ALTUS STRATEGIES PLC

MANAGEMENT’S DISCUSSION AND ANALYSIS

THREE MONTH AND NINE MONTH PERIODS ENDED 30 SEPTEMBER 2018
GENERAL

This discussion and analysis ("MD&A") of financial position and results of operations is prepared as at 21 November 2018 and should be read in conjunction with the interim unaudited condensed consolidated financial statements for the three months and nine months ended 30 September 2018 and the annual audited consolidated financial statements of Altus Strategies plc (the “Company” or “Altus” and together with its subsidiaries "the Group") for the year ended 31 December 2017 and the related notes thereto. Those annual consolidated financial statements were the first financial statements that the Company has prepared in accordance with International Financial Reporting Standards (“IFRS”). The financial statements have been prepared using accounting policies in compliance with IFRS as adopted for use in the European Union and issued by the IASB and with those parts of the Companies Act 2006 applicable to companies reporting IFRS (except as otherwise stated). Except where otherwise noted, all figures included herein are quoted in pounds sterling (“GBP” or “£”). Additional information on the Company’s activities can be found on https://beta.companieshouse.gov.uk/, www.sedar.com and on the Company’s website at www.altus-strategies.com.

DESCRIPTION OF BUSINESS

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

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

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

FORWARD LOOKING INFORMATION

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

The operating plan is also dependent on being able to raise new equity funds as required to ensure there are sufficient capital resources to acquire and explore new properties. Other factors which affect Altus’ operating plan are gaining access to exploration properties by concluding agreements with local communities, and commodity prices. If any of these factors are affected negatively, such as joint venture partners being unable to raise sufficient capital to complete option agreements or if the Company is unable to raise sufficient capital of its own, there will be a significant impact on the Company’s operating plan and on any forward-looking statements contained herein.
Any references made in this report to historical information, including historical geologic and technical information cannot be verified. A Qualified Person has not verified the sampling, analytical, and test data underlying any such historical information. The Company has obtained historical information from sources that it believes to be reliable and assumes it is accurate and complete in all material aspects. While the Company has carefully reviewed the available historical information, it cannot guarantee its accuracy and completeness. The forward looking information and statements included in this announcement are expressly qualified by this cautionary statement and are based on the beliefs, estimates and opinions of the Company on the date of this announcement. Except as required by securities laws the Company does not undertake any obligation to publicly update or revise any forward looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.

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

HIGHLIGHTS

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

Corporate highlights:
- Letter of Intent signed with Raptor Resources Ltd in respect of a potential listing on the Australian Stock Exchange (“ASX”) of the Company’s 100% owned Morocco focused exploration subsidiary (Aterian Resources Ltd)
- Preliminary discussions are underway with potential partners in respect of joint ventures and other transactions involving the Company’s projects

Operational highlights:
- New prospects defined at Daro Copper Gold project in northern Ethiopia
- Bauxite Joint Venture (“JV”) partner ASX listed Canyon Resources Ltd (“Canyon”) granted Minim Martap project in central Cameroon
- Strike length of Bikoula colluvial iron ore project extended in southern Cameroon
- Further artisanal gold workings discovered at Laboum gold project in Northern Cameroon
- Over 14km of artisanal gold workings mapped at Zolowo gold project in western Liberia
- Copper mineralisation mapped at the Ammas project in central Morocco
- Reconnaissance sampling completed at Manankoto gold project in western Mali
- Initial exploration completed at the Prikro gold project in eastern Côte D’Ivoire

Financial highlights:
- Cash on hand and marketable securities of £2,088,055 (C$3,499,622) at 30 September 2018 (31 December 2017: £1,124,880)
- Exploration expenditure incurred of £527,447 for nine months ending 30 September 2018 (nine months ended 30 September 2017: £436,727)

Post period:
- Letter of Intent signed with Canyon to vend the Company’s bauxite JV into Canyon for up to an additional 30 million Canyon shares and a US$1.5/t royalty on the Birsok project
- Purchase of Ordinary Shares (“Shares”) undertaken by certain directors of the Company totalling 1,520,431 Shares representing 0.85% of the issued share capital. Total director shareholding in the Company of 63,017,998 Shares, representing 35.45% of the issued share capital
- Drill targets defined at Lakanfla gold project in western Mali

