

Anglo Pacific Group PLC

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

Results for the half year ended 30 June 2022

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Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as, amongst others, ‘expects’, ‘anticipates’, ‘plans’, ‘believes’, ‘estimates’, ‘seeks’, ‘intends’, ‘targets’, ‘projects’, ‘forecasts’, ‘potential’, ‘positioned’, ‘strategy’, ‘outlook’, ‘predict’ or negative versions thereof and other similar expressions, or future or conditional verbs such as ‘may’, ‘will’, ‘should’, ‘would’ and ‘could’. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates.

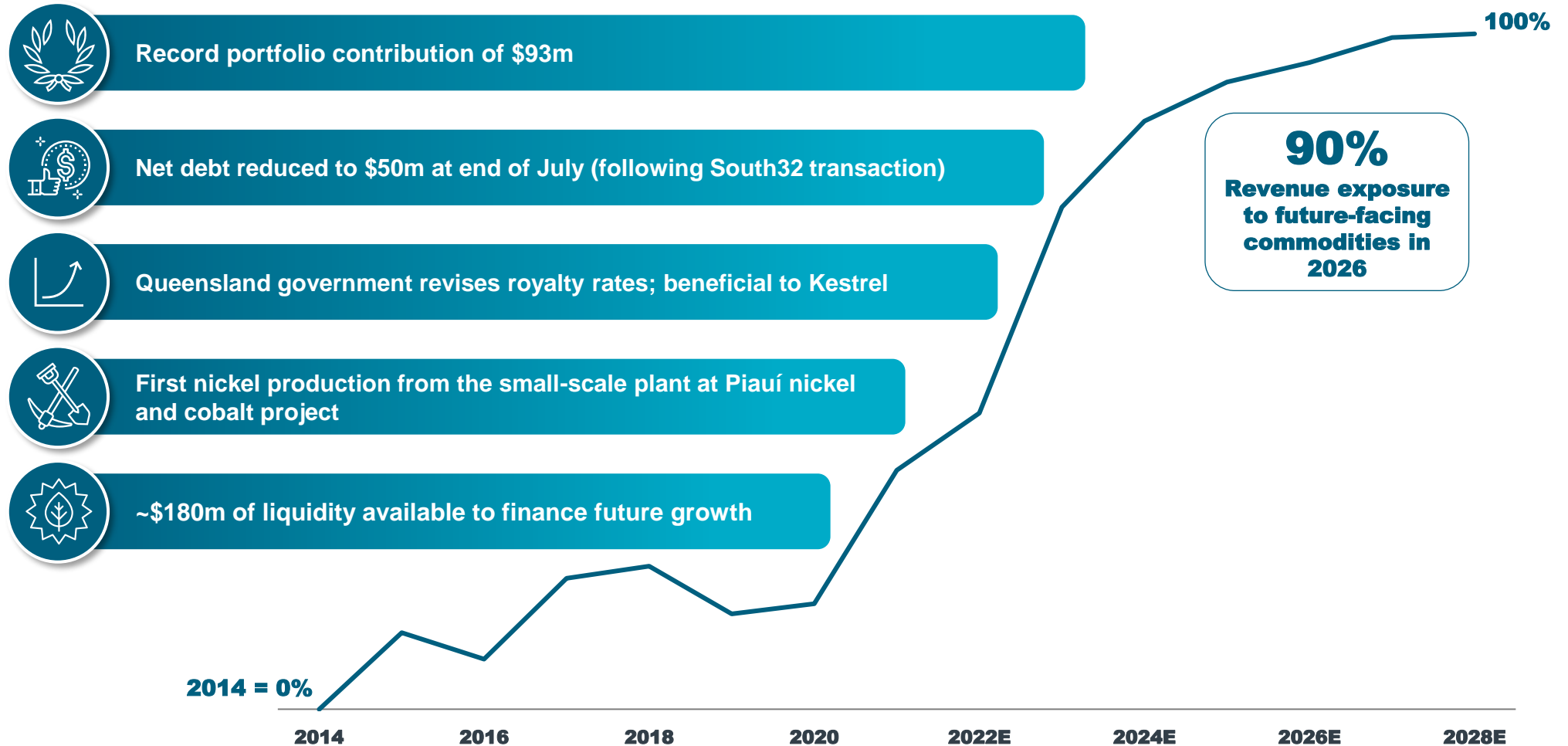
Forward-looking statements are based upon certain material factors that were applied in drawing a conclusion or making a forecast or projection, including assumptions and analyses made by the Group in light of its experience and perception of historical trends, current conditions and expected future 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 and/or with production projections, including the on-going financial viability of such operators and operations; no material adverse impact on the underlying operations of the Group’s portfolio of royalties, streams and investments from the 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; contractual terms honoured of the Group’s royalty and stream investments, together with those of the owners and operators of the 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.

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This presentation also contains forward-looking information contained and derived from publicly available information regarding properties and mining operations owned by third parties. This presentation 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.

# H1 2022 HIGHLIGHTS



**Illustrative pro-forma revenue exposure to future-facing commodities  
(analyst consensus, adjusted for acquired portfolio) <sup>(1)</sup>**

1. Future-facing commodities classified as Copper, Nickel, Cobalt, Vanadium, Uranium. Publicly disclosed start dates assumed for acquired portfolio. West Musgrave 2024; Santo Domingo 2025; Nifty 2023 (subject to delivery threshold). Research analyst revenue estimates.

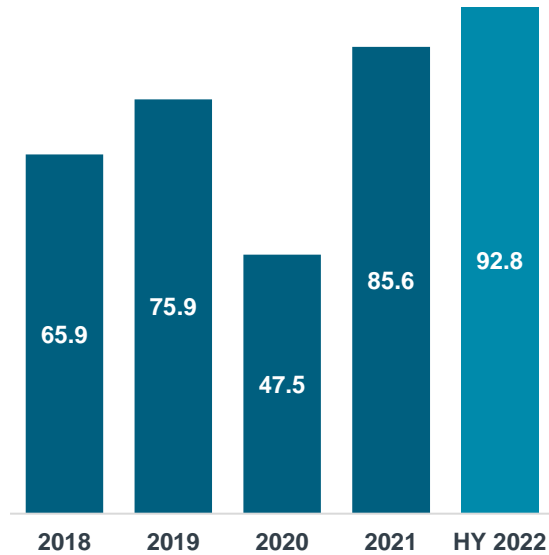
## FINANCIAL REVIEW

# FINANCIAL HIGHLIGHTS

## RECORD PORTFOLIO CONTRIBUTION – H1 22 EXCEEDS FY 2021

### PORTFOLIO CONTRIBUTION

(US\$m)

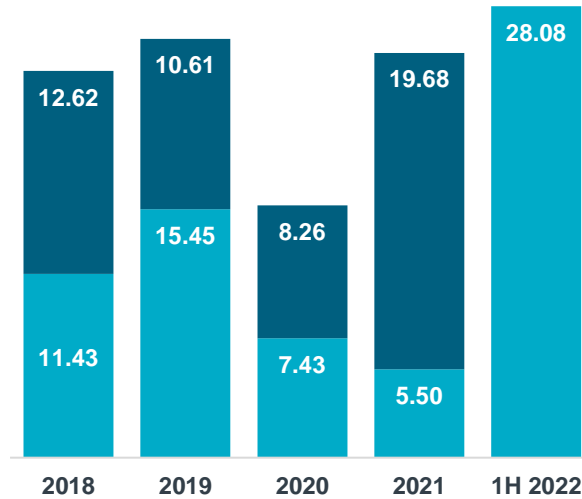


- Total portfolio contribution of \$92.8m
- 8% higher than FY21 number

### ADJ. EARNINGS PER SHARE <sup>(1)</sup>

(US\$c per share)

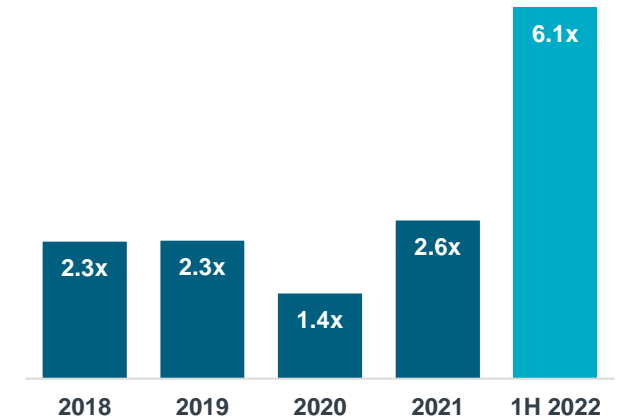
■ H1 ■ H2



- Adjusted earnings per share of 28.08c
- Operating costs kept in line with prior period
- Increased tax charge reflects increase in royalty income in the period

### DIVIDEND COVER <sup>(2)</sup>

(Times)



- Dividend cover 6.1x
- Quarterly dividend of 1.75p to be paid on 31 August to shareholders on register at 16 June being maintained

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.

2. Dividend cover is calculated as the number of times adjusted earnings per share exceeds the dividend per share.

## INCOME SUMMARY

FIGURES IN US\$M	H1 2022	% Change	H1 2021	FY 2021
Kestrel	70.9	638%	9.6	48.1
Voisey's Bay	13.9	348%	3.1	16.5
Mantos Blancos	3.1	11%	2.8	5.7
Maracás Menchen	2.0	43%	1.4	3.3
Narrabri	n/a	n/a	1.1	3.4
Four Mile	0.8	700%	0.1	0.3
<b>Royalty and stream income</b>	<b>90.7</b>	<b>401%</b>	<b>18.1</b>	<b>77.3</b>
Dividends – LIORC & Flowstream	1.3	(55%)	2.9	5.6
Interest – McClean Lake	1.2	-	1.2	2.4
<b>Royalty related revenue</b>	<b>93.2</b>	<b>319%</b>	<b>22.2</b>	<b>85.3</b>
EVBC <sup>(1)</sup>	1.3	(19%)	1.6	3.0
Principal repayment – McClean Lake <sup>(2)</sup>	1.5	n/a	-	1.3
Metal streams cost of sales	(3.2)		(0.8)	(4.0)
<b>Total portfolio contribution</b>	<b>92.8</b>	<b>303%</b>	<b>23.0</b>	<b>85.6</b>

- Weighted average Kestrel royalty rate increased to 12.3% (H1 2021: 8.3%)
- ~2/3 of annual Voisey's Bay volumes were delivered in H1, benefiting from strong prices
- LIORC dividend income was half that in H1 21, reflecting a fall back in the iron ore price

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.

