PACMAG METALS LIMITED
ABN 73 066 353 231

15 December 2008

ASX ANNOUNCEMENT

ENCOURAGING RESOURCE DRILLING RESULTS FROM THE SENTINEL URANIUM-GERMANIUM- MOLYBDENUM PROJECT

SUMMARY

- **Assay results now received for 384 holes drilled at the Church Deposit highlighting strong uranium and molybdenum and very high widespread germanium.**
- **Continuous, near surface, sub-horizontal lignite hosted mineralisation over 3.5km of strike.**
- **Assay data for final 35 holes (expected late December 2008), resource modelling to commence early 2009.**

KEY POINTS

- **Assay results for 384 holes from the 419 hole resource drilling and resource step-out drill program have now been received from the Church deposit in the central portion of the Company's 100% owned Sentinel Project, North Dakota (USA).**
- **The assay results confirm the presence of near surface, high-grade, sub-horizontal, lignite hosted uranium-germanium-molybdenum mineralisation.**
- **Germanium mineralisation extends outside the zone of uranium mineralisation as well as occurring in stacked lignite zones.**
- **Excellent uranium metallurgical leach recoveries of 92% (previously reported to the ASX on the 24 November 2008). Metallurgical testwork on germanium and molybdenum mineralisation is in progress.**
- **As a result of the recent positive drilling results and expansion of the mineralisation area and depth extent, resource estimation and environmental studies are now anticipated to commence in early 2009.**

The Directors of PacMag Metals Limited ("PacMag") are pleased to report results for 384 holes from the Church deposit resource drilling and resource extension drilling program (419 holes). The Church Deposit occurs within the company's central private mineral lease and represents only a small portion (approximately 20%) of the Company's current prospective tenure within the 100% owned Sentinel Project, North Dakota and further exploration is likely to significantly expand this initial discovery.

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The new assay results confirm the presence of near surface, high-grade, sub-horizontal, lignite hosted uranium-germanium-molybdenum mineralisation over 3.5 kilometres of strike (Figures 1-3, and Table 1).

Germanium mineralisation occurs both with and beyond the extents of uranium and molybdenum mineralisation as well as in multiple stacked lignites, whereas uranium and molybdenum appear to occur only in the uppermost lignite unit.

Metallurgical testwork on germanium and molybdenum mineralisation is in progress. Excellent uranium metallurgical leach recoveries of 92% were previously reported to the ASX on the 24th November 2008.

As a result of the recent positive drilling results and expansion of the mineralisation area and depth extent, resource estimation and environmental studies are now anticipated to commence in early 2009.

