



# Anglo Pacific Group PLC

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**Results for the year ended December 31, 2016**

March 2017

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Certain statements in this presentation, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Company's expectations and views of future events. Forward-looking statements (which include the phrase 'forward-looking information' within the meaning of Canadian securities legislation) are provided for the purposes of assisting the reader in understanding the Company's financial position and results of operations as at and for the periods ended on certain dates, and to present information about management's current expectations and plans relating to the future. Readers are cautioned that such forward-looking statements may not be appropriate for other purposes than outlined in this presentation. These statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, cash flow, requirement for and terms of additional financing, performance, prospects, opportunities, priorities, targets, goals, objectives, strategies, growth and outlook of the Company including the outlook for the markets and economies in which the Company operates, costs and timing of acquiring new royalties, mineral reserve and resources estimates, estimates of future production, production costs and revenue, future demand for and prices of precious and base metals and other commodities, for the current fiscal year and subsequent periods. In addition, statements relating to 'reserves' or 'resources' are forward looking statements, as they involve implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future.

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# Full Year 2016 Highlights

- » 127% increase in royalty income to £19.7m (2015: £8.7m) driven by a recovery in commodity prices underlying key Anglo Pacific royalties and a significant increase in overall saleable tonnes from Kestrel within the group's royalty land
- » 316% increase in adjusted earnings to £16.5m (2015: £4.0m) and adjusted earnings per share of 9.76p (2015: 2.47p) <sup>(1)</sup>
- » Free cash flow of £13.2m generated in 2016 (2015: £4.7m) <sup>(2)</sup> and net debt of £1.0m at December 31, 2016 (December 31, 2015: £1.8m)
- » 30% increase in net assets to £210.1m (December 31, 2015: £162.0m) resulting in net assets per share of 124p (December 31, 2015: 95p)
- » 67% of Kestrel sales from within the Group's private royalty land during 2016 (2015: 49%) expected to increase to 90% by the end of 2017
- » Dividend cover of 1.6x (2015: 0.4x) <sup>(3)</sup> and recommended final dividend of 3p per share. Total 2016 dividend of 6.0p per share (2015: 7.0p)
- » Strong earnings growth expected during 2017 which will lead to a consideration of current dividend levels at the half year 2017 stage
- » Completion of the Denison financing and streaming agreement in February 2017
- » Announcement of the appointment of Patrick Meier as incoming Chairman following the 2017 AGM, succeeding Mike Blyth who will continue as a non-executive director

(1) 1 Adjusted earnings/(loss) represents the Group's underlying operating performance from core activities. Adjusted earnings/(loss) is the profit/(loss) attributable to equity holders less all valuation movements, non-cash impairments and amortisation charges (which are non-cash IFRS adjustments that arise primarily due to changes in commodity prices), finance costs, any associated deferred tax and any profit or loss on non-core asset disposals as these are not expected to be ongoing. See note 11 to the financial statements for adjusted earnings/(loss)

(2) Free cash flow is the net increase/(decrease) in cash and cash equivalents prior to core acquisitions, equity raising and changes in the level of borrowings

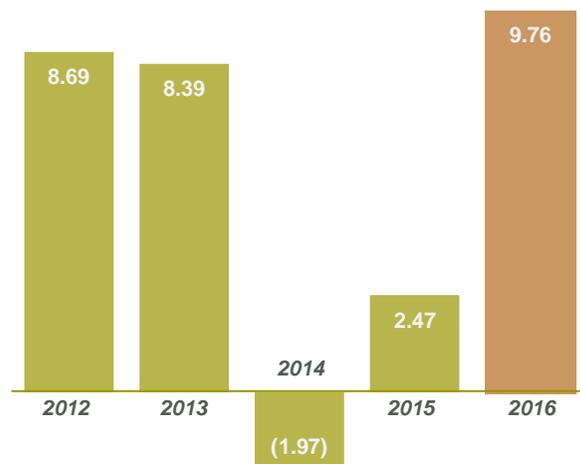
(3) Based on adjusted earnings

# Financial Review

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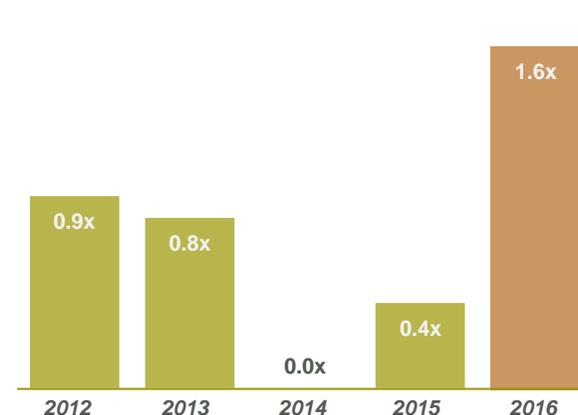
# Key Performance Indicators

