

# News Release

April 1, 2016

## **Anglo Pacific Group PLC Royalty Update: Groundhog Anthracite Project**

Anglo Pacific Group PLC ("Anglo Pacific", or the "Company") (LSE: APF, TSX: APY), the London and Toronto listed royalty company, is pleased to announce that it has now settled the outstanding amount due under its promissory note receivable from Atrum Coal Groundhog Inc and its parent company, Atrum Coal NL (together "Atrum") (the "Promissory Note"). The Promissory Note was issued as part consideration for the sale of the Company's coal licences in September 2014, and subsequently extended in September 2015.

The remaining outstanding balance of US\$1.4 million (including principal and accrued interest) has been settled by way of US\$0.6 million in cash along with the issue of a new royalty as follows:

- 0.5% gross revenue royalty ("GRR") over all production within Atrum's Groundhog Anthracite Project ("Groundhog") tenements for a period of ten years from the date that Atrum declares commercial production on the project; and subsequently
- 0.1% GRR from production within the Groundhog North Mining Complex project area.

Anglo Pacific will continue to retain the higher of a 1% GRR or US\$1.00/t royalty on the areas of Groundhog that Atrum acquired from Anglo Pacific in 2014.

### **Julian Treger, Chief Executive Officer of Anglo Pacific, commented:**

"We are pleased to have recovered the full value of our outstanding promissory note, and in the process increased our royalty exposure to Atrum's high quality anthracite project. We look forward to the project progressing into production."

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.

### **About Atrum Coal**

Atrum Coal is an ASX-listed (ASX:ATU) exploration and development company focused on metallurgical coal projects. The company's flagship project is the high grade and ultra-high grade Groundhog, located in British Columbia, Canada.

Groundhog comprises 46 granted coal licenses and 40 coal license applications. Groundhog is prospective for high grade and ultra-high grade anthracite suitable for use in the manufacture of blast furnace steel, as well as electric arc furnaces, as a reductant, filter media, and feedstock for chemical production.

Atrum has devised multiple mines for development in the Groundhog Coalfield, beginning with the Groundhog North Mining Complex, comprised of multiple mines feeding a common coal handling and preparation plant.