



ASX RELEASE

29 April 2013  
ASX Code: PMQ

"Focused on Generating Shareholder Wealth"

## QUARTERLY ACTIVITIES REPORT TO 31 MARCH 2013

### PLANET METALS LIMITED

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### BOARD AND MANAGEMENT

David K. Barwick (Non-Executive Chairman)  
Brett O'Donovan (Managing Director)  
Barry Kelly (Non-Executive Director)  
Garry Gill (Company Secretary & CFO)

## KEY POINTS / HIGHLIGHTS

### Mount Borium Gold Project

(PMQ 100%)

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

- A comprehensive geophysical review of key areas within the Mount Borium project was undertaken during the quarter. This is the first time such a review has been undertaken. Based on interpreted magnetic signatures, several targets were identified for future assessment. The standout target is at the Arthur's Gully prospect and resembles a classic porphyry copper system.
- Historic geochemical results and geological mapping of an intrusion at Arthur's Gully support the interpretation of a possible porphyry core. This is located approximately 800m south-east of a 1,200m north-south trending +150ppb gold-in-soil anomaly.
- A review of results generated from the December 2012 drill program is continuing, focussing on the geology of an area to the east of the highest grade assays (up to 6.16g/t Au). A geochemical anomaly of +0.5g/t gold in soil has also been identified in this area. This has not yet been drilled.

### 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), released results from a 4-hole 1,146m reverse circulation drill program to test two broad target areas at the United Allies and Southern Skarn prospects, less than 2km from the existing minesite resource at Mount Cannindah.
- Results confirmed the potential for a massive sulphide skarn deposit with drilling intersecting disseminated sulphides throughout with anomalous gold and base metal mineralisation extending down-dip and south from historical drilling. The

best intersection was 16m @ 0.7g/t Au, 4g/t Ag, 0.17% Pb, 0.12% Zn, 0.02% Cu from 72m and included 2m @ 2.7g/t Au, 23g/t Ag, 1% Pb, 0.32% Zn and 0.12% Cu from 78m. Future exploration will target the potential for a gold zone at the Southern Skarn prospect to the south of recent drilling.

- The Mount Cannindah total resource currently stands at 5.5Mt @ 0.92% copper, 0.34g/t gold and 14.9 g/t silver within the minesite area only (refer Resource Table on Page 9). Planet remains free-carried in this project in the medium term during Drummond Gold's earn-in stages.

