



Anglo Pacific Group PLC

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

**July 2020**

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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 CORPORATE OVERVIEW

### 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\$250m / ~£192.5m in acquisitions over past 6 years have diversified portfolio
- ~US\$108.9m / ~£77.5m returned to shareholders in dividends over past 6 years <sup>(1)</sup>
- Management focused on delivering further growth
- Net debt at the end of 2019 of US\$38.1m / £28.9m with operating leverage of ~0.6x and further liquidity available

### BLUE CHIP SHAREHOLDER REGISTER



1. £77.5m of dividends declared in the period 1 January 2014 to 31 December 2019, at an average rate of 1.4059p.
2. Pricing as of 19 June 2020.
3. US\$90 million RCF with US\$30 million accordion as per the announcement published on 29 January 2020.
4. Includes the US\$30m accordion feature as per the announcement published on 27 April 2020.

### CORPORATE INFORMATION

Ticker	APF (LSE), APY (TSX)
Market capitalisation <sup>(2)</sup>	~US\$330m / £265.4m
Cash (31-Dec-19)	~US\$10m / £7.6m
Revolving Credit Facility <sup>(3)</sup> (Barclays, Investec, Scotia Bank)	US\$120m
Available liquidity (27-Apr-20) <sup>(4)</sup>	US\$75m

### ANALYST COVERAGE & RATING



## ANGLO PACIFIC IS FOCUSED ON ROYALTIES – A KEY COMPETITIVE ADVANTAGE...

### OUR FOCUS ON ROYALTIES

- Anglo Pacific Group are focused on royalties as opposed to streaming arrangements
- We currently hold 8 producing, 4 development and 4 early stage royalties, including:
  - 7-15% GRR on Kestrel (Coking Coal)
  - 1.525% NSR on Mantos Blancos (Copper)
  - 7% GRR on IOC held through shares in Labrador Iron Ore Royalty
  - 22.5% of toll milling revenue at Denison / McClean Lake (Uranium)
  - 2% NSR on Maracas Menchen (Vanadium)
- Royalties (GRRs and NSRs) are favourable given:
  - ✓ No exposure to on-site costs and no ongoing payments
  - ✓ Paid in cash (streams may involve deliveries of metals / metal credits)
  - ✓ Typically no cap to the payments to be received
  - ✓ Simple and transparent to manage for APG and the miner

### THE DIFFERENT TYPES OF ROYALTIES / STREAMS

<b>GR R</b>	<b>Gross Revenue Royalty</b> - Entitles the holder to a simple percentage of the gross revenues generated from the sales of mineral production from a property
<b>NS R</b>	<b>Net Smelter Royalty</b> - Entitles the holder to a share of the net revenues received from a smelter or refinery from the sales of mineral production from a property, after the deduction of certain costs (smelting, refining, transport and insurance)
<b>NP I</b>	<b>Net Profit Interest</b> - Entitles the holder to a percentage of net profits from an operations, which is viewed as less favourable given the cost exposure
<b>Str ea m</b>	<b>Stream Agreements</b> - In exchange for an upfront payment, grants the buyer the right to purchase a portion of the refined metal produced by the mine at a determined price (some may be a % of spot prices)

## 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

## 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

- 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 investment in thermal coal assets

### 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.**

### Proven Track Record

- › ~\$250 million of acquisitions in the last 6 years achieving portfolio diversification
- › Adjusted earnings growth of ~9x between 2014 and 2019 to ~20p/sh

### High quality portfolio with strong ESG focus

- › Investments in high quality projects in preferred jurisdictions with significant upside potential
- › underpinned by strong ESG principles

### Relative valuation

- › Steady increase in dividend per share since 2016 with ~6% dividend yield
- › Currently trading at a relative discount to Canadian royalty company peers

**ANGLO  
PACIFIC**

### Strong governance

- › High quality Board provides leadership to the Group and is responsible for its long-term success.
- › Strong governance and rigorous DD process reduces risks and enables us to better determine the long-term success of a project

