

ANGLO PACIFIC GROUP PLC

Notice of Annual General Meeting

May 10, 2016

This document is important and requires your immediate attention. If you are in any doubt as to what action you should take, you are recommended to seek your own advice from your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 immediately. If you have sold or otherwise transferred all of your shares in Anglo Pacific Group PLC, please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Anglo Pacific Group PLC (the 'Company') will be held at the Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS, United Kingdom on May 10, 2016 at 11.00 a.m. to consider and, if thought fit, to pass the following resolutions, of which resolutions 1-16 will be proposed as ordinary resolutions and resolutions 17-19 will be proposed as special resolutions.

1. TO receive and adopt the Company's audited accounts and the reports of the directors and the auditors for the year ended December 31, 2015.
2. TO approve the Annual Remuneration Report for the period ended on December 31, 2015, as set out on pages 53 to 58 of the Company's 2015 annual report and accounts ('Annual Report and Accounts 2015').
3. TO approve the Directors' remuneration policy (the 'Directors' Remuneration Policy'), as set out on pages 45 to 52 of the Annual Report and Accounts 2015.
4. TO declare a final dividend for the year ended December 31, 2015 of 3p per ordinary share of the Company recommended by the directors.
5. TO re-elect W.M. Blyth as a director of the Company.
6. TO re-elect D.S. Archer as a director of the Company.
7. TO re-elect R.C. Rhodes as a director of the Company.
8. TO re-elect R.H. Stan as a director of the Company.
9. TO re-elect J.A. Treger as a director of the Company.
10. TO elect N.P.H. Meier as a director of the Company.
11. TO appoint Deloitte LLP as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the meeting.
12. TO authorise the directors to agree the remuneration of the auditors of the Company.
13. THAT the board of directors of the Company (the 'Directors') be and they are hereby authorised to offer the holders of ordinary shares of 2p each in the capital of the Company ('Ordinary Shares') (subject to such exclusions or other arrangements as the Directors may consider necessary or expedient in relation to treasury shares or any legal or practical problems arising under the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or otherwise) the right to elect to receive new Ordinary Shares instead of cash in respect of all or part of the final dividend for the year ended December 31, 2015 and all other dividends declared up to the beginning of the next Annual General Meeting of the Company.
14. THAT the amendments to the terms of the Company's Value Creation Plan (the 'VCP') referred to in the explanatory notes and Appendix 1 of the Notice of Annual General Meeting and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the Directors be and are hereby authorised to adopt such amendments into the VCP.
15. THAT, the Anglo Pacific Group Unapproved Share Option Plan (the 'USOP') the main features of which are summarised in Appendix 2 to this Notice of Annual General Meeting, a copy of the rules of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be hereby approved and the Directors be and they are hereby authorised to do all acts and things which it considers necessary or desirable to carry the same into effect.
16. THAT the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (all of which transactions are hereafter referred to as an allotment of 'relevant securities') up to an aggregate nominal amount of £1,132,947 provided that this authority (unless previously revoked or varied by the Company in general meeting) shall expire on the earlier of June 30, 2017 and the conclusion of the Annual General Meeting of the Company held in 2017, save that the Company may before such expiry, revocation or variation (or the expiry, revocation or variation of any renewal of this authority) make any offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if this authority had not expired, or been revoked or varied and provided further that this authority shall be in substitution for the authority conferred by a resolution dated April 30, 2015 to the extent unused and shall supersede and revoke any other earlier authorities under section 551 of the Act.

17. THAT, subject to the passing of resolution 14, the Directors be and they are hereby generally empowered pursuant to section 570 and section 573 of the Companies Act 2006 (the 'Act') to allot equity securities (within the meaning of section 560 of the Act) (including the grant of rights to subscribe for, or to convert any securities into, Ordinary Shares) wholly for cash (a) by selling equity securities held by the Company as treasury shares; or (b) by allotting new equity securities pursuant to the authority conferred by resolution 14, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities:
 - (i) to the holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £339,884,

and this power shall (unless renewed, varied or revoked by the Company) expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 following the passing of this resolution or June 30, 2017, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

18. THAT the Company be and is hereby generally and unconditionally authorised, for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 2p each in the capital of the Company ('Ordinary Shares') on such terms and in such manner as the Directors think fit, subject to the following restrictions and provisions:

- (a) the aggregate maximum number of Ordinary Shares hereby authorised to be purchased is 16,994,203;
- (b) the maximum price (exclusive of associated expenses) which may be paid for an Ordinary Share is an amount being not more than the higher of:
 - (i) 105 per cent of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange's Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased, and
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out;
- (c) the minimum price (exclusive of any associated expenses) which may be paid for an Ordinary Share is its nominal value of 2p;
- (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2017 or June 30, 2017, whichever shall be the earlier;
- (e) the Company may enter into a contract to purchase Ordinary Shares under this authority before the expiry of such authority, and may make a purchase of Ordinary Shares pursuant to any such contract which purchase would or might be completed wholly or partly after the expiration of this authority; and
- (f) any Ordinary Shares so purchased shall be cancelled or, if the Directors so determine and subject to the provisions of any applicable laws or regulations, held as treasury shares.

