ANGLO PACIFIC GROUP PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012

Anglo Pacific Group PLC

Management's Discussion and Analysis

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012

This Management's Discussion and Analysis ("MD&A") of financial position and results of operation of Anglo Pacific Group PLC ("Anglo Pacific Group", "the Group", "we" or "our") has been prepared based upon information available to the company as at August 13, 2011 and should be read in conjunction with the Group's unaudited quarterly consolidated financial statements and related notes as at and for three and six months ended June 30, 2012 and 2011.

Readers are cautioned that this MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary statement on forward-looking statements and related information included with this MD&A and to consult the Group's audited financial statements for the year ended December 31, 2011 and the corresponding notes to the financial statements. This information, together with further information relating to the Group and the Group's Annual Information Form ("AIF") are available on the Group's website at www.anglopacificgroup.com and on www.sedar.com.

Highlights:

- Royalty income for the period of £6.9 million (H1 2011: £16.3 million (restated))
- Production at Kestrel returned to expected levels in the second quarter
- Interim dividend increased by 4.7% to 4.45p per share (H1 2011: 4.25p)
- Cash and receivables at June 30, 2012 of £20.4 million (£44.5 million at December 31, 2011 (restated))
- Strong balance sheet with no borrowings or hedging
- El Valle, the gold-copper mine in Spain, building up to full production
- Progress continues at a number of the Group's development royalties
- Total assets of £342 million at June 30, 2012 (£371 million at December 31, 2011 (restated))
- Completion of Mount Ida magnetite royalty in May 2012
- Announcement of Churchrock uranium royalty option in August 2012
- The Group owns a total of 21 royalty interests

Acquisitions

On May 1, 2012, the Group completed the first tranche of the previously announced acquisition of a 50% interest in the 1.5% GRR over the Mount Ida iron ore project in Australia, from Red Rock Resources PLC. The Royalty Sale Agreement provides for a total of US$14 million being paid in three instalments as follows:

- **Tranche 1:** US$6 million on completion and agreement of the terms of the transaction, for a 0.3% GRR;
- **Tranche 2:** US$4 million for a further 0.225% GRR following the results of a positive definitive feasibility study ("DFS"), a formal decision to mine and 20% of the pre-production capital costs outlined in the DFS being provided for; and
- **Tranche 3:** US$4 million for a further 0.225% GRR following the commencement of commercial production, taking the total to a 0.75% GRR.

Tranche 1 was completed with the payment of US$6 million being settled by US$3.9 million in cash and the issue and allotment of 416,161 ordinary shares in the capital of the Company to Red Rock. This acquisition is consistent with the Group's focus on commodities leveraged to the continuing growth in Asia and other developing regions.

The Group continues to evaluate a number of opportunities to acquire or create more royalties in order to further diversify and increase the Group's revenue stream.

Royalty portfolio

The performance of the Group's portfolio of producing royalties was impacted by lower hard coking coal prices and a short-term fall in sales volumes at Kestrel during the first quarter of 2012. The *El Valle*-Boinás/Carlés gold and copper mine continued its build up to full production, whilst output from the Amapá iron ore mine was as expected. Significant progress has also been made on a number of the Group's development royalties.

Kestrel Coking Coal, Australia (Rio Tinto Coal Australia)
During the first six months of 2012, production from the Group's private royalty area was 1,165,567 tonnes. Volumes were impacted during the first quarter by a scheduled longwall changeover, lower productivity during the ramp-up as well as adverse weather conditions. Production returned to normal levels during the second quarter which is expected to continue for the second half of the year.

Hard coking coal prices remained under pressure during the first six months of 2012 due to uncertainty surrounding Europe's debt crisis, steel oversupply in China and improved hard coking coal supplies from Australia. Coking coal spot prices for July 2012 averaged $214 per tonne (July 2011: $305 per tonne) with benchmark July 2012 quarterly contract prices of $225 per tonne (July 2011: $305 per tonne).

The combination of these factors resulted in royalty income from Kestrel for the first six months of 2012 of £5.6 million (A$8.9 million) based on a 50% share of invoiced volume of 1,165,567 tonnes of coal. This is compared to £9.9 million (A$15.5 million) for the comparable period in 2011 on an invoiced volume of 2,077,303 tonnes.

During the second quarter of 2012 the Group was informed by Rio Tinto that an audit by the Queensland Office of State Revenue identified a misallocation of royalty revenue relating to areas reserved by the State of Queensland for roads. This has resulted in an overpayment of royalties to the Group of £4.6 million (A$7.1 million) for the period September 2006 to December 2011. The misallocation of royalty revenues has been reflected in the restated balance sheet at December 31, 2011 as shown in note one to these accounts and is being independently verified by the Group's own consultants.

The independent valuation of the Kestrel royalty at June 30, 2012 was £159.6 million (A$243.7 million) compared to £166.0 million (A$252.0 million) at December 31, 2011 (restated). This reduction in the valuation is largely due to adjustments relating to reserve depletion.

Amapá Iron Ore, Brazil (Anglo American PLC 70% and Cliffs Natural Resources Inc 30%)
Royalty receipts for the six months ended June 30, 2012 were £1.1 million (£1.0 million for the comparable period in 2011). Anglo American PLC reported production of 3.1 million tonnes for the six months to June 30, 2012 an increase of 29% on the comparable period in 2011 but royalty receipts were affected by lower iron ore prices.

El Valle-Boinás/Carlés Gold, Silver and Copper, Spain (Orvana Minerals Corp.)
The Group received £0.67 million in royalties during the six months ended June 30, 2012 from the El Valle-Boinás/Carlés ("EVBC") gold and copper mine in northern Spain. This related to the production of 15,260 ounces of gold, 50,928 ounces of silver and 1.684 million pounds of copper for the six months ended June 30, 2012.

Production at the mine remained on target during the quarter ended June 30, 2012 with 13,983 ounces of gold, 39,621 ounces of silver and 1.47 million pounds of copper. The Group's royalty receipts from EVBC for the second quarter's production will be received during the quarter ended September 30, 2012.

The royalty receipts from EVBC are currently repayment of principal and are applied against the debenture instrument. They are not included in the income statement but are included in the receipts from royalty instruments in the cash flow statement.

Crinum Coking Coal, Australia (BHP Billiton Mitsubishi Alliance)
Largely due to sales from stockpiles, the Group received £0.1 million (A$0.2 million) in royalties during the six months ended June 30, 2012 compared to £5.4 million (A$8.4 million) in the comparable period in 2011. The Crinum longwall has left the Group's private royalty ground and no significant future royalty receipts are anticipated. In the Group's coal royalty valuation Crinum is ascribed no value.

