ALTUS STRATEGIES PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Company Registration No. 10746796 (England and Wales)

CONTENTS

Company Information

Non-executive Chairman	David Netherway
Chief Executive Officer	Steven Poulton
Executive Director	Matthew Grainger
Non-executive Director	Robert Milroy
Non-executive Director	Michael Winn
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Key highlights

Corporate highlights

- Completion of the Plan of Arrangement with Legend Gold Corp.
  - Six advanced exploration licences in Mali
  - Four licences strategically adjacent to the Sadiola gold mine
  - New JV partner in ASX-listed Resolute Mining Ltd
  - Shareholder base strengthened in North America
- Dual listing of the Company's shares on the TSX-V alongside AIM listing
- Agreement to vend Cameroon Bauxite JV into JV partner for equity plus royalty
- Discussions with potential Joint Venture partners across project portfolio

Operational highlights

- Potential VMS style copper and gold discovery at Daro in Ethiopia
- New copper and zinc focused exploration licences granted in Morocco
- Major artisanal gold workings discovered at the Zolowo licence in Liberia
- Grant of the Company's first exploration licence in Côte d'Ivoire
- Additional high grade iron ore discovered at Bikoula licence in Cameroon
- Drill targets defined at Lakanfla gold project in Mali

Financial highlights

- Fundraise of £2.3m/C$4.1m (before expenses) in April 2018 with strong institutional support
- Cash outflow of £1.8m/C$3.1m from operating activities during the year
- Cash and marketable securities of £1.6m/C$2.8m (cash balance of £0.7m/C$1.3m and listed equity holdings of £0.9m/C$1.5m as at 31 December 2018

Chairman's Statement

Reflection on the year

2018 was a significant year for the Company. We materially expanded the firm's assets and shareholder base by way of our Plan of Arrangement with Legend Gold Corp, which was listed on the TSX Venture exchange in Toronto ("TSX-V"). From a financial standpoint the deal brought intangible assets worth £3.7 million on to our balance sheet and, critically, the deal expanded our portfolio of projects across Africa, with six new and exceptionally prospective advanced gold licences in Mali, one of which was already under a JV agreement with ASX-listed Resolute Mining Ltd. Shortly after this deal, Altus completed a £2.3m/C$4.1m financing and successfully listed on the TSX-V. I am delighted to take the opportunity here to welcome our new shareholders to our register and thank them for their continued support.

Company vision and focus

The vision we are pursuing is to develop a portfolio of royalty income streams and minority interests in mines across Africa, through the generation of exploration projects and advancing them with joint venture partners. The portfolio continues to evolve with 17 projects now undergoing exploration activity and a number of JV arrangements having been made or under discussion. The portfolio approach is important to us, as it mitigates inherent exploration risk and geopolitical risk, and by partnering at the advanced stages we reduce our own reliance on capital markets. Our focus remains on the vast and prospective continent of Africa, as this is where projects can still be discovered and developed rapidly and cost efficiently from surface.

Board

Our initial public offering on London's AIM in August 2017 was a counter-cyclical move by the Company and one which has proven to be pivotal. Within a few months the listing had acted as a springboard for us to undertake our combination with Legend Gold, complete a financing and dual list on the TSX-V. The remainder of 2018 has provided an opportunity for the Board to bed in, and get to grips with the enlarged operations of the Company and its dual-listed status with the governance requirements in two jurisdictions. As laid out in our Corporate Governance Report, the board members bring a range of talents and a wealth of relevant multi-national experience to meet the challenges ahead, and I am encouraged by the enthusiasm and dedication to the success of Altus that the Board has demonstrated.

Board focus

By the end of 2018 Altus was listed in two countries and conducting exploration activities in six more. The board is keenly aware that the growing size and complexity of is operations means that it must keep a sharp focus on good governance in all spheres of its activity, which involves keeping its assets in good standing, preserving the value of shareholders' interests, maintaining compliance with laws and regulations, and upholding the highest standards in its conduct.

Looking forward

Altus is on track to become a specialist mining royalty company. What sets us apart is that we are generating our own opportunities for future royalties, by making and monetising mineral discoveries. The forthcoming year promises to be another exciting and busy time for the Altus team. A number of the Company's assets have been developed to the stage of readiness for drilling with JV partners, and I have been greatly encouraged by the level of interest shown by third parties over recent months. I am confident that the team has the ability to secure advantageous agreements, and I look forward to seeing their hard work continue to bear fruit.

David Netherway
Non-Executive Chairman
29 April 2019

Business Overview

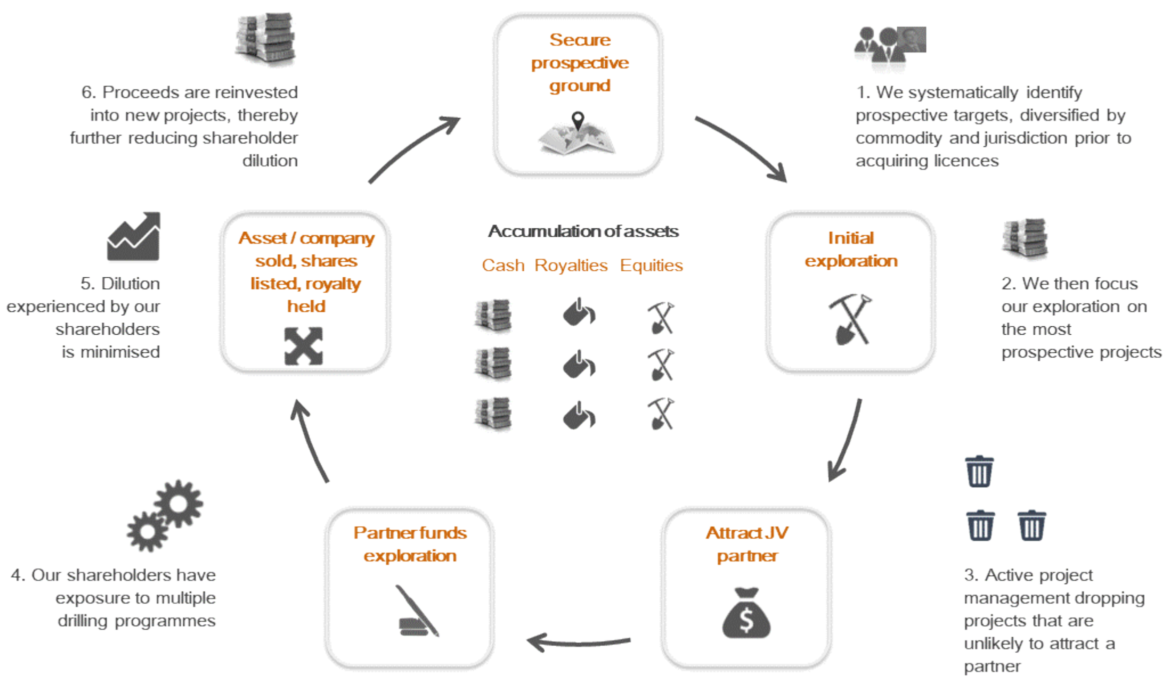
Our business at a glance

Altus is a project and royalty generator focused on mineral exploration in Africa. The Company is based in the UK and dual-listed in the UK (AIM: ALS) and in Canada (TSX-V: ALTS). It identifies and acquires geologically prospective exploration licences through its local African subsidiaries, makes discoveries and seeks joint ventures with third parties to advance these into production. Altus seeks to retain cash-generating royalty interests on each of its projects.

Project and royalty generator model

Our business model is to make and monetise mineral discoveries. We proactively seek joint venture partners to finance the exploration and development of the projects we have generated, in return for a share in their ownership and the payment of future royalties to Altus. Our goal is to create shareholder value by participating in the potentially substantial and long term returns on capital that can be made by making economic mineral discoveries.

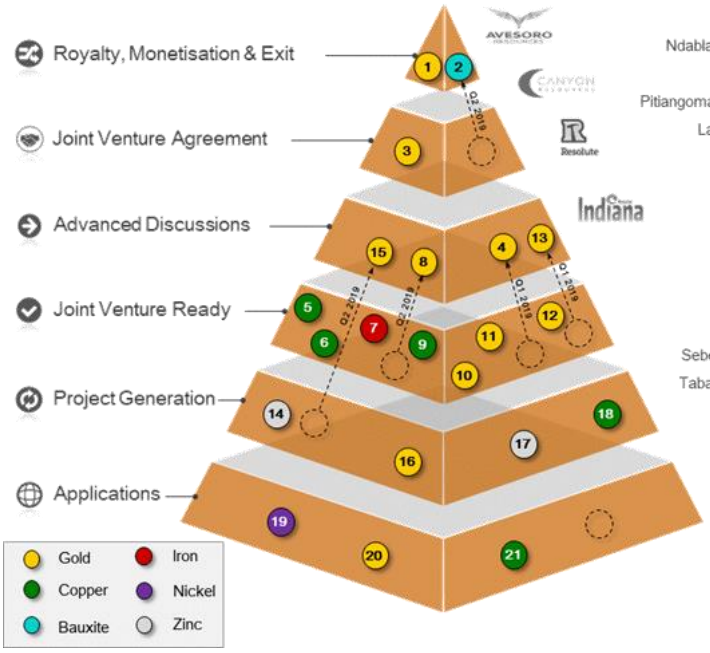
<u>Our business model</u>



Risk diversification is at the heart of our philosophy, and we enact this by exploring for a variety of minerals at multiple locations across several jurisdictions. At the end of 2018 the Group had a diversified portfolio of seventeen projects, exploring for six different commodities across six countries.

This diversification means that the portfolio is constantly evolving: new licences are added, licences that are not considered to be a good prospect are relinquished, those for which onsite surveying works and office-based data and sample analysis indicate a potentially economic discovery can be made are actively marketed, licences that are under JV partnerships will be drilled, and the successful of these will result in mines being built and royalties accruing to Altus on the mineral assets produced.

Our royalty generation pyramid



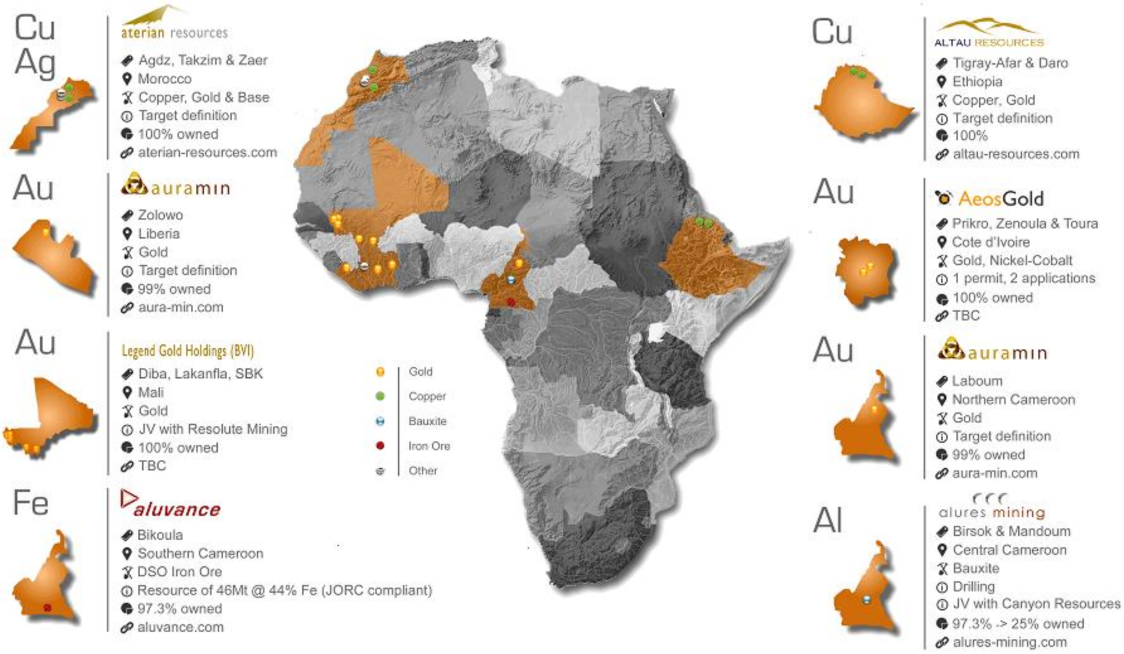
PROJECT	METAL	COUNTRY	#
Ndablama (2.5 % NPI)	Gold	Liberia	1
Birsok ($1.5 / t)	Bauxite	Cameroon	2
Pitiangoma Est (Resolute)	Gold	Mali	3
Lakanfla (Indiana)	Gold	Mali	4
Tigray-Afar	Copper	Ethiopia	5
Agdz	Copper	Morocco	6
Bikoula	Iron	Cameroon	7
Laboum	Gold	Cameroon	8
Daro	Copper	Ethiopia	9
Diba	Gold	Mali	10
Djelimangara	Gold	Mali	11
Sebessounkoto Sud	Gold	Mali	12
Tabakorole (Indiana)	Gold	Mali	13
Takzim	Zinc	Morocco	14
Zolowo	Gold	Liberia	15
Prikro	Gold	Ivory Coast	16
Ammas	Zinc	Morocco	17
Zaer	Copper	Morocco	18
Toura	Nickel	Ivory Coast	19
Zenoula	Gold	Ivory Coast	20
Zager	Copper	Ethiopia	21

Altus generates projects by selectively acquiring mineral exploration licences and advancing projects through the work of its team of geologists and analysts. 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 in each project but retains a royalty-generating interest.

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 cropping out 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.

A growing portfolio of assets across Africa



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 our management and advisory teams, we believe Altus is ideally positioned to exploit this opportunity.

Chief Executive's Review

"We are actively building a diversified mining royalty business in Africa. By generating our own projects and inviting joint venture partners to participate financially in the next phases of exploration and development, in return for a stake in each asset, we are creating a portfolio of potentially significant future long term royalty income streams. Up front cash and equity payments from our partners' mean we can accelerate value creation, by generating new projects to be fed into the royalty pipeline."

Introduction

Altus is evolving from a project generator into a royalty company. Our portfolio of projects has been steadily developing, and now with two projects under JV, and a range of discussions taking place regarding our JV-ready projects we can see that the goal of our projects reaching the stage of income generating royalties is closer than ever.

We recognise that the highest returns in the mining sector can be generated in the first instance by making an economic discovery and that returns can be compounded by retaining long term royalty interests on these, to generate the potential for continuous and zero cost income streams. We provide our shareholders with exposure to both of these elements and, critically, without exposing them to the financial and other material risks that are inherent in mineral exploration and mine building.

By adopting a portfolio approach we accelerate the discovery process as well as mitigate many of the geological and geopolitical risks that are inherent to the mining sector. We stake or acquire prospective targets and our exploration teams drive forward the most promising ones, while discarding those that we do not believe will generate an economic discovery. Once we have made a potential discovery we actively promote the opportunity to potential partners to finance the next stages of exploration and ultimately take the asset into production. Our typical partner might be a large mining group or midcap, seeking to strengthen their project pipeline; alternatively, it may be a junior company seeking a new flagship asset.

This has been another very active year for Altus. On the corporate front we completed our Plan of Arrangement with Legend Gold Corp., undertook a capital raise with a number of notable new shareholders joining our register and secured a dual listing on the TSX-V. We also continued to apply our royalty generation model, making mineral discoveries in Africa and entering discussions with potential partners. This has all taken considerable organisation and co-ordination, and a great deal of effort and dedication on behalf of the whole team. I take the opportunity here to thank them all for the highly professional and diligent way in which they have helped to enact our strategy and achieve the objectives of the Company during the year.

