

News Release

30 March 2022

Anglo Pacific Group PLC Results for the year ended 31 December 2021

Anglo Pacific Group PLC ('Anglo Pacific', the 'Company' or the 'Group') (LSE: APF, TSX: APY) is pleased to announce its record full year results for the year ended 31 December 2021, consistent with the trading update published on 27 January 2022. The Company has also published its audited 2021 Annual Report and Accounts, which are available on the Group's website at www.anglopacifigroup.com and on SEDAR at www.SEDAR.com. The following statement should be read in conjunction with the audited financial statements.

2021 Portfolio Highlights

	2021 \$m	YoY%	2020 \$m
Kestrel	48.1	107%	23.3
Voisey's Bay	16.5		-
Narrabri	3.4	(12%)	3.9
Mantos Blancos	5.7	55%	3.7
Maracás Menchen	3.3	358%	0.7
Four Mile	0.3	(40%)	0.5
Royalty and stream income	77.3	140%	32.1
Dividends - LIORC & Flowstream	5.6	(39%)	9.2
Interest - McClean Lake	2.4	7%	2.3
Royalty and stream related revenue	85.3	95%	43.6
EVBC*	3.0	5%	3.0
Principal repayment - McClean Lake	1.3	41%	0.9
Less:			
Metal streams cost of sales	(4.0)		-
Total portfolio contribution	85.6	80%	47.5

* 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.

Financial Highlights

- Record annual portfolio contribution of \$85.6m (2020: \$47.5m) with 45% of this generated in the final quarter
- Portfolio contribution comprises \$77.3m of royalty and stream income, \$8.0m of other royalty related revenue, \$4.3m of other portfolio contribution less \$4.0m of stream cost of sales
- Record results driven by strong performances at Kestrel and Voisey's Bay - with the former producing \$26m in Q4 2021 - over 50% of total contributions in FY 2020
- Profit after tax, of \$37.5m (2020: Loss after tax \$23.9m), which includes valuation and impairment charges and reflects a \$30.5m valuation increase, primarily for Kestrel and EVBC, and a loss on disposal of the Narrabri royalty of \$19.0m
- Basic earnings per share of 18.03c (2020: loss of 13.23c)
- 60% increase in Adjusted earnings¹ per share to 25.18c (2020: 15.69c)
- New longwall panel added to 500 series mine plan at Kestrel, increasing expected volumes within the Group's private royalty lands by 10% and smoothing expected volume stepdown over the remaining life of the royalty
- 21st century commodities now represent 75% of the Group's royalty assets on the balance sheet (2020: 32%)
- Net debt at year-end of \$90m (2020: \$33.3m) reflecting the \$205m Voisey's Bay acquisition in March 2021 and the fact that the record Q4 2021 revenue was not received until January 2022
- Pro-forma net debt at 1 April 2022 expected to be ~\$60m, with H1 2022 cashflow expected to drive rapid deleveraging
- Final dividend proposed of 1.75p per share which will take the total dividend for FY 2021 to 7p per share in line with the Company's guidance during the year

- ~\$120m of liquidity available to finance further growth initiatives
- Our model means that we are fully exposed to commodity prices but do not have direct exposure to operating cost inflationary pressures - a highly attractive position to be in given current commodity and inflationary dynamics
- The record Q4 2021 portfolio contribution was based on an average coking coal price of \$308/t - which is half the current spot price

Recent geopolitical events and impact on commodities

The record 2021 results precede the dreadful tragedy currently unfolding in Ukraine. The Company has made a donation to The Disasters Emergency Committee to assist with the unfolding humanitarian crisis.

The ramifications of the invasion by Russian forces has the potential to create significant global economic consequences for the foreseeable future. The initial impact of the severe sanctions being placed on Russia will likely result in an energy shock not seen since the early 1970s, at a time when inflation is already running significantly above long-term averages.

In times of significant inflation, hard assets such as commodities are expected to outperform. We are seeing material commodity price increases, particularly for commodities from which the majority of the Group's near-term revenues are derived, as illustrated in the table below.

	30/03/21	FY 21 Average	Q4 21 Average	Spot	Spot Vs FY 21 Average
Coking coal \$/t	117	221	308	596	182%
Cobalt \$/lb	22.50	24.0	29.60	38.30	60%
Vanadium \$/lb	8.25	8.20	8.30	12.30	50%
Copper \$/lb	3.98	4.23	4.40	4.65	10%
Uranium\$/lb	31.10	36.10	45.50	59.10	64%
Gold \$/oz	1,686	1,799	1,795	1,954	9%

Coking coal prices have now reached levels of ~\$600/t - the highest price level ever achieved. To put this into context, the coking coal price this time last year was ~\$120/t. The record quarter we achieved at Kestrel in Q4 2021 was based on an average daily coking coal price of ~\$308/t. Although we are not assuming that pricing will remain at these levels, but given that volume levels are expected to be at a similar level to FY 2021, the outlook for the year ahead could produce a wide spectrum of possible outcomes. We calculate that a \$50/t increase in the coking coal price should produce an additional \$3.5m of revenue per quarter.

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

"I am delighted to report a record year for Anglo Pacific, with contribution 80% higher than in 2020 and 17 times higher than when I joined back in 2013. I am extremely proud of the team and our achievements transforming the business. There remains huge potential for Anglo Pacific, and I leave the Company in safe and talented hands and in a strong position for further growth."

Marc Bishop Lafleche, Chief Executive Officer Designate of Anglo Pacific, commented:

"The record FY 2021 results have been well flagged to the market and are in-line with previous announcements. The global economy is now facing inflationary pressures unseen over the past 30 years. In the past, hard assets such as commodities have outperformed in periods of significant inflation, and Anglo Pacific is exceptionally well positioned to provide investors with exposure to non-precious commodity prices without direct exposure to operating cost inflation incurred by the mining sector. This is the unique benefit of the royalty and stream business model.

