

News Release

February 6, 2015

LSE: APF; TSX: APY

Anglo Pacific Group PLC Firm Placing and Placing and Open Offer of 49,375,000 New Ordinary Shares at an Offer Price of 80 pence per share

Anglo Pacific Group PLC ("**Anglo Pacific**", the "**Company**") (LSE: APF, TSX: APY) is pleased to announce the results of the oversubscribed equity placing announced by the Company on February 4, 2015. A total of 49,375,000 New Ordinary Shares of 2 pence each in Anglo Pacific (the "**Placing Shares**") have been conditionally placed at an Offer Price of 80 pence per share, to raise aggregate gross proceeds of £39.5 million (approximately US\$60 million) (the "**Equity Placing**"). The Offer Price represents a discount of approximately 3.9 per cent. to the closing middle market price of 83.25 pence per share on February 3, 2015, being the last business day prior to the announcement of the Firm Placing, Placing and Open Offer and a discount of approximately 3.6 per cent. to the closing middle market price of 83 pence per share on February 5, 2015, being the last business day prior to this announcement.

The Placing Shares comprise 26,750,000 Firm Placed Shares and 22,625,000 Conditional Placed Shares. The Placing Shares represent approximately 42.4 per cent. of the Company's issued ordinary share capital prior to the Equity Placing.

The Placing Shares will, when issued, be credited as fully paid and will rank equally in all respects with the existing ordinary shares of 2 pence each in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such shares after the date of issue of the Placing Shares.

Admission of the Placing Shares, and completion of the Equity Placing, is conditional upon, amongst other things, Shareholder approval at the General Meeting, notice of which will be sent to Shareholders together with a combined Prospectus and Class 1 circular.

Application will be made for the New Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities and to be listed on the Toronto Stock Exchange. Admission is expected to occur and dealings in the New Ordinary Shares are expected to commence on the London Stock Exchange at 8:00 a.m. on February 27, 2015.

Following Admission and the issue of 4,135,238 Acquisition Shares in connection with the Acquisition, the total issued share capital of the Company will be 169,942,034 ordinary shares.

The Directors and their connected entities have agreed to subscribe for shares in the Equity Placing amounting to 3,029,285 Firm Placed Shares and 2,510,814 Conditional Placed Shares in aggregate. Immediately following Admission, the Directors' holdings, in aggregate, are expected to represent 4.1 per cent. of the issued ordinary shares of the Company.

Details of the Directors' proposed participation in the Firm Placing, Placing and Open Offer are set out below:

<i>Name of Director</i>	<i>Firm Placed shares</i>	<i>Conditional Placed Shares</i>	<i>Ordinary shares held post Admission³</i>	<i>% post Admission³</i>
Julian Treger ¹	2,933,080	2,429,519	6,561,988	3.86%
Bob Stan	54,200	45,800	100,000	0.06%
Mark Potter	14,905	12,595	127,500	0.08%
Mike Blyth ²	27,100	22,900	70,600	0.04%

¹This subscription will be made by Kings Chapel International Limited, in which Mr Treger has a beneficial interest

²This subscription will be made by Mike Blyth's spouse

³Assuming no clawback under the Open Offer

Of the above, the issue of 5,362,599 New Ordinary Shares to Julian Treger and his connected entities for a consideration of approximately £4.3 million pursuant to the Firm Placing and the Placing (subject to clawback under the Open Offer) constitutes a smaller related party transaction for the purposes of Chapter 11 of the Listing Rules.

Key terms of the Open Offer

The Conditional Placed Shares are subject to clawback in respect of valid applications by Qualifying Shareholders at the Offer Price under the Open Offer. The Firm Placed Shares are not subject to clawback and are not part of the Open Offer.

