

News Release

24 February 2020

Anglo Pacific Group PLC Refinement of Portfolio Investment Strategy

- **Increased focus on commodities that support a more sustainable world**
- **No further investment in thermal coal assets**
- **Establishment of a Sustainability Committee**

Anglo Pacific Group PLC ("Anglo Pacific", the "Company") (LSE: APF, TSX: APY) regularly reviews and refines its strategy in respect to future investments, especially in view of our increased focus on environmental, social and governance ("ESG") best practices. In particular, we continue to focus on how best to align our business with the development of socially responsible mining as part of our efforts to help address the challenges around carbon dependence and sustainability.

Reflecting the refinement of the strategy around its future portfolio investments, the Company is today announcing three initiatives:

1. An increased focus on commodities that support a more sustainable world;
2. Consistent with our track record over the past five years, no further investment in thermal coal assets; and
3. The establishment of a Sustainability Committee to further strengthen the Company's already rigorous ESG due diligence processes.

Future commodity focus

The Company has spent a considerable amount of time identifying commodities and production processes that contribute to establishing a more sustainable world. Over the last 5 years Anglo Pacific has invested approximately US\$250 million in new royalties, which have seen the Company focus increasingly on purer, higher quality products.

This is part of a clear strategy to move towards lighter, greener materials, which encompass environmental benefits and many of which form part of the new wave of technologies around electrification, including renewable energy. Examples include higher quality and more energy efficient iron ore and pellets, base metals linked to energy storage or power transition, specialist alloying materials like niobium, vanadium and aluminium and battery materials like lithium, cobalt and nickel.

No further thermal coal investment

The Company's sole thermal coal asset, Narrabri, which was acquired at the beginning of 2015, represented only 7% of our revenue in 2019, a significant reduction on the 37% contribution at the time of acquisition. We expect this to reduce further as we continue to add further royalties to our portfolio.

Consistent with our track record since 2015, the Company announces its commitment today to not make any new investments in thermal coal.

Sustainability Committee

The Board has also resolved to establish a Sustainability Committee whose remit will be to assist management in ensuring that these initiatives are implemented for significant new investments and also in monitoring and, where possible, addressing any ESG issues in the existing portfolio.

The Sustainability Committee has been established to oversee the following:

- Further strengthening Anglo Pacific's already rigorous ESG due diligence process
- Embedding ESG covenants and ongoing reporting within future royalty agreements, where possible
- Enacting a more systemic ongoing monitoring program for existing and future streams and royalties
- Providing leadership in our industry on ESG and promoting the virtues of a sustainable mining industry

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

"We are pleased to announce this further refinement of our investment strategy which follows extensive discussion by management and the Board. We firmly believe that a sustainable and responsible mining industry can make a meaningful contribution to addressing the climate change challenge in order to help transition the world away from a dependency on carbon generated energy.

We will provide further detail on the work which we have been undertaking in relation to ESG over the past year in our forthcoming 2019 Annual Report and Accounts, which will be published on 25 March 2020."

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Notes to Editors

About the Company

Anglo Pacific Group PLC is a global natural resources royalty and streaming company. The Company's strategy is to develop a leading international diversified royalty and streaming company with a portfolio centred on base metals and bulk materials, focusing on accelerating income growth through acquiring royalties on projects that are currently cash flow generating or are expected to be within the next 24 months, as well as investment in earlier stage royalties and streams. It is a continuing policy of the Company to pay a substantial portion of these royalties and streams to shareholders as dividends.

Cautionary statement on forward-looking statements and related information

Certain statements in this announcement, other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the Group'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 Group'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 announcement. 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 Group including the outlook for the markets and economies in which the Group operates, costs and timing of making new investments, 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.

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 Group 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 Group'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 Group 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 Group'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 Group 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 Group's control, affect the operations, performance and results of the Group, 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, investment portfolio and associated risk, adverse development risk, financial viability and operational effectiveness of owners and operators of the relevant properties underlying the Group'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 Group'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 Group'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 announcement also contains forward-looking information contained and derived from publicly available information regarding properties and mining operations owned by third parties. The Group's management relies upon this forward-looking information in its estimates, projections, plans, and analysis. Although the forward-looking statements contained in this announcement are based upon what the Group 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 announcement 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 Group 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.

Third party information

As a royalty and streaming company, the Group 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 announcement, the Group 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 announcement.