

Activities Report

for the Quarter Ending 30 September 2009

Work during the September Quarter consisted of a combination of exploration, infill resource drilling and advancing mining proposals for areas selected for early development.

Highlights

Golden Terrace South

An infill RC drilling programme conducted during August 2009 was successful in upgrading the confidence levels on interpreted mineralisation outlines within a conceptual (Stage One) open pit design. Gold intercepts included;

- **8m @ 2.98g/t from GTRC 197**
- **12m @ 11.45g/t, 8m @ 8.31g/t, and 23m @ 3.81g/t from GTRC 199**
- **19m @ 5.92g/t, 11m @ 1.56g/t, and 8m @ 2.93g/t from GTRC 201**
- **5m @ 3.77g/t, and 12m @ 2.73g/t from GTRC 202**
- **26m @ 4.98g/t, and 7m @ 5.56g/t from GTRC 203**

The geological review has been completed with an updated resource estimation to be released in the coming weeks.

Air core drilling is currently in progress to test additional targets and to sterilise areas of proposed waste dumps and infrastructure positioning.

727 Prospect

High grade gold intercepts from RC drilling have been compiled and wire frame shapes around the mineralisation are being used to conduct a preliminary scoping assessment of open pit mining.

Scout drilling seeking additional gold mineralisation along the interpreted 727 corridor was carried out during the September Quarter. Results are awaited.

Nambi / Redcliffe Prospects

Soil geochemistry programme further significant zones of gold and nickel anomalism being outlined.

- **Several linear gold anomalies (+20ppb Au, peak 258ppb Au) occur in the Gully area.**
- **A 100m by 800m “hockey stick” shaped nickel anomaly (+100ppm Ni, peak 729ppm Ni) lies coincident to a magnetic high.**
- **Infill sampling and petrology are being carried out.**

REDCLIFFE GOLD PROJECT

Work during the September Quarter consisted of a combination of exploration, infill resource drilling and advancing mining proposals for areas selected for early development. In particular:

- Scout drilling was carried out to further test the interpreted 727 structural corridor that hosts high grade gold mineralisation. Complete results are awaited.
- Infill RC drilling programme was conducted to upgrade the confidence levels of interpreted gold mineralisation outlines within a conceptual (Stage One) open pit design.
- Advancing mine development proposals including geological reviews for upgrading resource estimates, metallurgical test work programming, negotiations with parties involving mining, trucking, and treatment plant alternatives.
- An overview report on gold and nickel prospectivity within Pacrim's Redcliffe Project has been commissioned. As well as considering the many existing targets, several new targets of significance have been identified. The report covers proposed exploration programming, budgeting, and target prioritisation.

During the December Quarter the Company will continue to conduct exploration and mine development programmes, including diamond core drilling and surveys necessary for open pit mining proposals.

Golden Terrace South – Gold Resource

The initial resource estimate for Golden Terrace South calculated in mid 2008 was 416,000 tonnes @ 3.3g/t gold, for 44,000 ounces (Indicated & Inferred - see breakdown of categories below under Redcliffe Project Background). Subsequent RC drilling has outlined a mineralised zone that continues at depth and to the south and remains open in those directions.

The Company is in negotiations with a number of parties with respect to mining, trucking, and treatment alternatives for production from proposed open pit operations.

Data for the Mining Proposals for areas selected for early development has entered the phase of Flora and Fauna surveys with crews on-site in coming weeks. A metallurgical test-work programme has been proposed by consultants. Profiling of metallurgical characteristics for each of the mineralized zones is required to determine processing plant compatibility and gold recovery optimisation. Triple-tube diamond core drilling has been planned to provide material for this purpose and to provide geotechnical information to consider pit wall stability in designing mine parameters.

