Altus Strategies Plc / Index (EPIC): AIM (ALS) & TSX-V (ALTS) / Sector: Mining

29 April 2020

Altus Strategies Plc
("Altus" or the "Company")

Audited Final Results

Altus Strategies Plc (AIM: ALS & TSX-V: ALTS), the Africa focused project and royalty generator, announces its audited final results for the year ended 31 December 2019. These are presented below and are available (along with the Company's 2019 Annual Report) to download on the Company's website at http://altus-strategies.com/investors/financials/ and on SEDAR at www.sedar.com.

Corporate highlights:

- Joint venture and net smelter return ("NSR") royalty agreement signed with Glomin Services Ltd on two gold projects in western and southern Mali
- Sale of two gold projects in western Mali to TSX-V listed Desert Gold Ventures Inc for equity, milestone payments and 2.5% NSR royalty
- Joint venture with Resolute Mining Ltd on gold project in southern Mali extended by two years
- Option agreement signed on Toura nickel-cobalt project in western Côte d'Ivoire
- Discussions with potential joint venture partners across project portfolio
- Acquisition of a 2.5% NSR royalty held on a gold project held by the Company's subsidiary in western Mali (concluded post year-end)
- Agreements to terminate joint venture with ASX-listed Canyon Resources Ltd in return for shares in Canyon (initial 15 million shares received post year-end) and to transfer licence under joint venture to Canyon for further shares in Canyon and a royalty

Operational highlights:

- Grant of Zager copper and gold licence in northern Ethiopia
- Gold prospects discovered at Zager project
- Gold prospects further defined at Daro project in northern Ethiopia
- Drill targets defined at Diba gold project in western Mali

Financial highlights:

- Strategic Investment Agreement with La Mancha to raise £6.5m / C$11.2m (concluded post year-end)
- Non-brokered private placement of £2.4m / C$4.1m (before expenses) in December 2019
- Cash outflow of £1.6m / C$2.7m from operating activities during the year
- Cash and marketable securities of £2.5m / C$4.2m (cash £2.2m / C$3.7m and listed equity £0.3m / C$0.5m as at 31 December 2019)

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 project and royalty generator in the mining sector with a focus on Africa. Our team creates value by making mineral discoveries across multiple licences. We enter joint ventures with respected groups and our partners earn interest in these discoveries by advancing them toward production. Project milestone payments we receive are reinvested to extend our portfolio, accelerating our growth. The portfolio model reduces risk as our interests are diversified by commodity and by country. The royalties generated from our portfolio of projects are designed to yield sustainable long-term income. We engage constructively with all our stakeholders, working diligently to minimise our environmental impact and to promote positive economic and social outcomes in the communities where we operate.

Cautionary Note Regarding Forward-Looking Statements

Certain information included in this Announcement, including information relating to future financial or operating performance and other statements that express the expectations of the Directors or estimates of future performance constitute “forward-looking statements”. 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 programmes on schedule and the success of exploration programmes. Readers are cautioned not to place undue reliance on the forward-looking information, which speak only as of the date of this Announcement and the forward-looking statements contained in this announcement are expressly qualified in their entirety by this cautionary statement.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is based on assumptions made in good faith and believed to have a reasonable basis. The forward-looking statements contained in this Announcement are made as at the date hereof and the Company assumes no obligation to publicly update or revise any forward-looking information or any forward-looking statements contained in any other announcements whether as a result of new information, future events or otherwise, except as required under applicable law or regulations.

TSX Venture Exchange Disclaimer

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

Market Abuse Regulation 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 ("MAR") until the release of this announcement.

Chairman's Statement

Reflection on the year

I am delighted to reflect on another exceptionally productive year for Altus. We continued to deliver on the Company's strategy of building a diversified portfolio of project and royalty interests across Africa. Toward the end of this pivotal year, we announced that a strategic investment agreement had been signed with La Mancha which is a pre-eminent Africa-focused mining investment group. Post the reporting period, this transaction was successfully completed. The Company now has a strong working capital balance sheet including cash of £7.7 million / C$13.5 million as at the date of this report and the support of a significant strategic industry investor.

During the period, Altus made a number of discoveries at our existing projects, entered into a joint venture ("JV") on two of our gold projects in Mali, sold two further gold projects in Mali, agreed to vend our bauxite project in Cameroon to our JV partner and signed an option agreement on our nickel-cobalt application in Côte d'Ivoire. These deals culminated in us generating cash, potential future milestone payments linked to the performance of these projects and five new royalties. We also continued to show a disciplined approach, by dropping ground that we did not have confidence in, to focus on areas with higher geological potential including staking new ground over prospective targets.

Management and Board

For a company of our size, Altus has a strong senior management, board and corporate governance procedures. During the year we were pleased to further strengthen these with the promotion of Martin Keylock to the position of Chief Financial Officer and Company Secretary. Martin joined Altus as Financial Controller in 2018. Further to the completion of the La Mancha strategic investment, we are also delighted to have welcomed Karim Nasr to the board. Karim is the CEO of La Mancha and I am certain Altus will benefit tremendously from his considerable business acumen and insights.

Looking forward

At the time of writing the world is facing a human crisis caused by the COVID-19 pandemic. While Altus is well positioned to weather the economic storm, we cannot predict with certainty the outcomes or duration of this very challenging period. I give my best wishes to all our team, our shareholders, our stakeholders and their families during this difficult and uncertain time. As we look towards a brighter future, Altus is in a strong position with a robust treasury, an exceptional shareholder register and a first-class team of resource professionals. I am confident we will continue to deliver on all our objectives as well as exceed expectations.

On behalf of the Board, I thank the entire team at Altus for their contributions to such a successful year and I thank our existing and new shareholders for their continued support.

David Netherway
Non-Executive Chairman

Business Overview

Our project and royalty generator business model

Altus is a resource project and royalty generator that seeks to make and monetise mineral discoveries in Africa. The Company is based in the UK and is dual-listed in the UK (AIM: ALS) and in Canada (TSX-V: ALTS). The Company identifies and acquires geologically prospective exploration licences through its local African subsidiaries, makes new or advances existing discoveries and seeks joint ventures with third parties to take the projects toward production. Altus seeks to receive short term income from project transactions as well as performance milestones from the projects and retains long term royalty interests on each. The business is managed from our UK head office in Oxfordshire and is currently active in Mali, Ethiopia, Morocco, Liberia, Côte d'Ivoire and Cameroon.

The business model is designed to create significant, but low-risk exposure for Altus shareholders to the high values which can be created from a potential economic discovery, as well as its future cash flows. In the short term this reduces the Company's general and administrative costs, while also generating cash and equity income from project level transactions. The royalties generated on the Company's assets, or which it otherwise acquires, are designed to yield sustainable long-term income for Altus shareholders without them having to assume the technical or financial risks associated with owning equity in a producing mine. As such the model is designed to create a virtuous circle, where our portfolio and income streams continually grow.

Risk diversification is at the heart of the Company's philosophy, and this is enacted by exploring for a variety of minerals at multiple locations across several jurisdictions. Altus currently has a diversified and growing portfolio of sixteen projects, spanning six countries and across six different commodities.

This diversification means that the portfolio is constantly evolving: new licences are added, licences that are not considered to be good prospects are relinquished and those for which exploration and sample analysis indicate that a potentially economic discovery can be made are proactively marketed for a joint venture partnership or outright sale. The Company also seconds its team to manage joint ventures in the early stages, which reduces our costs and ensures exploration continuity on the ground.

Altus generates projects by selectively acquiring mineral exploration licences and advancing projects through the work of its technical team of exploration geologists. At each level, any projects that prove to be uneconomic are dropped. Successful projects progress up the pyramid toward advanced exploration with JV partners and eventually the definition and monetisation of the resource. As each project matures and develops Altus reduces its ownership, but retains a royalty interest on its future cash generation.

Over half of the Company's portfolio comprises gold projects, the most advanced of which are located in western and southern Mali. Aside from gold, Altus is focused on metals that the Company believes will be critical in the transmission, storage and efficient use of electricity in the coming decade, as the world seeks to decarbonise. Copper will be paramount among these and as such Altus is exploring for economic copper deposits in northern Ethiopia and central Morocco. Other metals such as cobalt, lithium, vanadium and aluminium also have a critical part to play, as will specialist and less well-known rare-earth metals, including neodymium and praseodymium that are used in the high-quality magnets of electric motors.

Focus on Africa

Altus is focused on Africa where, due to the relative lack of exploration using modern techniques, economic mineral deposits can still be discovered outcropping at surface. According to a recent survey by MinEx Consulting, 24% of global discoveries in the prior decade were found on the continent, despite it being the recipient of only 14% of the global exploration budgets. The same survey reported that deposits in Africa (excluding South Africa) are being discovered at average depths of just 9m, which is much shallower than the average global depth of 78m. In Canada the average discovery depth is over 125m.

This opportunity to make discoveries across Africa, without recourse to expensive subsurface exploration, geophysical technologies or extensive drilling programmes, means that the Company can potentially generate more value, at greater speed and with lower risk in Africa, than in almost any other part of the world. Given the collective geographical, geological and operational expertise of the Altus management and advisory teams, the board considers that Altus is ideally positioned to exploit this opportunity.

Chief Executive's Review

Introduction

I am delighted to report on a highly productive year for Altus, in which we have made discoveries, divested assets through joint ventures, sold assets and grown our portfolio of royalty interests. The year culminated in a £2.4 million (C$4.2 million) private placement and a £6.5 million (C$11.2 million) strategic investment agreement with La Mancha Holding S.à r.l. ("La Mancha") which closed after the year end. I am confident that the investment by La Mancha will prove transformational for the Company.

In this report I review the current extraordinary market conditions, discuss our business model, review the key developments up until the date of this report and set out our objectives for the year ahead.

Market conditions

At the time of writing, nations across the world are taking unprecedented action in response to the COVID-19 pandemic. First and foremost, Altus puts the welfare of its team and their families as its top priority. We have responded to the situation by repatriating our staff to their home countries and implementing remote working policies in the UK. We are fortunate that there is a considerable amount of desk based 'remote sensing' work that has to be completed. This includes the assimilation and analysis of open-source historic reports and data including satellite imagery, in order to define new targets for Altus to explore. This work will be conducted on our existing licences, on new areas within countries where we are already active and also in countries where Altus does not have a presence.

While scientists work to generate vaccines, as well as treatments, unprecedented peacetime measures are being imposed to restrict travel and public gatherings in order to protect the most vulnerable. These stringent measures are also designed to alleviate the potentially overwhelming demands on their respective healthcare systems, as well as the professionals working on the front line. The restrictions and the uncertainty as to their likely duration, will have substantial economic ramifications. While raising the capital reserve ratios of investment banks was a key response to the 2008 crisis, few would have envisaged or modelled such a dramatic global economic shock.

Central Banks are acting in concert to implement overtly inflationary monetary policies in order to prevent widespread and simultaneous business and personal insolvencies. Such a scenario would prove highly deflationary and lead almost inextricably to global depression and a systemic banking crisis. Interest rates have been slashed to record lows in many countries and 'liquidity' is being created (or more directly, new money printed) to purchase government and even corporate bonds and ETFs. In coordination with the Central Banks, many governments are unveiling unprecedented fiscal stimulus packages. These include deferring or underwriting tax and employment costs and are designed to allow companies to remain in business, if not necessarily trading.

Energy costs typically represent around 25% of the operating cost of a mine. It is therefore important to note the dispute that erupted in March 2020 between Russia and Saudi Arabia within OPEC, the cartel which seeks to fix global oil prices. The conflict revolved around Saudi Arabia's desire to cut production in order to sustain prices, as opposed to Russia's preference to maintain foreign exchange revenues. In response to Russia's position, Saudi Arabia has seemingly flooded the market with production, causing a barrel of WTI crude to plunge below US$20 by 30 March 2020 (a price last seen in 2002 and down from US$60 at the end of 2019). Reduced demand from industry, aviation and other transportation resulting from COVID-19, is only amplifying the negative impact on the revenues from the shale fields of Ohio, to the oil wells of the Niger delta. If the current relatively low prices are sustained through 2020, the potential destabilising effects for the oil producers in the developing world could be dramatic.

