PERSEUS MINING LIMITED

ABN 27 106 808 986

Consolidated Interim Financial Statements

For the three months ended
30 September 2015
(unaudited)

The accompanying unaudited consolidated interim financial statements for the three months ended 30 September 2015 have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the company. The company's auditors have not reviewed these financial statements. Readers are cautioned that these financial statements contain forward-looking information as described in the associated Management's Discussion & Analysis. All amounts are stated in Australian dollars, except as otherwise stated.

Perseus Mining Limited and its controlled entities
Unaudited consolidated statement of comprehensive income
For the period ended 30 September 2015

	Notes	**Consolidated Three months ended 30 Sept 2015 $'000**	30 Sept 2014 $'000
Revenue		**81,552**	71,702
Changes in inventories of finished goods and work in progress	4	**(3,877)**	(4,582)
Contractors, consumables, utilities and reagents		**(46,172)**	(38,390)
Royalties		**(8,075)**	(4,882)
Employee benefits expense		**(6,193)**	(5,659)
Depreciation and amortisation expense	4	**(9,105)**	(12,217)
Foreign exchange gain	4	**33,037**	20,182
Finance cost	4	**(138)**	(320)
Share of net losses of associate		**-**	(108)
Gain recognised on discontinuation of equity accounting		**-**	507
Other expenses		**(1,508)**	(1,242)
Profit before income tax expense		**39,521**	24,991
Income tax expense	5	**(3,711)**	(2,260)
Net profit after tax expense		**35,810**	22,731
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**23,171**	8,669
Net changes in fair value of cash flow hedges		**(10,239)**	11,903
Net changes in fair value of financial assets		**(1,467)**	(523)
Income tax benefit / (expense) relating to cash flow hedges		**3,681**	(4,166)
Total comprehensive income for the period		**50,956**	38,614
Profit attributable to:			
Owners of the parent		**35,021**	22,330
Non-controlling interests		**789**	401
		35,810	22,731
Total comprehensive income attributable to:			
Owners of the parent		**49,742**	37,021
Non-controlling interests		**1,214**	1,593
		50,956	38,614
Basic profit per share		**6.63 cents**	4.24 cents
Diluted profit per share		**6.52 cents**	4.18 cents

The accompanying notes form part of these financial statements.

Perseus Mining Limited and its controlled entities
Unaudited consolidated statement of financial position
As at 30 September 2015

		Consolidated	
	Notes	**30 Sept 2015**	30 June 2015
		$'000	$'000
Current assets			
Cash and cash equivalents	6	**123,414**	103,741
Receivables	7	**28,066**	40,720
Inventories	8	**48,637**	43,960
Other assets	9	**7,022**	6,033
Derivative financial instruments	13	**26,528**	21,276
Total current assets		**233,667**	215,730
Non-current assets			
Receivables	7	**13,553**	12,337
Other assets	9	**1,353**	2,820
Property, plant and equipment	10	**233,007**	210,672
Mine properties	11	**231,413**	214,699
Mineral interest acquisition and exploration expenditure	12	**47,363**	41,568
Total non-current assets		**526,689**	482,096
Total assets		**760,356**	697,826
Current liabilities			
Trade and other payables		**42,444**	38,054
Total current liabilities		**42,444**	38,054
Non-current liabilities			
Provision		**11,423**	10,477
Deferred tax liability		**72,216**	66,073
Total non-current liabilities		**83,639**	76,550
Total liabilities		**126,083**	114,604
Net assets		**634,273**	583,222
Equity			
Issued capital	15	**476,427**	476,427
Reserves		**36,763**	22,007
Retained earnings		**107,560**	72,539
Parent entity interest		**620,750**	570,973
Non-controlling interest		**13,523**	12,249
Total equity		**634,273**	583,222

The accompanying notes form part of these financial statements.

