

## Plymouth to Acquire High Grade Gold Project in Portugal

ASX via e-lodgement:  
1 October 2013

### PROJECT HIGHLIGHTS

The high-grade Numao Gold Project displays the following characteristics:

- **Recent high-grade gold discovery, first drilled in 2010 with only 18 holes drilled and results include;**
  - **7.1m @ 10.4 g/t gold** from 61.8m depth (SN013),
  - **9.0m @ 7.9 g/t gold** from 154.8m depth, including **2.0m @ 20.7 g/t gold** from 154.85m, and **3.0m @ 9.8 g/t gold** 159.8m depth and **3.0m @ 4.2 g/t gold** from 168.4m and **4.0m @ 4.7 g/t gold** from 209.2m depth (SN002),
  - **15.3m @ 4.8 g/t gold** from 76.7m including **6.0m @ 5.5 g/t gold** from 76.7m and **1.7m @ 19.9 g/t gold** from 90.3m (SN003).
  - **16 out of 18 drill holes returned >1 g/t gold over at least one metre gold mineralisation over a large area - very high level of exploration success to date**

The full drill results are set out in the Appendix to this letter.

- **Plymouth aims to commence phase 2 drilling in Q4 2013 or Q 1 2014**
- **Well located, locally supported and good infrastructure in a development friendly Government environment**

### ACQUISITION HIGHLIGHTS

- **Plymouth initial ownership position of 95%.**
- **Staged acquisition with cash and milestone scrip component over 3 years.**
- **Allows Plymouth to grow and also manage existing cash reserves and assess project development on a staged basis.**
- **Alignment with experienced local technical group with a project pipeline under assessment with potential to provide further project opportunities.**

### Plymouth Minerals Limited

**ASX: PLH**

#### Capital Structure

(as at 1 September 2013)

32,150,000 shares  
6,000,000 options 30c  
10,716,667 options 25c

Cash \$2.6m

#### Board of Directors

Charles Schaus  
Non Exec Chairman

Adrian Byass  
Managing Director

Steve Brockhurst  
Nicholas McMahon  
Non Exec Directors

Rob Orr  
Company Secretary

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Plymouth Minerals Limited (ASX: PLH) ("Plymouth", "the Company") is pleased to announce it has

secured an agreement to acquire the high grade Numao gold project (“Numao” or “Project”) in Portugal.

Plymouth has negotiated to acquire a 95% holding in the Portuguese company, Minas de Portugal, Lda (Minaport), from existing shareholders. Minaport holds two exploration licenses within the historically prolific metal producing Iberian Peninsula; one covering the Numao Project in northern Portugal and the other covering the Sarzedas project in central Portugal (Figure 1). The acquisition is subject to ASX and regulatory approvals. **Details of consideration for the acquisition are provided in this announcement.**



Figure 1: Project location plan.

The Numao project was subject to a recent high grade discovery from its maiden drill program, in 2010. On completion of the acquisition, Plymouth plans to prepare for a second phase of drilling to be conducted late Q4, 2013 or early 2014. The Company is of the view that this next phase of exploration will be instrumental in advancing this exciting, early stage exploration project.

The Iberian Peninsula (predominantly Portugal and Spain) is a prolific metal producing region, and the Company believes that there are other excellent mineral development opportunities for precious (gold) and specialty metals (tungsten, antimony, bismuth) in the region.

There is excellent infrastructure (workforce, road, rail, water, power) around the project areas and supportive governments, on a local and national level. Plymouth is confident to explore in this region and believes it offers an ideal setting to develop a mining project.

Plymouth Managing Director Adrian Byass commented:

*"This is an exciting new focus for Plymouth as the recent drilling results have returned exceptional high grade results in almost every hole over a large area and remains open in every direction to further mineralisation. It is too early to estimate a resource, and no guarantee that one will be defined, but we consider that the Project has exciting potential to deliver a very high grade gold project in a mining friendly district. Plymouth remains well funded to purchase the project and conduct the next phase of exploration which we will commence as soon as practicable."*

## **PROJECTS**

Minaport (Portugal) holds 100% interest in two exploration licences in Portugal (see appendices). Under the terms of the Minaport agreement, Plymouth will acquire a 95% interest in the projects by acquiring 95% of the Minaport shares currently on issue. The remaining 5% interest will be held by the prospector who discovered the Numao project. This interest is a free carry until commencement of mining.