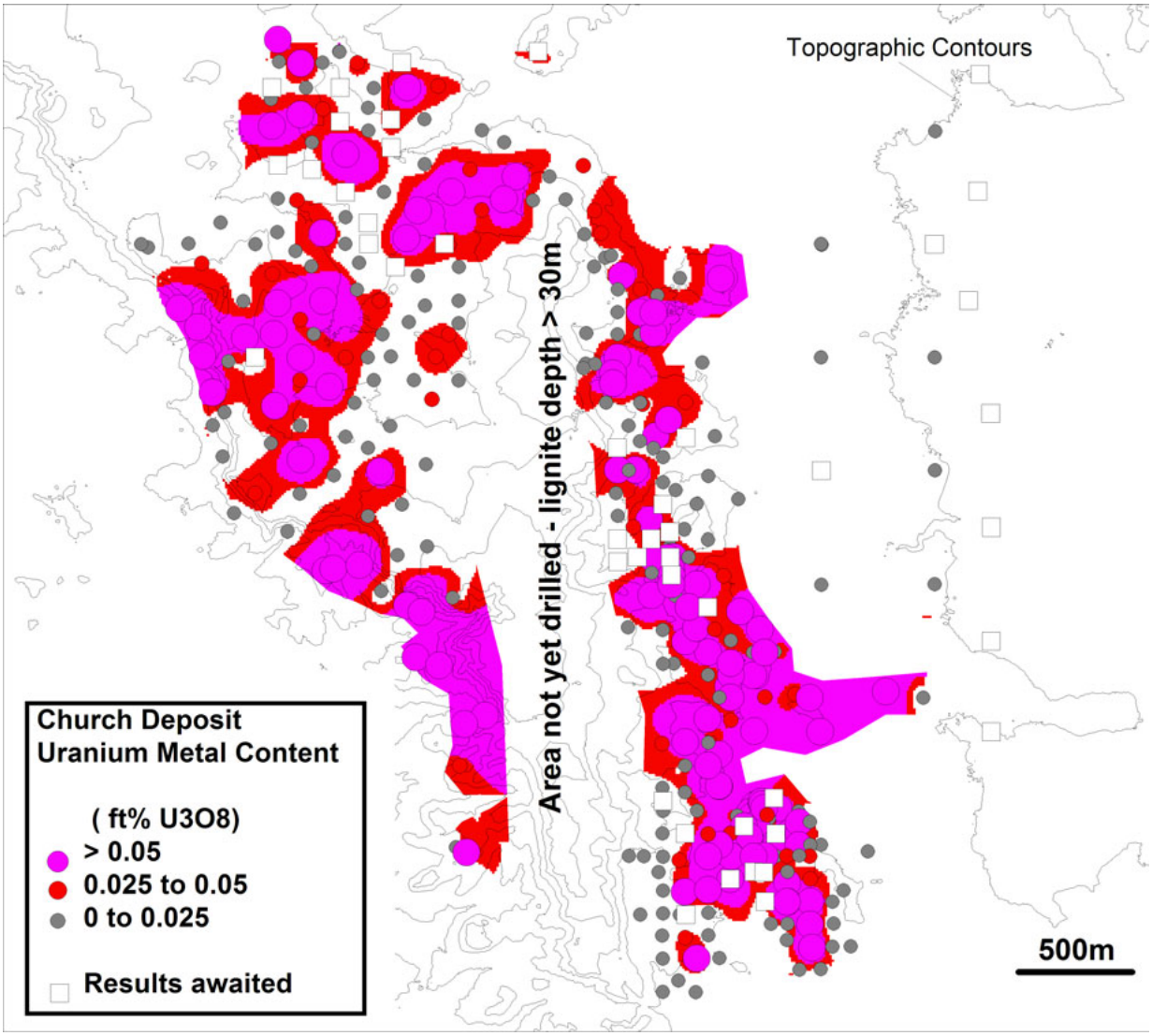

Figure 1: Church Deposit – Drill Holes Coloured by Uranium Metal Content, on Image of Metal Content.

