



"A Vibrant Gold-Copper Exploration Company"

QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2011

PLANET METALS LIMITED

ABN 35 108 146 694
71 Lytton Road (Cnr Stafford St),
East Brisbane Qld 4169
GPO Box 122, Brisbane Qld 4001
T 61 7 3249 3080 F 61 7 3249 3081
www.planetmetals.com.au

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

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 in September 2011. 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. An immediate assessment of the key areas of interest highlighted several drill-ready targets.
- A 6-hole (1,086m) Reverse Circulation (RC) drill program was completed at the Torchlight gold prospect in December. This area was highlighted by high-grade surface gold geochemistry and has not previously been drill-tested. Samples have been delivered to the laboratory for testing with assay results expected within 2 weeks.

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), is integrating high level research with past exploration data to assess further Cu - Au mineralisation potential and determine future drill targets. Fieldwork will re-commence next month to assess targets generated by this review.
- Planet remains free-carried in this project in the medium term. Under the farm-in agreement, Drummond Gold is required to spend \$2.5 million prior to July 2013 to earn a 51% interest in the project. As at the date of this report, Drummond's related expenditure exceeds \$700,000.

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 has been received for these tenements with expectations that we will be able to commence field work after the wet season. Two site visits were conducted on the neighbouring Oak River tenement during the quarter. 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 \$5.2 million with Planet also holding 64,322 Deutsche Rohstoff AG shares which are listed on the Frankfurt Stock Exchange in Germany. As at 31 December 2011, the approximate Australian dollar value of this shareholding was \$1.2 million.
- This means Planet Metals has cash and equity investments amounting to approximately \$6.4 million, representing 10.7 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 gold and copper projects.

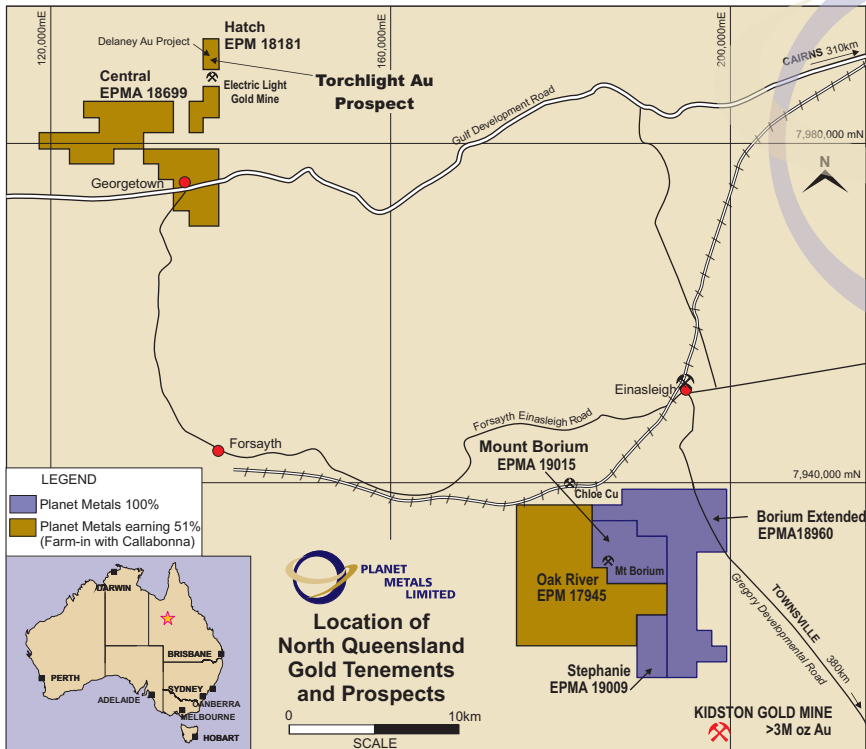
DELANEY GOLD PROJECT

(EPM 18181 - 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) in September 2011. 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. Full details are contained in an ASX release dated 15 September 2011.