The Numao and Sarzedas projects are located approximately 140km apart and are easily accessible by sealed roads. Good unsealed all weather roads provide access to the prospects within the tenements. Landowner consent is already in place for drilling and exploration at the Numao project.

### **Numao Project**

The Numao Project (Tenement MN/PP/007/08) covers an area of 58.2km<sup>2</sup>, and is located 116km east of the major Portuguese city of Porto.

A recent high grade gold discovery was made at the project from a maiden drilling program in 2010. This first phase of drilling comprised a total of 18 drill diamond core holes for 5,242 metres, and focussed on expanding the initial prospect area (discovery outcrop). It was very successful in intersecting gold mineralisation (Figure 2). As yet, controls on gold mineralisation are not well understood and gold mineralisation is open in several directions.

Drilling to date has intersected high-grade gold in quartz veins with associated arsenopyrite, pyrite, bismuth and tungsten (as scheelite) hosted within metasediments (host rock). Felsic intrusive rocks have been observed in outcrop and in drill core, often with spatial association to alteration and mineralisation. An intrusion related model for the emplacement of gold mineralisation is being used for targeting of exploration.

Gravity and Induced Polarisation (resistivity) geophysical surveys have been conducted. This information, coupled with a soil sampling program has driven the drilling conducted to date, within a relatively small (<5km<sup>2</sup>) area within the total tenement area.