All of these events and responses may have profound implications for the production and price of commodities as well as for the prices and access to capital of the companies which explore for and mine them.

Market outlook

Since the start of 2020 international equity markets have experienced record-breaking falls and dramatic volatility reminiscent of the collapse of 2008. Foreseeing a deep global recession, stock markets have fallen severely and in unison as investors reconfigure their valuations in the face of such an uncertain outlook. It is not simply earnings that are in doubt, but in many cases the fundamental commercial viability of the businesses they own.

In the four weeks after closing at 29,551 on 12 February 2020, the Dow Jones Industrial Average lost 35% falling below 20,000. The FTSE performed no better, closing at times below 5,000, a level first hit in 1997. Market circuit-breakers have been triggered numerous times to prevent precipitous falls which are only fuelled further by automated stop loss selling. Regulators have also intervened to introduce restrictions on short selling of certain shares deemed most vulnerable to speculation. If the turmoil continues, or the economic outlook deteriorates significantly, they may be forced to intervene more substantially.

Money has been pulled out of almost all liquid investment classes, including gold and funnelled into cash. Government bond prices are performing strongly as their yields fall to record lows. The US dollar, the world's remaining reserve currency is in high demand from cash investors seeking sanctuary, or to repay the margin calls on leveraged investments. Despite the strategic investment from La Mancha, Altus' share price has not been immune to the dramatic short term sell off in equities.

The gold price started 2019 below US$1,300/oz and performed strongly through the year, supported by continued central bank buying, finishing the year more than 20% higher at US$1,569. After the year end gold hit a high of US$1,755 in April 2020. The GDX, an exchange-traded fund for gold miners, performed even more strongly than gold during 2019, up 38% at 29.28, having started at 21.09, only to lose almost 50% of that by March 2020.

Gold and other commodities are generally priced in US dollars and as such are inversely correlated to the dollar's strength. The recent dollar surge, compounded with market expectations for falling economic activity, have intensified commodity price falls. 'Doctor copper' the bellwether for global growth has fallen to around US$4,500/t, down 25% from the end of 2019. These are prices last seen in the immediate aftermath of the 2008 financial crisis. As such it is not surprising that mining equities have mirrored and, in many cases, exaggerated the falls in the wider blue-chip markets. As with the monetary response witnessed after 2008, we are already seeing central banks seeking to shore-up and ultimately reflate equity and other markets. Mining shares and perhaps especially gold equities, can therefore be expected to rebound eventually. The timing and nature of the rebound is currently unpredictable.

Notwithstanding the apparent resumption of industrial activity in China, the short-term effects of the pandemic will likely result in the demand for commodities and manufactured products (cars, phones and such) being reduced. However, it is also likely that the supply of commodities will also fall, as mines either temporarily close, or output is reduced, to protect the health and safety of personnel and in the event of bottle necks restricting the supply of inbound machinery components, or the export of these commodities. Metals may therefore reach their supply / demand price equilibrium at or even above their pre-crash levels. Companies with high quality projects and royalties should therefore continue to be in demand.

The plethora of inflationary monetary and fiscal policies that have been announced, will if implemented likely feed into nominally and real-term higher gold prices in the years ahead. As such the valuations for high-quality gold mining and development companies, which have not escaped the immediate sell-off, may rise considerably over time. Meanwhile, if the current lower energy prices are sustained by OPEC, then copper and other metal producers which do not have significant short-term financing risks, may well be able to sustain positive production margins.

We are now entering a period of limited but unknown duration, when the access to traditional capital markets is likely to be at best impaired and at worst closed for many companies. This may be a prelude to material merger and acquisition activity of projects and businesses. Those companies such as Altus, with relatively strong balance sheets and which are least reliant on raising short term debt or equity capital, will likely be in the ascendency, as their boards and shareholders seek to consolidate accretive opportunities.

In my report last year, I noted that we had experienced a decade of uninterrupted economic growth. This had been fuelled by low interest rates which, when combined with loose monetary policies, had created significant distortions and bubbles in asset prices. The dramatic falls in stocks in the first quarter of 2020 underscores the merits of our business model. While not immune to the recent turmoil in markets, it has amplified the intrinsic benefits in Altus from:

- employing a portfolio-approach with geological, commodity and jurisdictional diversification;
- being counter-cyclical, investing in exploration for new mines when the costs to do so is at its lowest and the likely future value of discoveries is at its highest;
- employing third party capital to advance multiple projects simultaneously;
- generating short term income through joint venture payments and project sales;
- creating potential long term income streams from project royalties; and
- identifying and making accretive project, royalty and corporate acquisitions.

Strategy Implementation

Altus completed a series of exploration campaigns during the year, including soil, stream sediment, geophysical and remote sensing programmes. This work resulted in the discovery of a number of new gold, copper and silver prospects. Most notable was the definition of numerous drill targets at four of our gold projects in Mali. Our exploration teams also successfully expanded the size of our copper and silver prospects at the Agdz project in central Morocco and the copper and gold prospects at our Daro project in northern Ethiopia.

During the year the Company relinquished the Mandoum bauxite licence in central Cameroon and was granted the Zager copper-gold licence in northern Ethiopia. Exploration conducted by our field teams, targeting potential volcanogenic massive sulphide belts has already generated very promising results. At the end of the period Altus had two exploration licence applications pending, both located in Côte d'Ivoire with one for gold and one for nickel-cobalt.

<u>Transactions</u>
The Company successfully closed a number of project and royalty transactions in the year, including:

- The sale of two gold projects in western Mali to TSX-V listed Desert Gold Ventures, in return for $50,000 in cash, 3,000,000 shares of Desert Gold, the potential for future project milestone payments and a 2.5% NSR royalty on each project.
- A joint venture with Glomin Services on two gold projects, in western and southern Mali respectively. Under the JV Glomin has the right to earn up to an 80% initial interest in the projects in return for US$100,000 in cash on commencement, up to US$1,450,000 in milestone cash payments and a 2.5% NSR royalty on each project.
- The extension of our joint venture with ASX and LSE-listed Resolute Mining to May 2021, on the Pitiangoma Est gold project in southern Mali, whereby Resolute has the option to earn a 70% interest in the project by spending US$3 million and completing a feasibility study.
- The termination of our joint venture with ASX-listed Canyon Resources in return for 25,000,000 shares in Canyon (15,000,000 shares received to date) and the transfer of the joint venture licence to Canyon for 5,000,000 further shares in Canyon and a US$1.50/ton life of mine royalty on future bauxite production from the former joint venture licence.
- An option agreement with Firering Holdings in respect of the Company's Ni-Co licence application in eastern Côte d'Ivoire, whereby Firering may earn a 95% interest in the licence in return for the payment of €15,000 and an NSR royalty linked to the price of nickel.
- An agreement with AGMEX in respect of the acquisition of a 2% NSR royalty held on the Company's Lakanfla project in western Mali. The transaction completed after the period.

As at the end of the period Altus had the following active joint venture and royalty interests:

Project	**Counterparty**	**Country**	**Metal**	**Joint Venture**	**Royalty**
Lakanfla	Glomin Services	Mali	Gold	Active	2.5% NSR
Tabakorole	Glomin Services	Mali	Gold	Active	2.5% NSR
Pitiangoma Est	Resolute Mining (1)	Mali	Gold	Active	2.0% NSR
Ndablama	Avesoro Resources (2)	Mali	Gold	Project sold	2.5% NPI
Sebessounkoto Sud	Desert Gold	Mali	Gold	Project sold	2.5% NSR
Djelimangara	Desert Gold	Mali	Gold	Project sold	2.5% NSR
Toura	Firering Holdings (3)	Côte d'Ivoire	Nickel	Option stage	1.0% NSR
Birsok	Canyon Resources (4)	Cameroon	Bauxite	Vended-in	US$1.50/t

Notes:

1 Altus retains an option to convert its project interest into the NSR royalty
2 Net Profit Interest royalty is on the southern portion of the Ndablama gold project
3 Royalty is up to 1.0% of gross revenue from the project, net of transport costs

4 Subject to the transfer of the Birsok licence to Canyon, NSR royalty is conditional upon the award of a mining licence to Canyon on their adjacent Minim Martap bauxite project

During 2019 we elected to discontinue our discussions with Raptor Resources in respect of the Company's portfolio of projects in Morocco and with Corben Resources in respect of the Company's gold projects in northern Cameroon and western Liberia.

Funding

The Company's Ordinary Shares are listed on the AIM market (AIM: ALS) of the London Stock Exchange in the UK and the TSX Venture Exchange (TSX-V: ALTS) in Canada. Our dual listing provides the Company with enhanced exposure to current as well as potential investors and counterparties for project transactions.

Market sentiment

Market conditions remained challenging through 2019 for the majority of junior resource companies seeking to raise capital. However, the enthusiasm for and prices of companies active in the cannabis sector also started to wane, in a similar fashion to that of cryptocurrencies the year before. The emergence and dominance of these two sectors only served to starve the junior resource sector from critically important speculative investment capital. The most agile resource companies such as Altus, have adapted their strategies in order to source patient capital, including strategic partnerships with larger mining companies, private equity funds or specialist investors.

Notwithstanding the market backdrop, the shares of Altus performed strongly during the year, rising from a low in January of 14p to 31p as at 31 December (stated on a post-consolidation basis, following the consolidation of Altus' shares on a five old into one new Ordinary Share, effective 21 February 2020). This performance reflects the substantial disconnect which had emerged between the value of our assets and their price in the market, the significant positive news flow during the year which included a number of discoveries, joint ventures, project transactions and the announcement of our strategic investment agreement with La Mancha as discussed in more detail below.

Non-Brokered Private Placement

On 20 December 2019, the Company announced a conditional non-brokered private placement of 9,265,760 (post-consolidation) new Ordinary Shares at a price of C$0.45 / £0.26 per share (post-consolidation) raising approximately £2.40 million / C$4.16 million before expenses. A number of directors participated in the placement, subscribing for a total of 1,455,248 new Ordinary Shares (post-consolidation) with an aggregate value of £0.38 million / C$0.65 million. The first tranche of the placement closed on 20 December 2019 and the second and final tranche closed on 27 January 2020 as detailed below. We were delighted with the participation in the placement by existing shareholders, as well as a number of new investors. One of our new shareholders is Delphi Unternehmensberatung AG ("Delphi") a family office investment fund based in Heidelberg, Germany. Following the placement and the investment by La Mancha, Delphi holds a 9.99% interest in the Company.

La Mancha Strategic Investment

On 04 December 2019, the Company entered into a Strategic Investment Agreement with La Mancha, whereby subject to shareholder and regulatory approval La Mancha would subscribe for 24,845,878 new Ordinary Shares (post-consolidation) at a price of C$0.45 per share for aggregate gross proceeds of C$11,180,645 / (£6,459,928 at the time) before expenses. A General Meeting of the Company's shareholders was held on 18 February 2020 in respect of the proposed investment by La Mancha and all resolutions were duly passed, as described in 'Subsequent Events' below.

La Mancha is a pre-eminent Africa-focused mining investment group, which has a notable track record in deal selection and value creation. The group is the wholly-owned mining investment vehicle of the Sawiris family and as at 31 December 2019 had strategic investments in three publicly traded mining companies: a 29.9% holding in Endeavour Mining Corp. [TSX: EDV], a 30.2% holding in Golden Star Resources Ltd. [TSX: GSC and NYSE: GSS] and a 6.64% holding in Evolution Mining Ltd [ASX: EVN]. These three companies have operations in Africa and Australia with aggregate production in excess of 1.7 million gold equivalent ounces per year.

La Mancha's strategic investment in Altus is its first external investment into the listed mineral exploration sector. The Directors believe the investment not only represents a strong industry endorsement of the Altus team, portfolio and business model but that it will prove transformative for Altus, providing the capital and expertise to fast track the Company's project and royalty generation activities, as well as unlocking new external growth opportunities.

