

PacMag Metals Limited

QUARTERLY REPORT 30th JUNE 2009

Activities During the Quarter

- Initial drill testing of the **Shamrock** project, Nevada USA commenced late in the quarter, with a total of 10 RC holes planned. Results for the first two holes and the upper portion of the third hole have now been received and include; 3m @ 4.9% copper, 9.1m @ 1.23% copper and 12.2m @ 1.2% copper.
- At the **Sentinel** project, North Dakota USA, check analysis programs that form a portion of the resource estimate process have now been finalized for uranium and molybdenum confirming the original grades to be precise and accurate. Initial resources for the Church Deposit, the first area drilled within the Sentinel project are now scheduled to be reported in the first week of August.
- Geological reconnaissance mapping and sampling at the **Northling** copper project in central Western Australia, discovered undrilled stratabound gossans as well as strongly anomalous copper samples in an area of limited outcrop (Niton XRF results to 0.16% copper) adjacent to the area previously drilled as part of an exploration program targeting diamonds. The previous drilling intersected copper mineralisation grading 4m @ 2.43% copper from 58 – 62 metres (to the end of hole). Heritage surveys were completed and drilling is planned on grant of tenure.
- At the **Corktree** joint venture project (PacMag earning up to 75%) located 24km east southeast of Sandfire Resources NL's Doolgunna project, reconnaissance mapping and sampling discovered a new copper anomalous zone south of previous drilling at the main Corktree grid. The new zone of copper rich gossans and ironstones (Niton XRF results to 0.3% copper) is hosted in carbonate rocks and although poorly exposed can be traced over a strike of 400m and a width of 5 to 40m.
- The Company continued to assess new exploration and development opportunities in North America and Asia focusing on gold and copper projects.

Corporate

- Current cash and equities total \$3.7 million.

Details of Planned Programs

- Shamrock high-grade copper project; Compilation of drilling and synthesis of results.
- Blue Hills copper oxide target (Nevada) mapping and drill program design.
- Sentinel uranium, germanium, molybdenum project; finalise resource estimate, complete scoping study and assessment of potential funding partners
- Blue Rose JV, Olary prospect evaluation of gold and iron potential.
- Corktree copper project heritage surveying and drill testing of the newly discovered main-grid south copper zone.
- Ongoing assessment of new resource opportunities.

ASX:PMH

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PROJECTS

SENTINEL URANIUM-GERMANIUM-MOLYBDENUM PROJECT

(North Dakota, USA) – PacMag 100%

The Church deposit forms the central 6600 acre portion of the Company's 100% owned Sentinel uranium-germanium-molybdenum project, which covers in excess of 25,000 acres in Western North Dakota, USA.

The target at Sentinel is multiple, near surface (less than 20 metres depth), stacked, sub-horizontal, high-grade uranium-germanium-molybdenum mineralisation zones that occur at the top of coal (lignite) horizons. Based on drilling to date (419 holes) at the Church Deposit (the first of several prospects to be tested), the host lignite seams are flat lying to very gently dipping and are generally 0.5 to 5 metres thick with the upper 0.5 – 1.5 metre portion carrying the highest grades of uranium and molybdenum mineralisation, whilst germanium occurs in multiple stacked layers.

Resource Estimate

During the quarter, work continued on the Sentinel resource model. Check analysis programs that form a portion of the resource estimate process have now been finalized for uranium and molybdenum confirming the original grades to be precise and accurate. Resources for the Church Deposit, the first area drilled within the Sentinel project are now scheduled to be reported in the first week of August.

Separate check assay re-analysis programs for germanium in the drill samples are continuing. Recent re-analysis of metallurgical leach concentrates from Sentinel mineralisation by a second independent laboratory has confirmed high germanium content within the leached material but at levels significantly higher than previous analyses for the same material.

Scoping Study

Work has commenced on a scoping study for the Sentinel project, including evaluation of capital and operating costs. An initial ore processing flow-sheet concept has been developed and costing for major capital items and reagents is underway.

First phase resource drilling and resource extension drilling completed (419 holes) on the first of several prospects.

Check assay program nearing completion, resource estimate scheduled to be reported in the first week of August.

Scoping study commenced.

ANN MASON

(Nevada, USA) - PacMag 100%

The 100% PacMag owned Ann Mason project in Nevada, USA boasts a mineral resource of 810 million tonnes @ 0.4% copper, 0.004% molybdenum (7.1 billion pounds of contained copper metal).

The Company is focusing future efforts towards high-grade copper sulphide targets (Shamrock prospect and Ann Mason "5000" zone) and near surface copper-oxide targets (Blue Hills oxide target) that may be developed with high unit value returns and corresponding low capital costs. Success in developing an initial operation at these projects may provide the catalyst to develop the much larger scale and more capital

Focus on high-grade targets at Shamrock and "5000" and low-cost oxide copper plays

intensive porphyry deposits at Ann Mason and Blue Hills.

