

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

22 July 2020

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

Robust US\$81 Million (After-Tax) PEA for Diba Gold Project, Western Mali

Altus Strategies Plc (AIM: ALS & TSX-V: ALTS) ("**Altus**" or the "**Company**"), the African mining royalty generator, announces positive results from a Preliminary Economic Assessment ("**PEA**") for its 100% owned Diba gold project ("**Diba**") in western Mali ("**Mali**").

Highlights:

- Positive PEA for an open-pit oxide gold mine with strong cashflow and rapid payback
- Project economics applying a 10% discount rate and US\$1,500/oz gold price:
 - Pre-tax NPV of US\$115 million, IRR of 728% and payback of 6.2 months
 - After-tax NPV of US\$81 million, IRR of 469% and payback of 6.9 months
- Project economics applying a 5% discount rate and US\$1,800/oz gold price:
 - Pre-tax NPV of US\$167 million
 - After-tax NPV of US\$118 million
- Average production of 52,000oz per year with 3.25 year mine life and low strip ratio of 1:1.37
- Significant growth potential for Diba project:
 - Seven further significant oxide gold targets to be systemically drill tested
 - Metallurgical study to test potential for sulphide ores to be processed via CIL
- Diba is contiguous with the Sadiola mining permit at the heart of a world renowned belt

Steven Poulton, Chief Executive of Altus, commented:

"We are delighted with the robust PEA results on the oxide portion of the Diba hill deposit. The PEA envisages a simple low-cost and low-strip ratio open-pit gold mine, using standard heap-leach processing to generate a pre-tax valuation of US\$115M, yielding an IRR of 728%.

"While the preliminary economics are compelling, we believe Diba has considerable growth potential. We now intend to systematically drill test the seven priority targets we have discovered within 7km of the Diba hill deposit. We will also undertake metallurgical test work to determine if the sulphide material, which is not modelled in the current PEA and which represents approximately 50% of the current mineral resource, is amenable to conventional CIL processing.

"We believe we have only scratched the surface on Diba's potential to generate substantial value for our shareholders and look forward to providing updates in due course."

Cautionary Statement Regarding Preliminary Nature of the PEA

Readers are cautioned that the PEA summarized in this press release is preliminary in nature and is intended to provide an initial, high-level review of the project's economic potential and design options. The PEA mine plan and economic model includes numerous assumptions and the use of Indicated and Inferred Resources. Indicated and Inferred Resources are considered to be too

speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves and as such, there is no certainty that the PEA will be realized. Actual results may vary, perhaps materially. The projections, forecasts and estimates presented in the PEA constitute forward-looking statements and readers are urged not to place undue reliance on such forward-looking statements. Additional cautionary and forward-looking statement information is detailed at the end of this news release.

Table 1: Summary of Economics (US\$1,500/oz base case)

Pre-tax Net Present Value ("NPV") (10% discount rate) ⁽¹⁾	US\$115.2M
After-tax NPV	US\$81.3M
Pre-tax Internal Rate of Return ("IRR")	728%
After-tax IRR	469%
Life of Mine ("LOM") average gold price	US\$1,500/oz
Average All In Sustaining Costs ("AISC") / year	US\$635/oz
Throughput	1.5Mtpa ⁽²⁾
Gold recovery (heap leach)	80%
Low pre-production Capital Expenditure ("CAPEX")	US\$20M
Low strip ratio	1:1.37
Annual gold production	52,000 oz
Operating cashflow	US\$235M
Rapid (after-tax) payback	6.9 months
Average grade of mined resource	1.33 g/t Au
Life of Mine	39 months

(1) Includes deduction of 3% Net Smelter Return royalty to Mali Government

(2) Million tonnes per annum

The PEA describes the potential technical and economic viability of establishing a conventional open-pit gold mine for the Diba project. The PEA technical report has been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators ("NI 43-101") by independent consulting firm Mining Plus UK Ltd ("Mining Plus") of Bristol, United Kingdom. The PEA will be filed on SEDAR at www.sedar.com and on the Company's website at www.altus-strategies.com, shortly after the issuance of this news release.

