Annual Financial Report

For the year ended

30 June 2021

This Annual Financial Report incorporating Appendix 4E is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A.

Perseus Mining Limited ABN 27 106 808 986

Contents

Appendix 4E

Issued under ASX Listing Rule 4.3A. To be read in conjunction with the enclosed Annual Financial Report.

Results for announcement to the market

Key figures

	Change %		Year ended 30 June 2020 $'000		Year ended 30 June 2021 $'000
Revenue from ordinary activities	↑ 15.0	from	591,238	to	679,731
Profit after tax from ordinary activities	↑ 47.6	from	94,423	to	139,378
Profit after tax attributable to members	↑ 23.2	from	94,356	to	116,221

	Change %		At 30 June 2020		At 30 June 2021
Net tangible assets per one ordinary share	↑ 5.6	from	$0.72	to	$0.76

Commentary on results

See commentary on results in the Directors' Report on pages 3-39.

Dividends

No dividend was paid or declared for the period ended 30 June 2021. On 25 August 2021, the Board of Directors approved the implementation of a dividend policy and announced a maiden distribution by way of a shareholder approved capital reduction of A$0.015 per share. This distribution is subject to shareholder approval.

Other disclosure requirements

Group structure changes

Details of changes to the Group structure are disclosed in Note 16 of the accompanying Financial Statements.

Additional items required under Listing Rule 4.3A

Additional Appendix 4E disclosure requirements and commentary on significant features of the operating performance, results of segments, trends in performance and other factors affecting the results for the period are contained in the accompanying Annual Financial Report for the year ended 30 June 2021. This document should be read in conjunction with the Annual Financial Report, as well as any public announcements made in the period by Perseus Mining Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules.

This report is based on consolidated financial statements which have been audited by PricewaterhouseCoopers.

Corporate Directory

Directors	Terence Sean Harvey	Non-Executive Chairman
	Jeffrey Allan Quartermaine	Managing Director & Chief Executive Officer
	Amber Jemma Banfield	Non-Executive Director
	Elissa Sarah Brown	Non-Executive Director
	Daniel Richard Lougher	Non-Executive Director
	John Francis Gerald McGloin	Non-Executive Director
	David Meldrum Ransom	Non-Executive Director
Company secretary	Martijn Paul Bosboom	
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Auditors	PricewaterhouseCoopers 125 St Georges Terrace Perth, Western Australia 6000	
Stock exchange listings	Australian Securities Exchange	ASX: PRU
	Toronto Stock Exchange	TSX: PRU
	Frankfurt Stock Exchange	WKN: A0B7MN

Directors' Report

The 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 2021 (the "year"). Perseus is a company limited by shares that is incorporated and domiciled in Australia. Unless noted otherwise, all amounts stated are expressed in Australian dollars.

Directors

The following persons were directors of Perseus during the year and up to the date of this report:

Mr Terence Sean Harvey	Non-Executive Chairman
Mr Jeffrey Allan Quartermaine	Managing Director and Chief Executive Officer
Ms Amber Jemma Banfield *(appointed 12 May 2021)*	Non-Executive Director
Ms Elissa Sarah Brown *(appointed 26 November 2020)*	Non-Executive Director
Mr Daniel Richard Lougher	Non-Executive Director
Mr John Francis Gerald McGloin	Non-Executive Director
Mr David Meldrum Ransom	Non-Executive Director

Ms Sally-Anne Georgina Layman resigned as a Non-Executive Director effective 30 September 2020.

Principal activities

The Group operates three gold mines in West Africa: the Edikan Gold Mine in Ghana ("EGM" or "Edikan") in the Republic of Ghana ("Ghana"); the Sissingué Gold Mine ("SGM" or "Sissingué"); and the Yaouré Gold Mine ("YGM" or "Yaouré"), both in the Republic of Côte d'Ivoire ("Côte d'Ivoire"). In addition to its gold-mining activities, the group also conducts mineral exploration and evaluation activities in West Africa.

Review of Operations

During the financial year under review, Perseus made significant progress in implementing its corporate plan to transform into a multi-mine, multi-jurisdictional producer of more than 500,000 ounces of gold per annum, at a cash margin of not less than US$400/oz. Commercial production commenced at Perseus's third gold mine, Yaouré, at the start of the 4th quarter. Consistent performance continued at Perseus's other two gold mines, namely, Sissingué and Edikan.

Gold production for the Group during the year totalled 328,632 ounces at an all-in site cost (including production costs, royalties and sustaining capital) ("AISC") of US$1,016/oz. This result included: 62,125 ounces produced at Yaouré (including 24,782 ounces produced from commencement of operations in December 2020 but prior to declaration of commercial production end of March 2021) at an AISC of US$1,036/oz; 104,672 ounces produced at Sissingué at an AISC of US$676/oz; and 161,835 ounces of gold produced at Edikan at an AISC of US$1,231/oz.

Gold sales by the Group during the year totalled 321,199 ounces of gold at an average sales price of US$1,642/oz. This result included: 54,182 ounces sold by Yaouré at a weighted average sales price of US$1,692/oz; 102,635 ounces sold by Sissingué at a weighted average sales price of US$1,682/oz; and 164,381 ounces sold by Edikan at an average sales price of US$1,607/oz. During the financial year, the Group sold 18% more gold, at a price that was approximately 13% higher than in the 2020 financial year.

Table 1: Key financial operating statistics - Group

Parameter	Units	Movement	Year to 30 June 2021	Year to 30 June 2020
Total gold sales	Ounces	↑ 17.8%	321,199	272,778
Average sales price	US$/oz of gold sold	↑ 12.7%	1,642	1,457
Gold produced	Ounces	↑ 27.6%	328,632	257,639
All-in site cost ("AISC")	US$/oz produced	↑ 4.5%	1,016	972

Edikan, Ghana

Perseus owns a 90% beneficial interest in Edikan, our first producing gold mine, located in Ghana. The remaining 10% interest in Edikan is a free carried interest owned by the Ghanaian government.

Operations

Operating results at Edikan for the year ending 30 June 2021 and the corresponding year ending in 2020 were as follows:

Table 2: Key production statistics - Edikan

Parameter	Units	Year to 30 June 2021	Year to 30 June 2020
Total ore and waste mined	kt	29,364	25,158
Ore mined	kt	3,837	5,631
Ore milled	kt	6,703	6,943
Milled head grade	g/t gold	0.94	1.00
Gold recovery rate	%	79.9	76.6
Gold produced	ounces	161,835	171,638

A total of 29,364k tonnes of ore and waste were mined during the year from the Fetish, AF Gap and Bokitsi pits, with an average grade of mined ore of 1.13g/t of gold. Ore stockpiles (including both high and low-grade ore but not mineralised waste) plus crushed ore decreased by 44% or 2,299 thousand tonnes ("kt") from 5,233kt to 2,934kt. The average grade of the stockpile at 30 June 2021 was 0.63g/t for approximately 59,102 ounces of contained gold. This stockpile is comprised of approximately 20% oxide ore and 80% primary ore.

Mill throughput for the year was 6,703k tonnes of ore grading on average 0.94 g/t of gold, a 6% reduction in grade from the previous year. The average gold recovery rate during the year was 79.9%, which was 4.3% better than in the previous year. Following the depletion of ore from the Bokitsi pit in January 2021, recovery rates for the second half of the year improved relative to the first half of the year, averaging 85.0%.

Gold production for the year was 161,835 ounces at an AISC of US$1,231/oz. The 5.7% decrease in gold production from last year is mainly due to a lower average head grade of processed ore, along with a slightly lower amount of ore milled, offset by superior recovery rates. The AISC for the year of US$1,231/oz is 13.8% higher than the previous year of US$1,082/oz. This was due to the lower amount of gold produced during the financial year which increased unit processing costs, increased unit royalty costs due to higher gold prices, as well as increased expenditure on sustaining capital due to the purchase of maintenance equipment to be installed in the 2022 financial year.

Table 3: Key financial operating statistics - Edikan

Parameter	Units	Year to 30 June 2021	Year to 30 June 2020
Total gold sales	Ounces	164,381	179,658
Average sales price	US$/oz of gold sold	1,607	1,454
Production costs including:			
— Mining cost	US$/tonne of material mined	3.15	3.18
— Processing cost	US$/tonne of ore milled	9.60	8.89
— G & A cost	US$M / month	1.47	1.79
Royalties	US$/oz	108	97
Sustaining Capital	US$/oz	45	33
All-in site cost	**US$/oz**	**1,231**	**1,082**

Unit processing costs have increased by 8% from the prior year, a result of the impact of both a reduced amount of tonnes milled, and an increased amount of on-site power generation required.

Review of Operations | Edikan (continued)

Esuajah South ("ESS") Underground Development Project

Following careful consideration of the economic merits of the proposed ESS Underground Development Project, and notwithstanding further technical work that increased confidence in a range of key technical parameters (including estimated tonnes, grade and the size of the estimated ESS Mineral Resource), Perseus concluded that the overall project risk / return ratio does not currently meet its investment criteria. As a result, the implementation of the ESS underground development has been deferred for the time being. Further technical reviews of the Project will be undertaken to investigate potential for additions to the Ore Reserve at depth, and additional optimisation of designs and mining methods will be undertaken. Perseus has also engaged with the Ghanaian government on the future of the project and has committed to ensuring that all outstanding commitments to our host community in relation to the project development will be met in full, pending a final decision on the future of the project.

Exploration

During the year, 4,410 metres of Reverse Circulation (RC) and 1,024 metres of diamond core were drilled within the Edikan project area. Drilling was focussed on a mineralised felsic dyke system in the Mampong South area on the Nanankaw Mining Lease. This dyke system represents the southwestern extension of the Abenabena and Fobinso intrusives, the largest individual orebodies on the Edikan permits, where previous drilling has defined a small resource at the Mampong prospect. Work focused on infill drilling along a 600-metre-long zone located 1.5 kilometres south of the Mampong resource where intercepts of up to 70 metres of mineralised dyke were encountered in previous drilling. Results were generally disappointing, with grades and widths of mineralisation in the dykes being generally inferior to those encountered in the previous drilling.

Four RC holes were drilled at the Dadieso NE prospect on the Dadieso Prospecting Licence with negative results.

The Company also conducted exploration on three other properties in the Edikan district, Agyakusu, Agyakusu DML and Domenase. Negotiations with local communities to enable drilling of the strong gold-in-soil anomaly defined over the granite-hosted Breman prospect on the Agyakusu permit continued, with an access agreement reached late in the year and drilling commencing immediately post-year end. Two phases of soil sampling were undertaken on the Agyakusu DML permit, with 1,959 samples collected. This work defined a strong gold-in-soil anomaly associated with a mineralised dyke system extending SW from the Breman prospect. Follow up drilling is planned in the coming year.

The Agyakusu, Agyakusu DML and Domenase properties were also covered by a combined airborne EM, magnetic and radiometric survey, data from which will assist in our understanding of the geology of the permits and the lithostructural controls on mineralisation.

Edikan Gold Mine Mineral Resource Estimate:

The Mineral Resource estimate for Edikan is prepared in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). The Mineral Resource estimate is summarised in Table 4 that reports the Mineral Resources by category, deposit and deposit type.

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

The updated Measured and Indicated Mineral Resource estimate for Edikan is now estimated as 70.9 Mt grading 1.02 g/t gold, containing 2,326 k ounces of gold, as at 30 June 2021. A further 5.6 Mt of material grading 1.6 g/t gold and containing a further 300 k ounces of gold are classified as an Inferred Mineral Resource.

The Mineral Resource estimates have been constrained to material lying within optimal pit shells derived using US$1,800/oz gold price and depleted to 30 June 2021 surveyed mining surfaces. The Mineral Resource estimate for the AF Gap deposits was updated in March 2020, based on mill reconciliations and readers are referred to ASX release "Perseus Updates Mineral Resource and Ore Reserve Estimates" dated 26 August 2020 and the notes contained therein. The Mineral Resource estimate for the ESS deposit was updated in November 2020 and readers are referred to ASX release "Perseus Mining Updates Mineral Resource and Reserve Estimates" dated 24 August 2021 and the notes contained therein. An updated Mineral Resource estimate was completed for the Fetish deposit in January 2017 and readers are referred to ASX release "Perseus Updates Mineral Resource and Reserve Estimates for Edikan Gold Mine" dated 21 February 2017 and the notes contained therein. Mining at Bokitsi South has been completed and no practical cutback now remains. As such, Bokitsi South has been removed from the Edikan Resource estimate. The Company confirms that in all other respects there

Review of Operations | Edikan (continued)

have been no material changes from the estimates of open pit, underground and heap leach Mineral Resources previously released, other than depletion of the Fetish and AF Gap Mineral Resources by mining.

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

Table 4: Edikan Measured and Indicated Mineral Resources – 30 June 2021 [8,9,10]

Deposit	Deposit Type	Measured Resources			Indicated Resources			Measured + Indicated 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
AF Gap [1, 2, 3]	Open Pit	9.7	0.99	310	21.6	0.90	628	31.3	0.93	938
Esuajah North [2, 3, 4]	Open Pit	2.8	0.79	72	4.0	0.74	95	6.9	0.76	168
Fetish [2, 3, 5]	Open Pit	6.2	0.97	194	11.7	0.93	348	17.9	0.94	542
Subtotal		18.8	0.95	577	37.3	0.89	1,071	56.1	0.91	1,648
Esuajah South[6]	U/ground	3.1	1.70	168	5.9	2.09	393	8.9	1.95	561
Heap Leach[2,7]	Stockpile	-	-	-	2.9	0.6	58	2.9	0.6	58
Stockpile[5]	Stockpile	2.9	0.63	59	-	-	-	2.9	0.63	59
Total		**24.8**	**1.01**	**803**	**46.1**	**1.03**	**1,522**	**70.9**	**1.02**	**2,326**

Notes:
1. Based on March 2020 Mineral Resource model constrained to US$1,800/oz pit shell.
2. Depleted to 30 June 2021 mining surfaces.
3. 0.4g/t gold cut-off applied.
4. Based on June 2019 Mineral Resource model constrained to US$1,800/oz pit shell.
5. Based on January 2017 Mineral Resource model constrained to US$1,800 pit shell, includes Bokitsi North lode.
6. Based on November 2020 Mineral Resource model, 1g/t gold cut-off applied.
7. At zero cut-off grade.
8. All Mineral Resources are current as at 30 June 2021.
9. Measured and Indicated Mineral Resources are inclusive of Ore Reserves.
10. Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

Table 5: Edikan Inferred Mineral Resources – 30 June 2021 [7,8]

Deposit	Deposit Type	Inferred Resources		
		Quantity Mt	Grade g/t gold	Gold '000 oz
AF Gap [1, 2, 3]	Open Pit	0.2	0.9	7
Esuajah North [2, 3, 4]	Open Pit	0.03	1.0	1
Fetish [2, 3, 5]	Open Pit	0.6	0.9	18
Esuajah South [7]	U/ground	4.8	1.8	270
Total		**5.6**	**1.6**	**300**

Notes:
1. Based on March 2020 Mineral Resource model constrained to US$1,800/oz pit shell.
2. Depleted to 30 June 2021 mining surfaces.
3. 0.4g/t gold cut-off applied.
4. Based on June 2019 Mineral Resource model constrained to US$1,800/oz pit shell.
5. Based on January 2017 Mineral Resource model constrained to US$1,800 pit shell, includes Bokitsi North lode.
6. Based on November 2020 Mineral Resource model, 1g/t gold cut-off applied.
7. All Mineral Resources are current as at 30 June 2021.
8. Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

Review of Operations | Edikan (continued)

Edikan Gold Mine Ore Reserve Estimate

The Ore Reserve Estimate for Edikan is summarised in Table 6 below. The Open Pit Ore Reserve Estimate is a depletion of the previous Ore Reserve. An updated ESS Ore Reserve based on additional drilling and an associated rerun of the feasibility study has been completed and readers are referred to ASX release "Perseus Mining Updates Mineral Resource and Reserve Estimates" dated 24 August 2021 and the notes contained therein. All Ore Reserves are reported in accordance with the JORC Code. The Ore Reserve estimate reports the Ore Reserves by category, deposit and type, above variable cut-off grades. The classification categories of Proved and Probable under the JORC Code are equivalent to the CIM categories of the same name (CIM, 2010).

The updated Proved and Probable Ore Reserves for Edikan are now estimated as 36.4 Mt grading 1.13 g/t gold, containing 1,318 k ounces of gold including 14.1 Mt of ore grading 1.06 g/t gold and containing 480 k ounces of gold in the Proved category and a further 22.3 Mt of ore grading 1.17 g/t gold containing 837 k ounces of gold classified as Probable Ore Reserves. Mining of the Bokitsi South deposit was completed in November 2020 with the Ore Reserve being fully depleted.

Table 6: Edikan Ore Reserves – 30 June 2021[6]

Deposit	Proved Reserves			Probable Reserves			Proved & Probable Reserves			Strip Ratio[4]
	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	
AF Gap[1,2,3]	6.1	1.14	222	11.5	1.03	381	17.6	1.06	603	2.0
Fetish[1,2,3]	3.1	1.14	113	5.1	1.11	183	8.2	1.12	296	3.2
Subtotal	9.2	1.14	336	16.6	1.05	563	25.8	1.08	899	2.4
Esuajah South[2,4]	1.9	1.37	85	2.8	2.40	217	4.8	1.98	302	-
Heap Leach[1,5]	-	-	-	2.9	0.62	58	2.9	0.62	58	-
Stockpile[5]	2.9	0.63	59	-	-	-	2.9	0.63	59	-
TOTAL	**14.1**	**1.06**	**480**	**22.3**	**1.17**	**837**	**36.4**	**1.13**	**1,318**	**1.7**

Notes:

1. Based on depletion to 30 June 2021 mining surfaces
2. Based on Mineral Resource Estimates which were current at 30 June 2021.
3. Variable gold grade cut-off for each material type, ranging from 0.35 g/t to 0.70 g/t.
4. Inferred Mineral Resource is considered as waste, t : t.
5. Based on End of Month June 2021 stockpile balance report.
6. Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

Sissingué, Côte d'Ivoire

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

Operations

Operating results at Sissingué for the year ending 30 June 2021 and the corresponding year ending in 2020 were as follows:

Table 7: Key production statistics - Sissingué

Parameter	Units	Year to 30 June 2021	Year to 30 June 2020
Total ore and waste mined	kt	3,717	6,504
Ore mined	kt	1,699	1,987
Ore milled	kt	1,262	1,579
Milled head grade	g/t gold	2.76	1.79
Gold recovery rate	%	93.4	94.9
Gold produced	ounces	104,672	86,001

A total of 3,717kt of ore and waste was mined during the year from the Sissingué pit, including 165k tonnes of oxide ore at 0.85g/t and 1,534k tonnes fresh/transitional ore at 2.43g/t gold. Ore stockpiles plus crushed ore increased to 1,101k tonnes of ore at an average grade of 1.44 g/t, containing approximately 51,075 ounces of gold.

Total mill throughput for the year was 1,262k tonnes of ore at an average grade of 2.76 g/t gold, a 54.2% increase in grade from the previous year. The average gold recovery rate of 93.4%, was 1.5% points lower than in the previous year. The increase in head grade during the year was a result of mining a particularly high-grade area in the stage 3 pit, whilst the decrease in recovery was expected due to processing more fresh ore than in the previous year.

