PLAYFAIR MINING LTD.

News Release

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- **Playfair Mining Announces Positive updated Preliminary Economic Assessment for its 100% owned Grey River Tungsten Deposit**

Playfair Mining Ltd. is pleased to announce that Golder Associates Ltd. has completed a NI 43-101 compliant Preliminary Economic Assessment (PEA) for **Playfair`s** 100% owned Grey River Tungsten deposit in Newfoundland.

The PEA indicates that Grey River is a potentially viable project that will return a positive net discounted cash flow. No technical fatal flaws have been identified at this level of study.

Don Moore, **Playfair's** Chairman and CEO comments that: "The PEA indicates that Grey River is an economic project as shown by its positive NPV. The relatively low pre-production capital cost of US$32 million provides a low capital barrier for **Playfair** to become one of the world's few tungsten producers outside China. I am also very excited that this PEA is based on only two of over 300 veins and veinlets that ASARCO mapped over 50 years ago. The remaining veins have seen little significant work to date and provide an excellent exploration opportunity."

The PEA was prepared under the supervision of David Sprott, P. Eng., Principal and Senior Mining Engineer with Golder Associates and Andrew Bamber, P. Eng., Partner/Principal Engineer with Minesense Technologies Ltd. both of whom are Independent Qualified Persons as defined under NI 43-101. The Mineral Inventory on which the PEA is based used CIM definitions and was prepared by Pierre Desautels, P. Geo., Principal Resource Geologist with Desautels Geoscience Ltd. an Independent Qualified person, as defined under NI 43-101.

The results from the updated mineral inventory indicate 1.2 million tonnes of Inferred mineralization grading 0.730% WO_3 containing 18.8 million pounds of tungsten trioxide or 853,000 metric tonne units (MTU). The updated resources are reported at vein width using a 0.20% WO_3 cut-off with all areas grading less than 0.2% WO_3 over a 1 m minimum mining width removed from the inventory. Copper is present in the deposit but has not been reported in the

mineral inventory, so it has been excluded from consideration in the PEA. The designated underground mining areas are confined to the Number 10 Vein.

The Grey River number 10 Vein deposit is generally narrow and steeply dipping with vein dip ranging from 70 to 80 degrees. A longitudinal blasthole open-stoping method using delayed backfill was selected as the preferred mining method. The proposed mining rate is 400 tonnes per day or 146,000 tonnes per year.

The proposed mine access strategy is by decline, using trackless equipment. Decline access is a modern and conventional approach that offers greater flexibility by simplifying the task of moving personnel and equipment around the mine. The Number 10 Vein can be readily accessed via a decline that also substantially improves access to other nearby veins for exploration.

Dilution and ore recovery factors were applied to the inferred mineral inventory and resulted in a total mining resource used for mine planning, design and cashflow analysis of 1,268,306 tonnes at a grade of 0.524% WO_3. This mining resource includes planned dilution of 65%, unplanned dilution of 15% and a 95% mining recovery. The cut-off grade of 0.35% WO_3 for the Grey River deposit was determined from key economic parameters including a tungsten price of US$16/lb WO_3, underground mining costs of US$80/tonne, and milling costs of US$11.50/tonne. General and Administrative costs and concentrate shipment costs were estimated to be US$15 and US$1 per tonne, respectively.

Using the base case economic parameters the pre-tax cashflow is estimated to be positive at US$15.5 million over a mine life of about 9 years, and increases to US$75.3 million at a tungsten price of US$21/lb. Current metal prices are close to US$20/lb.

A summary of the project parameters used in the PEA is given in the following table:

Parameter	Value
Underground Mining Resource	1,268,306 Tonnes
Mined Grade	0.524% WO_3
Mining and Milling Rate	400 tonnes per day 146,000 tonnes per year
Plant Recovery	85%
Total LOM Capital Costs	US$50 million
Pre-Production Capital Costs	US$32 million
Salvage	US$2.5 million
Total Operating Costs	US$107.50 per tonne

A comparison of the life of mine cashflows at a base case tungsten price of US$16/lb and also at US$21 /lb (near current spot price) is given below:

Parameter	US$16/lb WO3	US$21/lb WO3
Net Revenue Total Operating Costs	US$199.4 million US$136.3 million	US$259.2 million US$136.3 million
Net Cashflow	US$15.5 million	US$75.3 million
NPV @ 5%	US$2.9 million	US$46.8 million
IRR	7%	27%

Playfair cautions that the PEA is preliminary in nature. It is based on an inferred resource. Inferred resources are based on limited information, and grade continuity has been assumed, but not verified. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource that is the subject of the PEA will be converted into mineral reserve. No mineral reserves were estimated as part of the PEA.

The PEA will shortly be available at www.sedar.com .

About Tungsten

Tungsten is an extremely hard, heavy, steel-grey to white metal that is remarkable for its robust physical properties and vast uses and cannot be substituted in many industrial applications. Tungsten has the highest melting point of all metallic elements. Tungsten is a strategic metal and emerging economies such as India and China are consuming increasing amounts of tungsten. The current price of tungsten is approximately US $19.62 per pound.

Until 2005, China was the world's largest exporter of tungsten concentrate but rapid industrialization within China, structural economic changes, and changes in economic policies towards industry have resulted in the restriction of tungsten exports from China. China is now the world's largest consumer of tungsten. Escalating Chinese consumption, in conjunction with the ongoing demand in the world's principal economies along with the supply issues noted above, has resulted in increases in the price of tungsten by 70% over the last two years. Tungsten prices are quoted per Metric Tonne Unit of contained tungsten trioxide (WO_3). One MTU contains 10 kilograms of WO_3 and is the standard weight measure of the tungsten trade. Ammonium Paratungstate ("APT") is an intermediate product in the production of tungsten

metal for which prices are available. A price of US$432.50 per MTU equates to US $43.25 per kilogram or US $19.62 per pound.

Due to these Chinese export restrictions and the strong global demand for tungsten, the management of **Playfair** feels that the company is very well positioned with four high-grade deposits, all located within Canada.

Michael Moore, P. Geo., is the qualified person as defined by NI 43-101 who has reviewed the technical information contained in this news release on behalf of **Playfair**.

Visit our website at www.playfairmining.com for an internet link to the spot Tungsten price and for more information on **Playfair's** Tungsten properties.

ON BEHALF OF THE BOARD

"*D. Neil Briggs"*

D. Neil Briggs
Director

Forward-Looking Statements: This Playfair Mining Ltd News Release may contain certain "forward-looking" statements and information relating to Playfair which are based on the beliefs of Playfair management, as well as assumptions made by and information currently available to Playfair management. Such statements reflect the current risks, uncertainties and assumptions related to certain factors including, without limitations, exploration and development risks, expenditure and financing requirements, title matters, operating hazards, metal prices, political and economic factors, competitive factors, general economic conditions, relationships with vendors and strategic partners, governmental regulation and supervision, seasonality, technological change, industry practices, and one-time events. Should any one or more of these risks or uncertainties materialize or change, or should any underlying assumptions prove incorrect, actual results and forward-looking statements may vary materially from those described herein.