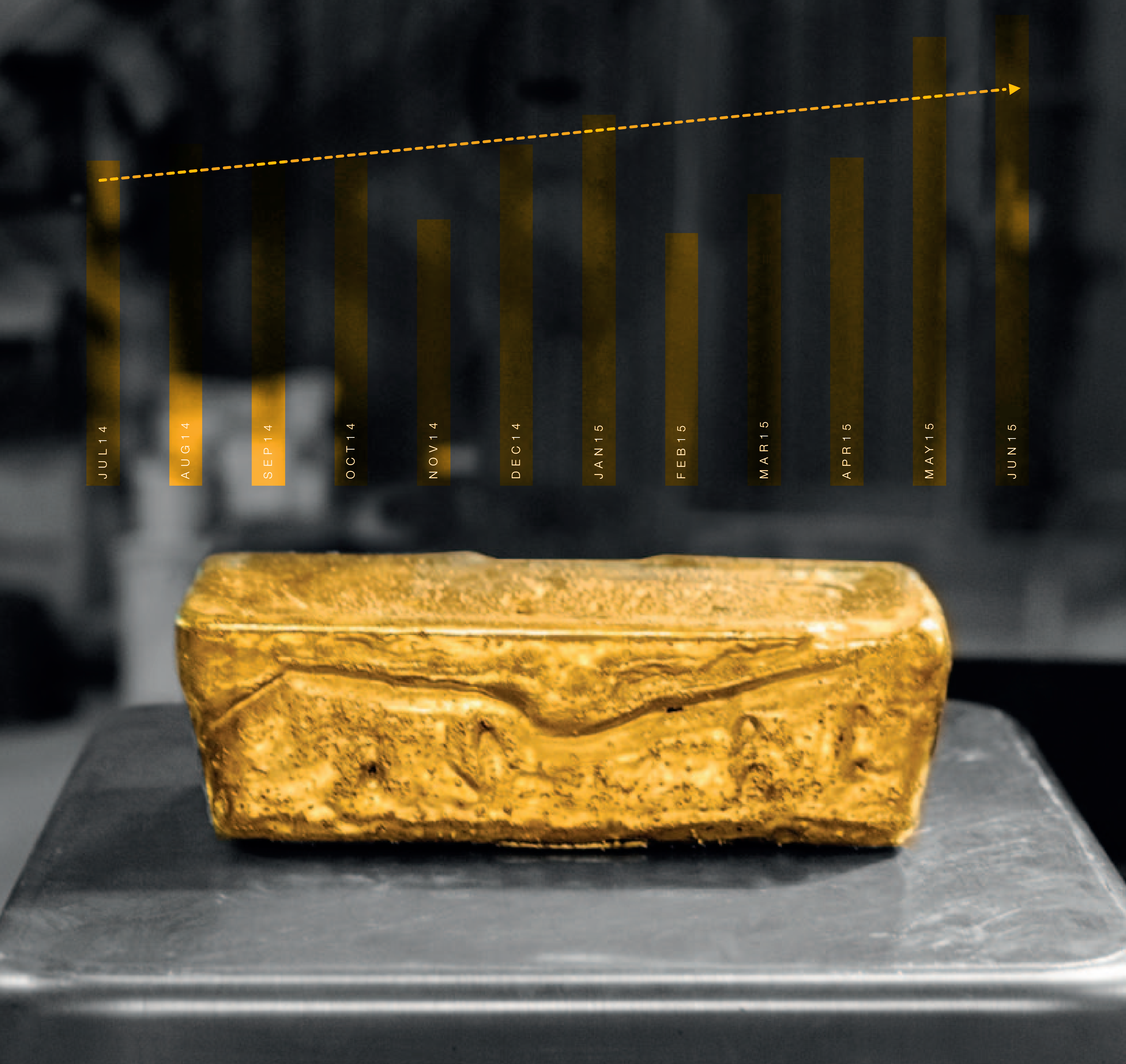
Perseus Mining Limited

ANNUAL REPORT 2015



Contents

Company highlights

Improved operating performance in FY2015

Increased gold production to 212koz

Decreased AISC to US$877/oz

Average gold price of US$1,324/oz

Other factors during FY2015

A$:US$ exchange rate decreased 19% from 0.9439 to 0.7658

US$ spot gold price decreased 11% from US$1,315/oz to US$1,171/oz

Strong FY2015 financial performance

NPAT of A$92.2M or 16.7cps. Up 388% yoy

Net cash flow from operating activities of A$85.8M or 16.3cps. Up 350% yoy

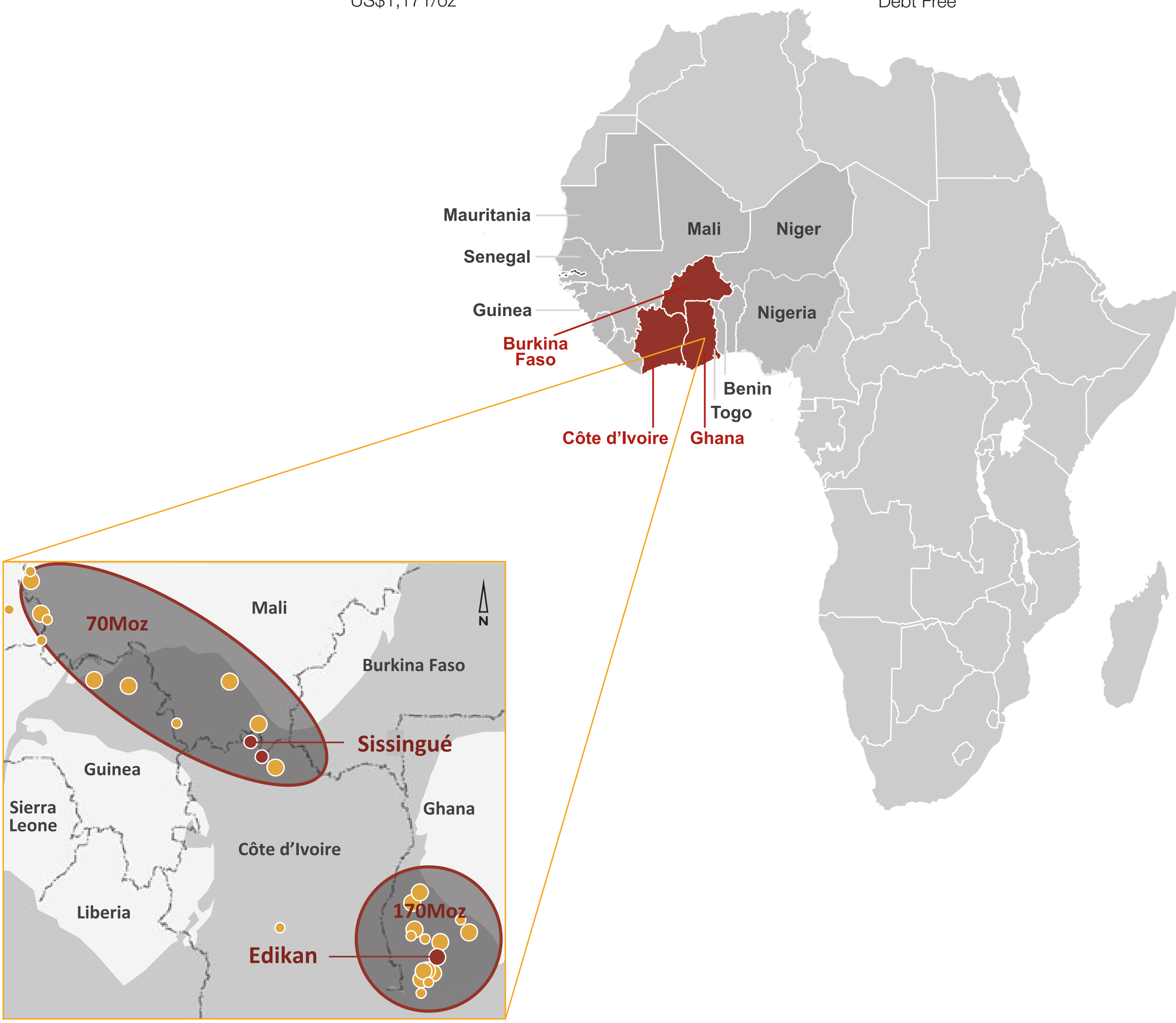
Strong Balance Sheet at 30 June 2015:

Net working capital of A$178M

Cash & bullion of A$127m

Hedged 63,000ozs at US$1,432/oz

Debt Free



Chairman's address

Dear Fellow Shareholder,

It is with great pleasure that I introduce the Annual Report for the year ended 30 June 2015.

In difficult circumstances it was an outstanding year with many production and financial records at the Edikan Gold Mine in Ghana, being broken.

The past year has demonstrated that your management team can produce exceptional results. They undertook a raft of changes to improve efficiency at Edikan which have proved without exception to be successful. New improvements will continue to be implemented during the year ending 30 June 2016.

Of particular note was our June quarter performance, a 52% improvement on the corresponding quarter in 2014. This enabled the company to finish the year with $127.3 million in cash and bullion, a remarkable 161% increase over the previous year end. This puts the company on a sound financial footing.

We look forward to the development of our second West African gold project, the Sissingué Gold Project in Côte d'Ivoire.

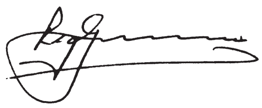
We expect to start full-scale development of Sissingué in the December quarter and commissioning to commence in late 2016. This will make us a two-mine operation and we expect to gain further market recognition when this has been achieved.

The results for the year and the prospects for a new mine have been achieved by the tireless leadership of the our Managing Director, Mr Jeff Quartermaine, and his outstanding management team. They have worked incredibly hard and have achieved outstanding results. On behalf of the Board and shareholders I thank them all for their efforts.

All in all a very successful year.

I wish to thank our shareholders for their support and loyalty during a difficult period in the gold mining industry and with them look forward to a prosperous future.

Sincerely,



Reg Gillard
Chairman

Managing director's address

The twelve months ended 30 June 2015 has been Perseus Mining Limited's best year since we began commercial operations at our Edikan Gold Mine in Ghana in 2012.

During this period we have focussed on improving our operating efficiency, reducing our cost base and managing our revenue line against a back drop of a declining gold price and a declining AUD:USD exchange rate.

The results of these endeavours are well documented in this Annual Report, however to summarise we have:

- Increased gold production by 17% to 212,000 ounces;
- Decreased all-in site costs by 32% to US$877/oz;
- Achieved an average gold sale price of US$1,324/oz during a year in which spot gold prices ranged from US$1,315/oz to US$1,171/oz.

This improved operating performance enabled us to record profit after tax of A$92.2 million, or 16.7 cents per share, an increase of A$124.2m, or 388%, on the FY2014 result. Other specific highlights of this solid financial result included:

- 26% increase in revenue;
- 10% decrease in expenses;
- Foreign exchange gain of $52.4M;
- Cash balance of A$103.7M, or 19.7cps, an increase of A$66.8M or 181%;
- Combined value of cash and bullion of A$127.3M, or 24.2cps an increase of A$78.6M or 161%;
- Working capital of A$177.6M, an increase of A$108.3M, or 157%;
- No third party debt.

This was a pleasing outcome and a testament to the hard work and dedication of our staff both at the Edikan Gold Mine and in our corporate office in Perth.

Having placed Perseus on a very solid financial footing in FY2015 we are now looking forward to FY2016 and the many new challenges that this year will bring.

At Edikan, we will be opening up two new open pits, Fetish and Chirawewa, on the eastern side of our property and we will be undertaking a final pushback of the walls of the Fobinso pit which has been a major source of ore for us since mining commenced. This activity will involve us investing a material sum of capital in waste stripping and construction of houses to relocate those currently living and working in the new mine take areas. This investment is critical to ensuring the ongoing success of Edikan and we expect will generate material returns in years to come.

Our full-year production guidance for the Edikan Gold Mine is for 190,000-210,000 ounces of gold at an all-in site unit cost of US$1,100-1,200 an ounce and our performance in the first three months of the year has indicated that we are on track to achieve this result.

During the year ended 30 June 2015, we also made substantial progress in advancing our Sissingué Gold Project in Côte d'Ivoire. We recently signed a Mining Convention with the Ivorian government which provides a guarantee of fiscal stability over the life of the project as well as documenting a range of other rights and obligations associated with the proposed project development.

Preliminary development works have commenced on the site of the proposed Sissingué Gold Mine and we expect to be in a position later this year to consider moving to full-scale development. This decision will take into account prevailing global economic conditions at the time of the decision and our capacity to finance the project without placing undue pressure on our balance sheet. If, as expected, the decision to proceed is positive, it will take approximately twelve months to construct the required infrastructure and plant and commencing production of gold at Sissingué.

This is a very exciting proposition as it will provide us with a second income stream and a broader spread of geopolitical and technical risks. We consider this to be strategically important as a means of securing the long term future of the Company as a gold miner operating exclusively in West Africa.

In all of our activities in West Africa, we consider it essential that local communities and our host governments benefit from our presence. This has certainly occurred in Ghana where the government, local community, our employees and suppliers of goods and services have all shared in the benefits of a producing mine. We expect that this distribution of benefits will also take place in Côte d'Ivoire if we decide to proceed with the development of the Sissingué Gold Mine.

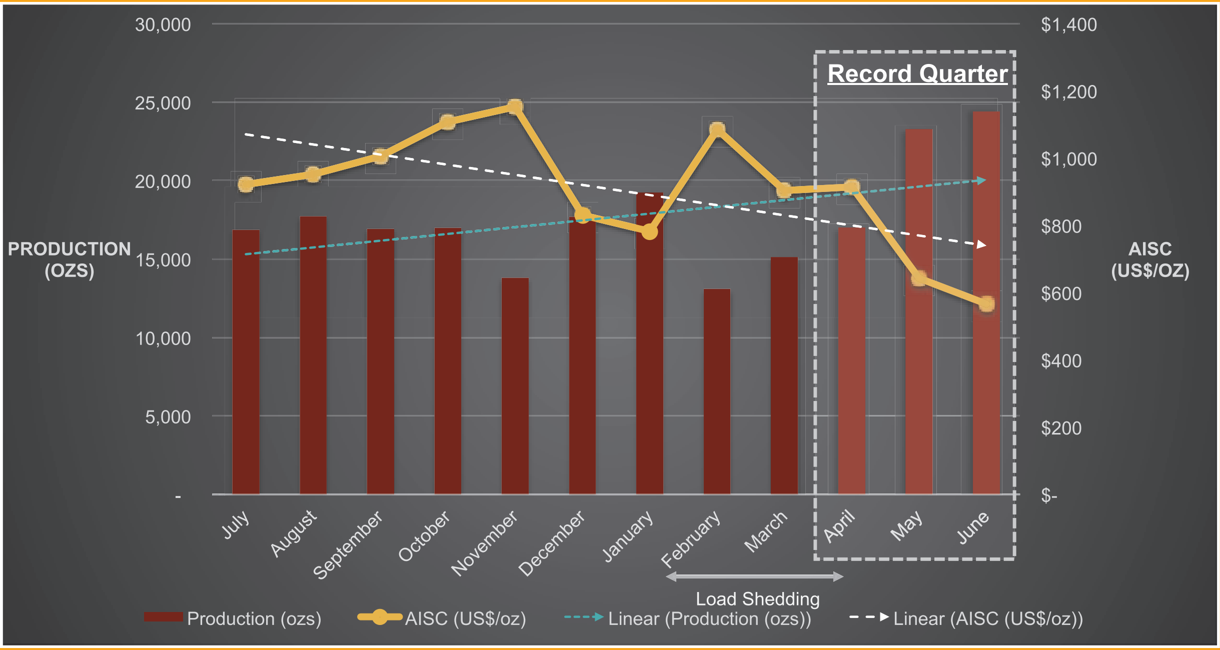
We do however note that apart from some capital growth in the past twelve months, our shareholders have not received the same level of benefit as many other stakeholders and we are determined to address this imbalance in the upcoming year by delivering improved total shareholder returns.

Finally, I would like to thank all of our Directors and employees in Ghana, Côte d'Ivoire and Australia for their efforts during what has been a challenging yet rewarding year, and our loyal shareholders for their continued support of your management team.

Regards,

Jeff Quartermaine
Managing Director

FY2015 Operating Performance



Gold production for the period was 212,135 ounces at an all-in site cost (including production, royalties, investment in pre-stripping and inventory, development and sustaining capital) of US$877/oz.

Review of operations

During the financial year under review Perseus has continued to build on the work that began in the prior year, optimising the efficiency of its core asset, the Edikan Gold Mine ("Edikan") in Ghana, and has made significant inroads into improving the operating performance of the mine and process plant and lowering its operating cost structure which will come to fruition fully in the following period.

Preparations for the development of Perseus's second gold project, the Sissingué Gold Project ("SGP") in Côte d'Ivoire, advanced significantly during the period with a Revised Feasibility Study ("RFS") released in April 2015. A Mining Convention has been negotiated with the Ivorian government and has been signed subsequent to the end of the financial year. Documentation of the Project Execution Plan is at an advanced stage with early works on track to begin in the September 2015 quarter, with full-scale construction to start in the December 2015 quarter, subject to Board approval.

Perseus has strengthened its balance sheet position, insulating itself from further negativity in market conditions and ensuring a solid base from which to bring its second project into operation. Towards the end of the period Perseus began negotiating a corporate debt facility which will be established in the coming months to supplement existing cash balances and provide funding for the groups capital works programme that includes developing the SGP as well as constructing relocation housing and stripping waste from new mining areas at Edikan.

Exploration continued throughout the year, with success at Mampong and Chirawewa in Ghana. Edikan's Ore Reserves and Mineral Resources were updated to 30 June 2015.

The group's Proved and Probable Ore Reserves as at 30 June 2015 decreased to 66.8 million tonnes ("Mt") containing 2.77 million ounces of gold after allowing for mining depletion. At the end of the year, the group's Measured and Indicated Mineral Resources (inclusive of Ore Reserves) were 6.62 million ounces of gold and Inferred Mineral Resources were 2.33 million ounces of gold.

Review of operations

EGM, Ghana

The EGM is located on the Ayanfuri and Nanankaw mining leases spanning the border between the Central and Western Provinces of the Republic of Ghana, in West Africa. These mining leases, together with the adjoining exploration license areas of Grumesa, Kwatechi, Dunkwa, Nsuaem, Agyakusu and Nkotumso that are also held or optioned by the group, cover a total area of about 482 square kilometres. The group owns a 90% interest in the EGM, with the remaining 10% a free carried interest owned by the Ghanaian government.

Gold production operations

Operating results at the EGM for the 12 months to 30 June 2015 and the corresponding period in 2014 were as below.

Total mill throughput for the period was 6,394k tonnes of ore grading 1.17 g/t of gold, 3.8% lower than the previous period. Gold recovery of 87.9%, was 4.3% higher than the previous period due to continued efforts to achieve incremental operating improvements.

Gold production for the period was 212,135 ounces at an all-in site cost (including production, royalties, investment in pre-stripping and inventory, development and sustaining capital) of US$877/oz. The 17.5% increase in gold production during the period, relative to the 2014 financial year, is due to a higher average head grade, increased recoveries and a strong trend of improvement in almost every aspect of the operation. This improvement has been achieved despite challenges during the year regarding continuity of power supply.

In early December 2014, the Ghanaian government announced a plan to reduce the amount of power available to Perseus (and other mining companies operating in Ghana) by up to 25% in response to the country's power shortages. This arrangement remained in place until late January 2015, during which time the impact of the reduced power availability on Perseus's gold production was minimal due to supplementing power drawn from the grid with an existing standby generator.

In late January 2015, the government increased the compulsory load shedding required to 33% and introduced a roster which temporarily permitted Edikan to draw power for only four days out of every six, 66% of the time. In response to the new government initiative, Perseus purchased four new diesel generators with a total output of 5.8MW of power to substantially increase the on-site power generating capacity at Edikan and pursued other alternative power supplies to enable 100% power supply to the processing plant. This outcome was achieved on 19 April 2015 and for the remainder of the year Edikan's processing operations were largely unaffected by power shortages.

A total of 6,176k bank cubic metres ("bcm") of ore and waste were mined during the period from the AF Gap and Fobinso pits, including 6,153k tonnes of primary ore at 1.21g/t gold. The 44.8% reduction in total material moved relative to the prior period was due to a reduction in the amount of waste stripping as the majority of material movements were from the AG Pit where relatively little waste remains to be removed as mining advances towards the designed pit floors for Stages 2 and 3. Waste stripping in the Stage 3 cutback of the Fobinso pit began during the second half of the period.

