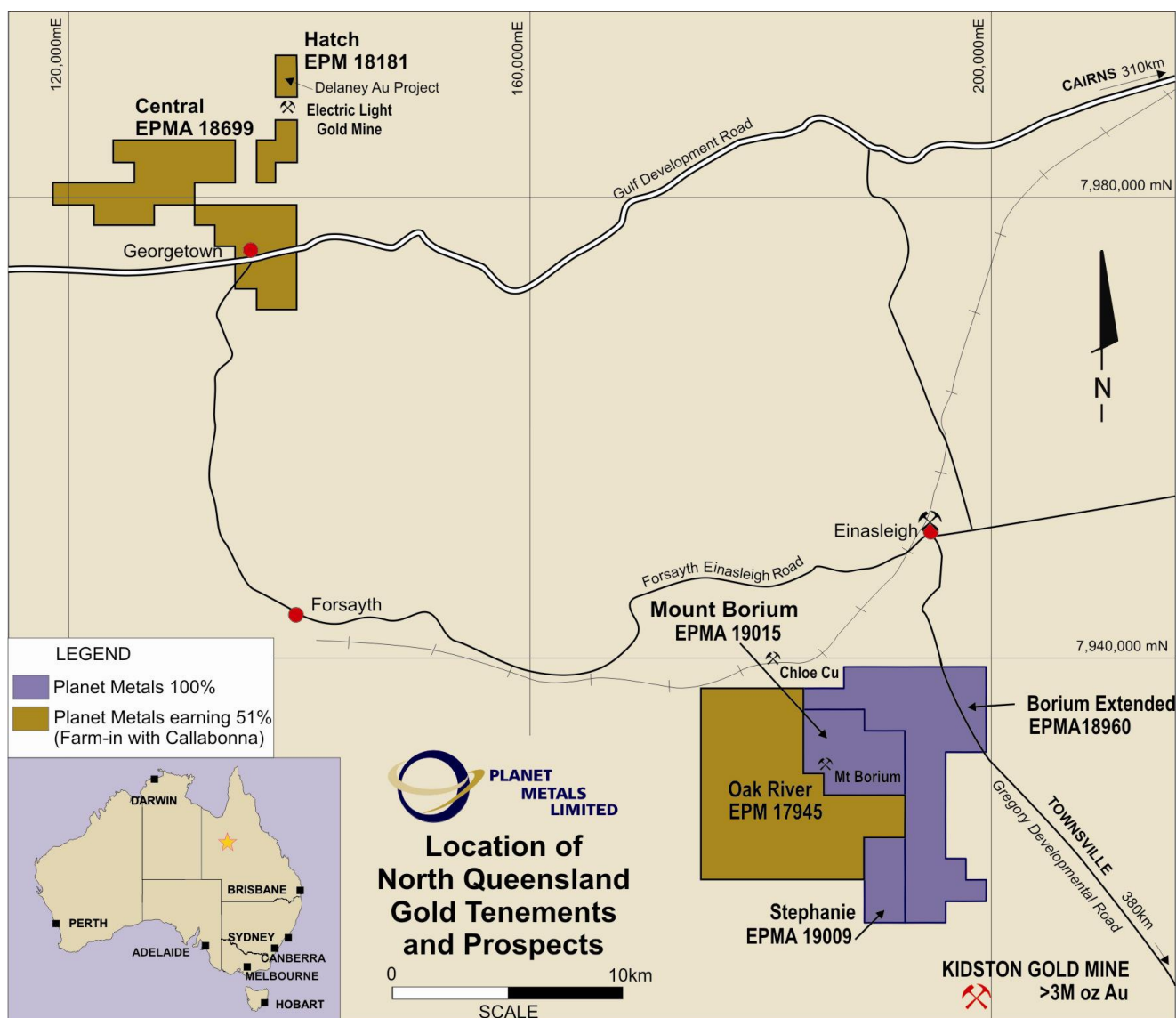


Planet Expands its North Queensland Gold Presence – Farm-In Agreement with Callabonna Uranium Ltd

