

PacMag Metals Limited

ASX ANNOUNCEMENT NORTHLING COPPER PROJECT JOINT VENTURE

ASX:PMH

Board of Directors:

Chairman: R M Joyce
MD: M Clifford
Non-Exec: E Althaus

Web

www.pacmag.com.au

E-mail

info@pacmag.com.au

Address:

Level 2/33 Ord Street
West Perth WA 6005

Postal Address:

PO Box 1569
West Perth WA 6872

Tel: (08) 9481 2997

Fax: (08) 9321 0070

Registry Enquiries:

Link Market Services
Tel: 1300 553 490



SUMMARY

30 September 2009

- PacMag's Northling Copper Project in central Western Australia, to be advanced via joint venture agreement with Quadrio Resources Pty Ltd, a subsidiary of Dominion Mining Limited (Dominion) [ASX:DOM].
- Dominion may earn an initial 70% equity in Northling by paying PacMag \$100,000 cash and by spending \$750,000 on exploration within 5 years. Once Dominion has met the earn-in, PacMag can contribute its respective interest or elect to convert to a 20% free carry to the end of a pre-feasibility study. Dominion must expend a minimum of \$130,000 before withdrawal.
- Previous shallow drilling as part of an exploration program targeting diamonds intersected copper mineralisation grading 4m @ 2.43% copper from 58 – 62 metres (to the end of hole).
- Copper intersection associated with strong discrete magnetic anomaly and has received no follow up testing to date.
- Dominion has proposed an aggressive exploration program to test the Northling copper target including ground geophysical surveying, mapping and drilling.

The Directors of PacMag Metals Limited ("PacMag") are pleased to report that the Company has attracted a technically and financially strong partner in Dominion Mining Limited, to advance the exciting exploration opportunity at the Northling copper project in central Western Australia.

The district contains the recently discovered Doolgunna copper project owned by Sandfire Resources Limited which has led to strong exploration interest within the region.

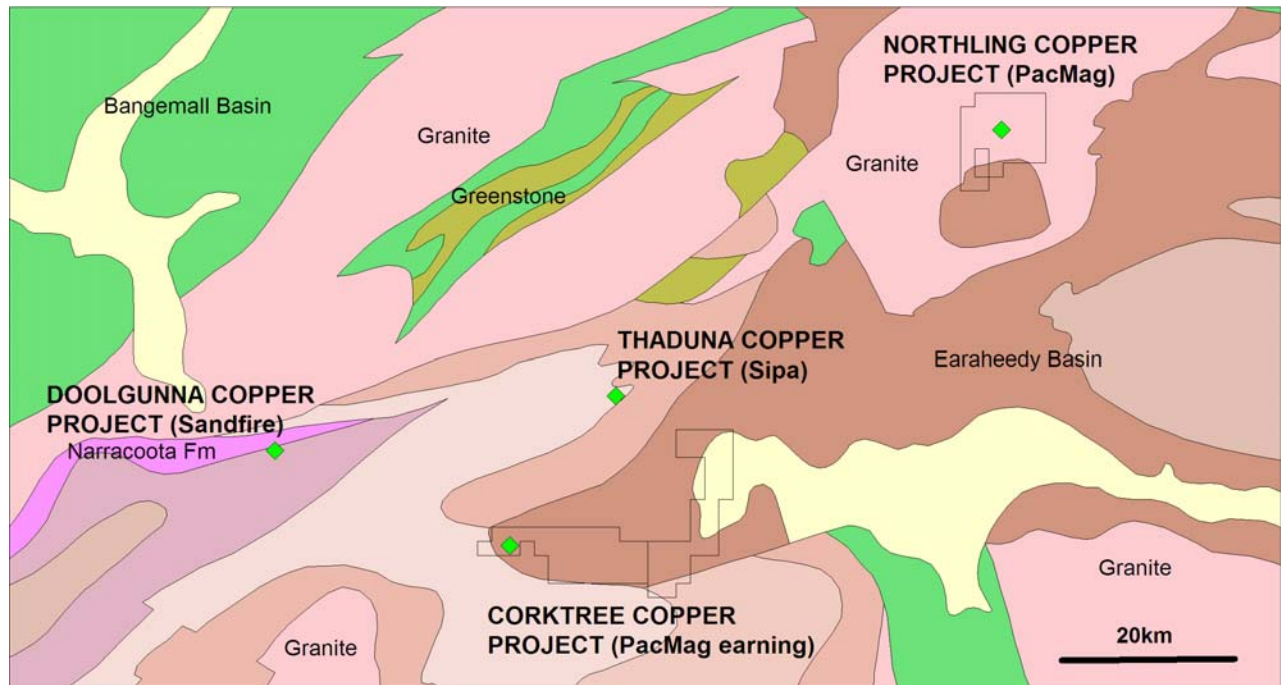
Managing Director Mick Clifford commented, *"The unsolicited approach by Dominion for involvement in this project is a testament to the exploration potential at Northling and we are very pleased to have attracted such a strong partner which plans an aggressive exploration program to rapidly test this exciting copper target."*