19. THAT a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

Registered Office

1 Savile Row
London
W1S 3JR

Registered in England,
Company number: 0897608

By Order of the Board

K. Flynn
Company Secretary

April 5, 2016

Explanatory notes to the proposed resolutions

Resolutions 1 to 16 (inclusive) are proposed as ordinary resolutions, which means that for each of those resolutions to be passed, more than half the votes cast must be cast in favour of the resolution. Resolutions 17 to 19 (inclusive) are proposed as special resolutions, which means that for each of those resolutions to be passed, at least three quarters of the votes cast must be cast in favour of the resolution.

Resolution 1 – Annual Report and Accounts

The directors are required to present to shareholders at the Annual General Meeting the Company's audited accounts and the directors' and auditors' reports for the year ended December 31, 2015 ('2015 Annual Report and Accounts').

Resolution 2 – Annual Remuneration Report

UK listed companies are required to put before their shareholders in a general meeting a resolution inviting shareholders to approve its annual report on remuneration. The Company's Annual Remuneration Report, which can be found on pages 58 to 53 of the 2015 Annual Report and Accounts, details the directors' remuneration for the period ended December 31, 2015. This resolution is advisory and does not affect the actual remuneration paid to any individual director. It serves to provide shareholder feedback to the Remuneration Committee.

As required by the Directors' Remuneration Report Regulations 2002, Deloitte LLP have audited those parts of the Annual Report on Remuneration capable of being audited and their report can be found on pages 53 to 58 of the 2015 Annual Report and Accounts.

Resolution 3 – Directors' Remuneration Policy

In accordance with the Companies Act 2006, the Company proposes an ordinary resolution to approve the revised Directors' Remuneration Policy contained in the Directors' Remuneration Report. The proposed revised policy is set out on pages 45 to 52] of the Annual Report and Accounts 2015. The main change is the proposed amendment of the Company's Value Creation Plan. A revised salary policy is also proposed which no longer prescribes fixed increases for directors. The vote on the Company's remuneration policy is binding and, if passed, will mean that the Company can only make remuneration payments and payments for loss of office to directors in accordance with the revised approved policy.

Resolution 4 – Approval of final dividend

A final dividend can only be paid after it has been approved by the shareholders. A final dividend of 3p per ordinary share for the year ended December 31, 2015 is recommended by the directors for payment on August 5, 2016 to shareholders who are on the register of members at the close of business on June 24, 2016.

Resolutions 5-9 – Re-election of directors

The Company's articles of association require the directors to submit themselves for election at the first opportunity after their appointment and from then on for re-election every three years. Notwithstanding this, as in previous years, all of the Company's directors wishing to continue in their role are offering themselves for re-election. Biographical details of each director appear on page 37 of the 2015 Annual Report and Accounts and details of the executive director's service contract and the letters of appointment of the non-executive directors with the Company appear on pages 51 and 52.

The Board is of the opinion, and the Chairman has confirmed, that the performance of each of the directors continues to be effective and to demonstrate commitment to his/her role. The Board unanimously recommends the re-election of all of the directors standing for re-election.

Resolution 10 – Election of director

Mr N.P.H. Meier is standing for election as a non-executive director following his appointment to the Board on April 30,

2015. Mr Meier has over thirty years of experience in investment banking with specialist knowledge of the Mining sector. Mr Meier has an M.A.(Hons) in Natural Sciences from Cambridge University. Most recently he 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 Mr Meier 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.

Resolutions 11 and 12 – Appointment and remuneration of auditors

The auditors of a company must be appointed at each general meeting at which accounts are presented. Resolution 11, on the Audit Committee's recommendation, proposes the appointment of Deloitte LLP, until the next general meeting at which accounts are presented.

Resolution 12 is a separate resolution which gives authority to the directors to determine the auditors' remuneration.

Resolution 13 – Authority to offer scrip dividend

This resolution seeks to renew the authority granted at last year's Annual General Meeting for the directors to offer shareholders the option to take dividends in ordinary shares instead of cash. The directors consider that this authority is desirable to allow the Company to retain flexibility.

Resolution 14 – Amendment of the Company's Value Creation Plan

This resolution seeks authority from shareholders of the Company to amend the Company's Value Creation Plan (the 'VCP') to:

1. Extend the five year performance period for existing awards under the plan which would otherwise end in June 2019 by two years to June 2021;
2. Allow the Company to make awards over the unallocated pool with revised performance conditions.

The Company adopted the VCP at its Annual General Meeting on June 11, 2014 as part of a new remuneration strategy for the new senior management which had stretching goals and required a step change in the performance of the business. The strategy aimed to help towards creating a leading international royalty company focusing on yield and return through accelerating growth in royalty income, diversifying the investment portfolio and specialising in base metals and bulk materials. The VCP was introduced with the purpose of incentivising and rewarding key senior management and ensuring a strong alignment of interest between participants and shareholders over a vital period in the Company's development.