OPERATIONS REPORT

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

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

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

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

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

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

1.1 Korali Sud (Diba) Gold Project (83.1 km²), Western Mali
The Korali Sud licence is located in the Kayes region, approximately 450 km northwest of the capital city, Bamako, and 13 km southwest of the Sadiola gold mine, operated by AngloGold Ashanti, IAMGOLD and the Malian government. Geologically, both Korali Sud and the Sadiola mine lie on the Senegal-Malian shear corridor within the world renowned ‘Kenieba window’. No material exploration was completed on the Diba project during the period, while the Company compiled the historic data on the project for review by potential joint venture partners. The next phase of work at Diba is expected to include soil sampling, trenching and drilling and ultimately an updated independent resource statement in accordance with NI 43-101.

1.2 Lakanfla Gold Project (24 km²), Western Mali
The Lakanfla project is located 5 km east of the Diba project. It is considered geologically analogous to the karst-type FE3 and FE4 open pits (part of the Sadiola gold mine) as well as the Yatela deposit mined between 2001-2015 located approximately 6.5 km and 35 km northwest respectively. The primary target is a substantial gravity low anomaly located along the margin of the Kantela granodiorite intrusion. The target is considered to be a karst-type dissolution system with supergene gold enrichment.

No material exploration was completed on the Lakanfla project during the period, while the Company compiled the historic data on the project for review by potential joint venture partners. The next phase of work at Lakanfla is expected to include drill testing of the karst model. Six priority targets have been established by Altus for follow up exploration. A new Lakanfla exploration licence with an initial three-year term was received during the period.

1.3 Djelimangara Gold Project (55 km²), Western Mali
Djelimangara is located approximately 3 km south east of the Diba project. Four prospects have been discovered at Djelimangara to date: Sourounkoto, Kaman, Woyanda and Manankoto. These are each characterised by gold in soil anomalies of up to 2.5 km in length, coincident with hard rock and / or alluvial artisanal gold workings in fine metasedimentary rocks.

Results from a termite mound sample programme undertaken in the previous quarter were interpreted during the period. The next phase of work at the Djelimangara project is expected to include infill termite mound sampling, channel sampling of artisanal workings, trenching and infill auger sampling. The programme will aim to generate a number of priority drill targets.
1.4 Sebessounkoto Sud Gold Project (28 km²), Western Mali
The Sebessounkoto Sud project is located approximately 15 km southeast of the Korali Sud licence (Diba project) and hosts a 2.7 km long gold in soil anomaly, as well as a number of active and historic artisanal workings which are up to 150 m long and 40 m deep.

During the period the Company interpreted the results from earlier prospecting (rock chipping) and mapping programmes at the Soa prospect, where significant artisanal working activity has been documented.

The next phase of work at Sebessounkoto Sud is expected to include trenching and auguring, in addition to further surface mapping and sampling along the priority geophysical target. A new Sebessounkoto Sud licence with an initial three-year term was received during the period.

1.5 Tabakorole Gold Project (100 km²), Southern Mali
The Tabakorole project is located in southern Mali, approximately 280 km south of Bamako. The project sits on the Massagui Belt which hosts the Morila gold mine operated by London and NASDAQ listed Randgold Resources Ltd. Project exploration to date has identified a 2.7 km long shear zone which is up to 200 m wide.

No material activity was completed in the period. The next phase of work at Tabakorole is expected to include scoping studies and resource definition drilling. The Tabakorole licence was renewed for a further two years after the period.

1.6 Pitiangoma Est Gold Project (106 km²), Southern Mali
The Pitiangoma Est licence is located in southern Mali, approximately 300 km southeast of Bamako. Geologically, it is situated on the Syama shear zone and strategically located 15 km and 40 km south of the Tabakoroni deposit and Syama gold mine respectively, both of which are owned by ASX-listed Resolute Mining Ltd (“Resolute”). The project is subject to a joint venture with Resolute, whereby Resolute can earn up to a 70% interest in Pitiangoma Est by funding US$3M in exploration and completing a feasibility study.

No material activity was completed in the period, and the next phase of work at Pitiangoma Est is expected to include exploration and resource definition drilling. The Pitiangoma licence was renewed for a further two years after the period.