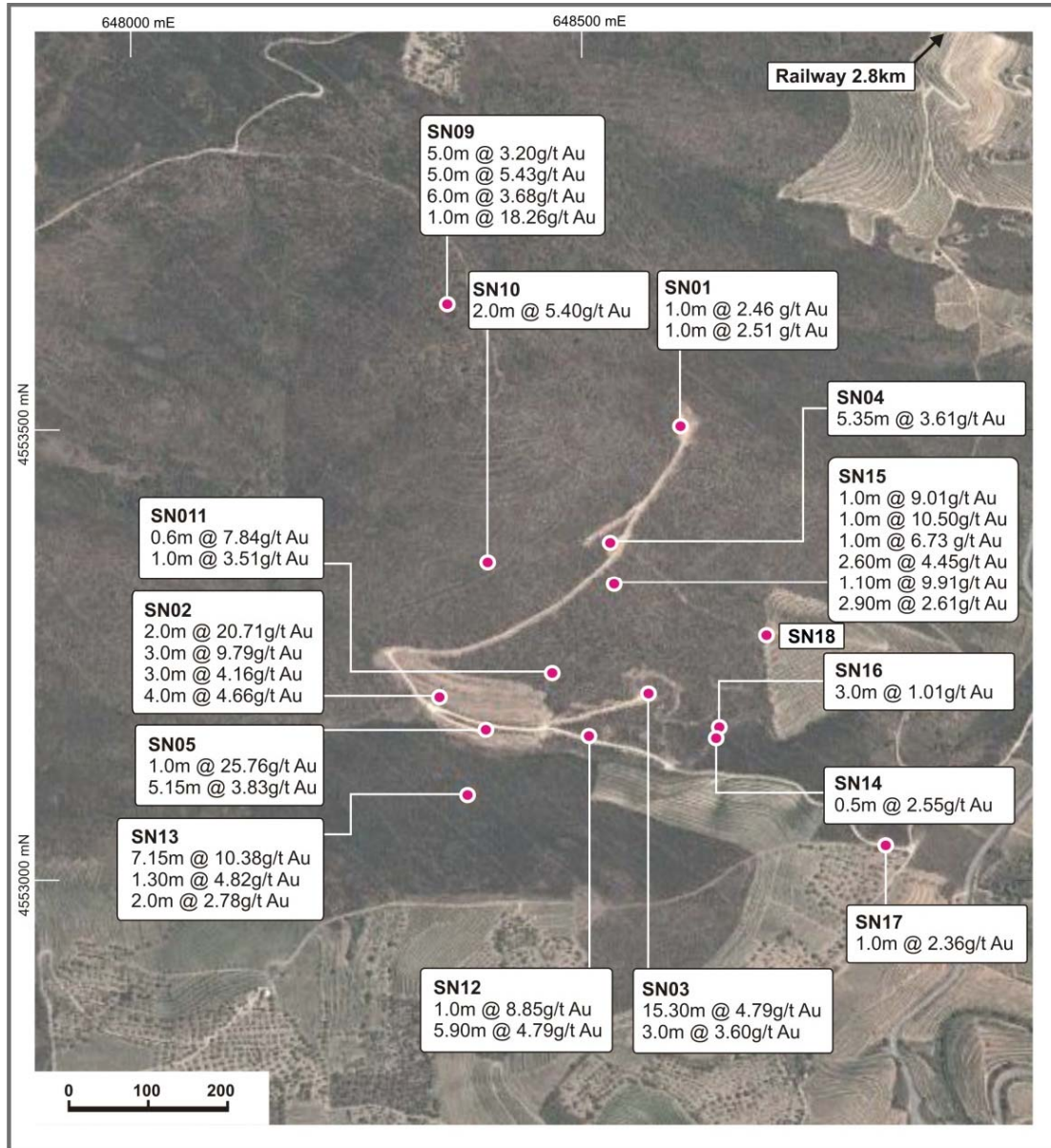


Figure 2: Numao drilling and significant results from drill holes within field of view. Image overlain on aerial photo showing predominantly uncultivated land accessed for drilling. The full drill results are set out in the Appendix to this letter.

The Numao project is situated on uncultivated land (Figure 3), 3km south west of the railway siding of Freixo de Numao and 9km west of the town of Pocinho, which has a regional railway and rail siding. This rail line connects to the coast port at Porto and east into Spain.

Previously, small scale historic tungsten mining occurred within the tenement area, a few kilometres north west of the Numao prospect, in the in the early 20<sup>th</sup> Century. Rock chip samples were taken

by Plymouth geologists during field inspections and these returned anomalous gold from sulphide rich selected veins (Figure 4).



Figure 1: Numao prospect (hill with access tracks on flank) viewed from south.



Figure 2: Silica altered, felsic intrusive grab sample taken from discovery outcrop at Numao Project. Visible sulphides along vein edges observed by Plymouth geologist in September 2013.

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An Intrusion related Gold Deposit model has been postulated for the Numao project. This is supported by the interpreted geophysical, multi element and regional geological data, and it is possible that the project could be an example of this style of mineralisation. This style of deposit can have large zones of high-grade gold mineralisation located near the roof of intrusive plutons as distinct zones, as opposed to disseminated gold +/- copper mineralisation in porphyry style deposits.

Tenure covering the Numao project has recently been renewed and is in good standing. Plymouth met with representatives of the *Direccao Geral de Energia e Geologia* (Department of Energy and Mines) recently and was impressed by the level of support and openness of the authorities in regards to mineral exploration and development in Portugal.

### **Sarazedas Project**

The Sarazedas Project (Tenement Mn/PP/014/11) covers an area of 273km<sup>2</sup> and is located 160km south east of Porto and 140km south south-west of the Numao project.

Several small, historic gold and tungsten mines have previously been operated within the project area. The abandoned Das Gatos, Casalinho, Barroca de Santa and Pomar & Ficalho mines are all located along a north to north-west trending structure postulated to be a dilation zone.

Multiple quartz veins, variably mineralised with gold-stibnite-wolfram, are located within metamorphosed Miocene sediments. Sarzedas offers the opportunity for select, high-grade gold and antimony mining in and around the previous deposits, as well as concerted exploration along a well-defined regional trend which hosts these historical workings.

### **EXPLORATION PLANS**

Upon completion of the acquisition, Plymouth plans to prepare a second phase drill program at the Numao project. This will target extensions of known mineralisation and also test geological models to gain a better understanding of the controls of mineralisation and Intrusion related gold model.

Access to the project area is gained via existing tracks (Figure 5) over the project area and new tracks can be readily cut if required.

Plymouth feels that the next phase of exploration will be instrumental in advancing this exciting, early stage exploration project.

Regional exploration at the Sarzedas Project will involve assessing and testing for extensions of historical deposits and assessing the opportunity for repeated high-grade, structurally-controlled gold and antimony bearing zones at depth.

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The Iberian Peninsula is a prolific metal producing region. Plymouth believes that there are excellent mineral development opportunities for precious (gold) and specialty metals (tungsten, antimony, bismuth) in the region.

Deposits in the region, such as the Salave gold deposit (Asturgold) in north west Spain, host in excess of 2 million ounces of gold at 2.8 g/t gold. While this deposit is proximal to the Numao Project, Plymouth makes no representation that the Numao Project will contain similar results.

