

Quarterly Activities Report

For the Period Ended 31 December 2012

HIGHLIGHTS

OPERATIONS – First Shipment of Iron Ore

- Cockatoo Island operations transferred to Pluton Resources on 1 Oct 2012.
- During the latter part of the quarter preparations for stage 4 mine extension commenced with the successful demolition of the ore shed, deconstruction of the ore handling plant and removal of the waste cover to expose stage 4 ore.
- The MV Navios Horizon concluded loading as Pluton Resources' 1st ship with departure on 13 December 2012.
- The 2nd shipment scheduled for January was also successfully loaded and has departed Cockatoo for China.
- Irvine Island activities focussed on the main critical path item of continuing wet season studies for the PER process, whilst other activities were reduced due to Cockatoo Island operational preparations.
- Cockatoo Island global Indicated and Inferred Mineral Resource tonnes exclusive of the Stage 4 Probable Ore Reserve are 10.8Mt.
- The Stage 4 Probable Ore Reserve is 1.2Mt @ 68.5% iron.

CORPORATE

- Cockatoo Island Iron Ore Project Official Opening held on 22 November involving the Dambimangari Traditional Owners.
- Operations team strengthened in support of the Cockatoo Island operations.
- Commercial agreements for specialised services in support of the Cockatoo Island operations drafted and commercially negotiated.
- The prepayment of US\$23M relating to a 1MT off-take agreement to assist with working capital received.
- On 28 December 2012 Pluton announced the successful completion of a US\$17.2M presale agreement with Hyundai Steel Company for four shipments to be delivered commencing August 2013.
- Closure of the Tasmanian office and the transfer of the registered office and accounting functions from Melbourne to Perth.

Pluton Resources Limited

ABN: 12 114 561 732

Level 1, 5 Ord St
West Perth, WA, 6005

PO BOX 1622, West Perth
WA, 6872

T: +618 6145 1800

info@pluton.com.au
www.plutonresources.com.au

Registered Office

Level 1, 5 Ord St
West Perth, WA, 6005

Issued Capital

246.6 million Shares
37.7 million Options
240,000 Performance Rights

ASX Code: PLV

Board & Management

Malcolm Macpherson
Chairman

Anthony Schoer
Managing Director/CEO

Russell Williams
Non-Executive Director

Chenxi Wang
Non-Executive Director

Brett Clark
Chief Operating Officer

Kobus Potgieter
GM - Operations

Reece Power
GM - Corporate & Commercial

Graeme Smith
Company Secretary

Pluton Resources Limited

Level 1, 5 Ord Street, West Perth WA 6005

PO Box 1622, West Perth WA 6872

Ph: (08) 6145 1800

ABN: 12 114 561 732



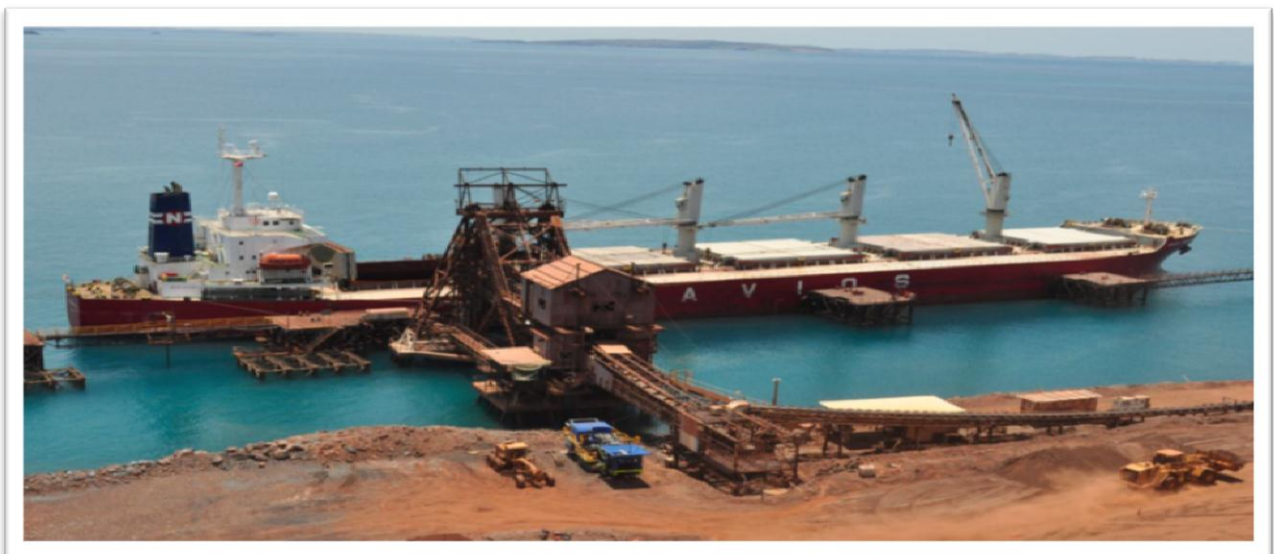
GOLDEN GECKO
Awards for Environmental Excellence
2010 AWARD RECIPIENT

