

Company Registration No. 10746796 (England and Wales)



**ALTUS STRATEGIES PLC**

**INTERIM UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2018**

**NOTICE**

These condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

**ALTUS STRATEGIES PLC**  
**INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE LOSS**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2018 £	2017 £	2018 £	2017 £
<b>Continuing operations</b>					
Management fees and costs recovered from joint venture partners		6,831	16,956	41,325	383,226
Administrative expenses	4	(271,531)	(612,867)	(523,743)	(988,410)
Exploration costs expensed		(197,042)	(134,507)	(328,411)	(302,165)
IPO, listing and acquisition related cost:		<u>(60,456)</u>	<u>(188,354)</u>	<u>(108,234)</u>	<u>(188,685)</u>
<b>Loss from operations</b>		<b>(522,198)</b>	<b>(918,772)</b>	<b>(919,063)</b>	<b>(1,096,034)</b>
Investment receivable		7	19	13	34
Interest paid		-	(3,643)	-	(3,643)
Other operating income		22,171	20,138	22,511	20,138
Fair value loss on investments		<u>(46,383)</u>	<u>(159,994)</u>	<u>(165,645)</u>	<u>(141,621)</u>
<b>Loss before taxation</b>		<b>(546,403)</b>	<b>(1,062,252)</b>	<b>(1,062,184)</b>	<b>(1,221,126)</b>
Taxation		-	(548)	-	(846)
<b>Loss for the period</b>		<b><u>(546,403)</u></b>	<b><u>(1,062,800)</u></b>	<b><u>(1,062,184)</u></b>	<b><u>(1,221,972)</u></b>
Exchange differences on retranslation of net assets of subsidiaries		93,516	-	32,315	-
<b>Total comprehensive loss for the quarter</b>		<b><u>(452,887)</u></b>	<b><u>(1,062,800)</u></b>	<b><u>(1,029,869)</u></b>	<b><u>(1,221,972)</u></b>
<b>Loss for the quarter attributable to:</b>					
- Owners of the parent company		(550,094)	(1,064,368)	(1,063,545)	(1,221,381)
- Non-controlling interest		3,691	1,568	1,361	(591)
		<b><u>(546,403)</u></b>	<b><u>(1,062,800)</u></b>	<b><u>(1,062,184)</u></b>	<b><u>(1,221,972)</u></b>
<b>Total comprehensive loss for the quarter attributable to:</b>					
- Owners of the parent company		(456,578)	(1,064,368)	(1,031,230)	(1,221,381)
- Non-controlling interest		3,691	1,568	1,361	(591)
		<b><u>(452,887)</u></b>	<b><u>(1,062,800)</u></b>	<b><u>(1,029,869)</u></b>	<b><u>(1,221,972)</u></b>
<b>Basic earnings per share (pence) attributable to the owners of the parent</b>	11	(0.32)	(1.16)	(0.69)	(1.39)
<b>Diluted earnings per share (pence) attributable to the owners of the parent</b>	11	<u>(0.32)</u>	<u>(1.16)</u>	<u>(0.69)</u>	<u>(1.39)</u>

	Notes	As at 30 June 2018 £	As at 31 December 2017 £
<b>Non-current assets</b>			
Intangible assets	5	4,087,994	151,875
Property, plant and equipment		8,126	2,386
Investments		435,891	601,536
		<u>4,532,011</u>	<u>755,797</u>
<b>Current assets</b>			
Trade and other receivables		142,362	110,669
Cash and cash equivalents		1,594,598	523,344
		<u>1,736,960</u>	<u>634,013</u>
<b>Total assets</b>		<u>6,268,971</u>	<u>1,389,810</u>
<b>Current liabilities</b>			
Trade and other payables		358,788	298,055
Provisions		15,000	15,000
<b>Total liabilities</b>		<u>373,788</u>	<u>313,055</u>
<b>Net assets</b>		<u><b>5,895,183</b></u>	<u><b>1,076,755</b></u>
<b>Equity</b>			
Share capital	7	1,777,827	1,076,808
Share premium	7	5,994,256	999,000
Translation reserve		32,315	-
Other reserves		5,879,636	5,727,614
Retained earnings		(7,720,209)	(6,656,664)
<b>Total equity attributable to owners of the parent</b>		<u>5,963,825</u>	<u>1,146,758</u>
<b>Non-controlling interest</b>		<u>(68,642)</u>	<u>(70,003)</u>
<b>Total equity</b>		<u><b>5,895,183</b></u>	<u><b>1,076,755</b></u>