Recent developments within the district include:

- A multi-million dollar option deal by TSX listed Entrée Gold Inc to explore for porphyry copper deposits in the Yerington West Project owned by TSX listed Honey Badger Inc located immediately west of PacMag’s Ann Mason-Blue Hills project.
- The investment by the Chinese copper mining group Zhongtiaoshan Non-ferrous Metals Group Co. Ltd (ZTS) by way of a convertible debenture of approximately 5% of the capital of TSX listed Nevada Copper Corp, who are evaluating the Pumpkin Hollow copper project located 15km east of PacMag’s Ann Mason project.
- Nevada Copper Corp also announced an increased resource for their Pumpkin Hollow project totaling 9.3 billion pounds of copper at a 0.20-per-cent cut-off. The resource contains 772 million tonnes (851 million tons) @ 0.56% copper.

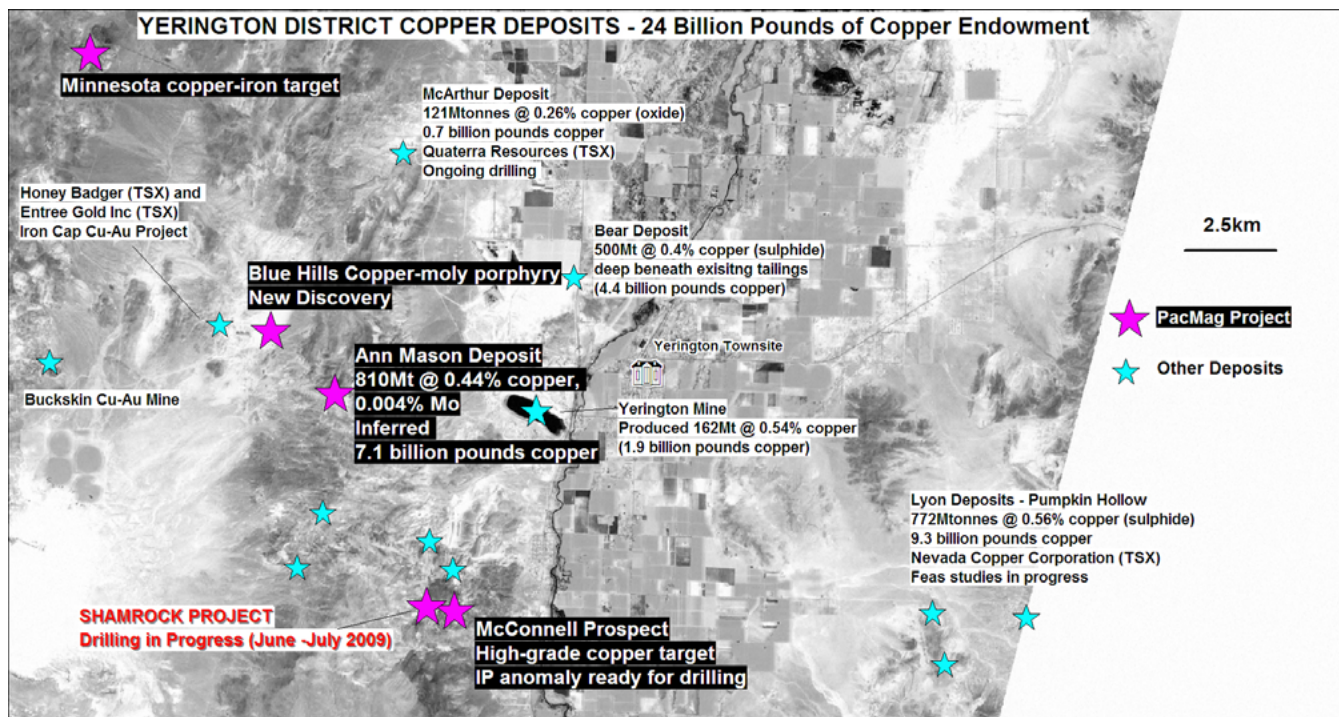


Figure 1: Yerington District – PacMag Projects and Resources

Shamrock Copper Prospect

At the Shamrock Project, a high-grade copper project located 5 kilometres south east of Ann Mason (Figure 1), historical records show that previous drilling has intersected wide (10-20 metre) zones of strong copper mineralisation (1-3% copper), located on patented mineral claims.

Previous drill intercepts 10–20m @ 1-3% copper.