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

2.1 Laboum Gold Project (189 km²), Northern Cameroon
The Laboum licence is located in the northeast of Cameroon, approximately 110 km southeast of the provincial capital of Garoua, which is served by a regional airport, and 600 km northeast of the capital city, Yaoundé. The project area was selected due to the presence of a 26 km long northeast-southwest striking regional shear zone, which is mapped as being 5 km wide in places and is coincident with gold anomalies as defined by the Bureau de Recherches Géologiques et Minières (“BRGM”) in the 1990s.

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

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

2.2 Birsok (198 km²) & Mandoum (174 km²) Bauxite Project, Central Cameroon
The Birsok and Mandoum licences are located in the centre of Cameroon, approximately 370 km northeast of Yaoundé and less than 10 km from an operating rail line between Ngaoundere and the Atlantic port at Douala. In 2013, the Company entered into a joint venture with ASX-listed Canyon Resources Ltd (ASX:CAY), allowing Canyon to earn up to a 75% interest in the Birsok and Mandoum project by funding A$6M in exploration expenditure over five years in two stages. As part of the agreement, Altus received and continues to hold
8,000,000 shares in Canyon, currently trading at price of A$0.22 equating to £1,760,000 (as of 21 November 2018).

During the period Canyon announced that it has been granted three exploration licences in Cameroon, which include the Minim Martap bauxite project (the "Minim Martap project") located adjacent to Birsok. Also during the period Canyon announced an independent mineral resource estimate of 550MT at an average grade of 45.5% total Al₂O₃ and 2.06% total SiO₂, comprising an indicated resource of 88MT averaging 41.8% Al₂O₃ and 1.3% SiO₂ and an inferred resource of 466MT averaging 46.2% Al₂O₃ and 2.2% SiO₂. The resource estimate was completed by SRK Consulting (Australia) in accordance with the JORC Code (2012). JORC is the Australasian code for reporting of exploration results, mineral resources and ore reserves. Canyon noted that the resource estimate was calculated on approximately 40% of the known bauxite plateaux, indicating that potential may exist for the resource to be expanded in due course.

After the period the Company announced it had signed a Letter of Intent ("LOI") with Canyon, to terminate its existing bauxite Joint Venture Agreement with Canyon and to transfer to Canyon a 100% interest in the Company’s Birsok and Mandoum licences (the "Birsok project"). Under the terms of the LOI Altus will receive up to 30M new shares in Canyon and a royalty of US$1.5/t on ore mined and sold from the Birsok project. The Birsok project is located contiguous with the Minim Martap project that is owned by Canyon.

The terms of the LOI are as follows:

Part A: In lieu of the termination of the JVA, Canyon will issue to Altus:

- 15,000,000 ordinary free trading Canyon shares (the “Initial Shares”)
- 10,000,000 ordinary escrowed Canyon shares, to be issued 12 months following the Initial Shares and subject to a 12 month voluntary escrow

Part B: In lieu of the transfer of the Birsok project:

- 5,000,000 ordinary escrowed Canyon shares, to be issued upon the execution of a mining convention on the Minim Martap project and subject to a 12 month voluntary escrow
- a US$1.50 per tonne royalty on ore mined and sold from the Birsok project

The issue of shares by Canyon to Altus will be subject to final documentation, the termination of the JVA, the transfer of the Birsok project and any regulatory or other approvals as may be required. Completion of the transaction is expected to occur by the end of this year. The LOI is subject to conditions precedent, final documentation and regulatory approval. No assurance can be given by the Company that the deal will be successfully concluded.

An application to renew the Birsok licence for a two-year period from 4 December 2016 is currently pending approval.

2.3 Bikoula (200 km²) & Ndjele (200 km²) Iron Project, Southern Cameroon
The Bikoula and contiguous Ndjele licences are located in the south of Cameroon, approximately 150 km south of Yaoundé. The project is located on the westerly geological strike of the Nkout iron ore deposit and roughly 160 km northwest of the Mbalam iron ore deposit. The licences are located on the road network that links to the deep-water port at Kribi and approximately 30 km from the proposed trans-Cameroon iron ore rail line.

During the period the company completed a programme of reconnaissance geological mapping and pitting over two previously untested magnetic anomalies at Bikoula. Surface mapping has identified oxidised supergene magnetite banded iron formation ("BIF") as well as haematite colluvium. Five hand dug pits, each up to 5m depth, were excavated and logged across the target area. Mapping of the pit walls revealed a number of oxidised and highly weathered BIF clasts, within an iron rich matrix, confirming the likely continuation of the colluvial target into this area.

