



# Anglo Pacific Group PLC

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**Results for the year ended December 31, 2015**

March 2016

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## Important disclaimer

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.

Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as 'expects', 'anticipates', 'plans', 'believes', 'estimates', 'seeks', 'intends', 'targets', 'projects', 'forecasts', or negative versions thereof and other similar expressions, or future or conditional verbs such as 'may', 'will', 'should', 'would' and 'could'. Forward-looking statements are based upon certain material factors that were applied in drawing a conclusion or making a forecast or projection, including assumptions and analyses made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate in the circumstances. The material factors and assumptions upon which such forward-looking statements are based include: the general economy is stable; local governments are stable; interest rates are relatively stable; equity and debt markets continue to provide access to capital; the ongoing operations of the properties underlying the Company's portfolio of royalties by the owners or operators of such properties in a manner consistent with past practice; the accuracy of reserve and resource estimates, grades, mine life and cash cost estimates; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the Company's portfolio of royalties and investment interests; no adverse development in respect of any significant property in which the Company holds a royalty or other interest; the successful completion of new development projects; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; planned expansions or other projects within the timelines anticipated and at anticipated production levels; and title to mineral properties. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, which could cause actual results to differ materially from those anticipated, estimated or intended in the forward-looking statements.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate; that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company, its businesses and investments, and could cause actual results to differ materially from those suggested any forward-looking information. 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, which is available on our website. If any such risks actually occur, they could materially adversely affect the Company's business, financial condition or results of operations. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

This presentation also contains forward-looking information contained and derived from publicly available information regarding properties and mining operations owned by third parties. The Company's management relies upon this forward-looking information in its estimates, projections, plans, and analysis.

Although the forward-looking statements contained in this presentation are based upon what the Company believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements made in this presentation relate only to events or information as of the date on which the statements are made and, except as specifically required by law, the Company 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.

This presentation is for informational purposes only. This presentation is not a prospectus and does not constitute or form part of any offer, invitation or recommendation in respect of securities, or an offer, invitation, recommendation to sell, or a solicitation of any offer to buy, securities.

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# CY 2015 Highlights

- » Increase in royalty income of 149% to £8.7m (2014: £3.5m)
- » Royalty income growth driven largely by strong production performance at Narrabri and an increase in mining within the Group's royalty lands at Kestrel
- » 34.5% reduction in overheads (before share-based payments) to £3.2m (2014: £4.9m)
- » Adjusted earnings<sup>(1)</sup>, which excludes non-cash revaluations and impairment charges, increased by £6.2m to £4.0m (2014: loss £2.2m) resulting in adjusted earnings per share of 2.47p (2014: loss of 1.97p)
- » Loss after tax of £22.6m (2014: £47.6m), due largely to the Kestrel revaluation charge of £27.2m (2014: £11.8m), resulting in a loss per share of 14.06p (2014: 42.09p)
- » Significant reduction in reported impairment charges to £5.3m (2014: £31.5m)
- » Cash balance of £5.7m at December 31, 2015 (2014: £8.8m) and net debt of £1.8m (2014: nil)
- » Recovery of Laramide Resources C\$5.0m (£2.9m) advance in full on December 31, 2015
- » Net assets of £162.0m at December 31, 2015 (2014: £161.3m) resulting in net assets per share of 95p (2014: 138p)
- » Recommended final dividend of 3p per share resulting in a total dividend for 2015 of 7p (2014: 8.45p). Longer-term progressive dividend policy of at least 65% of adjusted earnings. Expectation in the medium-term is a minimum total annual dividend of 6p per share

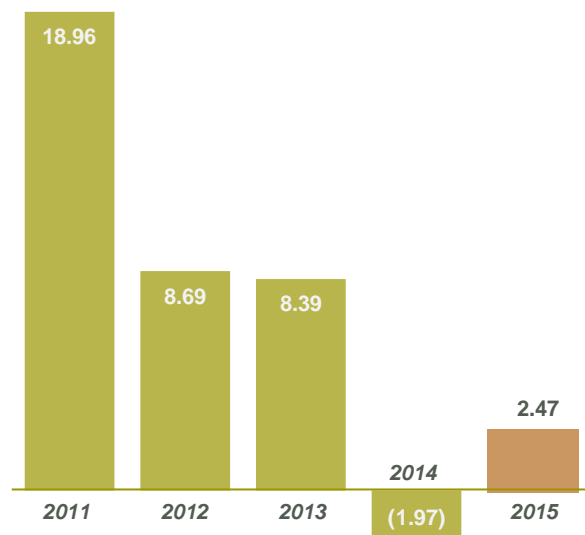
(1) Adjusted earnings/(loss) represents the Group's underlying operating performance from core activities. Adjusted earnings/(loss) is the profit/(loss) attributable to equity holders less all valuation movements, non-cash impairments and amortisation charges (which are non-cash IFRS adjustments that 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).

