



## News Release

16th February 2010

### Anglo Pacific Group plc

#### **Initial NI43-101 and JORC compliant Coal Resource at Panorama Coal Project, Groundhog Coalfield, British Columbia, Canada**

Anglo Pacific Group PLC (“Anglo Pacific Group” or “the Company”) is pleased to announce an initial potentially open pittable coal resource estimate for the Discovery Section of the Panorama Coal project located in the Groundhog Coalfield northwest British Columbia, Canada.

- Initial NI43-101 & JORC compliant Indicated Coal Resource of 13.7 million tonnes, Inferred Coal Resource of 24.1 million tonnes and a NI43-101 compliant Speculative Resource of 70.2 million tonnes at the Discovery Section of the Panorama Coal Project.
- Historical studies indicate a low volatile anthracite to semi-anthracite coal which washes down to an ash of 10% and a calorific value of around 7,500Kcal/kg.

The coal resource estimate is based on drilling and exploration undertaken by a joint venture of National Coal Corporation Ltd., Placer Development Ltd., Quintana Minerals Corporation, B.C. Hydro and Power Authority, Imperial Metals Corporation, Groundhog Coal Ltd. and Gulf Canada Resources in the 1960’s and 1970’s and Gulf Canada in the 1980’s. In 1970, the joint venture drilled six diamond drill holes on the property, totalling 1,029.3m, and collected 31 coal samples. In 1981, Gulf Canada drilled six diamond drill holes on the property, totalling 1,016.84m and collected 11 samples.

The resource estimate was prepared by Moose Mountain Technical Services (MMTS), an independent consultancy based in Canada. The resource is reported in accordance with the Canadian National Instrument 43-101 and GSC Paper 8-21<sup>1</sup> (Table 1) and the Australian JORC code (Table 2). The NI43-101 compliant Speculative Resource category has no JORC equivalent.

Resource Category	Metric Tonnes
Indicated	13,700,000
Inferred	24,100,000
Speculative	70,200,000

The qualified persons, as such term is defined in NI 43-101, who prepared the mineral resource estimates disclosed in this release, are Mr. Robert J. Morris M.Sc. P.Geol. Principal of Moose Mountain Technical Services Ltd and Mr Robert F. Engler B.Sc. P.Geol. Principal of Robert F. Engler Consulting Ltd. Mr. Morris is a Member of the Association of Professional Engineers and Geoscientists of British Columbia and Mr. Engler is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Morris and Mr Engler have reviewed and approved the contents of this press release.

Resource Category	Metric Tonnes
Indicated	13,700,000
Inferred	24,100,000

The information in this announcement which relates to Exploration Results, Coal Resources or Coal Reserves is based on information compiled by independent consultants Mr Robert J. Morris M.Sc. P.Geol. and Mr Robert F. Engler B.Sc. P.Geol. Mr. Morris is Principal of Moose Mountain Technical Services of Canada and a Member the Association of Professional Engineers and Geoscientists of British Columbia. Mr Engler is Principal of Robert F. Engler Consulting Ltd. Of Canada and a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr Morris and Mr Engler have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr Morris and Mr Engler consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

The properties comprise 20 coal licences covering 9,099ha. Eight of the licences, covering 3,927ha are on the Discovery section, while thirteen licences, covering 5,172ha, are on the Panorama section approximately 10km to the southwest. The Company has also made applications for a further eleven licences covering an area of 11,125ha.

The Currier Formation of the Bowser Lake Group hosts the coal-bearing strata on both properties. On the Discovery section seven coal seams that have been modelled within a stratigraphic section approximately 150m thick. The property is characterized by geology that is moderate<sup>2</sup>, both with respect to stratigraphy and structure.

There has been very little work done on the Panorama section; Gulf Canada carried out exploration programs in 1980 and 1981 that involved reconnaissance mapping and trenching. They recognized nine coal seams on the property in a 240m thick stratigraphic section. The structural geology of the Panorama property appears to be more complex than that of the Discovery property. As no drilling has been done on this group of licences, no model has been made of it, nor resources estimated.

Coal resources on the Discovery section are of anthracite to semi-anthracite rank as confirmed by Reflectance (Ro) measurements of trench samples ranging from 2.35 to 5.55. Surface oxidation of these trench samples has artificially increased the Volatile Matter Content of the coal and reduced the Calorific Value. As such, the value of these samples is restricted to trending inset Ash and Sulphur content. The ash content of individual seams is variable ranging from 15.3% to 62.5%, and averaging 38%. The Sulphur content is low, averaging 0.40%. Records of un-oxidized coal samples are limited to three core holes completed on the Discovery Property in 1970. The results show that raw coal in the 38% ash range would have a Volatile Matter content of 5% and a Calorific Value of 5000 Kcal/kg on an Air Dry basis. Washability tests on two of these cores show it is possible to create a 10% ash clean coal product with a Calorific Value of 7500 Kcal/kg.

<sup>1</sup> "Assurance-of-existence categories are intended to reflect the level of certainty with which resource quantities are known. Intuitively, one knows that the greater the distance over which seam thickness data are extrapolated, the greater the possible error; hence, several resource classification schemes have used distance from nearest data point or distance between data points as the primary criteria for assurance-of-existence categorization. In

*moderate geology type deposits, it is proposed that assurance of existence be based on the availability of data points within the deposit. Four categories are used to define assurance-of-existence. In order of increasing uncertainty, these categories are: measured, indicated, inferred, and speculative. Measured resources have a high degree, indicated a moderate degree, and inferred resources a relatively low degree of geological assurance. Speculative resources are those based on extrapolation of few data points over large distances, and are confined to regions where extensive coal exploration has not yet taken place. Although the precise levels of uncertainty of these categories have not been calculated, geological experience with Canadian coal deposits suggests that measured resource quantities are known within about 10%, indicated within about 20%, and inferred within about 50%.” Adapted from: GSC Paper 88-21*

<sup>2</sup> *Moderate geology type refers to deposits characterized by homoclines or broad open folds with bedding inclinations of generally less than 30°. Faults may be present, but are relatively uncommon.*

For Anglo Pacific Group the development of its coal interests in British Columbia is an important component of its strategy to broaden and diversify its portfolio of royalties.

Anglo Pacific Group is a global natural resources royalties company. The strategy of the Company is to expand its mineral royalty interests in low-cost, long-life mining assets. The Company achieves this through both direct acquisition and investment in projects at the development and production stage. It is a continuing policy of the Company to pay a substantial proportion of these royalties to shareholders as dividends.

For more detail please see the attached full report

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