

21 July, 2014

**ASX Release: PGM**

## **Platina Signs Agreement with Chinese Manufacturer for Owendale Project**

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### **Highlights**

- **Heads of Agreement signed for the proposed supply (under an Off-take Agreement) of 15 tonnes of scandium oxide at 99.9% purity**
- **Platina and Honfine to also finalise a Supply, Technology, Processing and Marketing Agreement**
- **Negotiations with Honfine represent a breakthrough for Platina to commence early production from Company's Owendale scandium project**
- **Final binding Agreements to be signed within three months**

Platina Resources Ltd (ASX: PGM) is pleased to announce that it has signed a Heads of Agreement (**HoA**) with Chinese manufacturer Inner Mongolia Honfine Zirconium Industry Co Ltd (**Honfine**) to negotiate both an Off-take Agreement and a Supply, Technology, Processing and Marketing Agreement for the Company's Owendale Scandium Project in central New South Wales, Australia (refer Figure 1).

Under the terms of the HoA, Platina and Honfine will negotiate an Off-take Agreement for the supply of 15 tonnes of scandium oxide at a 99.9% purity grade and at a commercially acceptable price. Whilst pricing and other terms are yet to be agreed, Platina notes that within the past four years scandium oxide (99.9% purity) has sold within a range of USD\$1,400-3,700 per kg<sup>1</sup>.

Under the HOA, the stated intention is that Platina and Honfine will aim to finalise and execute a binding Off-take Agreement and a binding Supply, Technology, Processing and Marketing Agreement within the next three months.

In addition, both companies will evaluate the viability of transporting scandium concentrates grading 1000ppm Sc or higher from Australia to China to be processed at Honfine's factory located in Inner Mongolia and marketed throughout China and the world. Currently, Platina is working on a metallurgical test work program to produce high grade scandium concentrate from the Owendale Project. This potential flowsheet for scandium concentrate could significantly reduce capex and opex. Platina and Honfine also intend to collaborate on establishing the cheapest processing technology required to produce the desired scandium products from Owendale ore.

Owendale is the highest grade laterite-hosted scandium deposit discovered globally, and offers a stable and potentially large tonnage scandium production. Current world consumption of scandium is approximately 8 tonnes per annum however, research and development activities in recent years indicates significant demand for scandium in the aerospace industry and fuel cell technology.