The financial statements were approved by the board of directors and authorised for issue on 27 August 2018 and are signed on its behalf by:

*Signed*

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Mr R Milroy

**Director**

*Signed*

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Mr S Poulton

**Director**

ALTUS STRATEGIES PLC

INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Translation reserve	Other reserves	Retained earnings	Total equity	Non-controlling interest	Total
	£	£	£	£	£	£	£	£
<b>Six months ended 30 June 2017:</b>								
<b>Balance at 1 January 2017</b>	104,526	5,770,590	-	(92,323)	(4,807,839)	974,954	(67,343)	907,611
<b>Loss and total comprehensive loss for the period</b>	-	-	-	5,407	(1,221,381)	(1,215,974)	(536)	(1,216,510)
Issue of share capital	16,200	902,106	-	-	-	918,306	-	918,306
<b>Total transactions with owners, recognised directly in equity</b>	16,200	902,106	-	-	-	918,306	-	918,306
<b>Balance at 30 June 2017</b>	<b>120,726</b>	<b>6,672,696</b>	<b>-</b>	<b>(86,916)</b>	<b>(6,029,220)</b>	<b>677,286</b>	<b>(67,879)</b>	<b>609,407</b>
<b>Six months ended 30 June 2018:</b>								
<b>Balance as at 1 January 2018</b>	1,076,808	999,000	-	5,727,614	(6,656,664)	1,146,758	(70,003)	1,076,755
Loss for the period	-	-	-	-	(1,063,545)	(1,063,545)	1,361	(1,099,074)
Other comprehensive loss for the period	-	-	32,315	-	-	32,315	-	69,205
<b>Loss and total comprehensive loss for the period</b>	-	-	32,315	-	(1,063,545)	(1,031,230)	1,361	(1,029,869)
Shares issued for Legend acquisition	410,603	3,079,519	-	-	-	3,490,122	-	3,490,122
Warrants acquired on Legend Acquisition	-	-	-	100,000	-	100,000	-	100,000
Shares and warrants issued for private placement	273,916	1,917,207	-	109,567	-	2,300,690	-	2,300,690
Share issuance costs	-	(146,274)	-	27,455	-	(118,819)	-	(118,819)
Exercise of share warrants	16,500	144,804	-	(85,000)	-	76,304	-	76,304
<b>Total transactions with owners, recognised directly in equity</b>	701,019	4,995,256	-	152,022	-	5,848,297	-	5,848,297
<b>Balance at 30 June 2018</b>	<b>1,777,827</b>	<b>5,994,256</b>	<b>32,315</b>	<b>5,879,636</b>	<b>(7,720,209)</b>	<b>5,963,825</b>	<b>(68,642)</b>	<b>5,895,183</b>

**ALTUS STRATEGIES PLC**
**INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018**
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

