

10 July 2017

**ASX Release: PGM**

## **Platina delivers positive Pre-Feasibility Study (PFS) for the Owendale scandium and cobalt project**

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### **Highlights**

Robust **scandium-cobalt-nickel** project economics identified

Average annual production target of **42 tonnes of scandium oxide** after 2 year ramp up

A long mine life with **21 years** of initially high grade (610 ppm Sc) and a further 23 years of stockpile feed at moderate (500ppm Sc) grade

**Off-site processing location identified**, simplifying power, water and housing supply requirements

Platina Resources Limited (ASX: PGM) is pleased to announce results of a PFS completed over the Company's 100% owned Owendale Scandium, Cobalt, Nickel project ("Owendale Project") in central New South Wales.

Conclusions of the study are positive and recommend that Platina proceed to further testwork, study and engineering development to further progress the Owendale Project.

The PFS was completed by Brisbane-based Prudentia Process Consulting Pty Ltd (Prudentia) and is summarised in Table 1.

### **Study Parameters and Cautionary Statements**

Note the PFS results rely on Mineral Resources that currently have a high proportion of Inferred classification. Whilst there are sufficient Measured and Indicated Mineral Resources to complete the production schedule during the 3 to 4 years payback period, there is a reliance on Inferred Mineral Resources for the extended schedule. Inferred Mineral Resources by definition have a low level of geological confidence, which might not necessarily convert with further drilling to Measured Mineral resource status. Accordingly, the production target for the extended schedule might not be able to be achieved.

The PFS focusses on a development option which has been selected as the most likely mining start up location at this stage. The PFS has targeted a single area of the Owendale Project where it is considered that reasonable grounds exist for the production target to be achieved in both the grade and size which has been reported. This PFS development option is also well supported by the larger Owendale Mineral Resource where there are additional Measured and Indicated Mineral Resources which have not been used in the study. In addition, very positive results have been received from the recent 2017 drilling programme in the PFS development area (ASX announcements May 29 and June 15, 19 and 26).

Additional cautionary statements are also provided towards the end of this announcement.

Table 1. Owendale Project summary financial highlights

Owendale Project Key Project Parameters	PFS Result
Capital Cost Estimate	\$94 million
Average Plant Feed Grade - first 21yrs	610 ppm Sc
Process Throughput	50,000 dtpa
Scandium Oxide Production	42 tpa
Scandium Oxide (Scandia) Product Grade	99.9%
Annual Average Cash Operating Cost	\$23 million
Unit Cash Cost	\$532/kg Oxide
Unit Cash Cost post Ni/Co credits	\$462/kg Oxide
Scandium Oxide Price Assumption	\$1,500/kg
Annual Revenue	\$58 million
Annual Pre-Tax Cashflow	\$35 million
Pre-Tax NPV <sup>10%</sup> (Net Present Value)	\$180 million
Pre-Tax IRR (Internal Rate of Return)	27%
Payback Period	3 to 4 years

*All dollar figures in USD and all weight references in dry metric tonnes*

**Platina Resources Managing Director Rob Mosig said: “It is pleasing to deliver this PFS for our Owendale Project, which is one of the world’s highest grade and largest tonnage laterite-hosted scandium deposits. It now provides the Company with the requisite credibility to seriously continue negotiations on potential off-take and cooperation opportunities.”**

**“The PFS has demonstrated that financial returns on the project make it a positive development opportunity with a relatively short payback and strong underlying profitability. This PFS has demonstrated the high grade and long mine life from just one specific area of the Owendale Project”**

**“We will now consider what improvements and flexibility might be secured both in respect of Capex, Opex and in timing for optimal development.”**

**“We will also investigate ways to vary the amount of scandium oxide production to smaller amounts in the earlier years of mining and increasing our production as the market develops.”**

**“Our 2017 drilling at Owendale has defined some of the thickest and highest grade scandium intersections to date, confirming a robust, near-surface, high-grade scandium Mineral Resource with exceptional high-grade results of cobalt and platinum, for which there is strong market demand.”**

## Overview

The PFS and report were completed by Prudentia with inputs from Platina and a number of specialist consultants employed for environmental, mining, geotechnical, tailings, metallurgy, mechanical engineering, laboratory analysis and financial modelling.

The financial analysis and overall economics of the Owendale Project have been completed with an overall accuracy expected to be -15% to +25%. All cost information supplied in Australian Dollars (AUD), and converted to USD at a conversion rate of USD 0.75 = AUD 1.00.

A relatively low amount of 50,000 dry tonnes per annum (dtpa) of ore will be mined, with a Mineral Resource sufficient for a project life of 21 years at a feed grade of 610 ppm scandium (Sc) and a further 23 years of processing at 500 ppm Sc. The PFS is based on just a portion of the Owendale North deposit. The long mine life and additional Mineral Resources not

included in the PFS offer both a long term mining proposition and scope to expand annual production as the global scandium market develops.