Year-to-date commodity prices are substantially higher than the levels driving our record Q4 2021 results. We expect similar levels of production from the assets in our portfolio, and with a more than doubling of coking coal prices as well as resilient performances in cobalt and copper prices, the near-term outlook for the business is very strong. We intend to use this higher cash flow to reduce our borrowings in the first instance and then recycle into growth opportunities. We will continue to develop our portfolio in line with our strategy, with a focus on commodities which will support and benefit from the move towards a low carbon future. This will create an even better, diverse and growing asset base for the benefit of all stakeholders.

Looking ahead, we continue to anticipate a period of strong commodity pricing in the medium-term, driven by growing demand for commodities required to achieve global climate change objectives which is likely to be intensified by an underinvestment in new production capacity over the past decade. With our business model's natural inflation pass through, a record commodity price environment, OECD portfolio footprint and ~\$120m financing capacity, we are well positioned to continue to grow the business and generate value for our shareholders."

¹ Adjusted earnings/(loss) represents the Group's underlying operating performance from core activities. Adjusted earnings/(loss) is the profit/(loss) attributable to equity holders less all valuation movements, non-cash impairments and amortisation charges (which are non-cash IFRS adjustments that arise primarily due to changes in commodity prices), finance costs, any associated deferred tax and any profit or loss on non-core asset disposals as these are not expected to be ongoing.

Analyst and Investor presentation

There will be an analyst and investor presentation webcast at 9:30am (BST) on 30 March 2022. The presentation will be hosted by Marc Bishop Lafleche (CEO Designate), Julian Treger (Outgoing CEO) and Kevin Flynn (CFO).

Please join the event 5-10 minutes prior to the scheduled start time.

Event Anglo Pacific - 2021 Results Presentation
Conference Title
Time Zone Dublin, Edinburgh, Lisbon, London
Start 09:30 Wednesday, 30 March 2022
Time/Date
Duration 60 minutes
Webcast Link <https://webcasting.brrmedia.co.uk/broadcast/623dd8f0b5116804221e3329>

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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 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 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.

CHAIRMAN'S STATEMENT

I am very pleased to write to you following what has been the most transformative and profitable year in the Group's history. It is hard to imagine that at the time of writing this report last year we were in lockdown and the commodities from which we expected to derive most of our revenue, coking coal and cobalt, were trading at depressed levels, and thermal coal constituted 11% of our business. Fast forward one year to where we are now, and we have a business that is unrecognisable from that of twelve months ago with record portfolio contribution and a balance sheet predominantly exposed to battery metals and now free of thermal coal.

At the time of writing, geopolitical tensions between Russia and the West are at levels that haven't been seen in decades, resulting from the condemnable conflict in Ukraine. The world has borne witness to significant human suffering which we hope will come to end as quickly as possible. Anglo Pacific has no direct exposure to Russian or Central Asian assets. Whilst this conflict may not directly impact on the operations underlying our portfolio, it is perhaps too early to understand what the economic effects will be. In the short-term we are seeing the price of oil and gas and many other commodities increasing further, adding to already heightened inflationary pressures. Indeed, the commodities to which we have most exposure, namely cobalt, coking coal, copper and vanadium were all at elevated levels before the Russian invasion of Ukraine. Since then, they have increased further to levels which were unforeseeable a few months ago.

On a macro level, the disruption caused by the COVID-19 pandemic has reduced over the course of the past year, with the latest variant posing less of a threat to life in countries with an established vaccine programme and we have seen very little operational disruption at the mines and mills underlying our portfolio.

We are still seeing global supply chain disruption continue, which is now driving inflation, at a time when consumer and government led demand is also increasing. Historically, inflation has tended to benefit hard assets such as commodities, and with current prices remaining buoyant, even before the Ukraine conflict, this appears to continue to be the case. Unlike the mine operators who will see this benefit eroded by increases in operating and capital costs, our royalty and streaming business model protects us as we are only exposed to the top line. In addition, the operations underlying our portfolio are well positioned on the cost curve which adds to the resilience of our portfolio as a whole.

Delivering on our strategy

2021 was a year in which we delivered on our stated strategy, with our record investment of \$205m to acquire the Voisey's Bay cobalt stream in March 2021. We took the view at the time that the fundamentals for cobalt looked very encouraging given the strong growth expected in demand for batteries as vehicle sales increasingly become electric rather than traditional petrol or diesel fuelled. The immediate and significant increase in the cobalt price far exceeded our expectations and supports our investment thesis for this commodity given its importance in battery chemistry and the continued growth in demand for electric vehicles.

The acquisition was a very significant transaction for the Group in pivoting the business towards 21st Century commodities and away from our legacy coal heritage. The transaction immediately resulted in over 60% of our business, by asset value, being derived from battery materials. While we were very pleased with the market reaction to the transaction, there was also a clear message from investors that the continued ownership of our sole thermal coal royalty diluted our powerful equity story based on creating the largest battery metals royalty and streaming company.

Following a strategic review in Q2 2021, we decided to test market appetite for the Narrabri royalty and are delighted that we were able to agree to its divestment on favourable terms. The combination of the Voisey's Bay acquisition and the Narrabri divestment has led to a remarkable transformation of the business, with 21st century commodities now representing 75% of the Group's balance sheet by asset value.

These transactions evidence our core belief that long-term value for all our stakeholders can only be achieved through sustainable and responsible investment. We continue to prioritise sustainability matters across our business including how we assess new opportunities, monitor, and manage our portfolio, and how we conduct ourselves on a day-to-day basis.

2021 performance

The record portfolio contribution for the year of \$85.6m was a significant achievement and an 80% increase on that generated in 2020.