Planet's immediate intention was to drill the Torchlight prospect within the Delaney Gold Project. Torchlight had drill-ready targets identified by recent soil and rock chip sampling. Nearby rock chip samples taken in early 2011 assayed up to 162 g/t gold. This prospect has never been drilled and is only 400m south of historic drill holes which yielded such intercepts as 12m @ 10.10g/t Au from surface and 9m @ 3.81g/t Au from 77m (Keela-Wee Exploration, 1989). Both prospects are located along the Delaney Fault. The prospect is just over 2km north of the Electric Light gold mine owned by Deutsche Rohstoff Australia.



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

For personal use only

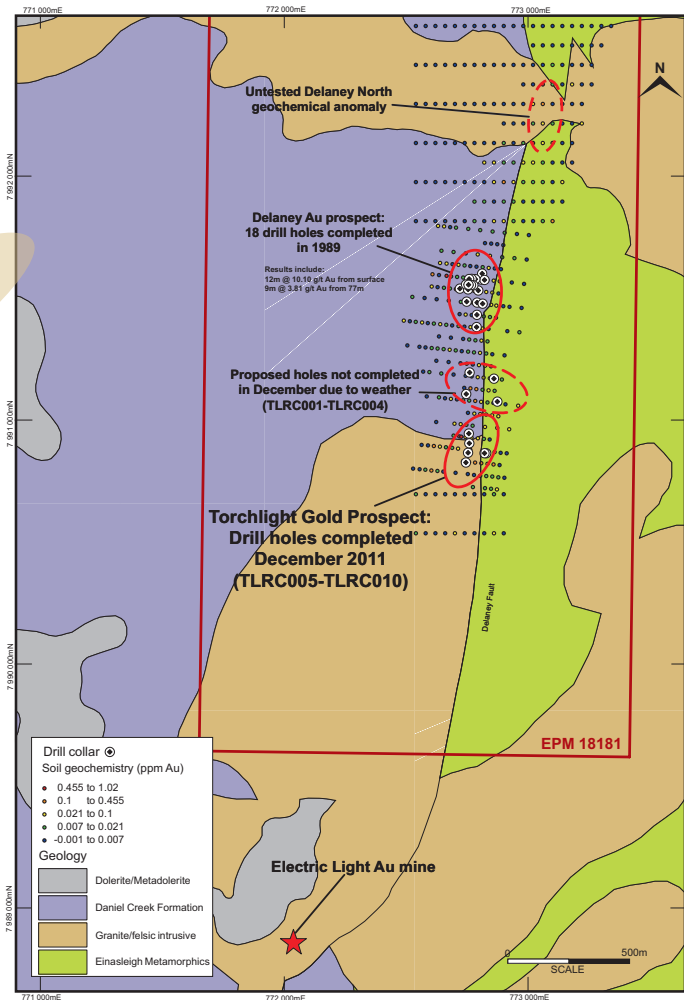
December 2011 Drill Program

A site visit was conducted in early October 2011 and collars for an initial 8-hole (1,000m) drill program were planned. Cultural Heritage clearances and landowner access agreements were subsequently finalised.

In December 2011, Planet completed a 6-hole (1,086m) Reverse Circulation (RC) drill program at Torchlight. The drill program 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. An additional 2 holes were added including one further to the south. Depths of the holes ranged from 80m to 226m. Samples have been delivered to the laboratory for testing with assay results expected within 2 weeks.