OPERATIONS

Cockatoo Island

Pluton Resources exported 39,140 tonnes of Cockatoo Fines iron ore on 13 December 2012 to China from its maiden shipment after successfully concluding the transfer of Cockatoo Island under an asset sale agreement between Pluton Resources and Cockatoo Mining. The 2nd shipment departed Cockatoo on 25 January 2013 carrying 45,311 tonnes.

COO Brett Clark said: “it is a remarkable achievement for Pluton to produce the first shipment within the first month of operations from basically zero stock, demolish the ore handling shed and the ore handling plant and mobilise/ commission a new crushing and screening plant which further indicates the richness of the Cockatoo Island resource and the capability of the Pluton team and their main contractors.”

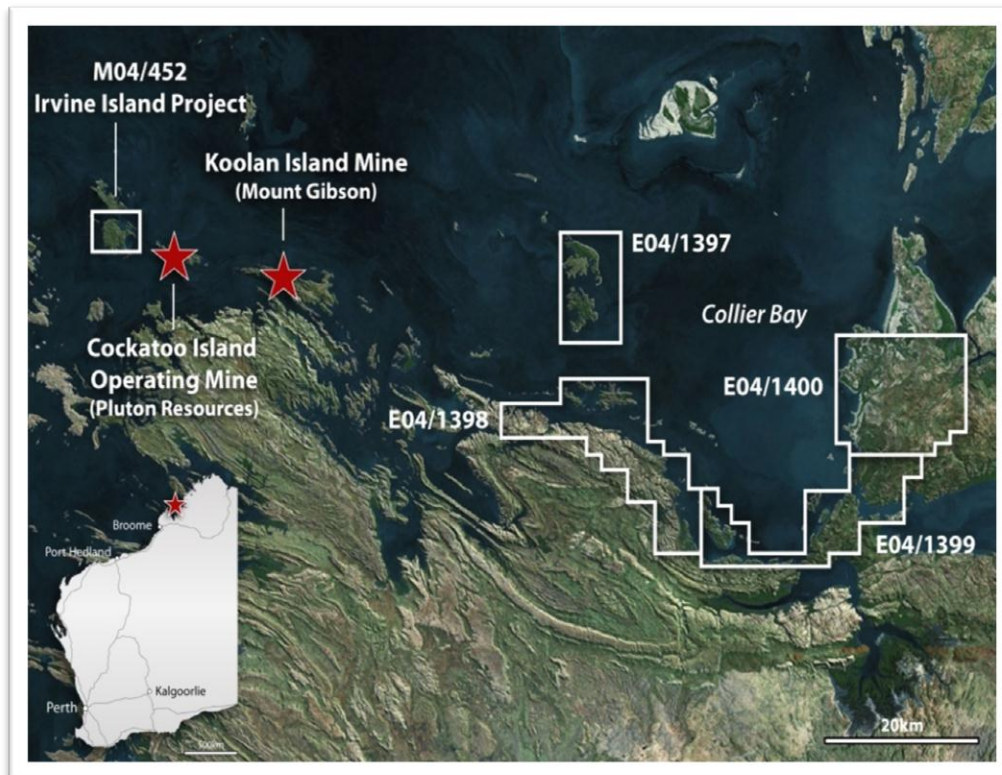


Further operational and governance activities concluded during the quarter included:

- HWE/Cliffs JV concluded mining during the month of September and shipped their last vessel late in October '12.
- Watpac Civil and Mining commenced as Mining and Services contractor on behalf of Pluton Resources.
- Asset inspections with specific focus on the marine facility and shiploader integrity and the aerodrome safety inspections were completed.
- Environmental baseline Audit concluded and formed the basis of the joint Environmental Management Plan to be developed and maintained by Pluton.
- Development of a baseline mine operations plan, covering an initial 30 months of mining and shipping activities.
- Catering and logistics service providers transferred to Pluton Resources to allow uninterrupted support and access to Cockatoo Island.
- The majority of the HWE mobile and light vehicle fleet transferred to Pluton Resources.
- No significant Safety, Health or Environmental incidents reported for the Quarter.