### High margin, scalable business model

- › Growth requires minimal increase in cost base driving high operating margins

### Uncorrelated investment opportunity

- › Limited exposure to mine operator cost base
- › Demonstrably lower correlation to MSCI World Index than global mining peers

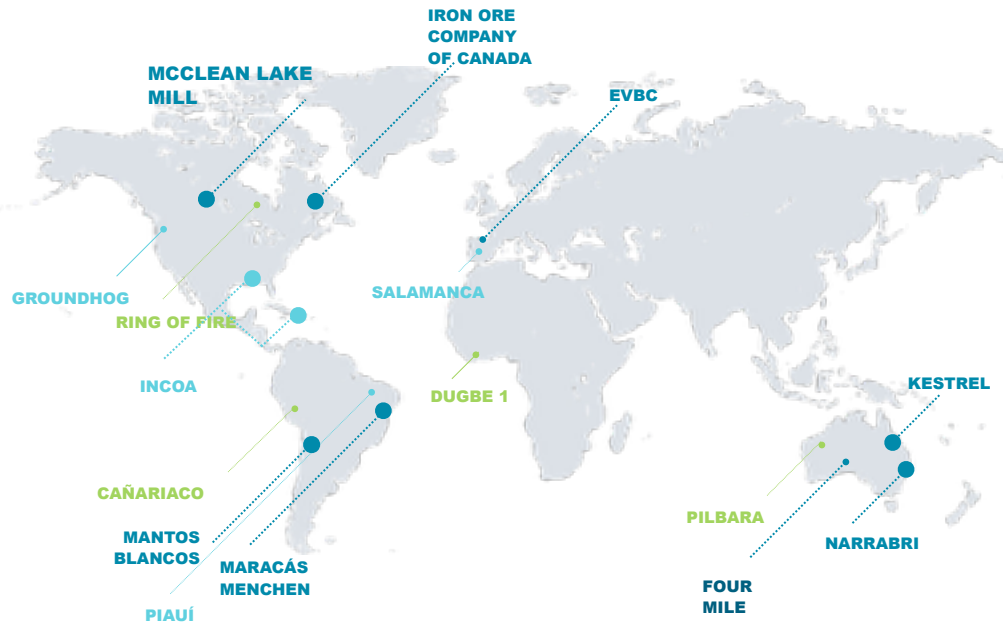
## PORTFOLIO AND PERFORMANCE

We have demonstrated our ability to successfully identify and acquire accretive royalty related assets over the past six years, increasing the size and diversification of our portfolio, deploying ~£192.5m into acquisitions and returning ~£77.5m to shareholders in dividends



## GEOGRAPHIC AND COMMODITY EXPOSURE

### 16 PRINCIPAL ROYALTY AND STREAMING RELATED ASSETS OVER FIVE CONTINENTS



**WE INVEST IN HIGH QUALITY PROJECTS IN PREFERRED JURISDICTIONS WITH TRUSTED COUNTERPARTIES, UNDERPINNED BY STRONG ESG PRINCIPLES.**

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 \$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).
5. Under the terms of the Incoa financing, Anglo Pacific is entitled to approximately 1.23% of gross revenue generated from the sale of ground calcium carbonate products. Anglo Pacific's funding commitment is conditional upon the satisfaction of certain conditions precedent.