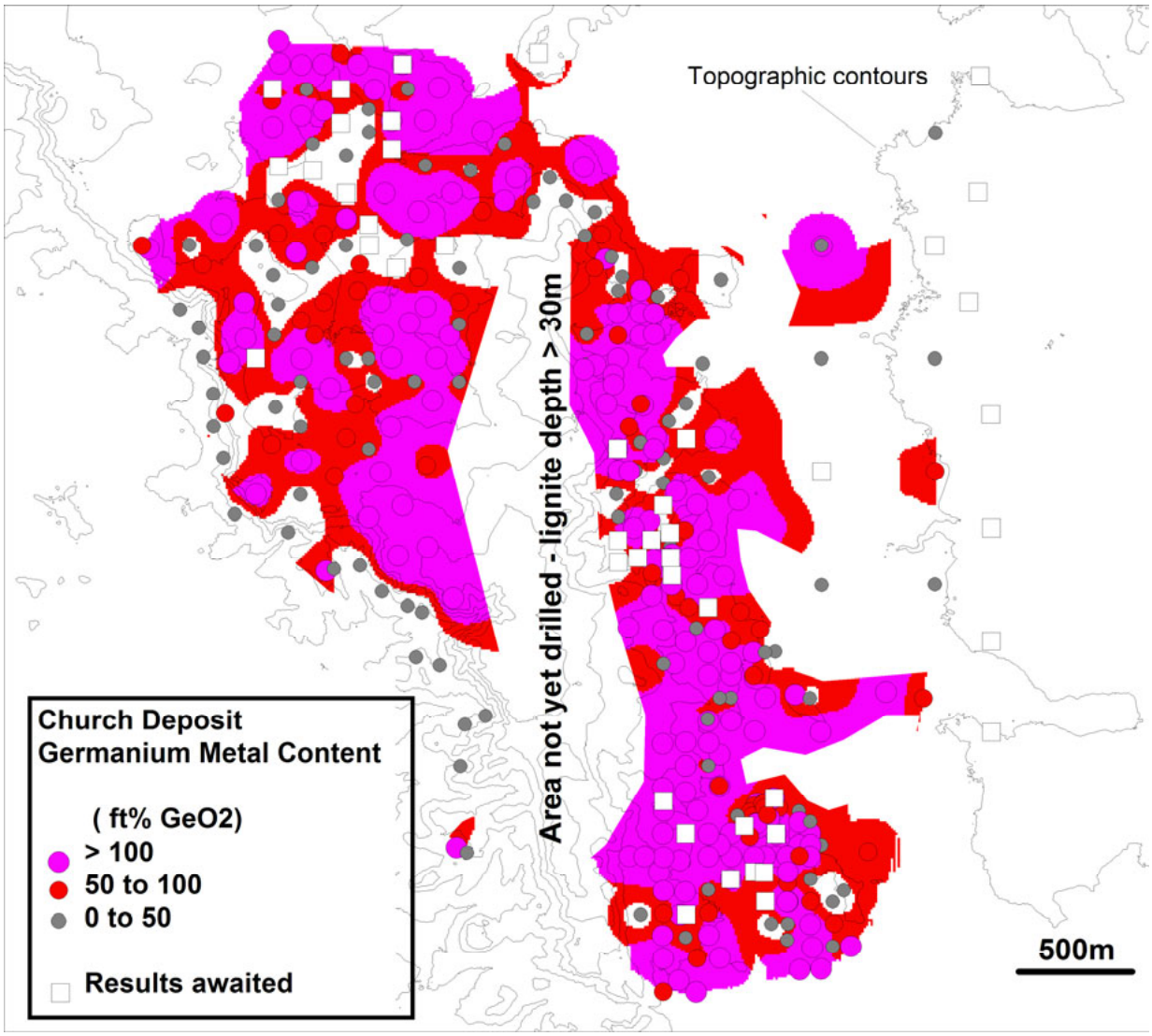

Figure 2: Church Deposit – Drill Holes Coloured by Germanium Metal Content, on Image of Metal Content.