## Adj. Earnings/(Loss) Per Share <sup>(1)</sup> (Pence per share)



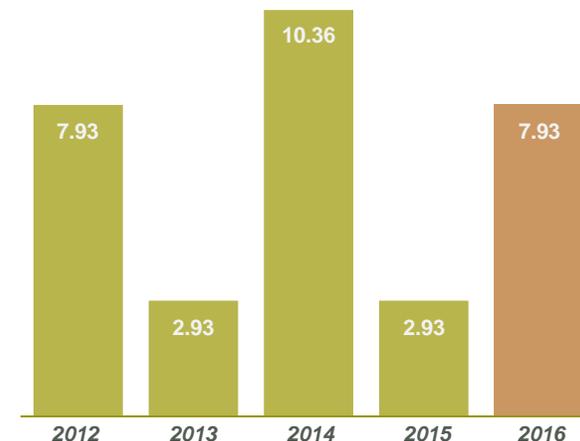
- » 295% increase in adjusted earnings per share, largely driven by volume and apportionment gains from Kestrel <sup>(1)</sup>
- » Earnings also benefitted from the weakening of the pound post EU referendum - £2.3m crystallised FX gain

## Dividend Cover (Cover per share)



- » Fully covered dividend following strong coking coal prices in H2 2016
- » Dividend levels to be reviewed in H2 2017 in-line with commodity price environment

## Cash Flow Per Share (Pence per share)



- » Metric represents cash generated before transactions in core assets and financing arrangements
- » Intended to capture the portion of the Denison income recognised as loan repayments

(1) Adjusted earnings/(loss) represents the Group's underlying operating performance from core activities. Adjusted earnings/(loss) is the profit/(loss) attributable to equity holders less all valuation movements, non-cash impairments and amortisation charges (which are non-cash IFRS adjustments that arise primarily due to changes in commodity prices), finance costs, any associated deferred tax and any profit or loss on non-core asset disposals as these are not expected to be ongoing. See note 11 to the financial statements for adjusted earnings/(loss).

## Royalty Income Summary

Figures in £m	CY 2016	CY 2015	CY 2014
Kestrel	13.1	3.6	1.7
Narrabri North	4.2	3.2	n/a
EVBC	1.2	1.2	1.7
Maracás Menchen	0.8	0.6	n/a
<b>Royalty income (like-for-like)</b>	<b>19.4</b>	<b>8.7</b>	<b>3.3</b>
Four Mile	0.3	--	--
Amapá	--	--	0.2
<b>Total royalty income</b>	<b>19.7</b>	<b>8.7</b>	<b>3.5</b>

- » 127% year-on-year royalty income growth vs. 2015
- » Growth primarily driven by increased Kestrel sales and mining within the Group's royalty area as well as coking coal pricing
- » Strong performance from Narrabri and Maracás Menchen in 2016
- » Currency gains following the EU Referendum (GBP:AUD averaged 1.96 up the referendum and 1.70 thereafter)
- » 2017 coal pricing outlook improved considerably in H2 2016

# Summary Income Statement

Figures in £m	CY 2016	CY 2015
<b>Royalty Income</b>	<b>19.7</b>	<b>8.7</b>
Amortisation	(2.9)	(2.6)
Operating expenses <sup>(1)</sup>	(3.3)	(3.2)
Share-based payments	(0.8)	(0.8)
<b>Operating Profit <sup>(2)</sup></b>	<b>12.7</b>	<b>2.1</b>
Kestrel revaluation	17.9	(27.2)
Revaluation of other royalties	(4.9)	-
Impairment charges	(2.0)	(5.3)
Gain/(loss) on sale of marketable securities	2.4	(0.5)
Other	2.2	0.4
<b>Profit / (loss) before tax</b>	<b>28.3</b>	<b>(30.5)</b>
Tax	(2.0)	7.9
<b>Profit / (loss) after tax</b>	<b>26.3</b>	<b>(22.6)</b>

(1) Excluding share-based payments

(2) Before impairments, revaluations and gain/(losses) on disposals

# Summary Balance Sheet

Figures in £m	Dec 31, 2016	Dec 31, 2015
Coal royalties (Kestrel)	116.9	82.6
Royalty financial instruments	13.6	6.5
Royalty and exploration intangibles	80.0	71.5
<b>Total royalty assets</b>	<b>210.5</b>	<b>160.6</b>
Mining and exploration interests	17.1	10.9
Other long-term receivables	--	10.1
Cash and cash equivalents	5.3	5.7
Trade and other receivables	12.8	5.1
Other (including deferred tax)	10.6	4.3
<b>Total assets</b>	<b>256.3</b>	<b>196.7</b>
Borrowings	(6.2)	(7.3)
Deferred tax	(36.6)	(24.5)
Trade and other payables	(1.4)	(1.2)
Other	(2.0)	(1.8)
<b>Total liabilities</b>	<b>(46.8)</b>	<b>(34.8)</b>
<b>Net assets</b>	<b>210.1</b>	<b>162.0</b>

## Net Asset Value Movement

	In £m	In pence per share
<b>At January 1, 2016</b>	<b>162.0</b>	<b>95p</b>
Kestrel valuation (net of deferred tax)	24.0	
Translation on royalty intangibles	12.8	
Royalty impairments, amortisation and fair value of adjustments	(6.4)	
Equity portfolio mark-to-market	9.5	
Adjusted earnings	16.5	
Dividends	(11.8)	
Other	3.5	
<b>At December 31, 2016</b>	<b>210.1</b>	<b>124p</b>

- » 30% increase in net asset value per share
- » Forward coal price assumptions and weakened sterling following the EU Referendum driving increase in Kestrel valuation
- » Isua royalty disposed in December 2016 creating a £4.4m deferred tax asset in 2017
- » Significant mark-to-market increase in the value of the Group's non-core equity portfolio
- » Considerable upside in certain of the Group's royalties which are carried at cost (Narrabri, Salamanca & others)



