30 June 2020 mining surface.
- 0.6g/t gold cut-off applied to in situ material.
- Based on March 2020 Mineral Resource models constrained to US\$1,800/oz pit shells.
- 0.8g/t gold cut-off applied.
- Mineral Resources current at 30 June 2020.
- Measured and Indicated Mineral Resources are inclusive of Ore Reserves.
- Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.
- Fimbiasso East and West were previously called Bélé East and West respectively.

# REVIEW OF OPERATIONS (CONTINUED)

**Table 10: Sissingué Inferred Mineral Resources – 30 June 2020<sup>6,7,8</sup>**

Deposit	Deposit Type	Inferred Resources		
		Quantity Mt	Grade g/t gold	Gold '000oz
Sissingué <sup>1,2,3</sup>	Open Pit	0.1	0.9	3
Fimbiasso East <sup>4,5</sup>	Open Pit	0.01	2.6	1
Fimbiasso West <sup>4,5</sup>	Open Pit	0.1	1.6	7
<b>Total</b>		<b>0.2</b>	<b>1.4</b>	<b>11</b>

### Notes:

- Based on September 2018 Mineral Resource model constrained to US\$1,800/oz pit shell.
- Depleted to 30 June 2020 mining surface.
- 0.6g/t gold cut-off applied.
- Based on March 2020 Mineral Resource models constrained to US\$1,800/oz pit shells.
- 0.8g/t gold cut-off applied.
- Mineral Resources current at 30 June 2020.
- Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.
- Fimbiasso East and West were previously called Bélé East and West respectively.

## COMBINED SISSINGUÉ AND FIMBIASSO ORE RESERVE ESTIMATE

The updated Ore Reserve estimate for Sissingué is a depletion of the previous Sissingué deposit Ore Reserve estimate and an update of the Fimbiasso Ore Reserve based on the new Mineral Resource model from March 2020.

The Company confirms that other than depletion, there have been no material changes from the estimates of Sissingué deposit Ore Reserves previously stated and readers are referred to ASX release 'Perseus Mining Updates Resources, Reserves and Life of Mine Plan at Sissingué' dated 29 October 2018.

The combined Sissingué and Fimbiasso Project updated Ore Reserve which is summarised below in Table 11 is estimated at 3.6 million tonnes of ore, grading 2.1 g/t gold and containing 244 kozs of gold. Table 11 reports the Ore Reserves by category, deposit and type, above variable cut-off grades. The classification categories of Proved and Probable under the JORC Code are equivalent to the CIM categories of the same name (CIM, 2010).

**Table 11: Sissingué Ore Reserves – 30 June 2020<sup>5,7</sup>**

Deposit	Proved Reserves			Probable Reserves			Proved & Probable Reserves			Strip Ratio <sup>5</sup>
	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	
Sissingué <sup>1,2,3</sup>	1.6	2.6	134	0.1	2.3	5	1.7	2.6	139	0.9
Fimbiasso East <sup>2,4,8</sup>	0.6	1.9	36	0.1	2.2	4	0.6	2.0	40	5.1
Fimbiasso West <sup>2,4,8</sup>	0.5	2.0	34	0.1	2.1	9	0.7	2.0	42	5.7
<b>Sub Total</b>	<b>2.7</b>	<b>2.3</b>	<b>204</b>	<b>0.3</b>	<b>2.2</b>	<b>18</b>	<b>3.0</b>	<b>2.3</b>	<b>222</b>	<b>2.9</b>
Stockpile <sup>6</sup>	0.62	1.10	22	-	-	-	0.62	1.10	22	-
<b>Total</b>	<b>3.3</b>	<b>2.1</b>	<b>226</b>	<b>0.3</b>	<b>2.2</b>	<b>18</b>	<b>3.6</b>	<b>2.1</b>	<b>244</b>	<b>2.4</b>

### Notes:

- Based on depletion to 30 June 2020 mining surfaces.
- Based on Mineral Resource Estimates which were current at 30 June 2020.
- Variable gold grade cut-off based on recovery of each material type: Oxide 0.40 g/t, Transition 0.70 g/t, Granite – Porphyry 0.85 g/t and Sediment 1.00 g/t.
- Variable gold grade cut-off based on recovery of each material type: Oxide 0.80 g/t, Transition 1.00 g/t, Granite 1.10 g/t and Mafic 1.50 g/t.
- Inferred Mineral Resource is considered as waste, t : t.
- Based on EOM June 2020 stockpile balance report.
- Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.
- Fimbiasso East and West were previously called Bélé East and West respectively.



Yaouré development is 67% complete and remains on schedule and on budget.

## YAOURÉ, CÔTE D'IVOIRE

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

### Offsite Works

Plant engineering is 100% complete and procurement work (including delivery to site) was 96% complete by the end of the financial year. Offsite fabrication of critical steel work is 100% complete for both structural steel and plate work. Towards the end of the financial year, procured items were moving efficiently through the port of Abidjan in Côte d'Ivoire and deliveries to site continued to take place on a regular basis following year end, largely unimpeded by the COVID-19 crisis.

### Onsite Works

Full scale construction of the processing facilities and associated infrastructure which began in October 2019 has continued generally in accordance with schedule during the financial year. A significant milestone of 3.0 million lost time injury free hours of work was recorded shortly after the end of the financial year.

In the plant site area, the primary crusher civil work, reclaim chamber civil work, CIL tank erection, raw water, process water and event pond earthworks have been completed during the period. The mill power substation has been installed, whilst the SAG Mill and Ball Mill pre-assembly has begun. The classification building structure is 99% complete and the overland piping from the river abstraction point to site is 90% complete.

Construction of the tailings storage facility is 75% complete and is on target for completion late in the September 2020 quarter. Works associated with the power supply are on course to achieve the targeted date for live power supply early in the December quarter with construction of the main Yaouré substation 83% complete, construction of the main Kossou substation 49% complete and overall powerline installation works 91% complete.

The 17km of perimeter fence was completed during the financial year and construction of the main gate entry guardhouse is well under way. All gazetted road upgrades and reshaping were completed during the financial year. Construction of buildings and associated infrastructure for the permanent camp and process plant progressed well with both Senior and Junior accommodation rooms completed during the financial year.

### Community Relations

Finalisation of land compensation is moving more slowly than anticipated. This process has some distance to run before it is resolved and it is expected that the Ivorian government will become involved in the matter as the final land compensation rate to be paid has national consequences for land acquisition in both the mining and agriculture industries as well as general land resumption for industrial purposes. In the meantime, access to the site has been provided to Perseus pending finalisation of the land compensation rates. Compensation for crops and sacred sites is largely complete and is expected to be finalised in the September 2020 quarter.

### Operational Readiness Planning and Implementation

Important progress has been made in preparation for a seamless transition from development activities to operations at Yaouré by the end of the 2020 calendar year. A workforce plan has been finalized and the recruitment of key employees has begun. It is envisaged that by the end of commissioning, Perseus will have recruited approximately 285 direct employees for Yaouré, 90% of whom will be national employees and 10% expatriate employees. The recruitment process is broadly in line with the original schedule, with several key roles already filled.



During the financial year discussions have taken place with the Institut National Polytechnique in Yamoussoukro about the provision of aptitude and trade related testing of potential candidates for roles at Yaouré. A longer-term partnership with the Polytechnique to deliver vocational and degree level training and development for Perseus's employees and possibly also local students selected from villages in the catchment area around Yaouré is also being assessed.

In early December 2019, a mining services contract was awarded to EPSA, a privately owned, global earthmoving and mining contractor that is headquartered in Spain and provides a range of mining, civil works and earthmoving services to a blue-chip list of mining clients located in 15 countries. The mining services contract will run for a period of 65 months commencing on 1 November 2020 and envisages the movement of approximately 170 million tonnes of material, including 27 million tonnes of ore containing more than 1.5 million ounces of gold. Towards the end of the financial year, EPSA commenced establishing its operations at Yaouré and planning for their site facilities was advanced. EPSA's earthmoving fleet began arriving on site and following the end of the financial year, the build-up of EPSA staff onsite began. Grade control drilling required as a precursor to mining activities is due to commence in the September 2020 quarter.

In the September 2020 quarter, a range of further operational readiness initiatives will also be implemented to ensure critical infrastructure is in place and ready for plant commissioning and production ramp up from late December 2020.

### Execution of Mining Convention

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

The Mining Convention sets out the general, legal, fiscal, customs, financial, economic, social, administrative and environmental conditions under which PMY will conduct mining operations at Yaouré. It provides stability of the fiscal and customs regime under which PMY will operate, including confirming benefits and arrangements contained in Ivorian Mining Code, such as VAT, customs and other tax concessions, and stabilises royalties payable at the rates in set in current mining regulations.

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Discussions between Perseus and the Ivorian government were successfully concluded on the Yaouré Mining Convention.

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

### Exploration

Exploration at Yaouré during the year included auger geochemical sampling plus 222 metres of AC, 4,407 metres of RC and 7,935 metres of diamond drilling. In addition, major geophysical programs including airborne electro-magnetics (VTEM) and 2D and 3D seismic surveys were completed.

Drilling focused on the investigation of various prospects close to the main Yaouré project, including Govisou, Angovia 2, Akakro and Sayikro. At Govisou, six diamond holes were drilled to better define the geometry of previously drilled but poorly understood mineralisation, returning only modest gold intercepts. Similarly, at Akakro, six diamond holes drilled beneath previously undrilled artisanal workings representing the southern extension of the Govisou system, encountered only modest gold values. The six diamond holes completed at Angovia 2 were designed to confirm historical RC drilling results and to provide structural information to allow a better understanding of the geometry of the mineralisation. The results generally confirmed the previous RC grades and widths and provided confidence to proceed to a resource drill out.

Drilling at Sayikro followed up strong gold-in-auger anomalies generated by work during 2018 that subsequently attracted intense artisanal mining activity. To date, 38 RC, three AC and two diamond holes have been completed, with drilling ongoing. The strongest intercepts to date occurred in a quartz-veined and pyrite-rich granodiorite that occupies the eastern part of the prospect, close to its contact with basalts. Broad zones of moderate gold mineralisation were also intersected within the basalts. The strongest mineralisation appears to lie on the projected southwesterly extension of the CMA-South structure, possibly where it converges with similar Y structures trending down from the Yaouré pit area. Further results are pending, and drilling will continue to investigate the granodiorite host and the projected CMA-South structure.

Drilling was also conducted on the northern extensions of the CMA structure where it is interpreted to split into eastern and western splays developed along the Volcaniclastic Basin boundary. Two diamond holes were drilled into the NE splay, with modest gold intercepts recorded, and two into the NW splay. Results from the latter remain pending.

Auger drilling was undertaken at the Sayikro SW prospect, 5 kilometres southwest of the Yaouré pit, and at Degbezere, 10 kilometres west of Yaouré, with over 8,000 metres completed over the two prospects. Results from the Sayikro SW augering indicated a tailing-off of gold anomalism southwest from the previously identified Sayikro Hill anomaly. However, results from the Degbezere augering confirmed robust gold anomalism along the sheared contact between metasediments and mafic volcanics close to the contact with a major tonalitic intrusive.

In addition to the drilling activities, the complete Yaouré tenement package was covered by a 4,136 line-kilometre VTEM survey (with accompanying magnetics), flown on a 100-metre line spacing. Conductor-picking and interpretation of the processed data was ongoing at year end.

A 3D seismic survey was completed over a 17.3 km<sup>2</sup> area covering the main Yaouré deposit, with the primary aim of better defining the CMA thrust structure at depth ahead of exploration drilling of the 'CMA Deeps'. To provide context for the 3D survey, a 23.2-kilometre 2D seismic profile was surveyed across the entire Yaouré greenstone belt to elucidate the regional structure and potentially identify other prospective structures, especially thrusts, within the belt. Processing and interpretation of data from these two surveys was ongoing at year end. As part of this program, three deep diamond holes, each over 1,000 metres in depth, were drilled to 'pin' the CMA thrust at depth and to provide access for down hole seismic measurements. Each of the holes intersected the CMA structure at the targeted depths, with strong quartz veining and alteration observed in two of the holes. Other zones of alteration and quartz veining were observed in the footwall and hanging wall of the main CMA structure, possibly representing Y-structures as mapped in the Yaouré pit. Sulphide contents were however modest, and this was reflected in the relatively weak gold values returned. The down-hole seismic survey remains to be completed following the lifting of COVID-19 travel restrictions.

### Yaouré Mineral Resource Estimate

The open pit and underground Mineral Resource estimates for Yaouré are unchanged from those reported at 30 June 2019 and readers are referred to ASX release 'Perseus Updates Mineral Resource and Ore Reserve Estimates' dated 28 August 2019 and the notes thereto.

The global Measured and Indicated Mineral Resource estimate for Yaouré is estimated as 47.9 million tonnes grading 1.37 g/t gold containing 2.110 million ounces of gold at a cut-off grade of 0.4g/t. A further 46 million tonnes of material grading at 1.1 g/t gold and containing a further 1.694 million ounces of gold is classified as Inferred Resources. Table 12 reports the Mineral Resources by category, deposit and type.

## REVIEW OF OPERATIONS (CONTINUED)

Table 12: Yaouré Indicated & Inferred Mineral Resources – 30 June 2020

Deposit	Deposit Type	Indicated Resources			Inferred Resources		
		Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz
CMA <sup>1,2,3,4</sup>	Open Pit	27.3	1.78	1,570	11	1.1	400
Yaouré <sup>1,2,3,4</sup>	Open Pit	18.8	0.80	480	33	0.9	900
<b>Sub-total</b>		<b>46.1</b>	<b>1.38</b>	<b>2,050</b>	<b>44</b>	<b>0.9</b>	<b>900</b>
Heap Leach <sup>5</sup>	Stockpile	1.8	1.02	60	44	0.9	1,300
<b>Sub-total</b>		<b>47.9</b>	<b>1.37</b>	<b>2,110</b>	-	-	-
CMA <sup>6</sup>	U/Ground	-	-	-	1.8	6.1	346
<b>Total</b>		<b>47.9</b>	<b>1.37</b>	<b>2,110</b>	<b>46</b>	<b>1.1</b>	<b>1,694</b>

**Notes:**

- Based on June 2019 Mineral Resource estimate.
- Depleted for previous mining.
- 0.4g/t gold cut-off applied to in situ open pit material.
- In situ resources constrained to US\$1,800/oz pit shell
- Heap leach resources are stated at 0.0g/t gold cut-off; only heap components with average grade above 0.4g/t included.
- May 2018 Mineral Resource estimate, CMA Footwall Lode 1 only, below US\$1,800 pit shell and base of weathering, above 2g/t gold block grade cut-off
- Mineral Resources current at 30 June 2020.
- Indicated Mineral Resources are inclusive of Ore Reserves.
- Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

**Yaouré Ore Reserve Estimate**

The open pit Ore Reserves estimates for Yaouré are unchanged from those reported at 30 June 2019. Readers are referred to ASX release 'Perseus Updates Mineral Resource and Ore Reserve Estimates' dated 28 August 2019 and the notes contained therein.

The Proved and Probable Ore Reserves for Yaouré are estimated as 27.3Mt, grading 1.78g/t gold and containing 1,560k ounces of gold. Details of the estimate are shown in Table 13.

Table 13: Yaouré Proved and Probable Reserves – 30 June 2020<sup>4,5,6</sup>

Deposit	Proved			Probable			Total			Strip Ratio <sup>5</sup>
	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	
CMA <sup>1,2</sup>	-	-	-	20.6	2.02	1,334	20.6	2.02	1,334	6.2
Yaouré <sup>1,2</sup>	-	-	-	5.3	1.03	174	5.3	1.03	174	3.3
<b>Sub-total</b>	-	-	-	<b>25.8</b>	<b>1.81</b>	<b>1,508</b>	<b>25.8</b>	<b>1.81</b>	<b>1,508</b>	<b>5.6</b>
Heap Leach <sup>1,3</sup>	-	-	-	1.4	1.14	52	1.4	1.14	52	-
<b>Total</b>	-	-	-	<b>27.3</b>	<b>1.78</b>	<b>1,560</b>	<b>27.3</b>	<b>1.78</b>	<b>1,560</b>	<b>5.3</b>

**Notes:**

- Based on June 2019 Ore Reserve estimation.
- Variable gold grade cut-off based on recovery of each material type: Weathered 0.40 g/t, Transition 0.45 g/t, Fresh CMA - 0.55 g/t, Fresh Basalt Yaouré - 0.70 g/t and Fresh Granite Yaouré - 0.65 g/t.
- Based on 0.45 g/t gold grade cut-off.
- Inferred Mineral Resource is considered as waste, t : t.
- Based on Mineral Resource Estimates which were current at 30 June 2020.
- Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

## REVIEW OF OPERATIONS (CONTINUED)



“ A 3D seismic survey was completed covering the main Yaouré deposit, with the aim of better defining the CMA thrust structure at depth.

### OTHER EXPLORATION PERMITS, CÔTE D'IVOIRE

Exploration on the early-stage, 400 km<sup>2</sup> Minignan exploration permit, located in north western Côte d'Ivoire, comprised a first-pass program of soil and lag (laterite) sampling. A total of 1,120 samples were collected on a nominal 800 x 400 metre grid covering the entire property. Gold and multi-element assays remain pending.

Following poor results from previous exploration on the Kounahiri permit, the property was returned to the vendor Société Générale des Mines et Carrières SARL.

Exploration conducted by our partners Manas Resources Limited ('Manas') and Mako Gold respectively on our Mbengué and Napié properties continued, with major programs of geophysics, auger geochemistry and drilling.

# REVIEW OF OPERATIONS (CONTINUED)

## GROUP ORE RESERVES AND MINERAL RESOURCES

All open pit Mineral Resource estimates are constrained using pit shells generated at US\$1,800/oz. Where applicable, Mineral Resources are depleted to 30 June 2020 mining surfaces.

Table 14: Group Mineral Resources<sup>1,2</sup>

Project	Measured Resources			Indicated Resources			Inferred Resources		
	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz
Edikan	26.3	0.93	781	53.2	1.05	1,792	7.2	1.5	344
Sissingué	6.8	1.63	355	0.9	1.56	44	0.2	1.4	11
Yaouré	-	-	-	47.9	1.37	2,110	46	1.1	1,694
<b>Total</b>	<b>33.1</b>	<b>1.07</b>	<b>1,136</b>	<b>102.0</b>	<b>1.20</b>	<b>3,945</b>	<b>53.7</b>	<b>1.2</b>	<b>2,049</b>

**Notes:**

- Notes to individual tables of resources apply in respect of each project.
- Measured and Indicated Mineral Resources are inclusive of Ore Reserves.

All Ore Reserves are based on Life of Mine Plans that were current at the time of reporting and are quoted from face positions as at 30 June 2020.

Table 15: Group Ore Reserves<sup>1,2,3</sup>

Project	Proved			Probable			Proved & Probable		
	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz	Quantity Mt	Grade g/t gold	Gold '000oz
Edikan Gold Mine	16.3	1.01	532	25.8	1.14	945	42.1	1.09	1,477
Sissingué Gold Mine	3.3	2.1	226	0.3	2.2	18	3.6	2.1	244
Yaouré Gold Project	-	-	-	27.3	1.78	1,560	27.3	1.78	1,560
<b>Total</b>	<b>19.6</b>	<b>1.20</b>	<b>758</b>	<b>53.4</b>	<b>1.47</b>	<b>2,523</b>	<b>73.0</b>	<b>1.40</b>	<b>3,281</b>

**Notes:**

- Notes to individual tables of Ore Reserves presented below in respect of each project.
- The Company holds 90% of Edikan, 86% of Sissingué and 90% of Yaouré after allowing for Government equity at mining stage.
- Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

## GOVERNANCE AND INTERNAL CONTROLS FOR RESERVE AND RESOURCE ESTIMATES

Perseus's Mineral Resource and Ore Reserve estimates are prepared by suitably qualified external consultants and Perseus personnel using industry standard techniques in accordance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) and the National Instrument 43-101 – Standards of Disclosure for Mineral Projects ('NI 43-101'). The estimates are subject to internal controls and sign off processes both at a site and corporate level and reviewed by the Technical Committee of the Board. Perseus's internal systems and controls are reviewed on a regular basis and improvements are implemented as deemed appropriate.



# FINANCIAL REPORT

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# 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 year ended 30 June 2020 (the 'year'). 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 year and up to the date of this report.

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

## Resignation

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

## PRINCIPAL ACTIVITIES

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

## REVIEW OF OPERATIONS

A review of the Group's operations during the year ended 30 June 2020 is provided in the section of this report headed 'Review of Operations', which immediately precedes the Directors' Report.

## FINANCIAL RESULTS

The Group recorded a net profit after tax of \$94.4 million for the year, compared to a net profit after tax of \$7.6 million in the previous financial year. This \$86.8 million improvement in performance is predominantly due to the following:

- An increase in revenue predominately resulting from higher gold prices as well as higher gold sales at Sissingué compared to the prior year;
- A decrease in cost of sales predominately as a result of the decreased mining costs following the updated mining strategy at Edikan where Perseus moved from a two-contractor operation to a single mining contractor operation with effect from 1 January 2019;
- Depreciation and amortisation expense of \$134.1 million, representing a decrease of 13% during the year predominately due to lower rates of mining at Edikan following the updated mining strategy;
- Offset by an income tax expense of \$32.3 million compared to a \$1.8 million benefit in the prior year due to the commencement of payment Ghanaian income tax instalments in the current financial year; and
- A write-down and impairment expense of \$4.5 million compared to the prior year write-down and impairment totalling \$0.1 million. The current year impairment expense of related mainly to exploration expenditure written off on Tengrela East in relation to Zanikan and Papara along with regional areas of Côte d'Ivoire, as well as Dadieso in Ghana due to the non-discovery of commercially viable resources.