Mineral Resource

The PEA is based on the Mineral Resources Estimate on the Diba deposit with an effective date of, and as announced by the Company on, 6 July, 2020.

Table 2: Mineral Resource Estimate

Domain	Indicated			Inferred		
	Tonnes (t)	Grade (g/t)	Contained gold (oz)	Tonnes (t)	Grade (g/t)	Contained gold (oz)
OXIDE	3,900,000	1.46	183,100	939,000	1.10	33,200
FRESH	934,000	1.12	33,600	4,540,000	1.05	153,300
Total	4,834,000	1.39	217,000	5,479,000	1.06	187,000

- (1) *Note: cut-off grade is 0.5 g/t Au.*
- (2) *Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.*
- (3) *The CIM definitions were followed for the classification of Measured, Indicated, and Inferred mineral resources.*
- (4) *The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.*

Geology and Mineralisation

Mineralisation at the Diba project is sediment-hosted within a series of eight stacked lenses, typically between 20m and 40m thick. The lenses are shallow-dipping at approximately 30 degrees angled to the east/east-southeast. The weathering profile at the property is estimated to be up to 70m vertical depth, resulting in extensive oxidation from surface. The sulphide content of the mineralised lenses is typically less than 10% by volume and commonly as little as 1%. Disseminated sulphides are fine to very-fine grained, and consist of pyrite, with a minor amount of arsenopyrite, chalcopyrite, tellurides and native gold.

Exploration Potential

The next phase of drilling on the project will focus on the potential to convert Inferred Resources into Indicated Resources, as well as the down dip potential of the deposit. In parallel, systematic drilling will be undertaken over seven priority prospects that have been discovered within 7km of the current Mineral Resource. These targets include:

Target 1: Diba Southwest

The Diba South West prospect is located 1.2km southwest and along strike of the Diba Mineral Resource. The prospect is defined by a northeast striking 1.2km long discontinuous gold in soil anomaly with a series of discretely anomalous termite mound samples above 20ppb Au. The anomaly occurs along the flank of a ferricrete ridge, which extends for a further 1.5km to the southwest and is coincident with a geophysical VTEM anomaly.

Target 2: Diba Northwest

The Diba Northwest prospect extends for 1.85km northwest from the Diba Mineral Resource. The prospect is defined by a northwest striking 2.6km² gold in soil anomaly coincident with a VTEM low anomaly. Historic AC drilling over the prospect tested the anomaly to an average vertical depth of 12.7m, with a number of holes terminating in gold mineralisation (>0.5 g/t Au) within the oxide zone.

Target 3: Diba East

The Diba East prospect is located immediately east of the Diba Mineral Resource. The prospect is defined by a 2km² area northeast striking VTEM low anomaly which is sub-parallel to the strike of the Diba Mineral Resource and Diba Southwest prospect. Historic air core and reverse circulation drilling intersected anomalous gold in the oxide zone, including 0.5 g/t Au over 12.0m from 28.50m (down the hole).

Target 4: Diba West-Northwest

The Diba West-Northwest prospect is located 2km northwest of the Diba Mineral Resource. The prospect is defined by a 650m x 440m east-west striking zone of anomalous termite mound samples up to 37ppb Au. The strike length of Diba West-northwest is comparable in size to that of the Diba Mineral Resource.

Target 5-7: Plateau Targets

Three plateau targets are located 2.1km, 4.8km and 7.6km northwest of the Diba Mineral Resource and cover areas of 1.07km², 0.58km² and 0.55km² respectively. All three plateau targets possess linear flanks indicating the potential for a structural control. The targets are defined by gold in soil anomalies from historic soil sampling grids that occur on the margins of the plateaux, indicating the potential for mineralisation being masked by a ferricrete carapace.

Sensitivities

Diba is expected to be a robust operation that is profitable at a variety of gold prices. The PEA modelled metal prices, oxide gold recoveries and operating costs as shown in the tables below (on a pre-tax basis).

