



**PLUTON**  
PLUTON RESOURCES LIMITED

# Investor Presentation

22 April 2014

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#### **Competent Person Statement:**

Information in this presentation that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Anson Griffith who is a fulltime employee of Pluton Resources Limited. Mr A Griffith is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has under taken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves’. Mr A Griffith consents to the inclusion in this presentation of the matters based on his information in the form and content in which it appears.

# Introducing Pluton

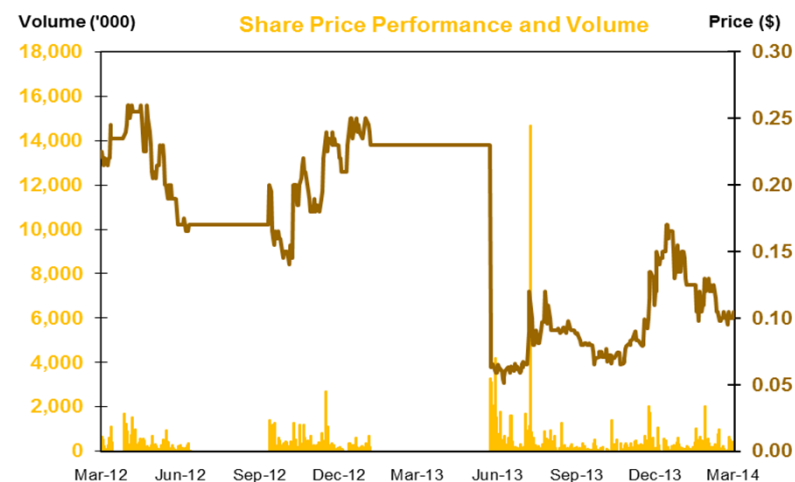


- Owner of Cockatoo Island (50% Pluton: 50% WEG) and Irvine Island (100% Pluton) iron ore leases in the Kimberley Region of Western Australia, “**The Kimberley Iron Ore Hub**”
- Cockatoo Island successfully mined and shipped over 45Mt of ultra-high grade and low impurity DSO Hematite from 1951 to 2012 under previous ownership of BHP, Portman Iron Ore and the Cliffs Asia Pacific Iron Ore/Henry Walker Eltin JV
- Pluton was granted the Irvine Island Mining Lease (M04/452) in July 2012 and acquired Cockatoo Island in October 2012
- Pluton commenced mining activities at Cockatoo Island in October 2012 and loaded its first Handymax vessel for delivery to China in December 2012
- Cockatoo Island sold into a 50:50 Joint Venture with Wise Energy Group (“**WEG**”) effective from 31 August 2013
- Pluton delivered an operating profit of \$6.6m for 1HFY’2014
- Production and profits are budgeted to grow further in FY’2015 due to an expected stronger balance sheet
- Pluton is listed on the ASX and has a market capitalisation of approximately \$43.4m at 10¢ per share and proposes to raise approximately \$20.2m in new equity capital to strengthen the balance sheet and to build on its producer status
- Pluton has executed a Letter of Agreement with WEG (16 April 2014) to negotiate in good faith the purchase of WEG’s Interest in the Joint Venture (see page 16)

# Corporate Overview



Current Market Cap	
Ordinary Shares	~434 million
Options (unlisted) variably ex @ 83c/30c	~38 million
Performance rights	~6.5 million
Market cap (undiluted) at 10c	~\$43.4 million
Cash as at 31 December 2013	\$4.4 million
Average Monthly Liquidity	\$617,000
# of Shareholders September 2013	2,690

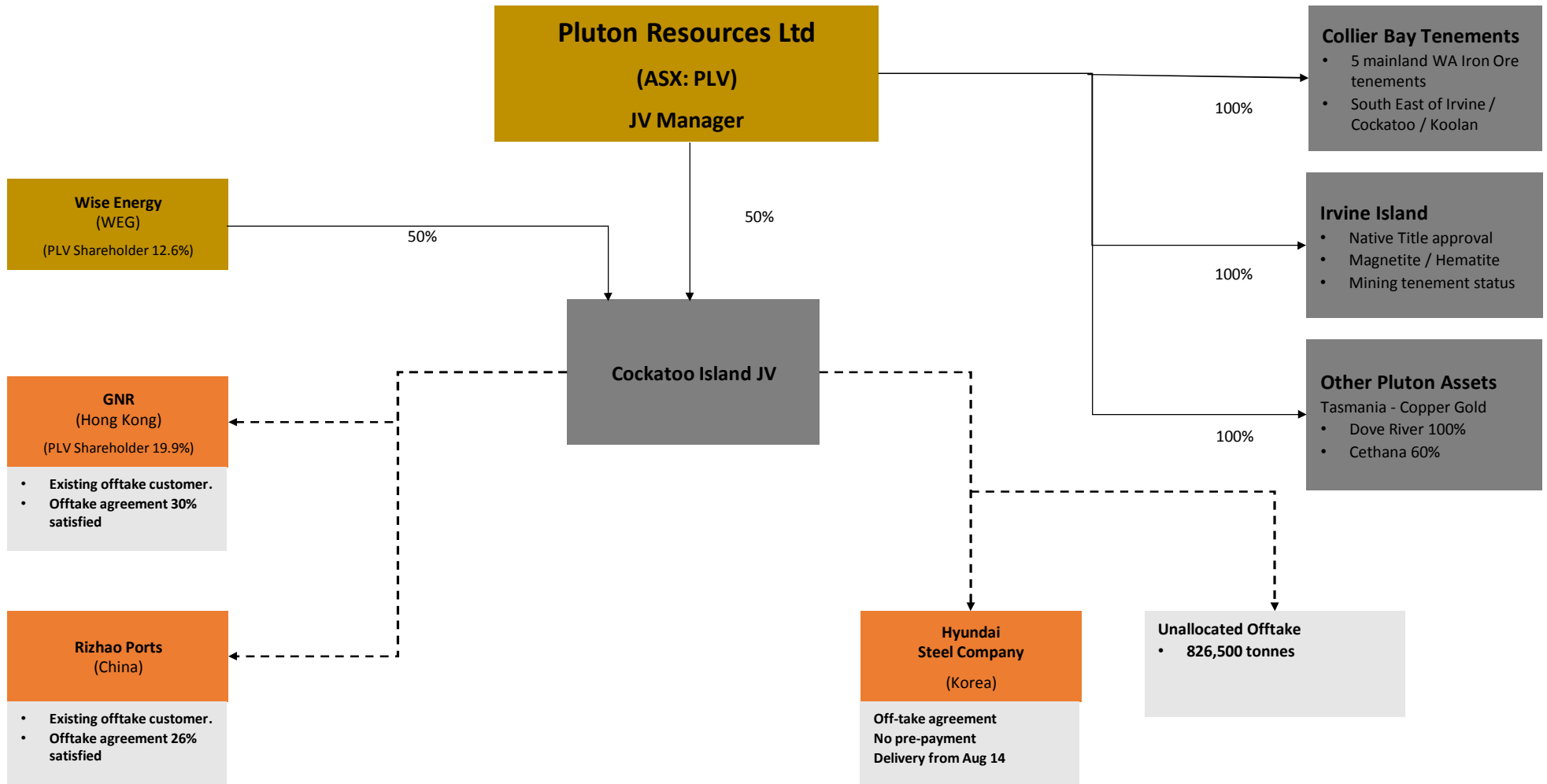


Major Shareholders	%
GNR (Hong Kong ) Ltd	19.90
Wise Energy Group Ltd	12.69
JP Morgan Nominees	10.06
National Nominees	2.80
Kred Enterprises Pty Ltd	2.19
HSBC Nominees	1.97
UBS Wealth Management	1.66
Ms Liyang Zhao	1.17

Broker Activity This Year and Last					
Rank	Broker	Total Value	Buy Qty	Sell Qty	%
1	Commonwealth	\$4,183,178	26,519,103	13,800,714	23.60
2	E-Trade	\$2,246,601	15,924,086	7,427,434	12.67
3	Hartleys	\$2,001,679	13,500,000	19,790,096	11.29
4	Citigroup	\$1,229,822	904,630	11,889,097	6.94
5	AIEX	\$1,084,468	6,346,781	4,985,476	6.12
6	BBY	\$836,194	3,443,891	4,584,177	4.72
7	State One Stock	\$639,505	2,642,144	3,703,959	3.61
8	JPMorgan	\$637,536	4,230,022	2,505,761	3.60



# Pluton Resources Ownership and Agreements



# Board of Directors



## Board of Directors



Richard Mehan  
Chairman

Mr. Mehan has 30 years' experience in the bulk resources sector, the majority within senior roles in the iron ore industry. He spent 15 years with Rio Tinto Iron Ore in a range of commercial roles including sales and marketing, business analysis and development and bulk shipping. Richard joined Portman Ltd as General Manager Iron Ore, and subsequently held the positions of General Manager Marketing, Chief Operating Officer and finally Managing Director as the company grew substantially in production and sales of traded iron ore. In 2005 Cliffs Natural Resources took control of Portman Ltd and in 2007 Richard was appointed President and CEO of Cliffs Asia Pacific. More recently Richard was Managing Director and CEO of Jupiter Mines Limited and CEO & MD of Grange Resources. Richard is also a director and deputy president of the Industrial Foundation for Accident Protection (IFAP).



Brett Clark  
Managing Director & CEO

Mr. Clark joined Pluton Resources in February 2012 and became CEO in March 2013. He holds a Bachelor of Engineering degree from Curtin University and a Graduate Diploma of Business Management and Finance from Deakin University. He has 25 years' experience in the resources sector in funding, business development, operations, acquisitions, asset management, project development and business improvement. His experience covers Iron Ore, Copper, Gold and Coal with Senior Executive and /or Board roles in Rio Tinto, Barrick Gold, Antofagasta, WMC Resources, Ernst and Young, Rey Resources, Oakajee Port and Rail and Wembley Resources.



