PLANET METALS LIMITED

ASX RELEASE

11 October 2010

ASX Code: PMQ

Mount Cannindah Copper-Gold Drill Results

Mount Cannindah Copper-Gold Project (PMQ 100%)

Located near Monto and approximately 100km south of Gladstone, Qld

- **First assays from a recent two-hole deep drill program at the Mount Cannindah copper-gold project have confirmed the mineralised zone extends down-dip of the existing resource. Results from the first hole show continuous mineralisation was intercepted over 93m (from 282m drill hole depth), which included a 38m higher grade zone assaying 1.08% copper, 0.18g/t gold and 11.7g/t silver.**

- **Assay results have been received for the first 392m of hole MCMDD027 which was ultimately drilled to a depth of 480m. Key intercepts are included in the below table. Traces of alteration and mineralisation were evident in the core where assays are yet to be received (392m – 480m), however it appears to be of limited concentration relative to the assayed zones reported below.**

Key Results from Drill Hole MCMDD027

From (m)	To (m)	Intercept (m)	Cu (%)	Au (g/t)	Ag (g/t)
282	375	93	0.61	0.18	8.0
including					
282	307	25	0.40	0.09	6.8
307	324	17	0.18	0.43	6.2
324	362	38	1.08	0.18	11.7
362	375	13	0.16	0.03	1.8

Intercepts were calculated using a 4m internal dilution and cut-off grade of 0.15% Cu only.

Drill Hole Parameters

Hole	Easting	Northing	RL	Dip	Azi	Depth (m)
MCMDD027	325032	7270625	399	-60	100	480.1

- **Results for the second hole MCMDD026 (413m) are pending and are expected before the end of the month. Visual assessment of this core confirmed a zone of brecciated metasediments was intercepted with visible copper mineralisation.**

- **Both holes were drilled approximately 100m down-dip of the existing resource base (presently open at depth). As per ASX release dated 31 March 2008, the project currently hosts an 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 and 1.9 million tonnes at 1.0% copper and 0.3g/t gold are in the Inferred Resource category.**

- **With regard to the 5 RC holes planned for the Appletree copper-gold prospect as reported on 18 August 2010, sustained wet weather conditions have resulted in the program being delayed in the short term. Conditions will be assessed in the next 6-8 weeks to see whether this program can be completed before Christmas.**

- **An initial surface sampling program has also been completed over an area covering the south-east corner of the Mining Lease (including Appletree). Full results from a gridded XRF survey and rock chip samples are pending.**