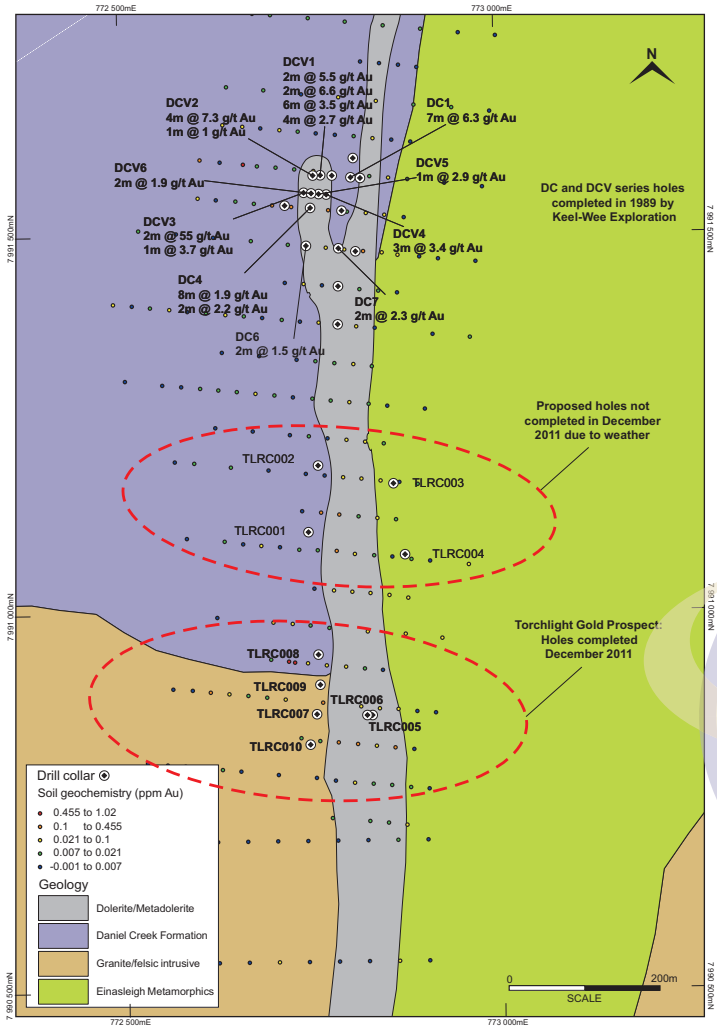
Drill Collar Details

Hole ID	East	North	RL	Depth (m)	Dip (°)	Azi (GDA)	Azi (Magnetic)
TLRC005	772828	7990864	314	226	-90	270	263.3
TLRC006	772821	7990864	321	80	-60	270	263.3
TLRC007	772754	7990866	315	172	-60	90	83.3
TLRC008	772757	7990945	315	222	-60	90	83.3
TLRC009	772759	7990905	316	166	-60	90	83.3
TLRC010	772745	7990826	311	220	-60	90	83.3



Delaney/Torchlight gold prospects - recent and historical drill hole collars within soil anomalies

For personal use only



Recent 6 drill collar locations and historical drill assays

Oak River Project

(EPM 17945 - Planet farming-in to earn 51%)

The farm-in agreement with Callabonna 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. Two site visits to Oak River were undertaken during the quarter.

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. Since entering into a farm-in agreement

with Callabonna in September 2011, Planet has focused its review on the gold prospectivity on the tenement rather than the uranium potential. The key area of interest is the structural corridor that trends east of Mount Borium, especially the intersection with the north-south bearing curvilinear structure.

Field exploration conducted in October/November 2011 focused exclusively on targeting a potential continuation along strike of the East-West regional structure which hosts the neighbouring Mount Borium gold prospect (EPMA 19015). Results from rock chip samples taken during the quarter yielded mixed results, however three separate samples assayed elevated levels of gold (0.34g/t), silver (4.47g/t) and zinc (1,260ppm). A further field exploration program is planned.

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

Drummond Gold Limited (ASX Code: DGO), Planet Metals' farm-in partner, is currently earning-in to the project after it completed a 3,000m drill program last year. Drummond can attain a 51% interest in the project by spending \$2.5 million prior to July 2013 in this first earn-in phase. As at the date of this report, Drummond's related expenditure exceeds \$700,000.