Table 3: Gold Price Sensitivity (pre-tax)

Price (US\$/oz)	1.5 Mtpa ⁽¹⁾ operation	
	NPV10 (US\$000)	IRR%
US\$1,300	\$88,703	486%
US\$1,400	\$101,943	600%
US\$1,500 (Base case)	\$115,183	728%
US\$1,800	\$154,903	1,215%

Table 4: Oxide Gold Recovery Sensitivity (pre-tax)

Recovery %	1.5 Mtpa ⁽¹⁾ operation	
	NPV10 (US\$000)	IRR%
70%	\$90,523	501%
75%	\$102,853	608%
80% (Base case)	\$115,183	728%
85%	\$127,513	862%
90%	\$139,842	1,010%

Table 5: Operating Cost Sensitivity (pre-tax)

Operating Cost	1.5 Mtpa ⁽¹⁾ operation	
	NPV10 (US\$000)	IRR%
80%	\$129,095	923%
90%	\$122,139	820%
100% (Base Case)	\$115,183	728%
110%	\$108,227	645%
120%	\$101,271	571%

(1) million tonnes per annum

Mining

Based on the assumption that the leach pad will be located to the south of the pit, the Diba project LOM plan will consist of the simultaneous exploitation of three open-pit deposits. Pit phasing and exits are independent of each other, the first phase exit is located at 160mRL, the second phase exit is located at 150mRL, and the third pit at 145mRL. The overall strategy is to achieve an average LOM production rate of 4,000 tonnes per day mined. The strip ratio is expected to average 1.37 to 1.

The production plan considers three mining phases based on the following considerations:

- Phases should be mined in sequence to generate the best value
- Each phase contains sufficient plant feed to maintain supply to the processing plant, and as far as possible, keeping waste handling to a minimum
- A minimum mining width of 30m should be used to ensure safe operation for one excavator and two haulage trucks

Mine design has been based on the optimal pit and considered the use of articulated trucks with 20m³ tray capacity during mining operations. To achieve the annual rate of feed to the leaching pad, it is necessary to mine at a rate of 125ktpm (thousand tonnes per month). Two months of advanced clearing will be required, from the third month, sufficient PMI (as defined below) will be exposed to maintain the required production levels. At an annual production rate of 1.5Mt the LOM is 39 months.

Preliminary waste stripping would utilise two CAT365 excavators. Mining would be via conventional open-pit methods (drilling, blasting, loading, haulage and ancillary services). The use of a mining contractor for earth movement has been presumed.

Metallurgy and Processing

Heap Leach

Based on the limited metallurgical test work, commissioned by Etruscan Resources Inc in 2012 and conducted by Endeavour Mining Corporation at their Tabakoto gold mine in western Mali and on other operations in the region, the Diba project oxide zone appears to be amenable to conventional cyanide leaching utilizing either agitated tank leach or heap leach technology.

For the PEA, the gold extraction method envisaged is heap leaching. The following key factors have been considered in the decision to assume heap leaching rather than agitated leaching:

- Lower capital and operating costs
- Reduced project complexity and shorter time required for project construction and implementation

At this preliminary stage, no detailed design for the heap leaching has been completed. The proposed mining system must therefore be considered as only conceptual at this point. The proposed heap leaching system is similar to existing and operating heap leach mines processing similar material under comparable conditions. The processing facilities proposed for the Diba project include:

- Two-stage crushing, screening, and agglomeration
- Heap stacking and leaching using a lined 3,000,000m³ heap leach facility with berms
- Gold recovery by Carbon-in-Column processing.

Waste

Waste rock will be hauled to a designated area to form the Waste Rock Storage Facility (“**WRSF**”) located west of the open pit. The locations of the WRSF will require detailed geotechnical investigation during the next phases of the Diba project to determine the suitability of the proposed area.

Access

Access roads and haul roads will be required around the site; these are planned to be maintained laterite roads. The locations and specification of the roads will require further investigation during the next phases of the Diba project.

Tailings

The Diba project envisions utilising a heap leach processing operation and as such no tailings would be produced from the operation. Therefore, a tailings containment and storage facility is not required.