## SUMMARY INCOME STATEMENT

<b>FIGURES IN US\$'000</b>	<b>30 Jun 2022</b>	<b>30 Jun 2021</b>
<b>Royalty and stream related revenue</b>	<b>93,171</b>	<b>22,222</b>
Metal streams cost of sales	(3,160)	(767)
Amortisation and depletion of royalties and streams	(5,760)	(5,698)
Operating expenses	(4,986)	(5,029)
<b>Operating profit <sup>(1)</sup></b>	<b>79,265</b>	<b>10,728</b>
Impairment of royalty intangible assets		-
Revaluation royalty financial instruments	7,002	16,315
Revaluation of coal royalties (Kestrel)	42,327	(9,132)
Finance costs (net)	(2,721)	(4,024)
Net foreign exchange gains / (losses)	605	(1,927)
Other net income / (losses)	3,543	(143)
<b>Profit before tax</b>	<b>130,021</b>	<b>11,817</b>
Current income tax charge	(22,333)	(2,869)
Deferred income tax (charge)/credit	(13,364)	(1,687)
<b>Profit after tax</b>	<b>94,324</b>	<b>7,261</b>

- Adjusted earnings of \$60.1m in H1 22 (28.0c per share) vs \$10.4m (5.5c per share) in H1 21

1. Before impairments and revaluations.

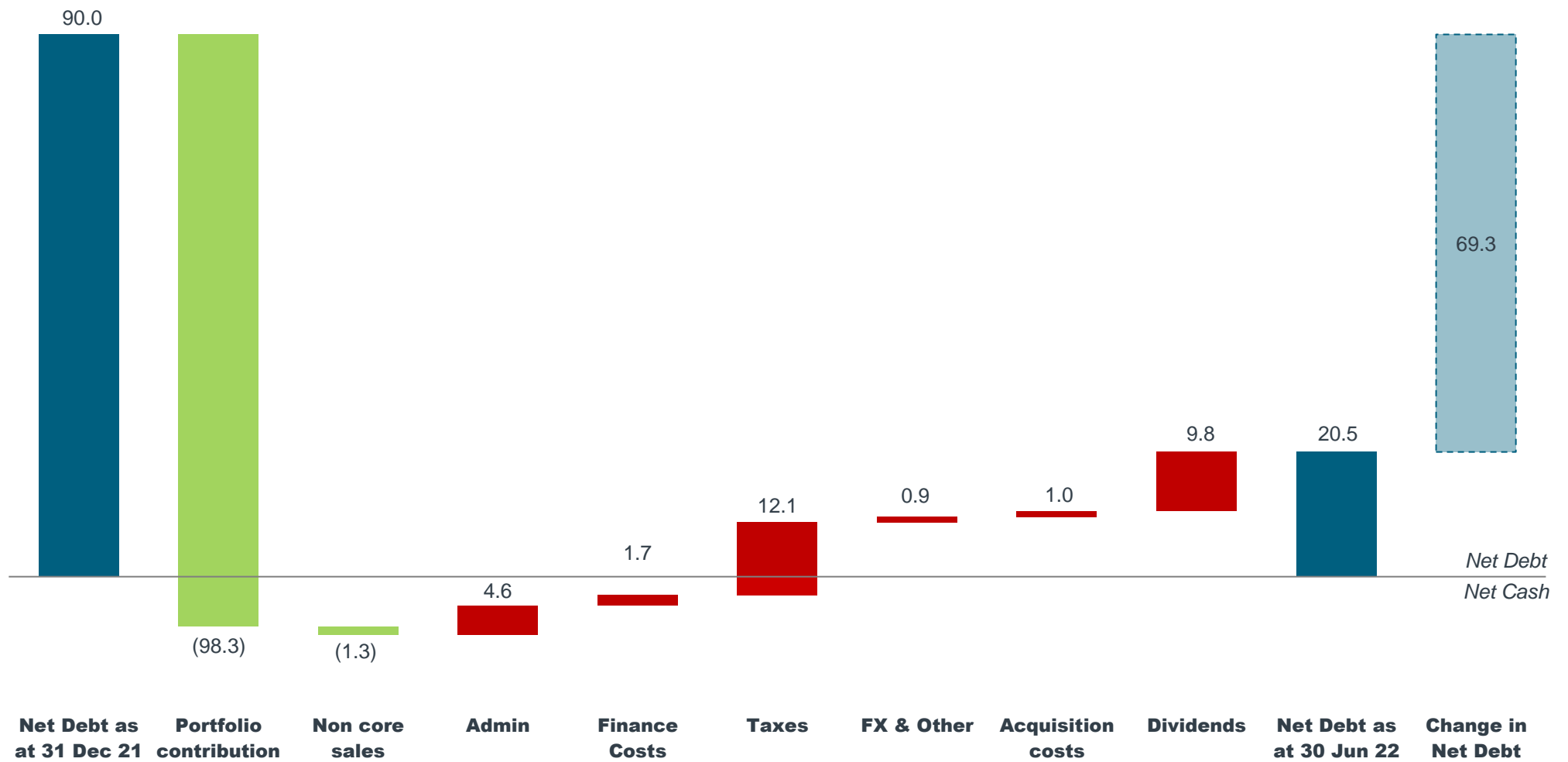
## SUMMARY BALANCE SHEET

FIGURES IN US\$'000	30 Jun 2022	31 Dec 2021	30 Jun 2021
Coal royalties (Kestrel)	120,730	84,465	65,385
Metal streams	164,914	170,567	166,287
Royalty financial instruments	50,753	53,791	62,904
Royalty and exploration intangibles	66,613	69,518	124,843
Other long-term receivables	20,551	39,127	24,195
Deferred tax	(10,520)	(233)	19,758
<b>Total royalty assets</b>	<b>413,041</b>	<b>417,235</b>	<b>463,372</b>
Mining and exploration interests	3,418	4,396	8,118
Cash and cash equivalents	20,976	21,992	14,556
Trade and other receivables	48,111	34,913	12,486
Other	4,695	5,212	6,172
<b>Total assets (net of deferred tax)</b>	<b>490,241</b>	<b>483,748</b>	<b>504,704</b>
Borrowings	41,500	112,000	123,500
Trade and other payables	1,740	4,632	14,534
Other	19,191	10,013	11,123
<b>Total liabilities</b>	<b>62,431</b>	<b>126,645</b>	<b>149,157</b>
<b>Net Assets</b>	<b>427,810</b>	<b>357,103</b>	<b>355,547</b>



# NET DEBT RECONCILIATION

## RAPID REDUCTION IN NET DEBT



- Net debt reduced from \$90.0m to \$20.5m, increased to \$50.0m at end July post South32 transaction
- Contingent payments of \$1.0m related to Voisey's Bay triggered by average cobalt price
- Financing flexibility of approximately \$180.0m, including undrawn borrowings, residual LIORC stake and treasury shares

## CAPITAL ALLOCATION PRINCIPLES

STRONG FINANCIAL POSITION WITH A FOCUS ON REDUCING DEBT, GROWTH & SHAREHOLDER RETURNS

### BALANCE SHEET STRENGTH

- Deployed ~\$400m in past sixteen months
- Net debt ~\$50m at end July post South32 transaction

### FUNDING FOR FURTHER ACQUISITIONS

- Strong banking relationships
- Retain ~\$150m of liquidity for future growth

### QUARTERLY DIVIDENDS

- Dividend policy remains unchanged for 2022 with a quarterly dividend of 1.75p
- Q4 2022 dividend to be determined in light of trading & near-term growth outlook
- Dividend to be rebased to US\$ in line with reporting currency

### OTHER SHAREHOLDER RETURNS

- Dependent on business performance and royalty and stream acquisition during the year and outlook

### US\$200 MILLION RCF<sup>(1)</sup>

#### Lending syndicate:

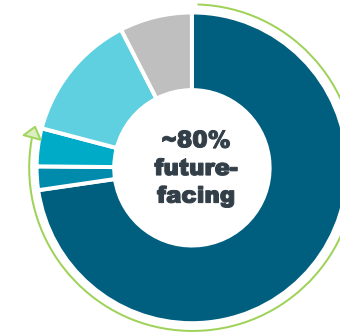
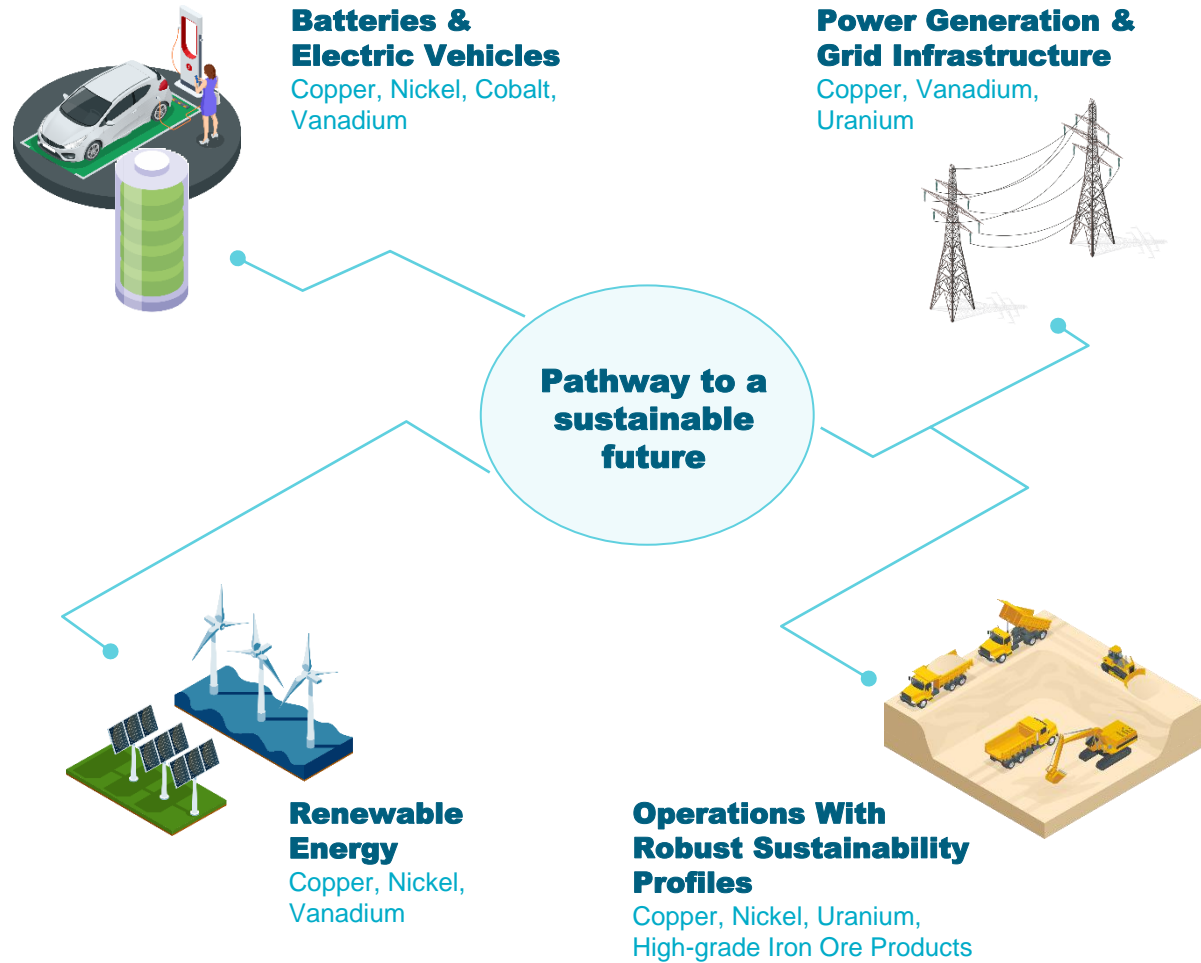


