

# Quarterly Activities Report

## for the period ending 30<sup>th</sup> June 2014

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ASX via e-lodgement:  
28 July 2014

### Events during the quarter;

- **Maiden drill programme completed and returned high-grade tungsten results in multiple areas within project**
- **Positive preliminary metallurgical test work results received**
- **Project enhanced with technical and corporate pathway forward defined**

The March Quarter was a significant and extremely busy time for Plymouth Minerals Limited (“Plymouth”, “the Company”) both corporately and at its Morille tungsten-tin project in Spain (“Morille”, “the Project”).

The maiden drilling programme conducted at Morille was a watershed for the company, utilising modern exploration methods within a poorly explored area and delivering high-grade tungsten over multiple areas. Until the results were received, Morille could only be viewed as a brownfields project with evident, but unquantifiable potential and upside. Wide-spaced, shallow and first-pass drilling over a broad area has returned several, potentially economic, intersections. The success obtained have proven there is significant scope for further exploration success at Morille, substantiation of the Exploration Target publicised by Plymouth post acquisition and a clear pathway forward towards development.

Additional technical and corporate activity has continued including preliminary metallurgical test work and discussions with London-based organisations. This is in line with Plymouth publicised positioning to seek admission on London’s AiM stock exchange in late 2014.

### Drilling

Drilling commenced on the 1<sup>st</sup> of April and was completed on the 20<sup>th</sup> May. Plymouth announced three tranches of drilling results between late May and mid-June with a comprehensive summary of results released on the 18<sup>th</sup> June. Due to the lack of targeting information other than small, disparate historical workings and trial geophysics conducted by Plymouth in the March Quarter 2014, a programme of shallow drilling looking for shallow (<50m from surface) extensions of known tungsten occurrences was conducted.

### Plymouth Minerals Limited

ASX: PLH

#### Capital Structure (as at 30 June 2014)

32,150,000 shares

10,716,667 options 25c (listed)

1,000,000 options 20c (unlisted)

Cash \$1.16m

#### Board of Directors

Charles Schaus  
Non Exec Chairman

Adrian Byass  
Managing Director

Humphrey Hale  
Steve Brockhurst  
Non Exec Director

Rob Orr  
Company Secretary

#### Contact:

[www.plymouthminerals.com](http://www.plymouthminerals.com)

Adrian Byass  
Managing Director  
Plymouth Minerals Ltd.  
E: [abyass@plymouthminerals.com](mailto:abyass@plymouthminerals.com)

The important aspect of this drilling program is that there is confidence that limited, very shallow mining conducted by private entities in the past over the project area, did not deplete mineralisation, and that the cessation of mining in the 1980's was due to a combination of a major commodity price drop that was not reversed until the last several years in tungsten and a small/fragmented ownership structure. This has provided an excellent opportunity for modern exploration and development.

Two mineralisation styles have been documented in historical work – stratigraphically controlled calc-silicate horizons (Skarn) and late stage, cross cutting quartz-lode mineralisation styles (Lode). Detailed information on these can be found in recent ASX releases (28<sup>th</sup> March: Geophysical Surveys, and 23<sup>rd</sup> June: Morille Presentation) with both supporting historical mining activity with head grades up to 1% WO<sub>3</sub> reported. Skarn mineralisation is typically sub-horizontal and Lode style sub-vertical. This resulted in drill holes in some areas (typically ACMA) being vertical and in others (Westside) being inclined. Drilling distribution for prospect area is shown in Figure 1.

