



QUARTERLY ACTIVITIES REPORT TO 30 SEPTEMBER 2011

PLANET METALS LIMITED

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BOARD AND MANAGEMENT

David K. Barwick (Non-Executive Chairman)
Andrew Gillies (Non-Executive Director)
Barry Kelly (Non-Executive Director)
Brett O'Donovan (Chief Executive Officer)
John Haley (Company Secretary & CFO)

KEY POINTS / HIGHLIGHTS

Mount Cannindah Copper-Gold

Project (PMQ 100% subject to farm-in agreement)

Located approx. 100km south of Gladstone, Qld

- Planet Metals' farm-in partner, Drummond Gold Limited (ASX Code: DGO), formally notified Planet that it was electing to earn-in to the project. This follows Drummond Gold completing its initial obligations through expenditure of \$750,000 (including a 3,000m drill program). Drummond can earn a 51% interest in the project by spending a further \$2.5 million within 2 years.
- Drummond Gold's drill program extended the mineralisation along strike and at depth. Drummond's next phase of exploration will be to assess key regional targets within the tenement area for follow-up with drilling. Planet remains free-carried in this project in the medium term.

Delaney Gold Project

(PMQ farming-in to earn 51%)

Located north of Georgetown in North Queensland

- Planet Metals entered into a farm-in agreement with Callabonna Uranium Ltd (ASX Code: CUU) over three North Queensland tenements during the quarter. This transaction significantly expanded the Company's portfolio of gold exploration assets in a strategic and prospective location at minimal cost. 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.
- Planet's immediate intentions are to drill the Torchlight prospect within the Delaney Gold Project. This prospect has never been drilled and is only 400m 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 site

visit was conducted earlier this month with a focus on finalising drill collar locations. An 8-hole (1,000m) RC program is planned for next month, pending weather conditions and relevant clearances.

Mount Borium Gold Project

(PMQ 100% - Tenements under Application)

Located between the historic Kidston gold (>3 Million oz Au) and Einasleigh copper mines in North Queensland

- An offer for grant letter was received for these tenements with expectations that we will be able to commence field work after the wet season. A site visit was conducted on the neighbouring Oak River tenement earlier this month. Oak River is one of the tenements covered by the recent farm-in agreement with Callabonna Uranium.

Corporate

- Cash on hand at the end of the quarter was \$3.8 million with Planet also holding a significant amount of Deutsche Rohstoff shares which are listed in Germany. Subsequent to the end of quarter, part of this shareholding was disposed and, as at the date of this report, Planet's cash at hand had increased to \$4.3 million with a further \$1.8 million shareholding in Deutsche Rohstoff at current market value.
- This means Planet Metals has cash and equity investments amounting to approximately \$6.1 million, representing 10.2 cents per share.
- Planet Metals is constantly reviewing opportunities within the metals sector, both within and outside of Australia, primarily in gold and copper. The Company's current strong financial position will enable it to more aggressively target such opportunities. This would complement Planet's existing copper and gold projects.

MOUNT CANNINDAH COPPER-GOLD PROJECT

(PMQ 100% subject to current farm-in agreement)

Mount Cannindah is located near Monto, approximately 100km south of Gladstone in central Queensland. The project hosts significant porphyry-style copper-gold mineralisation.

Drummond Gold Limited (ASX Code: DGO), Planet Metals' farm-in partner, formally notified Planet that it was electing to earn-in to the project. This follows Drummond Gold completing its initial obligations under the Farm-In Agreement by meeting expenditure commitments of \$750,000 (including a 3,000m drill program). Drummond can earn a 51% interest in the project by spending a further \$2.5 million within 2 years.

A review by geological modelling consultants, Hellman & Schofield, incorporating all recent drilling, has resulted in a better understanding of the geological constraints, and has produced a revised Mineral Resource Estimate including Measured, Indicated and Inferred of 5.55 Million tonnes at 0.92% Cu, 0.34g/t Au and 14.9g/t Ag – refer table below. This is the first time the resource has been reviewed since March 2008.

