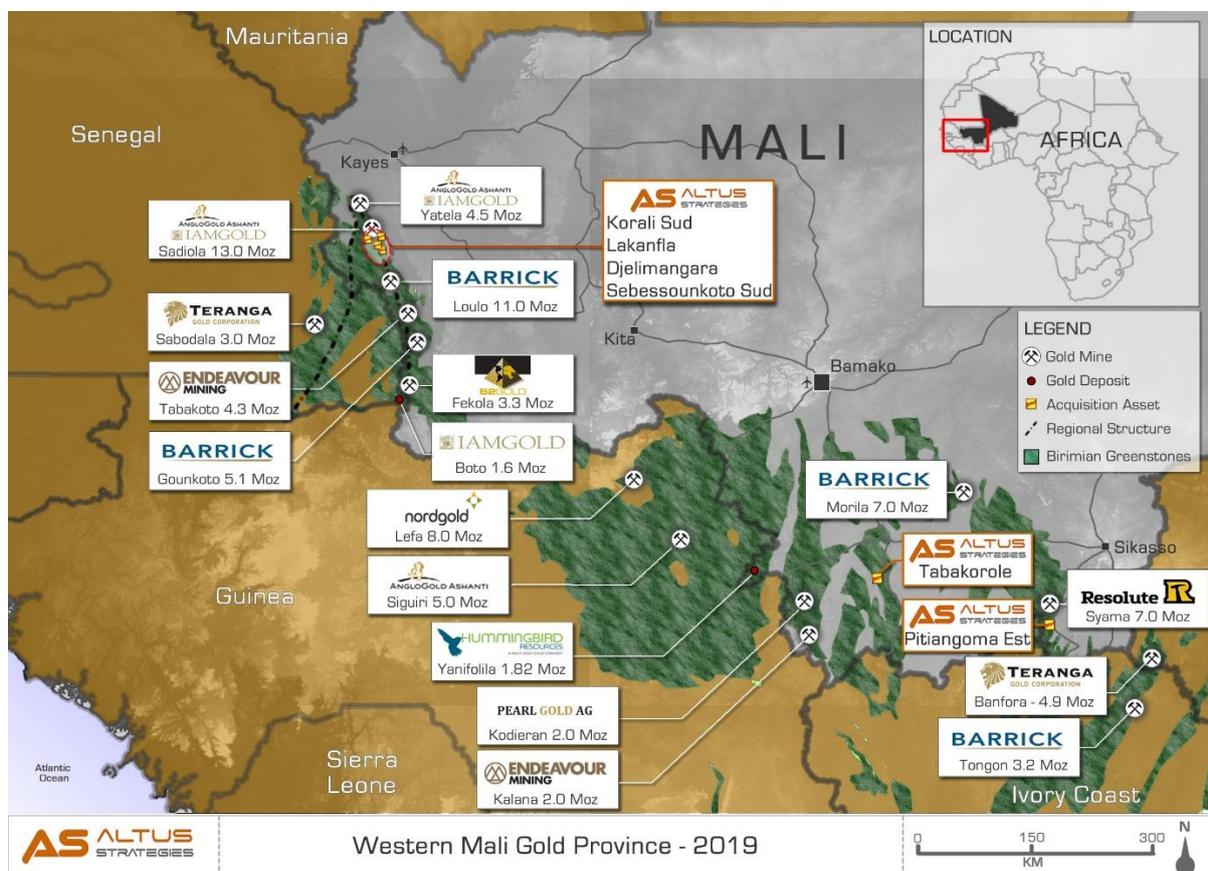


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Altus teams up with Indiana in Mali

Africa-focused project generator Altus Strategies (AIM:ALS) has agreed to form a joint venture with Indiana Resources (ASX:IDA), giving the latter the option to earn up to 85% in the Lakanfla and Tabakorole gold projects in Mali.



The non-binding term allows Indiana to earn its interest by funding exploration and development.

Altus CEO Steve Poulton said in return for Indiana earning up to 85%, Altus would receive an upfront equity payment in Indiana shares, future milestone-based payments of cash and Indiana equity and a 2.5% net smelter return (NSR) royalty on the two projects.

Under the first stage, Indiana can earn an initial 25% interest by undertaking 3,000m of drilling at the Lakanfla project and by completing an exploration programme at the Tabakorole project within 12 months of entering the agreement.

In return, Altus will receive US\$100,000 of Indiana shares at the start of stage one.

Within a month of completing the first stage, Indiana will have the right to increase its interest in the projects, or Lakanfla only, to 51% by undertaking 9,000m of resource definition drilling at the Lakanfla project, or publishing a JORC compliant resource of more than 1 million ounces of gold, and 2,500m of drilling at the Tabakorole project, within 18 months of electing to enter stage two.

The third phase offers Indiana the right to increase its stake in the projects, or Lakanfla only, to 70% by completing a definitive feasibility study at the Lakanfla project and, if it elects to continue with Tabakorole, publishing a maiden JORC compliant resource at Tabakorole within 24 months, or relinquish its interest in Tabakorole if it does not choose to continue with it.

At the start of each of the second and third stages, Altus will receive \$100,000 in cash and \$200,000 of Indiana shares.

The fourth and final stage, Altus will have the option to co-finance mine construction pro rata to its interest in the JV, or grant Indiana the right to sole finance the construction and increase its interest in both the project, or just Lakanfla, to 85% by starting gold production on either of the projects within 24 months of electing to enter mine construction.

At the start of stage four, Altus will receive \$500,000 in cash and \$750,000 of Indiana shares if Indiana is sole funding the mine construction.

Altus said it would be the operator of the JV during the two initial earn-in periods on an "at costs plus 10%" basis.

It added Indiana would still receive a 0.75% NSR royalty on future gold production from the projects if it chose to withdraw from the JV at any stage after the completion of stage two.

However, the NSR royalty would be capped at the amount invested in the JV by Indiana at the point of withdrawal and could be repurchased by Altus at any time for a cash sum equivalent to this amount plus a 10% premium.

"This transaction underscores the company's 'project generator' strategy of making and monetising mineral discoveries in Africa, while building and growing a valuable portfolio of royalty interests," Poulton said.

Lakanfla and Tabakorole are two of six exploration projects owned by Altus in Mali.

Historical drill results for Lakanfla include 26m at 5.10g/t gold and 12m at 9.78 g/t gold, while at Tabakorole, historical drill results include 60m at 2.92g/t gold and 44m at 3.30g/t gold.

Poulton said Altus was also in discussions with Canyon Resources concerning the existing bauxite JV in Cameroon.