## Cash, bullion and investments

Based on the gold price of US\$1,768/oz (30 June 2019: US\$1,409/oz) and an A\$:US\$ exchange rate of 0.6891 as at 30 June 2020 (30 June 2019: 0.7029), the total value of available cash and bullion on hand was \$237.5 million, (30 June 2019: \$168.3 million) including cash of \$218.2 million (30 June 2019: \$125.4 million) and 7,522 ounces of bullion on hand (30 June 2019: 21,388 ounces), valued at \$19.3 million (30 June 2019: \$42.9 million).

# DIRECTORS' REPORT (CONTINUED)

The Group also held additional deposits totalling \$6.8 million at 30 June 2020 (30 June 2019: \$8.6 million) supporting performance guarantees for environmental rehabilitation of Edikan and Sissingué. The positive operating margins at both Sissingué and Edikan as well as the drawdown of the revolving corporate cash advance facility has driven the increase in the cash and bullion balance. As at 30 June 2020, Perseus held financial assets at fair value through other comprehensive income, comprising security holdings in Manas of \$0.6 million (30 June 2019: \$0.5 million) and in Amani Gold Limited of \$58k (30 June 2019: \$45k). During the financial year, the Company sold 20% of its holding in Manas for proceeds of \$0.1 million.

## Debt finance

During the year, the US\$30.0 million revolving line of credit that was available to the Company's Ghanaian subsidiary and the US\$40.0 million debt facility that funded the Sissingué project were fully repaid and substituted with a US\$150.0 million revolving corporate cash advance facility. This is a secured facility provided by a consortium of three international banks comprising of Macquarie Bank Limited from Australia, Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division) from South Africa and Société Générale of France. This facility was fully drawn down and the amount outstanding was US\$150.0 million as at 30 June 2020. Funds from the drawdowns were used to settle the superseded loan facilities and will be used to continue to provide operational flexibility while managing through the COVID-19 crises as well as progress the development of Yaouré.

## Financial position

At 30 June 2020, the Group had net assets of \$875.5 million (30 June 2019: \$783.5 million) and an excess of current assets over current liabilities of \$252.9 million (30 June 2019: \$182.6 million). The Group's net assets increased compared with the prior year predominately due to an increase in cash, inventories, mineral interest acquisition and exploration expenditure and property plant and equipment due to the construction of Yaouré. This was offset to a degree by a decrease in mine properties and an increase in payables, provisions and interest-bearing liabilities.

## Summary of financial information

	30 June 2020 \$'000	30 June 2019 \$'000
Net profit after tax	94,423	7,578
Net increase in cash held <sup>1</sup>	108,617	92,307
Net (decrease) / increase in bullion held <sup>2</sup>	(23,576)	(15,760)
Total assets	1,295,715	969,283
Shareholders' equity	875,552	783,512

## Notes:

- Net increase in cash held is before the effects of exchange rate fluctuations on the balances of cash held in foreign currencies.
- Based on the 30 June 2020 gold price of US\$1,768/oz (30 June 2019: US\$1,409/oz) and an A\$:US\$ exchange rate of 0.6891 as at 30 June 2020 (30 June 2019: 0.7029), 7,522 ounces of bullion on hand (30 June 2019: 21,388 ounces), valued at \$19.3 million (30 June 2019: \$42.9 million).

## CORPORATE

### Dividends

No dividends were paid during the year and the directors do not recommend payment of a dividend.

### Equity capital raising

During the year, there were no equity capital raising activities.

### Outlook for December 2020 half year

Parameter	Units	Production and Cost Guidance	
		December 2020 Half Year	Calendar Year 2020
Group Gold Production	Ounces	139,000-125,500	261,500-248,000
Average All-In Site Costs	\$US per ounce	940-1,025	975-1025



## EXTERNAL FACTORS AFFECTING GROUP RESULTS

### Commodity prices

The Group's operating revenues are sourced from the sale of gold and silver that is priced by external markets making it susceptible to adverse price movements.

Of the 179,658 ounces of gold that were sold at Edikan during the year at an average delivered price of US\$1,454/oz, 54,060 ounces were delivered under forward sales contracts at a weighted average price of US\$1,300/oz while the balance of the gold sales were made at prevailing spot prices or under short-term spot deferred contracts.

Of the 93,120 ounces of gold that were sold at Sissingué during the year at an average delivered price of US\$1,463/oz, 30,023 ounces were delivered under forward sales contracts at a weighted average price of US\$1,297/oz while the balance of the gold sales were made at prevailing spot prices or under short-term spot deferred contracts.

At 30 June 2020 there were cash flow designated hedge contracts in place for 8,500 ounces of gold with settlements scheduled in September 2020 with a weighted average price of US\$1,300/oz. Perseus also held spot deferred and forward sales contracts for a further 314,565 ounces of gold at an average sales price of US\$1,446/oz. Combining both sets of sales contracts, Perseus's total hedged position at the end of the quarter was 323,065 ounces at a weighted average sales price of US\$1,442/oz representing 22% of the next three years of production.

From 1 July 2019 to 30 June 2020 the price of gold increased by 25.5% to US\$1,768/oz, (30 June 2019: US\$1,409/oz). Subsequent to 30 June 2020, the gold price has averaged at \$1,829/oz in July 2020. The risk posed to Perseus's business by possible downward movements in the gold price has, to a certain extent, been mitigated by hedging of a part of its gold production, as outlined above. Perseus has no reason to believe that the gold market fundamentals will not remain consistent with the current position over the short to medium term.

### Exposure to economic, environmental and social sustainability risks

The Group has material exposure to economic, environmental and social sustainability risks, including changes in community expectations, and environmental, social and governance legislation (including, for example, those matters related to climate change). The Group employs suitably qualified personnel to assist with the management of its exposure to these risks. These risks are discussed in more detail in the Group's Sustainability Report as well as the Corporate Governance Statement which can be found on the Group's website.

### COVID-19

The COVID-19 pandemic represents a risk for Perseus at its West African mines and development site and this is expected to continue into the foreseeable future.

During the period, no cases of COVID-19 infection have been reported by any of Perseus's employees or contractors at Edikan or Sissingué. Both mines are operating under tight lockdown in 'island mode', where workers are segregated depending on the nature of their role. The extent of any infection, if any, within our host communities located immediately adjacent to Perseus's operations is difficult to assess due to limited public reporting of details by authorities. The effects of COVID-19 at Edikan and Sissingué have not materially impacted overall operating performance during the period, additional operating costs were incurred across the Group in implementing measures to ensure business continuity and the safety and health of our staff at the mines.

Following the end of the financial year, three employees at Yaouré were diagnosed with the COVID-19 virus and were successfully treated offsite in Abidjan where they are all currently recovering at home. Prompt action taken by Perseus's on-site management team to quarantine other employees who had prior contact with the original infected employee appears to have successfully contained the spread of infection amongst the workforce. Notwithstanding the regrettable infections that occurred post year-end, the impact of COVID-19 has been negligible on the progress made to date at Yaouré.

While we remain confident that the measures that Perseus has put in place at its mines and its development project will enable Perseus to remain fully operational, the potential unchecked spread of COVID-19 in West African countries remains a risk to the Company in coming months. Given the potential for changes to Perseus's operating environment due to COVID-19, it is challenging to forecast future gold production or costs with full confidence. Every effort is being applied to maintaining 'business as usual' and achieving internal production and cost targets, but success cannot be guaranteed.

### Other external factors and risks

- Operational factors including uncertain mine grades, mill performance and experience of workforce;
  - Contained metal (tonnes and grade) are estimated annually and published in resource and reserves statements, however actual production in terms of tonnes and grade often varies as ore bodies can be complex or inconsistent.
- Exploration success or otherwise;
  - The reserves and resource base depletes as a result of mining, resulting in the ability to find or replace reserves/resources presenting a significant business risk;
- Operating costs including supply chain, labour markets and productivity;
  - Supply chain issues can materially impact the productivity of an operation especially as a result of the location of the Group's operations.
  - Labour is one of the main cost drivers in the business and as such can materially impact the productivity and profitability of an operation.
- Changes in government and/or legislation;
  - Rise in nationalisation sentiment presents an operational risk to the Group.
  - Fiscal policy changes can materially impact the profitability of the Group.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the year not otherwise disclosed in this report or the consolidated financial statements.

## MATTERS SUBSEQUENT TO BALANCE DATE

Subsequent to the end of the year, the following event occurred:

- On 3 July 2020, 10,316,668 performance rights that had previously been issued to employees were vested under the terms of the Perseus Performance Rights Plan, of which 9,466,668 were subsequently exercised.

## LIKELY DEVELOPMENTS

The likely developments in the operations of the Group and the expected results of those operations in the coming financial year are as follows:

- The commencement of underground operations at Esuajah South and continued production of gold from the Edikan in accordance with guidance;
- The completion of work on licencing the development of the Fimbiasso deposit and continued production of gold from the Sissingué in accordance with guidance;
- Completion of the construction of Yaouré on-time and on budget;
- Commencement and continued production of gold from Yaouré in accordance with guidance;
- Completion implementation of Exore Scheme of Arrangement; and
- Ongoing mineral exploration.

Further commentary on planned activities over the forthcoming year is provided in the section of this report headed 'Review of Operations'.

## ENVIRONMENTAL REGULATIONS

Located in Ghana and Côte d'Ivoire, the Group's mining and processing operations, and its exploration and development projects are not subject to any significant Australian environmental laws. They are, however, subject to environmental laws, regulations and permit conditions that apply in the relevant jurisdictions. There have been no known material breaches of environmental laws or permit conditions by the Group while conducting operations in these jurisdictions during the year.

## INFORMATION ON DIRECTORS

The names, qualifications, experience and special responsibilities of the directors in office during or since the end of the financial year are as follows. Directors were in office for the entire financial year unless otherwise stated.

### Terence Sean Harvey – BA MA LL.B MBA – Non-Executive Chairman

(Appointed 2 September 2009 and Non-Executive Chairman effective 1 April 2017)

Mr Sean Harvey has extensive experience in investment banking and the resources sector and brings valuable experience in capital markets to the board to assist the Company as it seeks to broaden global market awareness of its growth into a West African gold producer. Mr Harvey holds an Honours BA degree in Economics and Geography and an MA in Economics, both from Carleton University, an LLB from the University of Western Ontario, an MBA from the University of Toronto and he is a member of the Law Society of Upper Canada. Mr Harvey is a member of the Company's Audit and Risk Committee and Remuneration and Nomination Committee.

During the past three years he has also served as a director of the following listed companies.

**Other current directorships:**

Victoria Gold Corporation	appointed 31 July 2007
Serabi Gold plc	appointed 30 March 2011

**Former directorships in the last three years:**

Abacus Mining & Exploration Corporation	appointed 1 April 2016 and resigned 31 January 2019
Carube Copper Corp	appointed 24 May 2018 and resigned 2 March 2019
Sarama Resources Ltd	appointed 2 November 2011 and resigned 24 June 2020

### Colin John Carson – CPA, MAICD, FGIA, FCG – Executive Director

(Appointed 24 October 2003 and resigned 29 November 2019)

Mr Colin Carson has served as a director and Company secretary of a number of Australian public companies since the early 1980s. As an executive director of Perseus, Mr Carson was responsible for the Company's compliance, corporate and legal matters. During the past three years he has not served as a director of any other listed companies.

### Jeffrey Allan Quartermaine – BE (Civil), MBA, FCPA – Managing Director and Chief Executive Officer

(Appointed 1 February 2013)

The Managing Director and Chief Executive Officer, Mr Jeffrey Quartermaine, was appointed on 1 February 2013 after previously serving as the Group's Chief Financial Officer from 2010 to 2013. Mr Quartermaine has more than 30 years of experience in senior financial and strategic management roles with ASX and TSX-listed resources companies. He is a Fellow of the Society of Certified Practising Accountant (FCPA) and holds both business management (MBA) and engineering qualifications (BE). Mr Quartermaine has extensive experience as chief financial officer and chief operating officer of a number of Australian public companies. During the past three years he has not served as a director of any other listed companies. Mr Quartermaine is a member of the Company's Nomination Committee.

### John Francis Gerald McGloin – BSc., MSc. – Non-Executive Director

(Appointed 19 April 2016)

Mr John McGloin is a geologist and graduate of Camborne School of Mines. He has worked for many years in Africa within the mining industry before moving into consultancy and subsequently into investment banking. Mr McGloin joined Collins Stewart following four years at Arbutnot Banking Group where he led the mining team. Prior to that Mr McGloin was the mining analyst at Evolution Securities. Over the years, Mr McGloin has acted for many mining companies including African Platinum, Randgold Resources, Avocet Mining, European Goldfields and Titanium Resources Group. Mr McGloin served as Executive Chairman of Amara Mining plc from 28 May 2012 to 18 April 2016 and as Chief Executive Officer of Amara from 7 August 2014 to 18 April 2016. Mr McGloin serves on the Company's Audit and Risk Committee and Technical Committee and is chair of the Remuneration Committee. During the past three years he has also served as a director of the following listed companies.

**Other current directorships:**

Caledonia Mining Corporation Plc	appointed 26 July 2016
Oriole Resources Plc	appointed 3 September 2018

**Former directorships in the last three years:**

None.

### Sally-Anne Georgina Layman – BCom., BEng. – Non-Executive Director

(Appointed 13 September 2017)

Ms Sally-Anne Georgina Layman is a mining engineer and qualified accountant with over 22 years of experience in the resources sector including roles in both mining operations and corporate finance. Ms Layman has gained significant international and multi-commodity experience in these roles. Most recently, Ms Layman was a Division Director of Macquarie Group Ltd and Joint Head of the Perth office for the Metals, Mining and Agriculture Division. Ms Layman is the chair of the Company's Audit and Risk Committee and also serves on the Remuneration Committee. During the past three years she has also served as a director of the following listed companies.

**Other current directorships:**

Imdex Ltd	appointed 6 February 2017
Pilbara Minerals Ltd	appointed 20 April 2018
Beach Energy Ltd	appointed 25 February 2019

**Former directorships in the last 3 years:**

Gascoyne Resources Ltd	appointed 7 June 2017 and resigned 31 May 2019
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### Daniel Richard Lougher – BSc., GradDipEng., MSc. (Eng.) – Non-Executive Director

(Appointed 6 May 2019)

Mr Daniel Lougher will also serve as Chair of the Board's Technical Committee. His career spans more than 35 years involving a range of exploration, feasibility, development, operations, and corporate roles with Australian and international mining companies including a period of eighteen years spent in Africa with BHP Billiton, Impala Plats, Anglo American and Genmin. Mr Lougher is also the Managing Director and Chief Executive Officer of the successful Australian nickel miner, Western Areas Ltd. Mr Lougher also holds a First Class Mine Manager's Certificate of Competency (WA) and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Lougher is the chair of the Company's Technical Committee and chair of the Nomination Committee.

**Other current directorships:**

Western Areas Ltd	appointed 19 May 2008
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**Former directorships in the last three years:**

None.

### David Meldrum Ransom – BSc. Geology (Hons), PhD (Structural Geology) – Non-Executive Director

(Appointed 29 November 2019)

Mr David Meldrum Ransom has directly managed exploration programmes for a range of Companies in Australia and in Canada and served as a highly regarded independent consultant to the global mining industry for many years. More recently, Mr Ransom has performed the role of Resource Analyst/Portfolio Manager with responsibility for the Materials and Energy portfolio at the highly successful microcap investment fund, Acorn Capital Limited. Mr Ransom has stepped away from his executive position at Acorn, providing time to resume an active role in the industry. Apart from his academic knowledge and global industry experience, Mr Ransom has previously served as a director of a number of ASX and TSX companies during the course of his career and is extremely well qualified in all respects to contribute positively to the governance of Perseus Mining through this appointment to the board of directors. Mr Ransom serves on the Company's Technical Committee.

**Other current directorships:**

Investigator Resources Ltd	appointed 23 January 2016 and resigned 14 July 2020
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**Former directorships in the last three years:**

None.

## COMPANY SECRETARY

### Martijn Paul Bosboom – LL.B, LL.M, FGIA, FCG, MAICD

(Appointed 18 November 2013/6 May 2019)

Mr Martijn Bosboom is also the Company's General Counsel and has more than 25 years of international in-house and private practice experience in both common law and civil law jurisdictions. Mr Bosboom holds a Bachelor of Laws from the University of Western Australia and a Master of Laws from the University of Leiden, the Netherlands. Mr Bosboom is a fellow of the Governance Institute of Australia ('GIA') and has completed the GIA's Graduate Diploma of Applied Corporate Governance.

## DIRECTORS' MEETINGS

The number of meetings of the directors and the number of meetings attended by each director during the year ended 30 June 2020 were as follows.

	Full Meetings of Directors		Audit Committee Meetings		Remuneration Committee Meetings		Technical Committee <sup>1</sup> Meetings	
	A	B	A	B	A	B	A	B
T.S. Harvey	8	8	4	4	3	3	-	-
J.A. Quartermaine	8	8	-	-	-	-	-	-
C.J. Carson <sup>1</sup>	2	2	-	-	-	-	-	-
J.F. McGloin	8	8	4	4	3	3	3	3
S.G. Layman	8	8	4	4	3	3	-	-
D.R. Lougher	8	8	-	-	-	-	3	3
D.M. Ransom <sup>2</sup>	6	6	-	-	-	-	1	1

A Number of meetings attended.

B Number of meetings held during the time the director held office or was a member of the relevant committee during the year.

1. Mr Carson resigned as director on 29 November 2019.

2. Mr Ransom was elected as a director and appointed on the Technical Committee on 29 November 2019.

## DIRECTORS' INTERESTS

The following relevant interests in shares and performance rights of the Company were held directly and beneficially by the directors as at the date of this report:

	Fully paid ordinary shares	Performance rights
<b>Non-Executive Directors</b>		
T. S. Harvey	1,300,000	-
J. F. McGloin	641,400	-
S. G. Layman	210,000	-
D.R. Lougher	8,000	-
D.M Ransom	77,973	-
<b>Executive Directors</b>		
J. A. Quartermaine	2,000,000	1,679,833

## ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191 (rounding instrument). The Company is an entity to which the class order applies.

## REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Perseus's non-executive directors, executive directors and other key management personnel ("KMP") for the financial year ended 30 June 2020 in accordance with the Corporations Act 2001 (Cth) (the 'Act') and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report has been set out under the following main headings:

1. Principles used to determine the nature and amount of remuneration.
2. Details of remuneration (including link to performance).
3. Service agreements.
4. Share-based compensation.
5. Additional information.

## 1. Principles used to determine the nature and amount of remuneration

### Remuneration committee

The remuneration committee (the 'committee') assists the board to fulfill its responsibilities to shareholders and other stakeholders by ensuring the Group has remuneration policies for fairly and competitively rewarding executives with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and executive management team. The committee's decisions on reward structures are based on the state of the market for experienced resources industry executives, remuneration packages for executives and employees performing comparative roles in other companies in the resources industry and the size and complexity of the Group. The committee comprises three independent non-executive directors.

The committee is primarily responsible for making recommendations to the board on:

- non-executive directors' fees;
- executive remuneration (directors and other executives); and
- the over-arching executive remuneration framework and incentive plan policies.

For further information on the remuneration committee's role, responsibilities and membership the reader is referred to the committee's charter which is available on [www.perseusmining.com](http://www.perseusmining.com)

### Use of remuneration advisors

Independent remuneration consultants are engaged by the committee from time to time to ensure the Group's remuneration system and reward practices are consistent with current market practices. Various remuneration arrangements in relation to the Company's key management personnel during previous financial years were based on recommendations made by an independent remuneration consultant, PJ Kinder Consulting. During the financial year ended 30 June 2019, advice was sought from BDO to benchmark executive remuneration with Perseus's peers, both for the fixed salary components as well as incentive schemes. Instructions and scope of terms for the engagement of BDO were issued by the Board. In addition to providing executive remuneration recommendations, BDO also provided advice on general job classification and associated pay scales for the Group during the financial year ended 30 June 2019. During the year ended 30 June 2020, BDO performed a review of the Group's remuneration framework.

The board was satisfied that the remuneration recommendations made by BDO during the year ended 30 June 2019 were made free from undue influence by the member or members of the key management personnel to whom the recommendations relate. The board's reasons for stating so are:

- (i) that the instructions and terms were issued and set by the committee;
- (ii) BDO discussed its findings and recommendations directly with the committee;
- (iii) BDO's fees were at rates commensurate with such professional services; and
- (iv) the committee had satisfied itself that BDO is a qualified and well-credentialed firm for the purposes of such professional advice and is independent from Perseus.

