

(LSE: APF; TSX: APY)

News Release

November 26, 2015

Anglo Pacific Group PLC Q3 2015 Trading Update

Anglo Pacific Group PLC ("Anglo Pacific", the "Company" or the "Group") (LSE: APF, TSX: APY), the London and Toronto listed royalty company, issues the following trading update for the period July 1, 2015 to November 25, 2015. Unless otherwise stated, all unaudited financial information is for the quarter ended September 30, 2015.

Highlights

- Royalty related income of £1.9m in Q3 2015 (Q3 2014: £0.5m) despite headwinds in the price of commodities
- Royalty related income of £5.7m for the nine months ended September 30, 2015 (nine months ended September 30, 2014: £3.0m; and FY2014: £3.5m)
- Successful completion of longwall changeouts at both Kestrel and Narrabri in the period, leaving full year production targets unchanged
- Positive developments for the Group's Narrabri and Salamanca royalties
- Cash and cash equivalents of £3.6m as at September 30, 2015 (June 30, 2015: £4.0m)
- Total quoted equity interests valued at £7.4m as at September 30, 2015 (June 30, 2015: £6.5m)
- Borrowings of £8.6m as at September 30, 2015 (June 30, 2015: £2.6m)
- Net assets of £161.4m at September 30, 2015 (June 30, 2015: £171.0m)

Julian Treger, Chief Executive Officer of the Company, commented:

"We are pleased to build on the half year performance and report a significant increase in royalty income compared to the third quarter of last year. The increase in the Group's royalty income is largely due to the royalty income received from the Narrabri royalty, acquired in the first half of the year, and has been achieved in a period where commodity prices have remained under significant pressure.

With longwall changeouts successfully completed at both Kestrel and Narrabri, we are expecting a strong finish to 2015. There have also been additional positive developments at our Narrabri and Salamanca royalties following the end of the quarter, which have the potential to significantly enhance our near term royalty flows.

Our move to the standard listing on the Main Market creates greater flexibility as we continue to grow the business, whilst still providing shareholders with a high level of protection. We continue to work hard to identify and appraise new royalty opportunities which will complement our existing portfolio and further the considerable progress we have made this year."

Portfolio update

Planned longwall changeouts at both Kestrel and Narrabri impacted production at the Group's two main royalties in the third quarter. Both changeouts completed on time and will therefore not impact total expected production and income for the year. Anglo Pacific's guidance in relation to production at Kestrel within the Group's royalty land remains unchanged.

Significant news followed the quarter ended September 30, 2015 with the positive updates from Berkeley Energy, which continues to make exceptional progress at its Salamanca Project, suggesting potential upside for both Anglo Pacific's royalty and equity interests. In addition, Whitehaven Coal announced that they are to apply for consent to mine up to 11Mtpa of coal at Narrabri, a large increase to the current permitted levels of production (8Mtpa), which has the potential to significantly enhance the Group's near term royalty flows.

Kestrel

In line with Anglo Pacific's expectations, Rio Tinto announced Kestrel Mine Q3 2015 production of 0.54 Mt of hard coking coal and 0.11 Mt of thermal coal run of mine ("ROM") compared to 0.94 Mt of hard coking coal and 0.18 Mt of thermal coal during Q2 2015.

Production rates at Kestrel were lower during Q3 2015 due to the planned longwall changeout which was announced by Rio Tinto in its Half Year Results 2015. The longwall changeout has not affected Anglo Pacific's H2 2015 guidance range of 70% to 75% of production within Anglo Pacific's royalty area.

Anglo Pacific expects total production at the Kestrel Mine to recover during Q4 2015 as production rates continue to improve towards nameplate longwall capacity of around 6Mtpa.

On November 16, 2015 several Australian media publications reported that Rio Tinto had applied for an extension of their mining licence at Kestrel. As part of this application, Rio Tinto was reported to have told the Australian federal government that it would close the Kestrel Mine if the application was refused. The Group has reviewed the Rio Tinto application in detail and believes that it is part of the normal permitting process for an extension of the existing mining licence to cover the full extent of the mine plan.

The application for licence extension relates to the 500 series longwall panels which are due to be mined at the back end of its expected mine life and are largely outside of the Anglo Pacific royalty area. Rio Tinto has not commented on the timing of any closure, and the Company does not believe this would occur before the completion of any permitted Reserves in the current mine schedule. The Group believes this will have little or no impact on its Kestrel royalty.

Narrabri

During the third quarter, Whitehaven Coal announced that a planned longwall changeout was successfully completed at Narrabri. ROM coal production for the quarter was 1.0 Mt, down 52% compared to 2.1 Mt in the quarter ended September 30, 2014. Narrabri production was impacted by the scheduled longwall changeout, therefore quarterly production is not fully comparable with the same quarter of the previous year, during which no longwall changeout

occurred. Saleable coal production for the quarter was 1.6 Mt, with coal sales of 1.6 Mt. The sale of coal inventories resulted in coal sales exceeding ROM coal production.

On October 30, 2015, Whitehaven Coal announced that it was seeking approval for an 11Mtpa production limit at the Narrabri Mine. If granted, this has the potential to lead to significantly increased production at the mine, ahead of the levels of annual production included in the Group's calculations at the time it acquired the royalty. The acceleration of production is one source of additional value which the Group seeks as part of any royalty acquisition and it is encouraging that Narrabri is outperforming the Group's expectations at current and planned future production levels.

EVBC

EVBC continues to produce at a steady rate for the Group. On November 13, 2015 Orvana Minerals announced that they had met their updated 2015 production guidance with 53,733 ounces of gold, a decrease in production of ~14.5% compared to FY 2014. Orvana noted that the weaker Euro had impacted positively on their costs.