The results benefitted from a very sudden and significant increase in coking coal prices in the second half of 2021. Since the onset of the COVID-19 pandemic two years ago, most commodity prices have enjoyed significant gains as governments have provided strong support for economic activity, including infrastructure projects. This benefitted many commodities, particularly iron ore, and copper. Coking coal, however, lagged in the first half of 2021 due to the flooding of the seaborne market with excess supply following Chinese import bans on Australian coal, and the closure of key Asian import markets, most noticeably India, as part of a series of measures designed to contain COVID-19 outbreaks.

The impact of the sudden increase of supply onto the seaborne market kept coking coal prices subdued until June 2021 when the balance began to be restored in the market. As industrial activity increased in Asia, the price of coking coal rose from \$125/t on 31 May 2021 to \$341/t on the last day of 2021, a 170% increase over the course of seven months. This coincided with a period when the majority of production from Kestrel was within our private royalty land. The higher sales price also resulted in a higher weighted average royalty rate and meant that revenue in the final quarter alone from Kestrel was \$26m - higher than the \$23m received from Kestrel for FY 2020 in total.

A similar trend emerged in the cobalt market, where COVID-19 related logistic disruptions impacted supply chains. This coincided with strong electric vehicle sales growth and resulted in the price of cobalt spiking in the last three months of the year by 30%.

As always, the royalty and streaming model ensures that increased contributions drop down directly to earnings per share. Basic earnings per share were 18.03c in 2021, an increase from the 13.23c loss in 2020. Removing non-cash

valuation and impairment charges resulted in adjusted earnings per share of 25.18c in the year, a 60% increase on the 15.69c in 2020.

While the overall impact of these price movements on earnings in 2021 was highly favourable, it is equally pleasing to see price levels thus far in 2022 well in excess of the levels at the end of 2021 paving the way for what should be a good H1 2022.

Returns to shareholders

We clarified our capital allocation policy following the Voisey's Bay acquisition which prioritises balance sheet strength and growth while committing to a quarterly dividend of 1.75p. Given the need to continue deleveraging following the acquisition and our continued focus on growth, we have recommended that the final dividend be 1.75p. Should this be approved at the 2022 AGM, the total dividends for 2021 will be 7p (2020: 9p). Whilst our dividend cover is high by historical comparison, it reflects the recycling of elevated earnings from Kestrel, in particular into reduction in leverage levels to prepare for further acquisitions in future facing commodities that will replace coking coal as Kestrel winds down over the next few years.

Following the Group's change in reporting currency, dividends for the year ended 31 December 2022 and beyond will be determined in US dollars, translated at exchange rates prevailing on the record date of each dividend declared and payable in sterling and Canadian dollars to our shareholders on the London and Toronto stock exchanges respectively.

Shareholder engagement

We analysed more ways in which to engage with shareholders during the year, especially in light of having to hold a virtual AGM once again. We were pleased to have been able to offer retail participation in the equity raise undertaken to part finance the Voisey's Bay acquisition through the "Primary Bid" platform. We were gratified that the equity financing was significantly oversubscribed as a result of the healthy take up from our existing shareholders and we welcome our new shareholders and thank them for their support.

We also undertook our inaugural "Investor Meets Company" session at the end of 2021 where our CEO designate, Marc Bishop Lafleche and our CFO, Kevin Flynn gave a presentation and hosted a Q&A session. This was very well attended, and we were delighted with the engagement from the participants. Again, this is something we will seek to repeat in the future as well as exploring other channels of engagement. We very much hope to be able to hold our AGM in person once again this year and details of this will be released shortly.

Board

Following the 2021 AGM, Vanessa Dennett retired from the Board. We were pleased to announce the appointment of Varda Shine who joined the board on 23 August 2021 as a non-executive director. Varda brings a wealth of mining and capital markets experience from her position as CEO of De Beers Trading Company.

A key part of the Board's role is to ensure that we maintain the highest standards in our business and that we operate with integrity and to the highest ethical standards. While we believe the Board continues to reflect an appropriate mix of skills, experience, and diversity well able to determine strategy and provide guidance and oversight to management, succession planning for all directors is a critical and ongoing cycle of work. As a result, the composition of the Board is kept under constant review and changes will be made as tenures come to an end and as the business continues to evolve.

In 2021 we again took great care to ensure continuity of the Board's proceedings. A full schedule of meetings, including those of the Board's Committees, was held as planned, albeit the majority in a virtual environment.

Chief Executive Officer Succession

Julian Treger notified the Board during 2021 of his intention to resign on 31 March 2022 after eight and a half years as the Group's CEO. Julian has been instrumental in creating the vision for the business and pivoting the Group towards commodities which will be essential to the electrification required for a low carbon future. He has been very successful in identifying opportune entry points into vanadium, copper, iron ore, nickel, and now cobalt. As a result, the Group has a stable medium-term revenue profile and is in a strong financial position to pursue further growth opportunities. Julian leaves with our gratitude for his commitment to and achievement of the transformation of Anglo Pacific. We will miss his insight and wisdom, and I have no doubt that he will continue to enjoy success in his future ventures.

Following an extensive process, the Board concluded that the Group's Chief Investment Officer, Marc Bishop-Lafleche was the appropriate successor. Marc, having been with the Group for the past 8 years has been instrumental in originating, negotiating, structuring, and executing the acquisitions that have transformed the business. This practical experience and industry knowledge, combined with Marc's understanding of Anglo Pacific's culture and values, uniquely qualifies him to take the Group forward.

Outlook

The outlook for growth in 2022 looks promising. We are expecting similar volumes to come from Kestrel this year before mining then moves to the boundaries of our private royalty land in future years, coking coal prices remain well ahead of price levels in 2021, rising above \$600/t in March 2022, post the invasion of Ukraine. Similarly, cobalt prices have continued to increase since the end of 2021, and have touched \$38/lb. There is likely to be higher income from Kestrel and Voisey's Bay in 2022, despite lower expected volumes, particularly at Voisey's Bay as operations move underground from the open pit, before they ramp up again in future years.