Gold production for the year was 104,672 ounces at an AISC of US$676/oz. The 21.7% increase in gold production during the year, relative to the 2020 financial year, is mainly due to the higher average grade of processed ore offset by a reduced tonnage of ore milled. Sissingué's AISC was 10% lower than in the previous financial year due to the materially improved grade of the ore being processed and despite unit mining and processing costs increasing.

Table 8: Key financial operating statistics - Sissingué

Parameter	Units	Year to 30 June 2021	Year to 30 June 2020
Total gold sales	Ounces	102,635	93,120
Average sales price	US$/oz of gold sold	1,682	1,463
Production costs including:			
Mining cost	US$/tonne of material mined	5.96	3.92
Processing cost	US$/tonne of ore milled	18.22	12.36
G & A cost	US$M / month	1.10	0.96
Total production cost	US$/oz	558	658
Royalties	US$/oz	96	68
Sustaining Capital	US$/oz	22	27
All-in site cost	US$/oz	676	753

Unit mining costs per tonne increased by 52% due to a reduced amount of material being moved, as well as the increased depth of the ore bodies being accessed. Unit processing costs also increased by 47.4% due to both the increased hardness of the ore being milled, and the reduced quantities of this ore. Royalties were increased due to a high gold price having been achieved, whilst G&A costs were also up marginally.

Review of Operations | Sissingué (continued)

Fimbiasso and Bagoé satellite deposits

Soon after the end of the financial year, the Ivorian Council of Ministers and the President of the Republic of Côte d'Ivoire approved and executed a decree granting an Exploitation Permit ("EP") covering the Fimbiasso gold deposit in the departments of Tengréla, Madinani and Kouto in Northern Côte d'Ivoire to one of Perseus's subsidiary companies. The granting of the EP enabled detailed mine planning to proceed with certainty.

Since the acquisition of Exore Resources Limited ("Exore") in September 2020, work has been advancing on preparing a Definitive Feasibility Study ("DFS") of an operation involving mining ore from three satellite deposits (Véronique, Antoinette and Juliette) located on the Bagoé exploration permit and trucking the ore back to the Sissingué plant for processing. Work on the DFS was completed subsequent to year end and is to be lodged with the Côte d'Ivoire Department of Mines, Petroleum and Energy along with an Environmental and Social Impact Assessment ("ESIA") being prepared by local consultants, CECAF. These documents will form the basis of an application for a mining permit covering the Bagoé exploration permit area.

Following the completion of the DFS for the development of the Bagoé satellite deposits, an updated Life of Mine plan combining activities on each of the Sissingué, Fimbiasso and Bagoé ore deposits will be completed and released during the September 2021 quarter.

Exploration

Exploration on the Sissingué EP during the year included 11,600 metres of air core (AC) drilling, mostly at the Kakolo and Gbeni prospects in the southern part of the Sissingué permit, and 2,759 metres of diamond drilling, mostly in the Sissingué Deeps program.

At Kakolo, approximately 12 km south of Sissingué, 123 AC holes were drilled to investigate extensive soil anomalism associated with artisanal workings. Results were disappointing and no further work is planned in this area. At Gbeni (Tiana South), located approximately 30 kilometres south of Sissingué, 79 AC holes targeted extensive artisanal surface workings associated with small dioritic plugs on the southerly extensions of the Tiana and Cashew Farm zones. Results were generally disappointing with only isolated narrow intersections recorded. A single diamond hole drilled at the Tiana prospect to twin a previous RC hole that returned a spectacular two metre intersection of 3,297 g/t gold intersected only low-grade mineralisation over the corresponding interval.

Three deep diamond holes were drilled beneath Sissingué to investigate possible extensions or repetitions of the main granite body hosting the bulk of mineralisation at Sissingué. Although narrow mineralised porphyry dykes were intersected in all three holes, the hoped-for repetitions of the large granite bodies hosting the bulk of mineralisation at Sissingué were not present.

Results were received for 24 RC holes drilled last year on the Mahalé licence, located 40km southwest of our Sissingué Gold mine. These holes had been drilled to extend the known resources at the Fimbiasso West prospect; however, results were disappointing and no further work is planned.

Bagoé

Resource definition drilling commenced at the Antoinette, Véronique and Juliette prospects on the Bagoé permit. A total of 18,665 metres was drilled in 52 AC, 252 RC and 6 diamond core holes, plus 9 geotechnical and exploratory water bores. This drilling was primarily designed to infill the existing drilling at these prospects to allow an upgrade in the resources from Inferred to Indicated. A revised mineral resource estimate is in progress.

In addition, infill and extensional AC and RC drilling was undertaken at the Veronique South and SE, Juliette SW, and Brigette prospects. These holes primarily targeted open-ended mineralisation identified during the resource drilling, though the AC drilling at Brigette constituted the first significant drilling on this prospect. A total of 6,448 metres was drilled in 82 AC and 56 RC holes. Assays for these holes remain pending at the date of this report.

Review of Operations | Sissingué (continued)

Combined Sissingué, Fimbiasso and Bagoé Mineral Resource estimate

Mineral Resources at Sissingué have been depleted to the 30 June 2021 surveyed mining surface. In addition, the Mineral Resources have been re-estimated using the latest grade control and additional resource definition information and readers are referred to ASX release "Perseus Mining Updates Mineral Resource and Reserve Estimates" dated 24 August 2021 and the notes contained therein.

Estimates of Mineral Resources for the Fimbiasso deposits were updated in March 2020 and readers are referred to ASX release "Perseus Mining Updates Mineral Resources & Ore Reserves" dated 26 August 2020 and the notes contained therein. The 30 June 2021 estimates have been updated using new optimal pit shells derived using a gold price of US$1,800/oz and revised estimates of mining and processing costs.

Estimates of the Mineral Resources for the Bagoé deposits have been added following the acquisition of the property from Exore and readers are referred to ASX release "Perseus Mining Updates Mineral Resource and Reserve Estimates" dated 24 August 2021 and the notes contained therein.

The combined global Measured and Indicated Mineral Resource for the Sissingué Gold Mine is estimated as 7.8 Mt grading 1.62 g/t gold, containing 407 k ounces of gold. A further 0.2 Mt of material grading 1.8 g/t gold, containing a further 13 k ounces of gold are classified as Inferred Mineral Resources. Details of these estimates are shown below in Tables 9 and 10.

Table 9: Sissingué Measured and Indicated Mineral Resources – 30 June 2021 [8,9,10]

Deposit	Deposit Type	Measured Resources			Indicated Resources			Measured + Indicated 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
Sissingué [1, 2, 3]	Open Pit	2.6	1.23	102	0.2	1.36	11	2.8	1.24	113
Fimbiasso [4, 5]	Open Pit	1.7	1.69	95	0.4	1.78	23	2.1	1.71	118
Bagoé [6, 7]	Open Pit	0.7	2.24	53	1.0	2.28	73	1.7	2.26	126
Stockpiles	Stockpile	1.1	1.44	51	-	-	-	1.1	1.44	51
TOTAL		**6.2**	**1.52**	**300**	**1.6**	**2.02**	**107**	**7.8**	**1.62**	**407**

Notes:
1. Based on July 2021 Mineral Resource model constrained to US$1,800/oz pit shell.
2. Depleted to 30 June 2021 mining surface.
3. 0.6g/t gold cut-off applied to in situ material.
4. Based on March 2020 Mineral Resource models constrained to US$1,800/oz pit shells.
5. 0.8g/t gold cut-off applied.
6. Based on May 20201 Mineral Resource models constrained to US$1,800/oz pit shells.
7. 0.8g/t gold cut-off applied to oxide, 1g/t applied to transition, 1.2g/t applied to fresh (Veronique deposit only).
8. Mineral Resources current at 30 June 2021.
9. Measured and Indicated Mineral Resources are inclusive of Ore Reserves.
10. Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

Table 10: Sissingué Inferred Mineral Resources – 30 June 2021 [8,9]

Deposit	Deposit Type	Inferred Resources		
		Quantity Mt	Grade g/t gold	Gold '000 oz
Sissingué [1, 2, 3]	Open Pit	0.03	0.8	1
Fimbiasso [4, 5]	Open Pit	0.1	1.8	6
Bagoé [6, 7]	Open Pit	0.1	2.2	6
Total		**0.2**	**1.8**	**13**

Notes:
1. Based on July 2021 Mineral Resource model constrained to US$1,800/oz pit shell.
2. Depleted to 30 June 2021 mining surface.
3. 0.6g/t gold cut-off applied to in situ material.
4. Based on March 2020 Mineral Resource models constrained to US$1,800/oz pit shells.
5. 0.8g/t gold cut-off applied.
6. Based on May 20201 Mineral Resource models constrained to US$1,800/oz pit shells.
7. 0.8g/t gold cut-off applied to oxide, 1g/t applied to transition, 1.2g/t applied to fresh (Veronique deposit only).
8. Mineral Resources current at 30 June 2021.
9. Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

Review of Operations | Sissingué (continued)

Combined Sissingué, Fimbiasso Project, and Bagoé Project Ore Reserve Estimate

The updated Ore Reserve estimate for Sissingué is a depletion of the previous Sissingué deposit Ore Reserve and an updated estimate based on a $1,600/oz gold price assumption and the latest Mineral Resource estimate for the Sissingué deposit. Ore Reserves have been added at the Bagoé Project following completion of a feasibility study. The Fimbiasso Ore Reserve is unchanged from previous estimates. All changes at Sissingué and Bagoé are included in the ASX release "Perseus Mining Updates Mineral Resource and Reserve Estimates" dated 24 August 2021 and the notes contained therein.

The Fimbiasso Ore Reserve is based on the Mineral Resource from March 2020 and readers are referred to ASX release "Perseus Mining Updates Mineral Resources & Ore Reserves" dated 26 August 2020 and the notes contained therein.

The combined Sissingué, Fimbiasso Project and Bagoé Project Ore Reserve is summarised below in Table 11 and is estimated at 5.9 Mt of ore, grading 1.72 g/t gold and containing 324k ounces of gold. Table 11 reports the Ore Reserves by category, project and type, above variable cut-off grades. The classification categories of Proved and Probable under the JORC Code are equivalent to the CIM categories of the same name (CIM, 2010).

Table 11: Sissingué Ore Reserves – 30 June 2021[5,7]

Deposit	Proved Reserves			Probable Reserves			Proved & Probable Reserves			Strip Ratio[5]
	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	
Sissingué[1,2,3,4]	2.2	1.31	93	0.1	1.39	7	2.4	1.32	100	5.6
Fimbiasso East[2,4]	1.1	1.95	70	0.2	2.15	13	1.3	1.98	82	5.4
Fimbiasso West[2,3,4]	0.5	2.58	40	0.6	2.61	51	1.1	2.59	91	5.8
Subtotal	3.8	1.66	203	0.9	2.32	70	4.7	1.79	273	5.6
Stockpile[6]	1.1	1.44	51	-	-	-	1.1	1.44	51	-
TOTAL	**4.9**	**1.61**	**254**	**0.9**	**2.32**	**70**	**5.9**	**1.72**	**324**	**4.5**

Notes:
1. Based on depletion to 30 June 2021 mining surfaces
2. Based on Mineral Resource Estimates which were current at 30 June 2021.
3. Based on July 2021 Ore Reserve estimation.
4. Variable gold grade cut-off for each material type, ranging from 0.40 g/t to 1.05 g/t at Sissingué deposits, from 0.80 g/t to 1.50 g/t at Fimbiasso deposits and from 1.00 g/t to 3.00 g/t at Bagoé deposits.
5. Inferred Mineral Resource is considered as waste, t : t.
6. Based on EOM June 2021 stockpile balance report.
7. Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

Yaouré, Côte d'Ivoire

Yaouré is located in central Côte d'Ivoire, 40km northwest of Yamoussoukro, the political capital, and 270km northwest of Abidjan, the economic capital, of Côte d'Ivoire. Yaouré lies within a rural area, 22km east-northeast of the city of Bouaflé, and 5km west of the Kossou dam and hydroelectric power station. The nearest villages to the site are Angovia and Allahou-Bazi, which are located approximately 1km east of the mine site. First gold was poured at Yaouré in December 2020, and Commercial Production was declared on 31 March 2021.

Operations

Operating results at Yaouré for the year ending 30 June 2021:

Table 12: Key production statistics - Yaouré

Parameter	Units	Year to 30 June 2021
Total ore and waste mined	kt	23,429
Ore mined	kt	788
Ore milled	kt	1,585
Milled head grade	g/t gold	1.37
Gold recovery rate	%	88.7
Gold produced	ounces	62,125

A total of 23,429kt of ore and waste was mined during the year from the CMA open pit, including 623k tonnes of oxide ore at 1.01g/t and 165k tonnes fresh/transitional ore at 1.80g/t gold. Ore stockpiles plus crushed ore contained 451k tonnes of ore at an average grade of 1.01 g/t, containing approximately 14,627 ounces of gold at year end.

Total mill throughput for the year was 1,585k tonnes of ore at an average grade of 1.37g/t gold, with an average gold recovery rate achieved of 88.8%. Gold production for the year was 62,125 ounces (including 24,782 ounces produced between the commencement of operations in December 2020 and the date of declaration of Commercial Production at the end of March 21). During the course of the June half year, the availability of higher-grade fresh ore from the CMA pit increased and this material was progressively added to the blend of ore fed to the plant, displacing lower grade material drawn from decommissioned heap leach pads and low-grade oxide ore stockpiles.

As Commercial Production commenced at the start of the fourth quarter of the financial year, AISCs are only calculated and reported for that period. For that last quarter, 37,343 ounces of gold were produced at an AISC of US$1,036/oz, whilst 42,264 ounces were sold at an average sales price of US$1,684/oz. A breakdown of these figures is provided below:

Table 13: Key financial operating statistics - Yaouré

Parameter	Units	Quarter to 30 June 2021
Total gold sales	Ounces	42,264
Average sales price	US$/oz of gold sold	1,684
Production costs including:		
Mining cost	US$/tonne of material mined	2.71
Processing cost	US$/tonne of ore milled	9.90
G & A cost	US$M / month	1.70
Total production cost	US$/oz	951
Royalties	US$/oz	83
Sustaining Capital	US$/oz	3
All-in site cost	US$/oz	1,036

Review of Operations | Yaouré (continued)

Back-up power supply

As a result of nationwide power restrictions in Côte d'Ivoire in the June 21 quarter, available power draw at Yaouré was periodically reduced, limiting process plant throughput rates. To mitigate against a possible continuation of these restrictions, an 18 MW standby diesel fired power station was leased and fully commissioned shortly after the end of the financial year, eliminating the potential for future power shortages on the Yaouré site. In the coming year, a study will be undertaken to investigate the potential for replacing the diesel fired generators with a longer-term renewable power solution involving either the full or partial use of solar and or wind power.

Exploration

Exploration and resource drilling at the Yaouré EP and adjoining Yaouré West exploration permit during the year totalled 71,046metres, comprising 34,270 metres of AC, 34,480 metres of RC and 2,296 metres of diamond drilling (including RC pre-collars). In addition, 1,662 metres of augering was completed. Processing and interpretation of data generated from the 2 dimensional (2D) and 3 dimensional (3D) seismic surveys conducted during the prior year, commenced, and drilling of some of the shallower targets generated from this work started late in the year. In addition, an airborne gravity (Full Tensor Gravity Gradiometry or "FTGG") survey was flown over the Yaouré tenement area.

RC drilling focused on the investigation of various prospects close to the main Yaouré open pits and infrastructure, including CMA SW, Govisou, Angovia 2, Sayikro, Kongonza and CMA East seismic targets.

At Govisou, 78 RC holes and 11 diamond holes were drilled to infill previous drilling, returning promising results that appear to define a pipe-like plunging structure.

At CMA SW, 157 infill RC holes were drilled to allow the upgrading of the existing Inferred Resource to higher categories. This work returned results comparable with previous drilling, confirming consistent mineralisation over approximately 5 metre widths for a 750-metre strike length. Estimation of a revised Mineral Resource based on the new data was in progress at year end. Similarly, drilling of 107 RC holes at Angovia 2 was undertaken to better define mineralisation in advance of preparing a revised Mineral Resource estimate. This work generally confirmed previous drill results and work on updating the Mineral Resource estimate for Angovia 2 is underway.

Drilling of 42 RC holes at CMA East was the first test of targets generated from the 3D seismic survey over the area. Data from the seismics suggest a series of stacked structures in the hanging wall of the main CMA thrust with similar characteristics. The drilling was designed to test the extrapolated near-surface extensions of these structures that might present open pit mining opportunities. An additional 22 RC holes and one diamond hole were drilled at Kongonza where the CMA structure extends SE of the pit area in an area of extensive previous artisanal activity. Results for both these programs were pending at year end.

Drilling at Sayikro followed on from drilling last year, investigating strong gold-in-auger anomalies that subsequently attracted intense artisanal mining activity. A further 25 RC holes and one diamond hole were drilled, returning mixed results. The strongest mineralisation appears to lie on the projected south-westerly extension of the CMA-SW structure, possibly where it converges with similar Y structures trending down from the Yaouré pit area. This concept will be followed up with further drilling in the coming year.

Scout AC drilling was conducted at both the Allekran and Degbezere prospects to follow up gold-in-auger anomalism, with 264 and 414 holes drilled at each prospect respectively. Results were mixed in both cases. At Allekran, gold intercepts appear to define a series of north-trending structures hosted by mafic volcanics close to their contact with a granodiorite intrusive. Closer spaced drilling is required to demonstrate the strike continuity of these structures. Similarly, at Degbezere the AC drilling returned scattered results that may reflect generally northeast-trending mineralisation associated with the Degbezere Shear Zone, but infill drilling is required to validate this interpretation.

Results were received from drilling conducted last year on the northern extensions of the CMA structure where it is interpreted to split into eastern and western splays developed along the Volcaniclastic Basin boundary. Weak mineralisation was intersected on both the volcaniclastic contact and on structures within the volcaniclastics. Further work is required to determine whether these structures may host stronger mineralisation along strike to the NW or at depth.

Auger drilling was undertaken at the Degbezere NE prospect, approximately 30 kilometres west of the Yaouré pit, with over 1,662 metres completed. The augering targeted the northern end of the Degbezere Shear Zone where lateritised

Review of Operations | Yaouré (continued)

transported cover has inhibited bedrock geochemical responses in soils. Assays from this ongoing program remain pending.

In addition to the drilling activities, the complete Yaouré tenement package was covered by a 4,707 line-kilometre FTGG survey (with accompanying magnetics), flown on a 100-metre line spacing. Data from this survey will be integrated with data from previously acquired VTEM, aeromagnetic, radiometric, and seismic surveys to provide a detailed lithostructural picture of the Yaouré district and the potential controls on mineralisation.

Yaouré Gold Mine Mineral Resource Estimate

Other than mining depletion as at 30 June 2021, the CMA open pit and underground Mineral Resource and the Yaouré open pit Mineral Resource estimates for the Yaouré Gold Mine are unchanged from those reported at 30 June 2019 and readers are referred to ASX release "Perseus Updates Mineral Resource and Ore Reserve Estimates" dated 28 August 2019 and the notes thereto.

Open pit Mineral Resources have been added at the Angovia 2 and Govisou deposits and these are collectively referred to as the Near-Mine Satellite deposits. Readers are referred to the ASX release "Perseus Mining Updates Mineral Resource and Reserve Estimates" dated 24 August 2021 and the notes contained therein.