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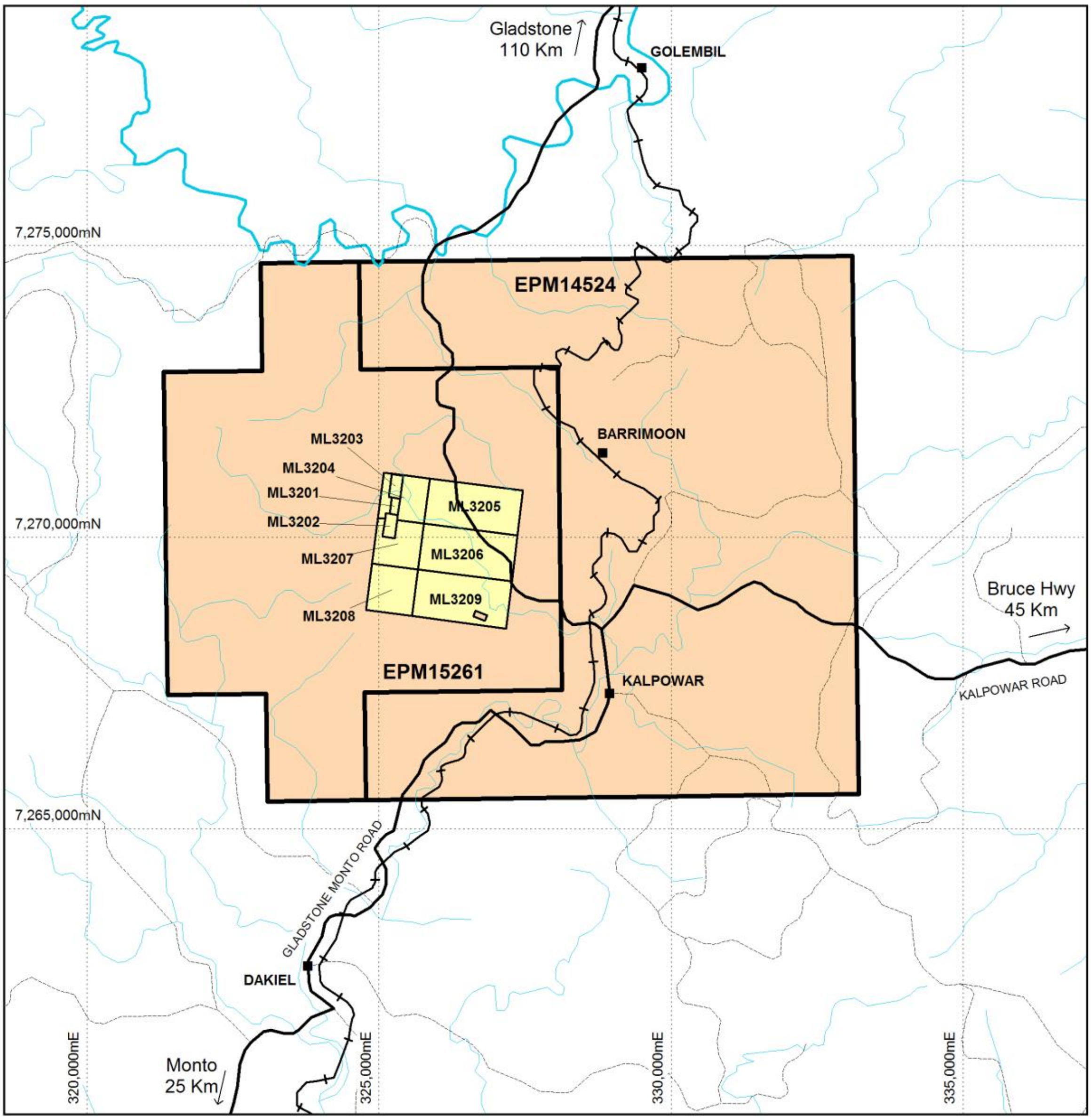

Exploration Permits
(Mt Cannindah Mining Pty Ltd)

Mining Leases
(Mt Cannindah Mining Pty Ltd)

* Mt Cannindah Mining Pty Ltd is
wholly owned subsidiary of
Planet Metals Limited

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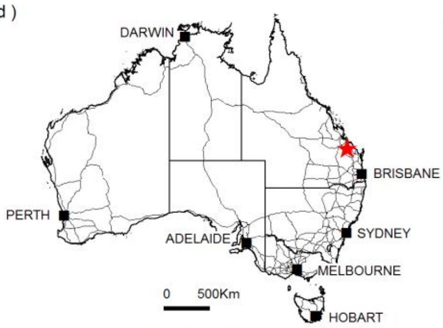