Highlights

- Planet Metals is pleased to announce that it has entered into a farm-in agreement with Callabonna Uranium Ltd (ASX Code: CUU) over three North Queensland tenements.
- This transaction offers three key advantages to Planet:
 - Significantly expands the Company's portfolio of gold exploration assets in a strategic and prospective location at minimal cost
 - Provides immediate drill targets within a known mineralised gold zone
 - Provides an earn-in option over the adjacent tenement to the Company's existing Mount Borium project (under application)
- Under the agreement, Planet can earn a 51% interest in all three tenements by spending \$750,000 in total over a period of 2 years and 10 months. A minimum of \$150,000 must be spent on exploration within the first 10 months, including a 1,000m drill program.
- The key focus of this drill program will be on the Delaney Gold Project (within Hatch tenement EPM 18181) which has drill-ready targets identified by recent soil and rock chip sampling. Rock chip samples taken earlier this year assayed up to 162 g/t gold. This was from an area less than 1km from historic drill holes which yielded such intercepts as 12m @ 10.10g/t Au from surface and 9m @ 3.81g/t Au from 77m.
- A complementary soil and Niton XRF sampling program covering the Delaney Gold Project highlighted an interpreted extension of the mineralised structure some 1,000 metres to the north of the area of known mineralisation (subject to a historical drill program) and 900 metres to the south. Deutsche Rohstoff's operating gold mine, Electric Light, is located less than 2km from the southern zone.
- The farm-in agreement also covers the Oak River tenement (EPM 17945 excl. rare earths and uranium) and Central tenement (EPMA 18699). Oak River directly adjoins Planet's Mount Borium gold project to the west, hence providing Planet with an opportunity to immediately assess the regional and strike extent of the known gold occurrences in its existing tenement holdings.
- Mr Brett O'Donovan, Chief Executive Officer of Planet Metals, said, "This agreement represents the first acquisition since the Company sold its Wolfram Camp project in May 2011 to focus on the gold-copper sector. It is a highly prospective and strategic proposition with minimal impact on the Company's strong financial position. Our immediate aim is to undertake a drill program at Delaney before year-end".



Tenement Map highlighting the tenements subject to the farm-in as well as Planet's existing Mount Borium group of tenements

Key Terms of Farm-In Agreement

The farm-in agreement between Planet Metals Limited and Callabonna Uranium Ltd was signed on 15 September 2011. The key terms are as follows:

- Planet can earn a 51% interest in all three tenements (Hatch EPM 18181, Oak River EPM 17945 & Central EPMA 18699) by spending \$750,000 in total over a period of 2 years and 10 months. Planet's interest will cover all minerals for EPM 18181 & EPMA 18699 whereas for EPM 17945, Planet's interest covers only gold, precious and base metals, but excluding rare earths and uranium.
- A minimum of \$150,000 must be spent on exploration within 10 months of signing the agreement, including a 1,000m drill program. Planet has the option to withdraw from the agreement after this minimum expenditure requirement has been met.
- After satisfying this minimum expenditure requirement, Planet may elect to earn-in to the tenements by spending \$600,000 within a further 2 years, of which a minimum \$200,000 must be spent in the first year.

Planet Metals has indicated to Callabonna that it intends to focus its immediate exploration and drill program on the Delaney Gold Project (within Hatch tenement EPM 18181) which has walk-up drill targets. Some geochemical sampling and mapping is also proposed within the Oak River tenement.

Hatch EPM 18181

Delaney Gold Project, North Queensland

The Delaney gold project is located 22km north of Georgetown in North Queensland. It is one of a number of gold prospects located along the Delaney Fault, including the Electric Light gold deposit approximately 2.5km to the south. The Delaney gold project is situated in a substantial offset in the north trending fault and was discovered and explored by Keela Wee Exploration Limited (Keela Wee) in the late 1980s.

Historical Drill Program

Keela Wee conducted an 18-hole RC drill program on the central section of the gridded geochemical anomaly - refer the adjacent images for location. (Reference: QDEX CR#23847 – EPM 5988 Daniel Creek Final and Relinquishment Report 1 May 1992). Best results from this program included:

- 9m @ 3.81g/t Au from 77m in hole DC1
- 8m @ 1.96g/t Au from 14m in hole DC4
- 2m @ 2.37g/t Au from 28m in hole DC7
- 6m @ 4.10g/t Au from 4m in hole DCV1
- 8m @ 3.88g/t Au from 8m in hole DCV2
- 12m @ 10.10g/t Au from 0m in hole DCV3
- 4m @ 2.66g/t Au from 0m in hole DCV4