During the quarter, the company commenced a 10 hole RC program testing copper targets over an area of approximately 250m width by 200m of strike. To date the program has been successful in confirming the geology and mineralisation previously intersected by limited diamond drilling conducted in the early 1970’s. The new drill holes completed by PacMag in the southern, western and eastern edges of the area intersected strong copper oxide mineralisation close to surface, whilst holes drilled in the central northern portion of the program intersected strong to moderate

Drilling commenced late in quarter

copper sulphides. Mineralisation (based on visual estimates from the recent drilling) remains open along strike to the north.

Results for the first two holes (SH09001 and SH09002) and the upper portion of the third hole (SH09003) have now been received (Figures 2 and 3). Two of the first three holes (SH09001 and SH09002) intersected strong chalcopyrite (copper sulphide) rich mineralisation within skarn altered rocks. The new results from PacMag drilling are detailed in Table 1 and include; **9.1 m @ 1.23 % copper, 12.2 m @ 1.24 % copper and 3.1 m @ 4.90 % copper.**

Hole SH09002 intersected a similar skarn altered rock sequence but with iron oxides after pyrite (iron sulphides) only and contained no significant copper results.

The samples from the recent drill program have now been submitted to the laboratory for analysis, results for the remainder of hole SH09003 as well as SH09005 are expected to be received in early August, with assays for the later holes expected in late August. Hole SH09004 was abandoned at shallow levels (<80m depth), after the hole intersected a void interpreted to be a natural cavities in the rock.

Early holes positive; 9.1m @ 1.23% Cu, 12.2m @ 1.24% Cu, 3.1m @ 4.9% Cu.

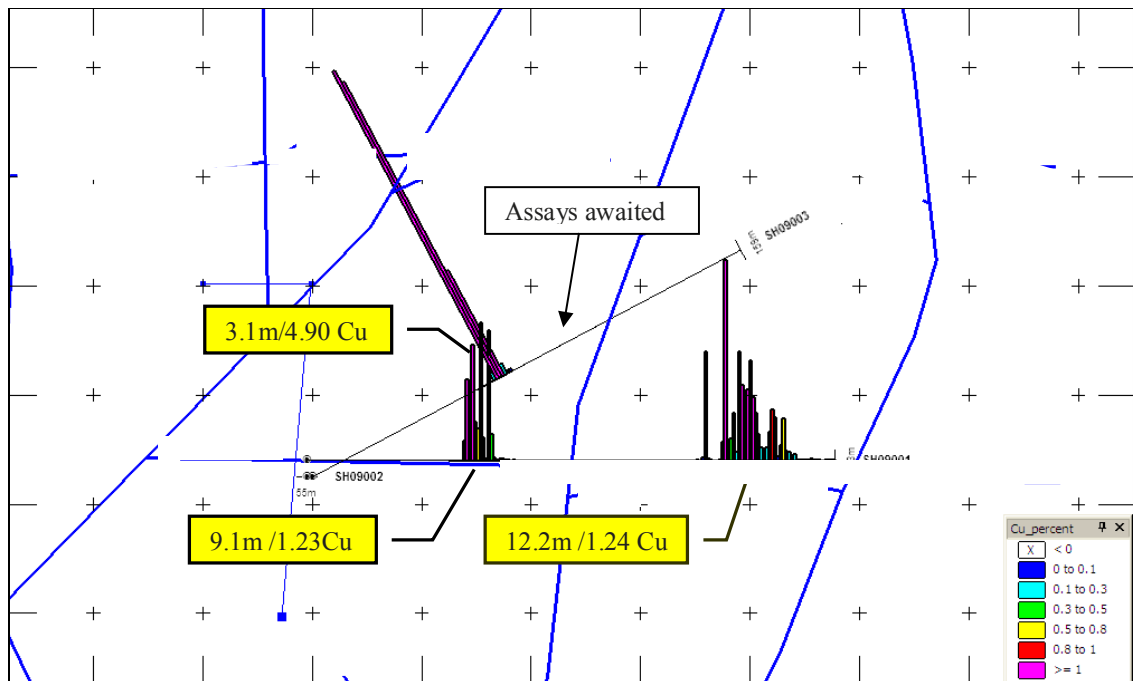


Figure 2: Shamrock drill collar plan (holes SH09001 - 3) with copper histograms in percent, blue lines are interpreted faults (grid crosses 20m spacing)

Hole (dip/azimuth)	East (m)	North (m)	From (m)	To (m)	Interval (m)	Copper (%)
SH09001 (-60/090)	6 759	11 968	57.9	67.1	9.1	1.23
			145.3	146.3	1	2.01
			152.4	171.7	12.2	1.24
SH09002 (vertical)	6 759	11 965				No significant results
SH09003 (-56/062)	6 760	11 965	68.0	71.1	3.1	4.90 (part hole only)

All samples as 3 feet (1.02m) RC samples taken as splits from RC cyclone. Reported at a cut off grade of 1% copper, maximum of 4m internal waste. Assays by American Assay Laboratory Reno Nevada, ICP, 4 acid digest. QA-QC program included blanks and certified standards. Grid is local grid in metres.