In early June 2015, the Environmental Protection Agency ("EPA") of Ghana verbally approved Perseus's Supplementary Environmental Impact Statement which was a pre-requisite for mining of the Fetish, Chirawewa, Bokitsi (collectively referred to as the "Eastern Pits") and Esuajah North gold deposits. Clearing vegetation, stripping and storing of topsoil and constructing mining infrastructure in the Eastern Pits area commenced thereafter. Subsequent to the end of the period full scale mining of waste and ore has commenced in both the Fetish and Chirawewa pits.

Following EPA approval to commence mining in the Eastern Pits and Esuajah North, work has now started on development of replacement housing estate for residents that will be affected by mining operations.

Table 1: Key production statistics - EGM

Parameter	Unit	Twelve months to 30 June 2015	Twelve months to 30 June 2014
Ore mined	kt	6,153	6,148
Total material mined	kt	15,243	27,109
Ore milled	kt	6,394	6,650
Head grade	g/t gold	1.2	1.0
Gold recovery	%	87.9	84.3
Gold produced	ounces	212,135	180,519

Perseus MINING LIMITED

The 17.5% increase in gold production during the period, relative to the 2014 financial year, is due to a higher average head grade, increased recoveries and a strong trend of improvement in almost every aspect of the operation.

Review of operations

This involves the construction of 46 dwellings for residents of the Eastern Pits mining area and up to a further 153 dwellings for residents of the Esuajah North mining area. To facilitate early access to ore deposits in the Eastern Pits mining area, residents have been temporarily relocated to houses rented by Perseus for this purpose, pending completion of their newly constructed houses. Construction of the houses required for both the Eastern Pits and Esuajah North residents is scheduled for completion at the end of September 2017 and December 2017 respectively.

Ore stockpiles (including both high and low grade ore but not mineralised waste) plus crushed ore decreased to 3,441k tonnes grading 0.60 g/t containing approximately 66,550 oz of gold. This included approximately 8% oxide ore and 82% primary ore. Stockpiles at the end of the year were in line with expectations due to less ore being mined than forecast matching the lower mill throughput rates mainly due to the power issues described above.

The all-in site cost (including production, royalties, investment in pre-stripping and inventory, development and sustaining capital divided by gold ounces produced) for the period of US$877/oz is 32.2% lower than the previous period of US$1,294/oz. This is due to a decrease in the operating cost base due to reduced processing costs, more effective procurement practices, lower-than-forecast capital expenditure on relocation housing and waste stripping due to delayed access to the new mining areas, combined with strong gold production resulting from improved operating efficiency and an expected increase in head grade of processed ore.

Mining costs per tonne of material mined have increased from the prior period due to a decrease in the tonnes of material mined thus inflating the unit fixed mining costs including mining overheads, mining contractor management fees etc. Underlying costs have actually reduced due to negotiation of two new mining contracts. The first new mining contract was awarded to Rocksure International Limited for the cutback of the Fobinso pit, commencing in January 2015. The second was awarded to African Mining Services for the provision of mining services for the Eastern Pits. This work commenced just prior to the end of the period. Both new contracts represent material reductions in mining costs, the full effect of which will be seen in the coming periods.

Processing costs have decreased from the prior period due to a reduction in consumable and maintenance costs as well as a reduction in consumption rates of some consumables due to improvements in operational efficiency. General and administrative costs have remained consistent with the prior period. Further cost reductions are being targeted across all departments to build on the success in reducing the operating cost base to date.

Of the 208,613 ounces of gold that were sold at an average delivered price of US$1,324/oz, 75,000 ounces were delivered under forward sales contracts at a weighted average price of US$1,443/oz while the balance of the gold sales were made at prevailing spot prices or short term spot deferred contracts.

As at 30 June 2015, the company held forward gold sale contracts totalling 63,000 ounces of gold deliverable up to and including 31 December 2015 at a weighted average price of US$1,432/oz. Subsequent to the end of the period additional forward gold sales contracts have been put in place, at the date of this report the outstanding contracts totalled 149,500 ounces of gold at a weighted average price of US$1,239/oz.

During the year, the group received a partial payment of the outstanding VAT debt from the GRA, totalling GHS17.6 million (US$5.8 million) and GHS77.6 million (US$21.3 million) of Treasury Credit Notes to cover that part of the VAT refund that has been formerly audited and approved. Perseus is continuing to work with the Government in the usual course of business with regards to VAT recovery.

Table 2: Key financial operating statistics - EGM

Parameter	Units	Twelve months to 30 June 2015	Twelve months to 30 June 2014
Total gold sales	Ounces	208,613	183,325
Average sales price	US$/oz of gold sold	1,324	1,322
• Mining cost	US$/tonne of material mined	4.55	4.09
• Processing cost	US$/tonne of ore milled	10.78	10.99
• G & A cost	US$M / month	1.59	1.59
Royalties	US$/oz	71	84
All-in site cost	**US$/oz**	**877**	**1,294**

Exploration

During the period 17,685 metres were drilled on various targets in Ghana at Edikan and on adjoining licence areas.

A program of Mineral Resource infill drilling was conducted in the prior period on the Bokitsi South deposit on the Ayanfuri Mining Lease which hosts Edikan. A small follow up exploration drilling program was completed during the period south of the main Bokitsi South deposit, with several significant intercepts indicating that two small steeply plunging lodes of mineralisation are present 40 to 160 metres south of Bokitsi South. The deeper lode is open at depth and contains higher grades which might be exploitable from underground if sufficient mineralised tonnes are present. Some of the high grade drill intercepts include:

- BKRC106 - 4 m at 4.2g/t gold from 43m and 4m at 10.4g/t gold from 56m
- BKDD051 -13m at 7.6g/t gold from 97m including 3m at 21.3g/t gold from 102m

During the period a Mineral Resource infill drilling program was carried out on the Mampong South prospect, the higher grade portion of Mampong, to better define that portion of the Mineral Resource and upgrade it to the Indicated Mineral Resource category for inclusion into the Edikan Ore Reserves. The infill drilling results were generally consistent with previous drilling, although the greater detail in drilling allowed much of the Mampong South Inferred Mineral Resource to be upgraded to the Indicated category. Drill highlights include:

- MPRC150 - 12 m at 14.2g/t gold from 8m including 1m at 123.3g/t gold from 10m
- MPRC168 - 4m at 35.5g/t gold from 59m including 2m at 64.0g/t gold from 60m
- MPRC160 – 4m at 6.4g/t gold from 62m

An infill drilling program was also carried out at Chirawewa, the eastern-most deposit at Edikan. Chirawewa was partially mined by Ashanti Gold Corporation ("AGC"), the previous owners of the tenement, and the program completed focussed on infill drilling directly below the old pit floor to upgrade a portion of the Inferred Mineral Resource to the Indicated category and improve the grade of the mineralisation. Some of the drill highlights include:

- CHRC335 - 29 m at 6.5g/t gold from 15m including 7m at 18.7g/t gold from 28m
- CHRC338 - 20m at 4.4g/t gold from 80m including 6m at 8.0g/t gold from 80m
- CHRC367 – 17m at 4.7g/t gold from 10m including 6m at 9.3g/t gold from 10m

A program of drilling and metallurgical testing commenced on the old heap-leach pads from Cluff Resources – AGC's Ayanfuri oxide heap-leach operation which ran from 1994 to 2001. The program is intended to evaluate if the leach pads contain significant zones of ore-grade material which may process with acceptable recovery in the Edikan plant. The leach pads are located 3 kilometres to the east of the Edikan plant site.

EGM Mineral Resource estimate:

An updated Mineral Resource estimate for Edikan was prepared during the period by independent consultant, RungePincockMinarco ("RPM") in accordance with the JORC Code – 2012 Edition. This estimate was based on the 1 May 2014 Mineral Resource estimate previously prepared by RPM amended for mining depletion to 31 January 2015 in the case of the AF Gap and Fobinso pits. It was also updated to include in-fill drilling results returned from a recent drilling campaign on the Mampong mineral deposit. Subsequently, in July 2015 the Mineral Resource was updated to include additional drilling results from Chirawewa as well as mining depletion to 30 June 2015.

The updated global Measured and Indicated Mineral Resource estimate for Edikan is now estimated as 151.7Mt grading 1.1g/t gold, containing 5,265k ounces of gold. A further 62.0Mt of material grading 1.0g/t gold and containing a further 2,018k ounces of gold are classified as an Inferred Mineral Resource.
The Mineral Resource estimates for the EGM are tabulated overleaf in table 3.

Table 3: Mineral Resources[3,4,5], Edikan Gold Mine

	Measured Resources			Indicated Resources			Measured + Indicated Resources			Inferred Resources		
Deposit	**Quantity Mt**	**Grade g/t gold**	**Gold Kozs**	**Quantity Mt**	**Grade g/t gold**	**Gold Kozs**	**Quantity Mt**	**Grade g/t gold**	**Gold Kozs**	**Quantity Mt**	**Grade g/t gold**	**Gold Kozs**
AF Gap-Fobinso[1]	28.5	1.1	972	23.7	0.9	678	52.2	1.0	1,649	28.4	0.8	729
Bokitsi	0.7	3.7	86	1.6	2.6	133	2.3	3.0	219	2.9	1.8	170
Fetish	12.6	0.9	380	18.1	1.1	663	30.8	1.1	1,043	9.8	1.1	346
Chirawewa[2]	2.5	1.0	83	4.5	1.2	179	7.0	1.2	262	4.2	1.0	139
Dadieso	-	-	-	-	-	-	-	-	-	5.3	1.5	253
Esuajah North	16.9	0.9	494	18.4	0.8	493	35.3	0.9	986	3.6	0.9	105
Esuajah South	9.5	1.8	546	7.3	1.6	370	16.8	1.7	916	5.7	1.1	211
Mampong	0.2	0.9	6	3.7	1.0	122	3.9	1.0	127	2.1	1.0	67
Stockpiles	3.4	0.6	62	-	-	-	3.4	0.6	62	-	-	-
Total	**74.4**	**1.1**	**2,629**	**77.3**	**1.1**	**2,637**	**151.7**	**1.1**	**5,265**	**62.0**	**1.0**	**2,018**

Notes:
1. Allows for mining depletion at AF Gap – Fobinso to 30 June 2015.
2. Based on updated March 2015 Mineral Resource estimate for Chirawewa deposit.
3. All Mineral Resources current as at 30 June 2015.
4. 0.4g/t gold cut-off applied.
5. Numbers contain some rounding.

EGM Ore Reserve estimate:

Based on the re-estimated Mineral Resources, pit optimisation and scheduling, RPM also independently calculated the Ore Reserves for Edikan as at 31 January 2015 in accordance with the requirements of the JORC Code, 2012 Edition. These were subsequently updated in July 2015 to include results from the recent Chirawewa drilling programme.

The updated Proved and Probable Ore Reserves for Edikan are now estimated as 61.3Mt grading 1.2g/t gold, containing 2,345k ounces of gold including 44.5Mt of ore grading 1.2g/t gold and containing 1,656k ounces of gold in the Proved category and a further 16.8Mt of ore grading 1.3g/t gold containing 690k ounces of gold classified as Probable Ore Reserves. Details of these estimates are shown in table 4.

Table 4: Proved and Probable Ore Reserves – EGM[3,4,6]

	Proved Reserves			Probable Reserves			Proved + Probable Reserves			
Deposit	**Quantity Mt**	**Grade g/t gold**	**Gold Kozs**	**Quantity Mt**	**Grade g/t gold**	**Gold Kozs**	**Quantity Mt**	**Grade g/t gold**	**Gold Kozs**	**Strip Ratio[5]**
AF Gap – Fobinso[1]	12.7	1.2	486	1.7	0.9	47	14.4	1.2	533	4.5
Fetish	8.2	1.0	260	8.4	1.4	378	16.6	1.2	638	3.8
Esuajah North	11.7	1.0	360	2.8	0.9	82	14.5	1.0	442	1.6
Esuajah South	5.8	1.8	334	0.9	1.9	57	6.7	1.8	391	7.7
Chirawewa[2]	2.1	1.1	73	2.9	1.3	118	4.9	1.2	191	3.9
Bokitsi	0.7	3.4	80	0.1	2.9	7	0.8	3.4	87	9.7
Stockpiles	3.4	0.6	63	-	-	-	3.4	0.6	63	-
Total	**44.5**	**1.2**	**1,656**	**16.8**	**1.3**	**690**	**61.3**	**1.2**	**2,345**	**3.7**

Notes:
1. Allows for mining depletion at AF Gap – Fobinso to 30 June 2015.
2. Based on June 2015 Ore Reserve estimate for Chirawewa deposit.
3. All Ore Reserves current as at 30 June 2015.
4. Variable gold grade cut-off based on recovery of each material type in each deposit: Oxide 0.35 - 0.4g/t, Transition 0.50 – 0.65g/t and Fresh 0.45 – 0.55g/t.
5. Inferred Mineral Resource is considered as waste, t:t
6. Numbers contain some rounding.

At the end of the year, the group's Measured and Indicated Mineral Resources (inclusive of Ore Reserves) were 6.62 million ounces of gold and Inferred Mineral Resources were 2.33 million ounces of gold.

Review of operations

SGP, Côte d'Ivoire

The SGP is located in the north of Côte d'Ivoire and is situated within an 885sq km land package consisting of the Sissingué exploitation permit area and the adjoining Tengrela South exploration permit area, together referred to as the Tengrela Gold Project. The permits are located along a structural/stratigraphic corridor within the Syama-Boundiali greenstone belt approximately 150km south-southeast of the Morila gold mine (7Moz) in Mali and 65km west northwest of Randgold's Tongon deposit (4.3Moz) in Côte d'Ivoire. The group owns an 85% interest in the SGP, with the remaining 10% a free carried interest reserved for the Ivorian government and 5% owned by local interests.

Project development

In the December 2014 quarter, Lycopodium Minerals Pty Ltd ("Lycopodium"), an internationally recognised engineering and project management consultancy, was appointed to prepare a RFS for the development of the SGP. The RFS was intended to not only reflect the preferred processing flow sheet, but also update where necessary, all assumptions on mining, processing and various service functions associated with the project.

In April 2015, the RFS was completed and Perseus's Board conditionally approved the group's plans to advance the development of the SGP. During the year, material progress was made towards satisfying the pre-requisites and the development project is currently on schedule for commencement of early works in the September 2015 quarter and commencement of full scale development in the December 2015 quarter, subject to final Board approval.

Project implementation

During the year and subsequent to its end, material progress was made on planning the implementation of the SGP and documenting the Project Execution Plan that will be used to guide activities during the development phase of the project. This began with negotiation of the purchase of a new, immediately available, SAG mill realising a capital saving, reducing the length of the development schedule, simplifying the flow sheet and improving the operability of the SGP processing circuit. Lycopodium were engaged to conduct a Front End Engineering and Design ("FEED"), this work encompasses finalising details of plant layout, flowsheets, equipment lists etc. Following the successful completion of FEED, and subject to agreeing satisfactory commercial terms, either an Engineering/ Procurement or an Engineering/ Procurement/ Construct contract will then be awarded to a suitability qualified engineering firm.

A package of early works was approved that is scheduled to commence in August 2015. This work will include, amongst other things, engineering associated with critical path items, construction of site access roads, initial earthworks, site clearing and fencing, design and procurement of elements of the mine camp and certain items of mobile equipment.

Organisation structures were developed for both the construction and operating phases of the project and preferred candidates identified for key positions. Operations staff will be recruited and integrated into the construction team during development to ensure that mine and plant operability remains a key focus at all times during construction. Steps were taken towards establishing a Recruitment Committee involving representatives of all villages located in the vicinity of the SGP to ensure fair allocation of employment opportunities to local residents during both the construction and operating phases of the project.

Mining convention

A new Mining Code came into effect in Côte d'Ivoire in March 2014 which includes the right of companies to enter into a Mining Convention with the Republic of Côte d'Ivoire in which the conditions governing the development and operation of the mine are prescribed and guaranteed for the life of the mine.

During the year, the terms of a Mining Convention covering the SGP were negotiated with the Ivorian Government's negotiating team and subsequent to the end of the period the Convention was signed.

Exploration

During the period 29,524 metres were drilled in Côte d'Ivoire, focussing on the Mahalé exploration licence and the Sissingué exploitation licence.

A total of 5,603m of drilling was completed on the Mahalé licence, located 43km west-southwest of the currently planned SGP plant site, during the period in three separate programs. The first was a program designed to test the principal Bélé Prospect zones at greater depths, evaluate targets from IP-Resistivity work completed in the prior period and evaluate a number of previously untested geochemical targets. Significant intercepts attained at Bélé included: 28m at 12.4g/t gold; 20m at 6.7g/t gold; 10m at 2.1g/t gold; and 9.7m at 2.1g/t gold. A reverse circulation ("RC") follow up program at the Bélé Prospect was commenced at the end of the period to test for further depth and strike extensions, and an auger drilling program also commenced to evaluate historic lag gold geochemistry anomalism along the margin of a magnetic low, presumably a granitic intrusive, situated 10km to the north-west of the Bélé Prospect.

A program of auger drilling with rotary air blast ("RAB") drilling to follow up auger anomalies was conducted on the Sissingué exploitation licence during the period to evaluate areas of potential geochemical masking by transported regolith along the Papara- Sissingué-Kanakono mineralised corridor. A number of modest auger anomalies were identified by the program and these were systematically tested through a RAB drilling program for the presence of in-situ mineralisation in the vicinity of the SGP. Several weak anomalous intercepts were returned from RAB holes.

SGP Mineral Resource estimate

In October 2014, independent mining industry consultant, Snowden Mining Industry Consultants ("Snowden") was commissioned by Perseus to estimate Mineral Resources at the SGP deposit. The Mineral Resource estimate was prepared in accordance with the JORC Code 2012 Edition. The Mineral Resource estimate is summarised in the following table that reports the Resources by category and area, above a 0.6 g/t gold cut-off grade. The classification categories of Inferred, Indicated and Measured under the JORC Code are equivalent to the CIM categories of the same name (CIM, 2014).

The updated global Measured and Indicated Mineral Resource for the SGP is now estimated as 16.0Mt grading 1.7g/t gold, containing 880k ounces of gold. A further 1.1Mt of material grading 1.7g/t gold, containing a further 63k ounces of gold are classified as Inferred Mineral Resources. Details of these estimates are shown below in tables 5 and 6.

SGP Ore Reserve estimate

RPM was commissioned by Perseus to complete a mining study and a subsequent independent estimate of the open cut Ore Reserves for the SGP. The Ore Reserve Statement estimates the Ore Reserves as at 1 February 2015 and has been undertaken in compliance with the requirements of the reporting guidelines of the JORC Code 2012 Edition. A total of 5.5 Mt of open cut Ore Reserves grading 2.4g/t gold were estimated for the SGP as at 1 February 2015 classified as in table 7 below.

Burkina Faso

Perseus has a farm-in agreement with West African Gold Limited ("WAG"), an Australian unlisted junior explorer, in respect of four exploration permits (Koutakou, Barga, Touya and Tangayé) in the North of Burkina Faso. A short soil sampling program was conducted on the licences during the first half of the period, with an air-core drilling program to follow up on a large, low tenor gold in soil anomaly on the Koutakou licence.

Table 5: M&I Mineral Resources – SGP[1,2,3,4]

Ore type	Measured Resources			Indicated Resources			Measured + Indicated Resources		
	Quantity Mt	Grade g/t gold	Gold Ounces	Quantity Mt	Grade g/t gold	Gold Ounces	Quantity Mt	Grade g/t gold	Gold Ounces
Oxide	1.0	1.8	59,000	3.1	1.3	130,000	4.1	1.4	190,000
Transition	0.6	2.3	49,000	0.8	1.5	38,000	1.4	1.9	87,000
Primary	3.2	2.5	260,000	7.1	1.5	350,000	10.0	1.8	600,000
Total	**4.8**	**2.4**	**370,000**	**11.0**	**1.4**	**510,000**	**16.0**	**1.7**	**880,000**

Table 6: Inferred Mineral Resources – SGP[1,2,3,4]

Ore type	Inferred Resources		
	Quantity Mt	Grade g/t gold	Gold Ounces
Oxide	0.3	1.2	12,000
Transition	0.1	1.2	2,100
Primary	0.8	2.0	49,000
Total	**1.1**	**1.7**	**63,000**

Notes for Table 5 and Table 6:
1. Based on October 2014 Mineral Resource estimation.
2. 0.6g/t gold cut-off applied.
3. Mineral Resources current as at 30 June 2015.
4. Numbers contain some rounding.