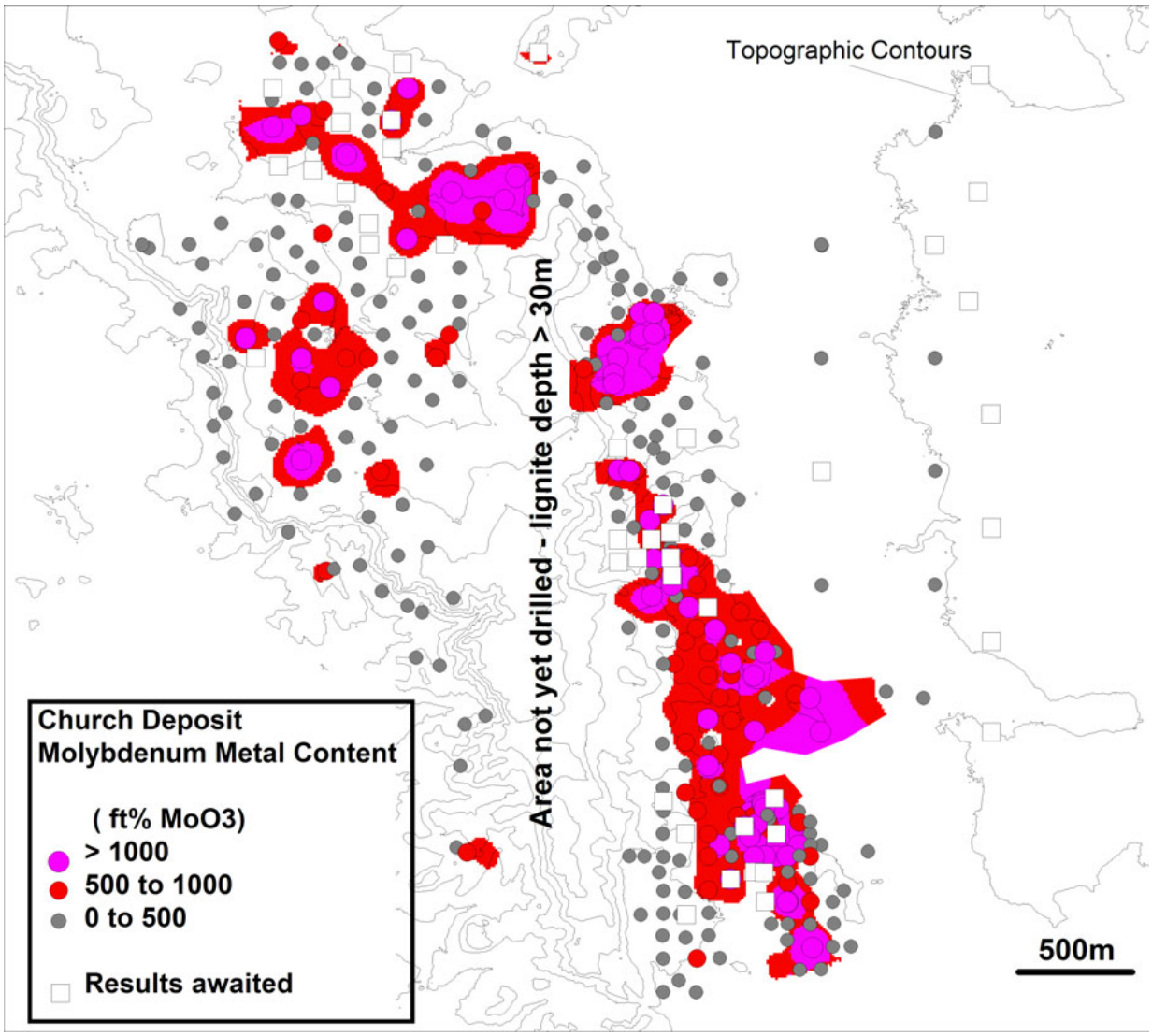

Figure 3: Church Deposit – Drill Holes Coloured by Molybdenum Metal Content, on Image of Metal Content.

Whilst the Company will continue to focus on pre-feasibility studies and assessing regional targets near its large Ann Mason porphyry copper-molybdenum deposit, located in Nevada, the new Sentinel Project provides an exciting near-term development play, which can easily be tested by shallow drilling. The Company is considering plans to fast track evaluation of the Sentinel Project and is currently undertaking metallurgical testwork and scoping environmental study and permitting requirements.

Sentinel Project Background

The target at Sentinel is multiple, near surface (less than 20 metres depth), stacked, sub-horizontal high-grade uranium–molybdenum-germanium mineralisation zones that occur at the top of low-grade coal (lignite) horizons. The Company is continuing to grow its land position through ongoing negotiations with adjacent mineral property owners.

The Company is aiming to develop high-grade near surface resources that can be developed by coal-style open pit mining. The lignite seams are flat lying to very gently dipping and are generally 0.5 to 5 metres thick with the upper 0.3 – 1.7 metre portion carrying the highest

grades of uranium and molybdenum mineralisation, whilst germanium occurs within multiple lignite seams. Drilling results from the uppermost lignite seam confirm the presence of near surface, high-grade, sub-horizontal, lignite hosted uranium-germanium-molybdenum mineralisation with excellent grades to 0.43% U_3O_8, 271 ppm GeO_2 and 0.31% MoO_3 at very shallow depths.

PacMag previously reported strong reconnaissance surface sample results a further 5km and 10km north of the Church Deposit with results up to 0.2% U_3O_8 and 0.62% MoO_3.

Mining in the late 1960's from a small open pit (now rehabilitated) that occurs within the Church lease is reported as producing approximately 40,000 tons of ore grading 0.175% U_3O_8 from near surface. This open pit and others within the district are all near surface rarely exceeding a depth of 15 metres. Furthermore a 40 ton bulk sample taken approximately 1km north-west of the open pit located on PacMag's tenure returned an average grade of 0.13% U_3O_8. Mining in the district ceased in the late 1960's when U_3O_8 was at $7 per pound. The recovery of molybdenum and germanium was not reported.

The company believes that as the mineralisation occurs from surface and because of the gently dipping strata, the project provides an excellent exploration and development opportunity over large areas.

Germanium
Germanium dioxide is currently trading at $1000/kg GeO_2. Germanium is known as one of the electronic metals, a high-value speciality element used in the manufacture of solar panels, fibre optics, plastics, infrared sensors and high speed electronics.

For further details regarding the Company and its project portfolio, please refer to the PacMag website at www.pacmag.com.au.

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ABOUT PACMAG

PacMag is an Australian-based exploration company focused on its advanced copper-molybdenum-gold assets at Ann Mason in the USA and Blue Rose, located in South Australia.