Under the Open Offer, Qualifying Shareholders will be given the opportunity to apply for the Open Offer Shares at the Offer Price of 80 pence per New Ordinary Share on the following basis:

0.1944 Open Offer Shares for every 1 Existing Ordinary Share

registered in their name on the Record Date and otherwise on the terms and conditions set out in the Prospectus. Fractional entitlements to New Ordinary Shares will not be allotted to Qualifying Shareholders and entitlements will instead be rounded down to the nearest whole number of New Ordinary Shares. The aggregate number of New Ordinary Shares available for subscription pursuant to the Open Offer is 22,625,000 New Ordinary Shares. Qualifying Shareholders will be able to subscribe for Open Offer Shares up until 11:00 a.m. on February 25, 2015.

Qualifying Shareholders should note that the Placing and Open Offer is not a rights issue and should be aware that in the Placing and Open Offer, unlike a rights issue, any Open Offer Shares not applied for will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Placing and Open Offer, but will be issued to the Conditional Placees for the benefit of the Company.

Further information on the Open Offer, including the terms and conditions of the Open Offer and the procedure for acceptance and payment will be set out in the Prospectus.

Capitalised terms used, but not defined, in this announcement, have the same meanings as set out in the announcement released by the Company on February 4, 2015 in relation to the Firm Placing, Placing and Open Offer.

BMO Capital Markets Limited and Macquarie Capital (Europe) Limited are acting as joint bookrunners in connection with the Firm Placing, Placing and Open Offer and Shard Capital Partners LLP is acting as Co-Manager.

Commenting on the Equity Placing, Julian Treger, Chief Executive Officer of Anglo Pacific, said:

"We are delighted to have raised £39.5 million gross proceeds through the successful placing today, which is subject to shareholder approval. The placing will facilitate the proposed acquisition of the Narrabri royalty. This royalty will further diversify our royalty cash flow, as it is in production, and will immediately enhance our royalty portfolio and assist the Company to deliver a progressive dividend policy that creates long-term sustainable value for shareholders.

We are grateful to both our existing, and new, shareholders for their strong support enabling us to raise the top end of the amount we looked to achieve. The rest of the Board and I look forward to delivering growth and value to all our shareholders."

For further information:

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About the Company

Anglo Pacific 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.

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BMO, Macquarie Capital and Shard Capital, each of which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting exclusively for the Company and no-one else in connection with the Firm Placing, Placing and Open Offer and they will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or in relation to the contents of this Announcement or any transaction or any other matters referred to herein nor for providing advice in relation to the Firm Placing, Placing and Open Offer.

The distribution of this Announcement and the proposed issue and placing of the New Ordinary Shares pursuant to the Firm Placing, Placing and Open Offer as set out in this Announcement in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Banks that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. Persons into whose possession this Announcement comes are required by the Company and the Banks to inform themselves about, and to observe, such restrictions.

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The New Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. There will be no public offer of securities in the United States.

This Announcement may not be and must not be acted on or relied on by a Canadian purchaser and this Announcement does not itself constitute an offer to sell any New Ordinary Shares in, or to any person subject to, the laws of Canada. This Announcement is being sent into Canada only for information and does not constitute an offer to sell, or a solicitation of an offer to buy, New Ordinary Shares to or from a person in Canada.

This Announcement contains forward-looking statements. These statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The terms "expect", "should be", "will be" and similar expressions identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to: general economic and business conditions; demand for the commodities in which the Company has invested; factors affecting the assets and operations to which the Company's royalty interests relate; competitive factors in the industries in which the Company operates; exchange rate fluctuations; legislative, fiscal and regulatory developments; political risks; terrorism, acts of war and pandemics; changes in law and legal interpretations. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, neither the Company nor the Banks undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to read this Announcement and the Prospectus and the information incorporated by reference therein in their entirety for a further discussion of the factors that could affect the Company's or the Group's future performance and the industries in which they operate. In light of these risks and uncertainties, the events described in the forward-looking statements in this Announcement may not occur. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

The price of shares and any income expected from them may go down as well as up and an investor may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.