"The joint venture at Northling will accelerate evaluation of the project whilst allowing PacMag to continue to focus on its world class copper assets in North America, including the 7.1 billion pound copper resource at Ann Mason in the Yerington district, Nevada as well as the new Meadow Valley porphyry project in Arizona".

PacMag is continuing to evaluate a number of gold and copper acquisition opportunities in Australia, Asia and the USA to complement its USA based activities.

NORTHLING COPPER PROJECT - BACKGROUND

The Northling copper project, located 170km north of Wiluna in Western Australia, occurs in an area of limited rock outcrop immediately outside the north-western margin of the Earraheedy Basin (Figure 1). The project covers an area described on regional geological maps as predominantly Archaean granites. Within the area a number of discrete aeromagnetic anomalies have been targeted by previous diamond explorers. Several of these magnetic anomalies have subsequently been indentified as kimberlites (diamondiferous host rocks such as the Nabberu 1 Pipe, located immediately west of the project area). Other magnetic anomalies were not explained, with shallow RAB drilling intersecting altered sedimentary rocks interpreted as possibly outliers of the Earraheedy Basin sequence or granitic rocks.



Geological reconnaissance mapping and sampling by PacMag discovered undrilled strongly anomalous copper samples in fine grained chlorite rich rocks in an area of limited outcrop (Niton XRF results to 0.16% copper) adjacent to the area previously drilled (1994) as part of an exploration program targeting diamonds. The previous drilling (6 short holes) targeting diamonds focused on discrete magnetic anomalies and was either not assayed for copper or only sampled at the end of the holes. One such drill hole (DH3) returned copper mineralisation grading 4m @ 2.43% copper from 58 – 62 metres in one of these end of hole samples (Figure 2). Niton XRF analysis by PacMag geologists of a handful of remnant drill chips found at the at the collar of one of the historic drill holes returned up to 3.1% and 2.4% copper in samples with strong disseminated visible chalcopyrite (copper sulphide) mineralisation. The visual recognition of copper sulphides along with the Niton XRF results provides confirmation of the presence of locally significant copper mineralisation within the previous drilling. Furthermore petrography shows the copper host rock to be a chlorite+sericite schist typical of alteration associated with copper sulphide volcanic systems.

Heritage surveys have been completed allowing drill testing to commence shortly after grant of tenure.