Table 7: Ore Reserves – SGP[1,2,3,4]

Ore type	Proved Reserves			Probable Reserves			Proved & Probable Reserves		
	Quantity Mt	Grade g/t gold	Gold '000 Oz	Quantity Mt	Grade g/t gold	Gold '000 Oz	Quantity Mt	Grade g/t gold	Gold '000 Oz
Oxide/Transition	1.4	2.2	97	1.4	1.4	61	2.8	1.8	159
Primary	2.0	3.3	215	0.7	2.3	54	2.7	3.1	270
Total	**3.4**	**2.8**	**312**	**2.1**	**1.7**	**115**	**5.5**	**2.4**	**429**

Notes:
1. Based on February 2015 Ore Reserve estimation.
2. Variable gold grade cut-off based on recovery of each material type: Oxide 0.6 g/t, Transition 0.8 g/t, Granite – Porphyry 0.8 g/t and Sediment 1.0 g/t.
3. Ore Reserve current as at 30 June 2015.
4. Numbers contain some rounding.

Group ore reserves and mineral resources

Table 8: Total Group Ore Reserves[1]

Deposit	Proved Reserves			Probable Reserves			Proved & Probable Reserves		
	Quantity Mt	Grade g/t gold	Gold '000 Oz	Quantity Mt	Grade g/t gold	Gold '000 Oz	Quantity Mt	Grade g/t gold	Gold '000 Oz
EGM	44.5	1.2	1,656	16.8	1.3	690	61.3	1.2	2,345
SGP	3.4	2.8	312	2.1	1.7	115	5.5	2.4	429
Total	**47.9**	**1.3**	**1,968**	**18.9**	**1.3**	**805**	**66.8**	**1.3**	**2,774**

Notes:
1. Numbers contain some rounding.

Table 9: Total Group Mineral Resources (including Ore Reserves)[1,3,4]

Deposit	Measured Resources			Indicated Resources			Inferred Resources		
	Quantity Mt	Grade g/t gold	Gold '000 Oz	Quantity Mt	Grade g/t gold	Gold '000 Oz	Quantity Mt	Grade g/t gold	Gold '000 Oz
EGM	74.4	1.1	2,629	77.3	1.1	2,637	62.0	1.0	2,018
GGP[2]	-	-	-	25.1	0.6	471	16.4	0.5	247
SGP	4.8	2.4	370	11.0	1.4	510	1.1	1.7	63
Total	**79.2**	**1.2**	**2,999**	**113.4**	**1.0**	**3,618**	**79.5**	**0.9**	**2,328**

Notes:
1. The company holds 90% of EGM, 90% of Grumesa Gold Project ("GGP") and 85% of SGP.
2. Last updated in December 2010.
3. All Mineral Resources current as at 30 June 2015.
4. Numbers contain some rounding.

GOVERNANCE AND INTERNAL CONTROLS FOR RESERVE AND RESOURCE ESTIMATES

Resource drilling is conducted by NQ and HQ diamond drilling and to a lesser extent by high quality, dry, RC drilling. Drill hole positions are surveyed to high accuracy with a DGPS and down hole deviations measured at 30m intervals with Reflex or Flexit multi-shot survey equipment. Drilling is logged in detail for lithology, alteration, structure and mineralisation and is then validated and imported into a master database using Datashed. Sampling is typically at 1 meter intervals and samples are analysed for gold by 50g Fire Assay at external recognised laboratories. QA/QC procedures are industry standard with certified standards, blanks and duplicate samples inserted into the sample stream at a rate of 1 in 20 samples.

Mineral Resource and Ore Reserve estimates are prepared and reported by suitably qualified Perseus personnel or external consultants (Competent Person) in accordance with the JORC code and other industry standards. The modifying factors for EGM's Reserve estimates are based on information from the actual operation. Any supporting information and documentation including geological interpretation that are prepared and supplied by Perseus personnel are reviewed by the Competent Person. Block models are visually checked by Perseus personnel for comparison against the original exploration drilling data.

Financial performance

The group recorded a net profit after tax of $92.2 million for the period, compared to a net loss after tax of $32.1 million in the previous financial year. Profit has increased by 388%, compared to the prior period. This is due to a number of factors, including:

- An increase in the gold produced due to a higher average head grade and improved recoveries;
- Decreases in operating costs;
- Foreign exchange loss in prior year of $21.6 million moving to a foreign exchange gain in the current year of $52.4 million, a $74.1 million turn around due mainly to the depreciation of the AUD against the USD and the revaluation of the intercompany loan, offset slightly by the devaluation of the GHS against the USD when valuing the VAT receivable;
- Offset slightly by a write down of low grade run of mine stockpiles to net realisable value due to lower gold price.

Cash and investments

At 30 June 2015 available cash totalled $103.7 million (30 June 2014: $36.9 million) while additional deposits totalling $12.3 million (30 June 2014: $10.0 million) supported performance guarantees for environmental rehabilitation of the EGM. The improved operating performance of Edikan during the period had a positive impact on the group's cash holding at 30 June 2015.

As at 30 June 2015, Perseus held available for sale financial instruments comprising security holdings in Manas Resources Limited of $0.5 million (30 June 2014: $1.8 million) and in Burey Gold Limited of $2.3 million (30 June 2014: $1.5 million of equity accounted investments).

Debt finance

At 30 June 2015 the group had no borrowings (30 June 2014: nil).

During the year invitations to provide debt funding to the Perseus group were issued to a number of debt providers and subsequent to the end of the year, a short list of three banks was formed and detailed negotiation of the terms of the facilities commenced with the target of reaching a financial commitment on or about 30 September 2015.

Revenue protection

A total of 75,000 ounces were delivered under forward sales contracts at a weighted average price of US$1,443/oz while the balance of the gold sales were made at prevailing spot prices, or under short dated spot deferred contracts. In total, the group holds forward gold sales contracts for 63,000 ounces of gold, deliverable up to and including 31 December 2015, at a weighted average price of US$1,432 per ounce, which is 20.3% of gold production for the next 18 months. Subsequent to the end of the period additional forward gold sales contracts have been put in place, at the date of this report the outstanding contracts totalled 149,500 ounces of gold at a weighted average price of US$1,239/oz.

Outlook

Operations

- Gold production for the EGM for the year ended 30 June 2016 is forecast to be in the range of 190,000 to 210,000 ounces at an estimated total site cash cost of US$1,100/oz to US$1,200/oz.
- Ramp up mining on the Eastern Pits, and continue construction of relocation housing related to those pits and Esuajah North.
- Continue to maximise the cash margin at the EGM. Improving operational efficiencies, earlier access to higher grade deposits and continuation of our cost reduction program will contribute to this outcome.

Development and Exploration

- Sign negotiated Mining Convention with the government of Côte d'Ivoire. This has subsequently been achieved.
- Appoint an EP or EPC contractor and key members of staff needed for the development and operation of the SGP.
- Develop the SGP.
- The group will continue to explore on the Mahalé exploration licence and at the SGP as well as on other exploration tenements held by the group in West Africa to create value by pursuing organic growth.

Corporate

- Advance the structuring of a financing facility to supplement existing cash resources to fund capital works programmes across the Perseus group.

Summary of financial information	30 June 2015 $'000	30 June 2014 $'000
Net profit / (loss) after tax	**92,167**	(32,060)
Net increase in cash held	**46,556**	2,085
Total assets	**697,826**	562,022
Shareholders' equity	**583,222**	466,609

Sustainability report

OCCUPATIONAL HEALTH & SAFETY (OHS)

Clinic Visits

The Edikan site clinic is available to all Perseus Mining (Ghana) Ltd (PMGL) employees and contractors, with West African Rescue Association (WARA) providing a local Doctor, expatriate Paramedic and Nurses recruited from the local catchment communities. Figure 1 right details the total workforce numbers on site each month as well as the number of people presenting at the Site Clinic during the year.

There were two Lost Time Injuries (LTIs) sustained at Edikan during the year, one to a contractor in September 2014 and the other to a Perseus employee in November 2014. An employee of an earthmoving contractor was alighting from a truck when she slipped and fell, sustaining a fractured wrist. The PMGL employee sustained a fractured ankle after tripping and falling in the Process Plant.

The LTI Frequency Rate (LTIFR) is shown in Figure 2 right. At the end of June 2015 the site LTIFR was 0.54, up from 0.52 at the end of June 2014. At the end of June 2015, Edikan was 217 days LTI free.

The site was not without other less serious injuries though, with 36 other injuries reported during the year. This consisted of 24 First Aid Injuries recorded, eight Medical Treatment Injuries and four Restricted Work Injuries. The total number of injuries is consistent with the previous year, when 39 injuries were reported.

Malaria

Malaria continues to be an issue at Edikan as detailed in Figure 3 right, with the pattern of malaria cases appearing to coincide with the seasons. Fogging and spraying programs have continued in the Edikan Camp. Treated mosquito nets were distributed to communities and a series of employee and community information sessions were held to raise awareness of the issue.

Incidents

There were 305 incidents and hazards formally reported at Edikan during the year, with all incidents by category displayed in Figure 4 right. Whilst incident reporting has decreased across site since last year, equipment damage remains the most reported incident type.

Emergency Management

Perseus continued to improve its emergency preparedness, response and recovery processes during the year by undertaking initiatives including:

Perseus undertook a combined desktop exercise utilizing the Perth Crisis Management Team, the Edikan Emergency Management Team as well as some external service providers.

Perseus developed an Ebola Strategy Matrix in conjunction with key contractors to outline the company's response to the Ebola outbreak in West Africa and implemented a number of initiatives in both Ghana and Côte d'Ivoire to help detect any potential Ebola cases and prevent further transmission.

Edikan's firefighting capabilities were significantly increased during the year through the purchase of a dedicated fire truck as well as the construction and commissioning of a fire ring main and hydrant system.

An external training provider delivered formal training to the Edikan Emergency Response Team in both October 2014 and March 2015 which included firefighting, confined space rescue, vehicle extrication, rope rescue, trench rescue and hazardous materials.

Edikan was represented by both a company team and a community team in the annual Inter Mine Zone 1 First Aid and Safety competition.

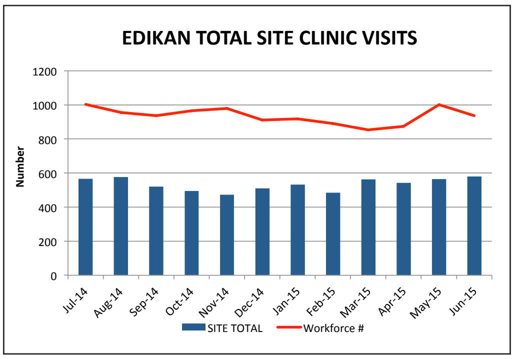


Figure 1: Edikan Site Clinic Visits Injuries

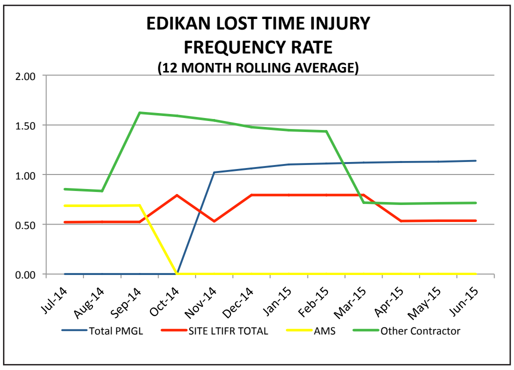


Figure 2: Edikan Lost Time Injuries

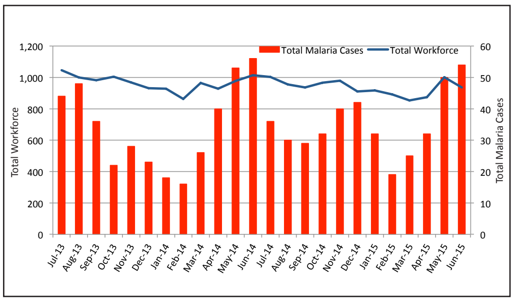


Figure 3: Edikan Malaria Cases

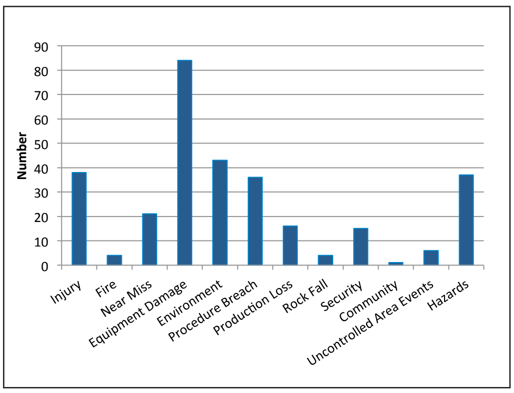


Figure 4: Edikan Incidents by Category

ENVIRONMENT

Incidents

There were 43 environmental incidents formally reported at Edikan during the year. Incidents by category are displayed in Figure 5 right. This year, air blast (noise) was the most reported environmental incident as a number of blasts in the Edikan western pits just exceeded the Ghana EPA's regulatory limit.

Land Disturbance and Rehabilitation

An additional 137.09 hectares of land was cleared of vegetation. Over half (83.46ha) was for the Flotation Tailings Storage Facility's Cell 3D, 51.18ha was for the eastern pits development and the remaining area was for the Abenabena Waste Dump extension. As a result of this clearing five new topsoil stockpiles were created and were planted with grass species to protect them from erosion. The topsoil will be used for future rehabilitation works. The details of the land disturbance that occurred at Edikan this year and to date are shown in Figure 6 right.

At Edikan, progressive rehabilitation of disturbed areas back to a natural state is undertaken as areas become available. Before topsoil is spread and vegetation is planted, areas are land formed to ensure that final slopes are stable and erosion will be minimised. Plants are grown in the Edikan nursery and purchased from the local communities.

The details of land disturbance and rehabilitation works undertaken at Edikan to date are shown in Figure 7 right.

Edikan Environmental Approvals and Permitting

Flotation Tailings Storage Facility (FTSF)

During the year construction works on FTSF cell 3D were completed and nine new piezometers were installed across the FTSF main embankment and some saddle embankments to help monitor the integrity of the dam walls. Mincom operating permits for both Cell 3C and Cell 3D were received during the year as well as the EPA Depositional Permit for Cell 3C. Perseus is currently awaiting the formal EPA Depositional Permit for Cell 3D.

Eastern Pits

The EPA review of the Supplementary Environmental Impact Statement for Edikan's eastern pits and the mining operations at Fetish, Bokitsi, Chirawewa and Esuajah North was completed and the environmental permit was received subsequent to year end.

Stream Diversion

Permission was received from the Water Resource Commission to divert the Asuafo Stream behind the Fobinso Waste Dump.

Environmental Management Plan (EMP)

The EMP for the western pits was reviewed, updated and submitted to the EPA to enable the renewal of the Environmental Certificate (Permit) for that part of the Edikan operation.

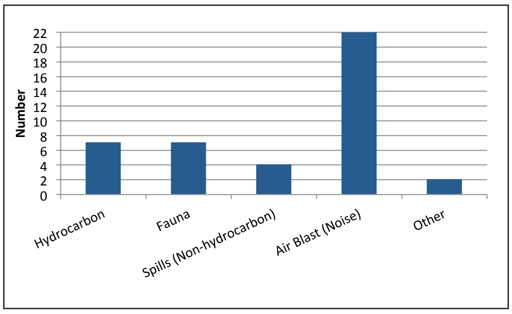


Figure 5: Edikan Environmental Incidents by Category

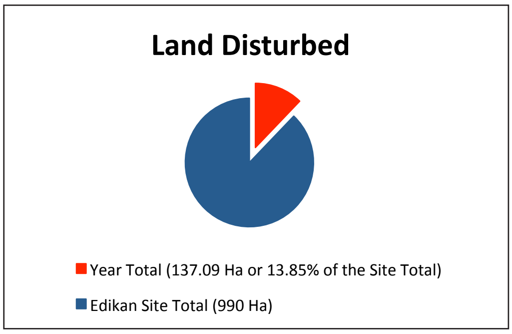


Figure 6: Edikan Land Disturbance this Year and to Date

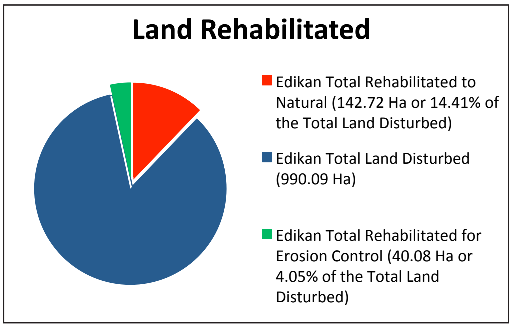


Figure 7: Edikan Rehabilitation Works to Date

SOCIAL DEVELOPMENT

Employment

Perseus still endeavours to employ local personnel in available positions whenever possible and employment committees in the local catchment communities are used to help facilitate this process. A new process was adopted at Edikan which includes basic aptitude testing in an effort to identify and recruit more local personnel for unskilled and semi-skilled labour.

The percentage of Perseus employees and contractors employed at Edikan as at June 2015, by location, is shown in Figure 8 right. The number of expatriates has reduced from just over 3% last year to 1.44% of PMGL staff numbers.

Edikan's Environmental Department also supports local employment by offering contracts to local catchment community groups for labouring tasks including securing environmental monitoring equipment and grassing areas to prevent erosion. 117 local people obtained part time work under this program during the year.

In Côte d'Ivoire also, Perseus employs as many people as possible from the local areas it is working in, with casual labour for drilling programs sourced from villages near the exploration activities. The percentage of people employed by Perseus in Côte d'Ivoire throughout 2015, by location, is shown in Figure 9 right.

Perseus continues to adhere to equal opportunity principles and encourages women to apply for positions with the Company. Figure 10 right details the split between male and female employees across Perseus at the end of June 2015. Perseus has a number of females in management positions within the organisation, including the Edikan Senior Human Resources Manager and the Chief Financial Officer and Group Sustainability Manager in Perth.

Community Support

Donations that help to achieve the objectives of improving health, education and sanitation as well as to support cultural events are still made by Perseus. In total this year, Perseus donated US$179,901 to support these target areas in Ghana, and US$19,348 for key community projects in Côte d'Ivoire.

Key donations in Ghana included replacing the pump in Gyaman's water bores and constructing an iron filtration plant, as well as conducting repairs on other communities' water bores. Water bores were also constructed in Nkonya and Abenabena villages. The road through the Abenabena village was also sealed to reduce dust levels.

Financial support to the local communities is also provided through the Edikan Trust Fund established by Perseus. This year, Perseus contributed US$204,918 to the fund and US$137,897 was spent on community development projects. The projects undertaken during the year include:

- Ayanfuri and Nkonya, – completion of a 6-unit classroom block, staff common room, office library and store;
- Abenabena and Gyaman – completion of a 3-unit classroom block and ablution block;
- Fobinso – completion of Teacher's Quarters;
- Ayanfuri, Abenabena and Gyaman – provision of school furniture;
- Ayanfuri – scholarships for 37 tertiary students; and
- Princiso (an Exploration community) – 60 bags of cement to renovate an existing school facility.

The Perseus corporate office in Perth continued collecting donated text books, novels and non-fiction books and shipped a sea-container full of books to Ghana in June 2015. The next consignment of books will be distributed to local schools and community libraries in the Edikan Mine catchment area in late 2015.

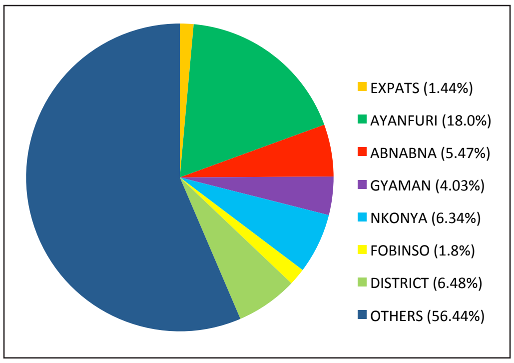


Figure 8: Ghana Employees by Location

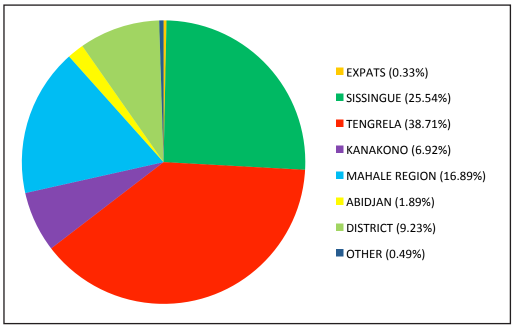


Figure 9: Côte d'Ivoire Employees by Location

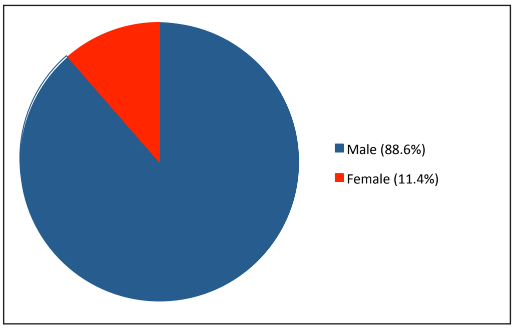


Figure 10: Total Perseus Group Employment by Gender

Sustainability report

SOCIAL DEVELOPMENT - continued

Community Grievances

Perseus has a grievance procedure in place in both Ghana and Côte d'Ivoire that allows external stakeholders to raise issues with the Company. In turn, the Company formally responds to the complaint and endeavours to resolve the issue in a timely manner. Grievances at Edikan for the year by category are detailed in Figure 11 right. There were eight grievances recorded in Côte d'Ivoire for the year, two of which were issues relating to land compensation, three related to land access, two were complaints about company personnel and the other grievance related to the proposed Sissingué village bypass road which the community want to actually pass through their village.