Infill RC drilling conducted during August 2009 was designed to upgrade the confidence levels of interpreted mineralisation outlines within a conceptual (Stage One) open pit design. Gold assay results (tabulated on page 3) for the twelve hole programme have been integrated into the database. They included;

- **8m @ 2.98g/t from GTRC 197**
- **12m @ 11.45g/t, 8m @ 8.31g/t and 23m @ 3.81g/t from GTRC 199**
- **19m @ 5.92g/t, 11m @ 1.56g/t and 8m @ 2.93g/t from GTRC 201**
- **5m @ 3.77g/t and 12m @ 2.73g/t from GTRC 202**
- **26m @ 4.98g/t and 7m @ 5.56g/t GTRC 203**

Golden Terrace South – RC Drilling – Single Metre Assay Results

HOLE ID	EAST	NORTH	FROM	TO	INTERVAL	>0.5 G/T GOLD
GTRC196	357490	6838270	37	39	3m	@ 1.18
GTRC197	357500	6838270	49	50	1m	@ 11.80
GTRC197			52	60	8m	@ 2.98
GTRC197			63	70	7m	@ 1.52
GTRC198	357510	6838270	47	49	2m	@ 1.64
GTRC198			84	85	1m	@ 3.44
GTRC199	357520	6838270	57	68	12m	@ 11.45
GTRC199			73	74	1m	@ 6.15
GTRC199			79	87	8m	@ 8.31
GTRC199			91	114	23m	@ 3.81
GTRC200	357530	6838220	28	30	2m	@ 2.51
GTRC200			60	61	1m	@ 1.56
GTRC201	357525	6838260	51	70	19m	@ 5.92
GTRC201			78	79	1m	@ 3.51
GTRC201			86	97	11m	@ 1.56
GTRC201			102	110	8m	@ 2.93
GTRC202	357530	6838360	66	71	5m	@ 3.77
GTRC202			82	94	12m	@ 2.73
GTRC202			96	101	5m	@ 1.83
GTRC203	357535	6838380	76	102	26m	@ 4.98
GTRC203			105	106	1m	@ 1.26
GTRC203			111	118	7m	@ 5.56
GTRC205	357510	6838470	26	29	3m	@ 2.50
GTRC205			35	36	1m	@ 1.27
GTRC206	357520	6838470	62	65	3m	@ 1.79

Coordinates in GDA94 Zone51. Samples assayed via conventional fire assay by Kalassay in Leonora. Intervals were calculated using a 0.5g/t lower cut off, no upper cut, and a maximum of 1 sample internal dilution. **Bold figures >20g.m.**

A geological review including these latest infill drilling results has been completed and updated resource estimation is to follow.

Air core drilling is in progress to test additional targets and to sterilise areas of proposed waste dumps and infrastructure positioning.

727 Prospect

High grade gold intercepts from RC drilling (including 9 metres @ 14.51g/t) have been compiled and wire frame shapes around the mineralisation are being used to conduct a preliminary open pit mine scoping studies.

The high grade mineralisation occurs in association with strong quartz veining, disseminated oxidised pyrite, and manganese staining. Host rocks consist of yellow stained, limonitic, sheared, highly weathered sediments and schists.

Regional geological trends and the Mertondale Shear Zone have a general north/south strike, as supported by magnetic survey images of the area. The mineralised zones at 727 Prospect appear to have an orientation more approximating a WNW/ESE strike, with a northerly dip, possibly lying within a north/south corridor.

Scout drilling carried out during the September Quarter was carried out on traverses oriented oblique to both the corridor and individual veins to enhance chances of intersecting gold mineralisation. Zones of alternating sedimentary and volcanic schists were intersected, several with accompanying alteration (quartz with pyritisation and manganese staining) similar to the high grade 727 Reef zone. Results are awaited.

The occurrence of additional gold anomalism and mineralisation in this RC drilling considerably expands the prospectivity of this area. Discovery of further near surface, high grade gold mineralisation is an obvious priority.

Nambi - Redcliffe Prospects

Soil geochemistry coverage on 200m line spacings and 25m sample spacings continued through the quarterly period and resulted in further significant zones of gold and nickel anomalism being outlined. Several linear gold anomalies (+20ppb Au, peak 258ppb Au) occur in the Gully area and a “hockey stick” shaped nickel anomaly (+100ppm Ni, peak 729ppm Ni), up to 100 metres wide, extends for over approximately 800m strike length and lies coincident to the western edge of a magnetic high. Ultramafic rocks have been identified and ferruginous material has been submitted for preparation of polished sections and petrological assessment. Infill soil sampling on 100m line spacing is also underway.