# Financial Review

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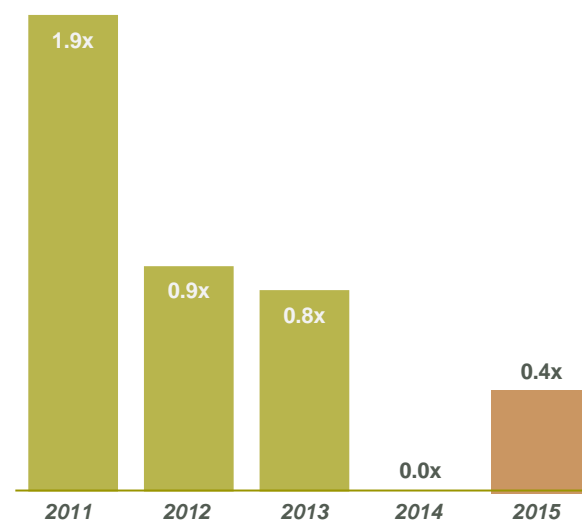
# Key Performance Indicators

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



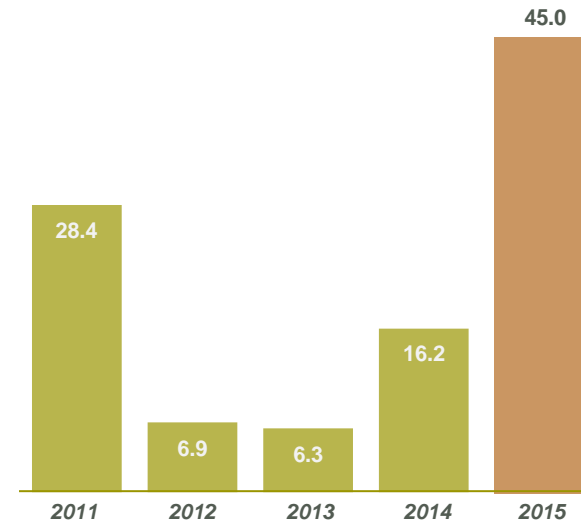
- » 149% increase in royalty income
- » 34.5% reduction in overheads

## Dividend Cover (Cover per share)



- » Full year 2015 dividend of 7p (2014: 8.45p)
- » Close cover anticipated in 2016, full cover by 2017 due to organic growth in royalty income from the current portfolio

## Royalty Assets Acquired (In £ million)



- » Acquisition of Narrabri royalty in March 2015, with associated oversubscribed share issue and US\$30m borrowing facility

(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).

# Summary Income Statement

Figures in £m	FY 2015	FY 2014
<b>Royalty Income</b>	<b>8.7</b>	<b>3.5</b>
Amortisation	(2.6)	(0.8)
Operating expenses <sup>(1)</sup>	(3.2)	(4.9)
Share-based payments	(0.8)	(0.6)
<b>Operating Profit/(Loss) <sup>(2)</sup></b>	<b>2.1</b>	<b>(2.8)</b>
Kestrel revaluation	(27.2)	(11.8)
Impairment charges	(5.3)	(31.5)
Other	-	3.7
<b>Loss before tax</b>	<b>(30.5)</b>	<b>(42.4)</b>
Tax	7.9	(5.2)
<b>Loss after tax</b>	<b>(22.6)</b>	<b>(47.6)</b>

(1) Excluding share-based payments

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

## Royalty Income Summary

Figures in £m	FY 2015	FY 2014
Kestrel	3.6	1.7
EVBC	1.3	1.6
Amapá	-	0.2
<b>Royalty income (like-for-like)</b>	<b>4.9</b>	<b>3.5</b>
Narrabri North	3.2	<i>n/a</i>
Maracás Menchen	0.6	<i>n/a</i>
<b>Total royalty income</b>	<b>8.7</b>	<b>3.5</b>

- » 149% increase in royalty income in the year, despite lower commodity prices
- » All income generating royalties remained in production during the year
- » 49% of mining at Kestrel within the Group's royalty lands in 2015
- » Record production at Narrabri in the year of ROM 8.3Mt, well in advance of historical productions level when the royalty was acquired
- » Maiden royalty receipts received from Maracás Menchen in 2015
- » Current portfolio expected to generate further royalty income growth in 2016 as, along with the production upside from Kestrel and Narrabri noted above, the Group will also receive royalty income from Four Mile

## Operating Expenses Summary

Figures in £m	FY 2015	FY 2014
Staff costs <sup>(1)</sup>	1.9	3.1
Professional fees	0.4	0.8
Other costs	0.9	1.0
	<b>3.2</b>	<b>4.9</b>
Non-cash share-based payments	0.8	0.6
<b>Total</b>	<b>4.0</b>	<b>5.5</b>

- » 34.5% reduction in overheads (excluding share based payments) in the year
- » Reduction largely as a result of lower head count and bonus provisions
- » Targeting further cost reductions in 2016 without impacting the growth of the business

(1) Excluding share-based payments



# Summary Balance Sheet

Figures in £m	Dec 31, 2015	Dec 31, 2014
Coal royalties (Kestrel)	82.6	117.1
Royalty financial instruments	6.5	8.1
Royalty and exploration intangibles	71.5	37.1
<b>Total royalty assets</b>	<b>160.7</b>	<b>162.3</b>
Mining and exploration interests	10.9	9.9
Other long-term receivables	10.1	9.7
Cash and cash equivalents	5.7	8.8
Trade and other receivables	5.1	5.3
Other (including deferred tax)	4.2	3.9
<b>Total assets</b>	<b>196.7</b>	<b>199.9</b>
Borrowings	(7.3)	-
Deferred tax	(24.5)	(34.9)
Trade and other payables	(1.2)	(2.9)
Other	(1.7)	(0.8)
<b>Total liabilities</b>	<b>(34.8)</b>	<b>(38.6)</b>
<b>Net Assets</b>	<b>162.0</b>	<b>161.3</b>