The PFS has considered several off-site processing locations in towns nearby to the Owendale Project. All these locations remain confidential at this stage, however, all of the processing locations offer existing infrastructure which resolve water, power and housing supply requirements not immediately available at the Owendale site.

The mill facility will size, heat and feed the ore into a continuous High Pressure Acid Leaching (“HPAL”) autoclave into which sulphuric acid will be injected to promote leaching. Downstream process circuits will then recover scandium from the autoclave leachate, using solvent extraction (SX), scandium purification, and calcination, to generate a finished scandium oxide product, grading 99.9% (min) Sc<sub>2</sub>O<sub>3</sub>. Nickel and cobalt are also recovered as mixed sulphide precipitate (MSP).

The development and commissioning schedule includes a two year construction period. For the purposes of the PFS, it was assumed that the project would commence in late 2018, with initial commissioning expected in late 2020. This two year ramp-up period has been adopted to achieve nameplate capacity of 50,000 dtpa ore throughput and approximately 42 tonnes of scandium oxide product per year.

The mine plan generates slightly different tonnages and grades by year, with most of the annual capacities, cost and revenue figures in this PFS presented as 20 year averages. Key operating parameters are presented in Table 2.

*Table 2 Key operating parameters*

Owendale Project Key Operating Parameters	PFS Result
<b><u>General</u></b>	
Life of Mine Production (years)	44
Average Mill Head Grade (ppm Sc) – first 21 years	610
Average Mill Head Grade (ppm Sc) – 22-44 years	500
<b><u>Production Parameters</u></b>	
Average Process Plant Throughput (dtpa)	50,000
Initial Production Year	2020
Ramp-up Rate (months to nameplate)	24
Mill Availability (%)	87%
Overall Scandium Recovery to Product	90.3%
Scandium Oxide Production (tonnes per year)	42
Scandium Oxide Product Grade	99.9%
<b><u>Cash Modelling Parameters Capex in Discount Year</u></b>	
Production in Discount Year	2021
Initial Discount Year	2018
Sustaining Capital	Yes
Contingency (USD millions)	12
Price or Cost Escalation	None
USD/AUD Exchange Rate	0.75

## Location

The Owendale Project ore deposit is located about 80 km northwest of Parkes and 350 km west of Sydney, approximately half way between the small communities of Tullamore and Fifield, in central New South Wales. It is considered to be one of the world’s highest grade and largest tonnage laterite-hosted scandium deposits, and Platina has the potential to

become Australia’s first scandium producer with cobalt and nickel credits. The mine site can be accessed from Parkes, a major town with a population of about 16,000 people, via the Henry Parkes and Bogan Ways, a road distance of close to 110 km.

**Mineral Resource**

The PFS confirms positive economics based on only a portion of the Mineral Resource at the Owendale North deposit at Loomvale (Figure 1). A 550 ppm scandium cut-off was refined to enable a 20-year mine schedule to be developed for only the Loomvale area within a pit design (Figure 2).

The in-pit Mineral Resource is dominated by Inferred classification with the PFS schedule focused initially on Measured and Indicated classification areas. Results from the recent 2017 drilling program have demonstrated similar or better thickness and grade of scandium at Loomvale over a wider area than currently assessed.

The total Owendale Project Mineral Resource at a 300 ppm Scandium cut-off is outlined in Table 3 (refer ASX announcement dated 14 Feb 2017). The higher grade subset used for the high grade PFS initial 21 year schedule at Loomvale is shown in Table 4. Stockpiled moderate grade material outlined in Table 5 is sufficient to more than double the mine life.

