



# MPAC INDUSTRIES CORPORATION

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## NEWS RELEASE

June 20, 2007

SYMBOL: "MPN"

### PLANT EQUIPMENT TESTED & NEW PLANT SITE LOCATED

**June 20, 2007: Vancouver, British Columbia** – MPAC Industries Corporation (the "Company" or "MPAC") is pleased to announce that the final testing of the coal refining pilot plant equipment (the "Equipment") has been completed by the engineering staff from Turkey.

MPAC was able to source a good quantity of coal from the Tokat / Zile mine and additional tonnage from the Soma mine ("Soma") site which will be discussed more fully below. Both of these coals were tested through the Equipment in the past two-weeks. Additionally, a two-week delay was experienced within the government labs in Turkey due to the massive volume of tests being performed in those labs at this time.

Preliminary set-up and performance runs of the Equipment show the run of mine ("ROM") coal from both Tokat / Zile and Soma to be responding substantially in accordance with the laboratory testing that the Company had carried out in Canada on a variety of samples of Turkish coal (*see News Release dated March 5, 2007*).

The table below displays the various comparative parameters the Company has used to compare the ROM coal from both the Tokat / Zile mine and the more recent Soma mine, and further illustrates the results of the recent testing that was performed on these two different coals:

Measure	Discussion	Tokat/Zile	Soma
ROM <b>KCal</b> Dried in Air	Represents the range of initial heat content of coal and indicates potential sale price after cleaning	3,300	5,100
ROM <b>Ash &amp; Shale</b>	Represents the impurities that could be removed from the Dried in Air ROM coal – indicates potential for cleaning and subsequent KCal values	31.73%	27.13%

Measure	Discussion	Tokat/Zile	Soma
ROM Sulphur	This should be below 2.0% for clean-burning coal in Turkey, and must be below 2.0% to burn coal in environmentally sensitive areas including Ankara	3.33%	2.23%
ROM Moisture	Represents how "wet" the ROM coal is from the mine, and can partially explain lower KCal values if the Moisture is high	22.0%	19.0%
Stated Quantity <sup>(2)</sup>	Represents the stated quantity of coal on the license site and is used in the amortization calculations for the economic life of the mine	24 M tonnes	+40 M tonnes
Average Test Results: KCal <sup>(1)</sup>	Represents the responsiveness of the particular coal to the Canadian refining Technology	4,270	6,090
Average Test Results: % Change	Represents the percentage increase in KCal expressed as ((Refined KCal less ROM KCal) divided by ROM KCal)	+ 29.39%	+ 19.41%
Average Test Results: Ash & Shale <sup>(1)</sup>	Represents the expected percentage of ash & shale after refining	13.6%	14.01%
Average Test Results: % Change	Represents the percentage reduction in Ash & Shale expressed as ((Refined Ash & Shale less ROM Ash & Shale) divided by ROM Ash & Shale)	- 57.14%	- 48.36%
Average Test Results: Sulphur <sup>(1)</sup>	Represents the expected percentage of Sulphur after refining	.90%	.80%
Average Test Results: % Change	Represents the percentage reduction in Sulphur expressed as ((Refined Sulphur less ROM Sulphur) divided by ROM Sulphur)	- 72.97%	- 64.13%
Test Results: Moisture <sup>(1)</sup>	Represents the amount of inherent moisture remaining in the coal after refining	13.0%	11.0%
Test Results: % Change	Represents the percentage change expressed as ((refined Moisture less ROM Moisture) divided by ROM Moisture)	- 40.9%	- 42.1%

- (1) *The mathematical average of the five (5) samples taken during the test, delivered to the lab in a single-blind, numbered container of 1.25 kilograms per sample.*
- (2) *The mine owner's stated quantity of coal on the license site as determined by using the methods adopted by the MTA (The General Directorate of Mining Research & Exploration, Turkey).*

A limited number of technical parameters have been tested so far, and will continue to be tested, in order to determine the optimal Equipment throughput for the various input coals which will result in the maximum amount of ash and other impurities reporting to the tailings, while directing the maximum quantity of clean or refined coal (the "Coal") to the product stream at this testing stage of the Equipment. Notwithstanding this, the test results clearly indicate the ability of the Company's process to refine the Turkish coal samples substantially in line with MPAC's contemplated business plan.

As of today's date, the Company has processed approximately one-hundred (100) tonnes of run-of-mine ("ROM") coal from **Tokat / Zile** which has resulted in the production of approximately 73.5 tonnes of Coal. Ash and shale figures dropped by an average of fifty-seven percent (57.14%), sulphur dropped by an average of seventy-three percent (72.97%) and the calorific value increased by an average of twenty-nine percent (29.39%) across the five (5) samples taken during the testing.

Likewise, the Company has processed approximately forty (40) tonnes of run-of-mine ("ROM") coal from **Soma** which has resulted in the production of approximately 32.0 tonnes of Coal. Ash and shale figures dropped by an average of forty-eight percent (48.36%), sulphur dropped by an average of sixty-four percent (64.13%) and the calorific value increased by an average of nineteen percent (19.41%) across the five (5) samples taken during the testing.

As would be expected in any test of this nature, a number of performance issues were noted during the testing. These will be addressed prior to any significant production runs of the Equipment. Further fine-tuning and optimization of the Equipment will continue over the coming weeks and months to ensure the maximum production of Coal is achieved. The quality of the pre-production Coal and the efficiency of the pre-production circuit were closely monitored so as to plan for the upgrading of certain of the components of the plant before reaching full production capacity.