# Portfolio Update

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# Geographic and Commodity Exposure Across Principal Royalty and Stream Portfolio

## Existing Portfolio Transaction



## Portfolio Overview

	Royalty / Stream	Commodity	Operator	Location	Royalty type and rate / stream volume <sup>(1)</sup>
Producing	1 Kestrel <sup>(2)</sup>	Coking & thermal coal	Rio Tinto	Australia	7 – 15% GRR
	2 Narrabri	Thermal & PCI coal	Whitehaven Coal	Australia	1% GRR
	3 Denison <sup>(3)</sup>	Uranium (toll milling)	Denison Mines Inc. / AREVA	Canada	Entitlement to 22.5% of Toll Milling Revenue <sup>(4)</sup>
	4 Maracás Menchen	Vanadium	Largo Resources	Brazil	2% NSR
	5 Four Mile	Uranium	Quasar Resources	Australia	1% NSR
	6 EVBC <sup>(5)</sup>	Gold, copper and silver	Orvana Minerals	Spain	2.5 – 3% NSR
Development	7 Salamanca	Uranium	Berkeley Energia	Spain	1% NSR
	8 Groundhog <sup>(6)</sup>	Anthracite coal	Atrum Coal	Canada	0.5 – 1.0% GRR
Early-stage	9 Pilbara	Iron ore	BHP Billiton	Australia	1.5% GRR
	10 Ring of Fire	Chromite	Noront Resources	Canada	1% NSR
	11 Dugbe 1	Gold	Hummingbird Resources	Liberia	2 – 2.5% NSR

(1) GRR – Gross Revenue Royalty. NSR – Net Smelter Return royalty

(2) Kestrel royalty terms (Anglo Pacific): 3.5% of value up to A\$100/tonne, 6.25% of the value over A\$100/tonne and up to A\$150/tonne, 7.5% thereafter

(3) Anglo Pacific Loan of C\$40.8m to Denison to be repaid from the revenues which Denison receives through their entitlement to toll revenue generated through their part ownership of the McClean Lake Uranium Mill (operated by AREVA)

(4) Entitlement of Toll Milling Revenue received under a toll milling agreement to process Cigar Lake ore from Denison via financing of C\$40.8m loan and C\$2.7m stream

(5) EVBC: El Valle-Boinás Carlés. 2.5% NSR royalty escalating to 3% for gold prices in excess of US\$1,100 per ounce

(6) 0.5% GRR royalty over entire project converts to 0.1% royalty over Groundhog North Mining complex 10 years after the declaration of commercial production. Anglo Pacific also retains the higher of a 1% GRR or US\$1.00 per tonne on certain areas of the Groundhog project acquired by Atrum Coal from Anglo Pacific during 2014

# Denison Financing Transaction Overview

The transaction diversified Anglo Pacific's commodity mix, enhanced exposure to low-cost uranium operations and demonstrated the Group's ability to be flexible and provide innovative financial structures to counterparties.

## Transaction Summary

- » The Group entered a financing agreement related to TSX-listed Denison Mines Inc. ("Denison") attributable portion of toll revenues generated from its 22.5% ownership of McClean Lake Mill under a toll milling agreement for treatment of uranium from Cigar Lake ore

## Consideration

- » Cash consideration of C\$43.5m (~£26.4m):
  - C\$40.8m 13-year loan at an interest rate of 10%
  - C\$2.7m subsequent stream to take advantage of the upside from a potential Cigar Lake Phase II mine life extension <sup>(1)</sup>

## Financing

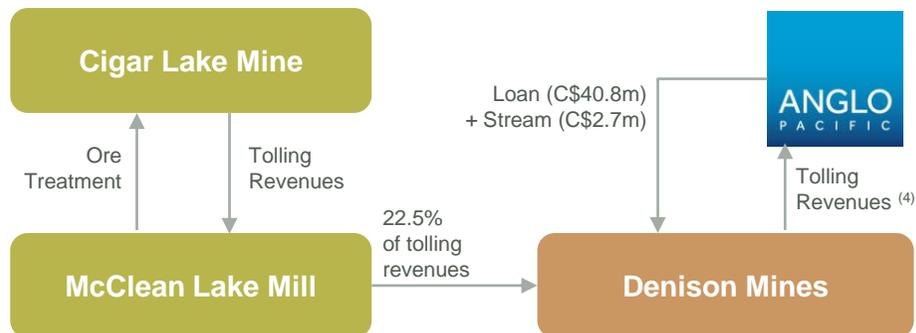
- » Placing of £13.7m new ordinary shares announced 1 February 2017
- » Drawdown of funds from a refinanced US\$30m secured revolving credit facility <sup>(2)</sup>

## Diversification

- » Uranium exposure increased to ~13% from ~2% at year end 2016 <sup>(3)</sup>
- » Exposure to North American geography increased to ~13% from ~2% at year end 2016 <sup>(3)</sup>
- » APG entitled to backdated payments from 1 July 2016 onwards