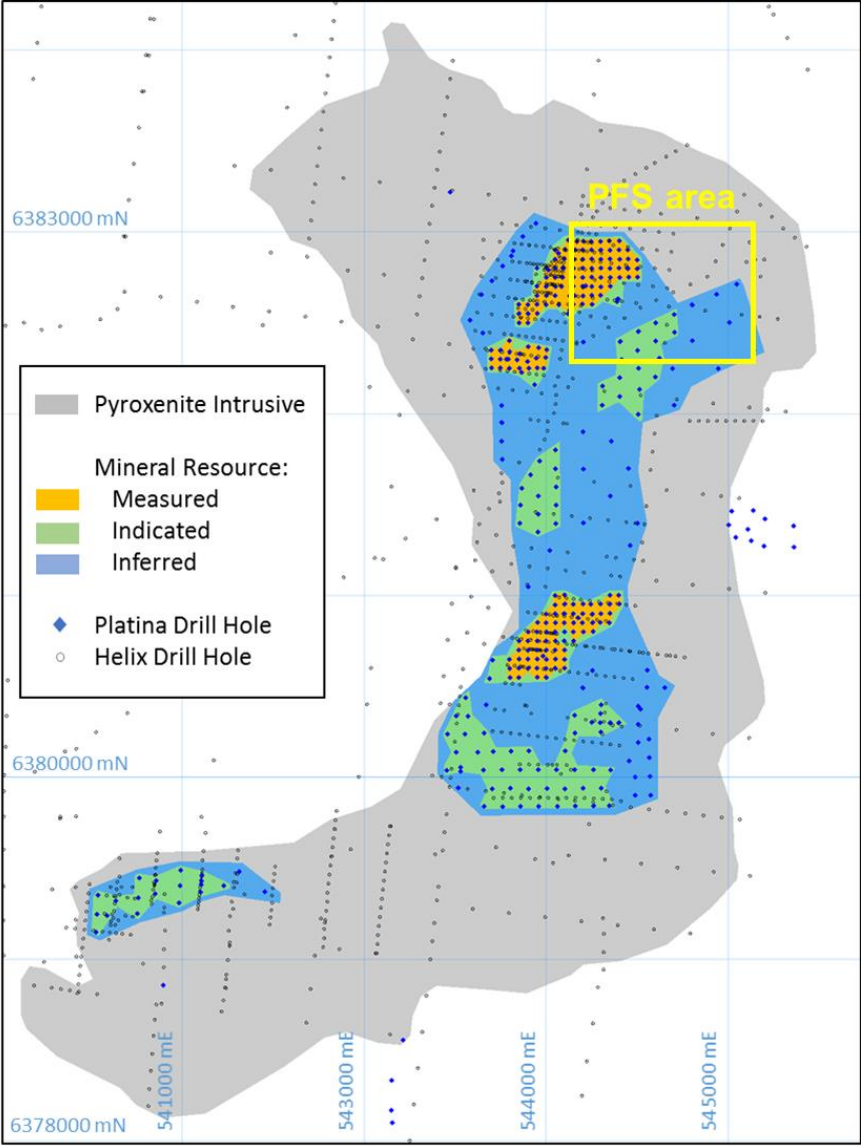


Figure 1. Owendale project Mineral Resource and PFS area

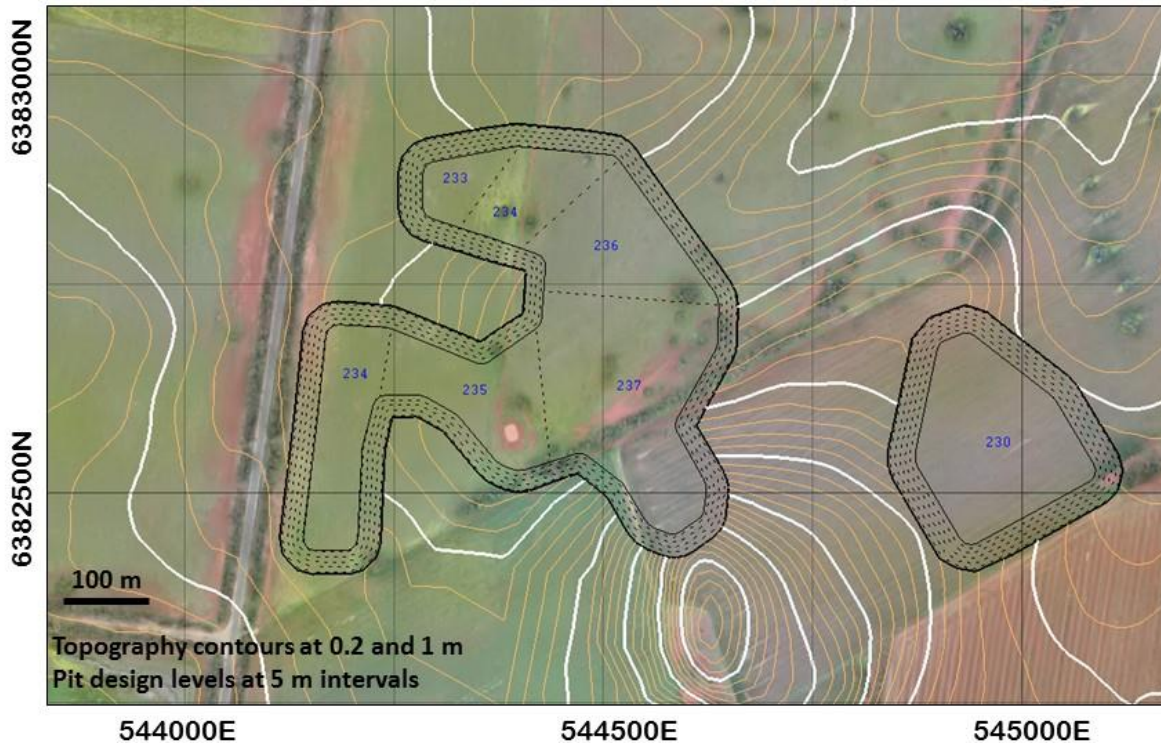


Figure 2. Loomvale open pit designs

Table 3. Owendale Project Mineral Resource estimate at a 300 ppm Sc cut-off

Mineral Resource Classification	Tonnes (Mt dry)	Grades				In-situ Metal Content ~			
		Sc (ppm)	Pt (g/t)	Ni (%)	Co (%)	Sc <sub>2</sub> O <sub>3</sub> * (t)	Pt (koz)	Ni (t)	Co (t)
Measured	4.4	405	0.53	0.13	0.07	2 700	74	5 600	3 100
Indicated	6.5	380	0.33	0.11	0.06	3 700	69	7 200	4 100
Inferred	17.1	385	0.28	0.12	0.06	10 000	153	21 100	10 300
<b>Total</b>	<b>27.9</b>	<b>385</b>	<b>0.33</b>	<b>0.12</b>	<b>0.06</b>	<b>16 500</b>	<b>296</b>	<b>33 900</b>	<b>17 500</b>

Table 4. PFS Mineral Resource subset at a 550 ppm Sc cut-off at Loomvale pits

Mineral Resource Classification	Tonnes (Mt dry)	Grades				In-situ Metal Content ~			
		Sc (ppm)	Pt (g/t)	Ni (%)	Co (%)	Sc <sub>2</sub> O <sub>3</sub> * (t)	Pt (koz)	Ni (t)	Co (t)
Measured	0.18	615	0.56	0.15	0.15	170	3.2	260	260
Indicated	0.14	625	0.55	0.21	0.14	130	2.4	280	190
Inferred	0.82	610	0.28	0.19	0.11	770	7.5	1 560	900
<b>Total</b>	<b>1.14</b>	<b>610</b>	<b>0.36</b>	<b>0.18</b>	<b>0.12</b>	<b>1 060</b>	<b>13.0</b>	<b>2 100</b>	<b>1 350</b>

Table 5. PFS Mineral Resource subset between 450 to 550 ppm Sc cut-offs at Loomvale pits

Mineral Resource Classification	Tonnes (Mt dry)	Grades				In-situ Metal Content ~			
		Sc (ppm)	Pt (g/t)	Ni (%)	Co (%)	Sc <sub>2</sub> O <sub>3</sub> * (t)	Pt (koz)	Ni (t)	Co (t)
Measured	0.29	500	0.57	0.12	0.09	220	5.3	350	250
Indicated	0.13	495	0.48	0.18	0.09	100	2.0	230	110
Inferred	0.90	500	0.23	0.17	0.08	680	6.8	1 500	730
<b>Total</b>	<b>1.31</b>	<b>500</b>	<b>0.33</b>	<b>0.16</b>	<b>0.08</b>	<b>1 000</b>	<b>14.0</b>	<b>2 080</b>	<b>1 090</b>

## Mining

Mining activity is planned on a relatively small scale, based on the size of the overall operation. The resource is surface mineable, employing open cut mining techniques. Mining personnel will be employed on a continuous basis for the mining earthworks and will be responsible for the provision of excavation including grade management, pit and ramp formation and haul road and dump management. All in-pit material has been identified as free dig material, and no drilling and