Specifically, the transaction benefits the Company by providing:

- additional capital to allow Altus to grow its portfolio of projects and royalties across Africa, as well as advance its existing projects further and faster than would otherwise have been possible;
- access to potential new project and corporate opportunities, introduced either directly or indirectly through La Mancha's significant network in Africa and the resource sector more broadly;
- a robust balance sheet, as compared to our peer group, during an optimal period in the mining cycle, which will strengthen the Company's position when negotiating accretive acquisition opportunities;
- the appointment of up to two La Mancha directors to Altus' board, the first being Karim Nasr which occurred on 06 April 2020, which will bring additional operating and technical expertise within the mining sector and in Africa; and
- wider market recognition of the Company, its capabilities and ambitious growth plans which may attract further investors to the Company's equity and potential partners for its projects.

La Mancha's investment has resulted in it owning a 35.45% share of the Company (as at 09 April 2020 – see Director's Report, page 43), and was subject to a waiver by the UK Panel on Takeovers and Mergers under Rule 9 of the City Code on Takeovers and Mergers in respect of the obligation of La Mancha to make a mandatory offer for the Company. La Mancha entered into a relationship agreement with the Company and its nominated advisor, SP Angel Corporate Finance LLP, which included provisions to maintain the operating independence of the Company, for any transactions between La Mancha and the Company to be conducted on an arm's length basis, and for the Company to continue operating under its existing corporate governance regime. La Mancha will retain the right to appoint one director to the Board of the Company as long as it holds a 15% interest in the Company, and two directors while its interest is at least 25%.

Director shareholdings

Further to the non-brokered private placement and investment by La Mancha, the board of Altus has an aggregate beneficial shareholding in the Company of 14,223,454 Ordinary Shares (post consolidation), representing 20.29% of the current issued share capital. The directors' shareholdings and their participation in the most recent private placement underscores the strong alignment of interests between the Company's board and shareholders.

As has been the case in previous years, in order to preserve cash for operating expenditures, a number of directors elected to defer receipt of their fees, salaries and where applicable, pension contributions during the year. While these accruals were settled during, or shortly after the period, it is notable that the majority of the amounts paid to the directors were re-invested by those directors back into Altus through the private placement.

Altus Concert Party

There have been no changes in the constitution of those shareholders who may be deemed to be acting in concert (the "Concert Party"), as defined by the Takeover Panel of the London Stock Exchange. The Concert Party consists of Steven Poulton, Susannah Poulton, Matthew Grainger, Anna Grainger, David Netherway and Diane Rissik. These parties in aggregate hold interests in 10,092,038 Ordinary Shares in the Company (post-consolidation), equivalent to 14.40%. of the Company's issued and voting share capital. These individuals do not currently hold any options or warrants in the Company. Shareholders should note that the Concert Party is free to increase its aggregated interest to 29.99% of the Company's issued and voting share capital without incurring an obligation under Rule 9 of the Takeover Code.

Outlook

Last year I reported on a significant increase in the number of JV and investor enquiries received by the Company, with the majority emanating from Canada and Australia. These resulted in a number of successful joint ventures and other transactions during the year. I am pleased to report that the level of interest has only accelerated, despite COVID-19, which bodes well for the Company's potential further deal flow in 2020.

Our key objectives for 2020 are to:

- Continue to grow the number of projects in our portfolio.
- Advance the exploration work programmes across our existing portfolio of licences.
- Complete a number of royalty-based joint venture and other transactions on our existing assets.
- Identify potential project, royalty and corporate acquisition opportunities and where possible conclude accretive transactions on these.

Our long-term objective is to generate significant positive cashflow for shareholders from a diversified portfolio of high-quality royalties, project sales and joint ventures.

In the last year we have built on our track-record of making and monetising discoveries in Africa. Following these transactions, the private placement and the strategic investment from La Mancha, Altus has established an incredibly robust foundation from which to accelerate the growth and value of the business.

We are in such a strong position largely due to the vision, energy and professionalism of each member of our entrepreneurial team and I take this opportunity to thank them for their collective endeavours. I also take this opportunity on behalf of the Board to thank our new and existing shareholders for their continued support.

Steven Poulton
Chief Executive Officer

Strategic Report

Key Performance Indicators

The Board use a mixture of financial and non-financial KPIs to help monitor the performance of Altus' group of companies (the "Group"). The Group is at a pre-revenue stage of development, which means that the main financial KPIs relate to the management of cash and expenditure.

<u>Cash balance</u>

31 December 2019	£2,212,642	**31 December 2018**	£724,785

The Group's cash balance increased by £1.5 million as it raised £2.4 million (C$4.1 million) in December 2019, through the placement of 46,328,802 new Ordinary Shares at £0.052 (C$0.09) per share. The placement closed in two tranches with 32,328,802 Ordinary Shares issued and admitted to trading on AIM on 23 December 2019 and 14,000,000 Ordinary Shares issued and admitted to trading on AIM on 29 January 2020. After the year end, in February 2020 the Group raised a further £6.5 million (C$11.2 million) through a strategic investment by La Mancha Holdings S.à r.l with 124,229,389 new Ordinary Shares issued and admitted to trading on AIM on 24 February 2020. During the six-month period prior to the fundraise, the Group sought to preserve its cash balance by focusing expenditure on its most prospective projects as well as pursuing potential joint venture and project sale transactions across its portfolio. The Group's cash on hand is sufficient to fund all projected expenditure for a minimum of 24 months.

Portfolio size – projects in which Altus holds an interest

	Royalties / under JV	Projects	Applications
31 December 2019	8 (4)	16	2
31 December 2018	3 (2)	17	3

The size of the Group's portfolio reflects the scale and diversification of the Group's project interests. Altus selectively acquires mineral exploration licences and generates and advances projects through the work of its technical team of exploration geologists. Any projects that prove to be uneconomic are dropped, and successful projects progress to advanced exploration with JV partners and eventually the definition and monetisation of the underlying asset. Altus reduces its ownership throughout this process, but typically retains a royalty interest on each of the project's future cash generation.

Altus capitalises the cost of its exploration licence renewals. As a number of these licences are renewed on a typical two-yearly cycle, particularly in Mali, not all of these costs were incurred during 2019. The Company was granted the Zager exploration licence in northern Ethiopia during the year and the Mandoum exploration licence in Cameroon expired during 2019. The KPI, capitalisation of expenditure costs, has not been recorded for 2019 as it was considered to be closely associated to the portfolio size and had an immaterial impact on the balance sheet.

Single largest exposure by geography and mineral

	By Geography	By Mineral
31 December 2019	Mali - 29%	Gold – 57%
31 December 2018	Mali - 33%	Gold – 56%

Risk diversification is at the heart of the Company's philosophy, and this is enacted by exploring for a variety of minerals at multiple locations across several jurisdictions. The single largest exposure figures are an indication of the level of diversification of risk within the Group's portfolio. As well as Mali, the Group has interests in Ethiopia, Cameroon, Morocco, Côte d'Ivoire and, until relinquished after the period, Liberia. The Group continually assesses potential licence applications and project acquisitions in new jurisdictions. Aside from gold, Altus is focusing on metals that it believes will be critical in the increasingly decarbonised electricity industry, particularly copper. The Group also has interests in nickel, zinc and bauxite projects.

Exploration costs and Administrative expenses

	Exploration costs	Administrative expenses
2019	60%	40%
2018	63%	37%

The Group focuses on deploying its cash on activities that are likely to maximise the value to shareholders while maintaining a strict control on administrative overheads.

Exploration costs includes African-employed geologists, on site costs, assays and analysis and exploration support costs in Africa. In 2019 UK geologists' salaries, and an allocation of UK management time and UK exploration support costs are also included. Under this measurement the percentage of Exploration costs for 2018 has been re-stated from 34% to 63%. Using the adjusted method shows Exploration costs as a proportion of total operating costs to be in line with the previous year. This reflects the maintenance of the portfolio size, no changes to the size of the team and control of non-exploration spending. There was an overall increase in Administrative expenses reflecting a first full year of costs as a dual listed company on the UK's AIM and Canada's TSX-V.

Financial Review

Income

Income from recharging costs to JV partners reduced from £90,000 to £60,000 mainly due to the reduction in recharges related to the JV arrangement with Canyon Resources Ltd on the Birsok licence in central Cameroon.

Expenses

Exploration costs increased from £631,000 to £1,101,000 (see note 6), however this reflected a change in methodology for the allocation of costs between Exploration and Administration, including UK-employed geologists, UK technical management time and UK exploration support, which, had the same method been applied in the comparative year would have resulted in Exploration costs of £1,152,000. This reflects a consistency in operations from 2018 to 2019, in which the team size was maintained and the level of on-site activity was similar across the portfolio of projects.

The Group's cash resources were deployed across its portfolio in 2019 with four countries recording Exploration costs of between £200,000 and £300,000; these were Mali, Ethiopia, Cameroon and Morocco. Mali became the area of greatest spend in 2019 at £269,000, compared to a greatest spend in 2018 of £146,000 in Cameroon. The Group had six projects in Mali for most of the year until two were sold to TSX-V listed Desert Gold Ventures Inc. under a milestone-and-royalty based agreement in October 2019. The six projects in Mali were acquired in January 2018 as part of the Plan of Arrangement with Legend Gold Corp. ("Legend").

Administrative expenses in the Income Statement reduced from £1,221,000 to £785,000 in 2019 (see note 7), although as mentioned above, this reflected a change in allocation methodology, which, had it been applied in the comparative period would have resulted in Administrative expenses of £700,000. This rise in like-for-like expenses from £700,000 to £785,000 was mainly due to the effects of foreign exchange revaluations of the Group's bank accounts, the payment of staff bonuses in 2019 (none were paid in 2018), and the timing of costs for audit fees. In addition, a single licence was impaired in 2019 valued at £39,000, compared to a single licence impairment of £20,000 in 2018. There was a reduction in the use of outside consultants, resulting in a reduction of £29,000.

Staff costs increased from £746,000 to £856,000. Underlying salaries were consistent with the comparative year and bonuses for 2019 were £86,875 compared to £2,000 in 2018. Also recorded in 2019 was a bonus figure for 2017 of £43,125 which had been deferred and not paid at the request of the recipients. All of the directors apart from Michael Winn, who was required to remain independent, participated in the private placement undertaken by the Company in December 2019. The directors subscribed for a total of 6,774,263 new shares (pre-consolidation) at a price of £0.052 / C$0.09 per share with an aggregate value of £0.35 million / C$0.61 million.

The category of Listing and acquisition related costs was expanded for 2019 to include legal, regulatory and other such costs relating to joint venture and other corporate deals. This change contributed to an increase in such costs from £19,000 to £89,000, and included costs expensed through the Income Statement relating to the strategic investment in the Group by La Mancha Holdings S.à r.l., as well as residual costs relating to the Plan of Arrangement with Legend from 2018.

Other income and costs included a loss recorded on the sale of the Company's 100% holding in Legend Gold Mali Holdings (BVI) Inc. and its Djelimangara and Sebessounkoto Sud licences in Mali, held through its wholly owned local subsidiary. This recognised no income in respect of future milestone or royalty payments (see note 12) and a fair value loss on the group's investments in Canyon Resources Ltd and Desert Gold Ventures Inc. (acquired in October 2019) of £85,000 (2018: £282,000 gain). The Group submitted a claim for an R&D tax credit in the UK of £129,031 through its subsidiary Altus Exploration Management Limited for the 2017 tax year. The claim was settled in full by HMRC in February 2020.

The table below shows local costs in each location of the Group's operations. Details of expenditure are included in notes 5 to 14 to the Financial Statements.