We remain committed to growth and continue to see strong opportunities to deploy capital. We are busy appraising potential transactions with our disciplined approach to financial, technical, legal, operational, and ESG due diligence. As described in the financial review, we are well positioned for further growth with approximately \$120m of financing flexibility.

Thanks

Finally, I would like to congratulate and thank the entire team for a record year of investment and results. This has been achieved despite considerable challenges posed by the COVID-19 pandemic, home working, and the sheer volume of activity that we have seen. I am impressed by their dedication and hard work and am sure they will continue to thrive under the new executive leadership. I look forward to the year ahead with confidence.

N.P.H. Meier

Chairman
29 March 2022

CHIEF EXECUTIVE OFFICER'S STATEMENT

In what is my final report to you, it is appropriate to reflect on the last eight and half years and the journey that we have been on together. When I took over as CEO in October 2013, the Group was predominantly a single asset coal business. Some of the investments previously made were soon to be impaired to no value, residual non-core equity investments had suffered heavy losses and access to liquidity was depleting quickly. In short, the Group needed a change of direction.

We identified in the middle of the last decade that the world was transitioning very quickly towards a future in which carbon generation would be very hard to support in a public vehicle. At the same time, significant developments were taking place in the electrification of vehicles. It became apparent that a significant number of base metals such as copper, nickel, cobalt, and vanadium would be required in order to meet the inevitable increase in demand from battery end users.

Our vision at the time was to recycle what was becoming short-term coking coal cash flows into such commodities. At the same time, we also sought to invest in only the purest forms of such commodities and those produced sustainably. Today, we now have, in my view, the highest quality portfolio of base metal royalties and streams in the listed sector globally - a portfolio that would be virtually impossible to replicate from a standing start.

Transformational activity in 2021

Our journey was significantly accelerated through two transactions in 2021: the \$205m Voisey's Bay cobalt stream acquisition, and the disposal of our only thermal coal royalty.

Taking the Voisey's Bay acquisition first, we took the view at the beginning of 2021 that cobalt offered a very attractive price entry point, having traded into the low teens over the past 18 months and at just over \$20/lbs at the point of acquisition. Today, the price nears \$40/lbs, buoyed by continued strong demand from new battery end users in the past year and COVID-19 related supply disruptions from key African markets. Furthermore, we also believe that over time, commodity markets should differentiate between those commodities ethically sourced with high ESG credentials (such as Voisey's Bay), which should command a premium, and those which have more questionable origins which should trade at a discount. Whilst this has not manifested itself in terms of market pricing yet, this is a trend we think has the possibility to result in greater value for what is now our largest asset.

The logical next step following the Voisey's Bay transaction was to explore options in relation to our one remaining exposure to thermal coal, the Narrabri royalty. Accordingly, we commenced a process in the second half of 2021 to solicit possible interest in a divestment.

It was very pleasing, although not surprising given the underlying quality, to witness considerable demand for this royalty, especially in the context of limited value being ascribed to other thermal coal assets in the sector during the year. Following a thorough and competitive process, we were pleased to announce a transaction with the mine operator, Whitehaven Coal, in Q3 2021 and the completion of the transaction on 31 December 2021 for what we consider to be an attractive consideration package. Total consideration together with the value of usable tax losses generated on disposal results in a transaction value of up to \$31m. In terms of multiples, this could see a value of 10x trailing cash flows - which is right at the top of the range of what thermal coal assets were trading for during the year.

As a result of these two transactions, and the close to \$500m of transactions in total during my time as CEO, Anglo Pacific is now a business which is 75% 21st century commodities by balance sheet value, a number which will only increase in the short-term as Kestrel begins its transition out of the Group's private royalty lands.

Results

When I took over in 2013, we were expecting revenue for 2014 of just \$5m. As I depart shortly, it is very pleasing to announce record results for 2021 with a total portfolio contribution of \$86m, 17x times that for the first year.

The impact of the record cash generated during H2 2021 came through during Q1 2022 and we were able to make a meaningful repayment on our borrowing facility at the end of January. With strong prices throughout the first quarter of 2022, we would expect another significant quarter of portfolio contribution to enable further deleveraging.

These accelerated borrowing repayments, along with higher earnings, have combined to reduce our debt such that we ended the year with leverage of just 1.20x, well below that forecast at the time of the Voisey's Bay acquisition and comfortably below our limit of 3.5x. As a result, at the end of Q1 2022, the Group is expected to have undrawn borrowings of \$80m and a further ~\$30m of potential liquidity from our residual stake in LIORC to finance new acquisitions.

I am extremely proud of the team that we have built at Anglo Pacific. They have proved themselves on numerous occasions over the last number of years in terms of originating, executing, and financing our growth initiatives. To that extent, I was very pleased that the Nomination Committee recommended that my successor be an internal candidate, which will ensure that the strategy remains on course and that growth can continue to be delivered in a disciplined manner.

Marc Bishop Lafleche, currently the Group's Chief Investment Officer, will take over from me as Chief Executive Officer from 1 April 2022. Marc and I have worked closely over the past years. He has been in charge of the execution of our last few major acquisitions and disposals, and I believe he has all the qualities required to be a very successful leader of your Company. Marc will be supported by our highly professional and dedicated team and a very experienced and knowledgeable Board.

Thank you

I leave Anglo Pacific in a position of strength. The portfolio is generating record levels of income and based on current pricing levels we should see another strong performance in the year ahead. Our portfolio is well positioned in terms of commodity mix and future organic growth, while our debt has been paid down more rapidly than initially expected due to higher income generation from higher commodity prices. This positions us well to do more and take the business to another level.

Whilst I leave a truly transformed Anglo Pacific, the journey continues. The team is busy exploring further growth opportunities, and I wish Marc and the team all the best as they embark on the next chapter.

Finally, a big thank you to all of you, our shareholders, and stakeholders, for your support and faith over the past few years. I hope you have been encouraged by the results of our progress thus far.