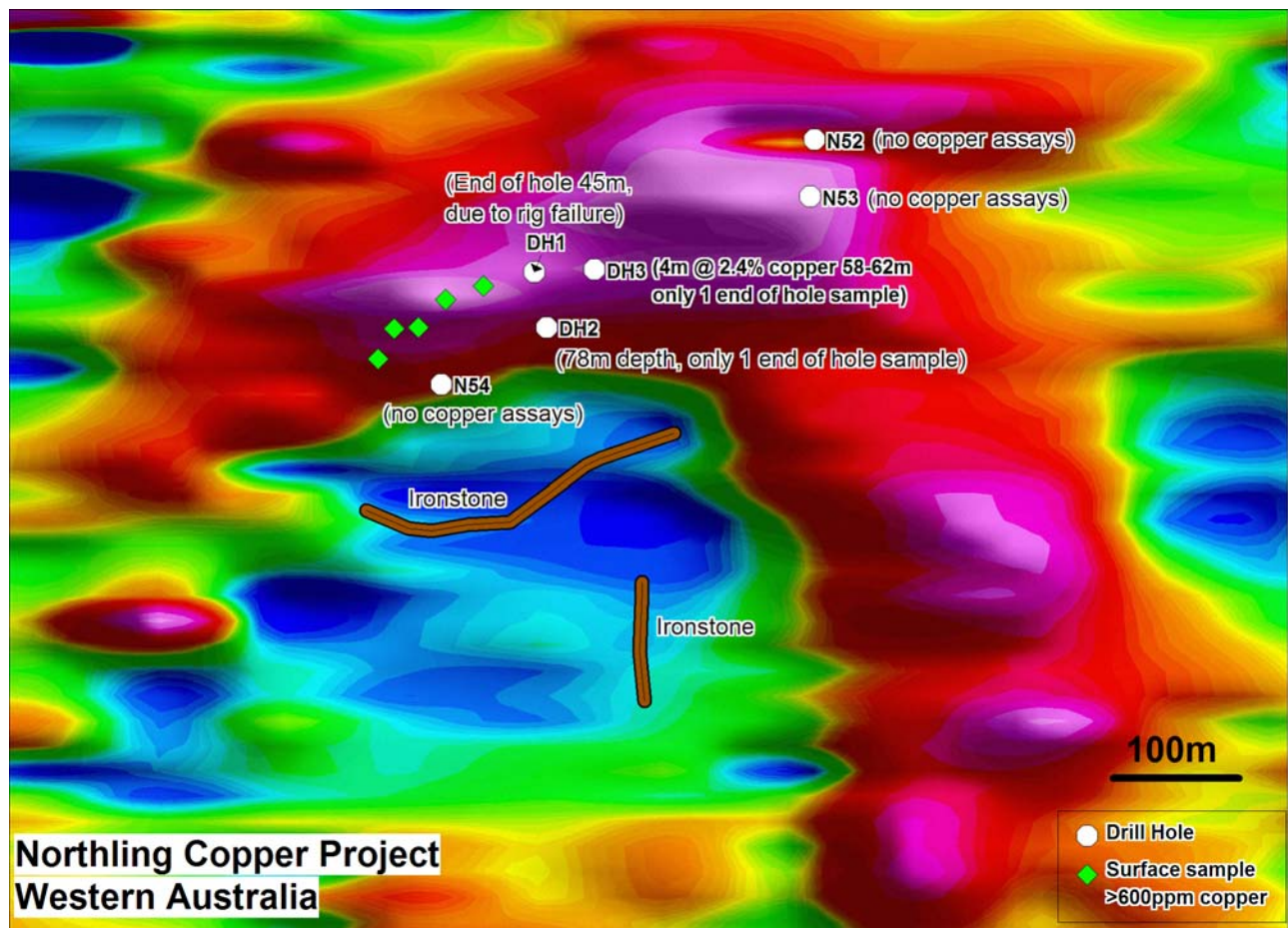


Figure 2: Northling Copper Target – Drill collars and surface sampling on ground magnetics image

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, who is a full time employee of the Company and a Member of the Australian Institute of Geoscientists. Mr Michael Clifford 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 Michael Clifford consents to the inclusion in this ASX Release of the matters based on his information in the form and context in which it appears.

**Michael Joyce
Chairman**

For further information please contact:
Michael Clifford/Mike Joyce
(08) 9481 2997 or info@pacmag.com.au

ABOUT PACMAG (ASX:PMH)

PacMag is an Australian-based exploration company focused on its advanced copper-molybdenum-gold assets at Ann Mason in the USA as well as its advanced Sentinel uranium-germanium-molybdenum project located in North Dakota, USA.

Ann Mason boasts a mineral resource of 810 million tonnes @ 0.4% copper, 0.004% molybdenum (7.1 billion pounds of contained copper metal). PacMag also holds interests in other less advanced copper projects in Australia.