

News Release

January 28, 2016

Anglo Pacific Group PLC Q4 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, announces the following trading update for the period October 1, 2015 to December 31, 2015, ahead of the release of its full year results on March 23, 2016. Unless otherwise stated, all unaudited financial information is for the quarter ended December 31, 2015.

Highlights

- Royalty income for Q4 2015 in the range of £2.7 - £3.0m (Q4 2014: £0.4m)
- Royalty income for 2015 in the region of £8.5 - £8.8m (2014: £3.5m)
- H2 2015 and full year Kestrel coal production within Anglo Pacific's royalty area of 84% (above guidance of 70-75%) and 49% respectively
- Updated tonnage sales forecasts from Rio Tinto, in accordance with Anglo Pacific's Kestrel information rights, confirm previous guidance of 60-65% of Kestrel coal production will be within the Group's royalty area during 2016 (H1 2016: 30-35% and H2 2016: 85-90%)
- The Narrabri mine's production continues to outperform the Group's expectations, setting an annual production record of 8.3 Mt run-of-mine coal for the calendar year 2015, well in excess of the original design capacity of 6 Mtpa
- Laramide Resources C\$5m loan receivable repaid to Anglo Pacific on December 31, 2015 upon maturity
- Unaudited cash and cash equivalents of £5.7m as at December 31, 2015 (September 30, 2015: £3.6m)
- Unaudited net debt at December 31, 2015 of £1.8m (September 30, 2015: £5.2m)
- Coking coal price weakness likely to result in a Q4 2015 pre-tax reduction in the carrying value of the Group's Kestrel royalty in the range of A\$28 - A\$33m, with a corresponding reduction in the associated deferred tax liability
- Operating costs, excluding share based payments, will be less than £4.0m, a significant reduction on the £4.9m equivalent in 2014
- Final dividend for 2015 to be reduced to 3p, from the previous level of 4p per half year, bringing the total dividend for the year ended December 31, 2015 to 7p per share
- The Company's revised dividend reflects lower income expectations due to an approximate decline in coking and thermal coal prices during 2015 of between 15% and 25%
- It is a continuing policy of the Company to pay a substantial proportion of its royalties to shareholders as dividends, with a long term target dividend of 65% of adjusted earnings

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

"We are very pleased with the underlying performance of the Group's royalties and expect further income growth from our royalties in 2016.

Like everyone in the sector, we have been affected by the commodity environment and weakening coal prices have reduced our revenue. This decline, combined with a lower commodity price outlook, has led the Board to reconsider our dividend policy. Despite this, we remain committed to paying attractive dividends and maximising shareholder value.

We continue to believe these challenging times for the mining sector will provide opportunities for Anglo Pacific to identify attractive new royalties that will enhance the lifespan and diversity of our portfolio."

For further information:

Anglo Pacific Group PLC

+44 (0) 20 3435 7400

Julian Treger - Chief Executive Officer

Kevin Flynn - Chief Financial Officer and Company Secretary

Website:

www.anglopacifigroup.com

BMO Capital Markets Limited

+44 (0) 20 7664 8020

Jeffrey Couch / Neil Haycock / Tom Rider

Macquarie Capital (Europe) Limited

+44 (0) 20 3037 2000

Raj Khatri / Nicholas Harland / Ariel Tepperman

Peel Hunt LLP

+44 (0) 20 7418 8900

Matthew Armitt / Ross Allister

Bell Pottinger

+44 (0) 20 3772 2500

Nick Lambert / Lorna Cobbett

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 on the Group's website www.anglopacifigroup.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.