J.A. Treger
Chief Executive Officer
29 March 2022

FINANCIAL REVIEW

Overview

Anglo Pacific achieved a record level of portfolio contribution in 2021, buoyed by commodity prices. Since the outbreak of the COVID-19 pandemic, commodity prices have increased significantly across the board. This is largely due to infrastructure led responses by governments, continued growth in Chinese industrial output and supply chain disruptions occurring at a time of increased demand. In addition, for certain other commodities, the continued trend towards decarbonisation technologies and electric vehicles is creating meaningful additional demand.

The risk of COVID-19 related disruption has largely been replaced by that of inflation and the prospect of increasing interest rates. The royalty and streaming business model tends to be more insulated against inflation, as it provides exposure to commodities at the top line. As inflation tends to benefit hard assets, this provides Anglo Pacific with an advantage compared to those running the underlying operations where cost inflation has the potential to rapidly erode margins. The threat of inflation to the Group's portfolio contribution is therefore confined to the relative position on the cost curve of individual operators. Given the profile of Group's portfolio, the threat of underlying operations becoming uneconomic is relatively low.

Interest rate exposure is a greater issue for the Group, especially following the increase in borrowings as part of the financing strategy for the Voisey's Bay acquisition. As described below, however, the impact of the record results in 2021 should result in an accelerated deleveraging profile in H1 2022. As a result, the impact of interest rate increases on the Group's borrowing profile is expected to be relatively low, given the Group's current borrowing levels.

Following a record year can often be challenging, but we are encouraged that volumes from our portfolio are likely to be in line with those in 2021. Given that the commodity prices for our two key assets, which produce cobalt and coking coal, are well in advance of the prices at this time last year there is a reasonable prospect of further growth to come in the current year. Looking further ahead, we would expect volumes in 2023 from Kestrel to be around half the level of 2022 as mining begins to transition outside of the private royalty land. We were very pleased to see data from the operator which shows a new longwall panel at the beginning of the 500 series panels which adds around 1.3mt to our total expected tonnage over the remainder of private royalty land. This should result in volumes for 2023 through 2025 being on average slightly more than 2Mt per annum.

As part of the Voisey's Bay financing plan, balance sheet gearing was allowed to increase. At the time, we anticipated gearing to exceed 2x our pre-tax adjusted earnings into H2 2022, based on consensus coking coal prices of ~\$140/t and cobalt prices of \$17.50/lb in H2 2021. The sudden return to stability in the coking coal market saw prices well in advance of \$300/t at the end of the year and cobalt prices almost double. As a result, leverage fell to 1.2x at the end of the year and this should continue to decrease as we go through H1 2022 as coking coal and cobalt prices remain at their twelve-month highs.

The financial priority for the year ahead continues to be deleveraging and maintaining a strong balance sheet. With the timing of the \$20m Incoa investment looking more like H2 2022, and with coking coal and cobalt prices at recent historic highs, there is a real prospect net debt could fall below \$50m at the half year. The increased debt capacity on the back of stronger than expected results and further liquidity by way of our residual position in LIORC of ~\$30m, provides the Group with a strong financial position to finance further growth.

2021 Results

Following the Voisey's Bay acquisition in March 2021, the Group changed its presentational currency to US dollars. This aligns with the fact that most commodities are priced in US dollars, and that our borrowings and acquisitions are mainly dollar denominated. The Group's main exchange rate risk is now in relation to its dividend and central costs, which are both primarily paid in pound sterling. Reporting in US dollars also brings the Group in line with its peers and the majority of the mining sector.

Portfolio contribution

The contribution from the Voisey's Bay cobalt stream along with a sudden recovery in the coking coal markets combined to produce a record year for the Group. Overall portfolio contribution of \$85.6m for the year was 80% higher than the previous year. Of this amount, 70% was earned in H2 2021 and with prices currently higher than those in the second half of 2021, there is the potential for further growth to come in 2022.

	2021 \$m	YoY%	2020 \$m
Kestrel	48.1	107%	23.3
Voisey's Bay	16.5		-
Narrabri	3.4	(12%)	3.9
Mantos Blancos	5.7	55%	3.7
Maracás Menchen	3.3	358%	0.7
Four Mile	0.3	(40%)	0.5
Royalty and stream income	77.3	140%	32.1
Dividends - LIORC & Flowstream	5.6	(39%)	9.2
Interest - McClean Lake	2.4	7%	2.3
Royalty and stream related revenue	85.3	95%	43.6
EVBC	3.0	5%	3.0
Principal repayment - McClean Lake	1.3	41%	0.9
Less:			
Metal streams cost of sales	(4.0)		-
Total portfolio contribution	85.6	80%	47.5

2021 was really a tale of two halves. Coking coal markets had remained relatively subdued during H1 2021, averaging just below \$125/t as the impact of COVID-19 import restrictions and Chinese bans on Australian coal remained in force. This led to the seaborne market being overburdened with additional product. Once the initial supply shock worked

through the system, stability returned to the market very suddenly from the beginning of June 2021, and prices rapidly began to pick up, averaging \$288/t in H2 2021 and finishing the year at ~\$340/t. With volumes largely consistent at Kestrel between H1 and H2, the impact of pricing and the associated increase in the weighted average royalty rate resulted in revenue in H2 2021 of \$38m bringing total revenue for FY 2021 from Kestrel to \$48.1m - a new record.

A similar trend emerged in the cobalt market during the year. Prices in H1 2021 averaged \$22/lb and increased to \$27/lb in the second half, ending the year at \$34/lb. As the Voisey's Bay acquisition only completed at the end of March 2021, 81% of its overall contribution of \$12.5m was earned in the second half of the year. Pricing increased during the second half due to logistical disruptions in key African export markets due to COVID-19 at a time when there was increasing demand from battery markets.