Perseus Mining Limited and its controlled entities
Unaudited consolidated statement of changes in equity
For the period ended 30 September 2015

	Consolidated								
	Issued capital	**Retained earnings**	**Share based payments reserve**	**Foreign currency translation reserve**	**Asset revaluation reserve**	**Hedge reserve**	**Non-controlling interests reserve**	**Non-controlling interest**	**Total equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Three months to 30 September 2015									
Balance at 1 July 2015	476,427	72,539	19,212	(8,124)	(93)	10,762	250	12,249	**583,222**
Profit for the period	-	35,021	-	-	-	-	-	789	**35,810**
Currency translation differences	-	-	-	22,090	-	-	-	1,081	**23,171**
Net change in the available-for-sale financial assets	-	-	-	-	(1,467)	-	-	-	**(1,467)**
Net change in the fair value of cash flow hedges	-	-	-	-	-	(9,079)	-	(1,160)	**(10,239)**
Income tax relating to components of other comprehensive income	-	-	-	-	-	3,177	-	504	**3,681**
Total comprehensive income for the year	**-**	**35,021**	**-**	**22,090**	**(1,467)**	**(5,902)**	**-**	**1,214**	**50,956**
Shares issued during the period	-	-	-	-	-	-	-	-	**-**
Share issue expenses	-	-	-	-	-	-	-	-	**-**
Share based payments	-	-	35	-	-	-	-	60	**95**
Balance at 30 September 2015	**476,427**	**107,560**	**19,247**	**13,966**	**(1,560)**	**4,860**	**250**	**13,523**	**634,273**
Three months to 30 September 2014									
Balance at 1 July 2014	476,429	(15,280)	19,071	(33,739)	54	13,286	218	6,570	**466,609**
Profit for the period	-	22,330	-	-	-	-	-	401	**22,731**
Currency translation differences	-	-	-	8,324	-	-	-	418	**8,742**
Share of currency translation difference of associated entity	-	-	-	(73)	-	-	-	-	**(73)**
Net change in the available-for-sale financial assets	-	-	-	-	(523)	-	-	-	**(523)**
Net change in the fair value of cash flow hedges	-	-	-	-	-	10,713	-	1,190	**11,903**
Income tax relating to components of other comprehensive income	-	-	-	-	-	(3,750)	-	(416)	**(4,166)**
Total comprehensive income for the year	**-**	**22,330**	**-**	**8,251**	**(523)**	**6,963**	**-**	**1,593**	**38,614**
Shares issued during the period	-	-	-	-	-	-	-	-	**-**
Share issue expenses	-	-	-	-	-	-	-	-	**-**
Share based payments	-	-	112	-	-	-	-	36	**148**
Balance at 30 September 2014	**476,429**	**7,050**	**19,183**	**(25,488)**	**(469)**	**20,249**	**218**	**8,199**	**505,371**

The accompanying notes form part of these financial statements.

Perseus Mining Limited and its controlled entities
Unaudited consolidated statement of cash flows
For the period ended 30 September 2015

		Consolidated	
		Three months ended	
	Notes	30 Sept 2015	30 Sept 2014
		$'000	$'000
Operating activities			
Receipts in the course of operations		**89,566**	73,026
Payments to suppliers and employees		**(75,132)**	(64,650)
Interest received		**256**	123
Net cash from operating activities		**14,690**	8,499
Investing activities			
Payments for exploration and evaluation expenditure		**(1,169)**	(1,705)
Payments for acquisition of property, plant and equipment		**(6)**	(4)
Payments for mine properties		**(644)**	(3,234)
Payments for acquisition of assets under construction		**(8,010)**	(2,628)
Investment in listed entity		**-**	(100)
Net cash used in investing activities		**(9,829)**	(7,671)
Financing activities			
Proceeds from share issues		**-**	-
Share issue expenses		**-**	-
Net cash provided by financing activities		**-**	-
Net increase in cash held		**4,861**	828
Cash and cash equivalents at the beginning of the financial period		**103,741**	36,937
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		**14,812**	6,556
Cash and cash equivalents at the end of the financial period	6	**123,414**	44,321

The accompanying notes form part of these financial statements.

Contents of the notes to the financial statements

1. BASIS OF PREPARATION

The interim financial statements are for the consolidated entity consisting of Perseus Mining Limited and its subsidiaries (the "group" or the "consolidated entity"). Perseus Mining Limited is a listed for-profit public company, incorporated and domiciled in Australia. During the three months ended 30 September 2015, the consolidated entity conducted operations in Australia, Ghana and Côte d'Ivoire.

