

15th May 2008

Ms Kate Kidson
Adviser, Issuers,
ASX Limited
Level 45,
South Tower Rialto
525 Collins Street
Melbourne VIC 3000

Dear Kate,

We refer to your letter to Pluton Resources Limited (“Pluton, or “the Company”) of 14th May 2008.

The Company released its March 2008 Quarterly Activity Statement on the 28th April 2008.

In that statement the market was advised that before it commenced drilling on its 50% owned Irvine Island iron ore project, Pluton required final approval from the WA Minister for Indigenous Affairs.

The Company understands that the Department of Indigenous Affairs has now referred the Company’s application to commence drilling on Irvine Island to the Minister. While the Company does not intend to preempt the Minister’s decision, it is confident that, with the support of the traditional owners of Irvine Island, the Minister will look favourably upon the application.

The Company has negotiated drilling contracts and, if the Minister approves the application, the Company is in a position to execute those contracts and commence work on Irvine Island as soon as possible.

The Company considers it likely that the recent volume and price increase in its securities is in anticipation of the commencement of exploration on Irvine Island.

In reply to your specific questions:

Question 1: *Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the company?*

Response: The Company is not aware of any other information that would explain the recent trading in the Company's securities from 7th May 2008 to 14th May 2008 as defined in your letter.

However, the Company notes that increasingly strong demand by institutional investors, particularly from the United Kingdom, partly explains the recent increased volume and price.

Question 2: *If the answer to Question 1 is 'Yes', can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made? Please note, if the answer to Question 1 is 'Yes', and an announcement cannot be made immediately, you need to contact the ASX to discuss this and you need to consider a trading halt.*

Response: Question 2 is not applicable as the response in Question 1 is 'No'.

Question 3: *Is there any other explanation that the Company may have for the price change in the securities of the Company?*

Response: The Company is unable to provide an explanation for the recent increase in the price of the Company's shares, apart from the fact that there is strong demand for its securities, particularly from UK based institutional investors.

Question 4: *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

Response: At the date of this letter, the directors believe the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Metcalfe', is written over a light grey rectangular background.

Andrew Metcalfe
Company Secretary



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14 May 2008

Andrew Metcalfe
Company Secretary
Pluton Resources Limited

By email only

Dear Andrew

Pluton Resources Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from \$1.70 at the close on 7 May 2008 to a high of \$2.40 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at kate.kidson@asx.com.au or by facsimile on **facsimile number 03 9614 0303**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie **before 9.30 a.m. E.S.T.**) on Thursday, 15 May 2008.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Sent by electronic means without signature

Kate Kidson
Principal Adviser, Issuers