## Net Asset Value Movement

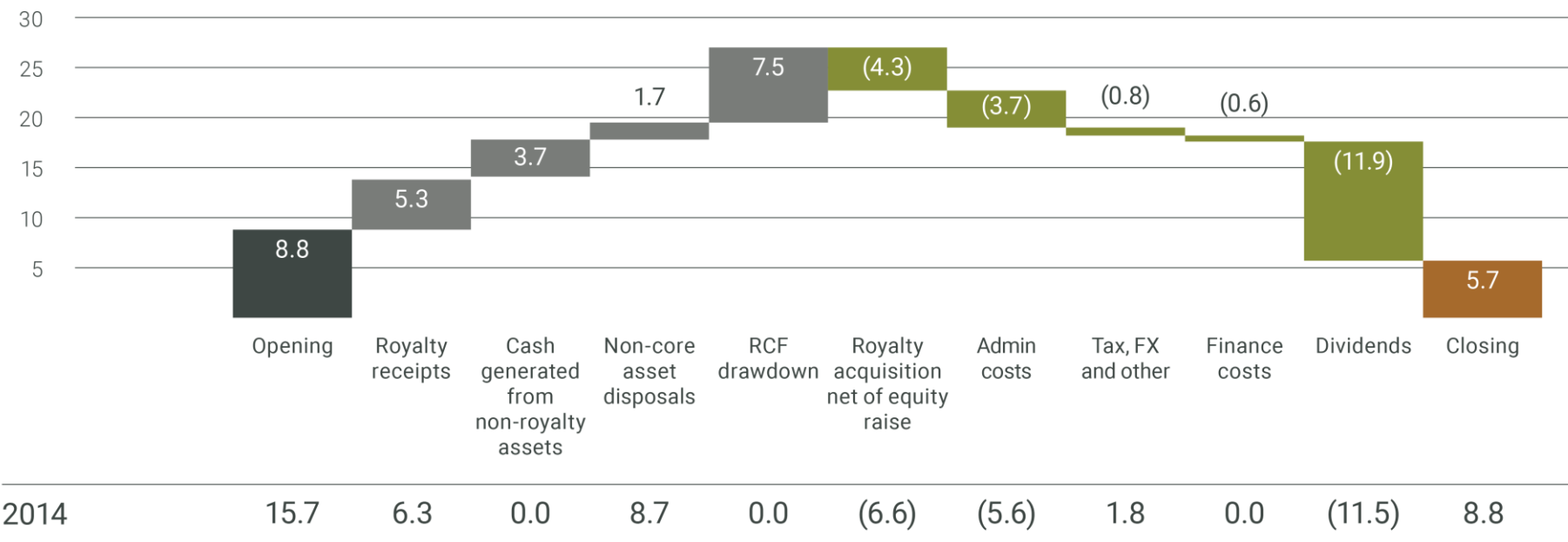
	In £m	In pence per share
<b>At January 1, 2015</b>	<b>161.3</b>	<b>138p</b>
Narrabri acquisition	45.0	
Royalty impairments	(4.4)	
Amortisation	(2.6)	
Kestrel valuation (net of deferred tax)	(24.1)	
Dividends	(11.9)	
Other	(1.2)	
<b>At December 31, 2015</b>	<b>162.0</b>	<b>95p</b>

- » Commodity price declines during 2015 impacted the carrying value of the Group's assets
- » Kestrel valuation deficit of £24.1m (net of deferred tax) largely reflects a lower outlook for coking coal prices
- » Royalty impairments relate to partial provisions for Amapá and Ring of Fire
- » Net assets per share of 95p at a significant premium to current share price

# Financial Resources

## In £ millions

(January 1 to December 31)



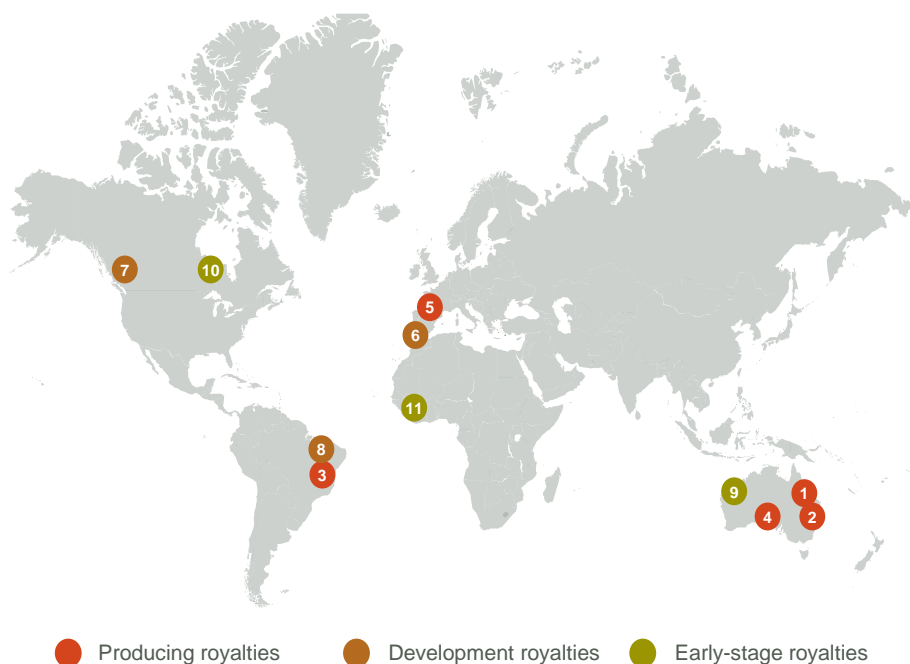
- » Less cash generated from operating activities during the year primarily due to the timing of royalty receipts
- » Q4 14 royalty income of £0.1m received in Q1 2015, Q4 2015 income of £2.9m was received in Q1 2016
- » £3.7m cash generated from non-royalty assets relates primarily to Laramide Resources repayment of C\$5m loan in full to Anglo Pacific
- » £5.7m in cash at December 31, 2015
- » Following the payment of the 2015 interim dividend in Q1 2016 the Group still has >£12m available under its borrowing facility (subject to covenant compliance)