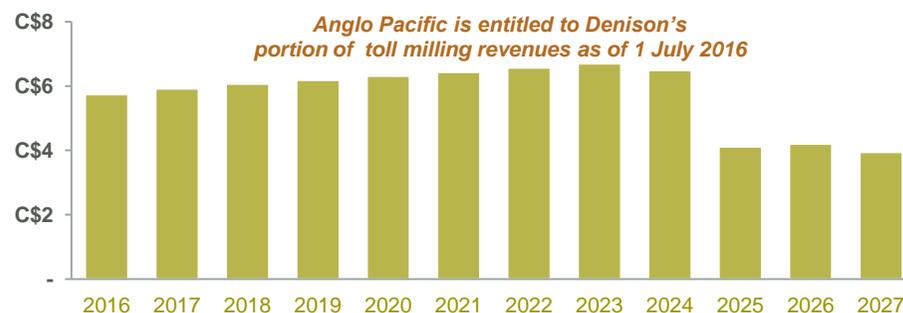
(1) Phase 1 is in the eastern area of the project with a 12 year mine life and is the focus of the current mine plan with Phase 2 to potentially deliver the key mine life extension  
 (2) Refinanced three year US\$30m syndicated RCF at a rate of LIBOR + 3.0% with an accordion feature to allow it to be upsized to US\$40m  
 (3) Anglo Pacific royalty related assets as of 31 December 2016 adjusted for £26.4m book value of Denison financing  
 (4) Tolling revenues received by APG in the form of interest, mandatory loan prepayments or stream revenue  
 (5) See endnote (vi). Cigar Lake Operation Northern Saskatchewan, Canada. Forecast toll milling revenue adjusted for inflation at midpoint of Bank of Canada inflation target of 1-3%

## Transaction Structure



## Forecast Phase I Toll Milling Revenue <sup>(5)</sup>

(Attributable to Denison, in C\$m)



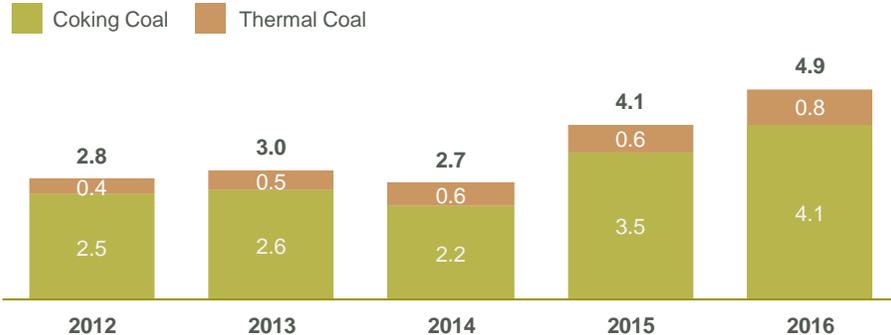
# Royalty Portfolio Update

## Kestrel: Producing <sup>(1)</sup>

- » Kestrel production of 4.9 Mt during 2016, a c.20% year-on-year increase
  - Production continues to improve towards nameplate capacity as panels move to the east
- » 67% of saleable tonnes from the Group's private royalty land
  - Slightly exceeding Group guidance of 60–65%
- » Expectation that 85-90% of Kestrel coal sales will be derived from Anglo Pacific's royalty area during 2017 and reaching 90% by the end of 2017

## Historical Kestrel Production <sup>(1) (2)</sup>

(million tonnes)



(1) See endnote (i)

(2) Anglo Pacific owns an effective 50% right to a coal royalty on coal produced within the royalty area at the Kestrel mine

## Illustrative Anglo Pacific Royalty Area <sup>(1) (2)</sup>



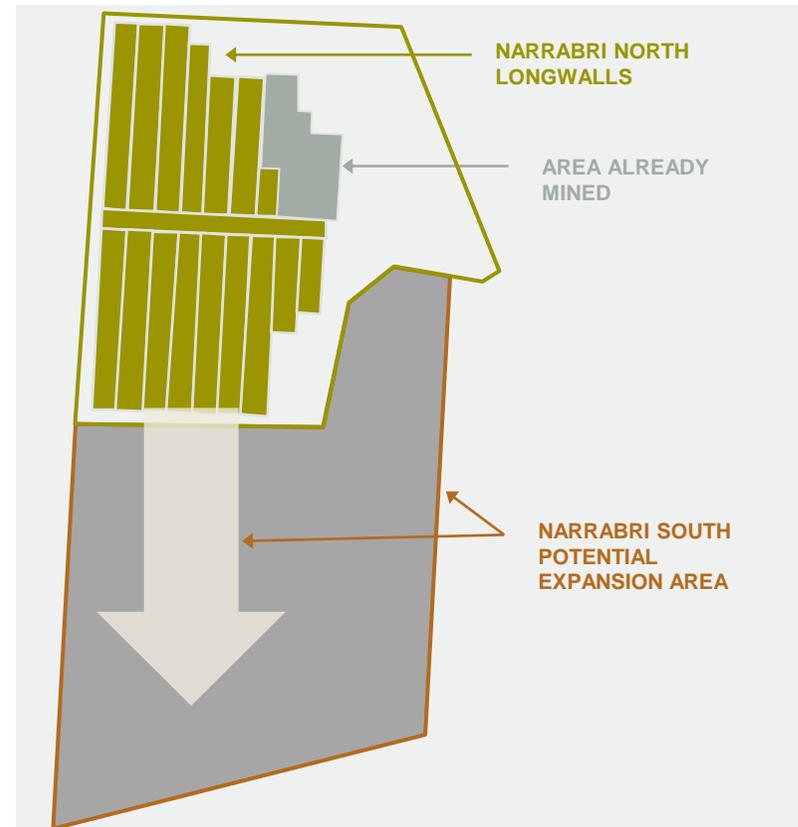
# Royalty Portfolio Update (cont'd)