Table 1: Church Deposit - Selected Resource Drilling Results

Drilling is rotary drilling with samples collected at the collar and split into 1 foot intervals.
All holes are vertical.
Samples were analysed for uranium using a 4 acid digest and determined via fluorometry at Hazen Research Inc of Colorado.
Grid is local grid in metres.
Reported intersections: 1' >0.06% U3O8 or 1' > 120ppm GeO2 or 1' > 0.1% MoO3.
**Grey shaded collars, holes previously reported. Na = results not yet available.*

Hole ID	Easting (metres)	Northing (metres)	Depth From (metres)	Depth To (metres)	Thickness (metres)	Depth from (feet)	Depth To (feet)	Thickness (feet)	U3O8 (%)	MoO3 (ppm)	GeO2 (ppm)
ELC-001	40,979	54,448	5.2	5.5	0.30	17	18	1	**0.025**	267	**150**
ELC-001			6.4	7.3	0.91	21	24	3	0.005	128	**121**
ELC-002	40,946	54,159	4.0	4.3	0.30	13	14	1	**0.123**	**653**	7
ELC-003	41,008	53,938	5.8	6.1	0.30	19	20	1	**0.082**	192	7
ELC-004	41,101	53,775	7.3	7.9	0.61	24	26	2	**0.203**	**2001**	5
ELC-005*	41,214	53,463	11.2	11.6	0.30	37	38	1	**0.064**	**711**	7
ELC-005	and		11.9	12.2	0.30	39	40	1	**0.072**	**593**	7
ELC-007	41,264	53,062	6.7	7.0	0.30	22	23	1	**0.140**	**1253**	7
ELC-008	41,166	52,737	2.7	3.0	0.30	9	10	1	0.002	47	**151**
ELC-008	and		6.4	6.7	0.30	21	22	1	**0.023**	**510**	**125**
ELC-010	41,143	52,197	11.2	11.6	0.30	37	38	1	0.001	4	**141**
ELC-011	41,136	51,905	10.6	12.2	1.52	35	40	5	0.002	4	**141**
ELC-015	42,052	53,182	3.0	3.3	0.30	10	11	1	**0.106**	386	68
ELC-015	and		4.0	4.3	0.30	13	14	1	**0.064**	50	**105**
ELC-018	41,124	54,069	4.6	5.2	0.61	15	17	2	0.005	86	**147**
ELC-019	41,401	54,028	3.6	4.0	0.30	12	13	1	0.001	71	**140**
ELC-020	41,297	54,307	7.0	7.3	0.30	23	24	1	0.004	80	**132**
ELC-022	41,322	55,002	4.0	4.3	0.30	13	14	1	**0.078**	359	33
ELC-028	39,940	55,846	4.0	4.6	0.61	13	15	2	**0.064**	**572**	7
ELC-029	38,795	55,139	13.7	14.0	0.30	45	46	1	0.015	56	**144**

ELC-031	39,150	54,637	9.1	9.4	0.30	30	31	1	0.012	45	**140**
ELC-037	40,028	53,822	32.2	32.5	0.30	106	107	1	0.001	4	**193**
ELC-040	40,140	53,596	35.6	35.9	0.30	117	118	1	0.013	203	**183**
ELC-040	and		37.4	37.7	0.30	123	124	1	0.005	54	**157**
ELC-050	41,336	53,693	3.0	3.3	0.30	10	11	1	0.007	95	**132**
ELC-053	40,914	53,465	27.1	27.4	0.30	89	90	1	0.001	17	**124**
ELC-058	39,453	55,348	5.5	5.8	0.30	18	19	1	**0.026**	416	**180**
ELC-058	and		10.6	10.9	0.30	35	36	1	0.003	39	**122**
ELC-059	40,135	55,385	6.7	7.9	1.22	22	26	4	**0.083**	**940**	63
ELC-059	and		8.2	8.5	0.30	27	28	1	**0.061**	**1499**	45
ELC-061	40,717	55,501	1.8	2.1	0.30	6	7	1	**0.025**	204	**153**
ELC-062	40,887	55,016	5.5	5.8	0.30	18	19	1	**0.079**	314	37
ELC-068	39,830	54,756	4.6	4.9	0.30	15	16	1	**0.022**	206	**124**
ELC-069	40,124	54,756	14.0	14.3	0.30	46	47	1	**0.045**	**551**	**132**
ELC-072	41,027	54,762	2.1	2.4	0.30	7	8	1	**0.060**	**1320**	48
ELC-073	39,356	54,440	10.9	11.2	0.30	36	37	1	**0.060**	383	7
ELC-077	39,791	55,843	11.6	11.9	0.30	38	39	1	0.006	4	**128**
ELC-082	40,868	54,158	3.0	3.3	0.30	10	11	1	**0.021**	299	**141**
ELC-082	and		3.3	3.6	0.30	11	12	1	**0.073**	**1170**	**99**
ELC-085	39,373	55,960	15.2	15.8	0.61	50	52	2	0.008	181	**135**
ELC-089	39,566	55,203	6.7	7.0	0.30	22	23	1	**0.078**	**633**	59
ELC-091	39,667	55,553	4.9	5.2	0.30	16	17	1	**0.235**	**1845**	27
ELC-092	39,369	56,058	10.6	10.9	0.30	35	36	1	**0.091**	**896**	**141**
ELC-096	39,116	55,249	7.9	8.2	0.30	26	27	1	0.006	222	**160**
ELC-100	41,651	53,170	1.5	1.8	0.30	5	6	1	**0.031**	**812**	**125**
ELC-101	41,557	52,650	4.0	4.9	0.91	13	16	3	**0.087**	**1344**	**98**
ELC-102	41,096	53,760	5.5	5.8	0.30	18	19	1	**0.077**	401	**153**
ELC-102	and		6.7	7.0	0.30	22	23	1	**0.142**	375	**115**
ELC-103	41,115	53,775	7.4	7.9	0.46	24.5	26	1.5	0.004	**3120**	**99**
ELC-103	and		9.1	9.4	0.30	30	31	1	**0.077**	486	**158**