As part of the services contract with Watpac, an agreement was reached to immediately acquire and mobilise a new Kleemann mobile crushing plant to replace the decommissioned Ore Handling Plant, with higher crushing capability, but with a reduced construction timeline and operating cost, allowing Pluton to commence shipping activities within the first month of operations.

EXPLORATION AND RESOURCE DEVELOPMENT

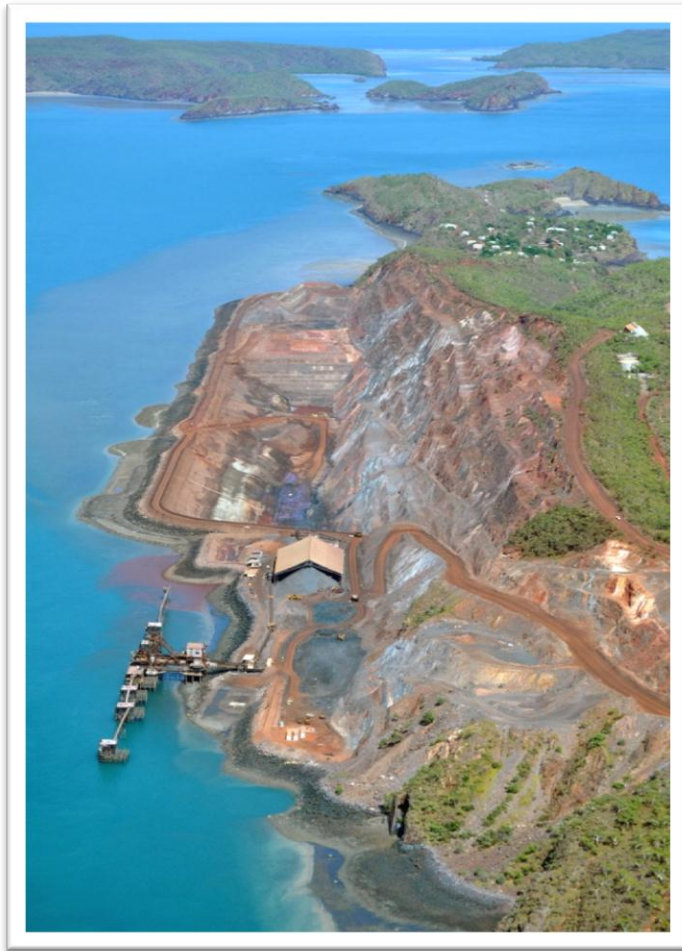


Irvine Island

No significant exploration activity was undertaken during the quarter at Irvine Island. As part of Pluton Resources’ longer term growth strategy, the Company continues to evaluate opportunities to complement its existing business. The near term focus of this evaluation process remains the further development of Irvine Island. Due to the Cockatoo acquisition, further feasibility work for Irvine focussed on wet season studies for the impending environmental PER submission. Personnel from Irvine Island have been relocated to Cockatoo Island as an operational base and supporting Cockatoo activities whilst continuing important environmental studies on Irvine.

Other Activity

At Cockatoo Island, 8 RC holes were drilled into Homer dump to enable a better understanding of previously discarded low grade ore, and to confirm the floor elevation of the waste dump as a basis of potential future mining. The data is currently being assessed for inclusion into the mine plan.



A Contaminated Sites Management Strategy commenced in October with drilling and soil sampling completed during this quarter. This contaminated site strategy is scheduled to progress over the following 12 months.

Cockatoo Island Operations (with Irvine Island in background)

ORE RESERVES & MINERAL RESOURCES

Seawall Hematite Member **Indicated Mineral Resource** of **3.9 Mt at 68.8% iron** (at a minimum 65.5% iron cut-off grade).

Seawall Hematite Member **Inferred Mineral Resource** of **3.9 Mt at 68.5% iron** (at a minimum 65.5% iron cut-off grade).

Cockatoo Island Highwall **Inferred Mineral Resource** of **3.0 Mt at 60% iron** (no cut-off grade applied).

The global Indicated and Inferred Mineral Resource tonnes reported in accordance with the JORC Code and **exclusive** of the Stage 4 Probable Ore Reserve, is **10.8 Mt**.

The Stage 4 Probable Ore Reserve remains at **1.2Mt @ 68.5% iron** (at a minimum 65.5% iron cut-off grade).

Also refer to Tables 1 – 3 at the end of the report.

CORPORATE

1MT Off-take Agreement

Pluton announced on 2 October that it had executed a 1MT off-take Agreement with Rizhao Ports Group Logistics Co. Ltd. The presale agreement provided Pluton Resources with approximately US\$23M to fund environmental bonds and working capital leading up to its first maiden shipment on 13 December 2012. The presale funds were received on 26 October 2012.