Table 1: Shamrock Project – Significant Drilling Results

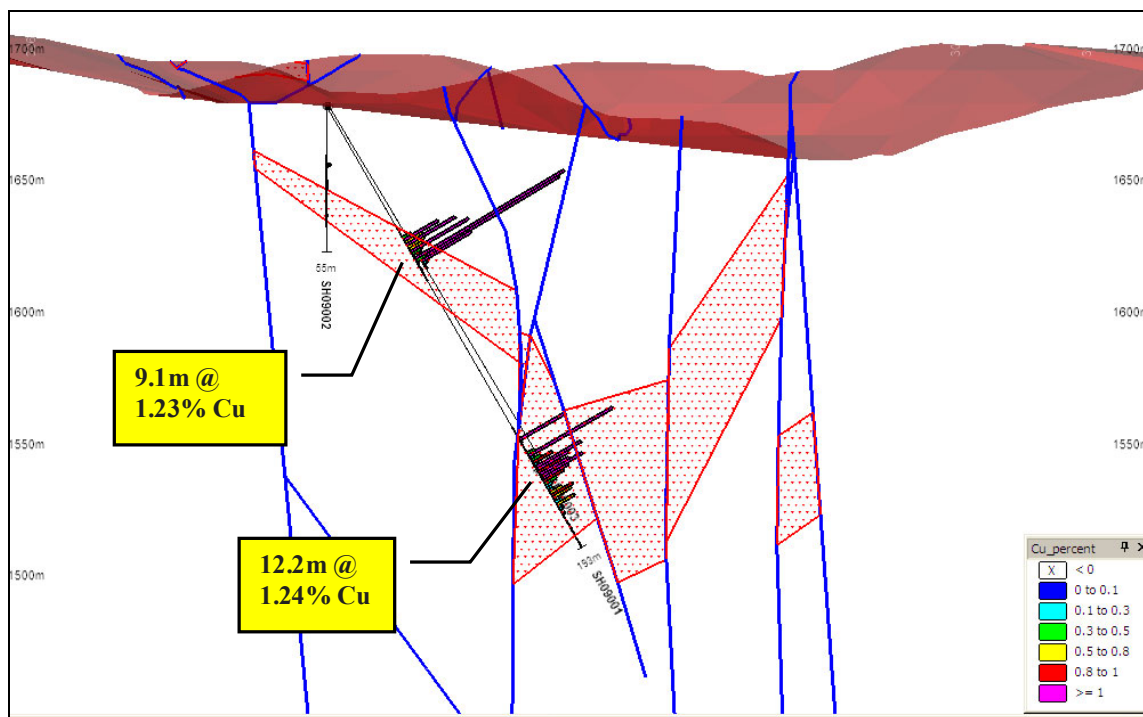


Figure 3: Section 11 965N with copper histograms in percent, (blue lines are interpreted faults, red hatch is interpreted skarn zone)

Blue Hills Oxide Copper

The Company has identified a large coherent copper oxide target south and west of the recently discovered Blue Hills porphyry copper-molybdenum sulphide deposit, 5km south east of the Ann Mason resource, no further work was conducted on the target this quarter.

Oxide copper target 1.5km x 350 m.

Based on PacMag's work as well as limited previous drilling, field observations

and soil assays (up to 0.13% copper), the Company has outlined a copper oxide target zone at Blue Hills over an area 1.5km by 350 metres. Previously reported oxide drill intersections at the northern eastern end of the target zone include; 21.3 metres @ 0.46% copper, 36.3 metres @ 0.46% copper, 32.7 metres @ 0.22% copper and 39.6 metres @ 0.26% copper, defining a continuously mineralised zone over 360m of strike length within the new 1.5km long target.

Testwork for the mineralised interval in hole BH08006 confirm copper oxide mineralisation is acid soluble, with an average acid soluble copper assay recovery of 80%. This is an excellent result and indicates the potential for copper oxide extraction via simple acid leaching, with corresponding low operating and low start-up capital costs.

Potential exists for the development of a substantial horizontal, near-surface copper oxide zone, developed within a zone of deep weathering which extends to depths in excess of 120 metres. The widths, tenor and depth to mineralisation intersected by PacMag at Blue Hills are consistent with that of the nearby MacArthur copper-oxide deposit, located approximately 7km north-east of Blue Hills, where TSX listed Quaterra Resources Inc is currently undertaking resource drilling. The MacArthur copper-oxide mine operated in the 1970's. The target lies within relatively flat, open terrain allowing easy access for drill testing.