These consolidated interim financial statements of the consolidated entity for the period ended 30 September 2015 are general purpose condensed financial statements prepared in accordance with the requirements of the Australian *Corporations Act 2001* (Cth) and AASB 134 'Interim Financial Reporting'.

These condensed interim financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report. It is recommended that these interim financial statements be read in conjunction with the annual financial report for the year ended 30 June 2015, and any public announcements made by the group during the period in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The consolidated interim financial statements are presented in Australian dollars, which is Perseus Mining Limited's functional and presentation currency. These consolidated interim financial statements are rounded off to the nearest thousand dollars ($'000), unless otherwise indicated.

New and amended standards and interpretations adopted by the group
In the period ended 30 September 2015, the group has reviewed and adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or before 1 July 2015. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the group's annual consolidated financial statements for the year ended 30 June 2015. As a result of this review the directors have determined that there is no change necessary to group accounting policies.

Historical cost convention
These consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value.

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

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(i) Exploration and evaluation expenditure

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.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS – continued

(ii) Impairment of assets

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

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

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

(iii) Share-based payments

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

(iv) Restoration and rehabilitation provisions

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 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.

(v) Derivative financial instruments

The group makes judgements on the effectiveness of all derivative financial instruments entered into, including forward metal contracts, metal options and foreign currency option contracts. Management's assessment is that, unless otherwise disclosed the derivatives have been highly effective in offsetting changes in the fair value of the future cash flows against which they have been designated and as such are compliant with the hedge effectiveness requirements of AASB 139. Further information on the group's use of derivative financial instruments, including carrying values, is set out in note 13.

(vi) Taxes

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

Additionally, future changes in tax laws in jurisdictions in which the group operates could limit the ability of the group to obtain tax deductions in future periods.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS – continued

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

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

(viii) Deferred stripping expenditure

The group defers stripping costs incurred during the production stage of its operations. Significant judgement is required to distinguish between production stripping that relates to the extraction of inventory and what relates to the creation of a deferred waste asset. The group also identifies the separate components of the ore body. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. Significant judgement is required to identify these components, and to determine the expected volumes of waste to be stripped and ore to be mined in each component and suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each component. The group considers that the ratio of the expected waste to be stripped for an expected amount of ore to be mined, for a specific component of the ore body, is the most suitable production measure. Furthermore, judgements and estimates are also used to apply the units of production method in determining the amortisation of the stripping activity asset(s).

Changes in a mine's life and design will usually result in changes to the expected stripping ratio (waste to mineral reserves ratio). Changes in other technical or economical parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine's design. Changes to the life of the component are accounted for prospectively.

(ix) Inventory

Net realisable value tests are performed at least quarterly and represent the estimated future sales price of the product based in 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.

(x) Reserves and resources

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

(xi) Measurement of fair values

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

3. SEGMENT INFORMATION

(a) Description of segments

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

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

The group operated principally in three geographical segments during the period ended 30 September 2015 being Australia and the West African countries of Ghana and Côte d'Ivoire. The segment information is prepared in conformity with the group's accounting policies.

The group comprises the following main segments:

