PLAYFAIR MINING LTD.

News Release

520-470 Granville St.
Vancouver, B.C.
Canada V6C 1V5

Tel: 604 687-7178
Fax: 604 687-7179
Toll Free: 888-244-6644

PLY: TSX-V

December 29, 2011
NR-2011-06

Playfair Increases Tungsten Resource at Grey River

- **new resource estimate results in 16% increase in contained tungsten**
- **deposit open for expansion**
- **expansion comes at a time of strong tungsten prices**

Playfair Mining ("**Playfair**") is pleased to announce the results of an updated independent mineral resource estimate on its 100% owned Grey River Tungsten Deposit located near the fishing village of Grey River, Newfoundland. This updated estimate was completed by Desautels Geoscience Ltd. ("DGL") and complies with National Instrument 43-101 ("NI 43-101") Standards of Disclosure for Mineral Projects.

Results from the updated resource estimate 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 resource.

	WO_3% Grade cut-off	**Tonnage (T)**	**WO_3 %**	**WO_3 lbs.**	**WO_3 MTU's**
Vein 10	>= 0.2	1,060,000	0.760	17,743,000	804,800
Vein 10a	>= 0.2	87,000	0.478	916,000	41,600
Vein 6	>= 0.2	22,000	0.320	155,000	7,000
Total		**1,169,000**	**0.730**	**18,815,000**	**853,400**

Notes:

(1) The mineral resources are classified as Inferred and comply with the CIM mineral resource definitions referenced in National Instrument 43-101.
(2) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
(3) The quantity and grade of reported inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these Inferred resources as an indicated or measured resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured resource category.
(4) The tonnages and grades quoted are undiluted at vein width excluding mineralization grading less than 0.2% WO_3 over a 1.0 minimum mining width.
(5) Rounding of tonnes as required by reporting guidelines may result in apparent differences between tonnes, grade and contained metal.

The increase has resulted from an extension of the No. 10 Vein on the property by further drilling as well as the inclusion of a newly modeled vein on the hanging wall of the main exploration target, the No. 10 Vein and an additional vein to the north which is interpreted as a fault displaced extension of the No. 10 Vein. Ninety-four

percent of the tonnage is contained within the main No. 10 Vein. All three veins are open for expansion and **Playfair** believes there is further room to enhance the already robust resource size through the expansion of these veins and through the exploration for additional structures.

This mineral resource estimate is an update of the 2007 Technical Report by Wardrop Engineering Ltd ("Wardrop") and contains additional data from the 2008 drill program, the addition of three historical ASARCO holes and a new high precision GPS survey by Yates and Woods. The resources show an overall increase of 16% in contained tungsten over the 2007 estimate of 852,000 tonnes at an average grade of 0.86% WO_3 containing 16.2 million pounds of tungsten trioxide. When comparing the No. 10 Vein only, the overall increase in metal amounted to 10% when using the resource figures excluding the material grading less than 0.2% WO_3 over a 1 m minimum mining. Since Wardrop reported the 2007 resource at vein grade with no exclusion, the new resource shows an 18% increase in metal for the No. 10 Vein using the same criteria as Wardrop. The table below illustrates the comparison.

	Current Resource			**Wardrop 2007**				
	Tonnes (mt)	**WO_3 %**	**WO_3 (million lbs)**	**Tonnes (mt)**	**WO_3 %**	**WO_3 (million lbs)**	**Metal Difference (mt)**	**% Metal Change**
Total Vein 10+10a+6 excluding mineralization less than 0.2% WO_3 over 1m min. mining width	1.17	0.730	18.8	0.85	0.860	16.2	2.7	16%
Vein 10 excluding mineralization less than 0.2% WO_3 over 1m min. mining width	1.06	0.760	17.7	0.85	0.860	16.2	1.6	10%
Vein 10 including all mineralization at vein width (same methodology as Wardrop)	1.18	0.730	19.0	0.85	0.860	16.2	2.9	18%

Based on this positive news, **Playfair** has retained Golder Associates Ltd. to complete an updated Preliminary Economic Assessment ("PEA") incorporating the increased size of the Tungsten Resource.