The excellent infrastructure (workforce, road, rail, water, power) and supportive local populace, governments on both a local and national level are key advantages in the potential development of a mineral deposit at Numao. Plymouth is confident to explore in this region and believes it offers an ideal setting to develop a mining project.

## CONSIDERATION

Pursuant to an agreement entered into between Plymouth and the existing title holders, Plymouth is purchasing a 95% interest in Minaport (Portugal) which holds a 100% interest in the two exploration licences covering the Numao and Sarzedas projects (**Minaport Agreement**). The acquisition is subject to ASX and regulatory approvals as well as Plymouth electing to complete the acquisition. The terms of this agreement are outlined below and referred to as "Minaport Agreement". Plymouth has concurrently entered into an additional agreement with mineral exploration and technical services focussed company, Northern Arc Limited (**Northern Arc Agreement**) to expedite Plymouths Iberian strategy.

### Minaport Agreement: Terms of the Acquisition

- Plymouth shall pay to shareholders of Minaport;
  - €311,000 cash over 3 years. Payment schedule; €93,000 upon completion, €68,000 on 12 month anniversary, €100,000 on 24 month anniversary and €50,000 on 36 month anniversary;
  - 1,500,000 shares in Plymouth, escrowed for 12 months, on completion, at 10cps;
  - €150,000 of shares in Plymouth on 12 month anniversary, calculated on 14 day VWAP prior to anniversary;
  - €150,000 in cash or shares calculated on 14 day VWAP upon public release of a JORC Resource of at least 500,000 oz Au at 3g/t Au, within 3 years of agreement.
- 14 days due diligence;
- Plymouth will be granted the full 95% of the project upfront without milestone;
- Should Plymouth not complete all payments, a Joint Venture Agreement will be formed;
- Shareholder approval will be sought.

*NB: Current FX 1 Euro (€) = approximately A\$1.40.*

## TECHNICAL SUPPORT AND PROJECT PIPELINE CONSIDERATION

Under the agreement with Northern Arc Minerals Limited (Northern Arc) Plymouth has paid consideration of \$20,000 to access technical data and intellectual property under the terms of the Minaport agreement. Furthermore Plymouth will pay Northern Arc consideration of cash shares in Plymouth upon completion of due diligence and satisfaction of the Conditions Precedent in the agreement. At this time Plymouth envisages accessing technical skills and expertise from Northern Arc to assist in the exploration of Numao and in the evaluation of other projects introduced by Northern Arc.

### Northern Arc Limited: Terms of Agreement

#### Plymouth shall pay Northern Arc

- A\$60,000 cash (A\$20,000 on signing, A\$40,000 on completion of Minaport Agreement);
- 1,175,000 ordinary shares in Plymouth upon completion of the Minaport Agreement at 8.6cps;
- A\$150,000 worth of Plymouth Performance Shares upon definition of a JORC resource of at least 400,000 oz Au at a grade of 3.0 g/t Au within 3 years at 14 day VWAP prior to announcement of resource.



Figure 3: Existing drill access track cleared by Minaport. Geologists sampling exposure during September field trip..



## REGIONAL BACKGROUND

The Portuguese Government is looking to stimulate investment in the mining industry as part of the EU's strategy post its economic and financial crisis. The country's interest in mining has been assisted with the appointment of Alvaro Santos Pereira as Minister for Economy, in 2012.

In September 2012, the Portuguese government prepared a "national strategy for geological resources, with the aim of utilising mining to boost its economy. The strategy is designed to attract foreign investment for exploration and drive sustained growth in the sector. Since September 2012, it has granted over 30 mining concessions, which may add up to about 300 million euros in initial investments. In 2012 and 2013 Portugal launched sweeping austerity measures, with across-the-board tax hikes and wage cuts. The current government has stated it is focusing on mining as an economic driver for the future.