Strategy implementation

Our royalty generation strategy is validated as each of our projects progresses through the various stages of development, from grant of licence through exploration to JV readiness, resource definition and eventually mining. 2018 has been an encouraging year in this respect. We have seventeen projects in our growing portfolio. The most advanced royalty asset in which Altus has an interest, is a 2.5% Net Profit Interest on the southern portion of the Ndablama gold project in western Liberia, which is being developed by AIM and TSE-listed Avesoro Resources. Ndablama forms part of a Mineral Development Agreement which hosts the multi-million-ounce New Liberty gold mine. Two further Altus projects are under JV arrangements, one for gold in Mali with ASX-listed Resolute Mining and one for bauxite in Cameroon with ASX-listed Canyon Resources. We have agreed with Canyon to terminate the JV and vend the JV projects into Canyon for Canyon equity and a US$1.50/t royalty. After the end of the year, Altus announced a Terms Sheet with ASX-listed Indiana Resources in respect of two of our gold projects in Mali and a Terms Sheet with unlisted Australian company Corben Resource in respect of our gold projects in Liberia and Cameroon.

During 2018, our team has been diligently analysing a range of technical datasets generating new targets and undertaking field exploration, using geophysics as well as collecting soil, stream and rock samples across key targets. This work has helped to advance the prospects across a number of our licences. Notable successes have been the definition of drill targets at the strategically located Lakanfla gold project in western Mali, and the identification of new copper and gold prospects at the Daro licence in Ethiopia.

As well as advancing existing projects, the Company has sought to replenish its portfolio of licences. During 2018 it was granted a new licence for gold exploration in eastern Côte d'Ivoire, three new licences in Morocco for copper and zinc and, as at the end of the year, Altus had three further applications pending grant – two in Côte d'Ivoire (one for gold and one for nickel-cobalt) and one in Ethiopia. The geographical and commodity diversification reflects the Company's intent to continue to expand the scope of its portfolio.

Securing the six licences in Mali through the completion of the Plan of Arrangement with Legend clearly demonstrated another strand of the Company's strategy, which is to expand and develop our portfolio not just though applications for new licences, but also through acquisitions and business combinations.

Market review

Our "market" is ultimately in the availability of JV and other strategic partners. Their access to funding is an important consideration as they will advance our projects through drilling to the identification and, if economic, the development of a resource. During the last year the level of enquiries coming into the Company has noticeably increased. This has been true both for companies looking to enter into a JV arrangement and for investors looking to participate in project equity. Australia and Canada are the main active sources of such enquiries, but not exclusively so.

The broader commodity backdrop has been relatively muted. Gold, which, alongside copper is often seen as a bell weather for the mining sector, was range bound between US$1,200 and US$1,350 during the year. The correlation between the gold price and the share performance of gold mining stocks is well documented and perhaps axiomatic. Unsurprisingly, the market for mining equities has been equally range bound, with the GDX, an exchange-traded fund (ETF) for gold miners, trading in a similar narrow range. There are a number of active factors, which, we believe, will support the price of gold over the coming years. Highest among these would be continued central bank purchases, especially from emerging market countries with growing economies wishing to diversify their reserves. This trend also reflects a perceived risk of a global downturn and of a relatively weaker dollar in the year to come, creating price inflation. A decade of uninterrupted growth, fuelled by excessively low interest rates combined with loose monetary policy in many countries has created distortions in asset prices across the globe. For these reasons, half of the Group's portfolio of projects are in gold.

However, Altus is actively building a portfolio which is diversified by commodity to gain exposure to the critical metals of the coming decade. The evolution of battery technology is reshaping the world to no less an extent than the advent of the combustion engine did at the end of the Nineteenth Century. It is well known that there will be a vast and sustained increase in demand for specialist battery metals such as cobalt, lithium and vanadium as the current worldwide research resolves to establish the best and most cost-effective battery solution. We believe that copper will remain the primary beneficiary of an increasingly electrified world. The International Copper Association has said that demand for copper for use in electric vehicles alone is expected to increase from 0.18m tonnes to 1.7m tonnes per annum between 2017 and 2027. In the macro-economy, this will create a set of drivers quite separate and, in some ways, disconnected from the current inter-locking drivers of the gold price. As noted above, the Company has a number of copper prospects in Ethiopia and Morocco and an application for nickel/cobalt in Côte d'Ivoire.

As well as measures to increase battery capacity, solutions are also being engineered to increase energy efficiency thereby requiring less energy consumption. Aluminium, the ore for which is called bauxite, is a lightweight metal and this energy efficient property means we expect demand for the metal to continue to increase in the years ahead. Our shareholding in ASX-listed Canyon Resources is also set to increase when the JV termination and vend-in of our Birsok and Mandoum bauxite projects in central Cameroon completes, which is anticipated to occur in the second quarter of 2019. On completion of the termination of the JV, Altus will receive an initial 25 million shares in Canyon with a current market value of approximately £2.9m/C$5.04m, and for vending in of the JV projects and grant of a mining licence to Canyon, Altus will receive a further 5 million shares with a current market value of approximately £0.6m/C$1.0m along with a $1.50/t royalty on the former JV projects. Altus currently owns shares in Canyon with an approximate market value of £0.8m/C$1.4m which were received by Altus along with a cash payment of A$150,000 as part of the original JV terms. Having undertaken less than US$150,000 in generating the bauxite project, this series of transactions when complete, will underscore the substantial returns that our business model can generate.

Funding

The Company's listing on the TSX-V exchange in Toronto in June was a major development, and is already significantly enhancing the Company's ability to attract investors, as well as publicising its projects to potential JV partners. The Canadian market is a global hub for mining stocks, and our presence there greatly strengthens the Company as we grow our royalty generating business.

The Company's proven ability to raise finance in April 2018 was set against a backdrop of broad investor antipathy to resource stocks in general, with the lure of speculative marijuana equities, as well as continued interest in block chain, crypto and other alternative tech plays absorbing substantial risk capital. The wider markets have also seen the rise of algorithmic passive trading, which tends to seek out lower risks and higher liquidity stocks. The drift down of the Company's share price since our IPO and dual listing, on relatively low trading volumes, does not, in the opinion of the directors, reflect the enormous potential of the Company to deliver shareholder value, both through its current pipeline of projects and its ability to continue to grow and monetise its portfolio.

With an aggregate shareholding of 36.17% of the Company, the financial interests of the board are strongly aligned to those of all shareholders. In order to continue to ensure cash (which at 31 December 2018 stood at approximately £725,000/C$1,260,000) is spent on operational activities, a number of the directors have elected to accrue some or all of their 2018 fees, salary and where applicable pension entitlement. This was also the case in previous years. Approximately £268,000/C$466,000 is currently being accrued in this form, to be paid at a later date in either cash or, subject to the necessary regulatory approvals, in equity of the Company. Where permissible, the directors may also participate in future capital raises, which is a consistent and positive feature of the Altus board. Given the continued 'bear market' conditions in the mining sector and the strong commitment of the directors, it is anticipated that further such amounts will be accrued in 2019.

Altus Concert Party

The Company has agreed with the Takeover Panel Executive an amendment to the list of certain shareholders of the Company who have previously been presumed to be acting in concert under the UK Takeover Code (the "Concert Party"). The Board has concluded that Robert Milroy, Guy Pas and Malcolm Burne shall no longer be considered to be members of the Concert Party. The Concert Party therefore now consists of Steven Poulton, Susannah Poulton, Matthew Grainger, Anna Grainger, David Netherway and Diane Rissik. These parties in aggregate hold interests in 45,048,100 Ordinary Shares of 1p each in the Company, equivalent to 25.32 per cent. of the Company's issued and voting share capital. These individuals do not 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 per cent. of the Company's issued and voting share capital without incurring an obligation under Rule 9 of the Takeover Code.

Outlook

Altus has a solid and proven business model, a strong and entrepreneurial team, and has established a formidable foundation for the year ahead. We have embraced the counter-cyclical nature of the resource sector and are continuing to make discoveries and enter royalty generating transactions across our growing portfolio. Our team has the essential vision, determination and energy to sustain the incredibly strong progress we have made to date.

Steven Poulton
Chief Executive Officer
29 April 2019

Strategic Report

KPIs

The Board use a mixture of financial and non-financial KPIs to help monitor the performance of 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 expenses. These are as follows.

	2018	**2017**
Cash and cash equivalents	£724,785	£523,344
Exploration costs as a percentage of total operating costs	34%	23%**
Capitalisation of exploration costs in the year *	£122,158	£46,235

* Excluding assets acquired through the Plan of Arrangement with Legend Gold Corporation.

** Measurement of the KPI regarding exploration costs has been adjusted. In the 2017 annual report the denominator used was the loss before taxation. This has been changed to operating costs, comprising exploration costs, administrative expenses, IPO costs and costs related to the plan of arrangement with Legend. Under this measurement the percentage of total operating costs represented by exploration costs for 2017 was re-stated from 30% to 23%. The increase from 23% to 32% in 2018 reflects the growth in the Group's exploration activities, while Administrative costs were reduced from £1.5m to £1.2m due to lower wage costs.

The Group's cash balance increased by £200,000 as it raised £2.3 million (C$4.1 million) (before expenses) in April 2018, through the issue of 27,391,616 new units at C$0.15 per unit (with each unit comprising one Ordinary share and one five year warrant to purchase one Ordinary share at C$0.30c). The Company undertook its IPO on the London AIM market in August 2017, completed its plan of arrangement with TSX-V listed Legend Gold Corporation ("Legend") in January 2018 and completed its dual listing on the TSX-V in Toronto in June 2018.

As well as a growth in expensed exploration costs, there was a 165% increase in the value of capitalised costs in 2018. A third of this value related to the Legend exploration licences in Mali, and the majority of the remaining two thirds related to the Group's pre-existing portfolio of licences. Capitalised expenses on newly granted licences were relatively modest.

<u>Non-Financial KPIs</u>

The Board monitors the following non-financial KPIs on a regular basis.

Portfolio size – projects in which Altus holds an interest

Indicates the scale of the Group's operations

31 December 2018	18 projects
31 December 2017	14 projects

Single largest exposure

Indicates the diversification of risk within the Group's portfolio

	By Geography	By Mineral
31 December 2018	Mali - 33%	Gold – 56%
31 December 2017	Morocco – 36%	Gold – 29%, Copper – 29%

Principal risks and uncertainties

Risk description and impact	Risk management strategy
The Group's projects may not contain economically recoverable volumes of minerals or metals, due to insufficient quality or quantity. Delays in the construction and commissioning of mining projects or other technical difficulties may make the deposits unattractive to exploit.	Risk is diversified by holding a portfolio of projects. At every stage of the exploration process, projects are rigorously reviewed, both internally and by qualified third-party consultants, to determine if the results justify the next stage of exploration expenditure.
Exploration activities, particularly more advanced activities such as drilling, carry a risk of local environmental damage or other issues, such as fuel spills, contamination of water courses, dust creation and damage to agricultural land or wild flora and fauna.	The Group aims to comply with provisions of PDAC's E3+ guidance on responsible exploration as applicable. It maintains its own Environmental Management Plan, which is regularly reviewed, and publicised to site-based employees. This contains a set of actions for each project based on a policy of Avoid, Mitigate, Remedy.
Exploration activity exposes the Group's employees to additional health and safety risks, such as accessing sites, use of equipment, and exposure to extreme weather or other environmental hazards.	The Group keeps the wellbeing of its employees as the highest of its priorities. Employees must be up to date with all recommended vaccinations, FCO travel advice is followed at all times, and regular first aid and other operational training is provided.
A reduction in global demand for gold, copper or other metals could lead to a significant fall in the value of the Group's exploration assets and the cash flow from any production, or even result in the abandonment of a project should it prove uneconomical to develop. Similarly, commodity prices could fall in reaction to changes in international economic trends, impacting the revenue generated by projects in which the Group holds an interest. This may have a material adverse impact on the operating results and financial condition of the Group.	Altus has adopted a counter-cyclical business model which seeks to grow fastest during economic downturns. It has structured itself as a Company that can run extremely lean operations to undertake early-stage exploration. The Company does not expose itself to significant long-term liabilities or spending commitments, and works with funded JV partners for the advanced stages of exploration.
The successful exploration and development of natural resources on any project will require significant capital investment. The Group may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Group may be required to reduce its level of exploration activity and divest or relinquish its assets.	The Group intends to secure capital by bringing in joint venture partnerships including established mining groups and investors, and through the issue of additional equity capital in the Company. This strategy is evidenced through Altus' joint venture agreement with Resolute Mining, a mid-tier gold producer which is listed on the ASX, and the presence of a number of leading natural resources sector investors on the Company's share register.

The exploration licences and operations of the Group are in jurisdictions outside the United Kingdom, which subjects the Group to political risk. Adverse impacts could include the withdrawal or suspension of licences, and cancellation or onerous changes to permits or regulatory consents.	The Group makes every effort to ensure it has robust commercial agreements covering its activities. It maintains comprehensive documentation covering its licence assets and the board and management oversee the good standing of these assets.
The Group is dependent upon a small executive team and other key personnel. The loss of these employees or the inability to attract additional qualified personnel as the Group grows restrict the ability of the Group to manage an expanded portfolio of projects.	The Remuneration Committee reviews the Company's compensation package annually to ensure that it remains competitive (see Directors' remuneration report, pages 36-41). The Company maintains strong links with industry bodies and training establishments to ensure access to a wide pool of talent.
As a small, UK-based junior project and royalty generator, Altus could struggle to attract JV partners to advance its projects to mine-readiness, and to create a long-term revenue stream.	In the last two years Altus has listed on both the AIM in the UK and the TSX-V in Canada, building a shareholder base and an industry reputation. Potential partners are engaged in these markets and elsewhere, including the ASX market in Australia. Altus actively markets its portfolio through news releases and its website, and networks with investors and partners at conferences and industry events.
Brexit	Altus does not expect to have any significant exposure to the European market in the short and medium terms.
Financial risks Material financial risks are listed below. Financial risks are also discussed in Note 24.	
It will take some time for revenue streams from active mines to positively impact Altus' cashflow, and until then, the Group will be reliant on funding from shareholders.	The Group aims to maximise the opportunities for converting projects into revenue-generating assets by advancing the exploration of its licences and actively marketing them to potential partners, whist at the same time maintaining a disciplined attitude to expenditure and preserving its cash. The Group also seeks joint ventures on its projects with third parties, which can reduce the Group's reliance on shareholder funding.
The Group's shareholder financing is denominated in pounds sterling and Canadian dollars. Its exploration funding is incurred in a range of African currencies.	The impact of foreign exchange is monitored to inform the decision whether or not to hedge currency exposure. Currently the Group does not hedge as the impact is considered immaterial (2018: £15,000 gain, 2017: £14,000 gain).

Corporate and social responsibility

Sustainability and environmental protection

Altus is committed to conducting its business operations in a sustainable manner and strives continuously to limit the impact of its activities on the natural environment and on the local communities in the regions where it has operations. Altus is a mineral explorer and developer, not a mining company, Therefore, the environmental impact directly associated with its activities is minimal. To ensure proper environmental stewardship on its projects, Altus ensures that all areas it explores are properly maintained, conserved and rehabilitated.

A central tenet of the Group's policy is the Environmental Management Plan (EMP), which guides the Group's on-site activities from the planning stage through on-site operation to the return of sites to local communities once activity has finished.