Playfair owns four high grade tungsten deposits in Canada of varying size. Grey River represents the most advanced stage deposit of the four and therefore is being advanced towards production. In addition to the retention of Golder to complete an updated PEA, **Playfair** has also engaged Stantec Consulting Limited to advance environmental and permitting work related to the Grey River property and SGS Minerals Services UK Ltd. to complete metallurgical testing to a pilot plant scale.

In addition to rapidly advancing the Grey River project on the ground, **Playfair** has also been active corporately and is in discussions with several end users of tungsten regarding production potential, financing opportunities and off-take agreements.

Data from various sample types were used to create a three dimensional block model for No. 10, No. 10a and No. 6 Veins at Grey River. The data included historic surface sampling, underground channel sampling and diamond

drilling by ASARCO, together with recent surface sampling and diamond drilling by **Playfair** in 2006 and 2008. A 3D wireframe model of the veins was constructed at vein width on sections and reconciled against the surface and underground mapping of the veins when appropriate. Single point, length-weighted composites were generated from the drill hole intersections with the veins. Underground channel samples were de-clustered using a polygonal approach. Assays were capped to 8.5% WO_3 prior to compositing or de-clustering. A density of 2.81 g/cc was determined for representative core samples collected by **Playfair** using industry standard methods. The interpolation was carried out in a multi-pass approach, with an increasing search dimension coupled with decreasing sample restrictions using an inverse distance squared method. Resource classification for the models was based primarily on the pass number followed by an adjustment based on the data density and the distance to the closest sample used in the interpolation. All Indicated resources in the model were downgraded to Inferred until such a time as confirmation assays on the historical underground channel samples collected by Asarco become available.

A cut-off grade of 0.2% WO_3 was chosen based on the cut-off grades for North American Tungsten's Cantung Mine in Western Canada. The following table shows the resource tabulation at various cut-off grades. Resources are reported at vein width, which average 1.2 m. All areas in the model grading less than 0.2 % WO_3 over a 1 m minimum mining width were removed from the resource as they are considered unlikely to be economically viable.

INFERRED MINERAL RESOURCES

	WO_3% Grade cut-off	**Tonnage**	**WO_3 Grade**	**Contained WO_3**	**WO_3 MTU's**
		(Tonnes)	%	(Pounds)	(Metric tonne units) **
Veins 10, 10a , 6	**>= 1.0**	192,000	1.532	6,470,000	293,500
	>= 0.6	627,000	0.999	13,808,000	626,300
	>= 0.2	1,169,000	0.743	18,815,000	853,400

Notes:

(1) The mineral resources are classified as Inferred, and comply with the CIM mineral resource definitions referenced in National Instrument 43-101.
(2) Mineral resources that are not mineral reserves do not have demonstrated economic viability.
(3) The quantity and grade of reported Inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these Inferred resources as an indicated or measured resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured resource category.
(4) The tonnages and grades quoted are undiluted at vein width excluding mineralization grading less than 0.2% WO_3 over a 1.0 minimum mining width.
(5) Rounding of tonnes as required by reporting guidelines may result in apparent differences between tonnes, grade and contained metal.

Mr. Pierre Desautels, P.Geo, of Desautels Geoscience Ltd. is the Qualified Person as defined by NI 43-101 responsible for the Mineral Resource Estimate. The material in this news release has been reviewed and approved by Mr. Desautels and by Mr. Michael Moore, P.Geo, Director of Playfair, also a Qualified Person as defined by NI 43-101.

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 $19.85 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$437.50 per MTU equates to US $43.75 per Kilogram or US $19.85 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.

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. N. Briggs"

D. Neil Briggs, Director

Mr. Pierre Desautels, P.Geo, of Desautels Geoscience Ltd. is the Qualified Person as defined by NI 43-101 responsible for the Mineral Resource Estimate. 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 the Company.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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. Information concerning mineral resource estimates also may be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined. 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.