Based on BDO's recommendations, adjustments were made to executive remuneration from 1 July 2019:

- (i) although fixed salaries of the executive were found to be largely in line with Perseus's peers, some adjustments were made for some individuals; and
- (ii) executive short-term incentives ('STI') and long-term incentives ('LTI') were found to be below Perseus's peers. STI and LTI were increased as a percentage of fixed remuneration and part of any STI award will be converted to performance rights with a vesting period of 12 months rather than paid in cash.

Perseus's non-executive director remuneration policy aims to reward the directors fairly and responsibly with regards to the demands which are made on, and the responsibilities of, the directors. It seeks to set aggregate remuneration of non-executive directors at a level which provides Perseus with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

With the assistance of external remuneration consultants from time to time, the committee reviews fees paid to non-executive directors on an annual basis and makes recommendations to the board. The committee considers fees paid to non-executive directors of comparable companies when undertaking the annual salary review process. Any equity components of non-executive directors' remuneration, including the issue of performance rights, are required to be approved by shareholders prior to award.

## Directors' fee limits

The aggregate amount of fees payable to non-executive directors is subject to periodic review and approval by shareholders. The maximum amount of directors' fees that is currently approved for payment to non-executive directors is \$900,000 per annum (excluding the value of approved share-based payments). The current limit of non-executive directors' fees was approved by shareholders at the 2016 Annual General Meeting.

## Directors' fees framework

Non-executive directors' remuneration consists of a base fee plus 9.5% statutory superannuation where the director is covered by Australian superannuation guarantee legislation. Board fees are not paid to executive directors as the time spent on board work and the responsibilities of board membership are considered in determining the remuneration package provided to executive directors as part of their normal employment conditions.

The remuneration of the non-executive directors for the year ended 30 June 2020 is detailed below.

**Table 1 - Annual board and committee fees payable to Non-Executive Directors**

Position	Annual fees from 1 July 2019 to 30 June 2020 \$	Annual fees from 1 July 2020 \$
<b>Base fees</b>		
Chair	170,000	170,000
Other non-executive directors	85,000	85,000
<b>Additional fees</b>		
Audit committee – chair	17,000	17,000
Audit committee – member	8,500	8,500
Remuneration committee – chair	12,750	12,750
Remuneration committee – member	6,800	6,800
Technical committee – chair	14,785	14,785
Technical committee – member	7,650	7,650

## Directors' retirement benefits

No retirement benefits are paid to non-executive directors other than the statutory superannuation contributions (if applicable) of 9.5% for the year ending 30 June 2020, required under Australian superannuation guarantee legislation.

Perseus aims to reward its executive directors and other senior executives with a level of remuneration commensurate with their position and responsibilities within the Group. In doing so, it aims to:

- provide competitive rewards that attract, retain and motivate high calibre executives;
- align executive rewards with the achievement of strategic objectives and performance of the Group and the creation of value for shareholders;
- ensure total remuneration is competitive and reasonable; and
- comply with applicable legal requirements and appropriate standards of governance.

In consultation with external remuneration consultants, the Group has developed an executive remuneration framework that is market competitive and is consistent with the reward strategy of the organisation.

## Executive remuneration structure

The executive remuneration framework has two components, namely:

- fixed salary package including base salary and benefits such as superannuation; and
- variable remuneration (short-term and long-term incentives).

## Fixed salary package

The fixed component of an executive's remuneration comprises base salary and superannuation contributions. The size of the executive's salary package is based on the scope of each executive's role, the level of knowledge, skill and experience required to satisfactorily perform the role and the individual executive's performance in the role. The proportion of an executive's total fixed salary package that is paid as superannuation is at the executive's discretion, subject to compliance with relevant superannuation guarantee legislation.

The committee annually reviews each executive's performance and benchmarks the executive's salary package against appropriate market comparisons using information and advice provided by external consultants. There are no guarantees of salary increases included in any executive's employment contract.

## Variable remuneration

The objective of providing a variable 'at risk' component within executive directors' and senior executives' total remuneration packages is to directly align a proportion of their remuneration to achievement of the Group's financial and strategic objectives with the objective of creating shareholder wealth. The Group has a remuneration framework which sets out the basis of short-term incentives ('STI') and long-term incentives ('LTI'), these are discussed further below.

Receipt of variable remuneration in any form is not guaranteed under any executive's employment contract.

The remuneration of executive directors and senior executives including both fixed and variable remuneration components for the year ended 30 June 2020 is detailed in table 2 of this report.

## Short-term incentives (STI)

The STI is the annual component of the 'at risk' reward opportunity, which takes the form of a cash bonus. The STI is reliant on the achievement of job related KPIs, both financial and non-financial, over a mix of Group and individual targets. The objective of a STI is to align the performance of the individual to the short-term operational and financial objectives of the Group.

After the Board evaluates and approves the Group's operating budget for the forthcoming financial year, a series of physical, financial and business sustainability targets are set. These are used to determine the KPIs of the CEO and other executives, their direct reports and so on down the organisation structure.

These performance measures are chosen to represent the key drivers of short-term success for the Group with reference to the Group's long-term strategy. STI payments for the financial year ended 30 June 2019 were made in August 2019 and STI payments for the 30 June 2020 were accrued in June 2020 as determined by the Board on recommendation of the Remuneration Committee with due regard to the performance of the Group and the respective individuals throughout the two financial years. The accrual for the 30 June 2020 STI was to align the reporting period and the STI period for executives.

## 2019 STI

For the year ended 30 June 2019, the CEO and executives had a target STI opportunity of 0% up to 30% of fixed remuneration. KPIs were determined in two discrete Groups: Group KPIs and Personal KPIs. These KPIs and the weighting placed on each indicator for each individual differed depending on the role performed in the Group. Weightings for the CEO and other executives are shown below.

	Potential STI as a percentage of fixed remuneration	Allocation Factor	
		Group KPIs	Personal KPIs
CEO	30%	80%	20%
Executive	30%	70%	30%

Group KPIs included achievement of defined targets relative to budget relating to gold production, safety and weighted average all in site cost as well as targeted earnings per share and share price metrics.

Personal KPIs were tailored to the individual with regard to their role in the Group and included physical, financial and social licence parameters where relevant to the performance of their specific function as well as qualitative assessment of effort applied, leadership, communications, risk management etc. on a personal level.

Performance was measured on the basis of achievement of targets, 30% at threshold up to 150% for exceeding stretch targets. Personal performance was ranked on a scale from 0 to 150%, with anything below 90% being unsatisfactory and above 130% being outstanding. Each individual had a performance review conducted to measure performance against set Personal KPIs. The Board then, on recommendation by the Remuneration Committee and, after consideration of performance against KPIs and recommendation from the CEO, determined the amount (if any) of the STI to be paid to each executive.

STI payments were awarded after the conclusion of the assessment period and confirmation of financial results/individual performance for all eligible participants to the extent they reached specific targets that were set at the beginning of the financial year. The cash bonuses are inclusive of superannuation. STI payments for the financial year ended 30 June 2019 were made in August 2019. These STI payments as a percentage of total remuneration in the 30 June 2019 financial year to which they relate were as follows:

Director	STI Payments at 30 June 2019
Mr Quartermaine	17%
Mr Carson	12%
Ms Brown	15%
Mr Woodall	15%
Mr Bosboom	13%
Mr Scully	18%
Mr Jones	13%

## 2020 STI

For the year ended 30 June 2020, the CEO had a target STI opportunity of 0% up to 70% of fixed remuneration, whilst other executives had a target STI opportunity of 40% or 55% of fixed remuneration dependant on job grade.

KPIs were determined in two discrete Groups: Group KPIs and Personal KPIs. These KPIs and the weighting placed on each indicator for each individual differed depending on the role performed in the Group, weightings for the CEO and executives are shown below.

	Potential STI as a percentage of fixed remuneration	Allocation Factor	
		Group KPIs	Personal KPIs
CEO	70%	100%	0%
Executive	40% or 55%	80%	20%

Group KPIs included achievement of defined targets relative to budget relating to gold production, safety and weighted average all in site cost as well as targeted earnings per share and share price metrics.

Personal KPIs were tailored to the individual with regard to their role in the Group and included physical, financial and social licence parameters where relevant to the performance of their specific function as well as qualitative assessment of effort applied, leadership, communications, risk management etc. on a personal level.

Performance was measured on the basis of achievement of targets, 30% at threshold up to 150% for exceeding stretch targets. Personal performance was ranked on a scale from 0 to 150%, with anything below 90% being unsatisfactory and above 130% being outstanding. Each individual had a performance review conducted to measure performance against set Personal KPIs. A score of below 90% excluded the individual from any STI award. A deferred component to the STI plan was introduced during the 2019/20 performance year. Any STI awarded will be paid at the ratio of 60% cash and 40% Performance Rights where the vesting criteria is 12 months continued service. In this first year of implementation the ratio was set at 80% cash and 20% Performance Rights as a transition.

The Board then, on recommendation of the Remuneration Committee and, after consideration of performance against KPIs and recommendation from the CEO, determined the amount (if any) of the STI to be paid to each executive.

Achievement of Group KPI against targets for the year ended 30 June 2020 was 59% out of a possible 80%.

STI payments were awarded after the conclusion of the assessment period and confirmation of financial results/individual performance for all eligible participants to the extent they reach specific targets that were set at the beginning of the financial year. The cash bonuses are inclusive of superannuation.

The STI for the financial year ended 30 June 2020 was accrued in June 2020 and paid in July 2020. These STI payments as a percentage of total remuneration in the financial year ended 30 June 2020 were as follows.

Mr Quartermaine	16%	Mr Woodall	17%	Mr Scully	11%
Ms Brown	15%	Mr Bosboom	12%	Mr Jones	12%

## Long-term incentives (LTI)

The LTI is the 'at risk' component that takes the form of an equity-based incentive designed to attract, motivate and retain high quality employees at the same time as aligning their interests with those of the Group's shareholders. LTI awards are made under the Performance Rights Plan ('PRP') which was approved by shareholders in November 2017 and give eligible employees rights to acquire shares in Perseus subject to vesting conditions.

The Company uses both total shareholder return ('TSR') and individual achievement of a personal KPI rating of 90% or more over the vesting period as the performance measure for the LTI. TSR was selected as the LTI performance measure as it links rewards of the executives to the creation of long-term shareholder wealth. Furthermore, vesting only occurs if the Group performs in the 50th percentile of its peer Group or above, the greater the performance compared to the peer Group the greater the reward to the executive. The LTI plan was revised for the year ended 30 June 2020, with the CEO having a target LTI opportunity of up to 100% of TFR with the executives set at 70% or 75% dependent on job grade.

The peer Group is chosen for comparison, having considered the following factors: ASX listing; TSX listing; commodity focus; geographic focus; and business development stage.

The peer Group for performance rights with a vesting and measurement period that ended 30 June 2020 or before is shown below:

Peer Group
Acacia Mining plc*
Medusa Mining Limited
Resolute Mining Limited
Semafo Inc
Golden Star Resources Ltd
Endeavour Mining Corp
Kingsgate Consolidated
Regis Resources
Teranga Gold Corporation
St Barbara Mines Limited

\*Formerly African Barrick Gold plc

The peer Group for performance rights issued after 1 July 2018, going forward and applicable to all currently outstanding LTI performance rights is shown below:

Peer Group
Acacia Mining plc <sup>1</sup>
Endeavour Mining Corp
Roxgold Inc.
Hummingbird Resources Ltd
Golden Star Resources Ltd
Resolute Mining Limited
Asanko Gold Inc. <sup>2</sup>
Cardinal Resources Ltd
Teranga Gold Corporation
Semafo Inc <sup>1</sup>
West African Resources Ltd

Note:

- Acacia Mining plc and Semafo Inc were delisted on 18 November 2019 and 6 July 2020 respectively. Replacement of these entities may be considered for future LTI performance rights grants.
- Asanko Gold Inc. was renamed Galiano Gold Inc. from 4 May 2020.

The vesting and measurement period for the rights is three years from the commencement of the period. The vesting schedule is as follows:

Relative TSR over the vesting period	Proportion of performance rights vested
Below the 50th percentile	0%
At the 50th percentile	50%
Between the 50th and the 75th percentile	Pro-rata between 50% and 100%
Above the 75th percentile	100%

TSR performance and individual KPI performance are monitored on an annual basis. If the hurdles are not achieved during the performance period, the rights may lapse, and no re-testing of rights is permitted. Table 7 provides details of rights awarded and vested during the year and table 5 provides details of the value of rights awarded, exercised and lapsed during the year.

Where a participant ceases employment for any reason, any unvested rights will lapse and be forfeited, subject to the discretion of the board in the case of death, disability, retirement or redundancy. In the event of a change of control of the Group all unvested rights automatically vest and are automatically exercised.

2. Details of remuneration (including link to performance)

Details of the remuneration of the directors and the KMP of Perseus and the Group are set out in table 2 below. KMP (as defined in AASB 124 Related Party Disclosures) of the Group are those persons having authority and responsibility for planning, directing and controlling the major activities of Perseus and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company. At the date of this report, the KMP of the Group are the directors of Perseus (refer to pages XX to XX for details) plus the following senior executives.

Director	Title
Ms Elissa Brown	Chief Financial Officer
Mr Christopher Woodall	Chief Operating Officer
Mr Martijn Bosboom	General Counsel and Company Secretary
Mr Matthew Scully	Group General Manager – project development
Mr Douglas Jones	Group General Manager – exploration and geology

Company performance

The board issues performance rights to the executives of the Group, as well as other employees with a certain level of influence over the Group's performance. The performance measures that drive the vesting of these LTIs include Perseus's TSR relative to its peer Group and the individual's performance over the relevant vesting period. Perseus's performance during the current and four previous years is set out below:

Year ended 30 June	2020	2019	2018	2017	2016
Net profit / (loss) after income tax (\$'000)	94,423	7,578	(24,906)	(83,122)	(37,546)
Basic earnings per share (cents)	8.08	0.66	(2.50)	(7.74)	(5.74)
Market capitalisation (\$'000)	1,530,153	682,957	444,975	299,633	522,420
Closing share price (\$)	1.31	0.59	0.43	0.29	0.52
Old TSR – 1 year (%)	113.8	24.9	41.5	(42.1)	27.0
Old TSR – 3 year rolling (%)	277.1	2.1	(2.3)	(14.7)	(33.5)
Old median peer Group TSR – 1 year (%)	12.7	(9.9)	15.7	0.2	85.4
Old median peer Group TSR – 3 year rolling (%)	44.1	(4.5)	80.4	43.1	56.4
New TSR – 1 year (%) <sup>1</sup>	113.8	24.9	-	-	-
New TSR – 3 year rolling (%) <sup>1</sup>	277.1	2.1	-	-	-
New median peer Group TSR – 1 year (%) <sup>1</sup>	51.3	(9.8)	-	-	-
New median peer Group TSR – 3 year rolling (%) <sup>1</sup>	1.8	(10.5)	-	-	-

Notes:

1 New peer Group is applicable from August 2018 onwards. Further information on the new peer Group is detailed on page XX.

For the performance rights granted between 1 July 2017 and 30 June 2019, based on the Group's performance over the relevant period up to 30 June 2020, Perseus was above the 75th percentile of the peer Group. For all the performance rights granted after 1 July 2019, based on the Group's performance over the relevant period up to 30 June 2020, Perseus is between the 50th and 75th percentile of the peer Group. If the ranking remains unchanged at the end of the measurement period of each performance right tranche granted, then, subject to the Board not exercising its discretion otherwise, performance rights would vest subject to the achievement of minimum individual employee KPI rating requirements.

Table 2 - Directors' and executives' remuneration for the year ended 30 June 2020

		Short-term			Long-term	Post-employment	Share-based payments		Performance related %						
		Salary & fees \$	Cash bonus 2019 \$	Cash bonus 2020 \$			Annual leave movement (i) \$	Long service leave movement (i) \$		Superannuation \$	Termination payments \$	Performance Rights (ii) \$	Total \$		
<b>Non-executive directors</b>															
Sean Harvey	2020	185,300	-	-	-	-	-	-	-	185,300	-	-	-	-	-
	2019	185,300	-	-	-	-	-	-	-	185,300	-	-	-	-	-
John McGloin	2020	113,900	-	-	-	-	-	-	-	113,900	-	-	-	-	-
	2019	107,422	-	-	-	-	-	-	-	107,422	-	-	-	-	-
Sally-Anne Layman	2020	99,361	-	-	-	9,439	-	-	-	9,439	9,439	-	-	-	-
	2019	99,361	-	-	-	9,439	-	-	-	9,439	9,439	-	-	-	-
Daniel Lougher	2020	97,504	-	-	-	4,523	-	-	-	4,523	4,523	-	-	-	-
	2019	11,771	-	-	-	1,118	-	-	-	1,118	1,118	-	-	-	-
David Ransom (iii)	2020	59,662	-	-	-	5,668	-	-	-	5,668	5,668	-	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total non-executive directors</b>	2020	<b>555,727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19,630</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>575,357</b>	<b>414,411</b>
	2019	403,854	-	-	-	10,557	-	-	-	10,557	-	-	-	414,411	-
<b>Executive directors</b>															
Jeffrey Quartermaine	2020	716,067	215,000	306,296	58,056	88,741	24,496	566,442	1,975,098	55	-	-	-	566,442	1,975,098
	2019	715,563	138,855	-	23,408	17,311	25,000	308,897	1,229,034	36	-	-	-	308,897	1,229,034
Collin Carson (iv)	2020	404,846	78,585	-	(197,441)	(113,525)	7,444	46,336	226,245	55	-	-	-	46,336	226,245
	2019	355,250	71,110	-	2,056	2,147	24,000	223,290	677,853	43	-	-	-	223,290	677,853
<b>Sub-total executive directors</b>	2020	<b>1,120,913</b>	<b>293,585</b>	<b>306,296</b>	<b>(139,385)</b>	<b>(24,784)</b>	<b>31,940</b>	<b>612,778</b>	<b>2,201,343</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>612,778</b>	<b>2,201,343</b>
	2019	1,070,813	209,965	-	25,464	19,458	49,000	532,187	1,906,887	39	-	-	-	532,187	1,906,887
<b>Directors total</b>	2020	<b>1,676,640</b>	<b>293,585</b>	<b>306,296</b>	<b>(139,385)</b>	<b>(24,784)</b>	<b>51,570</b>	<b>612,778</b>	<b>2,776,700</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>612,778</b>	<b>2,776,700</b>
	2019	1,474,667	209,965	-	25,464	19,458	59,557	532,187	2,321,298	32	-	-	-	532,187	2,321,298

Notes:

- (i) The amounts disclosed in this column represent the movement in the associated annual leave and long service leave provision balances. The value may be negative when a director resigns or takes more leave than the entitlement accrued during the year.
- (ii) Vesting expense for the financial year of performance rights issues to directors and employees under the terms of the Company's Performance Rights Plan approved by shareholders in November 2017. The fair value of the performance rights is calculated at the date of grant using the Monte-Carlo Simulation pricing model.
- (iii) David Ransom was appointed as non-executive director on 29 November 2019.
- (iv) Collin Carson became a part time employee from 1 August 2019 and subsequently resigned as an executive director on 29 November 2019.

Table 2 - Directors' and executives' remuneration for the year ended 30 June 2020 – continued

		Short-term				Long-term	Post-employment		Share-based payments		Performance related %
		Salary & fees \$	Cash bonus 2019 \$	Cash bonus 2020 \$	Annual leave movement (i) \$		Long service leave movement (i) \$	Superannuation \$	Termination payments \$	Share-based payments \$	
<b>Senior executives</b>											
Elissa Brown	2020	368,135	83,070	131,536	11,906	44,282	21,003	-	237,226	897,158	50
	2019	369,469	73,170	-	(704)	8,868	20,531	-	98,947	570,281	30
Christopher Woodall	2020	490,974	103,904	179,977	34,535	9,748	8,716	-	226,367	1,054,221	48
	2019	472,975	81,000	-	33,714	8,315	16,019	-	96,842	708,865	25
Martijn Bosboom	2020	315,001	71,400	82,920	10,068	8,655	25,000	-	207,262	720,306	50
	2019	315,000	67,830	-	12,727	13,510	25,000	-	110,487	544,554	33
Matthew Scully	2020	300,504	80,600	79,488	13,679	6,180	24,496	-	202,495	707,442	51
	2019	300,000	63,380	-	(5,187)	5,121	25,000	-	53,263	441,577	26
Douglas Jones	2020	300,504	67,600	78,800	594	7,254	24,496	-	202,323	681,571	51
	2019	300,000	60,940	-	1,737	5,896	25,000	-	129,719	523,292	36
<b>Senior executives total</b>	2020	1,775,118	406,574	552,721	70,782	76,119	103,711	-	1,075,673	4,060,698	50
	2019	1,757,444	346,320	-	42,287	41,710	111,550	-	489,258	2,788,569	30

Notes:

- (i) The amounts disclosed in this column represent the movement in the associated annual leave and long service leave provision balances. The value may be negative when an Executive resigns or takes more leave than the entitlement accrued during the year.
- (ii) Vesting expense for the financial year of performance rights issues to directors and employees under the terms of the Company's Performance Rights Plan approved by shareholders in November 2017. The fair value of the performance rights is calculated at the date of grant using the Monte-Carlo Simulation pricing model.

3. Service agreements

Remuneration and other terms of employment for the chief executive officer and managing director, chief financial officer and the other KMP are also formalised in employment agreements. Major provisions of the agreements relating to remuneration of the CEO are set out below.

