

Anglo Pacific Group PLC

**FINANCING INVESTMENT IN NATURAL
RESOURCES TO ENABLE A SUSTAINABLE
FUTURE**

February 2020

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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 stability of the global economy; stability of local governments and legislative background; the relative stability of interest rates, the equity and debt markets continuing to provide access to capital; the continuing of ongoing operations of the properties underlying the Company’s portfolio of royalties and investments in a manner consistent with past practice; the accuracy of public statements and disclosures (including feasibility studies, estimates of reserve, resource, production, grades, mine life, and cash cost) made by the owners and operators of such underlying properties; accuracy of the information provided to the Company by the owners and operators of such underlying properties; no material adverse change in the price of the commodities produced from the properties underlying the Company’s portfolio of royalties and investments; no material adverse change in foreign exchange exposure; no adverse development in respect of any property in which the Company holds a royalty or other interest, including but not limited to unusual or unexpected geological formations and natural disasters; successful completion of new development projects; planned expansions or additional projects being within the timelines anticipated and at anticipated production levels; and maintenance of mining title.

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. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. No statement in this communication is intended to be, nor should it be construed as, a profit forecast or a profit estimate. 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, royalties and investments, and could cause actual results to differ materially from those suggested any forward-looking information. Such risks and uncertainties include, but are not limited to current global financial conditions, royalties and investment portfolio and associated risk, adverse development risk, financial viability and operational effectiveness of owners and operators of the relevant properties underlying the Company’s portfolio of royalties and investments, royalties and investments subject to other rights, and contractual terms not being honoured, together with those risks identified in 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. Readers are cautioned that the list of factors noticed in the ‘Principal Risks and Uncertainties’ section of our most recent Annual Report is not exhaustive of the factors that may affect the Company’s forward-looking statements. Readers are also 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 applicable laws, listing rules and other regulations, 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.

As a royalty and streaming company, 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 and investments, or such information is subject to confidentiality provisions. As such, in preparing this presentation, the Company has largely relied upon the public disclosures of the owners and operators of the properties underlying its portfolio of royalties and investments, as available at the date of this presentation.

ANGLO PACIFIC SNAPSHOT

HIGHLIGHTS

- A leading royalty and streaming company focused on commodities which are integral to a sustainable future and a new wave of electrification
- Listed on the London Stock Exchange (LSE: APF), with secondary listing on the Toronto Stock Exchange (TSX: APY)
- Attractive geographic footprint
- ~US\$250 million in acquisitions over past 6 years have diversified portfolio
- Management focused on delivering further growth
- Net debt at the end of 2019 of £28.9m with operating leverage of ~0.6x and further liquidity available

BLUE CHIP SHAREHOLDER REGISTER



1. Pricing as of 21 February 2020.

2. US\$90 million RCF with US\$30 million accordion as per the announcement published on 29 January 2020.

3. Includes the US\$30m accordion feature as per the announcement published on 29 January 2020.

CORPORATE INFORMATION

Ticker	APF (LSE), APY (TSX)
Market capitalisation ⁽¹⁾	~C\$475m / ~US\$360m
Cash (30-Jun-19)	US\$18m / £15m
Revolving Credit Facility ⁽²⁾ (Barclays, Investec, Scotia Bank)	US\$120m
Available liquidity (29-Jan-20) ⁽³⁾	US\$75m

ANALYST COVERAGE & RATING



KEY INVESTMENT HIGHLIGHTS



1. Based on guided 2019 dividend of at least 9p per share (Trading Update from 20 January 2020).

2. Includes Kestrel, EVBC, Four Mile, Narrabri, Maracás Menchen, and Royalty Denison/McClean Lake financing and LIORC stake.

GEOGRAPHIC AND COMMODITY EXPOSURE

15 PRINCIPAL ROYALTY AND STREAMING RELATED ASSETS OVER FIVE CONTINENTS.



WE LOOK TO INVEST IN HIGH QUALITY PROJECTS IN PREFERRED JURISDICTIONS WITH STRONG COUNTERPARTIES, UNDERPINNED BY HIGH ESG STANDARDS.

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

2. Kestrel royalty terms (Anglo Pacific entitlement): 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. Held indirectly through common shares of Labrador Iron Ore Royalty Corporation.