Operating Costs

The LOM operating costs (per tonne processed) inclusive of ore, overburden and waste rock have been assumed as set out in the table below.

Table 6: Operating Cost Assumptions

Cost	Per Tonne Processed
Mining	US\$7.5
Processing	US\$6.5
G&A	US\$1.5
Selling	US\$1.9
Total Operating Cost	US\$17.4

Opportunities to Enhance Value

The Company has collected 130kg of core samples from representative oxide and fresh zones from existing drill core within the envelope of the resource. The Company has engaged Grinding Solutions Limited of Truro (United Kingdom) to undertake a comprehensive suite of metallurgical analysis to examine the potential to:

- increase the modelled oxide recovery from the current 80% level
- test the amenability of the primary sulphide component of the Diba deposit to Carbon in Leach (CIL) processing

Trade-off studies will also be performed to determine the optimal mining schedules and infrastructure to further optimise the operation leading to increasingly attractive economics to be included in future studies.

Risks

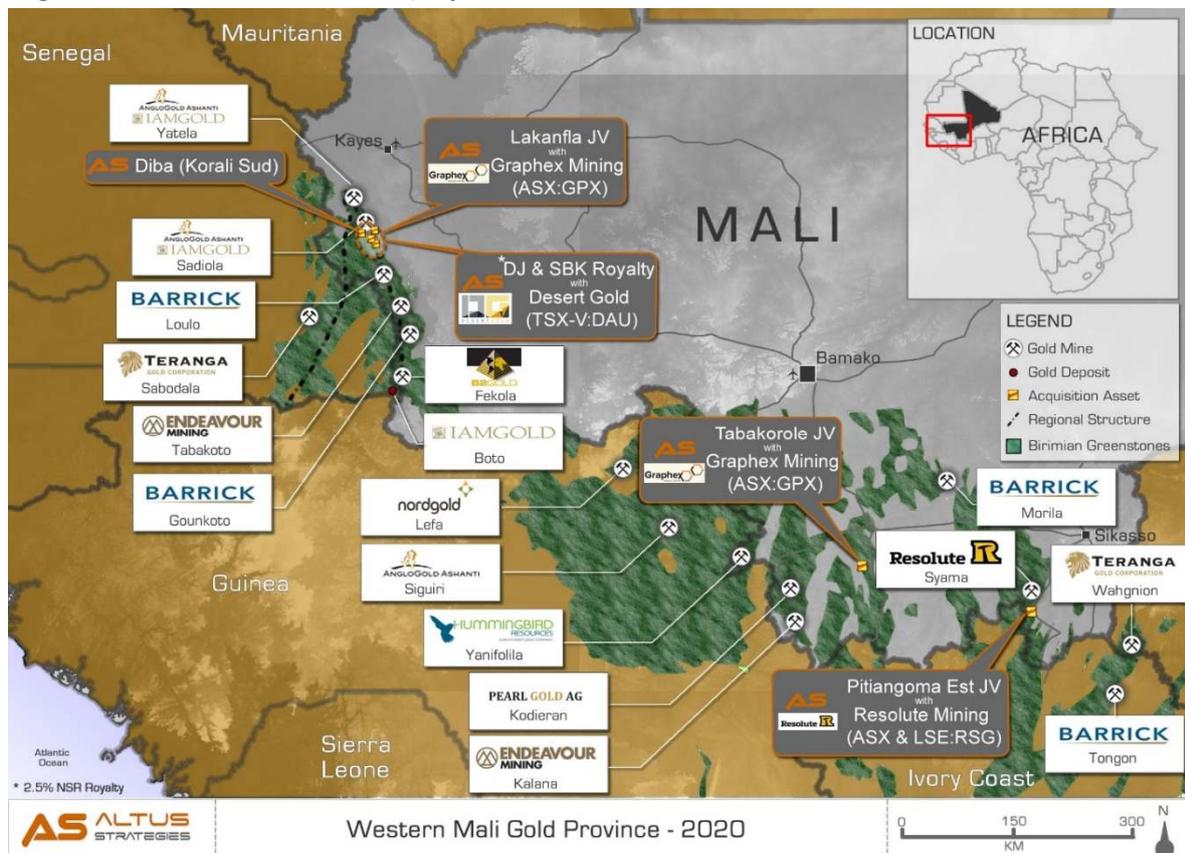
As with all mining ventures, a large number of risks and opportunities can affect the outcome of the Project. Most of these risks and opportunities are based on uncertainty, such as lack of scientific information (test results, drill results, etc.) or the lack of control over external factors (metal prices, exchange rates, etc.). Subsequent higher-level engineering studies would be required to further refine these risks and opportunities, identify new risks and opportunities, and define strategies for risk mitigation or opportunity implementation.

