

Playfair turns sights on four tungsten mines as tags rise

NEW YORK – Playfair Mining Ltd. is again looking to get its four tungsten deposits in Canada off the ground amid significant price improvements and anticipation of a looming shortage of the metal.

The Canadian junior miner, hit hard by the economic crisis and sluggish tungsten prices, said a pricing rebound has boosted the value of Playfair's tungsten projects in Canada's Newfoundland and Labrador province and in the Yukon and Northwest Territories.

Ammonium paratungstate is currently trading in Europe at around \$335 to \$340 per metric tonne unit (mtu), up some 35 percent from around \$250 per mtu in September.

"The price of tungsten has just started ratcheting up," Donald Moore, Playfair's president and chief executive officer, told *AMM*.

Playfair bought the four sites about four years ago based on a research report predicting a tungsten shortage. The sites had been abandoned by such luminaries as Union Carbide Corp. and Hudbay Minerals Inc. when the tungsten price tanked in the late 1970s.

But Playfair estimated a higher growth rate than the report suggested and questioned the assumption that China would continue to make material available.

"When we started this we expected that China would eventually tighten the market up," Moore said.

While these two predictions have since come true, he said the company was "about three years ahead of the market" in predicting a strong run-up in tungsten.

The miner was ready to develop the deposits just before the global economy collapsed in 2008, Moore said.

The Vancouver, British Columbia-based company's Risby deposit, in the Ross River area of the Yukon Territory, has resources of about 4 million mtus of tungsten. The mines were bought from prospectors, a process Moore said was sometimes difficult.

"The one prospector had collected all these mines over a period of 15 years," he said. "It was like trying to buy his children from him."

The company's projects are all in the pre-feasibility stage. Since the economic crisis, Playfair has focused on developing a copper-silver deposit to generate cash flow.

Thorsten Schier

tschier@amm.com

For more information on a subscription to *AMM*
call 877-638-2856 or visit www.amm.com