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

PRODUCING

ROYALTY	COMMODITY	OPERATOR	LOCATION	ROYALTY RATE / STREAM VOLUME ¹
KESTREL ²	COKING & THERMAL COAL	EMR CAPITAL / PT ADARO ENERGY	AUSTRALIA	7 – 15% GRR
IRON ORE COMPANY OF CANADA ³	IRON ORE & IRON ORE PELLETS	RIO TINTO	CANADA	7% GRR ³
MANTOS BLANCOS	COPPER	MANTOS COPPER	CHILE	1.525% NSR
NARRABRI	THERMAL & PCI COAL	WHITEHAVEN COAL	AUSTRALIA	1% GRR
MARACÁS MENCHEN	VANADIUM	LARGO RESOURCES	BRAZIL	2% NSR
DENISON / MCCLEAN LAKE ⁴	URANIUM (TOLL MILLING)	DENISON MINES INC./ AREVA / CAMECO	CANADA	ENTITLEMENT TO 22.5% OF TOLL MILLING REVENUE
EVBC ⁵	GOLD, COPPER & SILVER	ORVANA MINERALS	SPAIN	2.5 – 3% NSR
FOUR MILE	URANIUM	QUASAR RESOURCES	AUSTRALIA	1% NSR

DEVELOPMENT

SALAMANCA	URANIUM	BERKELEY ENERGIA	SPAIN	1% NSR
GROUNDHOG ⁶	ANTHRACITE COAL	ATRUM COAL	CANADA	0.5 – 1.0% GRR
PIAUI	NICKEL & COBALT	BRAZILIAN NICKEL	BRAZIL	1% GRR

EARLY-STAGE

PILBARA	IRON ORE	BHP BILLITON	AUSTRALIA	1.5% GRR
CAÑARIACO ⁷	COPPER, GOLD, & SILVER	CANDENTE COPPER	PERU	0.5% NSR
RING OF FIRE	CHROMITE	NORONT RESOURCES	CANADA	1% NSR
DUGBE 1	GOLD	HUMMINGBIRD RESOURCES	LIBERIA	2 – 2.5% NSR

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

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

7. Entrée Resources Ltd. entitled to 20% of any royalty income prior to 31 December 2029, 15% of income received between 1 January 2030 and 31 December 2035, and 10% of any income received between 1 January 2035 and 31 December 2040.

ADVANTAGES OF ROYALTY AND STREAM FINANCING

ADVANTAGES FOR ANGLO PACIFIC

INVESTMENT PROPOSITION

- Limited exposure to cost base with cash flows linked to production levels or revenues
- High margin, scalable business with minimum management time required for existing portfolio
- Counter cyclical capital deployment as primary royalty and stream opportunities often arise in low commodity price environments
- Long term investment horizon covering multiple commodity cycles

MATERIAL UPSIDE POTENTIAL

- Mine life extensions
- Production upside
- Opportunity to acquire secondary or existing royalties at attractive pricing

ADVANTAGES FOR PROJECT OPERATOR

ADVANTAGES VS. DEBT FINANCING

- No maturity date when principal must be repaid or refinanced
- No interest expense with royalty payments linked to revenues; ongoing payments to operator under streams
- Often simpler to execute than a debt offering
- Long term investment horizon covering multiple commodity cycles

ADVANTAGES VS. EQUITY FINANCING

- Avoids equity dilution and dividend payments on equity
- Bi-laterally negotiated and not dependent on the state of public capital markets