Development Royalties

Progress has been made at a number of the Group's development royalties.

Ring of Fire Chromite, Canada (Cliffs Natural Resources Inc)
On May 9, 2012 Cliffs Natural Resources Inc. ("Cliffs") announced that its Board of Directors had approved advancing its proposed chromite project, located in the Ring of Fire area of Northern Ontario, from pre-feasibility to feasibility. Cliffs also announced that it had reached an agreement in principle with the Government of Ontario over key elements of the project including development of provincial infrastructure. In the announcement, Cliffs believes the chromite deposits it controls

are world class, and, based on successful completion of the feasibility and other project milestones, Cliffs anticipates a majority of the project's expected capital requirements will be made in 2014 and 2015. The Group holds a 1% NSR royalty over the Ring of Fire project including the Black Thor and Big Daddy deposits.

Salamanca Uranium, Spain (Berkeley Resources Ltd)
On July 24, 2012, Berkeley Resources Ltd ("Berkeley") announced they had reached an agreement with Enusa Industrias Avanzadas S.A. ("ENUSA") on terms which provide Berkeley with a 100% interest in and exploitation rights to State Reserves 28 and 29. The Group has a 1% NSR royalty over all uranium resources in Spain and Portugal held by Berkeley.

Jogjakarta Iron Sands and Pig Iron , Indonesia(Indo Mines Ltd 70%)
On May 22, 2012 Indo Mines Ltd. ("Indo") announced first production from its trial iron sand mining and processing facility in Jogjakarta, Indonesia and on May 28, 2012, announced that it was operating at the design throughput of 130 tonnes per hour. This is an important milestone for the project. The next phase is to develop a mine to produce 2 million tonnes per annum of 55% Fe concentrate culminating ultimately in the production of pig iron.

Four Mile Uranium, Australia (Quasar Resources Pty Ltd 75% and Alliance Resources Ltd 25%)
On April 27, 2012 Alliance Resources Ltd ("Alliance") announced that Quasar Resources Pty Ltd ("Quasar") and Alliance Craton Explorer Pty Ltd (a subsidiary of Alliance) had been granted a ten year mineral lease over the Four Mile Project area by the South Australian Minister for Mineral Resources and Petroleum. Quasar is an affiliated company of USA based General Atomics who through another affiliate company, Heathgate Resources Pty Ltd, operate the adjacent Beverley in-situ recovery (ISR) uranium mine. The Group holds a 1% NSR royalty over the Four Mile Project.

Financial performance

Group royalty revenue for the six months ended June 30, 2012 was £6.9 million compared to £16.3 million for the six months to June 30, 2011 and £5.3 million for the three months ended June 30, 2012 compared to £6.4 million for the three months to June 30, 2011. Despite the continued increase in cash flows from the Group's royalty debentures, when combined with the cash flows from the Group's coal royalties, the Group royalty entitlement per share decreased to 7.04p per share for the six months ended June 30, 2012 when compared with 15.16p per share for the six months ended June 30, 2011. Royalty entitlement per share for the second quarter was 5.26p per share compared to 5.76p per share for the comparable period in 2011.

The Group's operating expenses, including salaries and wages, share-based compensation, audit, tax, legal advisory fees and general office expenses, increased from £1.3 million in the first half of 2011 to £1.6million in the first half of 2012. Within these costs salaries and wages increased by approximately £0.1 million compared to the same period in 2011, following the appointment of additional staff. The Group's external legal fees incurred in assessing royalty opportunities and managing our existing royalties increased by £0.1 million during the first half of 2012 when compared to the same period in 2011. The operating expenses in the quarter ended June 30, 2012 were £0.7 million compared to £0.8 million in the comparable period in 2011.

Realised gains on disposals of mining and exploration interests during the first half of 2012 were £2.0 million compared with £7.5 million for the six months ended June 30, 2011. Gains on disposals during the quarter to June 30, 2012 were £1.4 million compared with £3.0 million realised in the second quarter of 2011. These gains were the result of the disposal of some of the Group's successful mining investments where the acquisition of royalties was considered unlikely.

The Group realised a net foreign exchange loss in the six months to June 30, 2012 of £0.2 million compared to a net foreign exchange loss of £0.3 million in the comparable period of 2011. The net foreign exchange gain for the quarter ended June 30, 2011 was £0.9 million, against a net foreign exchange gain of £0.4 million in the second quarter of 2011. The Group both receives and acquires royalties in foreign currencies and is therefore subject to foreign exchange risk, particularly in relation to its Australia and Canadian activities. The Group has benefited from the strengthening of the Australian and Canadian currencies in the quarter ended June 30, 2012, when compared to the first quarter of 2012. However, there is no assurance that this will continue, or that the steps taken by management to reduce potential foreign exchange risks will eliminate future fluctuations in the Group's financial performance and position.

The Group's profit before tax for the six months ended June 30, 2012 was £7.9 million compared to £22.6 million for the six months ended June 30, 2011. Group earnings per share for the six months ended June 30, 2012 were 4.71p compared to 14.92p for the first half of 2011. For the quarter ended June 30, 2012 the Group's profit before tax was £7.5 million compared to £9.4 million for the comparable quarter in 2011. The Group's earnings per share for the three months ended

June 30, 2012 were 4.94p compared to 5.20p for the second quarter of 2011.

Financial position

Total assets of £342.2 million at June 30, 2012 compared to £371.0 million at December 31, 2011.

At June 30, 2012, the Group's Australian coal royalty interests have been independently valued at £159.6 million compared to £166.0 million at December 31, 2011 (restated). The change was primarily due to adjustments relating to reserve depletion. The Group's royalty instruments following fair value adjustments were valued at £23.3 million at June 30, 2012 compared to £24.7 million at December 31, 2011. This decrease is due to adjustments to future foreign exchange and commodity price assumptions.

The total amortised cost of royalties treated as intangibles was £71.4 million at June 30, 2012, compared to £68.3 million at December 31, 2011. The increase is due to the acquisition of the gross revenue royalty over the Mount Ida iron ore project in Western Australia. As part of the annual impairment review a directors' valuation of these royalties has been undertaken using a discounted cash flow valuation model, which uses forecast commodity prices and management's best estimate of an appropriate discount rate taking into account project-specific risk factors. At June 30, 2012 the directors' valuation of these assets was £130.6 million (December 31, 2011: £120.5 million). This excess over amortised cost is not included in the balance sheet.

