

Platina Resources Ltd

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Platina Resources highlights potential value of Blue Moon zinc pick-up to portfolio

US project Blue Moon is an earn-in zinc joint venture that could give Platina exposure to zinc, copper, gold and silver revenues.

PGM can take up to 70% of the venture and develop the project as a JV, sell it on or develop it in-house.

The company could unlock value in the project through drilling, feasibility study and development work.

Platina holds other projects in Australia and Greenland now considered secondary assets as PGM focuses on Blue Moon

The Blue Moon transaction is a new opportunity that provides shareholders with excellent valuation upside, as demonstrated by the ASX zinc peer group comparison, in a manageable-scale project, in well understood commodities with daily-traded liquid markets.

Platina managing director Corey Nolan

What does Platina Resources do?

Platina Resources Limited (ASX:PGM) (FRA:P4R) (OTCMKTS:PTNUF) is an Australian explorer-developer.

The Western Australian company is led by former analyst Corey Nolan, a minerals economist and finance professional who has more than 19 years of experience working with the resources industry.

Nolan was a Morgan Stanley analyst and Price Waterhouse Coopers corporate advisory services director.

He was also past chief executive officer of Sayona Mining Limited.

The managing director previously held MD and director roles at Elementos Limited (ASX:ELT) and Leyshon Resources Limited (ASX:LRL) before joining Platina in August 2018.

What is Platina Resources' flagship asset?

The key asset is the flagship Blue Moon project in the US where drilling last year featured notably high-grade zinc intersections.

These intersections included 36.5 metres grading 9.45% zinc, 0.58% copper, 1.1 g/t gold and 42.9 g/t silver for 12.61% zinc equivalent from 435 metres.

Price: 0.02

Market Cap: \$6.47 m

1 Year Share Price Graph



Share Information

Code: PGM

Listing: ASX

52 week	High	Low
	0.087	0.02

Sector: Mining

Website: www.platinareources.com.au

Company Synopsis:

Platina Resources Ltd (ASX:PGM) is acquiring a drill-ready zinc-copper-gold project in a transformational transaction. Platina will gain a 70% interest in the Blue Moon Project by spending CAD\$3.25 million to earn 50% over 18 months and CAD\$3.75 million to earn an additional 20% over an additional 18 months.

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This standout intersection featured 9.35 metres at 30.3% zinc, 1.7% copper, 1.67 g/t gold and 71 g/t silver for 36.8% zinc equivalent from 460 metres.

Blue Moon project is in Mariposa County at the foothills of the Sierra Nevada mountain belt at altitudes between 360 and 432 metres.

The area is 195 kilometres east-southeast of San Francisco, California, with the nearest main township, Merced, being 35 kilometres to the southwest.

Blue Moon is easily accessed by a rural road network that connects to a national highway a few kilometres from the site.

A fully permitted drilling program is planned for the project in the December 2019 financial quarter.

Platina can earn a majority stake in the project by spending C\$3.25 million over 18 months to take its stake to 50%, then tipping in a further C\$3.75 million to end with 70%.

The company hopes to take the project through the full development stages, including feasibility study work, financing and construction.

PGM is rattling the tin for \$2.5 million and plans to direct the funds raised, along with an R&D tax refund, towards advancing all the assets in its portfolio.

Platina had announced its plans to pick Blue Moon last month, saying in an investor presentation the project was a "drill-ready, high-grade zinc-copper-gold deposit with significant resource expansion and development potential."

Elaborating on the company's views in a briefing today, MD Nolan said, "The Blue Moon transaction is a new opportunity that provides shareholders with excellent valuation upside, as demonstrated by the ASX zinc peer group comparison, in a manageable-scale project, in well-understood commodities with daily-traded liquid markets."

Nolan flagged he believed the earlier stage asset than others in the company's portfolio could give the company a platform for capital raising and more regular news flow.

He wrote in his question-and-answer update today, "A new asset would also allow the company to monetise our existing assets in an orderly and structured fashion, without the pressure of low cash resources.

"Our existing assets still have real value and we are very focused on finding a path to get these monetised but this process will take more time."

What other assets are in Platina Resources' portfolio?

The company's other assets include the namesake Platina Scandium Project, in New South Wales and the Skaergaard Gold and Platinum Group Metals (PGM) project in Greenland.

Scandium oxide project Platina was previously known as the Owendale Scandium-Cobalt-Nickel Project and is about 350 kilometres west of Sydney.

The wholly-owned project was proved up with a definitive feasibility project (DFS) in December 2018 which found mine payback could be achieved in 5.3 years if a scandium oxide price of about US\$1,550 a kilogram was achieved over the life of the project.

In May 2019 a wholly-owned Platina subsidiary, Red Heart Mines Ltd, submitted a mining licence application for the project.

The milestone came six months after PGM unveiled a memorandum of understanding (MoU) with UK processing

technology company MetalYSIS Limited to assess the viability of producing a scandium-rich master alloy.

Two per cent scandium-aluminium master alloy can be reliably produced from Platina project scandium oxide.

Nolan reported today that while the company's project was one of the world highest grade scandium project's, the size of the global market was small.

"Following consultation with industry players, the company is planning to undertake some further metallurgical testing aimed at developing the project at a smaller scale and lower capital cost.

"Platina continues to actively engage with a variety of players in the scandium value chain to identify a path to unlocking value in the project."

Speaking more generally, Nolan highlighted the difficulties specialty metals company such as PGM have faced in the current market when looking for partners or buyers for existing assets.

He said, "The economic environment for securing offtake agreements and joint venture partners in speciality metals is challenging.

"Market volatility due to the USA-China trade war is creating economic and investment uncertainty that has been great for acquiring an undervalued asset but not so good for partnering or joint venturing our existing assets."

The company's 100%-owned Skaergaard Gold and PGM Project is in Greenland.

Secondary asset Skaergaard has previously attracted a number of prospective buyers and is the subject of scoping study work by SRK Consulting which is updating its 2008 technical study.

SRK has almost finished the updated scoping study produced in the wake of appreciating palladium prices.

A third secondary project for PGM is the 30%-held Munni Munni project in Australia.

Platina's joint venture partner Artemis Resources Ltd (ASX:ARV) (FRA:ATY) (OTC:ARTFF) is operator for the Munni Munni PGM and Gold Project and does not plan to spend funds on the project this year.

Platina held \$1.3 million cash at the end of June 2019.

PGM planned to spend \$475,000 in the September 2019 quarter, including \$100,000 on exploration and evaluation work.

Inflection points

- Shareholder support for project pipeline development
- Capital backing support
- Financing milestones for Blue Moon exploration and development
- Project acquisition and divestment activity
- Project appreciation efforts
- General market and commodity-specific sentiments
- US government support for in-country metals project developments

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