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## ASX Release: PGM

# December 2016 Quarterly Activities Report

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Platina Resources Limited (ASX: PGM) is pleased to report its activities for the December 2016 quarter on the Company's 100%-owned Owendale scandium, cobalt, platinum and nickel project in Australia.

### Highlights

- **Feasibility studies concentrated on process selection and metallurgy**
- **Three scandium process options under investigation**
- **Environmental activities progressing on schedule**
- **Re-assaying of historical drilling samples currently in progress expected to potentially increase the current scandium and cobalt resource**
- **Negotiations worldwide on scandium oxide off-take and master alloy production continue**
- **Positive results from activities during current quarter expected to result in extra contractual and in-house technical staffing, fast-tracking the ongoing Owendale Feasibility Study**

### Summary

Platina Resources Limited ("Platina" or the "Company") continued components of its Feasibility Study on the Owendale scandium, cobalt, platinum and nickel project in central New South Wales during the quarter.

## Owendale Overview

Platina's Owendale Scandium Project continues to demonstrate its potential to become Australia's dominant producer of scandium after confirmation of a number of favourable characteristics of the project including its shallow depth allowing open pit mining, exceptionally high scandium grades and appreciable Platinum, Cobalt and Nickel credits. The Owendale Project remains one of the world's highest grade scandium deposits, and has potential to be Australia's first scandium producer with platinum, cobalt and nickel credits.

Owendale is located only 7km north east of Clean TeQ Energy's Syerston Scandium Project, which is the most analogous project given its similar size and grade.



**Figure 1: Owendale Project Location**

## Owendale Environmental Study

Environmental studies for the Owendale Feasibility Study continued during the quarter. Baseline studies included the completion of initial water monitoring, ecological surveys and a drone aerial photography survey.

Platina expects a full Environmental Impact Statement and a Mining Lease Application for Owendale to be completed by December 2017.

## Owendale Feasibility Study

Investigations into alternative processing options continued during the quarter. Three key options have been the focus of activities: HPAL (base case), Modified HPAL and Nitric Acid Leaching. The latter two options offer high potential for producing an additional high value product which would provide a boost to the project economics and potentially facilitate project funding independently of securing a scandium oxide offtake agreement.

In order to support a preliminary evaluation, these three process options have been modelled in METSIM® based on a combination of known and assumed process design criteria. As testwork progresses the results will be updated into the METSIM® models. The METSIM® outcomes can then be used to support the planning of ongoing testwork activities.

The nitric acid leaching route recovers iron as a high grade hematite by-product as well as the potential to recover the additional high value product. Additionally more than 90% of the acid consumed is regenerated for recycle to the leach process, reducing costs and overland transport logistics. Three nitric acid leach tests were conducted by Direct Nickel/CSIRO on a single interval sample from a single core. These tests were inconclusive and additional nitric acid tests have since been commenced at Core Resources using a composite ore sample. Results are not available at the time of reporting.

Scoping tests for Modified HPAL were commenced during the quarter at SGS laboratories in Perth using a composite ore sample. The variations to the operating conditions are expected to facilitate higher recovery of the additional high value product, without impacting on scandium recovery. Initial results indicate that the modified leaching conditions have achieved this objective. Planned further testing will establish the optimum leach conditions.

A separate testwork program has been commenced with Core Resources in Brisbane to re-evaluate atmospheric leaching. This program is examining hydrochloric, sulphuric and nitric acid leaching on the very high grade component of scandium resource.

The key objective of this program is to investigate whether an option for a low cost first stage project exists, which has satisfactory economics and that could be rapidly expanded to meet any demand growth from potential customers.

At the conclusion of the leaching testwork programs, leach solution samples will be generated for bench scale solvent extraction testwork to confirm the recovery of scandium and to evaluate the recovery of the additional high value product.

Additionally, upon the conclusion of this testwork program and the studies by Core Resources, Platina should be in possession of sufficient information to select a process flowsheet to rapidly conduct and complete a pre-feasibility study and continuous integrated piloting. Preliminary expressions of interest have been invited from selected engineering companies for the execution of the pre-feasibility study.

The various testwork programs planned for completion during the next quarter of operations, combined with the overall positive preliminary results being achieved by the Company on processing will necessitate the requirement for additional technical staff to help complete the Feasibility Study in a timely manner. Further staff appointments are expected during the next two quarters.

During the quarter, discussions and potential negotiations continued into the possible forward sale of scandium oxide from Owendale to interested parties worldwide. Additionally, discussions have commenced with interested groups focussed on the production and sale of scandium/aluminium master alloy. In general, the company acknowledges that interest and demand in scandium throughout the world is increasing.

## Owendale Cobalt Mineral Resource

As reported in the September 2016 quarter, Platina announced an additional Mineral Resource reporting focusing on cobalt details for the Owendale project after reviewing the project in light of growing global demand for cobalt for industrial purposes as part of the Feasibility Study that is underway.

The project has a JORC Measured, Indicated and Inferred Mineral Resource reported at a new 0.1% Co cut-off with a total of 8.6Mt at 330 parts per million (ppm) scandium and 0.15% cobalt (refer ASX: PGM announcement dated 21 Sep 2016).