When the VCP was introduced, circumstances within the mining sector and the value and income streams from the Company's royalties were significantly different to the current projections for the rest of the existing performance period. Given what has happened to commodity prices since the introduction of the VCP in 2014, we are concerned that the VCP is highly unlikely to be seen to be able to deliver a tangible incentive over the existing performance period to either the CEO or other holders of VCP units.

It is the Remuneration Committee's (the 'Committee') view that these market influences, in addition to the reduction in royalties from legacy investments, are beyond what could reasonably have been anticipated at the time of the VCP's introduction and are outside the current management's control. As a result of these circumstances, the Committee has reviewed the efficacy of the VCP. The Committee wishes to avoid rewriting the general principles of remuneration as adopted at the 2014 Annual General Meeting and wishes to avoid changing the key principles of the VCP whilst at the same time considers it appropriate to have regard to the major change in market conditions. The Committee feels that an extension to the life of the performance period for the initial awards and an amendment to the performance conditions for future awards is the best way to incentivise senior management and align them with shareholders, whilst retaining the principles which formed the basis of the plan as originally designed. The performance target that has to be achieved before any options are awarded continues to be challenging.

Therefore, should the resolution be passed:

- For the awards made in June 2014, the performance period will be extended by two years. No value will accrue under the VCP to its participants unless growth in the Company's total shareholder return ('TSR') over a seven-year performance period is at least equal to 7% growth per annum (or approximately 61% total growth over the period)
- Further awards are to be granted over the unallocated pool and will be measured to June 15, 2021 on a similar basis as the original awards except that:
 - Rather than measuring growth from the market capitalisation in June 2014, growth will be measured from a share price of 94.9p (based on the net asset value per share as at December 31, 2015)
 - Subject to a threshold growth of 7% p.a. over 94.9p per share, participants become entitled to receive nil or nominal cost options over ordinary shares in the capital of the Company, subject to a cap, set by reference to a share of a pool value equal to 10% of the growth in the Company's TSR over the five-year period, adjusted to reflect the percentage of the pool allocated. There will be no 'catch-up' once the threshold growth is achieved. This means:
 - below approximately 40% growth in TSR, no value accrues;
 - above approximately 40% growth in TSR the value that accrues is equal to 10% of the growth in the Company's TSR over 94.9p per share over a five-year period, adjusted to reflect the percentage of the pool allocated
 - Pay-outs under the proposed additional awards to the CEO and other participants who already have awards will accrue at a lower level based on the outcome of the awards currently allocated. Once the share price reaches the threshold at which value accrues under the existing awards, value accrues on only half of the units under the additional awards held by the CEO and any other executives who have an existing award.

In addition, a relative measure of TSR will be introduced to ensure total shareholder return is at least equal to the median performance of a relevant comparator group from March 22, 2016 to June 15, 2021. Although there is no directly comparable peer group, using the FTSE 350 Mining Index would support the strategy of diversifying the portfolio and reflect other companies impacted by commodity prices.

Notice of Annual General Meeting

continued

Resolution 15 – Approval of USOP

This resolution seeks authority from shareholders for the Company to implement the Anglo Pacific Group Unapproved Share Option Plan (the 'USOP') for the Company's employees. The Company currently has an approved Company Share Ownership Plan (the 'CSOP'). This limits the total options to employees at any one time to £30,000. The Company is seeking to obtain additional scope to incentivise employees (it is not envisaged that the CEO will be awarded any options under this scheme), particularly those who do not participate in the VCP, above this level. The USOP has been designed by the Remuneration Committee of the Board of Directors (the 'Committee') to incentivise the Company's employees. Approval is being sought such that the Company can issue shares to employees rather than having to acquire shares in the market to fulfil any awards which vest under the USOP. The USOP is intended to replace the Joint Share Ownership Plan (the 'JSOP').

A summary of the principal terms of the proposed USOP is set out in the appendix to this Notice of Annual General Meeting. A copy of the draft rules of the USOP will be available for inspection at the Company's registered offices and at the offices of New Bridge Street at 10 Devonshire Square, London EC2M 4YP during normal business hours on any weekday (English public holidays excepted) until the close of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

Resolution 16 – Authority to allot shares

This resolution seeks a new authority, to replace the existing authority, for the directors to allot shares in the Company up to an aggregate nominal amount of £1,132,947, representing approximately one third of the Company's issued ordinary share capital at April 5, 2016. The authority contained in this resolution will expire at the conclusion of the 2017 Annual General Meeting or June 30, 2017, whichever is the earlier. The directors consider that this authority is desirable to allow the Company to retain flexibility, although they have no present intention of exercising it.

