

June 2, 2014

**Anglo Pacific Group PLC**  
**Acquisition of Maracás Vanadium Royalty**

Anglo Pacific Group PLC ("Anglo Pacific", the "Company") (LSE: APF, TSX: APY) is pleased to announce that it has entered into a definitive agreement with Cancap Investments Limited ("Cancap") to acquire Cancap's royalty interest in the Maracás Vanadium Project ("Maracás Project"), located in Brazil and operated by TSX Venture Exchange listed Largo Resources Limited ("Largo") (TSX-V:LGO).

Anglo Pacific will pay Cancap total consideration of up to US\$25 million in cash and will issue Cancap certain warrants, in exchange for its 2% net smelter return ("NSR") royalty interest on all mineral products sold from the area of the Maracás Project to which the royalty interest relates (the "Royalty").

Total consideration is payable as follows:

- US\$22 million payable in cash on completion of the sale to Anglo Pacific of the Royalty ("Completion");
- A further US\$1.5 million payable in cash when the Maracás Project reaches, over a calendar quarter, sales of an annualised production rate of 9,500t V<sub>2</sub>O<sub>5</sub> equivalent;
- A further US\$1.5 million payable in cash when the Maracás Project reaches, over a calendar quarter, sales of an annualised production rate of 12,000t V<sub>2</sub>O<sub>5</sub> equivalent; and
- 500,000 warrants will be issued to Cancap on Completion. Each warrant will entitle the holder to acquire one Anglo Pacific ordinary share at a strike price of £2.50 and will be exercisable for 5 years. The warrants will not be admitted to trading on any exchange.

The Maracás Project is due to commence production in the near term and is forecast to produce an average annual production of approximately 25.1 Mlbs (11,400t) V<sub>2</sub>O<sub>5</sub> equivalent over a 29 year mine life<sup>(1)</sup> (in respect of the mine area to which the Royalty relates). According to recent Largo disclosure, the commissioning of the Maracás mine is now complete<sup>(2)</sup>. Largo has also entered into an off-take agreement with Glencore International AG for all vanadium products produced at the Maracás Project for the first 6 years of commercial production.

Completion of the transaction with Cancap is expected by June 11, 2014.

**Commenting on the acquisition, Julian Treger, Chief Executive Officer of Anglo Pacific, said:**

"The acquisition of the Maracás royalty ticks all of the boxes for Anglo Pacific and reflects the commitment to expanding our portfolio with royalties focused on high quality base metals and bulk commodity mining projects that have existing or near-term production. Due to the Maracás Project's high-grade resource, it is expected to be a low cost vanadium producer once it reaches full capacity.

The Maracás royalty provides additional commodity diversification to the Anglo Pacific royalty portfolio through exposure to vanadium, a commodity which we believe has strong underlying fundamentals driven by China's and other developing economies' increasing demand for high quality alloyed steel."

Anglo Pacific is also pleased to announce that it has appointed Barclays Bank PLC to work alongside BMO Capital Markets Limited as Joint Corporate Broker with immediate effect.

#### **Analyst conference call**

There will be an analyst conference call on June 2, 2014 at 09:30 (BST). The call can be accessed by dialling +44 (0)20 8515 2313 and quoting 'Anglo Pacific update call'.

For further information:

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#### **Notes to Editors**

##### About Anglo Pacific

Anglo Pacific is a global mining royalty company. The Company's strategy is to create the premier base metals and bulk

materials listed royalty company, 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.

#### About Largo Resources Limited

Largo is a growing strategic mineral company with projects in Brazil and Canada. The immediate goal of the Company is to bring its Maracás Vanadium Project to production in 2014. Largo also has interests in a portfolio of other projects, including: a 100% interest in the Currais Novos Tungsten Tailings Project in Brazil, which the Company continues to develop; a 100% interest in the Campo Alegre de Lourdes Iron-Vanadium Project in Brazil; and a 100% interest in the Northern Dancer Tungsten-Molybdenum property in the Yukon Territory, Canada.

Largo is listed on the TSX Venture Exchange under the symbol "LGO".

On March 4, 2013 Largo filed a Preliminary Economic Assessment of the Maracás Project to include production from resources added in 2011 and 2012. This updated (NI 43-101) Mineral Resources Estimate covered the Gulçari A deposit and five additional satellite deposits (Gulçari A Norte, Gulçari B, São Jose, Novo Amparo and Novo Amparo Norte) all hosted in the Jacaré River Intrusion. For more information, please visit [www.largoresources.com](http://www.largoresources.com).

(1) Information relating to Largo production guidance, mine life and unit operating costs is extracted from the "Preliminary Economic Assessment of the Maracás Vanadium Project, 1.4 Million Tonnes per Year Processing Plant" dated March 4, 2013 prepared for Largo under the supervision of qualified persons for Largo and available at [www.sedar.com](http://www.sedar.com). Largo is the owner and operator of the Maracás Project and is listed on the TSX Venture Exchange and reports in accordance with NI43-101.

(2) Announcement on construction progress made by Largo on May 16, 2014.