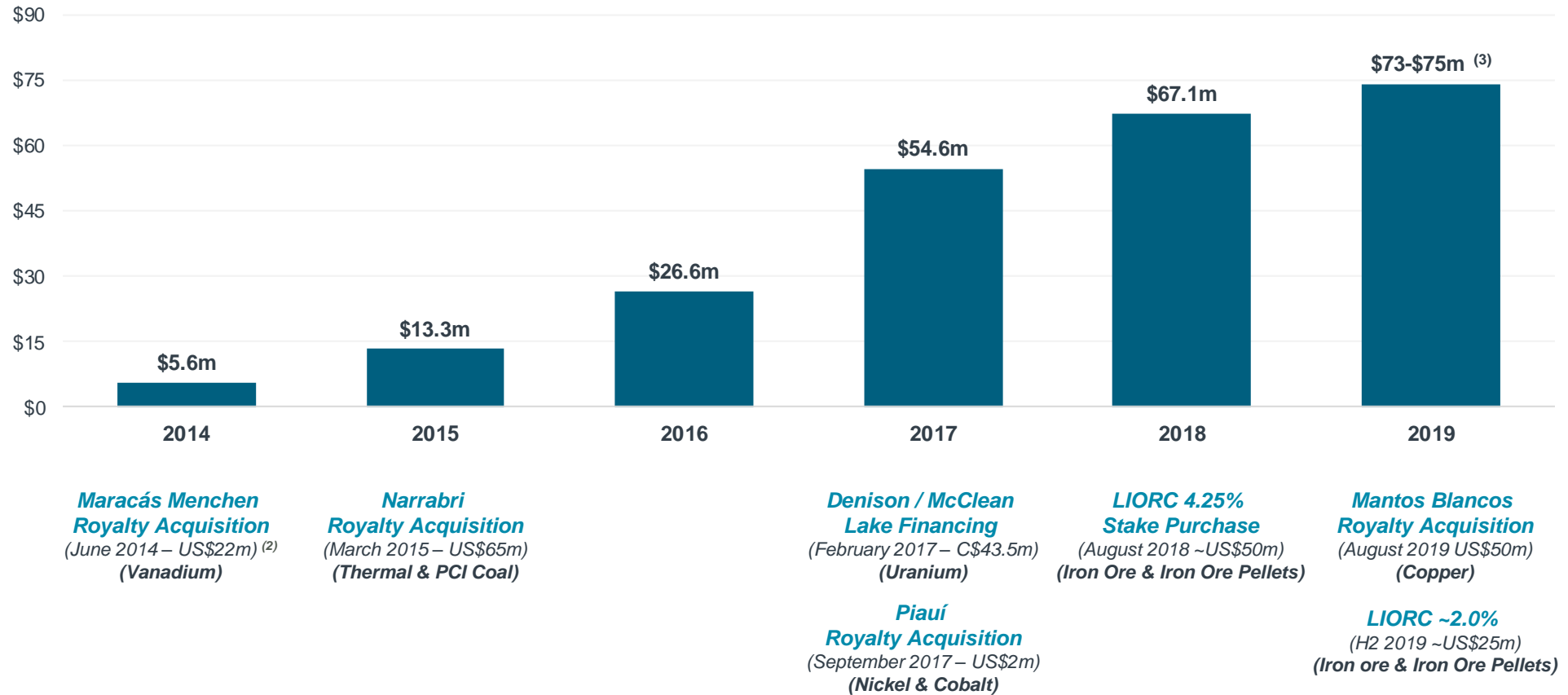
ANGLO PACIFIC AS PARTNER TO THE PROJECT OPERATOR

- Full alignment of interests between Anglo Pacific and natural resource company
- Royalties and streams are generally structured to be asset specific, often leaving the remaining assets of the developer fully unencumbered for raising additional financing

PORTFOLIO CONTRIBUTION EVOLUTION

PORTFOLIO CONTRIBUTION (1)

(In US\$ millions)



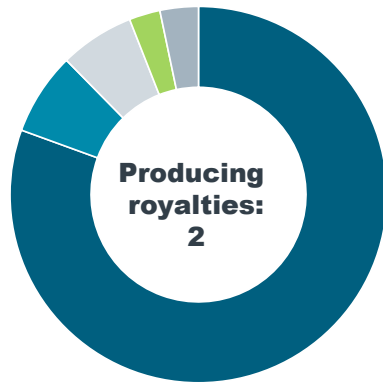
1. Includes Kestrel, EVBC, Four Mile, Narrabri, Maracás Menchen, and Mantos Blancos royalties, Royalty Denison/McClearn Lake financing and LIORC stake. Denison / McClean Lake 2017 portfolio contribution includes £1.7m of toll milling revenue to Denison during H2 2016 and received by the Group in February 2017 at transaction close.

2. US\$22m payable in cash on completion plus up to US\$3m in milestone payments. First US\$1.5m deferred payment paid in Q3 2017.