Blue Hills - Porphyry Copper-Molybdenum Discovery

The Blue Hills porphyry copper discovery contains drill intersections including; 73.2 metres @ 0.57% copper equivalent and 100.6 metres @ 0.41% copper equivalent. The size potential of the Blue Hills mineralisation is highlighted by the massive lower-grade mineralised halo that extends from 152 metres below surface to the end of hole (BH08001) grading 526 metres at 0.3% copper equivalent. No further work was conducted at Blue Hills during the quarter.

Copper and molybdenum in both holes is located within disseminated and sheeted vein-style mineralization, hosted within porphyritic quartz monzonite. Mineralisation remains open to the east and south as well as at depth to the north and west, with relatively flat open terrain allowing easy access in all directions.

The alteration and sulphide species logged in each of the Blue Hills holes confirm a large porphyry copper-molybdenum system had been defined (Figure 4), but that neither the core of the system nor its extents have been determined. The Company has not yet ascribed a target size to the discovery, but wishes to point out that the known porphyry copper-molybdenum sulphide deposits within the district range in size from 162 to 810 million tonnes.

Three RC pre-collars remain to be extended with diamond drilling, with an initial aim of scoping the size of the mineralised system, drilling is planned following drill testing of the near surface copper oxide target lying above this target.

Acid soluble copper assays returned average 80% recovery

Widths and tenor of oxide copper similar to nearby McArthur deposit

Large new porphyry copper system discovered, drilling required to test extents of system.

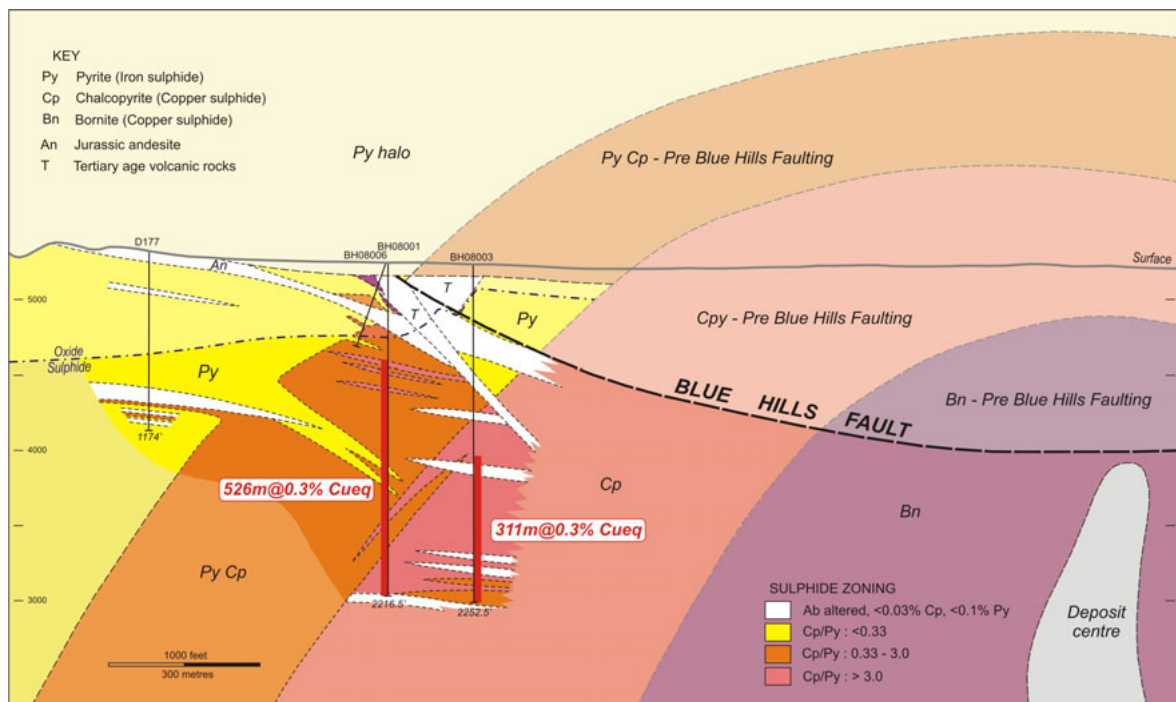


Figure 4: Blue Hills Porphyry Copper Target Showing Interpreted Pre-Blue Hills Faulting Geometry and Zone of Open Mineralisation

Progress on Ann Mason Pre-feasibility Study Activities

The Company is awaiting approval of the Environmental Assessment (EA) for the Ann Mason project, that was submitted to the Federal Bureau of Land Management (BLM) for expanded exploration activities at the Ann Mason site.

EA submitted to the BLM

The recently requested vegetation survey was completed during the quarter and the EA has now been re-submitted for review.