blasting is planned or required. Ore will be mined in advance and stockpiled for blending and road transport to the process facility off-site. Back haulage of the tailings by road will be deposited in in-pit cells developed in mined out areas. When completed, tailings cells will be capped and pits backfilled to allow continuous rehabilitation.

In order to create sufficient tailings cell areas and mining faces, temporary out-of-pit waste dumps will be developed next to the pits to allow for rehabilitation. Mineralised waste will be used for capping to allow for future reclamation. Medium grade material will be stored in long term stockpiles until eventually processed and rehabilitated as tailings in the final pit voids. Sufficient waste in long term stockpiles is retained to undertake the final rehabilitation and landforming.

The Mineral Resources outlined in Tables 3 and 4 are in-situ and within two pit designs at Loomvale and form the basis of the PFS schedule where suitable mining factors have been applied to define the production target Table 6. These mining factors include both dilution incurred during estimation and an ore loss of 10% assumed to maintain the selective mining approach

*Table 6. PFS Production Target and Schedule*

Sc Cut-off	Year	Tonnes kt (includes ore loss)				Pt ppb	Sc ppm	Ni %	Co %	Proportion Inferred
		Measured	Indicated	Inferred	Total					
550	1	0	24	1	25	150	610	0.18	0.11	5%
	2	13	19	6	38	280	625	0.17	0.10	16%
	3	41	7	2	50	375	635	0.13	0.13	4%
	4	43	4	2	50	655	595	0.13	0.13	5%
	5	16	25	9	50	660	595	0.18	0.15	18%
	6	0	0	50	50	760	620	0.23	0.13	100%
	7	13	28	9	50	770	640	0.21	0.16	18%
	8	3	6	41	50	450	590	0.18	0.11	82%
	9	19	10	21	50	475	630	0.16	0.16	41%
	10	14	0	36	50	245	570	0.24	0.15	73%
	11 to 21	0	0	571	571	234	612	0.19	0.10	100%
Sub total		162	124	748	1034	355	610	0.18	0.12	72%
450	22 to 44	272	131	908	1312	330	500	0.16	0.08	69%

## Metallurgy

The PFS is based on bench scale leaching testwork for nickel, cobalt and scandium completed at SGS laboratories in Perth in 2012 and 2015 for the previous scoping studies and in 2016/17 for the current PFS program. All of the previous tests displayed positive leaching characteristics with the latest round of testwork focussed on optimising the conditions for leaching recovery.