	For the three months ended		For the six months ended	
	30 June		30 June	
	2018	2017	2018	2017
Notes	£	£	£	£
<b>Cash flows from operating activities</b>				
Loss for the period after taxation	(546,403)	(1,062,800)	(1,062,184)	(1,221,972)
Adjustments for:				
Taxation charged	-	211	-	509
Interest received	(7)	(19)	(13)	(34)
Interest paid	-	3,643	-	3,643
Impairment of non-current assets	331	-	331	-
Depreciation and impairment of property, plant and equipment	1,705	393	3,616	738
Other gains and losses	46,383	159,994	165,645	141,621
Movements in working capital:				
(Increase)/decrease in trade and other receivables	(18,537)	(158)	(71,630)	148,688
Increase/(decrease) in trade and other payables	(275,035)	(63,908)	(77,221)	(10,805)
Taxation paid	-	(252)	-	(252)
<b>Cash flows used in operating activities</b>	<b>(791,563)</b>	<b>(962,896)</b>	<b>(1,041,456)</b>	<b>(937,864)</b>
<b>Investing activities</b>				
Purchase of intangible assets	(37,607)	-	(37,607)	(46,236)
Purchase of property plant and equipment	(1,735)	-	(7,189)	(583)
Purchase of subsidiaries net of cash received	-	1,820	(124,777)	1,820
Interest received	7	19	13	34
<b>Net cash used in investing activities</b>	<b>(39,335)</b>	<b>1,839</b>	<b>(169,560)</b>	<b>(44,965)</b>
<b>Financing activities</b>				
Proceeds from issue of shares	2,181,871	614,827	2,181,871	918,306
Proceeds from exercise of share warrants	76,304	-	76,304	-
<b>Net cash generated from financing activities</b>	<b>2,258,175</b>	<b>614,827</b>	<b>2,258,175</b>	<b>918,306</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>1,427,277</b>	<b>(346,230)</b>	<b>1,047,159</b>	<b>(64,523)</b>
Cash and cash equivalents at beginning of the period	153,268	697,621	523,344	415,914
Foreign exchange gains and losses	14,053	-	24,095	-
<b>Cash and cash equivalents at the end of the period</b>	<b>1,594,598</b>	<b>351,391</b>	<b>1,594,598</b>	<b>351,391</b>

**1. Accounting policies**
**General information**

## ALTUS STRATEGIES PLC

### INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018

#### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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Altus Strategies plc (“the Company”) is a public company limited by shares incorporated in England and Wales. The registered office is 14 Station Road, The Orchard Centre, Didcot, Oxfordshire, OX11 7LL. The principal activity of the Company and its subsidiaries (together the “Group”) is that of a mineral exploration project generator. There is no seasonality or cyclical to the Group’s operations.

The Company’s shares are listed on the Alternative Investment Market of the London Stock Exchange (“AIM”) and the TSX Venture Exchange (“TSXV”). The Company’s shares were admitted to trading on the AIM on 10 August 2017 and the TSXV on 6 June 2018.

#### 1.1 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (IFRS) and IFRS interpretations committee (IFRS IC) interpretations as adopted for use in the European Union and IFRS and their interpretations issued by the International Accounting Standards Board (IASB). These financial statements do not constitute statutory accounts as defined in the Companies Act 2006.

These condensed consolidated interim financial statements have been prepared on a going concern basis in accordance with the same accounting policies and methods of application as the most recent audited financial statements for the year ended 31 December 2017, and those envisaged for the year ended 31 December 2018, except for the new policies outlined in note 1.6 and note 1.7. The Group has not adopted any standards or interpretation in advance of the required implementation dates. It is not anticipated that the future adoption of any new or revised standards or interpretations issued by the IASB will have a material impact on the Group’s earnings or shareholder’s funds. The effect of the adoption of IFRS 9 is outlined in note 1.8 below.

These condensed interim financial statements are for the three month and six month periods ended 30 June 2018. Comparative information has been provided for the unaudited three month and six month periods ended 30 June 2017, and where applicable the audited twelve month period from 1 January 2017 to 31 December 2017.

The financial statements are prepared in British Pounds Sterling (£), which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest whole pound.

The financial statements have been prepared on the historical cost basis, except for the valuation of investments at fair value through profit or loss.

These condensed consolidated interim financial statements have not been audited or reviewed by the Company’s external auditors, PKF Littlejohn.

#### 1.2 Basis of consolidation

These condensed consolidated interim financial statements comprise the accounts of the parent company, and its subsidiaries, after the elimination of all material intercompany balances and transactions.

Altus Strategies plc was incorporated on 28 April 2017. On 14 June 2017, Altus Strategies plc acquired the entire share capital of Altus Exploration Management Limited by way of a share for share exchange. The transaction has been treated as a group reconstruction and has been accounted for using the reverse merger accounting method. Accordingly, the financial information for the current period and comparatives have been presented as if Altus Exploration Management Limited has been owned by Altus Strategies plc throughout the current and previous periods.