3. As per Anglo Pacific Group Q4 2019 and year end 2019 Trading Update (20 January 2020).

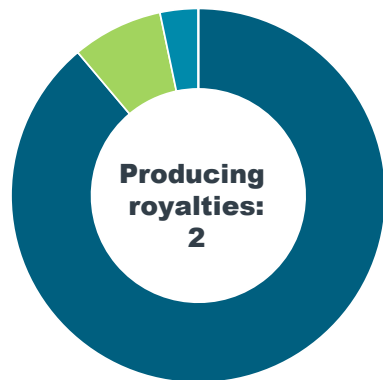
ROYALTY PORTFOLIO EXPOSURE EVOLUTION

AS OF YEAR END 2013 (ADJUSTED) (1) (2)



COMMODITY EXPOSURE

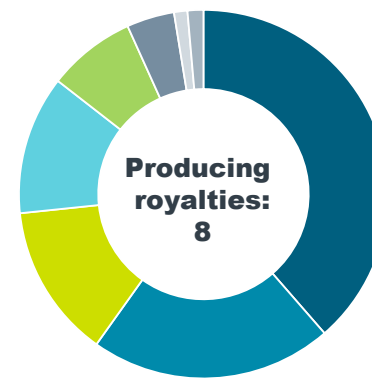
Coking coal ⁽⁴⁾	81%
Iron Ore	7%
Gold ⁽⁴⁾	6%
Uranium	3%
Other	3%



GEOGRAPHIC EXPOSURE

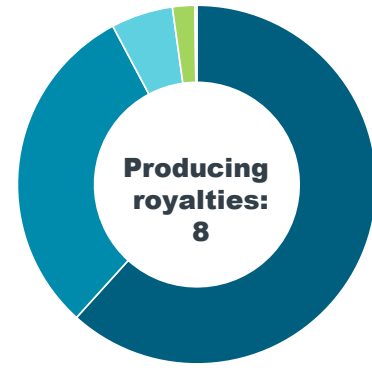
Australia	89%
Europe	8%
Canada	3%

CURRENT (3)



COMMODITY EXPOSURE

Coking coal ⁽⁴⁾	39%
Iron ore	21%
Base metals	13%
Thermal coal ⁽⁴⁾	12%
Uranium	8%
Vanadium	4%
Gold ⁽³⁾	1%
Other	~1%



GEOGRAPHIC EXPOSURE

Australia	54%
Canada	27%
South America ⁽⁵⁾	18%
Europe	2%
Other	Less than 1%

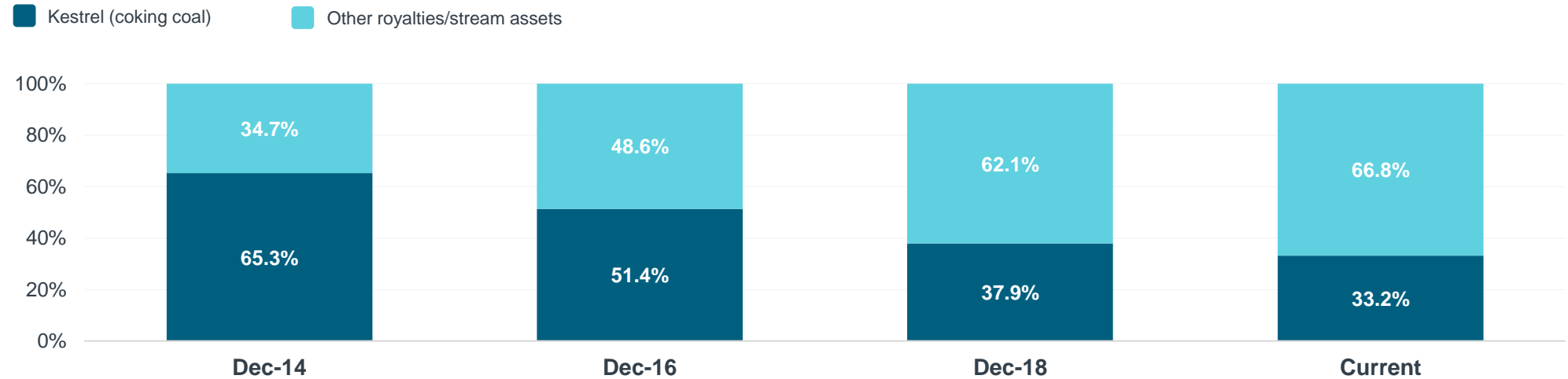
1. Book value of Anglo Pacific's royalty related assets as of 31 December 2013 excluding the Cresso, Bulqiza and Amapá which have been impaired to nil carrying value, the Isua royalty which was subsequently disposed, and Jogjakarta which was subsequently bought back.
2. Producing royalties excludes the Amapá/Tucano royalty which has not generated income following an incident at the Santana port in March 2014.
3. Book value of Anglo Pacific's royalty related assets as of 30 June 2019, adjusted for US\$50m (~£41m) Mantos Blancos royalty acquisition and

~2.0% LIORC stake purchase acquired in H2 2019. LIORC market data as of 27 November 2019.

