

25 JANUARY 2021

Platina to unlock value in Scandium Project as market heats up.

Platina Resources Limited (ASX: PGM) will sharpen its focus on unlocking the value of its Platina Scandium Project (PSP) in the wake of the metal's increasing appeal as a lightweight, high strength alloy for electric vehicles and other markets.

In response to global mining major Rio Tinto's recent announcement that it will construct a commercial scandium oxide demonstration plant at its titanium dioxide feedstock facility in Quebec (see www.elementnorth21.ca), Platina Managing Director Corey Nolan was hopeful it would stir favourable winds for the market and PSP.

"Platina's prime objective is to secure production offtake agreements to enable financing options to be pursued for construction funding for the project, which is located in New South Wales and hosts one of the highest-grade scandium deposits in the western world," Mr Nolan said.

"The PSP remains one of the world's leading undeveloped scandium projects with the 2018 Definitive Feasibility Study (DFS) demonstrating a Stage 1 annual production of 20 tonnes and a forecast modest initial capital expenditure of US\$50 million."

"While the solid oxide fuel cell industry has been the dominant consumer of scandium in recent years, the metal's greatest value is as an aluminium alloy targeting aerospace, marine, military and automobile industries."

"Scandium can produce stronger, more heat tolerant, weldable aluminium products which are being increasingly incorporated into transportation applications for electric vehicles and more stringent fuel efficiency requirements," he said.

Mr Nolan said the company planned to update an independent scandium market study previously produced for the DFS to assess new market opportunities and identify new industry players potentially interested in offtake and investment. He added the company would also continue to work with Traxys Europe S.A to assess scandium product and market development, and potential project funding options in the USA, Europe, Asia and Australia.

"Close on the heels of extracting more than \$18 million in value from our Skaergaard Project in Greenland, we are committed to realising the full value from all our assets where we're registering a low value (see Figure 1)," Mr Nolan said.

"The PSP has excellent infrastructure including access to labour, water, rail, sealed roads and water; and offers the potential to produce nickel and cobalt by-products which have significantly increased in price during 2021, rising 8.8% and 16.5% respectively.

The project also has the potential for producing high purity alumina for use in the lithium-ion batteries.

In comparison to our scandium, and scandium-nickel-cobalt peers, we believe the PSP has significant, untapped value (see Figure 2)," he said.

The DFS, completed in late 2018, demonstrated the technical and economic viability of constructing the project. The positive DFS demonstrated the opportunity to create substantial long-term sustainable shareholder value at a manageable capital cost (see Table 1).