The global Measured and Indicated Mineral Resource estimate for Yaouré is estimated as 51.3 Mt grading 1.34 g/t gold containing 2,210 k ounces of gold at a cut-off grade of 0.4g/t. A further 47 Mt of material grading at 1.1 g/t gold and containing a further 1,730 k ounces of gold is classified as Inferred Resources. Table 14 reports the Measured and Indicated Mineral Resources by category, deposit and type and Table 15 reports the Inferred Resources on the same basis.

Table 14: Yaouré Indicated & Inferred Mineral Resources – 30 June 2021[7,8,9]

Deposit	Deposit Type	Measured Resources			Indicated Resources			Measured + Indicated 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
CMA [1, 2, 3, 5]	Open Pit	-	-	-	26.6	1.80	1,536	26.6	1.80	1,536
Yaouré [1, 2, 3, 5]	Open Pit	-	-	-	18.8	0.80	483	18.8	0.80	483
Satellite deposits [4, 5]	Open Pit	-	-	-	5.1	1.03	168	5.1	1.03	168
Sub-total	Open Pit	-	-	-	50.5	1.35	2,188	50.5	1.35	2,188
Heap Leach [2, 6]	Stockpile	-	-	-	0.4	0.61	8	0.4	0.61	8
Stockpiles	Stockpile	0.5	0.95	14	-	-	-	0.5	0.95	14
TOTAL		**0.5**	**0.95**	**14**	**50.9**	**1.34**	**2,196**	**51.3**	**1.34**	**2,210**

Notes
1. Based on June 2019 Mineral Resource estimate.
2. Depleted for previous mining and to 30 June 2021 mining surface.
3. 0.4g/t gold cut-off applied to in situ open pit material.
4. Based on Angovia 2 April 2021 and Govisou May 2021 Mineral Resource models
5. In situ open pit resources constrained to US$1,800/oz pit shells
6. Heap leach resources are stated at 0g/t gold cut-off; only heap components with average grade above 0.4g/t included.
7. Mineral Resources current at 30 June 2021.
8. Measured and Indicated Mineral Resources are inclusive of Ore Reserves.
9. Rounding of numbers to appropriate precisions has resulted in apparent inconsistencies.

Review of Operations | Yaouré (continued)

Table 15: Yaouré Gold Mine Inferred Mineral Resources – 30 June 2021[7, 8]

Deposit	Deposit Type	Inferred Resources		
		Quantity Mt	Grade g/t gold	Gold '000 oz
CMA [1, 2, 3, 5]	Open Pit	11	1.1	400
Yaouré [1, 2, 3, 5]	Open Pit	33	0.9	900
Satellite deposits [4, 5]	Open Pit	1	0.9	40
CMA [6]	U/ground	1.8	6.1	350
Total		**47**	**1.1**	**1,730**

Notes
1. Based on June 2019 Mineral Resource estimate.
2. Depleted for previous mining and to 30 June 2021 mining surface.
3. 0.4g/t gold cut-off applied to in situ open pit material.
4. Based on Angovia 2 April 20201 and Govisou May 2021 Mineral Resource models
5. In situ open pit resources constrained to US$1,800/oz pit shells
6. May 2018 Mineral Resource estimate, CMA Footwall Lode 1 only, below US$1,800 pit shell and base of weathering, above 2g/t block grade cut-off.
7. Mineral Resources current at 30 June 2021.
8. Rounding of numbers to appropriate precisions has resulted in apparent inconsistencies.

Yaouré Gold Mine Ore Reserve Estimate

The open pit Ore Reserves estimates for the CMA and Yaouré deposits are unchanged from those reported at 30 June 2019 other than mining depletion to 30 June 2021. Readers are referred to ASX release "Perseus Updates Mineral Resource and Ore Reserve Estimates" dated 28 August 2019 and the notes contained therein.

Open pit Ore Reserves have been added at the Angovia 2, Govisou, Y2N and Y3 deposits and these are collectively referred to as the Near-Mine Satellite deposits and readers are referred to the ASX release "Perseus Mining Updates Mineral Resource and Reserve Estimates" dated 24 August 2021 and the notes contained therein. Note that Y2N and Y3 have been added to the Ore Reserve following completion of grade control drilling.

The Proved and Probable Ore Reserves for Yaouré are estimated as 29.6 Mt, grading 1.71 g/t gold and containing 1,632 k ounces of gold. Details of the estimate are shown in Table 16.

Table 16: Yaouré Ore Reserves – 30 June 2021 [5,7]

Deposit	Proved Reserves			Probable Reserves			Proved & Probable Reserves			Strip Ratio[5]
	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	t:t
CMA[2,4]	-	-	-	19.9	2.04	1,305	19.9	2.04	1,305	5.3
Yaouré[1,2,4]	-	-	-	4.9	1.03	162	4.9	1.03	162	3.1
Near-Mine Satellite[2,3,4,8]	-	-	-	4.4	1.06	151	4.4	1.06	151	2.8
Subtotal	-	-	-	29.2	1.72	1,618	29.2	1.72	1,618	4.5
Stockpile[6]	0.5	0.95	14	-	-	-	0.3	1.01	11	-
TOTAL	**0.5**	**0.95**	**14**	**29.2**	**1.72**	**1,618**	**29.6**	**1.71**	**1,632**	**4.5**

Notes:
1. Based on depletion to 30 June 2021 mining surfaces.
2. Based on Mineral Resource estimates which were current at 30 June 2021.
3. Based on June 2021 Ore Reserve estimation.
4. Variable gold grade cut-off for each material type, ranging from 0.40 g/t to 0.70 g/t.
5. Inferred Mineral Resource is considered as waste, t : t.
6. Based on EOM June 2021 stockpile balance report.
7. Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.
8. Combined several small near-mine pits, namely Y2N, Y3, Angovia 2 and Govisou.

Other exploration permits, Côte d'Ivoire

Exploration on the early-stage, 400 square km Minignan exploration permit, located in north-western Côte d'Ivoire, comprised 3,020 metres drilled in 434 auger holes to follow up a 7-kilometre-long gold-in-soil anomaly identified along the regionally prospective Bafing Shear Zone. Assays from this work remain pending.

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

Prior to year-end, a transaction was entered into involving Perseus swapping its joint venture interest in the Napié exploration licence area for a direct equity investment amounting to approximately 5% of the issued capital of Mako Gold Limited. Completion of this transaction is subject to conditions precedent – refer Mako Gold Limited's ASX announcement dated 29 June 2021– with completion expected in the December quarter.

Group Ore Reserves and Mineral Resources

All open pit Mineral Resource estimates are constrained using pit shells generated at US$1,800/oz. Where applicable, Mineral Resources are depleted to 30 June 2021 mining surfaces. The consolidated Group Mineral Resources are shown in Table 17.

Table 17 Group Mineral Resources[1,2]

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
Edikan Gold Mine	24.8	1.01	803	46.1	1.03	1,522	5.6	1.6	300
Sissingué Gold Mine	6.2	1.52	300	1.6	2.02	107	0.2	1.8	13
Yaouré Gold Mine	0.5	0.95	14	50.9	1.34	2,196	47	1.1	1,730
Total	**31.4**	**1.11**	**1,118**	**98.6**	**1.21**	**3,825**	**53.3**	**1.2**	**2,040**

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

All Ore Reserves are based on Life of Mine Plans that were current at the time of reporting and are quoted from face positions as at 30th June 2021. The consolidated Group Ore Reserves are shown in Table 18.

Table 18: Group Ore Reserves [1,2,3]

Project	Proved			Probable			Proved and Probable		
	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
Edikan Gold Mine	14.1	1.06	480	22.3	1.17	837	36.4	1.13	1,318
Sissingué Gold Mine	4.9	1.61	254	0.9	2.32	70	5.9	1.72	324
Yaouré Gold Project	0.5	0.95	14	29.2	1.72	1,618	29.6	1.71	1,632
Total	**19.4**	**1.20**	**749**	**52.5**	**1.50**	**2,525**	**71.9**	**1.42**	**3,274**

Notes:
1. Notes to individual tables of Ore Reserves apply in respect of each project.
2. The Company holds 90% of Edikan Gold Mine, 86% of Sissingué Gold Mine and 90% of Yaouré Gold Mine after allowing for Government equity.
3. Rounding of numbers to appropriate precisions may have resulted in apparent inconsistencies.

Governance and internal controls for reserve and resource estimates

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

Financial Results

The Group recorded a net profit after tax of $139.4 million for the year, compared to a net profit after tax of $94.4 million in the previous financial year. This $45.0 million improvement in performance is predominantly due to the following:

- An increase in revenue resulting from higher gold prices combined with higher gold production arising from increased production at Sissingué and gold produced at the newly commissioned Yaouré Gold Mine, offset by lower gold production from Edikan.
- Depreciation and amortisation expense of $103.6 million, representing a decrease of 22% during the year predominately due to 32% less ore mined at Edikan and 14.5% less ore mined at Sissingué);
- An income tax expense of $23.7 million compared to a $32.2 million expense in the prior year due to lower profits at Edikan; and
- A write-down and impairment expense of $6.8 million compared with $4.5 million in the previous year, that related mainly to exploration expenditure written off on near-mine targets at both Sissingué and Edikan due to the non-discovery of commercially viable resources.

Cash, bullion and investments

Based on the spot gold price of US$1,763 per ounce and a A$:US$ exchange rate of 0.7508 at 30 June 2021 (30 June 2020: 0.6891), the total value of cash and bullion on hand at the end of the quarter was $208.1 million (30 June 2020: $237.5 million), including cash of $181.5 million (30 June 2020: $218.2 million) and 11,347 ounces of bullion on hand (30 June 2020: 7,522 ounces), valued at $26.7 million (30 June 2020: $19.3 million).

Major movements in the Group's financial position included a total of $79 million of interest and principal repayments on the revolving corporate cash advance facility, $144.6 million to complete the construction of the Yaouré Gold Mine, offset by positive notional operating margins at the three mines of $265 million.

Debt finance

During the previous year, the Group entered into and fully drew down a US$150 million revolving corporate cash advance facility, provided by a consortium of three international banks comprising of Macquarie Bank Limited from Australia, Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division) from South Africa and Société Générale of France. During the year, US$50 million of principal has been repaid and therefore the amount owing at 30 June 2021 is US$100 million.

Financial Position

At 30 June 2021, the group had net assets of $1,059.1 million (30 June 2020: $875.5 million) and an excess of current assets over current liabilities of $278.7 million (30 June 2020: $252.9 million). The Group's net assets increased compared with the prior year predominately due to an increase in mineral interest acquisition and exploration expenditure due to the acquisition of Bagoé, a reduction in the revolving corporate cash advance facility liability mentioned above, and remaining capitalised expenditure at Yaouré and property plant and equipment due to the construction of Yaouré, with most other movements being working-capital in nature.

	30 June 2021 $'000	30 June 2020 $'000
Net profit after tax	139,378	94,423
Net (decrease)/increase in cash held [1]	(28,541)	108,617
Net increase/(decrease) in bullion held [2]	7,346	(23,576)
Total assets	1,409,598	1,295,715
Shareholders' equity	1,059,099	875,552

Notes:

1. Net increase in cash held is before the effects of exchange rate fluctuations on the balances of cash held in foreign currencies
2. Based on the 30 June 2021 gold price of US$1,763/oz (30 June 2020: US$1,768/oz) and an A$:US$ exchange rate of 0.7508 as at 30 June 2021 (30 June 2020: 0.6891), 11,347 ounces of bullion on hand (30 June 2020: 7,522 ounces), valued at $26.7 million (30 June 2020: $19.3 million)

Financial Results (continued)

Dividends

No dividends were paid during the year. On 25 August 2021, the Board of Directors approved the implementation of a dividend policy and announced a maiden distribution by way of a shareholder approved capital reduction of A$0.015 per share. This distribution is subject to shareholder approval.

Equity capital raising

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

Outlook for December 2021 Half Year

Parameter	Units	Production and Cost Guidance	
		December 2021 Half Year	Calendar Year 2021
Group Gold Production	Ounces	225,000 - 255,000	416,247 - 446,247
Average All-In Site Costs	$US per ounce	925 - 1,025	975 - 1,035

External factors affecting the Group results

Commodity Prices

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

Of the 164,381 ounces of gold that were sold at Edikan during the year at an average delivered price of US$1,607/oz, 70,208 ounces were delivered under forward sales contracts at a weighted average price of US$1,417/oz while the balance of the gold sales were made at prevailing spot prices or under short-term spot deferred contracts.

Of the 102,653 ounces of gold that were sold at Sissingué during the year at an average delivered price of US$1,682/oz, 30,884 ounces were delivered under forward sales contracts at a weighted average price of US$1,419/oz while the balance of the gold sales were made at prevailing spot prices or under short-term spot deferred contracts.

Of the 54,182 ounces of gold that were sold at Yaouré during the year at an average delivered price of US$1,692/oz, 14,360 ounces were delivered under forward sales contracts at a weighted average price of US$1,542/oz while the balance of the gold sales were made at prevailing spot prices or under short-term spot deferred contracts.

At 30 June 2021 Perseus held forward sales contracts for 210,313 ounces of gold at a weighted average sales price of US$1,564/oz. These hedges are designated for delivery progressively over the period up to 30 September 2022. Perseus also held spot deferred sales contracts for a further 90,441 ounces of gold at a weighted average price of US$1,668/oz. Combining both sets of sales contracts, Perseus's total hedged position at the end of the year was 300,754 ounces at a weighted average sales price of US$1,595/oz, representing 19% of production for the next three years.

On the last day of the financial year, the London PM fix for gold was US$1,763/oz, very similar to the previous year's closing value at 30 June 2020 of US$1,768/oz. However, the average of the prices for the 2021 financial year was much higher, at US$1,849, compared with the FY2020 average of US$1,560. The risk posed to Perseus's business by possible downward movements in the gold price has, to a certain extent, been mitigated by hedging of a part of its gold production, as outlined above. Perseus has no reason to believe that the gold market fundamentals will not remain consistent with the current position over the short to medium term.

Exposure to Economic, Environmental and Social Sustainability Risks

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

COVID-19

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

Financial Results (continued)

During FY21, there was 51 cases of COVID-19 infection across our operations – 5 at Yaouré, 10 at Sissingué and 36 at Edikan. The introduction of COVID to our operations have arisen both from our local communities (where the majority of our employees and contractors live) and from international travellers (our fly-in-fly-out expatriates).

The risk of COVID introduction and spread at our operations and the associated business continuity and instability is being managed in line with our risk management system. We have established an enterprise-wide COVID control framework, and COVID management plans at each operation. These focus on the objectives of keeping our people safe and well, maintaining safe and stable operations and supporting our host governments and local communities.

Each operation's COVID management plan documents the design and implementation of their controls for their specific context.

Our controls at each operation are adapted as the threat level of COVID increases, decreases or changes. To monitor the threat level we routinely conduct:

- Situational monitoring: Monitoring regional and global pandemic data and information
- Workforce testing
- Community and government engagement
- Assessment of the level of operational disruption.

Controls to prevent COVID introduction and spread to our operations include:

- Travel policy and site access restrictions
- Surveillance, screening and testing
- Personal, workplace hygiene and PPE
- Contact tracing and case management
- Maximising baseline worker health
- Vaccination
- Community and government support.

Controls to mitigate the risks associated with COVID cases at our operations include:

- Business continuity planning
- Personal, workplace hygiene and PPE
- Contact tracing and case management
- External and internal stakeholder engagement
- Community and government support.

Development, implementation and updating of our COVID management plans are guided by our on-site international medical experts/doctors (Medicis in Côte d'Ivoire, ISOS/WARA in Ghana, and Occumed in Australia), advice from the World Health Organisation, and national and local information and guidelines/requirements, including engagement with governments and local authorities.

To date COVID has not materially impacted our operations and business continuity. While we remain confident that the measures that we have put in place will enable Perseus to remain fully operational, the potential unchecked spread of COVID-19, and the introduction of new variants such as the Delta strain in West African countries, remains a risk to the Group in coming months. Given the potential for changes to Perseus's operating environment due to COVID-19, it is challenging to forecast future gold production or costs with full confidence. Every effort is being applied to maintaining "business as usual" and achieving internal production and cost targets, but success cannot be guaranteed.

Other External factors and Risks

- Operational factors including uncertain mine grades, mill performance and experience of workforce;
  - Contained metal (tonnes and grade) are estimated annually and published in resource and reserves statements, however actual production in terms of tonnes and grade often varies as ore bodies can be complex or inconsistent.
- Exploration success or otherwise;
  - The reserves and resource base depletes as a result of mining, resulting in the ability to find or replace reserves/resources presenting a significant business risk;

Financial Results (continued)

- Operating costs including supply chain, labour markets and productivity;
  - Supply chain issues can materially impact the productivity of an operation especially as a result of the location of the Group's operations.
  - Labour is one of the main cost drivers in the business and as such can materially impact the productivity and profitability of an operation.
- Changes in government and/or legislation;
  - Rise in nationalist sentiment presents an operational risk to the Group.
  - Fiscal policy changes can materially impact the profitability of the Group.

Significant changes in state of affairs

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

Matters subsequent to the end of the financial year

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

- On 1 July 2021, 260,580 performance rights that had previously been issued to employees vested under the terms of the Perseus Performance Rights Plan, of which 187,700 were subsequently exercised.

Likely developments

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

- The completion of work on licencing the development of the Bagoé deposits and continued production of gold from Sissingué in accordance with guidance;
- Continued production of gold from Yaouré in accordance with guidance;
- Continued production of gold at Edikan in accordance with guidance; and
- Ongoing mineral exploration in close proximity to existing infrastructure at each of Yaouré, Edikan and Sissingué and where applicable conversion of discoveries to Mineral Resources and Ore Reserves through appropriate drillout campaigns.

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

Environmental regulations

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

Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000) under the option available to the Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. This legislative instrument applies to the Group.

Information on Directors

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

Terence Sean Harvey – BA MA LL.B MBA – Non-executive chairman

(Appointed 2 September 2009 and Non-executive chairman effective 1 April 2017)

Mr. Sean Harvey has extensive experience in investment banking and the resources sector and brings valuable experience in capital markets to the board to assist the company as it seeks to broaden global market awareness of its growth into a mid-tier West African gold producer. Sean 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. Sean is a member of the Company's Audit and Risk Committee, Remuneration Committee and Nomination Committee.

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

Other current directorships:	
Victoria Gold Corporation	appointed 31 July 2007
Serabi Gold plc	appointed 30 March 2011
Former directorships in the last 3 years:	
Abacus Mining & Exploration Corporation	appointed 1 April 2016 and resigned 31 January 2019
Carube Copper Corp	appointed 24 May 2018 and resigned 2 March 2019
Sarama Resources Ltd	appointed 2 November 2011 and resigned 24 June 2020

Jeffrey Allan Quartermaine – BE (Civil), MBA, FCPA – Managing director and chief executive officer

(Appointed 1 February 2013)

The Managing Director and Chief Executive Officer, Mr. Jeffrey Quartermaine, was appointed on 1 February 2013 after previously serving as the group's Chief Financial Officer from 2010 to 2013. Jeff has more than 30 years of experience in senior financial and strategic management roles with ASX and TSX-listed resources companies. He is a Fellow of the Society of Certified Practising Accountant (FCPA) and holds both business management (MBA) and engineering qualifications (BE). Jeff 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. Jeff is a member of the Company's Nomination Committee.