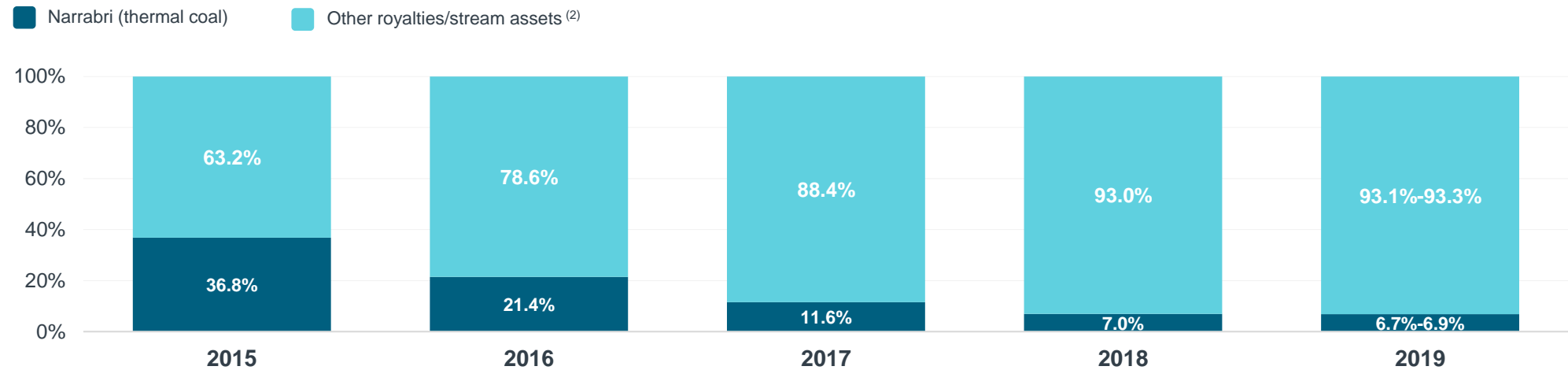
4. Kestrel production primarily coking coal. Narrabri production primarily thermal coal. Gold commodity exposure includes the EVBC royalty which includes copper and silver by-products.
5. South American exposure includes Brazil, Chile, and Peru.

ACQUISITIONS HAVE DIVERSIFIED ANGLO PACIFIC'S ROYALTY PORTFOLIO AND SIGNIFICANTLY REDUCED COAL EXPOSURE

KESTREL CONTRIBUTION TO ANGLO PACIFIC NAV (%) (1)



NARRABRI SHARE OF TOTAL PORTFOLIO CONTRIBUTION (%) (2)



1. Broker estimates.

2. Other royalties/stream assets include the Mantos Blancos, Maracas, EVBC and Four Mile royalties, Denison financing principal and interest and LIORC dividend based on APG's ~6.3% stake and BBG broker consensus estimates.