#### 1.3 Going concern

The Directors have at the time of approving these condensed consolidated financial statements, a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the

foreseeable future. In common with many junior resource investment and exploration companies, the Group and Company raise funds in discrete tranches from existing shareholders and /or new investors. The Directors and management are using funds for the evaluation of resource investment and exploration opportunities. The current funds are forecast to provide sufficient working capital through the next financial year and additional funds will be raised as and when required. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.4 Risks and uncertainties**

The Directors 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 2017, a copy of which is available on the Group's website, [www.altus-strategies.com](http://www.altus-strategies.com), and on SEDAR, [www.sedar.com](http://www.sedar.com). The key financial risks are liquidity risk, foreign exchange risk, credit risk, commodity risk and interest rate risk.

#### **1.5 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 Annual Report and Financial Statements for the Year Ended 31 December 2017. The nature and amounts of such estimates have not changed significantly during the interim periods.

The Company issued share warrants as compensation for finders' fees in the period, the assumptions and model for estimating the fair value of these share-based payments are disclosed in note 10.

#### **1.6 Foreign exchange gains and losses on consolidation**

On consolidation, the results of overseas operations measured using a different functional currency to British Pounds Sterling, are translated into British Pounds Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of these overseas operations are translated at the rate of the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

#### **1.7 Valuation of equity units issued in private placements**

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocated value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the ordinary shares issued in private placements are determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the day of issuance of the ordinary shares. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in other reserves.

#### **1.8 Adoption of IFRS 9**

On 1 January 2018, the Group adopted all of the requirements of IFRS 9 – Financial Instruments. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortised cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, therefore the Group's accounting policy with respect to financial liabilities is unchanged.

**ALTUS STRATEGIES PLC****INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The Group completed an assessment of its financial assets and liabilities as 1 January 2018. The following table shows the original classification of the Group and Company's financial instruments under IAS 39 and the new classification under IFRS 9:

<b>Financial Assets and Liabilities</b>	<b>Original Classification – IAS 39</b>	<b>New Classification – IFRS 9</b>
Cash and cash equivalents	Loans and other receivables	Amortised cost
Trade and other receivables	Loans and other receivables	Amortised cost
Equity investments	Fair value through Profit or Loss	Fair value through Profit or Loss
Trade and other payables	Amortised cost	Amortised cost

The adoption of IFRS 9 did not result in any changes to the Group and Company's financial statements.

**2. Segmental Analysis**

The Group operates principally in the UK, Canada and Africa, with operations managed on a project by project basis within each geographical area. Activities in the UK and Canada are mainly administrative in nature whilst the activities in Africa relate to exploration and evaluation work.

	<b>UK &amp; Canada 2018 £</b>	<b>Africa 2018 £</b>	<b>Total 2018 £</b>	<b>UK &amp; Canada 2017 £</b>	<b>Africa 2017 £</b>	<b>Total 2017 £</b>
<b>For the three months ended 30 June</b>						
Management fees and costs recovered from joint venture partners	1,033	5,798	6,831	-	16,956	16,956
Loss from operations	(321,788)	(200,410)	(522,198)	(791,727)	(127,045)	(918,772)
<b>For the six months ended 30 June</b>						
Management fees and costs recovered from joint venture partners	1,033	40,292	41,325	-	383,226	383,226
Loss from operations	(529,247)	(389,816)	(919,063)	(995,873)	(100,161)	(1,096,034)
Reportable segment assets	2,004,204	4,264,767	6,268,971	651,440	290,300	941,740
Reportable segment liabilities	(285,526)	(88,262)	(373,788)	(307,310)	(25,023)	(332,333)