- Maintained US\$150m headline availability and added a US\$50m accordion facility

1. Inclusive of \$50m accordion facility which can be drawn subject to lender consent.

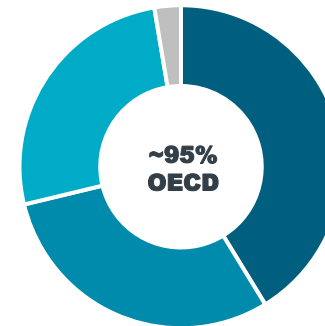
## COMPANY UPDATE

# LEADING FUTURE-FACING COMMODITIES ROYALTY COMPANY



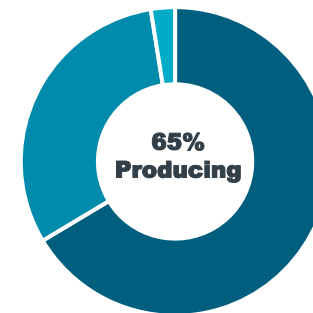
**Pro-forma commodity exposure by assets<sup>(1)</sup>**

Base Metals	73%
Vanadium	2%
Uranium	4%
Coking Coal	13%
Other	8%



**Pro-forma geographic exposure by assets<sup>(1)</sup>**

North America	41%
Australia	30%
South America	26%
Other	3%



**Pro-forma exposure to producing assets<sup>(1)</sup>**

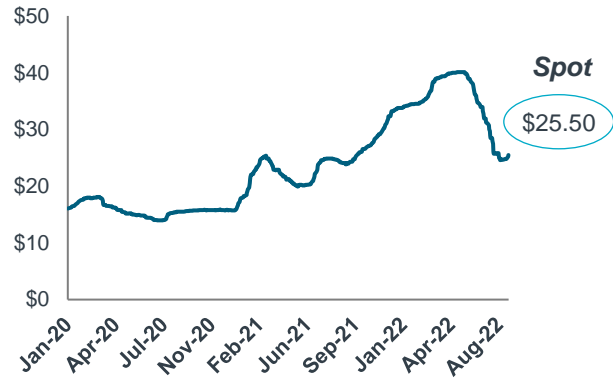
Producing	65%
Development	32%
Early Stage	3%

1. Illustrative pro-forma breakdown by assets based on book value of Anglo Pacific's royalty related assets as at 30 June 2022, net of deferred tax where applicable, adjusted for US\$185m royalty portfolio acquisition cost.

# HISTORICAL COMMODITY PRICING

## COBALT (1)

(US\$/lb)



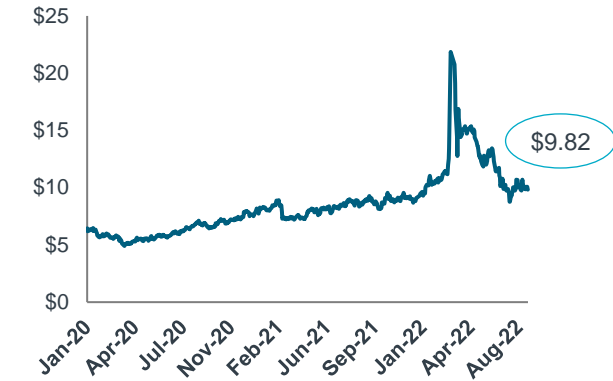
## COPPER (2)

(US\$/lb)



## NICKEL (2)

(US\$/lb)



## COKING COAL (2)

(US\$/t)



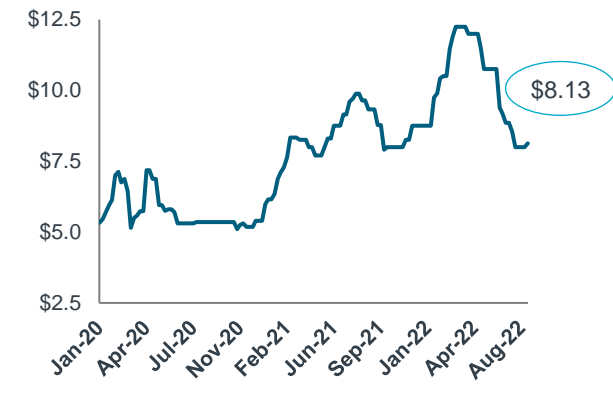
## 62% IRON ORE (2)

(US\$/t)



## VANADIUM PENTOXIDE (1)

(US\$/lb)



1. Metal Bulletin. Cobalt alloy grade as at 23 August 2022.

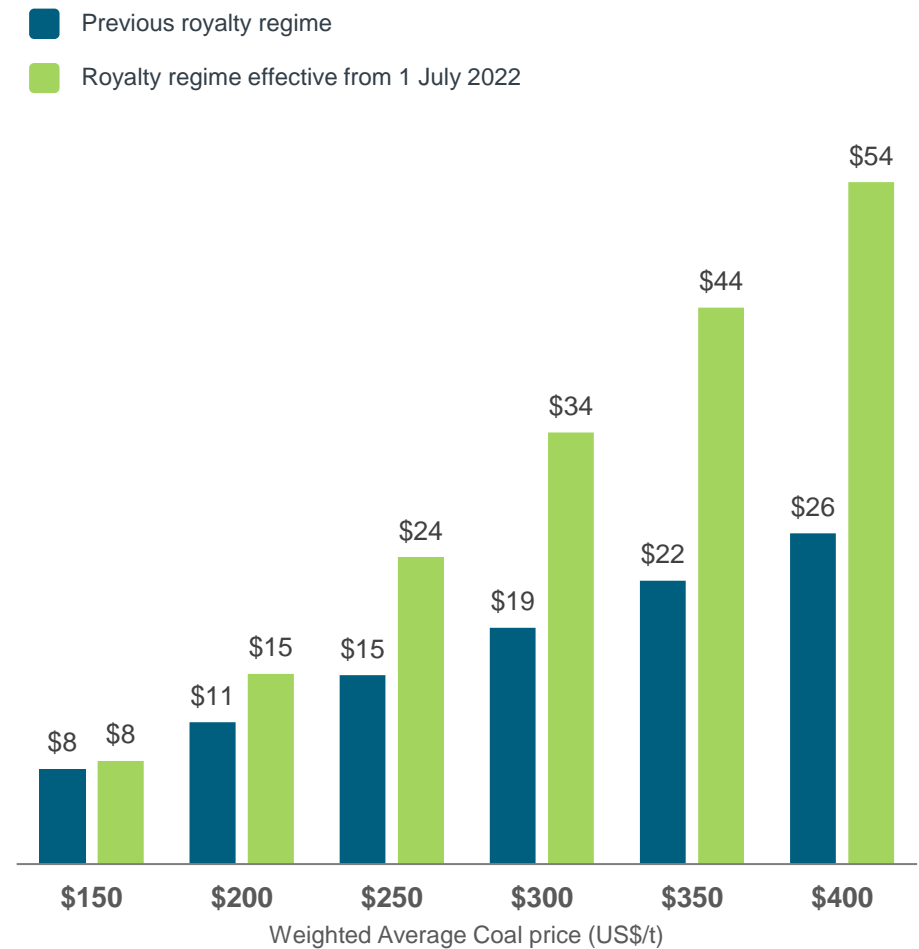
2. Bloomberg as at 23 August 2022.

## UPDATED QUEENSLAND ROYALTY RATE

### QUEENSLAND ROYALTY RATE <sup>(1)</sup>

Coal Price (A\$ per tonne)	Previous royalty rate	Revised royalty rate (from 1 July 2022)
<100	7%	7%
>100 and up to 150	12.5%	12.5%
>150 and up to 175	15%	15%
>175 and up to 225	15%	20%
>225 and up to 300	15%	30%
>300	15%	40%

### ILLUSTRATIVE ROYALTY UPLIFT ON A PER TONNE BASIS <sup>(2)</sup> (US\$/t entitlement to APG, net of applicable deductions)



1. See Anglo Pacific press release titled "Significant Increase to Coal Royalty Rate in Queensland, Australia" dated 21 June 2022.

2. Anglo Pacific owns an effective 50% right to a coal royalty on coal produced within the royalty area at the Kestrel mine. Scenarios shown on a US\$/t basis, using an AUD:USD exchange rate of 0.71.