Community Training & Education

As Perseus cannot employ everyone directly, it continues to provide educational opportunities and skills training to members of its local communities. During the year the 50 students with full Perseus scholarships to the Kumasi Technical Institute in Ghana completed their courses at a cost of US$22,363. Perseus also provides scholarships to 26 students who are currently attending senior high school and tertiary institutions. Plans are now in place for Perseus and its contractors to offer the students an internship.

Community Consultation

Perseus continues to consult with the community on a regular basis to discuss a variety of issues, and had a number of forums in place during the year to achieve this, including the following:

Ghana:

- Community Consultative Committee met twice during the year to discuss items including the compensation status, Edikan Trust Fund, donations and employment issues.
- Compensation Negotiation Committee met 10 times during the year to negotiate new crop compensation rates and Deprivation of Land Use compensation.
- Resettlement Compensation Negotiation Committee met five times during the year, with details in the Resettlement section below.
- Resettlement Entitlement Committee met 18 times during the year, with details in the Resettlement section right.
- Sustainable Development Comm-ittees met five times to discuss requirements for submitting Community Project Proposals for approval by the Edikan Trust Board of Trustees.
- An Employment Committee was developed to assist in the recruitment of unskilled and semi-skilled labour from the community.
- Youth Groups met with Perseus four times on issues including mining regulations, employment issues and alternative livelihoods.
- There was an official ceremony involving traditional leaders and authorities to mark the commencement of the eastern side mining project.
- Additional Community Centres were opened at the Gyaman and Fobinso and all five Community Centres are open from Monday to Friday.

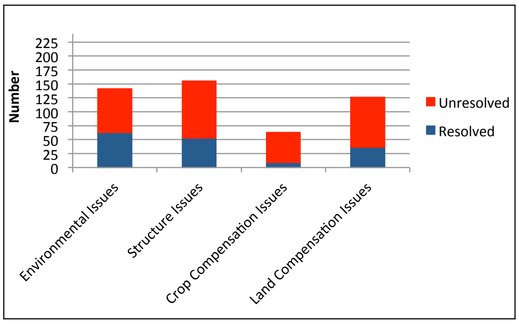


Figure 11: Edikan Community Grievances by Category

SOCIAL DEVELOPMENT - continued

Côte d'Ivoire:

- A Sissingué Village Communication and Consultation Committee was established and held nine meetings during the year.
- An initial meeting was held with stakeholders in June 2015 to discuss the implementation of a Sissingué Gold Mine Employment Committee. This Committee will be able to put forward suitable local candidates for all positions that are available at the project. If there are no suitable candidates however, Perseus will look outside the local communities.
- An official stone-laying ceremony was held at the project site on 26 April 2015 to mark the commencement of the project activities, with attendees including government ministers and other dignitaries.

Resettlement

The 71 houses completed for those affected by the western pits have all now had water provided to them and have either a mechanised borehole, a poly-tank to capture rain water or an auger well fitted with a hand pump.

The families living near a large pond of water which had developed due to Edikan's operations were provided temporary rental accommodation during the year. Land was acquired at Nkonya to construct replacement houses and earthworks for the houses has commenced.

Resettlement activities continued during the year at Edikan's eastern pits area, with a focus on Fetish and more recently Esuajah North. A number of activities were undertaken during the year, including compensation payments as detailed in Figure 12 right. Most of the outstanding compensation remaining to be paid involves grievances which Perseus continues to resolve as a priority.

To enable the commencement of mining activities at Fetish, Bokitsi and Chirawewa, 49 households must be relocated. During the year, 38 households were provided with rental accommodation until such time as their new houses are constructed and this process is ongoing.

The Resettlement Compensation Negotiation Committee continued to meet during the year and in November 2014 reached agreement on the resettlement package and residential plot compensation rates.

Upon finalisation of the resettlement package, Perseus established a Resettlement Entitlement (Dossier Review) Committee, consisting of Perseus and community representatives, to review the individual resettlement entitlements. The Committee met with structure owners to advise them of their eligible entitlements and the process was completed for the Fetish area. This process continues for the affected households in the Esuajah North area.

At Perseus's Sissingué Gold Project in Côte d'Ivoire, five hamlets need to be relocated and land for this purpose was acquired in Kanakono Village during the year. Structure designs have been finalised and construction will commence in the near future. Perseus is yet to pay land compensation at Sissingué pending resolution by the government of ownership entitlements of the two identified landowners.

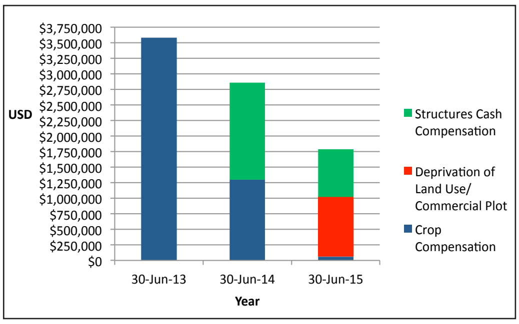


Figure 12: Edikan Eastern Resettlement Compensation Amounts

Financial Report

For the period ended 30 June 2015

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 2015 (the "period"). Perseus is a company limited by shares that is incorporated and domiciled in Australia. Unless noted otherwise, all amounts stated are expressed in Australian dollars.

DIRECTORS

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

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

PRINCIPAL ACTIVITIES

The principal activities of the group during the period were mining operations and the sale of gold, mineral exploration and gold project evaluation and development in the Republics of Ghana and Côte d'Ivoire, in West Africa.

REVIEW OF OPERATIONS

A review of the group's operations during the year ended 30 June 2015 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 $92.2 million for the period, compared to a net loss after tax of $32.1 million in the previous financial year. Profit has increased by 388%, compared to the prior period. This is due to a number of factors, including:

- An increase in the gold produced due to a higher average head grade and improved recoveries;
- Decreases in operating costs;
- Foreign exchange loss in prior year of $21.6 million moving to a foreign exchange gain in the current year of $52.4 million, a $74.1 million turn around due mainly to the depreciation of the AUD against the USD and the revaluation of the intercompany loan, offset slightly by the devaluation of the GHS against the USD when valuing the VAT receivable;
- Offset slightly by a write down of low grade run of mine stockpiles to net realisable value due to lower gold price.

Summary of financial information	30 June 2015 $'000	30 June 2014 $'000
Net profit / (loss) after tax	**92,167**	(32,060)
Net increase in cash held	**46,556**	2,085
Total assets	**697,826**	562,022
Shareholders' equity	**583,222**	466,609

Cash and investments

At 30 June 2015 available cash totalled $103.7 million (30 June 2014: $36.9 million) while additional deposits totalling $12.3 million (30 June 2014: $10.0 million) supported performance guarantees for environmental rehabilitation of the EGM. The improved operating performance of Edikan during the period had a positive impact on the group's cash holding at 30 June 2015.

As at 30 June 2015, Perseus held available for sale financial instruments comprising security holdings in Manas Resources Limited of $0.5 million (30 June 2014: $1.8 million) and in Burey Gold Limited of $2.3 million (30 June 2014: $1.5 million of equity accounted investments).

Debt finance

At 30 June 2015 the group had no borrowings (30 June 2014: nil).

During the year invitations to provide debt funding to the Perseus group were issued to a number of debt providers and subsequent to the end of the year, a short list of three banks was formed and detailed negotiation of the terms of the facilities commenced with the target of reaching a financial commitment on or about 30 September 2015.

Directors' report

Financial position

At 30 June 2015 the group had net assets of $583.2 million (30 June 2014: $466.6 million) and an excess of current assets over current liabilities of $177.7 million (30 June 2014: $69.3 million).

The group's net assets increased by 25% compared with the prior period due to the improved performance at Edikan, the current year's profit after tax and movements in foreign exchange increasing asset balances.

CORPORATE

Dividends

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

Equity capital raising

No equity capital raising was undertaken during the period.

Revenue protection

A total of 75,000 ounces were delivered under forward sales contracts at a weighted average price of US$1,443/oz while the balance of the gold sales were made at prevailing spot prices, or under short dated spot deferred contracts. In total, the group holds forward gold sales contracts for 63,000 ounces of gold, deliverable up to and including 31 December 2015, at a weighted average price of US$1,432 per ounce, which is 20.3% of gold production for the next 18 months. Subsequent to the end of the period additional forward gold sales contracts have been put in place, at the date of this report the outstanding contracts totalled 149,500 ounces of gold at a weighted average price of US$1,239/oz.

Metal Markets

From 1 July 2014 to 30 June 2015 the price of gold decreased by 11.0% to US$1,171/oz, (30 June 2014: US$1,315/oz). Subsequent to the end of the financial year, the gold price decreased and is currently averaging 4% lower than 30 June 2015.

The risk posed to Perseus's business by the gold price has, to a certain extent, been mitigated by partial hedging 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.

Outlook

Operations

- Gold production for the EGM for the year ended 30 June 2016 is forecast to be in the range of 190,000 to 210,000 ounces at an estimated total site cash cost of US$1,100/oz to US$1,200/oz.
- Ramp up mining on the Eastern Pits, and continue construction of relocation housing related to those pits and Esuajah North.
- Continue to maximise the cash margin at the EGM. Improving operational efficiencies, earlier access to higher grade deposits and continuation of our cost reduction program will contribute to this outcome.

Development and Exploration

- Sign negotiated Mining Convention with the government of Côte d'Ivoire. This has subsequently been achieved.
- Appoint an EP or EPC contractor and key members of staff needed for the development and operation of the SGP.
- Develop the SGP.
- The group will continue to explore on the Mahalé exploration licence and at the SGP as well as on other exploration tenements held by the group in West Africa to create value by pursuing organic growth.

Corporate

- Advance the structuring of a financing facility to supplement existing cash resources to fund capital works programmes across the Perseus group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO BALANCE DATE

Subsequent to the end of the period, the following events have occurred:

1. On 29 July 2015, 2,687,500 performance rights vested under the terms of the company's Performance Rights Plan and converted to ordinary shares on a 1 for 1 basis on satisfaction of specified conditions. The shares were issued to employees at nil consideration as part of employee remuneration.
2. 4,975,000 performance rights were issued to employees of the company under the terms of the company's Performance Rights Plan approved by shareholders in November 2014. These performance rights were issued at nil consideration with an effective issue date of 1 July 2015. Each performance right will convert to an ordinary share upon satisfaction of vesting criteria.

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 continued production of gold from the EGM per guidance;
- Advance the structuring of a financing facility to supplement existing cash resources to fund capital works programs across the Perseus group;
- Ongoing mineral exploration; and
- Development of the SGP.

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 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 period.

Directors' report

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.

Reginald Norman Gillard – BA FCPA FAICD JP – Non-executive chairman
(Appointed 24 October 2003)

After practising as an accountant for more than 30 years, during which time he formed and developed a number of service related businesses, Mr. Reg Gillard now focuses on corporate management, corporate governance and the evaluation and acquisition of resource projects. Mr. Gillard also serves on the audit, risk and the remuneration committees of the company and is chairman of the latter. During the past three years he has also served as a director of the following listed companies:

Other current directorships:

Platina Resources Limited	appointed 1 July 2009

Former directorships in the last 3 years:

Mount Magnet South NL	appointed 18 April 2011 and resigned 2 August 2013
Nemex Resources Limited	appointed 21 February 2011 and resigned 31 October 2012

Jeffrey Allan Quartermaine – BE (Civil), MBA, FCPA – Managing director
(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. Jeff Quartermaine has more than 25 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 (CPA) who 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.

Colin John Carson – CPA, MAICD, FGIA – Executive director
(Appointed 24 October 2003)

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 is responsible for the company's compliance, corporate and legal matters. During the past three years he has also served as a director of the following listed companies:

Other current directorships:

Manas Resources Limited	appointed 17 October 2007

Former directorships in the last 3 years:

Equus Mining Limited	appointed 10 October 1994 and resigned 27 May 2013

Terence Sean Harvey – BA MA LL.B MBA – Non-executive director
(Appointed 2 September 2009)

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 and an MBA from the University of Toronto and he is a member of the Law Society of Upper Canada.

Mr. Harvey serves on the company's audit, risk and remuneration committees and is the chairman of the former. During the past three years he has also served as a director of the following listed companies:

INFORMATION ON DIRECTORS - continued

Other current directorships:

Victoria Gold Corporation	appointed 31 July 2007
Serabi Gold plc	appointed 30 March 2011
Sarama Resources Ltd	appointed 2 November 2011

Former directorships in the last 3 years:

Azimuth Resources Limited	appointed 10 May 2012 and resigned 5 July 2013
Andina Minerals Inc	appointed 29 December 2004 and resigned 20 March 2013
Allied Gold Limited	appointed 11 March 2010 and resigned 7 September 2012
Troy Resources Limited	appointed 29 August 2013 and resigned 20 April 2015

Michael Andrew Bohm – B.AppSc (Mining Eng.), MAusIMM – Non executive director
(Appointed 15 October 2009)

Mr. Michael Bohm is a mining engineer with extensive experience in operations management, evaluation and project development in Australia, Northern Europe, SE Asia, North and South America. Mr. Bohm has more than 24 year's minerals industry experience predominantly in the gold, nickel and diamond sectors in both open pit and underground mining environments. Mr. Bohm serves on the company's audit, risk and remuneration committees. During the past three years he has also served as a director of the following listed companies:

Other current directorships:

Ramelius Resources Limited	appointed 29 November 2012
Tawana Resources NL	appointed 1 August 2015

Former directorships in the last 3 years:

Herencia Resources plc	appointed 14 June 2006 and resigned 31 August 2013

Company secretary
Martijn Paul Bosboom – **LL.B, LL.M, FGIA, MAICD**
(Appointed 18 November 2013)

Mr. Martijn Bosboom is also the company's general counsel and has more than 20 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' report

DIRECTORS' MEETINGS

The number of meetings of the directors and the number of meetings attended by each director during the year ended 30 June 2015 were:

	Full meetings of directors		Audit committee meetings		Remuneration committee meetings	
	A	B	A	B	A	B
R. N. Gillard	10	10	4	4	4	4
J. A. Quartermaine	10	10	-	-	-	-
C. J. Carson	10	10	-	-	-	-
T. S. Harvey	10	10	4	4	4	4
M. A. Bohm	10	10	4	4	4	4

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 period.

DIRECTORS' INTERESTS

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

	Name	Fully paid ordinary shares	Options to acquire ordinary shares	Performance rights
Non-executive directors	R N Gillard	1,100,000	-	-
	T S Harvey	1,000,000	-	-
	M A Bohm	420,000	-	-
Executive directors	J A Quartermaine	562,500	-	636,786
	C J Carson	1,053,200	-	500,000

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 Class Order 98/100. 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 2015 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 director's 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.

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 the previous financial year were based on recommendations made by an independent remuneration consultant, PJ Kinder Consulting.

Advice was not sought out from PJ Kinder Consulting during the year as was done in the prior year (2014 fees: $5,000). Instructions and scope of terms for the engagement of PJ Kinder Consulting were issued by the committee.

The board is satisfied that the remuneration recommendations made by PJ Kinder Consulting 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) PJ Kinder Consulting discussed its findings and recommendations with the committee only and not any members of the management;
(iii) PJ Kinder Consulting's fees were based on a time basis at rates commensurate with such professional services; and
(iv) the committee had satisfied itself that PJ Kinder Consulting is a qualified and well-credentialed firm for the purposes of such professional advice and is independent from Perseus.

Directors' report

REMUNERATION REPORT - continued

Policy and structure of non-executive directors' remuneration

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 options or 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 $750,000 per annum (excluding the value of approved share based payments). The current limit of non-executive directors' fees was approved by shareholders at the 2010 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 2015 is detailed below.

Table 1 - Annual board and committee fees payable to non-executive directors

Position	Annual fees[1] from 1 July 2014 to 30 June 2015 $	Annual fees[1] from 1 July 2015 $
Base Fees		
Chair	170,000	170,000
Other non-executive directors	85,000	85,000
Additional Fees		
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

1 Inclusive of statutory superannuation where applicable

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 2015, required under Australian superannuation guarantee legislation.

Policy on executive directors' and other senior executives' remuneration

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;

REMUNERATION REPORT - continued

- 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.

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 2015 is detailed in table 2 of this report.

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 KPI's, both financial and non-financial, over a mix of group, function 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 KPI's of the CEO and 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. The CEO and executives have a target STI opportunity of 0% up to 33% of fixed remuneration.

On an annual basis the board will evaluate the group's physical, financial and business sustainability targets to determine whether these were met, give consideration to the group's external environment including the outlook for future years and then determine the STI pool that is available for payment to individuals. Each individual has a performance review conducted to measure performance against set KPI's.

REMUNERATION REPORT - continued

The remuneration committee will then, after consideration of performance against KPI's and recommendation from the CEO, determine the amount if any of the STI to be paid to each executive. STI payments are 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.

Given the group has a LTI plan the board does not consider it appropriate to defer a portion of the STI. The board has discretion in the approval of STI outcomes.

For the financial year ended 30 June 2015, STI payments representing 23% of their respective fixed remuneration were made to Mr Quartermaine, Mr Carson and Ms Brown, whilst an STI payment representing 15% of fixed remuneration was made to Mr Bosboom, as determined by the remuneration committee with due regard to the performance of the group and the respective individuals throughout the financial year. These STI payments are detailed in table 2, with the first portion of the STI paid in January 2015 and the final portion of the STI paid in July 2015.

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") 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 KPI rating of 3 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 outperformance the greater the reward to the executive.

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

Acacia Mining *	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

Subject to the performance conditions, the vesting and measurement periods for the rights range from one and a half to 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 is 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.

REMUNERATION REPORT - continued

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.

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 14 to 15 for details) plus the following senior executives.

Ms Elissa Brown	Chief financial officer
Mr Martijn Bosboom	General counsel and company secretary
Mr Paul Thompson	Group general manager – technical services (Appointed 5 January 2015)
Mr Brent Horochuk	Executive general manager (Appointed 8 December 2014)

Company performance

For the financial year ended 30 June 2015, STI payments were made to Mr Quartermaine, Mr Carson, Ms Brown and Mr Bosboom, as determined by the Remuneration Committee with due regard to the performance of the group and the respective individuals throughout the financial year. These payments are detailed in table 2.

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 12 months to 30 June 2015 and the four previous years are set out below:

Year ended 30 June	2015	2014	2013	2012	2011
Market capitalisation ($'000)	226,462	218,562	201,503	1,135,746	1,115,117
Closing share price ($)	0.43	0.42	0.44	2.48	2.62
TSR – 1 year (%)	2.4	(5.7)	(82.3)	(5.3)	13.9
TSR – 3 year rolling (%)	(82.7)	(84.2)	(80.9)	239.7	120.2
Median peer group TSR – 1 year (%)[1]	(22.0)	20.1	(68.0)		
Median peer group TSR – 3 year rolling (%)[1]	(65.5)				

Notes:

1 Only relevant for the financial years after and including 2013 as prior years would have had a different peer group.

For all performance rights granted after 1 January 2014, based on the group's performance over the relevant period up to 30 June 2015, Perseus is above the 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 all performance rights will vest subject to achievement of minimum individual employee KPI rating requirements.