**BLUE ROSE JV (SOUTH AUSTRALIA)
PacMag 51%, Giralia 49% Contributing**

PacMag is currently evaluating the Blue Rose/Olary copper-gold-molybdenum project in South Australia, a joint venture with Giralia Resources NL (Giralia).

Blue Rose Oxide Deposit

The Blue Rose oxide deposit contains intersections such as: 46 metres @ 2.2% copper and 0.8 g/t gold from 11 metres depth, (including 28 metres @ 3.0% copper and 0.8 g/t gold). Beneath the oxide zones drilling has intersected copper-gold-molybdenum sulphide mineralisation, which is open to extension along strike.

During the quarter, Giralia conducted a drill program of 4 RC drill holes for 295m on the Olary tenement under their 100% uranium rights. In addition to the uranium work, Giralia selected on behalf of the Blue Rose JV 36 samples for gold analysis, whilst an additional 80 samples were submitted for base metals

analysis, based on the presence of strong alteration. Results are anticipated early August.

Golden Sophia Gold Prospect

Limited previous shallow drilling by Battle Mountain (Australia) Inc in 1989 at the Golden Sophia Prospect on two traverses over the central portion of a strong soil anomaly, intersected near surface, widespread, thick zones of gold mineralization, in fine to medium grained micaceous sandstones, associated with disseminated pyrite and minor quartz veining. Drilling results include; 60m @ 0.58g/t Au (10 – 70m eoh) incl 6m @ 1.07g/t Au and 2m @ 8.4g/tAu and 30m @ 0.61g/t Au (2 – 32m), incl 5m @ 1.3 g/t Au.

Continuous mineralisation has been defined by two 80m spaced drill traverses over a width of approximately 100m, however, mineralisation remains open along strike to the east and west, whilst drill results are anomalous in the northern most holes.

Potential exists for a zone of mineralisation with modest tonnes at low gold grades within the existing soil anomaly, however, further potential lies in the zones along strike under alluvial cover for the discovery of higher grade mineralization, as well as for mineralisation of a higher tenor associated with the underlying magnetic anomaly (modeled as 500m strike, 150m width, 60m below surface at 0.5% magnetite), that has yet to be tested by deeper drilling. Note, previous drilling has tested to an average of only 30m below surface, with the deepest hole (GS3) drilled to 54m below surface (70m @ -60 degrees).

The occurrence of the gold in sericite-biotite altered meta-sedimentary rocks above a discrete magnetic anomaly, could be related to an underlying intrusive source (porphyry). Similar porphyry related systems are present at the nearby Giles Knob (1km south), Blue Rose (skarn), Anabama Mo-Cu porphyry and further west at the Netley Hill Mo prospect.

The company plans on conducting field reconnaissance next quarter to assess the potential of the Golden Sophia prospect, as well as the surrounding area where there are numerous additional historic gold workings and occurrences that have never been explored with modern exploration techniques.

Golden Sophia Prospect:

60m @ 0.58 g/t gold including 2m @ 8.4 g/t gold.

Significant open ended target in altered rocks overlying untested magnetic anomaly.

NORTHLING COPPER

(Western Australia) - PacMag 100%

The Northling copper project, located 170km north of Wiluna in Western Australia, occurs in an area of limited rock outcrop immediately outside the northwestern margin of the Earahedy Basin. The project covers an area described on regional geological maps as predominantly Archaean granites. A number of discrete aeromagnetic anomalies within the area 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 Earahedy Basin sequence or granitic rocks.

Geological reconnaissance mapping and sampling during the quarter discovered undrilled stratabound gossans, as well as 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 intersected copper mineralisation grading 4m @ 2.43% copper from 58 – 62 metres (to the end of hole) in one of 6 short holes testing a discrete magnetic target. Niton XRF analysis of a handful of remnant drill chips found at the collar of one of the historic drill holes returned up to 3.1% and 2.4% copper in samples with strong disseminated 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.

Heritage surveys were completed and drilling is planned on grant of tenure anticipated in early 2010.

CORKTREE JOINT VENTURE

(Western Australia) - PacMag earning

At the Corktree joint venture project (PacMag earning 75%) located 24km east southeast of Sandfire Resources NL's Doolgunna project, reconnaissance mapping and sampling discovered a new copper anomalous zone south of previous drilling at the main Corktree grid.

The new zone of copper rich gossans and ironstones (Niton XRF results up to 0.3% copper, chemical assays awaited) is hosted in carbonate rocks and although poorly exposed can be traced over a strike of 400m and a width of 5 to 40m (Figure 5). The newly identified zone strikes northwesterly and is orientated sub-parallel to much of the previous drill lines, opening up the possibility that the previous drilling was not orientated correctly to intersect the primary copper mineralised zones.



