



24 February 2012

The Manager  
Company Announcements Office  
ASX Limited  
Sent By fax 1300 135 638 Pages 1 of 3

Dear Sir/Madam

**Phillips River Mining Limited (ACN 004 287 790)**

**Notice of initial substantial shareholder: Form 603**

Please find **attached** a Form 603 (Notice of Initial Substantial Shareholder) in relation to shares in Phillips River Mining Limited (ACN 004 287 790), lodged on behalf of DV01 Funds Management Pty Ltd (ACN 114 422 758) and DV01 Mechelle Limited (ACN 061 343 959) in accordance with section 671B of the Corporations Act 2001.

Yours sincerely

A handwritten signature in black ink, appearing to read 'GM', is written over a light grey grid background.

**Greg Madden**  
Managing Director  
Encl

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West Perth WA 6005

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ACN: 114 422 758

AFSL No. 308697

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of Initial substantial holder**

To Company Name/Scheme Phillips River Mining Limited

ACN/ARSN 004 287 790

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

Name DV01 Funds Management Pty Ltd (ACN 114 422 758) as the investment manager of, and giving notice on behalf of, DV01 Mechelle Limited (ACN 061 343 959)

The holder became a substantial holder on 22/02/2012

**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)
Ordinary Shares	3,700,000	3,700,000	5.7650%

**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
DV01 Funds Management Pty Ltd	Relevant interest under section 608(1) of the Corporations Act as the investment manager of DV01 Mechelle Limited with the power to dispose of Phillips River Mining Ltd shares held by DV01 Mechelle Limited.	3,700,000
DV01 Mechelle Limited	Relevant interest under section 608(1) of the Corporations Act as the beneficial holder of Phillips River Mining Ltd shares and under section 608(3) of the Corporations Act as the holder of more than 20% of the voting power in DV01 Funds Management Pty Ltd.	3,700,000

**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
DV01 Funds Management Pty Ltd	UBS Nominees Pty Ltd	UBS AG, Australia Branch	3,700,000 ordinary shares
DV01 Mechelle Limited	UBS Nominees Pty Ltd	UBS AG, Australia Branch	3,700,000 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	
DV01 Funds Management Pty Ltd and DV01 Mechelle Limited	Refer Annex 1	Refer Annex 1		3,700,000 Ordinary

**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

**7. Addresses**

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

Name	Address
DV01 Funds Management Pty Ltd	Suite 3, 29 Ord Street, West Perth WA 6005
DV01 Mechelle Limited	Suite 3, 29 Ord Street, West Perth WA 6005

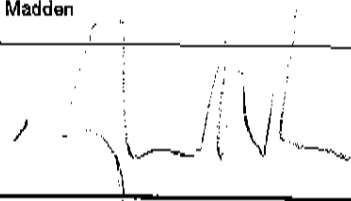
**Signature**

print name Gregory Madden

capacity

Managing Director  
DV01 Funds  
Management Pty Ltd

sign here



date

24/02/2012

**ANNEX 1:**

Date of Acquisition	Consideration (\$ per share)	No of shares
24/02/2012	0.27000	250,601
23/02/2012	0.27000	7,500
22/02/2012	0.27000	241,899
20/02/2012	0.27790	196,201
17/02/2012	0.28000	2,500
16/02/2012	0.28000	12,500
14/02/2012	0.29000	168,750
13/02/2012	0.29000	98,007
10/02/2012	0.29000	399,641
9/02/2012	0.28466	469,644
8/02/2012	0.29000	324,538
7/02/2012	0.29873	266,389
6/02/2012	0.30000	85,950
2/02/2012	0.30000	204,494
1/02/2012	0.29000	541,323
31/01/2012	0.29000	141,815
30/01/2012	0.29810	153,185
27/01/2012	0.29990	135,063
	<b>Total:</b>	<b>3,700,000</b>