Many of the areas of operation are regions of subsistence farming, and Altus and its employees are aware that the impact of operations may not be limited to nuisance or upset, but could have a serious impact on the livelihoods of local people. As a result, the Group operates a number of policies to prevent problems and to remediate those that cannot be avoided. Where arable or grazing land is affected, rates of compensation are agreed with the local authorities before invasive activity begins. Meetings are held with local stakeholder groups to explain the project, to listen to local concerns and to mitigate any potential problems. At the other end of the project cycle, once activities have ceased, the Group arranges for replanting of crops or the promotion of flora re-growth, and returns to monitor progress after six months.

Community engagement

Altus is mindful that it has the capacity to have a positive impact in its areas of operation, many of which are remote and offer little alternative opportunity to local people. It employs a range of local people from trained geologists to administrative support and drivers. At the end of 2018 it employed 14 people in 5 African countries. To some of the local people in the more rural sites, it offers the opportunity to get involved in the exploration activity and to gain transferable skills such as operating geotechnical equipment. Altus has also taken geology students from the University at Mekele in Ethiopia to visit its exploration sites.

Human rights

Altus is committed to best-practice in socially and morally responsible exploration and in the development of mineral resources for the benefit of all stakeholders. The activities of the Group are in line with applicable laws on human rights.

Health & Safety

Altus takes the health and wellbeing of its employees extremely seriously and works continuously to minimise the hazards encountered. A comprehensive health and safety programme is maintained incorporating official guidelines, industry best practice, lessons from previous incidents and employee suggestions.

There have been two road traffic accidents affecting the Group in the last two years, both involving third party drivers and vehicles. In Cameroon in February 2018, a lorry contracted by Altus to carry rock samples for the Company crashed, resulting in the deaths of five people at the scene. The Board of Altus offered immediate assistance to the people affected. An accident occurred in Liberia at the end of 2017 involving a hired car and driver transporting Company employees; there were no injuries resulting from this incident. While Altus could not have prevented these accidents, they starkly reiterated the importance of high safety standards. Altus continues to review all of its standards regularly and to stringently vet its suppliers and service providers.

Employees

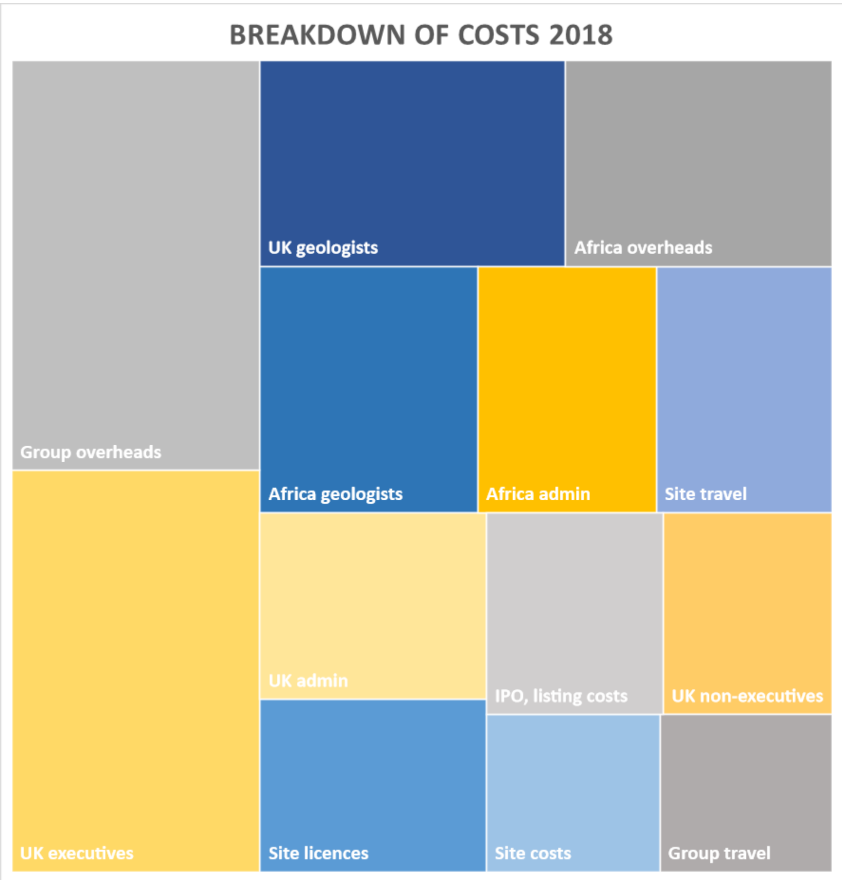
Altus understands that its team is central to its future development and success. The aim of the Group is to create an environment that will attract and retain staff, and motivate employees to maximise their potential. The Company provides a fair remuneration package, and gives due consideration to requests for flexible working arrangements. It aims to give employees exposure to wider aspects of the Company's operations. The Group promotes a culture of openness among its employees and welcomes their input into the good running of its operations.

Altus has a long track record in recruiting and training promising geologists. Each year the Group typically offers at least one MSc level project thesis to students of geology or mining geology. The Group is also proud to provide internships for recent graduates, allowing them to gain flexible work experience and if available the opportunity for a full-time role with the Group.

The Group welcomes diversity within its workforce and does not discriminate against its employees, workers or job applicants on the grounds of age, gender, ethnicity, disability, nationality, race, religious beliefs, or sexual orientation.

Financial review

The table below shows the breakdown of expenditure in 2018 between exploration costs (blue), directors and administration team costs (gold) and overheads (grey). Site licences includes capitalised licence fees and land rents.



Income

Income from recharging costs to JV partners reduced from £401,000 to £90,000 primarily as a result of the discontinuation in the first quarter of the JV arrangement with JOGMEC on the Tigray-Afar licence in northern Ethiopia. Recharged costs in 2018 related mainly to the JV arrangement with Canyon Resources on the Birsok and Mandoum licences in central Cameroon. Other income in 2018 was derived primarily from a fair value gain of £282,000 on the Group's investment in Canyon Resources; this was on top of a gain on this investment in 2017 of £129,000.

Expenses

Exploration costs increased from £556,000 to £631,000 (see note 6). This reflected an increase in the number of licences incurring spend from nine in 2017 to nineteen in 2018, including the six additional Mali licences incorporated from Legend's portfolio. The Group's exploration team did not increase in number during the year, apart from the addition of former Legend employees. The pattern of spend reflected a more even spread between projects, and a reduction in some areas as projects reached JV - ready status. Cameroon was the highest area of spend in both years (2018: £146,000 and 2017: £220,000). The Group's newest area of operation, Côte d'Ivoire, incurred £44,000 of cost (2017: £nil).
By nature of spend, operations costs in Africa increased most significantly (34%), compared to an 11% increase in local administrative expenses and an 11% decrease in in-country travel costs.

Administrative expenses in the Income Statement covers UK costs, including geologists and their travel to Africa, as well as UK office overheads and group operations (see note 7). Overall these costs fell from £1,497,000 to £1,221,000, a reduction of 18% (see also financial KPI's). The main reduction was in employee costs (see note 10), from £1,092,000 to £746,000, due to the exceptional bonuses in 2017 paid to directors and employees (2018: £1,500 and 2017: £301,000). The main increase in administrative expenses was for legal and professional fees, from £140,000 in 2017 to £203,000, which reflected the increased complexity of the Group since its listing on London's AIM in August 2017, the Plan of Arrangement with Legend in January 2018, the private placement completed in April 2018 and the dual listing of the Company on Toronto's TSX-V in June 2018.

IPO and acquisition related costs expensed in the Income Statement fell from £372,000 to £19,000, with a vast portion of the costs for preparing the Plan of Arrangement with Legend being incurred in 2017.
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	Côte d'Ivoire	Ethiopia	Liberia	Mali	Morocco	Total
Geologists	191	-	40	-	26	37	14	20	328
Executives	312	-	-	-	-	-	-	-	312
Non-exec.	106	-	-	-	-	-	-	-	106
Admin	132	-	25	-	20	-	37	26	240
Consultants	57	-	-	-	-	-	-	-	57
Site costs	2	-	12	2	28	17	11	13	85
Travel	67	-	24	28	42	34	9	16	220
Office	88	-	-	-	-	-	-	-	88
Legal & prof.	144	71	-	-	1	-	(2)	1	215
Other	12	-	52	21	28	33	57	17	220
Total	1,111	71	153	51	145	121	126	93	1,871

Assets and cash

The net assets of the Group jumped from £1,077,000 to £5,266,000 owing to the increase of £3,920,000 in intangible assets, £3,800,000 of which was derived from bringing the six gold exploration licences in Mali on to the balance sheet. In addition, the value of investments increased due to the fair value gain of £282,000 on the Group's holding in Canyon Resources, and an increase in the cash balance of £202,000 (see below); trade and other receivables dropped by £32,000 due to lower prepayments and trade and other payables increased by £189,000 due to higher accruals and Legend liabilities taken on by the Group.

The values of the intangible assets of the Group are reviewed at each reporting date (see note 16). During 2018 impairments totalling £20,000 were made to two licences, Bella Yella in Liberia and Negash in Ethiopia, in which the Group decided to discontinue its operations and relinquish the licences.

The cash balance of the Group increased from £523,000 to £725,000. The cash increase in the year of £202,000 (2017: £107,000 increase) resulted from the proceeds of share and warrant issues of £2,258,000 offset against operating spend of £1,802,000 and investing spend of £270,000.

The fundraising announced in April 2018 was a non-brokered private placement of 27,391,616 units at an issue price of C$0.15 with existing and new institutional and private investors. Each unit comprised one share plus a warrant for the purchase of one additional share at a price of C$0.30, exercisable within five years.

Based on the spending profile of 2018, the cash balance at the end of the year will be insufficient to fund operations for the whole of 2019. The Group will continue to preserve cash but recognises that it will be necessary to either, or a combination of, raise additional funding, sell its equity position in Canyon or enter joint venture agreements which include cash pre-payments within the next twelve months. The directors are confident, based on the experience of raising finance in each of the two previous years, the liquidity profile of Canyon and the signing of two Letters of Intent for separate JVs with an ASX-listed company and an unlisted Australian company after the end of the period, that the necessary finance will be forthcoming, and have prepared the financial statements accordingly on a going concern basis.

Review of operations by country

Operations in Cameroon

Projects: 3

Metals: Gold, bauxite, iron ore

LABOUM (northern Cameroon, 189km^2, gold)

Laboum is located 600km northeast of the capital city of Yaoundé. The licence hosts a major Pan-African age, regional shear zone which is up to 5km wide and which comprises highly prospective Birimian metavolcanic and metasedimentary rocks. Results of a ground magnetic survey and regional soil sampling programme completed by the Company have defined numerous anomalies that are coincident with structural targets. Dilational and fold structures are considered to be excellent targets for potentially economic gold deposits. Rock chip sampling produced grades of up to 24.50g/t Au, 16.15g/t Au from quartz veins and 6.86g/t Au from sheared and silicified metasediments.

Exploration in 2018 defined the Rey prospect that hosts numerous artisanal alluvial gold workings over a 1km strike length of the shear zone with exposure of mylonite, diorite and felsic intrusives. This discovery extends the prospective zone over the shear zone to 18km.

After the end of the year, on 24 April 2019 Altus signed a Terms Sheet for a royalty and JV agreement with Corben Resources ("Corben"), an unlisted Australian company, whereby Corben can earn up to a 100% interest in the project. Details of the agreement are available on the Company's website (www.altus-strategies.com/news, entry dated April 24 2019).

BIRSOK (Birsok & Mandoum licences, central Cameroon, 372km^2, bauxite)

The licences are located 370km northeast of the capital city of Yaoundé. From 2013 to October 2018 they were under a joint venture with ASX-listed Canyon Resources Ltd. The project is contiguous with Canyon's Minim-Martap potentially world class bauxite project. In October 2018, Altus announced that the project would be vended to Canyon for equity and a royalty. Details of the agreement with Canyon are available on the Group's website (www.altus-strategies.com/news, entries dated Oct 11, 2018 and Feb11, 2019). Completion of the agreement is expected in Q2 2019.

BIKOULA (Bikoula & Ndjele licences, southern Cameroon, 400km^2, iron ore)

Bikoula is located 150km south of the capital city of Yaoundé. The licence is situated on the western geological strike of the Nkout iron ore deposit and 160km west of the Mbalam iron ore deposit. The licences are adjacent to the road linking to the deep-water port at Kribi and are 30km north of the proposed trans-Cameroon east-west iron ore rail line.

The Group has defined a maiden JORC-compliant Inferred Mineral Resource of 46 Mt at 44% Fe (not in accordance with NI43-101), from less than 25% of the 17km long Libi Hills prospect. To date 48 drill holes have been completed at Bikoula. During 2018, Altus pitted a large airborne magnetic anomaly at Nkout North. This work discovered further supergene haematite within reddish clayey soils. The Group consider this prospect and the undrilled remainder of the Libi Hills prospect represent excellent targets for the definition of further grade iron ore resources. Altus is seeking a partner to advance the project with an enlarged pitting programme, followed by further resource definition drilling.

Operations in Morocco

Projects: 4

Metals: Copper, lead, zinc, silver, gold

AGDZ (central Morocco, 60km^2, copper-silver)

Agdz comprises four contiguous permits in the Anti-Atlas Mountains, 350km south of the capital city Rabat and 14km from the Bouskour copper mine which is operated by the Moroccan state mining group, Managem.

Altus has carried out geological mapping, surface outcrop sampling, reconnaissance trenching and ground magnetic surveys. This work has defined strongly mineralised and altered zones and a clear structural context. Three main prospects have been identified to date at Makarn, Amzwaro and Minière from which rock-chip samples have returned assay results up to 26.5 % Cu and 448 g/t Ag and an initial rock-chip channel sample returned 1.25 % Cu and 96 g/t Ag over 9.3m, with grades up to 2.26 % Cu and 223 g/t Ag. Rock-chip and spoil samples from the Minière prospect, which hosts multiple underground workings that exploit a series of sub-parallel alteration zones, have returned 13.0 % Cu, 6.0 % Cu and 5.0 % Cu. Mapped alteration in the Makarn prospect is analogous to that of the Bouskour mine over a 0.5km strike length mapped to date.

TAKZIM (central Morocco, 72km^2, copper-zinc)

Takzim comprises five permits located 35km northeast of the city of Marrakech and 7km east of the historical Bir-n-Hass copper mine. Altus conducted soil sampling over a 1.6km^2 area proximal to a historical excavation that returned 2.22% Zn from outcrop sampling. Results have identified a coherent 600m x 150m Zn-Pb anomaly along strike. Outcrop sampling of narrow haematite-rich nodules and lenses within these veins returned highly anomalous Co with grades up to 0.15% Co and 0.14% Co. Future work at Takzim is aimed at uncovering the extent of the anomaly and defining potential targets.

ZAER (central Morocco, 96km^2, copper)

Zaer comprises six permits located 80km south of the city of Rabat in the Hercynian Massif, which contains three large granitic plutons that have been intruded into a sequence of sediments. The region hosts active and historical mines for copper, tin, tungsten, lead and zinc. Zaer is strategically located covering a 20km strike length of metamorphic aureole along a granite-metasediment contact.

AMMAS (central Morocco, 32km^2, VMS)

Ammas is comprised of two permits, located 30km south of the city of Marrakech. The project is 3km southeast and along strike of Managem's Hajjar Zn-Pb-Cu VMS mine. The Hajjar mine exploits a number of buried and folded massive sulphide lenses.

A letter of intent, signed with Raptor Resources Ltd in September 2018 to earn up to a 100% interest on Moroccan projects, was subsequently terminated by mutual consent in February 2019. Altus continues to advance discussions with other third parties.

Other projects in Morocco

In 2018 the Group relinquished the Oulmes, Ment, Tamatert and Ouarzazate licences in Morocco as after initial exploration work these licences were not considered likely to host an economic deposit.