While the testing of the Equipment was delayed due to weather and other factors, MPAC did make good use of this time by revisiting and reconfiguring the production circuit – particularly the management of the flow of water and addressing the handling of the tailings. The first of several steel tanks designed for the production circuit were commissioned and incorporated into the Equipment circuit prior to the commencement of the testing.

Management is very pleased with the results of the recent testing, and is particularly impressed with the results of the Soma coal. It appears as though the

Soma coal will command an excellent price in the market and return to the coal mine owner a superior profit, which in turn results in a higher refining price being available to MPAC under its revised Memorandum of Understanding which is currently in its advanced stages of negotiation.

Although the Company's initial intention was to move directly from pilot testing of its equipment at the Tokat / Zile mine to commercial production, MPAC has been advised of a previously undisclosed environmental order against the Tokat / Zile mine, which currently limits activities at Tokat / Zile to testing and pilot processing only. It is anticipated that the resolution of the environmental matters at Tokat / Zile will not occur in the near future.

MPAC has commenced legal proceedings against the owner of the Tokat / Zile mine owner and will be seeking damages arising out of the owners' failure to disclose the environmental order.

The Company has removed its equipment from the Tokat / Zile site and is planning to move it to Soma, located near Izmir on the west coast of Turkey. The Company is currently in the advanced stages of finalizing a refining agreement with the owner of Soma with a view to establishing commercial production there.

During the fall and winter of 2006 a number of issues arose at the Tokat / Zile mine site. These included, but were not limited to, harsh weather conditions, temperature extremes, snow and rain, multiple lightening storms, difficulty with the road conditions, extreme mud and runoff, and high winds. It has become apparent that there are, and were, many unique challenges at this location. Consequently, the Company's management began looking for additional coal mine locations, with an eye towards diversifying locations within Turkey. Locations were being sought towards the west of Turkey to mitigate the effects of the extreme weather conditions being experienced in the central mountains.

The physical difficulties at the Tokat / Zile mine site were further exacerbated by the environmental order issued by the Ministry of the Environment of Turkey discussed above. Fortunately the Company did manage to complete the equipment testing prior to the enforcement of this order.

Given both the harsh environmental issues in Tokat / Zile and the fact that the mine owner does not actually hold the required permits to allow production mining at the Tokat / Zile site, Company management has made the decision to take advantage of these changes in circumstances and move the plant equipment to Soma. The advantages to moving to Soma immediately are believed to more than make up for the slight delay in commencing the ramp-up to production.

Several suitable locations were identified, however, an excellent location was found near the City of Izmir close to the coal-producing area of Soma in Western

Turkey. Soma (and the surrounding area) is the number-one coal producing area of Turkey. Advantages to the Soma location include:

- Located in the heart of the number-one coal producing area in Turkey;
- Very close proximity to twelve (12) major cement plants, and within easy rail access to the Port of Bandirma from which seven (7) of these cement plants transport their required coal;
- Costs to the coal mine owner for transportation of refined coal would be one-third to one-half of that experienced in areas east of Ankara because of the close proximity to the rail system;
- Experienced and available coal mining contractors are in excellent supply in the Soma area;
- The temperature does not drop below zero degrees Celsius – Western Turkey experiences a warm, temperate Mediterranean climate year-round;
- The ROM coal has a higher kilo-calorie (“KCal”) value (5,000+ KCal) compared to the lesser-quality coal from the central mountain areas of Turkey (3,300 KCal). This theoretically will allow the ROM coal to reach much higher KCal levels once refining has occurred. This higher KCal translates into a higher selling price for the mine owner – translating into a higher negotiated contract refining price to MPAC;
- The ash and shale percentages in the Soma coal are still within the optimal recovery curve for the Canadian Technology to remove them effectively; and
- The layout of the new coal production plant being designed for Soma will take advantage of the local topography of the new site in Soma, using the lessons learned in the Tokat / Zile pilot plant site.

It is the intention to the Company to have the finalized Soma coal refining agreement in place prior to the end of July, and the plan for the next three (3) months is to excavate and pour the foundations (concrete) at the Soma site, design the access roads, obtain the additional modified crusher (based on the testing), obtain a custom coal mixer (based on testing), design and procure the drying press for the clean coal, and have drawings completed for the clean coal load-out and truck terminal. It remains the Company’s intent to progress into full production in Soma during the fourth (4<sup>th</sup>) quarter of 2007.

With testing of the Company's equipment completed, it is anticipated that the commencement of commercial processing of coal at the Soma mine should begin in the third (3<sup>rd</sup>) quarter 2007, subject to the availability of the various factors of production that are necessary to bring this project to fruition.

*This news release contains forward-looking statements, which are based on MPAC Industries' current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. The forward-looking statements are not guarantees of future performances and undue reliance should not be placed on them. Actual results may differ materially as a result of any number of factors and uncertainties, many of which factors are beyond the Company's control. MPAC Industries Corporation undertakes no obligation to revise any forward-looking statements except as required by applicable securities laws.*

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**BY THE ORDER OF THE BOARD**

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Firoz Lakhani  
President & CEO

*The TSX Venture Exchange neither approved nor disapproved the contents of this news release. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.*