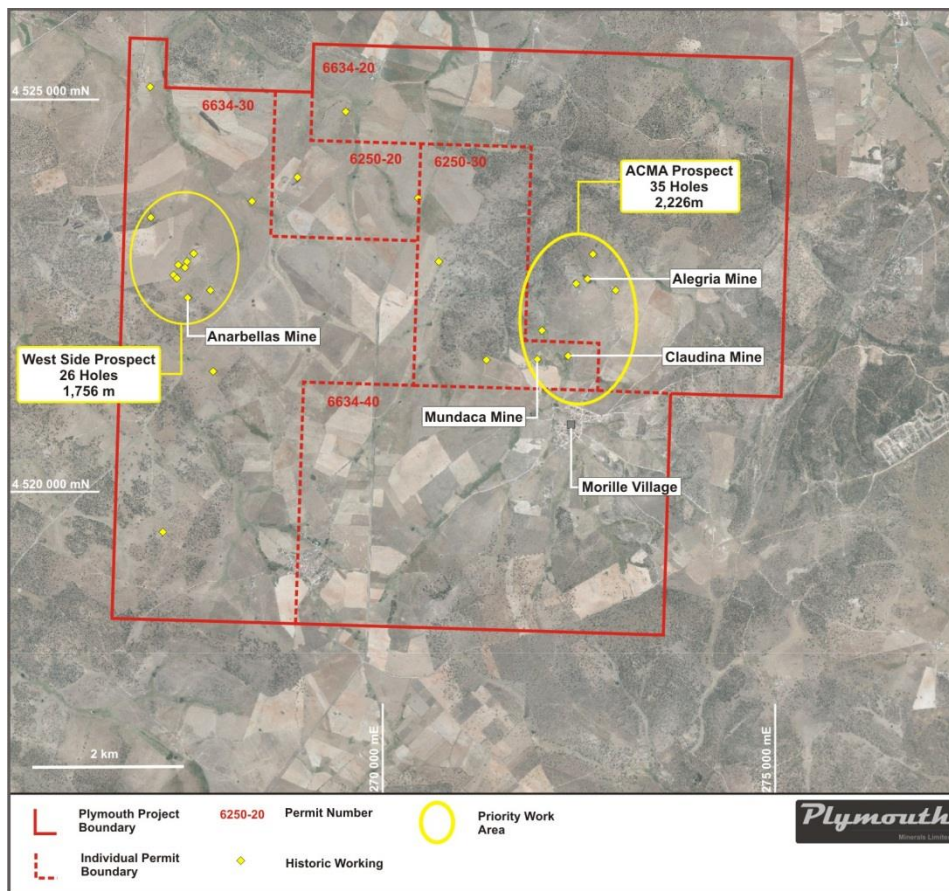


Figure 1: Morille project tenure and Plymouth drill hole distribution.

Extensions of calc-silicate mineralisation at ACMA were defined in several drillholes within 40m of the surface and follow-up work is planned. At Westside drilling was successful and high-grade tungsten was intersected in structurally controlled Quartz-lode style at Minas Toro de Nueva Banca which was approximately 400m from additional high-grade (7m @ 1.28% WO<sub>3</sub>) mineralisation in a similar structurally controlled setting at Minas Anarbellas (Figure 2-4).

Importantly, wide spaced reconnaissance drilling (nominally 200m x 250m) in a previously untested area has intersected zones of tungsten mineralisation including 2m @ 0.28% WO<sub>3</sub> (WES-RC-056) and 1m @ 0.19% WO<sub>3</sub> (WES-RC-060).

Historical mining occurred in a broad belt over a 2,000m strike extent, of which an approximately 800m long zone was not tested prior to Plymouths recent drilling (Figure 2). Follow-up work is

warranted on this prospect as well as other areas in the Project. This is illustrative of the historical land access impediments at Morille that previously constrained exploration and mining. Plymouth is pleased to have overcome these access issues by working closely with local landholders to expedite exploration and development. Plymouth enjoys strong local support.