SOURCES OF NEAR-TERM GROWTH FROM PRODUCING ASSETS

ASSET	PRODUCTION UPSIDE	MINE LIFE EXTENSION
KESTREL COKING COAL	Purchase of Kestrel by EMR and Adaro completed on 1 August 2018. Operator has already achieved significant volume increases and is on target to double production	Defined royalty area provides limited mine life extension upside
LARGO RESOURCES VANADIUM	Production expansion underway. Construction of ferrovanadium conversion plant approved increasing value of product subject to royalty	Develop mineralisation within Maracás concession along strike length of resources (40km strike length)
NARRABRI THERMAL COAL	Permission granted to mine up to 11.0 Mt	Work underway in the exploration lease to the south of the current mining lease with a view to increasing the Resource and Reserves in the area. A drill programme commenced early in 2017 along with mine planning and environmental studies. The results of this activity should become available over the next year and could lead to an increase in Narrabri mine life
MCCLEAN LAKE / CIGAR LAKE TOLL MILLING AGREEMENT URANIUM	Annual licensed production capacity of 24Mlbs U ₃ O ₈ (Currently processing ~18M lbs U ₃ O ₈ per year)	Anglo Pacific is in a position to benefit from the Phase II mine expansion, which currently has Inferred Mineral Resources of c.17% grade and 93Mlbs contained U ₃ O ₈
LABRADOR IRON ORE ROYALTY CORP IRON ORE	Liquid asset with potential for underlying growth, as well as flexibility to sell down or increase indirect exposure to LIORC's 7% GRR and stake in IOC	Reserves support a ~25-year mine life at planned IOC production rates IOC has sufficient mineral inventory to support future expansion options
MANTOS BLANCOS COPPER	Potential phase II sulphide ore mill capacity expansion to ~9.7 Mtpa from 7.3 Mtpa following the completion of the debottlenecking project in 2021	Potential treatment of oxide ore stockpiles and mined oxides ores beyond 2023 oxide ore Reserves based life

PROVEN CAPITAL ALLOCATION HISTORY

ASSET	TRANSACTION DATE	ACQUISITION CONSIDERATION (£M)	BROKER CONSENSUS NAV (£M) ⁽¹⁾	CUMULATIVE INCOME (£M) ⁽²⁾	TOTAL INCOME & CONSENSUS NAV AS % OF ACQUISITION PRICE
MARACÁS MENCHEN (VANADIUM)	JUNE 2014	14.4	32	11.4	300%
NARRABRI (THERMAL COAL)	MARCH 2015	41.7	52	18.1	167%
MCCLEAN LAKE / CIGAR LAKE TOLL MILLING AGREEMENT (URANIUM)	FEBRUARY 2017	26.6	32	10.2	127%
LABRADOR IRON ORE ROYALTY CORP (IRON ORE)	AUGUST 2018 – OCTOBER 2019	58.7	54	7.5	105%

1. Broker consensus NAV estimates as per BMO, Peel Hunt, and Berenberg equity research. LIORC as per current market value of Anglo Pacific ~6.3% stake

2. Cumulative income as of 30 June 2019

ANGLO PACIFIC'S DISCIPLINED APPROACH TO ROYALTY/STREAM ACQUISITIONS

WE DILIGENTLY EVALUATE EACH PROJECT, ENSURING ITS VIABILITY FOR PRODUCTION AND POTENTIAL EXPLORATION UPSIDE. WE SELECT THE BEST OPERATIONS, DILIGENTLY GROWING REVENUE STREAMS.

THIS STABLE CASHFLOW ALLOWS US TO BUY MORE ROYALTIES AND STREAMS ON MORE MINES, PROVIDING OUR INVESTORS WITH A DIVERSIFIED PORTFOLIO

COMMODITY FOCUS

- » Increased focus on commodities that support a more sustainable world

INVESTMENT CRITERIA

- » High-quality and low-cost assets
- » Well established natural resources jurisdictions
- » Strong ESG credentials
- » Strong operational management teams
- » Long-life assets
- » Diversification of royalty portfolio
- » Production and exploration upside potential
- » Attractive returns

