

Quarterly Activities Report

for the period ending 31st December 2015

ASX via e-lodgement:
28 January 2016

Highlights

- **Binding HoA to acquire two potash projects in Gabon**
- **Appointment of Dr Eric Lilford as C.O.O**
- **Issue of shares**

In the three months to the end of December 2015, Plymouth Minerals Limited (“Plymouth”, “the Company”) announced it had entered into a binding Heads of Agreement (HoA) to acquire 100% of Equatorial Potash Pty Ltd (Equatorial) in a share-based transaction that is conditional on due diligence and shareholder approvals. Equatorial’s wholly owned Gabonese subsidiary company, Mayumba Potasse SARL holds 100% interest in applications covering two potash projects (Banio and Mamana) in Gabon.

The Company believes that the applications at the two projects cover ground with proven potash-bearing sediments are valuable assets and have the potential to add significant value to Plymouth shareholders. This asset class represent projects that transcend the current downturn in the mining sector focussed on metals. Fertiliser projects represent ideal exposure to the agricultural/food sector which is growing and becoming an increasingly valuable sector.

The Company appointed Dr Eric Lilford as Chief Operating Officer (C.O.O) and he has assumed the role of Director General (Director) of the Gabonese holding company, Mayumba Potasse SARL which is wholly owned by Equatorial Potash Pty Ltd.

Dr Lilford is a highly successful resources sector senior executive, with more than 25 years’ experience in global operational roles, consulting and investment banking. This includes being Partner, Corporate Finance and National Head of Mining for Deloitte Touche Tohmatsu.

His is a key appointment for Plymouth as it seeks to advance the permitting, financing and development of its recently acquired major potash projects in Gabon, in West Africa. Dr Lilford will play a lead role in implementing and driving the Company’s strategy to unlock value from these projects.

Plymouth Minerals Limited

ASX: PLH

Board of Directors

Charles Schaus
Non Exec Chairman

Adrian Byass
Managing Director

Humphrey Hale
Steve Brockhurst
Non Exec Directors

Rob Orr
Company Secretary

Contact:

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Gabon Potash

During the quarter Plymouth announced that it had entered into a Binding Heads of Agreement (“HOA”) to acquire a 100% interest in two major potash projects located in Gabon, through the purchase of Equatorial Potash Pty Ltd (“EPPL”, “Equatorial”). Full details are outlined in release dated 7th October 2015. Equatorial and its wholly owned subsidiary company, Mayumba Potasse SARL, holds 100% of two exploration permit applications (Mamana and Banio) in Gabon (Figure 1).



Figure 1: Potash project locations (Mayumba Potasse SARL - wholly owned subsidiary of Equatorial potash Pty Ltd).

Banio

The Banio Project (application number from DGPEM:N0. 652) covers 1,244km² and is centred 450km to the south of Libreville along the Atlantic coast. The project covers sediments within the potash-bearing Congo Basin which spans the Republic of Congo (“RoC”)-Gabon border. Banio project tenure abuts the border with RoC to the south.

Banio lies 20km to the north east of Elemental Resources (ASX:ELM) Sintoukola Permit. Elemental has conducted drilling and feasibility study work within Sintoukola which is reported to contain a global resource of 5.3 billion tonnes of potash mineralisation at 14.3% K₂O (22.6% KCl) (Elemental

Resources, Annual Report on Mineral Resources & Reserves, 30/04/2015) and the previously operating Holle Potash Mine (1969-1977) in the RoC.

Historically exploration at Banio was focussed on oil exploration with 2D seismic and oil well drilling being completed. Within the drilling, broad zones of “potash salts” were described and sporadic spot sample assaying confirming the presence of high grade potash within these zones. The exact chemical composition and potash grade of the broad zones described in geological logging is not known.

Seismic data conducted across the project has delineated basement horst (structural uplift) targets associated with the formation of high-grade sylvite style potash mineralisation.

The Gabonese government has recently completed major bridge infrastructure and is building sealed roads to access the town of Mayumba and its proposed export port development. This proposed port is earmarked for exporting of timber and minerals. Proposed port information is contained in this report refer pages 2-4

http://www.icafrica.org/fileadmin/documents/Transport_Meeting/S4-Port-of-Mayumba-Final-EN.pdf

Mamana

The Mamana Project (application number from DGPEM: N0. 651) covers 219km² and is located 100km to the south east of Libreville, along the navigable Ogooue River.