Maracás

The Group's royalty income has been impacted by the decline in the vanadium pentoxide price throughout 2015, which has now dropped to ~\$2.40 per pound. In spite of this, production at the mine continues to ramp up, and Largo Resources announced that they achieved a production record of 110% of nameplate capacity for a short period in August. Although operating costs continue to fall, and should fall further as production increases, these remain above the current vanadium price.

Salamanca

Anglo Pacific is encouraged by Berkeley Energy's decision, as published on November 4, 2015, to accelerate the development of the Salamanca Project, with site works now expected to commence in mid-2016. This, combined with the longer mine life, increased grade and a higher uranium production profile, should considerably increase the potential value of the Group's Salamanca royalty, well in excess of the current carrying value of AUD\$4m.

Berkeley Energy noted that the inclusion of the Zona 7 deposit into the wider Salamanca Project (which previously only included the Retortillo and Alameda deposits) transformed the project economics, with a stated net present value of US\$871.3m and an IRR of 93.3% over a mine life of 18 years.

In addition to holding a 1% Net Smelter Royalty covering all production from Berkeley Energy's Spanish and Portuguese assets, the Group also has a 16.75% disclosed equity interest in Berkeley Energy, which has increased in value throughout 2015. At September 30, 2015 this was carried on the Balance Sheet at £6.1m, and the share price has further increased in value by ~12% since.

Royalty income

A key part of the Group's strategy is to diversify its sources of royalty income. The Group has gone some way to achieving this strategy through its acquisition of the Narrabri royalty,

which generated royalty related income of £2.5m, representing 44% of the Group's total royalty related income of £5.7m for the nine months ended September 30, 2015 (September 30, 2014: £3.0m).

Anglo Pacific is encouraged that royalty income for 2015 will be considerably higher than that received in 2014 which, the Company believes, represented a low point for its royalty income.

Standard listing

In October the Company completed its planned transition from the premium to the standard segment of the Main Market of the London Stock Exchange. The transfer was a result of ongoing discussions with the UK Listing Authority in relation to the appropriate categorisation of the Company under the Listing Rules with respect to technical considerations related to the Company's royalty business model. After careful consideration of the alternative listing regimes available to the Company, the Board concluded that remaining on the Official List with a standard listing would be the most appropriate listing category.

The move creates greater flexibility as the Group continues to grow the business, whilst still providing shareholders with a high standard of protection as a London listed company. The Company retains its TSX listing.

Financial position

The Group had net assets of £161.4m as at September 30, 2015 (June 30, 2015: £171.0m; December 31, 2014: £161.3m). Cash and cash equivalents, together with trade and other receivables totalled £9.7m as at September 30, 2015 (June 30, 2015: £10.6m; December 31, 2014: £14.0m), whilst Group borrowings were £8.6m (June 30, 2015: £2.6m; December 31, 2014: £nil).

Dividend

The Board has declared an interim dividend for 2015 of 4.00p per share, maintaining the 2014 final dividend per share. This will be paid on February 4, 2016 to shareholders on the register at the close of business on November 27, 2015. The shares were quoted ex-dividend in Canada on November 25, 2015 and are quoted ex-dividend in London today.

For further information:

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Notes to Editors

About Anglo Pacific

Anglo Pacific Group PLC is a global natural resources royalty company. The Company's strategy is to develop a leading international diversified royalty company with a portfolio centred on base metals and bulk materials, focusing on accelerating income growth through acquiring royalties on projects that are currently cash flow generating or are expected to be within the next 24 months. It is a continuing policy of the Company to pay a substantial portion of these royalties to shareholders as dividends.

Cautionary statement on forward-looking statements and related information

Certain information contained in this announcement, including any information as to future financial or operating performance and other statements that express management's expectation or estimates of future performance, constitute "forward looking statements". The words "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts", or negative versions thereof and other similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Further, forward-looking statements are not guarantees of future performance and involve risks and uncertainties which could cause actual results to differ materially from those anticipated, estimated or intended in the forward-looking statements. Furthermore, this announcement contains information and statements that are based on certain estimates and forecasts that have been provided to the Group by Kestrel Coal Pty Ltd ("KCPL"), the accuracy of which KCPL does not warrant and on which readers may not rely. The material assumptions and risks relevant to the forward-looking statements in this announcement include, but are not limited to: stability of the global economy; stability of local government and legislative background; continuing of ongoing operations at the properties underlying the Group's portfolio of royalties in a manner consistent with past practice; accuracy of public statements and disclosures (including feasibility studies and estimates of reserve, resource, production, grades, mine life, and cash cost) made by the owners and operators of such underlying properties; accuracy of the information provided to the Group by the owners and operators of such underlying properties; no material adverse change in the price of the commodities produced from the properties underlying the Group's portfolio of royalties and investments; no material adverse change in foreign exchange exposure; no adverse development in respect of any property in which the Group holds a royalty or other interest, including but not limited to unusual or unexpected geological formations and natural disasters; successful completion of new development projects; planned expansions or additional projects being within the timelines anticipated and at anticipated production levels; and maintenance of mining title. If any such risks actually occur, they could materially adversely affect the Group's business, financial condition or results of operations. For additional information with respect to such risks and uncertainties, please refer to the "Principal Risks and Uncertainties" section of our most recent Annual Report. Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. The forward-looking statements contained in this announcement are made as of the date of this announcement only and the Group undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Third party information

As a royalty holder, the Group often has limited, if any, access to non-public scientific and technical information in respect of the properties underlying its portfolio of royalties, or such information is subject to confidentiality provisions. As such, in preparing this announcement, the Group has largely relied upon the public disclosures of the owners and operators of the properties underlying its portfolio of royalties, as available at the date of this announcement.