Amber Jemma Banfield – BE (Environmental & Civil), MBA – Non-executive director

(Appointed 12 May 2021)

Ms Amber Banfield holds a Bachelor of Engineering (Environmental and Civil) degree and a Master of Business Administration, both awarded by the University of Western Australia. Amber held management positions with Worley for 20 years, contributing to the Australian company growing into the world's largest energy and resources engineering services provider with 48,000 employees across 49 countries globally. Amber's most recent roles included Global Strategy Manager and Global M&A Manager where amongst other things, she was responsible for developing and implementing a company-wide Energy Transition strategy to grow decarbonising businesses including hydrogen and renewables. During the past three years she has not served as a director of any other listed companies. Amber is the Chair of the Board's Audit and Risk Committee and has assumed specific responsibility for oversight of the Company's Sustainability ("ESG") function.

Elissa Sarah Brown – CA, BComm., MSc. – Non-executive director

(Appointed 26 November 2020)

Ms Elissa Brown is a Chartered Accountant with a Bachelor of Commerce from Curtin University and over 19 years of experience in a range of financial roles with Australian and International companies. With over 15 years experience in the resources sector, Elissa has held roles with various companies involved with gold, base metals and oil & gas in Australia and internationally. She was the Company's Financial Controller from 2010 until 2013 and the Company's Chief Financial Officer from 2013 until 31 October 2020. During the past three years she has not served as a director of any other listed companies. Elissa serves on the Company's Audit and Risk Committee and Remuneration Committee.

Information on Directors (continued)

John Francis Gerald McGloin – BSc., MSc. – Non-executive director
(Appointed 19 April 2016)

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

Other current directorships:

Caledonia Mining Plc	appointed 26 July 2016
Oriole Resources Plc	appointed 3 September 2018
Cornish Metals Inc	appointed 27 October 2020

Former directorships in the last 3 years: None.

Sally-Anne Georgina Layman– BCom., BEng. – Non-executive director
(Appointed 13 September 2017, resigned 30 September 2020)

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

Other current directorships:

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

Former directorships in the last 3 years:

Gascoyne Resources Ltd	appointed 7 June 2017 and resigned 31 May 2019

Daniel Richard Lougher – BSc., GradDipEng., MSc. (Eng.) – Non-executive director
(Appointed 6 May 2019)

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

Other current directorships:

Western Areas Ltd	appointed 19 May 2008

Former directorships in the last 3 years: None.

David Meldrum Ransom – BSc. Geology (Hons), PhD (Structural Geology) – Non-executive director
(Appointed 29 November 2019)

Mr David Ransom has directly managed exploration programmes for a range of Companies in Australia and in Canada and served as a highly regarded independent consultant to the global mining industry for many years. More recently, David has performed the role of Resource Analyst/Portfolio Manager with responsibility for the Materials and Energy portfolio at the highly successful microcap investment fund, Acorn Capital Limited.

David has stepped away from his executive position at Acorn, providing time to resume an active role in the industry. Apart from his academic knowledge and global industry experience, David has previously served as a director of a number of ASX and TSX companies during the course of his career. David serves on the Company's Technical Committee.

Information on Directors (continued)

Other current directorships:

Investigator Resources Ltd appointed 23 January 2016 and resigned 14 July 2020

Former directorships in the last 3 years: None.

Company secretary: Martijn Paul Bosboom – LL.B, LL.M, FGIA, FCIS, MAICD

(Appointed 18 November 2013)

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

Directors' Meetings

The number of meetings of the directors and the number of meetings attended by each director during the year ended 30 June 2021 were:

	Full meetings of Directors		Audit Committee meetings		Remuneration Committee meetings		Technical Committee meetings		Nominations Committee meetings	
	A	B	A	B	A	B	A	B	A	B
T. S. Harvey	6	6	4	4	3	3	-	-	3	3
J. A. Quartermaine	6	6	-	-	-	-	-	-	3	3
A.J. Banfield[1]	2	2	1	1	-	-	-	-	-	-
E.S. Brown[1]	4	4	3	3	2	2	3	3	-	-
J. F. McGloin	6	6	3	3	3	3	-	-	-	-
S.G. Layman	1	1	1	1	2	2	-	-	-	-
D.R. Lougher	6	6	-	-	-	-	3	3	3	3
D.M. Ransom	6	6	-	-	-	-	3	3	-	-

Notes:
1. E.S. Brown commenced as a director 27 November 2020. A.J. Banfield commenced as a director 12 May 2021.
A Number of meetings attended
B Number of meetings held during the time the director held office or was a member of the relevant committee during the year.

Directors' Interests

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

	Name	Fully paid ordinary shares	Performance rights
Non-executive directors	T. S. Harvey	1,300,000	-
	A.J. Banfield	-	-
	E.S. Brown	523,016	-
	J. F. McGloin	641,400	-
	S. G. Layman	210,000	-
	D.R. Lougher	8,000	-
	D.M Ransom	77,973	-
Executive directors	J. A. Quartermaine	2,065,448	2,312,793

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 2021 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 non-executive directors, the majority of whom shall be independent.

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

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

For further information on the remuneration committee's role, responsibilities, and membership the reader is referred to the committee's charter which is available on www.perseusmining.com.

Use of remuneration advisors

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

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

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

Remuneration Report (continued)

1. Principles used to determine the nature and amount of remuneration (continued)

Policy on directors' and other senior executives' remuneration

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

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

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

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

Directors' fee limits

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

Directors' fees framework

Non-executive directors' remuneration consists of a fee including 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 2021 is detailed below.

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

Position	Annual fees from 1 July 2020 to 30 June 2021 $	Annual fees from 1 July 2021 $
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
Technical committee – chair	14,785	14,785
Technical committee – member	7,650	7,650

Directors' retirement benefits

No retirement benefits are paid to non-executive directors other than the statutory superannuation contributions (if applicable) of 9.5% for the year ending 30 June 2021, required under Australian superannuation guarantee legislation.

Remuneration Report (continued)

1. Principles used to determine the nature and amount of remuneration (continued)

Executive remuneration structure

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

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

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

The executive remuneration framework has two components, namely:

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

Fixed salary package

The fixed component of an executive's remuneration comprises base salary and retirement 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 the managing director's 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 the managing director and senior executives including both fixed and variable remuneration components for the year ended 30 June 2021 is detailed in table 2 of this report.

Short term incentives (STI)

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

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

These performance measures are chosen to represent the key drivers of short-term success for the group with reference to the group's long-term strategy. STI payments for the year to 30 June 2021 were accrued as at 30 June 2021 as determined by the Board on recommendation of the Remuneration Committee with due regard to the performance of the group and the respective individuals throughout the financial year.

Remuneration Report (continued)

1. Principles used to determine the nature and amount of remuneration (continued)

2021 STI

For the year ended 30 June 2021, the CEO had a target STI opportunity of up to 70% of fixed remuneration, whilst other KMPs had a target STI opportunity of 40% or 55% of fixed remuneration dependent on job grade.

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

		Allocation factor	
	Potential STI as a percentage of fixed remuneration	**Group KPIs**	**Personal KPIs**
Managing Director and Chief Executive Officer	70%	100%	0%
Other KMPs	40% — 55%	80%	20%

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

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

Performance was measured on the basis of achievement of targets, 30% at threshold up to 150% for exceeding stretch targets. Personal performance was ranked on a scale from 0 to 150%, with anything below 90% being unsatisfactory and above 130% being outstanding. Each individual had a performance review conducted to measure performance against set Personal KPIs. A score of below 90% excluded the individual from any STI award. A deferred component to the STI plan was introduced during the 2019/20 performance year, and therefore STI awarded for the year ending 30 June 2021 were paid at the ratio of 60% cash and 40% Performance Rights where the vesting criteria is 12 months' continued service

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

Achievement of group KPI against targets for the year ended 30 June 2021 was 68.6% out of a possible 80%.

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

The STI for the financial year ended 30 June 2021 was accrued in June 2021 and paid in July 2021. These STI payments as a percentage of total remuneration in the financial year ended 30 June 2021 were as follows:

Mr. Quartermaine 16%	Ms. de Bruin 19%	Mr. Woodall 16%
Mr. Bosboom 12%	Mr. Thompson 12%	Mr. Scully 12%
Dr. Jones 12%		

Long term incentives (LTI)

The LTI is the "at risk" component that takes the form of an equity-based incentive designed to attract, motivate and retain high quality employees at the same time as aligning their interests with those of the group's shareholders. LTI awards are made under the Performance Rights Plan ("PRP") which was approved by shareholders in November 2020 and give eligible employees rights to acquire shares in Perseus subject to vesting conditions.

The company uses both total shareholder return ("TSR") and individual achievement of a personal KPI rating of 90% or more over the vesting period as the performance measure for the LTI. TSR was selected as the LTI performance measure as it links rewards of the executives to the creation of long-term shareholder wealth. Furthermore, vesting only occurs if the group performs in the 50th percentile of its peer group or above, the greater the performance compared to the peer

Remuneration Report (continued)

1. Principles used to determine the nature and amount of remuneration (continued)

group the greater the reward to the executive. The LTI plan was revised for the year ended 30 June 2020, with the CEO having a target LTI opportunity of up to 100% of Total Fixed Remuneration ("TFR") with the executives set at 70% or 75% dependent on job grade.

The peer group is chosen for comparison, having considered the following factors: ASX listing; TSX listing; commodity focus; geographic focus; and business development stage. The Previous Peer Group for performance rights issued before 1 July 2020 is shown below:

- Acacia Mining plc[1]
- Endeavour Mining Corp
- Roxgold Inc.[1]
- Hummingbird Resources Ltd
- Golden Star Resources Ltd
- Resolute Mining Limited
- Asanko Gold Inc.[2]
- Cardinal Resources Ltd[1]
- Teranga Gold Corporation[1]
- Semafo Inc[1]
- West African Resources Ltd

Notes:
1. These companies have subsequently delisted: Acacia Mining plc (18 Nov 2019); Semafo Inc (6 Jul 2020); Cardinal Resources Ltd (8 Feb 2021); Teranga Gold Corporation (10 Feb 2021); Roxgold Inc (2 Jul 2021)
2. Asanko Gold Inc. was renamed Galiano Gold Inc. from 4 May 2020.

The Peer Group for performance rights issued from 1 July 2020 is shown below:

- Centamin Plc
- Endeavour Mining Corp
- Roxgold Inc.[1]
- Golden Star Resources Ltd
- Resolute Mining Limited
- DRDGold Ltd
- Teranga Gold Corporation[1]
- IAMGold Corp
- West African Resources Ltd

Notes:
1. These companies have subsequently delisted: Teranga Gold Corporation (10 Feb 2021); Roxgold Inc (2 Jul 2021)

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

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

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

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

Remuneration Report (continued)

2. Details of remuneration (including link to performance)

Details of the remuneration of the directors and the KMP of Perseus and the group are set out in table 2 below. KMP (as defined in AASB 124 Related Party Disclosures) of the group are those persons having authority and responsibility for planning, directing and controlling the major activities of Perseus and the group, directly or indirectly, including any director (whether executive or otherwise) of the parent company. During the year, the KMP of the group are the directors of Perseus (refer to pages 21 to 23 for details) plus the following senior executives.

Ms. Lee-Anne de Bruin	Chief Financial Officer (from 1 November 2020)
Mr. Christopher Woodall	Chief Operating Officer
Mr. Martijn Bosboom	General Counsel and Company Secretary
Mr. Paul Thompson	Group General Manager – Business Growth[1]
Dr. Doug Jones	Group General Manager – Exploration and Geology[1]
Mr. Matthew Scully	Group General Manager – Project Development[1]
Ms. Elissa Brown	Chief Financial Officer (until 31 October 2020)

Notes:

1. An internal management reorganisation became effective 15 March 2021 and as a result, Mr Thompson was deemed a KMP from that date, while Dr. Jones and Mr Scully were no longer considered KMPs from that date. This report discloses the whole remuneration received by Mr Thompson for the year ending 30 June 2021, but does not include any amounts for comparative periods. This report discloses the whole remuneration received by Dr. Jones and Mr Scully for the year ending 30 June 2021, and, where comparative period figures are provided, the previous financial year.

Company performance

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

Year ended 30 June	2021	2020	2019	2018	2017
Net profit / (loss) after income tax ($'000)	139,378	94,423	7,578	(24,906)	(83,122)
Basic earnings per share (cents)	9.57	8.08	0.66	(2.50)	(7.74)
Market capitalisation ($'000)	1,790,030	1,530,153	682,957	444,975	299,633
Closing share price ($)	1.46	1.31	0.59	0.43	0.29
Perseus's TSR – 1 year (%)	19.8	113.8	24.9	41.5	(42.1)
Perseus's TSR – 3 year rolling (%)	220.0	277.1	2.1	(2.3)	(14.7)
Previous median peer group TSR – 1 year (%)	(6.0)	12.7	(9.9)	15.7	0.2
Previous median peer group TSR – 3 year rolling (%)	11.6	44.1	(4.5)	80.4	43.1
Current median peer group TSR – 1 year (%)[1]	(9.5)	51.3	(9.8)	-	-
Current median peer group TSR – 3 year rolling (%)[1]	25.4	1.8	(10.5)	-	-

Notes:

1. Current peer group is applicable to performance rights issued from 1 July 2020 onwards. Further information on the current peer group is detailed on page 28.

As at 30 June 2021 Perseus sits above the 75th percentile of both the Previous Peer Group, and the current Peer Group. If the ranking remains unchanged at the end of the measurement period of each performance right tranche granted, then, subject to the board not exercising its discretion otherwise, performance rights would vest subject to the achievement of minimum individual employee KPI rating requirements.

Remuneration Report | 2. Details of Remuneration (continued)

Table 2 - Directors' and executives' remuneration for the year ended 30 June 2021

		Short-term			Long-term	Post-employment	Termination payments	Share-based payments — Performance Rights[2]	Total	Of which: Performance related
		Salary & fees $	Cash bonus $	Annual leave movement[1] $	Long service leave movement[1] $	Superannuation[2] $	$	$	$	%
Non-executive directors										
Sean Harvey	2021	185,300	-	-	-	-	-	-	185,300	-
	2020	185,300	-	-	-	-	-	-	185,300	-
Amber Banfield[3]	2021	12,898	-	-	-	1,225	-	-	14,123	-
	2020	-	-	-	-	-	-	-	-	-
Elissa Brown[3]	2021	54,687	-	-	-	5,195	-	-	59,882	-
	2020	-	-	-	-	-	-	-	-	-
Sally-Anne Layman[4]	2021	24,840	-	-	-	2,360	-	-	27,200	-
	2020	99,361	-	-	-	9,439	-	-	108,800	-
Daniel Lougher	2021	97,621	-	-	-	2,164	-	-	99,785	-
	2020	97,504	-	-	-	4,523	-	-	102,027	-
John McGloin	2021	113,900	-	-	-	-	-	-	113,900	-
	2020	113,900	-	-	-	-	-	-	113,900	-
David Ransom	2021	84,612	-	-	-	8,038	-	-	92,650	-
	2020	59,662	-	-	-	5,668	-	-	65,330	-
Sub-total — non-executive directors	**2021**	**573,858**	-	-	-	**18,982**	-	-	**592,840**	-
	2020	**555,727**	-	-	-	**19,630**	-	-	**575,357**	-

Notes:

1. The amounts disclosed in these two columns represent the movement in the associated annual leave and long service leave provision balances. The value may be negative when a director resigns or takes more leave than the entitlement accrued during the year.
2. Mr Harvey and Mr McGloin are resident overseas and therefore superannuation benefits are not paid to them.
3. Ms. Banfield (12 May 2021) and Ms. Brown (26 Nov 2020) were both appointed non-executive Directors during the year, although Ms. Brown served as Chief Financial Officer until 31 October 2020, a member of Key Management Personnel.
4. Ms. Layman resigned as a non-executive director effective 30 Sep 2020.

Remuneration Report | 2. Details of Remuneration (continued)

Table 2 - Directors' and executives' remuneration for the year ended 30 June 2021 (continued)

		Short-term			Long-term	Post-employment	Termination payments	Share-based payments — Performance Rights[2]	Total	Of which: Performance related
		Salary & fees $	Cash bonus $	Annual leave movement[1] $	Long service leave movement[1] $	Superannuation $	$	$	$	%
Executive directors										
Jeffrey Quartermaine	2021	718,869	266,860	45,679	23,598	21,694	-	585,981	1,662,681	51
	2020	716,067	306,296	58,056	88,741	24,496	-	566,442	1,760,098	50
Colin Carson[3]	2021	-	-	-	-	-	-	-	-	N/A
	2020	404,846	-	(197,441)	(113,525)	7,444	-	46,336	147,660	31
Sub-total — executive directors	**2021**	**718,869**	**266,860**	**45,679**	**23,598**	**21,694**	**-**	**585,981**	**1,662,681**	**51**
	2020	**1,120,913**	**306,296**	**(139,385)**	**(24,784)**	**31,940**	**-**	**612,778**	**1,907,758**	**48**
Other Key Management Personnel										
Lee-Anne de Bruin	2021	296,037	92,107	14,303	543	16,271	-	57,222	476,483	31
	2020	-	-	-	-	-	-	-	-	N/A
Christopher Woodall	2021	469,900	147,809	25,242	11,840	8,842	-	280,345	943,978	45
	2020	490,974	179,977	34,535	9,748	8,716	-	226,367	950,317	43
Martijn Bosboom	2021	318,306	73,144	(2,448)	6,886	21,694	-	200,203	617,785	44
	2020	315,001	82,920	10,068	8,655	25,000	-	207,262	648,906	45
Paul Thompson	2021	368,306	86,896	16,329	13,598	21,694	-	215,741	722,564	42
	2020	N/A – not deemed a KMP in FY 2020								
Matthew Scully	2021	328,306	75,756	(2,917)	7,848	21,694	-	206,619	637,306	44
	2020	300,504	79,488	13,679	6,180	24,496	-	202,495	626,842	45
Douglas Jones	2021	303,306	71,789	(579)	8,631	21,694	-	206,505	611,346	46
	2020	300,504	78,800	594	7,254	24,496	-	202,323	613,971	46
Elissa Brown[4]	2021	121,757	-	(76,606)	(108,700)	8,243	178,834	70,284	193,812	36
	2020	368,135	131,536	11,906	44,282	21,003	-	237,226	814,088	45
Sub-total — KMP	**2021**	**2,205,918**	**547,501**	**(26,676)**	**(59,354)**	**133,356**	**178,834**	**1,236,919**	**4,210,496**	**43**
	2020	**1,775,118**	**552,721**	**70,782**	**76,119**	**103,711**	**-**	**1,075,673**	**3,654,124**	**45**

Notes:

1. The amounts disclosed in these two columns represent the movement in the associated annual leave and long service leave provision balances. The value may be negative when a director resigns or takes more leave than the entitlement accrued during the year.
2. Vesting expense for the financial year of performance rights issues to directors and employees under the terms of the company's Performance Rights Plan approved by shareholders in November 2017. The fair value of the performance rights is calculated at the date of grant using the Monte-Carlo Simulation pricing model.
3. Mr. Carson resigned as an executive director 29 Nov 2019.
4. Ms. Brown resigned as Chief Financial Officer 31 Oct 2020 and was subsequently appointed as a non-executive director effective 26 Nov 2020.

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 and cash bonuses determined under the STI/LTI plans and at the discretion of the board. A summary of these and other key terms of Mr. Quartermaine's employment contract are described below and set out in table 3 below.

Fixed remuneration

Mr. Quartermaine's annual salary is set at $744,266 per annum, inclusive of statutory superannuation entitlements.

