



"A Vibrant Gold-Copper Exploration Company"

QUARTERLY ACTIVITIES REPORT TO 30 JUNE 2012

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

Summary

The June quarter was a period of advancement for Planet Metals. The Company's cash position was further enhanced and field exploration programs completed at each of its three key projects. All of this augurs well for an active period of exploration during the next two quarters.

Mount Borium Gold Project

(PMQ 100%)

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

- Third phase of field exploration has been completed – the Company has been highly active since the tenement was granted in May 2012.
- Rock chip sampling from the first two field programs (May & June 2012) confirm the project's prospectivity with assays up to 7.9g/t gold. A total of five samples from two separate zones assayed more than 4.9g/t gold – full results within ASX release dated 13 July 2012.
- As a result of these positive assays, an initial drill program has been finalised which will target three separate priority target zones. Proposed holes have been designed to test for gold mineralisation both near surface and for more extensive mineralisation at depth. Drilling is expected to commence in September/October 2012.

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), completed further field and review work during the quarter with their key

focus being to complete a comprehensive structural model across the entire mineralised system. Drill target prioritisation will follow completion of this work.

- 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 6). There exists significant potential to expand this based on regional prospectivity. Planet remains free-carried in this project in the medium term during Drummond Gold's earn-in stages.

Oak River Gold/Uranium Project

(PMQ 100%)

Located in North Queensland adjacent to Mount Borium

- Planet Metals has recently completed its second phase of fieldwork. Target areas were initially identified through an extensive GIS data compilation. The recent sampling program targeted both gold and uranium anomalies – initial results should be available in the September quarter.

Corporate

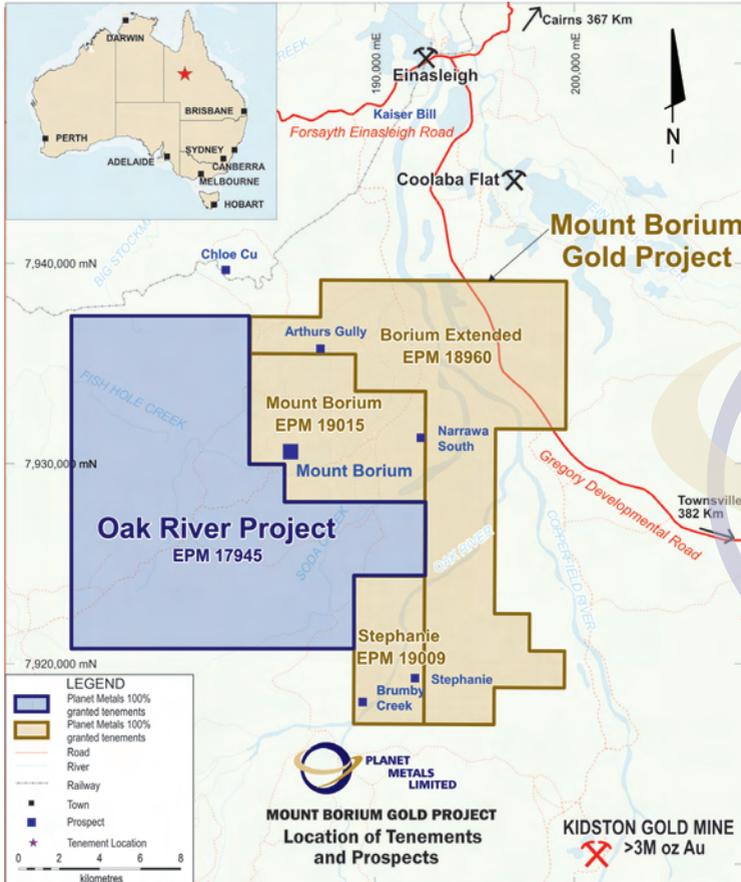
- Cash on hand at the end of the quarter was \$5.945 million with Planet completing the sale of its remaining Deutsche Rohstoff AG shares. This means Planet Metals has cash backing of 10 cents per share.
- A Notice of Meeting (refer ASX release on 22 June 2012) was sent to all Shareholders during the quarter to vote on a resolution to approve a return of capital of 6.5 cents per share. This meeting will be held on 25 July 2012.

