Altus Strategies plc

Unaudited Condensed Consolidated Interim Financial Statements

for the six months ended 30 June 2017

Chairman's Statement

"I am pleased to report on a strong period of growth for the Company, one which culminated after the period, in the listing of our shares on the AIM market of the London Stock Exchange. Having operated as a private company for close to a decade, our decision to list reflects the Board's positive belief in the outlook for the resource cycle and anticipated rising industry demand for new mineral discoveries, such as those we are making at Altus.

As a project generator focused on Africa, we embrace the cyclical nature of the mining sector. The Company's aim is to create significant value for our shareholders while reducing and diversifying their risk exposure. We seek to make multiple discoveries using one cost base and time efficient management overhead. We then undertake joint venture partnerships with industry groups early on, to finance the higher risk stages of exploration, such as drilling. Our strategy also inherently avoids management partiality towards any one particular project. In so doing we look to franchise the downside risks, while retaining a significant share of the upside. If a project is successful, we can elect to co-fund or dilute as it progresses through feasibility studies and mine development. We also have the flexibility to consider selling some or all of our discoveries for cash, equity, future production royalties or a mix of these.

In accordance with our counter cyclical strategy, Altus has used the industry downturn which started in 2011 to build a significant portfolio of discoveries. This currently comprises twelve projects diversified across seven commodities, four countries and encompasses two joint venture partners. We have also used the downturn to build a strong and dedicated technical team with the infrastructure required to continue our strong growth trajectory. As such we are exploring several strategic projects, while assessing new licence applications in addition to acquisition opportunities to feed into our project generation pipeline.

During the same period since 2011, global exploration budgets and discoveries fell dramatically as capital markets were reluctant to finance exploration risk. Mining companies prioritised efficiency savings and paying down debts before exploring for new mines. We now believe the resource cycle is turning upward, as supply side concerns start to grow amid an environment of sustained global growth. A resilient China alongside growing infrastructure spending across developed and emerging markets is proving supportive to higher base metal prices. Meanwhile the pervasive negative real interest rate and loose monetary policies required to inflate away excessive national debt burdens, are putting downward pressure on currencies, including the dollar, which is providing further support to gold and other hard assets.

Our expectation is for equity and debt markets to become increasingly supportive of mining companies as their revenues and in turn valuations rise. A fundamental challenge for mining companies will be how to replenish and grow their resources base, after so many years of underinvestment. We expect that process to be highly competitive not just between mining companies, but also with private equity and other specialist investors seeking to participate in the cycle. In such a scenario it follows that the value of quality discoveries is set to rise, as they become targets for acquisitions and joint ventures.

The Board believe that the outlook for the exploration sector is positive and Altus is actively generating the projects which have the potential to become the mines of tomorrow.

I would like to extend my congratulations to all of the team at Altus for their achievements in the year to date. Just as important I seize this opportunity to extend the Board's appreciation to our existing and new shareholders for sharing our vision with their continued support. We have a very active period ahead and I look forward to keeping you apprised of our progress."

David Netherway
Chairman

Condensed consolidated statement of comprehensive income

	Notes	6 months ended 30 June 2017 Unaudited £	6 months ended 30 June 2016 Unaudited £
Revenue		**403,364**	**245,075**
Gross profit		**403,364**	**245,075**
Administrative expenses		(1,624,624)	(306,981)
Loss from operations		(1,221,260)	(61,906)
Finance income		134	3,380
Loss before taxation		**(1,221,126)**	**(58,526)**
Taxation		(846)	(4)
Loss and total comprehensive income for the period		**(1,221,972)**	**(58,530)**
Loss attributable to			
- Owners of the parent company		(1,221,381)	(55,801)
- Non-controlling interests		(591)	(2,729)
		(1,221,972)	**(58,530)**
Total comprehensive income for the period attributable to			
- Owners of the parent company		(1,221,381)	(55,801)
- Non-controlling interests		(591)	(2,729)
		(1,221,972)	**(58,530)**
Earnings per share from continuing operations attributable to the equity holders of the Company			
Basic and diluted (pence per share)	6	**(1.39)**	**(0.07)**