Variable remuneration

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

Statutory entitlements

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

Termination of contract

Perseus can terminate Mr. Quartermaine's contract without notice under certain circumstances including but not limited to material breaches of contract, grave misconduct, dishonesty, fraud or bringing the group into disrepute. Mr. Quartermaine may terminate the contract by giving Perseus three months' notice, whilst Perseus may terminate the contract by giving Mr. Quartermaine the greater of six months or a period that is not less than that specified by the Fair Work Act 2009 (Cth) and the National Employment Standards. In the case of Perseus, it may at its sole discretion, terminate the contract sooner than the conclusion of the notice period by choosing to pay Mr. Quartermaine in lieu of the notice period. If the terms of Mr. Quartermaine's employment contract are materially changed to the detriment of the chief executive officer then he is entitled to receive an amount of money from Perseus that is equivalent to two months of his originally contracted gross base salary ($850,000 per annum prior to a 15% reduction taken by directors on 1 July 2013) for each year of employment by Perseus with a minimum payment equivalent to six months of his originally contracted gross base salary and a maximum of twelve months of his originally contracted gross base salary.

Contracts for KMP

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

Table 3 - Contractual provisions for key management personnel

Name	**Jeffrey Quartermaine**	**Lee-Anne de Bruin**	**Christopher Woodall**	**Martijn Bosboom**	**Paul Thompson**
Job title	CEO & Managing Director	Chief Financial Officer	Chief Operating Officer	General Counsel & Company Secretary	Group General Manager – Business Growth
Contract duration	No fixed term and review annually				
Notice period	6 months[1]	3 months	3 months	3 months[1]	3 months
Fixed remuneration	$744,266	$402,000	C$450,000	$341,700	$391,950
Variable remuneration	Short- & long-term incentive plans				
Termination provision	Applicable on termination by the company, other than for gross misconduct. Payments vary from two to twelve months of the originally contracted salary.				

Notes:
1. Mr Quartermaine is required to provide 3 months' notice on resignation; the company is required to provide 6 months' notice. Mr Bosboom is required to provide 2 months' notice on resignation; the company is required to provide 3 months' notice.
2. Represents current fixed remuneration of key management personnel from 1 July 2021.

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 24 to the financial statements.

Table 4 - Key terms of share-based compensation held by KMP as at 30 June 2021

Type	Grant date	Exercise price	Fair value at grant date	End of measurement period	% of grant vested	Expiry date
Performance right (i)	28 November 2018	nil	$0.28	31 December 2021	-	28 November 2025
Performance right (i)	7 May 2019	nil	$0.32	31 December 2021	-	7 May 2026
Performance right (i)	27 June 2019	nil	$0.49	31 December 2021	-	27 June 2026
Performance right (ii)	26 September 2019	nil	$0.74	30 June 2022	-	26 September 2026
Performance right (ii)	29 November 2019	nil	$0.77	30 June 2022	-	29 November 2026
Performance right (iii)	26 August 2020	nil	$1.03	30 June 2023	-	26 August 2027
Performance right (iii)	26 November 2020	nil	$0.81	30 June 2023	-	26 November 2027
Performance right (iii)	14 April 2021	nil	$1.03	30 June 2023	-	14 April 2028
STI Performance right (iv)	29 July 2020	nil	$1.56	30 June 2021	100%	29 July 2027
STI Performance right (iv)	26 November 2020	nil	$1.13	30 June 2021	100%	26 November 2027

(i). The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the performance period (36-month period from 1 January 2019 to 31 December 2021 over which the individuals and the company's performance is assessed), and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Monte Carlo Simulation pricing model. Further information is set out in note 22 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 (36-month period from 1 July 2019 to 30 June 2022 over which the individuals and the company's performance is assessed), and the amount is included in the remuneration tables above. Fair values at grant date are determined using a Monte Carlo Simulation pricing model. Further information is set out in note 22 to the financial statements.

(iii). The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the performance period (36-month period from 1 July 2020 to 30 June 2023 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 22 to the financial statements.

(iv). The STI Performance rights have a shorter measuring period and furthermore will vest upon the completion of a service condition, without any other conditions. The fair value is determined with reference to the share price at the grant date. Of the ones issued to KMPs, 100% vested, but there were some STI Performance Rights issued to individuals who were not KMPs that did not vest.

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

Table 5 - Value of share based compensation

	As a percentage of total remuneration	Granted	Exercised	Forfeited
	%	$	$	$
J Quartermaine	35	586,654	483,315	-
L de Bruin	12	580,000	-	-
C Woodall	30	379,918	74,530	-
M Bosboom	32	236,779	139,744	-
P Thompson	30	271,782	55,898	-
M Scully	32	226,408	111,795	-
D Jones	34	226,179	111,795	-
E Brown	36	300,875	297,081	384,897

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

Remuneration Report | 4. Share based compensation (continued)

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

	Balance at the start of the year Number	Granted during the year as remuneration Number	Exercised during the year Number	Forfeited / lapsed Number	Other movements Number	Balance at the end of the year Number	Vested during the year Number	Vested and exercisable at the end of the year Number
Non-executive directors								
Sean Harvey	-	-	-	-	-	-	-	-
Amber Jemma Banfield	-	-	-	-	-	-	-	-
Elissa Brown	-	-	-	-	-	-	-	-
Sally-Anne Layman	-	-	-	-	-	-	-	-
Daniel Lougher	-	-	-	-	-	-	-	-
John McGloin	-	-	-	-	-	-	-	-
David Ransom	-	-	-	-	-	-	-	-
Sub-total — non-executive directors	-	-	-	-	-	-	-	-
Executive directors								
Jeffrey Quartermaine	3,346,500	698,408	(1,666,667)	-	-	2,378,241	(1,333,334)	-
Sub-total — executive directors								
Senior executives								
Lee-Anne de Bruin	-	500,000	-	-	-	500,000	-	-
Christopher Woodall	1,280,367	350,440	(333,334)	-	-	1,297,473	(350,440)	-
Martijn Bosboom	1,432,800	221,137	(625,000)	-	-	1,028,937	(625,000)	-
Paul Thompson	1,496,400	253,774	(250,000)[1]	-	-	1,500,174	(700,000)	450,000
Matthew Scully	1,413,700	211,429	(500,000)	-	-	1,125,129	(500,000)	-
Douglas Jones	1,413,700	211,282	(500,000)	-	-	1,124,982	(500,000)	-
Elissa Brown	1,531,900	278,106	(1,028,016)[2]	(781,900)	-	-	(1,028,016)	-
Sub-total — senior executives								

Notes:
1. The rights exercised during the year by Mr Thompson were done so prior to his designation as a KMP.
2. Of the total number of performance rights exercised by Ms Brown, 328,016 were exercised on 4 November 2020, shortly after her resignation as a KMP, and prior to her appointment as a director.

Remuneration Report | 4. Share based compensation (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 performance rights yet to vest has been determined as the amount of the grant date fair value of the performance rights.

Table 7 – Performance rights granted as at 30 June 2021

	Financial Year granted	Number of Rights	Vested in current year	Financial year in which PRs may or will vest	Minimum total value left to vest	Maximum total value left to vest
	Year	Number	%	Year	$	$
Executive directors						
Jeffrey Quartermaine	2018	1,333,334	100	2021	-	-
	2019	333,333	-	2022	-	91,850
	2020	1,346,500	-	2022	-	1,042,460
	2021	632,960	-	2023	-	512,698
	2021 (STI)	65,448	-	2021	-	73,956
Other KMPs						
Lee-Anne de Bruin	2021	500,000	-	2023	-	580,000
Christopher Woodall	2018	333,334	100	2021	-	-
	2019	333,333	-	2022	-	107,470
	2020	613,700	-	2022	-	324,868
	2021	313,545	-	2023	-	322,362
	2021 (STI)	36,895	-	2021	-	57,556
Martijn Bosboom	2018	625,000	100	2021	-	-
	2019	375,000	-	2022	-	120,904
	2020	432,800	-	2022	-	229,107
	2021	203,419	-	2023	-	209,139
	2021 (STI)	17,718	-	2021	-	27,640
Paul Thompson	2018	700,000	100	2021	-	-
	2019	300,000	-	2022	-	96,723
	2020	496,400	-	2022	-	262,774
	2021	233,333	-	2023	-	239,894
	2021 (STI)	20,441	-	2021	-	31,888

Remuneration Report (continued)

5. Additional information

Loans to directors and executives

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

Share options

As at the date of this report, there are no options over ordinary shares

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:

Person	At 1 July 2020	Received upon exercise of vested performance rights	Shares sold	Other movements	At 30 June 2021
S Harvey	1,500,000	—	(200,000)		1,300,000
J Quartermaine	1,000,000	1,666,667	(666,667)		2,000,000
A Banfield	—	—	—	—	—
E Brown	195,000	1,028,016	700,000		523,016
J McGloin	1,282,907	—	(641,507)		641,400
S Layman[i]	210,000	—	—	(210,000)	—
D Lougher	8,000	—	—	—	8,000
D Ransom	77,973	—	—	—	77,973
L de Bruin	—	—	—	—	—
C Woodall	133,333	333,334	(260,000)		206,667
M Bosboom	—	625,000	(625,000)	—	—
P Thompson	—	250,000	(250,000)	—	—
M Scully	—	500,000	(500,000)	—	—
D Jones	260,835	500,000	(500,000)	—	260,385

Notes:
(i) Resigned 30 Sep 2020. The "other movements" column represents the balance of shares held at the date of resignation.

Performance rights

As at the date of this report, the performance rights outstanding under the Performance Rights Plan was as follows:

Type of Performance Right	Number	Exercise price	Issue date	Vesting date	Expiry date
Long term incentive PRs	450,000	nil	3 Aug 2017	30 Jun 2020	3 Aug 2024
Long term incentive PRs	333,333	nil	28 Nov 2018	31 Dec 2021	28 Nov 2025
Long term incentive PRs	4,408,333	nil	7 May 2019	31 Dec 2021	7 May 2026
Long term incentive PRs	4,200,000	nil	27 Jun 2019	31 Dec 2021	27 Jun 2026
Long term incentive PRs	7,614,500	nil	26 Sep 2019	30 Jun 2022	26 Sep 2026
Long term incentive PRs	1,346,500	nil	29 Nov 2019	30 Jun 2022	29 Nov 2026
Long term incentive PRs	3,370,167	nil	26 Aug 2020	30 Jun 2023	26 Aug 2027
Long term incentive PRs	632,960	nil	26 Nov 2020	30 Jun 2023	26 Nov 2027
Long term incentive PRs	1,000,000	nil	14 April 2021	30 Jun 2023	14 April 2028
Short term incentive PRs	72,880	nil	29 Jul 2020	30 Jun 2021	29 Jul 2027
Short term incentive PRs	424,008	nil	4 Aug 2021	30 Jun 2022	4 Aug 2028

These performance rights do not entitle the holder to participate in any share issue of Perseus or any other body corporate. There are no performance rights to subscribe for shares in any controlled entity.

Shares issued on exercise of performance rights

On 3 July 2020, 10,316,668 performance rights that had previously been issued to employees vested under the terms of Perseus's Performance Rights Plan, of which 9,866,668 were subsequently exercised.

Remuneration Report (continued)

5. Additional information (continued)

Performance rights issued

The following performance rights were issued to employees of the company:

Issue date	Number of Performance Rights
29 July 2020	239,978
26 August 2020	4,189,611
26 November 2020	698,408
14 April 2021	1,000,000

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

Performance rights forfeited

During the year, 5,555,384 performance rights were forfeited under the terms of the Company's Performance Rights Plan.

——— End of audited remuneration report ———

Other disclosures

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. The company has entered into Deeds of Indemnity, Access and Insurance with all persons who are an officer of the company. Independent legal advice was received that the content of the deeds conforms with the Act and current market practice. The directors and officers of the group have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The contract of insurance prohibits the disclosure of the amount of the insurance premiums paid during the year ended 30 June 2021. The insurance premiums relate 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, PricewaterhouseCoopers, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify PricewaterhouseCoopers during or since the financial year end.

Proceedings on behalf of the company

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

Auditor's independence declaration

Section 307C of the Corporations Act 2001 requires our auditors, PricewaterhouseCoopers, to provide the directors of Perseus with an Independence Declaration in relation to the review of the financial report. This Independence Declaration is set out on page 40 and forms part of this directors' report for the year ended 30 June 2021.

Non-Audit Services

During the year PricewaterhouseCoopers, the Group's auditor, performed other non-audit services in addition to statutory duties. The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the group, acting as an advocate for the group or jointly sharing risks and rewards. Further information is set out at note 20 of the financial statements.

This report was signed in accordance with a resolution of the directors.

Jeffrey Allan Quartermaine
Managing Director and Chief Executive Officer
Perth, 25 August 2021

Competent Person Statement

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

All production targets 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.

Edikan. The information in this report that relates to AF Gap Mineral Resources and Ore Reserve estimate was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 26 August 2020. The information in this report that relates to the Mineral Resource and Ore Reserve estimates for the Fetish deposit and the Heap Leach was first reported by the Company in a market announcement "Perseus Mining Updates Edikan Gold Mine's Mineral Resources and Ore Reserves" released on 20 February 2020. The Mineral Reserve and Ore Reserve estimates for the abovementioned deposits were updated for depletion as at 30 June 2021 in a market announcement. "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 24 August 2021. The information in this report that relates to Esuajah North Mineral Resources estimate was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 29 August 2018. The information in this report that relates to the Mineral Resource and Ore Reserve estimates for Esuajah South Underground deposit was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 24 August 2021. The Company confirms that it is not aware of any new information or data that materially affect the information in those market releases and that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in "Technical Report — Central Ashanti Gold Project, Ghana" dated 30 May 2011 continue to apply.

Sissingué, Fimbiasso, Bagoé. The information in this report that relates to Mineral Resource and Ore Reserve estimates for the Fimbiasso deposits was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 26 August 2020. The information in this report that relates to Mineral Resource and Ore Reserve estimates for the Sissingué and Bagoé deposits was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 24 August 2021. The Company confirms that it is not aware of any new information or data that materially affect the information in these market releases and that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in "Technical Report — Sissingué Gold Project, Côte d'Ivoire" dated 29 May 2015 continue to apply.

Yaouré. The information in this report that relates to Open Pit and Heap Leach Mineral Resources and Ore Reserves at Yaouré was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 28 August 2019 and updated for mining depletion as at 30 June 2021 in a market announcement released on 24 August 2021. The information in this report that relates to Underground Mineral Resources at Yaouré was first reported by the Company in a market announcement "Perseus Mining Completes Scoping Study for Potential Underground Mine at Yaouré" released on 5 November 2018 and adjusted to exclude material lying within the US$1,800/oz pit shell that constrains the Open Pit Mineral Resources in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 28 August 2019. The information in this report that relates to the Yaouré near mine satellite deposit Mineral Resource and Ore Reserve estimates was first reported by the Company in a market announcement "Perseus Mining Updates Mineral Resources and Ore Reserves" released on 24 August 2021. The Company confirms that all material assumptions underpinning those estimates and the production targets, or the forecast financial information derived therefrom, in that market release continue to apply and have not materially changed. The Company further confirms that material assumptions underpinning the estimates of Ore Reserves described in "Technical Report — Yaouré Gold Project, Côte d'Ivoire" dated 18 December 2017 continue to apply.

The information in this report relating to exploration results was first reported by the Company in compliance with the JORC Code 2012 and NI43-101 in quarterly reports dated 25 October 2020, 21 January 2021, 20 April 2021 and 21 July 2021. The Company confirms that it is not aware of any new information or data that materially affect the information in these market releases.

Auditor's Independence Declaration

As lead auditor for the review of Perseus Mining Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Craig Heatley
Partner
PricewaterhouseCoopers

Perth
25 August 2021

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Annual Financial Statements

Contents

Table of Notes to the Consolidated Financial Statements

These financial statements are the financial statements of the consolidated entity consisting of Perseus Mining Limited and its subsidiaries. Perseus Mining Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is disclosed in the Corporate Directory on page 2.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities in the directors' report on pages 3 to 39, which is not part of these financial statements.

These financial statements were authorised for issue by the directors on 25 August 2021. The directors have the power to amend and reissue the financial statements.

Through 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.

Consolidated Statement of Comprehensive Income

	Note	For the-year ending: 30 Jun 2021 $'000	30 Jun 2020 $'000
Profit and loss from continuing operations			
Revenue		**679,731**	591,238
Cost of sales		**(376,666)**	(317,402)
Gross profit before depreciation and amortisation		**303,065**	273,836
Depreciation and amortisation relating to gold production	*2*	**(103,631)**	(133,378)
Gross profit from operations		**199,434**	140,458
Other income	*2*	**949**	4,039
Other expenses		**(25)**	(268)
Administration and other corporate expenses		**(19,581)**	(22,016)
Foreign exchange (loss)/gain	*2*	**(4,458)**	13,755
Other depreciation and amortisation expense	*2*	**(1,193)**	(679)
Write-downs and impairments	*10*	**(6,822)**	(4,537)
Finance costs		**(5,260)**	(4,085)
Profit before tax		**163,044**	126,667
Income tax expense	*3*	**(23,666)**	(32,244)
Profit after tax		**139,378**	94,423
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Fair value movement on equity investments		**335**	338
Items that will or may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		**(38,982)**	(8,383)
Net Changes in the fair value of cash flow hedges		**6,698**	2,385
Income tax on these items		**(150)**	(1,505)
Total comprehensive income		**107,279**	87,258
Profit is attributable to:			
Owners of Perseus Mining Limited		**116,221**	94,356
Non-controlling interests		**23,157**	67
		139,378	94,423
Total comprehensive income is attributable to:			
Owners of Perseus Mining Limited		**85,603**	85,513
Non-controlling interests		**21,676**	1,745
		107,279	87,258
Basic earnings per share	*4*	**9.57 cents**	8.08 cents
Diluted earnings per share	*4*	**9.37 cents**	7.88 cents

Consolidated Statement of Financial Position

	Note	As at: 30 Jun 2021 $'000	30 Jun 2020 $'000
Current assets			
Cash and cash equivalents	*5*	**181,545**	218,166
Receivables	*6*	**10,917**	12,740
Inventories	*7*	**178,540**	117,063
Prepayments	*6*	**24,566**	11,653
Income tax receivable		**7,731**	3,080
		403,299	362,702
Non-current assets			
Receivables	*6*	**8,605**	6,838
Inventories	*7*	**6,522**	57,493
Equity investments		**797**	667
Property, plant, and equipment	*8*	**405,707**	630,170
Right of use assets		**4,324**	1,932
Mine properties	*9*	**447,764**	202,400
Mineral interest acquisition and exploration expenditure	*10*	**132,580**	33,513
		1,006,299	933,013
Total assets		**1,409,598**	1,295,715
Current liabilities			
Payables and provisions	*11*	**122,869**	102,395
Derivative financial instruments		**-**	6,105
Lease liabilities		**1,707**	1,265
		124,576	109,765
Non-current liabilities			
Provisions	*11*	**39,514**	40,220
Interest-bearing liabilities	*13*	**133,199**	217,667
Lease liabilities		**2,497**	524
Deferred tax liabilities	*12*	**50,713**	51,986
		225,923	310,397
Total liabilities		**350,499**	420,163
Net assets		**1,059,099**	875,552
Equity			
Issued share capital	*14*	**850,412**	776,564
Reserves	*14*	**32,007**	57,463
Retained earnings	*14*	**149,001**	32,780
Equity attributable to the owners of Perseus Mining Limited		**1,031,420**	866,807
Non-controlling interests	*14*	**27,679**	8,745
Total equity		**1,059,099**	875,552