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 5.55 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	Tonnage	Cu %	Au g/t	Ag g/t
Measured	1.89Mt	0.96	0.39	16.2
Indicated	2.53Mt	0.86	0.34	14.5
Inferred	1.14Mt	0.97	0.27	13.6
Total	5.55Mt	0.92	0.34	14.9

0.5% Cu cut-off, density of 2.7t/m³, minor rounding errors

Drummond Gold Limited is currently integrating high level research with past exploration data to assess further mineralisation potential and determine future drill targets. Fieldwork will re-commence next month to assess targets generated by this review. Key areas of interest, among others include the United Allies, Monument-Lifesaver, Cannindah East and Appletree prospects.



Appletree Prospect - Mt Cannindah Cu-Au Project

For personal use only

MOUNT BORIUM GOLD PROJECT

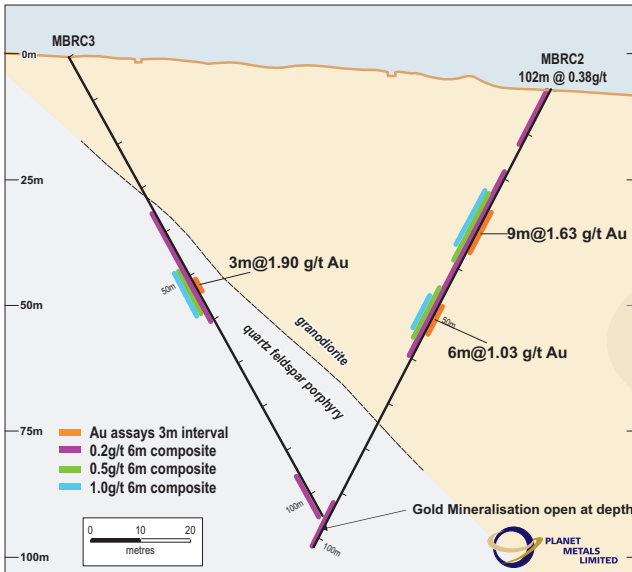
(Tenements under Application - PMQ 100%)

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.

Planet Metals received an offer for grant letter in September 2011 for the three tenements comprising this project. Expectations are that the grant process

will be completed in the first half of 2012 and we will be able to commence field work next quarter. Two site visits were conducted on the neighbouring Oak River tenement during the quarter. Oak River is one of the tenements covered by the recent farm-in agreement with Callabonna Uranium.

An assessment of historical drill results highlights immediate drill targets. For example, the below cross section of 2 of the 5 holes drilled in 1989 (Hunter Resources Limited) shows that there are significant mineralised zones. In particular there exists depth potential as the final 6m intercepts of each hole assayed in excess of 0.2g/t Au.



Mount Borium - cross section based on historical drill results



Mount Borium Landscape

For personal use only

CORPORATE

Cash & Investments

Cash on hand as at 31 December 2011 was \$5.2 million with Planet also holding 64,322 Deutsche Rohstoff AG shares which are listed on the Frankfurt Stock Exchange in Germany. As at 31 December 2011, the approximate Australian dollar value of this shareholding was \$1.2 million. This means Planet Metals has cash and equity investments amounting to approximately \$6.4 million, representing 10.7 cents per share.

Results of AGM

Planet Metals held its AGM on 7 November 2011. All resolutions put to members were passed on a show of hands without dissent.

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 March 2012 Quarter

- Assess the assay results from the recent RC drill program at Torchlight as soon as they become available. Based on these results, a decision will be made on the Delaney gold project's future exploration strategy.
- Plan and commence a field exploration program for the Oak River tenement.
- Provide support to farm-in partner, Drummond Gold as they assess the other local prospects and also the regional prospectivity of the Mount Cannindah copper-gold project.
- Continued review of the Mount Borium project pending final grant of the tenements.
- Monitor Planet's shareholding in Deutsche Rohstoff AG with a view to continuing to realise the value in this investment asset.
- 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 Statement

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 (MAAusIMM) 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 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) 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 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 6.5 million unlisted options. The Company had cash at hand of \$5.2 million with a further \$1.2 million in Deutsche Rohstoff shares listed in Germany. This means Planet Metals has cash and equity investments amounting to approximately \$6.4 million, representing 10.7 cents per share.

For personal use only