£'000	**UK**	**Canada**	**Cameroon**	**Ethiopia**	**Ivory Coast**	**Liberia**	**Mali**	**Morocco**	**Total**
Geologists	213	-	33	32	0	36	39	22	375
Executive	397	-	-	-	-	-	-	-	397
Non-exec	80	-	-	-	-	-	-	-	80
Admin	130	-	26	20	0	1	37	26	240
Consultants	9	-	4	1	0	7	0	2	24
Site costs	0	-	3	24	0	(0)	8	2	36
Travel	46	-	13	38	0	0	18	2	118
Office	46	-	5	3	0	0	14	2	70
Legal & prof.	156	68	38	6	15	0	3	4	290
Listing/deals	89	-	-	-	-	-	-	-	89
Other	194	-	11	31	1	6	5	7	256
	1,359	68	134	156	15	51	123	68	1,975

<u>Assets and cash</u>
The net assets of the Group reduced from £5,266,000 to £4,530,000, which included a drop in non-current assets from £4,964,000 to £3,588,000 while net current assets increased from £302,000 to £1,008,000. The drop in non-current assets was due to the sale of two of the Group's Mali gold licences, which had a brought forward value of £794,000, the impairment of the Mandoum bauxite licence asset in Cameroon valued at £39,000, the sale of part of the Group's investment in Canyon Resources Ltd worth £674,000, and a fair value loss on the investments in Canyon Resources Ltd and in Desert Gold Ventures Inc. of £85,000. In current assets, trade and other receivables increased from £79,000 to £196,000 due to the outstanding R&D tax credit at the end of the year.

The Group's cash balance increased from £725,000 to £2,213,000. This reflected the timing of the private placements. The Group raised £2.3 million in April 2018 and £2.4 million in December 2019. The 2019 fundraise was a non-brokered private placement of 46,328,802 Ordinary Shares (pre-consolidation) at an issue price of £0.052 (C$0.09) per share with existing and new institutional and private investors. Part of the fundraise was subject to additional regulatory approval in respect of one of the investors, which meant that it was recorded as a current liability rather than as share capital until approval was received in January 2020.

After the year end, on 18 February 2020, a General Meeting of the Company's shareholders was held which approved a strategic investment by La Mancha Holdings S.à r.l. This investment concluded on 21 February 2020 and raised £6.5 million (C$11.2 million) before expenses through the issuance of 124,229,389 new Ordinary Shares (pre-consolidation) at an issue price of £0.052 (C$0.09) per share. Subsequent to their investment La Mancha holds 35.45% of the issued share capital of the Company. Based on the spending profile of 2019 and a two-year budget broadly covering 2020 and 2021 the cash balance at the end of the year will be sufficient to fund operations for the whole of 2020. The Group will continue to manage its cash resources carefully while making the best use of new funds to advance the Group's existing portfolio and to take advantage of new opportunities.

Independent Auditor's Report to the Members of Altus Strategies plc

Opinion
We have audited the financial statements of Altus Strategies plc (the parent company) and its subsidiaries (the group) for the year ended 31 December 2019 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- The financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's and parent company's loss for the year then ended;
- The group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- The parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

Emphasis of matter
We draw your attention to note 1 of the financial statements, which describes the directors of the group and parent company's assessment of the COVID-19 impact on its ability to continue as a going concern. The directors have explained that the events arising from the COVID-19 outbreak do not impact the group's use of the going concern basis of preparation nor do they cast significant doubt about the group's and parent company's ability to continue as a going concern for a period of at least twelve months from

the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

Conclusions relating to going concern

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

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

Our application of materiality

The materiality applied to the group financial statements was £140,000 (2018: £180,000), based on thresholds for net assets and the loss before tax. The performance materiality for the group was £98,000 (£126,000). The materiality applied to the parent company financial statements was £30,000 (£60,000) based upon the loss before tax. The performance materiality for the parent company was £21,000 (£42,000).

An overview of the scope of the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The accounting records of the parent company and all subsidiary undertakings are centrally located and audited by us based upon materiality or risk. The key audit matters addressed, and how these were addressed are outlined below.

Kev audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation and recoverability of exploration assets and, for the parent company, amounts due from subsidiary and related undertakings	We reviewed the Group's exploration licences and permits to confirm good title and standing. For licences which had expired and are in the process of renewal,

(refer notes 16,18 and 20). The carrying value of intangible assets as at 31 December 2019 is £3,202,950 (2018: £4,071,870) which comprises costs associated with early stage exploration licenses and projects in Africa. The carrying value of investments in subsidiaries, together with intra-group receivables, was **£9,190,705 (2018: £7,287,035) as at 31 December 2019.** These carrying values are tested annually for impairment. There is a risk that the carrying values are impaired given they comprise early stage exploration projects and therefore require an assessment of impairment indicators under IFRS 6. The recoverability of investments and intra group receivables in turn are based upon the recoverability of the underlying exploration projects.	we assessed the relevant factors, in conjunction with discussions with management, regarding the likelihood of renewal. We reviewed the terms and status of the joint venture agreements in place, in conjunction with the accounting treatment adopted under the terms of those agreements. The early stage projects were reviewed for indicators of impairment in accordance with IFRS 6. We discussed with management the scope of their future budgeted and planned expenditure on the licence area, together with a review of subsequent events in relation to disposals of licenses and subsidiaries. The recoverability of amounts due from subsidiary and related undertakings were assessed by reference to the underlying exploration projects.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

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

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

[signed]
David Thompson (Senior Statutory Auditor)
for and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf

London
E14 4HD
28 April 2020

Independent Auditor's Report to the Members of Altus Strategies plc in Respect of Canadian National Instrument 52-107

Opinion

We have audited the group financial statements of Altus Strategies plc and its subsidiaries (the group) for the year ended 31 December 2019 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion:

- the group financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2019 and 31 December 2018 and its financial performance and its cash flows for the years then ended; and
- the group financial statements have been properly prepared in accordance with IFRSs as issued by the IASB.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by the IASB and applicable law.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the group financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw your attention to note 1 of the financial statements, which describes the directors of the group and parent company's assessment of the COVID-19 impact on its ability to continue as a going concern. The directors have explained that the events arising from the COVID-19 outbreak do not impact the group's use of the going concern basis of preparation nor do they cast significant doubt about the group's and parent company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation and recoverability of exploration assets and, for the parent company, amounts due from subsidiary and related undertakings (refer notes 16,18 and 20). The carrying value of intangible assets as at 31 December 2019 is £3,202,950 (2018: £4,071,870) which comprises costs associated with early stage exploration licenses and projects in Africa. The carrying value of investments in subsidiaries, **together with intra-group receivables, was £9,190,705 (2018: £7,287,035) as at 31 December 2019.** These carrying values are tested annually for impairment. There is a risk that the carrying values are impaired given they comprise early stage exploration projects and therefore require an assessment of impairment indicators under IFRS 6. The recoverability of investments and intra group receivables in turn are based upon the recoverability of the underlying exploration projects.	We reviewed the Group's exploration licences and permits to confirm good title and standing. For licences which had expired and are in the process of renewal, we assessed the relevant factors, in conjunction with discussions with management, regarding the likelihood of renewal. We reviewed the terms and status of the joint venture agreements in place, in conjunction with the accounting treatment adopted under the terms of those agreements. The early stage projects were reviewed for indicators of impairment in accordance with IFRS 6. We discussed with management the scope of their future budgeted and planned expenditure on the licence area, together with a review of subsequent events in relation to disposals of licenses and subsidiaries. The recoverability of amounts due from subsidiary and related undertakings were assessed by reference to the underlying exploration projects.

Other information

The other information comprises the information included in the annual report and the management discussion and analysis, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the group financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of the directors

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the Directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the group's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

- Are required to report on consolidated financial statements, obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditors' report is David Thompson.

[signed]
David Thompson (Engagement Partner)
for and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD
28 April 2020

ALTUS STRATEGIES PLC

Group Statement of Comprehensive Income

For the Year Ended 31 December 2019

Company Registration No. 10746796

Continuing operations	Notes	2019 £	Restated 2018 £
Management fees and costs recovered from joint venture partners	4	59,911	89,678
Exploration costs expensed	6	(1,101,000)	(1,151,899)
Administrative expenses	7	(785,031)	(700,113)
Listing and acquisition related costs		(88,595)	(19,284)
Loss from operations		(1,914,715)	(1,781,618)
Finance (costs)/ income	11	(8,338)	62
Other income	4	151,875	1,977
Other gains/ (losses) on investments	12	(627,444)	282,227
Loss before taxation		(2,398,622)	(1,497,352)
Income tax	13	-	-
Loss for the year		(2,398,622)	(1,497,352)
Other comprehensive income			
Exchange differences on retranslation of net assets of subsidiaries		(5,587)	(76,992)
Total comprehensive loss for the year		(2,404,209)	(1,574,344)
Loss for the year attributable to:			
- Owners of the parent company		(2,372,787)	(1,494,863)
- Non-controlling interest		(25,835)	(2,489)
		(2,398,622)	(1,497,352)
Total comprehensive income for the year attributable			
- Owners of the parent company		(2,378,374)	(1,571,855)
- Non-controlling interest		(25,835)	(2,489)
		(2,404,209)	(1,574,344)
Earnings per share (pence) attributable to the owners of the parent			
Basic earnings per share	14	(1.34)	(0.90)

ALTUS STRATEGIES PLC

Group Statement of Financial Position

As at 31 December 2019

Company Registration No. 10746796

	Notes	2019 £	2018 £
Non-current assets			
Intangible assets	**15**	3,202,950	4,071,870
Property, plant and equipment	**16**	3,190	7,932
Right of use assets	**28**	80,262	-
Investments at fair value through profit or loss	**18**	302,072	883,763
		3,588,474	4,963,565
Current assets			
Trade and other receivables	**19**	196,219	79,292
Held-for-sale assets	**20**	66,023	-
Cash and cash equivalents		2,212,642	724,785
		2,474,884	804,077
Total assets		6,063,358	5,767,642
Current liabilities			
Trade and other payables	**21**	(1,438,875)	(486,934)
Held-for-sale liabilities	**20**	(13,182)	-
Provisions	**22**	(15,000)	(15,000)
		(1,467,057)	(501,934)
Non-current liabilities			
Trade and other payables	**21**	(65,797)	-
Total liabilities		(1,532,854)	(501,934)
Net current assets		**1,007,827**	**302,143**
Net assets		**4,530,503**	**5,265,708**
Equity			
Share capital	**27**	2,102,284	1,777,827
Share premium	**27**	7,378,369	6,018,822
Translation reserve		(82,579)	(76,992)
Other reserves		5,755,070	5,770,070
Retained earnings		(10,524,314)	(8,151,527)
Total equity attributable to owners of the parent		4,628,830	5,338,200
Non-controlling interest		(98,327)	(72,492)
Total equity		**4,530,503**	**5,265,708**

The financial statements were approved by the board of directors and authorised for issue on 28 April 2020 and are signed on its behalf by:

Steven Poulton

Chief Executive Officer

ALTUS STRATEGIES PLC

Company Statement of Financial Position

As at 31 December 2019

Company Registration No. 10746796

	Notes	2019 £	2018 £
Non-current assets			
Investments in subsidiaries	**17**	4,608,930	4,608,930
Investments at fair value through profit or loss	**16**	208,953	-
		4,817,883	4,608,930
Current assets			
Trade and other receivables	**19**	4,598,461	2,705,706
Cash and cash equivalents		219,343	37,544
		4,817,804	2,743,250
Total assets		9,635,687	7,352,180
Current liabilities			
Trade and other payables	**21**	(1,005,510)	(117,033)
Total liabilities		(1,005,510)	(117,033)
Net current assets		**3,812,287**	**2,626,217**
Net assets		**8,630,177**	**7,235,147**
Equity			
Called up share capital	**27**	2,102,284	1,777,827
Share premium	**27**	7,378,369	6,018,822
Other reserves		27,456	42,456
Retained earnings		(877,932)	(603,958)
Total equity		**8,630,177**	**7,235,147**

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes. The Company's loss for the year was £273,974 (2018: £221,296).