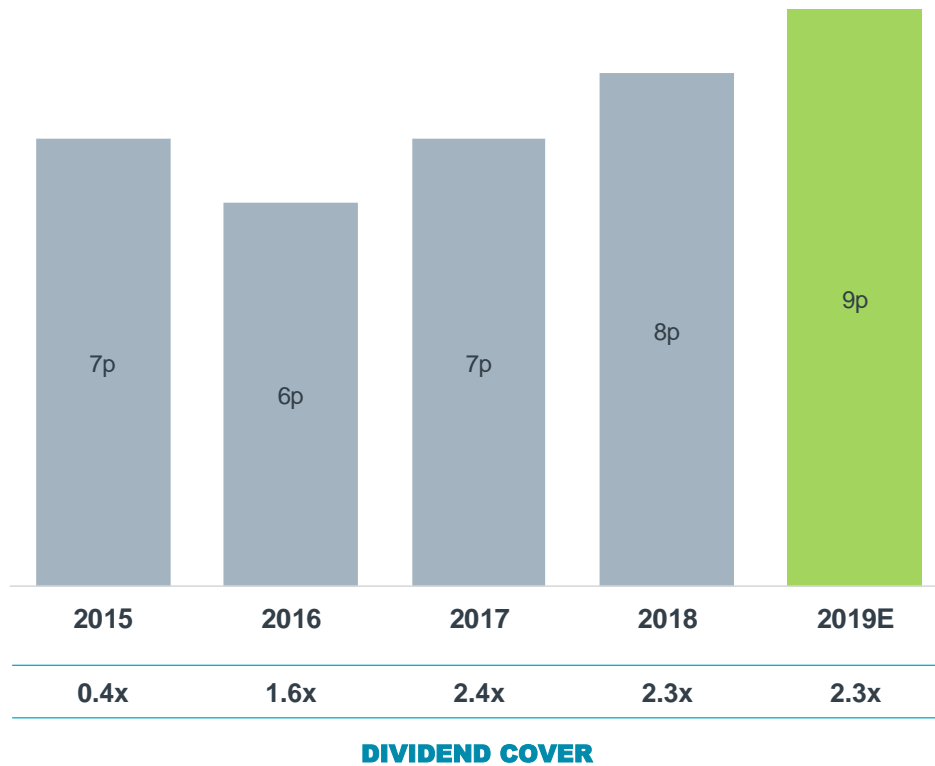


ANGLO PACIFIC HAS INVESTED APPROXIMATELY US\$250 MILLION IN NEW ROYALTIES OVER THE PAST SIX YEARS, WHICH HAVE SEEN THE COMPANY FOCUS INCREASINGLY ON PURER, HIGHER QUALITY PRODUCTS.

RETURN OF CAPITAL AND TRADING MULTIPLES

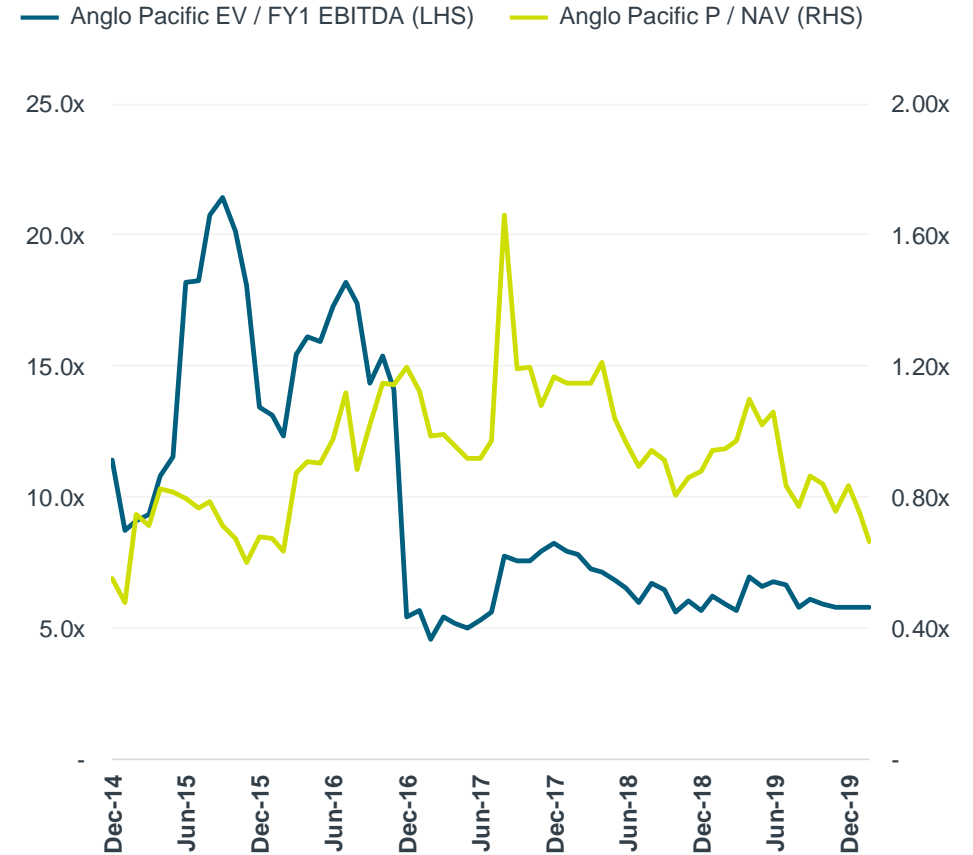
DIVIDEND PER SHARE ⁽¹⁾

(Gbp per share)



ROLLING EV / FY1 EBITDA & P / NAV ⁽²⁾

(Broker consensus EBITDA and NAV estimates)



1. 2019E dividend and dividend cover based on Bloomberg broker consensus as of 21 February 2020. Dividend cover calculated as adjusted earnings per share divided by total dividend per share.

