



HD Platina Resources Limited (ASX:PGM) Second Scandium HoA signed with Major **Chinese** Processor

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Brisbane, Australia, Aug 20, 2014 - (ABN Newswire) - Platina Resources Ltd (ASX:PGM) (OTCMKTS:PTNUF) is pleased to announce that it has signed a Heads of Agreement (HoA) with Hunan Oriental Scandium Co. Ltd, the largest **Chinese** manufacturer and processor of scandium.

Under the terms of the HoA, the companies will negotiate an Off-take Agreement as well as a Supply, Technology, Processing and Marketing Agreement for the **Company's** Owendale Scandium Project in central New South Wales, Australia (refer Figure 1 in link below).

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Highlights

- Heads of Agreement signed with Hunan Oriental Scandium Co. Ltd (HNOSC) for the proposed supply of 5 tonnes of scandium oxide at 99.9% purity
- Platina and HNOSC to finalise a Supply, Technology, Processing and Marketing Agreement
- Agreement will, potentially, include all additional metals in the Owendale deposit (platinum, nickel, cobalt and **copper**)
- Negotiations with HNOSC represent additional support for Platina to commence early production from its Owendale Scandium Project
- Final binding Agreements to be signed within three months

Platina and HNOSC will negotiate an Off-take Agreement for the supply of 5 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, in the past four years scandium oxide (99.9% purity) has sold within a range of USD\$1,400-3,700 per kg.

Platina and HNOSC will aim to finalise and execute the two agreements within the next three months.

The agreement with HNOSC is Platina's second HoA with a **Chinese** manufacturer. On 21 July, 2014, Platina announced agreement with Inner Mongolia Honfine Zirconium Industry Co Ltd (Honfine) for 15 tonnes of scandium oxide at a 99.9% purity grade.

Platina and HNOSC will also evaluate the viability of transporting scandium concentrates grading 1000ppm Sc or higher from Australia to **China** to be processed at HNOSC's factory in Changsha, Hunan Province and marketed throughout **China** and the world.

Platina continues to progress work on a metallurgical test work program to produce high grade scandium concentrate from the Owendale Project.

The production of a scandium concentrate could significantly reduce capex and operating costs.

Owendale is the highest grade, laterite-hosted scandium deposit discovered globally, and offers a stable and potentially large tonnage operation. Current world consumption of scandium is approximately 8 tonnes per annum, however, research and development indicates significant future 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** (with a targeted optimum grade of 1000ppm Sc in concentrate compared to a head grade of 384ppm Sc) presents an opportunity for Platina to advance Owendale to low cost early production.

Platina Managing Director Rob Mosig said: "The HoA with Hunan Oriental Scandium Co. Ltd provides further support for Owendale to achieve its aim to be the leading scandium producer worldwide."

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 in link below). Details of the resource are in the technical description of the **Company's** ASX release dated 3 October 2013.

About Hunan Oriental Scandium Co., Ltd

Hunan Oriental Scandium Co., Ltd (HNOSC) is a **Chinese** corporation with major expertise in the scandium and rare earth industry in **China** and was co-founded by Hunan Metallurgy Material Research Institute, Hunan Rare Earth Technology Development Co. Ltd and Hunan Ronghua Technology Ltd. The Hunan Metallurgy Material Research Institute is a Government owned institution which carries out research for defence and scientific purposes, and it holds **equity** of approximately 15% in HNOSC.

HNOSC is currently the only **company** in **China** which commercially recovers scandium oxide from wastewater. HNOSC engages mainly in research, production and supply of scandium products. The **Company's** main products are scandium oxide, scandium metal and aluminium-scandium alloy. HNOSC are also the supplier of rare earth oxide, rare earth metal, rare earth compounds and other rare nonferrous metal products. HNOSC has proprietary technology to extract and concentrate Sc in mass-production from tailings or residues with trace Sc and techniques for the refining and manufacturing of high-purity Sc.

To view figures and tables, please visit:

<http://media.abnnewswire.net/media/en/docs/ASX-PGM-812405.pdf>

About Platina Resources Limited:

Platina Resources Limited (ASX:PGM) (OTCMKTS:PTNUF) has a global portfolio of Platinum Group Metal (PGM), **gold** and scandium projects, with a core focus on the development of two key advanced assets – the Skaergaard PGM-**Gold** Project in Greenland and the Owendale Platinum and Scandium Project near Fifield, NSW, Australia.

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Source:

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