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



Strength in numbers

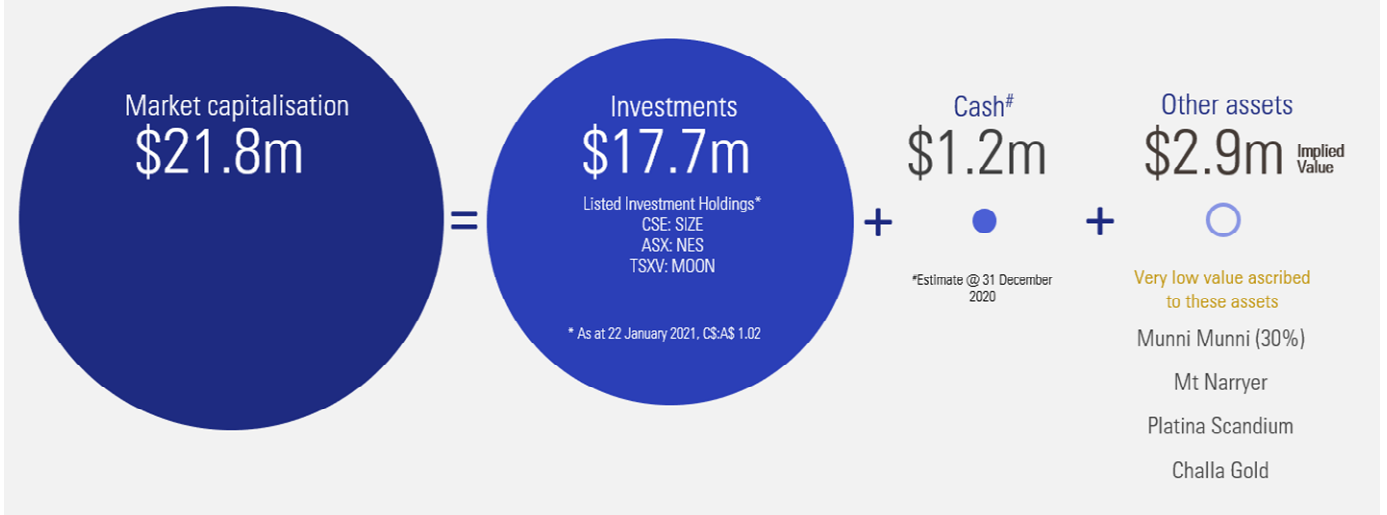


Figure 1: Platina's market capitalisation and asset summary

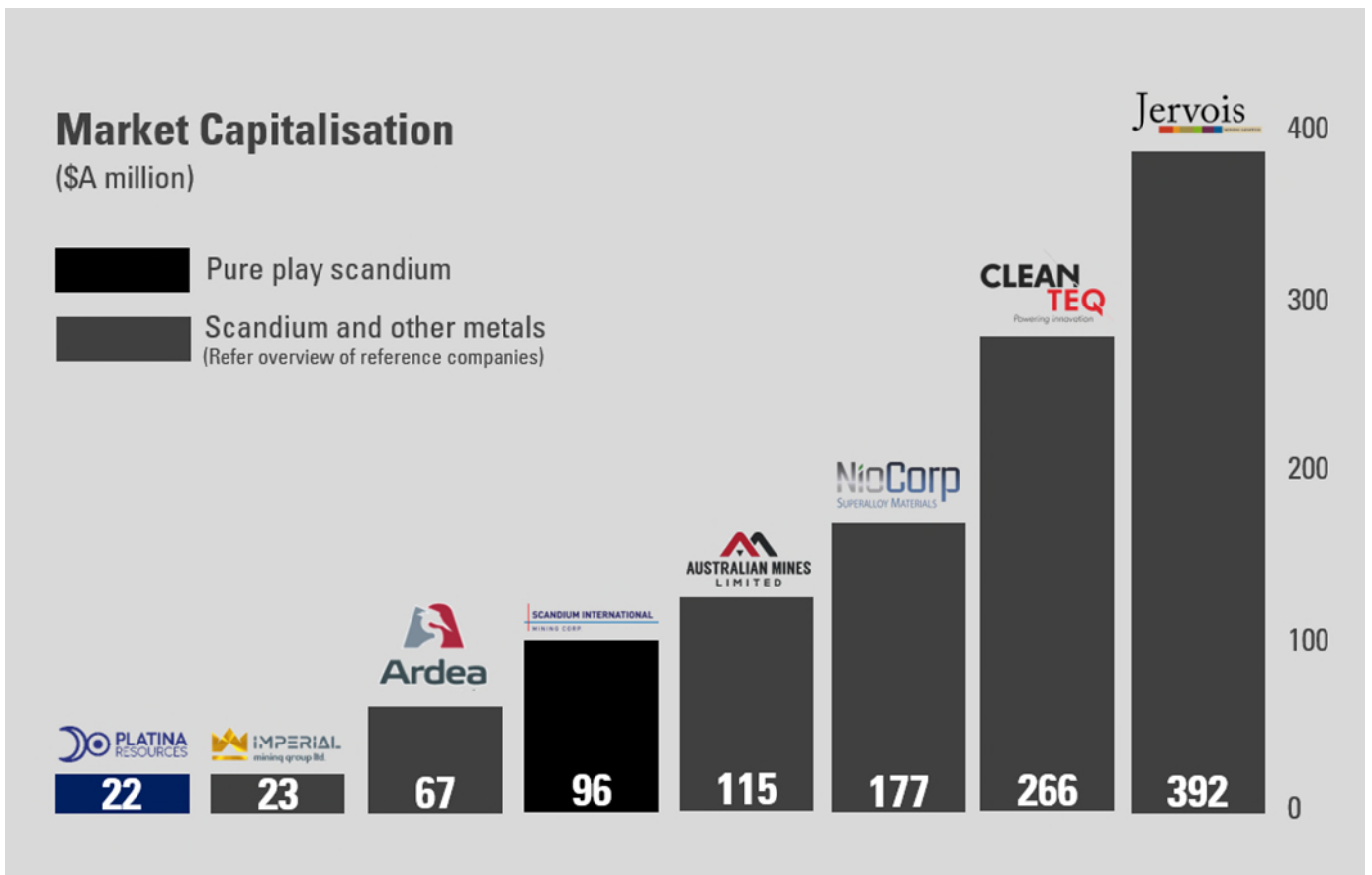


Figure 2 shows the market value of global pure play scandium and scandium-other metals companies, demonstrating the PSP's potential for value growth. There is no guarantee that Platina will achieve any of the valuation increases shown by the peer group companies. A detailed summary of the comparative companies is outlined at the end of this ASX release. Prices 22/01/2021.



Platina Scandium Project Overview

The 100% owned PSP is located in central New South Wales, 350 kilometres west of Sydney. PSP is 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. New South Wales is a well-established mining district with a number of world-class mining operations. The PSP has excellent infrastructure including access to labour, water, rail, sealed roads and water.

A DFS completed in December 2018 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 at an average scandium oxide price of USD 1550/kg.

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.

Stage 1 Annual Production		20 tonnes
Stage 2 Annual Production (from Year 5)		40 tonnes
Life-of-mine for financial model		30 years
Net Present Value (8%), real, after-tax	US\$166 million	AU\$234 million
Internal Rate of Return, post-tax		29%
Payback Period (undiscounted)		5.3 years
Stage 1 Capital Expenditure	US\$48.1 million	AU\$67.8 million
Stage 2 Capital Expenditure	US\$11.1 million	AU\$15.6 million
Total Life-of-Project Capital Expenditure*	US\$104.1 million	AU\$146.5 million
Life-of-Mine Average Cash Operating Costs [#]	US\$525/kg	AU\$739/kg
Life-of-Mine Scandium Oxide Price	US\$550/kg	AU\$2,183/kg
USD to AUD Exchange Rate		0.71

Table 1: Summary Economics from the 2018 Definitive Feasibility Study[^] *Includes sustaining capital costs. [#]Mining, processing, general and administration costs. Excludes royalties. [^] Value outcomes subject to securing offtake agreements and financing for construction