Resolution 17 – Disapplication of pre-emption rights (special resolution)

This resolution seeks authority for the directors, pursuant to the authority to allot granted by resolution 16, to allot equity securities (as defined in the Companies Act 2006) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings. Other than in connection with a rights or other similar issue, the authority contained in this resolution will be limited to an aggregate nominal amount of £339,884, representing 10% of the Company's issued ordinary share capital at April 5, 2016. No shares are currently held in treasury by the Company.

This disapplication authority is in line with institutional shareholder guidance and in particular as permitted by the revised Pre-Emption Group's Statement of Principles (the 'Statement of Principles') published in March 2015. The authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer has been increased from 5% to 10% of the Company's ordinary share capital. In exercising the authority under resolution 15, the Company confirms, in accordance with the Statement of Principles, that it will only allot shares for cash on a non-pre-emptive basis in excess of 5% of its issued ordinary share capital (excluding treasury shares) where the allotment is in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six month period and is disclosed in the announcement of allotment. The Company also confirms that it does not intend to issue more than 7.5% of its issued ordinary share capital (excluding treasury shares) in any rolling three-year period, without prior consultation with shareholders (save as permitted in connection with an acquisition or specified capital investment as described above).

This resolution replaces the present authority granted at the General Meeting held on April 30, 2015, which is set to expire at the end of this year's Annual General Meeting. The authority granted by this resolution will expire at the conclusion of the 2017 Annual General Meeting or June 30, 2017, whichever is the earlier, following the passing of the resolution. The authority sought under this resolution provides the Company with greater flexibility in pursuing its strategy of building a diversified and growing portfolio of royalties to generate long term cash flow growth for shareholders.

Resolution 18 – Authority to purchase own shares (special resolution)

The directors are of the opinion that it would be advantageous for the Company to be in a position to purchase its own shares should market conditions and price justify such action. The directors have no present intention of exercising this power and intend to exercise it only if they believe that the effect of such purchases will be to increase earnings per share. They will also have regard to whether, at the time, this represents the best use of the Company's resources and is to the benefit of the shareholders generally. Other investment opportunities, appropriate gearing levels and the overall position of the Company will be taken into account in reaching such a decision.

Subsequently, this resolution seeks authority from shareholders to empower the directors to make limited on-market purchases. The resolution limits this authority to a maximum number of ordinary shares that may be acquired of 16,994,203 being 10% of the Company's issued ordinary share capital at April 5, 2016. The authority conferred by this resolution will expire at the conclusion of the 2017 Annual General Meeting or June 30, 2017, whichever is the earlier, from the date of the passing of the resolution.

Any shares purchased under this authority will either be cancelled or held as treasury shares. As at April 5, 2016, there were options outstanding over 157,812 ordinary shares, which represent 0.09% of the Company's issued share capital at that date and would represent 0.10% of the Company's issued share capital if the authority to purchase the Company's ordinary shares were to be exercised in full.

Resolution 19 – Short notice of general meetings (special resolution)

The implementation of the Shareholder Rights Directive in August 2009 increased the notice period required for general meetings of a company from 14 clear days to 21 clear days. However, companies have the ability to reduce this notice period to not less than 14 clear days, provided that they offer facilities for shareholders to vote and appoint proxies by electronic means and that, annually, shareholder approval is obtained. Annual general meetings must continue to be held on at least 21 clear days' notice.

The directors are, therefore, proposing this resolution to seek such shareholder approval for 14 clear days to be the minimum period of notice for all general meetings of the Company, other than annual general meetings. The approval will expire at the conclusion of the 2017 Annual General Meeting, when it is intended that renewal of this authority will be sought. The shorter notice period would not be used as a matter of routine for such meetings, but only where this is merited by the nature or urgency of the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Directors' recommendation

The directors believe that all of the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and the directors unanimously recommend that shareholders vote in favour of all of the resolutions as the directors intend to do in respect of their own beneficial holdings.

Notice of Annual General Meeting

continued

Explanatory notes to the notice of meeting

1. A member entitled to attend, speak and vote at the above meeting may appoint one or more persons as his proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting, provided that, if more than one proxy is appointed each proxy is appointed to exercise rights attaching to different shares held by that member. A proxy need not be a member of the Company. A form of proxy is enclosed with this notice. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy. Completion and return or submission electronically of the form of proxy will not prevent a member from attending the meeting and voting in person if he so wishes.
2. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
3. In order to be valid, forms of proxy for the meeting should be completed, signed and delivered (together with the power of attorney or other authority (if any) under which it is executed or a notarially certified copy of such power or authority) to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom or submitted electronically not later than 48 hours before the time fixed for the meeting (excluding non-working days) or, in the case of a poll taken subsequently to the date of the meeting, or any adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll or for holding the adjourned meeting (excluding non-working days). Shareholders who intend to appoint more than one proxy can photocopy the form of proxy prior to completion. The forms of proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made.
4. An abstention (or 'vote withheld') option has been included on the form of proxy. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
5. Electronic Proxy Appointment ('EPA') is available for this Annual General Meeting ('AGM'). To appoint a proxy electronically log on to the Company's Registrars' website at www.sharevote.co.uk. The Voting ID, Task ID and Shareholder Reference Number shown on your Form of Proxy will be required. Full details of the procedures are given on the website. Alternatively, if you have already registered with the Company's Registrars' online portfolio service, Shareview, you can submit your proxy by logging on to your portfolio at www.shareview.co.uk and following the Instructions given on the website. EPA will not be valid if received after 11.00 a.m. on May 6, 2016, or if the AGM is adjourned, 48 hours before the time for holding the adjourned AGM (excluding non-working days), and will not be accepted if found to contain a computer virus.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for this meeting by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available at www.euroclear.com). The message must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA19) not later than 48 hours before the time fixed for the meeting (excluding non-working days). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the proxy through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
9. Attendees will be asked to confirm the details of the relevant shareholding they are representing and should bring proof of identity to the meeting.