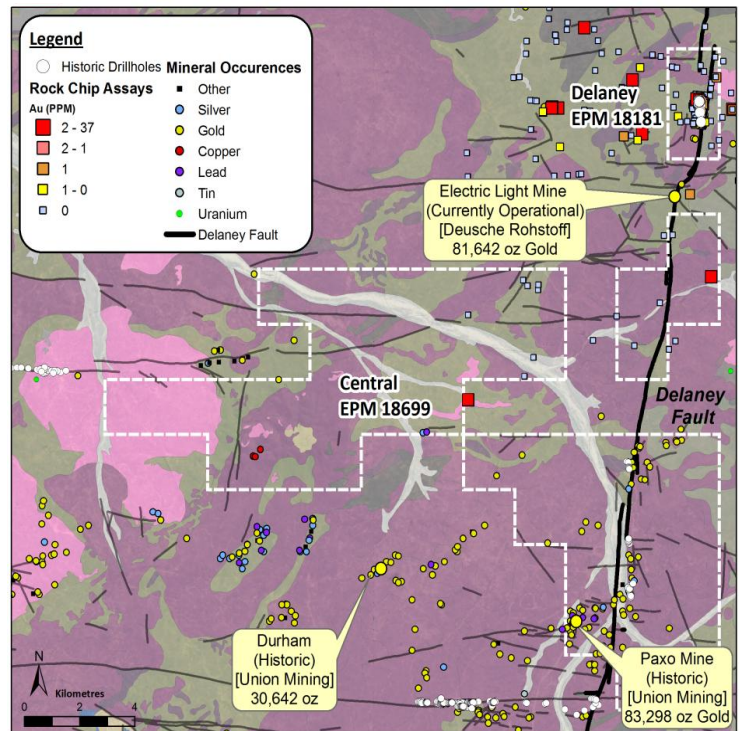
2011 Exploration Program

Reconnaissance mapping and sampling conducted in early 2011 on the Delaney Gold Project area identified numerous quartz reef trends which had not been drill tested to date running parallel to the part of the structure which has been drill tested. Results from rock chip samples taken on these quartz reef trends show that they are highly mineralised with one reef returning samples of between 0.2 – 162g/t gold – refer Table 1 on final page for full results. These gossanous quartz reefs are relatively continuous and are up to several metres wide at surface. The southern area has not been drill tested and is a priority target. Ground checking also confirmed the presence to the north of an additional area of mafic intrusive (dolerite) within an area of an interpreted dilational jog on the north-south Delaney Fault.

In May-June 2011 a detailed soil survey was completed over the Delaney Gold Project that involved a soil grid of lines 160 metres apart and samples every 40 metres along the lines. The methods used include traditional minus eighty mesh sampling for base metals and gold as well as the new Niton mobile XRF which allows immediate results to be attained for many elements in the field. Assays from the soil survey highlighted an interpreted extension of the mineralised structure some 1,000 metres to the north of the area of known mineralisation and 900 metres to the south. Delaney bears many similarities to Deutsche Rohstoff's operating gold mine, Electric Light, which is located less than 2km from the southern zone.

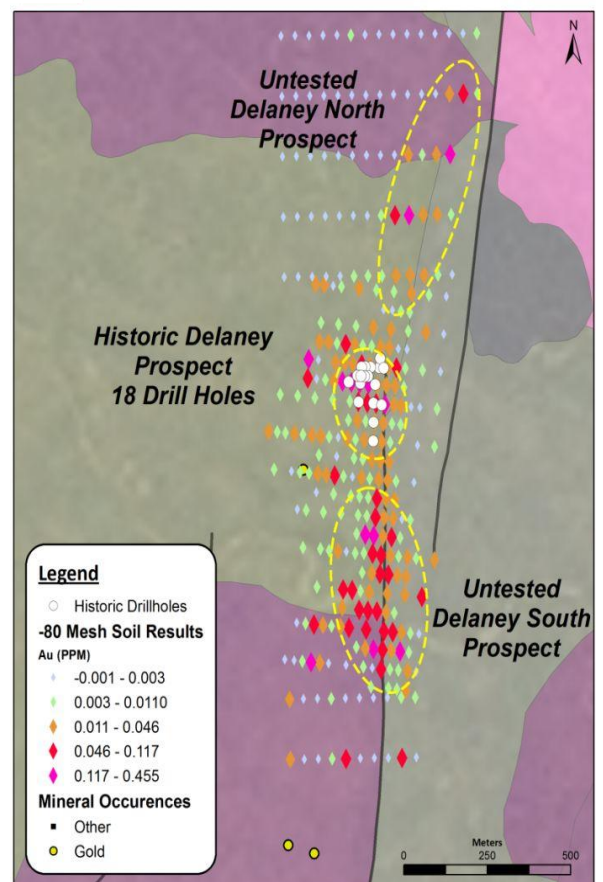
There is significant potential within the project area for discovery of new areas of high grade gold mineralisation as well as for extending the known mineralisation.