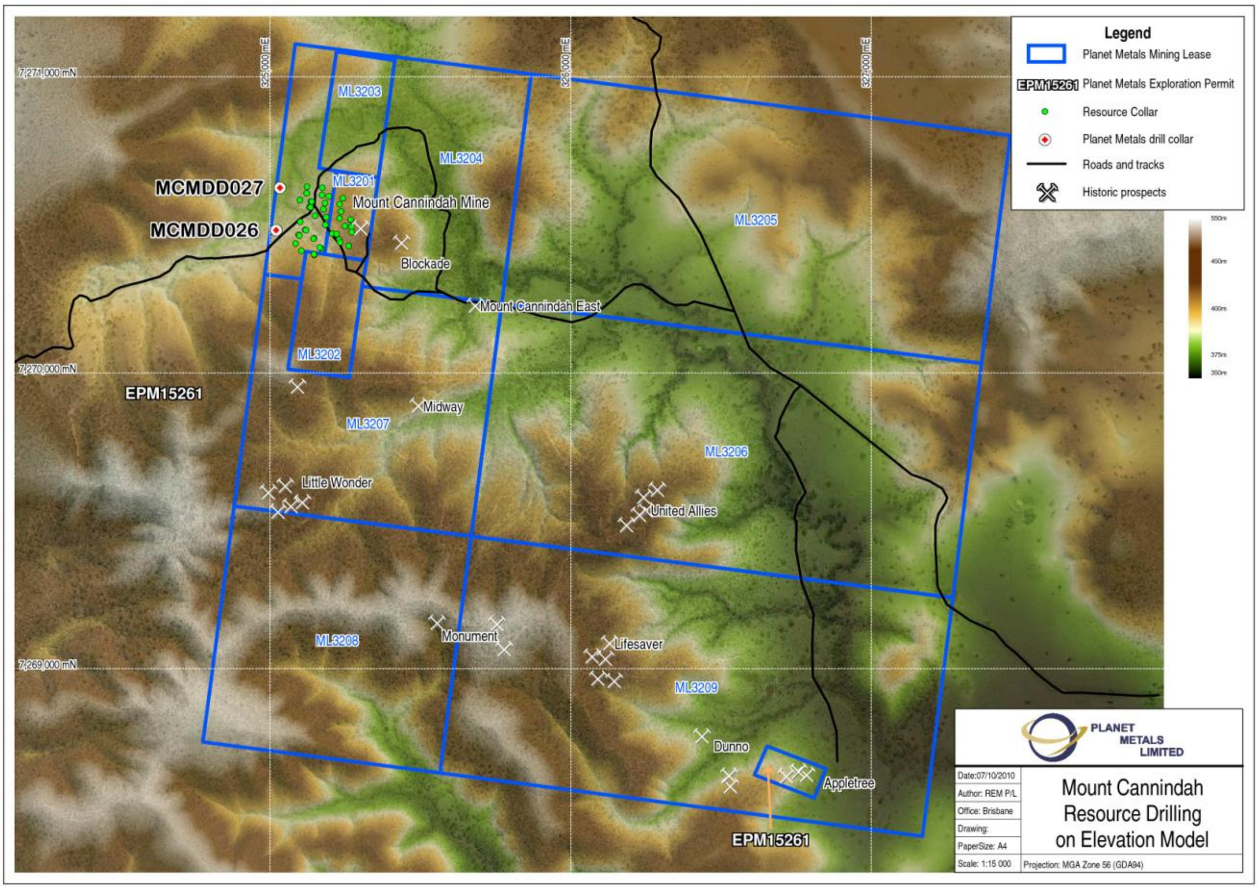
AUSTRALIA
INDEX MAP

PLANET
METALS
LIMITED

MOUNT CANNINDAH COPPER-GOLD PROJECT

LOCATION OF TENEMENTS

COMPILED BY	B. O'DONOVAN	OCT 10	SCALE 1: 100,000	FIGURE
DRAFTED BY	K.J.CORRIE	OCT 10	Proj: MGA94 ZONE 56	
REVISED			DWG No :	



Drill Hole Location Map

For further information, please contact:

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Competent Persons Statement

Technical information contained in this report has been compiled and/or supervised by Mr Pat Smith MSc. B.Sc (Hons) M.AusIMM (Exploration Manager 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 Smith has relevant experience to the mineralisation, Exploration 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 Smith consents to the inclusion of this information in the form and context in which it appears in this report.

Technical information relating directly to the Mount Cannindah resource estimate as per ASX Release dated 31 March 2008 was 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.

About Planet Metals Limited

Planet Metals (ASX Code: PMQ) is a Brisbane-based ASX-listed mining development and exploration company, with a focus on copper, gold, tungsten and molybdenum. Key operations include the Mount Cannindah copper-gold project (100% owned) and the Wolfram Camp tungsten-molybdenum project (85% owned) – both located in Queensland. The Company's major shareholder is Metallica Minerals (ASX Code: MLM) with a 76% shareholding. As at the date of this release, Planet Metals has 59.7 million shares on issue as well as 1.5 million unlisted options. The Company had approximately $1.24 million cash on hand as at 30 June 2010.