Russell Williams  
Non-executive Director

Mr. Williams spent 30 years with Alcoa Inc., the world's largest integrated alumina and aluminium producer. Trained as a mechanical engineer at the University of Manchester, he has worked in a range of roles from power generation to engineering, maintenance and human resources and held senior executive roles within the Alcoa organisation.



Jaffe Lau  
Non-executive Director

Mr. Lau leads a large Hong Kong Conglomerate General Nice group with interests in commodity trading, mine ownership and property development. The General Nice group has listed companies on the Hong Kong and Singapore stock exchanges and brings a new network of potential investment and funding possibilities to Pluton.



Anthony Schoer  
Non-executive Director

Mr. Schoer has 30 years experience in the mining and oil and gas industries including direct experience in commodities such as iron ore, coal, gold, manganese, nickel and oil and gas. He was the Chief Financial Officer of Portman Ltd. until the takeover by Cleveland Cliffs Inc. He previously worked for WMC Ltd. and was employed by BHP Co Ltd. for 20 years commencing as a Commercial Trainee, quickly rising through the ranks to senior positions such as Vice President Commercial for BHP Minerals. Mr. Schoer was a founding partner and Chief Executive Officer of Pluton Resources between 2006 and February 2013.



Rahul Goel  
Non-executive Director

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



## Management

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Graeme Smith  
*Company Secretary*

Mr. Smith is a finance professional with over 25 years experience in accounting and company administration. Mr. Smith is a Fellow of the Australian Society of Certified Practising Accountants, the Chartered Institute of Secretaries and Administrators and the Governance Institute of Australia. Mr. Smith has held CFO and Company Secretary positions with Top 10 Australian and overseas mining companies.



Mark Wallace  
*Chief Financial Officer*

Mr. Wallace joined Pluton Resources in August 2013 as Chief Financial Officer. Mr. Wallace has over 20 year's experience in finance and accounting roles, with the last 13 years as a Chief Financial Officer in the Mining and Mine Services industry. Prior to joining Pluton Resources, Mr Wallace served as Chief Financial Officer for NRW Holdings.



Kobus Potgieter  
*Chief Operating Officer*

Mr. Potgieter joined Pluton Resources in July 2012, managing operational responsibility for Cockatoo Island, and developing Irvine Island operations. He is a highly experienced manager focussed on safety and practical operations with experience in multiple commodities. He held the positions of GM Operations with Crosslands Resources Limited, and Mine Manager and Growth Manager for BHP Billiton.

# Keys to Success

- Having assembled a strong Board and Management team, the keys to Pluton's success revolve around:

## Resource and Grade

- Stage 4 Probable Ore Reserve 1.4Mt @ 68.1% Fe
- Low strip ratio of 0.84:1
- Total Indicated and Inferred Mineral Resources 14.2Mt (refer Annexure)
- Continued resource definition drilling
- Remnant ore from earlier Stages
- Stage 5 Exploration Target 15 to 20Mt @ 65 to 68% Fe<sup>1</sup>
- Stage 6 Exploration Target 60 to 120Mt @ 65 to 68% Fe<sup>2</sup>

## Mining / Shipping

- Mining licences and permits in place
- Existing crushing and screening facilities, mobile equipment, shiploader and infrastructure
- Strategically, one of the closest ports to Asia
- No rail or port capacity issues
- Direct Shipping Ore (DSO) Hematite without beneficiation
- Life of Mine (Stage 4) Plan 2.4Mt @ 62% to 63% Fe Range

## Marketing

- Highest Fe grade globally enables diversification into many markets
- Two offtake agreements in place running to July 2015
- Commence offtake with tier 1 South Korean steel mill in Aug 2014
- High grade ore unaffected by changing global conditions

## Financial Strength

- High margin with EBITDA margin as at 1H'2014 of 31%
- Maiden profit of \$6.6M at 1H'FY2014
- Pluton is entitled to receive 50% of Cockatoo Island profit and \$5/t management fee
- Plans to increase ore shipments from 1.2 mtpa to 1.8 mtpa within 18 months, subject to development of Stage 5
- No further capex required for Stage 4 seawall
- Proposed acquisition of WEG's 50% JV Interest

<sup>1</sup>In accordance with Clause 17 of the JORC Code 2012, the reference to "Exploration Target" in terms of target size and type should not be taken as an estimate of Mineral Resources or Ore Reserves. The statements referring to the grade range of the "Exploration Target" is based upon extrapolation of historical drilling results and assays from the Stage 1 to Stage 3 area. The statements referring to the tonnage range of the "Exploration Target" is based upon extrapolation of the Seawall Hematite to greater depth. The tonnage range assumes an average Seawall Hematite true width of 40m, a strike length of 1,500m a depth extension of 60m below the base of the existing Stage 1 to Stage 3 resource block model and an average bulk density of 4.7g/cm<sup>3</sup>. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource.

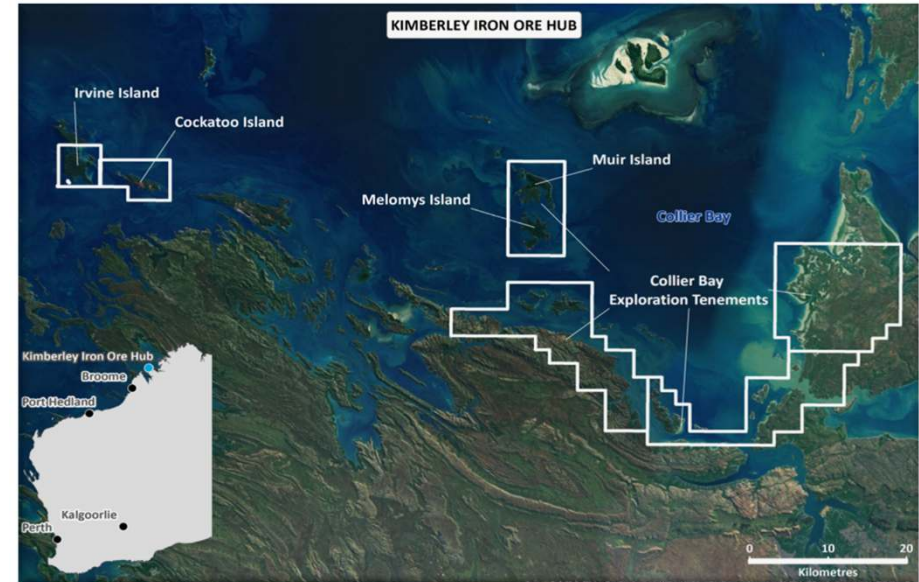
<sup>2</sup>In accordance with Clause 17 of the JORC Code 2012, the reference to "Exploration Target" in terms of target size and type should not be taken as an estimate of Mineral Resources or Ore Reserves. The statements referring to the grade range of the "Exploration Target" is based upon extrapolation of historical drilling results and assays from the Stage 1 to Stage 4 area. The statements referring to the tonnage range of the "Exploration Target" is based upon extrapolation of the Seawall Hematite to greater depth. The tonnage range assumes an average Seawall Hematite true width of 40m, a strike length of 1,800m a depth extension of 270m below the base of the existing Stage 1 to Stage 4 open pits and an average bulk density of 4.7g/cm<sup>3</sup>. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource.



# Kimberley Iron Ore Hub

## Strengths

- The high iron content and ultra low impurities of Cockatoo Island ore makes the **product highly desirable** throughout Asia, Europe and the Middle East
- **No requirement for significant capital expenditure** on infrastructure (ie rail, road or port)
- One of the **closest ports to Asia** (~1,400km closer than Pilbara, equivalent of 2 days shipping time)
- Cockatoo Island iron ore has been **successfully sold into China, Japan, South Korea and Taiwan since the 1950's** ensuring a robust brand and well known, sought after product in Asian iron ore markets



## Opportunities

- **Lucrative additional niche markets** through use of Handymax Vessels at Cockatoo Island, which enables shipments to be sold to upstream mills.
- Additional product application as **heavy media** in off shore oil and gas developments in the Middle East, due to the high iron content of the ore
- **High strength specialty steels** utilised in automobile manufacture in the European markets
- **Collier Bay** – further exploration potential exists to expand Pluton's footprint in the Kimberley's

# Resource and Grade

- Mining from Seawall Pits has been a long term proposition
- Stage 4 Seawall reached practical completion



**Stage 1**  
2002 – 2005  
1.41Mt  
(PML/HWE)

**Stage 2**  
2005 – 2008  
4.43Mt  
(CNR/HWE)

**Stage 3**  
2010 – 2012  
2.34Mt  
(CNR/HWE)

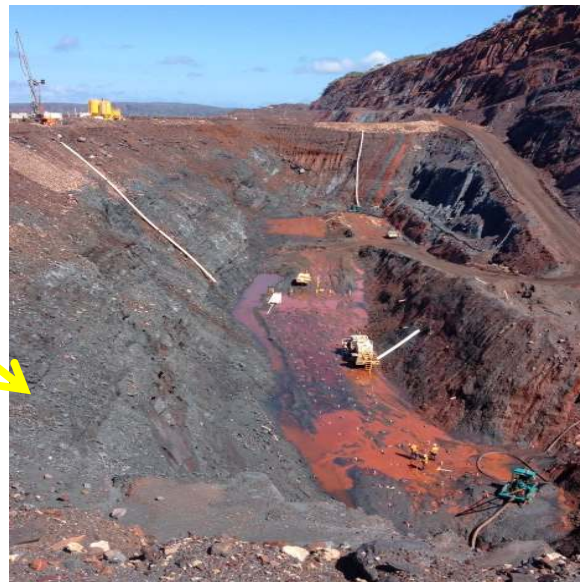
**Stage 4**  
2012 – Oct 2015  
Probable Ore Reserve  
1.4Mt @ 68.1% Fe  
14.2Mt Indicated and Inferred  
Mineral Resources\*