ELC-104	41,107	53,790	9.4	10.0	0.61	31	33	2	0.010	395	**122**
ELC-105	41,086	53,772	7.9	9.1	1.22	26	30	4	**0.038**	**599**	**123**
ELC-106	40,917	54,155	3.6	4.0	0.30	12	13	1	**0.020**	**1134**	**102**
ELC-107	41,480	52,668	1.5	2.1	0.61	5	7	2	**0.091**	**729**	14
ELC-109	41,485	52,659	2.7	3.0	0.30	9	10	1	**0.126**	**1605**	**89**
ELC-110	41,493	52,640	2.1	3.3	1.22	7	11	4	**0.087**	**1369**	**79**
ELC-111	41,494	52,633	2.7	4.0	1.22	9	13	4	**0.092**	**1497**	**101**
ELC-112	41,501	52,622	4.0	4.3	0.30	13	14	1	**0.069**	**1368**	**141**
ELC-113	41,507	52,613	4.3	4.6	0.30	14	15	1	**0.430**	**641**	**118**
ELC-117	41,472	52,616	3.6	4.3	0.61	12	14	2	**0.073**	**1805**	**113**
ELC-119	41,460	52,641	2.4	2.7	0.30	8	9	1	**0.068**	**636**	59
ELC-121	41,483	52,685	0.3	0.9	0.61	1	3	2	**0.046**	**1243**	72
ELC-122	41,471	52,678	0.9	1.2	0.30	3	4	1	**0.100**	**1058**	**79**
ELC-124	41,454	52,650	1.5	1.8	0.30	5	6	1	**0.102**	**1088**	60
ELC-125	41,463	52,632	3.3	3.6	0.30	11	12	1	**0.074**	**932**	**86**
ELC-127	41,480	52,597	4.3	4.9	0.61	14	16	2	**0.121**	**737**	**76**
ELC-128	41,503	52,695	0.6	1.2	0.61	2	4	2	**0.080**	**890**	15
ELC-130	41,514	52,668	2.7	3.3	0.61	9	11	2	**0.113**	**1096**	43
ELC-133	41,426	52,587	3.0	3.3	0.30	10	11	1	**0.087**	**1380**	24
ELC-134	41,449	52,542	3.6	4.3	0.61	12	14	2	**0.114**	**1920**	37
ELC-135	41,456	52,567	4.0	4.3	0.30	13	14	1	**0.079**	**1460**	42
ELC-138	41,578	52,668	3.0	3.6	0.61	10	12	2	**0.069**	**923**	37
ELC-139	41,316	52,904	6.4	6.7	0.30	21	22	1	**0.068**	**647**	**216**
ELC-140	41,315	52,764	1.8	2.4	0.61	6	8	2	**0.161**	436	**170**
ELC-141	41,317	52,505	0.9	1.5	0.61	3	5	2	**0.349**	**1011**	**81**
ELC-143	41,164	52,297	9.1	9.4	0.30	30	31	1	0.010	222	**187**
ELC-144	41,567	52,501	1.5	1.8	0.30	5	6	1	0.016	357	**168**
ELC-144	and		5.5	5.8	0.30	18	19	1	**0.067**	**1515**	**151**
ELC-147	41,067	53,454	17.9	18.2	0.30	59	60	1	0.002	9	**134**
ELC-157	41,518	53,157	4.0	4.3	0.30	13	14	1	**0.048**	318	**163**

