

ASX Announcement

9 September 2013

Debt Funding Package Successfully Renegotiated; Plus Private Share Placement with GNR

Pluton Resources Limited (ASX: PLV) (Pluton or the Company) as part of the Cockatoo Island Mining Joint Venture (CIMJV) is pleased to announce that the Company and General Nice Recursos Comercial Offshore De Macau Limitada (GNR) have reached final agreement on the proposed use of the A\$19 million recently received from the Western Australian Department of Minerals and Petroleum for the retirement of the Cockatoo Island Environmental Bond.

The majority of the funds will be used to pay for the on-going construction and completion of the Stage 4 Seawall at Cockatoo Island, allowing access to further high grade haematite (up to 68.5% Fe). The renegotiation for the use of funds means that CIMJV can now focus on mining to the approved limits allowing the completion of Stage 4, which will assist the CIMJV to become a stable supplier of high grade Cockatoo Island iron ore.

As previously advised the CIMJV remains committed to further exploration at Cockatoo Island and as such the remaining funds will be used for the continued drilling program intent on improving the resource and reserve position at Cockatoo Island.

The results of the drilling program will become available towards the end of this calendar year and will be used to plan the next phase of growth at Cockatoo Island.

Pluton is also pleased to announce that, subject to shareholder approval, it has entered in to a private Share Placement with GNR for 14.9% (Tranche 1) and an additional 5% (Tranche 2) of the Company on an expanded capital basis (the Placement). The issue price of \$0.0932 per share represents the 15 day Volume Weighted Average Price prior to 5 September 2013. The Placement shares will be issued to the Hong Kong based subsidiary of GNR, General Nice Resources Hong Kong Limited (GNRHK) and will be subject to shareholder approval. Furthermore, in order to increase its holding to 19.9%, GNRHK will need to receive approval from the Australian Foreign Investment Review Board under the Commonwealth Government's foreign investment policy and Foreign Acquisition and Takeovers Act 1975 (Cth). Pluton will seek shareholder approval of the Placement at the Company's Annual General Meeting scheduled for November 2013.

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The Company also advises that as part of the debt renegotiation and proposed Placement, Mr Rahul Goel, VP Projects, Planning & Business Development at GNR, will be appointed to the Board of Pluton as a Non-Executive Director.

Currently based in Hong Kong, his responsibilities include managing the operations and the development of trade and investment in the coal, coke, iron ore and steel sectors whose primary sales focus is on the Chinese market. Prior to joining GNR, Mr Goel served at Adani Group as a senior trader of iron ore, steel and scrap business. Mr Goel is a Commerce graduate and also holds an MBA degree in marketing with specialisation in international business.

Shareholders are reminded that the GNR loan agreement for a total of \$24 million including the \$19 million previously allocated to the Environmental Bond was provided as follows:

- The loan is interest free;
- The total repayment is \$24 million paid proportionally each month;
- Pluton has signed an off-take agreement with GNR to deliver 20 shipments over a 24 month period.

To date Pluton has repaid \$4.8 million and delivered 2 shipments to GNR. The price Pluton receives for each monthly shipment is commercial in confidence but is commensurate with other Australian producers at a slight discount to the market price.

Brett Clark, MD of Pluton, commented: “We are very pleased to have reached a successful conclusion to our negotiations with GNR, especially given the continuing difficult market conditions for raising funds. These funds will allow us to complete the crucial Stage 4 Seawall, which will provide the next stage of growth at Pluton. The Board also encourage shareholders to support the GNR Placement at the upcoming AGM, their introduction to the Pluton share register would add further structure and support to our financial and customer base facilitating the path to a bright future and we look forward to them sharing in the Company’s future success as we look to develop all of our assets, not just Cockatoo Island.”

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