	Coal royalties **£'000**	Royalty Instruments **£'000**	Royalty Intangibles **£'000**	Royalty Options **£'000**	Total **£'000**
June 30, 2012					
Number	2	4	10	4	20
Amortised cost	196	12,493	71,425	728	84,842
Valuation	159,568	23,261	130,576	728	314,133
December 31, 2011					
Number	2	4	9	4	19
Amortised cost	196	12,493	68,334	728	81,751
Valuation	165,967	24,736	120,485	728	311,916

For further information on royalty instruments and intangibles please refer to note 2 below.

At June 30, 2012, the Group's quoted and unquoted equity investments, including royalty options, were valued at £64.5 million compared to £64.6 million at December 31, 2011. The private equity interests and royalty options remain accounted for at cost.

At June 30, 2012, the Group had cash of £18.3 million compared to £32.2 million at December 31, 2011, with no borrowings or hedging. Combined with royalty and trade receivables, the Group's total cash and receivables at June 30, 2012 was £20.4 million compared to £44.5 million at December 31, 2011. This reduction was due to the lower production at Kestrel in the first quarter of 2012, together with offsetting the second quarter royalties against those overpaid between September 2006 and December 2011.

The Group has limited capital expenditure requirements other than for the acquisition of additional royalties. Management believe that the Group's current cash resources and future cash flows from continuing royalty revenues will be sufficient to cover the cost of general and administrative expenses, income taxes and dividend payments. Management also believe that the Group has sufficient capital and working capital resources to continue to deliver its strategy of acquiring new royalties.

The Group remains debt free and its liquid resources are held in a spread of currencies and financial institutions. The Group's mining interests and royalty revenues are mainly denominated in Australian and Canadian dollars.

The book value of the Group's total assets at June 30, 2012 was £342.2 million compared to £371.0 million at December 31, 2011. As at the period end, this does not include any increase in value over cost that may be attributable to the Group's Panorama and Trefi coal projects and royalty intangibles.

Dividends

On July 4, 2012 a final dividend of 5.50p per share for the year ended December 31, 2011 was paid. In light of the share price at the time the Board decided not to offer shareholders the opportunity to elect to receive new shares instead of cash.

The Board has declared an interim dividend of 4.45p per share for the year ending December 31, 2012, representing an increase of 4.7% from the interim dividend for the previous year of 4.25p per share. This dividend will be paid on February 5, 2013 to shareholders on the register at the close of business on November 30, 2012. The shares will be quoted ex dividend in Canada and London on November 28, 2012. As with previous dividends, depending on the share price at the time, the Board will consider whether shareholders will be given the opportunity to elect to receive new shares instead of cash. Should this alternative be offered, the price will be calculated on the basis of the average mid-market closing price of the ordinary shares for the five business days commencing November 28, 2012. The last date for elections under such an alternative, if offered, will be January 18, 2013.

Outlook

The uncertain outlook for parts of the world economy has created difficult mining capital markets. As a result, favourable conditions remain for acquiring existing royalties and for creating new royalties through the provision of mining finance.

Production levels from the Group's private royalty ground at Kestrel should continue at expected levels for the remainder of the year. With an increasing level of production at the El Valle-Boinás/Carlés gold-copper mine in Spain and increased output at Amapá in Brazil, the Group's royalty cash flows should improve in the second half of the year.

The Group maintains its belief that the long term urbanisation of the developing world should continue to drive demand for steel related commodities. The current level of currency volatility could also impact positively on precious metals. The Group's spread of royalty interests gives good exposure to these commodities.

With the possibility of inflationary currents in coming years, the Group remains a stable hedge against perceived weaker currencies. The Group's revenue is directly linked to the top line of a number of major mining operations, whilst avoiding exposure to the current inflationary escalation in their mining costs. The Group itself has no operating mines of its own and consequently limited overheads.

DISCLOSURE UNDER DISCLOSURE AND TRANSPARENCY RULES

In accordance with Disclosure and Transparency Rules (DTRs), Periodic Financial Reporting DTR 4.2.7R, the Group confirms that the principal risks and uncertainties that could affect the Group's performance have not changed. These are: a prolonged, world-wide economic recession; sustained low commodity prices; a fall in precious metal prices; and currency volatility. For more information regarding these risks and uncertainties please refer to page 14 of the 2011 Annual Report.

In accordance with DTR 4.2.8R related party transactions which occurred in the first six months of the year are disclosed in note 9 to these interim financial statements.

We confirm to the best of our knowledge:

i. The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' and give a true and fair view of assets and liabilities, financial position and profit and loss;
ii. the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
iii. the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties transactions and changes therein).

By order of the Board

P.T.J. Mason
Company Secretary
August 13, 2012

Cautionary statement on forward-looking statements and related information

Certain information contained in this press release, including any information as to future financial or operating performance and other statements that express management's expectation or estimates of future performance, constitute "forward looking statements". The words "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts", or negative versions thereof and other similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Further, forward-looking statements are not guarantees of future performance and involve risks and uncertainties which could cause actual results to differ materially from those anticipated, estimated or intended in the forward-looking statements. The material assumptions and risks relevant to the forward-looking statements in this press release include, but are not limited to: stability of the global economy; stability of local government and legislative background; continuing of ongoing operations of the properties underlying the Group's portfolio of royalties in a manner consistent with past practice; accuracy of public statements and disclosures (including feasibility studies and estimates of reserve, resource, production, grades, mine life, and cash cost) made by the owners or operators of such underlying properties; no material adverse change in the price of the commodities underlying the Group's portfolio of royalties 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. If any such risks actually occur, they could materially adversely affect the Group's business, financial condition or results of operations. For additional information with respect to such risks and uncertainties, please refer to the "Risk Factors" section of our most recent Annual Information Form available on www.SEDAR.com and the Group's website www.anglopacificgroup.com. Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. The forward-looking statements contained in this press release are made as of the date of this press release only and 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.

Anglo Pacific Group PLC

Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENT (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012

	Three months ended		Six months ended	
		Restated		Restated
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	£'000	£'000	£'000	£'000
Royalty income	5,320	6,374	6,871	16,250
Finance income	72	436	359	757
Amortisation of royalties	(255)	(255)	(509)	(509)
Operating expenses	(684)	(838)	(1,601)	(1,339)
Operating profit	**4,453**	**5,717**	**5,120**	**15,159**
Gain on sale of mining and exploration interests	1,392	3,037	2,039	7,464
Other income	402	187	694	409
Other gains/(losses)	1,244	423	85	(403)
Profit before tax	**7,491**	**9,364**	**7,938**	**22,629**
Income tax expense	(2,547)	(3,604)	(2,789)	(6,294)
Profit attributable to equity holders	**4,944**	**5,760**	**5,149**	**16,335**
Total and continuing earnings per share				
Basic earnings per share	4.94p	5.20p	4.71p	14.92p
Diluted earnings per share	4.94p	5.20p	4.71p	14.92p

The results for the three months ended June 30, 2012 and 2011 are for comparative purposes and have neither been audited nor reviewed by the Group's auditors. The results for the three and six months ended June 30, 2011 have been restated in accordance with Note 1.2.