In 2017 solvent exchange (SX) bench scale testwork was completed by a preferred technology supplier. The key advantages of the selected technology are that no pre-neutralisation of the leach solution is required, avoiding the scandium losses reported in the scoping study testwork, and removing the need for hydrochloric acid stripping. Using HPAL leachate, SX testwork achieved >98% scandium recovery and was used to design a provisional SX circuit for the PFS, comprising 4 stages of extraction, 1 scrub stage, and 3 stages of stripping, employing 15% w/w extractant in the organic phase.

Based on the bench scale testwork the PFS has assumed a 94% scandium leach extraction. Approximately 1.4% of the extracted scandium is lost to tailings in the leach residue filtration circuit. Based on preliminary testwork 98% recovery was assumed in the scandium SX circuit. Small losses in the scandium refinery circuit result in an overall scandium recovery to product of 90.3%.

Nickel and cobalt leach extractions of between 96% and 98% have been achieved in the testwork, however a conservative figure of 95% extraction was used in modelling. Approximately 2% of the extracted nickel and cobalt are lost to tailings in the leach residue filtration circuit. Based on identical circuits in commercial plants, a further 0.7% of both elements are lost with the partial neutralisation precipitates and entrained solution. Using known residual solubilities in sulphide precipitation of 25 mg/L for nickel and 5 mg/L for cobalt, the recoveries from solution into MSP are 88.6% for nickel and 91.8% for cobalt. Overall recoveries to product are 83.1% for nickel and 85.7% for cobalt.

Results for platinum extraction and recovery are variable and testwork is ongoing to optimise the recovery of platinum into either the leachate or the leach residue. Hence recovery of platinum was not considered for the PFS but is still considered to have future potential.

As part of ongoing work in June 2017 a 100 litre sample of leach solution was generated at SGS and shipped to the SX technology provider. The continuous mini-rig was operated for 24 hours per day over 5 days, employing 4 stages of extraction, a single scrub stage, and 3 stages of stripping. The mini-rig achieved on average 97.5% scandium extraction. This is similar to that assumed in the PFS and has no material impact on the PFS assumptions. Refining testwork is currently in progress.

## Process Plant

The process flowsheet can be summarised by the following sequential circuits:

- Recovery of ore from mined stockpiles using a front end loader.
- Crushing the ore to ~20 mm.
- Grinding the ore using a closed circuit ball mill to a P80 of 75 µm.
- Thickening of ground ore.
- High Pressure Acid Leaching (HPAL) of ore through a continuous 2-stage preheat, autoclave, and 2-stage pressure letdown circuit.
- Thickening and filtration to remove entrained scandium from the barren leach residue and produce pregnant leach liquor (PLS).
- Solvent extraction of scandium bearing pregnant leach solution (PLS) to produce a Loaded Strip Liquor (LSL) and scandium barren liquor (raffinate).
- Precipitation and filtration of scandium from the LSL.
- Purification and calcination of the scandium solids, and drumming of the final scandium oxide product.
- Partial neutralisation of the raffinate from the solvent extraction circuit, followed by thickening and filtration to produce a partially neutralised liquor.

- Sulphide precipitation of nickel and cobalt from partially neutralised liquor followed by thickening and filtration to produce Mixed Sulphide Precipitate (MSP) and barren solution.
- Neutralisation of barren solution and barren leach solids to produce neutralised slurry.
- Thickening and filtration of the neutralised slurry to produce tailings for transport back to the mine.

A model of the processing plant and schematic process flow diagram depicting the unit operations incorporated in the selected process flowsheet are presented in Figure 3 and Figure 4.



