

# ASX RELEASE

31 October 2014

ASX Market Announcements  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

## Notice of initial substantial holder and Cockatoo Island project update

In accordance with section 671B(1) of the *Corporations Act 2001*, please find attached a copy of a Form 603 Notice of initial substantial holder relating to Watpac Limited's (**Watpac** or **Company**) relevant interest in Pluton Resources (**Pluton**).

This shareholding, which has arisen as a result of Watpac's participation in Pluton's recently completed capital raising (**Capital Raising**), accords with the information provided in Pluton's Second Supplementary Prospectus (**Pluton Prospectus**) released on ASX on 13 October 2014. As outlined in the Pluton Prospectus, Watpac agreed to convert \$3 million of the amounts owed by Pluton into Shortfall Shares as part of the Capital Raising.

The Pluton Prospectus indicated that as at 13 October 2014, Watpac was contractually entitled to approximately \$19 million in payments from Pluton (**Indebtedness**), due under the terms of the existing mining services contract between Watpac and Pluton for works performed by Watpac on the Cockatoo Island project (**Contract**). In addition to the conversion of \$3 million of Indebtedness, as was also contemplated in the Pluton Prospectus, Watpac has also been paid \$4 million in cash from the Capital Raising proceeds.

As outlined in the Pluton Prospectus, Watpac has also entered into a binding term sheet with Pluton to convert around \$13 million of Indebtedness to a secured promissory note (**Note**). The terms of the Note (and the conditions precedent) are outlined in the Pluton Prospectus. The term sheet will terminate if conditions precedent (including documentation of the Note) are not satisfied by 31 December 2014.

Based on Watpac's current conservative accounting approach to the Contract, the Group has no material dependency on realising the value of the Note. Any embedded profit associated with the repayment of the Note is expected to only be brought to account upon actual future cash receipts. Similarly, revenue from current mining services being performed is only being brought to account based on actual cash receipts.

While the Company remains supportive of Pluton and wishes to remain at Cockatoo Island for at least the current term of the Contract (being until October 2017), Watpac reserves the right to take any action under the Contract that it deems appropriate if Pluton does not comply with its obligations.

Yours sincerely,

WATPAC LIMITED



Mark Baker  
COMPANY SECRETARY

WATPAC LIMITED  
ABN 98 010 562 562

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# Form 603

Corporations Act 2001  
Section 671B

## Notice of initial substantial holder

To Company Name/Scheme Pluton Resources Limited

ACN/ARSN 114 561 732

### 1. Details of substantial holder (1)

Name Watpac Limited

ACN/ARSN (if applicable) 010 562 562

The holder became a substantial holder on 21 / 10 / 14

### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	300,000,000	300,000,000	5.04%

### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Watpac Limited	Beneficial owner	300,000,000

### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Watpac Limited	Watpac Limited	Watpac Limited	300,000,000 fully paid ordinary shares

### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Watpac Limited	21 October 2014		3,000,000	Fully paid ordinary shares

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/a	

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Watpac Limited	Level 1, 12 Commercial Road Newstead Qld 4006

## Signature

print name      Mark Baker      capacity      Company Secretary

**sign here**      Mark Baker      date      31 / 10 / 14

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.