## Corporate

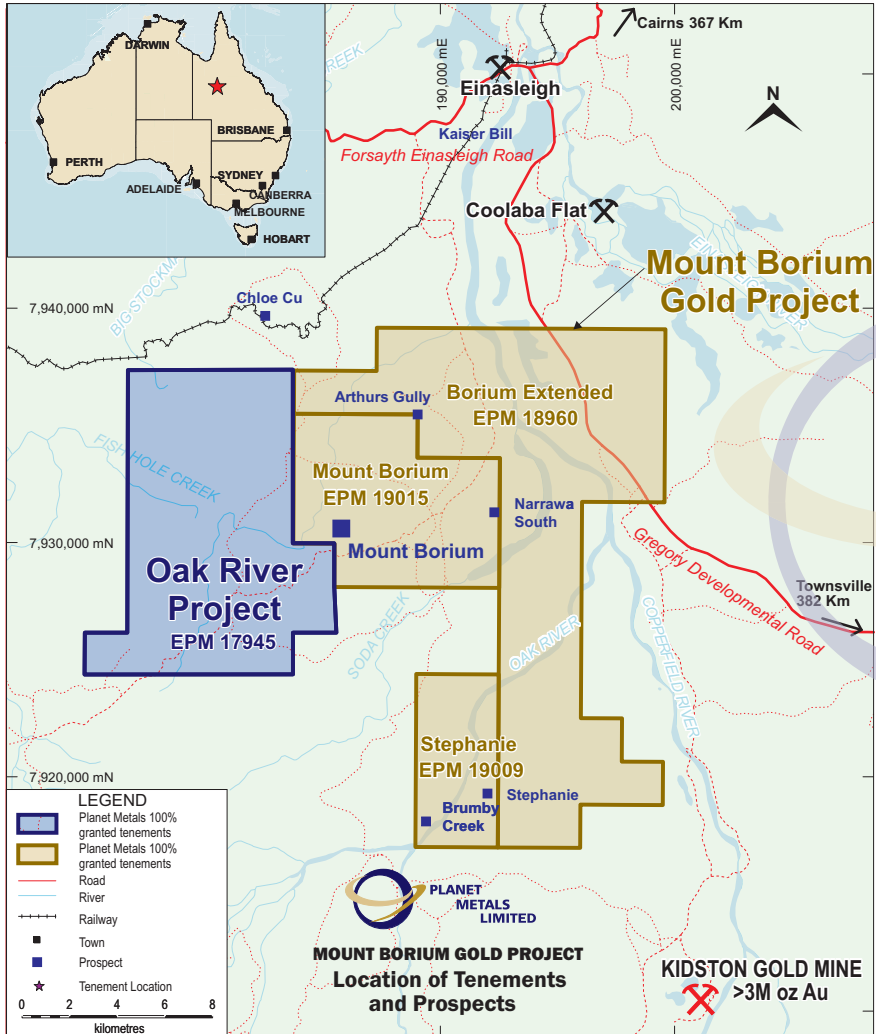
- Planet completed its minimum holdings buyback during the quarter. A total of 672 shareholders had their shares bought back by the Company at a share price of 2.8 cents per share. The number of shares bought back was 1,471,563 at a total cost to Planet of \$41,203. The buyback reduced Planet's total number of shareholders to less than 600 at the date of this report, providing the Company with savings in ongoing share registry and shareholder communication costs. Planet Metals' cash on hand at the end of the quarter was \$1.718 million.
- Planet welcomes a new major shareholder, Mr Michael King, who has acquired 19.49% of PMQ's shares on issue. The Company's previous largest shareholder, Jien Mining Pty Ltd, sold their entire 9.35% stake during the quarter.
- Several corporate opportunities are in the process of being reviewed and discussions continuing. The Company remains active in its search for quality projects and cash-flow assets.
- Planet also completed a smooth transition to new office premises in an inner-city Brisbane suburban office block. The new address is Ground Floor, 230 Lutwyche Rd, Windsor Qld 4030.

# MOUNT BORIUM GOLD PROJECT

(EPMs 18960, 19009, 19015 - PMQ 100%)

## Location

The Mount Borium gold project comprises three separate granted tenements located approximately 20km south-southwest of Einasleigh in North Queensland, Australia. This tenure hosts several promising exploration prospects between the historic Einasleigh copper and Kidston gold mines. Past gold production at Kidston exceeded 3 million ounces, with the open pit located 8km from the Mount Borium project tenements' southern boundary.

