

28 August 2018



Altus Strategies Plc
(“Altus” or the “Company”)

Interim Results

Altus Strategies Plc (AIM: ALS & TSX-V: ALTS), the Africa focused exploration project generator, announces that it has today published its unaudited financial results for the three month and six month periods ending 30 June 2018 and the Management Discussion & Analysis for the three month period ending 30 June 2018. These documents have been posted on the Company's website www.altus-strategies.com and are also available on SEDAR at www.sedar.com.

Corporate highlights:

- Dual listing of the Company's shares on the TSX Venture Exchange (TSXV: ALTS)
- Private placement raising C\$4.1 million (£2.3 million) before expenses
- Exercise of 1,650,000 share purchase warrants

Operational highlights:

- Discovery of substantial artisanal gold workings at the Zolowo project in western Liberia
- Initial reconnaissance on three new licences granted in central Morocco
- Initial reconnaissance at the Prikro gold licence in eastern Côte d'Ivoire
- Discovery of potential VMS system at Daro copper-gold project in northern Ethiopia
- Interpretation of karst style ore body at Lakanfla gold project in western Mali

Financial highlights:

- Cash on hand and marketable securities of £2,030,489 at 30 June 2018
- Exploration expenditure incurred of £328,411 for six months ending 30 June 2018

Post period highlights:

- Discussions underway with joint venture partner Canyon Resources Ltd ("Canyon") in respect of vending the Birsok bauxite joint venture (central Cameroon) in to Canyon
- Value of holding in Canyon has increased to £1,141,566 as of 27 August 2018
- New artisanal gold workings discovered at the Laboum project in northern Cameroon

Qualified Person

The technical disclosure in this regulatory announcement has been read and approved by Steven

Poulton, Chief Executive of Altus. A graduate of the University of Southampton in Geology (Hons), he also holds a Master's degree from the Camborne School of Mines (Exeter University) in Mining Geology. He is a Fellow of the Institute of Materials, Minerals and Mining and has over 19 years of experience in mineral exploration and is a Qualified Person under the AIM rules and National Instrument 43-101 under the rules of the TSX.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

For further information you are invited to visit the Company's website www.altus-strategies.com or contact:

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About Altus Strategies Plc

Altus is a London (AIM: ALS) and Toronto (TSX-V: ALTS) listed, diversified and Africa focused mineral exploration project generator. Through our subsidiaries we discover new projects and attract third party capital to fund their growth, development and ultimately exit optionality. This strategy enables Altus to remain focused on the acquisition of new opportunities to be fed into the project generation cycle and aims to minimise shareholder dilution. Our business model is designed to create a growing portfolio of well managed and high growth potential projects and royalties, diversified by commodity and by country. Altus currently has eighteen projects in six commodities across six countries. We aim to position our shareholders at the vanguard of value creation, but with significantly reduced risks traditionally associated with investments in the mineral exploration sector.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this news release contain forward-looking information. These statements address future events and conditions and, as such, involve known and unknown risks,

uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include without limitation the completion of planned expenditures, the ability to complete exploration programs on schedule and the success of exploration programs. Readers are cautioned not to place undue reliance on the forward-looking information, which speak only as of the date of this news release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.

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 £
Continuing operations					
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:		(60,456)	(188,354)	(108,234)	(188,685)
Loss from operations		(522,198)	(918,772)	(919,063)	(1,096,034)
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		(46,383)	(159,994)	(165,645)	(141,621)
Loss before taxation		(546,403)	(1,062,252)	(1,062,184)	(1,221,126)
Taxation		-	(548)	-	(846)
Loss for the period		(546,403)	(1,062,800)	(1,062,184)	(1,221,972)
Exchange differences on retranslation of net assets of subsidiaries		93,516	-	32,315	-
Total comprehensive loss for the quarter		(452,887)	(1,062,800)	(1,029,869)	(1,221,972)
Loss for the quarter attributable to:					
- 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)
		(546,403)	(1,062,800)	(1,062,184)	(1,221,972)
Total comprehensive loss for the quarter attributable to:					
- 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)
		(452,887)	(1,062,800)	(1,029,869)	(1,221,972)
Basic earnings per share (pence) attributable to the owners of the parent	11	(0.32)	(1.16)	(0.69)	(1.39)
Diluted earnings per share (pence) attributable to the owners of the parent	11	(0.32)	(1.16)	(0.69)	(1.39)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Company Registration No. 10746796 (England and Wales)

	Notes	As at 30 June 2018 £	As at 31 December 2017 £
Non-current assets			
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>
Current assets			
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>
Total assets		<u>6,268,971</u>	<u>1,389,810</u>
Current liabilities			
Trade and other payables		358,788	298,055
Provisions		15,000	15,000
Total liabilities		<u>373,788</u>	<u>313,055</u>
Net assets		<u>5,895,183</u>	<u>1,076,755</u>
Equity			
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)
Total equity attributable to owners of the parent		<u>5,963,825</u>	<u>1,146,758</u>
Non-controlling interest		<u>(68,642)</u>	<u>(70,003)</u>
Total equity		<u>5,895,183</u>	<u>1,076,755</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

.....

Mr S Poulton

Director

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
	£	£	£	£	£	£	£	£
Six months ended 30 June 2017:								
Balance at 1 January 2017	104,526	5,770,590	-	(92,323)	(4,807,839)	974,954	(67,343)	907,611
Loss and total comprehensive loss for the period	-	-	-	5,407	(1,221,381)	(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
Balance at 30 June 2017	120,726	6,672,696	-	(86,916)	(6,029,220)	677,286	(67,879)	609,407
Six months ended 30 June 2018:								
Balance as at 1 January 2018	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
Loss and total comprehensive loss for the period	-	-	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
Total transactions with owners, recognised directly in equity	701,019	4,995,256	-	152,022	-	5,848,297	-	5,848,297
Balance at 30 June 2018	1,777,827	5,994,256	32,315	5,879,636	(7,720,209)	5,963,825	(68,642)	5,895,183

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	£	£	£	£
Cash flows from operating activities				
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)
Cash flows used in operating activities	(791,563)	(962,896)	(1,041,456)	(937,864)
Investing activities				
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
Net cash used in investing activities	(39,335)	1,839	(169,560)	(44,965)
Financing activities				
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	-
Net cash generated from financing activities	2,258,175	614,827	2,258,175	918,306
Net increase/decrease in cash and cash equivalents	1,427,277	(346,230)	1,047,159	(64,523)
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	-
Cash and cash equivalents at the end of the period	1,594,598	351,391	1,594,598	351,391

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Accounting policies

General information

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 cyclicity 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, and on SEDAR, 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.