The financial statements were approved by the board of directors and authorised for issue on 28 April 2020 and are signed on its behalf by:

Steven Poulton

Chief Executive Officer

ALTUS STRATEGIES PLC

Group Statement of Changes in Equity

For the Year Ended 31 December 2019

	Notes	Share capital £	Share premium account £	Translation reserve £	Other reserves £	Retained earnings £	Total equity £	Non-controlling interest £	Total £
Balance at 1 January 2018		1,076,808	999,000	-	5,727,614	(6,656,664)	1,146,758	(70,003)	1,076,755
Year ended 31 December 2018									
Loss for the year		-	-	-	-	(1,494,863)	(1,494,863)	(2,489)	(1,497,352)
Other comprehensive loss for the year		-	-	(76,992)	-	-	(76,992)	-	(76,992)
Total comprehensive income for the period		-	-	(76,992)	-	(1,494,863)	(1,571,855)	(2,489)	(1,574,344)
Issue of share capital	**27**	684,519	5,103,396	-	-	-	5,787,915	-	5,787,915
Share issue costs		-	(146,274)	-	-	-	(146,274)	-	(146,274)
Issue of warrants		-	-	-	42,456	-	42,456	-	42,456
Warrants exercised		16,500	62,700	-	-	-	79,200	-	79,200
Total transactions with owners, recognised directly in equity		701,019	5,019,822	-	42,456	-	5,763,297	-	5,763,297
Balance at 31 December 2018		1,777,827	6,018,822	(76,992)	5,770,070	(8,151,527)	5,338,200	(72,492)	5,265,708
Year ended 31 December 2019									
Loss for the year		-	-	-	-	(2,372,787)	(2,372,787)	(25,835)	(2,398,622)
Other comprehensive loss for the year		-	-	(5,587)	-	-	(5,587)	-	(5,587)
Total comprehensive income for the year		-	-	(5,587)	-	(2,372,787)	(2,378,374)	(25,835)	(2,404,209)
Issue of share capital	**27**	324,457	1,359,547	-	-	-	1,684,004	-	1,684,004
Warrants expired		-	-	-	(15,000)	-	(15,000)	-	(15,000)
Total transactions with owners, recognised directly in equity		324,457	1,359,547	(5,587)	(15,000)	(2,372,787)	(709,370)	(25,835)	(735,205)
Balance at 31 December 2019		2,102,284	7,378,369	(82,579)	5,755,070	(10,524,314)	4,628,830	(98,327)	4,530,503

ALTUS STRATEGIES PLC

Company Statement of Changes in Equity

For the Year Ended 31 December 2019

	Notes	Share capital £	Share premium account £	Other reserves £	Retained earnings £	Total £
Balance at 1 January 2018		**1,076,808**	**999,000**	**-**	**(382,662)**	**1,693,146**
Year ended 31 December 2018						
Loss and total comprehensive income for the year		-	-	-	(221,296)	(221,296)
Issue of share capital	**27**	684,519	5,103,396	-	-	5,787,915
Share issue costs			(146,274)		-	(146,274)
Issue of warrants		-	-	42,456	-	42,456
Exercise of warrants		16,500	62,700	-	-	79,200
Total transactions with owners, recognised directly in equity		701,019	5,019,822	42,456	-	5,763,297
Balance at 31 December 2018		1,777,827	6,018,822	42,456	(603,958)	7,235,147
Year ended 31 December 2019						
Loss and total comprehensive income for the year		-	-	-	(273,974)	(273,974)
Issue of share capital	**27**	324,457	1,359,547	-	-	1,684,004
Expiry of warrants		-	-	(15,000)	-	(15,000)
Total transactions with owners, recognised directly in equity		324,457	1,359,547	(15,000)	(273,974)	1,395,030
Balance at 31 December 2019		2,102,284	7,378,369	27,456	(877,932)	8,630,177

ALTUS STRATEGIES PLC

Group Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
	£	£
Cash flows from operating activities		
Loss from continuing operations	(1,914,715)	(1,781,618)
Less: movement in depreciation	26,210	7,331
Less: impairment of intangible assets	39,210	20,529
Equity-settled share based payments	22,103	-
Foreign exchange on foreign operations	-	(77,082)
Decrease in trade and other receivables	32,203	34,712
Increase in trade and other payables	185,083	7,453
Other working capital	29,213	1,977
Net cash outflow used in operating activities	(1,580,693)	(1,786,698)
Investing activities		
Cash acquired on purchase of subsidiary	-	13,222
Proceeds from sale of subsidiary	38,664	-
Proceeds from sale of investment	673,852	-
Purchase of intangible assets	(30,587)	(270,534)
Purchase of property, plant and equipment	(1,321)	(12,876)
Interest received	14	62
Interest paid	(183)	-
Net cash generated from/(used in) investing activities	680,439	(270,126)
Financing activities		
Net proceeds from the issue of shares	1,684,004	2,258,175
Proceeds for which issue of shares pending (see note 21)	722,482	-
Principal element of lease payments	(12,073)	-
Interest element of lease payments	(6,302)	-
Net cash generated from financing activities	2,388,111	2,258,175
Net increase in cash and cash equivalents	1,487,857	201,351
Cash and cash equivalents at beginning of the year	724,785	523,344
Exchange movements on cash and cash equivalents	-	90
Cash and cash equivalents at end of the year	**2,212,642**	**724,785**

Significant non- cash transactions

On 7 November 2019 Altus Strategies plc was issued 3 million shares in Desert Gold Ventures Inc. as consideration for the purchase of the Company’s subsidiary, Legend Mali Holdings (BVI) Inc., and its indirect holding in the Djelimangara and Sebessounkoto Sud licences located in western Mali.

ALTUS STRATEGIES PLC

Company Statement of Cash Flows

For the Year Ended 31 December 2019

	2019	2018
	£	£
Cash flows from operating activities		
Loss before tax	(273,974)	(221,296)
Less: Interest paid	183	-
Less: FV loss on investments	3,242	-
Equity-settled share based payments	22,103	-
Decrease in trade and other receivables	10,915	283
Increase in trade and other payables	(18,957)	14,676
Increase in intercompany balances	(1,740,820)	(2,167,381)
Other working capital	(15,000)	
Net cash used in operating activities	(2,012,308)	(2,373,718)
Investing activities		
Purchase of investments in subsidiaries	-	(138,000)
Purchase of investments	(208,953)	-
Interest paid	(183)	-
Net cash used in investing activities	(209,136)	(138,000)
Financing activities		
Proceeds from the issue of shares	1,684,004	2,258,175
Proceeds for which issue of shares pending (see note 21)	722,482	-
Net cash generated from financing activities	2,406,486	2,258,175
Net increase/(decrease) in cash and cash equivalents	185,042	(253,543)
Cash and cash equivalents at beginning of the year	37,544	291,087
Exchange movements on cash and cash equivalents	(3,243)	-
Cash and cash equivalents at end of the year	219,343	37,544

Significant non- cash transactions

On 7 November 2019 the Company was issued 3 million shares in Desert Gold Ventures Inc. as consideration for the purchase of the Company's subsidiary, Legend Mali Holdings (BVI) Inc., and its indirect holding in the Djelimangara and Sebessounkoto Sud licences located in western Mali.

1 Accounting policies

Company information

Altus Strategies plc is a public company limited by shares and incorporated in England and Wales. The registered office is 14 Station Road, Didcot, Oxfordshire, OX11 7LL, United Kingdom. The Group consists of Altus Strategies plc and all of its subsidiaries, as listed in note 17.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS interpretations committee (IFRS IC) interpretations as adopted for use in the European Union and with IFRS and their interpretations issued by the IASB. The consolidated financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements have been prepared on the historical cost basis, as modified by the valuation of financial assets at fair value through profit or loss. The principal accounting policies adopted are set out below.

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.

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes. The Company's loss for the year was £273,974 (2018: £221,296).

Basis of consolidation

The consolidated financial statements comprise the financial statements of Altus Strategies plc and its subsidiaries as at 31 December 2019. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its future

Generally, there is a presumption that a majority of the voting rights results in control. To support this presumption and when the Group has less than a majority of the voting rights or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- The contractual arrangements with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

"Joint ventures" as referred to in the financial statements refer to agreements with exploration partners and not joint ventures as defined within IFRS 11.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All inter-group assets and liabilities, equity income, expense and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Going concern

Between December 2019 and February 2020, the Group concluded a non-brokered private placement of shares and a strategic investment from La Mancha (see Chief Executive's Review pages 10-16), which together brought funds of £8.9 million (C$15.4 million) into the Group. As outlined in announcements pertaining to this funding, the Group intends to deploy these funds to accelerate its existing project and royalty generation activities, and to make new project and royalty acquisitions.

In response to the dramatic impact that the coronavirus pandemic is having on the global economy, on the mining sector and on all aspects of business operations, the Group has reviewed its activities and expenditure for the forthcoming months. All on site project activities were suspended in advance of local movement restrictions and closures of international borders, and the geological team switched to home-based research and analysis. Apart from the costs of maintaining its staff and its normal business operations, much of the expenditure envisaged under the Group's post-funding budget is discretionary. There is significant scope to adjust levels of expenditure in line with long term expectations of financial constraint.

Given the Group's cash balances as a result of the inflow of funds, and notwithstanding the severity of the economic impact of coronavirus, the Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. It has sufficient cash to maintain its current business operations for at least twelve months and does not expect to have to raise funds to provide additional working capital in that time. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so, to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount. IPO and acquisition related costs are included as exceptional items in profit or loss.

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Group uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Statement of Comprehensive Income for the period.

Other reserves

Other reserves consist of a non-distributable merger reserve from historic acquisitions and the share based payment reserve as a result of the share based payments outlined in note 26.

2 Adoption of new and revised standards and changes in accounting policies

New and amended standards adopted by the Group and Company

The Group and Company have applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- IAS 28 (Amendments) Long-term interests in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015-2017 Cycle

On 1 January 2019, the Group adopted all of the requirements of IFRS 16 – Leases. IFRS 16 Leases was issued in January 2016 and provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

At 1 January 2019 the Group had no leases with a lease term greater than 12 months. Consequently, the adoption of the standard resulted in no impact to the opening financial statements. Periodic payments made in respect of mineral exploration site licences are capitalised under the rules of IFRS 6 and are outside the scope of IFRS 16.

One new lease was signed during the financial year. In the Statement of Financial Position the right-of-use asset is recorded in Non-current assets and the lease liability is split between Current liabilities for the portion due within 12 months (£18,198) and Non-current liabilities for the remainder (£65,797).

To determine the split between principal and interest in the lease the Company applied an estimate of the interest it would have to pay in order to finance payments under the new lease. This method was adopted as the Company was not able to ascertain the implied interest rate in the lease agreement and does not have borrowings to use as a benchmark. The impact of the estimate is currently considered to be immaterial to the financial statements, but the Directors will review this approach as appropriate. The figures brought into the Statement of Financial Position represented 2% of Non-current assets, 3% of Current liabilities and 100% of Non-current liabilities. The net effect on Net Assets at 31 December 2019 is a reduction of £3,735. See note 28 for further detail.

Other than as described above, there has been no material impact on the financial statements as a result of the adoption of the new and amended standards.

New and revised IFRSs in issue but not yet effective

The Group and Company have not applied the following new and revised Standards and Interpretations that have been issued but are not yet effective:

	Effective date
Amendments to references to the conceptual framework in IFRS standards	1 January 2020
Amendments to IFRS 3 Business Combinations	*1 January 2020
Amendments to IAS 1 and IAS 8: Definition	1 January 2020

* subject to EU endorsement

The Group is evaluating the impact of the new and amended standards above. The directors believe that these new and amended standards are not expected to have a material impact on the Group and Company's results or shareholders' funds.

3 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are shown in the following notes.

Other gains and losses	Note 12
Impairment of deferred exploration costs	Note 15
Share based payments	Note 26

4 Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

At the current stage of the Group's development, management considers there to be one income segment, which is the recovery of exploration expenses and associated management costs from joint venture partners. Income attributable to this segment in 2019 was £59,911 (2018: £89,678).

Group	UK 2018 £	Africa 2018 £	Total 2018 £
Management fees and costs recovered from joint venture partners	40,678	49,000	89,678
Loss from operations	(1,143,365)	(638,253)	(1,781,618)
Reportable segment assets	1,565,829	4,201,813	5,767,642
Reportable segment liabilities	(441,477)	(60,547)	(501,934)

	2019 £	2019 £	2019 £
Management fees and costs recovered from joint venture partners	13,163	46,748	59,911
Loss from operations	(1,312,527)	(602,185)	(1,914,715)
Reportable segment assets	2,597,590	3,465,768	6,063,358
Reportable segment liabilities	(1,455,318)	(77,536)	(1,532,854)

Other income of £151,875 in the year included an R&D tax credit of £129,031 that was submitted during the year in respect of 2017 and settled by HMRC in February 2020; there was no corresponding credit in the comparative year.