Operations in Mali
Projects: 6
Metals: Gold

KORALI SUD (western Mali, 83km², gold)
Korali Sud ("Diba") is located in the Kayes region of western Mali, approximately 450km northwest of the capital city of Bamako. The project is 13km southwest of the Sadiola gold mine, which is operated by AngloGold Ashanti (JSE: ANG, NYSE: AU, ASX: AGG), IAMGOLD (TSX: IMG, NYSE: IAG) and the Malian government. Both Sadiola and Korali Sud are situated on the Senegal-Malian shear corridor within the world renowned 'Kenieba window'.

Korali Sud hosts the Diba historical resource (see Table 1 below), as prepared for Legend by AMEC Americas Limited ("Technical Report and Mineral Resource Estimate Diba Badiazila Gold Property Mali, West Africa", 30 June 2013) and filed on SEDAR by Legend on 20 September 2013. The resource comprises stacked lenses which dip approximately 35-40 degrees ESE within the oxide zone.

Table 1: Diba project mineral resource

Category	Tonnes (kt)	Au Grade (g/t)	Au Contained (koz)
Indicated	6,348	1.35	275.2
Inferred	720	1.40	32.5

Notes: Applying a 0.5g/t cut-off grade and a US$1,200/oz gold price as reported in 2013 NI 43-101 technical report.

Historical drill results from the Diba prospect (unverified by the Group) include 12m at 20.66g/t Au and 32m at 2.06g/t Au. Diba has a potentially low mining strip ratio with relatively limited overburden and a high proportion of the potential ore is in the oxide zone. Deeper drilling at Diba targeting the sulphide zone has intersected 1.32g/t Au over 45m (from 93m). The sulphide zone remains open at depth.

Oxide gold mineralisation at Diba is mainly found in saprolite which is within 50m of the surface, across a compact 1,200m² area drilled to date. The deposit is controlled by a number of structures with gold occurring as fine grained disseminations and localised high grade calcite-quartz veinlets.

Altus has defined multiple targets for follow up exploration and drilling which have the potential to increase the historical resource.

LAKANFLA (western Mali, 24km², gold)
Lakanfla is located in the Kayes region of western Mali, approximately 450km northwest of the capital city of Bamako. The project is 5km east of Korali Sud and 6.5km from (and considered to be geologically analogous to) the karst-type FE3 and FE4 open pits that form part of the Sadiola gold mine. It is also considered to be geologically analogous to the Yatela karst-type gold deposit, which was mined between 2001 and 2015, located 35km to the northwest.

The project hosts a significant number of active and historical artisanal gold workings which are coincident with major geochemical and gravity anomalies surrounding a granodiorite intrusion. Historical drilling (unverified by the Group) has returned encouraging intersections including 9.78g/t Au over 12m and 5.20g/t Au over 16m. Historical drilling targeted breccia mineralisation of the granodiorite, and intersected low grade gold mineralisation in limestones, voids and loose sands at depth, features which are indicative of karst. A low gravity geophysical anomaly and corresponding surface slumps features, are also considered to be significant indicators. The karst targets remain to be drill tested. The next phase of work at Lakanfla is expected to include drill testing.

Subsequent to the reporting period, on 7th February 2019 the Company signed a joint venture term sheet with ASX-listed Indiana Resources ("Indiana", ASX: IDA), whereby Indiana may earn up to 85% of the Lakanfla and Tabakorole gold projects. The due diligence process is underway at the time of writing. Details of the agreement are available at the Group's website (www.altus-strategies.com/news, entry dated Feb 7, 2019).

TABAKOROLE (southern Mali, 100km^2, gold)

Tabakorole is located 280km south of the capital city of Bamako and sits on the Massagui Belt, which hosts the Morila gold mine operated by Barrick. Exploration to date has identified a 2.7km long shear zone which is up to 200m wide and hosts a historical mineral resource (Table 2). Historical drilling (unverified by the Group) has returned encouraging intersections including 2.02g/t Au over 18m.

Table 2: Tabakorole project historical mineral resource

Category		Tonnes (t)	Grade (g/t Au)	Metal (Oz Au)
Oxide	Indicated	1,040,000	1.01	34,000
	Inferred	960,000	1.114	35,000
Sulphide	Indicated	6,840,000	0.94	207,000
	Inferred	9,590,000	1.03	318,000

During 2018 the Group undertook pitting and sampling. The results indicate the potential for a parallel mineralised trend. The next phase of work at Tabakorole is expected to include scoping studies and resource definition drilling, along with testing of further targets.

Tabakorole was included in the term sheet signed with Indiana (see Lakanfla above).

DJELIMANGARA (western Mali, 55km^2, gold)

Djelimangara is located in the Kayes region of western Mali, approximately 450km northwest of the capital city of Bamako. The project is 3km southeast from Korali Sud, and comprises four priority prospects: Sourounkoto, Kamana, Woyanda and Manankoto. These are characterised by gold-in-soil anomalies of up to 2.5km in length, coincident with hard rock gold workings in fine metasediments. Historical drilling (unverified by the Group) has reportedly returned encouraging intersections including 1.34g/t Au over 30m.

The next phase of work is expected to include infill termite mound sampling, channel sampling of artisanal workings, trenching and infill auger sampling, to generate priority drill targets. Altus is seeking a JV partner to undertake auger drilling over priority targets to refine trench and drill targets.

SEBESSOUNKOTO SUD (western Mali, 29km^2, gold)

Sebessounkoto is located in the Kayes region of western Mali, approximately 450km northwest of the capital city of Bamako. The project is 15km south east of the Diba project. Historical trenching undertaken by Barrick (formerly Randgold Resources), reportedly returned up to 0.68g/t Au over 61m. During 2018 the Group defined the Soa gold prospect covering a 2.7km long gold-in-soil anomaly, identified from mapping artisanal workings, and sampling spoil and termite mounds. Spoil samples returned up to 5.18g/t Au, 3.98g/t Au and 2.4g/t Au.

Artisanal mining has focused on saprolite along a brittle-ductile shear zone typically associated with a stockworks of 'smoky quartz' veins. A review of the historical VTEM data has identified a 6.3km long anomaly parallel to the Soa prospect. Altus is seeking a JV partner to undertake auger drilling over priority targets to refine trench and drill targets.

PITIANGOMA EST (southern Mali, 106km^2, gold)
Pitiangoma Est is located 300km southeast of the capital city of Bamako. The licence is subject to a joint venture with ASX-listed Resolute Mining Limited ("Resolute") and is located on the Syama shear zone, 15km from the Tabakoroni deposit and 40km from the Syama gold mine (both owned by Resolute). Resolute can earn up to a 70% interest in the project by funding US$3million in exploration and completing a feasibility study. Thereafter Altus may elect to co-fund its 30% interest on a *pro rata* basis, or exchange its interest for a 2% Net Smelter Return royalty.

Prior to the Resolute JV, exploration included airborne geophysics (VTEM), RC drilling (2,160m) and diamond drilling (6,450m). Resolute has reportedly completed 110 air core drill holes for a total of 4,869m and a gradient array IP survey focussed on the Misseni Prospect, and this has reportedly been followed up by a 7-hole (3,167m) RC drilling programme in 2017. Altus has not verified the historical drilling data at the project.

Operations in Ethiopia

Projects: 2
Metals: Copper, gold, silver

DARO (northern Ethiopia, 412km^2, copper-gold)
Daro is located approximately 95km west of the Company's Tigray-Afar Cu-Ag project, 570km north of Ethiopia's capital, Addis Ababa. Granted in October 2017, the project targets potential Volcanogenic Massive Sulphide ("VMS") copper and gold deposits. It is situated in the Neo-Proterozoic Nakfa Terrane, which hosts a number of significant VMS base metal and gold deposits and mines.

Extensive prospecting and regional mapping has identified key geological markers for a VMS deposit type setting. These include the presence of bimodal volcanics, extensive chert horizons and associated metasediments, which conform to an ophiolite complex of ancient oceanic crust and seafloor sediments.

During 2018 Altus defined four priority prospects at Keren, Teklil, Wedihazo and Simret. The Keren prospect strikes for 2km with grab and outcrop samples returning up to 37g/t Au and 10.35g/t Au. At the 2.5km long Teklil prospect, located within an ophiolite complex, rock chip and grab samples have returned 24% Cu, 6.51g/t Au and 203g/t Ag. Rock chip and grab sample results at the 0.5km long Wedihazo prospect, have returned up to 22.3% Cu and 0.24g/t Au. At the Simret prospect, exploration results have returned up to 944g/t Ag, 3.55g/t Au and 2.72% Pb and discovered Au-Ag-Cu-Pb-Zn bearing quartz veins and gossanous float.

Altus is actively seeking JV partners for Daro to conduct trenching and a geophysical gravity survey with the aim of defining targets for a follow up maiden drill programme.

TIGRAY-AFAR (northern Ethiopia, 242km^2, copper-silver)
Tigray-Afar is located approximately 95km east of the Company's Daro Cu-Au project, 580km north of Addis Ababa. An evaluation of previous exploration data, has identified a potential sediment hosted

copper target within a 5km long VTEM conductor. The zone hosts gossans at surface which are interpreted to overlay a potential copper sulphide target which has yet to be drill tested. The next steps for the project will be to conduct a 2,000m 5-hole programme to test the presence of sedimentary hosted copper mineralisation. Altus is actively seeking JV partners for Tigray-Afar.

Operations in Liberia

Projects: 1
Metals: Gold

ZOLOWO (western Liberia, 466km², gold)

Zolowo is located 190km northeast of the capital city of Monrovia. The licence targets a significant 33km long Archaean-age greenstone belt on the West African Craton. Results from 2018 sampling of in situ quartz veins and spoil from artisanal workings returned encouraging grades up to 30.70g/t Au, 9.10g/t Au, 8.8g/t Au, 4.3g/t Au and 2.95g/t Au. The next phase of work will include systematic soil and trenching programme.

Zolowo was included in the Terms Sheet signed with Corben Resources (see Operations in Cameroon, Laboum project, on page 20).

Other projects in Liberia

In 2018 the Group relinquished the Bella Yella gold project as the scale and continuity of potential gold bearing structures was not considered sufficient to attract a JV partner.

Operations in Côte d'Ivoire

Projects: 1 (+ 2 applications pending)
Metals: Gold, nickel, cobalt

PRIKRO (southwest Côte d'Ivoire, 370km², gold)

Prikro is located 240km southeast of the capital city of Abidjan. The project targets a favourable folded and sheared Birimian-aged greenstone sequence intruded by felsic plutons, and hosts historical Au, Cu, Zn and Mo mineral occurrences. The next phase of work will include prospecting, mapping and termite sampling.

Cautionary note regarding historical data

Readers are cautioned that data on the Mali licences in this written disclosure is historical exploration data that has not been verified by a Qualified Person. Not all historical samples are available and Altus does not have complete information on the quality assurance or quality control measures taken in connection with the exploration results, or other exploration or testing details regarding these results. The potential tonnages and grades described in this disclosure are conceptual in nature and are based on previous drill results that defined the approximate length, thickness, depth and grade of the portion of the historical resource estimate. There has been insufficient exploration to define current resources and the Company cautions that there is a risk further exploration will not result in the delineation of current mineral resources. The historical data should therefore not be relied upon until the Company can confirm them.

Corporate Governance Report

Introduction
Since the implementation of changes to the London Stock Exchange AIM rules in September 2018 Altus has formally adopted the QCA Corporate Governance Code, and applies the ten principles of the QCA Code as set out in the statement below and detailed in this report.

Section 19 of the Corporate Finance Manual issued by the TSX-V requires only that the corporate governance practices and processes they adopt be appropriate. Therefore, since its listing on the TSX-V, the Group has continued to follow the same practices that it adopted upon listing on AIM in London in 2017.

The Group's AIM Compliance Code, dating from its listing, is published on the Company's website at https://www.altus-strategies.com/corporate/corporate-governance/ and in September 2018 it published its Corporate Governance Statement.

Details of the Group's response to the framework laid down by the QCA are contained within this report and other sections of the Annual Report and Financial Statements as follows.

Corporate governance principle	Reference	Page(s)
Strategy and business model	Business Overview	6-8
Shareholder needs and expectations	Corporate Governance Report	
Responsibilities to stakeholders	Strategic Report	16-17
Risk management	Corporate Governance Report	
	Strategic Report	14-15
	Financial Statements note 24	78-79
Composition of the Board	Corporate Governance Report	
Board experience, skills and capabilities	Corporate Governance Report	
Board performance evaluation	Corporate Governance Report	
Corporate culture	Corporate Governance Report	
Governance structures	Corporate Governance Report	
Communication with shareholders/stakeholders	Corporate Governance Report	

Statement of Corporate Governance
The Board of Directors is responsible for the management of the Group on behalf of its shareholders. The objective of the Group is to create long term value for shareholders, and the Board is responsible for delivering that objective through its governance of the Company and its subsidiaries. The Directors have overall responsibility for the corporate governance of the Group and recognise the importance of the highest standards of behaviour and accountability.

Several aspects of the business in its current guise offer particular challenges to the Board in respect of its approach to corporate governance, in particular:

- Complexity of operation in relation to size
  The Group's current activities include managing licence assets, entering JV and royalty arrangements, transferring licences and companies and managing a group structure across 10 jurisdictions, all with a team of about 30 employees and consultants.

- Expansion of operations
  During 2018, Altus increased its areas of project operation from four to six countries, adding Mali and Côte d'Ivoire, as well as activities in Canada associated with its TSX-V dual listing.
- Areas of operation
  The focus of Altus' exploration and the location of all of its intangible assets is Africa. Of the six countries in which it currently has project operations, only one (Morocco) appears inside the top 100-ranked countries in the World Bank's international index of ease of doing business (May 2018).
- Becoming a listed company
  In quick succession the Company has listed in London and, 10 months later, in Toronto. This opportunity has brought with it responsibilities to shareholders predominantly in Europe and North America, and obligations for compliance with two regulatory regimes.

The Board is mindful that a strong corporate culture has a fundamental impact on the development of the Company's strategy, and is an essential tool in delivering that strategy, as well as in judging risk, meeting challenges and dealing with external stakeholders.

The Board seeks to foster a culture of openness, respect, frequent communication and shared responsibility. To do this it promotes interaction between the Board and senior management, employees in various locations, shareholders and partners. Members of the Board make themselves accessible and willing to act as a sounding board or a source of guidance, and by example encourage the permeation of this culture throughout the management and wider team, both in the UK and Africa.

The effect of this open culture is to encourage dialogue at all levels, and to provide an environment in which all employees can have the confidence to raise issues and offer solutions without fear of recrimination or censure. With openness comes shared responsibility, as management is not viewed as a closed shop where all decisions are taken. Instead, employees are expected to act on issues, in discussion with relevant parties, rather than leave their resolution to someone else.

In the development and implementation of strategy this enables free and frank discussion of options and their relative merits. It encourages all employees to highlight risks, and facilitates timely discussion of issues and challenges, as well as swift and well-considered responses and actions. The values that bind the team together extend to its dealings with external stakeholders, encouraging engagement with shareholders, project partners and local communities in areas of exploration, and displaying a respect and sense of responsibility that fosters mutual co-operation.

Board Composition

The Group's Board of Directors comprises a Non-executive Chairman, a Chief Executive Officer, one Executive Director and two further Non-executive Directors. The Group's business is directed by the Board and is managed on a day-to-day basis by the Chief Executive Officer and Executive Director, who are based at the Company's registered offices in Didcot, United Kingdom. The Group's Chief Financial Officer, who is not a director or an employee of the Company, is based in Vancouver, Canada. The Chairman and both Non-executive Directors are classified as independent by the Toronto Stock Exchange.

