

# Perseus Mining Ltd

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## 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.

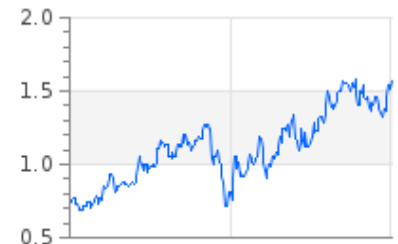
"This year our depreciation and amortization charge increased to \$153.3 million impacting our reported net after tax earnings of \$7.6 million.

"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).

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## 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.

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