

**Company Update: Cash Reserves Increased Further
through Part Sale of Equity Investments**

- Cash reserves currently \$5.2M, up from \$3.8M since 30 September 2011
- Cash & equity investments total approx. \$6.6M, representing 11 cents per share
- Drill program at Torchlight gold prospect completed – results pending

KEY POINTS

- Planet Metals has further realised a portion of its share investment in Frankfurt-listed Deutsche Rohstoff AG since the last ASX Release dated 22 November 2011. Total share sale proceeds to date are over \$1.65M, thus providing a significant boost to the Company's cash reserves.
- As at the date of this release, Planet's cash on hand is in excess of \$5.2M. This compares with the Company's current market capitalisation of \$4.5M. In addition, the Company holds approximately \$1.4M worth of Deutsche Rohstoff AG shares at current prices.
- Based on the Company's current fully paid issued capital of 59.7 million shares, cash and equity investments represent 11.0 cents per share, compared with yesterday's closing share price of 7.6 cents per share. It is also important to note that Planet currently maintains a relatively low cash-burn rate.
- In addition, Planet Metals' current portfolio of Queensland gold-copper projects are being progressed. Planet recently completed a 6-hole (1,086m) Reverse Circulation (RC) drill program at the Torchlight gold prospect within the Delaney gold project, north of Georgetown. Samples are in the process of being delivered to the laboratory for testing with assay results expected in late January 2012.
- The drill program at Torchlight had to be amended due to weather conditions with only 4 of the original 8 planned holes completed. The holes drilled were the 4 most southern holes of the original program (outlined in ASX release dated 6 December 2011). An additional 2 holes were added even further to the south. Depths of the holes ranged from 78m to 210m.
- The CEO of Planet Metals, Mr Brett O'Donovan, stated, "Planet continues to build on its strong financial position and looks forward to further pursuing growth opportunities in 2012."

For further information, please contact:

Brett O'Donovan
Chief Executive Officer
Ph: 61 7 3249 3080

About Planet Metals Limited

Planet Metals (ASX Code: PMQ) is a Brisbane-based ASX-listed resource and exploration company, with a focus on gold and copper. The Company's key operations are the Mount Cannindah copper-gold project (subject to a farm-in agreement with Drummond Gold), the Mount Borium gold project (located between Kidston and Einasleigh, Qld - tenements currently being offered for grant) and the recently announced farm-in agreement over the Delaney gold project, near Georgetown, North Queensland. The Company's major shareholder is Metallica Minerals (ASX Code: MLM) with a 37% shareholding. As at the date of this release, Planet Metals has 59.7 million shares on issue as well as 6.5 million unlisted options. The Company had cash at hand of \$5.2 million with a further \$1.4 million in Deutsche Rohstoff AG shares listed in Germany. This means Planet Metals has cash and equity investments amounting to approximately \$6.6 million, representing 11 cents per share.