REMUNERATION REPORT - continued

Table 2 - Directors' and executives' remuneration for the year ended 30 June 2015

	Short-term			Long-term	Post-employment	Termination	Share-based payments			
	Salary /fees	Cash bonus	Annual leave movement	Long service leave movement	Super-annuation	/resignation payments	Options	Performance rights (i)	Total	Performance related
	$	$	$	$	$	$	$	$	$	%
Non-executive directors										
Reginald Gillard										
2015	174,657	-	-	-	16,593	-	-	-	191,250	-
2014	175,057	-	-	-	16,193	-	-	-	191,250	-
Sean Harvey										
2015	108,800	-	-	-	-	-	-	-	108,800	-
2014	102,730	-	-	-	-	-	-	-	102,730	-
Michael Bohm										
2015	91,598	-	-	-	8,702	-	-	-	100,300	-
2014	88,721	-	-	-	8,207	-	-	-	96,928	-
Sub-total non-executive directors										
2015	375,055	-	-	-	25,295	-	-	-	400,350	-
2014	366,508	-	-	-	24,400	-	-	-	390,908	-
Executive directors										
Jeffrey Quartermaine										
2015	687,500	167,375	40,603	18,874	35,000	-	-	135,747	1,085,099	28
2014	697,500	-	22,437	10,208	25,000	-	-	52,143	807,288	6
Colin Carson										
2015	346,000	85,500	38,010	19,233	24,000	-	-	147,273	660,016	35
2014	305,225	-	(15,571)	(4,094)	17,775	-	-	91,600	394,935	23
Sub-total executive directors										
2015	1,033,500	252,875	78,613	38,107	59,000	-	-	283,020	1,745,115	31
2014	1,002,725	-	6,866	6,114	42,775	-	-	143,743	1,202,223	12
Directors total										
2015	**1,408,555**	**252,875**	**78,613**	**38,107**	**84,295**	**-**	**-**	**283,020**	**2,145,465**	**25**
2014	1,369,233	-	6,866	6,114	67,175	-	-	143,743	1,593,131	9

REMUNERATION REPORT - continued

Table 2 - Directors' and executives' remuneration for the year ended 30 June 2015 – continued

	Salary /fees	Short-term Cash bonus	Annual leave movement	Long-term Long service leave movement	Post-employment Super-annuation	Termination /resignation payments	Share-based payments Options	Share-based payments Performance rights (i)	Total	Performance related
	$	$	$	$	$	$	$	$	$	%
Senior executives										
Elissa Brown										
2015	351,217	85,500	1,691	9,734	18,783	-	-	36,444	503,369	24
2014	342,225	-	(5,083)	6,182	17,775	-	-	37,156	398,255	9
Martijn Bosboom										
2015	300,000	49,500	17,333	1,982	30,000	-	-	10,637	409,452	15
2014	254,250	-	9,831	392	23,120	-	-	3,985	291,578	1
Paul Thompson (ii)										
2015	115,010	-	11,819	101	9,204	-	-	-	136,134	-
2014	-	-	-	-	-	-	-	-	-	-
Brent Horochuk (iii)										
2015	211,733	-	28,518	-	-	-	-	23,435	263,686	9
2014	-	-	-	-	-	-	-	-	-	-
Kevin Thomson (iv)										
2015	406,052	-	-	-	-	45,024	-	42,303	493,379	9
2014	458,744	-	15,210	-	-	-	-	46,438	520,392	9
Senior executives total										
2015	**1,384,012**	**135,000**	**59,361**	**11,817**	**57,987**	**45,024**	**-**	**112,819**	**1,806,020**	**14**
2014	1,055,219	-	19,958	6,574	40,895	-	-	87,579	1,210,225	7

Notes:

(i) 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 2012. The fair value of the performance rights is calculated at the date of grant using the Monte-Carlo Simulation pricing model.

(ii) Mr Paul Thompson was appointed group general manager – technical services on 5 January 2015

(iii) Mr Brent Horochuk was appointed executive general manager for the EGM on 8 December 2014.

(iv) From 1 February 2015, fees for exploration management services provided by Mr Kevin Thomson were charged to Perseus by Thomson Geological Management Inc., a company in which Mr Thomson has a beneficial interest.

(v) Comparatives have been restated to include movements in annual leave and long service leave entitlements.

Directors' report

REMUNERATION REPORT - continued

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, options 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.

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) as 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

Name and job title	Employing company	Contract duration	Notice period	Fixed remuneration (including base salary and superannuation as applicable) [ii]	Variable remuneration	Termination provision
Jeffrey Quartermaine *CEO & managing director*	Perseus Mining Limited	No fixed term and review annually	3 months	$740,563	STI / LTI plan	Applicable on early termination by the company [iii]
Colin Carson *Executive director*	Perseus Mining Limited	No fixed term and review annually	3 months	$379,250	STI / LTI plan	Applicable on early termination by the company [iii]
Elissa Brown *Chief financial officer*	Perseus Mining Limited	No fixed term and review annually	3 months	$379,250	STI / LTI plan	Applicable on early termination by the company [iii]
Martijn Bosboom [i] *General counsel and company secretary*	Perseus Mining Limited	No fixed term and review annually	3 months [i]	$338,250	STI / LTI plan	Applicable on early termination by the company [iii]
Paul Thompson *Group general manager – technical services*	Perseus Mining Limited	No fixed term and review annually	3 months	$307,500	STI / LTI plan	Applicable on early termination by the company [iii]
Brent Horochuk *Executive general manager (EGM)*	Perseus Mining (Ghana) Limited	Three year contract and review annually	3 months	US$300,000	STI / LTI plan	Applicable on early termination by the company [iii]

Notes:

(i) Mr Bosboom is required to provide 2 months' notice on resignation; the company is required to provide 3 months' notice.

(ii) Represents current fixed remuneration of key management personnel from 1 July 2015.

(iii) 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.

Directors' report

REMUNERATION REPORT – continued

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 28 to the financial statements.

Table 4 - Key terms of share based compensation held by KMP and directors as at 30 June 2015

Type	Grant date	Exercise price	Fair value at grant date	End of measurement period	% of grant vested	Expiry date
Performance right (i)	25 November 2012	nil	$0.89	30 June 2015	-	31 December 2015
Performance right (i)	1 January 2013	nil	$0.71	30 June 2015	-	31 December 2015
Performance right (ii)	1 January 2014	nil	$0.17	30 June 2015	-	31 December 2015
Performance right (ii)	1 January 2014	nil	$0.18	31 December 2016	-	30 June 2017
Performance right (ii)	4 June 2014	nil	$0.22	30 June 2015	-	31 December 2015
Performance right (ii)	4 June 2014	nil	$0.23	31 December 2016	-	30 June 2017
Performance right (iii)	1 January 2015	nil	$0.17	30 June 2016	-	31 December 2016
Performance right (iii)	1 January 2015	nil	$0.16	31 December 2017	-	30 June 2018

(i) The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the performance period (three year period from 1 July 2012 to 30 June 2015 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 28 to the financial statements.

(ii) The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the performance period (18 month period from 1 January 2014 to 30 June 2015 and three year period from 1 January 2014 to 31 December 2016 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 28 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 (18 month period from 1 January 2015 to 30 June 2016 and three year period from 1 January 2015 to 31 December 2017 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 28 to the financial statements.

REMUNERATION REPORT - continued

Further information relating to the portion of KMP remuneration related to equity compensation for the period 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 12 months ended 30 June 2015			Amount paid per share on exercise
			Granted $	Exercised $	Lapsed $	
	Options	Performance rights	Performance rights	Performance rights	Performance rights	
Executive directors						
Jeffrey Quartermaine	-	13%	-	-	-	-
Colin Carson	-	24%	-	-	-	-
Senior executives						
Elissa Brown	-	7%	-	-	-	-
Martijn Bosboom	-	3%	-	-	-	-
Paul Thompson	-	0%	-	-	-	-
Brent Horochuk	-	10%	169,418	-	-	-
Kevin Thomson	-	9%	-	-	-	-

No amounts were unpaid on any shares issued on the exercise of options.

REMUNERATION REPORT - continued

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

Table 6 – Movement of options and performance rights granted to KMP and directors during the period

Name		Balance at the start of the year	Granted during the period 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
Non-executive directors									
Reginald Gillard	Options	-	-	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-	-	-
Sean Harvey	Options	-	-	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-	-	-
Michael Bohm	Options	-	-	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-	-	-
Executive directors									
Jeffrey Quartermaine	Options	-	-	-	-	-	-	-	-
	Performance rights	999,286	-	-	-	-	999,286	-	-
Colin Carson	Options	-	-	-	-	-	-	-	-
	Performance rights	700,000	-	-	-	-	700,000	-	-
Senior executives									
Elissa Brown	Options	-	-	-	-	-	-	-	-
	Performance rights	580,000	-	-	-	-	580,000	-	-
Martijn Bosboom	Options	-	-	-	-	-	-	-	-
	Performance rights	250,000	-	-	-	-	250,000	-	-
Paul Thompson	Options	-	-	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-	-	-
Brent Horochuk	Options	-	-	-	-	-	-	-	-
	Performance rights	-	1,000,000	-	-	-	1,000,000	-	-
Kevin Thomson	Options	-	-	-	-	-	-	-	-
	Performance rights	634,286	-	-	-	-	634,286	-	-

REMUNERATION REPORT - continued

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 options and performance rights yet to vest has been determined as the amount of the grant date fair value of the options or performance rights.

Table 7 – Options and performance rights granted as at 30 June 2015

Name		Number of performance rights	Financial period granted	Vested in current financial period	Vested in prior financial period	Forfeited in current financial period	Financial period in which performance rights may vest	Minimum total value of grant yet to vest	Maximum total value of grant yet to vest
		No	Yr	%	%	%	Yr	$	$
Executive directors									
Jeffrey Quartermaine	Performance rights	274,286	2013	-	-	-	2016	-	193,544
	Performance rights	362,500	2014	-	-	-	2016	-	-
	Performance rights	362,500	2014	-	-	-	2017	-	82,920
Colin Carson	Performance rights	300,000	2013	-	-	-	2016	-	266,125
	Performance rights	200,000	2014	-	-	-	2016	-	-
	Performance rights	200,000	2014	-	-	-	2017	-	45,749
Senior executives									
Elissa Brown	Performance rights	180,000	2013	-	-	-	2016	-	127,013
	Performance rights	200,000	2014	-	-	-	2016	-	-
	Performance rights	200,000	2014	-	-	-	2017	-	35,088
Martijn Bosboom	Performance rights	125,000	2014	-	-	-	2016	-	-
	Performance rights	125,000	2014	-	-	-	2017	-	21,930
Paul Thompson	Performance rights	-	-	-	-	-	-	-	-
Brent Horochuk	Performance rights	500,000	2015	-	-	-	2016	-	86,925
	Performance rights	500,000	2015	-	-	-	2018	-	82,493
Kevin Thomson	Performance rights	234,286	2013	-	-	-	2016	-	165,319
	Performance rights	200,000	2014	-	-	-	2016	-	-
	Performance rights	200,000	2014	-	-	-	2017	-	35,088

Directors' report

REMUNERATION REPORT – continued

5. Additional information

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

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

Shares issued on exercise of options
During the financial year no ordinary shares were issued by Perseus as a result of the 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:

	Balance at 30 June 2014	Received as remuneration	Options exercised	Other Movements (i)	Balance at 30 June 2015
Directors					
Reginald Gillard	1,100,000	-	-	-	**1,100,000**
Jeffrey Quartermaine	200,000	-	-	-	**200,000**
Colin Carson	853,200	-	-	-	**853,200**
Sean Harvey	1,000,000	-	-	-	**1,000,000**
Michael Bohm	420,000	-	-	-	**420,000**
Other key management personnel					
Elissa Brown	31,250	-	-	-	**31,250**
Martijn Bosboom	40,000	-	-	-	**40,000**
Paul Thompson	-	-	-	-	**-**
Brent Horochuk	-	-	-	-	**-**
Kevin Thomson (ii)	425,000	-	-	-	**425,000**

Notes:
(i) The remaining other movements represent on-market purchase of shares.
(ii) From 1 February 2015, fees for exploration management services provided by Mr Kevin Thomson were charged to Perseus by Thomson Geological Management Inc., a company in which Mr Thomson has a beneficial interest.

Performance rights

As at the date of this report, the total number of performance rights under the Performance Rights Plan was 10,664,918 as follows:

Type of security	Number	Exercise price	Issue date	Expiry date
Performance rights	300,000	nil	25 November 2012	31 December 2015
Performance rights	1,202,418	nil	1 January 2013	31 December 2015
Performance rights	2,125,000	nil	1 January 2014	30 June 2017
Performance rights	562,500	nil	4 June 2014	30 June 2017
Performance rights	750,000	nil	1 January 2015	30 June 2016
Performance rights	750,000	nil	1 January 2015	31 December 2017
Performance rights	4,975,000	nil	1 July 2015	31 December 2017

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.

REMUNERATION REPORT – continued

Shares issued on exercise of performance rights
On 29 July 2015, 2,687,500 performance rights successfully vested under the terms of the company's Performance Rights Plan and converted to ordinary shares on a 1 for 1 basis on satisfaction of specified conditions. The shares were issued to employees at nil consideration as part of employee remuneration.

4,975,000 performance rights were issued to employees of the company under the terms of the company's Performance Rights Plan approved by shareholders in November 2014. These performance rights were issued at nil consideration with an effective issue date of 1 July 2015. Each performance right will convert to an ordinary share upon satisfaction of vesting criteria.

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. 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 insurance premiums, paid during the year ended 30 June 2015 amounted to $152,518, and relates to:

1. costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
2. 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, Ernst & Young, 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 Ernst & Young 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 Ernst & Young, 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 21 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:

http://www.perseusmining.com/aurora/assets/user_content/CorporateGovernanceStatement.pdf

Directors' report

AUDITORS' INDEPENDENCE DECLARATION

Section 307C of the Act requires our auditors, Ernst & Young, to provide the directors of Perseus with an independence declaration in relation to the audit of the annual report. This independence declaration is set out on page 45 and forms part of this directors' report for the year ended 30 June 2015.

Signed in accordance with a resolution of directors.

J A Quartermaine

Managing Director

Perth, 28 August 2015

Competent Person Statement

The information in the Annual Group Ore Reserves and Mineral Resources Statement in this report 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 Steffen Brammer, a Competent Person who is a Resource Geologist with the Australian Institute of Mining and Metallurgy. Mr Brammer is an employee of the Company. Mr Brammer 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 Brammer 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 an Engineer with the Australian 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 National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Mr Thompson consents to the inclusion in this report of the information in the form and context in which it appears.

All production targets for the EGM referred to in this report are underpinned by estimated Ore Reserves which have been prepared by competent persons in accordance with the requirements of the JORC Code.

The information in this report includes an immaterial update (including for depletion as at 30 June 2015) to the Mineral Resource for the Fetish, Bokitsi, Esuajah North, Esuajah South, Chirawewa and Dadieso deposits at the EGM which was first reported by the Company in compliance with the JORC Code 2012 in market announcements released on 27 August 2014 and 4 September 2014. The Company confirms that it is not aware of any new information or data that materially affects the information in those market announcements and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not materially changed.

The information in this report includes an immaterial update (including for depletion as at 30 June 2015) to the Mineral Resource for the AFGap-Fobinso and Mampong deposits at the EGM and to the EGM Ore Reserves (including for depletion as at 30 June 2015) and which was first reported by the Company in compliance with the JORC Code 2012 in a market announcement released on 20 April 2015. The Company confirms that it is not aware of any new information or data that materially affects the information in that market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed.

The information in this report that relates to EGM Mineral Resources (to the extent updated compared to the Mineral Resources first reported by the Company in compliance with the JORC Code 2012 in market announcements released on released on 27 August 2014, 4 September 2014 and 20 April 2015) is based on information compiled and reviewed by Steffen Brammer who is a Resource Geologist with the Australian Institute of Mining and Metallurgy. Mr Brammer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Mr Brammer is a full time employee of the Company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to EGM Ore Reserves (to the extent updated compared to the Ore Reserves first reported by the Company in compliance with the JORC Code 2012 in a market announcement released on 20 April 2015) is based on information compiled and reviewed by Paul Thompson who is an Engineer with the Australian Institute of Mining and Metallurgy. Mr Thompson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the JORC Code 2012.Mr Thompson is a full time employee of the Company and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to exploration results at the Bokitsi South Deposit was first reported by the Company in compliance with the JORC Code 2012 in a market announcement released on 16 October 2014. The information in this report that relates to exploration results at the Mampong Deposit was first reported by the Company in compliance with the JORC Code 2012 in a market announcement released on 15 September 2014. The information in this report that relates to exploration results at the Chirawewa Deposit was first reported by the Company in compliance with the JORC Code 2012 in a market announcement released on 22 April 2015. The information in this report that relates to exploration results at the Bélé Deposit was first reported by the Company in compliance with the JORC Code 2012 in market announcements released on 16 October 2014 and 12 January 2015. The Company confirms that it is not aware of any new information or data that materially affects the information in those market announcements.

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

In relation to our audit of the financial report of Perseus Mining Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
28 August 2015

Contents of the financial statements

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 and activities in the directors' report on pages 5 to 13, which is not part of these financial statements.

These financial statements were authorised for issue by the directors on 28 August 2015. 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.

Statement of comprehensive income

For the year ended 30 June 2015

	Notes	CONSOLIDATED 2015 $'000	2014 $'000
Revenue		**333,502**	264,218
Changes in inventories of finished goods and work in progress	4	**(6,237)**	563
Contractors, consumables, utilities and reagents		**(154,117)**	(179,618)
Royalties		**(17,894)**	(16,501)
Employee benefits expense		**(27,193)**	(29,596)
Depreciation and amortisation expense	4	**(54,423)**	(40,962)
Foreign exchange gains / (loss)	4	**52,414**	(21,643)
Finance cost	4	**(746)**	(1,588)
Impairment reversal of investment in associate	10	-	2,255
Impairment of available-for-sale financial asset	9	**(1,030)**	(2,225)
Share of net losses of associate	10	**(108)**	(1,383)
Gain recognised on discontinuation of equity accounting	10	**499**	-
Other expenses		**(7,685)**	(10,297)
Profit / (loss) before income tax expense		**116,982**	(36,777)
Income tax (expense) / benefit	5	**(24,815)**	4,717
Net profit / (loss) after tax expense		**92,167**	(32,060)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**27,144**	(2,494)
Net changes in fair value of cash flow hedges		**(4,315)**	(19,393)
Net changes in fair value of financial assets		**(147)**	705
Income tax benefit relating to cash flow hedges		**1,510**	6,788
Total comprehensive income / (loss) for the year		**116,359**	(46,454)
Profit / (loss) attributable to:			
Owners of the parent		**87,819**	(30,949)
Non-controlling interests		**4,348**	(1,111)
		92,167	(32,060)
Total comprehensive income / (loss) attributable to:			
Owners of the parent		**110,763**	(43,923)
Non-controlling interests		**5,596**	(2,531)
		116,359	(46,454)
Basic profit / (loss) per share	27	**16.67 cents**	(6.43) cents
Diluted profit / (loss) per share	27	**16.43 cents**	(6.43) cents

The accompanying notes form part of these financial statements.