Mount Cannindah Resources – October 2011

Category	Tonnage	Cu %	Au g/t	Ag g/t
Measured	1.888Mt	0.96	0.39	16.2
Indicated	2.530Mt	0.86	0.34	14.5
Inferred	1.135Mt	0.97	0.27	13.6
Total	5.553Mt	0.92	0.34	14.9

0.5% copper cut-off; density of 2.7t/m³; minor rounding errors

Drummond Gold is integrating high level research with past exploration data to assess further mineralisation potential and determine future drill targets. An experienced geological consultant will be employed by Drummond Gold to review all past

data generated for the Mount Cannindah project to assist in defining additional exploration targets within the underexplored 120km² tenement holding surrounding the Mount Cannindah deposit, of which 6km² is within granted Mining Leases.

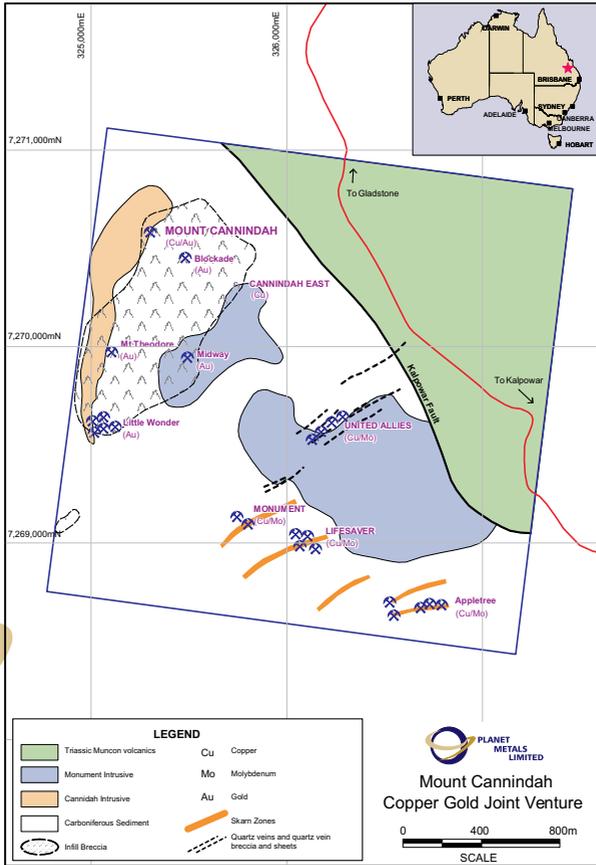
Drummond has spent a total of \$1,352,000 on the project to date, with the additional \$602,000 above the threshold expenditure requirement contributing to this current earn-in period.

Drummond is currently undertaking a revised Mineral Resource Estimate for Mount Cannindah and is presently assessing historic exploration data for the entire tenement area. This data review has recognised high grade, near surface gold, copper and molybdenum mineralisation including:

- At the United Allies prospect, previous drill intersections of 40.23m at 0.6% Cu and 245g/t Mo from surface, 13.72m at 1.4% Cu from 1.5m and 8m at 2% Cu from 19.8m have been returned over an area of 350m by 250m. Only four holes have been drilled to depths greater than 40m in this area.
- At the Monument – Lifesaver prospect, drilling along a one kilometre trend has returned intersections including 53.3m at 0.5% Cu and 95g/t Mo from surface and 45m at 0.4% Cu and 241g/t Mo from 1m. Most holes in this area are less than 60m depth.
- At the Cannindah East prospect, drilling returned values of 36m at 8.7g/t Au (including 2m at 112.6g/t Au) from 2m, 24m at 2.3g/t Au from 4m and 34m at 7.4g/t Au from surface.

Drummond's next phase of exploration will be to assess these and other targets within the tenement area for follow-up with drilling.





DELANEY GOLD PROJECT

(Planet farming-in to earn 51%)

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 2km to the south. The Delaney gold project is situated in a substantial offset in the north trending fault and was discovered and briefly explored in the late 1980s.

Planet Metals entered into a farm-in agreement with Callabonna Uranium Ltd (ASX Code: CUU) over three North Queensland tenements (including the Delaney gold project) during the quarter - refer ASX release dated 15 September 2011. This transaction significantly expands the Company's portfolio of gold exploration assets in a strategic and prospective location at minimal cost. 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.

