

PacMag Metals Limited

ASX ANNOUNCEMENT

NEW GOLD PROJECT SECURED IN WESTERN AUSTRALIA

SUMMARY

12th May 2009

- New wholly owned gold prospect (Mystique Project) identified and secured in Tropicana belt, Western Australia with several immediate drill targets.
- Gold intersections in shallow aircore drilling over an area 1.3 km x 0.5 km with results including 3m @ 2.9 g/t gold that are yet to be tested by RC drilling, within a large gold in soil anomaly (4km x 2km with peak results of 0.6 g/t gold).
- The soil anomaly is larger and stronger than that reported 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 testing the main Tropicana gold zones that were subsequently discovered by deeper RC and core drilling.
- Bedrock gold intersections open to the south and south east, with several large untested open ended gold soil geochemical anomalies located 1 km south that are an immediate aircore drill target.
- Numerous untested strong gold soil anomalies within regional geochemical sampling (up to 20 ppb gold) that are indicative of large mineralising systems that require follow-up.

The Directors of PacMag Metals Limited ("PacMag") are pleased to report that the Company has identified a new gold prospect (Mystique Project) covering 434 km² and have secured 100% owned tenements covering a major poorly tested gold geochemical anomaly 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).

Chairman Mike Joyce commented "We are very excited about the new Mystique Project which Managing Director Mick Clifford has identified and secured, particularly in the light of Mick's involvement in the Tropicana gold discovery prior to joining us at PacMag. Teams under Mick's leadership at AngloGold Ashanti discovered Tropicana and his technical knowledge of the district in particular the regolith geochemistry are invaluable to unlocking the potential of this project. PacMag is continuing to evaluate a number of gold acquisition opportunities in Australia and overseas to supplement its USA based activities".

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



MYSTIQUE GOLD PROJECT

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 1).