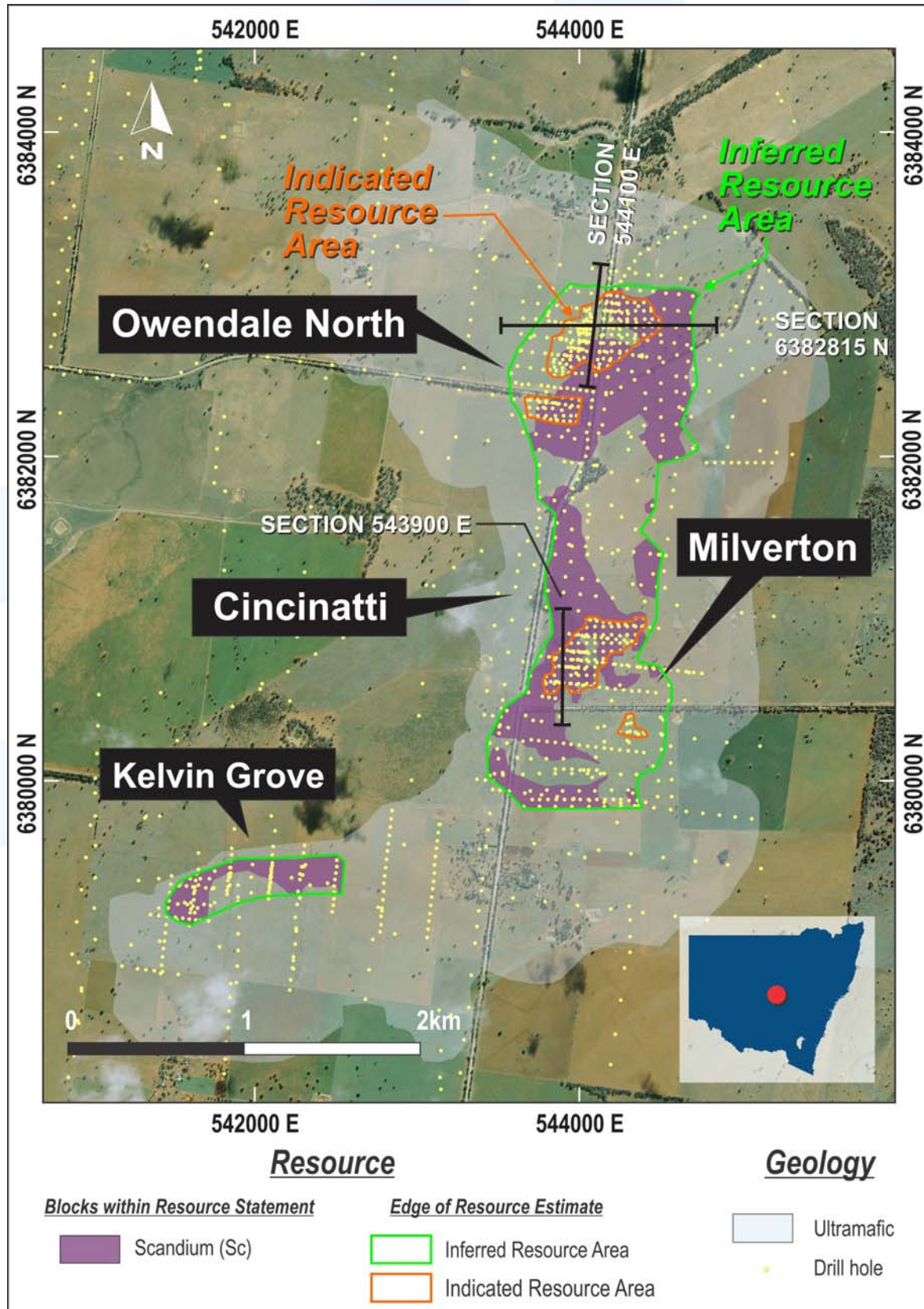
The potential for Platina to export a moderately upgraded concentrate from Owendale for further processing in China (1000ppm Sc in concentrate compared to a head grade of 384ppm Sc) presents a potential breakthrough to advance Owendale to low-cost early production.

Platina Managing Director Rob Mosig said, “The HoA with Honfine heralds a milestone in the commencement of a scandium production industry. We look forward to making further announcements regarding advancing the Off-take and Supply, Technology, Processing and Marketing Agreements as soon as possible.”

The Owendale Project hosts an Indicated and Inferred Mineral Resource (JORC 2012) of 24 million tonnes of scandium grading 384ppm Sc (at a cut-off of 300ppm Sc) and contains a total in-situ content of 9,100 tonnes of scandium metal (Table 1). Details of the resource are in the technical description of the Company’s ASX release dated 3 October 2013<sup>2</sup>.



**Figure 1. Owendale Project location**



**Figure 2. Owendale scandium resource area**



## Resource Table – Owendale Project

**Table 1. Owendale resource estimate**

Cut-off Grade	Classification	Mt	Pt g/t*	Sc ppm	Ni %	Co %	Pd ppb	Fe <sub>2</sub> O <sub>3</sub> %	MgO %	Pt koz	Sc t	PtEq g/t
<b>Pt &gt;0.3 g/t</b>	Indicated	10.2	0.58	231	0.20	0.05	37	46.6	3.6	190	2 364	1.10
	Inferred	20.9	0.49	257	0.12	0.05	53	47.8	2.1	329	5 360	0.85
	<b>Sub-total</b>	<b>31.1</b>	<b>0.52</b>	<b>248</b>	<b>0.15</b>	<b>0.05</b>	<b>48</b>	<b>47.4</b>	<b>2.6</b>	<b>519</b>	<b>7 724</b>	<b>0.93</b>
<b>Sc &gt;300 ppm</b>	Indicated	4.2	0.53	401	0.13	0.06	40	53.6	1.0	72	1 698	0.93
	Inferred	19.4	0.33	380	0.11	0.06	43	52.6	0.9	205	7 385	0.69
	<b>Sub-total</b>	<b>23.7</b>	<b>0.36</b>	<b>384</b>	<b>0.11</b>	<b>0.06</b>	<b>43</b>	<b>52.8</b>	<b>0.9</b>	<b>277</b>	<b>9 083</b>	<b>0.73</b>
<b>Comb-ined</b>	Indicated	11.2	0.55	243	0.19	0.05	37	47.0	3.4	197	2 722	1.06
	Inferred	32.4	0.39	300	0.12	0.05	50	49.3	1.7	401	9 741	0.75
	<b>Total</b>	<b>43.6</b>	<b>0.43</b>	<b>286</b>	<b>0.14</b>	<b>0.05</b>	<b>47</b>	<b>48.7</b>	<b>2.1</b>	<b>599</b>	<b>12 463</b>	<b>0.83</b>