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 from the town of Einasleigh in North Queensland, Australia. This tenure comprises several promising gold 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

Background Geology & Interpretation

Initial fieldwork has targeted prospective historic geochemistry and drilling intercepts. Of particular focus is the Mount Borium prospect which has a strong auriferous geochemical signature in the soil. Historical references indicated that gold is commonly disseminated and associated with variable silica-pyrite-sericite (phyllitic) or chlorite-epidote (propylitic) alteration. Mineralisation is commonly associated with greater than 1% visible pyrite and trace amounts of sphalerite (Zn) and/or galena (Pb). Historical drill results so far indicate that gold mineralisation is widespread but low-grade. The zonation of base metals and the presence of sub-aerial lithologies (flow-banded rhyolite) indicate that Mount Borium may represent the upper-part of an Intrusion Related Gold System, and there exists potential for significant mineralisation at depth.

Recent Rock Chip Sampling

Complete results from all rock chip samples completed during the first two phases of fieldwork have been received with notable assays recorded in the table below. A total of 49 rock chips were assayed with a mix of samples based on either pre-determined geological assessment or scout field sampling. Full results of all samples and locations are included within ASX release dated 13 July 2012.



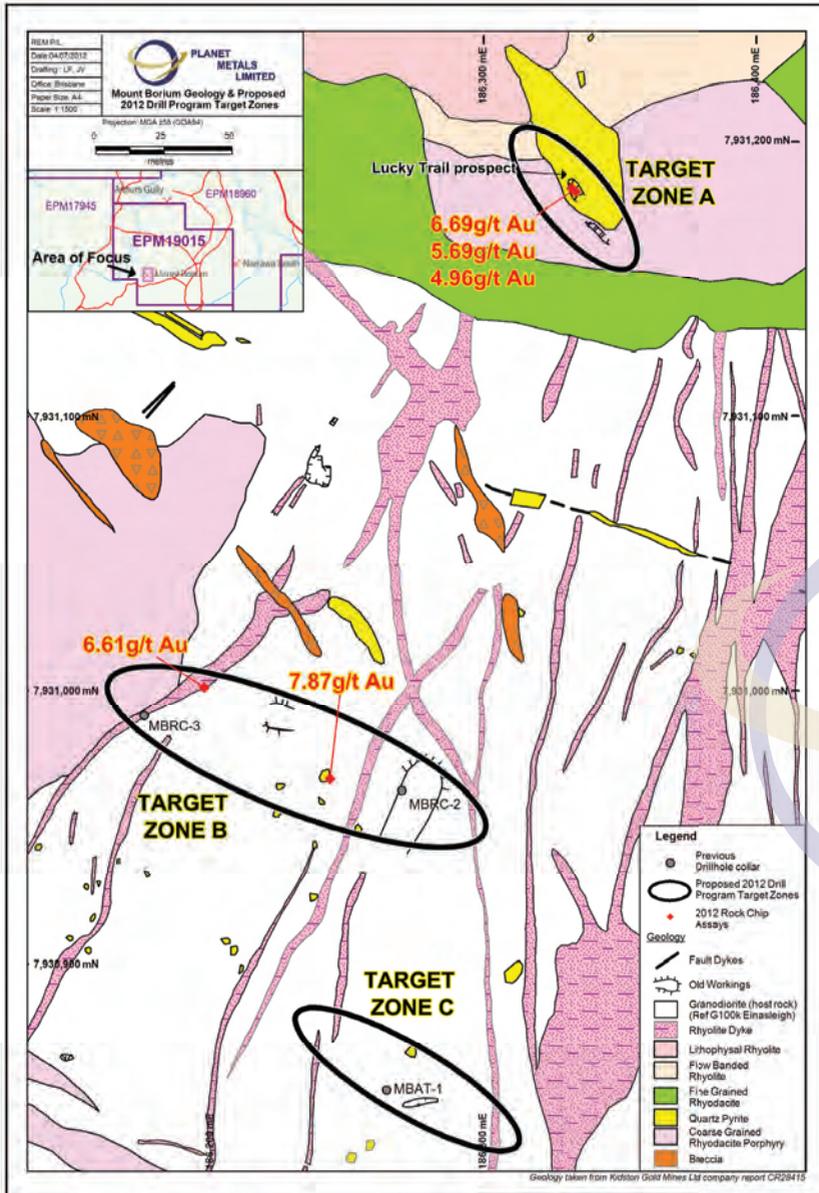
LuckyTrail Rock Sample which assayed 6.69g/t Au

