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Project generator debuts in London

After a long road show to gather funds and momentum, Altus Strategies (LN:ALS) has gone public and become the only true project generator listed in London.



Altus has managed to bring Japan's JOGMEC into its manto-style Tigray-Afar project in northern Ethiopia

Having been established as a private entity since 2007, Altus thinks now is the right time to show London investors what they have been missing with a business model that may not be familiar to many on the AIM market.

It has debuted with a portfolio 12 assets spanning bauxite, copper, gold, iron ore, silver, tin, tungsten and zinc in Africa.

The company has managed to raise £1.11 million (US\$1.4 million) in its initial public offering, which CEO Steve Poulton said should give the company enough money for 12-months of work.

This is likely to be spent on a combination of gold projects in Cameroon, Liberia and Morocco, copper-silver assets in Ethiopia and Morocco, bauxite and iron ore prospects in Cameroon, and tin, tungsten and zinc occurrences in Morocco.

Altus' remit, like all project generators, is to carry out early-stage exploration and sell down stakes in them to bigger peers able to spend the millions of dollars needed to get to a resource,

or economic-study stage. By doing so, it spreads the risk of exploration over a number of projects that it can drop at any time should the projects not warrant further spend.

AIM-listed Stratex International (LN:STI) dabbled with the model in the past and was successful in attracting investment at both the corporate and project level. The latter included joint ventures with Antofagasta (LN:ANTO), Centerra Gold (CN:CG) and Teck Resources (CN:TECK.B).

The company's focus has somewhat changed, with Stratex now having a brief of becoming a significant exploration, development and production company.

In Canada, Reservoir Minerals was one of the more recent project generator successes. The company was acquired by Nevsun Resources (CN:NSU) for US\$365 million in 2016 after some hugely impressive work at the Timok copper-gold project in Serbia.

Altus' portfolio, up until the start of May, had seen third party spend of £2.6 million since the start of 2014. Over that time frame, Altus has issued just £314,450 worth of shares.

It also managed to entice JOGMEC into its Tigray-Afar and Negash copper-silver projects in Ethiopia, with the Japanese company holding a US\$9.5 million option agreement for 70% of the assets, and Canyon Resources (AU:CAY), meanwhile, has an agreement in place to earn up to 75% of Birsok and Mandoum bauxite projects in Cameroon for A\$6 million (US\$4.4 million).

Altus, in the past 12 months, has undertaken exploration activities in Cameroon, Ethiopia, Morocco and Liberia, which includes a 1,306m diamond drilling programme on the Agamat prospect of the Tigray-Afar licences.