\*Refer tables in annexure

# Mining - Stage 4



- Pit Depth: -60RL at bottom, Pit length = 560m, Pit width = 160m
- Saleable product: Blended to 62-63% Fe range, 1Mt shipped to March 2014
- Mining: Continuous mining since October 2012, first ore on ship in December 2012
- Mining of Stage 4 scheduled to be completed end 2015
- Mining Contractor: Watpac Mining & Civil



- CAPEX: JV spent \$19m (PLV share \$9.5m) to complete Stage 4 development
- Seawall: 350m onshore rock fill with impervious grout curtain
- Construction reached technical completion

# Mining and Shipping



## Pluton's owners representatives on site responsible for:

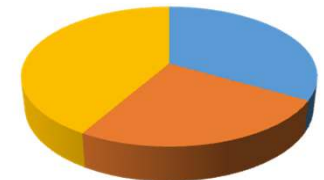
- Geological services, Product Quality Assurance, Environmental Management, Med to Long term planning

## Contractors responsible for:

- Mining and site management: WATPAC Civil & Mining
- Catering and facilities management: ESS
- Flights to and from Perth via Broome / Derby: Virgin Australia and Slingair
- Fuel and supply Barge to and from Derby: CMC Marine
- Stevedoring : Inchcape and Tug operation: Svitzer Marine
- Dewatering : Total Water Management
- Geotechnical Services: Coffey Mining

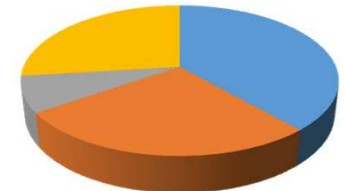
Pluton JV	FY'2013 (Actual)	FY'2014 (Budget)	FY'2015 (Budget)
FOB Cost (AU\$/t)	75	62	52
Shipped (Kt)	438	1,200	1,800
Shipments	10	27	41
Ave Blended Grade (% Fe)	60.2	60.5	62.9