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:

Financial Assets and Liabilities	Original Classification – IAS 39	New Classification – IFRS 9
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.

	UK & Canada 2018 £	Africa 2018 £	Total 2018 £	UK & Canada 2017 £	Africa 2017 £	Total 2017 £
For the three months ended 30 June						
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)
For the six months ended 30 June						
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)

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	-	-	-	-
Total	109,653	60,565	26,824	197,042	91,773	22,953	19,781	134,507

Location and licence	For the six months ended 30 June							
	Administrative	Operational	Travel	Total	Administrative	Operational	Travel	Total
	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 - Pitangoma 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	-	-	-	-
Total	218,688	76,868	32,855	328,411	184,501	76,275	41,389	302,165

4. Administrative expenses

Administrative expenses include the following balances:

	For the three months ended 30 June		For the six months ended 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	30 June
		2017		Impairments	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
Pitiangoma 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>

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
Preliminary Purchase Price	£3,728,122
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)
Total purchase price	3,728,122

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:

Weighted average:	Warrants
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.

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 issued in period	Warrants exercised in period	Warrants lapsed in period	Warrants	Exercise price £	Expiry date
	at 1 January 2018				outstanding at 30 June 2018		
10 August 2017 ²	110,000	-	-	-	110,000	0.100	9 August 2018
30 January 2018 ¹	-	204,000	-	(204,000)	-	1.075	5 April 2018
30 January 2018 ¹	-	6,613,584	-	-	6,613,584	1.056	5 September 2018*
30 January 2018 ¹	-	1,950,000	(1,650,000)	-	300,000	0.048	8 September 2019
18 April 2018 ¹	-	911,861	-	-	911,861	0.130	17 April 2021
18 April 2018 ¹	-	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>		

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

² These warrants expired unexercised following the end of the period.

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

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.

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.

Company Registration No. 10746796 (England and Wales)



ALTUS STRATEGIES PLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTH AND SIX MONTH PERIODS ENDED 30 JUNE 2018

As approved for issue on 27 August 2018

ALTUS STRATEGIES PLC
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2018

GENERAL

This discussion and analysis ("MD&A") of financial position and results of operations is prepared as at 27 August 2018 and should be read in conjunction with the interim unaudited condensed consolidated financial statements for the three months and six months ended 30 June 2018 and the annual audited consolidated financial statements of Altus Strategies plc (the "Company" or "Altus" and together with its subsidiaries "the Group") for the year ended December 31, 2017 and the related notes thereto. Those annual consolidated financial statements were the first financial statements that the Company has prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared using accounting policies in compliance with IFRS as adopted for use in the European Union and issued by the IASB and with those parts of the Companies Act 2006 applicable to companies reporting IFRS (except as otherwise stated). Except where otherwise noted, all figures included herein are quoted in pounds sterling ("GBP" or "£"). Additional information on the Company's activities can be found on <https://beta.companieshouse.gov.uk/>, www.sedar.com and on the Company's website at www.altus-strategies.com.

DESCRIPTION OF BUSINESS

Altus is a public limited company incorporated and domiciled in England and Wales. The Company's shares are listed on the AIM Market of the London Stock Exchange ("AIM") under the symbol "ALS" as of 10 August 2017 and on the TSX Venture Exchange under the symbol "ALTS" as of 06 June 2018.

The Company's principal activity, undertaken through its subsidiaries, is the exploration for economic mineral deposits in Africa. Altus operates a 'Project Generator' business model whereby having discovered a potentially economic project the Company seeks third party capital to either fund its further exploration and development, or to acquire the asset in full in return for milestone payments and a project royalty being paid to Altus. This strategy enables Altus to remain focused on the acquisition of new opportunities to be fed into the project generation cycle and aims to minimise equity dilution at the parent company level.

The Company's business model is designed to create a growing portfolio of well managed and high growth potential projects, diversified by commodity and by country. Altus currently has eighteen projects in six commodities across six African countries, covering more than 4,000km². Altus aims to position its shareholders at the vanguard of value creation, but with a significant reduction in the risks traditionally associated with investments in the mineral exploration sector.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Altus's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project and other factors.

The operating plan is also dependent on being able to raise new equity funds as required to ensure there are sufficient capital resources to acquire and explore new properties. Other factors which affect Altus' operating plan are gaining access to exploration properties by concluding agreements with local communities, and commodity prices. If any of these factors are affected negatively, such as joint venture partners being unable to

raise sufficient capital to complete option agreements or if the Company is unable to raise sufficient capital of its own, there will be a significant impact on the Company's operating plan and on any forward-looking statements contained herein.

Any references made in this report to historical information, including historical geologic and technical information cannot be verified. A Qualified Person has not verified the sampling, analytical, and test data underlying any such historical information. The Company has obtained historical information from sources that it believes to be reliable and assumes it is accurate and complete in all material aspects. While the Company has carefully reviewed the available historical information, it cannot guarantee its accuracy and completeness. The forward looking information and statements included in this announcement are expressly qualified by this cautionary statement and are based on the beliefs, estimates and opinions of the Company on the date of this announcement. Except as required by securities laws the Company does not undertake any obligation to publicly update or revise any forward looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

HIGHLIGHTS

Highlights for the three months ended 30 June 2018 and to the date of this report are as follows:

Corporate highlights:

- Dual listing of the Company's shares on the TSX Venture Exchange (TSXV: ALTS) on 6 June 2018
- Non brokered private placement completed raising C\$4.1 million (£2.3 million) before expenses through the issuance of 27,391,616 units at C\$0.15 per unit (each unit being one share and one five year C\$0.30 share purchase warrant)
- Exercise of 1,650,000 share purchase warrants

Operational highlights:

- Discovery of substantial artisanal gold workings at the Zolowo project in western Liberia
- Initial reconnaissance on three new licences granted in central Morocco
- Initial reconnaissance at the Prikro gold licence in eastern Côte d'Ivoire
- Discovery of potential VMS system at Daro copper-gold project in northern Ethiopia
- Interpretation of karst style ore body at Lakanfla gold project in western Mali

Financial highlights:

- Cash on hand and marketable securities of £2,030,489 at 30 June 2018 (31 December 2017: £1,124,880)
- Exploration expenditure incurred of £328,411 for six months ending 30 June 2018 (six months ended 30 June 2017: £302,165)

Post period:

- Discussions underway with joint venture partner Canyon Resources Ltd ("Canyon") in respect of vending the Birsok bauxite joint venture (central Cameroon) in to Canyon
- Value of holding of 8,000,000 shares in Canyon has increased to £1,141,566 as of 27 August 2018
- Identification of new artisanal gold workings at the Laboum project in northern Cameroon

OPERATIONS REPORT

Altus Strategies Plc (“Altus” or the “Company”) is a project generator which is focused on Africa. The Company’s business model is to make mineral discoveries, prior to undertaking joint ventures with third parties who can either finance the next stages of exploration in exchange for an equity participation in the project, or acquire the project in return for milestone payments and a project royalty.