*Figure 3. Owendale processing plant preliminary model*



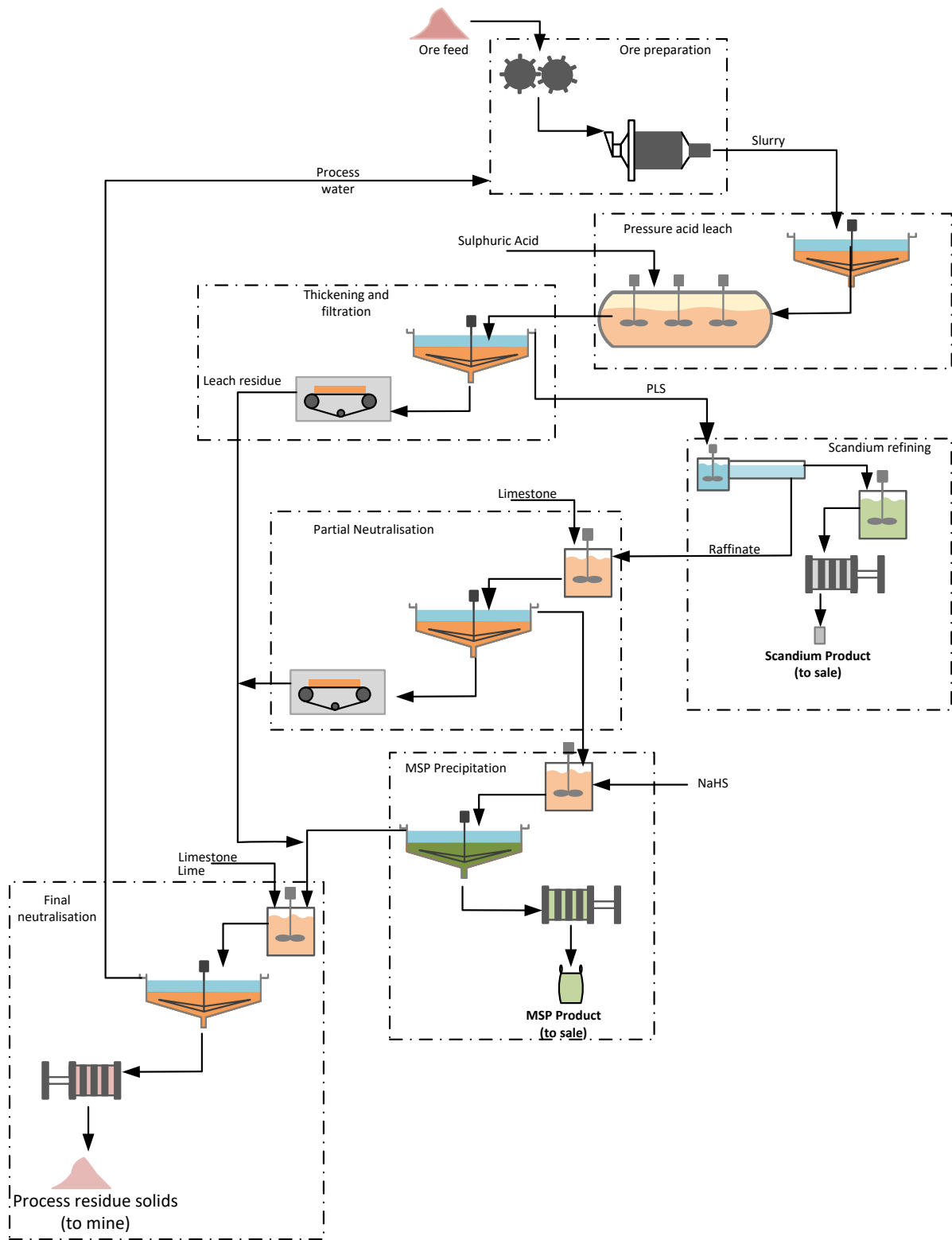


Figure 4. Simplified Owendale flowsheet

## Environmental

Environmental baseline studies have been initiated at Owendale in preparation for the commencement of an environmental and social impact assessment (ESIA) and mining lease application. No significant issues at Owendale have been identified.

Residue disposal is positively impacted by limited local ground water and suitable in-pit clay construction materials. The tailings in-pit disposal and continuous site rehabilitation plan are integrated into the mining process and costs, and incorporate a best practice approach that should allow permitting and approvals.

The PFS has identified a preferred off-site processing location where environmental assessments have recently begun.

## Marketing

Whilst laterites (and derivatives) have long been known to contain economic concentrations of Nickel, Cobalt, Iron Ore, Aluminium and Manganese, it has only been in recent years that a series of unique northerly trending scandium-enriched laterites in central Eastern Australia have been examined for potential production.

Limited information is available concerning the commercial production of scandium oxide from lateritic ores and no significant historical scandium oxide production from laterite has been carried out. Accordingly, there is no available “track record” to confirm the continuity and purity of scandium supply from a lateritic ore and minimal evaluations have been completed on the accompanying trace elements and mineralogical impurities.

The scandium market is small, has little transparency and is rarely traded openly. As such market availability and scandium price represents the greatest project risk.

The full marketing report confirms welcome optimism that demand for Owendale scandium oxide can be expected to increase significantly after a few years of consistent supply of competitively priced product has been achieved and major users have become comfortable with the quality from this new style of scandium ore.

Although Russia probably commenced the first commercial production of scandium oxide and aluminium-scandium alloys (Al-Sc alloys) in the 1960s, more recent developments have been in China. In addition, China along with Russia are both current major powerhouses in the production and invention of various new Al-Sc alloys. Prices for scandium oxide have fallen significantly in China since 2013, whilst production of scandium oxide from waste associated with the titanium pigment industry has increased. It is possible that 2018 will see a small oversupply of scandium oxide should the Taganito scandium development by Sumitomo Metal Mining (SMM) proceed to plan, however, there appears no reason to slow down the development of a small, consistent supply of high purity scandium oxide from the Owendale Project.