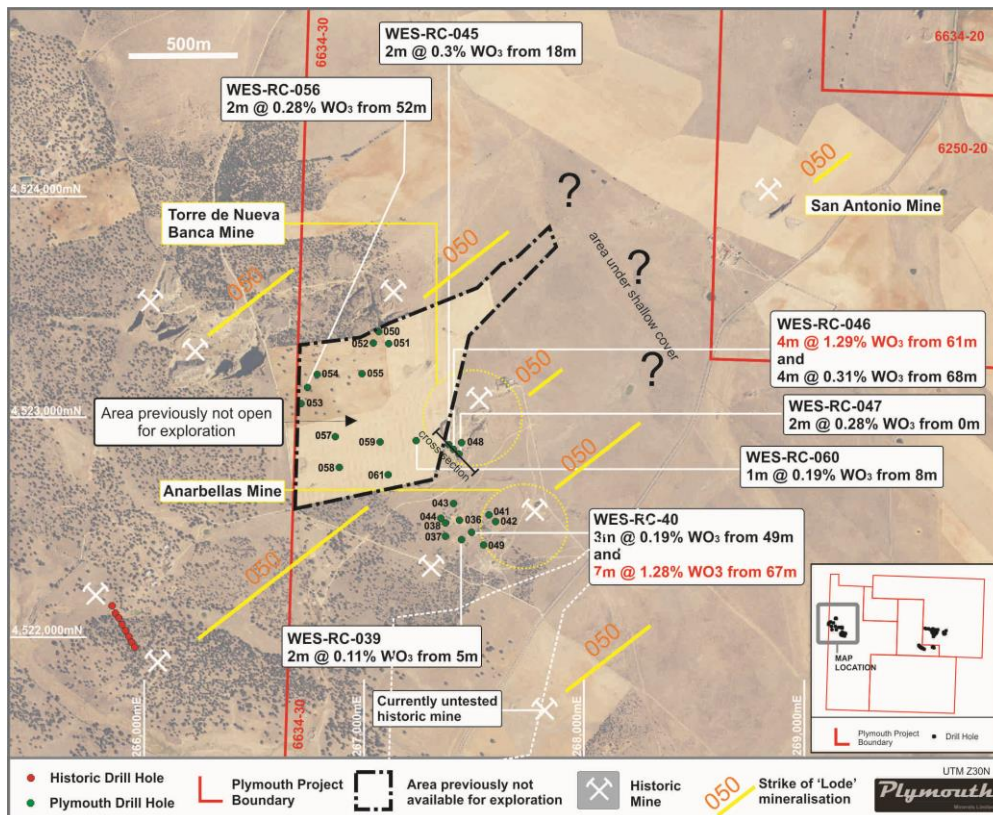


Figure 2: Westside Prospect area showing drilling, historic workings and interpreted structural corridors controlling "Lode" style mineralisation. Note cross section through Toro de Nueva Banco (WES-RC-47)

A cross section from Toro de Nueva Banco (small historic mine) is shown in Figure 3.



Figure 3: Drilling at Westside (Toro de Nueva Banco) in April. Waste from old mining visible as small mounds in the background.

Toro de Nueva Banco is an excellent example of the application of first pass drilling at Morille (Figure 3). This mine was a small mine and tungsten mineralisation had been exploited in a small

open pit (<8m deep) from the surface. A cross section showing drilling beneath the pit is shown in Figure 4. This target had never been drilled and is on the boundary of the field shown in Figure 2 that had never been accessible by miners or explorers in the past.