Remuneration of the chief executive officer, Mr Jeffrey Quartermaine

Mr Jeffrey Quartermaine was appointed on 1 February 2013 as managing director and CEO and an employment contract with Perseus was entered outlining the terms of his employment.

Under his employment contract with Perseus, Mr Quartermaine is currently entitled to receive fixed remuneration including a base salary and superannuation, plus variable remuneration including performance rights and cash bonuses determined under the STI/LTI plans and at the discretion of the board. A summary of these and other key terms of Mr Quartermaine's employment contract are described below and set out in table 3 below.

Fixed remuneration

Mr Quartermaine's annual salary is set at \$740,563 per annum, inclusive of statutory superannuation entitlements.

Variable remuneration

Mr Quartermaine is eligible to participate in the Group's STI and LTI scheme as described above.

Statutory entitlements

Mr Quartermaine is entitled to 10 days sick leave per annum, 20 days of annual leave and long service leave of 13 weeks after 10 years of service.

Termination of contract

Perseus can terminate Mr Quartermaine's contract without notice under certain circumstances including but not limited to material breaches of contract, grave misconduct, dishonesty, fraud or bringing the Group into disrepute. Mr Quartermaine may terminate the contract by giving Perseus three months' notice, whilst Perseus may terminate the contract by giving Mr Quartermaine the greater of six months or a period that is not less than that specified by the Fair Work Act 2009 (Cth) and the National Employment Standards. In the case of Perseus, it may at its sole discretion, terminate the contract sooner than the conclusion of the notice period by choosing to pay Mr Quartermaine in lieu of the notice period.

If the terms of Mr Quartermaine's employment contract are materially changed to the detriment of the chief executive officer then he is entitled to receive an amount of money from Perseus that is equivalent to two months of his originally contracted gross base salary (\$850,000 per annum prior to a 15% reduction taken by directors on 1 July 2013) for each year of employment by Perseus with a minimum payment equivalent to six months of his originally contracted gross base salary and a maximum of twelve months of his originally contracted gross base salary.

**Contracts for KMP**

A summary of the key contractual provisions as at the date of this report for each of the current KMP is set out in table 3 below.

**Table 3 - Contractual provisions for key management personnel**

Employing company	Contract duration	Notice period	Fixed remuneration (including base salary and superannuation as applicable) <sup>(iii)</sup>	Variable remuneration	Termination provision
Jeffrey Quartermaine <sup>(i)</sup> CEO & managing director	No fixed term and review annually	6 months <sup>(ii)</sup>	\$740,563	STI / LTI plan	Applicable on early termination by the Company <sup>(iv)</sup>
Elissa Brown Chief financial officer	No fixed term and review annually	3 months	\$390,000	STI / LTI plan	Applicable on early termination by the Company <sup>(iv)</sup>
Christopher Woodall Chief Operating Officer	No fixed term and review annually	3 months	\$450,000	STI / LTI plan	Applicable on early termination by the Company <sup>(iv)</sup>
Martijn Bosboom <sup>(i)</sup> General counsel and company secretary	No fixed term and review annually	3 months <sup>(ii)</sup>	\$340,000	STI / LTI plan	Applicable on early termination by the Company <sup>(iv)</sup>
Matthew Scully Project director	No fixed term and review annually	3 months	\$325,000	STI / LTI plan	Applicable on early termination by the Company <sup>(iv)</sup>
Douglas Jones Group general manager – exploration	No fixed term and review annually	3 months	\$325,000	STI / LTI plan	Applicable on early termination by the Company <sup>(iv)</sup>

**Notes:**

- (i) Mr Quartermaine is required to provide 3 months' notice on resignation; the Company is required to provide 6 months' notice.
- (ii) Mr Bosboom is required to provide 2 months' notice on resignation; the Company is required to provide 3 months' notice.
- (iii) Represents current fixed remuneration of key management personnel from 1 July 2019.
- (iv) Termination benefits are payable on early termination by the Company. Other than for gross misconduct, executives receive payment of between 2 to 12 months of originally contracted salary.

**4. Share based compensation**

KMP are eligible to participate in Perseus's PRP. The terms and conditions of the performance rights affecting remuneration of directors and KMP in the current or a future reporting period are set out below. Performance rights granted carry no dividend or voting rights. When exercisable, the performance rights are convertible into one ordinary share per right. Further information is set out in note 24 to the financial statements.

**Table 4 - Key terms of share-based compensation held by KMP and directors as at 30 June 2020**

Type	Grant date	Exercise price	Fair value at grant date	End of measurement period	% of grant vested	Expiry date
Performance right <sup>(i)</sup>	3 August 2017	nil	\$0.22	30 June 2020	-	30 June 2027
Performance right <sup>(i)</sup>	24 November 2017	nil	\$0.25	30 June 2020	-	30 June 2027
Performance right <sup>(i)</sup>	28 November 2018	nil	\$0.28	31 December 2021	-	31 December 2028
Performance right <sup>(i)</sup>	7 May 2019	nil	\$0.32	31 December 2021	-	31 December 2028
Performance right <sup>(i)</sup>	27 June 2019	nil	\$0.49	31 December 2021	-	31 December 2028
Performance right <sup>(i)</sup>	26 September 2019	nil	\$0.74	30 June 2022	-	30 June 2029
Performance right <sup>(i)</sup>	29 November 2019	nil	\$0.77	30 June 2022	-	30 June 2029

**Notes:**

- (i) The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the performance period (36-month period from 1 July 2017 to 30 June 2020 over which the individuals and the Company's performance is assessed), and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Monte Carlo Simulation pricing model. Further information is set out in note 24 to the financial statements. On 3 July 2020, these performance rights vested under the terms of the Perseus Performance Rights Plan.
- (ii) The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the performance period (36-month period from 1 January 2019 to 31 December 2021 over which the individuals and the Company's performance is assessed), and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Monte Carlo Simulation pricing model. Further information is set out in note 24 to the financial statements.
- (iii) The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the performance period (36-month period from 1 July 2019 to 30 June 2022 over which the individuals and the Company's performance is assessed), and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Monte Carlo Simulation pricing model. Further information is set out in note 24 to the financial statements.

Further information relating to the portion of KMP remuneration related to equity compensation for the year are set out below in table 5.

**Table 5 - Value of share-based compensation**

Name	Percentage of remuneration consisting of:	Value granted, exercised or lapsed in the year ended 30 June 2020			Amount paid per share on exercise
		Granted \$	Exercised \$	Lapsed \$	
	Performance rights	Performance rights	Performance rights	Performance rights	
<b>Executive directors</b>					
Jeffrey Quartermaine	29%	1,042,464	-	-	-
Colin Carson	20%	-	88,813	-	-
<b>Senior executives</b>					
Elissa Brown	26%	281,569	-	-	-
Chris Woodall	21%	324,871	122,664	-	-
Martijn Bosboom	29%	229,109	-	-	-
Matthew Scully	29%	218,998	-	-	-
Douglas Jones	30%	218,998	-	-	-



The movement in performance right holdings for KMP and directors during the year are set out below in table 6.

**Table 6 – Movement of performance rights granted to KMP and directors during the year**

Name	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Forfeited / lapsed	Other movements	Balance at the end of the year	Vested during the year	Vested and exercisable at the end of the year
<b>Non-executive directors</b>								
Sean Harvey	-	-	-	-	-	-	-	-
John McGloin	-	-	-	-	-	-	-	-
Sally-Anne Layman	-	-	-	-	-	-	-	-
Daniel Lougher	-	-	-	-	-	-	-	-
David Ransom	-	-	-	-	-	-	-	-
<b>Executive directors</b>								
Jeffrey Quartermaine	2,000,000	1,346,500	-	-	-	3,346,500	(333,333)	333,333
Collin Carson	1,500,000	-	(200,000)	-	-	1,300,000	(200,000)	-
<b>Senior executives</b>								
Elissa Brown	1,000,000	531,900	-	-	-	1,531,900	-	-
Chris Woodall	1,000,000	613,700	(333,333)	-	-	1,280,367	-	-
Martijn Bosboom	1,000,000	432,800	-	-	-	1,432,800	-	-
Matthew Scully	1,000,000	413,700	-	-	-	1,413,700	-	-
Douglas Jones	1,000,000	413,700	-	-	-	1,413,700	-	-

**Notes:**

(i) Subsequent to the end of the financial year 1,333,334 performance rights that had previously been issued to Mr Quartermaine, 333,334 to Mr Woodall, 700,000 to Ms Brown, 500,000 to Mr Jones, 500,000 to Mr Scully and 625,000 to Mr Bosboom vested under the terms of the Perseus's Performance Rights Plan.

**Details of remuneration: share-based compensation benefits**

The following table details the percentage of the available grant that vested in the financial year and the percentage forfeited because the person did not meet either/or service and performance criteria specified. The maximum value of the performance rights yet to vest has been determined as the amount of the grant date fair value of the performance rights.

**Table 7 – Performance rights granted as at 30 June 2020**

Name	Number of performance rights	Financial year granted		Vested in current financial year %	Vested in prior financial year %	Financial year in which performance rights vested or may vest Yr	Minimum total value of grant yet to vest \$	Maximum total value of grant yet to vest \$
		No	Yr					
<b>Executive directors</b>								
Jeffrey Quartermaine	Performance rights	333,333	2017	100	-	2020	-	-
	Performance rights	1,333,334	2018	-	-	2020	-	335,298
	Performance rights	333,333	2019	-	-	2022	-	91,850
	Performance rights	1,346,500	2020	-	-	2022	-	1,042,464
<b>Senior executives</b>								
Elissa Brown	Performance rights	700,000	2018	-	-	2020	-	156,514
	Performance rights	300,000	2019	-	-	2022	-	96,723
	Performance rights	531,900	2020	-	-	2022	-	281,569
	Performance rights	333,334	2018	-	-	2020	-	74,531
Chris Woodall	Performance rights	333,333	2019	-	-	2022	-	107,470
	Performance rights	613,700	2020	-	-	2022	-	324,871
	Performance rights	625,000	2018	-	-	2020	-	139,744
	Performance rights	375,000	2019	-	-	2022	-	120,904
Martijn Bosboom	Performance rights	432,800	2020	-	-	2022	-	229,109
	Performance rights	500,000	2018	-	-	2020	-	111,796
	Performance rights	500,000	2019	-	-	2022	-	161,205
	Performance rights	413,700	2020	-	-	2022	-	218,998
Matthew Scully	Performance rights	500,000	2018	-	-	2020	-	111,796
	Performance rights	500,000	2019	-	-	2022	-	161,205
	Performance rights	413,700	2020	-	-	2022	-	218,998
	Performance rights	500,000	2019	-	-	2020	-	111,796
Douglas Jones	Performance rights	500,000	2019	-	-	2022	-	161,205
	Performance rights	413,700	2020	-	-	2022	-	218,998
	Performance rights	700,000	2018	-	-	2020	-	156,514
	Performance rights	300,000	2019	-	-	2022	-	96,723

## 5. Additional information

### Loans to directors and executives

There were no loans outstanding at the reporting date to directors or executives.

### Share options

As at the date of this report, there were no unissued ordinary shares at Perseus.

### Shares issued on exercise of options

None have been issued since the end of the financial year.

### Share holdings

The numbers of shares in the Company held during the financial year by directors and other key management personnel, including shares held by entities they control, are set out below.

Type	Balance at 30 June 2019	Received as remuneration	Received during the year on vesting	Shares sold	Other movements <sup>(i)</sup>	Balance at 30 June 2020
<b>Directors</b>						
Sean Harvey	2,300,000	-	-	(800,000)	-	1,500,000
Jeffrey Quartermaine	1,000,000	-	-	-	-	1,000,000
John McGloin	1,282,907	-	-	-	-	1,282,907
Sally-Anne Layman	210,000	-	-	-	-	210,000
Daniel Lougher	-	-	-	-	8,000	8,000
David Ransom <sup>(ii)</sup>	-	-	-	-	77,973	77,973
Colin Carson <sup>(iii)</sup>	1,482,300	-	200,000	-	(1,682,300)	-
<b>Other key management personnel</b>						
Elissa Brown	371,375	-	-	(176,375)	-	195,000
Chris Woodall	-	-	333,333	(200,000)	-	133,333
Martijn Bosboom	150,000	-	-	(150,000)	-	-
Matthew Scully	200,000	-	-	(200,000)	-	-
Douglas Jones	260,835	-	-	-	-	260,835

#### Notes:

(i) The remaining other movements represent shareholdings at appointment date, on-market purchase of shares and/or participation in rights issue.

(ii) David Ransom was appointed non-executive director on 29 November 2019.

(iii) Colin Carson resigned as executive director on 29 November 2019. On the date of resignation, Colin held 1,682,300 shares.

### Performance rights

As at the date of this report, the total number of performance rights outstanding under the Performance Rights Plan was 23,852,244 as follows.

Type of security	Number	Exercise price	Issue date	Vesting date	Expiry date
Performance rights	850,000	Nil	3 August 2017	30 June 2020	30 June 2027
Performance rights	733,333	Nil	28 November 2018	31 December 2021	31 December 2028
Performance rights	6,358,333	Nil	7 May 2019	31 December 2021	31 December 2028
Performance rights	4,700,000	Nil	27 June 2019	31 December 2021	31 December 2028
Performance rights	9,624,100	Nil	26 September 2019	30 June 2022	30 June 2029
Performance rights	1,346,500	Nil	29 November 2019	30 June 2022	30 June 2029
Performance rights (STI)	239,978	Nil	29 July 2020	30 June 2021	30 June 2028

These performance rights do not entitle the holder to participate in any share issue of Perseus or any other body corporate.

There are no performance rights to subscribe for shares in any controlled entity.

### Shares issued on exercise of performance rights

On 9 July 2019, 866,666 performance rights that had previously been issued to employees vested under the terms of Perseus's Performance Rights Plan, of which 533,333 were subsequently exercised. On 24 February 2020, 75,000 performance rights were vested and subsequently exercised.

### Shares issued on exercise of performance rights

On 9 July 2019, 866,666 performance rights that had previously been issued to employees vested under the terms of Perseus's Performance Rights Plan, of which 533,333 were subsequently exercised. On 24 February 2020, 75,000 performance rights were vested and subsequently exercised.

### Performance rights issued

The following performance rights were issued to employees of the Company.

Issue date	Number of Performance Rights
26 September 2019	9,858,700
29 November 2019	1,346,500

The performance rights were issued under the terms of the Company's Performance Rights Plan approved by shareholders. Each performance right will convert to an ordinary share upon exercise of such right after satisfaction of vesting criteria.

### Performance rights forfeited

During the year, 500,000 performance rights did not vest under the terms of the Company's Performance Rights Plan.

### End of remuneration report.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

Perseus's Constitution requires it to indemnify directors and officers of any entity within the Group against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. In April 2014, the Company entered into Deeds of Indemnity, Access and Insurance with all persons who were an officer of the Company at that time. The Company also subsequently entered into Deeds of Indemnity, Access and Insurance with all persons who became officers of the Company since that time. Independent legal advice was received that the content of the deeds conforms with the Act and current market practice. The directors and officers of the Group have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The contract of insurance prohibits the disclosure of the amount of the insurance premiums paid during the year ended 30 June 2020. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

To the extent permitted by law, the Company has agreed to indemnify its auditors, PricewaterhouseCoopers, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify PricewaterhouseCoopers during or since the financial year end.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of Perseus or to intervene in any proceedings to which Perseus is a party, for the purposes of taking responsibility on behalf of Perseus for all or part of the proceedings. No proceeding has been brought or intervened in on behalf of Perseus with leave of the Court under section 237 of the Act.

## NON-AUDIT SERVICES

During the year PricewaterhouseCoopers, the Group's auditor, performed other non-audit services in addition to statutory duties. The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards. Further information is set out at note 22 of the financial statements.

## CORPORATE GOVERNANCE STATEMENT

The ASX Corporate Governance Council (CGC) has developed corporate governance principles and recommendations for listed entities with the aim of promoting investor confidence and meeting stakeholder expectations. ASX listing rule 4.10.3 requires that listed entities disclose the extent to which they have followed the CGC's recommendations and, where a recommendation has not been followed, the reasons why.

Perseus's corporate governance statement can be found on the Company's website at the following link:  
<https://perseusmining.com/corporate-governance/>

## 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 financial report. This Independence Declaration is set out on the next page and forms part of this directors' report for the year ended 30 June 2020.

Signed in accordance with a resolution of directors.



**J A Quartermaine**  
Managing Director  
Perth, 25 August 2020

### Competent Person Statement

The information in the Annual Group Ore Reserves and Mineral Resources Statement is based on, and fairly represents information and supporting documentation prepared by competent persons in accordance with the requirements of the JORC Code. The Annual Group Mineral Resources Statement as a whole has been approved by Mr Gary Brabham, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Brabham is an employee of the Company. Mr Brabham has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and to qualify as a 'Qualified Person' under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ('NI 43-101'). Mr Brabham consents to the inclusion in this report of the information in the form and context in which it appears. The Annual Group Ore Reserve Statement as a whole has been approved by Mr Paul Thompson, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Thompson is an employee of the Company. Mr Thompson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and to qualify as a 'Qualified Person' under NI 43-101. Mr Thompson consents to the inclusion in this report of the information in the form and context in which it appears.

The information in this report that relates to Esuajah North Mineral Resources estimate was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement entitled 'Perseus Mining Updates Mineral Resources & Ore Reserves' released on 29 August 2018. The information in this report that relates to the Mineral Resource and Ore Reserve estimates for the Bokitsi South and AFG Gap deposits at Edikan was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 26 August 2020. The information in this report that relates to the Mineral Resource and Ore Reserve estimates for the other Edikan deposits (Fetish and Esuajah South Underground) was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 20 February 2020 and was updated for depletion until 30 June 2020 in a market announcement released on 26 August 2020. The Company confirms that it is not aware of any new information or data that materially affect the information in those market releases and that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in 'Technical Report – Central Ashanti Gold Project, Ghana' dated 30 May 2011 continue to apply.

The information in this report that relates to Mineral Resources and Ore Reserves for Sissingué was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 29 October 2018 and includes an update for depletion as at 30 June 2020. The information in this report that relates to Mineral Resources and Ore Reserves for the Fimbiasso East and West deposits, previously Bélé East and West respectively, was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement released on 26 August 2020. The Company confirms that material assumptions underpinning the estimates of Mineral Resources and Ore Reserves described in those market announcements. The Company confirms that it is not aware of any new information or data that materially affect the information in these market releases and that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in 'Technical Report – Sissingué Gold Project, Côte d'Ivoire' dated 29 May 2015 continue to apply.

The information in this report in relation to Yaouré Mineral Resource and Ore Reserve estimates was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in a market announcement on 28 August 2019. The Company confirms that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, in that market release continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in 'Technical Report – Yaouré Gold Project, Côte d'Ivoire' dated 18 December 2017 continue to apply.

The information in this report relating to exploration results was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in market releases dated 16 October 2019, 16 January 2020, 28 April 2020 and 21 July 2020. The Company confirms that it is not aware of any new information or data that materially affect the information in these market releases.



## Auditor's Independence Declaration

As lead auditor for the audit of Perseus Mining Limited for the year ended 30 June 2020, 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 audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

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



**Craig Heatley**  
Partner  
PricewaterhouseCoopers

Perth  
25 August 2020

**PricewaterhouseCoopers, ABN 52 780 433 757**  
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# CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2020

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These 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 WA 6008 AUSTRALIA

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations in the directors' report on pages 8 to 24, which is not part of these financial statements.

These financial statements were authorised for issue by the directors on 25 August 2020. The directors have the power to amend and reissue the 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.au](http://www.perseusmining.com.au).