In order to break in to the existing commercial market place, a competitive price for scandium oxide will be required, possibly around the USD 1,500 range. The Owendale Project possesses the highest grades of scandium found so far in a laterite which should enable a competitive scandium oxide price to be achieved.

Nickel and cobalt markets are mature and prices are derived from current LME prices with standard payability factors for the sale of the metals within MSP. The payability factors account for additional refining costs by a third party.

Both nickel and cobalt have relatively minor economic impact on value of the PFS and in respect are not material to the results.

The base case metal prices used for the PFS include:

- USD 1,500 /kg Scandia (Sc<sub>2</sub>O<sub>3</sub>)
- Sale price for nickel contained in MSP of USD 4/lb at 75% payable
- Sale price for cobalt contained in MSP of USD 25/lb at 80% payable

## Capital Costs

The capital cost estimate is USD 94M and is summarised in Table 7.

Mining costs are based on an owner operator basis and worked up from first principles. Most of the initial costs for mobile equipment can be offset by use of contractors or lease-purchase.

The capital cost estimate is a factored estimate based on mechanical equipment costs. The majority of mechanical equipment pricing was based on budgetary quotations provided by vendors (63%). 11% was estimated using internal estimating procedures based on plate steel pricing, 11% from the Prudentia in-house database, 9% allowances, 3% from the internet and 1% factored.

Contingency is based on 20% of the direct costs.

*Table 7. Capital cost summary*

Owendale Project Capital Cost Summary	Initial Project Capital Cost (USD million)
<b>Direct Costs:</b>	<b>59.9</b>
Mining Capital	5.6
Process Plant	37.7
Reagents & Utilities	11.2
Plant Services & General	5.4
<b>Indirects:</b>	<b>22.0</b>
EPCM	6.6
Construction Management	3.6
Construction, Spares & First Fill	5.5
Commissioning	2.1
Owners Costs	4.2
<b>Contingency</b>	<b>12.1</b>
<b>Total Project Capital Cost</b>	<b>94.0</b>

## Operating Costs

Operating costs were estimated annually, based on the quantity of mill feed delivered by the mining plant to the processing plant. The ramp-up provides for 50% of nameplate throughput in production year 1 and 75% of nameplate throughput in production year 2. The annual operating costs at year 3 (full ramp-up) are presented in Table 8.

Mining costs were based on estimated quantities, labour and mobile machine operating costs.

Plant operating costs were segregated into fixed and variable components based on reagents, utilities, labour, maintenance and administration costs. Reagent and utility consumptions were determined from a detailed METSIM<sup>®</sup> model of the process based on testwork and database information for identical processing steps. Unit pricing for utilities and major consumables were obtained from suppliers.

Table 8. Operating cost summary

OPEX Mine/Process Expense	Cost		
	Year 3 (USD million/y)	USD / processed tonne dry ore	USD / kg of Scandia (Sc <sub>2</sub> O <sub>3</sub> )
<b>Variable Costs</b>			
Mining & Tailings Costs	5.7	113	135
Reagents and Consumables	8.1	162	193
<b>Total Variable Costs</b>	<b>13.8</b>	<b>274</b>	<b>325</b>
<b>Fixed Costs</b>			
Labour	5.9	118	140
General Expenses	0.9	17	20
Maintenance Materials	1.3	26	31
Contractor Services	0.7	14	17
<b>Total Fixed Costs</b>	<b>8.8</b>	<b>175</b>	<b>207</b>
<b>Annual Operating Cost</b>	<b>22.5</b>	<b>449</b>	<b>532</b>

## Sensitivities

A number of sensitivities were assessed. The robustness of the project was demonstrated by high rates of return persisting through all individual case scenarios. The positive results are supported by the USD 532 /kg scandia operating cost which is well below the assumed price of USD 1,500 /kg and current prices around USD 2,000 /kg.

The most significant risk for the project is the demand for scandia in the global marketplace.

The PFS is based on a preferred off-site processing location. Commercial negotiation for this site is in progress and at this stage are considered a formality. A number of other potential sites with similar characteristics have been identified as alternatives with similar operational costs.

## Financing

The Owendale Project has an estimated pre-production project capital requirement of USD 94 million. The Company will be required to raise capital to construct the Owendale Project.

Due to the small size of the current global scandium market, it is unlikely that a bankable project financing option would be available. The project development will therefore be contingent on finance derived from scandium oxide off-take agreements, cooperation partners involved in scandium alloy production businesses, shareholders and third party investors helping to off-set the marketing risk against the otherwise robust project economics.

The Company has formed a view that there are reasonable grounds to assume that a combination of debt and equity will likely be successfully raised and be sufficient to cover the estimated capital and working capital costs.