5 Operating loss

Operating loss for the year is stated after	2019 £	2018 £
Exchange losses/(gains)	31,825	(25,726)
Exploration and development costs (note 6)	1,101,000	1,151,899
Listing and acquisition related costs	88,595	19,284
Depreciation (including right-of-use assets)	26,210	7,331
Share-based payments	22,103	12,854
Operating lease charges	26,774	38,222

6 Exploration and development costs

The Group's costs derived from its operations in countries in which it holds licences are detailed below.

Location and licence	Administrative expenses 2019 £	Operational expenses 2019 £	Travel expenses 2019 £	Total 2019 £
Cameroon (3 projects)	136,484	71,426	13,193	221,103
Ethiopia (3 projects)	115,449	89,505	38,185	243,139
Côte d'Ivoire (1 project)	51,045	22,585	-	73,630
Liberia (1 project)	33,019	46,705	441	80,165

Mali (4 projects)	148,268	102,693	17,952	268,913
Morocco (4 projects)	131,018	80,626	2,406	214,050
Total	**615,283**	**413,540**	**72,177**	**1,101,000**

Location and licence	Administrative expenses 2018 £	Operational expenses 2018 £	Travel expenses 2018 £	Total 2018 £
Cameroon (3 projects)	103,594	31,934	10,437	145,965
Ethiopia (2 projects)	61,800	46,453	14,339	122,592
Côte d'Ivoire (1 project)	21,993	15,375	6,664	44,032
Liberia (1 project)	34,954	41,295	19,387	95,636
Mali (6 projects)	92,136	18,794	7,690	118,620
Morocco (4 projects)	62,680	18,058	7,277	88,015
Other	16,017	25	-	16,042
UK costs (see below)	520,997	-	-	520,997
Total	**914,171**	**171,934**	**65,794**	**1,151,899**

During the year the Zager licence in Ethiopia was granted and the Djelimangara and Sebessounkoto Sud licences in Mali were sold to Desert Gold (see note 15). The Company has two licence applications pending in Côte d'Ivoire.

The table of figures for the comparative year has been condensed as geologists' salaries and other staff and support costs, which were the material costs in each country, were previously not split between projects but were recorded as "general" costs. In the Statement of Comprehensive Income on page 61 the total figure for Exploration costs in 2018 has been restated from £630,902 to £1,151,899 to incorporate an allocation of UK costs, including geologists' salaries, management time and UK support costs. The allocation reflects the reduction in Administrative costs as outlined in note 7.

7 Administrative expenses

Administrative expenses include the balances in the table below. Audit fees for the financial year 2018 were recorded in 2019, and fees for the financial year 2019 were accrued in 2019. Rent for the UK office now falls under IFRS 16 (see note 28), reducing premises costs and increasing depreciation.

Group	2019 £	2018 restated £	2018 £
Employee costs (note 9)	315,890	282,923	746,022
Consultants and contractors	8,981	37,848	56,808
Legal fees	55,734	25,488	25,488
Audit, accountancy & tax	98,289	37,642	37,642
Registrar fees	17,761	40,047	40,047

Other professional expenses	89,534	119,059	100,073
Travel expenses	53,981	59,693	84,151
Premises and office expenses	10,222	63,349	88,826
Exchange (gains)/losses	31,825	(25,726)	(25,726)
Depreciation of property, plant and equipment	26,210	7,331	7,331
Impairment of licence	39,210	20,198	20,529
Other expenses	37,394	32,261	39,919
	785,031	700,113	1,221,110

8 Auditor's remuneration

Fees payable to the company's auditor for the financial year were as follows.

For audit services	2019 £	2018 £
Audit of the financial statements of the group and company	22,000	21,500

9 Employees

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The average number of employees of the Group during the year was as follows. Altus Strategies plc has no employees and incurs no remuneration costs.

Group	2019 Number	2018 Number
Directors	5	5
Employees (excluding consultants and associates)	23	23
	28	**28**

Of the employees, 8 are employed in the UK and 15 are employed in four countries in Africa. Remuneration of African-contracted employees is included in Exploration Costs. Remuneration of Directors and UK-contracted employees comprised the following costs.

Group	2019 £	2018 £

Wages, salaries and non-executive directors' fees	554,879	660,469
Bonuses	130,000	1,500
Social security costs	65,061	49,877
Pension costs	105,730	25,420
Other costs	(400)	8,756
	855,270	746,022

10 Directors' remuneration

Details of directors' remuneration are included in the Directors' Remuneration Report on pages 47-51. As noted in the report, the 2018 salaries figures and 2019 bonus include additional accruals for fees relating to prior years. Further, each director had elected to defer some or all of their fees/salary.

	Fees/salaries		**Bonuses**		**Pensions**		**Total**	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	£	£	**£**	£	**£**	£	**£**	£
Non-executive directors								
David Netherway	35,000	49,583	-	-	-	-	35,000	49,583
Robert Milroy	25,000	38,541	-	-	-	-	25,000	38,541
Michael Winn	20,000	18,333	-	-	-	-	20,000	18,333
Executive directors								
Steven Poulton	125,000	181,679	46,875	-	12,500	3,995	184,375	185,674
Matthew Grainger	100,000	113,667	37,500	-	10,000	7,675	147,500	121,342
Total	305,000	401,803	84,375	-	22,500	11,670	411,875	413,473
Bonus accrual 2017	-	-	64,687	-	-	-	64,687	-
Salary accrual 2017	(1,819)	-	-	-	-	-	(1,819)	-
Total	303,181	401,803	149,062	-	22,500	11,670	474,743	-

During 2019 retirement benefits accrued under defined contribution schemes for 2 executive directors (2018: 2 directors). The deferred bonus in respect of 2017 that was disclosed in the Directors' Remuneration Report in 2018 had not been accrued and the charge for this was recognised during the year. The accrual for deferred salary for 2017 was found to be £1,819 too high and was reduced in the year.

11 Finance (costs)/ income

	2019	**2018**
Group	**£**	**£**
Interest on bank deposits	(169)	62
Interest on lease liabilities (note 28)	(8,169)	-

	(8,338)	62

12 Other gains and losses

See note 23 for accounting policy and detail of financial assets held at fair value through profit or loss.

	2019 £	2018 £
Group		
Unrealised		
Fair value gains/(losses) on financial assets at fair value through profit or loss	(85,085)	282,227
Realised		
Loss on disposal of investments	(21,444)	
Loss on disposal of subsidiaries	(520,915)	-
	(627,444)	282,227

During 2019 the Group sold its interest in Legend Gold Mali Holdings (BVI) Inc., which, through its subsidiary Etruscan Resources Mali SARL, holds the Djelimangara and Sebessounkoto Sud gold licences in western Mali. The loss recorded was based on the carrying value of the investment measured against the initial consideration received from the purchaser, Desert Gold Ventures Inc.

Djelimangara and Sebessounkoto Sud gold projects were held on the books as assets with a value of £379,851 and £392,978 respectively. As a result of the sale of the assets for a total of £251,914, being £38,664 (US$50,000) in cash and £213,250 (3 million shares) in equity of Desert Gold, the company wrote off an amount of £520,915.

The sale agreement that was announced on 31 October 2019 included further milestone payments to the Group subject to progress on the projects and a 2.5% net smelter return royalty. No income has been recognised in respect of these future payments as the likelihood of them occurring is considered too contingent at this stage.

13 Income tax

Income tax represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

Current tax is based on taxable profit or loss for the year. Taxable profit or loss differs from net profit or loss as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

<u>Deferred tax</u>

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Current tax for the year is as follows.

Group	**2019** **£**	**2018** **£**
Income tax expense	-	-

Current tax for the year for the Company was £nil (2018: £nil).

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits/ (losses) of the consolidated entities as follows.

Group	**2019** **£**	**2018** **£**
Loss before taxation	(2,398,622)	(1,497,352)
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2018: 19%)	(455,738)	(284,497)
Tax effect of:		
- Expenses not deductible for tax purposes	61,632	42,581
- Impairment not deductible for tax purposes	7,450	3,900
- Unutilised tax losses for which no deferred tax asset is recognised	386,656	238,016
Tax expense for the year	-	-

The Group has tax losses of approximately £1,718,000 (2018: £1,331,000) available to carry forward against future taxable profits. No deferred tax asset has been recognised in view of the uncertainty over the timing of future taxable profits against which the losses may be offset.

14 Earnings per share

The basic loss per share is calculated by dividing the loss attributable to owners of the parent company by the weighted average number of ordinary shares in issue during the year. Dilution is represented by a number of warrants outstanding, which at the end of the year numbered 28,303,477 (pre-consolidation). No diluted earnings per share is presented as the loss-making nature means the warrants are anti-dilutive.

	2019	2018
Loss attributable to owners (£)	(2,398,622)	(1,494,863)
Weighted average number of ordinary shares in issue	179,031,226	166,350,683
Basic loss per share (pence)	(1.34)	(0.90)

15 Intangible assets

Expenditure on exploration activities is written off against profit or loss in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis.

Deferred exploration costs: Not amortised

Deferred exploration costs comprise exploration licence fees capitalised in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources." Licences are initially measured at cost. Management tests quarterly whether deferred exploration costs require impairment. Each exploration licence 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 licence 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.

Group	At 1 January 2019	Additions	Disposals & impairment	Revaluations and FX adjustments	At 31 December 2019
Mali					
Korali Sud (Diba)	1,373,508	-	-	(37,365)	1,336,143
Lakanfla	599,233	-	-	(16,303)	582,930
Djelimangara	390,476	-	(379,851)	(10,625)	-
Sebessounkoto Sud	403,970	-	(392,978)	(10,992)	-
Tabakorole	592,447	6,579	-	(16,118)	582,908
Pitiangoma Est	585,712	-	-	(15,935)	569,777
Adjustment on exercise of warrants	(85,000)	-	-	85,000	-
Cameroon					
Laboum	38,043	8,402	-	-	46,445
Bikoula	35,130	7,926	-	-	43,056
Ndjele	6,327	1,986	-	-	8,313
Birsok	65,130	-	(65,130)	-	-

Mandoum	39,210	-	(39,210)	-	-
Ethiopia					
Tigray-Afar	15,752	743	-	-	16,495
Daro	-	1,070	-	-	1,070
Zager	-	2,481	-	-	2,481
Morocco					
Agdz	4,706	(62)	-	-	4,644
Takzim	616	-	-	-	616
Côte d'Ivoire					
Prikro	1,474	1,462	-	-	2,936
Toura (application)	1,338	-	-	-	1,338
Liberia					
Zolowo	3,798	-	-	-	3,798
	4,071,870	30,587	(877,169)	(22,338)	3,202,950

Group	**At 1 January 2018**	**Additions**	**Additions through acquisition of subsidiary**	**Disposals & impairment**	**FX adjust-ments**	**At 31 December 2018**
Mali						
Korali Sud (Diba)	-	7,078	1,361,729	-	4,701	1,373,508
Lakanfla	-	13,982	583,598	-	1,653	599,233
Djelimangara	-	-	389,066	-	1,410	390,476
Sebessounkoto Sud	-	13,955	389,066	-	949	403,970
Tabakorole	-	6,965	583,598	-	1,884	592,447
Pitiangoma Est	-	-	583,598	-	2,114	585,712
Adjustment on exercise of warrants	-	-	(85,000)	-	-	(85,000)
Cameroon						
Laboum	22,203	15,840	-	-	-	38,043
Bikoula	17,419	17,711	-	-	-	35,130
Ndjele	2,054	4,273	-	-	-	6,327
Birsok	44,130	21,000	-	-	-	65,130
Mandoum	29,375	9,835	-	-	-	39,210
Ethiopia						
Tigray-Afar	14,406	1,346	-	-	-	15,752
Daro	-	-	-	-	-	-
Negash	331	-	-	(331)	-	-
Morocco						
Agdz	1,759	2,947	-	-	-	4,706
Takzim	-	616	-	-	-	616
Zaer	-	-	-	-	-	-

Côte d'Ivoire						
Prikro	-	1,474	-	-	-	1,474
Toura (application)	-	1,338	-	-	-	1,338
Liberia						
Zolowo	-	3,798	-	-	-	3,798
Bella Yella	20,198	-	-	(20,198)	-	-
	151,875	122,158	3,805,655	(20,529)	12,711	4,071,870

16 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	4 years straight line
Computers	2 years straight line
Plant and Machinery	4 years straight line
Motor vehicles	2 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in profit or loss.