## 24 Shipments to Mid March 2014



■ Rizhao ■ GNR ■ HSF ■ Spot

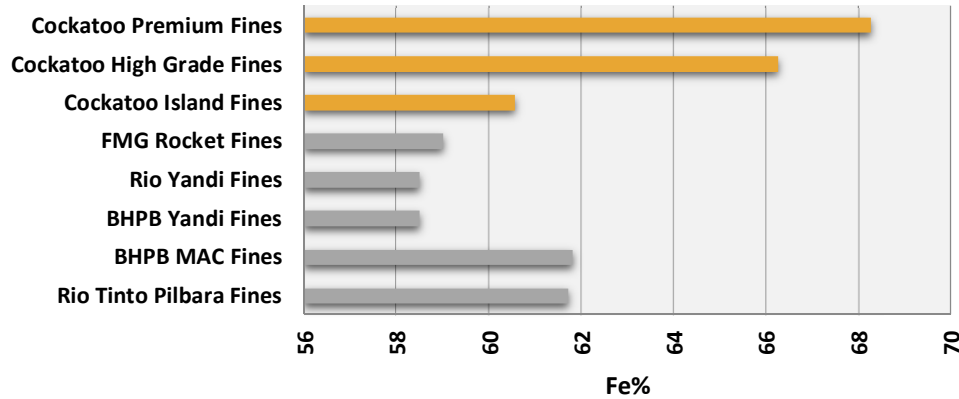
## 54 Planned shipments till end 2015



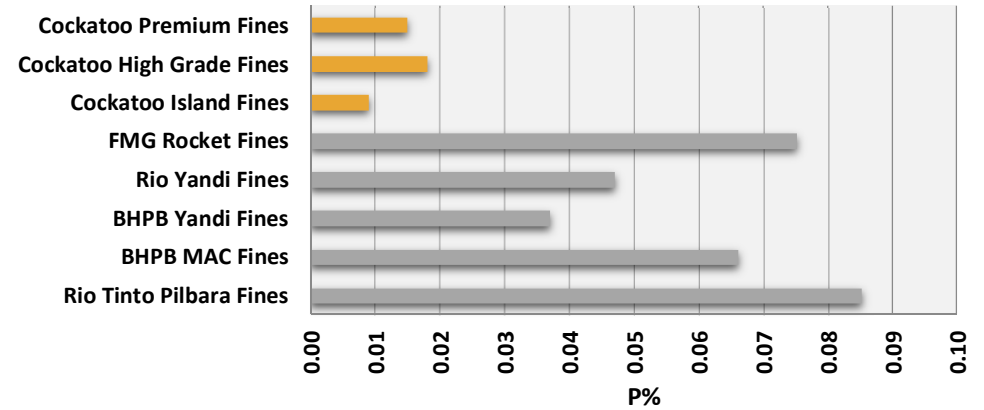
■ Rizhao ■ GNR ■ HSF ■ Spot

# Cockatoo Island - Competitive Advantage

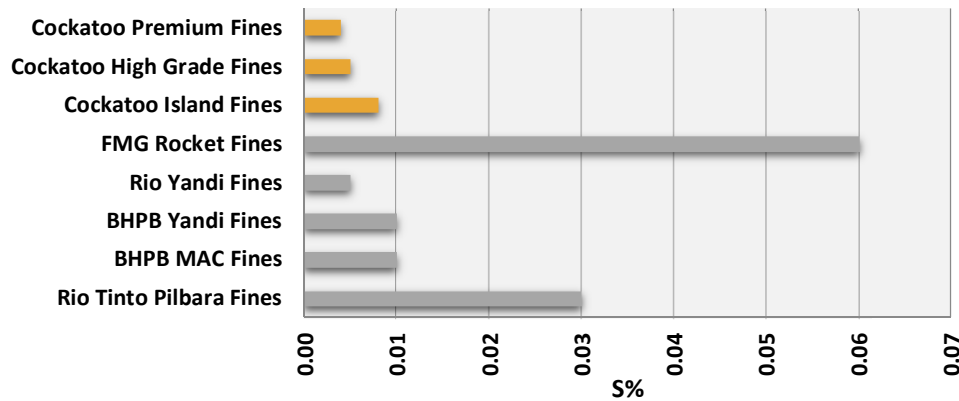
### Australian Fines Iron %



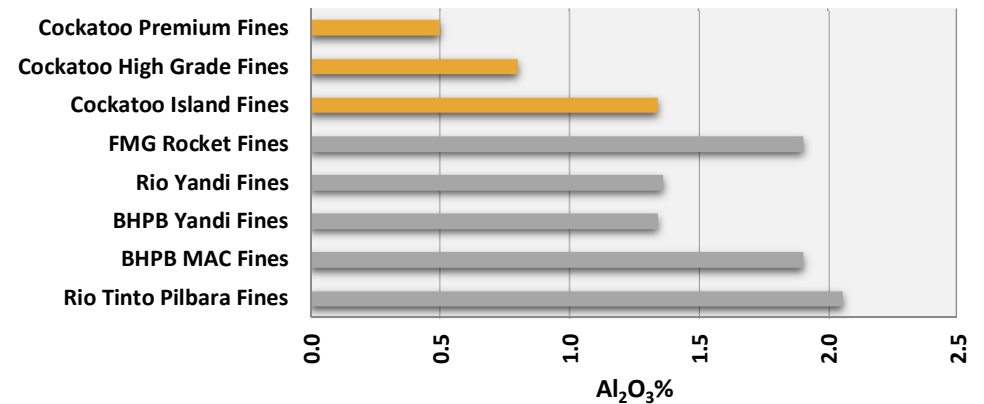
### Australian Fines Phosphorus %



### Australian Fines Sulfur %



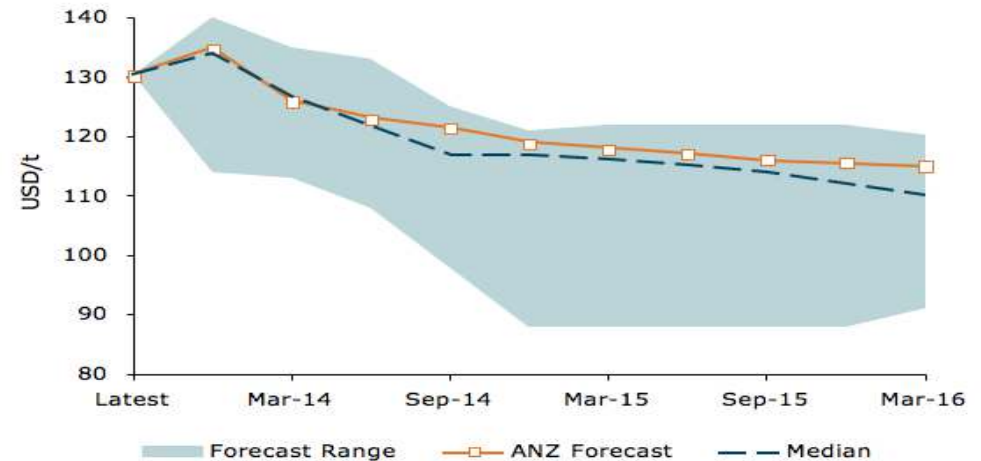
### Australian Fines Alumina %



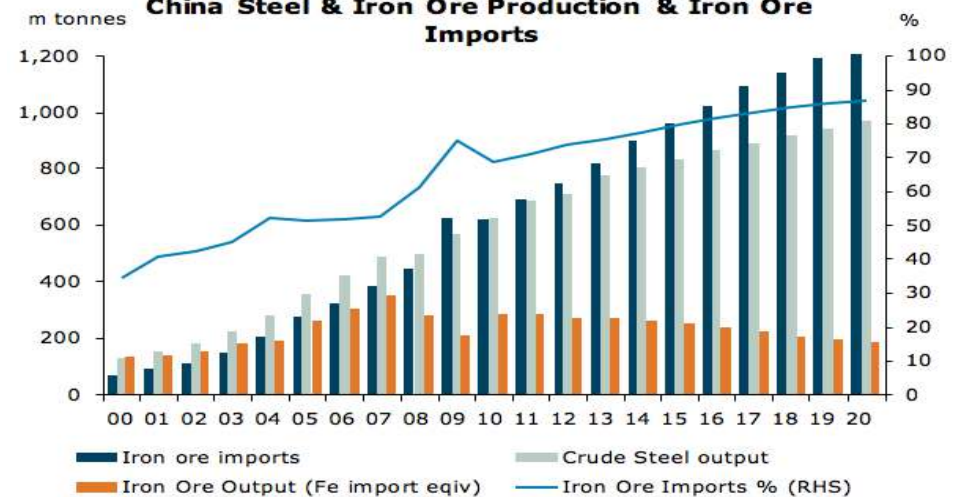
# Marketing

- Since early 1950's Cockatoo's Iron Ore exports reached into China, Japan and Korean Markets
- Currently 3 offtake agreements exist, with the remaining sales into spot market
- Sales on CFR Basis allow the JV to benefit from location due to favorable freight rates
- Pluton Resources expects Iron Ore prices to range from US\$110 to \$120 per tonne
- Due to it's grade Cockatoo Island's ore is well placed in global markets, however the Stage 4 blended grade is currently most suited to the Chinese market

**ANZ Iron Ore Forecast & Market Consensus (CIF)**



**China Steel & Iron Ore Production & Iron Ore Imports**



Source: ANZ Research, Consensus Economics



# 1HFY'2014 Summary

## Financial Highlights

- Successfully transitioned from explorer to producer
- Pluton's revenue for 1HFY'2014 is \$40.3m compared to prior corresponding period 31 Dec 2012 of \$2.8m
- Maiden operating profit of \$6.6m before \$25m gain on sale of 50% share of Cockatoo Island project
- Average realised sales price for the half year was USD\$118.50/tonne
- C1 Production costs are expected to trend downwards to AU\$62/t FOB at the end of 2014, due to an increase in shipped ore
- US +\$14m of presale repayments made to GNR and Rizhao up to 31 Dec 2013

## Operational Highlights

- 19 Handymax shipments of DSO through to 31 December 2013
- The Stage 4 pit expansion progressed further providing blending material and increased working stock
- Stage 4 Probable Ore Reserve upgraded to 1.4Mt @ 68.1% Fe as at 31 Oct 2013
- Total Indicated and Inferred Mineral Resource tonnage increased (30.5%) from 10.8Mt to 14.2Mt
- Resource definition drilling commenced in Dec 2013 within Stage 5 target area

# Pluton JV Status



- The Pluton JV was established in August 2013 to fund the development of Cockatoo Island
- Pluton sold 50% of the project to Wise Energy for consideration of \$1.3m plus net liabilities of \$24.6m and booked a gain of \$25.9m in the 1HFY'2014
- As at 31 December 2013 Pluton was owed \$1.5m (incl GST) by Wise Energy relating to the establishment of the JV
- Pluton has been incurring 100% of the JV costs (less Wise's share of the revenues) on behalf of the JV partners such that Pluton claims Wise Energy now owes it a significant amount of money.
- To resolve the amounts owed an audit by KPMG is being performed as provided for by the JV Agreement. Pluton anticipates a further cash calls for activities to date upon completion of the JV processes of at least \$11.8m in addition to ongoing activities
- Pluton cash called Wise for \$8m of expenditure incurred and to be incurred for this current quarter on 10 April 2014
- Pluton's position is that Wise Energy owes it \$19.8m at present
- On 15 April 2014 Pluton executed a letter of agreement with Wise Energy to negotiate in good faith:
  - the sale to pluton of WEG's 50% Joint Venture interest in the Cockatoo Island project;
  - the termination of the Sales and Marketing Agreement between Pluton and WEG; and
  - the buy-back of WEG's 48,845,070 Pluton shares (by way of a selective capital reduction) for US\$21m (intended to be without set off or deduction)
- Under the agreement with Wise, the parties agree to negotiate to enter into legally binding documentation (Sale Agreement) and complete the transaction within 180 days from the execution of the agreement on 15 April 2014 (for full details see ASX Announcement of 16 April 2014)



# Pre-Paid Offtake

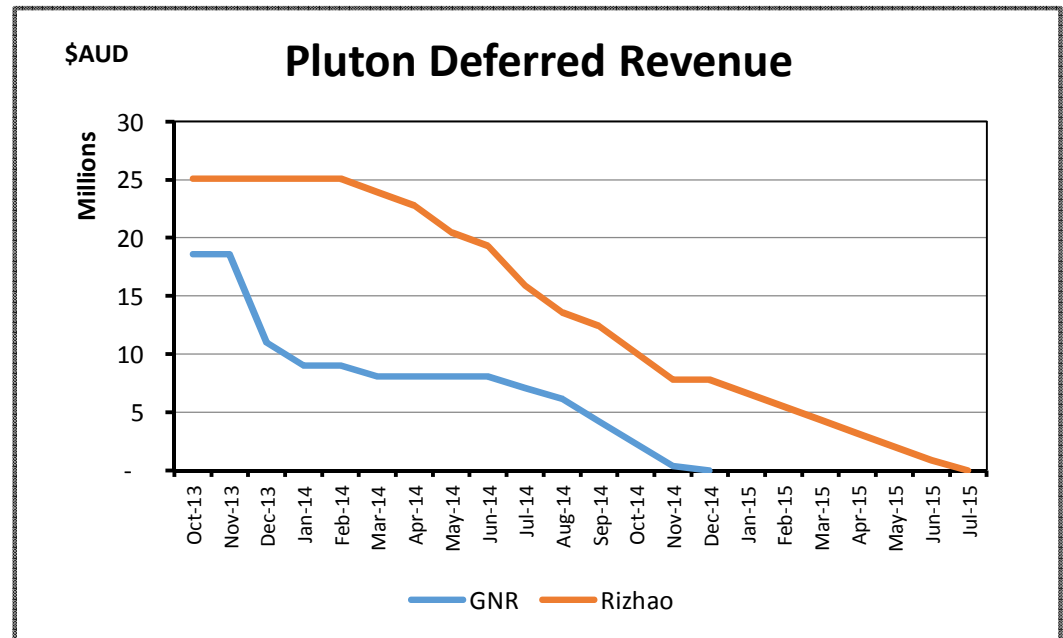
- To fund production working capital and enable construction of the Stage 4 Seawall in September 2013 the Cockatoo Island JV entered into interest free loans of \$55m, in essence pre-paid offtake
- The agreements initially comprised of \$24m from GNR and \$31m from Rizhao, to be repaid from 20 shipments each. Pluton's liability was 50% of the outstanding amounts to GNR and Rizhao. Tables below set out the anticipated amortisation of the pre-paid offtake both on a breakdown per ship and over the duration of Stage 4
- Pluton ships on behalf of the JV circa 43,500 tonnes via Handymax ships representing ~AU\$5.5m of revenue per ship. The outstanding balance owed per delivery of each shipment of one is scheduled to reduce by US\$1.1m per shipment unless mutually agreed by all parties
- To accommodate the JV circumstances outlined on page 16 GNR and Rizhao have agreed to deferred repayments (circa \$6m) over the balance of FY'2014 to the benefit of the JV. In addition Pluton has secured a "spot shipment pre-payment" of \$3m
- In the event that Pluton moves to 100% ownership of Cockatoo Island as contemplated in the Announcement of 16 April 2014 (page 16) Pluton will assume 100% of the Prepaid Balances which are scheduled to be repaid from cashflow over FY'2015

<b>Gross Revenue Framework per Ship</b>	<b>\$5.5m</b>
- Pre-Paid Offtake Repayment*	\$1.1m
= Free Cash	\$4.4m
= Pluton Share of Cash	\$2.2m

\*50% of each Partner

Pluton's Pre-Paid Offtake Balance	31 Dec 2013 Actual	30 June 2014 Budget	30 June 2015 Budget
GNR	\$5.4m	\$4.0m	Paid in full Dec '14
Rizhao	\$12.5m	\$9.6m	Paid in full July '15
<b>Total</b>	<b>\$17.9m</b>	<b>\$13.6m</b>	

Note: Balance of \$6.7m pre-paid offtake to other clients, paid out 100% Jan 2014



# Financial Summary and Forecast



Joint Venture	Act 1HY'14	Forecast 2HY'14	Forecast FY'2014	Forecast FY'2015
Total JV Tonnes Shipped	0.4m	0.8 m	1.2m	1.8m
Tonnes Shipped Pluton	0.3m <sup>1</sup>	0.4m	0.7m	0.9m
<b>Pluton 50% Share</b>				
Sales Revenue and JV Management fees	\$40m	\$53m	\$93m	\$114m
EBITDA	\$12m	\$18m	\$30m	\$47m
EBITDA margin %	31%	34%	32%	40%
Profit after tax	\$6.6m <sup>2</sup>	\$10m	\$16.6m	\$29m
Operating Cash	\$2m	\$20m	\$22m	\$28m
FOB Cost (AU\$/t)	\$64	\$60	\$62	\$52