ELC-161	41,104	53,723	5.2	5.5	0.30	17	18	1	**0.067**	**666**	58
ELC-175	40,938	53,906	4.0	5.2	1.22	13	17	4	0.008	104	**142**
ELC-176	41,167	53,403	9.4	10.3	0.91	31	34	3	**0.030**	206	**127**
ELC-178	41,016	53,606	17.0	17.6	0.61	56	58	2	**0.101**	**1011**	54
ELC-179	41,104	53,654	10.0	10.3	0.30	33	34	1	**0.055**	**1074**	**102**
ELC-179	and		10.9	11.6	0.61	36	38	2	**0.138**	**743**	73
ELC-189	41,616	52,337	4.9	5.2	0.30	16	17	1	**0.065**	**957**	73
ELC-190	41,064	52,952	19.8	20.1	0.30	65	66	1	**0.042**	53	**197**
ELC-190	and		28.6	28.9	0.30	94	95	1	0.001	4	**127**
ELC-191	41,167	52,959	15.8	16.1	0.30	52	53	1	**0.119**	**912**	**104**
ELC-193	40,917	52,456	10.0	10.3	0.30	33	34	1	0.001	4	**127**
ELC-199	41,166	52,854	16.4	16.7	0.30	54	55	1	0.004	15	**145**
ELC-200	41,181	53,554	8.5	8.8	0.30	28	29	1	**0.165**	**1590**	60
ELC-201	41,467	53,253	11.9	12.5	0.61	39	41	2	**0.147**	**1010**	25
ELC-205	41,267	52,855	9.1	9.7	0.61	30	32	2	**0.168**	**1094**	22
ELC-211	41,668	52,554	5.2	5.8	0.61	17	19	2	**0.225**	**921**	58
ELC-212	41,267	52,454	3.0	3.6	0.61	10	12	2	**0.048**	290	**148**
ELC-213	41,368	52,454	2.4	2.7	0.30	8	9	1	**0.130**	321	**232**
ELC-214	41,517	52,455	5.2	6.1	0.91	17	20	3	**0.042**	415	**132**
ELC-223	41,267	52,306	9.4	9.7	0.30	31	32	1	**0.068**	**855**	39
ELC-224	41,069	52,452	12.5	12.8	0.30	41	42	1	0.006	47	**192**
ELC-225	41,069	52,655	2.7	3.3	0.61	9	11	2	0.001	4	**127**
ELC-226	41,065	52,755	6.7	7.0	0.30	22	23	1	**0.024**	164	**271**
ELC-227	41,268	52,955	8.5	8.8	0.30	28	29	1	0.016	155	**122**
ELC-231	41,667	52,503	4.9	5.5	0.61	16	18	2	**0.080**	**671**	58
ELC-236	41,066	52,555	5.8	6.1	0.30	19	20	1	0.003	26	**252**
ELC-242	41,268	52,105	11.2	11.6	0.30	37	38	1	**0.021**	195	**156**
ELC-247	41,617	52,385	4.9	5.2	0.30	16	17	1	**0.022**	368	**157**
ELC-255	40,968	54,954	4.0	4.3	0.30	13	14	1	**0.040**	192	**134**
ELC-261	41,026	54,852	3.6	4.3	0.61	12	14	2	**0.082**	**624**	59