## Narrabri (Producing) <sup>(1)</sup>

- » 7.6 Mt of ROM coal produced during calendar year 2016 and record coal sales of 7.8 Mt
- » Fiscal year ending 30 June 2017 run-of-mine production guidance of 7.5 Mt to 7.8 Mt
- » 400 metre face widening project on schedule with Whitehaven expecting production to commence from wider panel LW07 in April
  - Whitehaven expects wider longwalls to deliver reduced unit costs and increase Narrabri production
- » Permitted for annual production of 11 Mt (previously 8 Mt)
- » Whitehaven Coal evaluating potential to integrate Narrabri South and Narrabri North



## Narrabri North & Narrabri South <sup>(1)</sup>



(1) See endnote (ii)

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# Royalty Portfolio Update (cont'd)

## EVBC (Producing) <sup>(1)</sup>

- » Orvana is targeting improved underground mining rates to meet the plant nameplate capacity of 2,000 tonnes per day (60% increase in production)
- » Operations at the Carlés Mine restarted in H2 2016
- » Fiscal year 2017 guidance:
  - Au: 50 - 55 Koz (FY2016: 44.7 Koz)
  - Cu: 6.0 - 6.5 Mlb (FY2016: 4.3 Mlb)
  - Ag: 170 - 200 Koz (FY2016: 144 Koz)

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## Four Mile (Producing)

- » Maiden royalty income payment received during Q1 2016
- » 2016 royalty income of £0.3m due to high deductions and low sales volumes
  - Anglo Pacific is currently disputing deductions being applied

## Maracás Menchen (Producing) <sup>(2)</sup>

- » Recovery in the vanadium price during 2016 increasing from US\$2.38/lb at the start of 2016 to US\$5.02/lb on 31 December 2016
- » Plant set several monthly production records during 2016, culminating in a new monthly production record of 828 tonnes V<sub>2</sub>O<sub>5</sub> in December 2016
- » Updated Maracás Menchen Mineral Reserves and mine plan released in May 2016
  - 40% increase in Proven and Probable Mineral Reserves
  - Annual mill throughput of 1.12 Mt to produce up to 9,600 tonnes of V<sub>2</sub>O<sub>5</sub> per year over 15-year mine life

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## Salamanca (Development) <sup>(3)</sup>

- » Development of the Salamanca mine underway
- » Entered into a binding five year off-take agreement for 2 Mlb with potential to extend the contract
- » Updated Salamanca definitive feasibility study released in July 2016
  - Initial 14 year mine life with estimated cash cost of US\$15.39/lb
  - Annual saleable production (steady state) of 4.4 Mlb U<sub>3</sub>O<sub>8</sub>

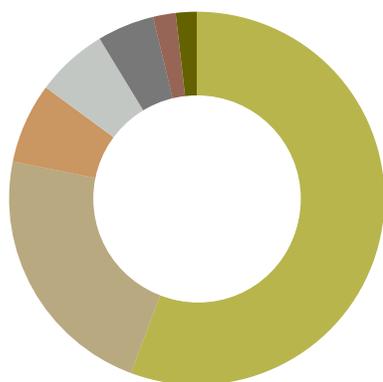
(1) See endnote (iii)

(2) See endnote (iv)

(3) See endnote (v)

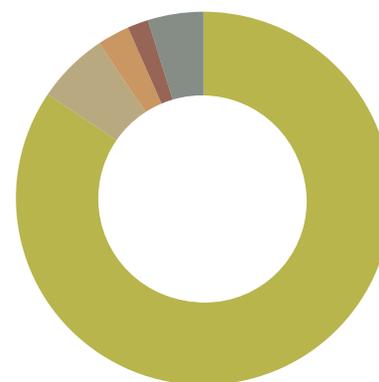
# Pro Forma Anglo Pacific Portfolio

Focus on royalties over high quality and low cost mines in production which are located in predominantly low risk jurisdictions.



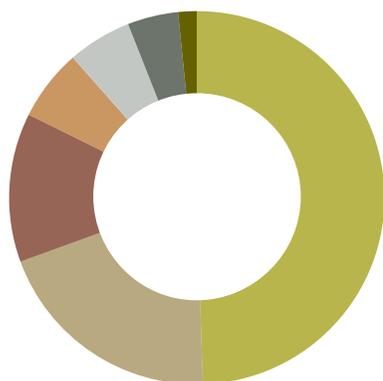
**Commodity Exposure**  
Year End 2016 <sup>(1)</sup>

Coking coal <sup>(2)</sup>	56%
Thermal coal <sup>(2)</sup>	22%
Iron Ore	7%
Vanadium	6%
Gold <sup>(3)</sup>	5%
Uranium	2%
Other	2%



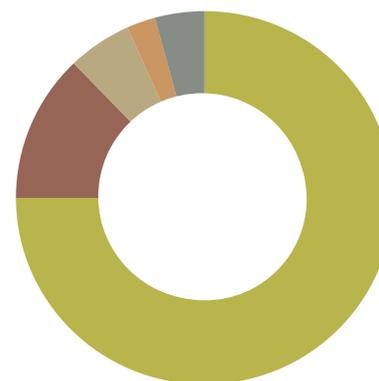
**Geographic Exposure**  
Year End 2016 <sup>(1)</sup>