\*Note ppm and g/t are equivalent units of measure with g/t traditionally used for Pt

### Resource Notes

2. Estimation carried out by Golder Associates Pty Ltd, Brisbane. Further details contained within the Company's ASX announcement dated 3rd October, 2013.

### **About Inner Mongolia Honfine Zirconium Industry Co Ltd**

Inner Mongolia Honfine Zirconium Industry Co Ltd (Honfine) is a private enterprise with major expertise in the zirconium industry in China. Honfine also has significant experience in research and development of mineral product extraction, Honfine is one of the leading Companies in these industries. The Company's main products are zirconium oxychloride, zirconium dioxide and scandium oxide. These products are used in special ceramics, biological ceramics, optical communication devices, solid fuel cell, military and aerospace, electronic ceramics, synthetic jewellery, ceramics colour glaze, and refractor materials and other industries. Honfine was established in 2008 as a private enterprise and has recently built a product research, development and testing facility near the city of Baotou, China.

### **About Platina Resources**

Platina Resources Limited is an international resource company focused on the exploration and development of a global portfolio of precious and specialty metal projects. Platina has been listed on the ASX since May 2006 (ASX ticker: PGM) and is based on the Gold Coast, Australia.

Platina's core focus is on three advanced, 100%-owned resources - the Owendale Platinum and Scandium Project in Australia, the Skaergaard Gold and Platinum Group Metal (PGM) Project in Greenland, and the Munni Munni PGM Project in Australia.

Platina's aim is to create shareholder value by advancing these projects into production as rapidly as possible. Platina also has exploration licences/applications comprising nearly 3,000km<sup>2</sup> in WA with potential for large PGE-nickel-copper and/or gold deposits.

In the longer term, the Company's objective is to discover new world-class precious metal deposits in mining-friendly jurisdictions.

### **Owendale Platinum and Scandium Project**

The resource estimations<sup>2</sup> for the Owendale Platinum and Scandium Project give a total contained metal of 519,000oz platinum and 9,100 tonnes of scandium. It represents Australia's newest platinum resource and the world's largest and most high-grade scandium deposit.

Platina Resources' Owendale Project is located in central New South Wales, approximately 75km NW of Parkes, and 45km NE of Condobolin. Owendale is also located 12km north of the Fifield Deep Lead, Australia's only historical platinum mine.

The platinum and scandium resources overlap and are contained within the laterite profile that begins at surface and extends to a maximum depth of approximately 50m.

It is the Company's intention to fast track the development of the Owendale platinum and scandium resources as soon as practicable. It is the Company's belief that Owendale has the

potential to become Australia's sole platinum mine, with the added upside of coincidentally being the world's largest, highest grade scandium resource. Advances in the processing of scandium could unlock the potential for the metal to contribute significantly toward project economics.

**References :**

1. Scandium - Mineral Commodity Summary, 2013, USGS.
2. Platina Resources ASX announcement dated 3rd October 2013.

Platina Resources currently has 132,608,167 shares on issue.

Electronic copies and more information are available on the Company website:

[www.platinareources.com.au](http://www.platinareources.com.au)

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*The information in this announcement that relates to the Owendale Indicated and Inferred Mineral Resource is extracted from the report entitled ASX Release "Owendale Updated Resource Estimate" created on 3 October 2013 and is available to view on [www.platinareources.com.au](http://www.platinareources.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.*