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

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

3. SEGMENT INFORMATION – continued

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

	Three months ending							
	Australia	Australia	**Ghana**	Ghana	**Côte d'Ivoire**	Côte d'Ivoire	**Consolidated**	Consolidated
	30 Sept 2015	30 Sept 2014	**30 Sept 2015**	30 Sept 2014	**30 Sept 2015**	30 Sept 2014	**30 Sept 2015**	30 Sept 2014
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue								
Total revenue	**118**	163	**81,434**	71,539	**-**	-	**81,552**	71,702
Results								
Operating profit before income tax	**26,592**	18,582	**12,313**	6,821	**616**	(412)	**39,521**	24,991
Income tax expense							**(3,711)**	(2,260)
Net profit							**35,810**	22,731
Included within segment results:								
Share of net loss of associate accounted for using the equity method	**-**	(108)	**-**	-	**-**	-	**-**	(108)
Depreciation and amortisation	**(144)**	(248)	**(8,925)**	(11,935)	**(36)**	(34)	**(9,105)**	(12,217)
Share based payments to employees, directors and consultants	**(43)**	(144)	**(37)**	16	**(4)**	(7)	**(84)**	(135)
Foreign exchange gain	**28,931**	20,490	**3,333**	(311)	**773**	3	**33,037**	20,182
	As at	As at	**As at**	As at	**As at**	As at	**As at**	As at
	30 Sept 2015	30 June 2015	**30 Sept 2015**	30 June 2015	**30 Sept 2015**	30 June 2015	**30 Sept 2015**	30 June 2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Assets								
Segment assets	**43,872**	45,104	**639,811**	587,263	**76,673**	65,459	**760,356**	697,826
Total assets includes:								
Additions to non-current assets (other than financial assets)	**129**	131	**6,745**	36,023	**2,508**	3,782	**9,382**	39,936
Liabilities								
Segment liabilities	**1,525**	1,543	**123,459**	112,512	**1,099**	549	**126,083**	114,604

4. OTHER INCOME / EXPENSES AND ADJUSTMENTS

	Consolidated Three months ended	
	30 Sept 2015	30 Sept 2014
	$'000	$'000
Profit before income tax has been determined after:		
Other revenue:		
Interest revenue	**274**	170

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

Foreign exchange gain:		
Foreign exchange gain on translation of inter-company loans	**27,773**	19,736
Foreign exchange gain / (loss) on translation of VAT receivable	**2,194**	(1,470)
Foreign exchange gain on other translations	**3,070**	1,916
	33,037	20,182
Changes in inventories of finished goods and work in progress:		
Write up / (write down) of inventories due to an increase / (decrease) in net realisable value	**2,671**	(4,623)

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

Finance costs:		
Interest and finance charges	**(138)**	(320)
Other costs:		
Loss on disposal of property, plant and equipment	**-**	(4)
Depreciation and amortisation:		
Amortisation of stripping asset	**(1,919)**	(5,508)
Other depreciation and amortisation	**(7,186)**	(6,709)
	(9,105)	(12,217)

5. INCOME TAX EXPENSE

The income tax expense that has been recognised in the statement of comprehensive income comprises $3,710,820 (30 September 2014 income tax expense: $2,260,368), fully relating to the Edikan Gold Mine ("EGM") profit for the period.

6. CASH AND CASH EQUIVALENTS

		Consolidated	
		30 Sept 2015	30 June 2015
		$'000	$'000
Cash assets	(i)	**7,484**	10,795
Short term deposits	(ii)	**115,930**	92,946
		123,414	103,741

6. CASH AND CASH EQUIVALENTS – continued

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

Risk exposure
The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

7. RECEIVABLES

		Consolidated	
		30 Sept 2015	30 June 2015
		$'000	$'000
Current			
Trade debtors	(i)	**8,843**	24,508
Sundry debtors	(i)	**5,544**	7,403
Other receivable	(ii)	**17,680**	12,454
Allowance for doubtful debts	(iii)	**(4,001)**	(3,645)
		28,066	40,720
Non-current			
Security deposits	(iv)	**13,553**	12,337
		13,553	12,337
Movement in the allowance for doubtful debts:			
Balance at beginning of the period		**3,645**	2,958
Impairment losses recognised on receivables		**-**	-
Foreign exchange translation gains		**356**	687
Balance at the end of the period		**4,001**	3,645

Terms relating to the above financial instruments:
(i) Trade and sundry debtors are non-interest bearing and generally on 30 day terms.
(ii) Other receivable relates to GST and VAT receivable throughout the group. At 30 September 2015 $17.7 million (30 June 2015: $12.4 million) related to a VAT refund receivable from the Ghana Revenue Authority ("GRA"). There are no non-current VAT receivables as at 30 September 2015.
(iii) Allowance for doubtful debts are recognised against sundry debtors for estimated irrecoverable amounts determined by reference to an analysis of the counterparty's current financial position.
(iv) At 30 September 2015, the group has US$9.5 million (approximately A$13.6 million) held in bank deposits which are subject to a lien and are collateral for a bank guarantee that has been issued to the Ghana Environmental Protection Agency in relation to environmental rehabilitation provisions concerning the EGM.