The next phase of work at Bikoula is expected to include further pitting to define targets for drill testing. An application for the renewal of the Ndjele licence is currently pending approval.
3.0 Morocco Operations
Altus holds four projects in the Kingdom of Morocco through its 100% owned subsidiary, Aterian Resources Ltd., targeting copper, lead, zinc, silver and gold.

During the period the Company announced an LOI with Raptor Resources Ltd (“Raptor”) a private company incorporated in Australia whereby Raptor may earn up to a 100% interest in Atlantic Resources Ltd (“Atlantic”) a wholly owned subsidiary of Aterian Resources Ltd (“Aterian”), the Company’s wholly owned Moroccan focused exploration subsidiary. Under the terms of the LOI, Altus is to receive equity in Raptor, an initial cash payment and a net smelter return royalty. Raptor intends to list its shares on the ASX. The LOI is subject to conditions precedent, final documentation and regulatory approval. No assurance can be given by the Company that the deal will be successfully concluded.

3.1 Agdz Copper-Silver Project (60 km²), Central Morocco
Agdz is the Company’s most advanced project in Morocco. It comprises a block of four licence situated in the Anti-Atlas Mountains, approximately 350 km south of the capital of Rabat and approximately 14 km southwest of the Bouskour copper mine which is operated by Managem Group.

Generative exploration and prospecting was undertaken at Agdz during the period. The licence was renewed during the period and is valid for a further two year period. The next phase of work is expected to include a systematic trenching programme, followed by drilling, across priority target areas.

3.2 Takzim Copper-Zinc Project (72 km²), Central Morocco
The Takzim project encompasses five licence blocks incorporating the three Takzim Est licences. The project is located 200 km south of Rabat and 6.5 km east of the historic Hir n Hass copper mine.

During the period the Company completed a MMI (mobile metal ion) soil survey over key target areas within the Takzim project where previous sampling had identified anomalous zinc values including 4.48 % Zn. Assay of the MMI soil samples confirmed three areas of anomalous zinc mineralisation with one primary target greater than 500m in length. Additional rock chip sampling results during the period includes further high grade zinc results including 4.64% Zn, 4.68% Zn and 1.39% Zn. After the period the Company undertook a further programme of rock chip sampling and prospecting across the Takzim and Takzim Est licences including follow of areas of highly anomalous cobalt and nickel from historic data. These samples are currently pending assay. The next phase of work is expected to include further detailed soil surveys and ground magnetics at Takzim, with further prospecting and geological mapping at the Takzim Est permits.

3.3 Zaer Copper Project (96 km²), Central Morocco
The Zaer project comprises six licence blocks located approximately 80 km south of Rabat. The project targets 20 km of metamorphic aureole on the western margin of the Zaer granite. In addition the project hosts six historically-mapped quartz veins, with a combined strike length of roughly 2.3 km and which reportedly host copper mineralisation.

During the period, Altus undertook a reconnaissance programme of prospecting across the Zaer licences. A further programme of prospecting is planned to commence shortly.

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

3.4 Ammas Zinc-Lead Project (32 km²), Central Morocco
The Ammas project comprises two licence blocks situated in central Morocco, approximately 30 km south of Marrakech and 3 km along strike of the Hajjar Zn-Pb-Cu mine, operated by Managem Group. The project is geologically located in the Guemassa Massif which, along with the Jebilet Centrale located 40 km to the north, forms a major volcanogenic massive sulphide (“VMS”) province in Morocco that hosts numerous active and former VMS mines.

During the period Altus undertook a reconnaissance programme of prospecting across the Ammas licences, including the assessment of several remote sensing targets.

The next phases of work will likely include further prospecting and geological mapping, a structural assessment and potential soil survey to establish VMS targets on the licence.
4.0 Ethiopia Operations
Altus holds two projects in the Federal Democratic Republic of Ethiopia at Tigray-Afar and Daro. Both projects are held by the Company’s 100 % owned subsidiary, Altus Resources Ltd.