Due to its large size, many parts of Africa remain under-explored or not explored at all. Altus believes that significant economic deposits can still to be discovered at or close to surface. Importantly this means that in Africa the speed of discovery can potentially be faster and the cost of discovery can potentially be lower for shareholders, when compared to more mature mining jurisdictions.

At the time of writing, Altus has a diversified portfolio of eighteen precious metal (gold and silver) and base metal (copper, zinc, bauxite and iron ore) exploration projects across six African countries (Morocco, Ethiopia, Cameroon, Liberia, Côte d’Ivoire and Mali). The Company has two active joint ventures, with both its partners being listed on the Australian Stock Exchange. The Company’s current partners are Resolute Mining Ltd. (ASX:RSG) on the Company’s Pitiangoma Est project in southern Mali, and Canyon Resources Ltd. (ASX: CAY) on the Company’s Birsok & Mandoum bauxite project in central Cameroon.

During the quarter ending 30 June 2018, the Company’s technical team has undertaken a series of exploration programmes across its projects, as well as examining new potential opportunities to be fed into the project pipeline.

The following is a review of the Company’s activities by jurisdiction and project during the period:

1.0 Mali Operations

Altus holds six projects in the Republic of Mali. The projects are held through the Company’s 100 % owned subsidiary, LGN Holdings (BVI) Inc., which was acquired in January 2018 through a plan of arrangement with Legend Gold Corp., which was previously listed on the TSXV.

1.1 Korali Sud (Diba) Gold Project (83.1 km²), Western Mali

The Korali Sud licence is located in the Kayes region, approximately 450 km northwest of the capital city, Bamako, and 13 km southwest of the Sadiola gold mine, operated by AngloGold Ashanti, IAMGOLD and the Malian government. Geologically, both Korali Sud and the Sadiola mine lie on the Senegal-Malian shear corridor within the world renowned ‘Kenieba window’.

During the period the historic drill core at Diba was examined in order to enhance the existing geological model, with a specific focus on the oxide and sulphide transition. The next phase of work at Diba is expected to include termite mound sampling to define additional prospects for follow up trenching, along with continued re-logging of selected drill core.

1.2 Lakanfla Gold Project (24 km²), Western Mali

The Lakanfla project is located 5 km east of the Diba project. It is considered geologically analogous to the karst-type FE3 and FE4 open pits (part of the Sadiola gold mine) as well as the Yatela deposit mined between 2001-2015 located approximately 6.5 km and 35 km northwest respectively. The primary target is a substantial gravity low anomaly located along the margin of the Kantela granodiorite intrusion. The target is considered to be a karst-type dissolution system with supergene gold enrichment.

In Q1, the technical team undertook a programme of geological mapping across key targets and sampled a number of artisanal workings at Lakanfla. Approximately 40 rock-chip samples were collected, primarily from spoil piles of artisanal workings.

The next phase of work at Lakanfla is expected to include drill testing of the karst model. Six priority targets have been established by Altus for follow up exploration. An application to renew the Lakanfla licence for a three-year period was approved after the period.

1.3 Djelimangara Gold Project (55 km²), Western Mali

Djelimangara is located approximately 3 km south east of the Diba project. Four prospects have been discovered at Djelimangara to date: Souroukoto, Kamana, Woyanda and Manankoto. These are each characterised by gold in soil anomalies of up to 2.5 km in length, coincident with hard rock and / or alluvial artisanal gold workings in fine metasedimentary rocks.

A total of 537 soil samples were collected from termite mounds during the period, of which 122 have been sent for assay. Of the 122 samples, 24 assayed above 50 ppb Au, ranging from 4 ppb to 1,440 ppb Au. All sample preparation and assaying was undertaken by SGS Mali SARLU at its laboratory in Bamako (Mali). A series of duplicates, standards and blanks (7 each totalling 21) were incorporated amongst the routine assays, at an average rate of once each every 17, for QAQC purposes. Samples were dried at a temperature of less than 60 °C and sieved to < 180 µm (80 mesh) with the fine fraction undergoing *aqua regia* digestion using diisobutyle ketone with flame atomic absorption spectroscopy for gold.

The next phase of work at the Djelimangara project is expected to include infill termite mound sampling, channel sampling of artisanal workings, trenching and infill auger sampling. The programme will aim to generate a number of priority drill targets.

1.4 Sebessoukoto Sud Gold Project (28 km²), Western Mali

The Sebessoukoto Sud project is located approximately 15 km southeast of the Korali Sud licence (Diba) and hosts a 2.7 km long gold in soil anomaly, as well as a number of active and historic artisanal workings which are up to 150 m long and 40 m deep.

During the period the Company interpreted the results of a prospecting and mapping programme at the Soa prospect, where significant artisanal working activity has been documented. Roughly 50 rock-chip samples were collected in Q1, primarily from spoil piles of artisanal workings. In addition numerous additional shallow and deep workings were mapped. Quartz with arsenopyrite was noted in many of the spoil piles and intense smoky quartz veining observed at the western extent of a sizable zone of artisanal workings.

The next phase of work at Sebessoukoto Sud is expected to include trenching and auguring, in addition to further surface mapping and sampling along the geophysical target. An application to renew the Sebessoukoto Sud licence for a three-year period was approved after the period.

1.5 Tabakorole Gold Project (100 km²), Southern Mali

The Tabakorole project is located in southern Mali, approximately 280 km south of Bamako. The project sits on the Massagui Belt which hosts the Morila gold mine operated by London and NASDAQ listed Randgold Resources Ltd. Exploration to date has identified a 2.7 km long shear zone which is up to 200 m wide.

No material activity was completed in the period. The next phase of work at Tabakorole is expected to include scoping studies and resource definition drilling. The Tabakorole licence is currently pending renewal.