PRODUCING				
ROYALTY	COMMODITY	OPERATOR	LOCATION	ROYALTY RATE / STREAM VOLUME <sup>1</sup>
KESTREL <sup>2</sup>	COKING & THERMAL COAL	EMR CAPITAL / PT ADARO ENERGY	AUSTRALIA	7 – 15% GRR
IRON ORE COMPANY OF CANADA <sup>3</sup>	IRON ORE & IRON ORE PELLETS	RIO TINTO	CANADA	7% GRR
MANTOS BLANCOS	COPPER	MANTOS COPPER	CHILE	1.525% NSR
MARACÁS MENCHEN	VANADIUM	LARGO RESOURCES	BRAZIL	2% NSR
NARRABRI	THERMAL & PCI COAL	WHITEHAVEN COAL	AUSTRALIA	1% GRR
DENISON / MCCLEAN LAKE <sup>4</sup>	URANIUM (TOLL MILLING)	DENISON MINES INC./ AREVA / CAMECO	CANADA	ENTITLEMENT TO 22.5% OF TOLL MILLING REVENUE
EVBC <sup>6</sup>	GOLD, COPPER & SILVER	ORVANA MINERALS	SPAIN	2.5 – 3% NSR
FOUR MILE	URANIUM	QUASAR RESOURCES	AUSTRALIA	1% NSR
DEVELOPMENT				
INCOA <sup>5</sup>	CALCIUM CARBONATE	INCOA PERFORMANCE MINERALS	UNITED STATES / DOMINICAN REPUBLIC	~1.23% GROSS REVENUE
PIAUÍ	NICKEL & COBALT	BRAZILIAN NICKEL	BRAZIL	1.25% GRR
SALAMANCA	URANIUM	BERKELEY ENERGIA	SPAIN	1% NSR
GROUNDHOG <sup>7</sup>	ANTHRACITE COAL	ATRUM COAL	CANADA	0.5 – 1.0% GRR
EARLY-STAGE				
PILBARA	IRON ORE	BHP BILLITON	AUSTRALIA	1.5% GRR
CAÑARIACO <sup>8</sup>	COPPER, GOLD, & SILVER	CANDENTE COPPER	PERU	0.5% NSR
RING OF FIRE	CHROMITE	NORONT RESOURCES	CANADA	1.0% NSR
DUGBE 1	GOLD	HUMMINGBIRD RESOURCES	LIBERIA	2 – 2.5% NSR

6. EVBC: El Valle-Boinás Carlés. 2.5% NSR royalty escalating to 3% for gold prices in excess of US\$1,100 per ounce.
7. 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 Atrum Coal from Anglo Pacific during 2014.
8. 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.

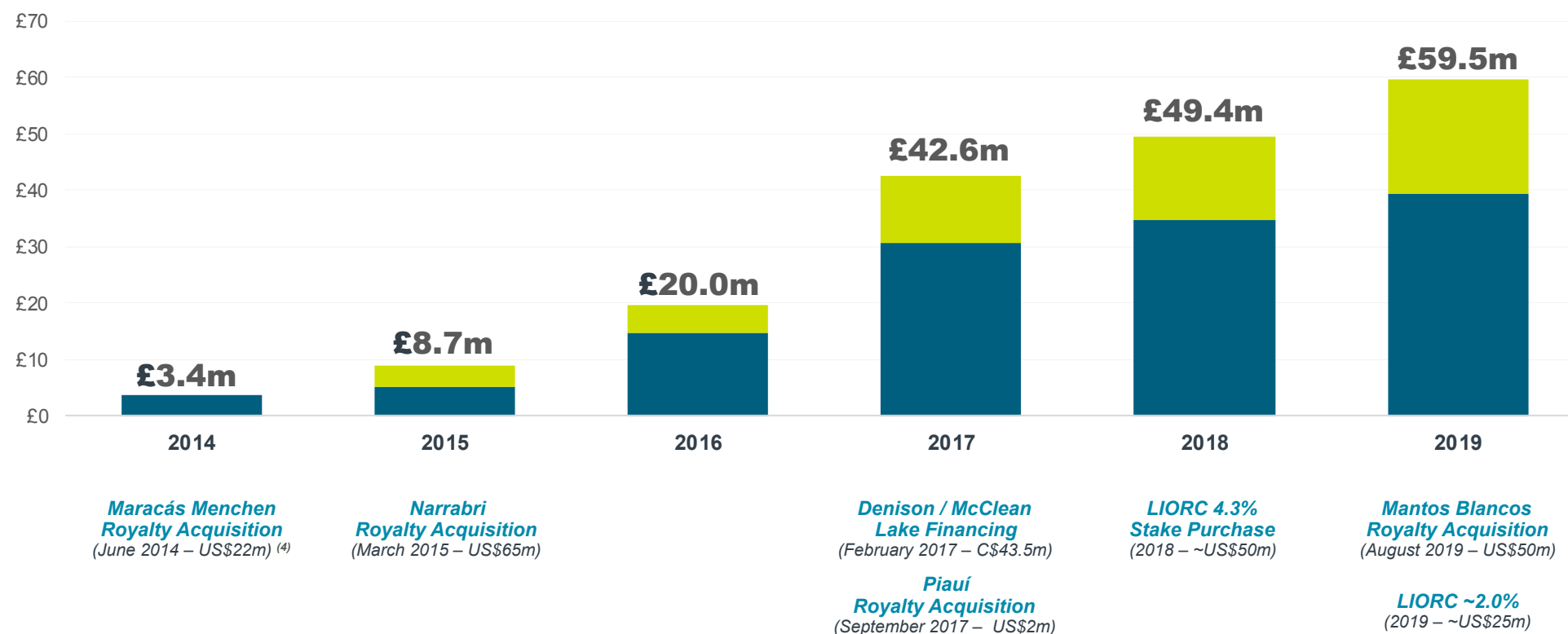
## ACQUISITIONS HAVE INCREASED PORTFOLIO INCOME

