

# Perseus Mining Ltd

02:33 28 Aug 2019

## Perseus Mining aims for half a million-ounce production with third mine after positive FY19 results

Perseus Mining Limited (ASX:PRU) has updated the estimated mineral resources and ore reserves for its West African gold portfolio comprising the Edikan, Sissingué and Yaouré gold mines.

The gold producer also delivered its yearly financial statement, showcasing increased production, improved performance and lower costs across the group.

Net assets at the end of June this year were valued at \$783.5 million or 74 cents a share, after accounting for cash and bullion on hand as well as interest-bearing liabilities of \$44.8 million.

Perseus' financial performance is expected to remain strong with continued gold production and improving cost structures at its two operating mines.

Development of third operation Yaouré will be a major focus of the 2020 financial year.

### "Company in a very healthy position"

Perseus managing director & CEO Jeff Quartermaine said the financial results reveal a company in a very healthy position that is continuing to improve in all aspect of the business.

He said: "At \$164.1 million, our gross profit from operations before depreciation and amortisation in FY19 is materially better than in the past.

"This year our depreciation and amortization charge increased to \$153.3 million impacting our reported net after tax earnings of \$7.6 million.

"This result was \$32.5 million more than the amount earned in the last financial year."

**Price:** 1.565

**Market Cap:** \$1.84 billion

#### 1 Year Share Price Graph



September 2019 March 2020 September 2020

#### Share Information

**Code:** PRU

**Listing:** ASX

**52 week High Low**  
1.66 0.63

**Sector:** Gold & silver

**Website:** [www.perseusmining.com](http://www.perseusmining.com)

#### Company Synopsis:

Perseus Mining Ltd is dual listed on the Australian Securities Exchange (ASX:PRU) and the Toronto Stock Exchange (TSX:PRU).

action@proactiveinvestors.com

## Positive cash position

Quartermaine noted net cashflow from operations had increased by 114% or \$77.9 million to \$146.2 million during the year.

The company had cash and bullion on hand worth \$168.3 million at the end of the year, putting Perseus in a positive cash position after outstanding debt of \$44.8 million had been brought to account.

He said: "This positive trend of net cash growth is well established and when considered together with the amount of undrawn debt finance available to the company, Perseus is fully funded to pay for the development of its third gold mine Yaouré which is now expected to produce first gold in December 2020.

"With Yaouré coming on stream, Perseus's production levels should be in the order of 500,000 ounces of gold per year.

Subject to the gold price at that time, this should mean that Perseus will be in a position to continue generating material amounts of free cash flow and record significant profits."

## Transition to multi-mine, multi-jurisdictional gold producer

In its transition to a multi-mine, multi-jurisdictional operator in FY19, Perseus recorded EBITDA from operations of \$164.1 million, a 19% increase compared to the previous year.

The increase is attributed to a full year of commercial production at Sissingué, a low-cost operation of US\$746 an ounce and lower cost per ounce gold production at Edikan, following implementation of a revised mining strategy in January which aimed to maximise production of profitable ounces.

Net profit after tax amounted to \$7.6 million or 0.7 cents a share compared to a net loss after tax of \$24.9 million or 2.5 cents a share the previous financial year.

Quartermaine said Perseus' mineral resource modelling at both Edikan and Sissingué had proven to be robust, with close reconciliation between contained metal forecast by block models and the metal actually recovered from processing ore.

The updated measured and indicated mineral resource for the Edikan mine in Ghana is now 77.5 million tonnes at 1.1 g/t gold, containing 2.73 million ounces of gold.

A further 6.1 million tonnes of material grading at 1.22 g/t and containing a further 237,000 ounces are classified as inferred.

Other than for the Esujah North deposit, the only material change from previous estimates of Edikan open pit resources comprises mining depletion.

Edikan's resource comprises four components:

- Remaining insitu mineralisation in the open pit Abnabna-AF Gap, Fobinso, Esujah North, Fetish and Bokitsi South deposits;
- Insitu mineralisation in the Esujah South deposit which is potentially

- exploitable by underground mining methods;
- Heap leach material remaining from treatment of oxide mineralisation by previous operators; and
- Material on mine stockpiles at June 30.

## **Reliable resource and reserve estimation models**

A new resource estimate was undertaken for Esujah North to incorporate mill reconciliation information.

Quartermaine added: "The demonstrated predictive reliability of our mineral resource and ore reserve models continues to provide a sound basis on which to plan our future."

A revised mineral resource estimate was completed for the Sissingué deposit based on mill reconciliations to September 30.

Measured and indicated resources remaining after depletion until June 30, including those at the Fimbiasso deposits, are now estimated to be 8.4 million tonnes grading 1.8 g/t gold and containing 477,000 ounces.

A further 400,000 tonnes of material at 1.7 g/t and containing a further 19,000 ounces are classified as inferred resources.

### **Higher level of confidence in forecast production and costs**

Quartermaine said this latest estimate included an update of the Yaouré open pit mineral resources which was based on drilling completed during 2018.

The associated ore reserve was also updated base on the outcome of the company's FEED study.

He said: "There are small increases in both the mineral resource and ore reserve estimates and, more importantly, there is a higher level of confidence in forecast production and costs.

"In addition, an initial estimate of the underground mineral resource at Yaouré has been completed, with follow-up work to increase the resource further now being implemented."

Estimated indicated mineral resources at Yaouré total 47.9 million tonnes grading 1.37 g.t gold which contains 2.11 million ounces.

A further 46 million tonnes of material grading 1.1 g/t containing 1.694 million ounces are classified as inferred resources.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Perseus Mining Ltd named herein, including the promotion by the Company of Perseus Mining Ltd in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).