## Owendale Exploration

A limited number of historical RAB sample pulps of interest were located during the quarter and a total of 86 samples were submitted for reanalysis and results expected shortly.

During the last two quarters Platina has submitted 358 samples of previous Platina drilling for scandium and cobalt content and to complete multi - element analyses for the Feasibility Study. Another 399 reanalyses are also currently in progress. All samples will be compiled and assessed in the coming quarter after the current re-assay program has been completed.

Planning is underway for a drilling program that will encompass both exploration and feasibility assessments including:

- Infill drilling of the anticipated early production areas
- Step out drilling where the higher grade scandium resource is not closed off
- Sterilisation drilling for infrastructure planning
- Follow-up drilling near some high grade scandium holes
- A limited number of regional drill holes to target a broader understanding of the scandium distribution in un tested areas
- Water bore for base line monitoring
- Geotechnical sampling.

## Skaergaard Gold & PGM Project

The Company is pleased to advise that EL 2007/01 has been approved for a further term of 3 years, expiring in December 2019 and the Company plans to carry out a program development review in the second quarter of 2017 in conjunction with a site visit in July/August 2017.

The Skaergaard Gold & PGM Project is one of the world's largest gold resources and has an Indicated and Inferred Resource estimation (in accordance with the JORC Code 2012) of 202 Mt @ 0.88 g/t gold, 1.33 g/t palladium and 0.11 g/t platinum at a 1 g/t gold equivalent (AuEq) cut-off grade and minimum mining thickness of 1.0 m. The project is 100%-owned by Platina Resources.

The Indicated and Inferred Mineral Resource reported in the June 2013 quarter has a combined total of 5.7 million ounces of gold and 8.7 million ounces of palladium and 0.69 million ounces of platinum confined within three reefs (H0, H3 and H5) of the Triple Group. The Triple Group is the major location for all the gold and platinum group metals (pgm) mineralisation within the Skaergaard Intrusion.

## Corporate

### *Board changes*

On January 1 2017 Platina appointed former Bloom Energy Technical Director Dr. Chris Hartley as a Non-Executive Director.

Dr. Hartley worked with Bloom Energy as Technical Director Strategic Materials for five years and prior to that, held roles with BHP Billiton and its predecessor Billiton International as well as working as an independent consultant. His roles have been based in the UK, the Netherlands, India, USA and Australia.

Concurrently, Mr Reg Gillard stepped down as Chairman after serving in the role for almost eight years and was replaced by Brian Moller who has served on the Platina Board for more than 10 years.

### *Results of Annual General Meeting*

At the Company's Annual General Meeting held on 3 November 2016, all resolutions as set out in the Notice of Meeting were passed by a show of hands without amendment.

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*The information in this announcement that relates to the Owendale Measured, Indicated and Inferred Mineral Resource is extracted from the report entitled ASX Release "Cobalt Resource for Owendale" created on 21 September 2016 and is available to view on [www.platinaresources.com.au](http://www.platinaresources.com.au). The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

*The information in this announcement that relates to the Skaergaard Indicated and Inferred Mineral Resource is extracted from the report entitled ASX Release "New Resource Estimate for Skaergaard Gold and PGM Project, East Greenland" created on 23 July 2013 and is available to view on [www.platinaresources.com.au](http://www.platinaresources.com.au). The report was issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.*

**Caution Regarding Forward Looking Statements and Forward Looking Information:**

*This announcement contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of Platina Resources Limited (“Platina”), its subsidiaries and its projects, the future price of platinum group metals (“PGM’s”), the estimation of mineral resources, operating and exploration expenditures, costs and timing of development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation, environmental risks, reclamation expenses, title disputes or claims and limitations of insurance coverage. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Platina and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, 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 PGM’s; 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. Although Platina has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this announcement and Platina disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Platina undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.*

## DISCLOSURES REQUIRED UNDER ASX LISTING RULE 5.3.3

### 1. Mining tenements held at the end of the quarter and their location

Tenement ID	Area	Location	Ownership	% Ownership
M47/123	Munni Munni	WA, Australia	PGM	100*
M47/124	Munni Munni	WA, Australia	PGM	100*
M47/125	Munni Munni	WA, Australia	PGM	100*
M47/126	Munni Munni	WA, Australia	PGM	100*
EL7644	Owendale	NSW, Australia	PGM	100
EL2007/01	Skaergaard	Greenland	PGM	100
EL2012/25	Qialivarteerpik	Greenland	PGM	100

\*See note 3 below

### 2. Mining tenements acquired and disposed of during the quarter and their location

Nil

### 3. Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter and beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

In August 2015, Platina Resources Limited entered into an agreement with Artemis Resources Limited to earn a 70% interest in the Munni Munni Platinum Group Elements Project, comprising M47/123, 124, 125, 126 (the “Munni Munni Project”).

The Company is not party to any other farm-in or farm-out agreements.

#### Abbreviations and Definitions:

EL	Exploration License	PGE	Platinum Group Elements
M	Mining Lease	PGM	Platina Resources Ltd
PL	Prospecting License	AU	Gold
		SC	Scandium