Notable Assays from May/June 2012 Rock Chip Samples

(Note: 1,000ppm = 0.1%)

Sample	Au (g/t)	Ag (g/t)	Cu (ppm)	Pb (ppm)	Zn (ppm)
780507	0.81	4.1	5	21	12
780512	0.10	3.0	133	4020	354
780516	0.02	25.4	506	7030	627
780517	4.96	119	641	695	815
780518	6.69	112	852	976	1100
780519	0.11	7.2	114	348	3670
780521	5.69	56.4	1050	693	611
780547	0.10	29.7	53	2970	390
780549	7.87	0.3	10	16	32
780571	6.21	46.8	38	721	365

All rock chip samples which returned good gold grades (between 4-8g/t Au) were associated with either quartz-pyrite breccias (rock chip samples 780517, 780518 and 780521) or associated with significant pyrite (rock chip samples 780549 and 780571). It is noted that most significant gold intercepts in historic drill holes were associated with greater than 1% visible pyrite.



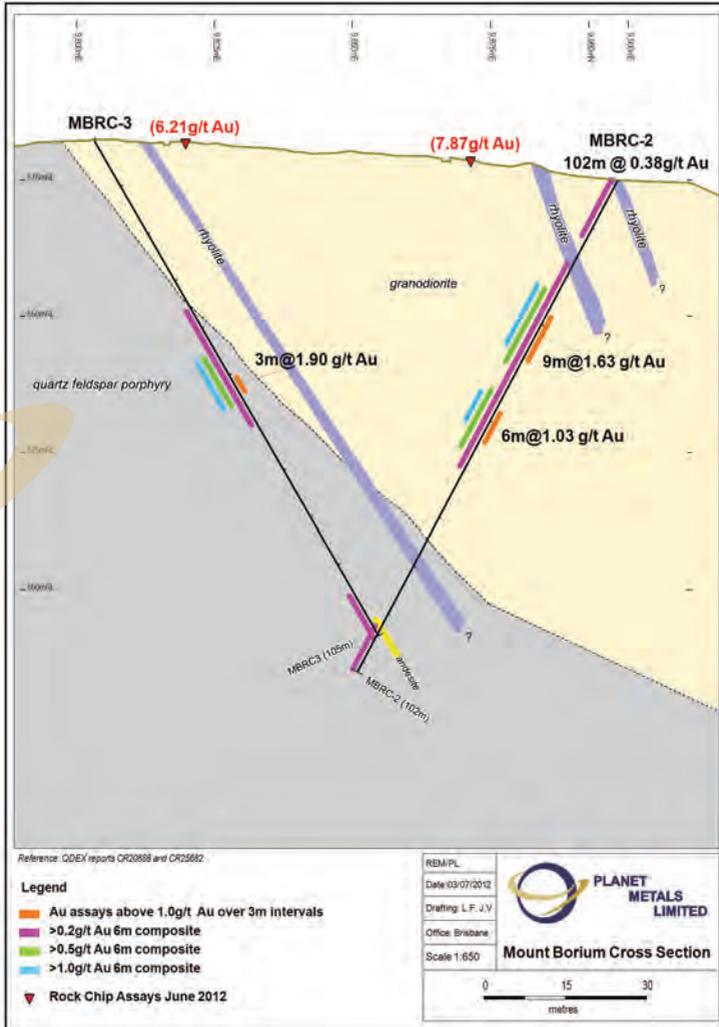
Mount Borium Prospect Local Geology with Notable Recent Rock Chips & Proposed 2012 Drill Program Target Zones

Target Zone A

Significant gold mineralisation was identified at the Lucky Trail prospect, with five of eight recent rock chip samples within the vicinity of some old near surface gold workings containing anomalous gold. In particular, three samples (mullock) assayed between 4.96g/t Au and 6.69g/t Au. Gold mineralisation at Lucky Trail is in the form of a massive quartz-pyrite breccia. No evidence suggests that this zone has ever been directly targeted by historical drilling. As a result, this is a priority target zone with future drilling aimed at intersecting the zone near surface, along strike and at depth, where it is possible mineralisation could become more extensive than what has so far been identified at surface.

