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GWEN PRESTON

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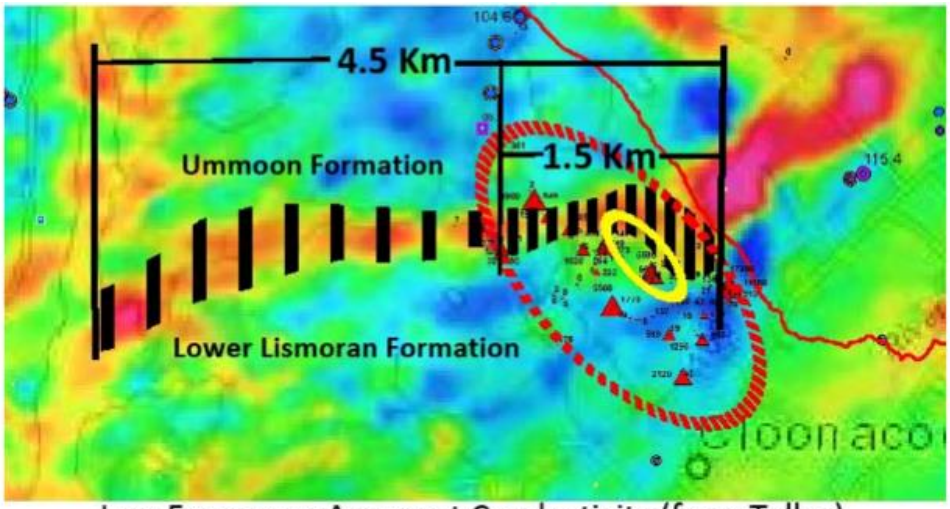
Maven Updates: Playfair Mining (TSXV: PLY)

*The first nine drill holes into **Playfair Mining's** Ox Mountain project in Ireland all returned gold, which is a good start for a brand new target generated from a regional geologic theory plus four years of prospecting. The goal is to find another Curraghinalt, the high-grade deposit in Northern Ireland where Dalradian has enjoyed so much success, and while these first holes did not hit right into the heart of such a zone they returned gold in the right structures – and there is lots of target left to test.*

If you're not familiar with Playfair Mining and the Ox Mountain project, read the background information that follows this update. If you know about Playfair, below are my comments on their first round of drill results.

The nine holes all tested the Cloonacool prospect. The drill program was designed based on:

1. The geophysical conductor that aligned with the boundary between the Ummoon Formation and the Lower Lismoran Formation.
2. The presence of gold-bearing float on the eastern side of the conductor target.
3. The ability to access drill stations, which was complicated by soft, soggy ground that farmers did not want disturbed.



Low Frequency Apparent Conductivity (from Tellus)

Gold-Bearing Float

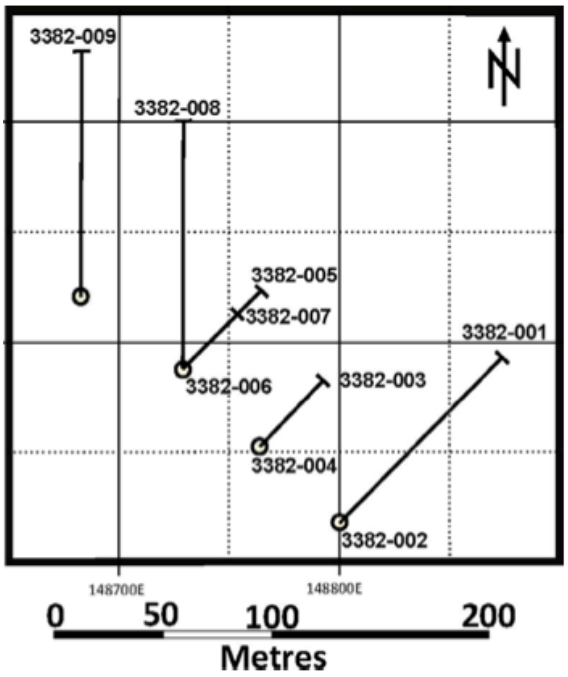
2016 Drilling

There are a few points to make.

First, the conductor is much larger than the area tested. In that sense, a lot of target remains.

Second, they drilled that part of the conductor because that's where they found gold-bearing float, but the area of float occurrences was defined by where the team prospected. It's not that there was a lack of gold-bearing float outside of the red circle; it's that the team only covered so much ground.

