

Adex proceeds to pilot plant testing of process options for Mount Pleasant North Zone

Adex Mining Inc. continues to move forward with confirmation of the process development options for the North Zone of its Mount Pleasant Mine Property located in southwestern New Brunswick, Canada.

The property consists of two zones, both part of the same geological system. The tungsten-molybdenum deposits of the Fire Tower Zone (FTZ) were mined by Billiton between 1983 and 1985 and they invested some C\$150 million in the development, which operated for only 18 months. However, the majority of the infrastructure is intact with a full suite of buildings and tailings pond with permit.

Although these workings are currently still flooded they contain one million tonnes of broken ore ready to raise to the surface. These workings are only 1,000 metres from the North Zone (NZ), which is Adex Mining's first target for development.

The NZ is interconnected to the FTZ by previous development work with a decline running from the FTZ to the bottom of the tin-indium-zinc bearing NZ.

Earlier development work in April 2009 updated the resource estimates for the NZ from 3 million tonnes to 17 million tonnes and the subsequent scoping study conceptualizes an 850 tonne/day operation over 10 years targeting the 'hot spots' within the deposit.

Speaking to **TIN World**, Adex President and CEO, Errol Farr explained that two potential NZ production options resulted from its preliminary assessment report (PA): the production of tin concentrate, indium sponge and zinc metal, and the production of tin concentrate and zinc-indium concentrate. Errol Farr anticipates that tin concentrate would be shipped out for toll smelting (Mount Pleasant is well-situated only one hour from the deep-water Port of Saint John) while there is also a significant zinc metal market nearby.

Adex already has set aside C\$3 million for the testing programme in 2010 and the company has engaged SGS Lakefield to perform bench scale performance and locked cycle testing for its tin concentrate and zinc-indium concentrate production option and has secured a spot with SGS for commencement in April of pilot plant operations.

Adex has also engaged Thibault & Associates Inc. of New Brunswick for pilot testing and continuing development of a comprehensive flowsheet of its hydrometallurgical process for the production of zinc metal and indium sponge metal.



Rack of core samples at Mount Pleasant

Results from pilot plant test work, expected by mid-summer 2010, will, if positive, lead directly to a definitive feasibility study (DFS), which will initially run concurrently with the final stages of the pilot plant programs. Positive results from the DFS as well as government regulatory approvals and project financing are expected to lead to a production decision before the end of 2010.

Pending the developments referred to above, Adex expects to be positioned to construct an access decline and begin engineering and procurement of processing equipment by early 2011. Concentrator production is targeted for late 2011.

The PA, which is available at www.sedar.com, indicated pre-tax internal rates of return (IRR) for the tin concentrate, indium sponge and zinc metal production option and the tin concentrate and zinc-indium concentrate production option of 28.87% and 23.49%, respectively. The PA also indicated an after-tax IRR of 22.55% for the tin concentrate, indium sponge and zinc metal production option, and an after-tax IRR of 18% for the tin concentrate and zinc-indium concentrate production option.

Although it is the NZ that Adex is currently concentrating its development efforts, they also see development of the FTZ will follow, with all income streams making an important contribution. Significant

amounts of copper and bismuth have also been found in this geological system and although the company has had no economic evaluation as of yet, Adex may also consider copper and bismuth as an added value product in the future.



Adex's tailings dam