

## **Quarterly Activities Report to 31 March 2010**

### **KEY POINTS**

#### **Wolfram Camp Tungsten-Molybdenum Mine (PMQ 85%)**

*Located approx. 90km west of Cairns, Qld*

- A 200 hole (4,840m) drill program was completed with the aim to provide additional geological information for the calculation of a revised independent resource estimate. This estimate, being undertaken by Golder Associates, will be finalised shortly.
- Wolfram Camp continues to be evaluated with an ultimate view to re-commissioning the project's 150,000tpa processing plant. Additional exploration drilling is planned to further grow the resource base whilst the re-commissioning review process continues.
- Investigations continue on run of mine pre-concentration via X Ray Ore Sorting in order to enhance mill feed grade. Preliminary sample testwork has indicated that a feed grade upgrade factor of 250% is achievable, milling only approximately 45% of the pre-sorted tonnes (Run-of-Mine Ore).

#### **Mount Cannindah Copper-Gold Project (PMQ 100%)**

*Located approx. 100km south of Gladstone, Qld*

- Work has commenced to compile and analyse all available historical exploration data relating to the Mount Cannindah project mining leases and exploration permits in this large gold bearing porphyry copper style system. This includes drill data relating to the calculation of the existing total Resource of 7.47 million tonnes at 0.97% copper and 0.38g/t gold, of which 5.57 million tonnes at 0.95% copper and 0.41g/t gold are in the Measured Resource category.
- The Board and Management of Planet Metals have a very high regard for the potential of this project and planning has commenced for a drill program in the near future. This will focus on the depth potential of the existing resource base. Geological interpretation of key targets reveal similarities to the style of mineralisation at Newcrest's Cadia and Ridgeway Cu-Au deposits (NSW).

#### **Bamford Hill Tin-Tungsten-Molybdenum-Gold Project (PMQ earning up to 85%)**

*Located approx. 35km south-west of Wolfram Camp*

- Compilation of historical exploration data and mapping was undertaken during the quarter. This work has identified key target zones which will be the subject of soil sampling, rock chip sampling and geological mapping in the June quarter.

### **CORPORATE**

- Brett O'Donovan was appointed Chief Executive Officer (CEO) during the quarter. The Board believes the appointment of a CEO is an important and timely step for Planet Metals as it further progresses its key resource development project activities and corporate objectives. The Company remains active in reviewing additional opportunities as they arise and also continues to discuss various growth options regarding its projects with potential partners.

## **Wolfram Camp Tungsten-Molybdenum Mine (PMQ 85%)**

### ***Drilling Program***

All assay results were received during the quarter from the Wolfram Camp drilling program which was completed in early February 2010. In total, 45 diamond holes (for 2,269m) and 155 RC holes (for 2,571m) were drilled since the program commenced in September 2009. The drilling was designed to infill areas in the existing resource model where there was paucity of drilling data and to provide additional geological information for an updated resource estimate.

As a result of the wolframite and molybdenite mineralisation being erratic and often concentrated in narrow high grade zones, drill results revealed some extremely high grade intercepts. Best results included:

- 2m @ 26.3% WO<sub>3</sub> and 5.5% Mo from 2m (*Hole BP-059*)
- 1m @ 16.7% WO<sub>3</sub> and 2.2% Mo from 27m (*Hole WCD-044*)
- 2m @ 3.4% WO<sub>3</sub> and 0.1% Mo from 13m (*Hole WCD-058*)
- 3m @ 2.9% WO<sub>3</sub> and 0.04% Mo from 5m (*Hole BP-018*)

Full assay results are included in the ASX release dated 31 March 2010.

### ***Resource Estimate***

All assay, survey and geological data was compiled into a database and forwarded to Golder Associates (Brisbane) for resource estimation. The real benefit associated with this process is that the resource will be prepared independently and will hopefully provide the Company with greater confidence in the geology of the mineralisation. The resource estimate is currently being undertaken by Golder and is due to be completed shortly.

Care and maintenance activities continue at Wolfram Camp as Planet Metals continues to evaluate the project with a view to returning it to production.

### ***X Ray Ore Sorting***

Investigations continue on run of mine pre-concentration via X Ray Ore Sorting in order to enhance mill feed grade. Preliminary sample testwork has indicated that a feed grade upgrade factor of 250% is achievable, milling only approximately 45% of the pre-sorted tonnes (Run-of-Mine Ore). Early stage enquiries indicate that the capital cost to implement relevant full scale commercial ore sorting operations could be approximately \$4 million.

### ***Re-Commissioning Costs***

The Company has also identified a number of other key modifications which it proposes to implement to improve the performance of the project's 150,000tpa plant and equipment if the decision is made to resume production. Capital expenditure related to such modifications and other costs associated with re-commissioning are forecast at approximately \$2.4 million. A further three months working capital reserve of approximately \$2.4 million would also be preferable upon recommissioning.

Talks have initiated to help fund such costs and also to provide an investment platform for future growth.



*Aerial view of the Wolfram Camp processing plant with the open pit in the background*

## Mount Cannindah Copper-Gold Project (PMQ 100%)

Work has commenced to compile and analyse all available historical exploration data relating to the Mount Cannindah project mining leases and exploration permits. This includes drill data relating to the 2008 resource estimate – see below table. The first phase of this work is nearing completion - assessment of the project will follow with a focus on the large tonnage potential of this porphyry copper system. Geological similarities to Newcrest Mining's Cadia and Ridgeway deposits (NSW) provide encouragement to test the down dip potential of the mineralisation as well as several other targets within the 6km<sup>2</sup> of granted MLs.