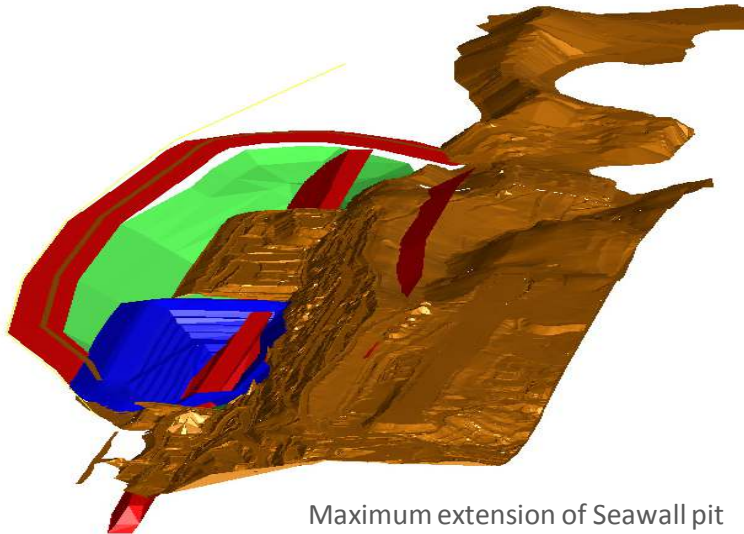
- Seawall Construction reached technical completion state and Stage 4 mining is expected to deliver strong cash flows through to FY'2016
- The Cockatoo Island JV is scheduled to increase shipping rates during FY'2015 to 1.8mt
- Pluton is entitled to receive 50% of net JV profit and \$5/tonne management fee.
- FY'2015 forecast based on \$105 iron ore price (62% Platts), 2HY14 based on price of \$110 AUD:USD 0.90
- In the event that Pluton moves to 100% ownership of Cockatoo Island as contemplated in the Announcement of 16 April 2014 (page 16) Pluton could be expected to access significantly greater FY'2015 revenues

<sup>1</sup> JV commenced 1 Sept 2013, ore shipped in 1<sup>st</sup> Qtr FY14 100% Pluton.

<sup>2</sup> (before gain (AU\$25m) on sale of 50% of Cockatoo Island into JV)

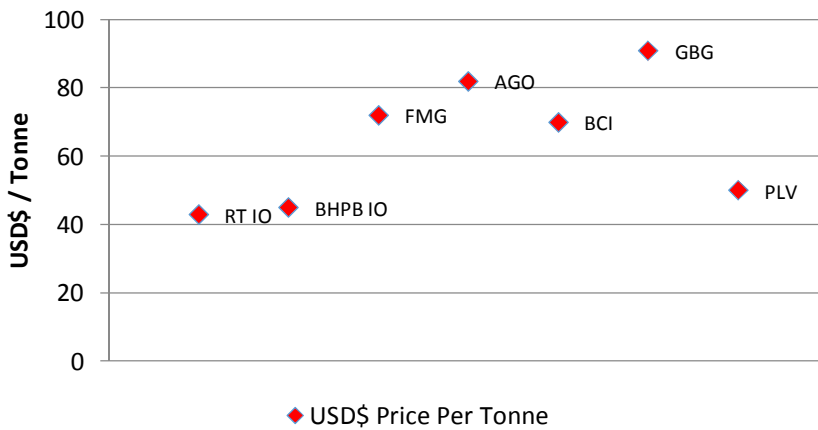


# Stage 5 - Project



- 15-20Mt of 68.1% Hematite DSO delivered to market
- Stage 5 has potential revenue of US\$1.5b to US\$2b at average ore long term assumed price of US\$100/t
- Construction capital cost for Stage 5 seawall is estimated at AU\$82m
- FOB production cost estimated to trend below AU\$55/t
- Annual production 2Mtpa
- 10+ year mine life, with opportunity to extend at reduced cut off grade delivering a 62% sales product
- Existing Cockatoo infrastructure can support Stage 5
- First production from Stage 5 targeting early 2HY2016 shipment
- Similar low risk profile to previous seawall extensions
- Apart from design and construction project management of seawalls, Coffey have a 24/7 presence on site in a geotechnical role

Comparison FOB Iron Ore \$USD Price /Tonne



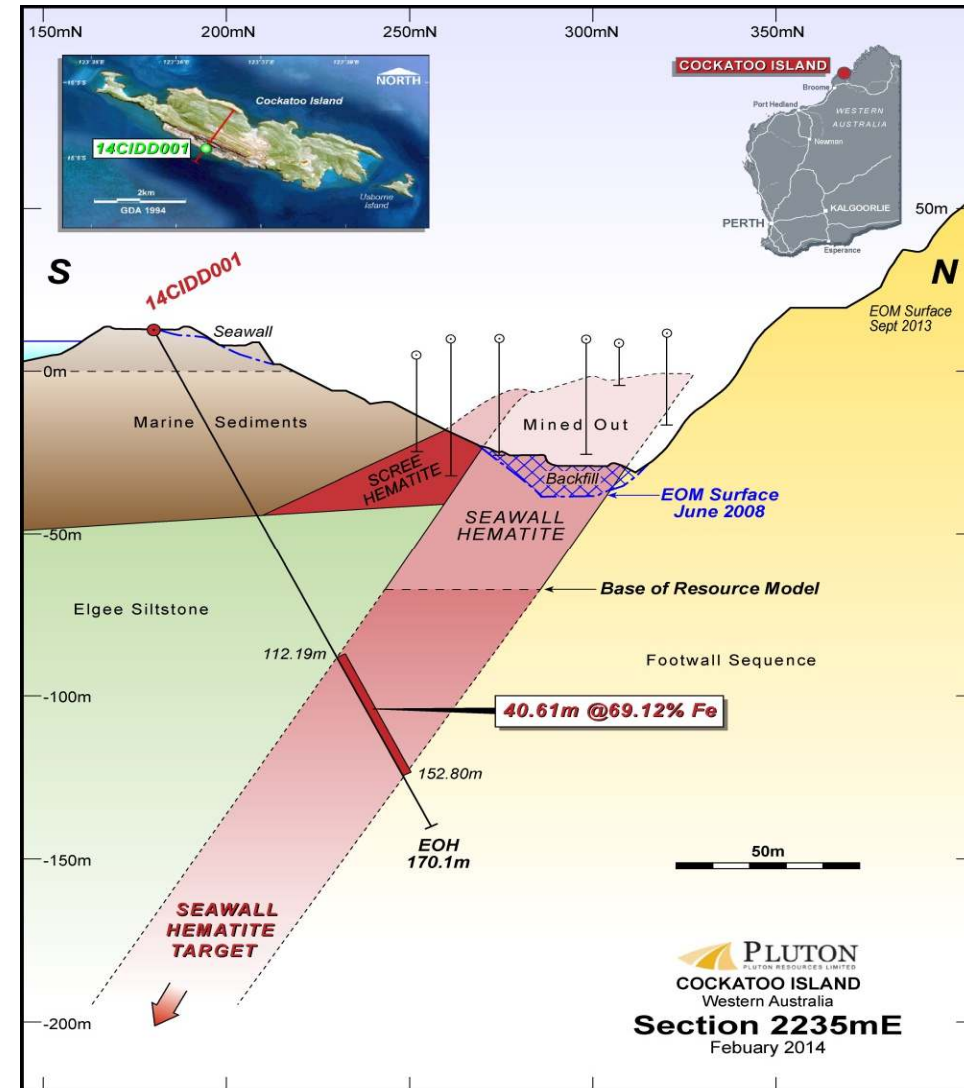
Source: UBS



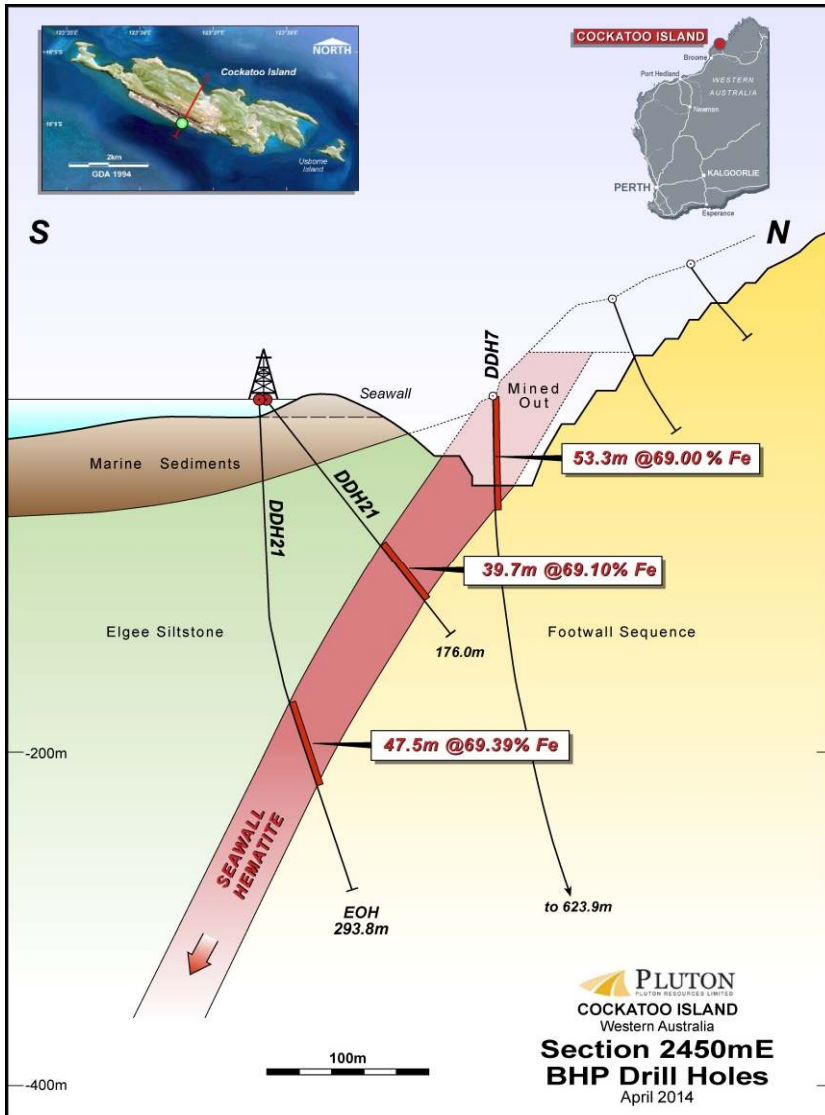
# Stage 5 – Seawall Expansion Exploration