Past due but not impaired
With the exception of $4.0 million disclosed above which is fully provided for, all of the remaining trade and other receivables are current.

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

The other receivable relating to a VAT refund from the GRA is immediately repayable on demand in Ghanaian Cedis ("GHS"), is unsecured and bears no interest. Since the authorisation of treasury credit notes by the GRA, payments of employment taxes, withholding taxes and royalties have been offset against the VAT receivable. During the year ended 30 June 2015, the group received a partial payment of the outstanding VAT debt from the GRA, totalling GHS17.6 million (US$5.8 million) and GHS77.6 million (US$21.3 million) of Treasury Credit Notes to cover that part of the VAT refund that has been formerly audited and approved. No further payments were received during the period ended 30 September 2015.

8. INVENTORIES

	Consolidated	
	30 Sept 2015 $'000	30 June 2015 $'000
Current		
Ore stockpiles – at cost	**-**	9,176
Ore stockpiles – at net realisable value	**5,490**	-
Gold in circuit	**5,246**	4,288
Materials and supplies	**37,901**	30,496
	48,637	43,960

Inventory expense
The inventory expense during the three month period ended 30 September 2015 was $63.1 million (30 June 2015: $235.3 million). The write up of inventories due to an increase in net realisable value recognised during the period ended 30 September 2015 amounted to $2.7 million (30 June 2015 write down: $6.4 million) and is included in 'changes in inventories of finished goods and work in progress' in the statement of comprehensive income.

9. OTHER ASSETS

		30 Sept 2015 $'000	30 June 2015 $'000
Current			
Prepayments		**7,022**	6,033
		7,022	6,033
Non-current			
Available for sale financial assets	(i)	**1,353**	2,820
		1,353	2,820
Reconciliation of movements in available for sale financial assets:			
Balance at beginning of the period		**2,820**	1,841
Reclassification from investments accounted for using the equity method		**-**	1,875
Additions		**-**	281
Impairment of available for sale financial asset	(ii)	**-**	(1,030)
Loss on fair value remeasurements		**(1,467)**	(147)
Balance at end of the period		**1,353**	2,820

Terms and conditions relating to the above financial instruments:
(i) The group's investment in Manas Resources Limited ("Manas") ($0.5 million) and Burey Gold Limited ("Burey") ($0.8 million) is recognised as an available for sale financial asset.
(ii) During the year ended 30 June 2015, impairment of the investment in Manas was considered. The prolonged decline in the fair value of Manas's shares was considered objective evidence of impairment and as such, an impairment of $1.0 million was made and is shown at 'impairment of available for sale financial assets' in the statement of comprehensive income. As at 30 September 2015, no further evidence of impairment existed. The investment in Manas is recognised at fair value 30 September 2015.

10. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	30 Sept 2015	30 June 2015
	$'000	$'000
Plant and equipment - at cost	**194,236**	177,088
Accumulated depreciation	**(61,265)**	(51,358)
	132,971	125,730
Reconciliation of plant and equipment:		
Balance at the beginning of the period	**125,730**	110,467
Additions	**6**	69
Transferred from assets under construction	**-**	5,935
Depreciation	**(4,767)**	(15,271)
Disposals	**-**	(29)
Translation difference movement	**12,002**	24,559
Carrying amount at the end of the period	**132,971**	125,730
Assets under construction – at cost	**100,036**	84,942
Reconciliation of assets under construction:		
Balance at the beginning of the period	**84,942**	74,054
Additions	**6,674**	19,362
Transferred to property, plant and equipment	**-**	(5,935)
Transferred to mine properties	**-**	(5,818)
Translation difference movement	**8,420**	3,279
Carrying amount at the end of the period	**100,036**	84,942
Total property, plant and equipment net book value	**233,007**	210,672