Figure 5: Gossanous breccia from newly discovered copper zone, quartz rich fragments in an iron rich matrix.

Corktree is on the western edge of the Earahedy Basin. A strong gravity gradient marks the boundary between Yelma Formation dolomites and basement Thaduna Formation greywackes. The area has previously been explored by WMC and CRA, whose drilling returned samples including 24 metres @ 0.22% copper, 16 metres @ 0.26% copper, and 3 metres @ 1.6% copper.

The primary source of the widespread secondary copper mineralisation at Corktree has not yet been found, nor has the near-surface anomaly been closed off. The location of the prospect at the edge of a mid-Proterozoic sedimentary basin abutting a basement high, and the presence of metalliferous inclusions in hydrocarbons, suggest potential for sediment hosted base metals mineralisation.

The Company plans to complete heritage surveying prior to drill testing in the next quarter.

MYSTIQUE GOLD

(Western Australia) - PacMag 100%

PacMag’s new wholly owned Mystique project is located in the Fraser Range province, Western Australia. The province contains the recently discovered AngloGold Ashanti - Independence Group Tropicana Gold Project (5.01 million ounces of gold) as well as numerous high-quality exploration projects that are being advanced by companies such as Dominion Mining Limited and Newmont-Sipa Resources (Figure 6).

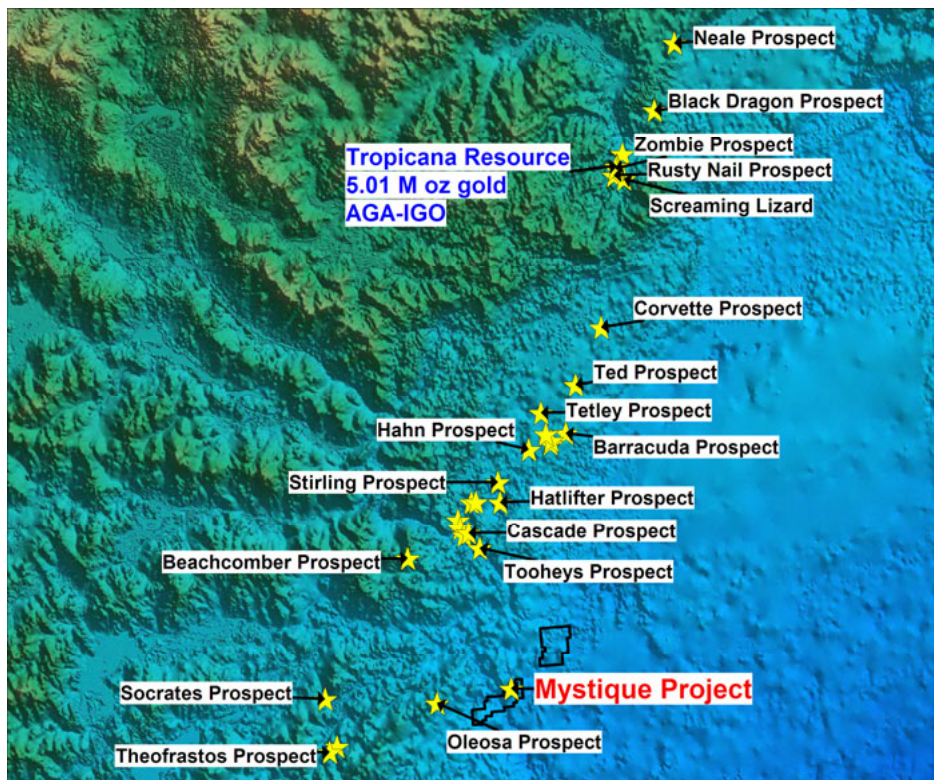
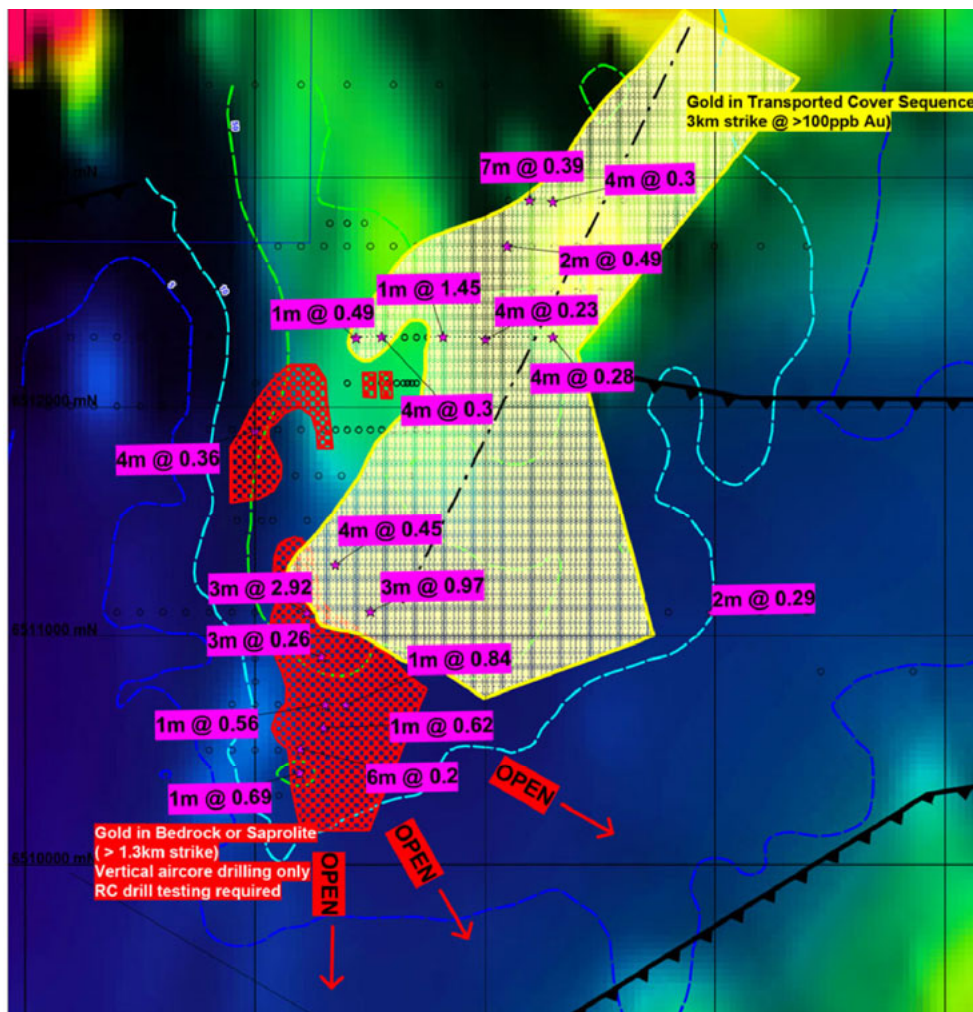