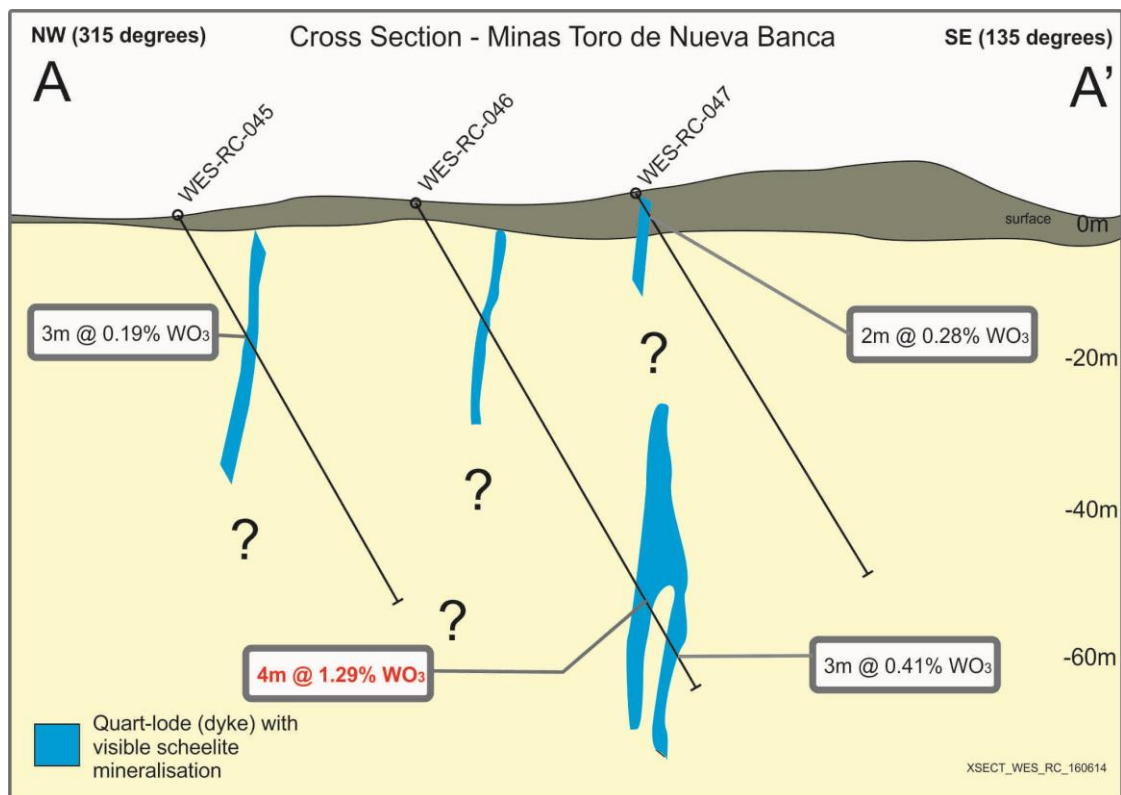


Figure 4: Schematic cross section of drilling at Toro de Nueva Banca looking along (towards) a 050 degree Structure

Drilling results are summarised in release dated 18 June and highlights are summarised below;

- **4m @ 1.29% WO<sub>3</sub>** from 61m and **4m @ 0.31% WO<sub>3</sub>** from 68m (WES-RC-046)
- **2m @ 0.30% WO<sub>3</sub>** from 18m (WES-RC0-045)
- **7m @ 1.28% WO<sub>3</sub>** from 67m (WES-RC-040)
- **6.25m @ 0.29% WO<sub>3</sub>** from 26.75m (DDH M010)
- **1.45m @ 0.95% WO<sub>3</sub>** from 19.35m (DDH M001)
- **5m @ 0.24% WO<sub>3</sub> incl 2m @ 0.42% WO<sub>3</sub>** from 28m (MAC-RC-009)

Plymouth will manage exploration in a complimentary manner with corporate and process work given the obvious follow-up targets, but also the equally promising, but as yet, untested historical workings on the project.

A low capital cost development pathway is a priority for Plymouth. As such, immediate results would be expected in the near-surface (50m) vertical zone. This was priority tested as it has the greatest potential for open pit mining.

Resource potential at Morille is well supported by the results to date. Plymouth has an Exploration Target of 4-11Mt @ 0.25-0.50% WO<sub>3</sub> to a depth of 150m. This is supported by a Golder Associates Report (May 2012) in which an exploration target of 8Mt @ 0.4-0.9% WO<sub>3</sub> within the tenement was quoted. This Golder's exploration target was to an unstated depth. (NB# Exploration target is conceptual in nature. There has been insufficient exploration (namely drilling) to define a Minerals Resource and it is uncertain if further exploration will result in the definition of a mineral resource)

## Metallurgical

Preliminary test work (assessment) is ongoing. Initial results indicating calc-silicate mineralisation is amenable to processing via standard gravity flowsheet and enhanced by flotation which is comparable with local processing facilities . The additional style of mineralisation (Quartz-lode) drilled at Westside will require additional work. The material used to date has been the treatment of calc-silicate (Skarn) mineralisation and based on the high-grade results obtained in the Lode style extra attention has to be given to this exciting development.

## Corporate

Plymouth has stated it is will examine the opportunities on the London AiM stock exchange in the second half of 2014. These opportunities will continue to be assessed.

During the Quarter, shareholders voted overwhelmingly to issue incentive options at a 40% VWAP to directors. These were proposed in as replacement for options which lapsed in March 2014. Votes cast were 7.8 million and only 20,000 were cast against the issue of incentive options. Directors were grateful, but decided to decline the options within the period allocated for acceptance. When the options were proposed, the share price was higher than it was at the time of vote and subsequent issue and the price was not set, hence may appear to be advantageous to directors issuing options after a recent share price drop. The directors will revisit incentive options at the AGM and hope that the share price has shown to stable or higher at that time.

For further information contact;

Adrian Byass  
Managing Director  
Plymouth Minerals Limited  
[abyass@plymouthminerals.com](mailto:abyass@plymouthminerals.com)

James Moses  
Mandate Corporate  
+61420991574  
[james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)

*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.*

## Tenement Schedule

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

- P.I. Tin 9, nº 6.250-21
- P.I. Estaño de Salamanca Fracción Segunda 2, nº 6.250-30
- P.I. Morille, nº 6.634-20
- P.I. Rozados, nº 6.634-30
- P.I. Areasrozados, nº 6.634-40

## About the Morille 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 57km<sup>2</sup> 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.

The area has been effectively unexplored, with only 12 drillholes completed within the entire 57km<sup>2</sup> tenement package by the Spanish Geological Survey in 1979 and limited surface mapping/prospecting being conducted to date.

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 57km<sup>2</sup> 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.