

ASX Announcement
8 September 2015

Execution of Recapitalisation and Restructure Proposal and appointment of Voluntary Administrators and Receivers and Managers

Pluton Resources Limited (**the Company** or **Pluton**) (ASX: PLV) has been informed today that Bryan Kevin Hughes and Daniel Johannes Bredenkamp of Pitcher Partners were appointed by General Nice Recursos Comercial Offshore De Macau Limitada (**GNR**) as Receivers and Managers of the Company (**Receivers and Managers**). GNR are the first ranking secured creditor of the Company.

The Company is now under the control of the Receivers and Managers.

GNR's appointment of the Receivers and Managers forms part of a Recapitalisation and Restructure Proposal for the Company that has been accepted by the Board and other key stakeholders (**Recapitalisation Proposal**). The Recapitalisation Proposal will see GNR (and its associates) providing significant financial support to Pluton over the coming months.

GNR and the Company have reached an agreement on the framework of the Recapitalisation Proposal. The key terms of the Recapitalisation Proposal are as follows:

- GNR or an associate (**Lender**) is to provide a HK\$150 million (approx. A\$28 million) facility to Pluton;
- Funding will be advanced by way of a 36 month convertible loan; and
- Funding is contingent upon the Company entering into Administration, the Company's creditors approving a recapitalisation proposal (including a deed of company arrangement) on terms satisfactory to the Lender and the Lender obtaining any regulatory or shareholder approvals required to implement the proposed transaction.

Pursuant to the terms of the Recapitalisation Proposal and subject to the Company obtaining any necessary regulatory, shareholder or third party approvals (which may be obtained after the funding date):

- the Company will issue the Lender 150,000,000 options to acquire fully paid ordinary shares in the Company (**Shares**), each option will be exercisable at A\$0.01 per option within 3 years of the issue date;
- at the election of the Lender, the convertible loan will convert into Shares at a conversion price which is the lower of A\$0.01 per Share or a 20% discount to a 10 day VWAP of the Shares on the ASX up to and including the day before any conversion; and
- the Company has agreed to enter into an agreement to grant a first right of refusal to the Lender to purchase all iron ore produced by the Company from the Cockatoo Island Project (except iron ore the subject of any existing off-take agreements).

If the Recapitalisation Proposal is not implemented to the Lender's satisfaction the financing will not proceed and it is expected the Company will be unable to continue its mining operations and its assets will be liquidated. In this scenario, it is likely that there will be no return for Shareholders or the Company's unsecured creditors.

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In line with the terms of the Recapitalisation Proposal, the Board has placed the Company into voluntary administration. The Board resolved to appoint Vince Smith and Sam Freeman of Ernst and Young as joint and several voluntary administrators of the Company (**Administrators**).

Given the Company's current circumstances and the terms of the Recapitalisation Proposal received by the Company, the Board is unanimous in its decision that the appointment of voluntary administrators is the appropriate course of action at this time.

The Receivers and Managers and Administrators will shortly commence engaging with the Company's key stakeholders to implement the Recapitalisation Proposal and financing as outlined above, with a view to subsequently handing control back to the Board to allow for recommencement of mining operations as soon as practicable.

The Receivers and Managers and Administrators will provide updates by way of announcements to the ASX and ask shareholders refrain from contacting their offices at this time. For any specific enquires regarding the receivership, please contact Evan de Haan of Pitcher Partners on +61 8 9322 2022.