

ASX Announcement

17 August 2015

Company Update

Pluton Resources Limited ("the Company") (ASX: PLV) provides a general corporate update in relation to the Company's current capital raising, operations on Cockatoo Island and discussions with the State Government in relation to the Company's royalty obligations.

Royalty Obligations

The Company advises that a payment plan in relation to the current outstanding royalty payments has been agreed with the State Government. It has been agreed Pluton will make a part payment of \$1.5 million of the outstanding royalty on or before 21 August 2015. The balance of the outstanding royalty, including the royalty liability for all quarters up to and including the September 2015 quarter, will be paid on or before 30 October 2015. The flexibility provided by the Government to support Pluton at this time is greatly appreciated by the company.

Capital Raising and Financial Position

Further to the Company's recent ASX announcements, the Company continues to proceed with its Bond Offer to raise up to €50,000,000. The Company has recently received confirmation relating to the regulatory compliance of the Bond Offer from our UK advisors. This compliance now clears the way for the receipt of subscription funds. The Company is working with its advisors in the UK to gain further clarity on the timing and quantum of initial proceeds and expects to be in a position to provide an update regarding this shortly.

Due to the delays from the receipt of proceeds under the Bond Offer, the Company is in the process of considering alternative options to source funding for immediate working capital, repayment of creditors and future capital expenditure.

The Company's largest shareholder, General Nice Resources, have reaffirmed their commitment to support the Company via a proposed bridge financing arrangement to ensure payment of the Company's royalty obligations and payment of debts related to the period the Company was in receivership. To date, General Nice Resources have demonstrated their willingness and ability to assist the Company.

The Company is presently negotiating with its unsecured creditors with the goal of agreeing an acceptable settlement for current amounts outstanding. The outcome of these negotiations will be crucial to the ongoing operations of Pluton and may determine whether the Company can continue as a going concern. General Nice Resources have indicated that these negotiations will also affect the availability and terms of the proposed bridge financing arrangement.

Operations Update

As previously announced, full time operations were suspended at Cockatoo Island after the PLV 53 shipment departed on 9 June 2015. Subsequent to this shipment care and maintenance services were supplied by site contractors until operations recommenced for an interim period to enable the Company to deliver the PLV 54 shipment which departed on 8 August 2015. Cockatoo Island has now been placed back into care and maintenance pending the outcome of the creditor negotiations mentioned above.

Pluton Resources Limited

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ASX Reinstatement

Following completion of the audits for both the 2014 and 2015 financial years and obtaining certainty on the Company's financial position, the Company will confirm the requirements of the ASX for the Company to be reinstated to trading. The Company will be in a position to provide Shareholders with a timing estimate on reinstatement following these discussions.

Pluton continues to appreciate the support of our suppliers, contractors, employees, major creditors and the State Government of Western Australia and will provide updates on the status of the Company as further information becomes available.

For further information please contact:

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