

23 June 2014

## **CORPORATE UPDATE – PLUTON RESOURCES LIMITED**

**Pluton Resources Limited (Pluton or the Company) wishes to advise the market that its proposed capital raising as announced on 17 June 2014 has progressed with following steps completed:**

- Pluton intends to lodge a Prospectus for a non-renounceable Rights Issue on or before 30 June 2014;
- BDO Accountants commenced a review during the last week which is due to be completed on Wednesday 25 June with the results to be incorporated into an Investigating Accountants Report (IAR) and included in the Prospectus;
- Pluton has signed a mandate with Patersons Securities Limited to be engaged as Lead Manager and/or Underwriter of a non-renounceable rights issue;
- The proposed capital raise has the support of major shareholders and a number of the Company's major creditors.

### **Corporate Update**

The results from the IAR combined with a thorough revision of the Company's financial model will determine the final quantum of the capital raising. All details will be set out in a Prospectus to be lodged on or before 30 June 2014.

The rights issue is intended to proceed while the Company's shares remain suspended and during which time the Company will seek to refinance the Cockatoo Island Joint Venture ("CIJV") Pre-Pay and Offtake Agreements which currently total circa \$40m. To facilitate the intended purchase of the CIJV the rights issue may include a quantum above the issue minimum that would allow it the opportunity to secure the equity required to complete the deal.

Apart from an ongoing operational review targeting production efficiency and costs, the Company will, in parallel with the Rights Issue timetable, commence a Board review process intended to appropriately provide and align relevant skill sets. This review will be undertaken by an independent external consultant.

The Company continues to enjoy the support of its major shareholder, General Nice Resource (Hong Kong) Limited and has secured in principle support of a number of major creditors to support the rights issue. The support of all stakeholders will be important to the success of the Rights Issue.

The Company continues to ship iron ore in accordance with its obligations under the shipping schedule of the Pre-Payment and Offtake Agreements and looks forward to the opportunity upon completion of its equity and debt refinancing to emerge as a soundly funded, low cost, boutique iron ore producer.

The Company expects to make a further announcement by Monday 30 June 2014. It is the Company's intention to keep its shares suspended from trading until the completion of the Rights Issue in early August.

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