1.6 Pitangoma Est Gold Project (106 km²), Southern Mali

The Pitangoma Est licence is located in southern Mali, approximately 300 km southeast of Bamako. Geologically, it is situated on the Syama shear zone and strategically located 15 km and 40 km south of the Tabakoroni deposit and Syama gold mine respectively, both of which are owned by ASX-listed Resolute Mining Ltd. The project is subject to a joint venture with Resolute, whereby Resolute can earn up to a 70 % interest in Pitangoma Est by funding US\$3M in exploration and completing a feasibility study.

No material activity was completed in the period, and the next phase of work at Pitangoma Est is expected to include exploration and resource definition drilling.

2.0 Cameroon Operations

Altus holds three projects in the Republic of Cameroon including the Laboum gold project, held through the Company's 99 % owned subsidiary Auramin Ltd and the Birsok & Mandoum bauxite and Bikoula & Ndjele iron ore projects that are held through the Company's 97.3 % owned subsidiary, Aluvance Ltd.

2.1 Laboum Gold Project (189 km²), Northern Cameroon

Laboum is located in the northeast of Cameroon, approximately 110 km southeast of the provincial capital of Garoua, which is served by a regional airport, and 600 km northeast of the capital city, Yaoundé. The project area was selected due to the presence of a 26 km long northeast-southwest striking regional shear zone, which is mapped as being 5 km wide in places and is coincident with gold anomalies as defined by the Bureau de Recherches Géologiques et Minières ("BRGM") in the 1990s.

In July 2018, the Company conducted an exploration programme focusing on underexplored parts of the Kalardje, Tapare and Rey prospects. The programme involved mapping and sampling of lithologies and quartz veins, some of which contained finely disseminated sulphides and visible gold. In addition, a number of artisanal workings were discovered including a selection of active sites where gold-in-pan was observed. The collected rock-chips have been submitted for assay and the results are currently pending.

The next phase of work at Laboum is expected to include a systematic trenching programme in order to define priority drill targets across the extensive gold in soil and ground magnetic anomalies defined to date.

2.2 Birsok (198 km²) & Mandoum (174 km²) Bauxite Project, Central Cameroon

The Birsok and Mandoum licences are located in the centre of Cameroon, approximately 370 km northeast of Yaoundé and less than 10 km from an operating rail line between Ngaoundere and the Atlantic port at Douala. In 2013, the Company entered into a joint venture with ASX-listed Canyon Resources Ltd (ASX:CAY), allowing Canyon to earn up to a 75 % interest in the Birsok and Mandoum project by funding A\$6M in exploration expenditure over five years in two stages. As part of the agreement, Altus received and continues to hold 8,000,000 shares in Canyon, currently trading at price of A\$0.25 equating to £1,141,566 (as of 27 August 2018).

The next phase of work at Birsok is expected to include drilling to define a maiden mineral resource. After the period, Canyon announced that it has been granted three bauxite exploration licences in Cameroon, including the Minim Martap project which is contiguous to Birsok. As a result, the Company is in discussions with Canyon in respect of vending the joint venture into Canyon. An application to renew the Birsok licence for a two-year period from 4 December 2016 is currently pending approval.

2.3 Bikoula (200 km²) & Ndjele (200 km²) Iron Project, Southern Cameroon

The Bikoula and contiguous Ndjele licences are located in the south of Cameroon, approximately 150 km south of Yaoundé. The project is located on the westerly geological strike of the Nkout iron ore deposit and roughly 160 km northwest of the Mbalam iron ore deposit. The licences are located on the road network that links to the deep-water port at Kribi and approximately 30 km from the proposed trans-Cameroon iron ore rail line.

During the period, the Company's technical team conducted a programme of geological mapping and exploratory pitting at the Nkout North prospect at Bikoula, in order to identify further occurrences of colluvial iron ore. The team excavated a series of pits roughly 4 m deep, logging the soil and laterite profile in detail.

The next phase of work at Bikoula is expected to include further pitting to define targets for drill testing. An application for the renewal of the Ndjele licence is currently pending approval.

3.0 Morocco Operations

Altus holds four projects in the Kingdom of Morocco through its 100 % owned subsidiary, Aterian Resources Ltd., targeting copper, lead, zinc, silver and gold.

3.1 Agdz Copper-Silver Project (60 km²), Central Morocco

Agdz is the Company's most advanced project in Morocco. It comprises a block of four licence situated in the Anti-Atlas Mountains, approximately 350 km south of the capital of Rabat and approximately 14 km southwest of the Bouskour copper mine which is operated by Managem Group.

No material activities were completed in the period at Agdz, while the licence is pending renewal. The next phase of work is expected to include a systematic trenching programme, followed by drilling, across priority target areas.

3.2 Takzim Copper-Zinc Project (72 km²), Central Morocco

The Takzim project encompasses four licence blocks, incorporating the recently granted Takzim Est permits that were awarded to the Company in Q1 2018. The project is located 200 km south of Rabat and 6.5 km east of the historic Hir n Hass copper mine.

In the period Altus completed a programme of remote sensing and reconnaissance fieldwork at the Takzim Est permits which involved prospecting, rock-chip sampling and the verification of remotely sensed exploration targets. A selection of copper bearing quartz veins have been observed exhibiting notable sulphide mineralisation, including chalcopyrite and bornite. In addition, an artisanal working has been discovered in the form of a 3 m diameter adit excavated into a rock face, extending for an estimated 30-40 m. Rock-chip samples from this programme are currently pending assay.

After the period the Company has completed a soil survey over key target areas within the Takzim project. The samples are currently pending assay. The next phase of work is expected to include further detailed soil surveys and ground magnetics at Takzim, with further prospecting and geological mapping at the Takzim Est permits.

3.3 Zaer Copper Project (96 km²), Central Morocco

Awarded in Q1 2018, Zaer comprises six licence blocks located approximately 80 km south of Rabat. The project targets 20 km of metamorphic aureole on the western margin of the Zaer granite. In addition the project hosts six historically-mapped quartz veins, with a combined strike length of roughly 2.3 km and which reportedly host copper mineralisation.

During the period, the Company's technical team undertook remote sensing and reconnaissance exploration programmes, the latter involving prospecting for outcrops, collecting rock-chip samples and ground-truthing targets generated by remote sensing. Sporadic milky-white quartz veining has been identified across the project area within the Zaer granite itself, as well as the surrounding highly foliated metasedimentary rocks.