The team used four drill pads to complete nine holes. Holes 1 and 2 were stacked – they pointed the same way, with hole 2 undercutting hole 1. Same for holes 3 and 4. Holes 5, 6, and 7 were all stacked. The need for three holes on the third pad arose because the deep hole (hole 6) collared in Lismoran Formation and stayed in it, missing the target – the transition to the Ummoon Formation – because of where the pad had to be set up. So they drilled hole 7 in between holes 5 and 6, creating a vertical fan.



Hole Number	From (m)	To (m)	Core Length (m)	Gold (gpt)
3382-001	18.00	18.85	0.85	2.920
3382-002	24.00	24.30	0.30	1.580
3382-003	8.00	9.50	1.50	1.641
3382-004	18.50	18.90	0.40	7.320
	30.30	31.00	0.70	1.385
3382-005	65.40	66.00	0.60	1.075
	66.80	67.00	0.20	1.260
3382-006	14.70	14.95	0.25	1.835
	22.15	22.80	0.65	1.220
3382-007	62.20	63.75	1.55	1.085
Including	63.20	63.75	0.55	3.460
	89.35	90.20	0.85	2.140
3382-008	9.90	11.40	1.50	2.837
Including	9.90	10.90	1.00	3.530
	39.85	40.30	0.45	1.865
	50.45	51.80	1.35	1.554
Including	50.45	50.80	0.35	4.690
3382-009	7.80	8.25	0.45	3.260
	14.10	14.45	0.35	2.100
	15.40	16.00	0.60	1.835

Those holes all pointed northeast. Holes 8 and 9 shifted to point north, as it became clear that the Ummoon-Lismoran transition turned west than northwest and so needed a northerly attack.

All holes returned gold, which is a good start. A few carried what I would call high grades, including 7.3 g/t gold over 0.4 metres and 4.7 g/t gold over 0.35 metres.

Moreover, greater lengths of core are now being assayed. The geologists selected sections for assay based on visual inspection and were surprised at some of the results, both from sections they were sure would run that didn't and from sections that figured were barren than weren't. As such they are sending more core for assay – some of the parts they had thought

were barren but now think might carry gold.

Another interesting point is that the gold seems coarse. Assays were completed on half cores. In a few instances Playfair, curious about the result, split the remaining half core and sent a quarter for check assay. Several of these checks returned significantly higher, and in one case lower, grades, which suggests the gold was in a bleb. That is a good sign of the potential for high-grade gold.

I remain interested, for sure. One of the many challenges of early-stage exploration is that investors intrinsically want an instant success, even when they know that rarely happens. No, this first drill program at Cloonacool did not 'discover' a gold deposit. It did return gold, from the expected kind of setting and in the expected place and some of it of pretty good grade, and the target remains wide open for further work.

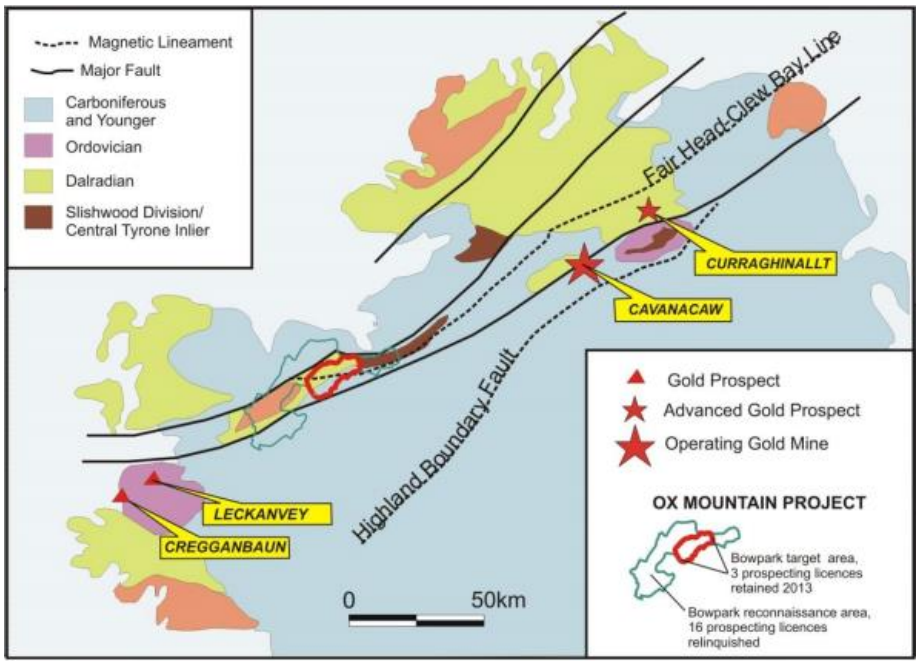
Next the drill will test the Cabragh target, but that work will not get underway for a few weeks.