Impairment of non-current assets

At each reporting end date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Group	**Plant and machinery**	**Fixtures, fittings and equipment**	**Computer equipment**	**Motor vehicles**	**Total**
	£	**£**	**£**	**£**	**£**
Cost					
At 1 January 2019	795	44,949	24,043	77,693	147,480
Additions	-	-	1,321	-	1,321

Disposals	-	-	-	(10,140)	(10,140)
At 31 December 2019	795	44,949	25,364	67,553	138,661
Amortisation and					
At 1 January 2019	330	44,119	17,406	77,693	139,548
Charge in the year	139	572	5,352	-	6,063
Disposals	-	-	-	(10,140)	(10,140)
At 31 December 2019	469	44,691	22,758	67,553	135,471
Carrying amount					
At 31 December 2018	465	830	6,637		7,932
At 31 December 2019	326	258	2,606	-	3,190

Group	**Plant and machinery**	**Fixtures, fittings and equipment**	**Computer equipment**	**Motor vehicles**	**Total**
	£	**£**	**£**	**£**	**£**
Cost					
At 1 January 2018	240	4,359	22,612	23,140	50,351
Acquisition of subsidiary	-	40,769	-	54,553	95,322
Additions	555	-	12,321	-	12,876
Disposals	-	(179)	(10,890)	-	(11,069)
At 31 December 2018	795	44,949	24,043	77,693	147,480
Amortisation and					
At 1 January 2018	240	3,022	21,563	23,140	47,965
Acquisition of subsidiary	-	40,769	-	54,553	95,322
Charge in the year	90	507	6,734	-	7,331
Disposals	-	(179)	(10,891)	-	(11,070)
At 31 December 2018	330	44,119	17,406	77,693	139,548
Carrying amount					
At 31 December 2017			1,049		
At 31 December 2018	465	830	6,637		7,932

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

17 Subsidiaries

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently held at fair value; as there is no active market, fair value is considered to be amortised cost less impairments. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. None of the non-controlling interests is material to the group.

		Company
	2019	**2018**
	£	**£**
At 1 January 2019 / 31 January 2018	4,608,930	965,808
Additions	-	3,643,122
Disposals	-	-
	4,608,930	4,608,930

Altus Strategies plc has direct investments in the following subsidiary undertakings.

Name of undertaking	Incorporated	% Holding	Principal activity
Altus Exploration Management Limited[1]	UK	100.00	Business support services
LGN Holdings (BVI) Inc[11]	BVI	100.00	Holding company

Altus Strategies plc is the ultimate parent but not the immediate parent of the following subsidiary undertakings.

Name of undertaking	Incorporated	% Holding	Principal activity
Aeos Gold Limited[1]	UK	100.00	Gold exploration
Auramin Limited[1]	UK	99.00	Gold exploration
Aluvance Limited[1]	UK	97.26	Iron ore exploration
Alures Mining Limited[1]	UK	100.00	Bauxite exploration
Altau Resources Limited[1]	UK	100.00	Copper exploration
Aterian Resources Limited[1]	UK	100.00	Mineral exploration
Oxford Mining Club Limited[1]	UK	50.00	Events
Altau Resources Limited[2]	Ethiopia	100.00	Copper exploration
Aucam SA[5]	Cameroon	97.26	Iron ore exploration
Valnord SA[5]	Cameroon	99.00	Gold exploration
Mining & Exploration Services Limited[6]	Liberia	99.00	Gold exploration
Azru Resources SARL AU[8]	Morocco	100.00	Copper exploration
AuCrest Sarl[4]	Côte d'Ivoire	100.00	Gold exploration
Legend Gold Mali SARL[12]	Mali	100.00	Gold exploration
LGC Exploration Mali SARL[12]	Mali	100.00	Gold exploration
LGC Piti SARL[12]	Mali	100.00	Gold exploration

The following are dormant subsidiaries.

Name of undertaking	Incorporated	% Holding	Principal activity
Aeos Resources Limited[3]	Seychelles	100.00	Dormant

Altaucam Resources Limited[3]	Seychelles	100.00	Dormant
Altau Holdings Limited[3]	Seychelles	100.00	Dormant
Avance African Group Limited[3]	Seychelles	97.26	Dormant
Aucam Resources Limited[3]	Seychelles	97.26	Dormant
Inland Exploration Limited[3]	Seychelles	100.00	Dormant
Westcoast Exploration Limited[3]	Seychelles	100.00	Dormant
Mansion Resources Limited[3]	Seychelles	99.00	Dormant
Altar Resources Limited[3]	Seychelles	99.00	Dormant
Eagle Resources Limited[3]	Seychelles	99.00	Dormant
Enigma Resources Limited[3]	Seychelles	99.00	Dormant
Atlas Minerals[3]	Seychelles	100.00	Dormant
Atlantic Minerals[3]	Seychelles	100.00	Dormant
Alboran Minerals[3]	Seychelles	100.00	Dormant
Addax Minerals[3]	Seychelles	100.00	Dormant
Akkari Minerals[3]	Seychelles	100.00	Dormant
Aures Minerals[3]	Seychelles	100.00	Dormant
Azilal Minerals[3]	Seychelles	100.00	Dormant
Altus Diamonds[3]	Seychelles	100.00	Dormant
Avanor SARL[4]	Côte d'Ivoire	97.26	Dormant
Avanex SARL[4]	Côte d'Ivoire	97.26	Dormant
Bauxex SA[5]	Cameroon	97.26	Dormant
Af Resources SARL AU[7]	Morocco	100.00	Dormant
Adrar Resources SARL AU[7]	Morocco	100.00	Dormant
Altus Mining (SL)[9]	Sierra Leone	100.00	Dormant
Apalex Sarl[4]	Côte d'Ivoire	100.00	Dormant
Aza Minerals Sarl[7]	Morocco	100.00	Dormant
Akassori[10]	Chad	100.00	Dormant
Legend Mali (BVI) II Inc	BVI	100.00	Dormant
Legend Mali (BVI) III Inc	BVI	100.00	Dormant
Legend Mali (BVI) IV Inc	BVI	100.00	Dormant
Legend Mali (BVI) V Inc	BVI	100.00	Dormant
Legend Mali (BVI) VI Inc	BVI	100.00	Dormant

On 31 October 2019 the Group sold its holding in Legend Gold Mali Holdings (BVI) Inc. and its subsidiaries Etruscan Resources Mali SARL and LGC Kayes SARL.

The registered office addresses applying to the tables in this note are as follows.

Registered office addresses.

1. 14 Station Road, Didcot, Oxfordshire OX11 7LL, United Kingdom
2. Bole Sub-City, Kebele 08/09, House No. 811/A, P.O. Box 2633, Addis Ababa, Ethiopia
3. Suite 24, First Floor, Eden Plaza, Eden Island, Victoria, PO Box 438, Mahé, Seychelles
4. Cocody Les Deux Plateux, Rue des Jardins, Résidence Aziz, Porte B, 20 BP 725 Abidjan 20, Côte d'Ivoire
5. BP: 5405 Bastos, Dernier poteau, Yaoundé, Cameroon
6. PO Box 10-3218, 1000 Monrovia 10, Liberia
7. Appt 9, IMM 18, Rue Jbel Tazekka, Agdal, Rabat, 10090, Morocco
8. 46, Avenue Oqba, Appt No. 2, Agdal, Rabat, Morocco
9. 2, Berthan Macauley Street, Freetown, Sierra Leone
10. Quartier Diguel Nord, N'Djamena, Chad
11. MMG Trust (BVI) Corp, Pasea Estate, Road Town, Tortola, British Virgin Islands
12. Porte 608, Rue 136, Korofina Nord, Bamako, Mali

18 Investments

The Group holds both financial assets at amortised cost and financial assets at fair value through profit and loss. See note 23 for further information on the accounting policies applied to financial assets.

Investments carried at fair value through profit or loss comprise listed equity shares (Level 1). The fair value of these equity shares is determined by reference to published price quotations in an active market.

		Group		**Company**
	2019	**2018**	**2019**	**2018**
	£	**£**	**£**	**£**
At 1 January	883,763	601,536	-	-
Additions	213,250	-	213,250	-
Disposals	(673,852)	-	-	-
Gains/losses on disposal	(21,444)			
Revaluation gains/ (losses)	(99,645)	282,227	(4,297)	-
	302,072	883,763	208,953	-

19 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

		Group		**Company**
	2019	**2018**	**2019**	**2018**
	£	**£**	**£**	**£**
Trade receivables	75	-	-	-
VAT recoverable	15,732	22,048	4,592	10,695
Amounts due from group undertakings	-	-	4,581,775	2,678,105

Amounts due from related parties	33,432	30,037	-	-
Prepayments	15,380	27,204	12,094	16,906
R&D tax credit	129,031	-	-	-
Other receivables	2,569	3	-	-
	196,219	79,292	4,598,461	2,705,706

Trade receivables - credit risk

All trade receivables are denominated in £ sterling and are fully performing.

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

20 Held-for-sale assets

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount or fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet in accordance with IFRS 5.

On 11 February 2019 the Group announced that it had concluded various agreements with Canyon Resources Ltd ("Canyon") that included the transfer of the Group's subsidiaries Aucam Resources Ltd and Aucam SA, and the Group's Birsok licence in Cameroon to Canyon. At the reporting date the transfer was still pending and the assets and liabilities of Aucam SA were designated as held-for-sale.

	2019
	£
Non-current assets	
Intangible assets	65,130
Current assets	
Cash and cash equivalents	399
Prepayments	494
	66,023
Current liabilities	
Amounts due to related parties	(13,182)

21 Trade and other payables

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Other payables in 2019 for both Group and Company includes funds received from a shareholder amounting to £722,481 as part of the Private Placement in December 2019, for which part of the share issue was deferred until January 2020 pending regulatory approval.

Liabilities arising from a lease are initially measured on a present value basis. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

		Group		Company
	2019	2018	2019	2018
	£	£	£	£
Current liabilities				
Trade payables	57,570	109,615	53,965	34,477
Amounts due to group	-	-	162,849	-
Amounts due to related parties	69,311	-	-	-
Accruals and deferred income	545,186	291,582	39,018	17,154
Lease liabilities (IFRS 16)	18,198	-	-	-
Other payables	748,610	85,737	749,678	65,402
	1,438,875	486,934	1,005,510	117,033
Non-current liabilities				
Lease liabilities (IFRS 16)	65,797	-	-	-
	1,504,672	486,934	1,005,510	117,033

22 Provisions

Provisions are recognised when the Group or Company has a legal or constructive present obligation as a result of a past event and it is probable that the Group or Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Provisions	15,000	15,000	-	-

All provisions are expected to be settled within 12 months of the reporting date.

A provision has been recognised in accordance with IAS 37 in respect of the company's obligation to its landlord for dilapidations on the expiry of its lease. The provision has been recognised because there is an obligation at the reporting date as a result of an onerous contract, where outflow is probable to settle the obligation and a reliable estimate can be made.

23 Financial instruments

The Group's financial instruments, and their respective accounting policies are as follows.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial assets

Financial assets are recognised in the statement of financial position when the Group or Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition. Financial assets are measured at either amortised cost or at fair value through profit or loss.

Financial assets at fair value through profit or loss are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are held at amortised cost. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. The Group's and Company's loans and receivables comprise trade and other receivables and cash and cash equivalents.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date. For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. The Group's financial assets are recorded as follows.