Target Zone B

Analysis of historical drill results focused Planet's attention on this particular Target Zone. In 1989, Hunter Resources drilled a pair of scissored holes targeting a strong gold soil anomaly (refer below images). One of these holes, MBRC-2 averaged 0.38g/t Au over its entire 102m length with a best intercept of 9m at 1.63g/t Au from 27m. Importantly both holes terminated whilst still in gold mineralisation. Lower grade mineralisation at Mount Borium is commonly cryptic and difficult to identify, which may explain why these holes were terminated. Planet aims to test this depth potential in its next drill program. Recent rock chip samples further highlight the priority of this target zone with two of four samples in the immediate vicinity returning gold assays of 6.21g/t Au and 7.87g/t Au (trench mullock samples).



Cross Section MBRC-2 & MBRC-3 including geology and recent rock chip assays

Proposed Drill Program Logistics

Drill collars have been proposed for an initial program of between 1,000m and 1,500m. The location of drill pads and access tracks has been finalised with earthworks likely to commence in the next two months with drilling expected to take place in September/October. Cultural Heritage clearance has been completed with no issues identified.

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 120km² tenement holding surrounding the Mount Cannindah deposit, of which 6km² is within granted Mining Leases.

Planet’s farm-in partner, Drummond Gold Limited, completed site visits during the quarter. Field and review work principally focussed on the long purported but poorly explored “blind other half” of the large Mt Cannindah Cu-Au-Ag-Mo Porphyry System. Integral to this work, a geophysical review, including re-processing and inversion modelling of induced polarisation and magnetic data sets has confirmed several strong anomalies, separated by the regional Kalpowar Fault and under younger Muncon Volcanics cover units, immediately northeast of the known mineralisation and resources.

The aforementioned geophysical review and inversion modelling are refining existing and new drill targets across the entire mineralised system, an area covering at least 9km². A more comprehensive structural model is being developed that is better defining the relationship of the Kalpowar Fault splays and displacement, as well as firming the variable thickness of the Muncon Volcanics, and depth to potential

targets. This has included better defining the overall structural regime, particularly late stage gold bearing structures trending through known mineralised areas, largely from the Mt Cannindah East gold prospect through Midway and the Little Wonder prospects, a known strike of 2km. Drill target prioritisation will follow completion of this work.

A review late last year by geological modelling consultants, Hellman & Schofield, incorporating all recent drilling, resulted in a better understanding of the geological constraints, and produced a revised Mineral Resource Estimate including Measured, Indicated and Inferred of 5.5 Million tonnes at 0.92% Cu, 0.34g/t Au and 14.9g/t Ag – 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/m³, minor rounding errors



Appletree Prospect – Mount Cannindah Cu-Au Project

OAK RIVER GOLD/URANIUM PROJECT

(EPM 17945 - PMQ 100%)

As part of a consolidation of its exploration portfolio, Planet purchased this tenement from Callabonna Uranium earlier this year for \$65,000 cash. 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 where they sit within the Wirra Cauldron, a volcanic subsidence structure. Most of the exploration undertaken on the tenement in recent years has been focused on the uranium potential. Planet has since identified a number of target areas also prospective for gold through an extensive GIS data compilation – these areas continue to be a focus of field exploration.