4.1 Daro Copper-Gold Project (411 km²), Northern Ethiopia
Daro is located in the Tigray Regional State, approximately 95 km west of the Company’s Tigray-Afar project, 100 km northwest of Mekele and 570 km north of Addis Ababa. The licence is situated within the Neoproterozoic Nakfa Terrane which hosts a number of significant VMS projects, including the polymetallic Bisha mine (Nevsun Resources Ltd.), Harvest and Adyabo projects (East Africa Metals Inc.) and Asmara project (Sichuan Road & Bridge Mining Investment Corp Ltd.) located 190 km northwest, 35 km west and 100 km north of Daro respectively. The Nakfa Terrane forms part of the wider Arabian Nubian Shield, which hosts several substantial gold deposits including the Sukari gold mine in Egypt.

During the period the Company completed a programme of rock chip sampling at the Teklil prospect which returned results of 4.4 g/t Au from quartzite and 11.6% Cu from metamudstone in the immediate hanging wall of a newly discovered gossan. A total of 75 rock chip and float samples were collected as part of the programme. As previously reported a sample of gossan float from Teklil assayed at 34% Cu and follow up exploration in the vicinity of this sample has discovered in-situ gossanous material, a sample of which has assayed 6.95% Cu and 1.06 g/t Au. An additional sample of gossanous float collected in this area assayed 22.7% Cu and 6.51 g/t Au. The gossan zone at Teklil has been mapped discontinuously for approximately 900m and is up to 15m wide. During the period results from a previous stream sediment survey, located approximately 750m to the north of the Teklil prospect returned anomalous gold (including 9ppb Au and 6ppb Au), which when coupled with a 4.4 g/t Au sample of outcrop in the vicinity, indicate that the prospect potentially remains open to the north.

The next phase of work at Daro is expected to involve prospect scale mapping, soil surveys and channel sampling.

4.2 Tigray-Afar Copper-Silver Project (242 km²), Northern Ethiopia
The Tigray-Afar project is situated in the Tigray Regional State, approximately 95 km east of the Company’s Daro project, 45 km north of the regional centre of Mekele and 580 km north of the capital, Addis Ababa. The licence targets the prospective Proterozoic volcanic and volcanoclastic terranes of the Arabian Nubian Shield.

The Company has completed a re-evaluation of data and generated a series of drill targets for a potentially significant sediment hosted copper model. The proposed drill programme would initially focus on previously untested tectonised gossans within a zone that has been mapped as up to 60 m wide and which coincides with a 5km VTEM (Versatile Time Domain Electromagnetic) anomaly and visible gold in outcrop.

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

5.1 Zolowo Gold Project (466 km²), Western Liberia
The Zolowo project is located in western Liberia, approximately 190 km northeast of Monrovia and 25 km northeast of the Bella Yella project. The project is situated along the same regional trend that hosts the New Liberty gold mine, encompassing 22 km of a 33 km long and 2.5 km wide Archaean greenstone belt that was historically mapped by the United States Geological Survey.

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

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

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

5.2 Bella Yella Gold Project (640 km²), Western Liberia
The Company failed to receive sufficient reassurance from the Ministry of Lands Mines and Energy in respect of the tenure of the licence. As such the Company has elected to not seek renewal of the licence and has impaired its value by 100%.

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

6.1 Prikro Gold Project (369.5 km²), Southwestern Côte d’Ivoire
The Prikro licence is located approximately 240 km northeast of the capital, Abidjan. This project was selected due to the presence of highly prospective Birimian-aged greenstone geology, an interpreted 10 km long fold hinge structure, a series of reported mineral occurrences and the existence of artisanal gold workings in the surrounding areas.

During the period, the Company’s technical team undertook a reconnaissance programme of prospecting across the Prikro licence, including the assessment of several remote sensing targets.

The next phase of work is expected to include further prospecting and mapping focused on the southern part of the licence, along with termite mound sampling and a ground magnetic survey over the priority remote sensing targets.

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

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

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

The Company looks forward to progressing and formally closing its agreements with Canyon and Raptor in Cameroon and Morocco respectively. Separately the Company is actively seeking partnerships on its remaining projects and expects to enter further LOIs with potential joint venture partners or groups seeking a corporate transaction on one or more of the Company’s projects. The Company continues to monitor and consider opportunities to apply for or acquire new licences in and outside of its existing countries of operation.

In the meantime, the Company remains focused on six countries at present namely Mali, Ivory Coast, Liberia, Cameroon, Morocco and Ethiopia. The Company’s current exploration programmes are expected to generate technical results that will be reported upon in due course.