The Ore Reserves and Mineral Resources are extremely well defined with more than 48,000 metres of drilling. The laterite hosted deposit is amenable to simple, low-cost, open-cut mining techniques at a low waste to ore ratio.

Classification	Tonnage (Dry Kt)	Scandium ppm	Nickel (%)	Cobalt %	Scandia (tonnes)*	Cobalt (tonnes)	Nickel (tonnes)
Proven	3,054	575	0.13	0.10	2,696	2,945	4,054
Probable	972	550	0.08	0.07	816	654	767
TOTAL	4,027	570	0.12	0.09	3,512	3,599	4,821

Table 2: Ore Reserves – at a 450ppm scandium cut-off

Ore will be processed through a conventional high pressure acid leach circuit 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.

The next step to unlocking value in the project is to secure an offtake agreement to facilitate project financing and finalise the required permits to begin construction. A Mining Lease Application was lodged in 2020.

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



For more information:

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

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

For more information please see: www.platinaresources.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:

- Challa Gold Project (100% interest) – Platina has acquired a 100% interest in the Challa Gold Project located in-between the prolific Mt Magnet and Sandstone gold districts in Western Australia, 500km north-east of Perth.
- Platina Scandium Project (100%) – 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.
- 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.
- Investment in Blue Moon Zinc Corporation (6 million shares in TSXV listed MOON) – the Blue Moon Zinc Project has a NI43-101 resource which is open at depth and along strike and has favorable metallurgy.
- Investment in Major Precious Metals (55 million shares in CSE listed SIZE) – Major is a Canadian junior mining and exploration company whose flagship Skaergaard Project hosts one of the world's largest undeveloped gold deposits and one of the largest palladium resources outside of South Africa and Russia.