2. Source: CapitalIQ, Factset.

FINANCING INVESTMENT IN NATURAL RESOURCES TO ENABLE A SUSTAINABLE FUTURE

WE LOOK TO FUND BETTER QUALITY, CLEANER UNDERLYING COMMODITIES WHICH ARE GOOD FOR THE WORLD.

OUR APPROACH

- » We believe that a strong focus on ESG is vital for the long-term success of our underlying assets and the maximisation of shareholder value. As a result, we are committed to integrating ESG considerations into our strategic decision-making and capital allocation.
- » While we do not control or directly operate any of the assets in which we have interest, we recognise that our main ESG exposure results from the investments we make. Our investment decision-making is guided by our ESG policy, which outlines how we mitigate ESG risk through our investment decisions, due diligence, contractual agreements and ongoing engagement with our operating partners.



INVESTING RESPONSIBLY

- » We systematically integrate ESG factors into our investment decisions to ensure that we allocate capital in accordance with the highest environmental, social and governance standards

ESG-FOCUSED INVESTMENT DECISIONS

Our robust due diligence process enables us to select projects and operators facing low levels of ESG risk and which have strong ESG management processes in place.

HOW WE DO IT

- Our investment decision-making process involves the following steps:
- We employ a rigorous ESG screening tool to evaluate initial investment opportunities
 - Following this, we use a detailed due diligence framework to assess the full range of ESG risks facing particular assets
 - We assess potential investments using a set of qualitative and quantitative criteria, which look at the level of a particular ESG risk and the way in which it is being managed

PORTFOLIO WITH A STRONG ESG PERFORMANCE

We are focused on building a diversified portfolio comprised of projects characterised by strong ESG performance. All our assets meet a set of stringent ESG investment criteria.

HOW WE DO IT

- In our due diligence process and our ongoing monitoring of the portfolio, we look for counterparties that:
- Take adequate measures to avoid adverse environmental impacts on stakeholders and effectively mitigate climate risks
 - Implement international best practice on water and waste management
 - Respect and protect internationally recognised human rights and labour rights
 - Conduct their operations in accordance with high health and safety standards
 - Establish positive social and community relationships
 - Maintain high integrity standards in all areas of their business

ENGAGEMENT WITH OPERATING PARTNERS

We aim to positively influence our operating partners and ensure their continued strong ESG performance.

HOW WE DO IT

- Where possible, we aim to:
- Incorporate ESG-related audit and inspection rights into our agreements
 - Conduct regular site visits and gather periodic reports from our operating partners on their ESG activities
 - Insert change of control clauses which help us ensure that the assets will continue to be operated by responsible companies in cases of ownership change
 - Encourage our counterparties to align with leading ESG initiatives, including the ICMM Sustainable Development Framework, IFC Performance Standards and the Voluntary Principles on Security and Human Rights, among others

TAKING A LEADERSHIP ROLE

We work with our peers to encourage and promote best practice in the mining industry.

HOW WE DO IT

- We participate in roundtable discussions with sector participants, our peers and our investee companies
- We lead an industry forum of royalty companies, which provides a platform for ensuring a unified approach on ESG
- We regularly review our internal ESG systems and processes to ensure that we are meeting evolving stakeholder expectations and continuously improving our ESG performance

HIGHLIGHTS AND OUTLOOK

HIGHLIGHTS

- » Demonstrated ability to grow and diversify the portfolio
- » Milestone copper royalty acquired in August 2019 at an attractive cyclical entry point
- » ~US\$125m in acquisitions since August 2018, financed from the balance sheet
- » Significant progress made on ESG
- » Expected increase in the full dividend for 2019 to a minimum of 9 pence

OUTLOOK

- » Healthy organic portfolio contribution growth expected in 2020
- » Access to liquidity for further royalty acquisitions
- » Strong focus and further strides to be made on ESG strategy
- » Firmly focused on further growth