The Company has a simple ownership structure and clean capital structure which is expected to be attractive to potential equity investors and to provide flexibility for potential debt funding structures. The Company recently successfully completed an AUD 7M capital raising which was well supported (refer to ASX announcement of 9 March 2017).

## **ASX Chapter 5 Compliance and PFS Cautionary Statement**

The information and production target presented in this announcement is based on a PFS and is based on moderate accuracy level technical and economic assessments. The PFS is a lower confidence than a Feasibility Study and the Mineral Resource estimate that is the basis of the PFS is not sufficiently defined to allow conversion to an Ore Reserve or to provide sufficient assurance of economic development at this stage. The PFS includes a financial analysis based on reasonable assumptions on the modifying factors. The financial analysis in the PFS is conceptual and should not be used as a guide for investment.

The PFS has been conducted to determine the potential viability, and optimum pathway to production, of an open pit mining operation and hydrometallurgical route for the Owendale Project.

The Company has concluded that it has a reasonable basis for providing the forward-looking statements and forecast financial information included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions, including the JORC modifying factors, upon which the forecast financial information is based are disclosed in this announcement. This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules.

The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.

The PFS has allowed the advancement of all JORC modifying factors with progressive mining studies, metallurgical, processing and engineering studies. Geotechnical and tailings studies are at initial stages and are more conceptual for the PFS. Environmental baseline studies have commenced, in preparation for an Environmental and Social Impact Assessment (ESIA). Mining Lease application and environmental permitting are yet to be commenced but no major impediments are currently anticipated.

The Owendale Project is at the PFS phase and although reasonable care has been taken to ensure that the facts are accurate and/or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments of projects and the scandium market development may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. A key conclusion of the PFS, which is based on forward looking statements, is that the Owendale Project is considered to have positive economic potential.

The Mineral Resource used for the PFS was classified under JORC 2012 Guidelines and announced by Platina on 14 Feb 2017. The cut-off grades adapted for the PFS and reported in Tables 3 and 4 are the basis of the production target assumed for the PFS. This includes a high reliance on lower confidence Inferred Mineral Resource (72%) for the extended schedule; however there are sufficient Measured and Indicated Mineral Resources at the commencement of the schedule and for the first 5 years of operation. This covers short pay-back period of 3 to 4 years. There are also considerable Measured and Indicated Mineral Resource available in other areas at Owendale and at other economic lower grade cut-off to provide reasonable confidence that the production target can be achieved.

Recent drilling has been completed and is currently being assessed for inclusion in a new Mineral Resource Estimate. This will remove the current reliance on Inferred Mineral Resources for the extended project schedule. Though not yet assessed or included in the PFS, the drilling results are interpreted as positive and are likely to improve the mining ore to waste ratio and mining costs assumed for the PFS as well as expand the available areas for development.

The Company believes it has a reasonable basis to expect to be able to fund and further develop the Owendale Project. However, there is no certainty that the Company can raise funding when required.

## **FORWARD LOOKING STATEMENTS AND REASONABLE BASIS**

This release contains “forward-looking information” that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the pre-feasibility and feasibility studies, the Company’s business strategy, plan, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral resources, results of exploration and relations expenses.

Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of scandium and other metals; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accident, labor disputes and other risks of the mining industry; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to or revise any forward-looking statements whether as a result of new information, estimates, or options, future events or results or otherwise, unless required to do so by law.

Statements regarding plans with respect to the Company’s mineral properties may contain forward-looking statements in relation to future matters that can be only made where the Company has a reasonable basis for making those statements.

### **Competent Person statement (Mineral Resources)**

The information in this announcement that relates to Mineral Resources is based on information announced on 14 Feb 2017 and compiled by Mr John Horton, Principal Geologist, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a full time employee of ResEval Pty Ltd. Mr Horton has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 edition of the ‘Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves’. This includes over 20 years of experience in Nickel Laterite deposits and over 8 years of experience with Scandium resource estimation. Interpretation on the new information completed since the Mineral Resource estimate and 14 Feb 2017 announcement are included in the cautionary statement. Mr. Horton is a consultant to Platina Resources Limited and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

## Competent Persons Statement (Production Target)

Information in this announcement relating to the Owendale PFS and Production Target is based on technical data compiled by Mr Boyd Willis, an Independent Consultant trading as Boyd Willis Hydromet Consulting. Mr Willis is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Willis has sufficient experience which is relevant to metal recovery from the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking to qualify as a Competent Persons under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. This includes over 20 years of experience in metal recovery from Laterite ore and over 7 years of experience with Scandium hydrometallurgy. Mr Willis consents to the inclusion of the technical data in the form and context in which it appears.

Yours faithfully,

Robert W. Mosig  
Managing Director

Electronic copies and more information are available on the Company website:  
[www.platinaresources.com.au](http://www.platinaresources.com.au)

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