3. Consensus Economics as at 15 August 2022.

## EXPECTED CATALYSTS IN THE PORTFOLIO

NEW ASSETS MATERIALLY ENLARGE THE PORTFOLIO GROWTH PROFILE AND DURATION

**VOISEY'S BAY** – Ramp up to steady state underground production rate by 2025

**MANTOS BLANCOS** – Phase 2 mill expansion from 7.3Mtpa to 10Mtpa PFS expected Q3 2022

**KESTREL** – Updated Queensland royalty regime

**LIORC** – Growing demand for high grade iron ore pellets given the steel industry focus on scope 3 emission reduction

**MARACÁS MENCHEN** – Production of ilmenite bi-products expected 2023

**EVBC** – Annual exploration drive to roll forward 5-year mine life




**PIAUI** – Pilot plant in operation, with Definitive Feasibility Study for large scale plant due 2022

**INCOA** – Ramp up underway, US\$20m funding expected H2 2022 / H1 2023

**WEST MUSGRAVE** – Final Investment Decision targeted H2 2022

**SANTO DOMINGO** – District integration plan targeted H2 2022



**CAÑARIACO** – Study & drilling continues

 Producing  
 Construction  
 Study Phase

## ACQUISITION OF ROYALTY PORTFOLIO FROM SOUTH32

### HIGHLIGHTS

- Key projects: West Musgrave and Santo Domingo
  - High-quality, long-life, near-term production assets
  - Increased copper, nickel and cobalt exposure
  - Well regarded operators in established jurisdictions
  - Robust sustainability profiles
  - Exploration & expansion opportunities
- Four royalties acquired for consideration of:
  - US\$185m fixed
  - Up to US\$15m contingent
- Long-term broker consensus forecasts at time of transaction of US\$3.45/lb copper and US\$8.00/lb nickel
  - Well below last 12-month commodity price levels

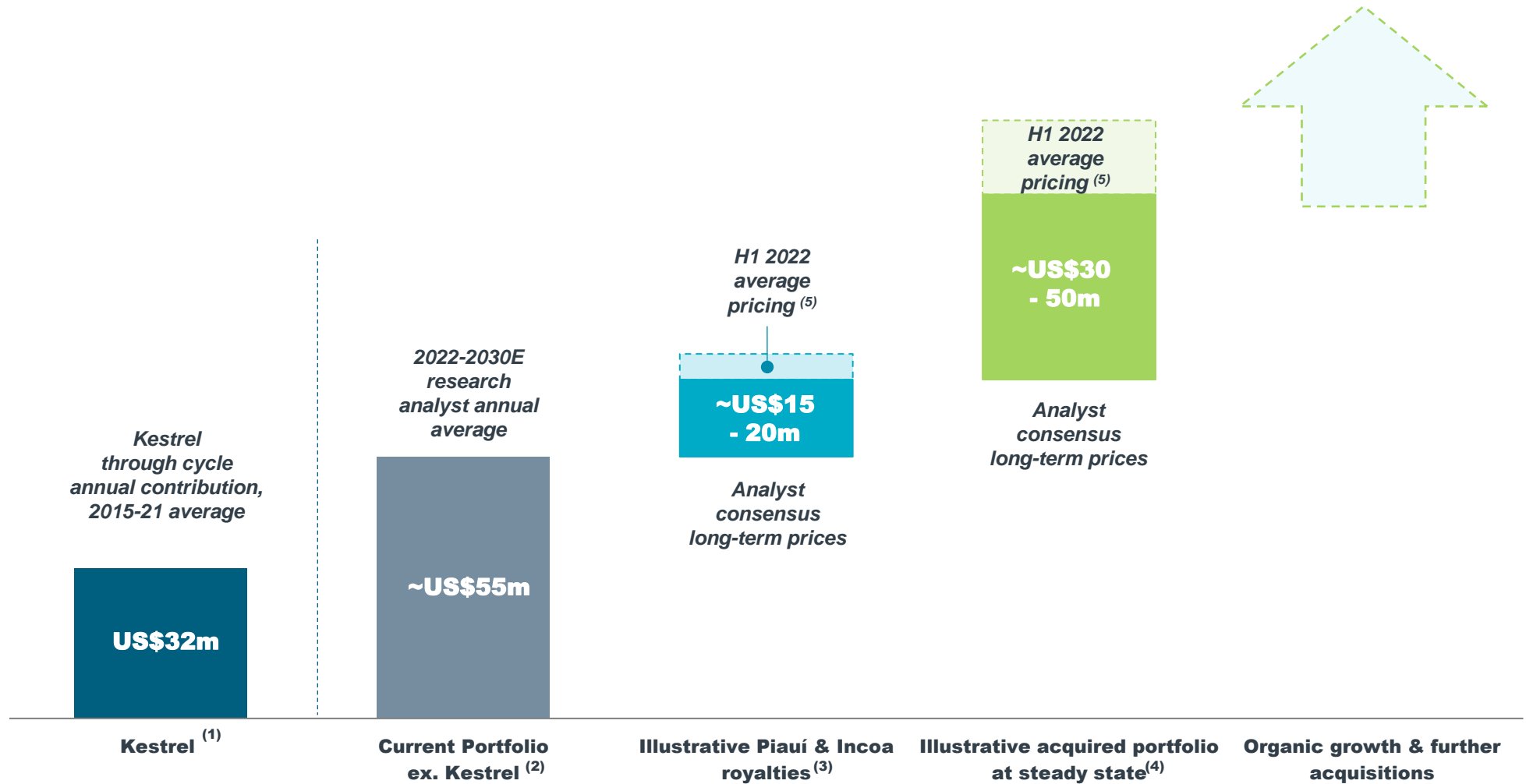
	West Musgrave (Australia)	Santo Domingo (Chile)	Nifty (Australia)	Carlota (USA)
Operator				
Commodities	Nickel & Copper	Copper & Cobalt	Copper	Copper
Stage	DFS Underway	Feasibility - Fully Permitted	Re-start	Production
Start-date (Company Guidance)	As early as 2024 (FID H2 2022)	~2025 (2 – 4 year guidance)	H2 2023	N/A
Life-of-mine	26 years	18 years	~6 years (Potential for >20 years)	End of 2024
Royalty Rate	2.0% NSR	2.0% NSR	1.5% Realised Value	5.0% NSR
Royalty Contribution (Illustrative per annum) <sup>(1)</sup>	US\$10 – 15m	US\$20 – 35m	US\$1 – 3m	~US\$0.3m

1. Average contribution per annum calculated at long term consensus pricing. West Musgrave: At steady state production; Anglo Pacific to receive a A\$10m payment 12 months after first production, exclusive of GST, indexed at 100% of CPI (agreement signed May 2014). Santo Domingo: First full 5-years of production only – Anglo Pacific royalty entitlement covers production during first 6-7 years of full operation before returning in ~year 14. Nifty: Royalty payable once 800kt copper has been delivered. ~715kt delivered to date.



## POSITIONED FOR GROWTH POST COAL RUN-OFF

PATH TO >US\$100M OF ANNUAL REVENUES, PRIMARILY DERIVED FROM FUTURE-FACING COMMODITIES



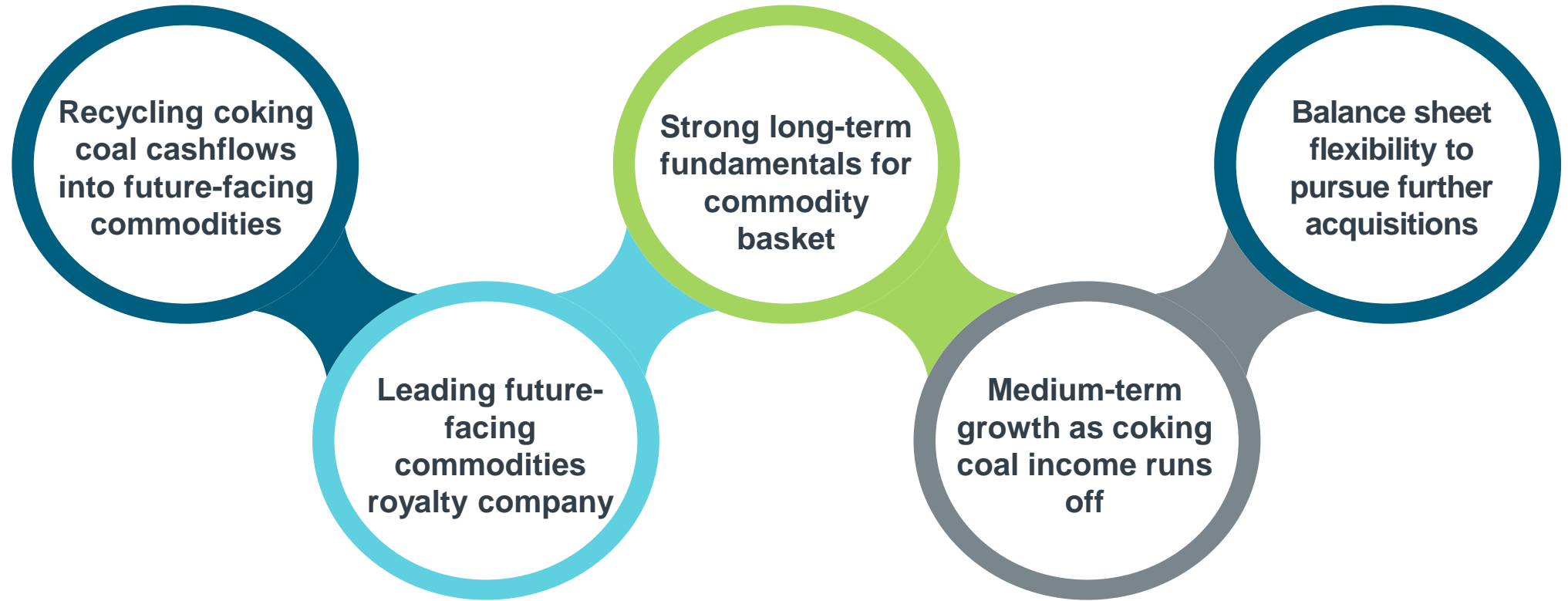
1. Kestrel based on historical average annual royalty contribution during the period FY2015-2021.

2. Current portfolio ex. Kestrel illustrative annual contribution during the period 2022-2030 based on Bank of America, Berenberg, Peel Hunt, RBC and Scotiabank research analyst consensus

3. Assumes funding, subject to the satisfaction of a number of conditions

4. Illustrative royalty contribution from acquired portfolio assumes long-term research analyst consensus commodity price forecasts (nickel US\$8.00/lb; copper US\$3.45/lb), at steady state production.

5. Illustrative royalty contribution from acquired portfolio and Piauí assuming average 1H 2022 commodity price forecasts as per Bloomberg (nickel US\$12.53/lb; copper US\$4.42/lb), at steady state production.