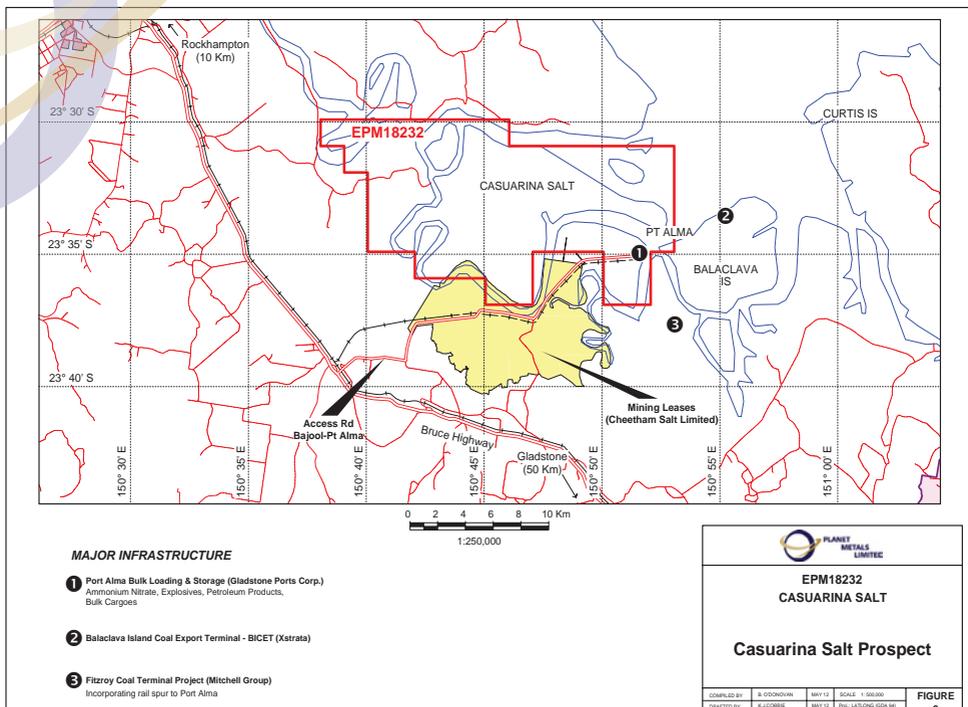
Fieldwork will also target existing uranium anomalies with an investigation into historical drilling completed by German company, Urangesellschaft, in the late 1970s. Re-sampling of some of this drill core has been completed with assays pending.

CASUARINA SALT PROSPECT

(EPM 18232 – PMQ earning-in up to 95%)

Located 50km north of Gladstone in Central Queensland, the tenement is adjacent to the large Port Alma salt fields operated by Cheetham Salt (owned by Ridley Corporation) and in an area where significant infrastructure investigations are taking place such as Port Alma and the Fitzroy and Balaclava Island coal terminals. The tenement was granted in April 2012.

A review of past drilling and subsequent chemical testwork is continuing. Extensive data sets have been identified with work focusing on digitising and collating this information into a format amenable to project specific investigations later this year. Under the terms of the farm-in agreement, Planet Metals must first meet its initial expenditure commitment of \$50,000 before April 2013. A further \$105,000 is required to be spent in the second year to earn 51%.



Casuarina Tenement Location Map including nearby major infrastructure project developments

CORPORATE

Cash Balance & Proposed Capital Return

Cash on hand as at 30 June 2012 was \$5.945 million, representing 10 cents per share. Planet's cash holding increased during the quarter following the sale of its remaining shares in Deutsche Rohstoff AG. After extensive investigations into possible project acquisitions over the last 9 months, the Company was unable to find a project that satisfied the Company's strict internal project valuation criteria. As a result, the Board decided it was timely to give Shareholders the opportunity to vote on whether they would like to participate in an equal return of capital to Shareholders.

If the return of capital is approved at the General Meeting on 25 July 2012, this will give all Shareholders the opportunity to realise some of their investment while maintaining their shareholding in the Company. Full details of the proposed capital return are contained in the Notice of Meeting sent to all shareholders on 22 June 2012. If approved, following completion of the return of capital the Company will have sufficient working capital to meet all obligations in the immediate future such as the Company's approved work programs.

Proposed Activities for the September 2012 Quarter

- Finalise logistics for preparation of a drill program at the Mount Borium gold project
- Provide support to farm-in partner, Drummond Gold as they finalise drill targets over the key regional prospects within the Mount Cannindah copper-gold project
- Complete second phase of field exploration at the Oak River Gold/Uranium Project
- Continue studies into the merits of the Casuarina Salt prospect

For further information, please contact:

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

COMPETENT PERSON STATEMENT

The compilation of technical information contained in this report relating specifically to the Mount Borium project has been undertaken and supervised by Dr Louis Schurmann, a specialist geological consultant employed by Salva Resources. Salva has been engaged by Planet Metals to provide technical and field exploration services relating to the Mount Borium project. Dr Schurmann is a competent person and member of the Australian Institute of Mining and Metallurgy (AusIMM) 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 Schurmann 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 the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Mr Tear is a Director of H&S Consultants 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) M.AusIMM (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) and the Mount Borium gold project (located between Kidston and Einasleigh, Qld - tenements currently being offered for grant). Planet has also entered into a farm-in agreement over the Casuarina Salt Prospect, near Gladstone, Central Queensland. 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 \$5.945 million, representing 10 cents per share.