Illustrations

The following figures have been prepared and relate to the disclosures in this announcement and are visible in the version of this announcement on the Company's website (www.altus-strategies.com) or in PDF format by following this link: https://altus-strategies.com/site/assets/files/4878/altus_nr_-_diba_pea_22_july_2020.pdf

- Location of the Diba project in western Mali is shown in Figure 1.
- Location of Diba MRE area and additional targets is shown in Figure 2.
- Schematic cross section of Diba (looking north) is shown in Figure 3.
- 3D interpretation of mineralised lenses at Diba shown in Figure 4.
- A Photo from Diba Hill is shown in Figure 5.

Figure 1. Location of the Diba project in western Mali



(1) Note: Projects and established operations adjacent to and/or nearby the Company's property is not necessarily indicative of mineralization hosted on the Company's property.

Figure 2. Location of Diba MRE area and additional targets

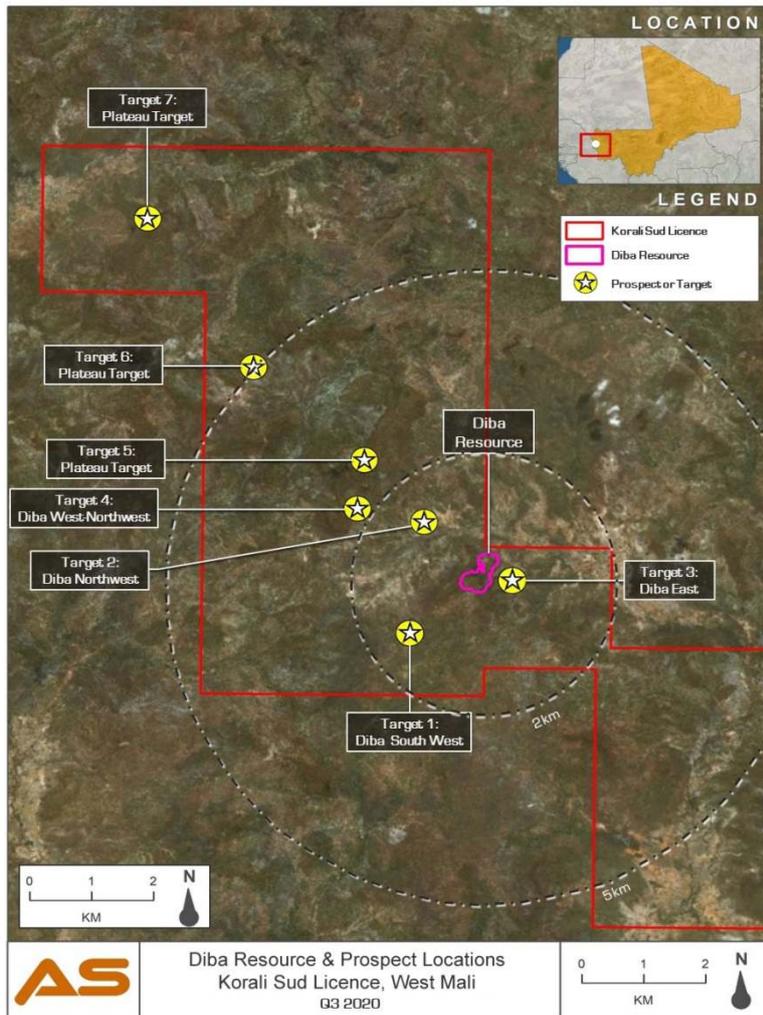


Figure 3. Schematic cross section of Diba (looking north)

