

01 June 2020

Platina strikes multi-million deal for Skaergaard palladium and gold project.

Platina Resources Limited (ASX: PGM, or “Platina”) will create more than AUD 8.3 million in value from the sale of its wholly-owned Skaergaard project in Greenland after the company announced today it had signed an agreement with Canada’s Eastern Zinc Corporation (CSE:EZNC).

Platina will receive on CAD 0.5 million cash and CAD 7.15 million worth of Eastern shares (55 million shares, based on the last traded price at CAD 0.13c per share) for the project which is host to one of the world’s largest undeveloped palladium resources with a significant gold endowment.

On completion, Platina will become a major shareholder in Eastern and have a right to a board seat. Eastern will be renamed and become a palladium focused exploration and development company following completion of the transaction and look to expand its portfolio of palladium assets.

Eastern recently completed a CAD 2 million capital raising and has a potential significant pool of capital available if its in-the-money share warrants were exercised at current market prices.

Platina Managing Director Corey Nolan said the deal unlocked value in the project which is expected to grow with the help of substantial financial and technical resources.

“The challenge for a company our size is that Skaergaard requires a significant capital investment to keep the licences in good standing and advance the project through the drilling and feasibility stages,” Mr Nolan said.

“Eastern has the cash resources and an exploration and geological team based in the northern hemisphere that will be dedicated to developing the project.

“This deal will allow Platina shareholders to share in the project’s prospective value increase while providing Platina with an injection of new funding to pursue other opportunities. Platina has canvassed some of its major shareholders, who believe that this strategy of disposing of a non-core asset is appropriate at this time” he said.

Mr Nolan said Eastern’s planned sizable investment in drilling and technical studies would significantly boost the project’s potential to be one of the world’s most advanced palladium projects.

The transaction will be subject to final confirmatory due diligence and regulatory approvals in Australia and Greenland. As announced on 5 May 2020, the Greenland Mines Department recently renewed Skaergaard’s exploration licence for a further three year period (December 2022) and waived all the 2020 tenement expenditure obligations.

This announcement was authorised by Mr Corey Nolan, Managing Director of Platina Resources Limited.

New frontiers. New growth.

Platina Resources Limited | ABN 25 119 007 939 | ASX: PGM

Level 2, Suite 9, 389 Oxford Street
Mt Hawthorn Western Australia 6016
Phone +61 (0)7 5580 9094
Email: admin@platinaresources.com.au
www.platinaresources.com.au



Eastern Zinc Corporation

Eastern Zinc Corporation is a Canadian based exploration company trading on the Canadian Securities Exchange (CSE:EZNC). Eastern controls a portfolio of early stage zinc assets in Canada. Following the acquisition of Skaergaard, Eastern plans to change its strategic focus to palladium and expand the number of palladium projects in the portfolio, with a company name change to reflect its strategic direction.

The board of Eastern has a very strong technical capability, including two geologists and a metallurgical engineer, the ideal skill set required to move Skaergaard towards the next phase of development. Paul Teniere, President and Chief Executive Officer, and Fred Tejada, are geologists with a significant amount of international experience across a board range of deposit types. Stephen Stone is a metallurgical engineer with a broad range of experience from feasibility to construction and operations.

Eastern has CAD 2 million in cash and approximately CAD 1.5 million of in-the-money share warrants, if exercised provides sufficient capital to enable Eastern to meet its exploration objectives on the Skaergaard project in the near-term.

Skaergaard Project

Since the Skaergaard Scoping Study was completed in December 2019 highlighting the project's development potential, the palladium and gold prices have performed very strongly, up year-on-year 42% and 34%, respectively. The price outlook for gold and palladium is expected to remain strong and positively impact the project's economics and business case.

Palladium demand, which is principally used in catalytic converters, is being driven by stricter environmental standards around car emissions. Global palladium supply is struggling to meet demand with a number of industry commentators are forecasting large supply deficits over the coming years pointing to a positive price outlook.

Platina has been actively looking for a financial and technical partner to help develop and unlock value in the project. Platina believes that with Eastern's financial and technical capability further value can be generated and this will be reflected in our Eastern shareholding. In addition, Eastern is planning to build a portfolio of palladium assets and provide some country diversification, and seasonal exploration flexibility.

Planned Work Programs to Accelerate Value Creation

Advancing the project to the feasibility stage requires drilling to convert inferred to indicated mineral resources, detailed metallurgical test work to determine processing characteristics and refine the process route, and quality and pricing of saleable products. In addition, further assessment of engineering, design and technology factors for the design and location of the process plant, tailings disposal and mining methods is critical in defining the project concept and the expected capital and operating costs.

Travel permitting, in the second half of 2020, Eastern is planning a channel sampling field program assessing the potential for a smaller open cut mining operation prior to underground mining. This program would assist in understanding the shallower bulk and selective mining potential of any underground operations. This would require a follow up drilling program.



Transaction Terms Summary

Transaction Terms Summary	
Sale Terms	55 million shares in Eastern Zinc Corporation and CAD 0.5 million in cash Right to appoint a board member
Assets	Two exploration licences: <ul style="list-style-type: none">• EL2007/01 – host of the main Skaergaard resource• EL2012/25 – location of the 20-person camp facilities and aerodrome
Escrow	6/12/18/24 months in equal tranches of 13.75 million shares. There are a number of early release from escrow mechanisms related to the Eastern share price performance, changes in structure, and Platina undertaking an in-specie distribution of the shares
Conditions Precedent	Final due diligence Platina shareholder approval if required Greenland Government approval for the transfer of the licences to Eastern



For more information:

Corey Nolan
Managing Director
Phone +61 (0)7 5580 9094
admin@platinareources.com.au

Gareth Quinn
Corporate Affairs Manager
Mobile: 0417 711 108
gareth@republicpr.com.au

ABOUT PLATINA RESOURCES

Platina is an Australian-based company focused on returning shareholder value by advancing early-stage metals projects through exploration, feasibility, permitting and into development.

The company has interests in the following projects:

- Platina Scandium Project – located in central New South Wales, the project is 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.
- Skaergaard (100% interest) – One of the world’s largest undeveloped gold deposits and one of the largest palladium resources outside of South Africa and Russia, located in Greenland.
- Munni Munni (30% interest) – Situated in the Pilbara region of Western Australia, the project is one of Australia’s most significant Platinum Group Metal occurrences. Munni Munni also has potential for conglomerate hosted gold and is a joint venture with Artemis Resources Limited.
- Blue Moon (to earn 70% interest) – Located in California, USA. The project has a NI43-101 resource which is open at depth and along strike and has favorable metallurgy.

For more information please see: www.platinareources.com.au

DISCLAIMER

Statements regarding Platina Resources’ plans with respect to its mineral properties are forward-looking statements. There can be no assurance that Platina Resources’ plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Platina Resources will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Platina Resources’ mineral properties or that Platina will achieve any of the valuation increases shown by the peer group zinc companies.