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Consolidated	
		2020 \$'000	2019 \$'000
<b>Continuing operations</b>			
Revenue		591,238	508,646
Cost of sales		(317,402)	(344,536)
<b>Gross profit before depreciation and amortisation</b>		<b>273,836</b>	164,110
Depreciation and amortisation relating to gold production	2	(133,378)	(153,066)
<b>Gross profit from operations</b>		<b>140,458</b>	11,044
Other income		4,039	3,084
Other expenses		(268)	(902)
Administration and other corporate expenses		(22,016)	(16,637)
Foreign exchange gain	2	13,755	15,537
Depreciation and amortisation expense	2	(679)	(191)
Impairment and write-downs	2, 8, 9, 10, 11	(4,537)	(144)
Finance Costs	2	(4,085)	(6,000)
<b>Profit before income tax expense</b>		<b>126,667</b>	5,791
Income tax (expense) / benefit	3	(32,244)	1,787
<b>Net profit after tax expense</b>		<b>94,423</b>	7,578
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(8,383)	16,091
Net changes in fair value of cash flow hedges		2,385	(15,503)
Net changes in fair value of financial assets		338	(356)
Income tax relating to components of other comprehensive income	3	(1,505)	3,649
<b>Total comprehensive income for the year</b>		<b>87,258</b>	11,459
<b>Gain attributable to:</b>			
Owners of the parent		94,356	6,991
Non-controlling interest		67	587
		<b>94,423</b>	7,578
<b>Comprehensive profit attributable to:</b>			
Owners of the parent		85,513	11,416
Non-controlling interest		1,745	43
		<b>87,258</b>	11,459
Basic earnings per share	4	<b>8.08 cents</b>	0.66 cents
Diluted earnings per share	4	<b>7.88 cents</b>	0.59 cents

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	Consolidated	
		2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	5	218,166	125,406
Receivables	6	12,740	10,089
Inventories	7	117,063	126,899
Prepayments		11,653	6,080
Income tax receivable	13	3,080	-
<b>Total current assets</b>		<b>362,702</b>	<b>268,474</b>
<b>Non-current assets</b>			
Receivables	6	6,838	7,162
Inventories	7	57,493	24,325
Financial assets at fair value through other comprehensive income	8	667	444
Property, plant and equipment	9	630,170	418,712
Right of use assets	25 (a)	1,932	-
Mine properties	10	202,400	232,761
Mineral interest acquisition and exploration expenditure	11	33,513	17,405
<b>Total non-current assets</b>		<b>933,013</b>	<b>700,809</b>
<b>Total assets</b>		<b>1,295,715</b>	<b>969,283</b>
<b>Current liabilities</b>			
Payables and provisions	12	102,395	69,494
Derivative financial instruments	15	6,105	8,508
Interest bearing liabilities	14	-	7,831
Lease liabilities	25 (a)	1,265	-
<b>Total current liabilities</b>		<b>109,765</b>	<b>85,833</b>
<b>Non-current liabilities</b>			
Provisions	12	40,220	19,522
Derivative financial instruments	15	-	1,603
Interest bearing liabilities	14	217,667	36,996
Lease liabilities	25 (a)	524	-
Deferred tax liability	13	51,986	41,817
<b>Total non-current liabilities</b>		<b>310,397</b>	<b>99,938</b>
<b>Total liabilities</b>		<b>420,163</b>	<b>185,771</b>
<b>Net assets</b>		<b>875,552</b>	<b>783,512</b>
<b>Equity</b>			
Issued capital	17	776,564	776,564
Reserves	17	57,463	61,228
Retained earnings / (accumulated losses)	18	32,780	(61,576)
Parent entity interest		866,807	776,216
Non-controlling interest		8,745	7,296
<b>Total equity</b>		<b>875,552</b>	<b>783,512</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated								
	Issued capital \$'000	(Accumulated losses) / retained earnings \$'000	Share based payments reserve \$'000	Foreign currency translation reserve \$'000	Asset revaluation reserve \$'000	Hedge reserve \$'000	Non-controlling interests reserve \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Balance at 1 July 2019</b>	776,564	(61,576)	26,964	40,766	383	(6,627)	(258)	7,296	783,512
Profit for the year	-	94,356	-	-	-	-	-	67	94,423
Currency translation differences	-	-	-	(9,110)	-	-	-	727	(8,383)
Net change in financial assets at fair value through other comprehensive income	-	-	-	-	338	-	-	-	338
Net change in the fair value of cash flow hedges	-	-	-	-	-	1,283	-	1,102	2,385
Income tax relating to components of other comprehensive income	-	-	-	-	-	(1,354)	-	(151)	(1,505)
<b>Total comprehensive income</b>	-	<b>94,356</b>	-	<b>(9,110)</b>	<b>338</b>	<b>(71)</b>	-	<b>1,745</b>	<b>87,258</b>
Share issue expenses	-	-	-	-	-	-	-	4	4
Share based payments	-	-	5,078	-	-	-	-	(300)	4,778
<b>Balance at 30 June 2020</b>	<b>776,564</b>	<b>32,780</b>	<b>32,042</b>	<b>31,656</b>	<b>721</b>	<b>(6,698)</b>	<b>(258)</b>	<b>8,745</b>	<b>875,552</b>
Balance at 1 July 2018	720,943	(68,567)	24,645	24,809	739	4,550	(258)	7,453	714,314
Profit for the year	-	6,991	-	-	-	-	-	587	7,578
Currency translation differences	-	-	-	15,957	-	-	-	134	16,091
Net change in Financial assets at fair value through other comprehensive income	-	-	-	-	(356)	-	-	-	(356)
Net change in the fair value of cash flow hedges	-	-	-	-	-	(14,461)	-	(1,042)	(15,503)
Income tax relating to components of other comprehensive income	-	-	-	-	-	3,284	-	365	3,649
<b>Total comprehensive loss</b>	-	<b>6,991</b>	-	<b>15,957</b>	<b>(356)</b>	<b>(11,177)</b>	-	<b>44</b>	<b>11,459</b>
Share issue expenses	(77)	-	-	-	-	-	-	-	(77)
Exercise of warrants	55,698	-	-	-	-	-	-	-	55,698
Share based payments	-	-	2,319	-	-	-	-	(201)	2,118
<b>Balance at 30 June 2019</b>	<b>776,564</b>	<b>(61,576)</b>	<b>26,964</b>	<b>40,766</b>	<b>383</b>	<b>(6,627)</b>	<b>(258)</b>	<b>7,296</b>	<b>783,512</b>

The accompanying notes form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Consolidated	
		2020 \$'000	2019 \$'000
<b>Operating activities</b>			
Receipts in the course of operations		589,242	509,097
Payments to suppliers and employees		(351,575)	(363,918)
Income taxes paid		(26,520)	-
Interest received		1,644	1,045
<b>Net cash from operating activities</b>	23	<b>212,791</b>	146,224
<b>Investing activities</b>			
Payments for exploration and evaluation expenditure		(18,718)	(8,569)
Payments for property, plant and equipment		(1,350)	(264)
Payments for mine properties		(24,789)	(13,975)
Payments for assets under construction		(228,336)	(42,412)
Net security bonds refunded		3,191	5,188
Proceeds on disposal of investment in listed entity		115	45
<b>Net cash used in investing activities</b>		<b>(269,887)</b>	(59,987)
<b>Financing activities</b>			
Proceeds from exercise of warrants		-	55,698
Repayment of borrowings		(45,518)	(43,846)
Proceeds from borrowings		226,534	-
Borrowing costs		(15,303)	(5,706)
Share issue expenses		-	(76)
<b>Net cash provided by financing activities</b>		<b>165,713</b>	6,070
Net increase in cash held		108,617	92,307
Cash and cash equivalents at the beginning of the financial year		125,406	31,166
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(15,857)	1,933
<b>Cash and cash equivalents at the end of the financial year</b>	5	<b>218,166</b>	125,406

The accompanying notes form part of these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## ABOUT THIS REPORT

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated in note 25. The 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 year ended 30 June 2020, the consolidated entity conducted operations in Australia, Ghana and Côte d'Ivoire.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

### Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### Historical cost convention

These financial statements have been prepared under the historical cost convention, except for derivative instruments and Financial assets at fair value through other comprehensive income (FVOCI) which are carried at fair value.

### Critical accounting estimates

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

### 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.

## 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
Depreciation and amortisation	2
Unit-of-production method of depreciation/amortisation	2
Deferred stripping expenditure	2
Impairment	2
Income tax	3
Inventory	7
Reserves and resources	10
Exploration and evaluation expenditure	11
Restoration and rehabilitation provision	12
Derivative financial instruments	15
Measurement of fair value	16
Share based payments	17, 24

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 1. SEGMENT INFORMATION

### (a) Description of segments

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

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

The Group operated principally in four segments in 2020 being Edikan, Sissingué, Yaouré and Corporate / Other. The segment information is prepared in conformity with the Group's accounting policies.

The Group comprises the following main segments:

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

Revenue is derived from two external customers arising from the sale of gold bullion reported under both the Edikan and Sissingué 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 1. SEGMENT INFORMATION (continued)

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

	Edikan		Sissingué		Yaouré		Corporate / other		Consolidated	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Revenue and other income</b>										
Revenue	388,976	353,370	202,262	155,276	-	-	-	-	591,238	508,646
Other income	1,778	2,504	758	(281)	-	-	1,503	861	4,039	3,084
<b>Total revenue and other income</b>	<b>390,754</b>	<b>355,874</b>	<b>203,020</b>	<b>154,995</b>	<b>-</b>	<b>-</b>	<b>1,503</b>	<b>861</b>	<b>595,277</b>	<b>511,730</b>
<b>Results</b>										
Operating profit / (loss) before income tax	92,122	(10,109)	38,308	11,069	5,990	(4,098)	(9,753)	8,929	126,667	5,791
Income tax (expense) / benefit									(32,244)	1,787
<b>Net profit</b>									<b>94,423</b>	<b>7,578</b>
<b>Included within segment results:</b>										
Impairment and write-offs	(68)	(60)	(4,311)	(25)	(158)	-	-	(59)	(4,537)	(144)
Depreciation and amortisation	(66,596)	(91,982)	(65,176)	(58,975)	(477)	(1)	(1,808)	(2,299)	(134,057)	(153,257)
Share based payments	(676)	(513)	(767)	(325)	-	-	(3,082)	(1,562)	(4,525)	(2,400)
Foreign exchange gain / (loss)	1,477	1,507	(1,386)	(5,985)	(113)	(7)	13,777	20,022	13,755	15,537
<b>As at 30 June 2020 \$'000</b>	<b>473,761</b>	<b>428,413</b>	<b>175,480</b>	<b>241,252</b>	<b>482,261</b>	<b>227,613</b>	<b>164,213</b>	<b>72,005</b>	<b>1,295,715</b>	<b>969,283</b>
<b>As at 30 June 2019 \$'000</b>									<b>1,295,715</b>	<b>969,283</b>
<b>Assets</b>										
Segment assets	473,761	428,413	175,480	241,252	482,261	227,613	164,213	72,005	1,295,715	969,283
<b>Total segment assets</b>	<b>473,761</b>	<b>428,413</b>	<b>175,480</b>	<b>241,252</b>	<b>482,261</b>	<b>227,613</b>	<b>164,213</b>	<b>72,005</b>	<b>1,295,715</b>	<b>969,283</b>
<i>Total assets include:</i>										
Additions to non-current assets (other than financial assets)	42,081	20,258	24,246	17,609	261,935	25,532	114	260	328,376	63,659
<b>Liabilities</b>										
Segment liabilities	120,284	128,444	42,891	47,519	32,452	9,601	224,536	207	420,163	185,771
<b>Total segment liabilities</b>	<b>120,284</b>	<b>128,444</b>	<b>42,891</b>	<b>47,519</b>	<b>32,452</b>	<b>9,601</b>	<b>224,536</b>	<b>207</b>	<b>420,163</b>	<b>185,771</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 2. OTHER INCOME / EXPENSES

	Consolidated	
	2020 \$'000	2019 \$'000
<b>Foreign exchange gain / (loss)</b>		
Foreign exchange gain on translation of inter-company loans	8,833	18,009
Foreign exchange gain on translation of VAT receivable	722	1,085
Foreign exchange gain / (loss) on other translations	4,200	(3,557)
	<b>13,755</b>	15,537
<b>Changes in inventories of finished goods and work in progress</b>		
Write back of inventories due to increase in net realisable value	38,260	13,572
<b>Finance costs</b>		
Interest and finance charges	(4,085)	(6,000)
<b>Other costs</b>		
Write-down of receivable	(266)	(347)
Impairment and write-downs	(4,537)	(144)
<b>Depreciation and amortisation</b>		
Amortisation of stripping asset	(20,118)	(26,423)
Other depreciation and amortisation	(113,939)	(126,834)
	<b>(134,057)</b>	(153,257)

### RECOGNITION & MEASUREMENT

#### (i) Revenue recognition

Revenue is measured as the amount of consideration that the Group expects to be entitled to in exchange for transferring goods to its customers. The Group recognises revenue at a point-in-time when (or as) the performance obligations, as determined by contracts with the customers, have been satisfied. The following criteria are also applicable to specific revenue transactions.

#### Gold bullion sales

The Group recognises revenue from gold bullion sales as its obligations are satisfied in accordance with an agreed contract between the Group and its customers. Revenue is recognised at a point-in-time when the gold bullion has been credited to the metals account of the customer. It is at this point that control over the gold bullion has been passed to the customer and the Group has fulfilled its obligations under the contract.

#### Interest income

Interest income is recognised in the income statement as it accrues, using the effective interest method.

#### (ii) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 2. OTHER INCOME / EXPENSES (continued)

### SIGNIFICANT JUDGEMENTS AND ESTIMATES

#### (i) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units or 'CGU'). The Group has three cash generating units, Edikan Gold Mine, the Sissingué Gold Mine and the Yaouré Gold Project. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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:

- 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;
- Estimated production and sales levels;
- Estimate future commodity prices are based on brokers consensus forecast;
- Future costs of production;
- Future capital expenditure;
- Future exchange rates; and/or
- 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.

At 30 June 2020 the Group determined that there was no external or internal indicator of impairment. This was as a result of the substantial increase in gold prices as well as strong performance at all sites during the financial year.

In view of the ongoing COVID-19 global pandemic, consideration of its impact on the Group's operations was given. The COVID-19 pandemic was found not to be an indicator of impairment for any of the Group's CGUs as to date there has been immaterial disruption and no material impact on the Group's operations in the various jurisdictions. This was as a result of various measures put in place in response to the pandemic.

As a result, no impairment testing was conducted for the Edikan, Sissingué and Yaouré CGUs.

#### (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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 2. OTHER INCOME / EXPENSES (continued)

### SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)

#### (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.

#### (iv) Uncertain tax positions

The Group is subject to income taxes in multiple jurisdictions. In determining the income tax liabilities, management has not been required to estimate the amount of capital allowances and the deductibility of certain expenses at each tax jurisdiction.

The Group has significant open tax assessments with a tax authority at the balance sheet date. As management believes that the tax positions are sustainable, the Group has not recognised any additional tax liability on these uncertain tax positions.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 3. INCOME TAX EXPENSE

	Consolidated	
	2020 \$'000	2019 \$'000
<b>(a) Income tax expense</b>		
Current tax expense	24,233	164
Deferred tax expense / (benefit)	7,906	(3,458)
Adjustment for current tax of prior years	105	1,507
<b>Income tax expense / (benefit)</b>	<b>32,244</b>	<b>(1,787)</b>
<b>Income tax expense is attributable to:</b>		
Profit / (loss) from continuing operations	32,244	(1,787)
Loss from discontinued operations	-	-
<b>Aggregate income tax expense / (benefit)</b>	<b>32,244</b>	<b>(1,787)</b>
<b>Deferred income tax expense included in tax comprises:</b>		
Decrease in deferred tax assets	14,889	15,358
Decrease in deferred tax liabilities	(6,878)	(17,309)
<b>Aggregate deferred tax expense / (benefit)</b>	<b>8,011</b>	<b>(1,951)</b>
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Profit from continuing operations before income tax expense	126,667	5,791
Loss from discontinuing operations before income tax expense	-	-
	126,667	5,791
Tax at the Australian tax rate of 30%	38,001	1,737
Effect of tax rates in foreign jurisdictions	4,481	(355)
Non-deductible expenses	484	44
Share based payments	1,161	645
Foreign exchange on investment in foreign subsidiaries	2,581	(8,617)
Deferred tax asset not brought to account	(14,569)	3,251
	32,139	(3,295)
Under provision in prior years	105	1,508
<b>Income tax expense / (benefit)</b>	<b>32,244</b>	<b>(1,787)</b>
<b>(c) Amounts recognised directly in equity</b>		
Aggregate current and deferred tax arising in the year and not recognised in net profit or loss but directly (credited) / debited to equity	(1,505)	3,649
<b>Net deferred tax (credited) / debited directly to equity</b>	<b>(1,505)</b>	<b>3,649</b>
<b>(d) Tax losses</b>		
Estimated Australian revenue tax losses	56,592	52,965
Estimated Australian capital tax losses	9,370	4,343
	65,962	57,308
Potential tax benefit at 30%	19,789	17,192
Unused foreign tax losses for which no deferred tax has been recognised	-	-
	19,789	17,192

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 3. INCOME TAX EXPENSE (continued)

### RECOGNITION & MEASUREMENT

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the year in the countries where the Company's subsidiaries and associated operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 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 years, 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 years.

## 4. EARNINGS PER SHARE

	Consolidated	
	2020 \$'000	2019 \$'000
<b>(a) Earnings used in calculating earnings per share</b>		
Earnings attributable to ordinary shareholders of the parent	94,356	6,991
<b>(b) Weighted average number of shares</b>		
Weighted average number of ordinary shares used in calculating basic earnings per share	1,167,972,625	1,059,909,941
Effect of dilution from performance rights	29,621,005	122,129,969
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>1,197,593,630</b>	<b>1,182,039,910</b>

Performance rights, first issued in November 2012 (see note 24) and granted to employees under the terms of the Company's Performance Rights Plan approved by shareholders in November 2012, amended in October 2014 and renewed by shareholders in November 2017, are considered to be potential ordinary shares. These performance rights are dilutive for the year ended 30 June 2020 and therefore have been included from the calculation of diluted earnings per share.

### RECOGNITION & MEASUREMENT

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing the net result attributable to owners of the parent, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus element.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of ordinary shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 5. CASH AND CASH EQUIVALENTS

		Consolidated	
		2020 \$'000	2019 \$'000
Cash assets	(i)	105,694	83,723
Short-term deposits	(ii)	112,472	41,683
		<b>218,166</b>	<b>125,406</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.

### RECOGNITION & MEASUREMENT

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions with an original maturity not exceeding three months, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. If greater than three months principal amounts can be redeemed in full with interest payable at the same cash rate from inception as per the agreement with each bank. Bank overdrafts, if utilised, are shown within borrowings in current liabilities on the statement of financial position.

## 6. RECEIVABLES

		Consolidated	
		2020 \$'000	2019 \$'000
<b>Current</b>			
Trade debtors	(i)	1,053	896
Sundry debtors	(i)	5,128	9,324
Restricted cash		-	1,423
Other receivables	(ii)	6,559	2,418
Impairment of receivables	(iii)	-	(3,972)
		<b>12,740</b>	<b>10,089</b>
<b>Non-current</b>			
Security deposits	(iv)	6,838	7,162
		<b>6,838</b>	<b>7,162</b>
<b>Movement in the impairment of receivables</b>			
Balance at beginning of the year		3,972	3,767
Bad debts written off		(3,972)	-
Foreign exchange translation loss		-	205
<b>Balance at the end of the year</b>	(iii)	<b>-</b>	<b>3,972</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 GST and VAT receivable throughout the Group. At 30 June 2020 \$6.6 million (30 June 2019: \$2.4 million) related to a net VAT refund receivable from the Ghana Revenue Authority ('GRA'). During the year, the Group received a total of GHS 31.8 million (approximately \$8.6 million or US\$5.8 million) from the GRA for the VAT receivable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 6. RECEIVABLES (continued)

- (iii) Impairment of receivables are recognised against sundry and other debtors for estimated expected credit losses determined by reference to an analysis of the counterparty's current financial position.
- (iv) At 30 June 2020, the Group held US\$2.8 million, approximately A\$4.1 million (30 June 2019: US\$3.3 million, approximately A\$4.7 million), 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 Edikan. The Group also held XOF 1.1 billion, approximately A\$2.7 million (30 June 2019: nil), in bank deposits which are subject to a lien and are collateral for a bank guarantee that has been issued to L'Agence Nationale De L'Environnement in relation to environmental rehabilitation provisions concerning Sissingué.

### Past due but not impaired

All of the remaining trade and other receivables are not past due (30 June 2019: \$4.0 million).

### 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 carrying amount of long-term receivables is assumed to approximate fair value, as the security deposits that make up the long-term receivables have a market-based interest rate. The maximum exposure to credit risk at the end of the year is the carrying amount of each class of receivable mentioned above.

The other receivable relating to a VAT refund from the GRA is immediately repayable on demand in Ghanaian Cedis, 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.

Further information about the Group's exposure to these risks is provided in note 16.

## RECOGNITION & MEASUREMENT

### (i) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

An allowance for doubtful debts is made when collection of the full amount is no longer probable. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses.

### (ii) Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the year-end which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 7. INVENTORIES

	Consolidated	
	2020 \$'000	2019 \$'000
<b>Current</b>		
Ore stockpiles – at cost	27,170	-
Ore stockpiles – at net realisable value	18,915	35,768
Gold in circuit – at cost	6,698	3,313
Gold in circuit – at net realisable value	-	6,922
Bullion on hand – at cost	10,250	12,957
Bullion on hand – at net realisable value	-	20,578
Materials and supplies	54,030	47,361
	<b>117,063</b>	<b>126,899</b>
<b>Non-current</b>		
Ore stockpiles – at net realisable value	57,493	24,325
	<b>57,493</b>	<b>24,325</b>

### Inventory expense

The inventory expense during the year ended 30 June 2020 was \$416.7 million (30 June 2019: \$477.5 million). The write back of inventories due to an increase in net realisable value recognised during the year ended 30 June 2019 amounted to \$38.3 million (30 June 2019 write back: \$13.6 million) and is included in 'cost of sales' in the statement of comprehensive income.

## RECOGNITION & MEASUREMENT

Gold bullion, gold in circuit and ore stockpiles are physically measured or estimated and stated at the lower of cost and net realisable value.

Cost comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs in getting such inventories to their existing location and condition, based on weighted average costs incurred during the year in which such inventories were produced. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product.

Inventories of consumable supplies and spare parts expected to be used in production are valued at weighted average cost. Obsolete or damaged inventories of such item are valued at net realisable value.