10. A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the 'Act') to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in Notes 1 and 3 above do not apply to a Nominated Person. The rights described in those Notes can only be exercised by registered members of the Company.
11. As at April 5, 2016 (being the last business day prior to the publication of this notice) the Company's issued share capital amounted to 169,942,034 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at April 5, 2016 were 169,942,034 votes.
12. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only those members registered in the register of members of the Company as at 6:00pm UK time on May 6, 2016 (or in the event that the meeting is adjourned, only those shareholders registered in the register of members of the Company as at 6.00pm UK time on the day which is two days prior to the adjourned meeting excluding any part of a day that is not a business day) shall be entitled to attend or vote (whether in person or proxy) at the above meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
13. Information regarding the Annual General Meeting, including information required by section 311A of the Act, and a copy of this notice of Annual General Meeting is available from the Company's website www.anglo-pacificgroup.com.
14. Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
15. Under section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Except as provided above, members who wish to communicate with the Company in relation to the Annual General Meeting should do so using the following means: (a) by writing to the Company Secretary at the Company's registered office address at 1 Savile Row, London W1S 3JR; or (b) by writing to the Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. No other methods of communication will be accepted. In particular, members may not use any electronic address provided in this notice or in any related documents (including the accompanying proxy form) to communicate with the Company for any purpose other than those expressly stated in this notice or in such other related documents.
16. The executive director's service contract and the letters of appointment of the non-executive directors will be available for inspection at the Company's registered office during normal business hours on any weekday (excluding public holidays) until the time of the Annual General Meeting and will be available at the Royal Institution of Great Britain, 21 Albemarle Street, London W1S 4BS, United Kingdom at least 15 minutes prior to, and during, the Annual General Meeting.
17. The results of the voting at the Annual General Meeting will be announced through a Regulatory Information Service and will appear on the Company's website at www.anglo-pacificgroup.com.
18. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to whom it discloses the data (including the Registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

Appendix 1 - Summary of the Principal Terms of the amended Anglo Pacific Group PLC Value Creation Plan (the 'VCP')

The summary in this appendix does not form part of the rules of the VCP and should not be taken as affecting the interpretation of the detailed rules of the VCP.

Operation

The Remuneration Committee of the Board of Directors (the 'Committee') will supervise the operation of the VCP.

Participants

Any employee (including an executive director) of the Company or of any subsidiary will be eligible to participate in the VCP.

It is currently anticipated that participation in the VCP will continue to be limited to the Company's executive directors at the discretion of the Committee and selected members of the senior management at the discretion of the Committee acting in consultation with the Chief Executive Officer.

The terms of the VCP retain discretion for awards to be granted at other times to new employees joining the Company's group and/or exceptionally to other eligible employees, in each case, at such time or times as determined during the VCP's single performance period (discussed below).

Award structure – Unit Awards and Option Awards

Following the amendment to the VCP, the VCP Pool will be split into two pools as follows:

- The '1st Pool' for awards granted prior to the amendment to the VCP ('2014 Awards')
- The '2nd Pool' for awards granted after the amendment to the VCP ('2016 Awards')

Participants in the VCP first receive an award in the form of a conditional entitlement to a specified number of units from a total pot of units (a 'Unit Award').

Subject to the terms of the VCP, to the extent the relevant Unit Awards vest, they will convert into an entitlement to receive a nil or nominal cost option (an 'Option Award') over a specified number of ordinary shares in the capital of Company.

No payment is required for the grant of a Unit Award or an Option Award. Unit Awards and Option Awards are not transferable, except on death. Unit Awards and Option Awards are not pensionable.

Determination of VCP Pool upon expiry of Performance Period

2014 Awards

For 2014 Awards, a seven year performance period (the '7 Year Performance Period') (an extension of two years to the original five year performance period for such awards) shall apply for the purposes of the VCP, commencing on the date the first 2014 Awards were made.

The performance measure that will be used for the 2014 Awards will be the growth in the Company's total shareholder return ('TSR') over the 7 Year Performance Period.

