

PacMag Metals Limited

ASX ANNOUNCEMENT

APPROVAL TO CONVENE SCHEMES OF ARRANGEMENT MEETINGS

22nd April 2010

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

The Directors of PacMag Metals Limited (PacMag) are pleased to advise that the Company has received approval from the Federal Court of Australia to convene the meetings of shareholders and optionholders under PacMag's proposed schemes of arrangement to effect a merger between PacMag and Entrée Gold Limited (Entrée).

Details of the merger, including details of how PacMag's shareholders and optionholders can vote on the proposed merger, are set out in the Scheme Booklet that will be mailed to PacMag shareholders and optionholders shortly.

Under the share scheme the offer is approximately one Entrée share for each 9.83 PacMag shares and CAD\$0.0415 for each PacMag share held on the record date. The offer may also be expressed as 0.1018 Entrée share and CAD\$0.0415 cash for each PacMag share.

The following formula can be used to calculate the offer price in Australian dollars: $(0.1018 \text{ ETG shares} \times \text{ETG share price}^1 \times \text{foreign exchange Rate}^2 + (\text{CAD\$0.0415} \times \text{foreign exchange rate}))$ for each PMH share.

By way of example, the offer consideration based on the last trading price of Entrée as at the 22nd April 2010 is:

$(0.1018 \times \text{CAD\$2.84} \times 1.0796) + (\text{CAD\$0.0415} \times 1.0796) =$
AUD\$0.36 per PMH share.

Note that there have been several previous announcements to the ASX regarding the schemes, including:

- Scrip – Cash Offer for PacMag Metals Limited by Entrée Gold Inc dated 30th November 2010,
- PMH-ETG Proposal Clarification of Consideration dated 1st December 2010,
- Revised Scheme Timetable dated 16th April 2010.



¹Available at the website finance.yahoo.com use Entrée code ETG.TO.

²Based on the nominal noon rate as published by the Bank of Canada on their website.

Note that Entrée will pay the \$CAD entitlement in Australian currency, by determining the Australian currency equivalent with reference to the nominal noon rate as published by the Bank of Canada on the date at which the Schemes become effective.

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 contains an inferred 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.