### PORTFOLIO CONTRIBUTION 2014-2019

(In GBP millions)

■ Anglo Pacific portfolio pre-2014 <sup>(1)</sup>

■ Acquisitions 2014 to present <sup>(2) (3)</sup>



1. Includes Kestrel, EVBC, Four Mile and Jogjakarta royalties.

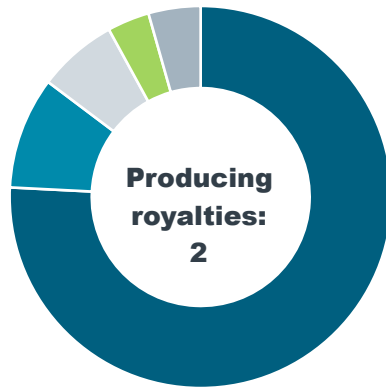
2. Includes Narrabri royalty, Maracás Menchen royalty, Mantos Blancos royalty, Denison/McClearn Lake financing and LIORC stake.

3. Denison / McClearn Lake 2017 royalty related income includes £1.7m of toll milling revenue to Denison during H2 2016 and received by the Group in February 2017 at transaction close.

4. 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.

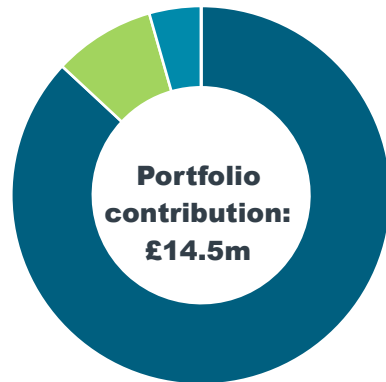
# ROYALTY PORTFOLIO EXPOSURE EVOLUTION

## AS OF YEAR END 2013 (ADJUSTED) <sup>(1) (2)</sup>



### COMMODITY EXPOSURE

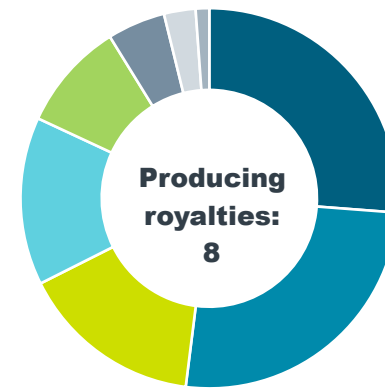
Coking coal <sup>(4)</sup>	76%
Iron Ore	9%
Gold <sup>(4)</sup>	7%
Uranium	4%
Other	4%