The next phase of work is likely to include detailed geological mapping and rock-chip sampling of quartz veins that are considered most prospective for copper mineralisation.

3.4 Ammas Zinc-Lead Project (32 km²), Central Morocco

Awarded in Q1 2018, Ammas comprises two licence blocks situated in central Morocco, approximately 30 km south of Marrakech and 3 km along strike of the Hajjar Zn-Pb-Cu mine, operated by Managem Group. The project is geologically located in the Guemassa Massif which, along with the Jebilet Centrale located 40 km to the north, forms a major volcanogenic massive sulphide ("VMS") province in Morocco that hosts numerous active and former VMS mines.

During the period Altus undertook an initial field programme focused on surface mapping and sampling. The spoil from historic water well drilling in the licence was examined and revealed black shale and pyritic metavolcanics with quartz, carbonate, calcite and barite veining and stockwork observed, with variable quantities of pyrite, pyrrhotite and rare covellite.

A total of 34 grab samples were collected as rock-chips from outcrop or float during the period. Of the 34 samples, 8 assayed above 1 g/t Ag, ranging from < 0.5 g/t to 5.4 g/t Ag, and 5 assayed above 0.1 % Pb, ranging from trace to 0.4 % Pb. All sample preparation and analysis was undertaken by ALS Global at its laboratories in Seville (Spain) and Loughrea (Republic of Ireland) respectively. Given the early stage nature of these programmes,

no quality assurance quality control (“QAQC”) samples have been sent for assay. Samples were crushed with 70 % passing < 2 mm with the resultant fraction being pulverized with 85 % passing < 75 µm. The fine fraction of each sample underwent a four-acid digestion with ICP-AES analysis for a suite of 33 elements and a fire assay for gold.

The next phases of work will likely include geological mapping, a structural assessment and potential soil survey followed by a magnetic and or gravimetric survey with the aim of defining drill targets.

4.0 Ethiopia Operations

Altus holds two projects in the Federal Democratic Republic of Ethiopia at Tigray-Afar and Daro. Both projects are held by the Company’s 100 % owned subsidiary, Altus Resources Ltd.

4.1 Daro Copper-Gold Project (411 km²), Northern Ethiopia

Daro is located in the Tigray Regional State, approximately 95 km west of the Company’s Tigray-Afar project, 100 km northwest of Mekele and 570 km north of Addis Ababa. The licence is situated within the Neoproterozoic Nakfa Terrane which hosts a number of significant VMS projects, including the polymetallic Bisha mine (Nevsun Resources Ltd.), Harvest and Adyabo projects (East Africa Metals Inc.) and Asmara project (Sichuan Road & Bridge Mining Investment Corp Ltd.) located 190 km northwest, 35 km west and 100 km north of Daro respectively. The Nakfa Terrane forms part of the wider Arabian Nubian Shield, which hosts several substantial gold deposits including the Sukari gold mine in Egypt.

During Q2 the Company undertook a programme of detailed lithological and structural mapping across the Teklil prospect at Daro. This identified gossans up to 15 m wide that discontinuously crop out over a length of 900 m. Rock-chip assays from the gossan include 6.9 % Cu and 1.0 g/t Au with a hanging wall sample (metamudstone immediately adjacent to a newly discovered *in-situ* gossan) yielding 11.6 % Cu. Elsewhere in the prospect, an outcrop of quartzite returned 4.4 g/t Au and additional samples of gossanous float assayed up to 22.7 % Cu and 6.5 g/t Au. Simultaneously during the period, the Company’s technical team followed-up on the prospective drainages upstream of a 111 ppb and a 76 ppb Au stream sediment anomaly. Subsequent mapping and sampling defined the Keren prospect, based on the identification of six discontinuous zones of ENE-WSW striking and sub parallel quartz veining and stockworks, each being mapped as between 25-300m wide within a 2 km long area of interest. Multiple rock-chip samples from outcrop and float returned values greater than 0.5 g/t Au, with one *in-situ* vein assaying at 10.3 g/t Au, an article of quartz float yielded 37 g/t Au.

A total of 75 grab samples were collected as rock-chips from outcrop or float during the period. Of the 75 samples, 6 assayed above 1 % Cu, ranging from trace to 22.7 %, 27 assayed above 0.2 g/t Au, ranging from < 0.01 g/t to 37 g/t Au, and 18 assayed above 1 g/t Ag, ranging from < 0.5 g/t to 32.9 g/t Ag. All sample preparation and analysis was undertaken by ALS Global at its laboratories in Addis Ababa (Ethiopia) and Loughrea (Republic of Ireland) respectively. Given the early stage nature of these programmes, no QAQC samples have been sent for assay. Samples were crushed with 70 % passing < 2 mm with the resultant fraction being pulverized with 85 % passing < 75 µm. The fine fraction of each sample underwent a four-acid digestion with ICP-AES analysis for a suite of 33 elements and a fire assay for gold.

The next phase of work at Daro is expected to involve a soil survey and channel sampling programme across gossan targets at Teklil, in conjunction with geological mapping, rock-chip and channel sampling at Keren to further define the prospect. In addition, the underexplored northern half of the ophiolite complex will also be prospected further, following-up on a rock-chip sample collected during earlier phases of work which yielded 1.2 % Pb, 81.6 g/t Ag and 0.8 g/t Au.

4.2 Tigray-Afar Copper-Silver Project (242 km²), Northern Ethiopia

The Tigray-Afar project is situated in the Tigray Regional State, approximately 95 km east of the Company’s Daro project, 45 km north of the regional centre of Mekele and 580 km north of the capital, Addis Ababa. The licence targets the prospective Proterozoic volcanic and volcanoclastic terranes of the Arabian Nubian Shield.

Whilst no material activity was completed in the period while the licence was pending renewed, the Company is currently re-evaluating data compiled to date in order to generate a series of drill targets for a potentially

significant sediment hosted copper model. The proposed drill programme will initial focus on previously untested tectonised gossans within a zone that has been mapped as up to 60 m wide and which coincides with a 5km VTEM (Versatile Time Domain Electromagnetic) anomaly and visible gold in outcrop. The Tigray-Afar licence was renewed during the period.

5.0 Liberia Operations

Altus holds two projects in the Republic of Liberia through its 100 % owned subsidiary, Auramin Ltd. Both projects target orogenic lode gold deposits within the Man Shield which forms part of the West African Craton.