ENDS

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*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 2004 Edition of the Australasian Code for Reporting of Exploration Results, 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.*

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**APPENDICES**

Tenure

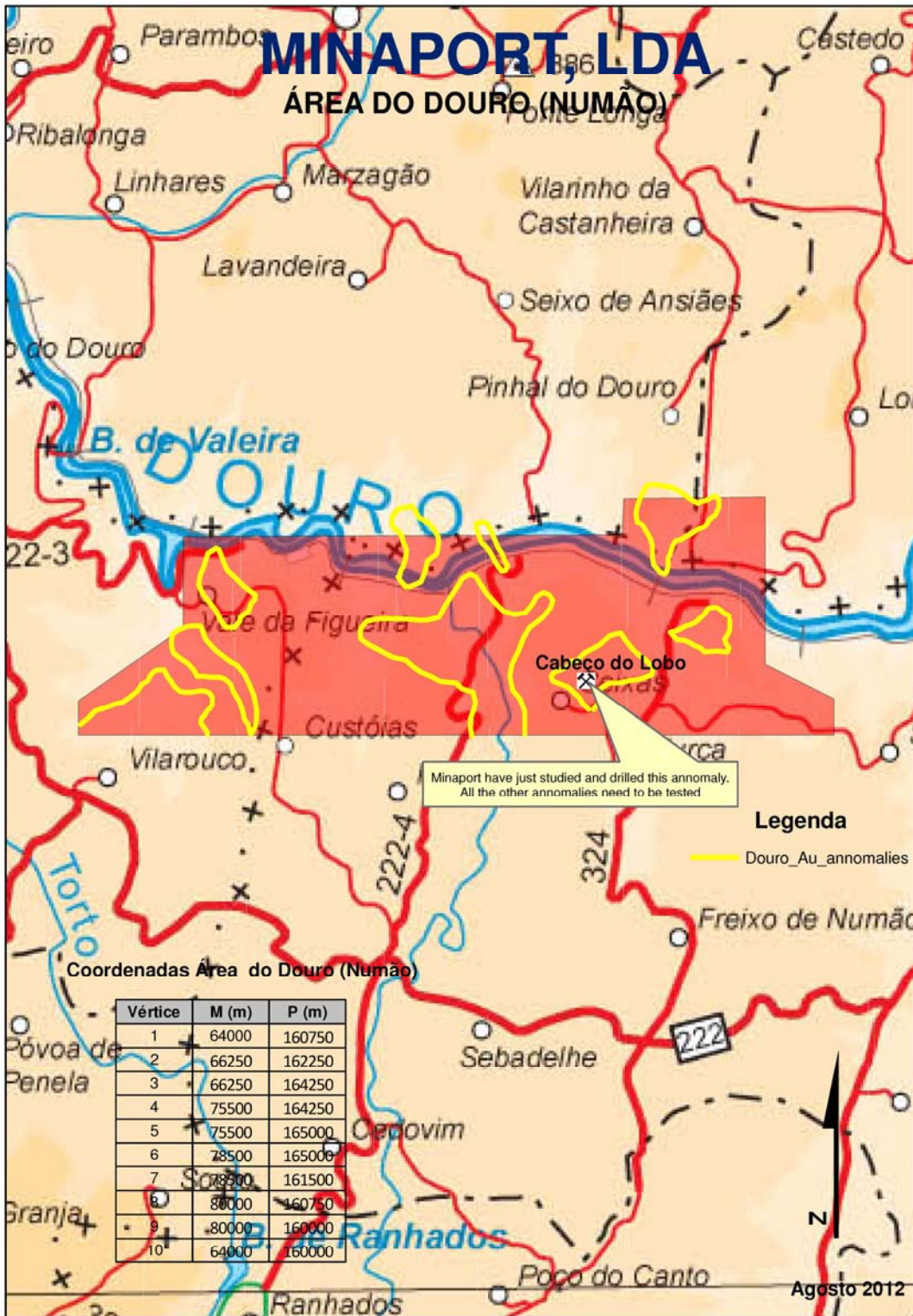
Contract name	Contract Number	Anniversary date	Current situation	Area (km <sup>2</sup> )	End date of the contract
<b>Numao</b>	<b>MN/PP/007/08</b>	1st October 2008	18 month extension granted, ending April 1 2015	58.40	1st April 2015
<b>Sarzedas</b>	<b>Mn/PP/014/11</b>	2nd November 2011	2nd year of the initial period ending 2nd November 2013	273.50	2nd November 2016

