

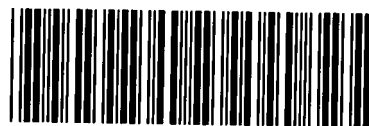
# **AMARA MINING LIMITED**

**REGISTERED NUMBER: 04822520**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**AMARA MINING LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

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**AMARA MINING LIMITED**  
**DIRECTORS, OFFICERS AND REGISTERED OFFICE**

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**DIRECTORS**

Jeffrey Allan Quartermaine  
Colin John Carson

**COMPANY SECRETARY**

Martijn Bosboom

**REGISTERED AND CORPORATE OFFICE**

Collingham House  
6-12 Gladstone Road,  
Wimbledon, London,  
SW19 1QT, United Kingdom

**AUDITOR**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

# **AMARA MINING LIMITED**

## **DIRECTORS' REPORT**

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The directors present their report and the audited financial statements for the year ended 31 December 2018.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The Company acted as an intermediate holding company during the period and incurred costs in relation to administration.

### **RESULTS AND DIVIDENDS**

The Company's loss for the year after taxation amounted to \$0.2 million (2017: \$0.1 million). The directors do not recommend the payment of a dividend.

### **DIRECTORS AND DIRECTORS' INTERESTS**

During the year under review, the following directors held office:

Jeffrey Allan Quartermaine  
Colin John Carson

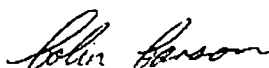
None of the directors hold an interest in the ordinary share capital of the Company.

### **PROVISION OF INFORMATION TO THE AUDITOR**

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

This directors' report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board



**Colin John Carson**  
Director  
29 August 2019

# **AMARA MINING LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **AMARA MINING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF AMARA MINING LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Opinion**

We have audited the financial statements of Amara Mining Limited ("the Company") for the year ended 31 December 2018, which comprise the Profit & Loss account, Balance Sheet and Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# **AMARA MINING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF AMARA MINING LIMITED FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a Strategic Report.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability 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 Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Barnsdall (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK  
29 August 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**AMARA MINING LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>US\$000</b>	<b>US\$000</b>
Administration expenses		(68)	(183)
Other operating costs		(116)	(127)
Provision against intercompany loans		-	180
<b>Operating loss</b>	<b>5</b>	<b>(184)</b>	<b>(130)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(184)</b>	<b>(130)</b>
Tax on loss on ordinary activities	<b>6</b>	-	-
<b>Net loss for the financial year and total comprehensive loss</b>		<b>(184)</b>	<b>(130)</b>

The notes on pages 9 to 14 form part of these financial statements.



# AMARA MINING LIMITED

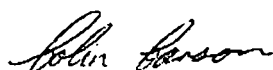
Company number: 4822520

## BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 US\$000	2017 US\$000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		-	348
<b>Total current assets</b>		-	<b>348</b>
<b>TOTAL ASSETS</b>		-	<b>348</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	9	6,975	6,975
Share premium	9	220,021	220,021
Merger reserve	9	12,607	12,607
Currency translation reserve	9	(16,591)	(16,591)
Accumulated losses		(247,883)	(247,699)
<b>TOTAL EQUITY</b>		<b>(24,871)</b>	<b>(24,687)</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables	8	24,866	25,035
<b>Total non-current liabilities</b>		<b>24,866</b>	<b>25,035</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	5	-
<b>Total current liabilities</b>		<b>5</b>	-
<b>TOTAL LIABILITIES</b>		<b>24,871</b>	<b>25,035</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		-	<b>348</b>

The notes on pages 9 to 14 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 29 August 2019.  
They were signed on its behalf by:



Colin John Carson  
Director  
29 August 2019

**AMARA MINING LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital US\$000	Share premium US\$000	Merger reserve US\$000	Cumulative translation reserve US\$000	Acc
BALANCE AT 1 JANUARY 2017	6,975	220,021	12,607	(16,591)	
Loss for the year	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	
BALANCE AT 31 DECEMBER 2017	6,975	220,021	12,607	(16,591)	
Loss for the year	-	-	-	-	
<b>Total comprehensive loss for the year</b>	-	-	-	-	
Reserve transfer on exercise or lapse of share options	-	-	-	-	
<b>BALANCE AT 31 DECEMBER 2018</b>	<b>6,975</b>	<b>220,021</b>	<b>12,607</b>	<b>(16,591)</b>	

The notes on pages 9 to 14 form part of these financial statements.