5.1 Zolowo Gold Project (466 km²), Western Liberia

The Zolowo project is located in western Liberia, approximately 190 km northeast of Monrovia and 25 km northeast of the Bella Yella project. The project is situated along the same regional trend that hosts the New Liberty gold mine, encompassing 22 km of a 33 km long and 2.5 km wide Archaean greenstone belt that was historically mapped by the United States Geological Survey.

During the period, a programme of reconnaissance exploration was conducted by the Company including rock-chip sampling and mapping of artisanal workings. Over 200 artisanal working sites, with several up to a few hundred metres in length were mapped. The workings are primarily alluvial in nature and found along multiple first and second order rivers and streams across a strike length of approximately 17 km. Many of the workings yielded coarse angular gold, indicating the presence of multiple proximal sources. Local reports are that active gold workings have been in the area since the 1930s, some involving hard-rock mining and crushing.

A total of 71 grab samples were collected as rock-chips from outcrop or float during the period. Of the 75 reconnaissance samples, 1 returned a grade above 0.1 g/t Au, with an assay result of 2.95 g/t Au. All sample preparation and analysis was undertaken by ALS Global at its laboratories in Monrovia (Liberia) and Loughrea (Republic of Ireland) respectively. Given the early stage nature of these programmes, no QAQC samples have been sent for assay. Samples were crushed with 90 % passing < 2 mm with the resultant fraction being pulverized with 85 % passing < 75 µm. The fine fraction of each sample underwent a four-acid digestion with ICP-AES analysis for a suite of 33 elements and a fire assay for gold.

The next phase of work is expected to include geological mapping, rock-chip sampling and a regional soil survey in order to further define prospective targets.

5.2 Bella Yella Gold Project (640 km²), Western Liberia

The Bella Yella project is located in western Liberia, roughly 150 km northeast of the capital, Monrovia. Geologically, it is situated on a NE-SW trending Archaean greenstone belt that is directly along strike of the New Liberty gold mine (operated by AIM and TSX listed Avesoro Resources Inc.).

No material activity was completed in the period while the Company seeks clarification from the Ministry of Lands Mines and Energy in respect of the tenure of the licence. The Bella Yella licence is currently pending renewal.

6.0 Côte d'Ivoire Operations

Altus holds one granted licence (namely Prikro) and two licence applications in the Republic of Côte d'Ivoire. The licence and applications are held through the Company's 100 % owned subsidiary, Aeos Gold Ltd.

6.1 Prikro Gold Project (369.5 km²), Southwestern Côte d'Ivoire

Awarded in Q1 2018, the Prikro licence is located approximately 240 km northeast of the capital, Abidjan. This project was selected due to the presence of highly prospective Birimian-aged greenstone geology, an interpreted 10 km long fold hinge structure, a series of reported mineral occurrences and the existence of artisanal gold workings in the surrounding areas.

During the period, the Company's technical team completed a first phase of exploration which focused on outcrop mapping and sampling. Folded metasedimentary rocks were observed comprising bedded metagreywacke, metasilstone and metamudstone along with numerous diorite outcrops in the southeast of the

licence. Outcrops are surrounded by an extensive regolith of variable thickness and weathering depth. A number of silicified breccia zones and quartz veins, some with intense vuggy texture, were observed both sub-parallel with and oblique to the dominant foliation, locally intensive towards the core of interpreted fold hinge.

The next phase of work is expected to include continued outcrop mapping along with termite mound sampling and potentially a ground magnetic survey over the priority remote sensing targets.

Qualified Person

Steven Poulton, a Fellow of the Geological Society of London and a Fellow of the Institute of Materials, Minerals and Mining is the Company's Qualified Person as defined by National Instrument 43-101, and is responsible for the accuracy of the technical information in this MD&A.

OUTLOOK

The Company's strategy for the next twelve months will be to:

- secure joint venture partnership or royalty transactions for its projects;
- advance its exploration projects to the stage where they are ready to be transacted on;
- generate new projects within its current countries of operation; and
- evaluate early to advance stage project and royalty acquisition opportunities, which may exist privately or within listed companies.

The Company looks forward to progress from its current joint venture partners, namely Resolute Mining Ltd at the Company's Pitiangoma Est project in southern Mali and Canyon Resources Ltd in respect of vending in the Company's Birsok bauxite project in to Canyon.

In the meantime the Company has active exploration programmes in all six of the countries in which it has operations, namely Mali, Ivory Coast, Liberia, Cameroon, Morocco and Ethiopia. These programmes are expected to generate technical results that will be reported upon in due course.

RESULTS OF OPERATIONS

Three Months Ended 30 June 2018

For the three months ended 30 June 2018 Altus had a net loss of £550,094 compared to a net loss of £1,064,368 for the three months ended 30 June 2017. The favourable variance was due to: a smaller fair value loss on investments in 2018 versus 2017, lower listing and acquisition costs in 2018 compared to 2017, bonuses and equity settlement of debt which were paid to employees and directors in 2017 whereas nil has been paid in 2018 and the Company had currency gains in 2018 compared to losses in 2017. These variances are offset by higher legal and professional expenses in 2018.

Six Months Ended 30 June 2018

For the six months ended 30 June 2018 Altus had a net loss of £1,063,545 compared to a net loss of £1,221,381 for the six months ended 30 June 2017. The favourable variance was due to bonuses and equity settlement of debt which were paid to employees and directors in 2017 whereas nil has been paid in 2018, lower listing and acquisition costs were incurred in 2018 compared to 2017, larger currency gains in 2018 versus 2017 and lower costs were incurred on behalf of joint venture partners in 2018 compared to 2017. These are offset by higher legal and professional expenses, travel expenses and premises costs in 2018 versus 2017, lower management fees and costs recovered from joint venture partners in 2018 compared to 2017 and a greater loss on fair valuation of investments in 2018.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at 30 June 2018 were £1,594,598 compared to £523,344 at 31 December 2017. The Company had working capital of £1,363,172 at 30 June 2018 compared to working capital of £320,958 at 31 December 2017. Cash and cash equivalents have increased by £1,071,254 due to the private placement and

exercise of warrants resulting in net proceeds of £2,258,175. This was offset by cash used in operations of £1,041,456, primarily exploration and corporate overheads, cash expended of £124,777 on professional fees for the acquisition of Legend Gold Corp. and the effect of foreign translation gains. The Company also holds 8,000,000 shares in ASX listed Canyon Resources Limited, valued on 30 June 2018 at £435,891. The value of the holding in Canyon has increased as of 27 August 2018 to £1,141,566. Altus believes its cash position and marketable securities will provide it with sufficient working capital to maintain its operations and execute its business plan for the next twelve months.