This is an exploration speculation. If you have room in your speculative portfolio, I think it is very cheap at current levels given the odds that Playfair will hit into something that the market will appreciate in the coming months.

The Background

Ireland, North Ireland, and Scotland have been largely overlooked as gold districts in the modern era, despite a history of alluvial gold operations. Then Dalradian Resources found the Curraghinalt deposit.

Curraghinalt is hosted in a package of meta-sedimentary rocks called the Dalradian (green on the map). Younger carboniferous rocks (blue) cover the Dalradian to the east, south, and southwest, but about 100 km southwest of Curraghinalt a window in the younger layer exposes the meta-sed package. Importantly, this window sits right along the same the Fair Head Clew Bay Line that fed Curraghinalt as well as several other gold occurrences to the southwest and northeast.



Geologists Andy Bowden and Richard Parker started prospecting in that window (red circle) of exposed Dalradian rocks based entirely on the regional concept that it offered the right combination of Dalradian rocks and major structures. In addition, the area is crossed with splay structures off

the major fault, which is exactly what exists at Curraghinalt.

And the area had basically never been explored.

Through their private company Bowpark Exploration, Bowden and Parker started with a big land package that covered off most of the exposure of Dalradian rocks. That was in 2010. Over two years they prospected those 16 licenses. Bowden and Parker walked through farmers fields looking for builders, inspected the stone walls that separate fields, and assessed exposed rock in streams (there is almost no bedrock exposure). They sought signs of another Curraghinalt.

By 2012 they relinquished 13 of them for lack of interest. But three they kept. The three licenses are contiguous and cover almost 140 sq. km. They sit on the southern flank of the Ox Mountains.

Ox Mountain in Ireland. Map on the right shows the approximate project area, up against the Ox Mountains.

Curraghinalt is home to over 4 million oz. gold at an average grade near 10 g/t. The gold sits in about 16 veins tracked along about 2 km. The veins are within a splay structure that comes off the major fault. There is little outcrop and limited geophysical response (quartz veins with sulphides and gold produce a bit of mag and IP response but not a lot, especially when covered), so the best indicator that there's a deposit at depth is finding angular blocks of mineralization, or upthrust chunks that haven't moved very far.

Guess what Bowden and Parker found at Ox Mountain? Angular float carrying gold, in two target areas.