11. MINE PROPERTIES

	Consolidated	
	30 Sept 2015	30 June 2015
	$'000	$'000
Mine properties - at cost	**362,223**	330,017
Accumulated depreciation	**(130,810)**	(115,318)
	231,413	214,699

Reconciliation of mine properties:

Balance at the beginning of the period	**214,699**	189,005
Additions	**850**	14,992
Transferred from assets under construction	**-**	5,818
Transferred from mineral interest acquisition and exploration expenditure	**-**	3,267
Amortisation	**(4,338)**	(39,152)
Translation difference movement	**20,202**	40,769
Carrying amount at the end of the period	**231,413**	214,699

12. MINERAL INTEREST ACQUISITION AND EXPLORATION EXPENDITURE

Mineral interest acquisition and exploration – at cost	**47,363**	**41,568**

Reconciliation of mineral interest acquisition and exploration expenditure:

Balance at the beginning of the period	**41,568**	**33,565**
Additions	**1,715**	**5,389**
Transferred to mine properties	**-**	**(3,267)**
Translation difference movement	**4,080**	**5,881**
Carrying amount at the end of the period	**47,363**	**41,568**

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.

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	30 Sept 2015	30 June 2015
	$'000	$'000
Current assets		
Cash flow hedge asset	**8,309**	18,397
Financial assets at fair value – gold forward contracts	**18,219**	2,879
	26,528	21,276

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

Forward metal contracts – cash flow hedges:

The group uses cash flow designated USD forward metal contracts to hedge movements in USD precious metal prices on its anticipated sales of gold. At 30 September 2015 there were cash flow designated hedge contracts in place for 12,000 ounces of gold with settlements scheduled during December 2015 with a weighted average price of US$1,600/oz. The portion of the gain or loss on these hedging instruments that are determined to be an effective hedge are recognised and retained directly in equity. The ineffective portion will be recognised in the statement of comprehensive income.

The amount reclassified during the period to the income statement was a gain of $13,760,306 (30 June 2015 gain: $23,631,310).

Financial assets at fair value – gold forward contracts:

Financial assets at fair value through profit or loss include the change in value of gold forward contracts put in place during the period ending 30 September 2015. The group uses USD forward metal contracts to hedge movements in USD precious metal prices on its anticipated sales of gold. The risk management policies related to these contracts are provided in note 14. Movements in fair value between inception and close-out of the contract are taken to the statement of comprehensive income.

At 30 September 2015 the group held forward metal contracts for 137,100 ounces of gold on a spot deferred basis with a weighted average price of US$1,209/oz. When necessary, these contracts may be rolled over into new contracts at maturity, subject to counterparty credit approval.

14. 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 September 2015:

	Loans and receivables / amortised cost	Available-for-sale	Fair value through profit and loss	Fair value through other comprehensive income (cash flow hedge)
	$'000	$'000	$'000	$'000
Financial assets:				
Receivables	28,066	-	-	-
Gold forward contracts	-	-	18,219	-
Derivative financial instruments	-	-	-	8,309
Total current	**28,066**	**-**	**18,219**	**8,309**
Receivables	13,553	-	-	-
Available for sale investments	-	1,353	-	-
Total non-current	**13,553**	**1,353**	**-**	**-**
Total	**41,619**	**1,353**	**18,219**	**8,309**
Financial liabilities:				
Payables	40,678	-	-	-
Total current	**40,678**	**-**	**-**	**-**
Total	**40,678**	**-**	**-**	**-**

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

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

14. FINANCIAL RISK MANAGEMENT – continued

Fair values

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

	Consolidated			
	30 Sept 2015		30 June 2015	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	$'000	**$'000**	$'000	$'000
Financial assets:				
Receivables	28,066	28,066	40,720	40,720
Gold forward contracts	18,219	18,219	2,879	2,879
Derivative financial instruments	8,309	8,309	18,397	18,397
Total current	**54,594**	**54,594**	**61,996**	**61,996**
Receivables	13,553	13,553	12,337	12,337
Available for sale investments	1,353	1,353	2,820	2,820
Total non-current	**14,906**	**14,906**	**15,157**	**15,157**
Total	**69,500**	**69,500**	**77,153**	**77,153**
Financial liabilities:				
Payables	40,678	40,678	36,437	36,437
Total non-current	**40,678**	**40,678**	**36,437**	**36,437**
Total	**40,678**	**40,678**	**36,437**	**36,437**

Fair value hierarchy

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

Level 1 Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
Level 2 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
Level 3 Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

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

There were no transfers between categories during the period.

