



1 July 2009

ASX ANNOUNCEMENT

DRILLING COMMENCED AT THE SHAMROCK COPPER PROJECT

SUMMARY

Drilling has commenced at the Shamrock project; an exciting high-grade copper exploration play having potential development synergy with the Company's nearby giant Ann Mason porphyry copper-molybdenum deposit in Nevada USA.

KEY POINTS

- **The Shamrock high-grade copper project is located 5km south east of the Company's 100% owned Ann Mason porphyry copper-molybdenum deposit, Nevada (USA).**
- **Success in developing an initial operation at a high grade project such a Shamrock may provide the catalyst to develop the Company's nearby, larger scale and more capital intensive porphyry copper deposits (including the Ann Mason deposit containing 7.1 billion pounds of copper metal).**
- **Attractive to PacMag due to high-grade copper drill intercepts grading 1 – 3% copper reported over 5 – 20 metre wide zones in limited previous exploration.**
- **High-grade copper results have not been followed up and remain open along strike as well as at depth.**
- **Mineralisation located on patented mineral claims that provide surface and mineral ownership rights.**
- **An initial 10 hole RC drilling program has commenced with a primary aim of validating previous results and secondly testing strike extensions.**

The Directors of PacMag Metals Limited ("PacMag") are pleased to advise that the Company has commenced a 10 hole RC drilling program at the Shamrock copper project. The Nevada based project is located 5km south east of the Company's 100% owned Ann Mason porphyry copper-molybdenum deposit containing 810 million tonnes grading 0.4% copper and 0.004% molybdenum (Figure 1).

Limited previous drilling at Shamrock in 1971 intersected wide (5 – 20 metre) zones of copper mineralisation, grading 1 – 3% copper, located on patented mineral claims. Field assessments by PacMag personnel have concluded that no subsequent drilling has been undertaken and that the high-grade copper results have never been followed up and remain open along strike as well as at depth.



Mineralisation at Shamrock is hosted within skarn (altered limestone) close to the contact with an underlying andesite rock unit that is easily traceable from its southern outcrop at the Western Nevada copper mine along strike to the north for 750 metres to the historic McConnell copper mine. Faulting and folding produces an interpreted canoe shaped target area, with overall dimensions of approximately 750m in length by 100 – 150 metres in width.

Previous drilling consisted of a small number of diamond core and percussion drill holes, and although the Company has detailed reports containing the assay results and drill hole geology, the records are incomplete with respect to sampling, assay methodology, quality assurance and quality control and hence require independent validation by PacMag prior to reporting under the JORC code.

PacMag has commenced an initial 10 hole RC drilling program with a primary aim of validating previous results and secondly testing the along strike potential. Success in developing an initial operation at a high grade project such a Shamrock may provide the catalyst to develop the Company's nearby, larger scale and more capital intensive porphyry copper deposits (including the Ann Mason deposit containing 7.1 billion pounds of copper metal).

The Shamrock project is secured by a two year option to purchase outright the mineral rights (and where applicable surface rights) with no residual royalties, covering 13 patented and 26 unpatented mining claims. The terms of the agreement are confidential, but included a predetermined cash purchase price to be payable before the end of the two year option period, should PacMag at its sole discretion exercise the option to purchase.

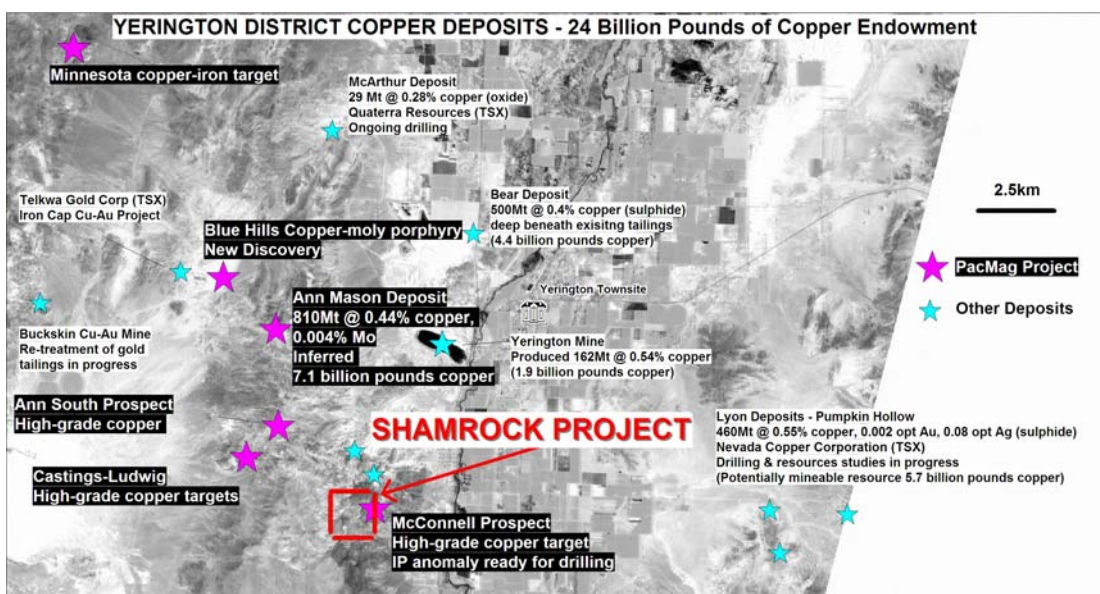


Figure 1: Shamrock Project Location Map

The information in this ASX Release that relates to Exploration Results, Minerals Resources or Ore Reserves, as those terms are 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. Mr Clifford is a Member of the Australian Institute of Geoscientists and a full time employee of the Company. Mr 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 Clifford consents to the inclusion in this ASX Release of the matters based on their information in the form and context in which it appears.

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 the Sentinel Project in North Dakota.