## 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Consolidated	
	2020 \$'000	2019 \$'000
<b>Non-current</b>		
Financial assets at fair value through other comprehensive income	667	444
	(i) 667	444
<b>Reconciliation of movements in financial assets at fair value through other comprehensive income</b>		
Balance at beginning of the year	444	1,400
Additions	-	-
Disposals	(115)	(135)
Gain / (loss) on fair value re-measurements	338	(821)
<b>Balance at end of the year</b>	<b>667</b>	<b>444</b>

(i) The Group's investment in Manas Resources Limited ('Manas') of \$559,268 and Amani Gold Limited ('Amani') of \$57,530 are recognised as financial assets at fair value through other comprehensive income.

### Risk exposure and fair value measurements

Information about the Group's exposure to price risk and about the methods and assumptions used in determining fair value is provided in note 16.

### RECOGNITION & MEASUREMENT

#### (i) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as FVOCI if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Purchase and sale of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as financial assets at fair value through other comprehensive income are sold, the accumulated fair value adjustments recognised in other comprehensive income are not reclassified to profit or loss as gains and losses on sale of Financial assets at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss in the year in which they arise. Changes in value of non-monetary securities classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 16.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2020 \$'000	2019 \$'000
Plant and equipment - at cost	368,660	360,003
Accumulated depreciation	(242,353)	(187,793)
	<b>126,307</b>	<b>172,210</b>
<b>Reconciliation of plant and equipment</b>		
Balance at the beginning of the year	172,210	214,790
Additions	2,223	885
Transferred from assets under construction	2,791	3,078
Depreciation	(53,352)	(53,409)
Disposals	(617)	(877)
Translation difference movement	3,052	7,743
<b>Carrying amount at the end of the year</b>	<b>126,307</b>	<b>172,210</b>
<b>Assets under construction - at cost</b>	<b>503,863</b>	<b>246,502</b>
<b>Reconciliation of assets under construction</b>		
Balance at the beginning of the year	246,502	202,532
Additions	262,530	39,101
Transferred to property, plant and equipment	(2,791)	(3,078)
Transferred to mine properties	(3,832)	(3,663)
Transferred from exploration	-	2,320
Write-off	(159)	-
Translation difference movement	1,613	9,290
<b>Carrying amount at the end of the year</b>	<b>503,863</b>	<b>246,502</b>
<b>Total property, plant and equipment net book value</b>	<b>630,170</b>	<b>418,712</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 9. PROPERTY, PLANT AND EQUIPMENT (continued)

### RECOGNITION & MEASUREMENT

#### (i) Assets under construction

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified as 'assets under construction', and disclosed as a component of property, plant and equipment.

All subsequent expenditure incurred in the construction of a mine by, or on behalf of the Group, is accumulated separately for each area of interest in which economically recoverable reserves have been identified. This expenditure includes net direct costs of construction and borrowing costs capitalised during construction. On completion of development, all assets included in 'assets under construction' are reclassified as either 'plant and equipment' or 'mine properties'.

#### (ii) Property, plant and equipment

Land and buildings and all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Land is not depreciated.

Property, plant and equipment directly engaged in the crushing and milling operations are depreciated over the shorter of expected economic life or over the remaining life of the mine on a units-of-production basis. Assets which are depreciated on a basis other than units-of-production method are typically depreciated on a straight-line basis over their estimated useful lives as follows:

Item	Estimated useful life (years)
Plant and equipment	3-10
Buildings	20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

#### (iii) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Value in use is the present value of the future cash flows expected to be derived from the asset or cash generating unit.

In estimating value in use, a pre-tax discount rate is used which reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs of disposal is the amount the cash generating unit can be sold to a knowledgeable and willing market participant in an arm's length transaction, less the disposal costs. In estimating fair value less costs of disposal, discounted cash flow methodology is utilised, and a post-tax discount rate is used.

For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generated units). The Group has three cash generating units, Edikan Gold Mine, Sissingué Gold Mine and the Yaouré Gold Project. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 10. MINE PROPERTIES

	Consolidated	
	2020 \$'000	2019 \$'000
Mine properties - at cost	682,722	626,494
Accumulated depreciation	(480,322)	(393,733)
	202,400	232,761
<b>Reconciliation of mine properties</b>		
Balance at the beginning of the year	232,761	304,132
Additions	43,176	13,975
Transferred from assets under construction	3,832	3,663
Amortisation	(80,910)	(101,200)
Translation difference movement	3,541	12,191
<b>Carrying amount at the end of the year</b>	<b>202,400</b>	<b>232,761</b>

The significant estimates and judgements underpinning impairment are detailed at note 2.

### RECOGNITION & MEASUREMENT

#### (i) Mine properties

Accumulated mine development costs (classified as either 'plant and equipment' or 'mine properties') are depreciated/amortised on a unit of production basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of mine, in which case the straight line method is applied. The units of measure for amortisation of mine properties is tonnes of ore mined and the amortisation of mine properties takes into account expenditures incurred to date. The Edikan and Sissingué mine properties work in progress is assessed at the end of every month and when the work is completed it is transferred to mine properties and then amortised.

The units of measure for depreciating mine related plant and equipment is tonnes of ore processed.

#### (ii) Deferred stripping costs

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of inventory in that period and the creation of improved access and mining flexibility in relation to ore to be mined in the future. The former are included as part of the costs of inventory, while the latter are capitalised as a stripping activity asset, where certain criteria are met. Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity.

The stripping activity asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset. The stripping activity asset is accounted for as an addition to, or an enhancement of, an existing asset, being the mine asset, and is presented as part of 'Mine properties' in the statement of financial position. This forms part of the total investment in the relevant cash generating unit, which is reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

### SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 11. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE

	Consolidated	
	2020 \$'000	2019 \$'000
Mineral interest acquisition and exploration – at cost	33,513	17,405
<b>Reconciliation of mineral interest acquisition and exploration expenditure</b>		
Balance at the beginning of the year	17,405	9,607
Additions	20,447	9,699
Transferred to assets under construction	-	(2,320)
Exploration costs written off	(4,378)	(144)
Translation difference movement	39	563
<b>Carrying amount at the end of the year</b>	<b>33,513</b>	<b>17,405</b>

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 \$4.4 million as at 30 June 2020 was attributable to Tengrela East in relation to Zanikan and Papara, Dadieso in Ghana and regional areas of Côte d'Ivoire due to the non-discovery of commercially viable resources.

### RECOGNITION & MEASUREMENT

Exploration and evaluation expenditures in relation to each separate area of interest with current tenure are carried forward to the extent that:

- (i) such expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- (ii) exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

In the event that an area of interest is abandoned or, if facts and circumstances suggest that the carrying amount of an exploration and evaluation asset is impaired then the accumulated costs carried forward are written off in the year in which the assessment is made.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified as 'assets under construction'.

### 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 12. PAYABLES AND PROVISIONS

	Consolidated	
	2020 \$'000	2019 \$'000
<b>Current</b>		
Trade creditors and accruals (i)	100,110	67,484
Employee benefits	2,285	2,010
	<b>102,395</b>	<b>69,494</b>

Terms and conditions relating to the above financial instruments:

- (i) Trade and other creditors are non-interest bearing and are normally settled on 30-day terms.

### Risk exposure

Information about the Group's exposure to risk is provided in note 16.

	Consolidated	
	2020 \$'000	2019 \$'000
<b>Non-current provisions</b>		
Provision for rehabilitation work	39,412	18,776
Employee benefits	808	746
	<b>40,220</b>	<b>19,522</b>
Balance at the beginning of the year	18,776	18,060
Increased / (decreased) obligations during the year	20,880	36
Rehabilitation expenditure during the year	(229)	(257)
Unwinding of discount	56	101
Translation difference movement	(71)	836
<b>Balance at the end of the year</b>	<b>39,412</b>	<b>18,776</b>
Employee benefits	808	746
<b>Total non-current provisions</b>	<b>40,220</b>	<b>19,522</b>

The provision for rehabilitation work relates to Edikan in Ghana, Sissingué and Yaouré in Côte d'Ivoire. The timing of settlement of these obligations cannot be established with any certainty. The Group has commenced mining the EGM project area and many of the old pits identified for rehabilitation work will be subject to new mining. The Group has also commenced mining the Sissingué project area. The provision related to Edikan, Sissingué and Yaouré has been reviewed and updated in line with the additional development that has occurred since June 2019.

### RECOGNITION & MEASUREMENT

#### (i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### (ii) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the year. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 12. PAYABLES AND PROVISIONS (continued)

### RECOGNITION & MEASUREMENT (continued)

(iii) Employee benefits

#### (a) Short-term obligations

Liabilities for short-term employee benefits expected to be wholly settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

#### (b) Other long-term employee benefit obligations

The liability for long service leave which is not expected to be wholly settled within 12 months of the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments. Consideration is given to expected future wage and salary level, experience of employees' departures and periods of service. Expected future payments are discounted using market yields at the end of the year on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### (c) Retirement benefit obligations

Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

#### (iv) Rehabilitation provision

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is capitalised into the cost of the related asset and amortised on the same basis as the related asset, unless the present obligation arises from the production of inventory in the year, in which case the amount is included in the cost of production for the year. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

## SIGNIFICANT JUDGEMENTS AND ESTIMATES

### Restoration and rehabilitation provision

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 13. DEFERRED TAX

	Consolidated	
	2020 \$'000	2019 \$'000
Deferred tax asset	40	15,760
Set off of deferred tax liabilities of entity pursuant to set off provisions	(40)	(15,760)
<b>Net deferred tax asset</b>	-	-
Deferred tax liability	52,026	57,577
Set off of deferred tax assets of entity pursuant to set off provisions	(40)	(15,760)
<b>Net deferred tax liability</b>	<b>51,986</b>	<b>41,817</b>
<b>(a) The deferred tax asset balance comprising of temporary differences attributable:</b>		
Employee benefits	40	31
Cashflow hedges	-	2,131
Other	-	769
Tax losses	-	12,828
<b>Deferred tax asset</b>	<b>40</b>	<b>15,759</b>
<b>(b) Movement in the deferred tax asset</b>		
Opening balance at 1 July	15,759	27,493
Credited to the income statement	(14,889)	(15,358)
Charged to equity – hedging reserve	(1,505)	2,131
Foreign exchange	675	1,493
<b>Closing balance at 30 June</b>	<b>40</b>	<b>15,759</b>
<b>(c) The deferred tax liability comprises temporary differences attributable to:</b>		
Property, plant and equipment	20,012	24,750
Mine properties in use	29,000	31,576
Exploration and evaluation	2,239	1,251
Other	775	-
<b>Deferred tax liability</b>	<b>52,026</b>	<b>57,577</b>
<b>(d) Movement in the deferred tax liability</b>		
Opening balance at 1 July	57,577	72,609
Credited to the income statement	(6,878)	(17,309)
Credited / (charged) to equity – hedging reserve	-	(1,518)
Foreign exchange	1,327	3,795
<b>Closing balance at 30 June</b>	<b>52,026</b>	<b>57,577</b>

### RECOGNITION & MEASUREMENT

Deferred income tax is provided in full, using the balance sheet full liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affect neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 13. DEFERRED TAX (continued)

### RECOGNITION & MEASUREMENT (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

## 14. INTEREST BEARING LIABILITIES

	Consolidated	
	2020 \$'000	2019 \$'000
<b>Current</b>		
Interest-bearing loan facility	-	7,831
	(i)	7,831
<b>Non-current</b>		
Interest-bearing loan facility	217,667	36,996
	(i)	36,996
<b>Reconciliation of liabilities arising from financing activities</b>		
Balance at the beginning of the year	44,827	85,015
Repayments	(45,518)	(43,846)
Draw-downs	226,534	-
Translation difference movement	(8,176)	3,658
<b>Carrying amount at the end of the year</b>	<b>217,667</b>	<b>44,827</b>

- (i) During the year, the US\$30 million revolving line of credit that was available to the Company's Ghanaian subsidiary and the US\$40 million debt facility that funded the Sissingué project were fully repaid and substituted with a US\$150 million revolving corporate cash advance facility. This is a secured facility provided by a consortium of three international banks comprising of Macquarie Bank Limited from Australia, Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division) from South Africa and Société Générale of France. The amount outstanding on the facility was US\$150.0 million as at 30 June 2020 and funds from the drawdowns were used to settle the superseded loan facilities and will be used to provide operational flexibility while managing through the COVID-19 crises as well as progress the development of Yaouré.

### Assets pledged as security

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

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

### Risk exposures and fair value measurements

Information about the Group's exposure to interest rate and foreign currency changes is provided in note 16.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 14. INTEREST BEARING LIABILITIES (continued)

### RECOGNITION & MEASUREMENT

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the year.

## 15. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	2020 \$'000	2019 \$'000
<b>Current liabilities</b>		
Cash flow hedge liability	6,105	8,508
	6,105	8,508
<b>Non-current liabilities</b>		
Cash flow hedge liability	-	1,603
	-	1,603

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

### Forward metal contracts – cash flow hedges

The Group uses cash flow designated USD forward metal contracts to hedge movements in USD precious metal prices on its anticipated sales of gold. At 30 June 2020 there were cash flow designated hedge contracts in place for 8,500 ounces of gold with settlements scheduled in September 2020 with a weighted average price of US\$1,300.50/oz. The portion of the gain or loss on these hedging instruments that are determined to be an effective hedge are recognised and retained directly in equity. The ineffective portion will be recognised in the statement of comprehensive income.

The amount reclassified during the year to revenue in the income statement was a loss of \$18.3 million (30 June 2019: \$5.5 million gain).

### Sales contracts

At 30 June 2020, the Group held spot deferred and forward sales contracts for a further 314,565 ounces of gold at an average sales price of US\$1,445.50 per ounce.

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

### Risk exposures and fair value measurements

Information about the Group's exposure to credit risk, price risk and liquidity risk related to the undiscounted cash flow exposure from derivative contracts is provided at note 16.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

### RECOGNITION & MEASUREMENT

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. The Group has applied AASB 9 retrospectively, with an initial application date of 1 July 2018.

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost or fair value through other comprehensive income (OCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Group. The Group continued measuring at fair value all financial assets previously held at fair value under AASB 139 and classified the assets as available for sale financial assets. According to AASB 9, such assets are classified and measured as financial assets at fair value through profit or loss.

The adoption of AASB 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. As such, if a loss allowance is required to be recognised for expected credit losses on financial assets, the financial assets shall be measured at fair value through other comprehensive income.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

#### (i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial instruments held for trading. A financial liability is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Liabilities in this category are classified as current liabilities if they are expected to be settled within 12 months; otherwise they are classified as non-current.

#### (ii) Fair value measurement

The Group measures derivatives at fair value at each balance-sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

#### (iii) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to their fair value at the end of each year. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 15. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

### RECOGNITION & MEASUREMENT (continued)

At the inception of a hedge transaction, the Group formally designates and documents the hedge relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedge items.

Under AASB 139, all gains and losses arising from the Group's cash flow hedging relationships were eligible to be subsequently reclassified to profit or loss. However, under AASB 9, gains and losses arising on cash flow hedges of forecast purchases of non-financial assets need to be incorporated into the initial carrying amounts of the non-financial assets. This change only applies prospectively from the date of initial application of AASB 9 and has no impact on the presentation of comparative figures.

The fair values of various derivative financial instruments used for hedging purposes are disclosed as above. Movements in the hedging reserve in shareholders' equity are shown in the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Where forward contracts are entered into and continue to be held for the purpose of receipt or delivery of a physical commodity in accordance with expected purchase, sale or usage requirements, the contracts are outside of the scope of AASB 9 and are therefore off-balance sheet.

#### (i) Fair value hedges

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in the comprehensive income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of derivative contracts are recognised in the statement of comprehensive income within 'Revenue' with a corresponding offsetting amount to the carrying amount of the asset or liability being the fair value movement of the hedged asset or liability. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income as other income or expense.

#### (ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss related to the ineffective portion is recognised immediately in profit or loss within other income or expense.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of derivative contracts is recognised in the statement of comprehensive income within 'revenue'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss.

#### (iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

## SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 16. 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 30 June 2020 and 30 June 2019.

	Loans and receivables/ amortised cost	Fair value through other comprehensive income (equity instruments)	Fair value through other comprehensive income (cash flow hedge)
As at 30 June 2020	\$'000	\$'000	\$'000
<b>Financial assets</b>			
Receivables	12,740	-	-
Derivative financial instruments	-	-	-
<b>Total current</b>	<b>12,740</b>	-	-
Receivables	6,838	667	-
Financial assets at fair value through other comprehensive income	-	667	-
<b>Total non-current</b>	<b>6,838</b>	<b>667</b>	-
<b>Total financial assets</b>	<b>19,578</b>	-	-
<b>Financial liabilities</b>			
Payables	100,110	-	-
Interest-bearing liabilities	-	-	-
Derivative financial instruments	-	-	6,105
<b>Total current</b>	<b>100,110</b>	-	<b>6,105</b>
Interest-bearing liabilities	217,667	-	-
Derivative financial instruments	-	-	-
<b>Total non-current</b>	<b>217,667</b>	-	-
<b>Total financial liabilities</b>	<b>317,777</b>	-	<b>6,105</b>
<b>As at 30 June 2019</b>			
<b>Financial assets</b>			
Receivables	8,667	-	-
Derivative financial instruments	-	-	-
<b>Total current</b>	<b>8,667</b>	-	-
Receivables	7,162	-	-
Financial assets at fair value through other comprehensive income	-	444	-
<b>Total non-current</b>	<b>7,162</b>	<b>444</b>	-
<b>Total financial assets</b>	<b>15,829</b>	<b>444</b>	-
<b>Financial liabilities</b>			
Payables	67,484	-	-
Interest-bearing liabilities	7,831	-	-
Derivative financial instruments	-	-	8,508
<b>Total current</b>	<b>73,315</b>	-	<b>8,508</b>
Interest-bearing liabilities	36,996	-	-
Derivative financial instruments	-	-	1,603
<b>Total non-current</b>	<b>36,996</b>	-	<b>1,603</b>
<b>Total financial liabilities</b>	<b>112,311</b>	-	<b>10,111</b>

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and equity price risk. The Group therefore has an overall risk management program that focuses on the unpredictability of financial and precious metal commodity markets and seeks to minimise potential adverse effects on the financial performance of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 16. FINANCIAL RISK MANAGEMENT (continued)

The Group uses different methods to measure different types of risk to which it is exposed including sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk. The Group then uses derivative financial instruments such as forward metal and forward metal option contracts to hedge certain risk exposures.

Financial risk management is carried out by the finance area of the Group under policies approved by the board of directors with identification, evaluation and hedging of financial and commodity risks being undertaken in close co-operation with the Group's operating units. The board provides written principles for overall risk management as well as written policies covering specific areas such as use of derivative financial instruments and investment of excess liquidity.

### Market Risk

#### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, West African CFA franc and Ghanaian cedi. Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Group is also exposed to foreign exchange risk arising from the translation of its foreign operations, the Group's investments in its subsidiaries are not hedged as those currency positions are considered to be long-term in nature. In addition, the parent entity has intercompany receivables from its subsidiaries denominated in US Dollars which are eliminated on consolidation. The gains or losses on re-measurement of these intercompany receivables from US Dollars to Australian Dollars are not eliminated on consolidation as those loans are not considered to be part of the net investment in the subsidiaries.

The Group's exposure to foreign currency risk at the end of the year, expressed in Australian dollars, was as follows.

Market Risk	2020					
	USD \$'000	ZAR \$'000	CFA \$'000	EUR \$'000	GHS \$'000	GBP \$'000
<b>Financial Assets</b>						
Cash and cash equivalents	127,142	-	-	808	1,120	-
Receivables	51	-	-	-	6,549	-
<b>Total Assets</b>	<b>127,193</b>	-	-	<b>808</b>	<b>7,669</b>	-
<b>Financial Liabilities</b>						
Payables	35,649	426	-	439	4,528	185
Derivative financial instruments	6,105	-	-	-	-	-
Financial liabilities at fair value	-	-	-	-	-	-
Interest-bearing liabilities	217,667	-	-	-	-	-
<b>Total Liabilities</b>	<b>259,421</b>	<b>426</b>	-	<b>439</b>	<b>4,528</b>	<b>185</b>
	2019					
<b>Financial Assets</b>						
Cash and cash equivalents	11,220	-	-	734	8,170	-
Receivables	4,268	-	-	-	2,408	-
<b>Total Assets</b>	<b>15,488</b>	-	-	<b>734</b>	<b>10,578</b>	-
<b>Financial Liabilities</b>						
Payables	(18)	-	-	-	-	-
Derivative Financial Instruments	10,111	25	-	66	6,568	5
Interest-bearing liabilities	44,827	-	-	-	-	-
<b>Total liabilities</b>	<b>54,920</b>	<b>25</b>	-	<b>66</b>	<b>6,568</b>	<b>5</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 16. FINANCIAL RISK MANAGEMENT (continued)

### Sensitivity

The following table summarises the sensitivity of financial instruments held at balance date to movement in the exchange rate of the AUD to the USD with all other variables held constant and the AUD to the GHS with all other variables held constant, including the impact of the foreign exchange movement on the inter-company loan of \$383.4 million (2019: \$261.2 million). The sensitivity is based on management's estimate of reasonably possible changes over a financial year.