# Portfolio Update

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# Geographic and Commodity Exposure Across Principal Royalty Portfolio

## Royalty Portfolio



## Royalty Description

	Royalty	Commodity	Operator	Location	Royalty type and rate <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 Maracás Menchen	Vanadium	Largo Resources	Brazil	2% NSR
	4 Four Mile	Uranium	Quasar Resources	Australia	1% NSR
	5 EVBC <sup>(3)</sup>	Gold, copper and silver	Orvana Minerals	Spain	2.5 – 3% NSR
Development	6 Salamanca	Uranium	Berkeley Energia	Spain	1% NSR
	7 Groudhog <sup>(4)</sup>	Anthracite coal	Atrum Coal	Canada	1% GRR / US\$1.00/t
	8 Amapá & Tucano <sup>(5)</sup>	Iron ore	Zamin Ferrous/ Beadell Resources	Brazil	1% 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 <sup>(6)</sup>	Gold	Hummingbird Resources	Liberia	2 – 2.5% NSR

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

(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) EVBC: El Valle-Boinás Carlés. Please refer to the 2015 Annual Report & Accounts for further detail on the royalty type and rate for EVBC

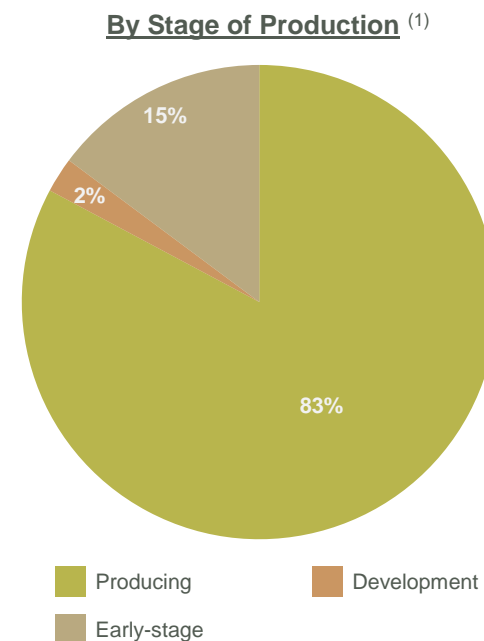
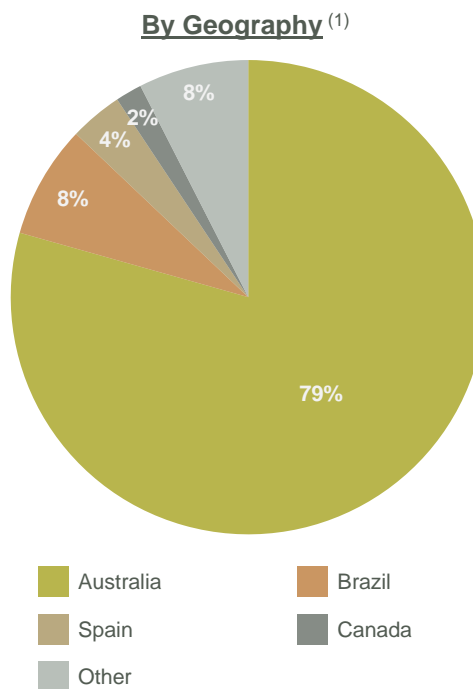
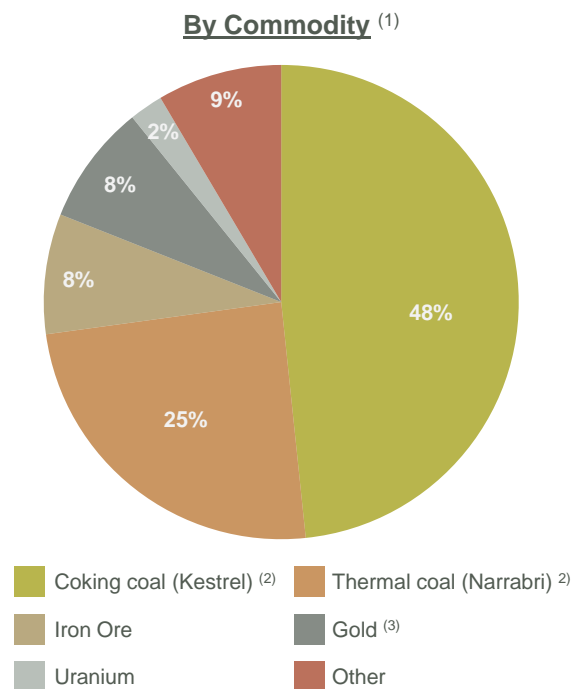
(4) Anglo Pacific retains the higher of a 1% GRR or US\$1.00 per tonne on certain areas of the Groundhog project acquired by Atrum Coal from Anglo Pacific during 2014

(5) Please refer to the 2015 Annual Report & Accounts for further detail on the royalty type and rate for Tucano

(6) Dugbe 1 to become a royalty upon the receipt of a mineral development agreement