The Board and Management of Planet Metals have a very high regard for the potential of this project and planning has commenced for a drill program, with all options also considered for its future exploration activities. The existing resource base is outlined in the below table:

### Mount Cannindah Resource Inventory (March 2008)

Category	Million tonnes	Copper (%)	Gold (g/t)
Measured	5.57	0.95	0.41
Inferred	1.86	1.01	0.30
<b>Total</b>	<b>7.43</b>	<b>0.97</b>	<b>0.38</b>

*This JORC compliant resource estimate was undertaken by Golder Associates Pty Limited and is based on 25 diamond drill holes and 17 reverse circulation holes. Refer ASX release dated 31 March 2008.*

## Bamford Hill Tin-Tungsten-Molybdenum-Gold Prospect (PMQ earning up to 85%)

Compilation and mapping of historical exploration data was completed during the quarter. This work has identified key target zones which will be the subject of soil sampling, rock chip sampling and geological mapping in the current quarter. Fieldwork, incorporating XRF sampling, will commence shortly.

## CORPORATE

Brett O'Donovan was appointed Chief Executive Officer during the quarter. The Board believes the appointment of a CEO is an important and timely step for Planet Metals as it further progresses its key resource development projects and corporate objectives. Mr O'Donovan has held a number of senior management roles in the junior resource, stockbroking and funds management industries over the last ten years. This includes stints as State Manager of Credit Suisse Private Stockbroking and a Corporate, Marketing and Investor Relations role with Auzex Resources. In recent years, Mr O'Donovan has provided corporate, marketing and capital raising advice to a number of ASX-listed junior resource companies including Metallica Minerals, Cape Alumina and MetroCoal.

The Company remains active in reviewing additional opportunities as they arise and also continues to discuss various growth options regarding its projects with potential partners.

Planet Metals also relocated its head office during the quarter and is now based at 71 Lytton Road, East Brisbane, Qld 4169.

As at 31 March 2010, the Company's cash position was \$1.42 million.

### Proposed Activities for the June Quarter

- Obtain a revised independent resource estimate for the Wolfram Camp open pit area and further evaluate regional prospectivity
- Normal care and maintenance activities will continue at Wolfram Camp
- Preparation and possible initiation of a drill program targeting down dip extensions and new mineralisation below the Mount Cannindah mine Cu-Au resource
- Review of Mount Cannindah's regional gold-copper-base metal prospectivity
- Fieldwork including soil sampling, rock chip sampling and mapping at Bamford Hill
- Continue investigations regarding growth options for the Company's key projects

**For further information, please contact:**

**Brett O'Donovan**  
**Chief Executive Officer**  
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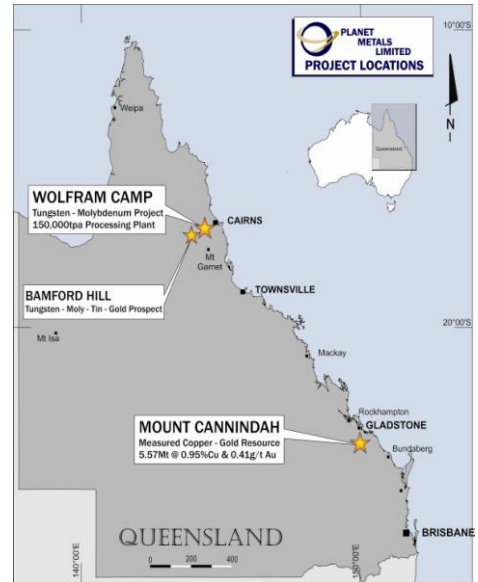
### About Planet Metals Limited

Planet Metals (ASX Code: PMQ) is a Brisbane-based ASX-listed mining development and exploration company, with a focus on tungsten, molybdenum, copper and gold. Key operations include the Wolfram Camp tungsten-molybdenum project (85% owned) and the Mount Cannindah copper-gold project (100% owned) – both located in Queensland. The Wolfram Camp project (located 90km west of Cairns, Qld) has a full scale 150,000tpa commercial processing plant and equipment under care and maintenance.

Planet Metals continues to evaluate the project with a view to returning it to production.

The Company's major shareholder is Metallica Minerals (ASX Code: MLM) with a 76% shareholding.

As at the date of this report, Planet Metals has 59.7 million shares on issue as well as 1.5 million unlisted options.



### Competent Persons Statement

Technical information contained in this report relating to the Wolfram Camp and Bamford Hill projects has been compiled by Planet Metals Ltd Exploration Manager, Mr Pat Smith MSc. B.Sc(Hons) M.AusIMM who is a Competent Person and member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Smith has relevant experience in Mineralisation, Exploration Targets and Mineral Resources being reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. Mr Smith consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Technical information contained in this report relating to the Mount Cannindah project has been compiled and/or supervised by Mr Andrew Border and Dr Andrew Richmond, both of whom are members of the Australian Institute of Mining and Metallurgy (AusIMM). Dr Richmond, a full time employee of Golder Associates Pty Ltd was responsible for the resource block model and estimation. Mr Border was a full time employee of Planet Metals Limited and was responsible for all other aspects of the mineral resource estimate. Both Mr Border and Dr Richmond have sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they have undertaken to qualify as Competent Persons as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Border and Dr Richmond consent to the inclusion of this information in the form and context in which it appears in this report.



*Past drilling at Mount Cannindah Cu-Au project*