**AMARA MINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1 BASIS OF PREPARATION**

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") which have both been applied.

**Disclosure exemptions adopted**

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of Amara Mining Limited.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Perseus Mining Limited. These financial statements do not include certain disclosures in respect of:

- Share based payments;
- Financial instruments
- Fair value measurement

**Exemption from preparation of consolidated financial statements**

The financial statements contain information about Amara Mining Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s401 of the Companies Act 2006 not to produce consolidated financial statements as its financial statements are included in the non-EEA consolidated financial statements of Perseus Mining Limited (Perseus). Perseus' registered address is as follows:

Level 2, 437 Roberts Road,  
Subiaco, Western Australia 6008  
Australia

**2 NATURE OF BUSINESS AND GOING CONCERN**

During the year, the Company acted as an intermediate holding company.

Following the merger with Perseus Mining Limited ("Perseus") in April 2016, the Company became a 100% subsidiary of Perseus. Perseus has indicated that it will provide financial support for the Group to meet its financial obligations. The directors are therefore satisfied that the combined Group will have sufficient funds to meet the existing Group's working capital requirements and meet its financial obligations for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

**AMARA MINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**3 ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

**(a) Tangible fixed assets and depreciation**

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over their expected useful lives. The periods generally applicable are:

Office equipment, fixtures and computers	3 years
------------------------------------------	---------

**(b) Investments**

Investments are recorded at cost less amounts written off.

**(c) Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account. The functional currency of the Company is US\$ dollars.

The presentational currency of the Company is US\$ dollars as predominantly all assets and liabilities are denominated in that currency.

**(d) Taxation**

*Current taxation*

Current taxation represents corporation tax payable on the taxable profits for the year or prior periods and is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

*Deferred taxation*

Deferred taxation is provided on material timing differences between the incidence of income and expenditure for taxation and accounting purposes on a full provision basis.

Deferred tax assets are only recognised when they arise from timing differences where their recoverability in the short term is regarded as being probable. Deferred tax balances are not discounted.

**(e) Financial instruments**

*Financial instruments*

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below.

*Financial assets*

The company classifies all of its financial assets as carried at amortized cost.

Loans and receivable assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are

**AMARA MINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**3 ACCOUNTING POLICIES (CONTINUED)**

directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

The company's loans and receivables comprise amounts owed by group undertakings.

*Financial liabilities*

The company classifies its financial liabilities as financial liabilities at amortised cost.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Company assesses the carrying value of intercompany loans to subsidiaries to ensure that the carrying value does not exceed the value of the underlying mineral project.

Following a review and financial assessment of the role of subsidiaries in the projects being developed, the directors have concluded that it is appropriate to make a full provision against intercompany loans and investments. Refer to note 7 for further information.

**5 OPERATING LOSS**

**Director and Employee Remuneration and Staff Numbers**

*Continuing Operations*

The average monthly number of employees (including directors) for the year for each of the Group's and Company's principal divisions was as follows:

	2018	2017
Administration	2	2
	<u>2</u>	<u>2</u>

The Company does not have any employees other than the directors as at 31 December 2018. Remuneration for the directors' services has been borne by the parent company.

**Audit Fees**

The Company is responsible for all subsidiary audit fees.

	2018	2017
	US\$000	US\$000
Audit or review of the financial report of the entity and any other entity in the group	8*	13
Non-statutory audit services in relation to the entity and any other entity in the group	-	-

\* Audit fees for 2018 has been borne by the parent company.