Statement of financial position

As at 30 June 2015

	Notes	CONSOLIDATED 2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	6	**103,741**	36,937
Receivables	7	**40,720**	32,985
Inventories	8	**43,960**	37,111
Other assets	9	**6,033**	5,943
Derivative financial instruments	14	**21,276**	9,557
Total current assets		**215,730**	122,533
Non-current assets			
Receivables	7	**12,337**	17,243
Inventories	8	**-**	2,025
Other assets	9	**2,820**	2,053
Investments accounted for using the equity method	10	**-**	1,548
Property, plant and equipment	11	**210,672**	184,521
Mine properties	12	**214,699**	189,005
Mineral interest acquisition and exploration expenditure	13	**41,568**	33,565
Derivative financial instruments	14	**-**	9,529
Total non-current assets		**482,096**	439,489
Total assets		**697,826**	562,022
Current liabilities			
Trade and other payables	15	**38,054**	53,077
Derivative financial instruments	14	-	115
Total current liabilities		**38,054**	53,192
Non-current liabilities			
Provision	15	**10,477**	7,669
Deferred tax liability	16	**66,073**	34,552
Total non-current liabilities		**76,550**	42,221
Total liabilities		**114,604**	95,413
Net assets		**583,222**	466,609
Equity			
Issued capital	18	**476,427**	476,429
Reserves	18	**22,007**	(1,110)
Retained earnings / (accumulated losses)	19	**72,539**	(15,280)
Parent entity interest		**570,973**	460,039
Non-controlling interest		**12,249**	6,570
Total equity		**583,222**	466,609

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2015

	CONSOLIDATED								
	Issued capital $'000	Retained earnings / (accumulated losses) $'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
Balance at 1 July 2014	476,429	(15,280)	19,071	(33,739)	54	13,286	218	6,570	466,609
Profit for the period	-	87,819	-	-	-	-	-	4,348	92,167
Currency translation differences	-	-	-	25,680	-	-	-	1,529	27,209
Share of currency translation difference of associated entity	-	-	-	(65)	-	-	-	-	(65)
Net change in the available-for-sale financial assets	-	-	-	-	(147)	-	-	-	(147)
Net change in the fair value of cash flow hedges	-	-	-	-	-	(3,883)	-	(432)	(4,315)
Income tax relating to components of other comprehensive income	-	-	-	-	-	1,359	-	151	1,510
Total comprehensive income / (loss) for the year	**-**	**87,819**	**-**	**25,615**	**(147)**	**(2,524)**	**-**	**5,596**	**116,359**
Shares issued during the period	-	-	-	-	-	-	-	-	-
Share issue expenses	(2)	-	-	-	-	-	-	-	(2)
Derecognition of share of reserve on discontinuation of equity accounting	-	-	(391)	-	-	-	-	-	(391)
Share based payments	-	-	532	-	-	-	-	115	647
Non-controlling interest arising from the issue of exploitation permit	-	-	-	-	-	-	32	(32)	-
Balance at 30 June 2015	**476,427**	**72,539**	**19,212**	**(8,124)**	**(93)**	**10,762**	**250**	**12,249**	**583,222**
Balance at 1 July 2013	445,404	15,669	18,865	(31,404)	(651)	24,631	218	9,112	481,844
Loss for the period	-	(30,949)	-	-	-	-	-	(1,111)	(32,060)
Currency translation differences	-	-	-	(2,359)	-	-	-	(159)	(2,518)
Share of currency translation difference of associated entity	-	-	-	24	-	-	-	-	24
Net change in the available-for-sale financial assets	-	-	-	-	705	-	-	-	705
Net change in the fair value of cash flow hedges	-	-	-	-	-	(17,454)	-	(1,939)	(19,393)
Income tax relating to components of other comprehensive loss	-	-	-	-	-	6,109	-	679	6,788
Total comprehensive (loss) / income for the period	**-**	**(30,949)**	**-**	**(2,335)**	**705**	**(11,345)**	**-**	**(2,530)**	**(46,454)**
Shares issued during the period	32,286	-	-	-	-	-	-	-	32,286
Share issue expenses	(1,261)	-	-	-	-	-	-	-	(1,261)
Share based payments	-	-	206	-	-	-	-	(12)	194
Balance at 30 June 2014	**476,429**	**(15,280)**	**19,071**	**(33,739)**	**54**	**13,286**	**218**	**6,570**	**466,609**

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 30 June 2015

	Notes	CONSOLIDATED 2015 $'000	2014 $'000
Operating activities			
Receipts in the course of operations		**314,000**	255,294
Payments to suppliers and employees		**(228,844)**	(236,142)
Interest received		**637**	203
Payments for borrowing costs		**-**	(269)
Net cash from operating activities	26	**85,793**	19,086
Investing activities			
Payments for exploration and evaluation expenditure		**(5,570)**	(8,409)
Payments for acquisition of property, plant and equipment		**(47)**	(358)
Payments for mine properties		**(13,150)**	(21,570)
Payments for acquisition of assets under construction		**(20,166)**	(17,624)
Proceeds on disposal of property, plant and equipment		**-**	164
Purchase of gold put options		**-**	(179)
Investment in listed / unlisted entity		**(281)**	(50)
Net cash used in investing activities		**(39,214)**	(48,026)
Financing activities			
Proceeds from share issues		**-**	32,286
Share issue expenses		**(2)**	(1,261)
Net cash (used in) / provided by financing activities		**(2)**	31,025
Net increase in cash held		**46,577**	2,085
Cash and cash equivalents at the beginning of the financial year		**36,937**	35,480
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		**20,227**	(628)
Cash and cash equivalents at the end of the financial year	6	**103,741**	36,937

The accompanying notes form part of these financial statements.

Contents of the notes to the financial statements

Notes to the financial statements

For the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. 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 2015, the consolidated entity conducted operations in Australia, Ghana and Côte d'Ivoire.

a) Basis of preparation

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).

New and amended Standards and Interpretations adopted by the group
In the year ended 30 June 2015, 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 2014, including:

(i) AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities:* AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014 and has been adopted in this financial report. The group has applied the new standard and its application has had no impact on the composition of the group as the amendments merely clarify the existing requirements in AASB 132.

(ii) AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.* These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014. The group has applied the new standard and its application has had no impact on the composition of the group as they are largely of the nature of clarification of existing requirements and additional disclosures introduced.

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

Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1. SUMMARY OF 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 2015 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) Associates and joint ventures

Associates are all entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the associate or joint venture since the acquisition date. The group's investment in its associate or joint venture includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The statement of other comprehensive income reflects the group's share of the results of operations of the associate or joint venture. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the group and the associate or joint venture are eliminated to the extent of the group's interest in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the group. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value then recognises the loss as 'Impairment of investment in associate' in the income statement.

Upon loss of significant influence over the associate or joint control over the joint venture, the group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

b) Principles of consolidation – continued

(iii) 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) 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.

d) 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).

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

d) Foreign currency transactions and balances – 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)
Côte d'Ivoire	Occidental Gold Sarl	CFA[1] francs (XOF)
	Perex Sarl	CFA[1] francs (XOF)
	Perseus Mining Côte d'Ivoire SA	CFA[1] francs (XOF)
	Perseus Services Sarl	CFA[1] francs (XOF)
Canada	Perseus Mining Services Ltd	Canadian dollars (CAD)

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

e) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount can be reliably measured and it is probable that future economic benefits will flow to the entity. The following criteria are also applicable to specific revenue transactions:

(i) Gold bullion sales
Revenue from gold bullion sales is recognised when there has been a transfer of risks and rewards from the group to an external party, no further processing is required by the group, quality and quantity of the goods has been determined with reasonable accuracy, the selling price is fixed or determinable, and collectability is probable. The point at which risk and rewards pass for the group's commodity sales is upon dispatch of the gold bullion from the mine site. Adjustments are made for variations in commodity price, assay and weight between the time of dispatch and the time of final settlement.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period'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 reporting period 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.

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 reporting period 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.

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.

g) Impairment of assets

Goodwill and 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 to sell 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.

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 two cash generating units, Edikan Gold Mine and the Sissingué 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.

h) Cash and cash equivalents

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 to 90 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.

j) Inventories

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 period 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.

k) Investments and other financial assets

Classification
The group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset 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. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

(ii) Loans 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 reporting period which are classified as non-current assets. Loans and receivables are included in receivables (note 7) in the statement of financial position.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition
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 available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses on sale of available-for-sale financial assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(k) Investments and other financial assets - continued

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.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets 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 period in which they arise. Changes in value of non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 17.

Impairment
The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from other comprehensive income and recognised in the profit or loss.

l) 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 reporting period. 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).

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.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 14. 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 139 Financial Instruments: Recognition and Measurement 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 "sale of goods" 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

l) Derivatives and hedging activities – continued

(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.

m) Property, plant and equipment and mine properties

Land and buildings and all other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (note 1(g)). 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 period in which they are incurred.

Land is not depreciated.

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, together with sanctioned future development expenditure. The EGM 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.

Depreciation on other assets is calculated using the straight-line method to allocate their cost net of their residual values, 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 reporting period. 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 (note 1(g)). Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

m) Property, plant and equipment and mine properties – continued

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'.

n) Exploration and evaluation expenditure

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

- such expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- 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 if abandoned or, if facts and circumstances suggest that the carrying amount of an exploration and evaluation asset is impaired (as outlined in 1(g)) 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' (note 1(m)).

o) 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.

p) Borrowings

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 probably 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 reporting period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

q) 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.

r) 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 reporting period. 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.

s) Employee benefits

(i) 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.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual 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 reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) 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) Share based payments

Share based compensation benefits are provided to employees, consultants and contractors via the Perseus Mining Limited Employee Option Plan and the Performance Rights Plan. Information relating to share based payments is set out in note 28.

The fair value of options or 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 options or 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 reporting period, the group revises its estimate of the number of options or performance rights that are expected to become vested. The employee benefit expense recognised each period 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

t) 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 period, in which case the amount is included in the cost of production for the period. 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.

u) Contributed equity

Ordinary shares are classified as equity and incremental costs directly attributable to the issue of new shares or options 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.

v) Earnings per share

(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.

w) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

x) Parent entity financial information

The financial information for the parent entity, Perseus Mining Limited, disclosed in note 29 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 grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. 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.

y) 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.

The stripping activity asset is subsequently amortised using the UOP method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves, which comprise proven and probable reserves, are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is then carried at cost less amortisation and any impairment losses.

z) Fair value measurement

The group measures derivatives at fair value at each balance-sheet date and, for the purposes of impairment testing, uses fair value less costs of disposal to determine the recoverable amount of some of its non-financial assets. Also, fair values of financial instruments are disclosed in note 17.

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
- 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

z) Fair value measurement - continued

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements 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 (unadjusted) market prices in active markets 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 assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

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 reporting period
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

aa) Accounting standards and interpretations issued but not yet effective

At the date of the authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the group. Management anticipates that all of the relevant pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement.

(i) AASB 9 *Financial Instruments* is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

aa) New accounting standards and interpretations - continued

Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss ("FVPL") using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:

- The change attributable to changes in credit risk are presented in other comprehensive income (OCI).
- The remaining change is presented in profit or loss.

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.

The AASB issued a revised version of AASB 9 (AASB 2014-7) during December 2014. The final version of AASB 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. This version adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets. This new version supersedes AASB 9 (December 2009) and AASB 9 (December 2010). The revised standard incorporates two primary changes:

1. Requirements for impairment of financial assets; and
2. Limited amendments to classification and measurement of financial assets, including introduction of a measurement category of 'fair value through other comprehensive income' for debt instruments.

The application date of this standard is 1 January 2018 and management has not yet assessed its impact on the group.

(ii) AASB 15 *Revenue from contracts with customers* replaces the existing revenue recognition standards AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related interpretations (Interpretation 13 *Customer Loyalty Programmes*, Interpretation 15 *Agreements for the Construction of Real Estate*, Interpretation 18 *Transfers of Assets from Customers*, Interpretation 131 *Revenue—Barter Transactions Involving Advertising Services* and Interpretation 1042 *Subscriber Acquisition Costs in the Telecommunications Industry).* AASB 15 incorporates the requirements of IFRS 15 *Revenue from contracts with customers* issued by the IASB and developed jointly with the US Financial Accounting Standards Board ("FASB")

The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

(a) Step 1: Identify the contract(s) with a customer
(b) Step 2: Identify the performance obligations in the contract
(c) Step 3: Determine the transaction price
(d) Step 4: Allocate the transaction price to the performance obligations in the contract
(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under AASB 15, an assessment of contractual arrangements is completed to assess whether they are in the scope of the new standard. The application date of this standard is 1 January 2017 and management has not yet assessed its impact on the group.

Early application of this standard is permitted.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(i) Exploration and evaluation expenditure
In accordance with accounting policy note 1(n) 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. See note 13 for disclosure of carrying values.

(ii) Impairment of assets
In accordance with accounting policy note 1(g), in determining whether the recoverable amount of each cash generating unit is the higher of fair value less costs to sell or value-in-use against which asset impairment is to be considered, the group undertakes future cash flow calculations which are based on a number of critical estimates and assumptions, and reflect the life of mine ("LOM") operating and capital cost assumptions used in the group's latest budget and LOM plans:

- *(i)* Mine life including quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction with given technology;
- *(ii)* Estimated production and sales levels;
- *(iii)* Estimate future commodity prices are based on brokers consensus forecast;
- *(iv)* Future costs of production;
- *(v)* Future capital expenditure;
- *(vi)* Future exchange rates; and/or
- *(vii)* Discount rates based on the group's estimated before tax weighted average cost of capital, adjusted when appropriate to take into account relevant risks such as development risk etc.

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 gold price.

(iii) Share-based payments
The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they were granted. The fair value of options granted is determined using a Black-Scholes model and the fair value of performance rights granted is determined using a Monte Carlo simulation model, using the assumptions detailed in note 28.

(iv) Restoration and rehabilitation provisions
As set out in accounting policy note 1(t), 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 – see note 15 for disclosure of carrying values.

(v) Derivative financial instruments
The group makes judgements on the effectiveness of all derivative financial instrument entered into, including forward metal contracts, metal options and foreign currency option contracts in accordance with accounting policy note 1(l). Management's assessment is that, unless otherwise disclosed, the derivatives have been highly effective in offsetting changes in the fair value of the future cash flows against which they have been designated and as such are compliant with the hedge effectiveness requirements of AASB 139. Further information on the group's use of derivative financial instruments, including carrying values, is set out in note 14.

2. **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS – continued**

(vi) Taxes

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

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

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

(viii) Deferred stripping expenditure

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

(ix) Inventory

Net realisable value tests are performed at least quarterly and represent the estimated future sales price of the product based on prevailing spot metal 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 expected processing method. Stockpile tonnages are verified by periodic surveys.

(x) Reserves and resources

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.

(xi) Measurement of fair values

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 17 for further disclosures.

3. SEGMENT INFORMATION

(a) Description of segments

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

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

The group operated principally in three geographical segments in 2015 being Australia and the West African countries of Ghana and Côte d'Ivoire. The segment information is prepared in conformity with the group's accounting policies.

The group comprises the following main segments:

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

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

3. SEGMENT INFORMATION – continued

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

	Australia 2015 $'000	Australia 2014 $'000	**Ghana 2015 $'000**	Ghana 2014 $'000	**Côte d'Ivoire 2015 $'000**	Côte d'Ivoire 2014 $'000	**Consolidated 2015 $'000**	Consolidated 2014 $'000
Revenue								
Total revenue	**551**	229	**332,951**	263,989	**-**	-	**333,502**	264,218
Results								
Operating profit / (loss) before income tax	**48,241**	(19,328)	**70,590**	(15,345)	**(1,849)**	(2,104)	**116,982**	(36,777)
Income tax (expense) / benefit							**(24,815)**	4,717
Net profit / (loss)							**92,167**	(32,060)
Included within segment results:								
Share of net loss of associate accounted for using the equity method	**(108)**	(1,383)	**-**	-	**-**	-	**(108)**	(1,383)
Impairment reversal of investment in associate	**-**	2,255	**-**	-	**-**	-	**-**	2,255
Impairment of available-for-sale financial asset	**(1,030)**	(2,225)	**-**	-	**-**	-	**(1,030)**	(2,225)
Depreciation and amortisation	**(1,005)**	(898)	**(53,279)**	(39,918)	**(139)**	(146)	**(54,423)**	(40,962)
Devaluation of gold put options	**-**	-	**-**	(180)	**-**	-	**-**	(180)
Share based payments to employees, directors and consultants	**(481)**	(120)	**(66)**	(33)	**(39)**	(20)	**(586)**	(173)
Foreign exchange gain / (loss)	**57,800**	(7,850)	**(5,410)**	(13,788)	**24**	(5)	**52,414**	(21,643)

	As at 30 June 2015 $'000	As at 30 June 2014 $'000	**As at 30 June 2015 $'000**	As at 30 June 2014 $'000	**As at 30 June 2015 $'000**	As at 30 June 2014 $'000	**As at 30 June 2015 $'000**	As at 30 June 2014 $'000
Assets								
Segment assets	**45,104**	43,272	**587,263**	456,590	**65,459**	62,160	**697,826**	562,022
Total assets includes:								
Investments in associates	**-**	1,548	**-**	-	**-**	-	**-**	1,548
Additions to non-current assets (other than financial assets)	**131**	404	**36,023**	41,881	**3,782**	3,792	**39,936**	46,077
Liabilities								
Segment liabilities	**1,543**	1,013	**112,512**	93,925	**549**	475	**114,604**	95,413

4. OTHER INCOME / EXPENSES AND ADJUSTMENTS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Profit / (loss) before income tax has been determined after:		
Other revenue:		
Interest revenue	**651**	240

Interest revenue is included in 'revenue' in the statement of comprehensive income.

	2015 $'000	2014 $'000
Foreign exchange gain / (loss):		
Foreign exchange gain / (loss) on translation of inter-company loans	**55,559**	(7,482)
Foreign exchange loss on translation of VAT receivable	**(5,779)**	(15,582)
Foreign exchange gain on other translations	**2,634**	1,421
	52,414	(21,643)
Changes in inventories of finished goods and work in progress:		
(Write down) / write up of inventories due to (decrease) / increase in net realisable value	**(6,389)**	6,505

(Write down) / write up of inventories due to a (decrease) / increase in net realisable value is included in 'changes in inventories of finished goods and work in progress' in the statement of comprehensive income.

	2015 $'000	2014 $'000
Finance costs:		
Interest and finance charges	**(746)**	(1,588)
Other costs:		
Devaluation of gold put options	**-**	(180)
Write-down of receivable	**(2,820)**	-
Doubtful debts	**-**	(3,040)
Depreciation and amortisation:		
Amortisation of stripping asset	**(24,138)**	(15,702)
Other depreciation and amortisation	**(30,285)**	(25,260)
	(54,423)	(40,962)

5. INCOME TAX EXPENSE

	CONSOLIDATED	
	2015 $'000	2014 $'000
a) Income tax expense		
Current tax expense	**263**	538
Deferred tax expense / (benefit)	**24,552**	(5,255)
Adjustment for current tax of prior periods	**-**	-
Income tax expense / (benefit)	**24,815**	(4,717)
Income tax expense is attributable to:		
Profit / (loss) from continuing operations	**24,815**	(4,717)
Profit / (loss) from discontinued operations	**-**	-
Aggregate income tax expense / (benefit)	**24,815**	(4,717)
Deferred income tax expense included in tax comprises:		
Decrease / (increase) in deferred tax assets	**23,751**	(10,871)
Increase in deferred tax liabilities	**801**	5,616
Aggregate deferred tax expense / (benefit)	**24,552**	(5,255)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit / (loss) from continuing operations before income tax expense	**116,599**	(36,777)
Profit / (loss) from discontinuing operations before income tax expense	**-**	-
	116,599	(36,777)
Tax at the Australian tax rate of 30%	**34,980**	(11,033)
Effect of tax rates in foreign jurisdictions	**3,402**	(818)
Non-deductible expenses	**757**	706
Share of net loss of associates	**-**	415
Share based payments	**152**	32
Foreign exchange on investment in foreign subsidiaries	**(22,100)**	3,027
Deferred tax asset not brought to account	**7,624**	3,164
	24,815	(4,507)
(Over) / under provision in prior years	**-**	(210)
Income tax expense / (benefit)	**24,815**	(4,717)

(c) Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity	**1,510**	6,788
Net deferred tax credited directly to equity	**1,510**	6,788

(d) Tax losses

Estimated Australian revenue tax losses	**27,887**	22,870
Estimated Australian capital tax losses	**933**	933
	28,820	23,803
Potential tax benefit at 30%	**8,646**	7,141
Less deferred tax liability offset against Australian revenue tax losses	**(5,607)**	-
Deferred tax asset not recognised	**3,039**	7,141

6. CASH AND CASH EQUIVALENTS

		CONSOLIDATED	
		2015 $'000	2014 $'000
Cash assets	(i)	**10,795**	1,685
Short term deposits	(ii)	**92,946**	35,252
		103,741	36,937

(i) Cash at bank earns interest at floating rates based on daily bank deposit rates.

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

Risk exposure

The group's exposure to interest rate risk is discussed in note 17. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

7. RECEIVABLES

Current			
Trade debtors	(i)	**24,508**	12,061
Sundry debtors	(i)	**7,403**	3,267
Other receivable	(ii)	**12,454**	20,615
Allowance for doubtful debts	(iii)	**(3,645)**	(2,958)
		40,720	32,985
Non-current			
Other receivable	(ii)	**-**	7,245
Security deposits	(iv)	**12,337**	9,998
		12,337	17,243
Movement in the allowance for doubtful debts:			
Balance at beginning of the year		**2,958**	-
Impairment losses recognised on receivables		**-**	3,040
Foreign exchange translation gains / (losses)		**687**	(82)
Balance at the end of the year		**3,645**	2,958

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 2015 $12.4 million (30 June 2014: $27.9 million) related to a VAT refund receivable from the Ghana Revenue Authority ("GRA"). There are no non-current VAT receivables as at 30 June 2015.

(iii) Allowance for doubtful debts are recognised against sundry debtors for estimated irrecoverable amounts determined by reference to an analysis of the counterparty's current financial position.

(iv) At 30 June 2015, the group has US$9.4 million (approximately A$12.3 million) held in bank deposits which are subject to a lien and are collateral for a bank guarantee that has been issued to the Ghana Environmental Protection Agency in relation to environmental rehabilitation provisions concerning the EGM.