# Anglo Pacific Royalty Portfolio

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



(1) Anglo Pacific royalty related assets as of December 31, 2015

(2) Kestrel production primarily coking coal. Whitehaven Coal targeting Narrabri production split 80% thermal coal and 20% PCI coal

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

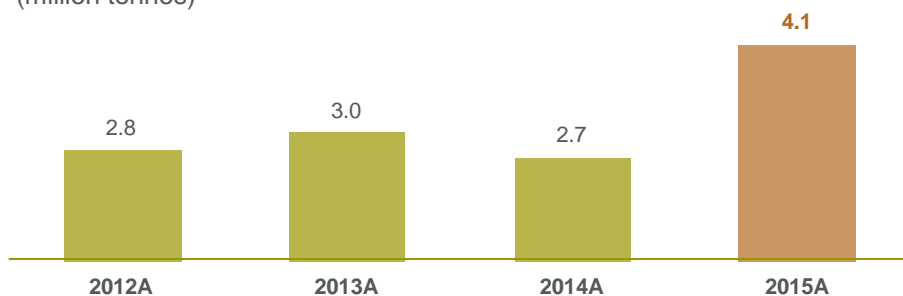
# Royalty Portfolio Update

## Kestrel: Producing (1)

- » Production improving towards nameplate capacity as panels move to the east
- » 2015A production within Anglo Pacific royalty area of 49%
- » Production guidance within Anglo Pacific royalty area:
  - H1 2016E: 30-35%
  - H2 2016E: 85-90%
  - Full year 2016E: 60-65%
- » Expectation that Rio Tinto will mine ~90% of coal within Anglo Pacific's royalty area during 2017

## Kestrel Production (1) (2)

(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 (1) (2)



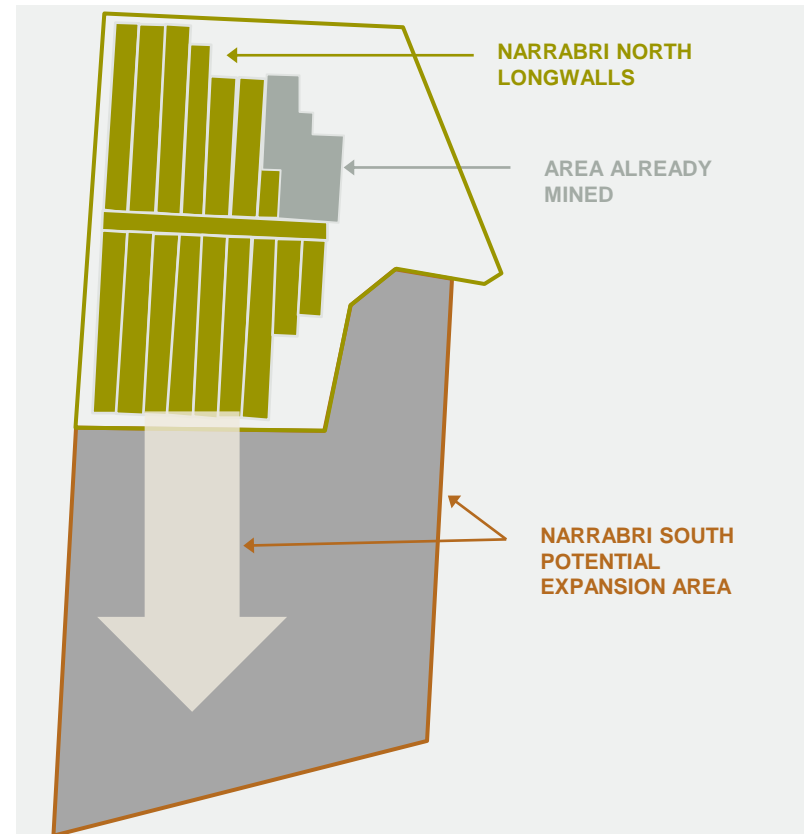
## Royalty Portfolio Update (cont'd)

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

- » Record yearly production during CY15 of 8.3Mt
- » FY16 run-of-mine production guidance of 6.6Mt to 6.8Mt
- » Permitted for annual production of 11Mt (previously 8Mt)
- » Whitehaven Coal planning to increase longwall panel face width to 400 metres during H1 2017
- » 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>

- » FY16 guidance:
  - Au: 43 - 48 Koz (FY2015: 53.7 Koz)
  - Cu: 4.5 - 5.0 Mlbs (FY2015: 6.1 Mlbs)
  - Ag: 120 - 130 Koz (FY2015: 166.7 Koz)
- » Potential to identify new resources at EVBC and surrounding areas

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### Four Mile: Producing <sup>(2)</sup>

- » Maiden royalty income payment received during Q1 2016
- » Estimated cash operating cost of A\$30.27/lb <sup>(4)</sup>
- » Quasar Resources acquired Alliance Resources' stake in the project during September 2015

### Maracás Menchen: Producing <sup>(3)</sup>

- » Plant has previously demonstrated ability to produce at or near its full design capacity
- » Largo Resources focused on stabilising production at higher levels on daily basis
  - Engineering optimisation projects currently underway, expected to stabilise production at consistently high production levels
- » Operating cost guidance of \$3.15/lb of V<sub>2</sub>O<sub>5</sub>

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### Groundhog: Development

- » Anglo Pacific retains a royalty over the areas of Groundhog that Atrium Coal acquired from Anglo Pacific in 2014
- » Royalty paid equal to the higher of:
  - 1% GRR
  - US\$1.00/t

(1) See endnote (iii)

(2) See endnote (v)

(3) See endnote (iv)