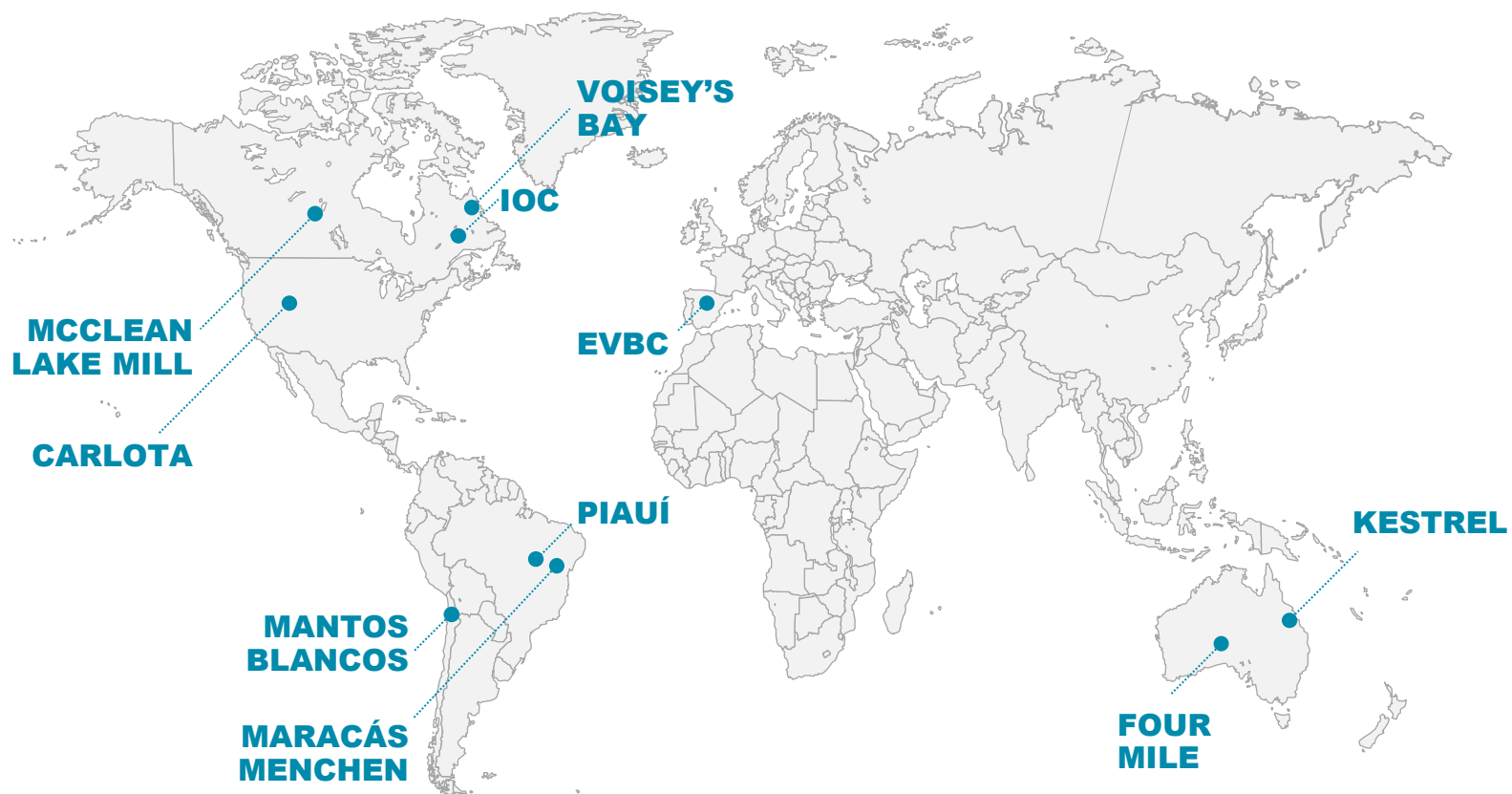


## **Q&A SESSION**

Chaired by Marc Bishop Lafleche

# APPENDIX

## LEADING PORTFOLIO OF PRODUCING ROYALTIES



PRODUCING										
Asset / Commodity	Voisey's Bay <sup>(2)</sup> Cobalt	Mantos Blancos Copper	IOC <sup>(3)</sup> Iron Ore	Maracás Menchen Vanadium	McClean Lake Mill <sup>(4)</sup> Uranium	Kestrel <sup>(5)</sup> Coking Coal	EVBC <sup>(6)</sup> Gold	Four Mile Uranium	Piauí <sup>(7)</sup> Nickel & Cobalt	Carlota Copper
Operator	VALE	CAPSTONE COPPER	RioTinto	LARGO	Cameco	adaro  EMR Capital	ORVANA MINERALS CORP	Quasar Resources	BRAZILIAN NICKEL PLC	KGHM
Royalty / stream <sup>(1)</sup>	22.82% Co stream	1.525% NSR	7% GRR (indirect)	2% NSR	22.5% of Toll Milling Revenue	7 – 40% GRR	2.5 – 3% NSR	1% NSR	1.25% GRR	5% NSR

1. GRR – Gross Revenue Royalty. NSR – Net Smelter Return royalty.

2. Anglo Pacific is entitled to 22.82% of all cobalt production until 7.6kt of finished cobalt is delivered; 11.41% thereafter (represents 70% share of the original stream for 32.6% of Co production and 70% share of the original stream for 16.3% of Co production post-step down).

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. Kestrel royalty terms (Anglo Pacific entitlement): 7.0% of value up to A\$100/t, 12.50% between A\$100/t and A\$150/t, 15% between A\$150/t and A\$175/t, 20% between A\$175/t and A\$225/t, 30% between A\$225/t and A\$300/t, 40% thereafter.

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. Option to acquire an incremental 3% GRR for US\$70m to part fund construction to increase capacity to 24,000t nickel & 1,000t cobalt per annum.

## SUPPORTED BY A STRONG GROWTH PIPELINE



	DEVELOPMENT				EARLY STAGE				
Asset / Commodity	West Musgrave Nickel & Copper	Santo Domingo <sup>(2)</sup> Copper & Cobalt	Nifty <sup>(3)</sup> Copper	Incoa <sup>(4)</sup> Calcium Carbonate	Salamanca Uranium	Pilbara Iron Ore	Cañariaco <sup>(5)</sup> Copper & Gold	Ring of Fire Chromite	Dugbe 1 <sup>(6)</sup> Gold
Operator									
Royalty / stream <sup>(1)</sup>	2% NSR	2% NSR	1.5% Realised Value	~1.23% GRR	1% NSR	1.5% GRR	0.5% NSR	1% NSR	2 – 2.5% NSR

1. GRR – Gross Revenue Royalty. NSR – Net Smelter Return royalty.

2. Royalty area covers production in first 6-7 years before returning in ~Y14.

3. Royalty payable once 800kt Copper has been delivered. ~715kt delivered to date.

4. 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.

5. 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.

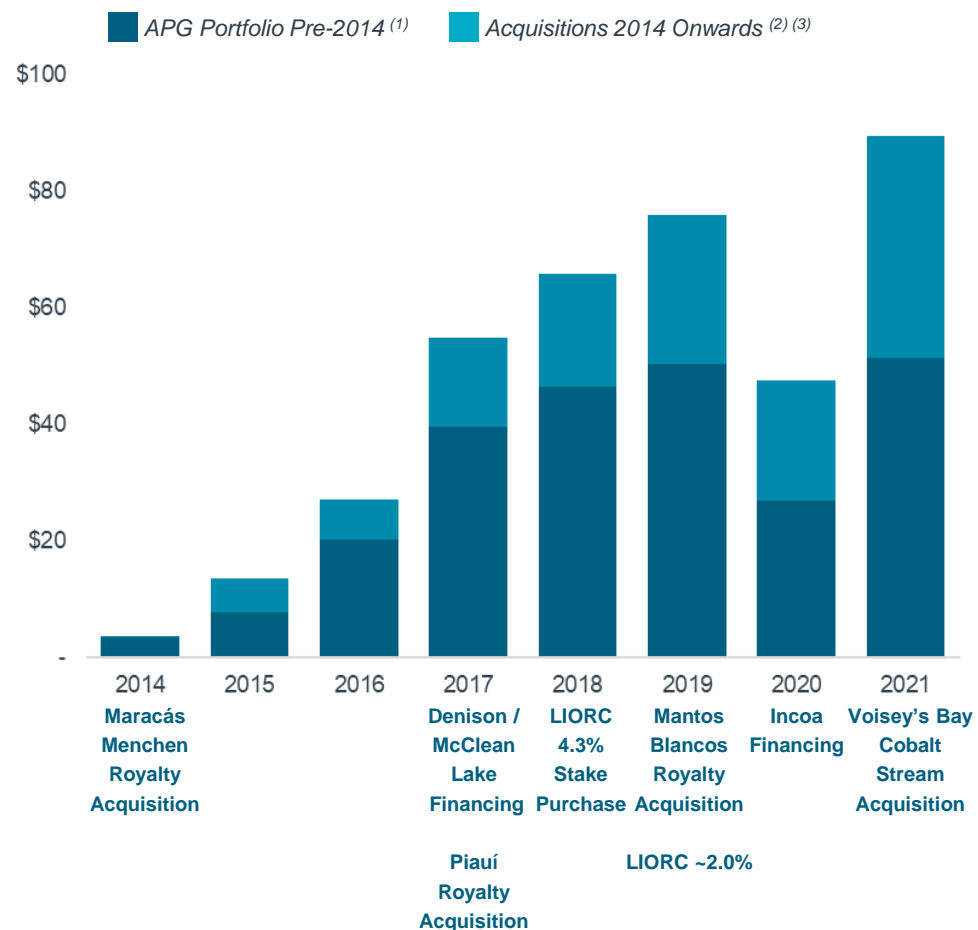
6. 2% except where both the average gold price is above US\$1,900 per ounce and sales of gold are less than 50,000 ounces, in which case it increases to 2.5% in respect of that quarter

# APG HAS PROVEN ITS ABILITY TO DRIVE VALUE ACCRETIVE GROWTH

STRONG TRACK RECORD OF GROWING PORTFOLIO INCOME THROUGH ACQUISITIONS AND DELIVERING ATTRACTIVE RETURNS ON CAPITAL

## PORTFOLIO CONTRIBUTION

(US\$m)



## CAPITAL ALLOCATION

(US\$m, unless otherwise stated)

	Acquisition Price <sup>(4)</sup>	Consensus NAV	Cumulative Income	Cum. Income & Cons. NAV as % of Acq. Price
Maracás Menchen (Jun-14)	\$25	\$46	\$22	272%
McClellan Lake / Cigar Lake (Feb-17)	\$33	\$27	\$25	157%
Current LIORC Stake (Aug-18 to Feb-20) <sup>(5)</sup>	C\$25	C\$30	C\$16	184%
Mantos Blancos (Sep-19)	\$50	\$45	\$14	118%
Voisey's Bay (Mar-21)	\$205	\$211	\$31	118%

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

2. Includes Narrabri royalty, Maracás Menchen royalty, Mantos Blancos royalty, Denison/McClellan Lake financing, LIORC stake & Voisey's Bay.