For the purposes of such growth calculation a measure of 'start value' will be subtracted from a measure of 'end value'.

Start value will be determined as the Company's average market capitalisation over the 90 days prior to the start of the 7 Year Performance Period aggregated with any dividends payable during such period (by reference to the date the shares go ex-div). In the event that the Company's issued share capital was to increase over the 7 Year Performance Period, any amounts raised (before expenses in connection with any such increase) would be added to and become part of the start value figure.

End value will be determined as the Company's average market capitalisation over the last 90 days of the 7 Year Performance Period aggregated with total dividends payable during the 7 Year Performance Period (by reference to the date the shares go ex-div) and the total amount of any return of capital to shareholders during the 7 Year Performance Period.

Unit Awards shall not vest to any extent unless growth in TSR over the 7 Year Performance Period is at least equal to 7% growth in start value per annum ('Threshold TSR'). The determination of Threshold TSR will take account of any changes to share capital during the 7 Year Performance Period to ensure that the determination captures underlying growth (for example, measuring growth by reference to distinct portions of the share capital to the extent required).

Subject to such Threshold TSR being achieved and any application of the VCP's cap as to maximum aggregate awards where relevant, the Committee shall determine the number of Option Awards (if any) to be granted following the expiry of the 7 Year Performance Period by adopting the following steps:

- Step 1: Determine a pool value equal to 6.2887% of the growth in TSR over the 7 Year Performance Period or if less, 31.444% of the difference between the growth in TSR over the 7 Year Performance Period and Threshold TSR (the '1st Pool');
- Step 2: Dividing the value of the 1st Pool by 62,887 (being the aggregate number of units granted under 2014 Awards subsisting on May 10, 2016) to determine a value of a unit (the 'Unit Value');
- Step 3: Multiplying the number of units comprised with each Unit Award by the Unit Value to then set the appropriate number of shares under each participant's Option Award. The number of shares to be set under such Option Awards will ordinarily be determined by reference to the average of the closing share prices of the Company's shares over the last 90 days of the 7 Year Performance Period.

2016 Awards

For 2016 Awards, a five year performance period (the '5 Year Performance Period') shall apply for the purposes of the VCP, commencing on the date the first 2016 Awards are made and ending on the same end date as the 7 Year Performance Period.

The performance measures that will be used for the 2016 Awards will be:

1. The absolute growth in the Company's total shareholder return ('TSR') over the 5 Year Performance Period ('Absolute TSR').
2. The growth in TSR over the 5 year Performance Period relative to the FTSE 350 Mining Index over the period commencing upon the approval by the Board of the remuneration policy in the Annual Report and Accounts 2015 (March 22, 2016) and ending on the same date as the 5 Year Performance Period ends ('Relative TSR').

For the purposes of the Absolute TSR growth calculation a measure of 'start value' will be subtracted from a measure of 'end value'.

Start value will be determined as the number of ordinary shares in issue on the first day of the 5 Year Performance Period multiplied by 94.9p aggregated with any dividends payable during such period (by reference to the date the shares go ex-div). In the event that the Company's issued share capital was to increase over the 5 Year Performance Period, any amounts raised (before expenses in connection with any such increase) would be added to and become part of the start value figure.

End value will be determined as the Company's average market capitalisation over the last 90 days of the 5 Year Performance Period aggregated with total dividends payable during the 5 Year Performance Period (by reference to the date the shares go ex-div) and the total amount of any return of capital to shareholders during the 5 Year Performance Period.

Unit Awards shall not vest to any extent unless growth in Absolute TSR over the 5 Year Performance Period is at least equal to 7% per annum growth in start value ('Threshold TSR'). The determination of Threshold TSR will take account of any changes to share capital during the 5 Year Performance Period to ensure that the determination captures underlying growth (for example, measuring growth by reference to distinct portions of the share capital to the extent required).

Subject to such Threshold TSR being achieved, the Relative TSR condition being met, a cap being applied for any participant that also holds 2014 Awards if Threshold TSR is achieved in respect of the 2014 Award and any application of the VCP's cap as to maximum aggregate awards where relevant, the Committee shall determine the number of Option Awards (if any) to be granted following the expiry of the 5 Year Performance Period by adopting the following steps:

- Step 1: Determine a pool value equal to 3.7113% of the growth in TSR over the 5 Year Performance Period in excess of the Threshold TSR (the '2nd Pool');
- Step 2: Dividing the value of the 2nd Pool by 37,113 (being the aggregate number of units available to be granted under 2016 Awards) to determine a value of a unit (the 'Unit Value');
- Step 3: Multiplying the number of units comprised with each Unit Award by the Unit Value to then set the appropriate number of shares under each participant's Option Award. The number of shares to be set under such Option Awards will ordinarily be determined by reference to the average of the closing share prices of the Company's shares over the last 90 days of the 5 Year Performance Period;
- Step 4: For any participant that also has 2014 Awards, the number of shares under that participant's Option Award shall be adjusted down to ensure that the value of the 2016 Awards that continues to accrue is reduced by 50% from the share price at which the 2014 Awards start to have value.

