

Continuing rise in tin price jump-starts Adex Mining's stock

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As the price of tin climbs, so does Adex Mining Inc.'s (TSX.V:ADE) stock.

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Adex has seen its market capitalization grow to \$43.8 million as the metal price soars.

Tin, which closed Tuesday at \$US31,400 a tonne, is up some 28 per cent since the beginning of the year, Adex president and CEO Errol Farr noted in an interview Tuesday.

"Tin is the best-performing metal in 2011 so far," Farr said.

The Toronto-based junior miner - which hopes to start building a mine at the Mount Pleasant Mine property in Charlotte County this year - has seen its share price quadruple from a 52-week low in early July of eight cents to close at 32 cents on the TSX Venture Exchange Tuesday, after the company's latest news.

Adex reported Tuesday morning "exciting new exploration results" from its 2010 drilling program, in a release.

One drill hole in an unexplored part of the North Zone of the property intersected a new sub-zone that showed high grades of tin, zinc, indium and copper.



Photo: Submitted

Errol Farr

Though the purpose of drilling was to move "inferred" resources into the "indicated" category - which means the minerals can be mined - the discovery of the sub-zone could have potential.

"The significance of that will be determined in the future," Farr said.

Investors rewarded Adex by pushing the value of shares up four cents Tuesday - or 14.29 per cent; 1,403,287 shares traded hands.

The exciting trading day for the junior miner is part of a gradual uptick for the firm on the TSX Venture Exchange that started when Adex announced last October it had secured \$4.8 million from a Hong Kong investor to move the project forward.

The deal could mean more than \$65 million in the end for Adex, though, because Great Harvest has the right to buy more shares at \$0.18 per unit within 30 days of Adex receiving a Mount Pleasant feasibility study by the end of May.

Great Harvest must also deliver a \$50-million loan within 120 days of the feasibility study and will get an incentive to buy another 60 million shares.

Adex's current stock price, which has more than doubled in the last couple weeks, likely has a lot to do with the high value of tin.

"One of the triggers that adds to the excitement is commodity excitement," Farr said, adding that he believes the investing public has "woken up" to the fact that the Mount Pleasant property Adex owns is a "great" story.

"It's got metals that are very unique to the world marketplace."

Adex acquired the Mount Pleasant property, halfway between Fredericton and St. George, in 1995.

The firm wants extract tin, indium and zinc from the North Zone of the site, which a study in January 2010 revealed has 10.88 million tonnes of tin-indium-zinc based on sample analysis and geologic projections and another 7.6 million tonnes of the resources from projections.

The value of those resources was pegged at some \$2.5 billion based on market prices at the time.

The entire property has one of the world's largest proven deposits of indium - used in displays for

devices including TVs, iPads, iPods and Blackberries - as well as among North America's biggest deposits of tin and what the company calls "promising" tungsten-molybdenum mineralization.

Reopening and working the mine would cost some \$200 million and sustain up to 500 jobs over 20 years, the company has said.

David Lentz, the economic geology chairman at the University of New Brunswick, said the price of tin is less likely to slide like tungsten prices did in the early 1980s, which forced the closure of the Mount Pleasant Mine for its previous owner, BHP Billiton Ltd. (NYSE:BHP) - the only company to mine the property.

At the time, the market was flooded with tungsten by Chinese producers and the metal price was affected by other factors Lentz said are unlikely to reoccur with tin.

Lentz said the new sub-zone discovered through drilling was a bonus for Adex, since exploration is risky and costly.

"Relatively speaking, this deposit has still quite a bit of exploration potential," Lentz said.

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