### GEOGRAPHIC EXPOSURE

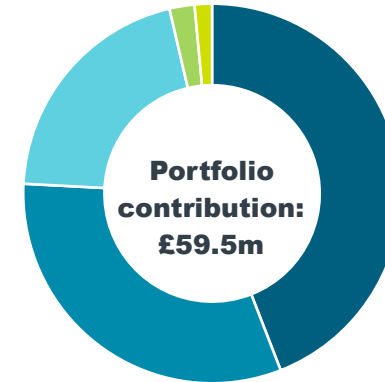
Australia	87%
Europe <sup>(5)</sup>	9%
Canada	4%

## AS OF YEAR END 2019 <sup>(3)</sup>



### COMMODITY EXPOSURE

Coking coal <sup>(4)</sup>	26%
Iron ore	26%
Base metals	16%
Thermal coal <sup>(4)</sup>	14%
Uranium	9%
Vanadium	5%
Gold <sup>(4)</sup>	3%
Other	1%



### GEOGRAPHIC EXPOSURE

Australia	44%
Canada	32%
South America <sup>(5)</sup>	21%
Europe <sup>(5)</sup>	2%
Other	1%

1. Book value of Anglo Pacific's royalty related assets as of 31 December 2013, net of deferred tax where applicable, 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 31 December 2019, net of deferred tax where applicable.

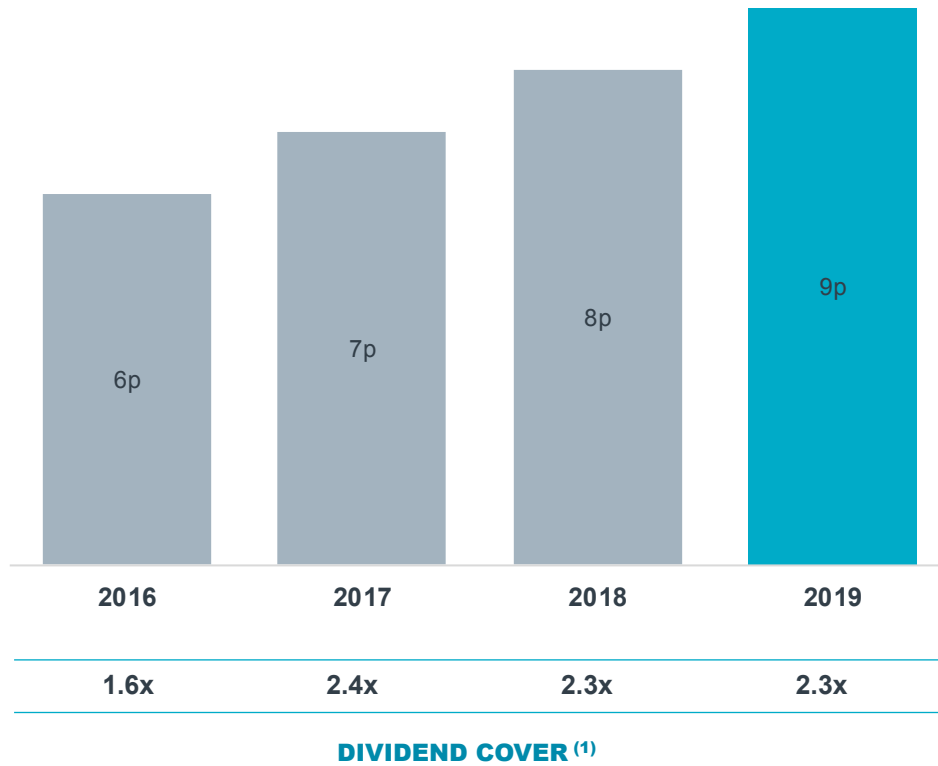
4. Kestrel production primarily coking coal. Narrabri production primarily thermal coal. Gold commodity exposure includes the EVBC royalty which includes copper and silver by-products.