Australia	84%
South America	6%
Europe	3%
North America	2%
Other	5%



**Commodity Exposure**  
Post Transaction <sup>(4)</sup>

Coking coal <sup>(2)</sup>	49%
Thermal coal <sup>(2)</sup>	20%
Uranium	13%
Iron Ore	6%
Vanadium	6%
Gold <sup>(3)</sup>	4%
Other	2%



**Geographic Exposure**  
Post Transaction <sup>(4)</sup>

Australia	75%
North America	13%
South America	6%
Europe	2%
Other	4%

(1) Anglo Pacific royalty related assets as of 31 December 2016

(2) Kestrel production primarily coking coal. Narrabri production primarily thermal coal

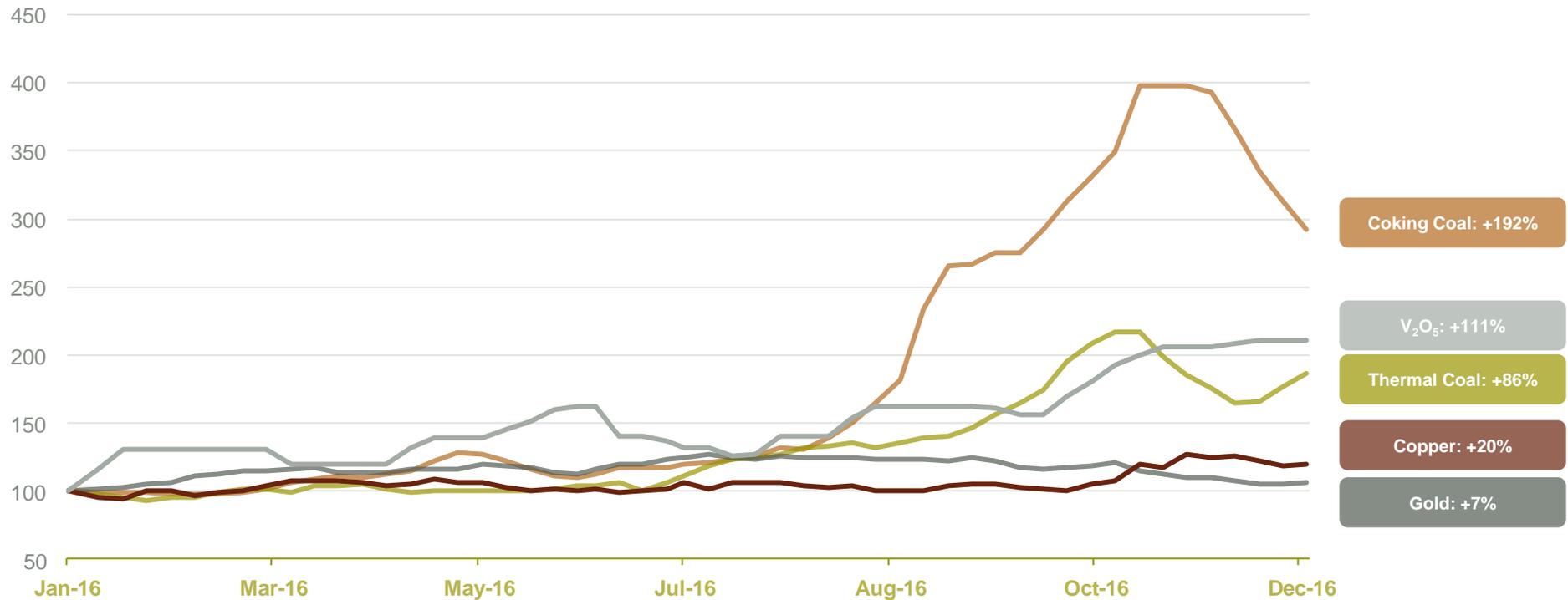
(3) Gold commodity exposure includes the EVBC royalty which includes copper and silver by-products

(4) Anglo Pacific royalty related assets as of 31 December 2016 adjusted for Denison Financing book value of £26.4 million

# Commodity Prices Underlying Key Anglo Pacific Royalties Performed Strongly in H2 2016

## Commodity Price Performance (Rebased to 100) <sup>(1)</sup>

(1 January 2016 – 31 December 2016)



(1) Bloomberg

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# Key Messages

- » Significant increase in royalty income, adjusted earnings and profit after tax driven by a recovery in the price of commodities underlying Anglo Pacific's key royalties
- » 30% increase in net assets
- » Strong earnings growth expected during 2017 which has lead to a recommended final dividend of 3p per share and the consideration of current dividend levels at the half year 2017 stage
- » 67% of Kestrel sales from within the Group's private royalty land (2015: 49%) and ~20% increase total in Kestrel production
- » Completion of the Denison financing and streaming agreement in February 2017

# Appendix

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# Management Team has an Established Track Record in the Natural Resources Sector

## **Julian Treger**

**Executive Director and Chief Executive Officer**

Julian Treger joined the Group as Chief Executive Officer and Executive Director on 21 October 2013.