Group	2019 Assets at amortised cost £	2019 Assets at FVPL £	2018 Assets at amortised cost £	2018 Assets at FVPL £
Investments	-	302,072	-	883,763
Cash and cash equivalents	2,212,642	-	724,785	-
Trade and other receivables	180,839		52,089	-
	2,393,481	302,072	776,874	883,763

The Company's financial assets are recorded as follows.

Company	2019 Assets at amortised cost £	2019 Assets at FVPL £	2018 Assets at amortised cost £	2018 Assets at FVPL £
Investments	-	208,593	-	-
Investments in subsidiaries	-	4,608,930	-	4,608,930
Cash and cash equivalents	219,343	-	37,544	-
Trade and other receivables	4,586,366	-	2,688,801	-
	4,805,709	4,817,523	2,726,345	4,608,930

The Group and Company have the following financial liabilities.

	2019 Liabilities at amortised	2018 Liabilities at

Group	cost £	amortised cost £
Trade and other payables	1,504,672	195,352

Company	£	£
Trade and other payables	1,005,510	99,878

24 Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, price risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Groups financial performance. There has been no change in the Group's risk management programme from previous years.

Market risk

The Group's activities potentially expose it to market risks, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and foreign currency risk, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates and foreign exchange rates.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from holding cash in various currencies. The Group's functional currency is pound sterling, and major purchases are transacted in pounds sterling, US dollars, West African francs, Ethiopian birr, Moroccan dirham and the Liberian dollar. The Group's head office expenditures are mainly incurred in pounds sterling and the majority of its exploration costs are incurred in the local African currencies. When funds are received a cashflow forecast is prepared by currency to identify the anticipated currency transactions that will be required over the period that the funds are expected to be used. FX transactions are undertaken at the earliest opportunity to minimise currency risk. For the year ended 31 December 2019, the Group had an exchange loss of £31,825 (2018: £25,726 gain) which was not material to its operations.

Commodity price risk

The Group's principal activity is the exploration for economic mineral deposits in Africa. The Group is therefore exposed to commodity price risks in the valuation of base minerals, which may impact the commercial viability of the licences it holds or impact the raising of future financing. The Group therefore maintains a diversified portfolio of licences in order to mitigate the risk of changes in the prices of individual base metals.

Credit risk

Credit risk is the risk of suffering financial loss should the Group's customers, clients or counterparties fail to fulfil their contractual obligations to the Group. The Group's core business is the exploration for economic mineral deposits in Africa and therefore the majority of expenditure is incurred in cash. The Group therefore only has significant exposure on its cash and cash equivalents. The Group mitigates this risk by depositing surplus cash with financial institutions with acceptable credit ratings. The carrying value of financial assets approximates their fair value and the maximum exposure as at the Statement of Financial Position date is outlined in the following table.

Group	2019 £	2018 £
Trade receivables	75	-
Other receivables	2,569	3
R&D tax credit	129,031	-
VAT recoverable	15,732	22,048
Amounts due from related parties	33,432	30,037
Prepayments	15,380	27,204
Cash and cash equivalents	2,212,64	724,785
Held-for-sale assets	66,023	
	2,474,88	804,077

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs or reduced income from the Group's interest-bearing financial assets and liabilities. The Group is primarily financed through equity and interest rate risk arising on interest income is immaterial. The Group therefore does not currently consider it necessary to actively manage interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management is achieved by maintaining sufficient cash balances and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity by maintaining sufficient cash with banks to meet its changing commitments. The Group'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. At present the Group does not make use of any credit or debit facilities.

The table below presents the cash flows payable by the Group under remaining contractual maturities at the Statement of Financial Position date. The amounts disclosed in the table are the contractual undiscounted cash flows. The carrying values of financial liabilities approximates their fair values.

2019	Up to 3 months £	3 to 12 months £	Over 12 months £	Total £
Trade payables	126,882	-	-	126,882
Lease payables	6,250	18,750	58,995	83,995
Other payables	737,639	10,970	-	748,609
Accruals and deferred income	545,186	-	-	545,186
Provisions	-	-	15,000	15,000
Available-for-sale liabilities	13,182	-	-	13,182
	1,429,139	29,720	73,995	1,532,854

2018	Up to 3 months £	3 to 12 months £	Over 12 months £	Total £
Trade payables	109,615	-	-	109,615
Other payables	31,203	32,603	21,931	85,737
Accruals and deferred income	291,582	-	-	291,582
Provisions	-	-	15,000	15,000
	432,400	32,603	36,931	501,934

25 Retirement benefit schemes

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. For those employees that pay into a Self-Invested Personal Pension scheme (SIPP) the Company matches their contributions up to an agreed salary percentage. At 31 December 2019 unpaid employer's pension liabilities stood at £81,518 (2018: £74,557) of which £62,875 was for Executive Directors (2018: £57,800).

Defined contribution scheme	2019 £	2018 £
Charge for the year	105,730	25,420

26 Share based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Equity instrument movements in the year

No shares were allotted to directors or employees during the year (2018: nil shares), but 425,053 shares were allotted to consultants in respect of services provided resulting in a charge to the income statement of £22,103 (2018: £nil).

The Company does not currently operate a share option scheme either for directors or employees. Of the schemes previously in operation there were no options outstanding at 31 December 2019. No expense was recorded in the year in respect of share options schemes (2018: £nil).

During the year no warrants were issued (2018: 911,861) and 300,000 warrants expired.

On 19 December a private placement was concluded that resulted in the issue of 32,328,802 shares. The issue of shares subscribed for by directors and employees was included in this placement.

The details of the warrants outstanding at the end of the year are as follows.

	2019		2018	
	Number	**Weighted average exercise price (£)**	**Number**	**Weighted average exercise price (£)**
Outstanding as at 1 January	28,603,477	0.164	110,000	0.100
Granted	-	-	30,253,477	0.158
Expired	(300,000)	0.048	(110,000)	0.100
Exercised	-	-	(1,650,000)	0.048
Outstanding as at 31 December	**28,303,477**	**0.173**	28,603,477	0.164
Exercisable at 31 December	**28,303,347**	**0.173**	28,603,477	0.164

The weighted average remaining life of the warrants outstanding is 3.2 years.

27 Share capital and share premium

Share capital and share premium include ordinary shares in Altus Strategies plc issued to shareholders and warrants and options that have been exercised.

Company	**Number of shares***	**Ordinary share capital £**	**Share premium £**
At 1 January 2018	107,680,814	1,076,808	999,000
Issue of new shares	68,451,872	684,519	5,103,396
Share issue costs	-	-	(146,274)
Exercise of warrants	1,650,000	16,500	62,700
At 31 December 2018	177,782,686	1,777,827	6,018,822
Issue of new shares	32,445,775	324,457	1,359,546
At 31 December 2019	210,228,461	2,102,284	7,378,369

* All shares have been issued, authorized and fully paid

Details on the share consolidation which occurred on 20 February 2020 are provided below under subsequent events.

28 Leases

The group holds one lease that it accounts for under IFRS 16. Other leases are either small in value or cover a period of less than 12 months. The lease, which is for the Company's UK office, was signed early in the year and therefore no qualifying leases were held when the standard was adopted on 1 January 2019, and there was no impact on the financial statements resulting from adoption of the standard (see also note 1).

To determine the split between principal and interest in the lease the Company applied an estimate of the interest it would have to pay in order to finance payments under the new lease. This method was adopted as the Company was not able to ascertain the implied interest rate and does not have borrowings to use as a benchmark. The impact of the estimate is currently considered to be immaterial to the financial statements, but the Directors will review this approach as appropriate.

	2019
	£
For the year	
Cash outflow	18,375
Capital	12,073
Interest	6,302
Depreciation charge	20,064
Interest charge	8,169
At 31 December 2019	
Right-of-use asset	
At 1 January	-
Additions	100,326
Depreciation	(20,064)
At 31 December	80,262
Lease liability	
Less than 12 months	18,198
Greater than 12 months	65,797
Total lease liability	83,995

Lease liabilities are included in trade and other payables as shown in note 21.

Rent payable under operating leases, less any lease incentives received, is charged to Administrative expenses on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

At the reporting date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, on which the short-term exemption has been taken, which fall due as follows.

Group	2019 £	2018 £
Within one year	4,791	4,519
Between 2 and 5 years	-	-
	4,791	4,519

29 Related party transactions

For detail on directors' remuneration in the year see the Directors' Remuneration Report on pages 47-51 and note 10.

Seabord Services Corp. ("Seabord") is a management services company that provides to the Group the services of its adviser, David Miles, and his administrative support team. Seabord provided similar services to Legend Gold Corp. before its acquisition by the Group in January 2018, and David Miles was the Chief Financial Officer of the Company until 1 July 2019 through a contract with Seabord. One non-executive director of the Group is also a director of Seabord. The value of services provided by Seabord in the year was £43,936 (2018: £21,295). The amount payable to Seabord at the end of the year was £69,311 (2018: £44,775).

Canyon Resources Ltd ("Canyon") is a joint venture partner of the Group in respect of the Birsok project in Cameroon. One non-executive director of the Group is also a director of Canyon. The value of services provided to Canyon during the year was £5,951 (2018: £18,580). The amount receivable from Canyon at the end of the year was £43,501 (2018: £37,550).

The Aegis group of companies ("Aegis") comprises Aegis Holdings Ltd, Aegis Asset Management Ltd, Aegis Asterion Ltd and Aegis Exploration Management Ltd, and shares three directors with the Group (Aegis Exploration Management Ltd two directors). The value of costs recharged to Aegis during the year was £300 (2018: £482). The amount receivable from Aegis at the end of the year was £790 (2018: £490).

30 Subsequent events

Issue of equity

On 7 January 2020 the Company announced that it had issued 2,000,000 shares to AGMEX Sarl ("AGMEX") in respect of an agreement relating to a royalty held by AGMEX on the Company's Lakanfla gold project in western Mali.

On 27 January 2020 the Company announced that it had closed the second and final tranche of a non-brokered private placement (the first part of which took place in December 2019) issuing 14,000,000 shares to Delphi Unternehmensberatung AG, which increased its holding in the Company to 35,000,000 shares (pre share consolidation).

On 21 February 2020 the Company announced that all of the conditions had been fulfilled in respect of a strategic investment in the Company by La Mancha Holdings Sarl ("La Mancha"), and that 124,229,389 shares had been issued to La Mancha. The issue was approved at a General Meeting of shareholders on 18 February 2020. The shares were issued at a price of C$0.09 resulting in funding to the Company of C$11,180,645. La Mancha became a cornerstone shareholder of the Company with a 35.4% of the enlarged share capital.

The shareholders also approved the consolidation of the Company's shares (the "Share Consolidation") at the General Meeting. Under the Share Consolidation one consolidated Ordinary Share ("Consolidated Ordinary Share") was issued for every five existing Ordinary Shares. The Share Consolidation occurred after the close of trading in the Company's shares on AIM and the TSX-V on 21 February 2020. Dealings in the Consolidated Ordinary Shares commenced on 24 February 2020. The ISIN and CUSIP for the Consolidated Ordinary Shares is GB00BJ9TYB96 and G03676122 respectively

Investments

On 11 February 2020 the Company announced that it had received 15 million shares in ASX-listed Canyon Resources Ltd ("Canyon"), which were issued in accordance with the JV Termination Agreement ("JVTA") signed in February 2019. The shares had a market value of £1.1 million (C$1.9 million) at that time and are subject to a voluntary 12-month escrow. The JVTA related to the Company's Birsok bauxite licence in Cameroon. The income arising from the receipt of the shares was considered contingent at the reporting date as, during 2019, the approval of Canyon's shareholders to issue the shares had expired, and the renewed approval given in November 2019 was due to expire in February 2020.

Coronavirus

The outbreak of the coronavirus pandemic in the months after the reporting date is considered to be a non-adjusting event. As outlined in note 1, the Group is continuing to report on a going concern basis, and while on site activity has been suspended, staff are working on desktop studies to generate exploration targets across the Group's portfolio and in new jurisdictions. The Group's response to the outbreak is described in the Chief Executive's Review on pages 10-16. The unknown length of the outbreak is a source of uncertainty and the Board will continue to monitor events and to provide updates as the situation develops.

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