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	2018		2017	
	Jun. 30	Mar. 31	Dec. 31	Sep. 30
Net loss from operations	£ (550,094)	£ (513,451)	£ (121,199)	£ (517,565)
Net loss per share – basic and diluted	(0.00)	(0.00)	(0.00)	(0.01)

Quarter Ended	2017		2016	
	Jun. 30	Mar. 31	Dec. 31	Sep. 30
Net income (loss) from continuing operations	£ (1,064,368)	£ (157,013)	£ (200,714)	£ (421,981)
Net loss from continuing operations per share				
Basic	(0.00)	(0.00)	(0.00)	(0.01)
Diluted	(0.00)	(0.00)	(0.00)	(0.01)
Net income (loss)	£ (1,064,368)	£ (157,013)	£ (171,309)	£ (421,981)
Net loss per share - basic	(0.00)	(0.00)	(0.00)	(0.00)
Net loss per share - diluted	(0.00)	(0.00)	NA	NA

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyse and report on geological data related to mineral properties and the amount of expenditure required to maintain its exploration licences in good standing and to advance its projects.

The Company had a net loss of £550,094 for the quarter ended 30 June 2018 compared to a loss of £513,451 for the prior quarter. The unfavourable variance was due to increased exploration expenses, increased employee costs and higher legal and professional expenditure. This was partially offset by lower management fees and costs recovered from joint venture partners, a smaller loss on fair value revaluation of investments and currency gains in the period versus currency losses in the prior quarter.

The Company had a net loss of £513,451 for the quarter ended 31 March 2018 compared to a loss of £121,199 for the prior quarter. The unfavourable variance was due to increased exploration expenses and a fair value loss on investments in 2018 whereas the prior quarter had a fair value gain.

The Company had a net loss of £121,199 for the quarter ended 31 December 2017 compared to a loss of £517,565 for the prior quarter. The favourable variance was due to fair value gain on investments and significantly lower professional fees and lower exploration expenses.

The Company had a net loss of £517,565 in the quarter ended 30 September 2017 compared to a loss of £1,064,368 in the prior quarter. The favourable variance was due to lower costs for: directors' remuneration, staff salaries and fair value gain on investments partially offset by higher costs for professional fees.

The Company had a net loss of £1,064,368 for the quarter ended 30 June 2017 compared to a loss of £157,013 in the prior quarter. The unfavourable variance was the result of lower revenue due to lower recharged costs and higher administrative expenses. Administrative expenses were higher due to significantly higher compensation costs for directors and staff which include the settlement of unpaid fees in equity and significantly higher legal and professional fees due to the Initial Public Offering of the Company's shares on AIM.

The Company had a net loss of £157,013 for the quarter ended 31 March 2017 compared to a loss of £200,714 for the prior quarter. The favourable variance was due to higher revenue and lower administrative expenditures partially offset by lower other gains and losses. In the March quarter, revenue was higher due to increased billings from recharged costs. Administration costs were lower due to minor fair value gains on investments compared to significant fair value losses in the prior quarter. These were partially offset by higher recharged costs and higher exploration expenditures.

The Company had a net loss of £200,714 from continuing operations for the quarter ended 31 December 2016 compared to net loss of £421,981 in the prior quarter. The main reasons for the variance were a much larger gain on Asterion investments and higher revenue from recharged costs compared to the prior quarter. These favourable variances were partially offset by higher impairment losses.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company entered into a number of transactions with key management personnel. The remuneration of key management personnel includes those persons having the authority and responsibility for the planning, directing and controlling of the activities of the Company are as follows:

Six months ended June 30, 2018	Remuneration		Pension Contribution		Total
	£		£		
Directors	£	141,333	£	9,900	£ 151,233

The above payments for director compensation are payments made in the normal course of business. The amounts paid for these services are negotiated in good faith by both parties and fall within normal market ranges. The Remuneration Committee reviews executive compensation annually. The Board of Directors considers any changes recommended by the Remuneration Committee and approves these changes if appropriate.

All balances due to or from related parties are included in trade or other payables or trade and other receivables. The employment contracts with senior management are ongoing monthly commitments which can be terminated by either party with sufficient notice.

The following are the related party balances at March 31, 2018 and December 31, 2017:

Related party current assets/(liabilities)		30 June 2018		31 December 2018
Canyon Resources Ltd	£	15,660	£	31,468
Seabord Services Corp.	£	(48,357)	-	
Aegis Asset Management Ltd	£	83	-	
	£	(32,614)	£	31,468

Canyon Resources Ltd

David Netherway is a director and shareholder of the Company. He is also a director of Canyon Resources Ltd ("Canyon") which is listed on the Australian Stock Exchange. Altus has a joint venture arrangement with Canyon in relation to the Birsok and Mandoum projects in central Cameroon. Altus incurs and recharges expenses to Canyon. As at 30 June 2018, the balance owing to Altus was £15,660 (31 December 2017: £31,468).

Seabord Services Corp.

Michael Winn is a director and shareholder of the Company. He is also the controlling party of Seabord Services Corp. ("Seaboard"). Seabord has an agreement with Altus to provide Chief Financial Officer services and administrative support to Altus. As at 30 June 2018, the balance due from Altus was £48,357 (31 December 2017: £nil). This balance largely relates to costs incurred by Legend with Seabord, prior to the acquisition of Legend by the Company.

Aegis Asset Management Ltd

Three of the directors and shareholders of the Company are also directors of Aegis Asset Management Ltd ("Aegis"), which was formerly a subsidiary of the Company. Altus incurred an incidental cost which it recharged to Aegis. As at 30 June 2018, the balance due from Altus was £83 (31 December 2017: £nil).

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical Judgments

Share based payments

Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. For issues of shares in respect of debt the Company values the shares based on the lower of the closing price on the AIM or TSXV of the shares on the prior day or on the volume weighted average for a reasonable period determined by management. For the grant of share options or share warrants, the Company uses the Black Scholes Model. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of any share option or appreciation right, volatility and dividend yield and making assumptions about them.

Stability of Joint Venture Partners

The stability of the Group's joint venture partners is periodically reviewed in determining the likelihood of future funding for related projects.