14. FINANCIAL RISK MANAGEMENT – continued

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
30 September 2015				
Financial assets:				
Available for sale instruments	1,353	-	-	**1,353**
Gold forward contracts	-	18,219	-	**18,219**
Derivative financial instruments	-	8,309	-	**8,309**
Total	**1,353**	**26,528**	**-**	**27,881**
30 June 2015				
Financial assets:				
Available for sale instruments	2,820	-	-	**2,820**
Gold forward contracts	-	2,879	-	**2,879**
Derivative financial instruments	-	18,397	-	**18,397**
Total	**2,820**	**21,276**	**-**	**24,096**

Valuation techniques

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

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

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

Specific valuation techniques used to value financial instruments include;

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

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

15. ISSUED CAPITAL AND RESERVES

(a) Issued and paid-up share capital

	Consolidated			
	30 Sept 2015		30 June 2015	
	$'000	**Number**	$'000	Number
Balance at the beginning of the period	**476,427**	**526,656,401**	476,429	526,656,401
Transaction costs arising from issue of securities for cash	**-**	**-**	(2)	-
Vesting of performance rights on 29 July 2015	**-**	**2,687,500**	-	-
Balance at the end of the period	**476,427**	**529,343,901**	476,427	526,656,401

(b) Share options

There were no share options on issue during the period ended 30 September 2015.

(c) Performance rights

Performance rights have been granted as follows:

Grant date	End of measurement period	Expiry date	Exercise price	Balance at start of the period	Granted during the period	Exercised during the period	Forfeited during the period	Balance at the end of the period	Vested and exercisable at end of the period
				Number	*Number*	*Number*	*Number*	*Number*	*Number*
25-Nov-12	30-Jun-15	31-Dec-15	nil	300,000	-	-	(300,000)	-	-
1-Jan-13	30-Jun-15	31-Dec-15	nil	1,202,418	-	-	(1,202,418)	-	-
1-Jan-14	30-Jun-15	31-Dec-15	nil	2,125,000	-	2,125,000	-	-	-
1-Jan-14	31-Dec-16	30-Jun-17	nil	2,125,000	-	-	-	2,125,000	-
4-Jun-14	30-Jun-15	31-Dec-15	nil	562,500	-	562,500	-	-	-
4-Jun-14	31-Dec-16	30-Jun-17	nil	562,500	-	-	-	562,500	-
1-Jan-15	30-Jun-16	31-Dec-16	nil	750,000	-	-	-	750,000	-
1-Jan-15	31-Dec-17	30-Jun-18	nil	750,000	-	-	-	750,000	-
1-Jul-15	30-Jun-17	31-Dec-17	nil	-	4,975,000	-	-	4,975,000	-
				8,377,418	4,975,000	2,687,500	(1,502,418)	9,162,500	-

(d) 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.

16. CONTINGENCIES

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

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

17. COMMITMENTS

(a) Exploration expenditure commitments

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

	Consolidated	
	30 Sept 2015 $'000	30 June 2015 $'000
Within one year	**750**	750
One year or later and not later than five years	**1,700**	1,700
Later than five years	**1,500**	1,500
	3,950	3,950

(b) Capital commitments

The group is responsible for all rehabilitation of the EGM mining leases, which are currently estimated to cost approximately US$7.8 million and a provision has been recorded for this at balance date.

(c) Operating lease commitments

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

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

	Consolidated	
	30 Sept 2015 $'000	30 June 2015 $'000
Within one year	**415**	411
One year or later and not later than five years	**212**	318
Later than five years	**-**	-
	627	729

18. EVENTS OCCURING AFTER THE END OF THE REPORTING PERIOD

Since the end of the period and to the date of this report no matter or circumstance has arisen that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial periods.