5. South American exposure includes Brazil, Chile, and Peru. Europe exposure includes Spain.

## RETURN OF CAPITAL AND TRADING MULTIPLES

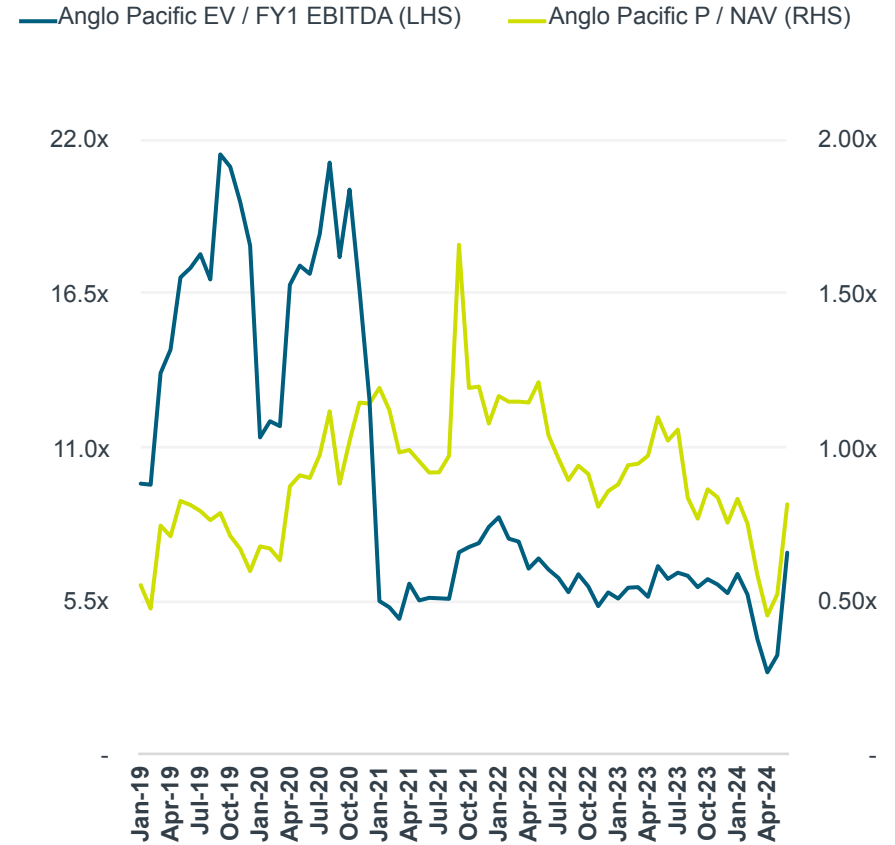
### DIVIDEND PER SHARE

(In GBp per share)



### ROLLING EV/FY1 EBITDA & P/NAV <sup>(3)</sup>

(Broker consensus EBITDA and NAV estimates)



1. Dividend cover calculated as adjusted earnings per share divided by total dividend per share.

2. Source: CapitalIQ, Factset.

## PROVEN CAPITAL ALLOCATION HISTORY

ASSET	TRANSACTION DATE	ACQUISITION CONSIDERATION	ESTIMATED DCF VALUE	31/12/18 CUMULATIVE INCOME	TOTAL INCOME AS % OF ACQUISITION PRICE
<b>MARACÁS MENCHEN (VANADIUM)</b>	JUNE 2014	£14.4 MILLION	£35 – 75 MILLION <sup>(1)</sup>	£9.6 MILLION	66.7 %
<b>NARRABRI (THERMAL COAL)</b>	MARCH 2015	£41.7 MILLION	£70 – 85 MILLION	£15.8 MILLION	37.9%
<b>MCCLEAN LAKE / CIGAR LAKE TOLL MILLING AGREEMENT (URANIUM)</b>	FEBRUARY 2017	£26.6 MILLION	£21 – 27.1 MILLION <sup>(2)</sup>	£8.2 MILLION	30.8%
<b>LABRADOR IRON ORE ROYALTY CORP (IRON ORE)</b>	AUGUST 2018	£38.4 MILLION	£53.5 MILLION <sup>(3)</sup>	£1.9 MILLION	4.9%