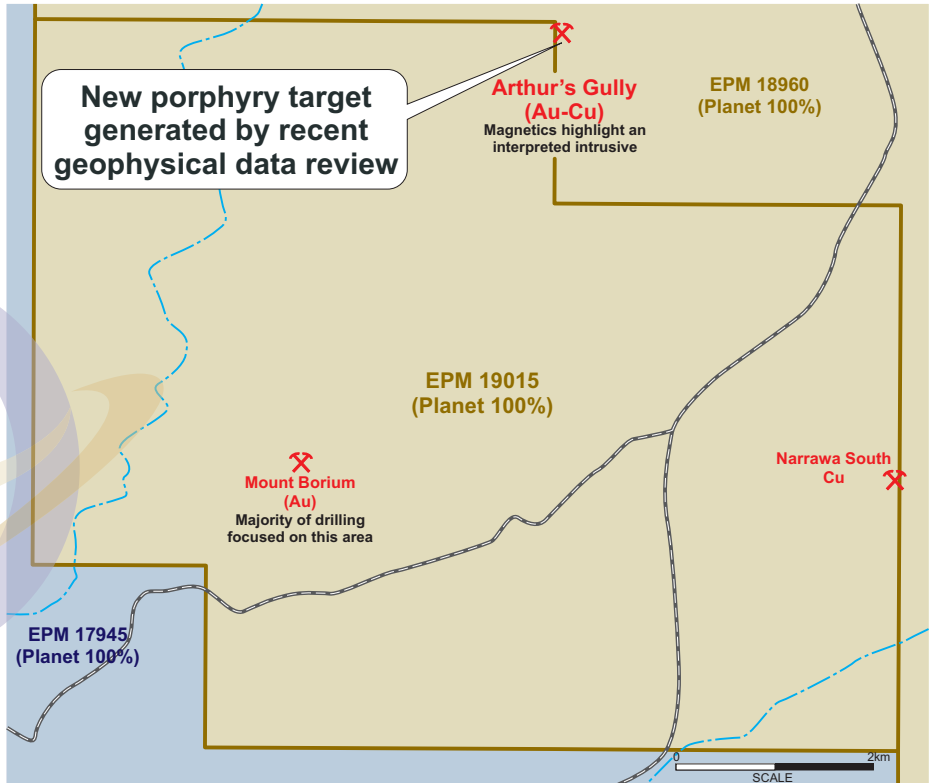


Tenement Map including Mount Borium and Oak River

## Geophysical Review

Geophysical data obtained from a Helimag survey flown in 2008 was validated and processed during this quarter. Similarly, a review of magnetics released by the Queensland Geological Survey in 2000 was also undertaken. Core Geophysics was contracted by Planet Metals to review all data for exploration target generation.

Planet Metals is the first company to review and interpret this data since it has become available. Core Geophysics completed its review during the quarter and has recommended a number of possible targets for further exploration. One target of particular note is a magnetic signature at the Arthur's Gully prospect resembling that of a classic porphyry copper system.

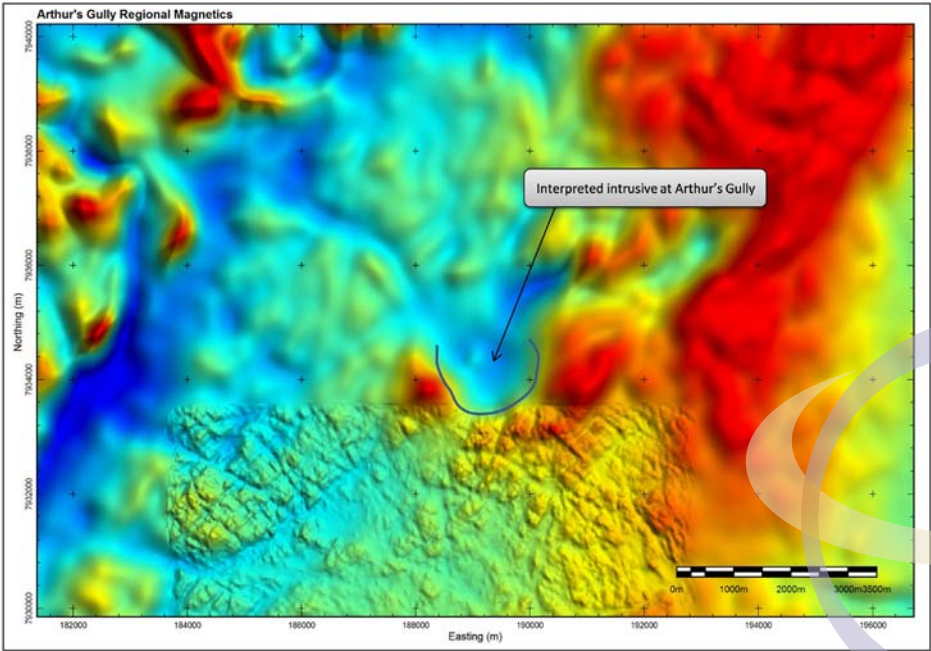


*Location of Key Geophysical Target – Arthur's Gully*



### Arthur's Gully Prospect - Porphyry Copper Target

Historic company reports show the Arthur's Gully prospect has significant gold anomalism that has been the subject of some extensive follow-up. However, shallow drilling failed to confirm the source of the anomalism. Geophysical data shows a clear change in magnetism over a relatively large area with a weak magnetic bullseye roughly central to a magnetic low. This resembles the ideal geophysical signature of a porphyry intrusive.