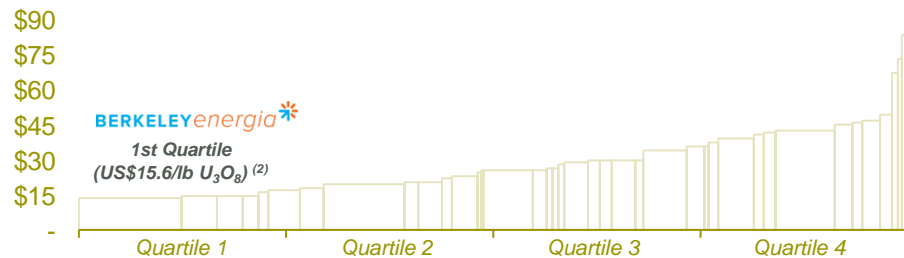
(4) Alliance Resources filings. Excluding some shipping costs, marketing costs and royalties

# Royalty Portfolio Update (cont'd)

## Salamanca: Development (1)

- » Berkeley Energia announced Pre-Feasibility Study on November 4, 2015:
  - Zona 7 transforms Salamanca project economics
  - Low cost operation (US\$15.6/lb U<sub>3</sub>O<sub>8</sub>) with 18 year mine life
  - Targeting construction in 2016 and first production in 2017
  - Exploration in 2016 to test multiple high grade targets located within 10km of processing facility
- » Royalty carried at acquisition cost of A\$4 million
- » 16.75% disclosed equity interest in Berkeley Energia in addition to 1% NSR royalty on Salamanca

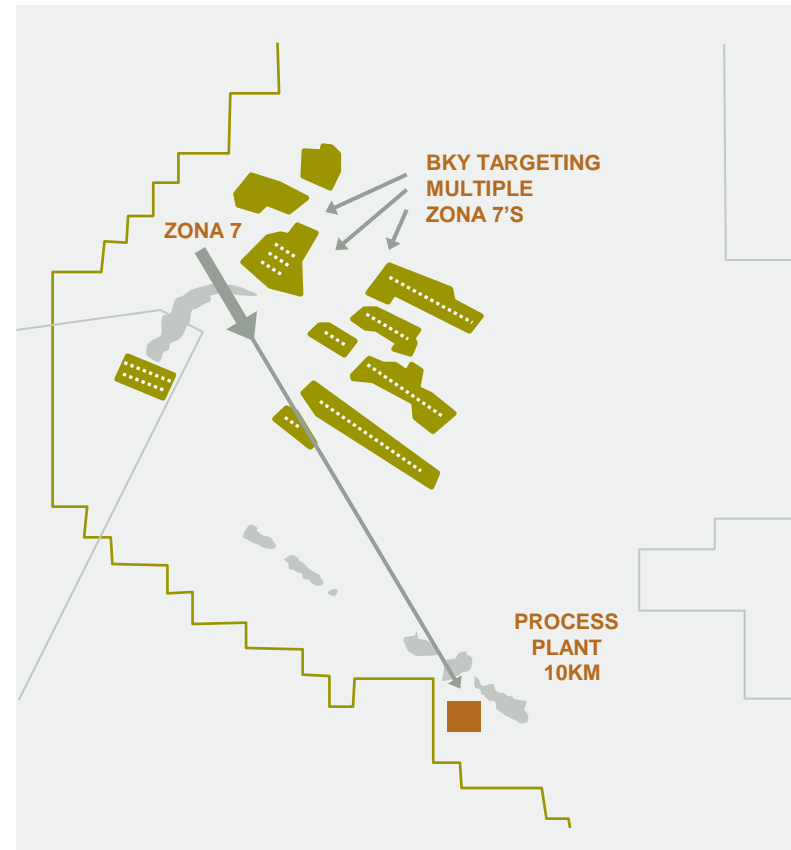
## Forecast U<sub>3</sub>O<sub>8</sub> Cost Curve 2019E (2) (US\$/lb U<sub>3</sub>O<sub>8</sub>)



(1) See endnote (vi)

(2) BMO Capital Markets equity research

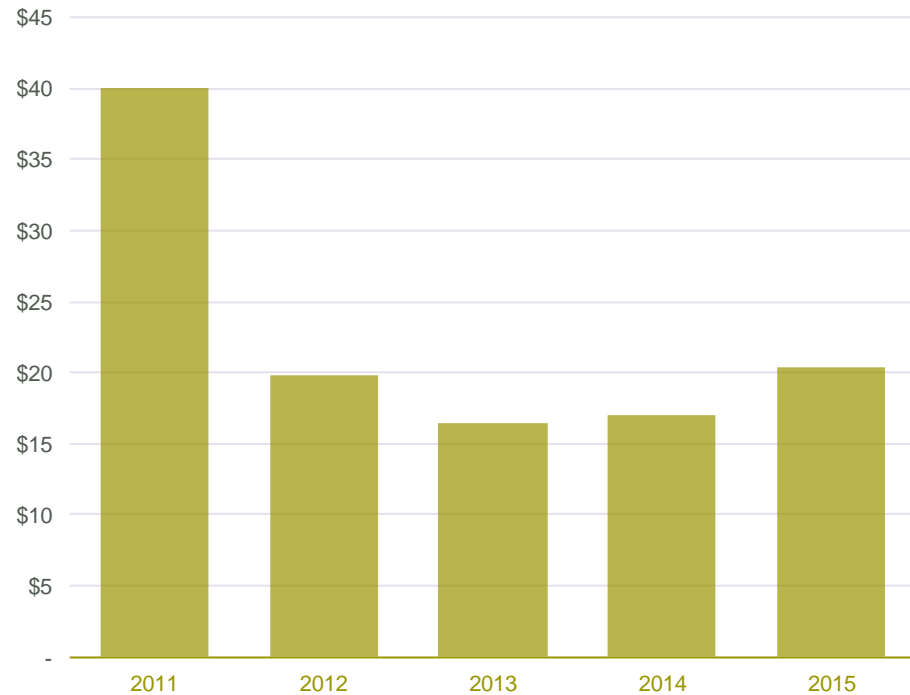
## Exploration Upside Potential (1)