ELC-266	40,366	55,353	4.3	5.2	0.91	14	17	3	**0.043**	**1464**	35
ELC-270	39,469	54,653	4.9	6.4	1.52	16	21	5	**0.031**	268	**142**
ELC-271	39,867	54,658	7.9	8.5	0.61	26	28	2	0.003	161	**135**
ELC-273	39,368	54,894	9.4	9.7	0.30	31	32	1	**0.072**	284	7
ELC-274	39,568	54,902	6.4	7.3	0.91	21	24	3	**0.139**	402	17
ELC-275	40,018	54,883	8.5	8.8	0.30	28	29	1	0.004	102	**138**
ELC-284	39,986	55,304	3.0	4.0	0.91	10	13	3	**0.024**	123	**154**
ELC-289	40,077	55,853	7.6	8.5	0.91	25	28	3	0.009	84	**127**
ELC-293	39,469	54,203	15.5	16.1	0.61	51	53	2	**0.083**	**1159**	66
ELC-295	39,865	54,352	16.1	16.4	0.30	53	54	1	0.009	393	**130**
ELC-300	41,617	52,253	4.9	6.1	1.22	16	20	4	**0.109**	**896**	62
ELC-302	41,719	52,255	5.5	5.8	0.30	18	19	1	**0.165**	**510**	**76**
ELC-308	41,726	52,051	3.3	5.2	1.82	11	17	6	**0.036**	**1492**	**118**
ELC-311	41,615	52,253	4.6	6.1	1.52	15	20	5	**0.077**	**807**	68
ELC-313	41,670	51,953	2.4	2.7	0.30	8	9	1	0.002	87	**127**
ELC-315	40,867	54,655	6.4	6.7	0.30	21	22	1	**0.096**	**804**	7
ELC-315	and		6.7	7.9	1.22	22	26	4	0.006	**1763**	**91**
ELC-316	40,848	54,584	7.3	8.5	1.22	24	28	4	**0.095**	**1220**	64
ELC-317	40,768	54,625	12.8	13.7	0.91	42	45	3	0.005	147	**132**
ELC-318	40,848	54,541	5.2	6.4	1.22	17	21	4	**0.026**	334	**156**
ELC-324	39,818	54,152	17.6	18.5	0.91	58	61	3	**0.028**	314	**124**
ELC-330	40,867	54,855	14.0	14.3	0.30	46	47	1	0.003	122	**163**
ELC-331	40,817	54,454	8.5	9.1	0.61	28	30	2	0.007	208	**167**
ELC-345	39,668	55,273	3.3	3.6	0.30	11	12	1	0.007	14	**138**
ELC-346	39,947	54,810	8.2	8.8	0.61	27	29	2	0.007	156	**129**
ELC-402	40,269	55,657	4.3	4.6	0.30	14	15	1	0.001	207	**206**
ELC-405	41,769	55,151	2.7	3.0	0.30	9	10	1	0.001	251	**158**
ELC-433	41,517	53,354	1.8	2.1	0.30	6	7	1	**0.135**	**2835**	23
FS01	38,933	54,872	0.0	0.3	0.30	0	1	1	**0.090**	**na**	**na**
FS03	39,037	54,661	0.0	0.3	0.30	0	1	1	**0.140**	**na**	**na**

FS04	39,081	54,499	0.0	0.3	0.30	0	1	1	**0.090**	**na**	**na**
FS09	39,613	53,724	0.0	0.3	0.30	0	1	1	**0.110**	**na**	**na**
FS10	39,728	53,740	0.0	0.3	0.30	0	1	1	**0.140**	**na**	**na**
FS12	39,939	53,562	0.0	0.3	0.30	0	1	1	**0.060**	**na**	**na**
FS13	40,002	53,532	0.0	0.3	0.30	0	1	1	**0.340**	**na**	**na**
FS14	39,976	53,333	0.0	0.3	0.30	0	1	1	**0.060**	**na**	**na**
FS15	40,080	53,297	0.0	0.3	0.30	0	1	1	**0.070**	**na**	**na**
FS16	40,282	53,076	0.0	0.3	0.30	0	1	1	**0.110**	**na**	**na**
FS17	40,191	53,037	0.0	0.3	0.30	0	1	1	**0.090**	**na**	**na**

The information in this ASX Release that relates to Exploration Results, Minerals Resources or Ore Reserves, as those terms are as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve", is based on information compiled by Mr Michael Clifford and Mr J Guilinger. Mr Clifford is a Member of the Australian Institute of Geoscientists and a full time employee of the Company, whilst Mr J Guilinger is a Registered Member (RM) with the Society of Mining Engineers (SME) and a Qualified Person (QP) with the Mining and Metallurgical Society of America (MMSA), and a consultant to the Company. Mr Guilinger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve". Mr Clifford and Mr Guilinger consent to the inclusion in this ASX Release of the matters based on their information in the form and context in which it appears.