The articles of association provide that each director retires and stands for re-election at the AGM every three years. All new directors appointed since the previous AGM are required to stand for election. In

2018 all directors served for the whole of the year except for Non-executive Director Michael Winn, who was appointed on 30 January 2018.

The Board members combine a broad range of skills and expertise in the fields of geology and mineralisation, strategy, finance and corporate governance.

	David Netherway	Steven Poulton	Matthew Grainger	Robert Milroy	Michael Winn
Position	Non-executive Chairman	Chief Executive	Executive	Non-executive	Non-executive
Appointment date	21-May-17	28-Apr-17	28-Apr-17	21-May-17	30-Jan-18
Status	Independent	Not independent	Not independent	Independent	Independent
Audit Committee	Member	-	-	Chair	Member
Remuneration Committee	Member	-	-	Chair	Member

David Netherway
Non-Executive Chairman
David is a mining engineer with over 40 years of experience in the mining industry. David was involved in the construction and development of the New Liberty, Iduapriem, Siguiri, Samira Hill and Kiniero gold mines in West Africa and has mining experience in Africa, Australia, China, Canada, India and the Former Soviet Union. David served as the CEO of Shield Mining until its takeover by Gryphon Minerals, prior to that he was the CEO of Toronto listed Afcan Mining Corporation, a China focused gold mining company that was sold to Eldorado Gold in 2005. He was also the Chairman of Afferro Mining which was acquired by IMIC in 2013. David has held senior management positions in a number of mining companies including Golden Shamrock Mines, Ashanti Goldfields and Semafo Inc. He is a former director of Altus Resource Capital and Altus Global Gold. Mr. Netherway is currently the non-executive Chairman of Kilo Goldmines [TSX: KGL] and of Canyon Resources [ASX: CAY] which is Altus' partner in the Birsok and Mandoum Project and he is a non-executive director of Avesoro Resources (formerly Aureus Mining) [TSX/AIM: ASO] and of Kore Potash plc [ASX, AIM & JSE: KP2].

Steven Poulton
Chief Executive Officer
Steven is the Chief Executive and co-founder of Altus Strategies and a director of its exploration subsidiaries. He holds an Honours degree in Geology from Southampton University and a Master's degree in Mining Geology from the Camborne School of Mines. He started his career with Mano River in 1998, joining the board in 2007. In 2002 he co-founded and was Chief Executive of Ariana Resources, a gold producer in Turkey which listed on AIM in 2005 [AIM: AAU]. In 2004 he founded and was interim Chairman of African Aura Resources which listed on the TSX-V in 2008 and which through its merger with Mano River in 2009 created African Aura Mining. In 2011 African Aura Mining was divested into Afferro Mining, which was acquired by IMIC in 2013 for approximately US$200m, and west African gold producer Avesoro Resources (formerly Aureus Mining) [TSX/AIM: ASO]. In 2007 he was a founding non-executive director of west Africa focused diamond development company Stellar Diamonds. Stellar listed on AIM by way of a reverse takeover of West African Diamonds in 2010 and was acquired by Newfield Resources [ASX:NWF] in 2018. In 2008 Altus co-founded and Steven was joint Investment Manager to Altus Resource Capital, a five year closed-ended and long-only investment fund, focused on junior resource equities. Altus Resource Capital listed on the LSE in 2009 and by 2011 had

approximately US$150m of assets under management. He is a director of Aegis Asset Management and a co-founder of industry networking groups 'The Oxford Mining Club' and 'Resource IQ'. He is a Fellow of the Geological Society of London, a Fellow of the Institute of Materials, Minerals and Mining and a member of the Association of Mining Analysts.

Matthew Grainger
Executive Director
Matthew is an Executive Director and co-founder of Altus Strategies and a director of its exploration subsidiaries. He holds an Honours degree in Earth Science from Anglia Ruskin University and a Master's degree in Mining Geology from the Camborne School of Mines. Matthew joined Cambridge Mineral Resources in 1999 and in 2002 he co-founded Ariana Resources which listed on AIM in 2005 [AIM: AAU]. In 2006 he joined African Aura Resources as Chief Operating Officer which listed on the TSX-V in 2008 and, through its merger with Mano River in 2009, created African Aura Mining, which in 2011 was divested into Afferro Mining which was acquired by IMIC in 2013 and gold producer Avesoro Resources (formerly Aureus Mining) [TSE/AIM: ASO]. Matthew is a director of Aegis Holdings and a co-founder of industry networking groups The Oxford Mining Club and Resource IQ.

Robert Milroy
Non-Executive Director
Robert is Chairman of Milroy Capital Ltd a family investment company that manages various private equity investments in natural resources, engineering, renewable energy and commercial real estate. He has over 40 years of operational experience either as an owner or senior manager in the investment, mining and petroleum industries. He was a founding and Managing Director of the Corazon Capital Group; a Guernsey regulated investment management and stockbroking company for 14 years until its takeover by Canaccord Genuity in 2010. In addition, he was the Managing Director of Eagle Drilling, a drilling firm that specialised in hard rock core drilling in Central and Western Africa. Currently he is a Non-Executive Director of the Energy Venture Funds III, IV, V and Chairman of the Zeropex Group Ltd a water engineering firm. Previously he was a Non-Executive Director of Altus Resource Capital, Altus Global Gold and Genuity Energy a UK onshore oil and gas exploration firm. Robert is also a noted speaker and financial author, having written the Standard & Poor's Guides to Offshore Investment Funds. Robert graduated with a Bachelor of Commerce (Honours) from the University of Manitoba in 1971. He is a Member of the Association of Mining Analysts, Chartered Institute for Securities & Investment, Petroleum Exploration Society of Great Britain and Institute of Directors.

Michael D. Winn
Non-Executive Director
Michael was the Chairman and CEO at Legend Gold Corp. a TSX-V listed company which was acquired by Altus in January 2018. Michael is President of Seabord Capital Corp. which provides investment analysis and financial services to companies operating in the energy and mining sectors. Michael is also President of Seabord Services Corp., a Canadian company providing management and regulatory services to private & public mining companies. He worked as an analyst for Global Resource Investments Ltd. from 1993 to 1997 where he specialized in the evaluation of emerging oil and gas and mining companies, and has worked in the oil and gas industry since 1983 and the mining industry since 1992. Michael is currently a director and officer of several TSX-V and NYSE listed companies operating in Canada, Latin America, Europe and Africa. He holds a B.S. in Geology from the University of Southern California.

David Miles
Chief Financial Officer
Mr Miles is a Chartered Professional Accountant with a BSc in Geology who has over 20 years' experience in a large multinational corporate environment, primarily with Cominco Ltd. While with Cominco, he held various positions in corporate finance including Exploration Controller, responsible for the financial reporting of the corporation's eight international exploration subsidiaries as well as reporting for Canadian based exploration. From 2002 to 2004, David was the corporate controller for Quest Capital Corp. (formerly Viceroy Resource Corporation). David is currently the CFO of TSX-V listed Lara Exploration Ltd. and was formerly the CFO of Legend Gold Corp. a TSX-V listed company which was acquired by Altus in January 2018. David was also formerly the CFO at the following TSX-V listed companies: Reservoir Minerals Inc. Revelo Resources Corp., Colombian Mines Corporation, Esperanza Resources Corp., Nevgold Resource Corp., Inca Pacific Resources Corp, Eurasian Minerals Inc., Sanu Resources Ltd., Prospector Consolidated Resources Inc., Standard Uranium Inc. and Alexco Resource Corp.

Segregation of duties

The responsibilities of the Chairman include providing leadership to the Board, the efficient organisation and conduct of the Board's function, setting the Board's agenda, briefing all directors in relation to issues arising at Board meetings and ensuring that adequate time is available for discussion of all agenda items. The Chairman is also responsible for effective shareholder communication, arranging Board performance evaluation, promoting a culture of openness and debate by facilitating the effective contribution to the Board of non-executive directors in particular, and for ensuring constructive and respectful relations between the executive and non-executive directors and between the Board and senior management.

The executive directors co-ordinate the day-to-day running of the Group, and are responsible for making recommendations to the Board regarding short and medium-term budgets, and targets, strategies and objectives for the Group.

The Company makes available independent professional and legal advice to all directors, to ensure they are able to discharge their duties. In addition, all Board members have access to the services of the Company Secretary, who is responsible for ensuring compliance with all Board procedures.

Function of the Board and its Committees

The Board is responsible for approving the Group strategy and policies, for safeguarding the assets of the Group, and is the ultimate decision-making body of the Group in all matters except those that are reserved for specific shareholder approval.

The Board generally meets on a quarterly basis with additional meetings as and when required. Through these meetings it provides control, guidance and oversight in reference to those matters reserved for its decision. This includes:

- approval of the budget and business plan
- major capital expenditure
- acquisitions and disposals
- risk management policies
- approval of the financial statements

The Board delegates certain aspects of its responsibilities to the Board committees which have terms of reference as listed below.

Audit Committee

The Audit Committee comprises Robert Milroy, David Netherway and Michael Winn and is chaired by Robert Milroy. It meets at least twice a year. The committee has responsibility for ensuring the integrity of the financial statements, and that the financial performance of the Company is properly measured and reported by overseeing the production of annual and interim accounts and results announcements, and confirming any changes to accounting policies.

The Audit Committee has unrestricted access to the Company's external auditor in London, PKF Littlejohn LLP. It reviews reports from the auditor, including recommendations regarding accounting and other internal controls. It advises the Board with regard to the appointment of the auditor and monitors the extent of non-audit services undertaken.

The committee monitors the effectiveness of internal controls and risk management systems on behalf of the Board (see "Risk Management" section later in this report).

Remuneration Committee

The Remuneration Committee comprises Robert Milroy, David Netherway and Michael Winn and is chaired by Robert Milroy. It meets at least once a year. The committee has responsibility for determining the Group's remuneration policies, and, within these terms, for making recommendations to the Board on the individual remuneration packages of the Company's Chief Executive, Chairman and the Executive and Non-executive Directors. This includes salary, bonus and incentive payments, and awards of shares and share options. Decisions regarding remuneration of the Group's employees are delegated to the Group's management, subject to approval of the annual budget and interim forecasts by the Board. The committee may consult with the Chief Executive as appropriate. No Director may be involved in any discussions relating to his remuneration.

Nomination Committee

Given the size of the Board and the long-term stability of the management team, the Board has not yet established a separate Nomination Committee. The Board is collectively responsible for reviewing the structure, size and composition (including skills, knowledge and experience) of itself and its committees, and for considering appointments of additional and replacement directors.

Meeting attendance

Attendance at the meetings of the Board and committee meetings during the year is set out below. The denominator is the number of meetings the director was eligible to attend. Michael Winn was appointed to the Board on 30 January 2018.

	Board	Audit Committee	Remuneration Committee
David Netherway	11/11	4/5	1/1
Steven Poulton	11/11	n/a	n/a
Matthew Grainger	10/11	n/a	n/a
Robert Milroy	10/11	5/5	1/1
Michael Winn	7/8	4/5	1/1

Responsibilities of the Board

Internal controls

The Board acknowledges its responsibility for the Group's system of internal controls and procedures for the purpose of protecting shareholders' interests and safeguarding of the Group's assets. This covers operations, financial and risk management and regulatory compliance. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives; any system can provide only reasonable, and not absolute, assurance against material misstatement or loss. In adopting its controls and procedures, the Board takes into consideration their appropriateness to the Group, given its size, complexity, stage of development, regulatory environment (AIM and TSX-V) and areas of operation.

In at least one of the meetings of the Audit Committee each year the Group's internal controls and procedures are reviewed for effectiveness, and amended, updated and expanded as deemed necessary. The Board ensures that its controls are applied as consistently as possible across its subsidiary companies in the UK and overseas.

By far the most significant assets of the Group are its exploration licences. The Board reviews the standing of the licences each quarter with respect to the fulfilment of local requirements to submit renewals, reports and other documentation, to pay fees and taxes, and to undertake certain levels of exploration.

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management of forecasts, project milestones, budgets and timelines. In identifying potential risks, the Board looks at:

- Inherent risk of mining prospects
- Macroeconomic environment, particularly with regard to the gold price
- Financing environment
- Operational environment

The Board has concluded that given the size and level of development of the Group it is currently not appropriate to establish an internal audit function, although it will keep this option under review.

Anti-bribery and anti-corruption

The Company has implemented an anti-bribery and anti-corruption policy and also implemented appropriate procedures to ensure that the Board, employees and consultants of the Group comply with the UK Bribery Act 2010.

Financial information

The Group's management has adopted internal controls to provide reasonable assurance regarding the reliability of financial information, both for internal financial control, and for the preparation of published financial statements. These controls are set out in a framework document entitled 'Financial Position and Prospects Procedures'. The controls are reviewed regularly throughout the year. Management accounts are produced on a monthly basis, results are reviewed against an annual budget and periodic reforecasts, and significant variances are reported.

The financial statements for 2018 have been reviewed by the Audit Committee in consultation with the Group's auditor, PKF Littlejohn LLP. Particular attention was paid to the Group's cash position, presentation of the accounts on a going concern basis and access to future funding, and to support for the value of the Group's intangible assets as represented by its capitalised licence costs.

The Audit Committee regularly reviews the provision of non-audit services from its auditors. It is satisfied that the provision of non-audit services by PKF Littlejohn LLP is compatible with the general standard of independence for auditors and does not give rise to any conflict of interest.

Share dealing code

The Company has adopted a share dealing code for the Directors and applicable employees to ensure compliance with the AIM rules relating to dealings in the Company's securities and with the Market Abuse Regulations as applied to AIM-listed companies.

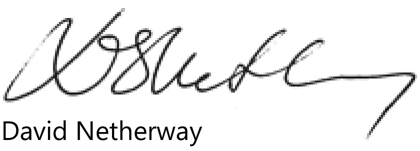
Relations with shareholders

The Board is accountable to the Company's shareholders and as such it is important for the Board to appreciate the aspirations of shareholders and equally that the shareholders understand how the actions of the Board and short-term financial performance relate to the achievement of the Group's longer-term goals.

The Board is committed to effective communication with the shareholders of the Company. Formal communication is provided through the publication of the Annual Report and quarterly operational updates and financial results. In addition, news releases are issued throughout the year and the Company maintains a website (www.altus-strategies.com) on which press releases, corporate presentations and financial information are available to view. Shareholders and other interested parties can subscribe to receive notification of news updates and other documents from the Company via email. Enquiries from individual shareholders on matters relating to the business of the Company are welcomed. Executive Directors meet and hold calls with major shareholders to discuss the progress of the Company and provide periodic feedback to the Board following meetings with shareholders. This includes travelling to Canada and the US to meet North American-based shareholders.

The Board welcomes the attendance of shareholders at the Annual General Meeting and the Executive Directors are happy to answer shareholders' questions.

By order of the Board



David Netherway
Chairman
29 April 2019

Directors' Report

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

Company

Altus Strategies plc is the parent company of group. It is a public limited company listed on London's AIM and Toronto's TSX-V and incorporated and registered in the United Kingdom. The registered office address is The Orchard Centre, 14 Station Road, Didcot, Oxfordshire, OX11 7LL, United Kingdom.

Principal activity

The principal activity of the Group and Company is that of a project and royalty generator in the field of mineral exploration. An overview of the business model is included on pages 6-8, and a detailed review of the Group's activities, together with expected future developments and objectives of the Group, is provided within the Strategic Report on pages 13-25.

Results and dividends

The results for the year are set out in the Group Statement of Comprehensive income.
No ordinary dividends were paid during the year (2017: £Nil). The directors do not recommend payment of a final dividend.