Anglo Pacific Group PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012

	Three months ended		Six months ended	
	June 30, 2012	Restated June 30, 2011	June 30, 2012	Restated June 30, 2011
	£'000	£'000	£'000	£'000
Profit for the financial period	4,944	5,760	5,149	16,335
Other comprehensive income				
Net (loss)/gain on revaluation of coal royalties	(1,015)	(3,924)	(5,465)	18,546
Net loss on revaluation of available for sale investments	(15,597)	(22,987)	(15,076)	(35,234)
Net exchange gain/(loss) on translation of foreign operations	2,205	7,746	(719)	4,291
Deferred tax	6,058	2,410	7,981	(3,660)
Net (expense)/income recognised directly in equity	(3,405)	(10,995)	(8,130)	278
Transferred to income statement disposal of available for sale investments	(1,146)	(2,341)	(1,436)	(6,021)
Total transferred from equity	(1,146)	(2,341)	(1,436)	(6,021)
Total comprehensive expense for the financial period	(4,551)	(13,336)	(9,566)	(5,743)

The results for the three months ended June 30, 2012 and 2011 are for comparative purposes and have neither been audited nor reviewed by the Group's auditors. The results for the three and six months ended June 30, 2011 have been restated in accordance with Note 1.2.

Anglo Pacific Group PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED) AS AT JUNE 30, 2012

	Unaudited June 30, 2012 £'000	Restated June 30, 2011 £'000	Restated December 31, 2011 £'000	Restated December 31, 2010 £'000
Non-current assets				
Property, plant and equipment	2,125	2,182	2,152	2,144
Coal royalties (note 1.2)	159,568	191,107	165,967	169,304
Royalty instruments	23,261	21,943	24,736	28,061
Intangibles	72,284	42,253	69,138	42,741
Mining and exploration interests	64,539	100,068	64,551	128,479
	321,777	357,553	326,544	370,729
Current assets				
Trade and other receivables	2,146	7,257	12,298	8,813
Cash and cash equivalents	18,252	36,726	32,197	28,258
	20,398	43,983	44,495	37,071
Total assets	342,175	401,536	371,039	407,800
Non-current liabilities				
Deferred tax (note 1.2)	45,513	63,230	54,667	60,212
	45,513	63,230	54,667	60,212
Current liabilities				
Current income tax liabilities	1,808	5,133	3,731	4,987
Trade and other payables (note 1.2)	6,432	10,359	5,472	5,177
	8,240	15,492	9,203	10,164
Total liabilities	53,753	78,722	63,870	70,376
Capital and reserves attributable to shareholders				
Share capital	2,192	2,183	2,184	2,175
Share premium	26,853	25,361	25,539	24,207
Coal royalty revaluation reserve	76,349	96,231	80,285	83,405
Investment revaluation reserve	(15,146)	13,442	(4,843)	51,780
Share based payment reserve	253	140	177	65
Foreign currency translation reserve	41,138	43,120	41,614	39,686
Special reserve	632	632	632	632
Investment in own shares	(2,601)	(2,421)	(2,601)	(1,295)
Retained earnings	158,752	144,126	164,182	136,769
Total equity (note 1.2)	288,422	322,814	307,169	337,424
Total equity and liabilities	342,175	401,536	371,039	407,800

Anglo Pacific Group PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

	Share capital £'000	Share premium £'000	Coal royalty revaluation reserve £'000	Investment revaluation reserve £'000	Share based payment reserve £'000	Foreign currency translation reserve £'000	Special reserve £'000	Investment in own shares £'000	Retained earnings £'000	Total equity £'000
Balance at January 1, 2011 (as previously reported – note 1.2)	**2,175**	**24,207**	**88,883**	**51,780**	**65**	**39,686**	**632**	**(1,295)**	**139,755**	**345,888**
Impact of restatement (note 1.2)	-	-	(5,478)	-	-	-	-	-	(2,986)	(8,464)
Balance at January 1, 2011 (as restated – note 1.2)	**2,175**	**24,207**	**83,405**	**51,780**	**65**	**39,686**	**632**	**(1,295)**	**136,769**	**337,424**
Profit for the period (restated)	-	-	-	-	-	-	-	-	16,335	16,335
Other comprehensive income:										
Coal royalties:										
Royalties valuation movement taken to equity (restated)	-	-	18,546	-	-	3,257	-	-	-	21,803
Deferred tax on valuation (restated)	-	-	(5,720)	-	-	(958)	-	-	-	(6,678)
Available-for-sale investments:										
Valuation movement taken to equity	-	-	-	(35,234)	-	230	-	-	-	(35,004)
Deferred tax on valuation	-	-	-	2,917	-	101	-	-	-	3,018
Transferred to income statement on disposal	-	-	-	(6,021)	-	-	-	-	-	(6,021)
Foreign currency translation	-	-	-	-	-	804	-	-	-	804
Total comprehensive income	-	-	12,826	(38,338)	-	3,434	-	-	16,335	(5,743)
Dividends	-	-	-	-	-		-	-	(8,978)	(8,978)
Issue of share capital under share-based payment	8	1,154	-	-	75	-	-	(1,126)	-	111
	8	1,154	-	-	75	-	-	(1,126)	(8,978)	(8,867)
Balance at June 30, 2011 (restated)	**2,183**	**25,361**	**96,231**	**13,442**	**140**	**43,120**	**632**	**(2,421)**	**144,126**	**322,814**

Anglo Pacific Group PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012 (CONTINUED)

	Share capital £'000	Share premium £'000	Coal royalty revaluation reserve £'000	Investment revaluation reserve £'000	Share based payment reserve £'000	Foreign currency translation reserve £'000	Special reserve £'000	Investment in own shares £'000	Retained earnings £'000	Total equity £'000
Balance at July 1, 2011 (restated)	**2,183**	**25,361**	**96,231**	**13,442**	**140**	**43,120**	**632**	**(2,421)**	**144,126**	**322,814**
Profit for the period (restated)	-	-	-	-	-	-	-	-	20,037	20,037
Other comprehensive income:										
Coal royalties:										
Royalties valuation movement taken to equity (restated)	-	-	(22,685)	-	-	(2,455)	-	-	-	(25,140)
Deferred tax on valuation (restated)	-	-	6,739	-	-	723	-	-	-	7,462
Available-for-sale investments:										-
Valuation movement taken to equity	-	-	-	(16,435)	-	(467)	-	-	-	(16,902)
Deferred tax on valuation	-	-	-	2,219	-	(88)	-	-	-	2,131
Transferred to income statement on disposal	-	-	-	(4,069)	-	-	-	-	-	(4,069)
Foreign currency translation	-	-	-	-	-	781	-	-	-	781
Total comprehensive income	-	-	(15,946)	(18,285)	-	(1,506)	-	-	20,037	(15,700)
Issue of share capital under share-based payment	1	178	-	-	37	-	-	(180)	19	55
	1	178	-	-	37	-	-	(180)	19	55
Balance at December 31, 2011 (restated)	**2,184**	**25,539**	**80,285**	**(4,843)**	**177**	**41,614**	**632**	**(2,601)**	**164,182**	**307,169**