Condensed consolidated statement of financial position

	Notes	30 June 2017 Unaudited £	31 December 2016 Audited £
Assets			
Non-current assets			
Intangible assets	4	151,875	105,640
Property, plant & equipment		1,910	2,065
Investments		330,773	472,394
		484,558	580,099
Current assets			
Trade and other receivables		105,787	254,479
Cash and cash equivalents		351,395	415,914
		457,182	670,393
Total assets		**941,740**	**1,250,492**
Equity and liabilities			
Equity attributable to owners of the parent			
Issued capital		120,726	104,526
Share premium		6,672,696	5,770,590
Other reserves		(86,916)	(92,323)
Accumulated losses		(6,029,220)	(4,807,839)
Total equity attributable to owners of the parent		677,286	974,954
Non-controlling interests		(67,879)	(67,343)
		609,407	907,611
Liabilities			
Current liabilities			
Trade and other payables		316,824	323,863
Current tax liabilities		509	4,018
Provisions		15,000	15,000
		332,333	342,881
Total liabilities		332,333	342,881
Total equity and liabilities		**941,740**	**1,250,492**

Condensed statement of changes in shareholders' equity

	Share capital £	Share premium £	Accumulated losses £	Other reserves £	Total £	Non-controlling interest £	Total equity £
As at 1 January 2016	**116,396**	**5,748,597**	**(4,213,870)**	**4,279**	**1,655,402**	**(63,493)**	**1,591,909**
Loss for the period	-	-	(55,801)	-	(55,801)	(2,729)	(58,530)
Total comprehensive income	-	-	(55,801)	-	(55,801)	(2,729)	(58,530)
Issue of share capital	353	21,993	-	-	22,346	-	22,346
Total transactions with owners, recognised directly in equity	353	21,993	-	-	22,346	-	22,346
As at 30 June 2016 (unaudited)	**116,749**	**5,770,590**	**(4,269,671)**	**4,279**	**1,621,947**	**(66,222)**	**1,555,725**

	Share capital £	Share premium £	Accumulated losses £	Other reserves £	Total £	Non-controlling interest £	Total £
As at 1 January 2017	**104,526**	**5,770,590**	**(4,807,839)**	**(92,323)**	**974,954**	**(67,343)**	**907,611**
Loss for the period	-	-	(1,221,381)	5,407	(1,215,974)	(536)	(1,216,510)
Total comprehensive income	-	-	(1,221,381)	5,407	(1,215,974)	(536)	(1,216,510)
Issue of share capital	16,200	902,106	-	-	918,306	-	918,306
Total transactions with owners, recognised directly in equity	16,200	902,106	-	-	918,306	-	918,306
As at 30 June 2017 (unaudited)	**120,726**	**6,672,696**	**(6,029,220)**	**(86,916)**	**677,286**	**(67,879)**	**609,407**

Condensed consolidated statement of cash flows

	6 months ended 30 June	
	2017	**2016**
	Unaudited	**Unaudited**
	£	**£**
Cash flows from operating activities		
Loss before taxation	(1,221,972)	(58,530)
Adjustments for:		
Depreciation of property, plant and equipment and revaluation of investments	142,359	(377,694)
Interest received	(34)	(4,138)
Taxes paid	257	4
Cash flows from operating activities before changes in working capital	**(1,079,390)**	**(440,358)**
Decrease in trade and other receivables	148,688	64,248
(Decrease)/increase in trade and other payables	(10,805)	250,297
Net cash used in operating activities	**(941,507)**	**(125,813)**
Cash flows from investing activities		
Investment in non current assets	(46,818)	-
Purchase of property, plant and equipment		
Interest received	34	4,138
Other investments and loans made	1,824	(2,179)
Finance charges	3,642	-
Net cash (used in)/generated from investing activities	**(41,318)**	**1,959**
Financing Activities		
Proceeds from issue of shares	918,306	-
Net cash generated from financing activities	**918,306**	**-**
Net decrease in cash and cash equivalents	**(64,519)**	**(123,854)**
Cash and cash equivalents at beginning of period	**415,914**	**1,014,897**
Cash and cash equivalents at end of the period	**351,395**	**891,043**

Notes to the Financial Statements

1. General information

The principal activity of the Company and its subsidiaries (together 'the Group') is the exploration and development of precious and base metal deposits in Africa. There is no seasonality or cyclicality of the Group's operations.