Impairment of Deferred Exploration Costs

Deferred exploration costs had a carrying value as at 30 June 2018 of £4,087,994 (31 December 2017: £151,875). Management tests quarterly whether deferred exploration costs have a carrying value in accordance with the accounting policy stated in note 1.7 in the annual audited consolidated financial statements of Altus Strategies plc. Each exploration project is subject to a quarterly review either by a consultant or senior Company geologist to determine if the exploration results returned to date warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes

into consideration long-term metal prices, anticipated resource volumes and grades, permitting and infrastructure, external factors affecting the project, as well as the likelihood of on-going funding from current or potential joint venture partners. In the event that a project does not represent an economic exploration target and results indicate that there is no additional upside, or that future funding from joint venture partners is unlikely, a decision will be made to discontinue exploration. A further review of the recommendations of the consultant or senior Company Geologist is then performed by management. The Directors have reviewed the estimated value of each project prepared by management and do not consider any further impairment necessary.

FINANCIAL RISK MANAGEMENT

Altus's strategy with respect to cash is to safeguard this asset by investing any excess cash in very low risk financial instruments such as term deposits or by holding funds in the highest yielding savings accounts with major United Kingdom banks. By using this strategy, the Company preserves its cash resources and can marginally increase these resources through the yields on these investments. The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Currency Risk

The Company's functional currency is the Pound Sterling, and major purchases are transacted in Pounds Sterling, US Dollars, Canadian Dollars, West African Francs, Ethiopian birrs, Moroccan Dirhams and Liberian Dollars. The Company's head office expenditures are mainly incurred in Pounds Sterling and the majority of its exploration costs are incurred in the local African currencies. Some of the Company's subsidiaries have functional currencies other than Pounds Sterling. The Company is therefore exposed to unrealised foreign currency on the translation of the subsidiary's net assets. Management believes the foreign exchange risk derived from currency conversions is not significant to its operations, and therefore does not hedge its foreign exchange risk. For the six months ended 30 June 2018, the Company had an exchange gain of £33,798 (2017 – £1,460) which was not material to its operations and an unrealised loss on retranslation of net assets of its subsidiaries of £32,315 (2017 - £nil).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. When the Company has sufficient cash, it is invested in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at 30 June 2017 the Company did not have any interest-bearing loans. Accordingly, the Company does not have significant interest rate risk.

Credit Risk

Credit risk is the risk that one party will cause a financial loss for another party by failing to discharge an obligation. The Company's credit risk is primarily attributable to receivables. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in receivables consist of trade receivables and amounts due from associates.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective is to ensure that there are sufficient committed financial resources to meet its current obligations and its future business requirements for a minimum of twelve months. Altus completed a private placement in April 2018 raising gross proceeds of approximately C\$4.1 million (£2.3 million) and consequently has sufficient working capital to discharge its current liabilities and fund ongoing operations for the next twelve months.

FINANCIAL INSTRUMENTS

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:

Financial Assets and Liabilities	Original Classification – IAS 39	New Classification – IFRS 9
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.

Fair Values

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, investments, and trade and other payables. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments. The Company has classified its financial instruments as follows:

As at 30 June 2018	Investments at FVTPL £	Amortised Cost £	Total £
Cash and cash equivalents	-	1,594,598	1,594,598
Trade and other receivables	-	142,362	142,362
Non-current investments	435,891	-	435,891
Trade and other payables	-	(358,788)	(358,788)
	£ 435,891	£ 1,378,172	£ 1,814,063

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 177,782,686 ordinary shares issued and outstanding. There were also 35,217,061 share purchase warrants outstanding as follows:

Warrants outstanding	Exercise price	Issue date	Expiry date
6,613,584	C\$1.833	30 January 2018	5th September 2018
300,000	C\$0.083	30 January 2018	8th September 2019
911,861	C\$0.225	18 April 2018	17th April 2021
27,391,616	C\$0.30	18 April 2018	17th April 2023

RISKS AND UNCERTAINTIES

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time-consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that those rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface rights or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third-party claims could have a material adverse impact on the Company's operations.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main responses to operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities. There can be additional risks involved in some countries where pending applications for claims or licenses can be affected by government changes to application procedures.

Some of the Company's mineral properties are located within or near local communities. In these areas, it may be necessary as a practical matter to negotiate surface access with these local communities. There can be no guarantee that, despite having the legal right to access a mineral property and carry on exploration activities, that the Company will be able to negotiate a satisfactory agreement with the existing land owners or communities for this access. Therefore, the Company or one of its joint venture partners may be unable to carry out exploration activities on a property. In those circumstances where access has been denied by a local community or land owner, the Company may need to rely on the assistance of local officials or the courts to gain access or it may be forced to abandon the property.

Altus may acquire properties through option agreements in the future. Acquisition of title to the properties under these kinds of agreements is only completed when all the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property.

Joint Venture Funding Risk

When appropriate, Altus seeks partners through joint ventures or option agreements to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital to satisfy exploration and other expenditure terms in a particular option agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether Altus can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

Altus is exposed to commodity price risk. Declines in the market prices of gold, base metals and other minerals may adversely affect its ability to raise capital or attract joint venture partners to fund exploration on its mineral properties. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

Altus has limited financial resources, has no reliable source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity issues, debt financing or the sale of some of its exploration properties.

Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets often experience a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as Altus, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. As a result, there can be no assurance that the Company will be able to attract additional capital or whether share prices will be strong enough to make private placements advisable.

Political and Currency Risks

The Company is operating in Africa, where there is a higher risk of political uncertainty and instability. The Company regularly monitors the political situation in each country in which it operates. Changing political situations may affect the manner the Company operates. The Company's equity financings are sourced in Pounds Sterling and Canadian Dollars but it incurs a significant portion of its expenditures in Euros and West African Francs. There are no currency hedges in place. Therefore, a weakening of its funding currencies against the Euro or West African Franc could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

During exploration, development and production on mineral properties, the Company is subject to many risks and hazards in general, including adverse environmental conditions, operational accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather, floods, and earthquakes. Such occurrences could result in damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect itself against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and cause a decline in the value of the Company's securities. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities because of their work on a project.

Environmental Risks and Hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation will not adversely affect Altus's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and to the extent that such other companies may participate in ventures in which the Company may participate, some directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. If such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether the Company will participate in a program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Key Personnel Risk

The Company's success is dependent upon the performance of key personnel working in management and administrative capacities. The loss of the services of any senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified consultants and employees.

****ENDS****