Anglo Pacific Group PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012
(CONTINUED)

	Share capital £'000	Share premium £'000	Coal royalty revaluation reserve £'000	Investment revaluation reserve £'000	Share based payment reserve £'000	Foreign currency translation reserve £'000	Special reserve £'000	Investment in Own Shares £'000	Retained earnings £'000	Total equity £'000
Balance at January 1, 2012 (restated)	**2,184**	**25,539**	**80,285**	**(4,843)**	**177**	**41,614**	**632**	**(2,601)**	**164,182**	**307,169**
Profit for the period	-	-	-	-	-	-	-	-	5,149	5,149
Other comprehensive income:										
Coal royalties:										
Royalties valuation movement taken to equity	-	-	(5,465)	-	-	(936)	-	-	-	(6,399)
Deferred tax on valuation	-	-	1,529	-	-	276	-	-	-	1,805
Available-for-sale investments:										
Valuation movement taken to equity	-	-	-	(15,076)	-	(45)	-	-	-	(15,121)
Deferred tax on valuation	-	-	-	6,209	-	(33)	-	-	-	6,176
Transferred to income statement on disposal	-	-	-	(1,436)	-	-	-	-	-	(1,436)
Foreign currency translation	-	-	-	-	-	262	-	-	-	262
Total comprehensive income	-	-	(3,936)	(10,303)	-	(476)	-	-	5,149	(9,566)
Dividends	-	-	-	-	-	-	-	-	(10,579)	(10,579)
Issue of ordinary shares	8	1,314	-	-	-	-	-	-	-	1,322
Value of employee services	-	-	-	-	76	-	-	-	-	76
	8	1,314	-	-	76	-	-	-	(10,579)	(9,181)
Balance at June 30, 2012	**2,192**	**26,853**	**76,349**	**(15,146)**	**253**	**41,138**	**632**	**(2,601)**	**158,752**	**288,422**

Anglo Pacific Group PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012

	Three months ended		Six months ended	
		Restated		Restated
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Profit before taxation	7,491	9,364	7,938	22,629
Adjustments for:				
Interest received	(482)	(436)	(769)	(757)
Unrealised foreign currency loss/(gain)	(1,762)	263	(867)	1,357
Depreciation of property, plant and equipment	5	5	10	10
Amortisation of Intangibles - royalties	255	255	509	509
Gain on disposal of mining and exploration interests	(1,392)	(3,037)	(2,039)	(7,464)
Loss on write down of assets	-	-	-	147
Share based payments	38	75	77	75
	4,153	6,489	4,859	16,506
Decrease/(Increase) in trade and other receivables	(1,498)	3,949	8,876	1,556
Decrease in trade and other payables	(3,524)	(286)	(3,612)	(341)
Receipt from royalty instruments	424	204	823	347
Cash generated from operations	(445)	10,356	10,946	18,068
Income taxes paid	(2,340)	(3,004)	(4,198)	(7,074)
Net cash from operating activities	(2,785)	7,352	6,748	10,994
Cash flows from investing activities				
Proceeds on disposal of mining and exploration interests	3,636	15,911	5,180	23,927
Purchase of mining and exploration interests	(981)	(9,037)	(18,977)	(23,197)
Purchases of royalty interests	(2,497)	-	(2,497)	-
Purchases of property, plant and equipment	-	(20)	-	(48)
Exploration and evaluation expenditure	(55)	(18)	(55)	(18)
Interest received	21	47	257	267
Net cash generated/(used) in investing activities	124	6,883	(16,092)	931
Cash flows from financing activities				
Dividends paid	-	-	(4,601)	(3,457)
Net cash used in financing activities	-	-	(4,601)	(3,457)
Net (decrease)/increase in cash and cash equivalents	**(2,661)**	**14,235**	**(13,945)**	**8,468**
Cash and cash equivalents at beginning of period	**20,913**	**22,491**	**32,197**	**28,258**
Cash and cash equivalents at end of period	**18,252**	**36,726**	**18,252**	**36,726**

The results for the three months ended June 30, 2012 and 2011 are for comparative purposes and have neither been audited nor reviewed by the Group's auditors. The results for the three and six months ended June 30, 2011 have been restated in accordance with Note 1.2.

1 Summary of significant accounting policies

1.1 Basis of preparation

These condensed consolidated interim financial statements of Anglo Pacific Group PLC are for the three and six months ended June 30, 2012. They have been prepared in accordance with IAS 34 '*Interim Financial Reporting*', as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2011.

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to December 31, 2011, which were prepared in accordance with IFRS, as adopted by the European Union.

This condensed consolidated quarterly and half yearly financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended December 31, 2011 were approved on March 6, 2012. These accounts which contained an unqualified audit report under Section 495 of the Companies Act 2006 and which did not make any statements under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

Financial results presented for the three months ended June 30, 2012 and 2011, together with all other quarterly results have been presented for comparative purposes only. These results have neither been audited nor reviewed by the Group's auditors.