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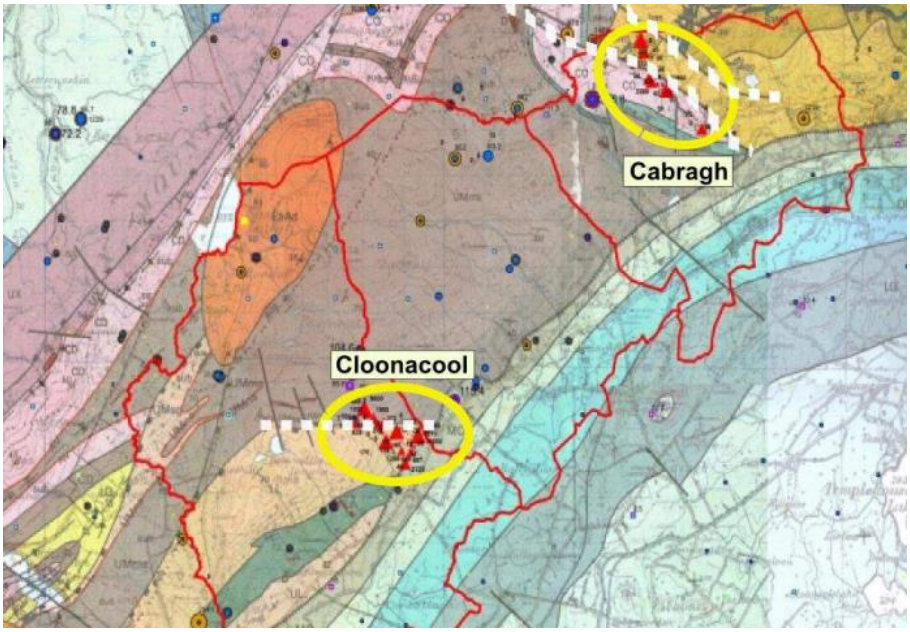
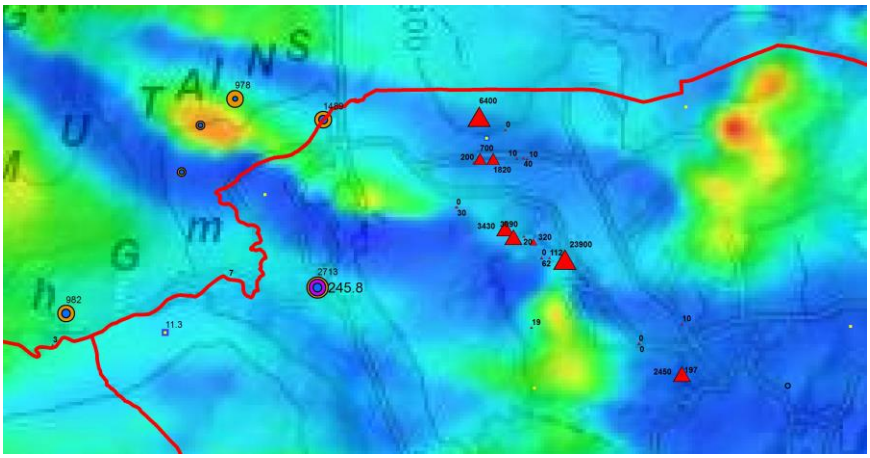


The red lines on the map outline the three licenses that make up the Ox Mountain project. Red triangles highlight gold occurrences and white dashed lines show the splay structures crossing each target area.

In their 2012 prospecting, at Cloonacool the team identified three boulders with the grey, pyrite-carrying quartz they were hoping to find. Chip samples graded 9.8 g/t gold, 0.55 g/t gold, and 0.35 g/t gold. At Cabragh three float samples graded 3.43 g/t gold, 3.09 g/t gold, and 2.45 g/t gold.

It was enough to keep the team interested and to attract the attention of Playfair Mining, which in late 2013 inked a deal to get 100% of Ox Mountain. The first 90% gets transferred once Playfair has spent $2.28 million on exploration and delivered 1.8 million PLY shares to Bowden and Parker. Playfair can acquire the remaining 10% for $1 million in cash or shares and the granting of a NSR royalty.

With the deal done, Bowden and Parker returned to Ox Mountain in 2014. At Cloonocool they trenched three bedrock gold occurrences, the best of which returned 5.6 g/t gold over 0.5 metres. Prospecting returned another two dozen gold-bearing float samples spread along an area 1.5 km long running parallel to the regional splay structure, the best of which graded 17.2 g/t gold. At Cabragh, sampling outlined a large gold-in-soil anomaly and by expanding the prospecting area the team found more float samples, with better grades: 6.4 g/t gold and 23.9 g/t gold.



There is also geophysical support for the concepts. Government data show structures right where Bowden and Parker's work says they should be.

The Cabragh magnetics map, with sampling results overlain. Important points:

1. The linear mag lows (blue) track the splay structures that could

host gold, confirming they do exist where expected.
2. The float samples sit on or north of the structures. That makes sense, in that the receding ice cap moved north-northeast in this area.

The Cloonacool mag map looks very similar.

The story is one of grassroots exploration in an underexplored region. The targets have provided good reason for optimism, from samples to geophysics to initial drilling.

Playfair has just 51 million shares outstanding. And there are no warrants. Given that PLY raised $785,000 at $0.05 in Julyand $500,000 at $0.10 in November, the lack of warrants is notable. CEO Don Moore is adamant on this point. He knows he would have had an easier time raising the cash if he'd offered a warrant, but his experience dealing with the selling pressure that warrants create meant he preferred to battle for the raise rather than deal with warrants.

Finally, I should comment on the jurisdiction. Ireland is a great place to explore. The Fraser Institute ranked Ireland #1 out of 122 jurisdictions worldwide in terms of overall mining policy attractiveness in 2014 and 2015. While gold exploration is a newer game, Ireland is home to significant zinc and lead mines. And local government is actively supportive of exploration and mining.