1. Maracás Menchen downside NAV based on Vanadium price of US\$10/lbs, upside based on Vanadium price \$20/lbs

2. Based on potential Phase II expansion plans occurring

3. Based on closing price 11/02/2019

ASSET	PRODUCTION UPSIDE	MINE LIFE EXTENSION
<b>KESTREL</b> <b>COKING COAL</b>	Purchase of Kestrel by EMR and Adaro completed in 2018. Operator has already achieved significant volume increases and is on target to double production	Defined royalty area provides limited mine life extension upside
<b>LABRADOR IRON ORE</b> <b>ROYALTY CORP</b> <b>IRON ORE</b>	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
<b>MANTOS BLANCOS</b> <b>COPPER</b>	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
<b>LARGO RESOURCES</b> <b>VANADIUM</b>	Production capacity expansion completed with further increase expected following scheduled kiln feed improvements. Construction of ferrovanadium conversion and vanadium trioxide plants approved increasing value of product subject to royalty	Develop mineralisation within Maracás concession along strike length of resources
<b>NARRABRI</b> <b>THERMAL COAL</b>	Permission granted to mine up to 11.0 Mt	Conversion of the southern exploration license into a mining lease as part of Stage 3 Project well advanced, expected to extend mine life from 2032 to beyond 2040
<b>MCCLEAN LAKE / CIGAR</b> <b>LAKE TOLL MILLING</b> <b>AGREEMENT</b> <b>URANIUM</b>	Annual licensed production capacity of 24Mlbs U <sub>3</sub> O <sub>8</sub> (Currently processing ~18M lbs U <sub>3</sub> O <sub>8</sub> 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 <sub>3</sub> O <sub>8</sub>

# FINANCING INVESTMENT IN NATURAL RESOURCES FOR 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
- Commitment made to make no further investment in thermal coal

### OUTLOOK

- Closely monitoring and evaluating the impact of COVID-19
  - At this time, the mines underlying the Company's material royalty related revenue remain in production
  - All Anglo Pacific staff members working remotely, and investment opportunities being pursued with no restrictions on access to our revolving credit facility
  - Commodity prices underpinning the Group's revenues have seen mixed impact year to date, although most have started recovering since their lowest levels at the start of the year. The price of coking coal has come down, but iron ore and copper prices have held up well
- 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 and portfolio diversification



