

# News Release

May 25, 2016

## Anglo Pacific Group PLC Q1 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 January 1, 2016 to May 23, 2016. Unless otherwise stated, all unaudited financial information is for the quarter ended March 31, 2016.

### Highlights

- Royalty income of £1.9m in Q1 2016 (Q1 2015: £2.3m, Q4 2015: £3.0m) in line with the Group's expectations that the majority of royalty income, similar to 2015, will be received in H2 2016
- Guidance from Kestrel remains unchanged with 30-35% of production expected within the Group's land in H1 2016 and 85-90% in H2 2016
- Recovery in both the outlook and price of coking coal and vanadium pentoxide
- First receipts from the Four Mile royalty of £0.2m
- Cash and cash equivalents of £3.7m as at March 31, 2016 (December 31, 2015: £5.7m)
- Borrowings of £9.3m as at March 31, 2016 (December 31, 2015: £7.3m)
- Following positive developments at Berkeley Energia Limited ("Berkeley"), the Group's equity stake is valued at £10.3m (as of May 23, 2016) and the implied value of the Group's royalty, based on Berkeley's recently announced deal, is approximately \$10m higher than the value carried on our balance sheet

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

"Similar to 2015, we expect the majority of our royalty income to be earned in the second half of 2016. We continue to expect royalty income for 2016 as a whole to be significantly higher than the £8.7m earned in 2015, a year which marked the beginning of a turnaround for the Group in terms of production returning to the Group's royalty land at Kestrel and a full year of income for the Narrabri royalty.

We are pleased to finally see the price of coking coal show some signs of recovery. We believe that the price risk relating to coking coal should be to the upside.

We were encouraged to see the first receipts from our Four Mile uranium royalty in the period. Uranium is a commodity we continue to believe in and are pleased to see the recent positive developments at Berkeley which not only has increased the value of our equity holding but also implies that the market value of our royalty is approximately \$10m higher than the carrying value in our balance sheet based on an identical royalty which they announced earlier this month."

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 and to the "Risk Factors" section of our most recent Annual Information Form available on [www.sedar.com](http://www.sedar.com) and the Group's website [www.anglo-pacificgroup.com](http://www.anglo-pacificgroup.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.