RESULTS OF OPERATIONS
Three Months Ended 30 September 2018
For the three months ended 30 September 2018, Altus had a net profit of £17,990 compared to a net loss of £517,565 for the three months ended 30 September 2017. The favourable variance was due to a larger fair value gain on investments and lower IPO, listing and acquisition related costs which were offset by higher exploration costs and administrative expenses in 2018 versus 2017. Administrative expenses were higher in 2018 as incurred higher corporate travel expenses and higher legal and professional expenses in 2018 compared to 2017, these were offset by currency gains in 2018 compared to losses in 2017. Exploration expenses have increased in 2018 in comparison to 2017 due to increased administrative and operational expenditure spent on the progression and ongoing maintenance of the Company’s licences.

Nine Months Ended 30 September 2018

For the nine months ended 30 September 2018, Altus had a net loss of £1,045,555 compared to a net loss of £1,738,946 for the nine months ended 30 September 2017. The favourable variance was due to lower administrative, IPO, listing and acquisition costs and a fair value gain on investments in 2018 versus a loss in 2017. This favourable variance is offset by higher exploration costs and lower management fees and costs recovered from joint venture partners in 2018 compared to 2017. Administrative expenses were lower in 2018 due to bonuses and equity settlement of debt which were paid to employees and directors in 2017 whereas nil has been paid in 2018, currency gains in 2018 versus currency losses in 2017 and lower costs were incurred on behalf of joint venture partners in 2018 compared to 2017. These positive variances in administrative expenses are offset by higher legal and professional expenses, corporate travel expenses and premises costs in 2018 versus 2017. Exploration expenses have increased in 2018 in comparison to 2017 due to increased administrative and operational expenditure spent on the progression and ongoing maintenance of the Company’s licences.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents at 30 September 2018 were £1,157,281 compared to £523,344 at 31 December 2017. The Company had working capital of £860,988 at 30 September 2018 compared to working capital of £320,958 at 31 December 2017. Cash and cash equivalents have increased by £647,081 due to the private placement and exercise of warrants resulting in net proceeds of £2,258,175. This was offset by cash used in operations of £1,431,745, primarily exploration and corporate overheads, cash expended of £124,777 on professional fees for the acquisition of Legend Gold Corp. and the effect of foreign translation gains. The Company also holds 8,000,000 shares in ASX listed Canyon Resources Limited, valued on 30 September 2018 at £930,774. The value of the holding in Canyon as of 21 November 2018 is £1,760,000. Altus believes its cash position and marketable securities will provide it with sufficient working capital to maintain its operations and execute its business plan for the next twelve months.

SUMMARY OF QUARTERLY RESULTS

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<tr>
<th>Quarter Ended</th>
<th>2018</th>
<th>2018</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 Sep</td>
<td>30 Jun</td>
<td>31 Mar</td>
<td>31 Dec</td>
</tr>
<tr>
<td>Net profit/(loss) from operations</td>
<td>£17,990</td>
<td>£(550,094)</td>
<td>£(513,451)</td>
<td>£(121,199)</td>
</tr>
<tr>
<td>Net profit/(loss) per share – basic and diluted</td>
<td>0.00</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.00)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter Ended</th>
<th>2017</th>
<th>2017</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 Sep</td>
<td>30 Jun</td>
<td>31 Mar</td>
<td>31 Dec</td>
</tr>
<tr>
<td>Net income (loss) from continuing operations</td>
<td>£(517,565)</td>
<td>£(1,064,368)</td>
<td>£(157,013)</td>
<td>£(200,714)</td>
</tr>
<tr>
<td>Net loss from continuing operations per share</td>
<td>(0.01)</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.00)</td>
</tr>
<tr>
<td>Basic</td>
<td>(0.01)</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.00)</td>
</tr>
<tr>
<td>Diluted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>£(517,565)</td>
<td>£(1,064,368)</td>
<td>£(157,013)</td>
<td>£(171,309)</td>
</tr>
<tr>
<td>Net loss per share - basic</td>
<td>(0.01)</td>
<td>(0.00)</td>
<td>(0.00)</td>
<td>(0.00)</td>
</tr>
</tbody>
</table>
The Company’s level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyse and report on geological data related to mineral properties and the amount of expenditure required to maintain its exploration licences in good standing and to advance its projects.