Consolidated Statement of Changes in Equity

	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 interests $'000	**Total equity** **$'000**
Balances at 1 Jul 2020	**776,564**	**32,780**	**32,042**	**31,656**	**721**	**(6,698)**	**(258)**	**8,745**	**875,552**
Profit for the period	—	116,221	—	—	—	—	—	23,157	139,378
Other comprehensive income	—	—	—	(37,651)	335	6,698	—	(1,481)	(32,099)
Total comprehensive income	**—**	**116,221**	**—**	**(37,651)**	**335**	**6,698**	**—**	**21,676**	**107,279**
Transactions with owners in their capacity as owners									
Issue of ordinary shares—Exore	73,848	—	—	—	—	—	—	—	73,848
Share-based payments	—	—	5,162	—	—	—	—	164	5,326
Intercompany dividend	—	—	—	—	—	—	—	(2,906)	(2,906)
Balances at 30 Jun 2021	**850,412**	**149,001**	**37,204**	**(5,995)**	**1,056**	**—**	**(258)**	**27,679**	**1,059,099**
Balances at 1 Jul 2019	**776,564**	**(61,576)**	**26,964**	**40,766**	**383**	**(6,627)**	**(258)**	**7,296**	**783,512**
Profit for the period	—	94,356	—	—	—	—	—	67	**94,423**
Other comprehensive income	—	—	—	(9,110)	338	(71)	—	1,678	**(7,165)**
Total comprehensive income	—	**94,356**	—	**(9,110)**	**338**	**(71)**	—	**1,745**	**87,258**
Transactions with owners in their capacity as owners									
Share-based payments			5,078					(300)	**4,778**
Share issue expense								4	**4**
Balances at 30 June 2020	**776,564**	**32,780**	**32,042**	**31,656**	**721**	**(6,698)**	**(258)**	**8,745**	**875,552**

Consolidated Statement of Cash Flows

	Note	For the year ending: 30 Jun 2021 $'000	30 Jun 2020 $'000
Operating activities			
Receipts in the course of operations		**676,320**	589,242
Payments to suppliers and employees		**(353,946)**	(351,575)
Income taxes paid		**(20,878)**	(26,520)
Interest received		**522**	1,644
Net cash inflows from operating activities	*21*	**302,018**	212,791
Investing activities			
Payments for exploration and evaluation expenditure		**(28,760)**	(18,718)
Payments for mine properties		**(49,638)**	(24,789)
Payments for property, plant and equipment		**(171,090)**	(229,686)
(Payments for)/refund of security deposits		**(1,891)**	3,191
Proceeds on disposal of equity investments		**205**	115
Cash acquired in the Exore transaction	*17*	**1,965**	-
Net cash used in investing activities		**(249,209)**	(269,887)
Financing activities			
Dividends paid to non-controlling interests		**(2,290)**	-
Repayment of borrowings		**(67,141)**	(45,518)
Proceeds from borrowings		**-**	226,534
Borrowing costs		**(11,919)**	(15,303)
Net cash (used in)/provided by financing activities		**(81,350)**	165,713
Net (decrease)/increase in cash held		**(28,541)**	108,617
Cash and cash equivalents at the beginning of the period		**218,166**	125,406
Effect of exchange rate changes on foreign-denominated cash		**(8,080)**	(15,857)
Cash and cash equivalents at the end of the period		**181,545**	218,166

Notes to the Consolidated Financial Statements

About this report

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated in the notes. 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 2021, the consolidated entity conducted operations in Australia, Ghana and Côte d'Ivoire.

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. They also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). As such, they have been prepared under the historical cost convention, except for where the accounting standards allow or require the measurement of amount on an alternative basis.

The amounts contained in the financial report are presented in Australian dollars and have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000) under the option available to the group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. This legislative instrument applies to the group.

New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. Therefore, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Significant estimates and judgements

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. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectations of future events that may have a financial impact on the consolidated entity and that are believed to be reasonable under the circumstances. The group makes estimates and assumptions concerning the future. The resulting accounting will, by definition, seldom equal the actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the notes indicated below.

	Note
Impairment	2,10
Unit-of-production method of depreciation/amortisation	2,9
Ore reserves and mineral resources	9
Deferred stripping expenditure	2
Income tax	3
Inventory	7
Restoration and rehabilitation provision	11
Share-based payments	22

Notes to the Consolidated Financial Statements (continued)

1. Segment information

(a) Description of segments

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

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

The group operated principally in four segments in 2021 being Edikan, Sissingué, Yaouré and Corporate / Other. The segment information is prepared in conformity with the group's accounting policies.

The group comprises the following main segments:

Edikan	Mining, mineral exploration, evaluation, and development activities.
Sissingué	Mining, mineral exploration, evaluation, and development activities.
Yaouré	Mining, mineral exploration, evaluation, and development activities.
Corporate/other	Investing activities, corporate management, and inter-segment eliminations.

Revenue is derived from two external customers arising from the sale of gold bullion reported under the Edikan, Sissingué, and Yaouré reporting segments.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management team and board of directors of the parent entity.

Notes to the Consolidated Financial Statements (continued)

1. Segment information (continued)

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

	Edikan		Sissingué		Yaouré		Corporate/other		Consolidated	
PROFIT AND LOSS										
For the year ending 30 June:	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Revenue	**353,572**	388,976	**230,293**	202,262	**95,866**	-	**-**	-	**679,731**	591,238
Other income	**438**	1,778	**217**	758	**-**	-	**294**	1,503	**949**	4,039
Total revenue and other income	**354,010**	390,754	**230,510**	203,020	**95,866**	-	**294**	1,503	**680,680**	595,277
Profit before tax	**51,414**	92,122	**110,313**	38,308	**50,241**	5,990	**(48,924)**	(9,753)	**163,044**	126,667
Income tax	**(19,257)**	(32,104)	**-**	-	**-**	-	**(4,409)**	(140)	**(23,666)**	(32,244)
Profit after tax	**32,157**	60,018	**110,313**	38,308	**50,241**	5,990	**(53,333)**	(9,893)	**139,378**	94,423
Included in segment results are:										
Impairments and write-offs	**(3,251)**	(68)	**(3,571)**	(4,311)	**-**	(158)	**-**	-	**(6,822)**	(4,537)
Depreciation and amortisation	**(32,729)**	(66,596)	**(53,694)**	(65,176)	**(17,455)**	(477)	**(946)**	(1,808)	**(104,824)**	(134,057)
Share-based payments	**(647)**	(676)	**(763)**	(767)	**(106)**	-	**(2,955)**	(3,082)	**(4,471)**	(4,525)
Foreign exchange gains/(losses)	**474**	1,477	**7,211**	(1,386)	**20,031**	(113)	**(32,174)**	13,777	**(4,458)**	13,755
ASSETS AND LIABILITIES										
As at 30 June:	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000	**2021 $'000**	2020 $'000
Total segment assets	**416,782**	473,761	**264,978**	175,480	**646,473**	482,261	**81,365**	164,213	**1,409,598**	1,295,715
Included in segment assets are:										
Additions to non-current assets	**52,894**	42,081	**91,358**	24,246	**170,461**	261,935	**230**	114	**314,943**	328,376
Of which: Exore acquisition	**-**	-	***73,079***	-	**-**	-	**-**	-	***73,079***	-
Total segment liabilities	**122,143**	120,284	**41,834**	42,891	**54,297**	32,452	**132,225**	224,536	**350,499**	420,163

Notes to the Consolidated Financial Statements (continued)

2. Other income/expenses

For the year ending:	30 June 2021 $'000	30 June 2020 $'000
Foreign exchange (losses)/gains:		
on translation of intercompany loans	**(19,095)**	8,833
on other translations	**14,637**	4,922
	(4,458)	13,755
Changes in inventories:		
due to increase in net realisable value	**4,074**	38,260
Interest income	**731**	1,898
Interest and finance charges	**(5,260)**	(4,085)
Impairments and similar		
Impairment of receivables	**-**	(266)
Other impairments and write-downs	**(6,822)**	(4,537)
Depreciation and amortisation		
Amortisation of deferred stripping asset	**(13,103)**	(20,118)
Other depreciation and amortisation relating to gold production	**(90,528)**	(113,260)
Other depreciation and amortisation	**(1,193)**	(679)
	(104,824)	(134,057)

Accounting Policy

Revenue recognition

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

- Gold bullion sales - The group recognises revenue from gold bullion sales as its obligations are satisfied in accordance with an agreed contract between the group and its customers. Revenue is recognised at a point-in-time when the gold bullion has been credited to the metals account of the customer. It is at this point that control over the gold bullion has been passed to the customer and the group has fulfilled its obligations under the contract.
- Interest income - Interest income is recognised in the income statement as it accrues, using the effective interest method.

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.

Significant Judgements and estimates

Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units or "CGU"). The group has three cash generating units, Edikan Gold Mine, the Sissingué Gold Mine and the Yaouré Gold Mine. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In determining whether the recoverable amount of each cash generating unit is the higher of fair value less costs of disposal or value-in-use against which asset impairment is to be considered, the group undertakes future cash flow calculations which are based on a number of critical estimates and assumptions, and reflect the life of mine ("LOM") operating and capital cost assumptions used in the group's latest budget and LOM plans:

Notes to the Consolidated Financial Statements (continued)

2. Other income/expenses (continued)

(a) Mine life including quantities of mineral Ore Reserves and Mineral Resources for which there is a high degree of confidence of economic extraction with given technology;
(b) Estimated production and sales levels;
(c) Estimate future commodity prices are based on brokers consensus forecast;
(d) Future costs of production;
(e) Future capital expenditure;
(f) Future exchange rates; and/or
(g) Discount rates based on the group's estimated before tax weighted average cost of capital, adjusted when appropriate to take into account relevant risks such as development risk etc.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results. The expected future cash flows of the cash generating units are most sensitive to fluctuations in the gold price.

At 30 June 2021 the group determined that there was no external or internal indicator of impairment. This was as a result of the substantial increase in gold prices as well as strong performance at all sites during the financial year. In view of the ongoing COVID-19 global pandemic, consideration of its impact on the group's operations was given. The COVID-19 pandemic was found not to be an indicator of impairment for any of the group's CGUs as to date there has been immaterial disruption and no material impact on the group's operations in the various jurisdictions. This was as a result of various measures put in place in response to the pandemic. As a result, no impairment testing was conducted for the Edikan, Sissingué and Yaouré CGUs.

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.

Deferred stripping expenditure
The group defers stripping costs incurred during the production stage of its operations. Significant judgement is required to distinguish between production stripping that relates to the extraction of inventory and what relates to the creation of a deferred waste asset. The group also identifies the separate components of the ore body. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify these components, and to determine the expected volumes of waste to be stripped and ore to be mined in each component and a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The group considers that the ratio of the expected waste to be stripped for an expected amount of ore to be mined, for a specific component of the ore body, is the most suitable production measure. Furthermore, judgements and estimates are also used to apply the units of production method in determining the amortisation of the stripping activity asset(s). Changes in a mine's life and design will usually result in changes to the expected stripping ratio (waste to mineral reserves ratio). Changes in other technical or economical parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine's design. Changes to the life of the component are accounted for prospectively.

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

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

Notes to the Consolidated Financial Statements (continued)

3. Income tax

For the year ending:	30 June 2021 $'000	30 June 2020 $'000
Income tax expense		
Current tax expense	**20,796**	24,233
Deferred tax expense	**3,028**	7,906
Adjustments for current tax in respect of prior years	**(158)**	105
	23,666	32,244
Deferred tax expense		
Decrease in deferred tax assets	**(46)**	14,889
Decrease in deferred tax liabilities	**2,916**	(6,878)
	2,870	8,011
Numerical reconciliation of income tax expense to prima-facie tax payable		
Profit before tax	**163,044**	126,667
Profit before tax at the Australian tax rate of 30% ("prima-facie tax payable")	**48,913**	38,001
Effect of:		
Differing tax rates in foreign jurisdictions	**(31,849)**	4,481
Non-deductible expenses	**321**	484
Share-based payments	**1,113**	1,161
Foreign exchange on investment in foreign subsidiaries	**15,309**	2,581
Deferred tax assets not brought to account	**(14,392)**	(14,759)
Other permanent differences	**4,409**	190
	23,824	32,139
(Over)/under-provision in prior years	**(158)**	105
Income tax expense	**23,666**	32,244
Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the year and not recognised in net profit or loss but directly (credited) / debited to equity	**(150)**	(1,505)
Tax Losses		
Estimate of Australian revenue losses	**55,072**	56,592
Estimate of Australian capital losses	**14,443**	9,370
	69,515	65,962
Potential tax benefit at 30%	**20,854**	19,789
Unused foreign tax losses for which no deferred tax has been recognised	**-**	-
	20,854	19,789

Income tax expense is wholly attributable to profits from continuing operations. The tax losses are unrecognised, due to the lack of certainty over their recovery.

Accounting policy

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

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

Significant Judgements and estimates

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from un-utilised tax losses, require management to assess the likelihood that the group will generate taxable earnings in future years, in order to utilise recognised deferred tax assets. Estimates of

Notes to the Consolidated Financial Statements (continued)

3. Income tax (continued)

future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in jurisdictions in which the group operates could limit the ability of the group to obtain tax deductions in future years.

4. Earnings per share

For the year ending:	30 June 2021 $'000	30 June 2020 $'000
Earnings used in calculating earnings per share		
Earnings attributable to the owners of Perseus Mining Limited	**116,221**	94,356
Weighted average number of shares	**Number**	Number
Weighted average number of outstanding ordinary shares for basic EPS calculation	**1,214,231,268**	1,167,972,625
Weighted average number of potential ordinary shares	**25,701,363**	29,621,005
Weighted average number of ordinary shares for diluted EPS calculation	**1,239,932,631**	1,197,593,630

The potential ordinary shares are the performance rights as described Note 22.

Accounting policy

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.

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.

5. Cash and cash equivalents

At:	30 June 2021 $'000	30 June 2020 $'000
Cash in bank and on-hand	**181,545**	105,694
Short term deposits	—	112,472
	181,545	218,166

Cash in bank earns interest at floating rates based on daily bank deposit rates. 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.

Accounting policy

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.

Notes to the Consolidated Financial Statements (continued)

6. Receivables and Prepayments

At:	30 June 2021 $'000	30 June 2020 $'000
Current		
Trade debtors	**1,263**	1,053
Sundry debtors	**6,911**	5,128
Other receivables	**2,743**	6,559
	10,917	12,740
Prepayments	**24,566**	11,653
Non-current		
Security deposits	**8,605**	6,838
	8,605	6,838
Movement in the impairment of receivables		
Balance at the start of the year	**—**	3,972
Bad debts previously provided for fully written off	**—**	(3,972)
Balance at the end of the year	**—**	—

(a) Trade and sundry debtors are non-interest bearing and generally on 30-day terms. At 30 June 2021, no amounts are past due (30 June 2020: no amounts)

(b) Other receivable relates to GST and VAT receivable throughout the group. At 30 June 2021 all (30 June 2020: all) related to a net VAT refund receivable from the Ghana Revenue Authority ("GRA"). It is immediately repayable on demand in Ghanaian Cedis, is unsecured and bears no interest. During the year, the group received a total of GHS 71.8 million (approximately $16.6 million or US$12.5 million) from the GRA for the VAT receivable.

(c) Impairment of receivables are recognised against sundry and other debtors for estimated expected credit losses determined by reference to an analysis of the counterparty's current financial position.

(d) The security deposits are subject to a lien and are collateral for a bank guarantee issued to the environmental authorities of Ghana and Côte d'Ivoire in relation to environmental rehabilitation provisions.

Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value. Long term receivables are evaluated by the group based on parameters such as individual creditworthiness of the customer and specific country risk factors. The carrying amount of long-term receivables is assumed to approximate fair value, as the security deposits that make up the long-term receivables have a market-based interest rate. The maximum exposure to credit risk at the end of the year is the carrying amount of each class of receivable mentioned above. Further information about the group's exposure to these risks is provided in note 15.

Accounting policy

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. An allowance for doubtful debts is made when collection of the full amount is no longer probable. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses.

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 year-end which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements (continued)

7. Inventories

At:	**30 June 2021 $'000**	30 June 2020 $'000
Current		
Ore stockpiles—at cost	**41,843**	27,170
Ore stockpiles—at net realisable value	**49,803**	18,915
Gold in circuit—at cost	**7,402**	6,698
Gold in circuit— at net realisable value	**5,959**	—
Bullion on hand—at cost	**6,847**	10,250
Bullion on hand— at net realisable value	**13,124**	—
Materials and supplies	**53,562**	54,030
	178,540	117,063
Non-current		
Ore stockpiles—at net realisable value	**6,522**	57,493
	6,522	57,493

Refer to Note 2 for the changes in inventory as a result of changes in net realisable value. Included in that amount is an increase of $1.9m to the provision for slow and obsolete stock at Edikan.

Accounting policy

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

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

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

Significant Judgements and estimates

Net realisable value tests are performed at least quarterly and represent the estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

8. Property, plant, and equipment

At:	**30 June 2021 $'000**	30 June 2020 $'000
Plant and equipment—at cost	**644,750**	368,660
Accumulated depreciation	**(272,604)**	(242,353)
	372,146	126,307
Assets under construction—at cost	**33,561**	503,863
	405,707	630,170

Notes to the Consolidated Financial Statements (continued)

8. Property, plant, and equipment (continued)

For the period ending:	30 June 2021 $'000	30 June 2020 $'000
Reconciliation of plant & equipment		
Balance at the beginning of the year	**126,307**	172,210
Additions	**862**	2,223
Transferred from assets under construction	**291,239**	2,791
Depreciation	**(47,056)**	(53,352)
Disposals	**(34)**	(617)
Translation difference movement	**828**	3,052
	372,146	126,307
Reconciliation of assets under construction		
Balance at the beginning of the year	**503,863**	246,502
Additions	**162,088**	262,530
Transferred to property, plant and equipment	**(291,239)**	(2,791)
Transferred to mine properties	**(278,495)**	(3,832)
Transferred to exploration	**(4,503)**	-
Write-off	**-**	(159)
Translation difference movement	**(58,153)**	1,613
	33,561	503,863

Of the amounts transferred to plant, property and equipment, $286.6 million related to Yaouré, and of the amounts transferred to Mine Properties, $268.6 million related to Yaouré.

Accounting Policy

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'.

Property, plant and equipment

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

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

Land is not depreciated. Property, plant and equipment directly engaged in the crushing and milling operations are depreciated over the shorter of expected economic life or over the remaining life of the mine on a units-of-production basis. Assets which are depreciated on a basis other than units-of-production method are typically depreciated on a straight-line basis over their estimated useful lives as follows:

Plant and equipment	3-10 years
Buildings	20 years

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

Notes to the Consolidated Financial Statements (continued)

8. Property, plant, and equipment (continued)

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

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

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

9. Mine properties

For the period ending:	**30 June 2021 $'000**	30 June 2020 $'000
Mine properties—at cost	**961,690**	682,722
Accumulated depreciation	**(513,926)**	(480,322)
	447,764	202,400
Reconciliation of mine properties		
Balance at the beginning of the year	**202,400**	232,761
Additions	**44,425**	43,176
Transferred from assets under construction	**278,495**	3,832
Amortisation	**(57,092)**	(80,910)
Translation difference movement	**(20,464)**	3,541
	447,764	202,400

Commercial Production at Yaouré was declared on 31 March 2021. All pre-commercial production operational expenditure during the ramp-up of the mine until commercial production commenced was capitalised to mine properties. Additionally, gold bullion sales of 11,918 oz for $26.1 million that occurred prior to the declaration of commercial production have not been recognised in revenue, but instead credited against the cost of the asset. Refer to Note 13 for the quantum of interest expense that was also capitalised to Mine Properties.