Nambi Nickel Prospect

The Nambi Nickel Prospect consists of an ultramafic rock sequence that occurs over a 20 kilometre strike length within the Redcliffe Project tenements. Pacrim's initial RC drilling in late 2008 returned an intercept of 98 metres @ 0.4%Ni, including 7 metres @ 1.05% nickel.

Petrological work confirmed the presence of sulphide mineralisation including chalcopyrite and nickel-cobalt sulphides (millerite). Subsequent work has consisted of compiling data and designing exploration programmes to seek disseminated and massive sulphide deposits. These programmes will initially consist of geophysical surveys.

Redcliffe Project Background

Pacrim's 100% owned Redcliffe Project is located in the north eastern Goldfields of Western Australia, 10-90km from Leonora. The Project covers approximately 65 kilometres of strike length of the Mertondale Shear Zone along with parallel and associated structures. An estimated 400,000 ounces of gold has been produced from the Mertondale Shear Zone from historic mines and pits that operated in the 1980s and 1990s. These include the shallow Nambi and Redcliffe pits that produced in excess of 90,000 ounces from within the Pacrim project tenements.

The Company's Redcliffe Gold Project exploration led to the initial resource estimate of 151,000 ounces of gold, (consisting of an Indicated Resource of 385,000 tonnes @ 3.42g/t and an Inferred Resource of 1,678,000 tonnes @ 2.0g/t), with the Board confident of increasing the figure through further exploration.

The resources are headed by the Golden Terrace South deposit, which totals 44,000 ounces of gold (consisting of an Indicated Resource of 113,000 tonnes @ 3.7g/t and an Inferred Resource of 302,000 tonnes @ 3.2g/t) which is based entirely on Pacrim drilling since discovery where no past mining has been carried out.

Grants Creek Gold Project (East Kimberley, WA farm-out to 30%)

The Grants Creek gold project is located in the East Kimberley region of Western Australia, approximately 60 kilometres north of Halls Creek.

Previous exploration has identified a three kilometre long prospective zone defined by anomalous gold and arsenic soil geochemistry.

RC drilling at the Perseverance Prospect carried out by Metminco in late 2008 included intercepts of 15m @ 4.2g/t, 5m @ 5.87g/t, 6m @ 6.13g/t gold. Future activity proposals are awaited from the operating partner.

Angelo Gold Project (East Kimberley, WA farm-out to 30%)

The Angelo gold project is located in the East Kimberley region of Western Australia, approximately 40 kilometres southwest of Halls Creek.

Previous reverse circulation drilling undertaken by Metminco at the Leonardo prospect confirmed the presence of a promising mineralised system within a substantial area of elevated gold in soil in a zone over six kilometres long and up to a kilometre wide.

The extensive soil sampling database was reviewed by specialized consultants to assist in identifying priority targets within the many gold anomalous trends. Subsequent soil sampling identified strong associated gold/arsenic anomalism and further programme proposals are awaited from the operating partner.

Fosterville Regional Joint Venture (Victoria, Gold Fields Australasia Pty Ltd 75% Pacrim 25% and diluting)

No further work for the June Quarter has been reported by the Operator.

Manus Copper Gold Project (Manus Island, PNG – Pacrim 20%) (Operated by Triple Plate Junction plc)

No further work for the September Quarter has been reported by the Operator.

Northern Sacramento Basin Gas Project (California, USA – Pacrim 12.5% via Pacrim US Energy Corp.)

Pacrim Energy retains a 12.5% free carried interest through exploration in the Northern Sacramento Basin Gas project in California with the Nahabedian Exploration Group (NEG) and others. No further updates have been provided for the Quarter.



Rodney Foster (BSc Geology)
Managing Director

The information in this report, as it relates to Exploration Results and Resource Estimates, is based on information compiled and/or reviewed by Rodney Foster who is a Member of The Australasian Institute of Mining and Metallurgy. Rodney Foster is the Managing Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Reserves. Rodney Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.