Arthur's Gully Regional Magnetics

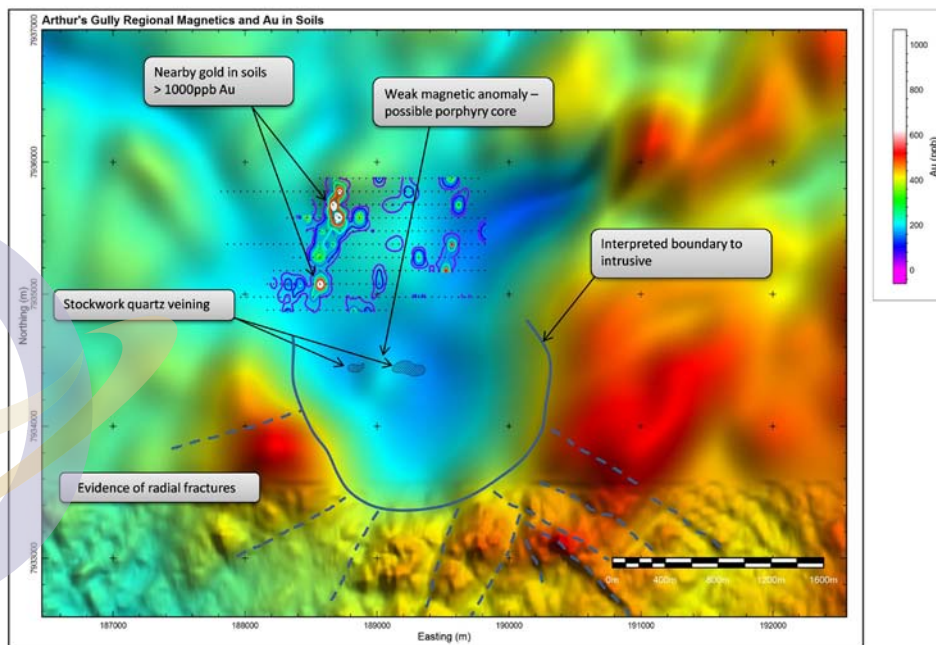


Mount Borium Landscape – Drilling 2012



As highlighted below, historic exploration was only conducted over a small area north-west of the interpreted intrusive, leaving a significant area above and adjacent to the interpreted intrusive under-explored. Petrographic notes from three rock samples confirmed the presence of high temperature hydrothermal breccias and chlorite-epidote±sericite alteration at Arthur's Gully. The alteration assemblage noted in the petrographic descriptions represents distal or propylitic alteration associated with porphyry mineralisation. Interestingly stockwork veining occurs almost directly above the weak magnetic anomaly at the core of the interpreted intrusive. It is not uncommon for some stockwork veins to be barren in porphyry systems, however most mineralised porphyries have multiple mineralised and unmineralised stockworking events. All of these features are common characteristics of mineralised porphyry systems.

Past drilling only tested the anomalous soil zone to a vertical depth of 20m, meaning the interpreted intrusive and the already defined anomalous gold zone is untested at depth. A site visit and field program is planned for May to assess this prospective target.



*Arthur's Gully Magnetics and Gold-in-Soil Anomaly*

## Historical supportive geochemical results at Arthur's Gully

A soil sampling program by Kidston Gold Mines Ltd in the mid 1990's delineated a 1,200m north-south trending +150ppb gold anomaly which obliquely cuts both the Oak River Granodiorite (country rock) and the Carboniferous porphyry (delineated by a 20m high ridge). This indicates that the mineralisation may not be related to these intrusions and is possibly caused by a blind intrusion beneath the surface. The historic soil sampling grid only covers a small portion of the Arthur's Gully Prospect.

Rockchip sampling also returned anomalous gold and elevated copper in half of the known samples (up to 0.09g/t Au and 1,100ppm Cu). A 23 hole RAB drill program in May 1995 was completed over the main anomalous soil zone to a maximum downhole depth of 30m. Notable gold results included 2m @ 1.73g/t from 4m, 2m @ 1.13g/t from 22m and 2m @ 1.05 g/t from 4m. Elevated copper was also encountered independently of gold with intercepts including 12m @ 355ppm Cu from 6m and 14m @ 144ppm Cu from 16m. Following this drill program, Kidston Gold's geologists quoted in their 1995 tenure report that "further work is still required to explain this anomaly". However, this was never followed up and it is understood Kidston Gold focused their advanced exploration efforts elsewhere.