For the purposes of the Relative TSR condition, the 2016 Awards will not vest unless the growth in the Company's TSR over the period from March, 22 2016 to the end of the 5 Year Performance Period is at least equal to the growth in the FTSE 350 Mining Index over the same period.

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Cap on maximum percentage of share capital

Subject to appropriate adjustments in accordance with the terms of the VCP, if the total number of shares under all Option Awards that would otherwise be granted equates to in excess of 7.5% of the Company's issued share capital as at the end of the Performance Period, the grant of the Option Awards shall be scaled back pro-rata to provide that the total number of shares under the Option Awards does not exceed such 7.5% of issued share capital.

Exercise of Option Awards

Each Option Award shall comprise three tranches each relating to a separate one third of the total number of shares comprised within the Option Award.

Option Awards may be exercised as to one tranche as from the time of grant of the Option Awards and in relation to the other tranches as from one and two years thereafter respectively.

Once exercisable each tranche will ordinarily remain exercisable until the fifth anniversary of the grant of the Option Awards.

The exercise of a tranche is conditional upon the participant paying any taxes due as a result of the exercise.

Leaving employment

Unit Awards:

As a general rule, if a participant ceases to hold employment or be a director prior to the conversion of Unit Awards into Option Awards they will normally lapse.

However, if a participant so ceases to be an employee or a director because of ill-health, injury or disability, retirement, redundancy, his employing company or the business for which he works being sold out of the Company's group or in other circumstances at the discretion of the Committee, then his Unit Award may be converted into an Option Award in the normal manner upon the expiry of its Performance Period.

The extent to which a Unit Award will vest to become an Option Award in these situations will depend upon two factors: (i) the extent to which the TSR performance measure is satisfied over the full Performance Period and (ii) pro rating of the award to reflect the reduced period of time served in the relevant Performance Period, although the Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances.

In genuinely exceptional circumstances (for example, death), the Committee may permit such good leavers' Unit Awards to vest earlier into Option Awards on such basis as it considers appropriate by reference to performance over the relevant curtailed period.

The tranches comprised within any Option Awards granted to good leavers will each have a 12 month exercise period commencing at the time the tranche first becomes exercisable.

Option Awards:

Unexercised tranches of Option Awards otherwise held at the time of cessation will remain capable of exercise (or of becoming capable of exercise as relevant) save in the case of dismissal for cause in which case they will lapse with immediate effect.

Unless shorter periods would otherwise apply under the VCP, exercise periods in such circumstances shall be 12 months from the time of cessation of employment or office in the case of tranches already capable of exercise or 12 months from the time the tranches become exercisable as relevant.

Corporate events

Unit Awards:

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) the Performance Period will come to an end early.

Unit Awards shall convert into Option Awards to be granted immediately prior to the relevant corporate event, subject to the achievement of the performance measure. A one month exercise period will apply in relation to such Option Awards which in such circumstances shall comprise a single part that is immediately exercisable.

The share price used to set the number of shares under Option Awards in such circumstances will be based on the offer price rather than the 30 day closing average. The offer price may also be used for the purposes of calculating the Company's end TSR position.

The Committee shall retain discretion to pro-rate the Unit Awards (and consequently the resulting Option Awards) to reflect the reduced duration of the Performance Period to the extent it considers it appropriate to do so although the default position will be for no time pro-ration to apply.

Option Awards:

Option Awards already otherwise held at the time of the change of control will remain exercisable or become exercisable as relevant in relation to all subsisting tranches for a period of one month.

Internal reorganisations and other corporate events

In the event of an internal corporate reorganisation Unit Awards or Option Awards as relevant will be replaced by equivalent new awards in relation to shares in a new holding company unless the Committee decides that Unit Awards should vest or Option Awards be curtailed on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of shares to a material extent and would, in the opinion of the Committee mean that it would not be appropriate to continue to operate the VCP as originally intended, then the Committee may decide that Unit Awards will vest on such basis as it reasonably decides.

Settlement of Option Awards

Option Awards may be settled with new issue shares, from issuance from treasury or with shares purchased in the market.

Any shares allotted when an award vests or is exercised will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Option Awards will not confer any shareholder rights until the Option Awards have been exercised and the participants have received their shares.

Option Awards may be cash settled at the discretion of the Committee, although there is currently no intention to use this feature of the VCP.

Proposed 2016 Awards

The Committee intends to apportion the 2nd Pool under Unit Awards as follows:

<i>Participants</i>	<i>Number of units</i>
Chief Executive	20,000
Other participants	4,000
Currently unallocated	13,113
Total available	37,113

In the event that the Committee determines to make Unit Awards above the initial maximum number of 100,000 (for example in connection with a new recruit joining the Company), it may increase the aggregate number of units set for the purposes of the VCP by up to 10% to make more units available for the grant of Unit Awards under the VCP.