**MORE TO COME ...**

**SOLID PLATFORM FOR INVESTORS  
& WELL POSITIONED FOR GROWTH**

**... THANK YOU**

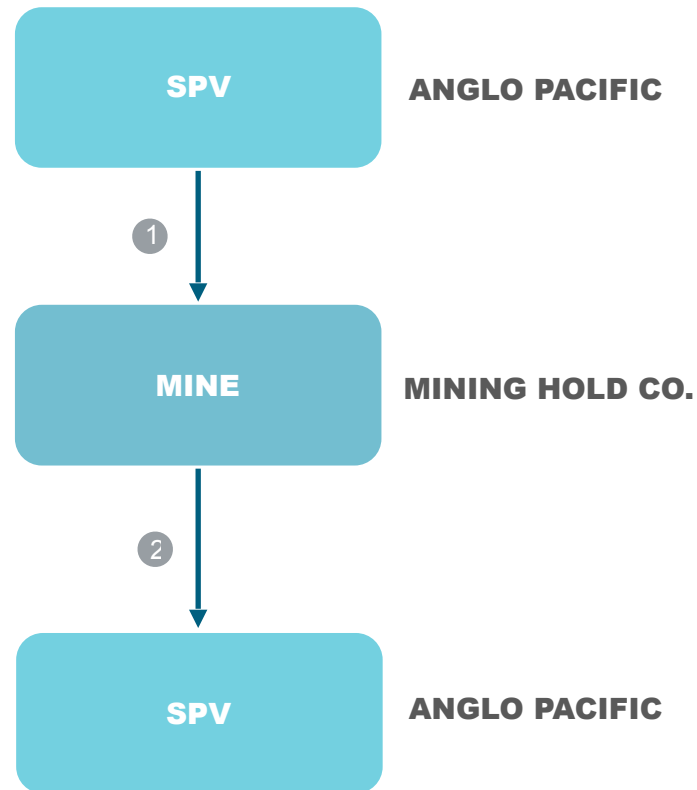
## APPENDIX

- **ROYALTIES AND STREAMING EXPLAINED**
- **2019 INCOME SUMMARY**

## ILLUSTRATIVE ROYALTY TRANSACTION STRUCTURE

**A ROYALTY IS AN AGREEMENT WHICH PROVIDES, IN EXCHANGE FOR AN UPFRONT PAYMENT MADE TO THE MINING COMPANY, THE RIGHT TO RECEIVE A PROPORTION OF THE REVENUE FROM A MINING OPERATION ONCE IN PRODUCTION WITHOUT THE CAPEX OR OPEX RISK**

### ILLUSTRATIVE TRANSACTION SUMMARY



### ROYALTY STRUCTURE

#### 1 Upfront Payment

- » APG makes upfront payment
- » Major factors impacting size of upfront payment:
  - » Expected size of revenue subject to royalty
  - » Percent of revenue
  - » Years of operation

#### 2 Periodic Royalty Payments

- » Natural resource company makes periodic royalty payments
- » Period payment calculated as:
  - » Revenue, less any deductions, multiplied by royalty percentage

## WHY COMPANIES ENGAGE WITH ANGLO PACIFIC



### PRIMARY ROYALTIES / STREAMS

#### POTENTIAL DRIVERS FOR ENGAGING WITH ANGLO PACIFIC

- » Challenging financing environment
- » Can be less dilutive than equity
- » Less restrictive than debt
- » Scope can be limited to a single asset or by-product

### SECONDARY ROYALTIES / STREAMS

#### POTENTIAL DRIVERS FOR ENGAGING WITH ANGLO PACIFIC

- » Opportunity to monetise illiquid asset
- » If privately held, risk can be highly concentrated
- » Residual exposure possible via Anglo Pacific shares

FIGURES IN £M	2019	2018	2017	2016
Kestrel	37.0	32.6	28.8	13.1
Maracás Menchen	2.8	5.9	2.0	0.8
Narrabri	4.0	3.5	4.9	4.2
Mantos Blancos	1.0	n/a	n/a	n/a
Four Mile	0.3	0.1	--	--
EVBC <sup>(1)</sup>	n/a	n/a	1.7	1.2
<b>Royalty income</b>	<b>45.1</b>	<b>42.1</b>	<b>37.4</b>	<b>19.7</b>
LIORC dividends	8.0	1.9	n/a	n/a
Flowstream dividends	0.7	n/a	n/a	n/a
Interest – McClean Lake & Jogjakarta	1.9	2.1	2.2	0.2
<b>Royalty related revenue</b>	<b>55.7</b>	<b>46.1</b>	<b>39.6</b>	<b>19.9</b>
EVBC <sup>(1)</sup>	2.2	2.0	n/a	n/a
Principal repayment – McClean Lake <sup>(2)</sup>	1.6	1.3	3.0	n/a
<b>Total portfolio contribution</b>	<b>59.5</b>	<b>49.4</b>	<b>42.6</b>	<b>19.7</b>

- 13% increase in Kestrel revenue follows 42% increase in volumes year on year slightly offset by lower coal prices in the second half of 2019
- Maracás Menchen revenue impacted by significant decline in vanadium prices from a high of ~US\$34/lbs to current levels of ~US\$5-6/lbs, despite a 4% increase in sales volumes
- LIORC dividend on the 4.28% stake acquired in H2 2018 represents a 16.6% yield – the Group acquired a further 2.03% interest during 2019
- Volume recovery at Narrabri led to a 16.2% increase in revenue year on year
- Average GBP:AUD was 1.8365 (2018: 1.7862); average GBP:USD was 1.2770 (2018: 1.3350)

1. 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.

2. The McClean Lake principal repayment in 2017 included £1.8m relating to tolling receipts from H2 2016.