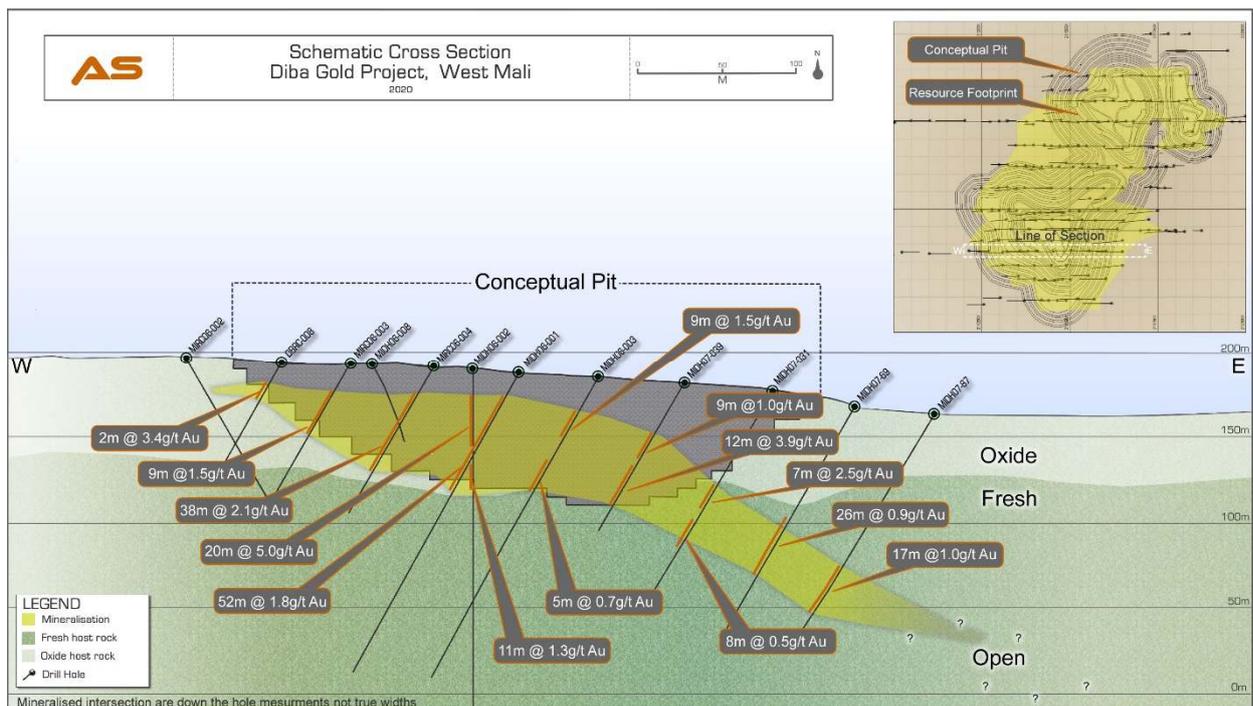


Figure 4. 3D interpretation of mineralised lenses at Diba

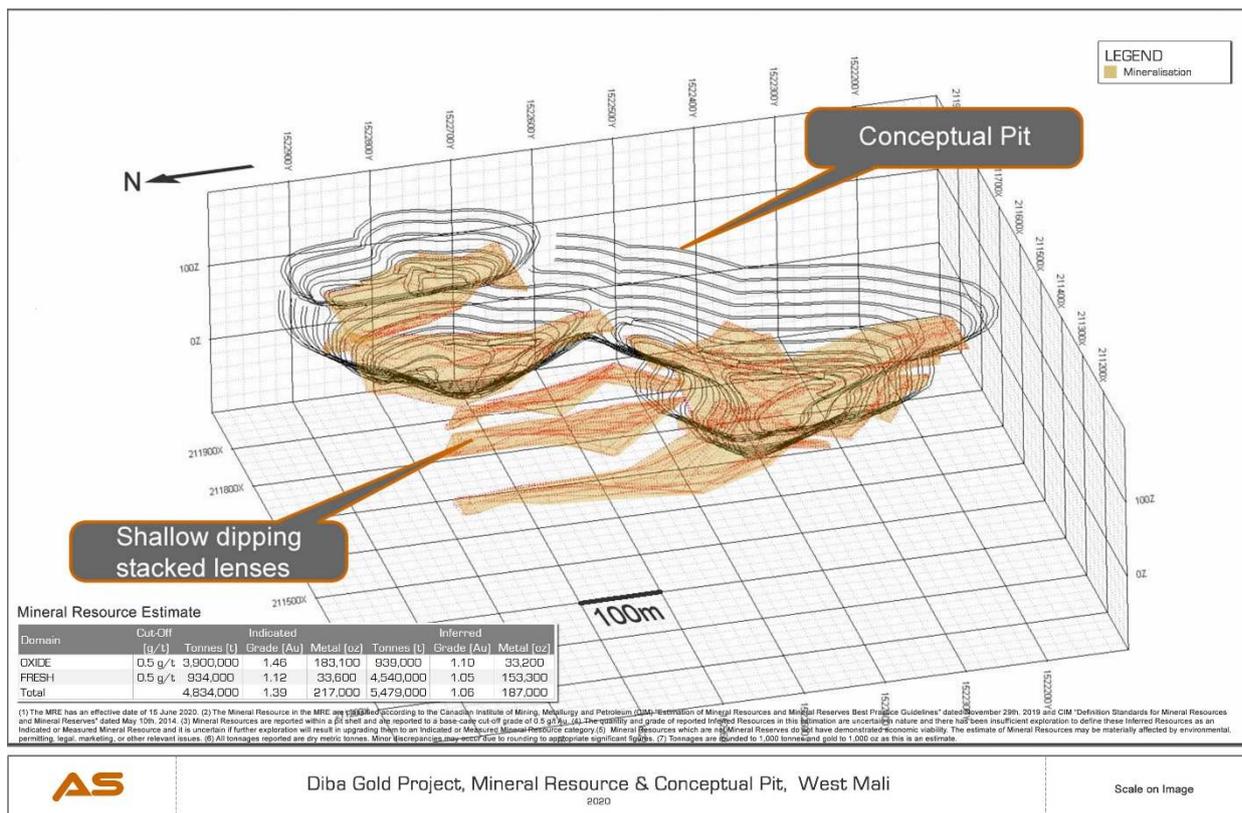


Figure 5. Photo from Diba Hill



Diba Project: Location

The 81km² Diba (Korali Sud licence) project is located in the Kayes region of western Mali, approximately 450km northwest of the capital city of Bamako. The project sits 5km west of the

Company's Lakanfla gold project, which is under joint venture with ASX listed Graphex Mining Limited (ASX:GPX) and approximately 13km south of the multi-million ounce Sadiola gold mine and 35km south of the multi-million ounce Yatela former gold mine. Diba is bounded by the Sadiola permit on its northern and eastern boundaries. Mineralisation hosted on these properties is not necessarily indicative of mineralisation hosted at Diba. The majority owners of the Sadiola mine, AngloGold Ashanti (JSE: ANG, NYSE: AU and ASX: AGG) and IAMGOLD Corporation (TSX: IMG and NYSE: IAG), have announced they have entered into an agreement to sell their collective interests in the Sadiola mine to Allied Gold Corp. of Australia.

Qualified Persons

Julian Aldridge, CGeol (FGS) Principal Geology Consultant, Mining Plus UK Ltd is the main author of the Preliminary Economic Assessment report and is responsible for the technical part of this press release and is the designated Qualified Person under the terms of NI 43-101.

Dan Tucker, CEng, Principal Mining Consultant, Mining Plus UK Ltd is a contributing author of the Preliminary Economic Assessment, and is a Qualified Person under the terms of NI 43-101.