He has an MBA from Harvard Business School and a BA from Harvard University. He began his career working for Lord Rothschild as an in-house corporate financier, managing a portfolio of public and private equity investments before co-founding Active Value Advisors Ltd. to invest in undervalued, predominantly UK-listed companies, where he advised on more than US\$900.0m of funds over a 12-year period. Most recently, he has served as one of the principals of Audley Capital Advisors LLP, an investment advisory firm, which he co-founded in 2005, managing value-orientated, special situations investment strategies through hedge fund and co-investment vehicles, with a principal focus on the natural resources sector.

Mr Treger holds an external Non-Executive Directorship with Mantos Copper S.A. for which he earned fees during the year. This directorship does not affect Mr. Treger's ability to perform his role as CEO of the Company, as this directorship forms part of his 10% time commitment outside of Anglo Pacific Group.

## **Kevin Flynn**

**Chief Financial Officer and Company Secretary**

Kevin Flynn joined Anglo Pacific Group as Chief Financial Officer in January 2012 and was appointed Company Secretary in March 2015.

A Chartered Accountant, having qualified with Deloitte, he has overall responsibility for corporate reporting, treasury and taxation.

Prior to joining Anglo Pacific Group, Kevin spent several years in finance roles in the London commercial real estate sector, with both FTSE 100 and FTSE 250 companies.

## **Juan Alvarez**

**Head of Investments**

Juan Alvarez joined the Group in 2012 as Group Mining Analyst and became Head of Investments in May 2015.

He has a Bachelors degree in geology from Macquarie University and currently has over twenty years experience in exploration, mining geology, resource estimation and mining finance.

Juan worked as a Senior Mining Geologist for AngloGold and Rio Tinto before joining global mining consultant, Golder Associates as a Senior Consultant.

Juan moved into mining finance when he joined niche mining focused stockbroker, Fox Davies Capital, as a sell side equities analyst before joining the Group.

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# Anglo Pacific Board of Directors

Patrick Meier will succeed Mike Blyth as Chairman following the 2017 AGM. Mike Blyth will continue as a non-executive director.

## Mike Blyth

Non-Executive Chairman

Mike Blyth (66) was appointed Director in March 2013 and became Non-Executive Chairman on 1 April 2014. He has a BSc from St Andrews University and is a Chartered Accountant. He was, until his retirement in 2011, a partner for 30 years in RSM (previously Baker Tilly), specialising in providing audit and related services to AIM and full list clients.

During his career he held a number of senior management positions with the firm, including a period on its National Executive Committee. In addition to his chairmanship of Anglo Pacific Group, Mr. Blyth is a board member of Wheatley Housing Group; and director of Haldane Property Company Ltd and Glasgow & Suburban Property Company Ltd. Mr. Blyth also acts as trustee for a number of small charities.

## Patrick Meier

Non-Executive Director

Patrick Meier (66), was appointed Non-Executive Director in April 2015. Mr. Meier has over thirty years of experience in investment banking with specialist knowledge of the Mining sector. He has an MA in Natural Sciences from Cambridge University.

Most recently Mr. Meier headed up the investment banking activities for RBC Capital Markets in Europe and Asia and drove a major expansion of RBC's European presence. Prior to this role, he headed up RBC's activities in the Metals and Mining sector in Europe, Africa and Asia for many years, and continues to enjoy strong relationships within the sector. Mr. Meier also served as a Director on the Board of RBC's main operating subsidiary in Europe.

## David Archer

Senior Independent Director

David Archer (59) was appointed Non-Executive Director in October 2014 and currently chairs the Group's Remuneration Committee. He is also the Group's Senior Independent Director.

He has over 34 years' international resources industry experience in the Americas, Asia, Australia and the Middle East. He is the Chief Executive Officer of AIM-listed Savannah Resources PLC, which owns majority stakes in a mineral sands project in Mozambique and a copper project in Oman, and was previously the Managing Director of ASX-listed company Hillgrove Resources Limited, where he was responsible for growing the company into a significant, dividend paying, mineral explorer and copper producer with assets in Australia and Indonesia.

Mr. Archer was the founder and Deputy Chairman of Savage Resources Limited, a coal, copper and zinc producer, and the founder and Executive Chairman of PowerTel Limited. He is also a barrister (non-practising) of the Supreme Court of New South Wales.

## Rachel Rhodes

Non-Executive Director

Rachel Rhodes (45) was appointed Non-Executive Director in May 2014 and currently chairs the Group's Audit Committee. She has an MA in Economics from the University of Cambridge and is a member of the Institute of Chartered Accountants in England and Wales, having qualified with Coopers and Lybrand in London in 1997.

She has over 15 years of experience in the mining industry, including with Anglo American PLC (until August 2008) and London Mining PLC (until November 2013) and is now CFO of Alufer Mining Limited. Ms. Rhodes also serves on the boards of Alufer Mining Services Limited and Bel Air Mining SA, and has played a leading role in listing companies on LSE, AIM and JSE, in raising significant project and corporate finance and in negotiating mining licences and fiscal platforms.

## Robert Stan

Non-Executive Director

Robert Stan (62) was appointed Non-Executive Director in February 2014. He has over 34 years of experience in the mining industry. He has held several senior positions with Fording Coal Limited, Westar Mining Ltd, and TECK Corporation before becoming a founding shareholder and director of publicly quoted Grande Cache Coal Corporation (GCC), an Alberta-based coking coal mining company, in 2000. At GCC, he served as President, CEO and Director from 2001 to 2012, when the company was sold for US\$1.0b to Winsway Coking Coal and Marubeni Corp, an Asian-backed strategic investor consortium.