1.2 Prior period adjustment

As mentioned in the business review, an audit conducted by the Queensland Office of State Revenue identified a misallocation of royalty revenue attributable to the Group. As a result, the Group received A$7.1 million more than it was entitled to over a six year period ended December 31, 2011. In accordance with IAS 8, the prior periods financial statements are restated to reflect what the position would have been, taking into account this information. The following tables reconcile the restated position to that previously reported:

Consolidated Income Statement

	Six months ended June 30, 2011			Year ended December 31, 2011		
	Restated	**Original**	**Adjustment**	**Restated**	**Original**	**Adjustment**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Royalty income	16,250	16,361	(111)	34,678	35,103	(425)
Finance income	(1,091)	(1,358)	267	(2,773)	(2,773)	-
Operating profit	**15,159**	**15,003**	**156**	**31,905**	**32,330**	**(425)**
Other income	7,470	7,738	(268)	16,676	16,676	-
Profit before tax	**22,629**	**22,741**	**(112)**	**48,581**	**49,006**	**(425)**
Income tax expense	(6,294)	(6,328)	34	(12,209)	(12,337)	128
Profit attributable to equity holders	**16,335**	**16,413**	**(78)**	**36,372**	**36,669**	**(297)**
Total and continuing earnings per share						
Basic earnings per share	14.92p	15.09p	(0.17p)	33.60p	33.87p	(0.27p)
Diluted earnings per share	14.92p	15.09p	(0.17p)	33.60p	33.87p	(0.27p)

Consolidated Statement of Comprehensive Income

	Six months ended June 30, 2011			Year ended December 31, 2011		
	Restated	**Original**	**Adjustment**	**Restated**	**Original**	**Adjustment**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Profit for the financial period	**16,335**	**16,413**	**(78)**	**36,372**	**36,669**	**(297)**

Other comprehensive income						
Net (loss)/gain on revaluation of coal royalties	18,546	19,182	(636)	(4,139)	(2,844)	(1,295)
Net exchange gain/(loss) on translation of foreign operations	4,292	4,442	(150)	2,151	2,188	(37)
Deferred tax	(3,661)	(3,897)	236	5,932	5,532	400
Net (expense)/income recognised directly in equity	**278**	**906**	**(628)**	**(11,353)**	**(10,124)**	**(1,229)**
Total comprehensive expense for the financial period	**(5,743)**	**(5,115)**	**(628)**	**(21,443)**	**(20,214)**	**(1,229)**

Consolidated Balance Sheet

	June 30, 2011			December 31, 2011		
	Restated	**Original**	**Adjustment**	**Restated**	**Original**	**Adjustment**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Coal royalties	191,107	199,719	(8,612)	165,967	175,124	(9,157)
Total assets	**401,536**	**410,148**	**(8,612)**	**371,039**	**380,196**	**(9,157)**
Deferred tax	(63,230)	(67,127)	3,897	(54,667)	(58,822)	4,155
Trade and other payables	(10,359)	(5,981)	(4,378)	(5,472)	(781)	(4,691)
Total liabilities	**53,753**	**60,185**	**(6,432)**	**63,870**	**63,334**	**536**
Total equity and liabilities	**401,536**	**410,148**	**(8,612)**	**371,039**	**380,196**	**(9,157)**

Consolidated Statement of Cash Flows

	Six months ended June 30, 2011			Year ended December 31, 2011		
	Restated	**Original**	**Adjustment**	**Restated**	**Original**	**Adjustment**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Cash flows from operating activities						
Profit before taxation	22,629	22,741	(112)	48,581	49,006	(425)
Decrease in trade and other payables	(341)	(453)	112	293	(132)	425

Overall, the net assets of the Group at December 31, 2011 were overstated by £9.7m (June 30, 2011: £9.1m) as a result of this overpayment and the corresponding impact on the coal royalty valuation. The value of the coal royalty was £9.2m less (June 30, 2011: £8.6m) when taking into account roads over the remaining portion of the private royalty ground which has yet to be mined. Trade and other payables now reflect an amount owing to the mine operator as a result of these overpayments. The deferred tax balance has been recalculated based on the new coal royalty valuation and also reflects a credit to the group arising on the payment of tax on the previously overstated revenue.

2 Non-current assets

(a) Coal royalties

The Group's coal royalties comprise the Kestrel and Crinum coal royalties in Queensland, Australia.

The Group commissioned a valuation of the coal royalties as at June 30, 2012, based on a net present value of the pre-tax cash flow discounted at a rate of 7%, which produced a valuation of A$243.7 million (£159.6 million). At present the net royalty income is taxed in Australia at a rate of 30%. Were the coal royalties to be realised at the revalued amount there are £2.0 million (A$3.1 million) of capital losses potentially available to offset against taxable gains. These losses have been included in the deferred tax computation.

(b) Royalty instruments

Royalty instruments represent the Group's interests in four mineral properties which, through the issue of convertible debentures, the Group has acquired GRR or NSR royalties. These are the Engenho property in Brazil, the El Valle-Boinás/Carlés property in Spain, the Jogjakarta Iron Sands Project in Indonesia and the Midway-McKenzie Break properties in Canada. In the Group's latest annual financial statements for the year ended December 31, 2011, these interests were described as "Royalty Instruments". No change has been made to the accounting treatment of these interests.

(c) Intangibles

Intangible royalty interests represent the NSR royalties acquired on the Four Mile project in South Australia, the Salamanca uranium project in Spain, the Black Thor, Black Label and Big Daddy chromite projects in Northern Ontario, Canada and a number of tenements in the Athabasca Basin region of Canada, together with the gross revenue royalties covering the Amapá iron ore system in Brazil, the Isua iron ore project in Greenland and three exploration licences, including the Railway iron ore deposit, in the central Pilbara region of Western Australia.

Acquisition costs of royalty interests on feasibility stage mineral properties are not amortised. At such time as the associated mineral interests are placed into production, the cost base is amortised over the expected life of mine. Amortisation rates are adjusted on a prospective basis for all changes to estimates of the life of mine.

Also included within intangibles are the deferred exploration costs of £859,000 (December 31, 2011: £804,000) associated with the Group's Panorama and Trefi Projects in British Columbia, Canada.

(d) Mining and exploration Interests

The investments in mining and exploration interests represent investments in listed and unlisted equity securities which are acquired as part of the Group strategy to acquire new royalties. Gains may be realised where it is deemed appropriate by the Investment Committee. The fair values of these securities are based on quoted market prices for listed securities and cost for unlisted securities based on the variability of cash flows being so significant that an alternative valuation technique would not provide a useful value. The fair values are reviewed for impairment biannually. In the statement of changes in equity these interests are classified as "available– for– sale investments". For a full explanation of the Group's accounting policies in relation to the mining and exploration interests please see the 2011 Annual Report.

3 Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions. The Committee consider the Group's undertakings from a business perspective. This has resulted in the Group being organised into two operating segments – royalties and mining and exploration interests.