Nick Wilshaw, FIMMM, CEng, Principal Consultant, Grinding Solutions Ltd is a contributing author of the Preliminary Economic Assessment, and is a Qualified Person under the terms of NI 43-101.

The technical disclosure in this regulatory announcement has been verified and approved by Steven Poulton, Chief Executive of Altus. A graduate of the University of Southampton in Geology (Hons), he also holds a Master's degree from the Camborne School of Mines (Exeter University) in Mining Geology. He is a Fellow of the Institute of Materials, Minerals and Mining and has over 20 years of experience in mineral exploration and is a Qualified Person under the AIM rules and NI 43-101.

For further information you are invited to visit the Company's website www.altus-strategies.com or contact:

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About Altus Strategies Plc

Altus Strategies is a London (AIM: ALS) and Toronto (TSX-V: ALTS) listed mining royalty company generating a diversified and precious metal focused portfolio of assets. The Company's focus on

Africa and differentiated approach, of generating royalties on its own discoveries as well as through financings and acquisitions with third parties, has attracted key institutional investor backing. The Company engages constructively with all stakeholders, working diligently to minimise its environmental impact and to promote positive economic and social outcomes in the communities where it operates. For further information, please visit www.altus-strategies.com.

Cautionary Note Regarding Forward-Looking Statements

Certain information included in this announcement, including information relating to future financial or operating performance and other statements that express the expectations of the Directors or estimates of future performance constitute "forward-looking statements". These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include without limitation the completion of planned expenditures, the ability to complete exploration programmes on schedule and the success of exploration programmes. Readers are cautioned not to place undue reliance on the forward-looking information, which speak only as of the date of this announcement and the forward-looking statements contained in this announcement are expressly qualified in their entirety by this cautionary statement.

All of the results of the Diba Preliminary Economic Assessment constitute forward-looking information, including estimates of internal rates of return, net present value, future production, estimates of cash cost, assumed long term price for gold of US\$1,500 per ounce, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, and estimates of capital and operating costs. Furthermore, with respect to this specific forward-looking information concerning the development of the Diba Project, the Company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include among others: (i) the adequacy of infrastructure; (ii) unforeseen changes in geological characteristics; (iii) changes in the metallurgical characteristics of the mineralisation; (iv) the ability to develop adequate processing capacity; (v) the price of gold; (vi) the availability of equipment and facilities necessary to complete development; (vii) the size of future processing plants and future mining rates, (viii) the cost of consumables and mining and processing equipment; (ix) unforeseen technological and engineering problems; (x) accidents or acts of sabotage or terrorism; (xi) currency fluctuations; (xii) changes in laws or regulations; (xiii) the availability and productivity of skilled labour; (xiv) the regulation of the mining industry by various governmental agencies; (xv) political factors, including political stability.

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

TSX Venture Exchange Disclaimer

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

Market Abuse Regulation Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 ("MAR") until the release of this announcement.

Glossary of Terms

The following is a glossary of technical terms:

"AISC" means All-In Sustaining Cost

"AC" means Air Core drilling

"Au" means gold

"CAPEX" means capital expenditure, money spent generating physical assets

"CIL" mean Carbon in Leach processing method (for sulphide material)

"CIM" means Canadian Institute of Mining Metallurgy and Petroleum

"g" means grams

"g/t" means grams per tonne

"grade(s)" means the quantity of ore or metal in a specified quantity of rock

"IRR" means internal rate of return

"km" means kilometres

"LOM" means life of mine

"m" means metres

"MRE" means Mineral Resource Estimate

"NI 43-101" means National Instrument 43-101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators

"NPV" means net present value

"PEA" means Preliminary Economic Assessment, as a study that includes a preliminary economic analysis of the potential viability of a project's mineral resources

"PMI" means potential mineralised inventory

"ppm" means parts per million

"ppb" means parts per billion

"Qualified Person" means a person that has the education, skills and professional credentials to act as a qualified person under NI 43-101

"RC" means Reverse Circulation drilling

"VTEM" means Versatile Time Domain Electromagnetic system from Geotech Ltd

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