Manana has returned high-grade potash drill intercepts from historic drilling. Extensive exploration for potash was conducted in the 1950's. This exploration was vectored by regional mapping of potash bearing sediments, 2D seismic and confirmed by drilling. Approximately 6,000m of diamond drilling was conducted in the late 1950's and was successful in delineating a wide area of potash bearing sediments in which a zone of shallow, high-grade potash was confirmed.

The 2D seismic surveys conducted concurrently with drilling defined the shallow area of relatively undeformed potash within the broader deformed zones of potash mineralisation. Overall drilling was very successful in identifying potash with all drill holes, which reached target depth, intersecting potash over >90km² area.

Transport to the coast and Port Gentil is proposed to be via the extensive river system and inland transport corridor as advocated by the government and used extensively by the people. The Ogooue River is utilised for barging of people, timber and other bulk cargo through to Port Gentil on the Atlantic coast and is highlighted in the current Gabon National Infrastructure Master Plan released in 2012 see pages 5-7 <http://www.angt.ga/angt/portals/1/masterplan/en.pdf>

Gabon Activity

During the option period and whilst under due diligence, Plymouth has been working closely with the shareholders of Equatorial (potash project vendors) to expedite the granting of the exploration permit covering the Banio project.

Plymouth was advised during the quarter that Equatorial (through Mayumba Potasse) held the priority application over Banio and that the Department has recommended the award of the licence to Mayumba Potasse SARL. Plymouth staff have been conducting due diligence (Figure 2, 3) and supervising the granting process of mineral exploration tenure held by Mayumba Potasse SARL.

Dr Eric Lilford has also been appointed Director General (Company Director) of Mayumba Potasse SARL. Mr Lilford has made several trips to Gabon during the period and is working closely with relevant service and government partners.



Figure 2: inspecting water transport corridors in project areas during due diligence in October and November.

Plymouth has had meetings with the Minister of Mining, head of the Mines Department, representatives of Environment Ministry and local authorities in the project areas. The Company is pleased with the reception and intentions of Gabonese government officials and people for the development of potash minerals.



Figure 3: Inspecting historic drilling camp (previous oil exploration) site within the Mamana license area

As noted, to expedite this process, Dr Eric Lilford has been appointed COO. Dr Lilford's previous roles include mine production positions at multi-billion dollar gold, platinum, copper and coal mines in Africa. He also has specific bulk commodity experience, having formerly been Mine Overseer for Randcoal Limited's Rietspruit Coal Mine and Khutala Colliery in South Africa, which produces in excess of 13Mtpa of coal from underground sections.

Dr Lilford has managed feasibility studies for a number of projects. These include joint managing the Definitive Feasibility Study for the Nikanor Copper Cobalt Project in the Democratic Republic of Congo, as well as a number of Scoping Studies and Pre-Feasibility Studies for companies in South Africa and Canada. He was also previously a Non-Executive Director of London-listed company, Nikanor PLC, which was acquired by Glencore. Dr Lilford has a PhD (Mineral Economics), NHD (Coal Mining) plus BSc and MSc Eng (Mining) qualifications.

He is currently on a contract position and it is intended that he will assume the role of Managing Director of Plymouth Minerals subsequent to shareholder approval of the transaction.

Spanish Tungsten

The Company strategy for Morille is to convert the exploration target to JORC resources and facilitate development of the Morille project. Any development of Morille will require positive economic studies to be completed and would most probably be based upon open pit mining in several locations to relatively shallow depths (<100m below surface) with the potential of recommencement of historic mining operations (traditionally underground) should open pit mining prove successful.

Further technical studies and work is required prior to defining a resource (if any) at Morille as per JORC 2012. This would include additional drilling, field, process and mining method work. The tungsten price (as expressed in Euro APT) has fallen to the lowest since 2005. This reduction reflects subdued demand for base and specialist metals in 2014/2015 and has placed many metal mining and production operations in an unsustainable negative cashflow position. Industry commentators highlight that this price is not sufficient to induce new production and is resulting in the reduction of existing capacity.

Plymouth made an advance royalty payment for Morille (as required by the 2013 Acquisition Agreement) of 50,000 Euro (approximately A\$78,000) during the Quarter. This is an annual payment which has to be made should the deposit not be in production by January 2016. Total holding costs for Morille (payments for land taxes, advance royalty, fee's part time staff) are estimated to be A\$160,000 p.a. for Plymouths 80% interest.

To advance Morille the Company has to access funds for exploration. The access to sufficient funding to implement this programme is currently not available to the company and Plymouth is maintaining the minimum expenditure requirement to keep the project in good standing in the current environment. Plymouth is optimistic on the recovery of tungsten prices in 2016 and the future economic potential of Morille.