Directors

The directors who, unless otherwise indicated, held office during the year and up to the date of signature of the financial statements were as follows.
David Netherway (Non-executive Chairman)
Steven Poulton (Chief Executive Officer)
Matthew Grainger (Executive Director)
Robert Milroy (Non-executive Director)
Michael Winn (Non-executive Director - appointed 30 January 2018)

Share Capital

Details of the share capital and movements in share capital during the year are disclosed in note 27 to the financial statements. During the year no share options were issued to directors.

Substantial shareholdings

The Directors are aware of the following substantial interests or holdings in 3% or more of the Company's ordinary called up share capital as at 26 April 2019.

Major shareholders (* indicates Director of the Company)	Number of shares	% of issued capital
Steven Poulton*	25,150,000	14.14%
Michael Winn*	18,719,898	10.52%
Exploration Capital Partners 2012 Limited Partnership	17,458,000	9.81%
David Netherway*	10,750,600	6.04%
Matthew Grainger*	9,147,500	5.14%
Euro Pacific Gold Fund	6,680,000	3.75%
Exploration Capital Partners 2014 Limited Partnership	6,000,000	3.37%
Creditforce Limited	6,000,000	3.37%

Company's listing

The Company's ordinary shares have been trading on AIM in London since 10 August 2017 and on TSX-V in Toronto since 6 June 2018.

Going Concern and availability of finance

The Directors have a reasonable expectation that the Group and Company will be able to access adequate financial resources to continue in operational existence for the foreseeable future and, therefore, they continue to adopt the going concern basis in the preparation of the annual report and financial statements. Further details on the Directors' assumptions are included in the statement on going concern in note 1 of the financial statements.

Website publication

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website (www.altus-strategies.com) and for ensuring the annual report and the financial statements are made available on its website. Financial statements are published on the website in accordance with UK legislation governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The Group is compliant with AIM Rule 26 regarding the Group's website.

Principal Risks and uncertainties

The principal risks and uncertainties of the Group are outlined in the Strategic Report on pages 13-15.

Share dealing

The Company has adopted a share dealing code for the Directors and relevant employees in accordance with the AIM Rules and Market Abuse Regulations and takes proper steps to ensure their compliance. Details of this code are set out in the Corporate Governance Report on pages 26 to 33.

Directors and their interests

The Directors who served during the year, together with their directly beneficial interests in the shares of the Company are as follows.

	31 December 2018		31 December 2017	
David Netherway[1]	10,750,600	6.04%	10,750,600	9.98%
Steven Poulton[2]	25,150,000	14.14%	24,354,569	22.62%
Matthew Grainger[3]	9,147,500	5.14%	8,747,500	8.12%
Robert Milroy[4]	575,000	0.32%	250,000	0.23%
Michael Winn	17,969,898	10.52%	-	-

1. Includes 1,333,400 Ordinary Shares held by Diane Rissik
2. Includes 1,600,000 Ordinary Shares held by Susannah Poulton
3. Includes 720,000 Ordinary Shares held by Anna Grainger
4. Held through Milroy Capital Limited a company controlled by Robert Milroy

Future developments

The Group will continue to execute its project and royalty generator business model during 2019. Its activities are expected to include:

- undertaking costed mineral exploration programmes across the Group's portfolio of projects;
- entering and furthering discussions and agreements with third parties for new joint ventures and royalty deals on the Group's projects; and
- considering potential project, royalty and company acquisition opportunities.

Suppliers & Contractors

The Group has a prompt payment policy and seeks to ensure that all liabilities are settled within the supplier's terms. Through fair dealings the Group aims to cultivate the goodwill of its contractors, consultants and suppliers.

Key performance indicators (KPIs)

Information on the Group's KPIs is included in the Strategic Report on page 13.

Financial risk management

In common with all other businesses, the Group is exposed to a variety of financial risks that arise from its area of operations. These include the effect of changes in foreign currency exchange rates, funding risk, credit risk and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments to manage foreign currency risk and, as such, no hedge accounting is applied.

Financial risks are detailed in the Principal risks and uncertainties section of the Strategic Report on pages 13-15 and in note 24 of the financial statements.

Events after the reporting date

The events after the reporting date are set out in note 31 to the Financial Statements.

Directors' and Officers' Indemnity Insurance

The Group maintains Directors and Officers insurance, and its provision for qualifying third-party indemnity for the benefit of its Directors and Officers was in place throughout the year and remained in place at the reporting date.

Annual General Meeting

The Annual General Meeting of the Company will be held at the Company's offices of the Company on Thursday 27 June 2019.

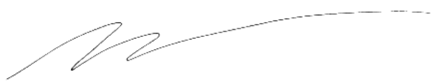
Auditor

PKF Littlejohn LLP has indicated its willingness to continue in office as the Group's auditor. A resolution proposing that they be re-appointed will be put forward at the Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the Directors individually have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board,



Steven Poulton
Chief Executive Officer
29 April 2019

Directors' Remuneration Report

Remuneration Committee

The Remuneration Committee comprises Robert Milroy, David Netherway and Michael Winn and is chaired by Robert Milroy. It meets at least once a year. Further details are included in the Corporate Governance Report on pages 30-31. Due to the parent company's listing on AIM it is not required to comply with the following regulations, and has therefore excluded certain disclosures required by these regulations.

- Report Regulations 2013
- UKLA Listing Rules
- the disclosure provisions under schedule 8 to SI 2008/410 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

Remuneration policy for Executive and Non-executive Directors

The remuneration policy for executive directors is designed to provide a competitive package, to reward good performance and to align the directors' interests with those of shareholders. The package includes basic salary (which may be partly deferred and paid in shares), bonus and company pension contributions in line with Group policy, as well as share options, although during 2018 no share options were held by or granted to any director. Remuneration packages are reviewed annually. Bonuses for executive directors in 2018 were set at 75% of basic salary and linked to a number of KPI targets. As these KPIs were not met in the year, no bonuses were paid in respect of the reporting period.

Non-executive Directors receive only basic fees and do not receive bonuses or company pension contributions. They are included in the policy on share options although during 2018 no options were held, granted or exercised.

Contracted and deferred remuneration

In each year directors may choose to defer some of their remuneration, whether this is salary or company pension contributions, until such time as the Company has either the headroom to be able to allot further shares to its directors, or has the liquid resources available to be able to settle the deferred amounts in cash. Deferred remuneration is recorded in the accounts by way of an accrual. At the end of 2017 an insufficient accrual had been recorded in respect of all the remuneration which had been deferred up to that point. A correction was made to the accounts during 2018, which means that the charge for the year appears higher than the salary or fees due for the year, and higher than the cash amount that has actually been received by the directors.

The cost of directors' remuneration recorded in the accounts in 2018 was £413,803, comprising £401,483 for salaries and fees and £11,670 for pension contributions.

Of this figure, £323,083 was in respect of the financial year 2018, made up of £300,833 for salaries and fees and £22,250 for pensions. The remainder was a correction in respect of prior years.

Of the remuneration payable for 2018, £185,825 was paid in cash (£183,500 salaries and £2,325 pension), and no remuneration was settled in equity. £137,258 was deferred and remained outstanding at the reporting date. The total value of deferred remuneration for 2018 and prior years at the end of the year was £268,070.

The table below is a reconciliation of remuneration payable for 2018, accrual adjustments for prior years and the charge in the accounts in the year as recorded in note 11 to the financial statements.

	David Netherway £	Steven Poulton £	Matthew Grainger £	Robert Milroy £	Michael Winn £	Total £
Salary / Fees						
Contracted salary/fees 2018	35,000	122,500	100,000	25,000	18,333	300,833
Deferred salary under accrued in 2017	2,083	59,179	13,667	13,541	-	88,470
Prepayment of 2017 salary released in 2018	12,500	-	-	-	-	12,500
Charge in the year	49,583	181,679	113,667	38,541	18,333	401,803
Pensions						
Contracted pensions 2018	-	12,250	10,000	-	-	22,250
Release in 2018 of over accrued 2017 pension	-	(8,255)	(2,325)	-	-	(10,580)
Charge in the year	-	3,995	7,675	-	-	11,670

Remuneration payable for the three years 2016 – 2018

Remuneration payable to the directors of Altus per the for the last three years, comprising salary or fees, bonus and pension contributions is in the table below.

Payable:		David Netherway £	Steven Poulton £	Matthew Grainger £	Robert Milroy £	Michael Winn £	Total £
Salary/fees	2018	35,000	122,500	100,000	25,000	18,333	300,833
	2017	29,166	86,250	86,250	20,833	-	222,499
	2016	25,000	90,000	90,000	-	-	205,000
Bonus	2018	-	-	-	-	-	-
	2017	-	74,503	150,502	-	-	225,005
	2016	18,285	-	-	-	-	-
Pension	2018	-	12,250	10,000	-	-	22,250
	2017	-	8,625	8,625	-	-	17,250
	2016	-	9,000	9,000	-	-	18,000
Total	2018	35,000	134,750	110,000	25,000	18,333	323,083
	2017	29,166	169,378	245,377	20,833	-	464,754
	2016	43,285	99,000	99,000	-	-	241,285

Remuneration paid during the three years 2016 – 2018

Remuneration actually paid to directors (prior to the applicable deductions of tax or national insurance), either in cash or equity, for the last three years was as follows.

		David Netherway Chairman		Steven Poulton CEO		Matthew Grainger Executive		Robert Milroy Non-executive		Michael Winn Non-executive		Total		
		Cash	Equity	Cash	Equity	Cash	Equity	Cash	Equity	Cash	Equity	Cash	Equity	Total
Received:		£	£	£	£	£	£	£	£	£	£	£	£	£
Salary/fees	2018	-	-	97,500	-	86,000	-	-	-	-	-	183,500	-	183,500
	2017	-	75,000	37,500	72,500	68,083	33,750	-	-	-	-	105,583	181,250	286,833
	2016	-	-	57,750	-	80,400	-	-	-	-	-	138,150	-	138,150
Bonus	2018	-	-	-	-	-	-	-	-	-	-	-	-	-
	2017	-	-	31,378	-	128,940	-	-	-	-	-	160,318	-	160,318
	2016	-	18,285	-	-	-	-	-	-	-	-	-	18,285	18,285
Pension	2018	-	-	-	-	-	-	-	-	-	-	-	-	-
	2017	-	-	-	-	40,200	-	-	-	-	-	40,200	-	40,200
	2016	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2018	-	-	97,500	-	86,000	-	-	-	-	-	183,500	-	183,500
	2017	-	75,000	68,878	72,500	237,223	33,750	-	-	-	-	306,101	181,250	487,351
	2016	-	18,285	57,750		80,400	-	-	-	-	-	138,150	18,285	156,435

Equity received in respect of salary/fees in 2017 by David Netherway: £75,000 comprising 600,000 shares at a price of 12.5p
Equity received in respect of salary/fees in 2017 by Steven Poulton: £72,500 comprising 580,000 shares at a price of 12.5p
Equity received in respect of salary/fees in 2017 by Matthew Grainger: £33,750 comprising 270,000 shares at a price of 12.5p
Equity received in respect of bonus in 2016 by David Netherway: £18,285 comprising 1,150 shares at a price of £15.90

Deferred remuneration for the three years 2016 – 2018

Remuneration that directors elect to defer in respect of the three years 2016-2018, and which formed the balance of deferred remuneration at the end of the year is as follows.

		David Netherway	Steven Poulton	Matthew Grainger	Robert Milroy	Michael Winn	Total
Deferred:		£	£	£	£	£	£
Salary/fees	2018	35,000	25,000	14,000	25,000	18,333	117,333
	2017	4,166	28,750	13,667	20,833	-	67,416
Bonus	2017	-	43,125	21,562	-	-	64,687
Pension	2018	-	12,250	7,675	-	-	19,925
	2017	-	8,625	-	-	-	8,625
	2016	-	9,000	-	-	-	9,000
	Prior	-	20,250	-	-	-	20,250
Total	2018	35,000	37,250	21,675	25,000	18,333	137,258
	2017	4,166	80,500	35,229	20,833	-	140,728
	2016	-	9,000	-	-	-	9,000
	Prior	-	20,250	-	-	-	20,250
	Total	39,166	147,000	56,904	45,833	18,333	268,070

Purchase of Company shares by directors

In addition to deferring remuneration, the directors of the Company have used their own income to purchase shares in the Company; these purchases in 2017-2018 were as follows.

	David Netherway Chairman	Steven Poulton CEO	Matthew Grainger Executive	Robert Milroy Non-exec.	Michael Winn Non-exec.	Total
2018						
Value £	-	25,613	15,055	11,798	-	52,465
Shares	-	795,431	400,000	325,000	-	1,520,431
Average price p	-	3.22	3.76	3.63	-	3.45
2017						
Value £	41,479	163,084	101,518	31,250	-	337,331
Shares	1,114,000	2,056,800	3,017,800	250,000	-	6,438,600
Average price p	3.72	7.93	3.36	12.50	-	5.24
Total						
Value £	41,479	188,697	116,573	43,048	-	389,796
Shares	1,114,000	2,852,231	3,417,800	575,000	-	7,959,031
Average price p	3.72	6.62	3.41	7.49	-	4.90

Service period

Both executive directors have service contracts with the Group with notice periods of three months. No director has a service agreement with a notice period in excess of three months.

<u>Share options</u>

Prior to listing on AIM, Altus Strategies Ltd (now a wholly-owned subsidiary, Altus Exploration Management Limited) had previously issued Enterprise Management Incentive ("EMI") and non-EMI share options to directors, employees and external associates. All of the issued and outstanding share options were either exercised or cancelled prior to the AIM listing. At 1 January 2018 there were no options outstanding, either EMI or non-EMI. During 2018 the Company had no share option scheme in place; no options were in existence during the year or outstanding at the reporting date.

By order of the Board

Robert Milroy
Chairman of the Remuneration Committee
29 April 2019

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and in accordance with the rules of the Toronto Stock Exchange.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group and Parent Company financial statements, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

On behalf of the board

Steven Poulton
Chief Executive Officer
29 April 2019

Independent Auditor's Report

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 2018 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statement of Financial Position, the Group and Parent Company Statement of Changes in Equity, the Group and Parent Company 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 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 2018 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.

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 £180,000, based on thresholds for net assets and the loss before tax. The performance materiality was £126,000.

An overview of the scope of the audit
As part of 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 Group materiality or risk to the Group.

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.

We have determined the following key audit matters and set out our findings:

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 2018 is £4,071,870 which comprises costs associated with exploration licenses and projects in Africa. The carrying value of investments in subsidiaries, together with intra-group receivables was £7,287,035 as at 31 December 2018. These carrying values are tested annually for impairment. There is a risk that the carrying values are impaired given their direct dependence on early stage 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. 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 Group and Parent Company's 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 requirements.

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 Directors' Responsibilities Statement, 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 and Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 report, or for the opinions we have formed.

David Thompson

David Thompson (Senior Statutory Auditor)
for and on behalf of PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

29 April 2019

Independent Auditor's Report in respect of Canadian National Instrument 52-107

Opinion

We have audited the financial statements of Altus Strategies plc and its subsidiaries (the "group") for the year ended 31 December 2018 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 ("IAASB").

In our opinion:

- the group financial statements present fairly, in all material respects, the financial position of the group as at 31 December 2018 and 31 December 2017 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 IAASB.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) as issued by IAASB 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs 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 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.

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.