# Capital Markets Pull Back Supportive to New Royalty Acquisitions

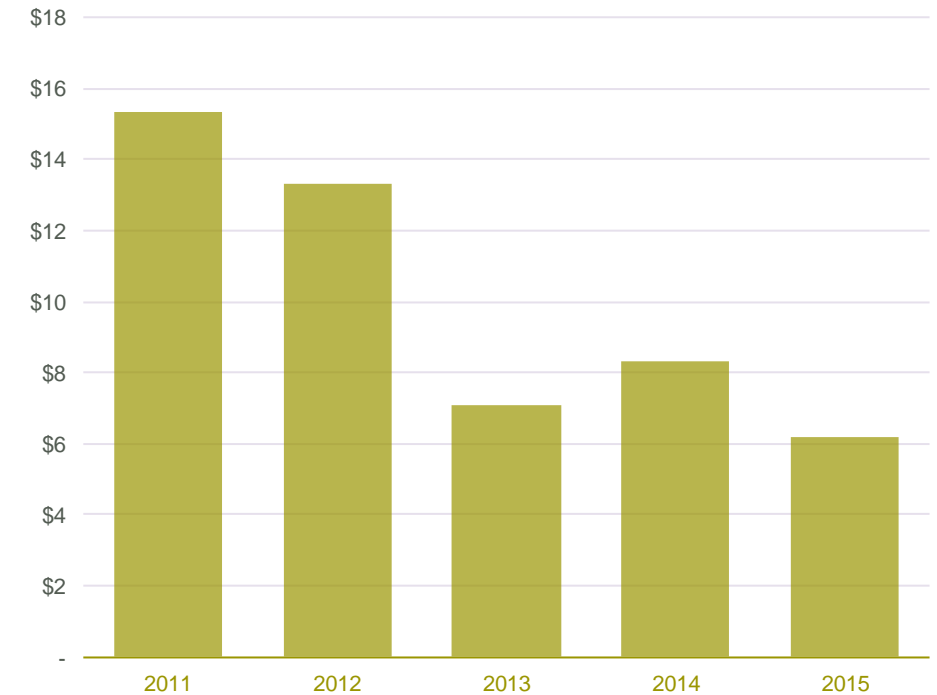
## Global Mining Equity Issuance <sup>(1)</sup>

(in USD billions)



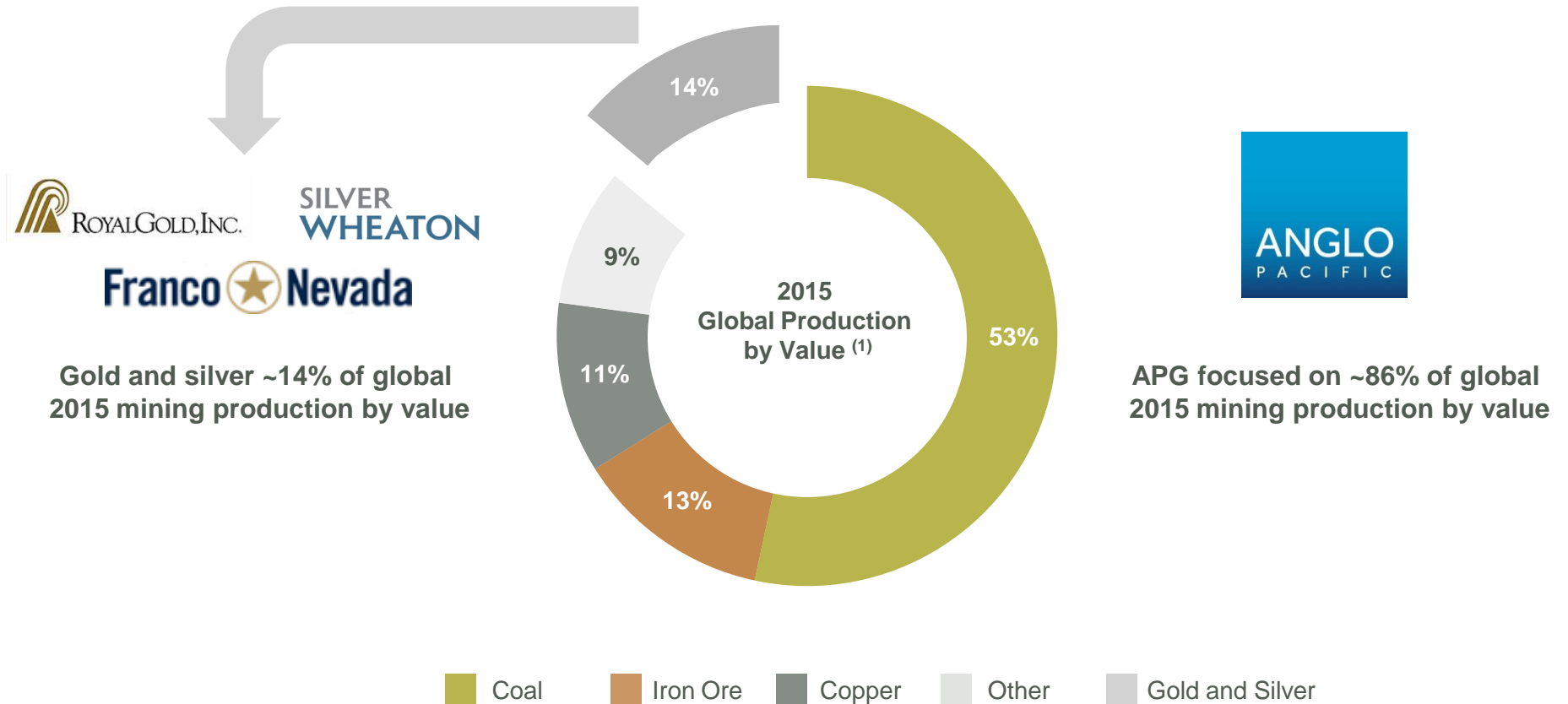
## Global Mining High Yield Issuance <sup>(1)</sup>