Delaney and Central Gold Projects



Source: Callabonna Uranium Ltd

Delaney Gold Project



Identified soil anomalies to the north and south of known zone of mineralisation.

Source: Callabonna Uranium Ltd

Central EPMA 18699

This tenement comprises three separate areas as outlined in the location maps above. The Delaney Fault runs through two portions of this project area with many historic gold occurrences, including the old Paxo gold mine which hosted over 80,000 ounces of gold.

As per Hatch EPM 18181 to the north, the Central tenement area also adjoins the Electric Light operating gold mine, effectively meaning that upon earning-in as per this farm-in agreement, Planet will have a 51% controlling interest in the tenements to the immediate north and south of the Electric Light gold mine.

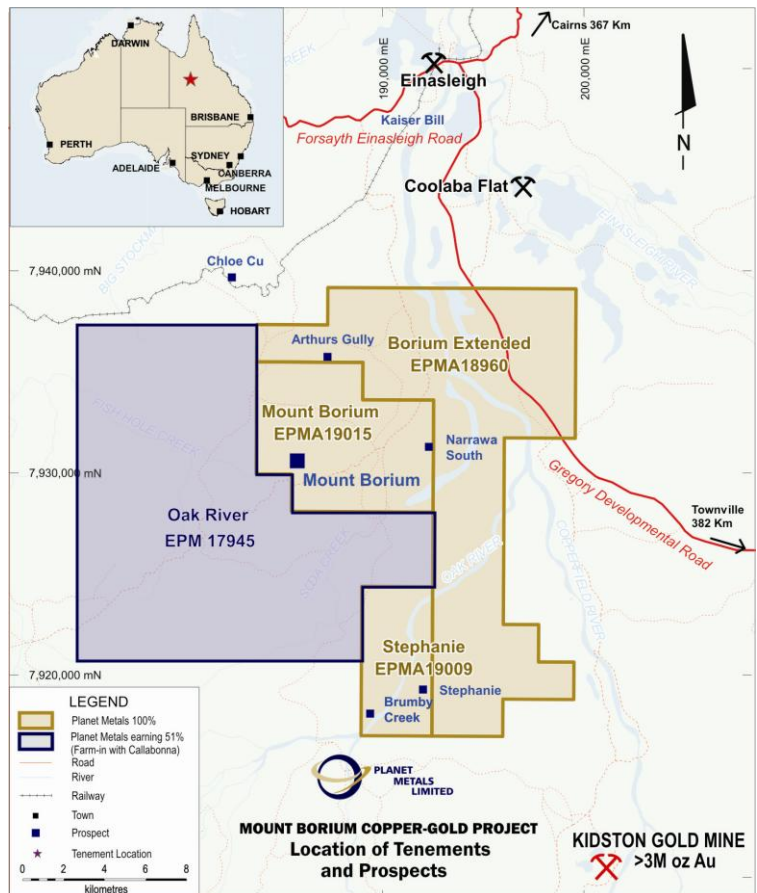
As the tenement is still under application, only basic desktop studies will be considered in the near future. Upon the project area being granted, a more thorough investigation, including GIS compilation and surface mapping, will be undertaken.

Oak River EPM 17945

The Oak River exploration permit is located approximately 400km west of Townsville and less than 20km north-west of the historic Kidston gold mine. The tenement area covers the south eastern margin of the Newcastle Range Volcanics where they sit within the Wirra Cauldron, a volcanic subsidence structure. Exploration efforts at Oak River in recent times have focused on the potential for uranium mineralisation.

The Oak River area was previously explored for uranium in the 1970s by German company Urangesellschaft who mapped the edge of the caldera area in detail, dug numerous costeans and drilled 28 holes targeting the basal sediments of the Newcastle Range Volcanics. This work was focussed on the margins of the caldera and the central areas were never tested.

Callabonna Uranium completed mapping and reconnaissance sampling earlier this year with all their work focused on the uranium potential. As part of the farm-in agreement with Callabonna, Planet Metals' interest in EPM 17945 covers only gold, precious and base metals, and excludes rare earths and uranium. Hence Planet will initially focus on geochemical sampling and mapping, mainly for gold.