**ALTUS STRATEGIES PLC**
**INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
**3. Exploration Expenses**

Location and licence	For the three months ended 30 June							
	Administrative expenses	Operational expenses	Travel expenses	Total	Administrative expenses	Operational expenses	Travel expenses	Total
	2018	2018	2018	2018	2017	2017	2017	2017
	£	£	£	£	£	£	£	£
Cameroon - Bikoula	5,660	6,044	6,075	17,779	131	-	-	131
Cameroon - Ndjele	988	406	0	1,394	13	67	-	80
Cameroon - Birsok & Mandoum	5,301	-	-	5,301	197	-	-	197
Cameroon - Mandoum	61	-	-	61	-	-	-	-
Cameroon - Laboum	16,794	2,214	660	19,668	18,177	16,382	12,158	46,717
Cameroon - General	15,280	-	-	15,280	11,552	(1,956)	-	9,596
Ethiopia - Daro	882	6,196	4,124	11,202	-	-	-	-
Ethiopia – Tigray-Afar	2,862	-	-	2,862	5,253	4,505	4,174	13,932
Ethiopia – Negash	-	-	-	-	-	-	-	-
Ethiopia – General	11,685	702	1,613	14,000	30,656	84	1,063	31,803
Ivory Coast - Prikro	650	7,912	859	9,421	-	-	-	-
Ivory Coast - Other	7,697	3,608	4,598	15,903	-	-	-	-
Liberia – Bella Yella	-	1,143	-	1,143	4,388	2,387	-	6,775
Liberia – Zolowo	1,346	7,261	3,625	12,232	-	-	-	-
Liberia – General	4,454	130	-	4,584	-	-	-	-
Mali - Korali Sud (Diba)	11,978	1,775	85	13,838	-	-	-	-
Mali - Djelimangara	822	6,592	49	7,463	-	-	-	-
Mali - Lakanfla	45	965	3	1,013	-	-	-	-
Mali - Pitiangoma Est	458	2,840	21	3,319	-	-	-	-
Mali - Sebessoukoto Sud	1,833	10,711	80	12,624	-	-	-	-
Mali - Tabakorole	-	-	-	-	-	-	-	-
Morocco - Agdz	960	-	-	960	28	144	1,975	2,147
Morocco - Ammas	-	-	-	-	-	-	-	-
Morocco - Takzim	-	134	3	137	457	251	38	746
Morocco - Zaer	-	-	-	-	-	-	-	-
Morocco – General	16,291	1,394	2,647	20,332	20,921	1,089	373	22,383
Other	3,606	538	2,382	6,526	-	-	-	-
<b>Total</b>	<b>109,653</b>	<b>60,565</b>	<b>26,824</b>	<b>197,042</b>	<b>91,773</b>	<b>22,953</b>	<b>19,781</b>	<b>134,507</b>

**ALTUS STRATEGIES PLC**
**INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Location and licence	For the six months ended 30 June							
	Administrative	Operational	Travel	Total	Administrative	Operational	Travel	Total
	expenses	expenses	expenses	expenses	expenses	expenses	expenses	expenses
	2018	2018	2018	2018	2017	2017	2017	2017
	£	£	£	£	£	£	£	£
Cameroon – Bikoula	10,221	6,044	6,075	22,340	262	-	-	262
Cameroon - Ndjele	1,931	425	-	2,356	1,453	3,099	1,692	6,244
Cameroon - Birsok	11,062	-	-	11,062	1,032	189	-	1,221
Cameroon - Mandoum	4,202	-	-	4,202	-	-	-	-
Cameroon - Laboum	22,275	2,248	660	25,183	31,636	26,726	19,719	78,081
Cameroon - General	46,493	608	1,212	48,313	38,457	(1,930)	-	36,527
Ethiopia - Daro	1,254	17,228	4,740	23,222	-	-	-	-
Ethiopia – Tigray-Afar	5,396	232	50	5,678	15,617	41,219	11,581	68,417
Ethiopia – Negash	-	-	-	-	-	-	-	-
Ethiopia – General	22,473	1,588	3,072	27,133	44,745	205	4,041	48,991
Ivory Coast - Prikro	650	7,912	859	9,421	-	-	-	-
Ivory Coast - Other	7,727	3,608	4,598	15,933	-	-	-	-
Liberia – Bella Yella	-	1,143	-	1,143	9,267	2,391	10	11,668
Liberia – Zolowo	3,450	8,396	6,013	17,859	-	-	-	-
Liberia – General	12,368	130	-	12,498	-	-	-	-
Mali - Korali Sud (Diba)	14,594	1,775	85	16,454	-	-	-	-
Mali - Djelimangara	1,008	6,592	49	7,649	-	-	-	-
Mali - Lakanfla	503	1,068	3	1,574	-	-	-	-
Mali - Pitiangoma Est	458	2,840	21	3,319	-	-	-	-
Mali - Sebessoukoto Sud	2,023	10,711	80	12,814	-	-	-	-
Mali - Tabakorole	12,975	-	-	12,975	-	-	-	-
Morocco - Agdz	2,659	1,128	224	4,011	30	316	2,309	2,655
Morocco – Ammas	-	-	-	-	-	-	-	-
Morocco - Takzim	-	134	3	137	457	266	38	761
Morocco - Zaer	-	-	-	-	-	-	-	-
Morocco – General	31,360	2,520	2,729	36,609	41,545	3,794	1,999	47,338
Other	3,606	538	2,382	6,526	-	-	-	-
<b>Total</b>	<b>218,688</b>	<b>76,868</b>	<b>32,855</b>	<b>328,411</b>	<b>184,501</b>	<b>76,275</b>	<b>41,389</b>	<b>302,165</b>