The table above does not fully reflect the like for like position. Due to the financing strategy for the Voisey's Bay acquisition, 77% of the Group's LIORC stake was disposed at the beginning of the year and the shares sold did not qualify for the Q1 2021 dividend. The Voisey's Bay acquisition did not complete until the end of Q1 2021, as a result, there was a full quarter where no income was earned from the LIORC shares used to finance the acquisition with contribution from the acquisition only beginning in Q2 2021. In addition, the Maracás Menchen royalty related revenue for 2020 was impacted by a one-off charge of \$1.3m relating to the termination of the offtake arrangement between Largo and Glencore.

The following are some high-level observations explaining the variances in 2021:

Kestrel:	6% decrease in volumes due to faulting, offset by 60% increase in average price and weighted average applicable royalty rate increasing from 8.75% in 2020 to 10.25% in 2021
Voisey's Bay:	Represents 9 months contribution since acquisition
Narrabri:	62% increase in average price, offset by 50% reduction in volumes due to ongoing geotechnical issues
Mantos:	38% increase in weighted average sales price for the year, combined with a 9% increase in sales volumes
Maracás Menchen:	65% increase in weighted average sales price for the year, while sales volumes remained flat. FY2020 income was impacted by a \$1.3m one-off adjustment upon the termination of the offtake agreement between Largo and Glencore
Four Mile:	Modest increase year on year reflecting higher uranium prices
LIORC:	77% reduction in the Group's holding in LIORC, partially offset by the dividend per share increasing from C\$3.05/share in 2020 to C\$6.00/share in 2021
McClean Lake:	Increase in principal repayments reflects the impact of the 6-month shut down during 2020 due to COVID-19, during the current year operations were suspended for approximately 3 months from late January to early April

Adjusted earnings

One of the virtues of the royalty model is that incremental post-tax revenue drops more or less directly to the bottom line both in terms of adjusted earnings and free cash flow, two of our main KPIs. We saw this again in 2021 where our portfolio contribution of \$85.6m resulted in adjusted earnings of \$52.3m. This resulted in adjusted earnings of 25.18c in the period, a 60% increase on the adjusted earnings of 15.69c in 2020.

	2021		2020
	\$m	%	\$m
Royalty related revenue	85.3	95%	43.6
Receipts from royalty financial instruments	3.1	5%	3.0
Metal streams cost of sales	(4.0)		-
Operating expenses	(10.7)	37%	(7.8)
Finance costs	(7.3)	144%	(3.0)
Finance income	-	(99%)	0.1
Foreign exchange and other	0.1	(115%)	(0.6)
Tax	(14.2)	99%	(7.1)
Adjusted earnings	52.3	85%	28.2

Weighted average number of shares ('000)	207,901		180,374
	25.18c	60%	15.69c

Overhead costs in the period increased by 37% to \$10.7m. Over 60% of our costs are represented by staff costs and the increase in the year reflects a higher bonus accrual associated with the record level of investment in the year and record results. Elsewhere, costs continued to be incurred in relation to the Four Mile trial which was heard in November 2021, however, these costs are not likely to recur going forward.

Finance costs were also noticeably higher in the period. This is due to the new financing facility put in place as part of the Voisey's Bay acquisition which resulted in the accelerated write off of the previously facility costs which were hitherto being amortised over a three-year period. Finance costs also reflected the higher average borrowings in the group over the course of 2021, as discussed in more detail later in this report.

The tax charge in the period was \$16m, principally in relation to our Australian assets. The headline tax charge for the year is lower as the Narrabri loss qualifies for a tax deduction. As we do not bring the capital loss into our adjusted earnings calculation then the tax shield is also disregarded.

Adding back non-cash valuation and impairment items results in basic earnings per share of 18.03c compared to a loss per share of 13.23c in 2020.

Balance Sheet

Net assets increased to \$357.1m during the year ended 31 December 2021. This was largely due to the impact of the increase in the underlying metallurgical coal offsetting the impact of depletion in Kestrel valuation, together with the fundraising undertaken to acquire the Voisey's Bay cobalt stream. At 31 December 2021, the Group's net asset per share was \$1.72 compared to \$1.63 a year ago.

Movement in new assets (\$)

Figure 1

http://www.rns-pdf.londonstockexchange.com/rns/5585G_1-2022-3-30.pdf

The Voisey's Bay acquisition was completed in March 2021. The cost under IFRS was split on the balance sheet between a fixed asset and a deferred tax asset, the latter is due to the acquisition being that of a holding structure which had considerable tax losses available to offset future stream revenues. There is also an amount included on the balance sheet for the fair value of the potential deferred consideration associated with the transaction in the event of the cobalt price reaching certain milestones. The first such payment crystallised in Q1 2022 due to the significant increase in cobalt price during H2 2021, but any such payments are effectively self-financed through the increased cash flows from the royalties above and beyond those envisaged at the time of the acquisition.

Kestrel is the only material asset which is fair valued on the balance sheet and, despite record earnings, it remained broadly flat due to the new reserve discovery and a higher price outlook. The Voisey's Bay asset is carried on the balance sheet at cost and is then depreciated on a units of production basis. The carrying value is subject to impairment review, which can be influenced by a decrease in future price assumptions; however, in the event of price increases, which have taken place post acquisition, there is no equivalent increase.

Following a strategic review post the Voisey's Bay acquisition, the Group solicited interest for a possible divestment of its Narrabri thermal coal royalty. We were very pleased, although not surprised, with the level of interest in the royalty which suggested that there could be a path to obtaining an acceptable valuation. This culminated in the announcement during Q3 2021 of an exit of our thermal coal exposure through a structured sale to the mine operator, Whitehaven Coal.

The deal consideration was based on three elements: non-contingent consideration, consideration contingent upon the granting of the Narrabri South permit; and consideration contingent upon the thermal coal price outperforming consensus over a period of time. At 31 December 2021, the date the transaction completed, the estimated fair value of the total consideration was \$25.6m, which resulted in a loss on disposal of \$19.0m. Of the \$21.6m non-contingent consideration, \$4.4m was received on completion and the balance of \$17.2m is split between current and non-current receivables. The contingent consideration valued at \$4.0m is accounted for as a financial asset carried at fair value through profit or loss and included in non-current receivables.

