

# News Release

January 27, 2015

## **Anglo Pacific Group PLC Isua Project sold to General Nice**

Anglo Pacific Group PLC ("Anglo Pacific" or the "Company") (LSE: APF, TSX: APY), the London and Toronto listed royalty company, issues the following update on its 1% Gross Revenue Royalty ("GRR") over the Isua Project located in Greenland.

On January 8, 2015, the Government of Greenland announced that it had approved the transfer of all shares of London Mining Greenland (Jersey) (1) Ltd ("London Mining Greenland") to General Nice Development Limited ("General Nice"). The Isua Project licence is owned by London Mining Greenland A/S, a wholly owned subsidiary of London Mining Greenland.

On January 26, 2015, Anglo Pacific received official confirmation of this from PricewaterhouseCoopers LLP ("PwC"), the administrator of London Mining PLC ("London Mining"). Anglo Pacific intends to waive its rights to the repayment of the US\$30m advanced to London Mining in 2011 under the change of control provisions of the royalty financing agreement due to the inability of London Mining to make this repayment.

The indirect transfer of the licence means that the company structure of London Mining Greenland A/S remains the same and therefore the royalty will continue to apply to the project.

### **Julian Treger, Chief Executive Officer, commented:**

"We are encouraged by this development as we believe Isua remains a viable project in the longer term. We look forward to the progression of the Isua Project in the short to medium term under the ownership of General Nice who the Government of Greenland has assessed as being able to raise the necessary financing for the development of the exploitation licence, and we anticipate building a strong and mutually beneficial relationship between our companies."

### **About the transaction**

Anglo Pacific owns a 1% GRR over the Isua Project, formerly owned and operated by London Mining which entered administration in October 2014. London Mining Greenland A/S retains the licence to exploit iron ore at the Isua Project, and 100% of the shares of its holding company, London Mining Greenland, have now been transferred to General Nice. The indirect transfer of the licence means that the company structure of London Mining Greenland A/S remains the same and the royalty will continue to apply to the project.

In Q4 2014, Anglo Pacific fully impaired the US\$30m advanced under the royalty financing agreement with London Mining following its entry into administration, resulting in a charge

of £15.0m to the income statement. However, with the Isua project now under the ownership of General Nice there is scope for recovery of value from this royalty in the future.

Following the transfer of ownership of the Isua Project from London Mining to General Nice, Anglo Pacific intends to waive its rights under the change of control provisions of the royalty financing agreement entered into with London Mining to the repayment of the US\$30m advanced in 2011 due to the inability of London Mining to make this repayment.

Development of the project is now expected to continue, however a number of licensing issues need to be addressed before construction and operation of the mine can begin. The details of the exploitation and closure plans as well as technical approvals are currently being finalised, and London Mining Greenland A/S, the Government of Greenland, and the two municipalities Qeqqata Kommunia and Kommuneqarfik Sermersooq are negotiating an Impact Benefit Agreement. These procedures are all expected by the Government of Greenland to be finalised soon.

### **About General Nice**

General Nice was founded in 1992 and is reported to be one of China's largest importers of coking coal with its main operational centre in Tianjin City. General Nice has three primary business areas: development and operation of mineral deposits, commodities trading, and commercial property development.

The total assets of General Nice are reported to have reached US\$8 billion and include investments in IRC Limited, a company with iron ore production and development assets in Russia; Pluton Resources, which operates an iron mine in Western Australia and the Palabora Mining Company which operates a copper mine in South Africa.

According to the Government of Greenland press release announcing the transaction, General Nice has more than 100 subsidiary enterprises across more than 80 countries and regions in China, Singapore, Indonesia, India, Thailand, Tajikistan, South Africa, the United States, Australia and Russia and has around 12,000 employees globally.

Further information on General Nice can be found on its website:  
<http://www.generalnice.com.hk/index.html>

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## Notes to Editors

### About Anglo Pacific

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.

### **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. 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.