- Designed to increase the existing Mineral Resource base and convert the Exploration Target into Mineral Resources by diamond drilling from the existing seawall
- Exploration Target of 15 to 20Mt in the grade range of 65% to 68% iron<sup>6</sup>
- Resource definition drilling program commenced December 2013. Program completion Q4'2014
- Maiden drill results for drill hole 14CIDD001 announced on 4 Feb 2014
- Drill hole 14CIDD001 intersects 40.61m @ 69.12% iron from 112.19m to 152.8m down hole
- Two of the planned nine exploration drill holes collared from the seawall have been completed to date

<sup>6</sup>In accordance with Clause 17 of the JORC Code 2012, the reference to “Exploration Target” in terms of target size and type should not be taken as an estimate of Mineral Resources or Ore Reserves. The statements referring to the grade range of the “Exploration Target” is based upon extrapolation of historical drilling results and assays from the Stage 1 to Stage 3 area. The statements referring to the tonnage range of the “Exploration Target” is based upon extrapolation of the Seawall Hematite to greater depth. The tonnage range assumes an average Seawall Hematite true width of 40m, a strike length of 1,500m a depth extension of 60m below the base of the existing Stage 1 to Stage 3 resource block model and an average bulk density of 4.7g/cm<sup>3</sup>. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource



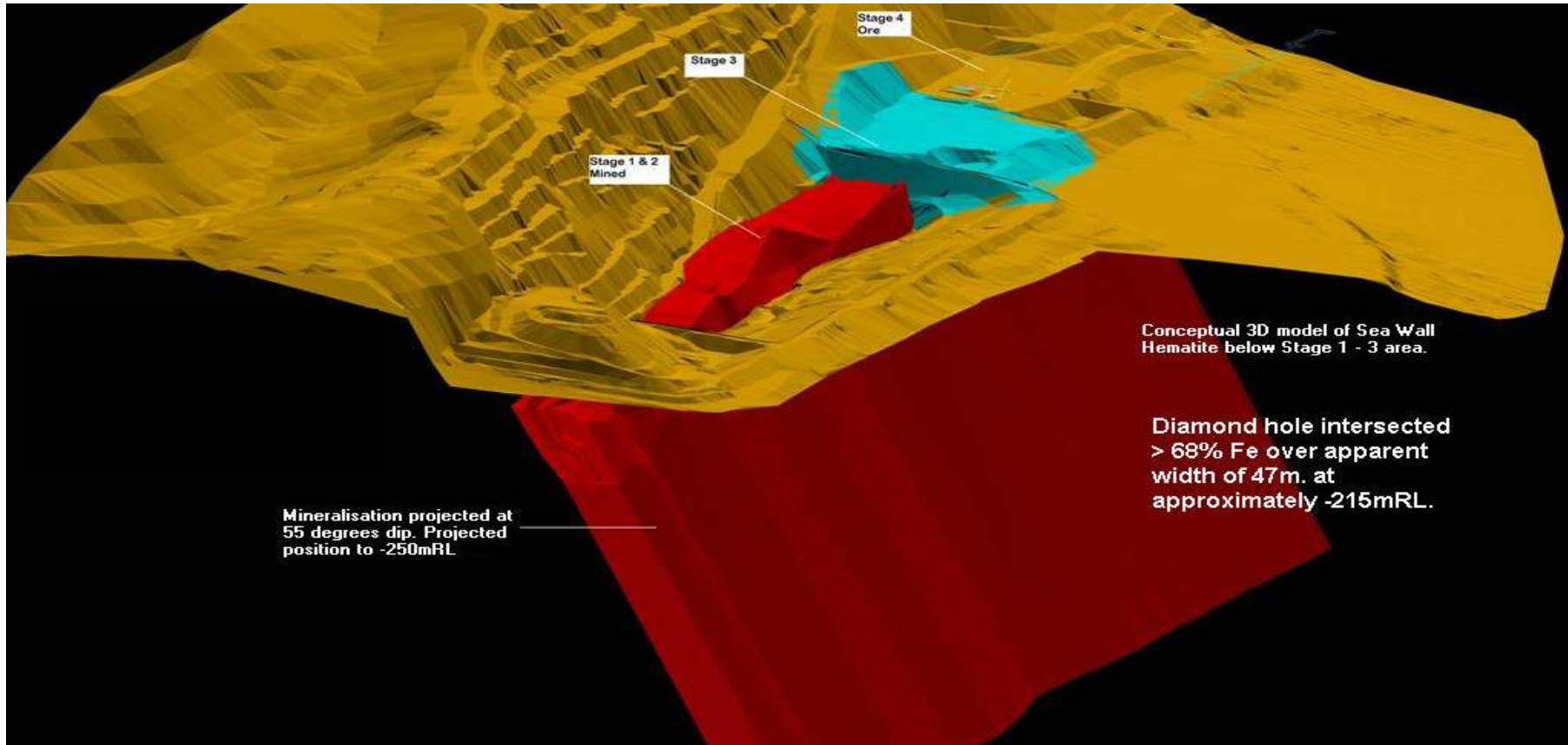
# Stage 6 Exploration Target



- High grade hematite mineralisation intersected at depth in deep diamond drill holes DDH020 and DDH021
- Drilling completed by AIS (BHP) in 1965
- DDH020 intersects 39.7m @ 69.1% iron
- DDH021 intersects 47.5m @ 69.3% iron
- Exploration target of 60-120Mt in the grade range of 65% to 68% iron<sup>7</sup>
- Underground Concept Study completed by third party mining consultant indicates favourable results that warrant further investigation

<sup>7</sup>In accordance with Clause 17 of the JORC Code 2012, the reference to “Exploration Target” in terms of target size and type should not be taken as an estimate of Mineral Resources or Ore Reserves. The statements referring to the grade range of the “Exploration Target” is based upon extrapolation of historical drilling results and assays from the Stage 1 to Stage 3 area. The statements referring to the tonnage range of the “Exploration Target” is based upon extrapolation of the Seawall Hematite to greater depth. The tonnage range assumes an average Seawall Hematite true width of 40m, a strike length of 1,800m a depth extension of 270m below the base of the existing Stage 1 to Stage 4 open pits and an average bulk density of 4.7g/cm<sup>3</sup>. The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource.

# Stage 6 - Exploration Target<sup>8</sup>



<sup>8</sup>In accordance with Clause 17 of the JORC Code 2012, the reference to “Exploration Target” in terms of target size and type should not be taken as an estimate of Mineral Resources or Ore Reserves. The statements referring to the grade range of the “Exploration Target” is based upon extrapolation of historical drilling results and assays from the Stage 1 to Stage 3 area. The statements referring to the tonnage range of the “Exploration Target” is based upon extrapolation of the Seawall Hematite to greater depth. The tonnage range assumes an average Seawall Hematite true width of 40m, a strike length of 1,800m a depth extension of 270m below the base of the existing Stage 1 to Stage 4 open pits and an average bulk density of 4.7g/cm<sup>3</sup> The potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource.

# Irvine Island - Project Scope

## Hardstaff Peninsula

Indicated Mineral Resource of **543 Mt** including:

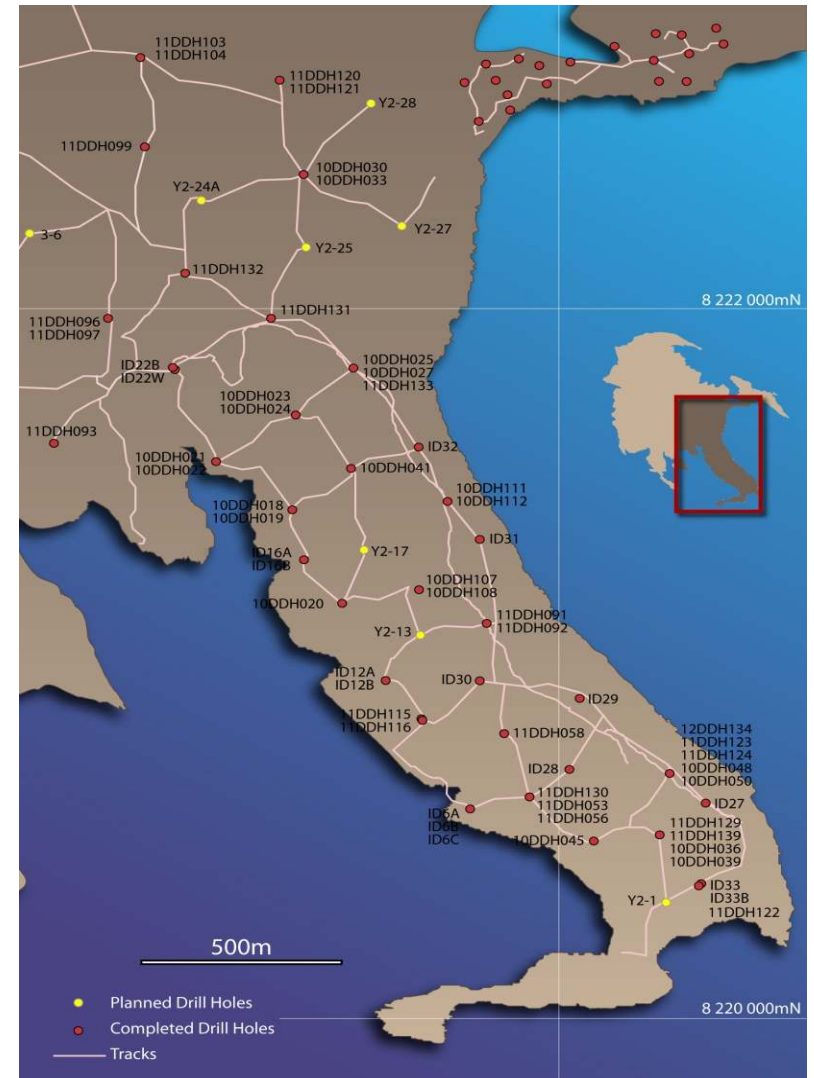
- Yampi Member Indicated Mineral Resource of **175Mt @ 33% total iron and 38.6% weight recovery**
- Wonganin Sandstone Indicated Mineral Resource of **368Mt at 21% total iron**