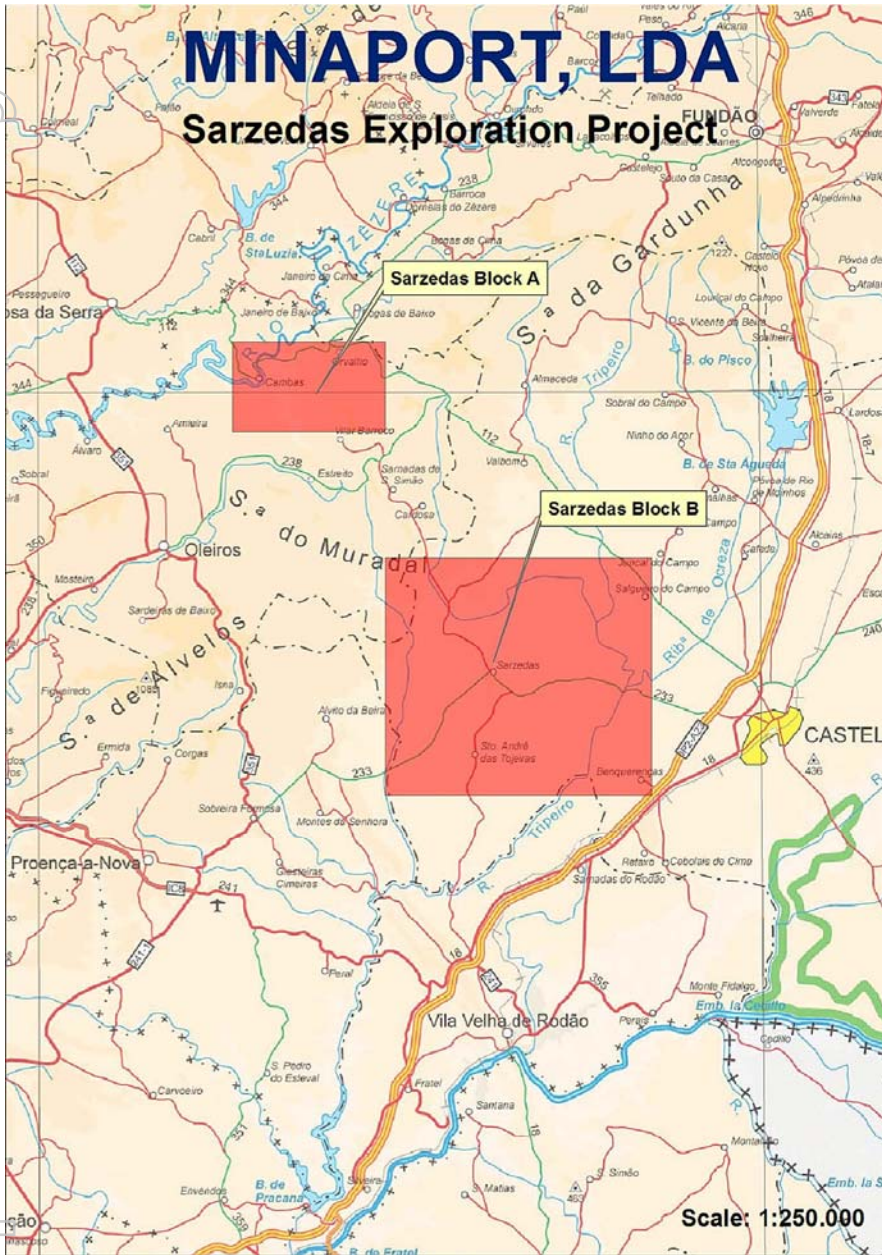
Minaport has applied for and recently been granted an 18 month extension to the existing exploration licence that was due to expire 1 October 2013. .

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Drill hole location (collar) file;

Hole_ID	North UTM Z28N	UTM East Z28N	RL	Depth (m)
SN001	4553518	648601	391	264.20
SN002	4553205	648345	294	224.20
SN003	4553204	648583	281	174.00
SN004	4553382	648528	367	152.50
SN005	4553167	648398	284	150.20
SN006	4553361	647029	526	332.00
SN007	4553556	647325	543	253.00
SN008	4553516	647831	541	242.85
SN009	4553649	648334	516	350.00
SN010	4553364	648390	387	265.80
SN011	4553231	648470	306	201.00
SN012	4553158	648517	257	228.00
SN013	4553092	648377	295	374.00
SN014	4553159	648666	238	310.70
SN015	4553334	648535	344	585.40
SN016	4553165	648666	239	532.00
SN017	4553015	648860	264	302.35
SN018	4553270	648723	273	300.00