3. Denison / McClellan 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. Excluding transaction costs.

5. LIORC market price of C\$29.4 per share as of 19 August 2022. APG ~1.03 million LIORC shares as of August 2022, cumulative income inclusive of Q2 2022 dividend of C\$0.90 per share.

## ESG CONSIDERATIONS ARE CENTRAL TO ANGLO PACIFIC'S INVESTMENT PROCESS

### SUMMARY ESG DUE DILIGENCE FRAMEWORK

#### Environmental

- Energy supply / use
- Energy management / emissions reduction plans
- Carbon emissions & relative carbon intensity
- Water consumption & management
- Mine closure & rehabilitation plans
- Impact on biodiversity and protected areas including national parks, areas of cultural importance and/or World Heritage Sites
- Air, noise, soil pollution
- Tailings management
- Hazardous materials

#### Social

- Host country labour practices
- Rights of indigenous peoples
- Community relations & stakeholder support
- Health and safety
- Existence of small scale mining in the project's area
- Workforce health & safety
- Labour rights
- Occupational health and safety
- Direct host community employment
- Local procurement programmes

#### Governance

- Purpose, values, culture and capabilities
- Business ethics, integrity & transparency
- Commitment to external frameworks and reporting standards
- ESG leadership and accountability at senior management levels
- Diversity and inclusion



# PORTFOLIO SUSTAINABILITY HIGHLIGHTS

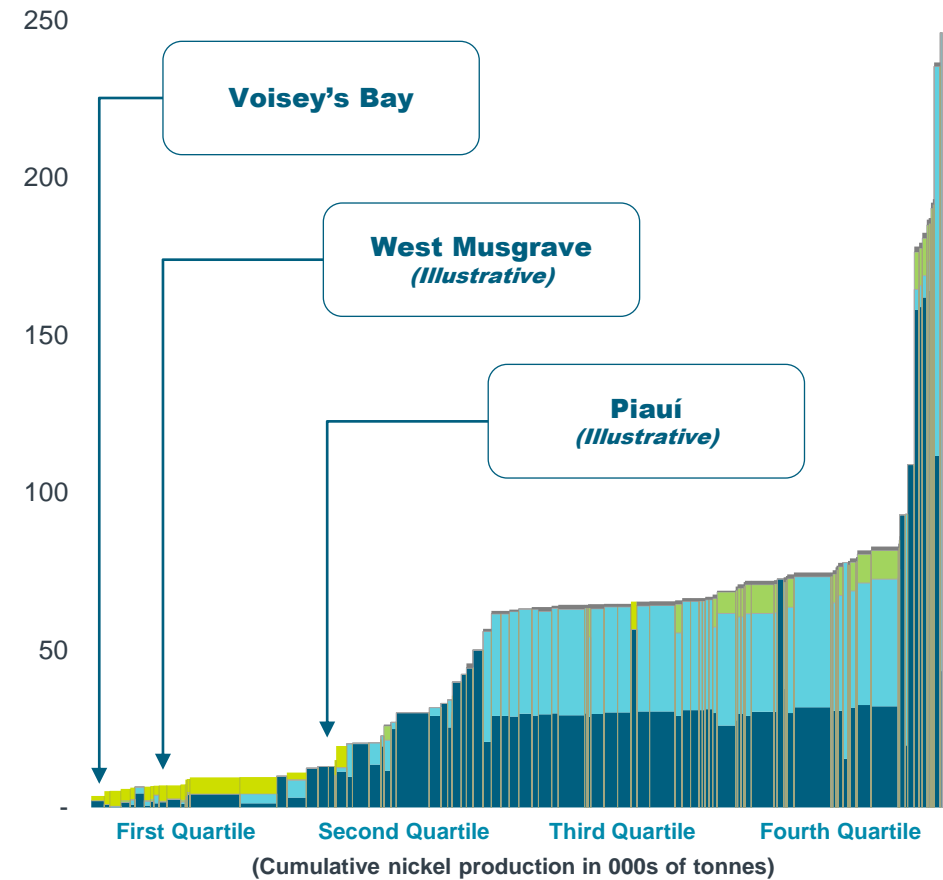
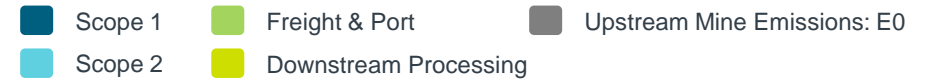
## ESG RISK FRAMEWORK & SUSTAINABILITY A CORE PILLAR OF INVESTMENT STRATEGY

### PRODUCING ASSETS HIGHLIGHTS

ASSET	ESG HIGHLIGHTS
<b>MANTOS BLANCOS COPPER</b>	At least 50% of power provided to Mantos Copper S.A will be from renewable energy sources from 2025
<b>LARGO RESOURCES VANADIUM</b>	95% of the water used in ore processing at Maracás Menchen is recycled Focus on local employment: 99%+ Brazilian employees, 79% from Bahia state
<b>MCCLEAN LAKE / CIGAR LAKE TOLL MILLING AGREEMENT URANIUM</b>	Ore mined at Cigar Lake is milled at McClean Lake. There is no tailings management facility and the jet boring mining method employed generates less waste rock than other methods
<b>LABRADOR IRON ORE ROYALTY CORP IRON ORE</b>	Pellet products typically result in lower Scope 3 carbon emission in steel production relative to sinter feed products

### KEY ASSETS WELL POSITIONED ON EMISSIONS CURVE <sup>(1)</sup>

(In tonnes of CO<sub>2</sub> eq. per tonne of saleable nickel, 2021 basis)



1. Skarn Associates. Based on data reported by each asset where available and estimated using reported energy data, reconciled to divisional or corporate totals, extrapolated from historic data or benchmarked where not reported. West Musgrave and Piauí are illustrative figures plotted on the 2021 curve. Nickel concentrates from West Musgrave assumed to be processed at Nickel West.

## ROYALTY PORTFOLIO UPDATE

### VOISEY'S BAY

#### VOISEY'S BAY OVERVIEW <sup>(1)</sup>

22.82% attributable production cobalt stream

- Anglo Pacific acquired a 70% net interest in an existing metal stream on cobalt production from the Voisey's Bay nickel and cobalt mine in Canada for cash consideration of \$205m in March 2021
- In line with guidance published by Vale, H1 2022 production was impacted by the ongoing transition between the depletion of the open pit mine and ramp up of underground operations
- Due to the timing of attributable cobalt deliveries, the Group expects stream income in FY22 to be significantly weighted towards H1 2022, with volumes of 0.4Mlbs to 30 June 2022 representing approximately two thirds of overall volumes expected in the year
  - This has allowed the Group to benefit from the high cobalt price environment in H1 2022
  - The average cobalt price for the Company's attributable cobalt deliveries were ~\$38/lb, an 86% increase compared to \$20/lb H1 2021
- Following the start of production from the Reid Brook underground mine in June 2021 its ramp-up to full production continues, and the Eastern Deeps mine development continues with first ore forecast to begin in mid-2023, with production ramp up advancing in H2 2023
  - The full ramp up in underground production is expected to be completed in 2025
  - Annual production is forecast to reach around 40,000t of nickel in concentrate
  - By-products are expected to total ~20,000t of copper and ~2,600t of cobalt

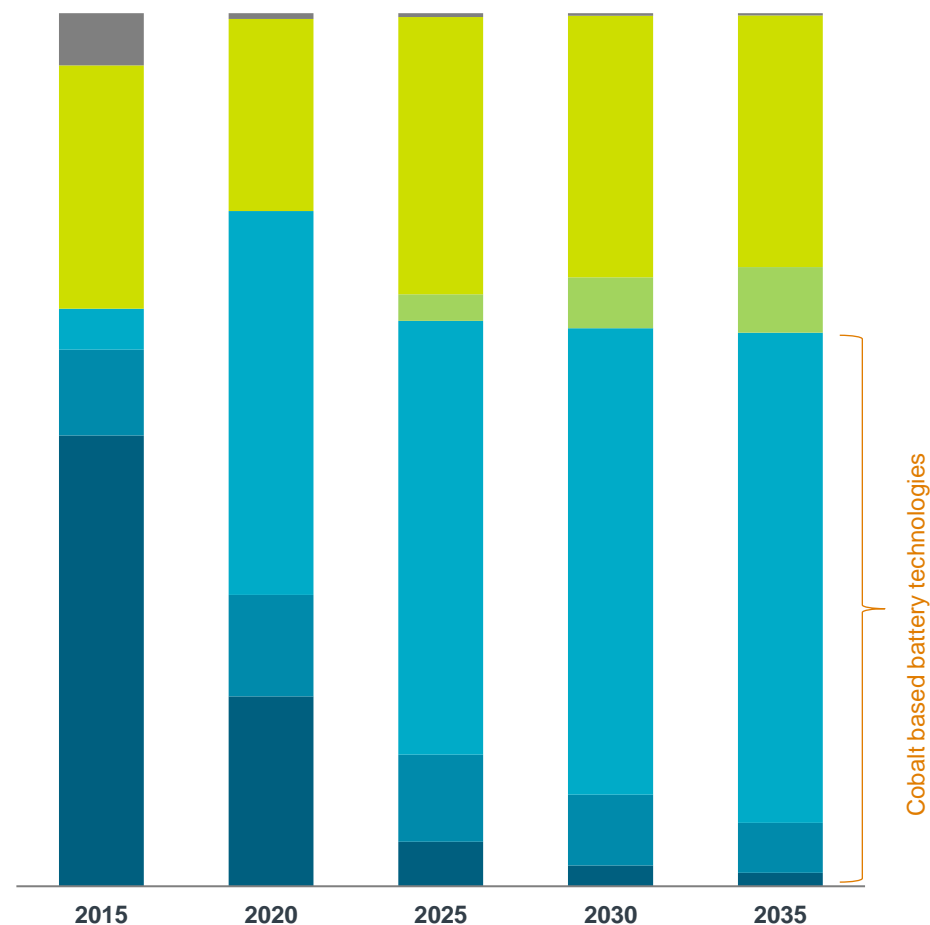
1. See endnote (j).

