

**ANGLO PACIFIC GROUP PLC**

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News Release

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Anglo Pacific Group PLC

Divestment of Narrabri thermal coal royalty for consideration of up to \$36 million

Anglo Pacific Group PLC ("Anglo Pacific" the "Company" or the "Group") (LSE: APF, TSX: APY) is pleased to announce its exit from thermal coal by entering into an agreement to sell its 1% gross revenue royalty over the Narrabri mine to the operator, Whitehaven Coal Limited ("Whitehaven") for consideration of up to \$36 million.

The consideration is structured as fixed payments totalling \$21.6 million, along with contingent payments which could generate a further \$14 million. The transaction is expected to close on 31 December 2021, with no material conditions precedent to closing. Anglo Pacific will continue to receive royalties from Narrabri until the end of the current calendar year.

This transaction significantly improves the Group's carbon footprint with a remaining portfolio of assets now increasingly weighted towards cobalt, vanadium, copper and nickel – commodities which will be essential to decarbonise energy generation in the years ahead.

Highlights

- \$21.6 million fixed consideration, to be received in instalments until 31 December 2026, of which ~\$13 million will be received within 18 months of the transaction close date
- Contingent consideration of a further estimated \$14 million depending on future coal price levels, Narrabri sales volumes and the successful permitting of the Narrabri South extension
- H2 2021 Narrabri royalty income estimated at \$1 – 2 million to be paid to Anglo Pacific, a period which is seeing elevated thermal coal prices
- Increases Anglo Pacific's portfolio contribution from 21st century commodities that support a more sustainable world
- Provides Anglo Pacific with the opportunity to redeploy capital into further acquisitions

Anglo Pacific CEO, Julian Treger, commented:

"I am delighted to announce that we have entered into an agreement to sell the Narrabri thermal coal royalty, which is aligned with our strategy and represents a further step in focusing on the investment in 21st century commodities supporting a more sustainable world.

This transaction is consistent with our stated strategy of moving away from carbon-based energy exposure, as demonstrated by our investments in copper, nickel, vanadium, uranium and most recently the transformational \$205 million Voisey's Bay cobalt stream acquired earlier this year.

Whitehaven was selected as the preferred bidder following a competitive sales process, on the basis of an offer which we considered to provide maximum value to Anglo Pacific shareholders. We intend to deploy the proceeds from this transaction into further acquisitions, including to partially fund the upcoming \$20 million Incoa calcium carbonate financing which is likely to occur in H1 2022.”

The Transaction

Anglo Pacific has entered into an agreement to sell its Narrabri thermal coal royalty to a subsidiary of Whitehaven. The transaction is expected to close on 31 December 2021 with no material conditions precedent to closing, and the Group will continue to be entitled to receive H2 2021 Narrabri royalty income, estimated at \$1 – 2 million.

Anglo Pacific will receive \$21.6 million in fixed payments, of which ~\$13 million is due within 18 months of the transaction close date. The remainder will be received in annual instalments until the end of 2026.

Contingent payments totalling \$5 million, payable in instalments, will become receivable upon the approval of the Narrabri South extension project by state and federal authorities in Australia, prior to 31 December 2026.

In addition, Anglo Pacific is entitled to receive bi-annual contingent payments linked to future realised Narrabri coal prices ranging from \$0.05/t if realised prices exceed \$90/t to \$0.25/t if realised coal prices exceed \$150/t up to the end of calendar year 2026. Assuming Narrabri ROM production of 4.3-5.0 million tonnes for fiscal year 2022 and 7.0-8.5 million tonnes per annum in the southern panels, the Company would be entitled to receive approximately \$9 million in price linked contingent payments, were realised Narrabri coal prices to be in excess of \$150/t.

History

Anglo Pacific acquired the Narrabri royalty for \$65 million in March 2015. As at 31 December 2021, the Narrabri royalty is expected to have a carrying value of approximately \$45 million based on amortised cost. Since its acquisition, Anglo Pacific has received approximately \$32 million in royalty income, with a further \$1 – 2 million expected before year-end 2021.

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Notes to Editors

About Anglo Pacific

Anglo Pacific Group PLC is a global natural resources royalty and streaming company. The Company's strategy is to become a leading natural resources company through investing in high quality projects in preferred jurisdictions with trusted counterparties, underpinned by strong ESG principles. It is a continuing policy of the Company to pay a substantial portion of these royalties and streams to shareholders as dividends.

Unless otherwise stated, all figures quoted are in US\$ denomination.