

Perseus Mining Ltd

16:04 24 Feb 2020

Perseus Mining has price target raised by Hartleys after strong production in December half

Perseus Mining Limited (ASX:PRU) produced 134,980 ounces of gold in the December half at an all-in sustaining cost (AISC) of US\$942 per ounce from its gold mines in West Africa.

The company is expected to produce 140,000-160,000 ounces of gold at US\$750-950 AISC per ounce in the current June half.

Hartleys has raised its net asset valuation of Perseus from 98 cents per share (cps) to 108 cps, and the 12-month price target has been lifted to 129 cps.

Following is an extract from Hartleys' research update:

Performance puts PRU in full control

Perseus (PRU) produced 69.2koz in the December 2019 quarter; 48.3koz from Edikan and 20.9koz from Sissingué. The Company's AISC average was US\$962/oz. At Edikan average ore grades and throughput improved, pushing up gold output for the second consecutive quarter. At Sissingué ore was mined outside the main orebody, forestalling higher ore grades to the second half.

Mill to June 2019 block model reconciliation for the 3 months were 127% and 95% (ounces), at Edikan and Sissingué respectively. Perseus suspects Sissingué might return to positive reconciliation in the main ore position. To reiterate - in the year to June 2019 Perseus added 56koz (3%) to Edikan reserves and 25koz (6%) to Sissingué reserves after reconciliation alone (no redesigns).

Drilling continued at Zanikan, 20km south of the Sissingué mill. Sporadic high grades were recorded over 800m strike. We still estimate 50-100koz order of magnitude inventory for Zanikan, a year or two extra mine life for Sissingué.

Yaouré completion firms to December 2020.

Total costs in the December 2019 quarter (\$114M) were less than in the September quarter (A\$116M). Perseus effectively put A\$29M in the bank during the quarter, before spending A\$105M at Yaouré. Corporate all in costs (CAIC) were A\$1744/oz produced (A\$1651/oz pre-hedge). Works required to pour gold at Yaouré by the stretch target date of late December 2020, remain on schedule.

Available funds ahead of requirement

Cash at the end of December 2019 was US\$81M (US\$31M net), with US\$100M to draw on the debt facility and US\$155M still budgeted to spend at Yaoure. Assuming full debt drawdown and a minimum cash balance of \$US50M, Perseus needs just US\$24M cash from operations over the next 3- 4 quarters (US\$6-8M/qtr).

The Company's guidance range (140-160koz for the half to June 2020, following on from 135koz in the December 2019 half) are unchanged from the June and September indications. Perseus forecasts a stronger gradedriven performance in both production and costs in the June 2020 half year.

Price: 1.275

Market Cap: \$1.49 billion

1 Year Share Price Graph



Share Information

Code: PRU

Listing: ASX

52 week	High	Low
	1.305	0.44

Sector: Gold & silver

Website: 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.au

Perseus' received gold price was US\$1411/oz (A\$2075/oz) for the December quarter. Total hedging at the end of the quarter was 276koz at US\$1348/oz, compared to 267koz at US\$1327/oz at the end of September 2019.

Retain Buy.

Perseus has pretty well covered Yaouré's capex, to the point that full draw down of its US\$150M debt facility looks unlikely - as the Company has been saying for some time. Performance to plan, over such a program, gives Perseus power as a trusted operator (in testing jurisdictions), with the prospect of swelling financial muscle. We think they will use it wisely, and earn a share price premium. Hartleys' net asset valuation is up from 98cps to 108cps, and our 12month price target is lifted to 129cps.

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 +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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).