We have determined the following key audit matters and set out our findings:

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 2018 is £4,071,870 which comprises costs associated with exploration licenses and projects in Africa. The carrying value of investments in subsidiaries, together with intra-group receivables was £7,287,035 as at 31 December 2018. These carrying values are tested annually for impairment. There is a risk that the carrying values are impaired given their direct dependence on early stage 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. 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 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 management
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance 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 and the parent company 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.

David Thompson (Engagement Partner)
for and on behalf of PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

29 April 2019

ALTUS STRATEGIES PLC
GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018
Company Registration No. 10746796

Continuing operations	Notes	2018 £	2017 £
Management fees and costs recovered from joint venture partners	4	89,678	401,228
Exploration costs expensed	6	(630,902)	(556,447)
Administrative expenses	7	(1,221,110)	(1,497,498)
IPO and acquisition related costs		(19,284)	(371,753)
Loss from operations		(1,781,618)	(2,024,470)
Investment income	12	62	61
Other operating income		1,977	33,588
Fair value gain on investments	13	282,227	129,142
Loss before taxation		(1,497,352)	(1,861,679)
Income tax	14	-	(1,126)
Loss for the year		(1,497,352)	(1,862,805)
Exchange differences on retranslation of net assets of subsidiaries		(76,992)	-
Total comprehensive loss for the year		(1,574,344)	(1,862,805)
Loss for the year attributable to:			
- Owners of the parent company		(1,494,863)	(1,860,145)
- Non-controlling interest		(2,489)	(2,660)
		(1,497,352)	(1,862,805)
Total comprehensive income for the year attributable to:			
- Owners of the parent company		(1,571,855)	(1,860,145)
- Non-controlling interest		(2,489)	(2,660)
		(1,574,344)	(1,862,805)
Earnings per share (pence) attributable to the owners of the parent			
Basic earnings per share	15	(0.90)	(1.84)

The notes on pages 58-83 form part of these financial statements.

ALTUS STRATEGIES PLC
GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018
Company Registration No. 10746796

	Notes	2018 £	2017 £
Non-current assets			
Intangible assets	**16**	4,071,870	151,875
Property, plant and equipment	**17**	7,932	2,386
Investments	**18**	883,763	601,536
		4,963,565	755,797
Current assets			
Trade and other receivables	**20**	79,292	110,669
Cash and cash equivalents		724,785	523,344
		804,077	634,013
Total assets		5,767,642	1,389,810
Current liabilities			
Trade and other payables	**21**	(486,934)	(298,055)
Provisions	**22**	(15,000)	(15,000)
Total liabilities		(501,934)	(313,055)
Net current assets		**302,143**	**320,958**
Net assets		**5,265,708**	**1,076,755**
Equity			
Share capital	**27**	1,777,827	1,076,808
Share premium	**27**	6,018,822	999,000
Translation reserve		(76,992)	-
Other reserves		5,770,070	5,727,614
Retained earnings		(8,151,527)	(6,656,664)
Total equity attributable to owners of the parent		5,338,200	1,146,758
Non-controlling interest		(72,492)	(70,003)
Total equity		**5,265,708**	**1,076,755**

The notes on pages 58-83 form part of these financial statements.

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

Steven Poulton
Chief Executive Officer

ALTUS STRATEGIES PLC
COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018
Company Registration No. 10746796

	Notes	2018 £	2017 £
Non-current assets			
Investments	**18**	4,608,930	965,808
Current assets			
Trade and other receivables	**20**	2,705,706	527,913
Cash and cash equivalents		37,544	291,087
		2,743,250	819,000
Total assets		7,352,180	1,784,808
Current liabilities			
Trade and other payables	**21**	(117,033)	(91,662)
Total liabilities		(117,033)	(91,662)
Net current assets		**2,626,217**	**727,338**
Net assets		7,235,147	1,693,146
Equity			
Called up share capital	**27**	1,777,827	1,076,808
Share premium	**27**	6,018,822	999,000
Other reserves		42,456	-
Retained earnings		(603,958)	(382,662)
Total equity		7,235,147	1,693,146

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 £221,296 (2017: £382,662).

The notes on pages 58-83 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 29 April 2019 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 2018

	Notes	Share capital £	Share premium account £	Translation reserve	Other reserves £	Retained earnings £	Total equity £	Non-controlling interest £	Total £
Balance at 1 January 2017		104,526	5,770,590	-	(92,323)	(4,807,839)	974,954	(67,343)	907,611
Year ended 31 December 2017									
Loss and total comprehensive income for the year		-	-	-	-	(1,860,145)	(1,860,145)	(2,660)	(1,862,805)
Issue of share capital	**27**	127,200	1,901,106	-	-	-	2,028,306	-	2,028,306
Issue of warrants		-	-	-	3,643	-	3,643	-	3,643
Capital reorganisation		845,082	(6,672,696)	-	5,827,614	-	-	-	-
Share options exercised		-	-	-	(11,320)	11,320	-	-	-
Total transactions with owners, recognised directly in equity		972,282	(4,771,590)	-	5,819,937	11,320	2,031,949	-	2,031,949
Balance at 31 December 2017		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 year		-	-	(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

The notes on pages 58-83 form part of these financial statements.

ALTUS STRATEGIES PLC
COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Share premium account £	Other reserves £	Retained earnings £	Total £
Year ended 31 December 2017						
Loss and total comprehensive income for the year		-	-	-	(382,662)	(382,662)
Issue of share capital	**27**	1,076,808	999,000	-	-	2,075,808
Total transactions with owners, recognised directly in equity		1,076,808	999,000	-	-	2,075,808
Balance at 31 December 2017		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

The notes on pages 58-83 form part of these financial statements.

ALTUS STRATEGIES PLC
GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	**2017**
	£	**£**
Cash flows from operating activities		
Loss from operations	(1,781,618)	(2,024,470)
Other operating income	1,977	33,588
Less: movement in depreciation	7,331	1,413
Less: impairment of intangible assets	20,529	-
Foreign exchange on foreign operations	(77,082)	
Equity-settled share based payments	-	351,981
Decrease in trade and other receivables	34,712	143,809
Increase/(decrease) in trade and other payables	7,453	(29,826)
Net cash outflow used in operating activities	(1,786,698)	(1,523,505)
Investing activities		
Cash acquired on purchase of subsidiary	13,222	-
Purchase of intangible assets	(270,534)	(1,734)
Purchase of property, plant and equipment	(12,876)	(46,235)
Interest received	62	61
Net cash used in investing activities	(270,126)	(47,908)
Financing activities		
Net proceeds from the issue of shares and warrants	2,258,175	1,678,843
Net cash generated from financing activities	2,258,175	1,678,843
Net increase in cash and cash equivalents	201,351	107,430
Cash and cash equivalents at beginning of the year	523,344	415,914
Exchange movements on cash and cash equivalents	90	-
Cash and cash equivalents at end of the year	**724,785**	**523,344**

Significant non- cash transactions
On 31 January 2018, the Company acquired 100% of the trade and assets of Legend Gold Corp. by way of a Plan of Arrangement through the issue of equity in the Company. See note 8 for further details.

During the year, the Company issued warrants to consultants as consideration for the raising of funds in the year. These have been treated as a share based payment and further detail is included in note 26.

The notes on pages 58-83 form part of these financial statements.

ALTUS STRATEGIES PLC
COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Cash flows from operating activities		
Loss on ordinary activities	(221,296)	(382,662)
Foreign exchange	-	40
(Increase)/decrease in trade and other receivables	283	(17,189)
Increase in trade and other payables	14,676	91,622
(Increase)/decrease in intercompany balances	(2,167,381)	(510,724)
Net cash used in operating activities	(2,373,718)	(818,913)
Investing activities		
Purchase of investments	(138,000)	-
Net cash used in investing activities	(138,000)	-
Financing activities		
Proceeds from the issue of shares	2,258,175	1,110,000
Net cash generated from financing activities	2,258,175	1,110,000
Net (decrease)/ increase in cash and cash equivalents	(253,543)	291,087
Cash and cash equivalents at beginning of the year	291,087	-
Cash and cash equivalents at end of the year	37,544	291,087

Significant non- cash transactions
On 31 January 2018, the Company acquired 100% of the trade and assets of Legend Gold Corp. by way of a Plan of Arrangement through the issue of equity in the Company. See note 8 for further details.

During the year, the Company issued warrants to consultants as consideration for the raising of funds in the year. These have been treated as a share based payment and further detail is included in note 26.

The notes on pages 58-83 form part of these financial statements.

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 19.

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 £221,296 (2017: £382,662).

Basis of consolidation

The consolidated financial statements comprise the financial statements of Altus Strategies plc and its subsidiaries as at 31 December 2018. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

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

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 and 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

1 Accounting policies (continued)

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.

During the year, the Company acquired 100% of the trade and assets of Legend Gold Corporation. Management concluded that the transaction did not meet the criteria of a purchase of an entity and as such was accounted for as an asset acquisition and not a business combination under IFRS 3. See note 8 for further detail.

“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

The Directors have at the time of approving the financial statements, a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. In common with many junior resource investment and exploration companies, the Group and Company raise funds in discrete tranches from existing shareholders and /or new investors. The Directors and management are using funds for the evaluation of resource investment and exploration opportunities. The Company expects that it will have to raise additional funds to provide sufficient working capital through the next financial year by equity placings or the sale of its equity position in Canyon Resources Limited. Thus, they 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 of 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.

1 Accounting policies (continued)

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.

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 2018:

- IFRS 9 Financial Instruments;
- IFRS 15 Revenue from Contracts with Customers;
- Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2; and
- Annual Improvements 2014-2016 Cycle.

IFRS 15 became effective as at 1 January 2018. The revenue in the Group is derived from management charges with group entities and joint-venture partners. There is no material impact on the financial statements as a result of the transition to IFRS 15.

IFRS 9 became effective as at 1 January 2019. The effective of the transition to IFRS 9 is detailed in note 23.

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 for annual periods beginning on or after
• IFRS 16 Leases	1 January 2019
• IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019
• IAS 28 (Amendments) Long-term interests in Associates and Joint Ventures	1 January 2019
• Annual Improvements to IFRS Standards 2015-2017 Cycle	1 January 2019
• Amendments to IFRS 3: Business Combinations	* 1 January 2020
• Amendments to IAS 1 and IAS 8: Definition of material	*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. The Group and Company expect that the adoption of IFRS 16 will have no material impact on the financial statements as the Group and Company have no material lease agreements.

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.

Impairment of deferred exploration costs	Note 16
Share based payments	Note 26
Fair value estimation on acquisition	Note 8

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 2018 was £89,678 (2017: £401,228). All of this income was associated with the Group's activities in Africa.

Group	**UK 2017 £**	**Africa 2017 £**	**Total 2017 £**
Management fees and costs recovered from joint venture partners	-	401,228	401,228
Loss from operations	(1,829,925)	(194,545)	(2,024,470)
Reportable segment assets	1,075,825	313,985	1,389,810
Reportable segment liabilities	(241,062)	(71,993)	(313,055)
	2018 £	**2018 £**	**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)

5 **Operating loss**

Operating loss for the year is stated after	**2018 £**	**2017 £**
Exchange losses/(gains)	(25,726)	(14,318)
Exploration and development costs (note 6)	630,902	556,447
IPO and acquisition related costs	19,284	371,753
Depreciation	7,331	1,413
Share-based payments	12,854	3,643
Operating lease charges	38,222	350,846

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 2018 £	Operational expenses 2018 £	Travel expenses 2018 £	Total 2018 £
Cameroon				
Bikoula	296	7,700	6,075	14,071
Birsok	502	-	-	502
Laboum	25,877	12,427	2,810	41,114
Mandoum	103	61	-	164
Ndjele	37	442	-	479
Cameroon - general	76,779	11,304	1,552	89,635
Ethiopia				
Daro	6,147	43,837	9,412	59,396
Tigray-Afar	1,325	271	50	1,646
Ethiopia - general	54,328	2,345	4,877	61,550
Côte D'Ivoire				
Prikro	2,329	9,850	1,766	13,945
Zenoula	41	1,298	222	1,561
Côte d'Ivoire - general	19,623	4,227	4,676	28,526
Liberia				
Zolowo	17,796	39,337	19,349	76,482
Liberia - general	17,158	1,958	38	19,154
Mali				
Diba (Korali Sud)	176	5,388	-	5,564
Djelimangara	196	125	-	321
Lakanfla	391	2,818	-	3,209
Sebessounkoto Sud	401	1,766	-	2,167
Tabakorole	548	2,586	552	3,686
Mali - general	90,424	6,111	7,138	103,673
Morocco				
Agdz	1,836	2,860	327	5,023
Ammas	-	1,843	82	1,925
Takzim	18	10,810	1,521	12,349
Zaer	-	176	14	190
Morocco - general	60,826	2,369	5,333	68,528
Other	16,017	25	-	16,042
Total	393,174	171,934	65,794	630,902

6 Exploration and development costs (continued)

Location and licence	Administrative expenses 2017 £	Operational expenses 2017 £	Travel expenses 2017 £	Total 2017 £
Cameroon				
Laboum	63,390	47,803	33,151	144,344
Birsok & Mandoum	1,032	189	-	1,221
Bikoula & Ndjele	1,715	3,162	1,692	6,569
Cameroon - general	68,989	(345)	970	69,614
Ethiopia				
Tigray-Afar	24,281	44,508	16,379	85,168
Ethiopia – general	79,788	4,405	7,345	91,538
Liberia				
Bella Yella	9,418	4,575	24	14,017
Zolowo	23,564	-	-	23,564
Liberia – general	153	-	-	153
Morocco				
Agdz	447	7,975	6,615	15,037
Takzim	457	571	38	1,066
Morocco – general	77,262	10,524	3,899	91,685
Other	4,275	4,479	3,717	12,471
Total	354,771	127,846	73,830	556,447

7 Administrative expenses

Administrative expenses include the following balances.

Group	2018 £	2017 £
Employee costs (note 10)	746,022	1,091,773
Consultants and contractors	56,808	-
Costs incurred on behalf of joint venture partners	7,988	195,196
Legal and professional expenses	203,250	140,045
Travel expenses	84,151	29,079
Premises and office expenses	88,826	-
Exchange gains	(25,726)	(14,318)
Depreciation of property, plant and equipment	7,331	1,413
Impairment of licence	20,529	-
Other expenses	31,931	54,310
	1,221,110	1,497,498

8 Plan of Arrangement with Legend Gold Corporation

On 30 January 2018, Altus acquired all of the outstanding shares of LGN Holdings (BVI) Inc. ("Legend"), a 100% subsidiary of Legend Gold Corporation. A summary of the purchase price allocation for the Legend acquisition is as follows.

Purchase Price	
Legend common shares outstanding as at January 30, 2018	13,686,752
Exchange Ratio	3.0
Altus common shares issued to Legend shareholders	41,060,256
Fair value of Altus common share, in GBP on January 30, 2018	£0.085
Fair value of Altus common shares issued, in GBP	£3,490,122
Fair value of outstanding Legend warrants exchanged for Altus warrants	£100,000
Altus transaction costs	£138,000
Preliminary Purchase Price	£3,728,122

Purchase Price Allocation	£
Cash and cash equivalents	13,223
Receivables	3,534
Intangible assets	3,890,657
Property and equipment	2,133
Trade and other payables	(140,249)
Notes payable	(41,176)
Total identifiable net assets	3,728,122

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

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

Weighted average	**Warrants**
Share price on issue	£0.085
Exercise price of warrants	£0.048
Risk free rate	0.60%
Expected life (years)	1.42
Expected volatility	100%
Dividend rate	0.00%

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

8 Acquisition of Legend Gold Corporation (continued)

During the year warrants valued at £85,000 using the fair value model at acquisition were exercised. The value of the investment has been adjusted by this value on exercise. At 31 December 2018 a further £15,000 of warrants remained to be exercised.