Of the total balance of Mine Properties at 30 June 2021, $113.5 million (2020: $64.9 million) relates to the net book value of the deferred stripping asset. Of the total additions to Mine Properties during the period, $43.6 million (2020: $24.8 million) relates to additions to the deferred stripping asset.

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

Notes to the Consolidated Financial Statements (continued)

9. Mine properties (continued)

Deferred stripping costs

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

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

Significant Judgements and estimates

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

10. Mineral interest acquisition and exploration expenditure

For the year ending:	**30 June 2021 $'000**	30 June 2020 $'000
Balance at the beginning of the year	**33,513**	17,405
Amount brought in due to the acquisition of Exore Resources	**72,827**	-
Additions	**33,046**	20,447
Transferred from assets under construction	**4,503**	-
Costs written off	**(6,822)**	(4,378)
Translation difference movement	**(4,487)**	39
	132,580	33,513

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. Refer to Note 17 for further details with respect to the acquisition of Exore Resources.

Accounting Policy

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.

Notes to the Consolidated Financial Statements (continued)

10. Mineral interest acquisition and exploration expenditure (continued)

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 then the accumulated costs carried forward are written off in the year in which the assessment is made.

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

Significant Judgements and estimates
Management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made.

11. Payables and provisions

At:	**30 June 2021 $'000**	30 June 2020 $'000
Current		
Trade creditors and accruals	**120,043**	100,110
Employee benefits	**2,826**	2,285
	122,869	102,395
Non-current		
Rehabilitation provision	**37,873**	39,412
Employee benefits	**1,641**	808
	39,514	40,220

Trade and other creditors are non-interest bearing and are normally settled on 30-day terms. Information about the group's exposure to risk is provided in note 15.

Reconciliation of rehabilitation provision		
Balance at the beginning of the year	**39,412**	18,776
Increased / (decreased) obligations during the year	**2,355**	20,880
Rehabilitation expenditure during the year	**(765)**	(229)
Unwinding of discount	**114**	56
Translation difference movement	**(3,243)**	(71)
	37,873	39,412

The provision for rehabilitation work relates to Edikan in Ghana, and Sissingué and Yaouré in Côte d'Ivoire. The timing of settlement of these obligations cannot be established with any certainty. The provisions have been reviewed and updated in line with the additional development and adjustments to cost expectations that has occurred since June 2020.

Accounting policy
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.

Notes to the Consolidated Financial Statements (continued)

11. Payables and provisions (continued)

Provisions

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

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

Employee benefits

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.

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

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

Rehabilitation provision

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

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

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

Significant judgements and estimates

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

Notes to the Consolidated Financial Statements (continued)

12. Deferred tax

At:	30 June 2021 $'000	30 June 2020 $'000
Deferred tax asset	**77**	40
Deferred tax liability	**50,790**	52,026
Net deferred tax liability pursuant to the set-off provisions	**50,713**	51,986
Temporary differences contributing to the deferred tax asset		
Employee benefits	**77**	40
Other	**-**	-
	77	40
Movement in the deferred tax asset		
Balance at the beginning of the year	**40**	15,759
Credited to the income statement	**45**	(14,889)
Credited to the hedging reserve in equity	**(150)**	(1,505)
Translation difference movement	**142**	675
	77	40
Temporary differences contributing to the deferred tax liability		
Property, plant and equipment	**15,460**	20,012
Mine properties in use	**32,488**	29,000
Exploration and evaluation	**1,950**	2,239
Other	**892**	775
	50,790	52,026
Movement in the deferred tax liability		
Balance at the beginning of the year	**52,026**	57,577
Charged/(credited) to the Statement of comprehensive income	**2,916**	(6,878)
Translation difference movement	**(4,152)**	1,327
	50,790	52,026

Accounting policy

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

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

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

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.

Notes to the Consolidated Financial Statements (continued)

13. Interest-bearing liabilities

At:	30 June 2021 $'000	30 June 2020 $'000
Revolving cash advance facility—current portion	—	—
Revolving cash advance facility—non-current portion	133,199	217,667
	133,199	217,667
Reconciliation of interest-bearing liabilities		
Balance at the beginning of the period	217,667	44,827
Drawdowns	—	226,534
Interest	8,352	—
Repayments	(74,517)	(45,518)
Translation difference movement	(18,303)	(8,176)
	133,199	217,667

A total of $6.9 million of interest was capitalised into the Yaouré Mine Properties during the year.

100% of the interest incurred on the facility during the period of development of the Yaouré Gold Mine was capitalised.

The revolving corporate cash advance facility (Corporate Facility) is secured over the following assets:
- all of the assets of Perseus Mining Limited and Occidental Gold Pty Ltd;
- Kojina Resources Ltd's shares held in Perseus Mining (Ghana) Limited ("PMGL");
- all assets of Amara Mining Limited, Amara Mining (Côte d'Ivoire) Ltd and Perseus Côte d'Ivoire Limited; and
- refining agreements of PMGL, Perseus Mining Côte d'Ivoire S.A. ("PMCI") and Perseus Mining Yaouré S.A. ("PMY").

Information about the group's exposure to interest rate and foreign currency changes is provided in note 15.

Accounting policy

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

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

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

Notes to the Consolidated Financial Statements (continued)

14. Issued capital and reserves

(a) Issued and paid-up share capital

For the year ending:	30 June 2021		30 June 2020	
	$’000	**Number**	$’000	Number
Balance at the start of the period	**776,564**	**1,168,055,480**	776,564	1,167,447,147
Exercise of vested performance rights	**—**	**10,603,017**	—	608,333
Acquisition of Exore Resources (Note 17)	**73,848**	**47,798,272**	—	
Balance at the end of the year	**850,412**	**1,226,456,769**	776,564	1,168,055,480

Accounting policy

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

(b) Performance rights

The consolidated entity measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they were granted. The fair value of performance rights granted is determined using a Monte Carlo simulation model. Refer to Note 22 for further details.

(c) Ordinary shares

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

(d) Nature and purpose of reserves

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

Share-based payment reserve

The share-based payments reserve is used to record 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. At 30 June 2021, the balance on this reserve is now $nil, as (refer to discussion in the “Price Risk” section of Note 15) all the cash-flow hedges have now been settled.

Asset revaluation reserve

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

Notes to the Consolidated Financial Statements (continued)

15. Financial Risk Management

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the group as at 30 June 2021 and 30 June 2020.

At:	**30 June 2021**		30 June 2020	
	Amortised costs	**Fair value through Other Comprehensive Income**	Amortised costs	Fair value through Other Comprehensive Income
	$'000	**$'000**	$'000	$'000
Current financial assets				
Receivables	**10,917**	**—**	12,740	—
Non-current financial assets				
Receivables	**8,605**	**—**	6,838	—
Equity investments	**—**	**797**	—	667
	8,605	**797**	6,838	667
Total financial assets	**19,522**	**797**	19,578	667
Current financial liabilities				
Payables	**120,043**	**—**	100,110	—
Interest-bearing liabilities	**—**	**—**	—	—
Derivatives	**—**	**—**	—	6,105
	120,043	**—**	100,110	6,105
Non-current financial liabilities				
Interest-bearing liabilities	**133,199**	**—**	217,667	—
Total financial liabilities	**253,242**	**—**	317,777	6,105

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 enterprise risk management as well as written policies covering specific areas such as use of derivative financial instruments and investment of excess liquidity.

Market risk

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 (USD), West African CFA franc (XOF) and Ghanaian cedi (GHS). 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 long term in nature. In addition, head-office entities hold intercompany receivables from the foreign subsidiaries denominated in USD which are eliminated on consolidation. The gains or losses on re-measurement of these intercompany receivables from USD to AUD are not eliminated on consolidation as those loans are not considered to be part of the net investment in the subsidiaries.

The group's exposure to foreign currency risk at 30 June 2021 and 2020, expressed in Australian dollars, was as follows:

Notes to the Consolidated Financial Statements (continued)

15. Financial Risk Management (continued)

	USD $'000	XOF $'000	GHS $'000	EUR $'000	ZAR $'000	GBP $'000
At 30 June 2021:						
Financial assets						
Cash and equivalents	50,486	74,340	8,558	15,204	—	—
Receivables	3,839	3,020	4,005	—	—	—
	54,325	77,360	12,563	15,204	—	—
Financial liabilities						
Payables	43,743	70,059	3,455	—	—	—
Interest-bearing liabilities	133,199	—	—	—	—	—
	176,942	70,059	3,455	—	—	—
At 30 June 2020:						
Financial assets						
Cash and equivalents	127,142	—	1,120	808	—	—
Receivables	51	—	6,549	—	—	—
	127,193	—	7,669	808	—	—
Financial liabilities						
Payables	35,649	—	4,528	439	426	185
Derivatives	6,105	—	—	—	—	—
Interest-bearing liabilities	217,667	—	—	—	—	—
	259,421	—	4,528	439	426	185

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, including the impact of the foreign exchange movement on the inter-company loans of $561.8 million (2020: $383.4 million). The sensitivity is based on management's estimate of reasonably possible changes over a financial year.

Estimated impact on profit before tax for the year ending:	**30 June 2021 $'000**	30 June 2020 $'000
AUD strengthens against USD by 10%	**(51,069)**	(13,421)
AUD weakens against USD by 10%	**62,418**	17,139

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

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 two forms of contract, forward sales contracts, and spot deferred contracts. The group's policy is to hedge no more than 40% of anticipated gold sales in the subsequent 12 months, no more than 30% of anticipated gold sales in the 12 months subsequent to that first 12 months, and no more than 20% for the 12 months after that, and overall, no more than 30% over the entire 3 year period. In the past, these contracts have been split between:

- Derivatives for which a balance in the Statement of Financial Position has been recognised, and hedge accounting applied; and
- Contracts into which the Group delivered directly, and which therefore met the "own-use" exemption and thus were not recognised as financial instruments.

During the financial year, the last of the derivative instruments were settled, and going forward the group anticipates only using contracts that satisfy the "own-use" exemption.

At the end of the year, the group had a total of 186,313 ounces of forward metal contracts in place over approximately 37% of anticipated monthly gold production from 1 July 2021 through to 30 June 2022, and 24,000 ounces of forward metal

Notes to the Consolidated Financial Statements (continued)

15. Financial Risk Management (continued)

contracts in place over approximately 4% of anticipated monthly gold production from 1 July 2022 through to 30 June 2023. In addition, the group also held 90,441 ounces of spot deferred sales contracts that will be rolled out from 2022 to 2024 and represent 6% of anticipated gold production over that period. In total, the group held 300,754 ounces of sales contracts representing 19% of anticipated production over the next three years.

Since all contracts will be settled through physical delivery, none are brought onto the balance sheet as derivatives, and therefore changes in their fair value do not directly impact profit & loss.

Interest rate risk

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

	Weighted average effective interest rate	Fixed interest rate $'000	Floating interest rate $'000	Non-interest bearing $'000	Total $'000
At 30 June 2021:					
Financial assets					
Cash and equivalents	0.0%	—	—	181,545	181,545
Security deposits	0.0%	—	—	8,605	8,605
		—	—	190,150	190,150
Financial liabilities					
Interest-bearing liabilities	4.075%	—	133,199	—	133,199
At 30 June 2020:					
Financial assets					
Cash and equivalents	0.9%	—	168,673	49,493	218,166
Security deposits	0.0%	—	—	6,838	6,838
		—	168,673	56,331	225,004
Financial liabilities					
Interest-bearing liabilities	5%	—	217,667	—	217,667

Sensitivity

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

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

Notes to the Consolidated Financial Statements (continued)

15. Financial Risk Management (continued)

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.

	< 6 months $'000	6 months – 1 year $'000	1 – 2 years $'000	2 – 5 years $'000	> 5 years $'000	Total contractual cash flows $'000
At 30 June 2021:						
Payables	120,044	—	—	—	—	120,044
Interest-bearing liabilities	3,453	3,397	73,449	70,053	—	150,352
	123,497	3,397	73,449	70,053	—	270,396
At 30 June 2020:						
Payables	100,110	—	—	—	—	100,110
Interest-bearing liabilities	5,643	5,581	11,193	235,423	—	257,840
	105,753	5,581	11,193	235,423	—	357,950

Fair Value of financial instruments

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

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

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

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

For financial instruments that are recognised at fair value on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There were no transfers between categories during the year.

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2021:				
Financial assets				
Investments	797	—	—	797
At 30 June 2020:				
Financial assets				
Investments	667	—	—	667
Financial liabilities				
Derivatives	—	6,105	—	6,105

Valuation techniques

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

Notes to the Consolidated Financial Statements (continued)

15. Financial Risk Management (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. The valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties and forward rate curves of the underlying commodity. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

Specific valuation techniques used to value financial instruments include:

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

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

Equity price risk
The group's investments in listed shares, which are classified as financial assets at fair value through other comprehensive income, is susceptible to market price risk arising from uncertainties about future values of the investment securities. At the reporting date, the exposure to listed equity securities at fair value was $0.8 million (30 June 2020: $0.7 million). A decrease of 10% on the share prices of the listed investments would have a negative impact of approximately $0.08 million on the income or equity attributable to the group, depending on whether the decline is prolonged. An increase of 10% in the value of the listed securities would impact equity by $0.08 million but would not have an effect on the profit or loss.

Capital Management
The US$150 million revolving corporate cash advance facility is a secured facility provided by a consortium of three international banks comprising of Macquarie Bank Limited from Australia, Nedbank Limited (acting through its Nedbank Corporate and Investment Banking Division) from South Africa and Société Générale of France. The amount outstanding on the facility was US$100 million as at 30 June 2021 following total principal repayments during the year of US$50 million.

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

Accounting policy
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.

Current/non-current classification
The group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is either:
- Expected to be realised within 12 months after the year-end.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the year-end.

Notes to the Consolidated Financial Statements (continued)

15. Financial Risk Management (continued)

All other assets are classified as non-current.

A liability is current when either:
- It is due to be settled within 12 months after the year-end.
- There is no unconditional right to defer the settlement of the liability for at least 12 months after year-end.

The group classifies all other liabilities as non-current.

16. Subsidiaries

The parent entity of the group is Perseus Mining Limited, incorporated in Australia, which has the following direct and indirect subsidiaries. New subsidiaries brought into the group in the year as a result of the Exore transaction are marked with an asterisk (*). Other new subsidiaries in the year are marked with a dagger (†).

Name of subsidiary	Place of incorporation	Beneficial interest %
Direct subsidiaries		
Occidental Gold Pty Ltd	Australia	100%
Centash Holdings Pty Limited	Australia	100%
Perseus Ghana Holdings Pty Ltd	Australia	100%
Perseus Canada Ltd	Canada	100%
Sun Gold Resources Ltd	Ghana	100%
Kojina Resources Ltd	Ghana	100%
Amara Mining Limited	United Kingdom	100%
Perseus Côte d'Ivoire Limited	United Kingdom	100%
Perseus ERX Holdings Pty Ltd *	Australia	100%
Perseus Mali Holdings Pty Ltd †	Australia	100%
Perseus Corporate Finance Pty Ltd †	Australia	100%
Perseus Mining Services Pty Ltd †	Australia	100%
Roberts Road Insurance Company Limited †	Guernsey	100%
Indirect subsidiaries		
Perseus Mining (Ghana) Limited	Ghana	90%
Perseus Ghana Exploration Limited	Ghana	100%
Occidental Gold SARL	Côte d'Ivoire	100%
Perseus Mining Côte d'Ivoire SA	Côte d'Ivoire	86%
Perex SARL	Côte d'Ivoire	100%
Perseus Services SARL	Côte d'Ivoire	100%
Amara Mining (Côte d'Ivoire) Limited	United Kingdom	100%
Perseus Yaouré SARL	Côte d'Ivoire	100%
Yaouré Mining SA	Côte d'Ivoire	90%
Perseus Mining Yaouré SA	Côte d'Ivoire	90%
Slipstream LP Pty Ltd *	Australia	100%
Perseus DS JV Pty Ltd *	Australia	100%
Perseus CDI No 1 Pty Ltd *	Australia	100%
Perseus CDI No 2 Pty Ltd *	Australia	100%
Aspire Nord Cote d'Ivoire SARL *	Côte d'Ivoire	100%
Perseus CDI Nord SARL *	Côte d'Ivoire	100%
Perseus Mali Exploration SARL †	Côte d'Ivoire	100%

The governments of both Côte d'Ivoire and Ghana hold a 10% free-carried interest over the operating mining entities. In addition, 4% of the ownership of Perseus Mining Côte d'Ivoire SA (which operates Sissingué) is held by other local interests. Other than those noted above, there have been no changes in ownership interests during the year.

Notes to the Consolidated Financial Statements (continued)

17. Acquisition of Exore Resources Limited

During the year, the group acquired 100% of the issued share capital of Exore Resources Limited ("Exore") via a scheme of arrangement. Exore was an Australian public company listed on the Australian Securities Exchange, which, through its subsidiaries, held exploration interests over approximately 2,000km^2 near to the Sissingué Gold Mine. Included within this land package is the Bagoé Project.

Court approval for the scheme was granted 15 September 2020 which is the deemed acquisition date for accounting purposes. The acquisition was implemented, and the new shares were issued to the previous shareholders of Exore on 25 September 2020.

The acquisition is not accounted for as a business combination, as the nature of the activities of Exore did not constitute an integrated set of activities and assets that are capable of being conducted and managed for the purpose of providing a return, nor were the acquired assets and processes capable at the time of acquisition of producing intended output, namely the production of gold in a saleable form. Management applied the 'concentration test' as allowed under AASB3 *Business Combinations* to make the assessment that Exore was not a business and therefore the acquisition did not constitute a business combination.

The acquisition is instead accounted for as the acquisition of the net assets of the group headed by Exore. The consideration paid was in the form of 47,798,272 ordinary Perseus Mining Limited shares, at a share price at acquisition date of $1.545 per share. In addition, transaction costs incurred by the entity were $956,635 therefore the total fair value of the consideration paid was $74,804,965.

The assets and liabilities acquired at fair value were as follows:

	Fair value $'000
Cash	**1,965**
Trade and other debtors	**209**
Property, plant, and equipment, and right of use assets	**252**
Mineral interest acquisition and exploration expenditure	**72,827**
Trade and other creditors, including lease liabilities	**(402)**
Provisions	**(46)**
	74,805

The acquisition of Exore Resources Limited resulted in the following companies becoming direct or indirect subsidiaries of the Company and therefore part of the group:

Original name of company	Subsequently renamed company	Country of incorporation
Exore Resources Limited	Perseus ERX Holdings Pty Ltd	Australia
Slipstream LP Pty Ltd	n/a	Australia
Exore Resources DS JV Pty Ltd	Perseus DS JV Pty Ltd	Australia
Exore Resources Cote d'Ivoire No 1 Pty Ltd	Perseus CDI No 1 Pty Ltd	Australia
Exore Resources Cote d'Ivoire No 2 Pty Ltd	Perseus CDI No 2 Pty Ltd	Australia
Aspire Nord Cote d'Ivoire SARL	n/a	Côte d'Ivoire
Exore Resources Cote d'Ivoire SARL	Perseus CDI Nord SARL	Côte d'Ivoire

In addition to the above, which all became 100%-owned subsidiaries of the group, the group also gained a 35% shareholding in Exore Resources CDI DSR No 1 SARL.