	Change in USD rate	Impact on profit or loss before tax and equity \$'000
2020	+10%	(13,421)
	-10%	17,139
2019	+10%	(36,265)
	-10%	44,324

	Change in GHS rate	Impact on profit or loss before tax and equity \$'000
2020	+10%	(286)
	-10%	349
2019	+10%	(365)
	-10%	446

The Group's exposure to other foreign exchange movements is not material.

### (ii) Price risk

The Group is exposed to commodity price risk for its future gold production. These risks are measured using sensitivity analysis and cash flow forecasting and to manage exposures the Group enters into forward commodity price derivatives. The Group's policy is to hedge no more than 40% of anticipated gold sales in the subsequent 12 months and no more than 30% of anticipated gold sales in the 12 months subsequent to that first 12 months.

At the end of the year, the Group had a total of 110,452 ounces of forward metal contracts in place over approximately 32% of anticipated monthly gold production from 1 July 2020 through to 30 June 2021, and 111,313 ounces of forward metal contracts in place over approximately 20% of anticipated monthly gold production from 1 July 2021 through to 30 June 2022.

When necessary these contracts may be rolled over into new contracts at maturity, subject to counterparty credit approval. The Group also held 101,300 spot deferred sales contracts that will be rolled out from 2020 to 2022 and represent 11% of anticipated gold production over that period. Balance date exposures and further details of current commodity price derivatives are provided at note 15.

### Sensitivity

Spot deferred and forward sales contracts of \$314,565 do not meet the criteria of financial instruments for accounting purposes as it is management's intention to settle each contract through physical delivery of gold. Accordingly, the contracts will be accounted for as sale contracts with revenue recognised once the gold has been delivered and as such they are not included in the sensitivity analysis below. The following table summarises the sensitivity of the fair value of instruments relating to the remaining 8,500 ounces of cash flow designated hedge contracts held at balance date to movements in the forward gold price, with all other variables held constant.

	Increase / decrease in gold prices	Impact on profit or loss before tax \$'000	Impact on equity before tax \$'000
2020	+10%	-	(8,445)
	-10%	-	(3,996)
2019	+10%	-	(21,150)
	-10%	-	493

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 16. FINANCIAL RISK MANAGEMENT (continued)

### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations which have floating interest rates. At the end of the year the Group's interest rate risk exposure and the weighted average interest rate for each class of financial assets and liabilities was as follows.

	Weighted average effective interest rate	Fixed interest rate \$'000	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>30 June 2020</b>					
<b>Financial assets</b>					
Cash and cash equivalents	0.9%	-	168,673	49,493	218,166
Security deposit	0.0%	-	-	6,838	6,838
<b>Net exposure to cash flow interest rate risk</b>		<b>-</b>	<b>168,673</b>	<b>56,331</b>	<b>225,004</b>
<b>Financial liabilities</b>					
Interest-bearing liabilities	5.0%	-	217,667	-	217,667
<b>Net exposure to cash flow interest rate risk</b>		<b>-</b>	<b>217,667</b>	<b>-</b>	<b>217,667</b>
<b>30 June 2019</b>					
<b>Financial assets</b>					
Cash and cash equivalents	0.9%	-	20,524	104,882	125,406
Security deposit	1.0%	2,795	1,423	4,367	8,585
<b>Net exposure to cash flow interest rate risk</b>		<b>2,795</b>	<b>21,947</b>	<b>109,249</b>	<b>133,991</b>
<b>Financial liabilities</b>					
Interest-bearing liabilities	6.3%	-	44,827	-	44,827
<b>Net exposure to cash flow interest rate risk</b>		<b>-</b>	<b>44,827</b>	<b>-</b>	<b>44,827</b>

### Sensitivity

If interest rates were to move up by 1% with all other variables held constant, then the pre-tax impact on the Group's profit as well as total equity would be a movement of \$0.5 million (30 June 2019: \$0.1 million), a 1% decrease would be a movement of \$0.5 million (30 June 2019: \$0.1 million).

### Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted under a financial instrument resulting in a financial loss to the Group and arises from deposits with banks and financial institutions, favourable derivative financial instruments as well as credit exposures to customers including outstanding receivables and committed transactions. For banks and financial institutions, only independent parties with a minimum credit rating of 'A' are accepted.

The carrying amount the Group's financial assets, represents the maximum credit exposure.

The Group restricts the exposure to credit losses on derivative instruments it holds by entering into master netting arrangements with major counterparties with whom a significant volume of transactions is undertaken.

Such an arrangement provides for a single net settlement of all financial instruments covered by the agreement in the event of default on any one contract. Master-netting arrangements do not result in an offset of balance-sheet assets and liabilities unless certain conditions for offsetting under AASB 132 apply.

Although master-netting arrangements may significantly reduce credit risk, it should be noted that:

- credit risk is eliminated only to the extent that amounts due to the same counterparty will be settled after the assets are realised; and
- the extent to which overall credit risk is reduced may change substantially within a short period because the exposure is affected by each transaction subject to the arrangement.

At 30 June 2020, master netting arrangements reduced the credit risk on contracts that have a fair value of \$6.1 million (2019: \$10.1 million).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 16. FINANCIAL RISK MANAGEMENT (continued)

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, that as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows, matching maturity profiles of financial assets and financial liabilities, and by ensuring that surplus funds are generally only invested in instruments that are tradable in highly liquid markets or that can be relinquished with minimal risk of loss.

### Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity Groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Consolidated					
	Less than 6 months	6 months – 1 year	1 – 2 years	2 – 5 years	Greater than 5 years	Total contractual cash flows
30 June 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Non-derivatives</b>						
Payables	100,110	-	-	-	-	100,110
Interest-bearing liabilities	5,643	5,581	11,193	235,423	-	257,840
	<b>105,753</b>	<b>5,581</b>	<b>11,193</b>	<b>235,423</b>	<b>-</b>	<b>357,950</b>
<b>Derivatives</b>						
Derivative financial instruments	-	-	-	-	-	-
	-	-	-	-	-	-
<b>30 June 2019</b>						
<b>Non-derivatives</b>						
Payables	71,407	-	-	-	-	71,407
Interest-bearing liabilities	1,423	6,408	36,996	-	-	44,827
	<b>72,830</b>	<b>6,408</b>	<b>36,996</b>	<b>-</b>	<b>-</b>	<b>116,234</b>
<b>Derivatives</b>						
Derivative financial instruments	-	-	-	-	-	-
	-	-	-	-	-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 16. FINANCIAL RISK MANAGEMENT (continued)

### Fair values

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2020.

	Consolidated			
	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash	218,166	218,166	125,406	125,406
Receivables	12,740	12,740	8,667	8,667
Derivative financial instruments	-	-	-	-
<b>Total current</b>	<b>230,906</b>	<b>230,906</b>	<b>134,073</b>	<b>134,073</b>
Receivables	6,838	6,838	7,162	7,162
Financial assets at fair value through other comprehensive income	667	667	444	444
Derivative financial instruments	-	-	-	-
<b>Total non-current</b>	<b>7,505</b>	<b>7,505</b>	<b>7,606</b>	<b>7,606</b>
<b>Total financial assets</b>	<b>238,411</b>	<b>238,411</b>	<b>141,678</b>	<b>141,678</b>
<b>Financial liabilities</b>				
Payables	100,110	100,110	67,484	67,484
Derivative financial instruments	6,105	6,105	8,508	8,508
<b>Total current</b>	<b>106,215</b>	<b>106,215</b>	<b>75,992</b>	<b>75,992</b>
Derivative financial instruments	-	-	1,603	1,603
<b>Total non-current</b>	<b>-</b>	<b>-</b>	<b>1,603</b>	<b>1,603</b>
<b>Total financial liabilities</b>	<b>106,215</b>	<b>106,215</b>	<b>77,595</b>	<b>77,595</b>

### 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 year.

There were no transfers between categories during the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 16. FINANCIAL RISK MANAGEMENT (continued)

The following table presents the Group's financial instruments measured and recognised at fair value at 30 June 2020 and 30 June 2019.

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>30 June 2020</b>				
<b>Financial assets:</b>				
Financial assets at fair value through other comprehensive income	667	-	-	667
Derivative financial instruments	-	-	-	-
<b>Total</b>	<b>667</b>	<b>-</b>	<b>-</b>	<b>667</b>
<b>Financial liabilities:</b>				
Derivative financial instruments	-	6,105	-	6,105
<b>Total</b>	<b>-</b>	<b>6,105</b>	<b>-</b>	<b>6,105</b>
<b>30 June 2019</b>				
<b>Financial assets:</b>				
Financial assets at fair value through other comprehensive income	444	-	-	444
Derivative financial instruments	-	-	-	-
<b>Total</b>	<b>444</b>	<b>-</b>	<b>-</b>	<b>444</b>
<b>Financial liabilities:</b>				
Derivative financial instruments	-	10,111	-	10,111
<b>Total</b>	<b>-</b>	<b>10,111</b>	<b>-</b>	<b>10,111</b>

### Valuation techniques

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and FVOCI securities) is based on quoted market prices at the end of the year. 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 year.
- 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 16. FINANCIAL RISK MANAGEMENT (continued)

### RECOGNITION & MEASUREMENT

#### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Fair value measurement

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is either:

- expected to be realised within 12 months after the year-end; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the year-end.

All other assets are classified as non-current.

A liability is current when either:

- it is due to be settled within 12 months after the year-end; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after year-end.

The Group classifies all other liabilities as non-current.

### 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.

#### Equity price risk

The Group's investments in Manas and Amani, which are classified as financial assets at fair value through other comprehensive income, is susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to listed equity securities at fair value was \$0.7 million (30 June 2019: \$0.4 million). A decrease of 10% on the share prices of Manas and Amani would have a negative impact of approximately \$0.07 million on the income or equity attributable to the Group, depending on whether the decline is prolonged. An increase of 10% in the value of the listed securities would impact equity by \$0.07 million but would not have an effect on the profit or loss.

#### Capital management

Management controls the capital of the Group in order to ensure that the Group can fund its operations in an efficient and timely basis and continue as a going concern. Due to the funding provided by Macquarie, the Group is required to hold a minimum liquid assets balance of US\$15.0 million. Management effectively manages the Group's capital by assessing the Group's cash projections up to twenty-four months in the future and any associated financial risks. Management will adjust the Group's capital structure in response to changes in these risks and in the market. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

During the year, the US\$30 million revolving line of credit that was available to the Company's Ghanaian subsidiary and the US\$40 million debt facility that funded the Sissingué project were fully repaid and substituted with a US\$150 million revolving corporate cash advance facility. This is a secured facility provided by a consortium of three international banks comprising of Macquarie Bank Limited from Australia, Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division) from South Africa and Société Générale of France. The amount outstanding on the facility was US\$150 million as at 30 June 2020 and funds from the drawdowns were used to settle the superseded loan facilities as well as progress the development of Yaouré.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 17. ISSUED CAPITAL AND RESERVES

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

	Consolidated	
	2020 \$'000	2019 \$'000
1,168,055,480 (2019: 1,167,447,147) ordinary shares, fully paid	776,564	776,564

	Consolidated			
	2020		2019	
	\$'000	Number	\$'000	Number
Balance at the beginning of the year	776,564	1,167,447,147	720,943	1,034,826,432
Transaction costs arising from issue of securities	-	-	(77)	-
Vesting and exercise of performance rights on 18 January 2019	-	-	-	2,400,000
Vesting and exercise of performance rights on 23 January 2019	-	-	-	100,000
Vesting and exercise of performance rights on 22 July 2019	-	200,000	-	-
Vesting and exercise of performance rights on 4 July 2019	-	333,333	-	-
Vesting and exercise of performance rights on 24 February 2020	-	75,000	-	-
Share placement at issue price of \$0.44 pursuant to the exercise of warrants	-	-	55,698	130,120,715
Issued and paid-up share capital	776,564	1,168,055,480	776,564	1,167,447,147
Balance at the end of the year	776,564	1,168,055,480	776,564	1,167,447,147

### RECOGNITION & MEASUREMENT

Ordinary shares are classified as equity and incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. If the Company reacquires its own equity instruments for the purpose of reducing its issued capital, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of tax) is recognised directly in equity.

### (b) Performance rights

The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they were granted. The fair value of performance rights granted is determined using a Monte Carlo simulation model. Refer to Note 24 for further details.

### (c) Ordinary shares

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

### (d) Nature and purpose of reserves

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

#### Share-based payments reserve

The share-based payments reserve is used to record the fair value of 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 17. ISSUED CAPITAL AND RESERVES (continued)

### Asset revaluation reserve

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

## 18. RETAINED EARNINGS / (ACCUMULATED LOSSES)

Movements in accumulated losses were as follows.

	Consolidated	
	2020 \$'000	2019 \$'000
Balance at beginning of financial year	(61,576)	(68,567)
Profit attributable to the owners of the parent	94,356	6,991
<b>Balance at end of financial year</b>	<b>32,780</b>	<b>(61,576)</b>

## 19. SUBSIDIARIES

Name of subsidiary	Notes	Place of incorporation	Consolidated entity interest 2020 (%)	Consolidated entity interest 2019 (%)
<b>Parent entity</b>				
Perseus Mining Limited	(a)	Australia		
<b>Subsidiaries</b>				
Occidental Gold Pty Ltd <sup>(i)</sup>	(a)	Australia	100	100
Centash Holdings Pty Limited <sup>(i)</sup>	(a)	Australia	100	100
Perseus Ghana Holdings Pty Ltd	(a) (g)	Australia	100	100
Perseus Canada Ltd	(a)	Canada	100	100
Sun Gold Resources Ltd	(b)	Ghana	100	100
Kojina Resources Ltd <sup>(iii)</sup>	(b)	Ghana	100	100
Amara Mining Limited <sup>(v)</sup>		UK	100	100
Perseus Côte d'Ivoire Limited <sup>(vi)</sup>	(f)	UK	100	100
<b>(i) Subsidiaries of Occidental Gold Pty Ltd</b>				
Occidental Gold SARL	(c)	Côte d'Ivoire	100	100
Perseus Mining Côte d'Ivoire SA	(c) (e)	Côte d'Ivoire	86	86
<b>(ii) Subsidiaries of Centash Holdings Pty Ltd</b>				
Perex SARL	(c)	Côte d'Ivoire	100	100
Perseus Services SARL	(c)	Côte d'Ivoire	100	100
<b>(iii) Subsidiary of Kojina Resources Ltd</b>				
Perseus Mining (Ghana) Limited	(b) (d)	Ghana	90	90
<b>(iv) Subsidiaries of Amara Mining Limited</b>				
Amara Mining (Côte d'Ivoire) Limited <sup>(v)</sup>		UK	100	100
<b>(v) Subsidiaries of Amara Mining (Côte d'Ivoire) Limited</b>				
Perseus Yaouré SARL	(c)	Côte d'Ivoire	100	100
Yaouré Mining SA	(c)	Côte d'Ivoire	90	90
<b>(vi) Subsidiaries of Perseus Côte d'Ivoire Limited</b>				
Perseus Mining Yaouré SA	(c) (h)	Côte d'Ivoire	90	100
<b>(vii) Subsidiaries of Perseus Ghana Holdings Pty Ltd</b>				
Perseus Ghana Exploration Limited	(b)	Ghana	100	-

#### Notes:

- Audited by PricewaterhouseCoopers Australia.
- Audited by PricewaterhouseCoopers Ghana.
- Audited by PricewaterhouseCoopers Côte d'Ivoire.
- For key financial information of Perseus Mining (Ghana) Limited which has a non-controlling interest. The entity accounts for the majority of the Ghana | reporting segment.
- The 86% interest in the Perseus Mining Côte d'Ivoire SA reflects a 10% free carried interest which is required to be allocated to the Government of Côte d'Ivoire in consideration of the issue of an Exploitation Permit pursuant to the Ivorian Mining Code, and 4% owned by local interests. For key financial information of PMCI which has a non-controlling interest, refer to note 1. Perseus Mining Côte d'Ivoire SA accounts for the majority of the Côte d'Ivoire reporting segment.
- Audited by Macintyre Hudson, United Kingdom.
- Name changed from Perseus Burkina Holdings Pty Ltd.
- In July 2019, a 10% free carried interest was allocated to the Government of Côte d'Ivoire pursuant to the Ivorian Mining Code.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 20. PARENT ENTITY DISCLOSURES

Statement of financial position	Parent	
	2020 \$'000	2019 \$'000
<b>Assets</b>		
Current assets	139,303	61,622
Non-current assets	838,217	705,050
<b>Total assets</b>	<b>977,520</b>	<b>766,672</b>
<b>Liabilities</b>		
Current liabilities	7,021	1,966
Non-current liabilities	219,001	544
<b>Total liabilities</b>	<b>226,022</b>	<b>2,510</b>
<b>Equity</b>		
Issued capital	776,583	776,583
(Accumulated losses) / retained earnings	(53,388)	(35,546)
Asset revaluation reserve	(4,283)	(4,621)
Share-based payments reserve	32,586	27,746
<b>Total equity</b>	<b>751,498</b>	<b>781,162</b>
<b>Profit for the year</b>	<b>(17,842)</b>	<b>2,612</b>
Other comprehensive (loss) / income	-	-
<b>Total comprehensive (loss) / income</b>	<b>(17,842)</b>	<b>2,612</b>

### Contingent liabilities of the parent entity:

There were no contingent liabilities of the parent entity at 30 June 2020.

### Commitments for the acquisition of property, plant and equipment by the parent entity

Plant and equipment		
Within one year	-	-
One year or later and not later than five years	-	-
Later than five years	-	-

## RECOGNITION & MEASUREMENT

The financial information for the parent entity, Perseus Mining Limited has been prepared on the same basis as the consolidated financial statements, except as set out below.

### (i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Perseus Mining Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

### (ii) Share-based payments

The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 21. RELATED PARTY DISCLOSURES

### (a) Identity of related parties

The consolidated entity has a related party relationship with its subsidiaries (see note 19) and with its key management personnel (refer below).

### (b) Transactions with other related parties

The consolidated entity had no transactions with any other related party during the year ended 30 June 2020.

### (c) Key management personnel compensation

The key management personnel compensation included in 'Employee benefits expenses' and 'Share based payments' is as follows.

	Consolidated	
	2020 \$'000	2019 \$'000
Short-term employee benefits	4,943	3,856
Long-term employee benefits	51	61
Post-employment benefits	155	171
Share-based payments	1,688	1,021
	<b>6,837</b>	<b>5,109</b>

Details of remuneration disclosures are provided in the remuneration report on pages XX to XX.

## 22. REMUNERATION OF AUDITORS

	Consolidated	
	2020 \$'000	2019 \$'000
<b>Amounts received or due and receivable by Ernst &amp; Young Australia for:</b>		
Audit or review of the financial report of the entity and any other entity in the Group	-	-
Non-statutory audit services in relation to the entity and any other entity in the Group	8,500	-
<b>Amounts received or due and receivable by PricewaterhouseCoopers Australia for:</b>		
Audit or review of the financial report of the entity and any other entity in the Group	117,875	107,538
Non-statutory audit services in relation to the entity and any other entity in the Group	-	-
<b>Amounts received or due and receivable by overseas PricewaterhouseCoopers firm for:</b>		
Audit or review of the financial report of the entity and any other entity in the Group	132,000	95,000
Non-statutory audit services in relation to the entity and any other entity in the Group	-	7,042
<b>Amounts received or due and receivable by overseas BDO for:</b>		
Audit or review of the financial report of the entity and any other entity in the Group	14,148	11,381
Non-statutory audit services in relation to the entity and any other entity in the Group	14,079	28,099
	<b>286,602</b>	<b>249,060</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 23. CASH FLOWS FROM OPERATING ACTIVITIES RECONCILIATION

Statement of financial position	Consolidated	
	2020 \$'000	2019 \$'000
<b>Reconciliation of the profit from ordinary activities to net cash provided in operating activities</b>		
Profit from ordinary activities after income tax	94,423	7,578
Add back non-cash items		
Depreciation and amortisation	134,057	153,257
Foreign currency gain	(13,755)	(15,537)
Loss on disposal of property, plant and equipment	-	790
Loss on disposal of financial assets at fair value through other comprehensive income	41	555
Share based payments	4,525	2,400
Impairment and write-offs	4,537	144
Write down of receivable	266	347
Borrowing costs	15,493	5,898
Unrealised derivative (gain) / loss	(2,723)	72
Change in operating assets and liabilities		
Decrease / (Increase) in net tax balances	5,724	(1,787)
Increase in inventories	(23,332)	(1,555)
Decrease in receivables	541	17,185
(Increase) / decrease in other assets	(14,207)	3,808
Increase / (decrease) in payables	6,830	(27,155)
Increase in provision	371	224
<b>Net cash from operating activities</b>	<b>212,791</b>	<b>146,224</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 24. SHARE BASED PAYMENTS

### Performance Rights Plan

Performance rights were issued to directors and employees of the Company under the terms of the Company's Performance Rights Plan approved by shareholders in November 2017 as disclosed in the remuneration report under the heading 'LTI'.

These performance rights were issued at nil consideration and each performance right will convert to an ordinary share upon satisfaction of vesting criteria.

The following table illustrates the number and movements in performance rights during the year under the Plan.