The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange (AIM). The Company is incorporated and domiciled in the United Kingdom. The address of its registered office is 14 Station Road, Didcot, Oxfordshire, OX11 7LL.

***2.* Basis of preparation**

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ('IFRS'). The condensed interim financial statements should be read in conjunction with the annual financial statements of Altus Strategies Limited for the year ended 31 December 2016, which have been prepared in accordance with IFRS as adopted by the European Union.

The condensed consolidated interim financial statements set out above do not constitute statutory accounts within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union. Statutory financial statements for Altus Strategies Limited for the year ended 31 December 2016 were approved by the Board of Directors on 7 April 2017 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

On 14 June 2017, the Company entered into an agreement to acquire the entire issued share capital of Altus Strategies Limited from the former shareholders of Altus Strategies Limited in consideration for the issue of 96,580,812 new Ordinary shares. The Group reorganisation did not result in a change of control and is therefore excluded from the scope of IFRS 3 'Business combinations'. In the condensed consolidated interim financial statements the assets and liabilities of Altus Strategies Limited are included at their pre-combination carrying amount without any fair value uplift. The reorganisation only changes the structure of the Group and in substance does not impact on the reporting of the Group. Any difference between the cost of the transaction and the carrying value of the net assets is recorded in equity.

The interim financial information of the Company have not been audited or reviewed by the Company's auditor, Critchleys LLP.

Going concern

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed consolidated interim financial statements for the period ended 30 June 2017.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Annual Report and Financial Statements for the Year Ended 31 December 2016 for Altus Strategies Limited, a copy of which is available on the Company's website. The key financial risks are liquidity risk, foreign exchange risk, credit risk, price risk and interest rate risk.

Critical accounting estimates

The preparation of condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 1 of the 2016 Annual Report and Financial Statements for Altus Strategies Limited. The nature and amounts of such estimates have not changed significantly during the interim period.

3. Significant accounting policies

The condensed consolidated interim financial statements have been prepared under the historical cost convention as modified by the revaluation of certain of the subsidiaries' assets and liabilities to fair value for consolidation purposes.

The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated interim financial statements as were applied in the preparation of the Financial Statements for the year ended 31 December 2016 for Altus Strategies Limited.

4. Intangible assets

Intangible assets comprise exploration and evaluation costs. Exploration and evaluation costs comprise internally generated and acquired assets.

Group	Exploration and evaluation costs	Total
	£	£
Cost		
At 1 January 2017	105,640	105,640
Additions	46,235	46,235
Net book amount at 30 June 2017	**151,875**	**151,875**

5. Dividends

No dividend has been declared or paid by the Company during the six months ended 30 June 2017 (2016: £nil).

6. Earnings per share

The calculation of the basic loss per share of (1.39) pence for the 6 months ended 30 June 2017 (30 June 2016 loss per share: (0.07) pence) is based on the loss attributable to the equity holders of the Company of £ (1,221,381) for the six month period ended 30 June 2017 (30 June 2016: £(58,530)) divided by the weighted average number of shares in issue during the period of 87,610,639 (weighted average number of shares for the 6 months ended 30 June 2016: 83,616,880).

The basic and diluted loss per share is the same, as the effect of the exercise of share options would be to decrease the loss per share.

7. Related party transactions

The nature of related party transactions of the Group has not changed from those described in the Group's Annual Report and Financial Statements for the year ended 31 December 2016.

8. Events after the reporting period

On August 10th 2017 the shares of the Company were listed on the Alternative Investment Market of the London Stock Exchange. The Company simultaneously raised £1.11m before expenses through a placing of 11,100,000 new Ordinary shares of 1 pence each with existing and new institutional and sophisticated investors at a price of 10 pence per Ordinary share.

9. Approval of interim financial statements

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on 19 September 2017.