The royalties segment encompasses all Group activities relating directly to the royalties received from mining operations. The mining and exploration interests segment encompasses all Group activities relating directly to the acquisition, disposal and continued monitoring of the Group's investments in listed and unlisted entities operating in mining and mineral exploration. The segment information provided to the Executive Committee for the reportable segments for the three months ended June 30, 2012 is as follows:

	Australia		Americas		Europe			
	Royalty £'000	Mining interests £'000	Royalty £'000	Mining interests £'000	Royalty £'000	Mining interests £'000	All other segments £'000	Total £'000
Royalty income	4,611	-	709	-	-	-	-	5,320
Finance income	-	-	-	-	-	-	72	72
Gain on sale of mining and exploration interests	-	1,392	-	-	-	-	-	1,392
Other income	-	3	-	-	-	399	-	402
Total segment income	4,611	1,395	709	-	-	399	72	7,186
Profit before tax	4,611	1,395	1,033	-	-	399	53	7,491
Amortisation	-	-	(255)	-	-	-	-	(255)
Income tax expense	(906)	-	(103)	-	-	-	(1,538)	(2,547)
Total assets	180,548	34,453	30,248	11,251	34,441	18,930	32,304	342,175
Total assets include:								
Additions to non-current assets (other than financial instruments and deferred tax assets	3,819	-	-	-	-	-	-	3,819
Total liabilities	47,161	-	-	-	2,245	-	4,347	53,753

The segment information for the three months ended June 30, 2011 (restated) is as follows:

	Australia		Americas		Europe

	Royalty £'000	Mining interests £'000	Royalty £'000	Mining interests £'000	Royalty £'000	Mining interests £'000	All other segments £'000	Total £'000
Royalty income	5,902	-	472	-	-	-		6,374
Finance income	-	-	-	-	-	-	436	436
Gain on sale of mining and exploration interests	-	1,687	-	1,350	-	-	-	3,037
Other income	-	187	-	-	-	-	-	187
Total segment income	5,902	1,874	472	1,350	-	-	436	10,034
Profit before tax	5,902	1,874	472	1,350	-	-	(234)	9,364
Amortisation	-	-	(255)	-	-	-	-	(255)
Income tax expense	(1,643)	-	(109)	-	-	-	(1,852)	(3,604)
Total assets	213,812	50,910	25,526	34,123	17,216	15,021	44,928	401,536
Total liabilities	64,399	-	639	-	2,587	-	11,097	78,722

The segment information for the six months ended June 30, 2012 is as follows:

	Australia		Americas		Europe			
	Royalty £'000	Mining interests £'000	Royalty £'000	Mining interests £'000	Royalty £'000	Mining interests £'000	All other segments £'000	Total £'000
Royalty income	5,811	-	1,060	-	-	-	-	6,871
Finance income	-	-	-	-	-	-	359	359
Gain on sale of mining and exploration interests	-	1,860	-	190	-	(11)	-	2,039
Other income	-	284	-	-	-	410	-	694
Total segment income	5,811	2,144	1,060	190	-	399	359	9,963
Profit before tax	5,811	2,144	1,384	190	-	399	(1,990)	7,938
Amortisation	-	-	(509)	-	-	-	-	(509)
Income tax expense	(882)	-	(185)	-	-	-	(1,722)	(2,789)
Total assets	180,548	34,453	30,248	11,251	34,441	18,930	32,304	342,175
Total assets include:								
Additions to non-current assets (other than financial instruments and deferred tax assets	3,819	-	-	-	-	-	-	3,819
Total liabilities	47,161	-	-	-	2,245	-	4,347	53,753

The segment information for the six months ended June 30, 2011 (restated) is as follows:

	Australia		Americas		Europe			
	Royalty	Mining interests	Royalty	Mining interests	Royalty	Mining interests	All other segments	Total

	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Royalty income	15,250	-	1,000	-	-	-	-	16,250
Finance income	-	-	-	-	-	-	757	757
Gain on sale of mining and exploration interests	-	4,817	-	1,721	-	926	-	7,464
Other income	-	409	-	-	-	-	-	409
Total segment income	15,250	5,226	1,000	1,721	-	926	757	24,880
Profit before tax	15,250	5,226	1,000	1,721	-	779	(1,346)	22,629
Amortisation	-	-	(509)	-	-	-	-	(509)
Income tax expense	(4,447)	-	(109)	-	-	-	(1,738)	(6,294)
Total assets	213,812	50,910	25,526	34,123	17,216	15,021	44,928	401,536
Total liabilities	64,399	-	639	-	2,587	-	11,097	78,722

The segment information for the twelve months ended December 31, 2011 (restated) is as follows:

	Australia		Americas			Europe		
	Royalty £'000	**Mining interests £'000**	**Royalty £'000**	**Mining interests £'000**	**Royalty £'000**	**Mining interests £'000**	**All other segments £'000**	**Total £'000**
Royalty income	31,984	-	2,694	-	-	-	-	34,678
Finance income	-	-	-	-	-	-	1,507	1,507
Gain on sale of mining and exploration interests	-	6,714	-	12,663	-	926	-	20,303
Other income	-	615	-	-	-	-	19	634
Total segment income	31,984	7,329	2,694	12,663	-	926	1,526	57,122
Profit before tax	31,984	7,329	(1,684)	12,621	-	926	(2,595)	48,581
Amortisation	-	-	(1,018)	-	-	-	-	(1,018)
Income tax expense	(8,571)	-	(384)	115	-	-	(3,369)	(12,209)
Total assets	191,705	35,672	39,589	20,034	36,708	9,075	38,256	371,039
Total assets include:								
Additions to non-current assets (other than financial instruments and deferred tax assets)	-	-	10,713	-	18,392	-	-	29,105
Total liabilities	58,056	-	-	-	2,652	-	3,162	63,870

The amounts provided to the Executive Committee with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Investments in mining and exploration interests (classified as available-for-sale financial assets or financial assets at fair value through profit or loss) held by the Group are classified by geographic segment by reference to the country of the investee's primary listing for quoted investments or the country of operations for unquoted investments.

The amounts provided to the Executive Committee with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

Of the total royalty income, £5.7 million received during the six months to June, 2012 is derived from a single royalty (June 30, 2011: £9.9 million). This income is attributable to the Australian royalty segment.

4 Earnings per ordinary share

	For the three months ended		For the six months ended	
		Restated		Restated
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Basic earnings per share	4.94p	5.30p	4.71p	15.02p
Diluted earnings per share	4.94p	5.30p	4.71p	15.02p

Earnings per ordinary share excludes the issue of shares under the Group's Joint Share Ownership Plan, as the Employee Benefit Trust has waived its right to receive dividends on the 925,933 ordinary 2p shares it holds as at June 30, 2012.