Grant date	End of measurement period	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at the end of the year Number	Vested and exercisable at end of the year Number
<b>2020</b>									
12/10/16	30/6/19	31/12/19	Nil	333,333	-	(333,333)	-	-	-
25/11/16	30/6/19	30/6/26	Nil	533,333	-	(200,000)	-	333,333	-
3/8/17	30/6/20	31/12/20	Nil	8,358,334	-	(75,000)	(200,000)	8,083,334	-
24/11-7	30/6/20	31/12/20	Nil	2,233,334	-	-	-	2,233,334	-
28/11/18	31/12/21	31/12/28	Nil	733,333	-	-	-	733,333	-
7/5/19	31/12/21	31/12/28	Nil	6,758,333	-	-	-	6,758,333	-
27/6/19	31/12/21	31/12/28	Nil	5,000,000	-	-	(300,000)	4,700,000	-
26/9/19	30/6/22	30/6/29	Nil	-	9,858,700	-	-	9,858,700	-
29/11/19	30/6/22	30/6/29	Nil	-	1,346,500	-	-	1,346,500	-
				23,950,000	11,205,200	(608,333)	(500,000)	34,046,867	-
<b>2019</b>									
20/11/15	30/6/18	31/12/18	Nil	500,000	-	-	(500,000)	-	-
12/10/16	30/6/18	31/12/18	Nil	333,333	-	-	(333,333)	-	-
12/10/16	30/6/19	31/12/19	Nil	333,333	-	-	-	333,333	-
25/11/16	30/6/18	30/6/25	Nil	533,333	-	-	(533,333)	-	-
25/11/16	30/6/19	30/6/26	Nil	533,333	-	-	-	533,333	-
25/11/16	31/12/18	30/6/19	Nil	5,000,000	-	(2,500,000)	(2,500,000)	-	-
3/8/17	30/6/20	31/12/20	Nil	8,508,334	-	-	(150,000)	8,358,334	-
24/11/17	30/6/20	31/12/20	Nil	2,233,334	-	-	-	2,233,334	-
28/11/18	31/12/21	31/12/28	Nil	-	733,333	-	-	733,333	-
7/5/19	31/12/21	31/12/28	Nil	-	6,758,333	-	-	6,758,333	-
27/6/19	31/12/21	31/12/28	Nil	-	5,000,000	-	-	5,000,000	-
				17,975,000	12,491,666	(2,500,000)	(4,016,666)	23,950,000	-

The weighted average exercise price of all performance rights granted was nil.

The fair value of the equity-settled performance rights granted under the Performance Rights Plan is estimated as at the date of grant using a Monte Carlo model taking into account the terms and conditions upon which the performance rights were granted.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 24. SHARE BASED PAYMENTS (continued)

The following table lists the inputs to the model used for the performance rights in existence during the year ended 30 June 2019 and 30 June 2020.

Grant date	Exercise price	Expected life of performance rights (years)	Price of underlying shares at grant date	Volatility (%) – Perseus share price	Volatility (%) – peer Group range	Dividends expected on shares	Risk-free interest rate (%) - range	Performance period
12/10/16	Nil	2.7	\$0.48	79.8%	49.5% - 143.2%	Nil	1.52%	1/7/16 to 30/6/19
25/11/16	Nil	2.6	\$0.54	78.3%	49.0% - 132.7%	Nil	1.52%	1/7/16 to 30/6/19
3/8/17	Nil	2.9	\$0.29	48.6%	5.0% - 78.1%	Nil	1.90%	1/7/17 to 30/6/20
24/11/17	Nil	2.6	\$0.33	78.0%	1.2% - 82.8%	Nil	1.90%	1/7/17 to 30/6/20
28/11/18	Nil	3.1	\$0.36	71.6%	40.8% - 95.0%	Nil	2.09%	1/1/19 to 31/12/21
7/5/19	Nil	2.7	\$0.44	60.0%	40.8% - 82.1%	Nil	1.27%	1/1/19 to 31/12/21
27/6/19	Nil	2.5	\$0.59	53.5%	38.2% - 90.8%	Nil	0.89%	1/1/19 to 31/12/21
26/9/19	Nil	2.8	\$0.74	54.2%	38.4%-81.0%	Nil	0.67%	1/7/19 to 30/6/22
29/11/19	Nil	2.6	\$0.87	58.9%	32.3%-78.7%	Nil	0.59%	1/7/19 to 30/6/22

The expected life of the performance rights is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. Refer to table 5 of the remuneration report for the fair value of the performance rights at the grant date.

### RECOGNITION & MEASUREMENT

Share based compensation benefits are provided to employees, consultants and contractors via the Perseus Mining Limited Employee Option Plan and the Performance Rights Plan.

The fair value of a performance rights granted under the Perseus Mining Limited's Employee Option Plan or the Performance Rights Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the performance rights granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specific vesting conditions are to be satisfied. At the end of each year, the Group revises its estimate of the number of performance rights that are expected to become vested. The employee benefit expense recognised each year takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 25. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES

Other significant accounting policies adopted in the preparation of these consolidated financial statements are set out in relevant sections of the notes and below. These policies have been consistently applied to all the years presented, unless otherwise stated. Where necessary, comparative information has been restated to conform with changes in presentation in the current year.

### (a) Basis of preparation

*New and amended Standards and Interpretations adopted by the Group*

In the year ended 30 June 2020, the Group reviewed and has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective from 1 July 2019, including the following.

#### (i) AASB 16 Leases

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

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

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

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

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

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

The carrying values of the right of use assets and lease liability at 30 June 2020 are set out in the table below.

	2020 \$'000
<b>Assets</b>	
Right of use assets – buildings	988
Right of use assets – plant and equipment	944
	<b>1,932</b>
<b>Liabilities</b>	
Lease liability – current	1,265
Lease liability – non-current	524
	<b>1,789</b>

The right of use assets as at 30 June 2020 is mainly comprised of properties located in Australia, Côte d'Ivoire and Ghana, as well as fuel stations in Côte d'Ivoire and Ghana.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 25. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Principles of consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Perseus Mining Limited (the 'Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including special purpose entities) controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity.

Subsidiaries are fully consolidated from the date in which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

#### (ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognised within equity attributable to owners of the parent entity.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### (c) Foreign currency transactions and balances

#### (i) Functional and presentation currency

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 25. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

### (iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position are translated at the closing rate at the balance date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the translation reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The functional currencies of the Perseus Mining Limited's overseas subsidiaries are as follows.

Jurisdiction	Entity	Functional currency
Ghana	Kojina Resources Limited	United States dollars (USD)
	Sun Gold Resources Limited	United States dollars (USD)
	Perseus Mining (Ghana) Limited	United States dollars (USD)
	Perseus Ghana Exploration Limited	United States dollars (USD)
Côte d'Ivoire	Occidental Gold Sarl	CFA <sup>1</sup> francs (XOF)
	Perex Sarl	CFA <sup>1</sup> francs (XOF)
	Perseus Mining Côte d'Ivoire SA	CFA <sup>1</sup> francs (XOF)
	Perseus Services Sarl	CFA <sup>1</sup> francs (XOF)
	Perseus Yaouré Sarl	CFA <sup>1</sup> francs (XOF)
	Yaouré Mining SA	CFA <sup>1</sup> francs (XOF)
United Kingdom	Perseus Mining Yaouré SA	CFA <sup>1</sup> francs (XOF)
	Amara Mining Limited	United States dollars (USD)
	Amara Mining (Côte d'Ivoire) Limited	United States dollars (USD)
Canada	Perseus Côte d'Ivoire Limited	United States dollars (USD)
	Perseus Canada Ltd	Canadian dollars (CAD)

1. Communauté Financière d'Afrique (Financial Community of Africa)

### (d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or other payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 26. CONTINGENCIES

### Tax

Consistent with industry practice in Ghana, PMGL is currently undergoing a direct tax audit in connection with the periods from 30 June 2010 to 30 June 2017. A formal report was issued by GRA during the year and various outstanding matters are going through the formal appeal process. Based on management's understanding of the matters currently under discussion they do not believe that the Group will ultimately have any material exposure as a result of the current tax audit.

There were no other known contingent liabilities identified at 30 June 2020.

## 27. 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 years are shown below. These amounts do not become legal obligations of the Group and actual expenditure may and does vary depending on the outcome of actual exploration programs, and the costs and results from those programs.

	Consolidated	
	2020 \$'000	2019 \$'000
Within one year	3,900	3,500
One year or later and not later than five years	14,800	3,600
Later than five years	-	-
	18,700	7,100

### (b) Capital commitments

The Group is responsible for all rehabilitation works related to Edikan, Sissingué and Yaouré. Current cost estimates are approximately US\$15.7 million for Edikan, US\$6.3 million for Sissingué and US\$5.1 million for Yaouré. These costs have been provided for at balance date. Furthermore, capital expenditure contracted for at the end of the reporting period but not recognised as liabilities relating to contractual commitments for the purchase of property, plant and equipment for Yaouré are as follows:

	2020 \$'000	2019 \$'000
Property, plant and equipment	9,152	-

### (c) Gold delivery commitments

	Gold for physical delivery oz	Contracted sales price US\$ / oz	Value of committed sales \$'000
Within one year	203,252	1,499	304,729
Later than one but not later than five years	111,313	1,347	149,976

The 314,565 sales contracts represent 22% of anticipated gold production over the next three years.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

## 28. EVENTS OCCURRING AFTER THE END OF THE YEAR

Since the end of the financial year 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 years other than:

- On 3 July 2020, 10,316,668 performance rights that had previously been issued to employees were vested under the terms of the Perseus's Performance Rights Plan, of which 9,466,668 were subsequently exercised.

## DIRECTORS' DECLARATION

- In the opinion of the directors of Perseus Mining Limited (the 'Company'):
  - The financial statement and notes for the financial year ended 30 June 2020 are in accordance with the Corporations Act 2001, including:
    - giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year then ended on that date; and
    - complying with Australian Accounting Standards, the Corporations Regulations 2001; and
  - There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - The financial statements and notes also comply with International Financial Reporting Standards as disclosed on page XX and in note 25.
- This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.



**Jeff Quartermaine**  
Managing Director and CEO

Dated at Perth, 25 August 2020

# INDEPENDENT AUDITOR'S REPORT



## Independent auditor's report

To the members of Perseus Mining Limited

### Report on the audit of the financial report

#### Our opinion

In our opinion:

The accompanying financial report of Perseus Mining Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2020
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

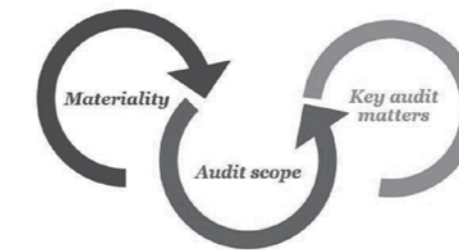
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# INDEPENDENT AUDITOR'S REPORT



We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



#### Materiality

- For the purpose of our audit we used overall Group materiality of \$12.9 million, which represents approximately 1% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- As the Group was only operating and earning revenue for the year from two of its three key assets, we chose total assets as the materiality benchmark rather than profit before tax. The current state of the Group's mining operations shows several major projects in different stages of their mine life, with the Group's continued internal and external focus on growth and development. As a result, the Group is undertaking significant capital investment across all assets within its portfolio, being related to expansion and process optimisation at producing projects or completing feasibility, exploration and development works at the remaining sites. As a result, assets, and not profitability, can be considered the key driver of the business at this stage and the primary focus of the users of the financial statements. The use of total assets as a benchmark provides a level of materiality, which, in our view, is appropriate for the audit having regard to the expected requirements of users of the Group's financial report.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds for entities of this nature.

#### Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group produces gold from its Edikan Gold Mine and Sissingué Gold Mine operations, located in Ghana and Cote d'Ivoire, respectively. It is also currently undertaking mine development activities at its Yaouré mine site in Cote d'Ivoire. The accounting processes are structured around a Group finance function at its head office in Perth, Australia. Our audit procedures were predominantly performed in Perth where many of the corporate and Group operations functions are centralised, with support from component auditors in Ghana and Cote d'Ivoire.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

# INDEPENDENT AUDITOR'S REPORT



## Key audit matter

### Capitalisation of development expenditure for the Yaouré Gold Project

(Refer to note 9) \$252.1 million

The Group is currently undergoing development activities at its Yaouré Gold Project (YGP) in Cote d'Ivoire and once complete, it will be a significant asset in the context of the overall production and operational profile of the Group.

During the financial year ended, the Group classified approximately \$252.1 million of development expenditure to the statement of financial position in relation to its development activities at YGP, representing approximately 70% of the assets under construction balance.

Inherent within these development activities is the decision-making process to determine which expenses are incurred in bringing the project to the condition necessary for it to be capable of operating in the manner intended by management. Any such expenses that meet this definition are able to be capitalised to the statement of financial position, while expenses that do not meet this definition, such as incidental expenditure, cannot be capitalised and must be recognised within the statement of comprehensive income. This treatment is prescribed within AASB 116 *Property, plant and equipment* in relation to assets that take a substantial period of time to get ready for its intended use.

We focussed on this matter because:

- The judgement involved to determine whether expenditure is capitalised or expensed in accordance with Australian Accounting Standards, and
- The magnitude of expenditure being capitalised in relation to the project are significant to the statement of financial position and a misclassification of these expenses, either systematic or one-off, may be material to the users of the financial statements.

## How our audit addressed the key audit matter

We performed the following procedures, amongst others:

- Inquiries with management, both locally and at the Group level, to understand the process for capitalising expenditure associated with the Yaouré development activities;
- Risk assessment analytics over the relevant financial statement line items to understand movements in the balances period on period in order to assist in identifying any additional areas of risk;
- Obtained an understanding of the business process controls for the classification of development expenditure;
- Performed a substantive test of detail on a transactional basis to assess the classification of expenditure, based on its nature;
- Performed targeted, risk-based testing of manual journals posted over the financial period using defined characteristics to assist in identifying any expenses that may have been inappropriately capitalised;
- Considered relevant service contracts entered into over the financial period to understand the nature of the expenditure to be incurred through development activities; and
- Assessed the adequacy of the disclosures in the financial report made in relation to the Yaouré development expenditure having regard to the requirements of Australian Accounting Standards.

# INDEPENDENT AUDITOR'S REPORT



## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the corporate directory and the directors' report (including Review of Operations). We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our auditor's report.

# INDEPENDENT AUDITOR'S REPORT



## Report on the remuneration report

### Our opinion on the remuneration report

We have audited the remuneration report included in pages 34 to 49 of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of Perseus Mining Limited for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

Craig Heatley  
Partner

Perth  
25 August 2020

# ADDITIONAL SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 11 September 2020.

## SUBSTANTIAL SHAREHOLDERS

Holdings of substantial shareholders as advised to the Company are set out below.

Name of Holder	Number of Ordinary Shares
Van Eck Associates Corporation and associates	113,911,966
The Vanguard Group, Inc. and associates	59,207,537

## DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

Size of Holding	Number of Holders
1 to 1,000	1,715
1,001 to 5,000	2,091
5,001 to 10,000	888
10,001 to 100,000	1,453
100,001 and over	229
	6,376

The number of shareholdings comprising less than a marketable parcel was 743.

## VOTING RIGHTS

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held.

## TWENTY LARGEST SHAREHOLDERS

	Number of Shares	% Held
HSBC Custody Nominees (Australia) Limited	495,950,824	42.11
JP Morgan Nominees Australia Pty Limited	308,249,382	26.17
Citicorp Nominees Pty Limited	89,295,766	7.58
CDS & Co	29,249,504	2.48
National Nominees Limited	23,964,068	2.03
BNP Paribas Nominees Pty Ltd <Agency Lending DRP>	17,816,141	1.51
HSBC Custody Nominees (Australia) Limited <GSCO ECA>	14,939,215	1.27
BNP Paribas Noms Pty Ltd <DRP>	13,135,760	1.12
Vidacos Nominees Limited	10,967,820	0.93
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	9,870,378	0.84
Merrill Lynch (Australia) Nominees Pty Limited	4,299,360	0.37
Mr Meng Luo & Mrs Lan Liu <Luo & Liu Superfund>	4,050,000	0.34
HSBC Custody Nominees (Australia) Limited <AC 2>	4,048,382	0.34
Joh Berenberg Gossler & Co KG	3,591,868	0.30
Mr Richard Arthur Lockwood	3,135,000	0.27
Citicorp Nominees Pty Limited <Colonial First State Inv>	3,081,659	0.26
CS Fourth Nominees Pty Limited <HSBC Cust Nom AU Ltd 11>	2,724,571	0.23
Tsou Enterprise Pty Ltd	2,686,901	0.23
State Street Nominees Limited	2,567,315	0.22
Marich Nominees Pty Ltd <R Marich Superannuation>	2,327,027	0.20
	1,045,950,941	88.80

# ADDITIONAL SHAREHOLDER INFORMATION

## MINERAL CONCESSION INTERESTS AT 11 SEPTEMBER 2020

Concession name and type	Registered Holder	File/ Permit Number	Perseus's current equity interest	Maximum equity interest capable of being earned	Notes 1
<b>Location - Ghana</b>					
Edikan Gold Mine (EGM) Leases - Ayanfuri mining lease - Nanankaw mining lease	Perseus Mining (Ghana) Ltd ('PMGL')	ML6/15 ML3/2	90%	90%	2,3
Dadieso Prospecting Licence	Perseus Mining (Ghana) Ltd	PL6/15	90%	90%	2,3
Nsuaem Prospecting Licence	Perseus Mining (Ghana) Ltd	PL3/26	90%	90%	2
Dunkwa Prospecting Licence	Perseus Mining (Ghana) Ltd	PL3/27	90%	90%	2,8
Grumesa-Awisam Prospecting Licence	Sun Gold Resources Limited	PL2/30	90%	90%	4
<b>Location - Côte d'Ivoire</b>					
Sissingué Exploitation Permit	Perseus Mining Côte d'Ivoire S.A.	PE39	86%	86%	4, 5, 6
Yaouré Exploitation Permit	Perseus Mining Yaouré S.A.	PE50	90%	90%	
Yaouré West Exploration Permit	Perseus Yaouré s.a.r.l.	PR 615	90%	90%	
Mahalé Exploration Permit	Occidental Gold s.a.r.l. (Occidental)	PR 259	90%	90%	9
M'Bengué East Exploration Permit	Occidental Gold s.a.r.l. (Occidental)	PR 272	90%	90%	10
Napié Exploration Permit	Occidental Gold s.a.r.l. (Occidental)	PR 281	80%	80%	8
Minignan Exploration Permit	Perex s.a.r.l.	PR 787	90%	90%	
Kossou Exploration Permit	Perseus Yaouré s.a.r.l.	PR 853	90%	90%	

### Notes

- The Governments of Ghana and Côte d'Ivoire are entitled to a 10% equity interest in mining companies owning projects. Perseus's quoted equity is after allowance for that national interest, which occurs when a new project company is established prior to commencement of mining. Production royalties are payable to the Governments of Ghana (5%) and Côte d'Ivoire (3-6% depending on the gold price).
- A royalty of 0.25% of gold produced from the Edikan Gold Mine ('EGM') Licences and the Dadieso, Nsuaem and Dunkwa Licences is payable pursuant to the contract to purchase PMGL.
- Under the terms of the contract to purchase the EGM Licences and the Dadieso Licence, PMGL is required to pay a 1.5% royalty on gold production.
- A royalty of 0.5% of the value of minerals recovered from the licence is payable to the vendors of the exploration licence.
- The joint venture partner was free carried to production with costs subsequently recoverable by Perseus from production revenue.
- A royalty of US\$0.80 per ounce of gold produced from the licence is payable.
- The Dunkwa licence is in the process of being split into three separate licences, to be named Dunkwa, Ahinforoso and Betenase. Perseus intends to surrender Dunkwa and Ahinforoso. An option agreement has been entered into with a Ghanaian subsidiary of Canadian explorer Asante Gold Limited in respect of the Betenase licence. Under the option agreement, Asante has the option to purchase the Betenase licence for a consideration of US\$1 million and a 0.75% net smelter royalty. In addition, Asante will assume the obligation to pay the royalty referred to in note 2 above in respect of the area of the former Dunkwa licence now covered by the Betenase licence.
- Local joint venture partner AAIF has a 10% participating interest in Napié, free-carried to feasibility study completion, at which time AAIF can elect to dilute, sell its interest or revert to a 5% Net Profits Interest. Perseus subsidiary Occidental has also entered into a farm-in agreement with Australian explorer Mako Gold Limited pursuant to which Mako has the right to earn up to a pre-government 75% interest in the permit by sole funding until completion of a feasibility study. Mako currently has earned a 51% interest. The Government equity in a mining company will come proportionally from the interests of Occidental and Mako.
- Occidental has applied to convert the Mahalé Exploration Permit into an Exploitation Permit so that the Fimbiasso East and West deposits can be processed through the Sissingué plant. This application remains pending.
- Occidental has entered into a farm-in agreement with Australian explorer Manas Resources Limited pursuant to which Manas has the right to earn up to a pre-government 70% interest in the permit by sole funding US\$2 million in exploration expenditure, after which both parties may contribute in proportion to their respective equities or dilute. Manas currently has earned a 20% interest. The parties will contribute the 10% Government equity in a production company in proportion to their joint venture interests.

Mineral permits and licences in which Perseus has an interest are subject to renewal from time to time in accordance with the relevant legislation of the governing jurisdiction and Perseus's compliance therewith.