

24 May 2016

Letter to Shareholders

Dear Shareholder,

It is with great pleasure that I write my first letter to you as Managing Director of your Company having recently been appointed to the role in April.

I am taking this opportunity to outline Plymouth Minerals' Limited ("Plymouth", or "the Company") strategy, which is focused on the exploration and development of its recently acquired potash projects in Gabon. Plymouth holds 100% of two potentially company making projects, Banio and Mamana.

These projects have strong technical fundamentals that stem from historical and ongoing exploration programmes, and proximity to existing and updated infrastructure currently in development by the supportive Gabon Government.

In addition, Plymouth's projects have a competitive advantage with their proximity to major potash markets, in particular Brazil, which imports more than 90% of its potash requirements. In combination with South and Central America, this region consumes approximately one quarter of global potash production.

With potash being a non-substitutable raw input in fertilizer application, demand growth will be driven by three key factors: 1) growing population, 2) reduction in arable land per capita and 3) changing dietary preferences. These strong demand drivers are set to increase the use of potash fertilizer inputs, which has enjoyed annual growth of 2-3% for the past 30 years and is forecast to have an average annual growth rate of 2.4% to 2019¹ and beyond.

This demand and Plymouth's Projects' close proximity to, firstly, the coastline of the Atlantic Ocean and secondly to major markets, are set to position the Company with a competitive price advantage against its peers through shorter shipping distances. For some producers, the onshore and offshore transport cost portion can be as high as one-third of the final delivered price. Plymouth has commenced its material-movement studies for each of the two projects to ensure optimal logistics solutions are reviewed and selected.

Our immediate focus is on Banio, a 1,244 square kilometre tenement located in the world-class Congo Basin. The Basin stretches across five countries including Gabon and Republic of Congo ("RoC"). Banio is located along strike from Elemental Minerals' Limited (ASX.ELM) Sintoukola Permit and the historic Holle Potash Mine, which produced up to 450,000 tonnes per annum of potash from 1969 to 1977.

Historical drilling at Banio logged broad zones of potash mineralisation, with results as high as 27% potash/Mg salts from 454 metres to 1,207m. Potash mineralisation was identified starting at 554m from surface, to a depth of 1,315m.

¹ *International Fertiliser Industry Association: Fertiliser Outlook 2015-2019*

Early seismic data analysis by Plymouth indicates the potash mineralisation could be much bigger than initially thought, with potash bearing formations identified as close as 200m from the surface. This early analysis has been validated by exploration across the border in the RoC where drilling has confirmed high-grade potash bearing mineralisation between 200m to 300m from surface, trending northwards to Banio. This confirmation highlights the prospective nature of Banio and provides immediate drill targets.

In comparison, the Mamana Project is more advanced with more than 6,000m of drilling completed in the 1950s. The program confirmed the shallow and high-grade nature of the potash prospect, with one intersection logged at 4.35m at 29% potash from 384m. With this extensive exploration data, there lies strong potential for rapid JORC compliant resource delineation for Mamana.

In addition, Mamana is positioned for an accelerated development pathway due to its close proximity to a major transport artery, the Ogooue River, which provides direct access to Gabon's second largest city and port, Port Gentil.

Mamana requires permit approval, which the Company is working on now to allow further exploration work and expedite development.

Recently, the Company successfully raised A\$3 million (before costs) that will assist Plymouth to plan and support its exploration activities for 2016 at both Banio and Mamana and refine development pathways.

Within its planned work programmes until the end of this calendar year, Plymouth aims to:

- Banio
 - Award a drilling contract with drilling planned to commence H2 CY 2016;
 - Acquire seismic data to enhance understanding of the geological continuity and increase the likelihood of defining JORC resources;
 - Continue engagement with private and government infrastructure providers and owners in relation to possible project development; and
 - Continue discussions and finalise exploration terms with the relevant stakeholders - an important step in the process of any development of a mineral asset in Gabon.

- Mamana
 - Continue to progress permitting through securing the outstanding approvals required;
 - Acquire either existing seismic data covering portions of the tenement area or new data, which will assist in the interpretation of the previous extensive drill programme and enhance the potential for delineation of a JORC resource; and
 - Advance the Project through implementation of Scoping Study and Infrastructure Pathway studies.

Each of these Projects is significant in its own right with each holding the potential to be a game changer for Plymouth. Having projects of this potential in a company of this size is truly remarkable, and provides scope for a potential re-rating of Plymouth.

Adding to this is the recent appointment of John Sanders as Technical Manager. John is the former Managing Director of Elemental Minerals Limited and has extensive experience and knowledge of the Congo Basin. He will be an invaluable resource as we move forward in the exploration and development of Banio and Mamana.

Together with the recent Board changes, Plymouth's operational and financial capabilities have been further strengthened and we have an energised, talented and motivated team to deliver. This places the Company in a strong position to execute the exploration and development programs planned for Banio and Mamana.

On behalf of the Board, I thank you for your ongoing support and I look forward to providing you with further updates on Plymouth's progress during the year.

Yours faithfully



Eric Lilford

Managing Director



About Plymouth Minerals

Plymouth Minerals Limited is a potash exploration and development company. The Company's principal assets are its potash projects – Banio and Mamana – which are drill proven, high-grade, shallow potash deposits that are favourably located on the coast of Gabon, and on major transport river ways (barge) with direct access to export ports.

Plymouth has a 100% interest in the Gabonese potash projects through the acquisition of Equatorial Potash Pty Ltd. As a result of this transaction, Plymouth has added world-class projects and highly credentialed management to its core business. Plymouth also retains an 80% interest in the Morille tungsten project in Spain.

For more information, visit www.plymouthminerals.com

Competent Person Statement: The information in this report related to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr A Byass, B.Sc Hons (Geol), B.Econ, FSEG, MAIG an employee of Plymouth Minerals Limited. Mr Byass 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves. Mr Byass consents to the inclusion in the report of the matters based on this information in the form and context in which it appear.

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.