

LSE: APF; TSX: APY

News Release

November 2, 2016

Anglo Pacific Group PLC Q3 2016 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, 2016 to November 1, 2016. Unless otherwise stated, all unaudited financial information is for the quarter ended September 30, 2016.

Q3 2016 Highlights

- Royalty related income of £4.7m in Q3 2016 (Q3 2015: £1.9m), an increase of 147%
- Royalty related income of £9.0m for the nine months ended September 30, 2016 (nine months ended September 30, 2015: £5.7m; and FY2015: £8.7m), an increase of 58%
- Cash and cash equivalents of £4.0m as at September 30, 2016 (December 31, 2015: £5.7m) and net debt of £8.2m as at September 30, 2016 (December 31, 2015: £1.8m), both prior to receipt of Q3 2016 royalty income

Outlook

- Significant increases in both coking and thermal coal prices since the half year, with spot prices up 229% and 110% year to date respectively, which should benefit royalty income in Q4 2016
- Royalty income for 2016 expected to be considerably higher than previous expectations
- Net debt currently stands at £4.2m following receipt of the Q3 2016 royalty income
- Currency hedging measures implemented to protect a significant portion of forecast next six months' Australian dollar income at spot rates of approximately GBP:AUD 1.60, following the continued weakness of sterling post the outcome of the EU referendum
- Full dividend cover now expected for 2016 ahead of previous guidance, and acceleration in the timeframe when the Group can consider gradually increasing its dividend

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

"We are delighted by the Group's progress this year, underlined by the significant increase in royalty income which is already ahead of 2015 as a whole. Encouragingly, we believe that more good news is still to come in Q4 2016, when increased coal prices and mining in our royalty areas should benefit the Company still further.

"With the outlook for robust coal prices set to continue through H1 2017, we look forward to the corresponding benefit to our dividend cover. We remain very excited about the Group's prospects, as Anglo Pacific continues to be one of the only listed royalty companies that provides such high levels of exposure to coking coal price increases."

Trading update additional information

- Increase in income for the first nine months of 2015 has been driven largely by increases in volume in the Group's royalty land at Kestrel and the weakness of the sterling (sterling is approximately 20% lower against the Australian dollar compared to the level at the beginning of the year), with the full benefit of recent coal price increases expected to come through in the final quarter of the year
- Although Rio Tinto has not published the price at which they have contracted coking coal sales for Q4 2016, both Peabody and Glencore have settled contracts at US\$200/t. This marks a 117% increase on the Q3 2016 contract price of \$92/t. Should Rio Tinto achieve this price, when combined with the majority of production at Kestrel expected to be within Anglo Pacific's land in Q4 2016, Anglo Pacific can reasonably expect a much higher amount of royalty income in Q4 2016 compared to expectations at the half year. The company will make an announcement to the market in due course once the coking coal price has been set for Q4 2016.
- Although the coking coal price increase has been most pronounced, the price of thermal coal is also up sharply as is the price of intermediate quality PCI coal. The royalty the Group acquired in March 2015 over the Narrabri mine should thus also show considerable growth in Q4 2016

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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 and to the "Risk Factors" section of our most recent Annual Information Form available on www.sedar.com and the Group's website www.anglopacificgroup.com. 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.