

PLUTON TO PURCHASE ADDITIONAL 50% OF IRVINE ISLAND IRON ORE PROJECT

10th August 2009, Melbourne: The directors of Pluton Resources Limited ("Pluton") (ASX:PLV) are pleased to advise that the Company has entered into an agreement with joint venture partner Cliffs Natural Resources ("Cliffs") to purchase their 50% interest in the Irvine Island iron ore project.

After completion of the transaction Pluton will own 100% of the project.

The major commercial terms of the transaction are as follows:

- Pluton will pay Cliffs A\$5 million cash.
- Pluton will issue 19,462,200 shares to Cliffs, being a 19.9% equity stake after issue.
- Pluton will pay Cliffs a 1% FOB royalty on 100% of iron ore sales.
- The shares issued to Cliffs will be escrowed for 12 months.
- If Pluton receives a take-over bid, and that bid is recommended by the Pluton Board, Cliffs will either accept the bid or counter-bid themselves.

The conditions precedent to the transaction are:

- Cleveland Cliffs Inc. Board approval.
- Pluton shareholder approval.
- A Pluton capital raising.

Pluton will call an EGM as soon as practicable to request shareholder approval to issue the shares to Cliffs. Pluton plans to raise new capital in September to pay the \$5m cash to Cliffs, and to fund the upcoming Irvine Stage II drilling program.

Pluton management is currently evaluating several options to raise the required funding, which includes finance offers from third parties.

Pluton Managing Director, Mr Tony Schoer said: "We believe this transaction provides a win/win for both companies. Owning 100% of the Irvine project provides strategic options for Pluton to advance the project for the benefit of all stakeholders. We also welcome Cliffs as a major shareholder in our company".

For more information contact Managing Director, Mr. Tony Schoer, on 0411 232 711 or tschoer@plutonresources.com. Alternatively, questions may be posted on hotcopper.com.au or topstocks.com.au following the link on www.plutonresources.com.

Tony Schoer
Managing Director and Chief Executive Officer

About Pluton: Pluton Resources Limited is listed on the Australian Stock Exchange (ASX Code "PLV"). Pluton has assembled a diversified portfolio of interests in tenements in Western Australia and Tasmania. Tenements in Western Australia are prospective for iron ore, where Pluton has earned a 50% interest from its joint venture partner Cliffs Natural Resources. Tenements located in Tasmania are prospective for high grade or bulk tonnage copper, gold and silver. Further details on Pluton can be found at www.plutonresources.com.