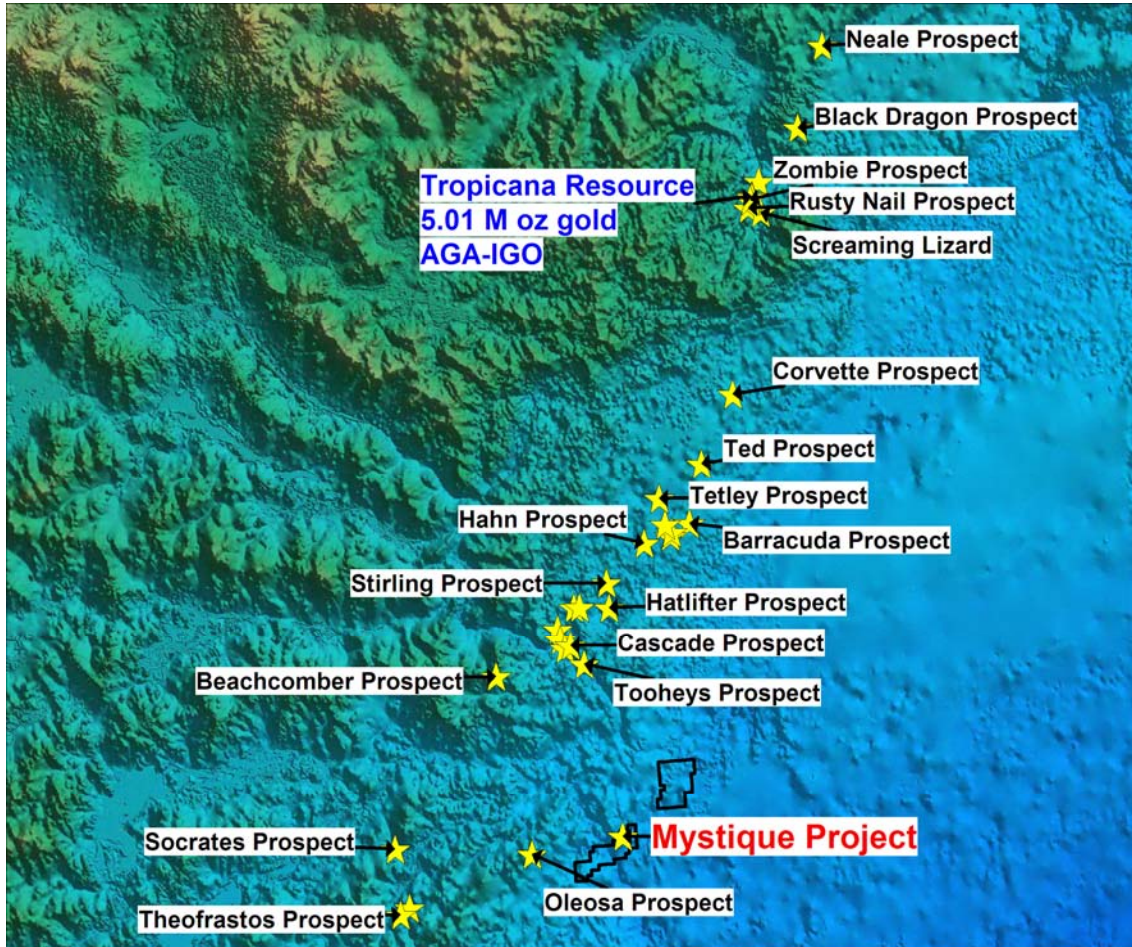


Figure 1: Mystique Project Location - Regional Gold Prospects (various companies) on Digital Terrain Model

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 2).

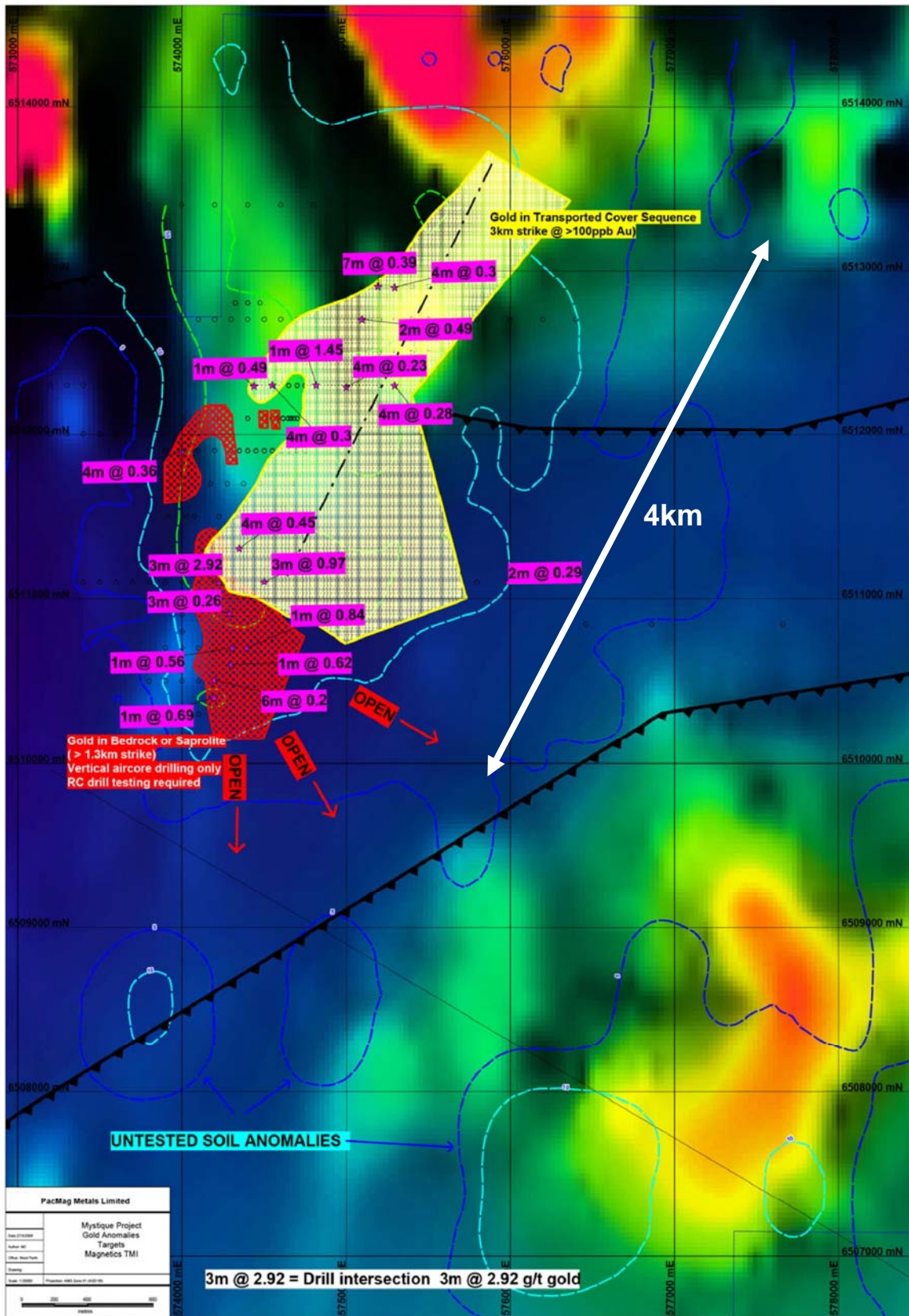


Figure 2: Mystique Gold Zones and Soil Anomalies on Background Image of Magnetics

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 (Figure 3).