Past due but not impaired

With the exception of $3.6 million disclosed above which is fully provided for, all of the remaining trade and other receivables are current.

Fair value and foreign exchange and credit risk

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

7. RECEIVABLES – continued

The other receivable relating to a VAT refund from the GRA is immediately repayable on demand in Ghanaian Cedis ("GHS"), is unsecured and bears no interest. Since the authorisation of treasury credit notes by the GRA, payments of employment taxes, withholding taxes and royalties have been offset against the VAT receivable. During the year, the group received a partial payment of the outstanding VAT debt from the GRA, totalling GHS17.6 million (US$5.8 million) and GHS77.6 million (US$21.3 million) of Treasury Credit Notes to cover that part of the VAT refund that has been formerly audited and approved.

Further information about the group's exposure to these risks is provided in note 17.

8. INVENTORIES

		CONSOLIDATED	
		2015 $'000	2014 $'000
Current			
Ore stockpiles – at cost		**9,176**	7,817
Ore stockpiles – at net realisable value		**-**	4,303
Gold in circuit		**4,288**	2,311
Materials and supplies		**30,496**	22,680
		43,960	37,111
Non-current			
Ore stockpiles – at net realisable value		**-**	2,025

Inventory expense
The inventory expense during the year ended 30 June 2015 was $235.3 million (30 June 2014: $238.4 million). The write down of inventories due to a decrease in net realisable value recognised during the year ended 30 June 2015 amounted to $6.4 million (30 June 2014 write up: $6.5 million) and is included in 'changes in inventories of finished goods and work in progress' in the statement of comprehensive income.

9. OTHER ASSETS

Current			
Prepayments		**6,033**	5,943
		6,033	5,943
Non-current			
Prepayments		**-**	212
Available for sale financial assets	(i)	**2,820**	1,841
		2,820	2,053
Reconciliation of movements in available for sale financial assets:			
Balance at beginning of the year		**1,841**	3,310
Reclassification from investments accounted for using the equity method		**1,875**	-
Additions		**281**	51
Impairment of available for sale financial asset	(ii)	**(1,030)**	(2,225)
(loss) / gain on fair value remeasurements		**(147)**	705
Balance at end of the year		**2,820**	1,841
Current financial assets		**-**	-
Non-current financial assets		**2,820**	1,841
		2,820	1,841

9. OTHER ASSETS – continued

Terms and conditions relating to the above financial instruments:

(i) The group's investment in Manas Resources Limited ("Manas") ($0.5 million) and Burey Gold Limited ("Burey") ($2.3 million) is recognised as an available for sale financial asset. During the year, the group discontinued equity accounting for Burey as it no longer qualified as an associate. The investment was subsequently recognised as an available for sale financial asset. Refer to note 10 for further detail.

(ii) During the year ended 30 June 2015, impairment of the investment in Manas was considered. The prolonged decline in the fair value of Manas's shares was considered objective evidence of impairment and as such, an impairment of $1.0 million was made and is shown at 'impairment of available for sale financial assets' in the statement of comprehensive income. As at 30 June 2015, no further evidence of impairment existed. The investment in Manas is recognised at fair value 30 June 2015.

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 17.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Burey Gold Limited
In the prior year, the group held a 20.0% interest in Burey and accounted for the investment as an associate. On 5 September 2014 Burey completed a capital raising valued at approximately $2.7 million announced on 8 September 2014. Perseus did not participate in the capital raising and subsequently Perseus's interest in Burey reduced from 20.0% to 15.5%. Due to the change of interest, the equity method of accounting was discontinued and the remaining investment recognised as an available-for-financial asset. Refer to note 9 for further detail.

On 26 November 2014 Burey completed an equity raising of $1.0 million. Perseus did not participate in the capital raising and subsequently Perseus's interest in Burey reduced from 15.5% to 14.2%. In addition, Burey completed an equity raising of $1.9 million on 30 June 2015. Perseus did not participate in the capital raising and subsequently Perseus's interest in Burey reduced from 14.2% to 11.8%.

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

	CONSOLIDATED	
	2015 $'000	2014 $'000
Investment in associated entity - Burey	**-**	1,548
Reconciliation of movements in investments accounted for using the equity method:		
Balance at 1 July	**1,548**	652
Share of loss for the year	**(108)**	(1,383)
Share of foreign currency translation reserve movement	**(72)**	24
Impairment reversal	**-**	2,255
Mark to market gain recognised on discontinuation of equity accounting	**507**	-
Reclassification of remaining interest to financial assets	**(1,875)**	-
Balance	**-**	1,548

11. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	2015 $'000	2014 $'000
Plant and equipment - at cost	**177,088**	139,142
Accumulated depreciation	**(51,358)**	(28,675)
	125,730	110,467
Reconciliation of plant and equipment:		
Balance at the beginning of the year	**110,467**	119,987
Additions	**69**	634
Transferred from assets under construction	**5,935**	7,652
Depreciation	**(15,271)**	(13,121)
Disposals	**(29)**	(1,220)
Translation difference movement	**24,559**	(3,465)
Carrying amount at the end of the year	**125,730**	110,467
Assets under construction – at cost	**84,942**	74,054
Reconciliation of assets under construction:		
Balance at the beginning of the year	**74,054**	91,356
Additions	**19,362**	16,952
Write-off / disposal	**-**	(1,933)
Transferred to property, plant and equipment	**(5,935)**	(7,652)
Transferred to mine properties	**(5,818)**	(24,877)
Translation difference movement	**3,279**	208
Carrying amount at the end of the year	**84,942**	74,054
Total property, plant and equipment net book value	**210,672**	184,521

12. MINE PROPERTIES

	CONSOLIDATED	
	2015 $'000	2014 $'000
Mine properties - at cost	**330,017**	248,264
Accumulated depreciation	**(115,318)**	(59,259)
	214,699	189,005

Reconciliation of mine properties:		
Balance at the beginning of the year	**189,005**	156,411
Additions	**14,992**	22,183
Transferred from assets under construction	**5,818**	24,877
Transferred from mineral interest acquisition and exploration expenditure	**3,267**	19,059
Amortisation	**(39,152)**	(27,841)
Translation difference movement	**40,769**	(5,684)
Carrying amount at the end of the year	**214,699**	189,005

13. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE

Mineral interest acquisition and exploration – at cost	**41,568**	33,565
Reconciliation:		
Balance at the beginning of the year	**33,565**	47,311
Additions	**5,389**	6,173
Transferred to mine properties	**(3,267)**	(19,059)
Translation difference movement	**5,881**	(860)
Carrying amount at the end of the year	**41,568**	33,565

The expenditure above relates principally to exploration and evaluation activities. The ultimate recoupment of this expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Current assets		
Cash flow hedge asset	**18,397**	9,557
Financial assets at fair value – gold forward contracts	**2,879**	-
	21,276	9,557
Current liabilities		
Financial liabilities at fair value – gold forward contracts	**-**	115
Non-current assets		
Cash flow hedge asset	**-**	9,529

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

Forward metal contracts – cash flow hedges:

The group uses cash flow designated USD forward metal contracts to hedge movements in USD precious metal prices on its anticipated sales of gold. At 30 June 2015 there were cash flow designated hedge contracts in place for 33,000 ounces of gold with settlements scheduled between September 2015 and December 2015 with a weighted average price of US$1,600/oz. The portion of the gain or loss on these hedging instruments that are determined to be an effective hedge are recognised and retained directly in equity. The ineffective portion will be recognised in the statement of comprehensive income.

The amount reclassified during the year to the income statement was a gain of $23.6 million (30 June 2014 gain: $3.3 million).

Financial assets at fair value – gold forward contracts:

Financial assets at fair value through profit or loss include the change in value of gold forward contracts put in place during the year ending 30 June 2015. The group uses USD forward metal contracts to hedge movements in USD precious metal prices on its anticipated sales of gold. The risk management policies related to these contracts are provided in note 17. Movements in fair value between inception and close-out of the contract are taken to the statement of comprehensive income.

At 30 June 2015 the group held forward metal contracts for 30,000 ounces of gold on a spot deferred basis with a weighted average price of US$1,247/oz. When necessary, these contracts may be rolled over into new contracts at maturity, subject to counterparty credit approval.

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 17.

15. PAYABLES AND PROVISIONS

		CONSOLIDATED	
		2015 $'000	2014 $'000
Current			
Trade creditors and accruals	(i)	**36,437**	51,576
Employee benefits		**1,617**	1,501
		38,054	53,077

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 17.

	2015 $'000	2014 $'000
Non-current		
Provision for rehabilitation work	**10,283**	7,543
Balance at the beginning of the year	**7,543**	7,864
Arising during the year	**1,121**	361
Amounts used during the year	**(254)**	(468)
Unwinding of discount	**34**	28
Translation difference movement	**1,839**	(242)
Balance at the end of the year	**10,283**	7,543
Employee benefits	**194**	126
Total non-current provisions	**10,477**	7,669

The provision for rehabilitation work relates to the EGM in Ghana. The timing of settlement of this obligation cannot be established with any certainty. The group has commenced mining the project area and many of the old pits identified for rehabilitation work will be subject to new mining. The provision has been reviewed and increased in line with the additional development that has occurred since June 2014.

16. DEFERRED TAX

	CONSOLIDATED	
	2015 $'000	2014 $'000
Deferred tax asset	**5,631**	23,837
Set off of deferred tax liabilities of entity pursuant to set off provisions	**(5,631)**	(23,837)
Net deferred tax asset	**-**	-
Deferred tax liability	**71,704**	58,389
Set off of deferred tax assets of entity pursuant to set off provisions	**(5,631)**	(23,837)
Net deferred tax liability	**66,073**	34,552

(a) The deferred tax asset balance comprising of temporary differences attributable to:

Employee benefits	**113**	160
Derivatives held for trading	**-**	40
Other	**3,345**	5,732
Tax losses	**2,173**	17,905
Net deferred tax asset	**5,631**	23,837

(b) Movement in the deferred tax asset:

Opening balance at 1 July	**23,837**	12,966
Foreign exchange	**5,545**	-
Credited to the income statement	**(23,751)**	10,871
Closing balance at 30 June	**5,631**	23,837

(c) The deferred tax liability comprises temporary differences attributable to:

Property, plant and equipment	**31,240**	24,982
Mine properties in use	**33,017**	26,727
Derivatives held for trading	**1,008**	-
Cash flow hedges	**6,439**	6,680
Net deferred tax liability	**71,704**	58,389

(d) Movement in the deferred tax liability:

Opening balance at 1 July	**58,389**	60,434
Charged to the income statement	**801**	5,616
Charged to the equity – hedging reserve	**(1,510)**	(6,788)
Foreign exchange	**14,024**	(873)
Closing balance at 30 June	**71,704**	58,389

17. 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 2015:

	2015			
	Loans and receivables / amortised cost	**Available-for-sale**	**Fair value through profit and loss**	**Fair value through other comprehensive income (cash flow hedge)**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets:				
Receivables	**40,720**	**-**	**-**	**-**
Gold forward contracts	**-**	**-**	**2,879**	**-**
Derivative financial instruments	**-**	**-**	**-**	**18,397**
Total current	**40,720**	**-**	**2,879**	**18,397**
Receivables	**12,337**	**-**	**-**	**-**
Available for sale investments	**-**	**2,820**	**-**	**-**
Total non-current	**12,337**	**2,820**	**-**	**-**
Total	**53,057**	**2,820**	**2,879**	**18,397**
Financial liabilities:				
Payables	**36,437**	**-**	**-**	**-**
Total current	**36,437**	**-**	**-**	**-**
Total	**36,437**	**-**	**-**	**-**

	2014			
	Loans and receivables / amortised cost	Available-for-sale	Fair value through profit and loss	Fair value through other comprehensive income (cash flow hedge)
	$'000	$'000	$'000	$'000
Financial assets:				
Receivables	32,985	-	-	-
Derivative financial instruments	-	-	-	9,557
Total current	32,985	-	-	9,557
Receivables	17,243	-	-	-
Available for sale investments	-	1,841	-	-
Derivative financial instruments	-	-	-	9,529
Total non-current	17,243	1,841	-	9,529
Total	50,228	1,841	-	19,086
Financial liabilities				
Payables	51,576	-	-	-
Gold forward contracts	-	-	115	-
Total current	51,576	-	115	-
Total	51,576	-	115	-

17. FINANCIAL RISK MANAGEMENT – continued

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.

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 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 an intercompany receivable from its subsidiary denominated in US Dollars which is eliminated on consolidation. The gains or losses on re-measurement of this intercompany receivable from US Dollars to Australian Dollars are not eliminated on consolidation as the loan is not considered to be part of the net investment in the subsidiary.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	USD $'000	GHS $'000	2015 EUR $'000	AUD $'000	ZAR $'000
Financial Assets					
Cash and cash equivalents	**1,691**	**6,236**	**197**	**-**	**-**
Receivables	**10,651**	**12,365**	**-**	**-**	**-**
Total assets	**12,342**	**18,601**	**197**	**-**	**-**
Financial Liabilities					
Payables	**24**	**1,086**	**33**	**13**	**2**
Total liabilities	**24**	**1,086**	**33**	**13**	**2**

	USD $'000	GHS $'000	2014 EUR $'000	AUD $'000	ZAR $'000
Financial Assets					
Cash and cash equivalents	333	140	196	-	-
Receivables	8,630	27,850	-	-	-
Total assets	8,963	27,990	196	-	-
Financial Liabilities					
Payables	70	5,077	34	27	117
Total liabilities	70	5,077	34	27	117

17. FINANCIAL RISK MANAGEMENT – continued

Market risk - 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 $286.4 million (2014: $243.8 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
2015	**+10%**	**(27,172)**
	-10%	**33,180**
2014	+10%	(22,974)
	-10%	28,073

	Change in GHS rate	Impact on profit or loss before tax and equity $'000
2015	**+10%**	**(1,592)**
	-10%	**1,946**
2014	+30%	(5,288)
	-30%	9,820

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 6 months subsequent to that first 12 months.

At the end of the reporting period the group has 63,000 ounces of forward metal contracts in place over approximately 30% of anticipated monthly gold production through to 30 June 2016. When necessary these contracts may be rolled over into new contracts at maturity, subject to counterparty credit approval.

Balance date exposures and further details of current commodity price derivatives are provided at note 14.

Sensitivity
The following table summarises the sensitivity of the fair value of instruments 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
2015	**+10%**	**(4,201)**	**(5,009)**
	-10%	**4,201**	**5,009**
2014	+10%	(2,246)	(15,124)
	-10%	2,246	15,124

(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 is diminished as the group has no interest bearing debt obligations.

17. FINANCIAL RISK MANAGEMENT – continued

Market risk – continued

At the end of the reporting period the group's interest rate risk exposure and the weighted average interest rate for each class of financial assets and liabilities was:

	Weighted average effective interest rate	Fixed interest rate	Floating interest rate	Non-interest bearing	Total
		$'000	$'000	$'000	$'000
30 June 2015					
Financial assets:					
Cash and cash equivalents	0.51%	15,100	76,523	12,118	103,741
Security deposit	0.19%	7,992	2,614	1,731	12,337
Net exposure to cash flow interest rate risk		**23,092**	**79,137**	**13,849**	**116,078**
Financial liabilities:					
Interest-bearing liabilities	-	-	-	-	-
Net exposure to cash flow interest rate risk		**-**	**-**	**-**	**-**
30 June 2014					
Financial assets:					
Cash and cash equivalents	1.57%	15,102	20,887	948	36,937
Security deposit	0.28%	6,474	2,120	1,404	9,998
Net exposure to cash flow interest rate risk		21,576	23,007	2,352	46,935
Financial liabilities:					
Interest-bearing liabilities	-	-	-	-	-
Net exposure to cash flow interest rate risk		-	-	-	-

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 $1.0 million (30 June 2014: $0.4 million), a 1% decrease would be a movement of $0.3 million (30 June 2014: $0.2 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 are undertaken.

17. FINANCIAL RISK MANAGEMENT – continued

Credit risk – continued

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:

(i) Credit risk is eliminated only to the extent that amounts due to the same counterparty will be settled after the assets are realised; and

(ii) 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 2015, master netting arrangements reduced the credit risk on favourable contracts that have a fair value of $18.4 million (2014: $19.1 million).

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 $'000	6 months – 1 year $'000	1 – 2 years $'000	2 – 5 years $'000	Greater than 5 years $'000	Total contractual cash flows $'000
30 June 2015						
Non-derivatives						
Payables	**36,437**	**-**	**-**	**-**	**-**	**36,437**
	36,437	**-**	**-**	**-**	**-**	**36,437**
30 June 2014						
Non-derivatives						
Payables	51,576	-	-	-	-	51,576
	51,576	-	-	-	-	51,576
Derivatives						
Gold forward contracts	115	-	-	-	-	115
	115	-	-	-	-	115

17. 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 2015:

	CONSOLIDATED			
	2015		2014	
	Carrying amount $'000	**Fair value $'000**	Carrying amount $'000	Fair value $'000
Financial assets:				
Receivables	**40,720**	**40,720**	32,985	32,985
Gold forward contracts	**2,879**	**2,879**	-	-
Derivative financial instruments	**18,397**	**18,397**	9,557	9,557
Total current	**61,996**	**61,996**	42,542	42,542
Receivables	**12,337**	**12,337**	17,243	16,636
Available for sale instruments	**2,820**	**2,820**	1,841	1,841
Derivative financial instruments	**-**	**-**	9,529	9,529
Total non-current	**15,157**	**15,157**	28,613	28,006
Total	**77,153**	**77,153**	71,155	70,548
Financial liabilities:				
Payables	**36,437**	**36,437**	51,576	51,576
Gold forward contracts	**-**	**-**	115	115
Total current	**36,437**	**36,437**	51,691	51,691
Total	**36,437**	**36,437**	51,691	51,691

Fair value hierarchy

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

Level 1 Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

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

There were no transfers between categories during the period.

17. FINANCIAL RISK MANAGEMENT – continued

The following table presents the group's financial instruments measured and recognised at fair value at 30 June 2015 and 30 June 2014.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2015				
Financial assets:				
Available for sale instruments	**2,820**	**-**	**-**	**2,820**
Gold forward contracts	**-**	**2,879**	**-**	**2,879**
Derivative financial instruments	**-**	**18,397**	**-**	**18,397**
Total	**2,820**	**21,276**	**-**	**24,096**
30 June 2014				
Financial assets:				
Available for sale instruments	1,841	-	-	1,841
Derivative financial instruments	-	19,086	-	19,086
Total	1,841	19,086	-	20,927
Financial liabilities:				
Gold forward contracts	-	115	-	115
Total	-	115	-	115

Valuation techniques

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

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

17. FINANCIAL RISK MANAGEMENT – continued

Valuation techniques - continued

Specific valuation techniques used to value financial instruments include:

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

The net fair value of cash and cash equivalents and non-interest bearing financial assets and liabilities of the group approximate their carrying values. The carrying values (less impairment provision if provided) of trade receivables and payable are assumed to approximate their fair values due to their short-term nature.

Equity price risk

The group's investments in Manas and Burey, which are classified as available for sale financial assets, 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 $2.8 million (30 June 2014: Manas $1.8 million). A decrease of 10% on the share price of Manas could have an impact of approximately ($0.05 million) on the income or equity attributable to the group and a decrease of 10% on the share price of Burey could have an impact of approximately ($0.2 million), depending on whether the decline is prolonged. An increase of 10% in the value of the listed securities would only impact equity by $0.05 million for Manas and $0.2 million for Burey and 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.

There are no externally imposed capital requirements.

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.

18. ISSUED CAPITAL AND RESERVES

	CONSOLIDATED	
	2015 $'000	2014 $'000
(a) Issued and paid-up share capital		
526,656,401 (2014: 526,656,401) ordinary shares, fully paid	**476,427**	476,429

	CONSOLIDATED			
	2015		2014	
	$'000	**Number**	$'000	Number
Balance at the beginning of the year	**476,429**	**526,656,401**	445,404	457,962,088
Share placement at issue price of $0.47 on 21 February 2014	**-**	**-**	32,286	68,694,313
Transaction costs arising from issue of securities	**(2)**	**-**	(1,261)	-
Balance at the end of the year	**476,427**	**526,656,401**	476,429	526,656,401

18. ISSUED CAPITAL AND RESERVES – continued

(b) Performance rights

Performance rights have been granted as follows:

Grant date	End of measurement period	Expiry date	Exercise price	Opening balance	Performance rights issued	Performance rights exercised / cancelled / expired	Closing balance
				1 July 2014			30 June 2015
				Number	*Number*	*Number*	*Number*
25-Nov-12	31-Dec-15	30-Jun-16	nil	300,000	-	-	300,000
1-Jan-13	31-Dec-15	30-Jun-16	nil	1,358,911	-	(156,493)	1,202,418
1-Jan-14	30-Jun-15	31-Dec-15	nil	2,600,000	-	(475,000)	2,125,000
1-Jan-14	31-Dec-16	30-Jun-17	nil	2,600,000	-	(475,000)	2,125,000
4-Jun-14	30-Jun-15	31-Dec-15	nil	562,500	-	-	562,500
4-Jun-14	31-Dec-16	30-Jun-17	nil	562,500	-	-	562,500
1-Jan-15	30-Jun-16	31-Dec-16	nil	-	750,000	-	750,000
1-Jan-15	31-Dec-17	30-Jun-18	nil	-	750,000	-	750,000
				7,983,911	1,500,000	(1,106,493)	8,377,418

(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 options and performance rights issued but not exercised.