## December 2012 Drill Program

A review of results from the 7-hole 965m reverse circulation drill program completed in December 2012 continues with a geological focus on an area to the east of the best assays. A noteworthy geochemical anomaly of +0.5g/t gold in soil has been identified, that remains to be drilled.

Assay results from the drill program confirmed anomalous gold is widespread within the Mount Borium prospect with grades up to 6.16g/t Au (as reported in the December 2012 quarterly report released on 24 January 2013). In addition, a significant low-grade zinc zone was also confirmed. One of the more promising intercepts was 2m @ 3.96g/t Au & 0.27% Cu from 35m within a wider lower grade gold zone of 31m @ 0.63 g/t Au from 9m.



*Sampling – Mount Borium RC Drill Program*



*Mount Borium December 2012 Drill Sampling*



*Mount Borium December 2012 Drilling*



# MOUNT CANNINDAH COPPER-GOLD PROJECT

(PMQ 100% subject to farm-in agreement with Drummond Gold)

Mount Cannindah is located near Monto, approximately 100km south of Gladstone in central Queensland. The project hosts significant porphyry-style copper-gold mineralisation within the underexplored 120km<sup>2</sup> tenement holding surrounding the Mount Cannindah deposit, of which 6km<sup>2</sup> is within granted Mining Leases.

A farm-in agreement over this project was entered into in late 2010 with Drummond Gold Limited (ASX Code: DGO). Under the terms of this agreement, Drummond are required to spend a further approximately \$700,000 from the date of this report to July 2013 to earn a 51% stake. A further \$3.5 million over an additional two years would need to be spent by Drummond to achieve 75% ownership.

During the quarter, Planet Metals' farm-in partner, Drummond Gold Limited (ASX Code: DGO), released results from a 4-hole 1,146m reverse circulation drill program which tested two broad target areas at the Southern Skarn and United Allies prospects, less than 2km from the existing minesite resource at Mount Cannindah. These results were reported to the ASX on 1 February 2013 and confirmed the presence of massive sulphides associated with lower temperature mineralogy justifying the target concept. Intersections include a gold mineralised zone in one of the holes from 72m-88m (16m @ 0.7g/t Au, 4g/t Ag, 0.17% Pb, 0.12% Zn, 0.02% Cu including 2m @ 2.7g/t Au 23g/t Ag, 1% Pb, 0.32% Zn, 0.12% Cu from 78m-80m). This zone is separate to higher copper grades intersected lower in the holes (including 44m @ 0.2% Cu from 108m-152m).

The Southern Skarn target, located in the southern mining lease area, extends approximately 1km along the southern margin of the Monument intrusion and over 400m south beyond the known Monument/Lifesaver/Dunno/Appletree area (skarn prospects). Prior to Drummond's drilling, the Southern Skarn target had not been tested, providing a new opportunity for discovering interpreted higher grades. Lithology, mineralogy and alteration data collected from the recent drill program has been incorporated into the Mount Cannindah 3D model. Structures potentially responsible for gold mineralisation have been modelled along with skarn units into the untested, prospective region south of recent drilling.

## Modelling and interpretation from drilling has determined:

- There is a prospective area of at least 2,000m x 600m with three separate 40m thick copper skarn units.
- This area is cut by gold structures that have only been tested in several places as part of previous skarn exploration.
- Gold is associated with Ag-Zn-Pb in quartz veins proximal to monzonite dykes.
- Significant potential exists for the primary targeting of more gold-rich structures (similar to the Cannindah East prospect).
- Potential for higher gold content in skarn is interpreted south of all previous drilling.



*Appletree Prospect - Mt Cannindah Cu-Au Project*



### Drummond's future exploration focus is on:

- Defining and targeting gold structures juxtaposed to skarn units.
- Targeting the potential for a gold zone to the south of recent drilling in the copper skarn.
- Potentially acquiring IP and EM (and aeromagnetics) geophysics to assist targeting.