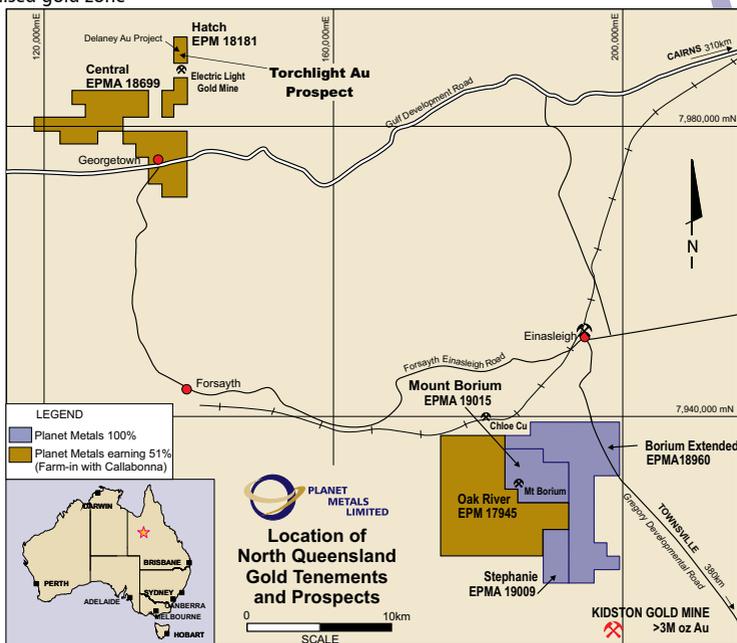
This transaction offers three key advantages to Planet:

- 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

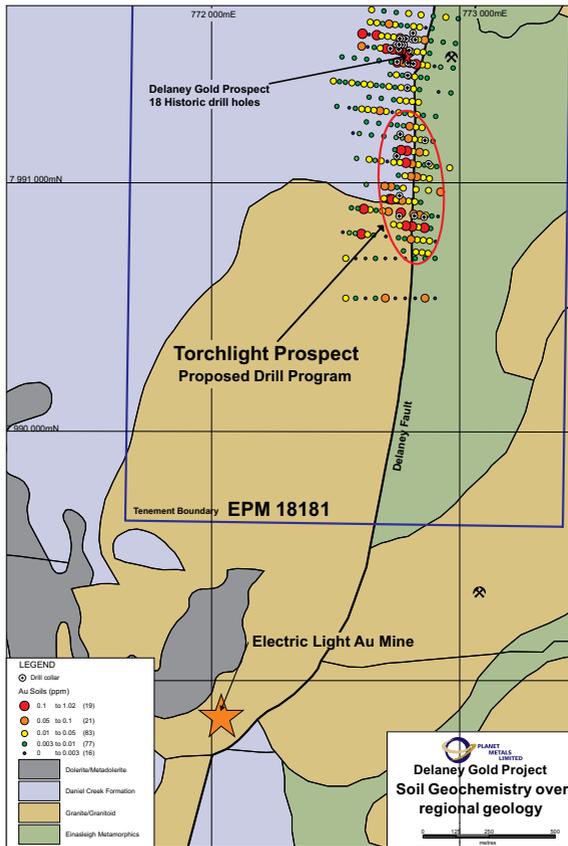
- Provides an earn-in option over the adjacent tenement to the Company's existing Mount Borium project (currently being offered for grant)

Planet's immediate intentions are to drill the Torchlight prospect within the Delaney Gold Project. Torchlight offers drill-ready targets identified by recent soil and rock chip sampling. Nearby rock chip samples taken earlier this year assayed up to 162 g/t gold. This prospect has never been drilled and is only 400m 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 site visit was conducted earlier this month with a focus on finalising drill collar locations. An 8-hole (1,000m) RC program is planned for next month, pending weather conditions and relevant clearances. The Electric Light gold mine (approx 80,000 oz Au), is located 2km from Torchlight. 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.

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. A brief site visit to Oak River was undertaken earlier this month.