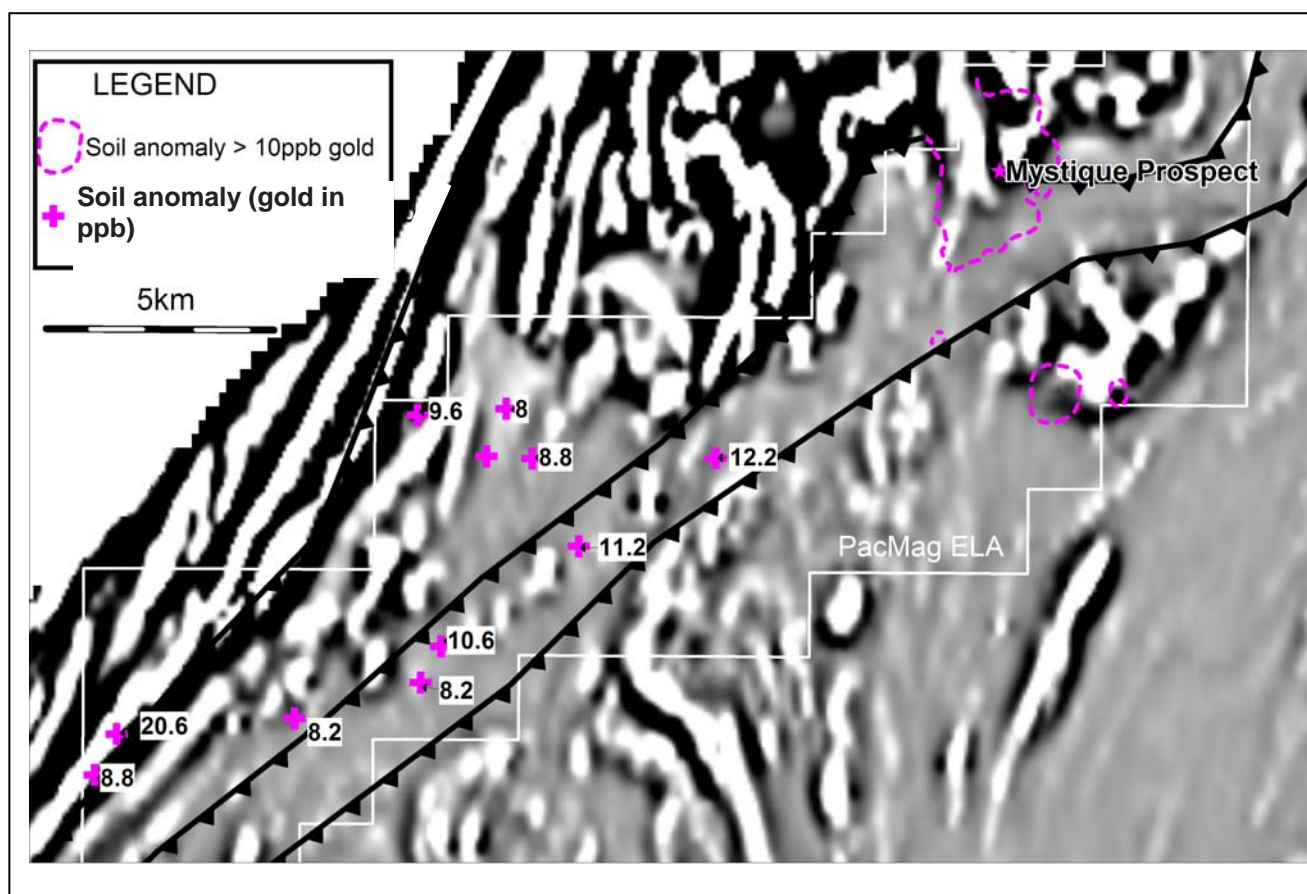


Figure 3: Mystique Prospect – Soil Anomalies on Background Image of Aeromagnetics

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 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 Clifford
Director

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.