It is important to note that Oak River directly adjoins Planet's Mount Borium gold project (refer above location map). This conveniently provides Planet with an opportunity to immediately assess the regional and strike extent of the known gold occurrences in its existing tenement holdings (currently subject to final grant). This focus will initially revolve around the central eastern boundaries of the Oak River tenement, within a few kilometres of the Mount Borium prospect. This includes the structural geological contacts near the true centre of EPM 17945.

Examples of Rock Chip Samples taken early 2011

Rock chip samples over the Delaney Gold Project earlier this year assayed up to 162 grams per tonne gold with a quarter of the samples taken assaying over 100 grams per tonne gold. The samples were generally of gossanous quartz reefs which are relatively continuous and are up to several metres wide at surface. Full results are outlined in Table 1 at the back of this report.



Sample CALA0105 assayed 126g/t Au



Sample CALA0107 assayed 162g/t Au

For further information, please contact:

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Competent Persons Statement

Technical information contained in this report has been compiled and/or supervised by Mr Andrew Gillies B.Sc (Geology) M.AusIMM (Director of Planet Metals Limited and Managing Director of Metallica Minerals Limited, Planet's major shareholder) based on analysis of information prepared by Callabonna Uranium Ltd in its series of ASX releases in 2011. Mr Gillies is a competent person and member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Gillies has relevant experience to the mineralisation, Exploration results and targets and Mineral Resources being reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gillies consents to the inclusion of this information in the form and context in which it appears in this report.

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 100% owned 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 2.5 million unlisted options. The Company had \$3.86 million cash on hand as at 30 June 2011 and as at the date of this report holds a further \$2.7 million worth of Deutsche Rohstoff AG shares which are listed on the Frankfurt Stock Exchange in Germany.

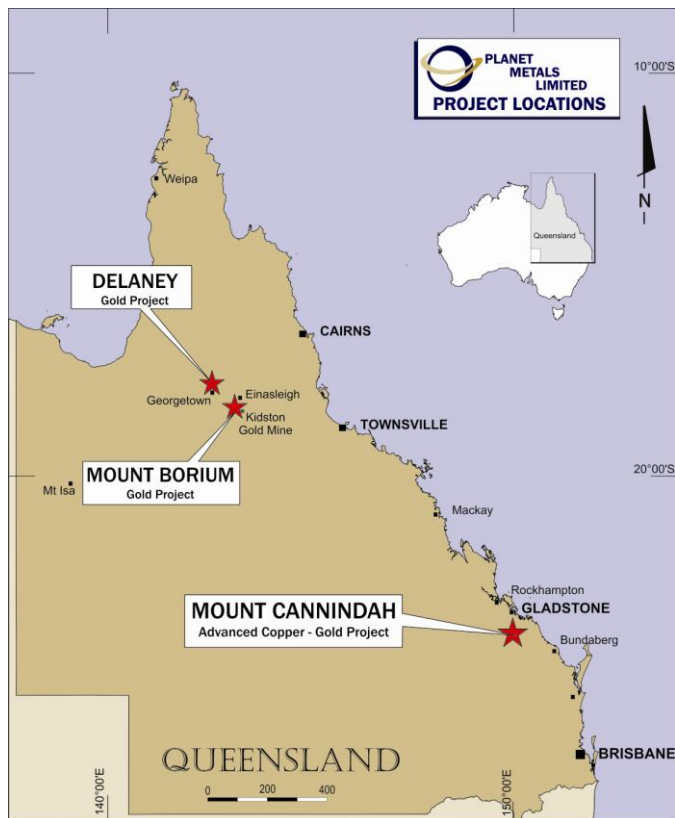


Table 1: 2011 Rock Chip Au Assays – Delaney Project

Sample ID	Easting	Northing	Weight (kg)	Au (g/t)
CALA0104	772677	7990530	3.06	0.02
CALA0105	772677	7990530	1.54	126
CALA0106	772677	7990530	1.23	2.52
CALA0107	772677	7990530	0.93	162
CALA0108	772678	7990530	2.13	6.58
CALA0109	772907	7991298	1.61	0.11
CALA0110	772744	7991522	0.95	149
CALA0111	772745	7991524	0.95	0.58
CALA0112	772743	7991520	0.74	61.8
CALA0113	772742	7991526	1.24	154
CALB0401	772678	7990530	0.63	1.78
CALB0402	772678	7990530	1.14	31.7
CALB0403	772678	7990530	1.09	0.22
CALB0404	772644	7990612	0.77	0.05
CALB0405	772644	7990612	0.93	1.86
CALB0406	772678	7990530	0.33	1.82