**AMARA MINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**6 TAX ON LOSS ON ORDINARY ACTIVITIES**

The tax assessed for the period is different than the standard rate of corporation tax in the UK of 19% (2017: 19%). The differences are explained as follows:

	2018	2017
	US\$000	US\$000
<b>Loss on ordinary activities before tax</b>	<b>(184)</b>	<b>(130)</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19%)	35	25
Effect of:		
Items not taxable	(35)	(25)
<b>Total current tax</b>	<b>-</b>	<b>-</b>

**7 INVESTMENT IN SUBSIDIARIES**

Subsidiary undertakings and other related companies held at the year-end were as follows:

Subsidiary undertaking	Place of incorporation	Registered office address	Principal activity	Amara Mining Limited effective interest	
				2018	2017
Amara Mining (Sierra Leone) Limited *	United Kingdom	(1)	Head office	100%	100%
Amara Mining (Burkina) Limited *	United Kingdom	(1)	Exploration	100%	100%
Amara Mining (Côte d'Ivoire) Limited	United Kingdom	(1)	Exploration	100%	100%

\* These entities are in the process of being liquidated.

(1) The office of the subsidiaries are registered at Collingham House, 6-12 Gladstone Road, Wimbledon, London, SW19 1QT, United Kingdom.

Investment costs have been fully provided for.

**8 TRADE AND OTHER PAYABLES**

	2018	2017
	US\$000	US\$000
<b>Non-current liabilities</b>		
Amount payable to parent company	24,868	25,035
<b>Total non-current liabilities</b>	<b>24,868</b>	<b>25,035</b>
<b>Current liabilities</b>		
Trade creditors	5	-
<b>Total current liabilities</b>	<b>5</b>	<b>-</b>

**AMARA MINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9 SHARE CAPITAL AND RESERVES**

	2018 US\$000	2017 US\$000
<b><i>Issued and Fully Paid</i></b>		
420,386,077 Ordinary shares of 1p each (2017: 420,386,077)	6,975	6,975

***Shares issued***

During 2018 and 2017 the Company has complied with the Companies Act requirements regarding the maintenance of capital. Further to the Companies Act 2006, the Company has unlimited authorised share capital.

***Share premium***

The share premium account represents the excess cash received on the issue of new shares for a premium on the nominal value. Only those costs specifically associated with those share issues are debited to the account.

***Merger reserve***

The acquisition by the Company of Cluff Gold (UK) Limited in November 2004 was accounted for in accordance with the merger accounting principles set out in UK Financial Reporting Standard 6 and the Companies Act 1985, which continue under the Companies Act 2006, whereby the consolidated financial statements were presented as if the business previously carried out through Cluff Gold (UK) Limited had always been owned and controlled by the Company. The transitional requirements of IFRS1 allowed prospective application of IFRS3 for all business combinations subsequent to the transition date (1 January 2006). Accordingly, this acquisition was not re-stated in accordance with that standard.

During 2008 the Company acquired Winston Mining Limited. The Company has claimed merger relief in respect of this acquisition and accordingly the premium arising on the issue of shares has been credited to the merger reserve.

***Translation reserve***

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations that do not have a US Dollars functional currency. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the operation is disposed of.

On 1 January 2011 the US Dollar was adopted as the functional currency for all entities in the Group. Consequently, there are no exchange differences on the translation of subsidiaries and the currency translation reserve will remain frozen as at the 31 December 2010 balance. A translation reserve exists in respect of the parent company because prior to 1 January 2011 the functional currency adopted was Sterling and the presentational currency was US Dollar. The translation reserve of the parent company will also remain frozen at the 31 December 2010 balance.

**10 PARENT UNDERTAKING AND CONTROLLING PARTIES**

The Company is controlled by Perseus Mining Limited. The parent undertaking of the largest and smallest group for which consolidated accounts have been prepared for the year ended 31 December 2018 is Perseus Mining Limited.

**11 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption conferred by FRS101, paragraph 8(k) not to disclose transactions with Perseus Mining Limited or companies which are wholly owned by the group on the grounds that the Company is a wholly owned subsidiary of Perseus Mining Limited and the Company is included in the consolidated financial statements.

**AMARA MINING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**12 POST BALANCE SHEET EVENTS**

Since the end of the financial year 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 the affairs of the consolidated entity in subsequent financial years.