Figure 6: Mystique Project Location - Regional Gold Prospects (various companies) on Digital Terrain Model

The project contains a major gold soil geochemical anomaly (4 km x 2 km at greater than 10 ppb gold) with results up to 0.6 g/t gold. The soil anomaly has been followed up by previous workers with aircore drilling to refusal on 200m x 100m centres.

Based on a comprehensive review of the previous results by PacMag geologists the previous drilling is interpreted as two discrete zones of gold mineralisation; a 3km x 1km blanket style zone with greater than 0.1 g/t gold in a transported cover sequence, and a second zone measuring 1.3km x 0.5km that contains multiple bedrock gold intersections. Best results to date include such as 3m @ 2.9 g/t gold and 3m @ 0.97 g/t gold. The soil anomaly is greater in dimension and tenor than that overlying the Tropicana gold deposit, whilst the aircore drilling gold results are of a similar magnitude to those intersected in early reconnaissance aircore drilling programs overlying the main Tropicana gold zones that were only identified by deeper RC and core drilling (Figure 7).



3m @ 2.92 = 3 metres at 2.92 g/t gold

Figure 7: Mystique Drill Target (red hatch) with significant gold results.

The zone of bedrock gold mineralisation at Mystique remains open to the south and has not yet been followed up by deeper RC drill testing. Furthermore, there are large untested gold in soil anomalies to the south of the area drilled, that have been identified by broad spaced soil sampling that are an immediate aircore drill target.

Within the large landholding (434 km²) there are numerous additional strong gold soil anomalies identified in regional geochemical sampling (up to 20 ppb gold), that are located within a large fault zone that is demagnetised. The strong gold anomalies within the major fault zone are indicative of large mineralising systems and are a high priority follow-up target.

Although significant work has been completed on the project to date it is at a prime evaluation stage with clearly defined "walk-up" RC drill targets and large high-tenor untested gold in soil geochemical anomalies. Drill testing and infill geochemical sampling are planned following the grant of the tenure which is anticipated later this year.

The information in this ASX Release that relates to the Sentinel Project 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.

The information in this ASX Release that relates to (projects other than Sentinel) 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.

CORPORATE

At the end of the quarter the Company has cash of \$2.46 million and equity investments valued at approximately \$1.2 million.

Michael Clifford
Director

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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 the 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 and gold projects in Australia.

Capital Structure	(as at 30th June 2009)	Major Shareholders	
Ordinary Shares (PMH)	144,667,639	Giralia Resources NL	10.37%