

News Release

25 October 2021

Anglo Pacific Group PLC Q3 2021 Trading Update - Record quarterly portfolio contribution

Anglo Pacific Group PLC ("Anglo Pacific", the "Company" or the "Group") (LSE: APF, TSX: APY), issues the following trading update for the period 1 July to 25 October 2021. Unless otherwise stated, all unaudited financial information is for the quarter ended 30 September 2021.

Highlights

	Q3 2021		Q2 2021	9M 2021		9M 2020
	\$m	QoQ%	\$m	\$m	YoY%	\$m
Kestrel	11.70	139%	4.90	21.47	19%	18.12
Voisey's Bay	6.81	119%	3.12	9.93	-	-
Narrabri	0.52	34%	0.39	1.67	(45%)	3.05
Mantos Blancos	1.57	11%	1.41	4.32	83%	2.36
Maracás Menchen	0.90	8%	0.83	2.33		(0.13)
Four Mile	0.10	(1%)	0.10	0.21	(37%)	0.33
Royalty and stream income	21.60		10.75	39.93		23.73
Dividends - LIORC & Flowstream	1.80	(9%)	1.98	4.67	6%	4.40
Interest - McClean Lake	0.61	(2%)	0.62	1.84	10%	1.67
Royalty and stream related revenue	24.01	80%	13.35	46.43	56%	29.80
EVBC*	0.74	(25%)	0.99	2.33	8%	2.17
Principal repayment - McClean Lake	0.51		-	0.51	2%	0.50
<i>Less:</i>						
Metal streams cost of sales	(1.65)	116%	(0.77)	(2.42)	-	-
Total portfolio contribution	23.61	74%	13.57	46.85	44%	32.47

* Following the application of IFRS 9, the royalties received from EVBC are reflected in the fair value movement of the underlying royalty rather than recorded as royalty income.

- Portfolio contribution of \$23.6m in Q3 2021 - the highest individual quarter in the Company's history
- Portfolio contribution in the quarter was 180% higher than Q3 20 and also ahead of that generated in the first six months of 2021
- Results benefitted from very high coking coal prices being captured at Kestrel during the third quarter, resulting in revenue of \$11.7m

- Current coking coal spot prices are ~US\$390/t, significantly ahead of the average for Q3 21, suggesting an even stronger quarter to come in Q4
- Cobalt prices were also higher during the third quarter, resulting in a net contribution of \$5.2m from Voisey's Bay - and with spot prices in excess of US\$27/lbs, the outlook for the remainder of the year looks promising
- Solid performance from the Group's Maracás Menchen, Mantos Blancos and EVBC royalties in the third quarter - with possible volume upside to come in the final quarter
- Further well documented production and quality issues at Narrabri, impacting revenue in the third quarter
- Strength of portfolio contribution generated in Q3 21 resulted in the Group's leverage ratio dropping below 2x at the end of the third quarter

Julian Treger, Chief Executive Officer of the Company, commented:

"We are delighted to announce a record quarter of portfolio contribution from our royalty and streaming assets.

Having lagged the broader commodity basket, coking coal prices began to rebound significantly at the beginning of the third quarter, averaging around \$210/t for the period in which our Q3 royalty was payable. Prices have continued to increase since and are now at ~\$390/t which suggests that the fourth quarter could provide a very strong finish to the year for the Group.

Elsewhere, we were pleased with the performance from Voisey's Bay, which has also benefitted from a higher cobalt price environment than what we anticipated for H2 21 at the time of the acquisition. Overall cobalt prices have increased by 13% since we acquired the stream.

The portfolio contribution from the third quarter has enabled the Group to meaningfully de-lever during the fourth quarter, with our leverage ratio now under 2x. The Group has ~\$36m available under its existing credit facility and ~\$9m of shares held in treasury, along with our remaining stake in LIORC valued at ~\$30m providing ~\$75m in financing flexibility, not including the ~\$13m to be received in instalments over the next 18 months following the sale of the Narrabri royalty.

Following the recent announcement of the sale of our thermal coal royalty, we continue to pursue our strategy of increasing our exposure to commodities that support a more sustainable world and expect the contribution from coking coal related assets to reduce to ~8% of Group's total portfolio contribution by 2025. To this end we are actively evaluating opportunities and are confident in our pipeline and ability to further diversify the business. We remain positive going into Q4 with the strong commodity fundamentals seen recently, looking broadly sustainable as well as strong volume performance expected from the portfolio."

[For further information:](#)

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Notes to EditorsAbout 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.

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 readers in understanding the Group's financial position and results of operations as at and for the periods ended on certain dates, and of presenting information about management's current expectations and plans relating to the future. Readers are cautioned that such forward-looking statements may not be appropriate other than for purposes 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 acquiring new royalties and 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; the 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, streams and investments by the owners or operators of such properties in a manner consistent with past practice; no material adverse impact on the underlying operations of the Group's portfolio of royalties, streams and investments from a global pandemic; 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 or operators of such underlying properties; the 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, streams and investments; no material adverse change in foreign exchange exposure; no adverse development in respect of any significant 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 and investments, and could cause actual results to differ materially from those suggested by any forward-looking information. Such risks and uncertainties include, but are not limited to current global financial conditions, royalty, stream and 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, streams and investments; royalties, streams 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 noted in the section herein entitled 'Risk' 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. This announcement contains information and statements relating to the Kestrel mine that are based on certain estimates and forecasts that have been provided to the Group by Kestrel Coal Pty Ltd ("KCPL"), the accuracy of which KCPL does not warrant and on which readers may not rely.

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.

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