Drill results from the two holes located to the west and north of the United Allies prospect indicated the continuation of a large potassic altered stockwork zone and associated copper mineralisation, though intersections were discontinuous and relatively low with a best intersection of 2m @ 0.6% Cu from 280m.

A review in 2011 by Mr Simon Tear from geological modelling consultants, Hellman & Schofield, incorporating all recent drilling, produced a revised Mineral Resource Estimate – refer table below.

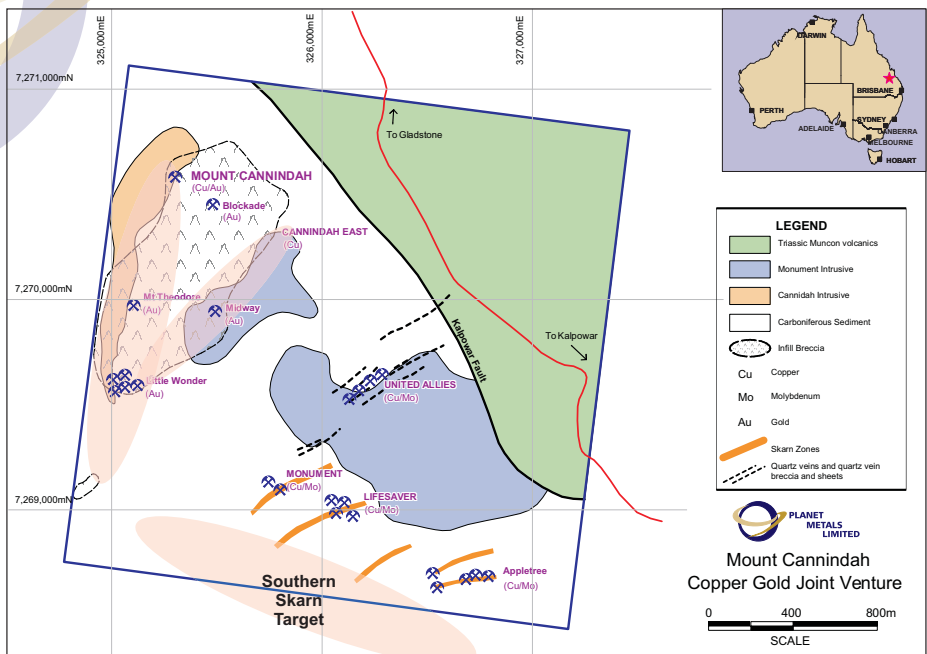
### Mount Cannindah Resource Table (October 2011)

*Mount Cannindah Minesite Prospect Only*

Category	Tonnes (M)	Cu (%)	Au (g/t)	Ag (g/t)
Measured	1.9	0.96	0.39	16.2
Indicated	2.5	0.86	0.34	14.5
Inferred	1.1	0.97	0.27	13.6
Total	5.5	0.92	0.34	14.9

*0.5% Cu cut-off, density of 2.7t/m<sup>3</sup>, minor rounding errors*

The above resource table is extracted from Planet Metals Limited's Quarterly Activities Report to 30 September 2011 released to the ASX on 27 October 2011 and is available to view on Planet's website [www.planetmetals.com.au](http://www.planetmetals.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.



*Mount Cannindah Mining Leases Geology Map*

## OAK RIVER URANIUM-GOLD PROJECT

(EPM 17945 - Planet 100%)

Oak River directly adjoins the Mount Borium gold project to the west, hence providing Planet with a sizeable contiguous tenement holding between the historic Kidston gold mine (> 3 million ounces of gold) and Einasleigh region copper mines.

The Oak River tenement area covers the south eastern margin of the Newcastle Range Volcanics and includes the Wirra Cauldron, a volcanic subsidence (caldera) structure. Rock chip sampling in mid-2012 returned some good results with two separate samples assaying 0.17% U and 0.12% U. Planet Metals has completed a summary report to attract joint venture partners to the project. The Company remains positive on Uranium assets in Queensland, and is seeking a partner with specific uranium expertise to fund and manage future exploration programs. Discussions continue with external parties however all are at an early stage of review.