Cash flow and liquidity

The Group's portfolio generated significant cash flow in the second half of 2021, buoyed by recent historically high coking coal and cobalt prices. However, a significant portion of these earnings was only received at the end of January 2022.

Cash flow sources and usage (\$)

Figure 2

http://www.rns-pdf.londonstockexchange.com/rns/5585G_1-2022-3-30.pdf

Capital allocation in the period reflected our growth ambitions, with \$207.7m invested in growth and \$25.4m of shareholder returns. The Voisey's Bay acquisition was funded in part through the part disposal of our stake in LIORC (\$20.3m was disposed at the end of Q4 2020 in the run up to the transaction). The disposal of Narrabri, whilst realising \$4.4m of guaranteed proceeds, will be received in semi-annual payments over a 5-year period.

The Group increased its gearing in the first half of the year with the Voisey's Bay acquisition and reported a leverage ratio of 2.44x at the half year. It was anticipated that the leverage ratio would remain above 2x in 2022. This was based on forecast coking coal prices at that time of \$136/t in H2 2021 and cobalt prices of \$20.50/lb. The actual prices received in H2 2021 far exceeded these levels and this resulted in a significant reduction in leverage ratios to 1.2x by the end of the year. As coking coal and cobalt prices are currently in excess of the average Q4 2021 prices, we would expect to generate significant cashflow in H1 2022 and further accelerate the deleveraging profile and leverage ratios in the short-term.

With cash of \$22.0m at the end of 2021, \$38.0m of undrawn borrowings, and with ~\$30.0m of further liquidity in the residual LIORC stake, along with the \$23.5m of Q4 2021 royalty receivables and \$8.6m in Kestrel instalments received in Q1 2022, the Group has access to immediate liquidity of ~\$120m to finance further acquisitions - a number which is expected to increase throughout H1 2022 in light of the current commodity prices.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$'000	2020 \$'000
Royalty and metal stream related revenue	85,295	43,654
Metal streams cost of sales	(4,046)	-
Amortisation and depletion of royalties and streams	(14,845)	(7,087)
Operating expenses	<u>(10,740)</u>	<u>(8,219)</u>
Operating profit before impairments, revaluations and gains on disposals	55,664	28,348
Impairment of royalty intangible assets	(5,232)	(4,303)
Revaluation of royalty financial instruments	17,501	1,134
Revaluation of coal royalties (Kestrel)	13,037	(56,740)
Finance income	1	149
Finance costs	(7,615)	(2,983)
Net foreign exchange gains/(losses)	616	(489)
Other (losses)/income	<u>(19,333)</u>	<u>(35)</u>
Profit/(Loss) before tax	54,639	(34,919)
Current income tax charge	(4,965)	(5,960)
Deferred income tax (charge)/credit	<u>(12,198)</u>	<u>17,007</u>
Profit/(Loss) attributable to equity holders	<u>37,476</u>	<u>(23,872)</u>
Total and continuing earnings/(loss) per share		
Basic earnings/(loss) per share	18.03c	(13.23c)
Diluted earnings/(loss) per share	18.00c	(13.23c)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$'000	2020 \$'000
Profit/(Loss) attributable to equity holders	37,476	(23,872)
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity investments held at fair value through other comprehensive income		
Revaluation of royalty financial instruments - net of income tax	712	25,448
Revaluation of mining and exploration interests	(4,171)	9,372
Deferred taxes relating to items that will not be reclassified to profit or loss	<u>1,621</u>	<u>(2,979)</u>
	(1,838)	31,841
Items that have been or may be subsequently reclassified to profit or loss		
Net exchange (loss)/gain on translation of foreign operations	<u>(10,058)</u>	<u>14,723</u>
	(10,058)	14,723
Other comprehensive (loss)/profit for the year, net of tax	(11,896)	46,564
Total comprehensive profit for the year	<u>25,580</u>	<u>22,692</u>

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021

	Group 2021 \$'000	2020 \$'000
Non-current assets		
Property, plant and equipment	797	1,036
Coal royalties (Kestrel)	84,465	76,268
Metal streams	170,567	-
Royalty financial instruments	53,791	99,923
Royalty and exploration intangible assets	69,518	130,512
Mining and exploration interests	4,396	10,946
Deferred costs	4,415	2,067
Other receivables	39,127	23,219
Deferred tax	<u>36,478</u>	<u>4,458</u>
	463,554	348,429
Current assets		
Trade and other receivables	34,913	14,711
Derivative financial instruments	-	13
Cash and cash equivalents	<u>21,992</u>	<u>27,513</u>
	56,905	42,237
Total assets	<u>520,459</u>	<u>390,666</u>
Non-current liabilities		
Borrowings	112,000	60,767
Other payables	2,910	2,183
Deferred tax	<u>36,711</u>	<u>27,475</u>
	151,621	90,425
Current liabilities		
Income tax liabilities	7,103	3,913
Trade and other payables	<u>4,632</u>	<u>2,842</u>
	11,735	6,755
Total liabilities	<u>163,356</u>	<u>97,180</u>

Net assets	357,103	293,486
Capital and reserves attributable to shareholders		
Share capital	5,706	4,670
Share premium	87,883	83,214
Other reserves	118,637	94,949
Retained earnings	144,877	110,653
Total equity	357,103	293,486