(in USD billions)



(1) Dealogic

# Targeting a Large and Less Crowded Investment Universe



(1) Macquarie research

# Strategy for Growth



## Primary Royalties / Streams

### Potential Drivers for Engaging with Anglo Pacific

- » Challenging financing environment
- » Can be less dilutive than equity
- » Less restrictive than debt
- » Scope can be limited to a single asset or by-product

## Secondary Royalties / Streams

### Potential Drivers for Engaging with Anglo Pacific

- » Opportunity to monetise illiquid asset
- » If privately held, risk can be highly concentrated
- » Residual exposure possible via Anglo Pacific shares

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## Anglo Pacific's Approach to Royalty/Stream Acquisitions

<b>Commodity:</b>	<ul style="list-style-type: none"><li>» Focused on bulk materials, base metals and energy</li><li>» Opportunistically consider other commodities, as well as royalties on ports and rail infrastructure</li></ul>
<b>Asset specific considerations:</b>	<ul style="list-style-type: none"><li>» Management's operating track record</li><li>» Profit margin &amp; position on the industry cost curve</li><li>» Counterparty risk</li><li>» Jurisdictional risk</li><li>» Compliance with the Group's corporate social responsibility policy</li></ul>
<b>Valuation considerations:</b>	<ul style="list-style-type: none"><li>» Detailed due diligence on mine production profile</li><li>» Site visits by technical team and independent technical advisors</li><li>» Production assumptions based on existing mineable reserves, resources conversion assumptions evaluated on case-by-case basis</li><li>» Consider other factors such as geology, infrastructure and permitting, which could impact production volumes or mine life</li></ul>

### **Disciplined approach to investments**

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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. Increased production rates at Kestrel, and current longwall panel mining as per Rio Tinto Third Quarter 2015 Operations Review (p.5). Kestrel production figures as per Fourth Quarter 2015 Operations Review (p.19) , Fourth Quarter 2014 Operations Review (p.20), and Fourth Quarter 2013 Operations Review (p.19). 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 2015 production, fiscal year 2016 production guidance as per Whitehaven fiscal year 2015 Results Presentation dated August 13, 2015, Whitehaven fiscal year 2015 Results Announcement, and Whitehaven first quarter of fiscal year 2016 September Quarterly Report. Longwall panel face width expansion and 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. This presentation contains certain information relating to the Narrabri South Expansion potential which is principally derived from the National Instrument 43-101 Technical Report on Narrabri North Mine and Narrabri South, Gunnedah Basin, New South Wales dated January 30, 2015 prepared by Palaris Australia Pty Ltd and jointly compiled by Dr John Bamberly and Mr Gregor Carr. Dr Bamberly is a principal geologist of Palaris Australia Pty Ltd ("Palaris") and Mr Carr is a mining engineer of Palaris. Dr Bamberly is a Member of the Australian Institute of Geoscientists and Mr Carr is a Member of the Australasian Institute of Mining and Metallurgy, and each of Dr Bamberly and Mr Carr is a "qualified person" under NI 43-101. Except in connection with their engagement to prepare a Technical Report on Narrabri, neither Dr Bamberly nor Mr Carr has had a relationship with the Company.

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 2015 historical production as per November 13, 2015 press release "Orvana Meets Fiscal 2015 Production, Costs And Capex Guidance". Fiscal year 2016 production guidance as per February 3, 2016 press release "Orvana Reports First Quarter Fiscal Results and Provides Operational Update". Potential to identify new resources at EVBC and surrounding areas as per Orvana Minerals' Management's Discussion and Analysis for the third quarter of fiscal year 2015 ended June 30, 2015.

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. Plant demonstrating ability to produce at or near full production capacity, engineering optimisation projects as per Largo August 4, 2015 press release "Largo produces over 600 tonnes of vanadium in July". Maracás Menchen production cost estimates as per March 2016 Largo corporate presentation (p. 19).

v. Alliance Resources Limited ("Alliance") is listed on the Australian Securities Exchange and reports in accordance with the JORC code. Alliance's acceptance of Quasar's offer for its stake in the Four Mile project, and estimated cash cost as per Alliance Quarterly Report for the period ended June 30, 2015.

vi. 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 November 4, 2015 Pre Feasibility Study which is based on information compiled by Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Information related to the Salamanca project exploration targets is drawn from the February 2016 Berkeley Energia corporate presentation.

## **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.