Contract Negotiations

During the quarter commercial negotiations were progressed with the mining operator WATPAC which enabled the mobilisation of a work team of up to 65 personnel. This number is expected to increase during the following two quarters to cater for Stage 4 construction. This was in addition to the finalisation of commercial terms of other major contracts including:

- ESS Compass – Site catering and hospitality.
- Slingair and Skywest – logistics and transport to and from Perth, Broome, Derby and Cockatoo Island.

Melbourne & Tasmanian Office Closure

In late October 2012 a decision was made to relocate all corporate functions to Perth. The relocation included transferring all accounting and company secretarial functions from the Melbourne Office. The Tasmanian office was also closed in the December quarter as part of restructuring and consolidation of all activities to Perth.

Hyundai Steel Corporation Presale Agreement

Pluton expanded its customer base during the quarter by entering into a US\$17.2M presale agreement with Hyundai Steel Corporation (“HSC”) of Korea. The agreement is for 4 shipments to be delivered commencing within the 3rd quarter 2013. The sales agreement signified the opportunity for Pluton to diversify into other North Asian markets, and represents an important customer for Cockatoo’s premium grade ore.

Cockatoo Island Joint Venture

On 28 December 2012 Pluton announced that due to the Wise Energy Group (“Wise”) not achieving all conditions present by the due date stipulated in the Asset Sale Agreement, the 50% sale of the Cockatoo Island Iron Ore Project would not proceed. The sales and marketing agreement that had previously been entered into with Wise remains in place and would continue to operate.

The termination of the asset sale agreement gave rise to a repayment of a \$3M loan which had been provided by Wise in the 1st quarter of the 2013 financial year. This loan was repaid in early January 2013.

Negotiations are continuing with Wise with regards to the Cockatoo Island Iron Ore Project and the sales and marketing agreement.

Other Corporate Activities

- AGM held on 29 November 2012
- Cockatoo Island Iron Ore Project Official Opening held on 22 November and involved the Dambimangari Traditional Owners
- Investor Road Shows held during December 2012



Brett Clark
Chief Operating Officer

The information in this statement that relates to Mineral Resource and Ore Reserve estimates for the Cockatoo Island Iron Ore Deposit – is based on information compiled by Mr A Griffith, who is a member of The Australasian Institute of Mining and Metallurgy and a full time employees of Pluton Resources Ltd. Mr Griffith has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'

About Pluton: Pluton Resources Limited is listed on the Australian Securities Exchange (ASX Code "PLV"). Pluton has assembled a diversified portfolio of interests in tenements in Western Australia and Tasmania. Tenements in Western Australia are 100% owned by Pluton, which includes the Irvine Island and Cockatoo Island iron ore projects. Tenements located in Tasmania are prospective for high grade or bulk tonnage copper, gold and silver. Further details on Pluton can be found at www.plutonresources.com.

Table 1: Cockatoo Island Seawall Hematite Mineral Resources

Classification	Tonnage (Mt)	COG Fe (%)	Fe (%)	SiO2 (%)	Al2O3 (%)	S (%)	P (%)
Indicated	1.3	67.0	68.3	1.0	0.5	0.01	0.01
Indicated	2.6	65.5	69.0	0.6	0.3	0.003	0.004
Total Indicated	3.9		68.8	0.7	0.4	0.005	0.006
Inferred	1.4	67.0	68.2	0.9	0.01	0.01	0.01
Inferred	0.4	67.0	68.3	0.9	0.5	0.01	0.02
Inferred	0.8	67.0	68.3	1.0	0.6	0.01	0.01
Inferred	1.3	65.5	69.0	0.5	0.3	0.003	0.005
Total Inferred	3.9		68.5	0.8	0.3	0.008	0.009

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.

Table 2: Cockatoo Island Highwall Mineral Resource

Classification	Tonnage (Mt)	COG Fe (%)	Fe (%)	SiO2 (%)	Al2O3 (%)	S (%)	P (%)
Inferred	3	-	60	7	4.9	0.03	0.009
Total Inferred	3	-	60	7	4.9	0.03	0.009

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.
3: Mineralisation is composed of Seawall Hematite and Footwall Schist.

Table 3: Cockatoo Island Seawall Hematite Ore Reserves

Classification		Tonnage (Mt)	COG Fe (%)	Fe (%)	SiO2 (%)	Al2O3 (%)	S (%)	P (%)
Probable	Stage 4 Onshore Seawall	1.2	65.5	68.5	1	0.5	0.003	0.005
Total Probable		1.2	65.5	68.5	1	0.5	0.003	0.005

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