Notes to the Consolidated Financial Statements (continued)

18. Parent entity disclosures

	30 June 2021 $'000	30 June 2020 $'000
Company Statement of Financial Position		
Assets		
Current assets	52,679	139,303
Non-current assets	855,654	838,217
	908,333	977,520
Liabilities		
Current liabilities	3,555	7,021
Non-current liabilities	134,218	219,001
	137,773	226,022
Equity		
Issued capital	850,431	776,583
(Accumulated losses) / retained earnings	(113,197)	(53,388)
Asset revaluation reserve	(3,948)	(4,283)
Share-based payments reserve	37,274	32,586
	770,560	751,498
Loss for the year	(59,809)	(17,842)
Total comprehensive loss for the year	(59,474)	(17,842)

- There were no contingent liabilities of the parent entity at 30 June 2021.
- There were no commitments to acquire property, plant and equipment by the parent entity at 30 June 2021.

Accounting policy

The financial information for the parent entity, Perseus Mining Limited has been prepared on the same basis as the consolidated financial statements, except for the following items:

- 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.
- The fair value of employee services received in a share-based payment transaction, 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.

19. Related party transactions

The group has a related-party relationship with its subsidiaries included in note 16, and its Key Management Personnel. The group had no transactions with Related Parties outside of these groups. Details of compensation payable to the Key Management Personnel are included in the Remuneration Report on pages 24 to 37, within the Directors Report, and is summarised below:

	30 June 2021 $'000	30 June 2020 $'000
Short-term employee benefits	4,326	4,943
Long-term employee benefits	(36)	51
Post-employment benefits	174	155
Termination payments	179	-
Share-based payments	1,823	1,688
	6,466	6,837

Notes to the Consolidated Financial Statements (continued)

20. Remuneration of auditors

	30 June 2021 $'000	30 June 2020 $'000
Amounts to PricewaterhouseCoopers (Australia)		
Audit & review of the financial reports of the group	136	118
Non-audit services	147	-
Amounts to PricewaterhouseCoopers (overseas firms)		
Audit & review of financial report of the group, and local statutory audits	167	132
Non-audit services	42	-
Amounts to MHA Macintyre Hudson (overseas firms)		
Audit & review of the financial reports of local statutory accounts	10	-
Amounts to BDO (overseas firms)		
Audit & review of the financial reports of local statutory accounts	-	14
Non-audit services	-	14
Amounts to Ernst & Young (Australia)		
Non-audit services		9
	502	287

21. Cash flows from operating activities

Reconciliation of the profit from ordinary activities to net cash provided in operating activities:

	30 June 2021 $'000	30 June 2020 $'000
Profit from ordinary activities after income tax	**139,378**	94,423
Add back non-cash items:		
Depreciation and amortisation	**104,824**	134,057
Foreign currency loss/(gain)	**4,458**	(13,755)
Loss on disposal of investment	**-**	41
Share based payments	**4,471**	4,525
Impairment and write-offs	**6,822**	4,803
Borrowing costs	**5,260**	15,493
Unrealised derivative (gain) / loss	**-**	(2,723)
Change in operating assets and liabilities:		
Decrease in net tax balances	**2,788**	5,724
Increase in inventories	**(10,506)**	(23,332)
Add back: inventories upon commencement of Yaouré	**39,023**	-
Decrease in receivables	**(12,857)**	541
(Increase) / decrease in other assets	**(3,826)**	(14,207)
Increase / (decrease) in payables	**22,889**	6,830
Increase in provision	**(706)**	371
Net cash from operating activities	**302,018**	212,791

Notes to the Consolidated Financial Statements (continued)

22. Share-based payments

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 2020 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 FY2021 under the Plan:

Grate date	Vesting date	Expiry date	Balance at start of period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested and exercise-able at end of period
			Number	Number	Number	Number	Number	Number
Issued to Directors—Long-Term Incentives								
25-Nov-16	30-Jun-19	25-Nov-23	333,333	-	(333,333)	-	-	-
24-Nov-17	30-Jun-20	24-Nov-24	2,233,334	-	(2,233,334)	-	-	-
28-Nov-18	31-Dec-21	28-Nov-25	733,333	-	(400,000)	-	333,333	-
29-Nov-19	30-Jun-22	29-Nov-26	1,346,500	-	-	-	1,346,500	-
26-Nov-20	30-Jun-23	26-Nov-27	-	632,960	-	-	632,960	-
Issued to Directors—Short-Term Incentives								
26-Nov-20	30-Jun-21	26-Nov-27	-	65,448	-	-	65,448	-
Issued to Others—Long-Term Incentives								
03-Aug-17	30-Jun-20	03-Aug-24	8,083,334	-	(7,308,334)	-	775,000	775,000
07-May-19	31-Dec-21	07-May-26	6,758,333	-	(300,000)	(2,050,000)	4,408,333	-
27-Jun-19	31-Dec-21	27-Jun-26	4,700,000	-	-	(500,000)	4,200,000	-
26-Sep-19	30-Jun-22	26-Sep-26	9,858,700	-	-	(2,244,200)	7,614,500	-
26-Aug-20	30-Jun-23	26-Aug-27	-	4,189,611	-	(744,444)	3,445,167	-
14-Apr-21	30-Jun-23	14-Apr-28	-	1,000,000	-	-	1,000,000	-
Issued to Others—Short-Term Incentives								
29-Jul-20	30-Jun-21	29-Jul-27	-	239,978	(28,106)	(16,740)	195,132	-
			34,046,867	6,127,997	(10,603,107)	(5,555,384)	24,016,373	775,000

The following table illustrates the number and movements in performance rights during FY2020 under the Plan:

Grate date	Vesting date	Expiry date	Balance at start of period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at end of the period	Vested and exercise-able at end of period
			Number	Number	Number	Number	Number	Number
Issued to Directors—Long-Term Incentives								
25-Nov-16	30-Jun-19	25-Nov-23	533,333	-	(200,000)	-	333,333	-
24-Nov-17	30-Jun-20	24-Nov-24	2,233,334	-	-	-	2,233,334	-
28-Nov-18	31-Dec-21	28-Nov-25	733,333	-	-	-	733,333	-
29-Nov-19	30-Jun-22	29-Nov-26	-	1,346,500	-	-	1,346,500	-
Issued to Others—Long-Term Incentives								
12-Oct-16	30-Jun-20	12-Oct-23	333,333	-	(333,333)	-	-	-
03-Aug-17	30-Jun-20	03-Aug-24	8,358,334	-	(75,000)	(200,000)	8,083,334	-
07-May-19	31-Dec-21	07-May-26	6,758,333			-	6,758,333	-
27-Jun-19	31-Dec-21	27-Jun-26	5,000,000			(300,000)	4,700,000	-
26-Sep-19	30-Jun-22	26-Sep-26	-	9,858,700	-	-	9,858,700	-
			23,950,000	11,205,200	(608,333)	(500,000)	34,046,867	-

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.

The following table lists the inputs to the model used for the Long-Term Incentive performance rights in existence during the year ended 30 June 2021.

Notes to the Consolidated Financial Statements (continued)

22. Share-based payments (continued)

Grant date	Exercise price	Expected life of performance rights (years)	Price of underlying shares at grant date	Volatility (%) – Perseus share price	Volatility (%) – peer group range	Dividends expected on shares	Risk-free interest rate (%) - range	Performance period to:
3-Aug-17	nil	2.9	$0.29	48.6%	5.0% - 78.1%	nil	1.90%	30 Jun 20
24-Nov-17	nil	2.6	$0.33	78.0%	1.2% - 82.8%	nil	1.90%	30 Jun 20
28-Nov-18	Nil	3.1	$0.36	71.6%	40.8% - 95.0%	Nil	2.09%	31-Dec-21
7-May-19	Nil	2.7	$0.44	60.0%	40.8% - 82.1%	Nil	1.27%	31-Dec-21
27-Jun-19	Nil	2.5	$0.59	53.5%	38.2% - 90.8%	Nil	0.89%	31-Dec-21
26-Sep-19	Nil	2.8	$0.74	54.2%	38.4%-81.0%	Nil	0.67%	30-Jun-22
29-Nov-19	Nil	2.6	$0.87	58.9%	32.3%-78.7%	Nil	0.59%	30-Jun-22
26-Aug-20	Nil	2.8	$1.37	58.3%	42.9%-59.8%	Nil	0.28%	30-Jun-23
26-Nov-20	Nil	2.6	$1.13	58.5%	43.5%-65.5%	Nil	0.10%	30-Jun-23
14-Apr-21	Nil	2.2	$1.27	59.7	45.0%-63.3%	Nil	0.16%	30-Jun-23

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

23. Summary of other significant accounting policies

Principles of consolidation

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 2021 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 and balances are eliminated. However, where intercompany loans are denominated in a currency that is not the functional currency of an entity, that entity may recognise foreign exchange losses that are not 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.

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.

Notes to the Consolidated Financial Statements (continued)

23. Summary of other significant accounting policies (continued)

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.

Foreign currency transactions and balances

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.

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).

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.

Goods and Services Tax (GST)

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

Notes to the Consolidated Financial Statements (continued)

24. Contingencies

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

Perseus has agreed compensation with about two thirds of the land owners affected by the Yaouré Gold Mine at a rate endorsed by the authorities. The remaining one third are seeking a significantly larger compensation rate and the administrative process prescribed by the Ivorian mining legislation to be followed if agreement cannot be reached has been initiated. In parallel, the remaining land owners have commenced a number of legal actions in the Ivorian commercial court. Perseus has made submissions to the court that it should declare itself not legally competent to hear the case based on the fact that a prescribed administrative process exists and is being followed, also making reference to a decision by the highest Ivorian court, the "Cour de Cassation" which declared the commercial court not legally competent to hear a very similar case. Perseus expects the commercial court to declare itself not legally competent, but this outcome is not certain. If the court declares itself competent to hear the case and determine a rate, it is uncertain what rate would be applied. The administrative procedure had been started but was suspended pending resolution of the court cases. If the administrative procedure is completed, Perseus does not expect any exposure over and beyond the expected and budgeted rate, which is the rate already agreed with the majority of land owners.

25. Commitments

(a) Exploration commitments

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

	Consolidated	
	2021 $'000	2020 $'000
Within one year	**3,900**	3,900
One year or later and not later than five years	**14,600**	14,800
Later than five years	**-**	-
	18,500	18,700

(b) Gold delivery commitments

	Gold for physical delivery oz	Contracted sales price US$/oz	Value of committed sales US$'000
Within one year	276,754	1,574.50	435,751
Later than one but not later than five years	24,000	1,834.80	44,035

The 300,754 oz of gold sales commitments represents 19.0% of anticipated gold production over the next three years. Included in the "within one year" category is 90,441oz of spot deferred contracts, which may, at the option of Perseus, be extended beyond 1 year.

Capital commitments

As the construction of Yaouré is complete, the contractual commitments in respect of the construction project that were disclosed in the 2020 annual financial report have been either settled or are recorded as liabilities as at 30 June 2021. Therefore, there are $nil remaining commitments (at 30 June 2020: $9,152,000).

Notes to the Consolidated Financial Statements (continued)

26. Subsequent events

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

- On 1 July 2021, 260,580 performance rights that had previously been issued to employees were vested under the terms of the Perseus Performance Rights Plan, of which 187,700 were subsequently exercised.
- On 25 August 2021, the Board of Directors approved the implementation of a dividend policy and announced a maiden distribution by way of a shareholder approved capital reduction of A$0.015 per share. This distribution is subject to shareholder approval.

Directors' Declaration

In the directors' opinion:

(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 2021 and of its performance for the half-year ended on that date; and

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

(b) there are reasonable grounds to believe that Perseus Mining Limited will be able to pay its debts as and when they become due and payable.

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

Jeffrey Allan Quartermaine
Managing Director and Chief Executive Officer
Perth, 25 August 2021

Independent auditor's report

To the members of Perseus Mining Limited

Report on the audit of the financial report

Our opinion

In our opinion:

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2021
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

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

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

Independence

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

Our audit approach

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

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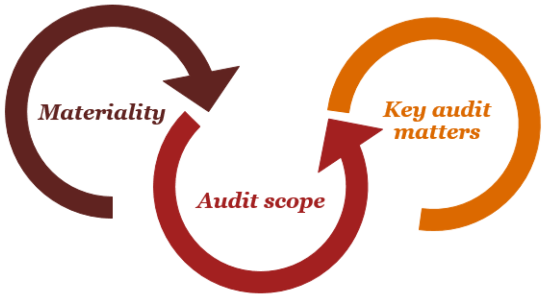
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $13.4 million, which represents approximately 1% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- The Group was only operating and earning revenue for the full year from two of its three key assets, with the Yaouré Gold Mine entering commercial production as at 31 March 2021. As such, we chose total assets as the materiality benchmark because we considered it to be the key driver of the business at this stage and the primary focus of the users of the financial statements. The use of total assets as a benchmark provides a level of materiality, which, in our view, is appropriate for the audit having regard to the expected requirements of users of the Group's financial report.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds for entities of this nature.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group produces gold from its Edikan Gold Mine and Sissingué Gold Mine operations, located in Ghana and Cote d'Ivoire, respectively. It also finalised mine development activities at the Yaouré Gold Mine in Cote d'Ivoire during the year, with commercial production declared as at 31 March 2021. The accounting processes are structured around a Group finance function at its head office in Perth, Australia. Our audit procedures were predominantly performed in Perth where many of the corporate and Group operations functions are centralised, with support from component auditors in Ghana and Cote d'Ivoire.

Key audit matters

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

Key audit matter	***How our audit addressed the key audit matter***
Capitalisation of development expenditure for the Yaouré Gold Mine and transition to commercial production *(Refer to note 8)* The Group finalised development activities at its Yaouré Gold Mine (YGM) in Cote d'Ivoire and the YGM entered commercial production as at 31 March 2021. YGM will be a significant asset in the context of the overall production and operational profile of the Group. During the financial year ended 30 June 2021, the Group capitalised a significant level of development expenditure in relation to its development activities at YGM, before transferring \$268.6m to mine properties and \$286.6m to property, plant and equipment as at 31 March 2021. The date of commercial production establishes the point at which revenue from the sales of gold and associated production costs are recognised in profit or loss and non-current assets are depreciated or amortised over their useful lives. Whether commercial production is achieved depends on the outcome of a number of subjective considerations by the Group, including production and processing at an acceptable level of design capacity, gold ounce recoveries at or near expected levels and the achievement of continuous production or other output criteria.	We performed the following procedures, amongst others: • Inquiries with management, both locally and at the Group level, to understand the process for capitalising expenditure associated with the Yaouré development activities. • Risk assessment analytics over the relevant financial statement line items to understand movements in the balances period on period in order to assist in identifying any additional areas of risk. • Developed an understanding of the business process controls for the classification of development expenditure. • For a sample of capitalised costs, obtained the relevant invoices and supporting evidence to assess the nature of the cost and whether classification as an asset was appropriate. • Performed targeted, risk-based testing of manual journals posted to capitalise expenditure. For a sample of manual journals, obtained the relevant supporting documentation to assess the appropriateness of accounting treatment and measurement.

Key audit matter	*How our audit addressed the key audit matter*
We focussed on this matter because: • The judgement involved to determine whether expenditure is capitalised or expensed in accordance with Australian Accounting Standards, • the judgement involved in determining whether commercial production has been achieved, and • the magnitude of expenditure being capitalised in relation to the project is significant to the statement of financial position and a misclassification of these expenses, either systematic or one-off, may be material to the users of the financial statements.	• Considered relevant service contracts entered into over the financial period to obtain an understanding of the nature of the expenditure to be incurred through development activities. • Assessed the adequacy of the disclosures in the financial report made in relation to the Yaouré development expenditure having regard to the requirements of Australian Accounting Standards. To assess the date of commercial production and the related accounting implications, we performed the following audit procedures, amongst others: • Inspected the YGM production data for the year in order to assess ore grade, ore processing and plant recovery rates by month and made enquiries with management on the metrics used to measure commercial production. • Considered whether the revenue and costs incurred prior to the date of commercial production were booked against property, plant and equipment and mine properties costs. • Tested the calculation of depreciation charged against property, plant and equipment and mine properties assets commenced on 31 March 2021. • Assessed the adequacy of the disclosures made in the financial report in light of the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Closure and rehabilitation provisions *(Refer to note 11) $37.9 million* As a result of its mining and processing operations, the Group is obligated to restore and rehabilitate the environment disturbed by these operations and remove related infrastructure. Rehabilitation activities are governed by a combination of legislative requirements and Group policies. As at 30 June 2021, the consolidated statement of financial position included provisions for such obligations of $37.9 million. This was a key audit matter given the determination of these provisions required significant judgement by the Group in the assessment of the nature of the 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.	We performed the following procedures, amongst others; • Developed an understanding of how the Group identified the relevant methods, assumptions or sources of data, and the need for changes in them, that are appropriate for developing the closure and rehabilitation provision in the context of the Australian Accounting Standards. • Developed an understanding of the relevant control activities associated with developing closure and rehabilitation provision. • Evaluated the appropriateness of the Group's method for developing the estimate by reference to the nature of the estimate, the requirements of Australian Accounting Standards, and the business, industry and environment in which the Group operates. • Evaluated whether judgements made in selecting the method, significant assumptions and data for developing the estimate give rise to indicators of possible bias by the Group. • Evaluated whether the model design and adjustments to the model output meet the measurement objectives of Australian Accounting Standards, are appropriate in the circumstance and whether judgements have been applied consistently. • Evaluated whether the integrity of the significant assumptions and the data has been maintained in applying the method. • Evaluated the appropriateness of significant assumptions used to develop the closure and rehabilitation provision in the context of Australian Accounting Standards. This included:

Key audit matter	*How our audit addressed the key audit matter*
	- Comparing the assumptions used in developing the estimated future rehabilitation costs to actual costs being incurred during progressive rehabilitation activities and relevant contractual rates for similar activities; - Comparing the assumptions used in estimating the area to be rehabilitated to aerial surveys; - Discussing with management, the plans, goals, and objectives of the entity, and considering the feasibility and intent to carry out such courses of action, including consistency with the approved Life of Mine plan; - Considered the appropriateness of the discount rates and inflation rates utilised in calculating the provision by comparing them to current market consensus. • Evaluated whether the significant assumptions are consistent with each other and with those used in other accounting estimates. • Evaluated the appropriateness of data used to develop the closure and rehabilitation provision in the context of Australian Accounting Standards and whether the data is relevant and reliable in the circumstances and has been appropriately understood or interpreted by the Group, including with respect to contractual terms and rates. • Tested the mathematical accuracy, on a sample basis, of the calculations and assessed whether they were in accordance with the method.

Key audit matter	How our audit addressed the key audit matter
	• Considered the competency, capabilities, objectivity, and nature of the work of the internal experts who assisted the Group in the preparation of the estimate. • Assessed the adequacy of the disclosures made in the financial report in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Appendix 4E, the Corporate Directory and the Directors' Report (including Review of Operations). We expect the remaining other information to be made available to us after the date of this auditor's report.

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

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 24 to 37 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Perseus Mining Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Heatley
Partner

Perth
25 August 2021