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Other reserves										Retained earnings	Total equity
	Share capital	Share premium	Merger reserve	Warrant reserve	Investment revaluation reserve	Share-based payment reserve	Foreign currency		Treasury Shares	Investment in own shares		
							translation reserve	Special reserve				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020	4,785	82,779	38,416	189	781	6,776	9,642	833	-	(3,430)	156,848	297,619
Loss for the year	-	-	-	-	-	-	-	-	-	-	(23,872)	(23,872)
Other comprehensive income:												
Changes in fair value of equity investments held at fair value through other comprehensive income												
Valuation movement taken to equity	-	-	-	-	34,820	-	-	-	-	-	-	34,820
Deferred tax	-	-	-	-	(2,979)	-	-	-	-	-	-	(2,979)
Foreign currency translation	-	-	-	-	-	-	14,723	-	-	-	-	14,723
Total comprehensive profit	-	-	-	-	31,841	-	14,723	-	-	-	(23,872)	22,692
Transferred to retained earnings on disposal	-	-	-	-	(6,822)	-	-	-	-	-	6,822	-
Dividends	-	-	-	-	-	-	-	-	-	-	(21,406)	(21,406)
Issue of ordinary shares	7	435	-	-	-	-	-	-	-	-	-	442
Shares held in treasury	(122)	-	-	-	-	-	-	-	122	-	(6,554)	(6,554)
Value of employee services	-	-	-	-	-	(17)	-	-	-	1,895	(1,185)	693
Total transactions with owners of the company	(115)	435	-	-	(6,822)	(17)	-	-	122	1,895	(22,323)	(26,825)
Balance at 31 December 2020	4,670	83,214	38,416	189	25,800	6,759	24,365	833	122	(1,535)	110,653	293,486
Balance at 1 January 2021	4,670	83,214	38,416	189	25,800	6,759	24,365	833	122	(1,535)	110,653	293,486
Profit for the year	-	-	-	-	-	-	-	-	-	-	37,476	37,476
Other comprehensive income:												
Changes in fair value of equity investments held at fair value through other comprehensive income												
Valuation movement taken to equity	-	-	-	-	(3,459)	-	-	-	-	-	-	(3,459)
Deferred tax	-	-	-	-	1,621	-	-	-	-	-	-	1,621
Foreign currency translation	-	-	-	-	-	-	(10,058)	-	-	-	-	(10,058)
Total comprehensive profit	-	-	-	-	(1,838)	-	(10,058)	-	-	-	37,476	25,580
Transferred to retained earnings on disposal	-	-	-	-	(14,399)	-	-	-	-	-	14,399	-
Dividends	-	-	-	-	-	-	-	-	-	-	(25,365)	(25,365)
Expiration of warrants	-	-	-	(189)	-	-	-	-	-	-	189	-
Issue of ordinary shares	1,028	4,669	56,431	-	-	-	-	-	-	-	-	62,128
Utilisation of treasury shares to satisfy employee related share-base payments	8	-	-	-	-	(159)	-	-	(8)	-	511	352
Value of employee services	-	-	-	-	-	(6,092)	-	-	-	-	7,014	922
Total transactions with owners of the company	1,036	4,669	56,431	(189)	(14,399)	(6,251)	-	-	(8)	-	(3,252)	38,037
Balance at 31 December 2021	5,706	87,883	94,847	-	9,563	508	14,307	833	114	(1,535)	144,877	357,103

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

Group
2021 2020

	\$'000	\$'000
Cash flows from operating activities		
Profit/(Loss) before taxation	54,639	(34,919)
<i>Adjustments for:</i>		
Finance income	(1)	(149)
Finance costs	7,615	2,983
Net foreign exchange losses/(gains)	(616)	489
Other losses/(income)	19,333	35
Impairment of royalty and exploration intangible assets	5,232	4,303
Revaluation of royalty financial instruments	(17,501)	(1,134)
Royalties due or received from royalty financial instruments	3,115	2,967
Revaluation of coal royalties (Kestrel)	(13,037)	56,740
Depreciation of property, plant and equipment	277	278
Amortisation and depletion of royalties and streams	14,845	7,087
Amortisation of deferred acquisition costs	17	17
Share based payment	328	376
	<u>74,246</u>	<u>39,073</u>
 (Increase)/Decrease in trade and other receivables	 (11,637)	 (2,331)
Increase/(Decrease) in trade and other payables	<u>837</u>	<u>(533)</u>
Cash generated from operations	63,446	36,209
Income taxes paid	<u>(7,666)</u>	<u>(14,669)</u>
Net cash generated from/(use in) operating activities	<u>55,780</u>	<u>21,540</u>
 Cash flows from investing activities		
Proceeds on disposal of mining and exploration interests	2,512	5,540
Purchase of mining and exploration interests	-	(2,366)
Purchase of property, plant and equipment	(38)	(11)
Purchase of royalty and exploration intangibles	-	(1,500)
Proceeds on disposal of royalty intangibles	4,400	-
Purchases of royalty financial instruments	-	(7,413)
Proceed on disposal of royalty financial instruments	62,984	20,264
Purchase of metal streams	(207,705)	-
Repayments under commodity related financing agreements	1,256	888
Prepaid acquisition costs	(22)	(1,116)
Finance income	1	149
Net cash (used in)/generated from investing activities	<u>(136,612)</u>	<u>14,435</u>
 Cash flows from financing activities		
Drawdown of revolving credit facility	123,500	23,516
Repayment of revolving credit facility	(72,494)	(11,572)
Proceeds from issue of share capital	62,128	442
Share buyback payments	-	(6,554)
Dividends paid	(25,365)	(21,406)
Lease payments	(268)	(268)
Finance costs	<u>(10,874)</u>	<u>(2,439)</u>
Net cash generated from/(used in) financing activities	<u>76,627</u>	<u>(18,281)</u>
 Net (decrease)/increase in cash and cash equivalents	<u>(4,205)</u>	<u>17,694</u>
 Cash and cash equivalents at beginning of period	<u>27,513</u>	<u>10,017</u>
 Effect of foreign exchange rates	 (1,316)	 (198)
 Cash and cash equivalents at end of period	<u>21,992</u>	<u>27,513</u>

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