*Uranium detection using a differential spectrometer*

## CASUARINA SALT PROSPECT

(EPM 18232)

During the quarter, Planet reviewed its position regarding the future expenditure obligations relating to the Casuarina farm-in agreement. Given the early stage of this potential salt project and the funds required to move to the next level of investigations, it was decided to terminate the agreement with Pacific Fertilisers and Chemicals Pty Ltd. Planet met all minimum commitments relating to the agreement and has no contingency costs moving forward. A total of \$95,000 was spent on the prospect over the last 12 months, inclusive of all attributed administrative costs. The termination of this agreement will reduce Planet's forward cost commitments and enable it to focus more on Mount Borium and other new opportunities.

## CORPORATE

### Share Buyback

Planet completed its minimum holdings buyback during the quarter. A total of 672 shareholders had their shares bought back by the Company at a share price of 2.8 cents per share in accordance with a letter sent to those shareholders in December 2012. The number of shares bought back was 1,471,563 at a total cost to Planet of \$41,203. This buyback reduced Planet's total number of shareholders to less than 600 at the date of this report. This will provide the Company with savings in ongoing share registry and shareholder communication costs.

### Shareholder Movements

A number of transactions concerning Planet's major shareholders have occurred since the last quarterly report. As a result, Planet welcomes Mr Michael King to the register. Mr King acquired his entire 19.49% PMQ shareholding through an off-market transaction with Twin Oaks Investments Pty Ltd. A few weeks earlier Twin Oaks Investments Pty Ltd acquired its 19.49% holding on-market in a series of trades which included the purchase, at 4 cents per share, of the entire 9.35% shareholding of the Company's previous largest shareholder, Jien Mining Pty Ltd. This price represented a significant premium to the market price at the time.

### New Opportunities

The Company continues with its identification and review of additional project and corporate opportunities, including cash flow assets. Several assets/businesses are in the early stages of being reviewed. Planet remains very active in its search, but maintains its strict internal valuation and risk criteria. It is worthy of note that since the Company's "Corporate Update & Strategy" ASX release of 13 March 2013, Planet has since ceased its investigation of one particular cash-flow positive asset that was quoted as being subject of an intense review. Two corporate adviser mandates are still under consideration, but have yet to be entered into, pending current reviews.

### Office Relocation

During the quarter, Planet relocated office premises to a modest inner-city Brisbane suburban office block. The new address is Ground Floor, 230 Lutwyche Rd, Windsor Qld 4030. The Company's mailing address also changed to PO Box 335, Wilston Qld 4051. The new office phone number is +61 7 3357 3988 with fax +61 7 3357 4988.

## Proposed Activities for the June 2013 Quarter

- Conduct fieldwork at the Mount Borium gold project to assess various geophysical and geochemical targets identified from recent geophysical and desktop reviews
- Provide support to farm-in partner, Drummond Gold, as it enters its next exploration phase at the Mount Cannindah copper-gold project
- Continue discussions with interested parties regarding the Oak River Uranium project in a bid to attract a joint venture partner with specific uranium expertise
- Continue to actively review additional project and corporate opportunities (including cash-flow businesses) as they arise

For further information, please contact:

Brett O'Donovan  
Managing Director  
Ph: 61 7 3357 3988

### Competent Person Statement

The compilation of technical information contained in this report relating specifically to the Mount Borium and Oak River projects has been reviewed by Dr Kenneth Collerson, a specialist geological consultant contracted by Salva Resources. Salva has been engaged by Planet Metals to provide technical and field exploration services relating to the Mount Borium and Oak River projects. Dr Collerson is a competent person and Fellow of the Australian Institute of Mining and Metallurgy (FAusIMM) and 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. Dr Collerson consents to the inclusion of this information in the form and context in which it appears in this report.

Other technical information contained in this report has been compiled and/or supervised by Mr Brice Mutton BSc (Applied Geology) FAusIMM (Director of Drummond Gold Limited) who is a competent person and member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Mutton 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 Mutton consents to the inclusion of this information in the form and context in which it appears in this report.