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

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

9 Auditor's remuneration

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

	2018	2017
For audit services	**£**	**£**
Audit of the financial statements of the group and company	21,500	20,500

10 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.

	2018	2017
Group	**Number**	**Number**
Directors	5	4
Employees (excluding consultants and associates)	23	20
	27	**24**

10 Employees (continued)

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	2018 £	2017 £
Wages and salaries	660,469	623,038
Bonuses	1,500	300,967
Social security costs	49,877	94,617
Pension costs	25,420	73,151
Other costs	8,756	-
	746,022	1,091,773

11 Directors' remuneration

Details of directors' remuneration are included in the Directors' Remuneration Report on pages 37-41. As noted in the report, the 2018 salaries figure includes additional accruals for fees relating to prior years. Further, each director has elected to defer some or all of their fees/salary, and remuneration has been paid to directors in cash and equity.

Directors' remuneration recorded in the year was as follows.

	Fees/salaries		Bonuses		Pensions		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	£	£	**£**	£	**£**	£	**£**	£
Non-executive directors								
David Netherway	49,583	12,500	-	-	-	-	49,583	12,500
Robert Milroy	38,541	13,542	-	-	-	-	38,541	13,542
Michael Winn	18,333	-	-	-	-	-	18,333	-
Executive directors								
Steven Poulton	181,679	56,500	-	31,379	3,995	4,469	185,674	92,348
Matthew Grainger	113,667	72,583	-	128,940	7,675	44,669	121,342	246,192
Total	401,803	155,125	-	160,319	11,670	49,138	413,473	364,582

During 2018 retirement benefits accrued under defined contribution schemes for 2 directors (2017: 2 directors).

12 Finance income

Group	2018 £	2018 £
Interest on bank deposits	62	61

13 Other gains and losses

See note 18 for accounting policy and detail of financial assets held at fair value through profit or loss.

	2018 £	2017 £
Group		
Fair value gains/(losses) on financial assets at fair value through profit or loss	282,227	129,142

14 Income tax

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

Current tax

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.

Deferred tax

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.

	2018	2017
Group	**£**	**£**
Foreign current tax on profit for the current year	-	1,126

Current tax for the year for the Company was £nil (2017: £nil).

14 Income tax (continued)

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	2018 £	2017 £
Loss before taxation	(1,497,352)	(1,861,679)
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(284,497)	(358,373)
Tax effect of:		
- Expenses not deductible for tax purposes	42,581	104,823
- Impairment not deductible for tax purposes	3,900	-
- Unutilised tax losses for which no deferred tax asset is recognised	238,016	253,216
- Utilised tax losses brought forward	-	243
- Permanent capital allowances in excess of depreciation	-	91
- Effect of overseas tax rates	-	1,126
Tax expense for the year	-	1,126

The Group has tax losses of approximately £1,331,000 (2017: £1,089,000) 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.

15 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 28,603,477. No diluted earnings per share is presented as the loss-making nature means the warrants are anti-dilutive.

	2018	2017
Loss attributable to owners (£)	(1,494,863)	(1,860,145)
Weighted average number of ordinary shares in issue	166,350,683	100,929,581
Basic loss per share (pence)	(0.90)	(1.84)

16 Intangible assets

Expenditure on exploration activities is written off against profits 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 project is subject to a quarterly review either by a consultant or senior Company geologist to determine if the exploration results returned to date warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration

16 Intangible assets (continued)

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

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	-	-	-	-	-	-
Ivory Coast						
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 Intangible assets (continued)

Group	Deferred exploration costs £	Total £
Cost		
At 1 January 2017	105,640	105,640
Additions	46,235	46,235
Disposals	-	-
At 31 December 2017	151,875	151,875
Amortisation and impairment		
At 1 January 2017	-	-
Disposals	-	-
At 31 December 2017	-	-
Carrying amount		
At 31 December 2016	105,640	105,640
At 31 December 2017	151,875	151,875

17 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.

17 Property, plant and equipment (continued)

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 impairment					
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	-	1,337	1,049	-	2,386
At 31 December 2018	465	830	6,637	-	7,932

	£	£	£	£	£
Cost					
At 1 January 2017	240	3,832	21,405	23,140	48,617
Additions	-	527	1,207	-	1,734
Disposals	-	-	-	-	-
At 31 December 2017	240	4,359	22,612	23,140	50,351
Amortisation and impairment					
At 1 January 2017	240	2,497	20,675	23,140	46,552
Charge in the year	-	525	888	-	1,413
Disposals	-	-	-	-	-
At 31 December 2017	240	3,022	21,563	23,140	47,965
Carrying amount					
At 31 December 2016	-	1,335	730	-	2,065
At 31 December 2017	-	1,337	1,049	-	2,386

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.

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.

The Company's investments in subsidiary are held at fair value. As there is no active market, fair value is considered to be amortised cost less impairments.

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
	2018	2017	2018	2017
	£	£	£	£
Investments in subsidiaries	-	-	4,608,930	965,808
Investments carried at fair value	883,763	601,536	-	-
	883,763	601,536	4,608,930	965,808

19 Subsidiaries

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. 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.

In 2017, the Company undertook a capital reorganisation by way of a share for share exchange with the shareholders of Altus Strategies Limited. Subsequent to the exchange Altus Strategies Limited became a 100% subsidiary of the Company and was renamed Altus Exploration Management Limited.

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
Legend Holdings (BVI) Inv[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]	Ivory Coast	100.00	Gold exploration
Etruscan Resources Mali SARL[12]	Mali	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 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, Residence Aziz, Porte B, 20 BP 725 Abidjan 20, Ivory Coast
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

The following are dormant subsidiaries.

Name of undertaking	**Incoporated**	**% 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]	Ivory Coast	97.26	Dormant
Avanex SARL[4]	Ivory Coast	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]	Ivory Coast	100.00	Dormant
Aza Minerals Sarl[7]	Morocco	100.00	Dormant
Akassori[10]	Chad	100.00	Dormant
Legend Mali Holdings (BVI) Inc	BVI	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
LGC Kayes SARL	Mali	100.00	Dormant

20 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	
	2018	**2017**	**2018**	**2017**
	£	**£**	**£**	**£**
Trade receivables	-	1,051	-	-
VAT recoverable	22,048	32,754	10,695	2,485
Amounts due from group undertakings	-	-	2,678,105	510,724
Amounts due from related parties	30,037	31,468	-	-
Prepayments	27,204	45,392	16,906	14,704
Other receivables	3	4	-	-
	79,292	110,669	2,705,706	527,913

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.

21 Trade and other payables

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade payables	109,615	78,000	34,477	56,012
Accruals and deferred income	291,582	189,070	17,154	29,400
Other payables	85,737	30,985	65,402	6,250
	486,934	298,055	117,033	91,662

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	
	2018	2017	2018	2017
	£	£	£	£
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.

23 Financial instruments (continued)

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 of 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.

23 Financial instruments (continued)

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

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

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

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

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

Group	**2018 Assets at amortised cost £**	**2018 Assets at FVPL £**	**2017 Assets at amortised cost £**	**2017 Assets at FVPL £**
Investments	-	883,763	-	601,536
Cash and cash equivalents	724,785	-	523,344	-
Trade and other receivables	52,089	-	65,277	-
	776,874	883,763	588,621	601,356

The Company's financial assets are recorded as follows.

Company	**2018 Assets at amortised cost £**	**2018 Assets at FVPL £**	**2017 Assets at amortised cost £**	**2017 Assets at FVPL £**
Investments	-	4,608,930	-	965,808
Cash and cash equivalents	37,544	-	291,087	-
Trade and other receivables	2,688,801	-	513,020	-
	2,726,345	4,608,930	804,107	965,808

23 Financial instruments (continued)

The Group and Company have the following financial liabilities.

Group	2018 Liabilities at amortised cost £	2017 Liabilities at amortised cost £
Trade and other payables	195,352	108,985

Company	£	£
Trade and other payables	99,878	62,262

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. The Group believes the foreign exchange risk derived from currency fluctuations is not significant to its financial performance, and therefore does not consider it necessary to actively manage foreign exchange risk. For the year ended 31 December 2018, the Group had an exchange gain of £25,726 (2017: £14,318) 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.

24 Financial risk management (continued)

Group	2018 £	2017 £
Trade receivables	-	1,051
Other receivables	3	4
VAT recoverable	22,048	32,754
Amounts due from related parties	30,037	31,468
Prepayments	27,204	45,392
Cash and cash equivalents	724,785	523,342
	804,077	634,011

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.

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

2017	Up to 3 months £	3 to 12 months £	Over 12 months £	Total £
Trade payables	78,000	-	-	78,000
Other payables	30,985	-	-	30,985
Accruals and deferred income	189,070	-	-	189,070
Provisions	15,000	-	-	15,000
	313,055	-	-	313,055

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 2018 unpaid employer's pension liabilities stood at £74,557 (2017: £78,906) of which £57,800 was for Executive Directors (2017: £35,550).

	2018	2017
Defined contribution scheme	**£**	**£**
Charge for the year	25,420	3,198

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 in settlement of services during the year (2017: 1,192,814 shares), and there was no charge to the income statement in this regard (2017: £149,102).

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 2018. No expense was recorded in the year in respect of share options schemes (2017: £3,643).

During the year, the Company issued 911,861 warrants to consultants as consideration for raising equity finance as part of the private placing in the year. The fair value of the warrants issued as compensation for the finder's fees was determined using the Black Scholes option pricing model. The assumptions used in the valuation are as follows:

	Assumption
Share price on issue	8.00p
Exercise price of share warrants	12.50p
Volatility	75%
Duration	3 years
Risk free rate	0.89%
Dividend rate	0.00%

The fair value of £27,455 (2017: £Nil) was recognised as a deduction from share premium during the year.

26 Share based payments (continued)

On 30 January 2018 the Company acquired the trade and assets of Legend Gold Corporation ("Legend"), in respect of which it issued 41,060,256 Ordinary shares. Under the terms of the acquisition, the Company agreed to honour outstanding warrants for Ordinary shares of Legend at a ratio of 3:1 for Ordinary shares of Altus Strategies plc. Further detail is included in note 8. During the year 1,650,000 new Ordinary shares were issued in respect of the exercise of the Legend warrants.

On 18 April the Company announced that it had listed on the TSX Venture Exchange and had placed 27,391,616 new Ordinary shares. Each new share entitled the subscriber to one Ordinary share purchase warrant, exercisable to purchase one Ordinary share for five years at an exercise price of C$0.30. These warrants have not been valued using the Black Scholes model as the shares were attached to a share in the Company and the full value paid has been attributed to the share and recognised in share premium.

The details of the warrants issued during the year are as follows.

			Shares	
Grant date	**Expiry date**	**Exercise price in £ per share**	**2018**	**2017**
30 January 2018	08 September 2019	0.048	1,950,000	-
18 April 2018	18 April 2023	0.167	27,391,616	-
18 April 2018	18 April 2021	0.125	911,681	-
		0.158	**30,253,477**	**-**

	2018		2017	
	Number	**Weighted average exercise price (£)**	**Number**	**Weighted average exercise price (£)**
Outstanding as at 1 January	110,000	0.100	-	-
Granted	30,253,477	0.158	110,000	0.100
Expired	(110,000)	0.100	-	-
Exercised	(1,650,000)	0.048	-	-
Outstanding as at 31 December	**28,603,477**	**0.164**	110,000	0.100
Exercisable at 31 December	**28,603,477**	**0.164**	110,000	0.100

The weighted average remaining life of the warrants outstanding is 4.2 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.

27 Share capital and share premium (continued)

Company	Number of shares*	Ordinary share capital £	Share premium £
At 1 January 2017	96,580,814	104,526	5,770,590
Issue of new shares	11,100,000	127,200	1,901,106
Capital reorganization	-	845,082	(6,672,696)
At 31 December 2017	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

* All shares have been issued, authorized and fully paid

29 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases. Rentals payable under operating leases, less any lease incentives received, are charged to income 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, which fall due as follows.

Group	2018 £	2017 £
Within one year	4,519	2,441
Between 2 and 5 years	-	-
	4,519	2,441

30 Related party transactions

For detail on directors' remuneration in the year see the Directors' Remuneration Report on pages 37-41 and note 11.

Seabord Services Corp. ("Seabord") is a management services company that provides to the Group the services of its Chief Financial Officer, David Miles, and his administrative support team. Seabord provided similar services to Legend Gold Corp. before its acquisition by the Group in January 2018. One non-executive director of the Group is also a director of Seabord. The value of services provided by Seabord in the year was £21,295 (2017: not related). The amount payable to Seabord at the end of the year was £44,775 (2017: nil).

Canyon Resources Ltd ("Canyon") is a joint venture partner of the Group in respect of the Birsok and Mandoum 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 £18,580 (2017: £33,262).

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 only two directors). The value of costs recharged to Aegis during the year was £482 (2017: nil).

31 Subsequent events

Termination of agreement with Raptor Resources

On 1 February 2019 the Company announced the termination of its agreement with Raptor Resources Ltd, which had been signed in September 2018. The agreement envisaged Raptor earning a 100% interest in Atlantic Resources Ltd a wholly owned subsidiary of Aterian Resources Ltd, the Company's wholly owned Moroccan focused exploration subsidiary.

Share issues

On 1 February 2019 the Company announced its intention to issue 2,116,973 shares to two consultants.

Drill sites identified and prospect defined in Mali

On 4 February 2019 the Company announced that it has defined a series of drill targets to test the potential of expanding the Diba gold project ("Diba"). Diba is strategically located 13km south of the multi million-ounce Sadiola gold mine in the world-renowned Kenieba Window gold belt in the west of Mali.

A further announcement was made on 9 April 2019 with respect to the definition of drill targets at another of the Company's Mali licences, the Tabakorole gold project ("Tabakorole") in the south of the country. Tabakorole is located on the Massagui gold belt, approximately 100km southwest of the multi-million ounce Morila gold mine.

On 17 April 2019 the definition of a further significant prospect at the Diba project was announced.

Mali joint venture

On 5 February 2019 the Company signed a non-binding term sheet with Indiana Resources Ltd ("Indiana") for a joint venture. Subject to entering a definitive agreement, Indiana will have the option to earn up to an 85% interest in Legend Mali (BVI) II Inc. ("Legend"), a wholly-owned subsidiary of the Company. Legend holds a 100% interest in the Lakanfla and Tabakorole gold projects located in western and southern Mali respectively. Indiana may earn its interest by funding the exploration and development of the Projects. The term sheet is subject to exclusivity provisions for 60 days following signing. On 13 March 2019, the due diligence period was extended for a further 30 days to 6 May 2019.

Termination of JV and sale of bauxite joint venture

On 11 February 2019 the Company announced that it had terminated its joint venture agreement with Canyon Resources Limited ("Canyon"), which had been in place since December 2013, and had sold the subsidiary (Aucam Resources SA Ltd, "Aucam") that held the two licences that were the subject of the JV (Birsok and Mandoum) to Canyon. Consideration due to the Company is 25 million Canyon shares in respect of the JV termination, and 5 million Canyon shares in respect of the sale of Aucam, the latter consideration being dependent on the execution of a mining convention on Canyon's Minim Martap project.

Royalty and JV agreement on Liberia and Cameroon projects

On 24 April 2019 the Company signed a non-binding term sheet with Corben Resources ("Corben") covering two gold projects: the Zolowo project in Liberia will be transferred to Corben in return for cash, equity and a Net Smelter Return royalty subject to resource definition; the Laboum project in Cameroon will be put into a JV in which Corben can earn up to a 100% interest by funding exploration and development of the project.