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Drill hole survey file

Hole_ID	Depth (m)	Dip	Azimuth
SN01	0	-90	357.3
SN02	0	-70	242.3
SN03	0	-70	242.3
SN04	0	-40	317.3
SN05	0	-60	247.3
SN06	0	-55	127.3
SN07	0	-55	137.3
SN08	0	-60	247.3
SN09	0	-60	142.3
SN10	0	-60	247.3
SN11	0	-60	327.3
SN12	0	-60	328.3
SN13	0	-70	327.3
SN14	0	-60	327.3
SN15	0	-90	357.3
SN16	0	-64.8	320.3
SN17	0	-55	131.3
SN18	0	-55	332.3

Multiple downhole readings were taken using single shot camera tool to gather data on downhole deviation. Deviation was not considered significant in the drilling.

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Drill hole assays greater than 1 g/t gold (Au) over 1 metre

Hole_ID	From (m)	To (m)	length (m)	Au g/t	Hole_ID	From (m)	To (m)	length (m)	Au g/t
SN01	25.6	26.6	1.0	1.2	SN09	242.0	243.0	1.0	9.0
SN01	61.1	62.1	1.0	2.5	SN09	245.0	247.0	2.0	3.5
SN01	77.4	78.2	0.9	1.2	SN09	262.0	263.0	1.0	3.6
SN01	94.5	95.5	1.0	1.1	SN09	269.0	272.0	3.0	2.8
SN01	171.8	172.8	1.0	2.5	SN09	275.0	276.0	1.0	1.9
SN01	173.7	174.6	0.9	1.3	SN09	286.0	287.0	1.0	3.4
SN01	193.6	194.6	1.0	1.6	SN09	291.0	292.0	1.0	2.5
SN01	219.3	220.1	0.8	1.2	SN09	299.0	304.0	5.0	5.4
SN01	221.0	222.0	1.0	1.2	<i>incl</i>	301.0	302.0	1.0	22.8
					SN09	314.0	315.0	1.0	1.4
SN02	26.7	27.7	1.0	1.8	SN09	321.0	322.0	1.0	1.1
SN02	46.5	48.1	1.6	3.8	SN09	326.0	327.0	1.0	3.5
SN02	59.2	60.4	1.3	2.6	SN09	331.0	332.0	1.0	18.3
SN02	66.9	68.2	1.3	2.0					
SN02	71.0	72.0	1.0	2.1	SN10	108.0	109.0	1.0	1.1
SN02	87.4	91.9	4.5	1.9	SN10	112.0	113.0	1.0	8.7
<i>incl</i>	87.4	88.4	1.0	3.2	SN10	113.0	114.0	1.0	0.1
SN02	109.9	110.9	1.0	1.7	SN10	114.0	115.0	1.0	1.3
SN02	154.9	163.9	9.0	7.9	SN10	195.0	196.0	1.0	9.2
<i>incl</i>	154.9	156.9	2.0	20.7	SN10	196.0	197.0	1.0	1.6
<i>and</i>					SN10	221.0	222.0	1.0	2.1
<i>incl</i>	159.9	162.9	3.0	9.8					
SN02	168.4	171.4	3.0	4.2	SN11	82.0	82.6	0.6	7.8
SN02	177.8	179.4	1.6	1.9	SN11	112.0	113.0	1.0	3.5
SN02	188.9	190.5	1.6	9.0					
SN02	209.2	213.2	4.0	4.7	SN12	33.0	34.0	1.0	2.3
					SN12	37.0	38.0	1.0	1.1
SN03	76.8	92.1	15.3	4.8	SN12	45.0	46.0	1.0	4.4
<i>inc</i>	76.8	82.8	6.1	5.5	SN12	59.0	60.0	1.0	8.9
<i>and</i>					SN12	89.6	90.6	1.0	2.2
<i>inc</i>	90.4	92.1	1.7	19.9	SN12	154.1	160.0	5.9	4.8
SN03	96.3	97.1	0.8	1.4	SN12	174.0	175.0	1.0	1.8
					SN12	205.0	206.0	1.0	1.6