The numbers used in calculating basic and diluted earnings per share are stated below:

	For the three months ended		For the six months ended	
		Restated		Restated
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	£'000	£'000	£'000	£'000
Net profit attributable to shareholders				
Earnings—basic	4,944	5,760	5,149	16,335
Earnings—diluted	4,944	5,760	5,149	16,335

	For the three months ended		For the six months ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Weighted average number of shares in issue				
Ordinary shares in issue	108,263,282	108,257,718	108,263,282	108,257,718
Employee Share Option Scheme	7,492	17,847	7,492	17,847
	108,270,774	108,275,565	108,270,774	108,275,565

5 Royalty cash flow per share

	For the three months ended		For the six months ended	
		Restated		Restated
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Basic royalty cash flow per share	5.26p	5.86p	7.04p	15.26p
Diluted royalty cash flow per share	5.26p	5.86p	7.04p	15.26p

The Group's management considers royalty cash flow per share to be a useful measure of the performance of the Group's assets. Changes in equity market conditions lead to annual fluctuations in gains on sale of mining and exploration interests, and while these gains can be significantly value accretive for shareholders, the Group's management focus remains on increasing the Group's cash flows from royalties. In addition, the classification of the Group's royalty instruments as repayable debentures results in cash flows which are classified as repayments of principal and interest until repaid. As a result, the combination of royalty income and cash received from the debenture repayments during the year form the numerator for this metric. Both of these components are calculated before tax.

The numbers used in calculating the basic and diluted royalty cash flow per share are stated below:

	For the three months ended		For the six months ended	
		Restated		Restated
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	£'000	£'000	£'000	£'000
Royalty income	5,320	6,374	6,871	16,250
Receipts from royalty instruments	424	204	823	347
Total Royalty cash flow	5,744	6,578	7,694	16,597

	For the three months ended		For the six months ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Weighted average number of shares in issue				
Ordinary shares in issue	108,263,282	108,257,718	108,263,282	108,257,718
Employee Share Option Scheme	7,492	17,847	7,492	17,847
	108,270,774	108,275,565	108,270,774	108,275,565

6 Intangibles

	Exploration and Evaluation Costs £'000	Royalty Interests £'000	Total £'000
Gross carrying amount			
At January 1, 2012	804	70,525	71,329
Additions	55	3,819	3,874
Foreign currency translation	-	(219)	(219)
At June 30, 2012	859	74,125	74,984
Amortisation and impairment			
At January 1, 2012	-	(2,191)	(2,191)
Amortisation charge	-	(509)	(509)
At June 30, 2012	-	(2,700)	(2,700)
Carrying amount June 30, 2012	859	71,425	72,284
Gross carrying amount			
At January 1, 2011	696	42,130	42,826
Additions	18	-	18
Foreign currency translation	3	-	3
At June 30, 2011	717	42,130	42,847
Amortisation and impairment			
At January 1, 2011	-	(85)	(85)
Amortisation charge	-	(509)	(509)
At June 30, 2011	-	(594)	(594)
Carrying amount June 30, 2011	717	41,536	42,253

Gross carrying amount			
At January 1, 2011	696	42,130	42,826
Additions	108	29,105	29,213
Acquisition costs returned	-	(710)	(710)
At December 31, 2011	804	70,525	71,329
Amortisation and impairment			
At January 1, 2011	-	(85)	(85)
Impairment charge	-	(1,088)	(1,088)
Amortisation charge	-	(1,018)	(1,018)
At December 31, 2011	-	(2,191)	(2,191)
Carrying amount December 31, 2011	804	68,334	69,138

The Group's intangibles comprise capitalised exploration and evaluation costs and royalty interests.

The exploration and evaluation costs comprise expenditure that is directly attributable to the Trefi and Panorama coal projects in British Columbia, Canada.

Royalty interests represent the net smelter royalties acquired on the Four Mile project in South Australia, the Salamanca uranium project in Spain, the Black Thor, Black Label and Big Daddy chromite projects in Northern Ontario, Canada and a number of tenements in the Athabasca Basin region of Canada, together with the gross revenue royalties covering the Amapá iron ore system in Brazil, the Isua iron ore project in Greenland and three exploration licences, including the Railway iron ore deposit, in the central Pilbara region of Western Australia.

The Amapá royalty interest is the only producing interest and therefore, subject to amortisation. Amortisation of the remaining interests will commence once they begin commercial production. No intangible assets have been pledged as security for liabilities.

7 Outstanding share data

As at August 13, 2012 there were 109,605,376 ordinary 2p shares outstanding. Anglo Pacific Group PLC has no other class of shares in issue. All shares have the same voting rights.

The Group operates two equity-settled share-based compensation plans as follows:

- The HMRC approved Company Share Ownership Plan (the "CSOP"); and
- The Joint Share Ownership Plan (the "JSOP") operated through the Anglo Pacific Group Employee Benefit Trust (see note 8).

There are currently 76,592 share options outstanding under the CSOP, with exercise prices ranging from £2.50 to £3.29.

8 Own shares held

Following approval at the 2010 Annual General Meeting the Group established the Anglo Pacific Group PLC Employee Benefit Trust (the "Trust") to be used as part of the remuneration arrangement for employees. The purpose of the Trust is to facilitate and encourage the ownership of shares by or for the benefit of employees by the acquisition and distribution of shares in the Group.

At June 30, 2012 the Trust held 925,933 (December 31, 2011: 925,933) ordinary 2p shares in Anglo Pacific Group PLC.

9 Related party transactions

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	For the three months ended		For the six months ended	
	June 30, 2012 £'000	June 30, 2011 £'000	June 30, 2012 £'000	June 30, 2011 £'000
Short-term employee benefits	200	240	380	430
Post-employment benefits	9	22	31	43
Share-based payment	30	37	55	62
	239	299	466	535

The Group entered into the following related party transactions during the period:

	For the three months ended		For the six months ended	
	June 30, 2012 £	June 30, 2011 £	June 30, 2012 £	June 30, 2011 £
Allenbridge Group PLC	-	2,489	-	2,489
JW Technologies	-	1,130	-	1,130
	-	3,619	-	3,619

10 Events occurring after period end

On August 13, 2012 the Group announced that in return for a facility of C$5 million, which is repayable in December 2015, Laramide Resources Ltd granted the Group an option to acquire a 5% gross revenue royalty over the ISL uranium properties in the Grants Mineral District of New Mexico, United States. The option has an exercise price of US$15 million.

11 Availability of financial statements

This statement will be sent to shareholders and will be available at the Group's registered office at 17 Hill Street, London, W1J 5LJ.

Independent review report to the members of Anglo Pacific Group Plc

Introduction
We have reviewed the condensed set of financial statements in the half-yearly financial report of Anglo Pacific Group Plc for the six months ended June 30, 2012 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and the related notes. We have read the other information contained in the half yearly financial report Management's Discussion and Analysis and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company's members, as a body, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company's members those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility
Our responsibility is to express a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended June 30, 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

GRANT THORNTON UK LLP
AUDITOR
LONDON
August 13, 2012