REFERENCES TO PREVIOUS ASX RELEASES

The information in this report that relates to Exploration Results were last reported by the company in compliance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves in market releases dated as follows:

- Platina Scandium Project - Positive Definitive Feasibility Study, 13 December 2018;
- Owendale Measured, Indicated and Inferred Mineral Resource – 16 August 2018; and
- Platina Scandium Project Ore Reserve, 13 December 2018.

The company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred above and further confirms that all material assumptions underpinning the exploration results contained in those market releases continue to apply and have not materially changed.

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 companies.



SUMMARY OVERVIEW OF COMPARATIVE COMPANIES

Company & Website	Ticker	Status	Description
Imperial Mining Group Company Limited www.imperialmpg.com	TSXV:IPG	Explorer	Exploration company targeting scandium / niobium / tantalum / rare earths at the Crater Lake project in Quebec, Canada. IPG has been undertaking drilling and metallurgical studies but is yet to complete a resource or economic study.
Ardea Resources Limited www.ardearesources.com.au	ASX:ARL	Explorer	Ardea is an Australia-focused multi-commodity explorer and developer advancing its undeveloped 100%-owned Goongarrie Nickel Project (“Goongarrie” or “GNCP”). Goongarrie forms part of the broader Kalgoorlie Nickel-Cobalt project, and is located 80km north of Kalgoorlie, Western Australia. Goongarrie is a potential multi-generational mine offering outstanding multi-commodity exposure which includes nickel, cobalt, scandium, vanadium, chromium, aluminium and gold. Goongarrie has a defined mineral resource and been the subject of many studies including metallurgical testing which has defined the high pressure acid leach process route as most appropriate for a laterite orebody.
Scandium International www.scandiuminternational.com	TSE:SCY	Developer	SCY owns a 100% interest in the undeveloped Nyngan Scandium Project, located in New South Wales, Australia, approximately 500 kilometres northwest of Sydney. The Company completed a definitive feasibility study in May 2016 and has granted Mining Licences. SCY is seeking offtake for project funding and development.
Australian Mines Limited www.australianmines.com.au	ASX:AUZ	Explorer / Developer	AUZ is an explorer and future developer of nickel-cobalt-scandium projects in Australia. AUZ has completed a feasibility study on developing the Sconi laterite hosted deposit in Queensland, Australia using the high pressure acid leach process route. AUZ also owns the Flemington laterite deposit in New South Wales which has a small resource.
Niocorp Developments Ltd www.niocorp.com	TSX:NB	Developer	NB owns the undeveloped Elk Creek Superalloy Materials Project in the U.S. which has a definitive feasibility study completed and key U.S. federal permits obtained. It is the highest grade niobium project in North America as well as one of the world's largest prospective scandium producers.
Clean Teq www.cleanteq.com	ASX:CLQ	Developer	CLQ is a metals recovery and industrial water treatment company using proprietary Clean-iX® continuous ion exchange technology. Clean TeQ is progressing its undeveloped Sunrise nickel, cobalt, scandium project in New South Wales, utilising its Clean-iX® technology. The Clean TeQ Sunrise Project is one of the largest cobalt-rich nickel laterite deposits in the world and is development-ready (feasibility study completed), with all key permits and approvals in place. Sunrise is also one of the largest undeveloped scandium deposits globally.



<p>Jervois Mining Limited www.jervoismining.com.au</p>	<p>ASX:JRV</p>	<p>Developer</p>	<p>JRV hold a portfolio of nickel-cobalt exploration and development assets including the undeveloped Nico Young nickel-cobalt laterite project in New South Wales. A feasibility study has been completed. In addition, JRV owns the undeveloped Idaho Cobalt project (feasibility study completed) and several exploration projects in Uganda.</p> <p>More recently, JRV has announced the acquisition of an operating Brazilian cobalt refinery.</p>
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