However, making more units available will simply dilute the value of the other units and will not impact on the total value distributed or maximum number of shares set under Option Awards shall never exceed such number equating to 7.5% of the Company's issued share capital as at the end of the Performance Period

Duration

The Committee may not grant Unit Awards under the VCP after the expiry of the Performance Period and may not grant Option Awards more than six months following the end of the Performance Period.

Clawback

The Committee may decide within three years of the grant of an Option Award that the Option Award will be subject to clawback where there has been a material misstatement in the Company's financial results, an error in assessing any applicable performance condition or in the event of cessation of service resulting from gross misconduct.

The clawback may be satisfied by way of a reduction in the amount of any future bonus, subsisting Option Award, the vesting of any subsisting award or future share awards under other incentive arrangements and/or a requirement to make a cash payment.

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Dividend equivalents on second and third tranches of Option Awards

In relation to the second and third tranches comprised within each Option Award, participants will receive additional Shares (or a cash payment) of value equivalent to the dividends that would have been payable on the underlying shares if they had been beneficially held from the time of the grant of the Option Award to the date it became exercisable in respect of the tranche. This amount may assume the reinvestment of dividends.

Variation of capital

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the shares, the Committee may make such adjustment as it considers appropriate to Unit Awards and/or Option Awards and/or the 7.5% of issued share capital cap limit for the purposes of the VCP.

Alterations to the VCP

The Committee may, at any time, amend the VCP in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares or cash to be acquired and the adjustment of Unit Award and Option Awards.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the VCP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

Prior shareholder approval will not be required in relation to changes to the TSR Threshold if an event has occurred which causes the Committee to consider that it would be appropriate to amend the TSR Threshold, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original measure would have been but for the event in question.

Appendix 2 to Notice of Meeting

Summary of the Principal Terms of the Anglo Pacific Group PLC Unapproved Share Option Plan (the 'USOP')

The summary in this appendix does not form part of the rules of the USOP and should not be taken as affecting the interpretation of the detailed rules of the USOP.

Eligibility

A participant in the USOP must be an employee or a full time director of the Company or any of its subsidiaries (together the 'Group'), and may be selected for inclusion (a 'Participant') in the USOP by the board of directors of the Company (the 'Board') at their absolute discretion.

Timing of Option Grants

No options may be granted under the USOP more than ten years after the USOP's adoption by the Board. An option may be granted at any time, within that ten year period, excluding a close period.

Structure of Options

Options over ordinary shares in the Company ('Ordinary Shares') may be granted under the USOP. Normally the options will become exercisable 3 years after the date of grant and may not be exercised more than five years after the date of grant. No payment will be required for the grant of an option. Options will not be transferable, except on death, nor will they be pensionable.

Exercise price

The exercise price will not be less than the market value on the day which the option is granted and, if the option is an option to subscribe for new shares, not less than the nominal value of an Ordinary Share. Market value will be the average mid market closing price of an ordinary share for the three dealing days before grant.

Tax treatment

Where a UK resident Participant exercises options under the USOP and makes a gain (that is to say his exercise price is below the quoted share price at that time), this gain will be fully liable to UK income tax, payable via Pay As You Earn. In most cases employers' and employees' National Insurance Contributions will also be due, and it is the expectation of the Board that National Insurance Contributions will be due on all exercises of USOP options.

Leaving employment with the Group

If a Participant leaves before the exercisable date of the option by reason of death, disability, ill health, injury, retirement, redundancy, his employing company or the part of the business in which he works ceasing to be part of the Group he becomes entitled to exercise his option within a period of 60 days following the leaving date (12 months in the case of death) (the 'Extended Exercise Period'), provided that during the Extended Exercise Period the vesting period has passed (other than death which allows partial exercise of the proportion of the shares which correspond to the proportion of the elapsed vesting period as at the date of death). If a Participant leaves before the exercisable date of the option for any other reason, the Company has the right to request that the employee forfeits the option.

Voting, dividend and other rights

Participants will have no voting or dividend rights in respect of the Ordinary Shares under option until the options are exercised.

Takeover, reconstruction or winding up

Special provisions allow early exercise in the event of a change in control, demerger, reconstruction or winding up of the Company.

Overall limit

The number of Ordinary Shares that may be issued or placed under option to an employee under the USOP or any other employee or executive share plan (other than the Anglo Pacific Group PLC Value Creation Plan) in any 10 year period may not exceed 5% of the Ordinary Shares in issue at that time.

Amendment of the Plan

The USOP may be amended by the Board, however, no amendment may be made to the rules of the USOP if it would adversely affect the rights of Participants (without approval of a majority of participants), or give them substantially greater rights than under the USOP currently.

ANGLO PACIFIC GROUP PLC

1 Savile Row
(entrance via 7 Vigo Street)
London W1S 3JR
United Kingdom

T +44 (0)20 3435 7400

F +44 (0)20 7629 0370

e info@anglo-pacificgroup.com

w www.anglo-pacificgroup.com