2. Benchmark Minerals.

#### BATTERY CHEMISTRY CATHODE MARKET SHARE <sup>(2)</sup>

(100% basis)

■ LCO ■ NCA ■ NCM ■ LMNO ■ LFP ■ LMO



## UPDATED ROYALTY RATE AT KESTREL

### KESTREL OVERVIEW <sup>(1)</sup> <sup>(2)</sup>

- The Kestrel mine is operated by a private joint venture between EMR Capital (42%), PT Adaro Energy (38%) and Mitsui (20%)
- 2022 guided saleable coal production of ~7.0 Mt
  - H1 2022 volumes within the Group's land were 2.9Mt; full year forecast ~5.0Mt
  - Mining for the remainder of 2022 will move in and out of the Group's royalty area, however the increased royalty rate will partly offset the lower production volumes
- On 21 June 2022, the Queensland Government introduced three additional royalty tiers, which came into force 1 July 2022
  - The higher royalty tiers are expected to apply to the royalty the Group currently receives
  - Consensus forecast coking coal price for H2 2022 is ~US\$340/t<sup>(3)</sup>, which would see the Group benefit from the higher royalty ratchets

### QUEENSLAND ROYALTY RATE <sup>(4)</sup>

Coal Price (A\$ per tonne)	Previous royalty rate	Revised royalty rate (from 1 July 2022)
<100	7%	7%
>100 and up to 150	12.5%	12.5%
>150 and up to 175	15%	15%
>175 and up to 225	15%	20%
>225 and up to 300	15%	30%
>300	15%	40%

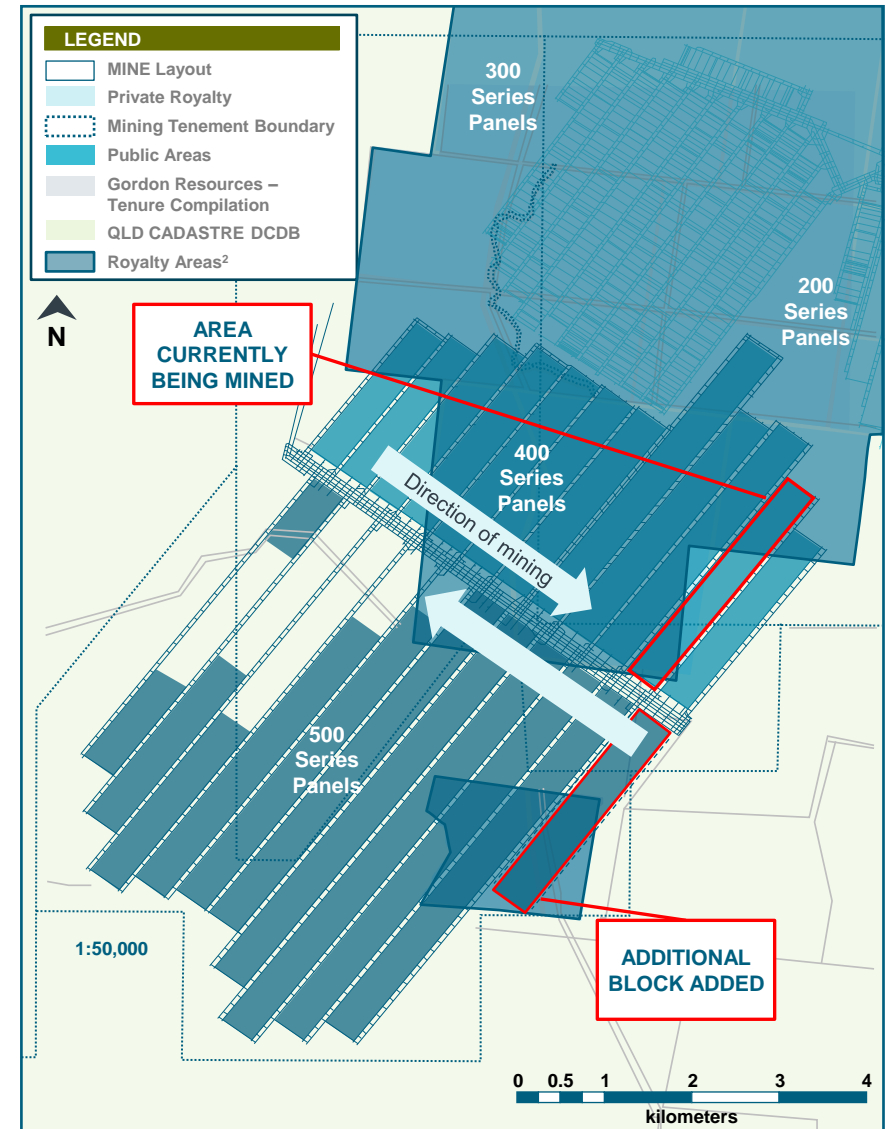
1. See endnote (ii).

2. Anglo Pacific owns an effective 50% right to a coal royalty on coal produced within the royalty area at the Kestrel mine.

3. Consensus Economics as at 15 August 2022.

4. See Anglo Pacific press release titled "Significant Increase to Coal Royalty Rate in Queensland, Australia" dated 21 June 2022.

### ILLUSTRATIVE ANGLO PACIFIC ROYALTY AREA <sup>(1)</sup>



## ROYALTY PORTFOLIO UPDATE

### PRODUCING

#### LIORC (1)

Indirect interest in 7.0% GR royalty

- Anglo Pacific holds ~ 1.0 million shares in LIORC
- LIORC was impacted by lower iron ore prices in Q2 2022, partially offset by higher pellet premiums and higher volumes of pellets and concentrate for sale
  - The fall in iron ore prices, from the record levels experienced in 2021, was primarily a result of lower steel production, with demand in China falling 4% in the quarter
  - The weaker price environment resulted in dividends declared for H1 2022 of C\$1.40 per share, a 49% drop compared to C\$2.75 in H1 2021
  - Full year 2022 analyst consensus dividend forecast is C\$2.83/share (2)

#### MARACÁS MENCHEN OVERVIEW (4)

2.0% NSR royalty

- H1 2022 production volumes were impacted by weather conditions, scheduled maintenance and other operating issues
- As a result of H1 impacts, full year production guidance has been reduced slightly to 11,000-12,000t of V<sub>2</sub>O<sub>5</sub> from 11,600-12,400t
- Realised Vanadium pentoxide price averaged \$11.64/lb in H1 2022, up from \$8.22/lb achieved in H1 2021
- Construction of the ilmenite concentration plant as part of the TiO<sub>2</sub> project continues as planned with completion of production targeted for Q2 2023
  - Due to delays associated with the project's land acquisition, commissioning of the TiO<sub>2</sub> plant is now forecast in H1 2025

#### MANTOS BLANCOS (3)

1.525% NSR royalty

- Anglo Pacific acquired a 1.525% net smelter return royalty over all copper produced at the Mantos Blancos open pit mine in Chile in 2019
  - Mantos Copper completed its merger with Capstone Mining Corp in March 2022
- The mine produced 21.9kt of payable copper during H1 2022, (H1 2021 21.6kt)
  - Strong copper prices achieved during the period. Realised price of \$4.41/lb was ~19% higher than \$3.71/lb achieved H1 2021
- Focus has been on optimising production from the expanded plant, which now has throughput capacity for 7.3Mtpa of sulphide ore and expects to achieve steady state production in Q3 2022
  - 2021-2030 copper production expected to average ~52ktpa
- Capstone Copper has completed a PFS on Mantos Blancos Phase II which will see the throughput of the sulphide concentrator plant expand to 10Mtpa and a potential extension of the life of copper cathode production. Advanced Basic Engineering Study is being studied in Q4 2022

#### PIAUI NICKEL PROJECT: DEVELOPMENT (5)

1.25% GR royalty

- Brazilian Nickel announced production of first nickel from the small scale PNP1000 plant in June 2022
  - Annual production guidance for 2022 is 300t of nickel and 3t of cobalt, ramping up to 1,400t of nickel and 35t of cobalt in 2023
- Anglo Pacific was an early-stage sponsor of the Piauí project, investing US\$2m in September 2017, in return for a 1.25% royalty on the project
- The bankable feasibility study ("BFS") with regards to the full-scale project is due to be published in Q3 2022
- The Group has the right to invest a further \$70m for an incremental 3% royalty rights to part fund the construction of the full-scale plant which would have an expected annual production capacity of up to 24kt of nickel and 1kt of cobalt

1. See endnote (iii).

2. Bloomberg – as at 22 August 2022.

3. See endnote (iv).

4. See endnote (v).

5. See Anglo Pacific press release titled "First production announced by Brazilian Nickel PLC" dated 04 July 2022.

# ROYALTY PORTFOLIO UPDATE

## ACQUIRED PORTFOLIO

### WEST MUSGRAVE (1)

2.0% NSR

- OZ Minerals were granted the Mining lease for the West Musgrave project in August 2022, and now have all regulatory approvals in place
- OZ Minerals are on track for a final investment decision to be made in H2 2022
- The mixed-hydroxide precipitate study remains scheduled for Q4 2022
- Drilling was completed at the Succoth copper deposit in June 2022 however the Life of Province study, which includes an updated Mineral Resource estimate for Succoth is now due to be published in H1 2023
  - A result of delays with core processing and laboratory results
- OZ Minerals continues to work with the traditional owners to finalise the mining agreement

### NIFTY (3)

1.5% realised value

- Cyprum Metals have significantly progressed the Nifty project towards a restart of operations and life of mine extension
- Mineral Resource estimate was upgraded by 28% following the completion of the Nifty West drilling campaign
  - First phase of drilling at Nifty East was completed which demonstrated potential to grow the resource further east, the results of which have not yet been added to the latest resource estimate
- Amended environmental approvals for restart have been completed and submitted
- In H2 2022, Cyprum expect approvals to be received, restart finance to be secured and drawn before construction commences
- Copper cathode production is expected to resume in H2 2023
- Signed a letter of intent with Glencore to receive the offtake for 100% of the copper cathode produced during phase 1 of the restart, and provide a A\$50m secured offtake prepayment facility to help finance the restart of the mine