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Hole_ID	From (m)	To (m)	length (m)	Au g/t	Hole_ID	From (m)	To (m)	length (m)	Au g/t
SN04	14.5	18.5	4.0	2.8					
SN04	67.3	68.3	1.0	3.9	SN13	61.9	69.0	7.2	10.4
SN04	101.5	102.5	1.0	3.9	<i>incl</i>	61.9	64.0	2.2	29.3
SN04	103.5	104.5	1.0	5.1	SN13	125.1	125.8	0.7	1.9
SN04	109.0	109.9	0.8	2.3	SN13	140.0	141.6	1.6	7.8
SN04	130.1	130.8	0.7	2.4	SN13	155.6	157.5	1.9	6.6
SN04	134.1	135.6	1.5	2.6	SN13	297.7	299.0	1.3	4.8
SN04	142.8	145.4	2.7	7.1	SN13	313.4	315.4	2.0	2.8
					SN13	329.9	331.2	1.3	2.3
SN05	4.5	5.5	1.0	1.2	SN13	364.3	365.0	0.8	1.7
SN05	12.0	13.7	1.7	2.2	SN13	367.8	368.6	0.8	2.5
SN05	28.3	29.4	1.1	2.4					
SN05	30.9	32.0	1.2	3.6	SN14	231.6	232.1	0.5	2.6
SN05	38.4	41.8	1.7	2.0					
SN05	54.9	58.8	1.7	5.9	SN15	14.1	15.1	1.0	2.0
SN05	78.5	79.5	1.0	1.4	SN15	23.7	24.2	0.5	3.3
SN05	84.1	84.8	0.7	1.6	SN15	31.0	32.0	1.0	2.3
SN05	97.1	98.1	1.0	1.3	SN15	66.7	67.7	1.0	9.0
SN05	101.4	102.4	1.0	25.8	SN15	86.1	87.1	1.0	10.5
SN05	111.1	112.2	1.2	2.9	SN15	155.7	156.7	1.0	6.7
SN05	124.2	129.4	5.1	3.8	SN15	206.5	209.1	2.6	4.4
<i>incl</i>	127.2	128.2	1.0	14.0	SN15	230.5	231.5	1.0	8.9
					SN15	256.6	257.7	1.1	9.9
SN06	57.0	58.0	1.0	1.7	SN15	378.8	379.8	1.0	1.3
SN06	175.0	176.0	1.0	2.7	SN15	444.0	445.0	1.0	1.5
					SN15	463.3	466.2	2.9	2.6
SN07	41.0	42.0	1.0	4.0					
SN07	136.6	137.1	0.5	4.7	SN16	389.9	390.9	1.0	1.6
					SN16	391.9	392.9	1.0	1.1
SN08				NSR					
					SN17	113.0	114.0	1.0	2.0
SN09	40.0	41.0	1.0	2.1	SN17	165.9	166.9	1.0	1.2
SN09	102.0	103.0	1.0	1.5	SN17	215.0	216.0	1.0	2.4
SN09	149.0	150.0	1.0	1.3	SN17	217.6	218.6	1.0	1.8
SN09	165.0	166.0	1.0	1.7	SN17	220.6	221.6	1.0	1.9
					SN18				NSR

Several high-grade (>15 g/t Au) intercepts were intersected in drilling. Drill sample (all) data ranges are shown below;

Sample length:  
 Total length (sum) 1,468.35m  
 Minimum 0.30m  
 Maximum 2.30m  
 Average 0.96m

Gold assays:  
 Number samples 1,531  
 Minimum grade 0.01 g/t Au  
 Maximum grade 44.8 g/t Au (over 1.0m)  
 Average grade 0.61 g/t Au

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Notes: Exploration work has been conducted by previous explorers and is of a high standard. Procedures, methods and results were checked by Plymouth staff during field inspections.

- Grid coordinates at UTM Zone 29. Collar positions and RL's are determined by hand held GPS.
- Diamond drilling has been by HQ core.
- Samples are selected for assay, cut and half core is dispatched to ALS Global laboratory in Seville, Spain for analysis.
- Core was geologically logged, samples were selected based on geological boundaries or 1.0m intervals.
- Samples were analysed for multi element suite, using ICP-MS and fire assay methods.
- Core recovery was generally very good, averaging >97%.
- Duplicates, standards and repeats have been conducted to industry standards by previous explorers.
- Reported intercepts may exceed true width. Given the early stage of exploration and the lack of certainty of structural and geological controls of mineralization no assumptions on true width of mineralization can be made at this time.
- The deposit exhibits high-grade gold and this may impact composite samples quoted in results, as a result, all assays greater than 1 g/t gold (Au) have been reported to provide information on possible sample weighting and bias from high-grade intercepts.

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