The Company had a net profit of £17,990 for the quarter ended 30 September 2018 compared to a net for the prior quarter. The favourable variance was due to a fair value gain on investments compared to a fair value loss in the prior quarter and lower IPO, listing and acquisition related costs. Within administrative expenses legal and professional expenses and employee expenses were lower for the quarter compared to previous quarter. This was offset by higher corporate travel expenditure in the quarter and lower currency gains in comparison to the quarter ended 30 June 2018.

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

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

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

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

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

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

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company had no off-balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

The Company entered into a number of transactions with key management personnel. The remuneration of key management personnel includes those persons having the authority and responsibility for the planning, directing and controlling of the activities of the Company are as follows:
The above payments for director compensation are payments made in the normal course of business. The amounts paid for these services are negotiated in good faith by both parties and fall within normal market ranges. The Remuneration Committee reviews executive compensation annually. The Board of Directors considers any changes recommended by the Remuneration Committee and approves these changes if appropriate.

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

The following are the related party balances at 30 September 2018 and 31 December 2017:

<table>
<thead>
<tr>
<th>Related party current assets/(liabilities)</th>
<th>30 September 2018</th>
<th>31 December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canyon Resources Ltd</td>
<td>£ 39,137</td>
<td>£ 31,468</td>
</tr>
<tr>
<td>Seabord Services Corp.</td>
<td>£ (42,738)</td>
<td>-</td>
</tr>
<tr>
<td>Aegis Asset Management Ltd</td>
<td>£ 130</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>£ (3,471)</td>
<td>£ 31,468</td>
</tr>
</tbody>
</table>

**Canyon Resources Ltd**

David Netherway is a director and shareholder of the Company. He is also a director of Canyon Resources Ltd (“Canyon”) which is listed on the Australian Stock Exchange. Altus has a joint venture arrangement with Canyon in relation to the Birsok and Mandoum projects in central Cameroon. Altus incurs and recharges expenses to Canyon. As at 30 September 2018, the balance owing to Altus was £39,137 (31 December 2017: £31,468).

**Seabord Services Corp.**

Michael Winn is a director and shareholder of the Company. He is also the controlling party of Seabord Services Corp. (“Seaboard”). Seabord has an agreement with Altus to provide Chief Financial Officer services and administrative support to Altus. As at 30 September 2018, the balance due from Altus was £42,738 (31 December 2017: £nil). This balance largely relates to costs incurred by Legend with Seabord, prior to the acquisition of Legend by the Company.

**Aegis Asset Management Ltd**

Three of the directors and shareholders of the Company are also directors of Aegis Asset Management Ltd (“Aegis”), which was formerly a subsidiary of the Company. Altus incurred some incidental costs which it recharged to Aegis. As at 30 September 2018, the balance due from Altus was £130 (31 December 2017: £nil).

**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical Judgments

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

Stability of Joint Venture Partners
The stability of the Group’s joint venture partners is periodically reviewed in determining the likelihood of future funding for related projects.

Impairment of Deferred Exploration Costs
Deferred exploration costs had a carrying value as at 30 September 2018 of £4,215,003 (31 December 2017: £151,875). Management tests quarterly whether deferred exploration costs have a carrying value in accordance with the accounting policy stated in note 1.7 in the annual audited consolidated financial statements of Altus Strategies plc. Each exploration project is subject to a quarterly review either by a consultant or senior Company geologist to determine if the exploration results returned to date warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long-term metal prices, anticipated resource volumes and grades, permitting and infrastructure, external factors affecting the project, as well as the likelihood of on-going funding from current or potential joint venture partners. In the event that a project does not represent an economic exploration target and results indicate that there is no additional upside, or that future funding from joint venture partners is unlikely, a decision will be made to discontinue exploration. A further review of the recommendations of the consultant or senior Company Geologist is then performed by management. The Directors have reviewed the estimated value of each project prepared by management and do not consider any further impairment necessary.

FINALTIS RISK MANAGEMENT

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

Currency Risk
The Company’s functional currency is the Pound Sterling, and major purchases are transacted in Pounds Sterling, US Dollars, Canadian Dollars, West African Francs, Ethiopian Birrs, Moroccan Dirhams and Liberian Dollars. The Company’s head office expenditures are mainly incurred in Pounds Sterling and the majority of its exploration costs are incurred in the local African currencies. Some of the Company’s subsidiaries have functional currencies other than Pounds Sterling. The Company is therefore exposed to unrealised foreign currency on the translation of the subsidiary's net assets. Management believes the foreign exchange risk derived from currency conversions is not significant to its operations, and therefore does not hedge its foreign exchange risk. For the nine months ended 30 September 2018, the Company had an exchange gain of £48,619 (2017 – loss of £8,885) which was not material to its operations and an unrealised gain on retranslation of net assets of its subsidiaries of £135,596 (2017 - Enil).
Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. When the Company has sufficient cash, it is invested in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at 30 September 2018 the Company did not have any interest-bearing loans. Accordingly, the Company does not have significant interest rate risk.