1. OZ Minerals disclosure.

2. Capstone Copper disclosure.

3. Cyprum Metals disclosure.

4. KGHM Polska Miedz disclosure.

### SANTO DOMINGO (2)

2.0% NSR

- Capstone Copper is progressing the Mantoverde – Santo Domingo (MV-SD) district integration plan which is due to be released in Q4 2022
  - The findings of which will be incorporated into an updated Santo Domingo feasibility study, scheduled for release in H2 2023
- Santo Domingo has the potential to produce significant volumes of cobalt. If in production today, it would be the third largest producer of refined battery-grade cobalt outside the DRC, and one of the lowest cost at -\$4/lb on a by-product basis
  - Capstone Copper plan to update the MV-SD cobalt resource and select the appropriate flowsheet in H2 2023
  - A feasibility study on the combined MV-SD cobalt circuit is scheduled for H1 2024
- A further updated feasibility study at Santo Domingo which includes copper oxides is also scheduled for H1 2024

### CARLOTA (4)

~5.0% NSR

- KHGM reported for H1 2022 that sales of cathodes by the Carlota mine remained at a similar level to previous years
  - FY 2021 cathode sales were ~5.5kt

## ROYALTY PORTFOLIO UPDATE

### OTHER PRODUCING & DEVELOPMENT

#### DENISON / MCCLEAN LAKE MILL: PRODUCING <sup>(1)</sup>

Tolling revenue

- Cameco have successfully caught up on development work that had been deferred from 2021 and expect Cigar Lake production in 2022 to be in line with licensed capacity of 18Mlbs of uranium
- Cameco announced that starting in 2024 it plans to operate Cigar Lake 25% below licensed capacity, targeting 13.5Mlbs of production per year
  - The reduction in production volumes from Cigar Lake will impact volumes processed at the McClean Lake Mill, resulting in lower tolling revenues for the Group

#### INCOA: DEVELOPMENT <sup>(3)</sup>

~1.23% GR royalty

- Anglo Pacific entered into a US\$20m financing agreement with Incoa Performance Minerals LLC in 2020 to fund the construction of Incoa's calcium carbonate mine and associated infrastructure in the Dominican Republic as well as a processing facility located in the United States
  - The Group's commitment is subject to a number of conditions, including Incoa's successful construction and operation of the project
  - Following funding, Anglo Pacific will be entitled to ~1.23% of gross revenue from the project
- Port facilities and processing facility have now been completed and initial mining operations have commenced. Commissioning activities continue, with saleable product being produced and sold since Q3 2021
- US\$20 million APG funding commitment expected to occur towards end 2022 / early 2023

1. See endnote (vi).

2. See endnote (vii).

3. See endnote (viii).

4. See endnote (ix).

#### EL VALLE AND CARLÉS MINES (EVBC): PRODUCING <sup>(2)</sup>

2.5-3.0% NSR royalty

- Production in Q1 2022 was impacted by a combination of maintenance and strike action
- Q2 2022 production reverted to normal levels, producing 12,354koz of gold and 1,293Mlbs of copper
- Full year production guidance is on track to meet 44 - 46,000oz of gold
- EVBC continues exploration activities in pursuit of a rolling five-year LoM plan
- The company continues to undertake drilling work to explore for further resources around the existing operation

#### NARRABRI OVERVIEW <sup>(4)</sup>

Divested 1.0% GR royalty

- The Group disposed of its Narrabri thermal coal royalty on 31 December 2021 following a thorough strategic review
  - Fixed consideration of \$21.6m to be received in instalments until 31 Dec 2026, with \$4.4m on completion and \$8.4m within 18 months
  - Price linked contingent consideration, whereby the Group is entitled to receive bi-annual payments ranging from \$0.05/t to \$0.25/t subject to coal price environment
  - Contingent consideration of \$5.0m, upon the approval of the Narrabri South extension project, prior to 31 Dec 2026

## ROYALTY PORTFOLIO UPDATE

### OTHER DEVELOPMENT

#### SALAMANCA URANIUM PROJECT (1)

1.0% NSR royalty

- Berkeley Energia's focus continues to be on progressing the approvals required to commence construction of the Salamanca mine
- Francisco Bellón, was appointed as an executive director in Q2 2022
  - Mr Bellón was Berkeley Energia's Chief Operating Officer, and will strengthen their position to resolve the current permitting situation through his Spanish operating experience
- During Q2 2022, the claim brought against Berkeley Energia by OIA in relation to convertible notes was settled with both parties agreeing to discontinue legal proceedings in the Supreme Court of Western Australia

#### DUGBE 1 GOLD PROJECT (3)

2.0-2.5% NSR royalty

- Largest discovery of gold in Liberia
- During H1 2022 Pasofino (Hummingbird's joint venture partner), published the results of the DFS, with the full report subsequently released in July 2022
- Hummingbird has confirmed option exercise conditions have been satisfied and Pasofino intends to acquire 49% upon receipt of an option satisfaction notice
- Following the acquisition of 49%, both Pasofino and Hummingbird will have the right to exercise an option to consolidate ownership by converting Hummingbird's 51% ownership for a 51% shareholding in Pasofino

#### CAÑARIACO COPPER PROJECT (2)

0.5% NSR royalty

- One of the largest development stage copper projects in the world
- The Group holds a 0.5% NSR royalty over the project at a cost of US\$1m
- Full PEA study and NI 43-101 Technical Report associated with the Norte deposit was filed on 15 March 2022
  - 10<sup>th</sup> largest late-stage resource in the world, and the 6<sup>th</sup> highest in grade
  - The project has a lower initial capital cost which will be easier to finance, and enables the expansion to 80,000tpd to be self-funded through operational cashflow
  - In June 2022, Candente engaged Whittle Consulting to conduct an Enterprise Optimization study on Cañariaco Norte
- Candente Copper intends to further advance the development with a Feasibility and detailed ESIA on Cañariaco Norte and further drilling on Cañariaco Sur

#### RING OF FIRE PROJECT (4)

1.0% NSR royalty

- The Group has a 1% life of mine NSR royalty over a number of claims on the Black Thor, Black Label and Big Daddy chromite deposits in Canada
- Noront Resources Limited (the previous operator), was acquired by Wyloo Metals Pty Ltd ('Wyloo') in April 2022
- The Eagle's Nest nickel project is expected to be the initial focus for Wyloo, with the chromite deposits being developed subsequently

1. Berkeley Energia disclosure.

2. Candente Copper disclosure.

3. Hummingbird Resources disclosure; see Pasofino Gold press release "Pasofino Gold Announces Filing of Its Feasibility Study" dated 01 August 2022.

4. Wyloo disclosure.



**Third party information**

As a royalty and streaming Company, the Group often has limited, if any, access to non-public scientific and technical information in respect of the properties underlying its portfolio of royalties, or such information is subject to confidentiality provisions. As such, in preparing this announcement, the Group has largely relied upon the public disclosures of the owners and operators of the properties underlying its portfolio of royalties investments, as available at the date of this announcement. Accordingly, no representation or warranty, express or implied, is made and no reliance should be placed, on the fairness, accuracy, correctness, completeness or reliability of that data, and such data involves risks and uncertainties and is subject to change based on various factors.

- i. Voisey's Bay stream entitlement of 22.82% of cobalt production until 7.6kt of finished cobalt is delivered, 11.41% thereafter; represents 70% share of the original stream agreement between Vale and Cobalt27. Fixed Cobalt payability of 93.3%. Ongoing payment of 18% of cobalt reference prices until upfront amount of US\$300m based on 100% of the original stream agreement between Vale and Cobalt27 is repaid, 22% thereafter.
- ii. This presentation 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.
- iii. Labrador Iron Ore Corporation ("LIORC") Royalty Corp. (LIORC) is listed on the Toronto stock exchange (TSX:LIF). IOC is operated by Rio Tinto and LIORC receives a 7% gross overriding royalty and a C\$0.10 per tonne commission on all iron ore products produced, sold and shipped by IOC.
- iv. This presentation contains information and statements relating to the Mantos Blancos mine that are based on certain estimates and forecasts that have been provided to the Group by Mantos Copper S.A. ("Mantos"), the accuracy of which Mantos does not warrant and on which readers may not rely.
- v. Largo Resources Limited ("Largo"), the owner of the Maracás Menchen project, is listed on the Toronto Stock Exchange and reports in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and the NI 43-101 standards.
- vi. Cameco Corporation ("Cameco"), the majority owner of the Cigar Lake project ("Cigar Lake"), is listed on the Toronto Stock Exchange and reports in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and the NI 43-101 standards.
- vii. Orvana Minerals Corp, the owner of the El Valle-Boinás / Carlés project ("EVBC"), is listed on the Toronto Stock Exchange and reports in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and the NI 43-101 standards.
- viii. This presentation contains information and statements relating to the Incoa Calcium Carbonate Project that are based on certain estimates and forecasts that have been provided to the Group by Incoa Performance Minerals LLC ("Incoa"), the accuracy of which Incoa does not warrant and on which readers may not rely.
- ix. Whitehaven Coal Limited ("Whitehaven"), the majority owner of the Narrabri mine, is listed on the Australian Securities Exchange and reports in accordance with the JORC Code.

**Standards of disclosure for mineral projects**

National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") contains certain requirements relating to the use of mineral resource and mineral reserve categories of an "acceptable foreign code" (as defined in NI 43-101) in "disclosure" (as defined in NI 43-101) made by Anglo Pacific Group plc with respect to a "mineral project" (as defined in NI 43-101), including the requirement to include a reconciliation of any material differences between the mineral resource and mineral reserve categories used under an acceptable foreign code and the standards developed by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended (the "CIM Standards") in respect of a mineral project. Pursuant to an exemption order granted to Anglo Pacific Group plc by the Ontario Securities Commission (the "Exemption Order"), the information contained herein with respect to the Kestrel mine, the Maracás Menchen project and the Narrabri mine has been extracted from information publicly disclosed, disseminated, filed, furnished or similarly communicated to the public by an issuer whose securities trade on a "specified exchange" (as defined under NI 43-101) that discloses mineral reserves and mineral resources under one of the JORC Code, the PERC Code, the SAMREC Code, SEC Industry Guide 7 or the Certification Code (each as defined in NI 43-101). As the definitions and standards of the JORC Code, the PERC Code, the SAMREC Code, SEC Industry Guide 7 and the Certification Code are substantially similar to the CIM Standards, a reconciliation of any material differences between the mineral resource and mineral reserve categories reported under the JORC Code, the PERC Code, the SAMREC Code, SEC Industry Guide 7 and the Certification Code, as applicable, to categories under the CIM Standards is not included and no Form 43-101F1 technical report will be filed to support the disclosure based upon such exemption.