Platina Resources Ltd: Scandium Project Positive Definitive Feasibility Study

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Perth, Australia - Platina Resources Ltd. ("Platina" or the "Company") (ASX:PGM) (FRA:P4R) (OTCMKTS:PTNUF) is pleased to report the findings of a Definitive Feasibility Study ("DFS") for the Platina Scandium Project ("PSP") located in central New South Wales, Australia.

HIGHLIGHTS

- Attractive financial return - Post-tax, real NPV8% USD 166 million (AUD 234 million), after tax IRR 29% and fast payback of 5.3 years based on average scandium oxide price of USD 1,550/kg

- Staged production strategy - 20 tonnes/year of 99.99% purity scandium oxide growing to 40 tonnes/year as market demand increases

- Low development capital cost - Stage 1 USD 48.1 million (AUD 67.8 million) and stage 2 USD 11.1 million (AUD 15.6 million)

- Long life - Initial 30 year project life based on mining 33% of the Ore Reserves, with potential to significantly expand from both existing Ore Reserves and conversion of additional Mineral Resources

- Significant opportunity to enhance project value through resource expansion and the production of by-product credits including cobalt, nickel and high-purity alumina

The DFS has confirmed the technical and financial viability of constructing a simple, low-strip ratio, open-cut mining operation and processing facility producing scandium oxide. The positive DFS demonstrates the opportunity to create substantial long-term sustainable shareholder value at a manageable capital cost. Key highlights of the DFS include:

- Robust financials - The DFS demonstrates a very robust financial case. Based on a mine life of 30- years, the project generates an after-tax net present value in real terms (8% discount rate) of USD 166 million (AUD 234 million), post-tax IRR of 29% and payback period of 5.3 years. The financial model incorporates an average scandium oxide price of USD 1550 /kg over the life of the project. Based on market research and discussions with end-users, the Company believes this is the price necessary to drive wider-scale adoption of scandium in alloys;

- Low capital expenditure - The DFS is based on a processing plant designed to initially produce 20 t/y of scandium oxide at a capital cost of USD 48.1 million (AUD 67.8 million), expandable to 40 t/y of scandium oxide for a very low incremental capital cost of USD 11.7 million (AUD 15.6 million), as market demand for lightweight aluminium-scandium grows;

- High-grade, large resource base - The strength of the PSP is the very large and high-grade scandium resources, which are amenable to simple, low-cost, open-cut mining techniques at a low waste to ore ratio (1.9:1). The DFS assumes that 33% of the available Ore Reserves are mined over 30 years, and additional Ore Reserves and Mineral Resources could provide for decades of additional production or further production expansion;

- Conventional, well tested process route - Ore mined at Red Heart will be processed through a conventional high pressure acid leach circuit ("HPAL") to produce 99.99% high-purity scandium oxide. The process methodology has been extremely well tested through bench and pilot scale test work to confirm operating and capital estimates for the DFS;

- Access to infrastructure - The processing facility will utilise an existing industrial site in Condobolin. This unique site provides access to existing infrastructure - labour, water, power, rail, and sealed roads - which results in lower capital costs, and simplifies the permitting and approvals process;

- Potential for other revenue streams - Like other laterite projects using the HPAL process route, once all the minerals are in solution from the HPAL process, recovery is achievable at relatively low incremental cost, thus providing a potential future opportunity to generate cobalt, nickel, platinum and aluminium products (to make high purity alumina) and generate additional cash flow; and

- Significant community benefit - The Company is very committed to delivering the PSP in an environmentally and socially responsible manner. The significant investment will provide jobs, training and contracts for the local communities.

The Company is now focused on completing the Environmental Impact Assessment, Mining Licence Application, Development Applications (mine and process plant), securing offtake and project financing.

Managing Director, Corey Nolan, commented:

"We are very pleased with the technical and commercial outcomes of the DFS and the compelling business case to develop the Platina Scandium Project.

While the solid oxide fuel cell industry has been the dominant consumer of scandium in recent years, scandium's greatest value lies in the functional properties it imparts when alloyed with aluminium. When used in combination with other common aluminium alloys, scandium can produce stronger, heat tolerant, weldable aluminium products. These products are being increasingly incorporated into transportation applications for light-weighting (electric vehicles) and lowering fuel efficiency requirements.

The Company's strategy is to capitalise on this significant market opportunity and bring the Platina Scandium Project into production as quickly as possible."

To view the DFS, please visit:
http://abnnewswire.net/lnk/QPA5OR6Q

About Platina Resources Limited:

Platina Resources Ltd. (ASX:PGM) is an Australian-based exploration and development company focused on precious and specialty metals, particularly platinum group metals and the strategic metal scandium.

Our flagship project is Owendale in central New South Wales, one of the largest and highest grade scandium deposits in the world, which has the potential to become Australia’s first scandium producer with cobalt, platinum and nickel credits. A Feasibility Study for Owendale is underway and due in early 2018.

We also have 100% ownership of the Skaergaard project in Greenland. This is one of the world’s largest undeveloped gold deposits and one of the largest palladium resources outside of South Africa and Russia.

Source:

Platina Resources Ltd.

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