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



Proposed drill program at Torchlight within the Delaney Gold Project



Typical landscape within Torchlight Prospect

MOUNT BORIUM GOLD PROJECT

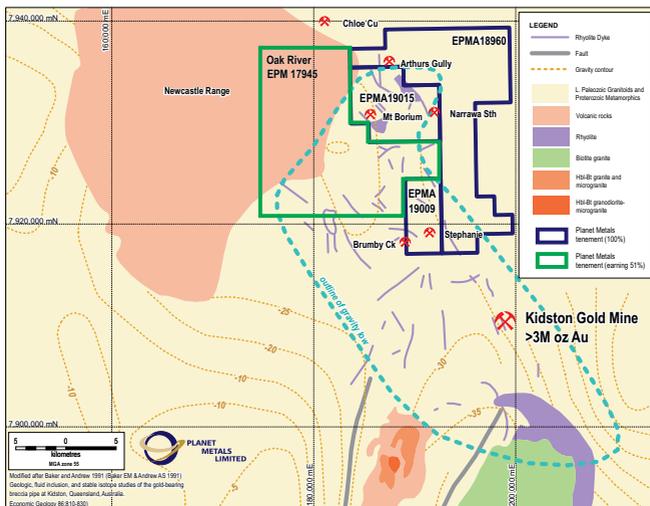
(Tenements under Application - PMQ 100%)

The Mount Borium gold project is located between the historic Kidston gold (>3 Million oz Au) and Einasleigh copper mines in North Queensland. A full summary of this project is contained within ASX release dated 12 July 2011.

Significant data compilation and assessment has been undertaken over the past 12 months since Planet first applied for these tenements. During the quarter, an offer for grant letter was received for the three tenements comprising this project. Expectations are that the grant process will be completed in early 2012 and that we will be able to commence field work after the wet season. A site visit was conducted on the neighbouring Oak River tenement earlier this month. Oak River is one of the tenements covered by the recent farm-in agreement with Callabonna Uranium.



Mount Borium landscape



Regional geology within and surrounding the Mount Borium group of tenements

CORPORATE

Cash & Investments

Cash on hand as at 30 September 2011 was \$3.8 million with Planet also holding a significant amount of Deutsche Rohstoff shares which are listed on the Frankfurt Stock Exchange in Germany. Subsequent to the end of quarter, part of this shareholding has been disposed and, as at the date of this report, Planet's cash at hand now amounts to \$4.3 million. The Company retains a \$1.8 million Deutsche Rohstoff shareholding at current market value. This means Planet Metals has cash and equity investments amounting to approximately \$6.1 million, representing 10.2 cents per share.

Annual Report & AGM

Planet Metals lodged its 2011 Annual Report and Full Year Statutory Accounts during the quarter. A Notice of Meeting for the AGM, to be held on Monday 7 November 2011, was sent to all shareholders on 5 October 2011.

Advanced Strategy

As well as advancing Planet's current projects, the Company is constantly reviewing opportunities within the metals sector, primarily in gold and copper. Planet has the ability and platform to aggressively target such opportunities.

Proposed Activities for the December 2011 Quarter

- Finalise clearances and logistics in preparation for a 1,000m RC drill program at Torchlight, within the Delaney gold project
- Support to farm-in partner, Drummond Gold as they assess the regional prospectivity of the Mount Cannindah Cu-Au project
- Continued review of the Mount Borium project pending final grant of the tenements
- Continued assessment of additional resource development and corporate opportunities as they arise

For further information, please contact:

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

Competent Person Statements

The data in this report that relates to Exploration Results and the interpretation of mineralisation at the Mount Cannindah copper-gold project are based on information compiled by Mr Erik Norum who is a Member of The Australasian Institute of Geoscientists and who 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 (the "JORC Code"). Mr Norum is a full-time employee of Planet Metals' farm-in partner, Drummond Gold Ltd, and he consents to the inclusion of this information in the form and context in which it appears in this report.

The data in this report that relates to Mineral Resources for the Mount Cannindah Deposit is based on information evaluated by Mr. Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who 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 (the "JORC Code"). Mr. Tear is a full-time employee of Hellman & Schofield Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

Other technical information contained in this report has been compiled and/or supervised by Mr Andrew Gillies B.Sc (Geology) MAusIMM (Director of Planet Metals Limited and Managing Director of Metallica Minerals Limited, Planet's major shareholder) who 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 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 cash at hand of \$4.3 million with a further \$1.8 million in Deutsche Rohstoff shares listed in Germany. This means Planet Metals has cash and equity investments amounting to approximately \$6.1 million, representing 10.2 cents per share.

