



ASX Announcement

2 April 2014

PROPOSED CAPITAL RAISINGS TO STRENGTHEN BALANCE SHEET AND DRIVE FUTURE EXPANSION

Following practical completion of the Cockatoo Island Mining Joint Venture Stage 4 seawall and the delivery of a maiden 1H'2014 operation profit of \$6.6m, Pluton Resources Limited (**ASX:PLV**) ("**Pluton**" or the "**Company**") is now developing a 2.4mt 68.1% hematite DSO mine life with the prospect of accessing further tonnage at a time when production costs are trending below ~A\$65/t FOB.

Completion of these works has provided Pluton with the opportunity to review both its balance sheet funding and its offtake arrangements with the intention being to improve flexibility as the Company plans for Stage 5 at Cockatoo Island.

Pluton proposes to complete a share placement of up to 96m shares being the 25% available under ASX Listing Rules 7.1 and 7.1A at a price of 7.6¢ to raise up to \$7.3m ("**Placement**"). Places will include Institutions, Sophisticated Investors and Industry Investors who in addition to an equity investment are seeking Stage 4 and Stage 5 offtake.

In conjunction with the Placement, the Board is pleased to announce that it has resolved to undertake a renounceable pro-rata offer to shareholders (including those participating in the Placement) of 1 new share for every 3 shares held at the record date at an issue price of 7.6 cents per new share together with 1 attaching option (exercisable @ 10¢ and expiring on 31 March 2017) for every 3 new shares issued to raise up to \$12.2m (before costs) ("**Rights Issue**").

Patersons Securities Limited is mandated as Lead Manager to the Placement and the Rights Issue.

The proceeds of the Placement and Rights Issue will be utilised to retire short term funding and creditors associated with Stage 4 (\$10.2m Pluton's share), with the balance to be allocated primarily to Stage 5 drilling and completion of feasibility studies.

With planned mining and shipping rates scheduled to increase for the 2H'2014 Pluton is confident of building on the 1H'2014 performance.

Further details of the Rights Issue including details of the timetable and the underwriting arrangements will be set out in a prospectus that will be lodged with ASIC and released to ASX on or about 10 April 2014.

The Company will remain in suspension until the details of the capital raisings have been finalised.

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