Corporate

Concurrent with the announcement of the transaction on 7th October 2015 shares were issued to sophisticated investors with 8,301,668 shares being issued at \$0.04 per share to raise \$332,066 before costs.

Executive director Mr Adrian Byass purchased a further 200,000 ordinary shares at 7.5cps on market.

The Annual General Meeting of shareholders was held on the 29th October 2015. All resolutions were passed.

For further information contact;

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Competent Person Statement Spain: The information in this report related to Exploration Results, Exploration Targets, 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.

Competent Person Statement Gabon: The information in this report related to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves is based on information compiled by Mr D Reeves, BSc (Hons) Mining Engineer, Grad Dip Appl Fin, MAusIMM, a shareholder in Equatorial Potash Pty Ltd. Mr Reeves 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 Reeves 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.

About Equatorial Potash

Equatorial Potash holds through its 100% owned subsidiary (Mayumba Potasse SARL) a 100% interest in 2 tenement applications in Gabon covering prospective potash projects. Plymouth has an Option Agreement whereby it can elect to purchase 100% of Equatorial Potash Pty Ltd and after receiving regulatory and shareholder approval to acquire Equatorial issue consideration of 50,000,000 ordinary shares in Plymouth. This consideration is divided 25,000,000 ordinary shares (12 month escrow) upon completion of acquisition and a further 25,000,000 ordinary shares which are issued upon meeting resource and pre feasibility study milestones. Full details are contained in release dated 7th October 2015.

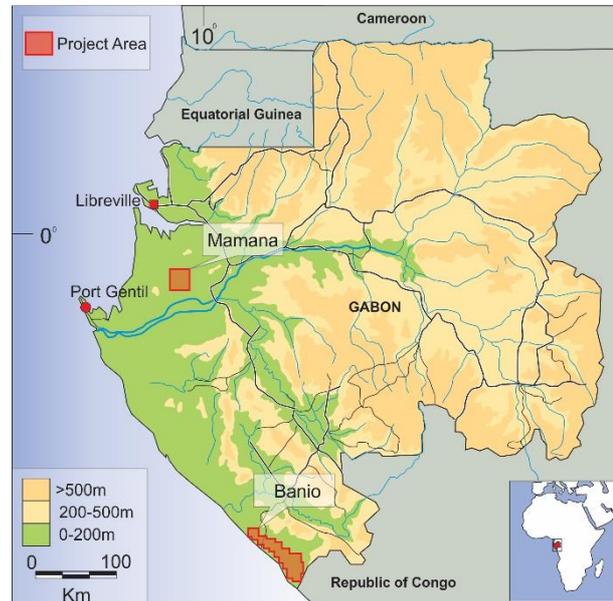


Figure 4: Equatorial Potash Project Locations

About the Morille Tungsten-Tin Project

The Morille Project is an attractive brownfields exploration and development opportunity in a major tungsten and tin producing region. Extensive, small scale, unconsolidated mining activity by uncoordinated private groups in the 1970's and 1980's was stopped abruptly in the mid 1980's due to falling commodity prices. The recent (post 2009) consolidation of the Morille Project into a contiguous tenement package is a significant advancement for efficient exploration and potential development. The Morille Project now covers an area in excess of 57km² within which over 20 separate small underground and open pit mining operations and 2 separate processing facilities operated historically, delivered high quality (high grade and low impurity) tungsten concentrate to domestic and international consumers and were never coherently optimised and mined. Plymouth acquired an 80% interest in the Morille Project through the purchase of a 100% interest in Spanish companies: Castilla Mining S.L., which in turn owns 80% of Morille Mining S.L. The Morille Project consists of 5 tenements covering 57km² which are 100% owned by Morille Mining S.L. Going forward, the Company looks forward to working with the Projects 20% holder, Aurum Mining PLC, which enjoys a 'free carry interest' until a Decision To Mine stage is reached, upon which they can elect to contribute pro rata to the development of the Project or dilute to a 0.5% NSR.

Tenement Schedule

Morille Project Permits (100% owned by Morille Mining S.L.) of which Plymouth has an 80% beneficial interest.

- P.I. Tin 9, n° 6.250-21
- P.I. Estaño de Salamanca Fracción Segunda 2, n° 6.250-30
- P.I. Morille, n° 6.634-20
- P.I. Rozados, n° 6.634-30
- P.I. Areasozados, n° 6.634-40