He has served as Chairman of the Coal Association of Canada Board of Directors and has acted as a board member of the International Energy Agency's Coal Industry Advisory Board. He currently serves on the board of several private companies, including Quantex Resources Limited, Lighthouse Resources Inc and Spruce Bluff Resources Limited, and formerly served on the board of publicly-listed Whetstone Minerals Limited.

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# Endnotes

## *Third party information*

As a royalty holder, Anglo Pacific Group PLC (“the Company”) 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 presentation, the Company has 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 presentation.

- i. This presentation contains information and statements relating to the Kestrel mine 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. Current longwall panel mining as per Rio Tinto Third Quarter 2016 Operations Review. Kestrel production figures as per Fourth Quarter 2016 Operations Review, Fourth Quarter 2015 Operations Review, Fourth Quarter 2014 Operations Review, and Fourth Quarter 2013 Operations Review. Illustrative map of Kestrel royalty area as per Rio Tinto Referral of Proposed Action Kestrel Mine Extension #4 (September 2015).
- ii. Whitehaven Coal Limited (“Whitehaven”), the majority owner of the Narrabri mine, is listed on the Australian Securities Exchange and reports in accordance with the JORC Code. Calendar year 2016 production as per Whitehaven December 2016 Quarterly Report, June 2016 Quarterly Report, and December 2015 Quarterly Report. Fiscal year ending June 30, 2017 production guidance and longwall panel width expansion project and expanded longwall production target as per Whitehaven half year 2017 Results Presentation dated 17 February 2017. 11 Mtpa production approval as per Whitehaven December 10, 2015 press release “Approval Received for Increased Production at Narrabri Mine”. Potential to integrate Narrabri North and Narrabri South as per Whitehaven corporate presentation dated February 29, 2016.
- iii. Orvana Minerals Corp, the owner of the El Valle-Boinás / Carlés project (“EVBC”), is listed on the Toronto Stock Exchange and reports in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and the NI 43-101 standards. Fiscal year 2016 historical production, fiscal year 2017 production guidance, plant throughput target, and Carlés Mine restart as per December 12, 2016 press release “Orvana Reports Fiscal and Operating Performance for 2016 and Provides Outlook for 2017”.
- iv. Largo Resources Limited (“Largo”), the owner of the Maracás Menchen project, is listed on the TSX-Venture Exchange and reports in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and the NI 43-101 standards. Production records as per Largo January 3, 2017 press release “Largo produces a record 828 tonnes of Vanadium pentoxide in December” , Largo October 3, 2017 press release “Largo Produces a Record 806 Tonnes of Vanadium Pentoxide in September” and June 2, 2016 press release “Largo Sets a New Monthly Production Record of 780 Tonnes in May”. Updated Maracás Menchen mine plan as per May 26, 2016 press release “Largo announces significant increase in Maracás Project Mineral Reserves and Updated Mine Plan”.
- v. Berkeley Energia Limited (“Berkeley”), the owner of the Salamanca project, is listed on the Australian Securities Exchange and reports in accordance with the JORC code. This presentation contains certain information relating to the Salamanca royalty which is derived from the July 14, 2016 Definitive Feasibility Study which is based on information compiled by Jeffrey Peter Stevens, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Information related to construction being underway, the offtake agreement and Berkeley equity financing as per Berkeley Interim Financial Report for the Half Year Ended December 31, 2016.
- vi. Cameco Corporation (“Cameco”), the majority owner of the Cigar Lake project (“Cigar Lake”), is listed on the Toronto Stock Exchange and reports in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and the NI 43-101 standards. This presentation contains certain information relating to the Cigar Lake Mine toll milling revenues which is derived from the Cameco National Instrument 43-101 technical report (dated 29 March 2016).

## *Standards of disclosure for mineral projects*

National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) contains certain requirements relating to the use of mineral resource and mineral reserve categories of an “acceptable foreign code” (as defined in NI 43-101) in “disclosure” (as defined in NI 43-101) made by Anglo Pacific Group plc with respect to a “mineral project” (as defined in NI 43-101), including the requirement to include a reconciliation of any material differences between the mineral resource and mineral reserve categories used under an acceptable foreign code and the standards developed by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended (the “CIM Standards”) in respect of a mineral project. Pursuant to an exemption order granted to Anglo Pacific Group plc by the Ontario Securities Commission (the “Exemption Order”), the information contained herein with respect to the Kestrel mine, the Maracás Menchen project and the Narrabri mine has been extracted from information publicly disclosed, disseminated, filed, furnished or similarly communicated to the public by an issuer whose securities trade on a “specified exchange” (as defined under NI 43-101) that discloses mineral reserves and mineral resources under one of the JORC Code, the PERC Code, the SAMREC Code, SEC Industry Guide 7 or the Certification Code (each as defined in NI 43-101). As the definitions and standards of the JORC Code, the PERC Code, the SAMREC Code, SEC Industry Guide 7 and the Certification Code are substantially similar to the CIM Standards, a reconciliation of any material differences between the mineral resource and mineral reserve categories reported under the JORC Code, the PERC Code, the SAMREC Code, SEC Industry Guide 7 and the Certification Code, as applicable, to categories under the CIM Standards is not included and no Form 43-101F1 technical report will be filed to support the disclosure based upon such exemption.