**ALTUS STRATEGIES PLC**
**INTERIM UNAUDITED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2018**
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
**4. Administrative expenses**

Administrative expenses include the following balances:	For the three months ended		For the six months ended	
	30 June		30 June	
	2018	2017	2018	2017
	£	£	£	£
Employee costs	184,371	554,506	337,409	706,764
Costs incurred on behalf of joint venture partners	-	3,208	-	169,640
Legal and professional expenses	72,972	17,377	90,090	54,436
Corporate travel expenses	12,441	4,462	27,465	9,695
Premises expenses	8,675	10,984	34,373	16,617
Exchange losses/(gains)	(40,473)	144	(33,798)	(1,460)
Depreciation of property, plant and equipment	1,705	393	3,616	738
Other expenses	31,840	21,793	64,588	31,980
	<u>271,531</u>	<u>612,867</u>	<u>523,743</u>	<u>988,410</u>

**5. Intangible Assets**

Licence	Country	31 December	Additions	Disposals and Impairments	30 June
		2017			2018
		£	£	£	£
Korali Sud (Diba)	Mali	-	2,217,760	-	2,217,760
Lakanfla	Mali	-	351,256	-	351,256
Djelimangara	Mali	-	337,584	-	337,584
Sebessoukoto Sud	Mali	-	351,256	-	351,256
Tabakorole	Mali	-	337,584	-	337,584
Pitangoma Est	Mali	-	337,584	-	337,584
Laboum	Cameroon	22,202	-	-	22,202
Bikoula	Cameroon	17,419	-	-	17,419
Ndjele	Cameroon	2,054	-	-	2,054
Birsok	Cameroon	44,130	-	-	44,130
Mandoum	Cameroon	29,375	-	-	29,375
Tigray-Afar	Ethiopia	14,406	-	-	14,406
Daro	Ethiopia	-	-	-	-
Negash	Ethiopia	331	-	(331)	-
Agdz	Morocco	1,759	-	-	1,759
Takzim	Morocco	-	616	-	616
Zaer	Morocco	-	-	-	-
Ammas	Morocco	-	-	-	-
Prikro	Ivory Coast	-	1,474	-	1,474
Zenoula (application)	Ivory Coast	-	-	-	-
Toura (application)	Ivory Coast	-	1,338	-	1,338
Bella Yella	Liberia	20,198	-	-	20,198
Zolowo	Liberia	-	-	-	-
		<u>151,875</u>	<u>3,936,450</u>	<u>(331)</u>	<u>4,087,994</u>

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**5. Legend Acquisition**

On 30 January 2018, Altus acquired all of the outstanding shares of Legend Gold Corp. (“Legend”). A summary of the preliminary purchase price allocation for the Legend Acquisition is as follows:

**Preliminary Purchase Price**

Legend common shares outstanding as at January 30, 2018	13,686,752
Exchange Ratio	3.0
Altus common shares issued to Legend shareholders	41,060,256
Fair value of Altus common share, in GBP on January 30, 2018	£0.085
Fair value of Altus common shares issued, in GBP	£3,490,122
Fair value of outstanding Legend warrants exchanged for Altus warrants	£102,000
Altus transaction costs	£138,000
<b>Preliminary Purchase Price</b>	<b>£3,728,122</b>