## Isthmus Region

- Yampi Member Indicated Mineral Resource of **19Mt at 33% total iron**

## Closest Australian magnetite Mineral Resource to Asia

- Pre-Feasibility Study completed
- Converted to Mining Lease (M04/452) in 2012, Native Title approval in 2011
- PER IV Environmental Approval expected late 2014
- Deep water (30m deep approximately 50m from island coast), allow access to freight economies of scale - ship Cape size
- No rail requirement
- Pre concentrate product produced with minimal power and no water process requirements
- Beneficiation offshore, for production of 67% grade concentrate
- Two days closer shipping than Midwest (WA) and 6 days closer shipping than Spencer Gulf (SA) iron ore projects
- Experienced magnetite management team – Iron Ore Company of Canada, Jack Hills Project



# Capital Raising Framework

- Pluton has raised \$2.8m by way of the placement of 70.0m shares including 20.6m which are the subject of shareholder approval
- A renounceable Rights Issue to shareholders of 1 new share for every share held at an issue price of 4.0¢ to raise \$17.4m
- The rights shares will have a 1-for-1 attaching option exercisable at 4.5¢ expiring 3 October 2017 (to fit in with the 180 day timeframe to complete the purchase from Wise Energy)
- The rights shares will also have a 1 for 3 attaching option exercisable at 5.5¢ expiring 31 March 2017
- New shares will rank equally with existing ordinary shares
- The rights issue in conjunction with placement will raise \$20.2m
- The issue price represents a discount of 60% to the last sale price of 10¢
- Indicative Capital Structure upon completion of the issues:

	Shares	Short Dated Options	Long Dated Options	Existing Options	Performance Rights	Amount Raised (\$)
Shares on Issue	434.24m	-	-	37.74m	6.50m	-
Rights Issue 1:1	434.24m	434.24m	144.75m		-	\$17.4m
<b>Total</b>	<b>868.47m*</b>	<b>434.24m</b>	<b>144.75m**</b>	<b>37.74m</b>	<b>6.50m</b>	<b>\$17.4m</b>

\* Subject to shareholder approval 20.6m shares are to be issued as part of the \$2.8m share placement; and

\*\* up to 100m Underwriting Commitment Options may be issued.



# Sources and Uses of Funds

- As a consequence of the funding shortfall from the JV and until such time as Pluton completes the purchase of Wise's Interest, Pluton is required to fund the full JV
- Short term / existing promissory note / convertible note facilities as a consequence now total \$14.5m and are to be repaid out of cash flow and/or the proceeds of the share issue. Creditors as at April total circa \$14m
- As set out on page 16 Pluton's cash position would improve by circa \$19.8m if the amount Pluton believes it is owed by Wise is paid (subject to the outcome of the audit)
- Pluton has received support from GNR of circa \$3m in deferred offtake repayments/advance sales, has secured a "spot shipment" of \$3m and is to receive a \$2m environmental remediation bond refund, ie; circa \$8m in addition to normal shipments of DSO
- Pluton has negotiated with Rizhao for circa \$3m in deferred offtake repayments
- The +\$11m above in conjunction with the issue proceeds of \$20.2m would enable Pluton to meet its obligations and those of the JV other than Stage 5 activities which would need to be funded out of future cashflow
- Stage 5 activities are contemplated as \$6m Feasibility Study and Drilling \$6m

Source of Funds	\$'m
Deferred Offtake/Advance Sales	\$6.0m
Environment Bond Refund	\$2.0m
"Spot Shipment"	\$3.0m
<b>Sub Total Sources of Funds</b>	<b>\$11.0m</b>
Share Placement	\$2.8m
Rights Issue	\$17.4m
<b>Total</b>	<b>\$31.2m</b>

Uses of Funds	\$'m
Repay Promissory Notes/ Convertible Notes	\$14.5m
Creditors	\$14.0m
<b>Sub Total Use of Funds</b>	<b>\$28.5m</b>
Working Capital (including Issues Costs)	\$2.7m
<b>Total</b>	<b>\$31.2m</b>

# Pro Forma Balance Sheets

- Pluton's Balance Sheet transforms over the 2H'2014 as a function of the proceeds of the capital raising's (\$20.2m gross) and budgeted profitability
- In the context slide 17 pre-paid offtake represented as Deferred Revenue and the cash flow's per ship, the Deferred Revenue facilities are extinguished and cash grows creating a capacity to fund Stage 5 capital works over CY'2015
- The Proforma Balance Sheets of Cockatoo Island (see page 16) does not reflect 100% ownership

(\$m's)	Consolidated 31-Dec-13 \$m	31 Dec 13 Pro-forma adjusted for Placement and Offer	Note	Pro-forma Adjusted 22-May-14 \$m	Pro-forma Adjusted 30-Jun-14 \$m	Pro-forma Adjusted 30-Jun-15 \$m
<b>Current Assets</b>						
Cash and cash equivalents	4.4	22.9	(1)	9.7	24.8	30.1
Trade and other receivables	8.8	8.8	(2)	25.4	3.7	9.0
Inventories	3.5	3.5		2.9	2.9	2.7
Other current assets	2.9	2.9	(3)	0.8	2.6	2.5
<b>Total current assets</b>	<b>19.6</b>	<b>38.1</b>		<b>38.7</b>	<b>34.0</b>	<b>44.3</b>
<b>Non-current Assets</b>						
Property, plant & equipment	12.3	12.3	(4)	24.7	30.5	33.5
Intangibles	0.3	0.3		-	-	-
Exploration and evaluation	75.4	75.4		76.0	76.2	76.7
Other non-current assets	0.3	0.3		0.3	0.3	0.3
<b>Total Non-current Assets</b>	<b>88.3</b>	<b>88.3</b>		<b>101.0</b>	<b>107.0</b>	<b>110.5</b>
<b>Total Assets</b>	<b>107.9</b>	<b>126.4</b>		<b>139.7</b>	<b>141.0</b>	<b>154.8</b>
<b>Current Liabilities</b>						
Trade & other payables	11.4	11.4		10.6	11.3	11.5
Provisions	0.2	0.2		0.2	0.2	0.2
Borrowings	7.1	7.1		7.8	1.3	0.0
Deferred revenue	23.4	23.4	(5)	14.8	14.8	0.0
<b>Total Current liabilities</b>	<b>42.1</b>	<b>42.1</b>		<b>33.4</b>	<b>27.6</b>	<b>11.7</b>
<b>Non-current Liabilities</b>						
Rehabilitation Provision	18.1	18.1		17.9	17.8	17.4
Deferred Revenue	1.2	1.2	(5)	1.2	1.2	0.0
<b>Total Non-current liabilities</b>	<b>19.3</b>	<b>19.3</b>		<b>19.1</b>	<b>19.0</b>	<b>17.4</b>
<b>Net Assets</b>	<b>46.5</b>	<b>65.0</b>		<b>87.2</b>	<b>94.5</b>	<b>125.7</b>

## Notes

All amounts shown in the pro-forma Balance Sheet as relating to the Joint Venture relate to only 50% of the liability, given the other 50% of the liability is a liability of Wise Energy Group Ltd (Wise)

Incorporated into the balance sheets is the full liability under the Convertible Note/Facility Deed/Promissory Note documents that have been entered into:

- Cash and cash equivalents of \$9.7 million relates to cash post repayment of outstanding creditors
- Trade & Other receivables includes \$19.8 million receivable from JV partner, Insurance receivable of \$2.5 million, JV management fee of \$2 million and \$1.1 million trade receivable
- Other current assets relates to deposits and bonds being refunded
- Property, plant & equipment represent capitalised costs associated with the seawall construction for Stage 4
- Deferred revenue represents the outstanding balance of pre-sold ore to GNR (\$2.8m), Rizhao (\$11.5m), Misc (\$1.8m)

# Indicative Timetable

Event	2014
Lodge Prospectus with ASIC and ASX	Tuesday 22 April
Rights Issue Record Date	Wednesday 30 April
Closing Date	Wednesday 14 May
Shortfall Notified	Monday 19 May
Shortfall Settled	Wednesday 21 May