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

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

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

Asset revaluation reserve
The asset revaluation reserve is used to record the revaluation of the investment in Manas Resources Limited and Burey Gold Limited to market value as the investment is designated as an available for sale financial asset.

19. RETAINED EARNINGS / (ACCUMULATED LOSSES)

Movements in retained earnings / (accumulated losses) were as follows:

	CONSOLIDATED	
	2015 **$'000**	2014 $'000
Balance at beginning of financial year	**(15,280)**	15,669
Profit / (loss) attributable to the owners of the parent	**87,819**	(30,949)
Balance at end of financial year	**72,539**	(15,280)

20. RELATED PARTY DISCLOSURES

(a) Identity of related parties

The consolidated entity has a related party relationship with its subsidiaries (see note 24) 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 period ended 30 June 2015.

(c) Key management personnel compensation

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

Short-term employee benefits	**3,318**	2,451
Long-term employee benefits	**50**	13
Post-employment benefits	**142**	108
Termination / resignation payments	**45**	-
Share-based payments	**396**	231
	3,951	2,803

Details of remuneration disclosures are provided in the remuneration report on pages 29 - 43.

21. REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2015 **$**	2014 $
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit or review of the financial report of the entity and any other entity in the group	**106,000**	103,000
Non-statutory audit services in relation to the entity and any other entity in the group	**16,800**	27,000
Amounts received or due and receivable by overseas Ernst & Young firm for:		
Audit or review of the financial report of the entity and any other entity in the group	**90,000**	87,000
Non-statutory audit services in relation to the entity and any other entity in the group	**-**	-
	212,800	217,000

22. CONTINGENCIES

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

There were no other known contingent liabilities identified at 30 June 2015.

23. COMMITMENTS

(a) Exploration expenditure commitments

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

	CONSOLIDATED	
	2015 $'000	2014 $'000
Within one year	**750**	1,050
One year or later and not later than five years	**1,700**	2,150
Later than five years	**1,500**	1,200
	3,950	4,400

b) Capital commitments

The group is responsible for all rehabilitation of the EGM mining leases, which are currently estimated to cost approximately US$7.9 million and a provision has been recorded for this at balance date.

(c) Operating lease commitments

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

Future minimum lease payments payable under non-cancellable operating leases at 30 June 2015 are as follows:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Within one year	**411**	411
One year or later and not later than five years	**318**	758
Later than five years	**-**	-
	729	1,169

Total operating lease expenditure was $0.4 million for the year ended 30 June 2015 (30 June 2014: $0.4 million).

24. SUBSIDIARIES

Name of subsidiary	Notes	Place of incorporation	Consolidated entity interest 2015 (%)	Consolidated entity interest 2014 (%)
Parent entity				
Perseus Mining Limited	(a)	Australia		
Subsidiaries				
Occidental Gold Pty Ltd (i)	(a)	Australia	**100**	100
Centash Holdings Pty Limited (ii)	(a)	Australia	**100**	100
Sun Gold Resources Ltd	(b)	Ghana	**100**	100
Kojina Resources Ltd (iii)	(b)	Ghana	**100**	100
Perseus Mining Services Ltd	(a)	Canada	**100**	100
Perseus Burkina Holdings Pty Ltd	(a)	Australia	**100**	100
(i) Subsidiaries of Occidental Gold Pty Ltd				
Occidental Gold SARL	(c)	Côte d'Ivoire	**100**	100
Perseus Mining Côte d'Ivoire SA	(c) (e)	Côte d'Ivoire	**85**	100
(ii) Subsidiaries of Centash Holdings Pty Ltd				
Perex SARL	(c)	Côte d'Ivoire	**100**	100
Perseus Services SARL	(c)	Côte d'Ivoire	**100**	100
(iii) Subsidiary of Kojina Resources Ltd				
Perseus Mining (Ghana) Limited	(c) (d)	Ghana	**90**	90

Notes:

(a) Audited by Ernst & Young Australia.

(b) Audited by Ernst & Young Ghana.

(c) Audited by Ernst & Young Côte d'Ivoire.

(d) For key financial information of PMGL which has a non-controlling interest, refer to note 3. The entity accounts for the majority of the Ghana reporting segment.

(e) The 85% 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 5% owned by local interests. For key financial information of PMCI which has a non-controlling interest, refer to note 3. The entity accounts for the majority of the Côte d'Ivoire reporting segment.

25. EVENTS OCCURING AFTER THE END OF THE REPORTING PERIOD

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:

1. On 29 July 2015, 2,687,500 performance rights successfully vested under the terms of the company's Performance Rights Plan and converted to ordinary shares on a 1 for 1 basis on satisfaction of specified conditions. The shares were issued to employees at nil consideration as part of employee remuneration.

2. 4,975,000 performance rights were issued to employees of the company under the terms of the company's Performance Rights Plan approved by shareholders in November 2014. These performance rights were issued at nil consideration with an effective issue date of 1 July 2015. Each performance right will convert to an ordinary share upon satisfaction of vesting criteria.

26. RECONCILIATION OF PROFIT / (LOSS) AFTER INCOME TAX TO NET CASHFLOW FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2015 $'000	2014 $'000
Reconciliation of the profit / (loss) from ordinary activities to net cash provided in operating activities		
Profit / (loss) from ordinary activities after income tax	**92,167**	(32,060)
Add back non-cash items:		
Depreciation and amortisation	**54,423**	40,962
Foreign currency (gain) / loss	**(52,414)**	21,643
(Gain) / loss on derivative financial instruments	**(2,994)**	115
Loss on disposal of property, plant and equipment	**29**	1,220
Share based payments	**607**	173
Reversal of impairment of investment in associate	**-**	(2,255)
Impairment of available-for-sale financial asset	**1,030**	2,225
Write-down of receivable	**2,820**	-
Gain recognised on discontinuation of equity accounting	**(890)**	-
Share of associates' net loss	**108**	1,383
Borrowing costs	**712**	1,290
Cash flow hedges gains	**(3,475)**	(5,326)
Change in operating assets and liabilities:		
Decrease / (increase) in net tax balances	**24,552**	(5,255)
Increase in inventories	**(4,823)**	(8,079)
Increase in receivables	**(11,644)**	(4,898)
Decrease in other assets	**40**	2,135
(Decrease) / increase in payables	**(14,844)**	5,922
Increase / (decrease) in provision	**389**	(109)
Net cash from operating activities	**85,793**	19,086

27. EARNINGS PER SHARE

(a) Earnings used in calculating earnings per share

Profit / (loss) attributable to ordinary shareholders of the parent	**87,819**	(30,949)

	No. of shares	No. of shares
(b) Weighted average number of shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	526,656,401	481,675,741
Effect of dilution from performance rights	7,870,152	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	534,526,553	481,675,741

Performance rights, first issued in November 2012 (see note 28) and granted to employees under the terms of the company's Performance Rights Plan approved by shareholders in November 2012, are considered to be potential ordinary shares and have been included in the calculation for the year ended 30 June 2015. For the year ended 30 June 2014, they were anti-dilutive and were excluded from the calculation of diluted earnings per share.

28. 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 2012 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*
2015									
25/11/2012	31/12/2015	30/06/2016	nil	300,000	-	-	-	300,000	-
01/01/2013	31/12/2015	30/06/2016	nil	1,358,911	-	-	156,493	1,202,418	-
01/01/2014	30/06/2015	31/12/2015	nil	2,600,000	-	-	475,000	2,125,000	-
01/01/2014	31/12/2016	30/06/2017	nil	2,600,000	-	-	475,000	2,125,000	-
04/06/2014	30/06/2015	31/12/2015	nil	562,500	-	-	-	562,500	-
04/06/2014	31/12/2016	30/06/2017	nil	562,500	-	-	-	562,500	-
01/01/2015	30/06/2016	31/12/2016	nil	-	750,000	-	-	750,000	-
01/01/2015	31/12/2017	30/06/2018	nil	-	750,000	-	-	750,000	-
Total				7,983,911	1,500,000	-	1,106,493	8,377,418	-
2014									
25/11/2012	31/12/2015	30/06/2016	nil	600,000	-	-	300,000	300,000	-
01/01/2013	31/12/2015	30/06/2016	nil	2,435,629	-	-	1,076,718	1,358,911	-
01/01/2014	30/06/2015	31/12/2015	nil	-	2,625,000	-	25,000	2,600,000	-
01/01/2014	31/12/2016	30/06/2017	nil	-	2,625,000	-	25,000	2,600,000	-
04/06/2014	30/06/2015	31/12/2015	nil	-	562,500	-	-	562,500	-
04/06/2014	31/12/2016	30/06/2017	nil	-	562,500	-	-	562,500	-
Total				3,035,629	6,375,000	-	1,426,718	7,983,911	-

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.

28. SHARE BASED PAYMENTS – continued

The following table lists the inputs to the model used for the performance rights granted during the year ended 30 June 2015.

Grant date	Exercise price	Expected life of performance rights (years)	Price of underlying shares at grant date	Volatility (%) – Perseus share price	Volatility (%) – per group range	Dividends expected on shares	Risk-free interest rate (%) - range	Performance period
25/11/2012	nil	2.6	$2.45	43.2%	32.3% - 133.1%	nil	2.74%	01/07/2012 - 30/06/2015
01/01/2013	nil	2.5	$2.10	43.4%	35.7% - 133.1%	nil	2.67%	01/07/2012 - 30/06/2015
01/01/2014	nil	1.5	$0.25	137.5%	47.5% - 137.5%	nil	2.68%	01/01/2014 - 30/06/2015
01/01/2014	nil	3.0	$0.25	84.7%	45.1% - 91.7%	nil	2.91%	01/01/2014 - 31/12/2016
04/06/2014	nil	1.1	$0.31	103.1%	57.8% - 118%	nil	2.69%	01/01/2014 - 30/06/2015
04/06/2014	nil	2.6	$0.31	83.2%	50.7% - 85.1%	nil	2.87%	01/01/2014 - 31/12/2016
01/01/2015	nil	1.5	$0.26	94.0%	55.0% - 110.7%	nil	2.15%	01/01/2015 - 30/06/2016
01/01/2015	nil	3.0	$0.26	217.2%	52.0% - 113.3%	nil	2.11%	01/01/2015 - 31/12/2017

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 4 of the remuneration report for the fair value of the performance rights at the grant date.

29. PARENT ENTITY DISCLOSURES

Statement of financial position	PARENT 2015 $'000	 2014 $'000
Assets		
Current assets	**20,789**	18,714
Non-current assets	**492,146**	411,225
Total assets	**512,935**	429,939
Liabilities		
Current liabilities	**1,188**	839
Non-current liabilities	**194**	125
Total liabilities	**1,382**	964
Equity		
Issued capital	**476,427**	476,429
Retained earnings / (accumulated losses)	**15,576**	(66,504)
Asset revaluation reserve	**(92)**	54
Share-based payments reserve	**19,642**	18,996
Total equity	**511,553**	428,975
Profit / (loss) for the year	**82,080**	(18,363)
Other comprehensive income	**-**	-
Total comprehensive income / (loss)	**82,080**	(18,363)

Contingent liabilities of the parent entity:
There were no contingent liabilities of the parent entity at 30 June 2015.

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	**-**	-

Commitments for operating lease by the parent entity:

Operating lease		
Within one year	**411**	411
One year or later and not later than five years	**318**	758
Later than five years	**-**	-

Directors' declaration

30 June 2015

1. In the opinion of the directors of Perseus Mining Limited (the 'company'):

    a. the accompanying financial statements, and notes are in accordance with the *Corporations Act 2001* including:

        i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year then ended; and

        ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

    b. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

    c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards as disclosed in note 1.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

This declaration is made in accordance with a resolution of the directors.

J A Quartermaine
Managing director

Dated at Perth, 28 August 2015

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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

Report on the financial report

We have audited the accompanying financial report of Perseus Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2014 and 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for each of the years then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial years.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian and International Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

1. the financial report of Perseus Mining Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and 30 June 2015 and of its performance for each of the years ended on those dates; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

2. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 29 to 43 of the directors' report for the year ended 30 June 2015. 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.

Opinion

In our opinion, the Remuneration Report of Perseus Mining Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
28 August 2015

Additional shareholder information

As at 15 September 2015

MINERAL CONCESSION INTERESTS AT 15 SEPTEMBER 2015

Concession name and type	Registered holder	File/permit number	Perseus's current equity interest	Maximum equity interest capable of being earned	Notes 1
Location - Ghana					
Edikan Gold Mine (EGM) Leases - Ayanfuri mining lease - Nanankaw mining lease	Perseus Mining (Ghana) Ltd ('PMGL")	ML6/15	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%	2,10
Grumesa-Awisam Prospecting Licence	Sun Gold Resources Limited	PL2/30	90%	90%	4
Kwatechi Prospecting Licence	Tropical Exploration and Mining Company Limited	PL3/64	16%	76%	5
Nkotumso Prospecting Licence	W.D. Mining Limited	PL 3/29	0%	90%	6
Location – Côte d'Ivoire					
Sissingué Exploitation Permit	Perseus Mining Côte d'Ivoire S.A.	PE39	85%	85%	4,7,8
Tengréla South Exploration Permit	Société Minière de Côte d'Ivoire	PR291	85%	85%	4,7
Mahalé Exploration Permit	Occidental Gold s.a.r.l.	PR 259	90%	90%	
M'Bengué East Exploration Permit	Occidental Gold s.a.r.l.	PR 272	90%	90%	
Napié Exploration Permit	Occidental Gold s.a.r.l.	PR 281	80%	80%	
Location – Burkina Faso					
Barga Exploration Permit	Caracal Gold Burkina s.a.r.l.	2013/0919	0%	72%	9
Koutakou Exploration Permit	Mr SAWADOGO Sayouba	2011/109	0%	72%	9
Tangayé Exploration Permit	Caracal Gold Burkina s.a.r.l.	2013/0919	0%	72%	9
Touya Exploration Permit	Caracal Gold Burkina s.a.r.l.	2013/0919	0%	72%	9

Notes -

1. The Governments of Ghana, Côte d'Ivoire and Burkina Faso 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%), Côte d'Ivoire (3-6% depending on the gold price) and Burkina Faso (3-5% depending on the gold price).
2. 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.
3. 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.
4. A royalty of 0.5% of the value of minerals recovered from the licence is payable to the vendors of the exploration licence.
5. The Company has the right to earn a 76% interest in the property by funding the development of the project to profitable production. Joint venture partners, Tropical and Leo Shield, each retain a 7% interest which is convertible to a 1.25% net smelter royalty at the option of those parties within 30 days of completion of a feasibility study. The Company can withdraw from the joint venture at any time and is required to pay US$3,600 to Tropical annually whilst it remains in the joint venture.
6. The Company has an option exercisable on or before 26 July 2016 to purchase the Nkotumso prospecting licence for US$10 plus US$3 per ounce royalty of gold produced.
7. The joint venture partner is free carried to production with costs subsequently recoverable by Perseus from production.
8. A royalty of US$0.80 per ounce of gold produced from the licence is payable. The exploitation permit is valid for 6 years from August 2012 and may be extended.
9. The Company has the right to earn up to a 72% interest in stages in the Barga, Koutakou, Tangayé and Touya Exploration Permits by incurring at least US$ 4,000,000 of exploration expenditure by 13 January 2020. If the Company has earned a 72% interest, the joint venture partner will be free carried to production. Costs (including exploration expenditure) are recoverable by Perseus from production. A 1% net smelter return royalty (convertible to a US$1 million one off payment) is payable to Sawadogo in respect of production from the Koutakou Exploration Permit.
10. 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.

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.

Additional shareholder information

As at 15 September 2015

The shareholder information set out below was applicable as at 15 September 2015.

SUBSTANTIAL SHAREHOLDERS

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

Name of holder	Number of ordinary shares
Sun Valley Gold Masterfund Ltd and associates	31,831,781
Van Eck Associates Corporation and associates	36,042,691

DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

Size of holding	Number of holders
1 to 1,000	1,056
1,001 to 5,000	1,656
5,001 to 10,000	839
10,001 to 100,000	1,605
100,001 and over	265
	5,430

The number of shareholdings comprising less than a marketable parcel was 1,329.

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. None of the options has any voting rights.

TWENTY LARGEST SHAREHOLDERS

	Number of shares	% Held
CDS & Co	136,663,968	25.82
JP Morgan Nominees Australia Limited	77,304,224	14.60
HSBC Custody Nominees (Australia) Limited	67,466,626	12.75
National Nominees Limited	43,271,896	8.18
Citicorp Nominees Pty Limited	23,834,416	4.50
HSBC Custody Nominees(Australia) Limited – GSCA ECA	7,676,150	1.45
HSBC Custody Nominees(Australia) Limited - NT Cmnwlth Super Corp A/C	4,964,849	0.94
Citicorp Nominees Pty Limited - Colonial First State Inv A/C	4,929,003	0.93
Bond Street Custodians Limited	4,416,317	0.83
Kembla No 20 Pty Ltd	4,030,000	0.76
UBS Wealth Management Australia Nominees Pty Ltd	3,599,891	0.68
BNP Paribas Noms Pty Ltd	3,538,351	0.67
CS Fourth Nominees Pty Ltd	3,250,691	0.61
Tsou Enterprise Pty Ltd	3,164,445	0.60
Mr Garry Charles Pershouse & Mrs Janine Maree Pershouse	2,610,008	0.49
Mandel Pty Ltd	2,550,000	0.48
ABN AMRO Clearing Sydney Nominees Pty Ltd	1,636,927	0.31
Mr Timothy Bruce Kleemann	1,339,500	0.25
RBC Securities Nominees Pty Ltd	1,300,000	0.25
Warbont Nominees Pty Ltd	1,214,226	0.23
	398,761,488	75.33

Corporate directory 2015

Directors	Reginald Norman Gillard	Non-executive chairman
	Jeffrey Allan Quartermaine	Managing director
	Michael Andrew Bohm	Non-executive director
	Colin John Carson	Executive director
	Terence Sean Harvey	Non-executive director
Company secretary	Martijn Paul Bosboom	
Registered and corporate office	Second Floor 437 Roberts Road Subiaco, Western Australia 6008	
	PO Box 1578 Subiaco, Western Australia 6904	
	Telephone:	(61 8) 6144 1700
	Facsimile:	(61 8) 6144 1799
	Email address:	info@perseusmining.com
	Website:	www.perseusmining.com
Ghana office	4 Chancery Court 147A Giffard Road, East Cantonments Accra - Ghana	
	PO Box CT2576 Cantonments Accra - Ghana	
	Telephone:	(233) 302 760 530
	Facsimile:	(233) 302 760 528
Côte d'Ivoire office	Cocody II Plateaux Vallons, Quartier Lemania Lot 1846 ilot 169 derrière Pako Gourmand 28 BP 571 Abidjan 28, Côte d'Ivoire	
	Telephone:	(225) 22 41 9126
	Facsimile:	(225) 22 41 0925
Share registry	Advanced Share Registry Limited 110 Stirling Highway Nedlands, Western Australia 6009 Australia Telephone: (61 8) 9389 8033 Facsimile: (61 8) 9262 3723 www.advancedshare.com.au	TMX Equity Transfer Services Inc. 200 University Avenue, Suite 300 Toronto, Ontario M5H4H1 Canada Telephone : (1 866) 393 4891 Facsimile: (1 416) 361 0470 www.tmxequitytransferservices.com
Auditors	Ernst & Young 11 Mounts Bay Road Perth, Western Australia 6000	
Stock exchange listings	Australian Securities Exchange	(ASX – PRU)
	Toronto Stock Exchange	(TSX – PRU)
	Frankfurt Stock Exchange	(WKN: AOB7MN)

Perseus
MINING LIMITED

www.perseusmining.com

ABN 27 106 808 986