**Purchase Price Allocation**

	£
Cash and cash equivalents	13,223
Receivables	3,534
Intangible assets	3,890,657
Property and equipment	2,133
Trade and other payables	(140,249)
Notes payable	(41,176)
<b>Total purchase price</b>	<b>3,728,122</b>

The value of the Altus ordinary shares was calculated based on the issuance of 41,060,256 shares at a price per share of £0.085 which was closing Altus share price on 30 January 2018.

The replacement of Legend’s warrants has been valued using the Black-Scholes option pricing model. The weighted average assumptions used in the Black-Scholes option pricing model are as follows:

<b>Weighted average:</b>	<b>Warrants</b>
Discount rate	0.60%
Expected life (years)	1.42
Expected volatility	100%

At the time of acquisition Altus had only recently become a public company and therefore does not have much trading history on which to base volatility. A volatility of 100% has been assumed for the purposes of this calculation. The fair value of the replacement warrants is based on the outstanding 2,888,618 warrants outstanding adjusted for the Share Exchange Ratio of 3.0 of Altus common shares per Legend warrant. The fair value per common share of Altus is the closing price on the Alternative Investment Market (“AIM”) on January 30, 2018 and the foreign exchange rate of 1.7396 is the closing GBP to CAD exchange rate published by the Bank of England on January 30, 2018.

The transaction has been treated as an asset acquisition by Altus and therefore estimated transaction costs attributable to the acquisition totalling £138,000 have been included in the preliminary purchase price. The transaction costs are mainly legal expenses.

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**6. Legend Acquisition (continued)**

Under IFRS 3, a business must have three elements: inputs, processes and outputs. Legend Gold Corp. ("Legend") was an early stage exploration company and had no mineral reserves and no plan to develop a mine. Legend did have title to mineral properties but these could not be considered inputs because of their early stage of development. Legend had no processes to produce outputs. Legend had not completed a feasibility study or a preliminary economic assessment on any of its properties and had no infrastructure or assets that could produce outputs. There was also no management or personnel within the Company that had any experience or expertise in mine development, mining, construction of mill equipment or in milling processes. Therefore, our conclusion was that the transaction was an asset acquisition and not a business acquisition.

**7. Share Capital**

	Number of shares	Share capital £	Share premium £	Total £
At 1 January 2018	107,680,814	1,076,808	999,000	2,075,808
Shares issued in period	68,451,872	684,519	4,996,726	5,681,245
Share issuance costs in period	-	-	(146,174)	(146,174)
Warrants converted to shares in period	1,650,000	16,500	144,804	161,304
At 30 June 2018	<u>177,782,686</u>	<u>1,777,827</u>	<u>5,994,256</u>	<u>7,772,083</u>

On 18 April 2018, the Company completed a non-brokered private placement offering of units ("Units") at an issue price of C\$0.15 / £0.0846 per Unit to raise gross proceeds of £2,300,690. Each Unit was comprised of one Ordinary Share and one Ordinary Share purchase warrant of Altus ("Warrant") exercisable to purchase one Ordinary Share for five years at an exercise price of C\$0.30. Of the £2,300,690 a fair value of £2,191,123 was assigned to the share capital and premium, £109,567 was assigned to the share warrants. Share issuance costs of £146,174 were incurred with respect to this capital raise.

**8. Share warrants**

Issue date	Warrants outstanding		Warrants exercised in period	Warrants lapsed in period	Warrants outstanding		Exercise price £	Expiry date
	at 1 January 2018	Warrants issued in period			at 30 June 2018	Exercise price		
10 August 2017 <sup>2</sup>	110,000	-	-	-	110,000	0.100	9 August 2018	
30 January 2018 <sup>1</sup>	-	204,000	-	(204,000)	-	1.075	5 April 2018	
30 January 2018 <sup>1</sup>	-	6,613,584	-	-	6,613,584	1.056	5 September 2018*	
30 January 2018 <sup>1</sup>	-	1,950,000	(1,650,000)	-	300,000	0.048	8 September 2019	
18 April 2018 <sup>1</sup>	-	911,861	-	-	911,861	0.130	17 April 2021	
18 April 2018 <sup>1</sup>	-	27,391,616	-	-	27,391,616	0.173	17 April 2023	
	<u>110,000</u>	<u>37,071,061</u>	<u>(1,650,000)</u>	<u>(204,000)</u>	<u>35,327,061</u>			