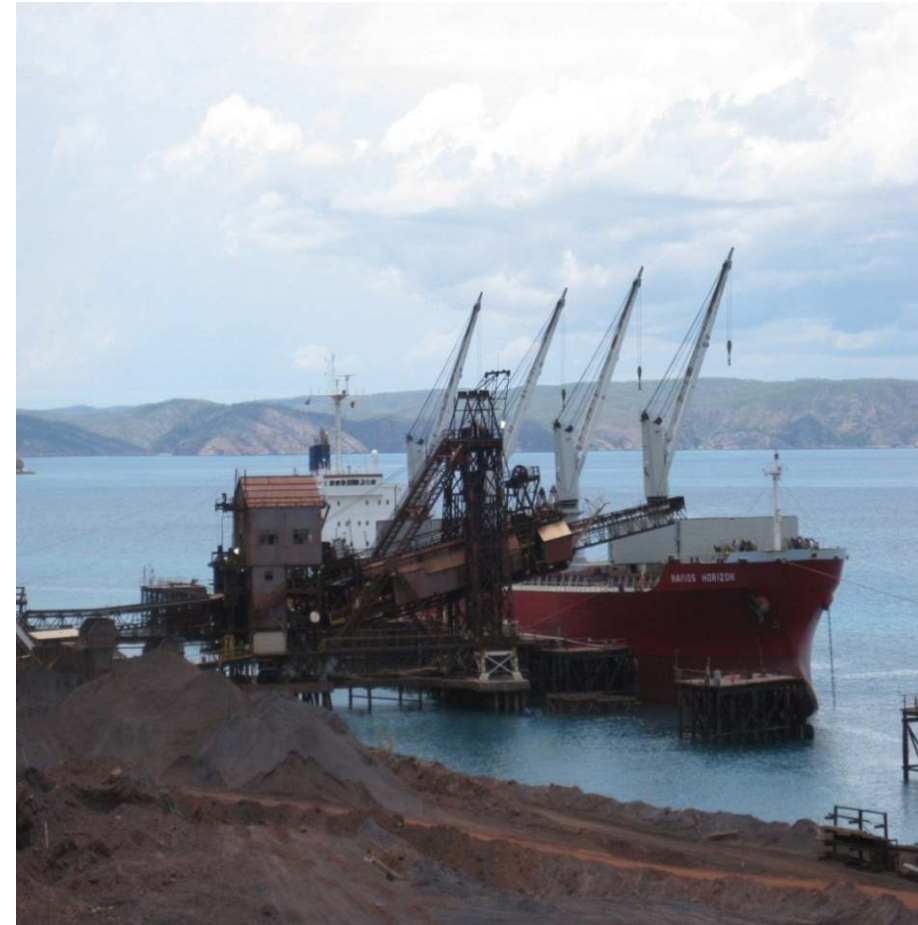
# Key Risks

Include but are not limited to:

- Development of the Project requires capital expenditure for future exploration and development
- Operating Risks caused by geotechnical incl. seismic activity; industrial action; technical and/or mechanical failures
- The location of the Projects is susceptible to seasonal weather impacts including tropical lows and or cyclones
- Exploration and development is speculative and there is no guarantee of success
- Ore Reserve and Mineral Resource estimates are judgments and may change
- Commodity price volatility, economic influences and exchange rate changes may affect the Company's income
- Changes in tariffs, royalties, customs duties and other Governmental imposts
- Changes in Government Policies, Legislation, Environmental and Safety Regulation may impact the ability to undertake or maintain certain operations in the future
- Specialised expertise and personnel changes may impact on effectiveness and profitability of the operations from time to time
- Failure to conclude WEG Sale Agreement may lead to Pluton losing Cockatoo Island management rights

# Summary

- Pluton has successfully transitioned to producer status and is now forecasting a projected NPAT of \$16.6m for FY'2014
- High iron content and low impurities make Cockatoo Island ore a highly desirable product
- The completion of the Stage 4 Seawall positions Pluton very positively for FY2015 as it benefits from the sunk capital
- A consequence of the JV circumstances are that Pluton finds itself short of cash and holding JV costs until such time as they are accounted for by way of cash calls and/or revenue adjustments or the acquisition of Wise's Interest
- The new issues in conjunction with 2H'2014 profitability/cash flow can transform the company's balance sheet
- Delivery of FY'2015 budgets that contemplate 50% ownership implies EPS of circa 3.3¢ = PER of 1.2x at the 4.0¢ issue price. The Board will consider various capital management initiatives that would allow it to fund Stage 5 construction/capital costs currently contemplated as \$82m, and may include the introduction of a dividend so as to recognise and reward shareholder support
- The Rights Issue not only allows a strengthening of the balance sheet but will assist in building the liquidity in the shares at an exciting time in the company's development
- A move to 100% ownership as contemplated by the Announcement of 16 April (page 16) would provide Pluton with access to 100% of the revenues and cashflow of Cockatoo Island



# Annexure

# Mineral Resources and Ore Reserves

## Cockatoo Island Seawall Hematite Ore Reserves as at 31 October 2013

Classification		Tonnage (Mt)	COG Fe (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	S (%)	P (%)
Probable	Stg4_des_v11	1.4	65.5	68.1	1.3	0.6	0.004	0.005
<b>Total Probable</b>		<b>1.4</b>	<b>65.5</b>	<b>68.1</b>	<b>1.3</b>	<b>0.6</b>	<b>0.004</b>	<b>0.005</b>

- Notes:
- 1: Ore Reserves are in addition to 2350E to 2950E Mineral Resources.
  - 2: Tonnage is rounded to nearest 100,000 tonnes.

## Cockatoo Island Seawall Hematite Mineral Resources as at 31 October 2013

Classification		Tonnage (Mt)	COG Fe (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	S (%)	P (%)
Indicated	1700mE to 2350mE >-70mRI	1.9	67.0	68.0	1.1	0.8	0.008	0.01
Indicated	2350mE to 2950mE >-70mRI	3.1	65.5	67.9	1.6	0.7	0.004	0.007
<b>Total Indicated</b>		<b>5.0</b>		<b>67.9</b>	<b>1.4</b>	<b>0.7</b>	<b>0.006</b>	<b>0.008</b>
Inferred	1150mE to 1565mE >-40mRI	1.3	62.0	68.0	1.1	0.8	0.008	0.017
Inferred	1565mE to 1700mE >-40mRI	0.4	67.0	68.5	0.7	0.5	0.006	0.016
Inferred	1700mE to 2350mE >-70mRI	2.6	67.0	68.3	1.0	0.6	0.008	0.011
Inferred	2350mE to 2950mE >-70mRI	1.8	67.0	68.5	1.4	0.5	0.004	0.006
<b>Total Inferred</b>		<b>6.1</b>		<b>68.3</b>	<b>1.1</b>	<b>0.6</b>	<b>0.007</b>	<b>0.011</b>

- Notes:
- 1: Mineral Resources 2350E to 2950E are exclusive of Stage 4 Probable Ore Reserve.
  - 2: Tonnage is rounded to the nearest 100,000 tonnes.

## Cockatoo Island Highwall Mineral Resource as at 31 October 2013

Classification		Tonnage (Mt)	COG Fe (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	S (%)	P (%)
Inferred	2150mE to 2650mE	3.1	-	49.6	20.5	5.8	0.008	0.02
<b>Total Inferred</b>		<b>3.1</b>	<b>-</b>	<b>49.6</b>	<b>20.5</b>	<b>5.8</b>	<b>0.008</b>	<b>0.02</b>

- Notes:
- 1: Mineral Resources 2350E to 2650E are exclusive of Stage 4 Probable Ore Reserve.
  - 2: Tonnage is rounded to the nearest 100,000 tonnes.
  - 3: Mineralisation is composed of Seawall Hematite and Footwall Schist

# Mineral Resources and Ore Reserves

## *Irvine Island Hardstaff Peninsula Yampi Conglomerate Iron Ore Mineral Resource as at 30 June 2013*

Classification	COG Fe (%)	Tonnes (Mt)	Total Wt Rec (%)	Mineralisation					Magnetite Mineralisation					
				Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	S	P	Wt Rec	Fe	SiO <sub>2</sub>	Al <sub>2</sub> O <sub>3</sub>	S	P
				(%)	(%)	(%)	(%)	(%)	DTR (%)	DTR (%)	DTR (%)	DTR (%)	DTR (%)	DTR (%)
Indicated >40% iron (Lens 1)	40	5	49.2	45	32.5	1.23	0.17	0.031	34.2	69	2.4	0.07	0.01	0.009
Indicated >50% iron (Lens 2)	50	59	55.1	51	25.6	0.48	0.08	0.017	37.7	70	1.9	0.07	0.01	0.007
Indicated >30% and <50% iron (Lens 2)	30	43	39.2	33	47.5	1.54	0.24	0.022	30.8	69	3.2	0.14	0.02	0.006
Indicated <30% iron	10	68	23.0	18	62.6	4.69	0.17	0.036	20.5	68	5.2	0.27	0.01	0.007
<b>Total Indicated</b>	-	<b>175</b>	<b>38.6</b>	<b>33</b>	<b>45.5</b>	<b>2.39</b>	<b>0.16</b>	<b>0.026</b>	<b>29.3</b>	<b>69</b>	<b>3.6</b>	<b>0.17</b>	<b>0.01</b>	<b>0.007</b>

Notes:

1. All resources have been rounded to the nearest 1 million tonnes.
2. COG is defined as cut-off-grade.
3. Total weight recovery includes both magnetite and hematite mineralisation
4. A 50% recovery has been assumed for hematite

## *Irvine Island Hardstaff Peninsula Wongain Sandstone Iron Ore Mineral Resource as at 30 June 2013*

Classification	COG Fe (%)	Tonnes (Mt)	Wt Rec (%)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	S (%)	P (%)
Indicated Wongain Sandstone	-	368	19.7	21	61.0	4.20	0.09	0.032
<b>Total Indicated</b>	-	<b>368</b>	<b>19.7</b>	<b>21</b>	<b>61.0</b>	<b>4.20</b>	<b>0.09</b>	<b>0.032</b>

Notes:

1. All resources have been rounded to the nearest 1 million tonnes.
2. COG is defined as cut-off-grade.
3. No cut-off grade has been applied to the Indicated Mineral Resource estimation.



# Mineral Resources and Ore Reserves

## *Irvine Island Isthmus Region Yampi Conglomerate Iron Ore Mineral Resource as at 30 June 2013*

Classification	COG Fe (%)	Tonnage (Mt)	Iron (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	S (%)	P (%)	TiO <sub>2</sub> (%)	LOI at 950° C
Indicated Yampi Member	-	19	33	43.4	4.70	0.04	0.030	0.25	1.5

Notes:

1. All resources have been rounded to the nearest 1 million tonnes.
2. COG is defined as cut-off-grade.
3. Total weight recovery includes both magnetite and hematite mineralisation
4. A 50% recovery has been assumed for hematite