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

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

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

<table>
<thead>
<tr>
<th>Financial Assets and Liabilities</th>
<th>Original Classification – IAS 39</th>
<th>New Classification – IFRS 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>Loans and other receivables</td>
<td>Amortised cost</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>Loans and other receivables</td>
<td>Amortised cost</td>
</tr>
<tr>
<td>Equity investments</td>
<td>Fair Value Through Profit or Loss</td>
<td>Fair Value Through Profit or Loss</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>Amortised cost</td>
<td>Amortised cost</td>
</tr>
</tbody>
</table>

The adoption of IFRS 9 did not result in any changes to the Group and Company’s financial statements.

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

<table>
<thead>
<tr>
<th>As at 30 September 2018</th>
<th>Investments at FVTPL £</th>
<th>Amortised Cost £</th>
<th>Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>1,157,281</td>
<td>1,157,281</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>-</td>
<td>155,313</td>
<td>155,313</td>
</tr>
<tr>
<td>Non-current investments</td>
<td>930,774</td>
<td>-</td>
<td>930,744</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>-</td>
<td>(436,606)</td>
<td>(436,606)</td>
</tr>
<tr>
<td></td>
<td>£ 930,774</td>
<td>£ 875,988</td>
<td>£ 1,806,762</td>
</tr>
</tbody>
</table>
Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 177,782,686 ordinary shares issued and outstanding. There were also 28,603,477 share purchase warrants outstanding as follows:

<table>
<thead>
<tr>
<th>Warrants outstanding</th>
<th>Exercise price*</th>
<th>Issue date</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>300,000</td>
<td>C$0.083 (£0.050)</td>
<td>30 January 2018</td>
<td>8 September 2019</td>
</tr>
<tr>
<td>911,861</td>
<td>C$0.225 (£0.134)</td>
<td>18 April 2018</td>
<td>17 April 2021</td>
</tr>
<tr>
<td>27,391,616</td>
<td>C$0.30 (£0.179)</td>
<td>18 April 2018</td>
<td>17 April 2023</td>
</tr>
</tbody>
</table>

* Exercise prices in GBP are determined by reference to the underlying Canadian Dollar price and the exchange rate as at 30 September 2018.

RISKS AND UNCERTAINTIES

No Assurance of Titles or Borders

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

Mineral Property Exploration and Mining Risks

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

Some of the Company’s mineral properties are located within or near local communities. In these areas, it may be necessary as a practical matter to negotiate surface access with these local communities. There can be no guarantee that, despite having the legal right to access a mineral property and carry on exploration activities, that the Company will be able to negotiate a satisfactory agreement with the existing land owners or communities for this access. Therefore, the Company or one of its joint venture partners may be unable to carry out exploration activities on a property. In those circumstances where access has been denied by a local community or land owner, the Company may need to rely on the assistance of local officials or the courts to gain access or it may be forced to abandon the property.
Altus may acquire properties through option agreements in the future. Acquisition of title to the properties under these kinds of agreements is only completed when all the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company’s title to the related property will not vest and the Company will have to write-off the previously capitalized costs related to that property.

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

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

Financing and Share Price Fluctuation Risks
Altus has limited financial resources, has no reliable source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company’s projects may be dependent upon the Company’s ability to obtain financing through equity issues, debt financing or the sale of some of its exploration properties. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

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

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

Insured and Uninsured Risks
During exploration, development and production on mineral properties, the Company is subject to many risks and hazards in general, including adverse environmental conditions, operational accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather, floods, and earthquakes. Such occurrences could result in damage to the Company’s property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.
Although the Company may maintain insurance to protect itself against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company’s results and cause a decline in the value of the Company’s securities. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities because of their work on a project.

**Environmental Risks and Hazards**

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

**Conflicts of Interest**

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

**Key Personnel Risk**

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

**Competition**

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