<sup>1</sup> Exercise prices are determined by reference to the underlying Canadian Dollar price and the exchange rate as at 30 June 2018.

<sup>2</sup> These warrants expired unexercised following the end of the period.

The approximate weighted average exercise price of outstanding warrants is £0.336.

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**8. Share warrants (continued)**

\*These warrants issued by Legend are unlikely to be exercised as they exceeded the market price for Altus shares on acquisition and therefore they have been attributed a nil value. The approximate weighted average price of outstanding warrants excluding these is £0.170.

Warrants issued on 30 January 2018 represent outstanding warrants of Legend which were replaced by the Company when it acquired Legend.

**9. Share Options**

The Company does not presently operate a share option plan

**10. Share based payments**

The fair value of share warrants issued in compensation for finder's fees on the private placement during the period was determined using the Black Scholes option pricing model.

Share price on issue	£0.080
Exercise price of share warrants	£0.125
Expected volatility	75.00%
Expected life	3 Years
Risk free rate	0.89%
Dividend yield	0.00%

Finder's fees recognised as a deduction from share premium for the six months ended 30 June amounted to £27,455 (six months ended 30 June 2018: £nil).

**11. Earnings per share**

The calculation of the basic loss per share of 0.32 pence for the three months ended 30 June 2018 (2017: 1.16 pence) is based on the loss attributable to the equity holders of the Company of £550,094 for the three month period ended 30 June 2018 (2017: £1,064,368) divided by the weighted average number of shares in issue during the period of 171,040,938 (2017: 91,600,478).

The calculation of the basic loss per share of 0.69 pence for the six months ended 30 June 2018 (2017: 1.39 pence) is based on the loss attributable to the equity holders of the Company of £1,063,545 for the six month period ended 30 June 2018 (2017: £1,221,381) divided by the weighted average number of shares in issue during the period of 152,920,186 (2017: 91,600,478).

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

Details of warrants that could potentially dilute earnings per share in future periods are disclosed in note 8 above.

**12. Dividends**

No dividend has been declared or paid by the Company during the three months or six months ended 30 June 2018.

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**13. Related party transactions**

Key management personnel of the Group received remuneration during the three month period ending 30 June 2018 of £96,967 (2017: £244,069) and for the six month period ended 30 June 2018 of £151,233 (2017: £303,778).

For the three months and six months ended 30 June 2018, the Group incurred expenses of £11,033 (2017: £nil) and £14,350 (2017: £nil) respectively, for services provided by Seabord Services Corp. ("Seabord"), a company controlled by one of the directors. Seabord is a management services company that provides the services of a Chief Financial Officer ("CFO") and administrative support to the Group. At 30 June 2018 £48,357 was due to Seabord (at 31 December 2017: £nil).

For the three months and six months ended 30 June 2018, the Group recharged £5,798 (2017: £4,007) and £40,291 (2017: £45,112) respectively, of costs to Canyon Resources Ltd ("Canyon") with respect to the Birsok & Mandoum project joint venture between Canyon and Altus. Canyon is a company with a mutual director. At 30 June 2018 £15,660 was due from Canyon (at 31 December 2017: £31,468).

For both the three months and six months ended 30 June 2018, the Group recharged £83 (2017: £nil, of costs to Aegis Asset Management Limited. Aegis Asset Management Limited is a company with mutual directors. At 30 June 2018 £83 was due from Aegis Asset Management (at 31 December 2017: £nil).

**14. Ultimate controlling party**

The Directors believe there to be no ultimate controlling party.

**15. Approval of financial statements**

These condensed consolidated interim financial statements were authorised for issue by the board of directors on 27 August 2018.