

# Drilling Update - Golden Terrace South

## Redcliffe Project – Leonora WA

### Announcements Office

Australian Securities Exchange Limited  
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## RC drilling demonstrates new broad zones with substantial gold potential at Redcliffe

The Company is pleased to announce further RC drilling results from the ongoing programme at its 100% owned Redcliffe Gold Project. These early results are considered highly encouraging as it confirms the belief that the project has the potential to host further potentially economic zones of gold mineralisation to build on the existing resource base of 175,000 ounces.\*

Significant results received to date include;

### Golden Terrace South (single metre samples)

- **7m @ 14.0g/t inc. 2m @ 41.7g/t** gold
- **6m @ 14.6g/t inc. 2m @ 27.3g/t** gold
- **11m @ 2.97g/t, and 6m @ 3.57g/t** gold
- **6m @ 3.57g/t** gold

### Golden Terrace South NEXT (5m composites)

- **15m @ 1.28g/t** gold
- **20m @ 0.90g/t inc. 5m @ 2.03g/t** gold
- **20m @ 0.89g/t inc. 5m @ 2.62g/t** gold
- **30m @ 0.79g/t inc. 5m @ 2.36g/t** gold

### Kelly (5m composites)

- **5m @ 20.1g/t** gold
- **5m @ 6.0g/t** gold
- **30m @ 1.19g/t** gold
- **30m @ 1.24g/t** gold

RC drilling continues at Redcliffe Project with 38 holes for over 5,000 metres drilled to date.

\* Pacrim's resource estimate of 175,000 ounces of gold consists of an Indicated Resource of 1,007,000 tonnes @ 2.72g/t and an Inferred Resource of 1,565,500 tonnes @ 1.73g/t. The resources are headed by the Golden Terrace South deposit, with a current estimated resource of 68,000 ounces of gold (consisting of an Indicated Resource of 735,000 tonnes @ 2.50g/t and an Inferred Resource of 189,500 tonnes @ 1.68g/t for a total of 925,000 tonnes @ 2.3g/t gold). The Golden Terrace South resource estimate was compiled utilising a lower cut-off of 0.5g/t, an upper cut in supergene mineralisation of 20g/t and an upper cut in primary mineralisation of 40g/t gold.

## Golden Terrace South

Five holes for 638 metres of drilling were completed at Golden Terrace South resource to verify the resource model to aid in detailed mine planning. Intercepts from assaying of 5 metre composite samples returned down-hole intervals of gold mineralisation with previously announced intercepts including **65m @ 2.49g/t**, including **5m @ 19.69g/t** and **48m @ 2.98g/t** including **5m @ 12.18g/t** gold (released to ASX 1 July 2010). Single metre assays have correlated well for the high grade zones as shown on the following comparative table..

### Comparisons of 5 metre composite assays with Single metre assays

HOLE NUMBER	FROM	TO	Au 5m	Au 1m	Au 1m Average
GTRC209	70	71	<b>19.69g/t</b>	3.27	<b>18.62g/t</b>
GTRC209	71	72		57.97	
GTRC209	72	73		25.48	
GTRC209	73	74		2.31	
GTRC209	74	75		4.06	
GTRC210	75	76	<b>12.18g/t</b>	2.32	<b>15.26g/t</b>
GTRC210	76	77		9.36	
GTRC210	77	78		10.11	
GTRC210	78	79		29.31	
GTRC210	79	80		25.21	

The results from assays of single metre splits are being incorporated into the Golden Terrace South database for interpretation and incorporation into the current resource of **923,000t @ 2.3g/t** (735,000t @ 2.5 g/t -Indicated and 189,500t @ 1.68 g/t - Inferred) gold. A summary of intercepts follows;

### Golden Terrace South - RC Drilling - Single Metre Assay Summary

HOLE ID	EAST	NORTH	AZ/DIP	TOT DEPTH	FROM	TO	INTERCEPT - G/T GOLD	
GTRC208	357445	6838260	90/-60	170	48	52	4m @ 1.28	
					84	90	6m @ 1.56	
					97	99	2m @ 2.70	
					138	141	3m @ 2.58	
GTRC209	357465	6838320	90/-60	110	47	49	2m @ 2.02	
					70	77	<b>7m @ 14.0</b>	
					inc.	71	73	<b>2m @ 41.7</b>
					82	84	<b>2m @ 6.03</b>	
					96	102	<b>6m @ 3.57</b>	
GTRC210	357460	6838380	90/-60	108	64	71	<b>7m @ 1.82</b>	
					75	81	<b>6m @ 14.6</b>	
					inc.	78	80	<b>2m @ 27.3</b>
					84	89	<b>5m @ 1.98</b>	
					92	103	<b>11m @ 2.97</b>	

Grid GDA94 Zone 1, Fire Assayed by Kalassay, lower cut 1g/t, max 1 sample internal waste, bold plus 10g.m

## GTS Next

The continuity of gold mineralisation over an additional 200 metres of strike length to the north of the existing Golden Terrace South resource estimate has been confirmed by initial RC drilling and remains open along strike and at depth. Twelve RC holes for 1441 metres were drilled to follow up wide spaced lines of Aircore drill holes that intersected gold mineralisation. (reported to the ASX 29 June 2010) The GTS Next area is considered to be a northerly extension of Golden Terrace South mineralisation as it shows strong geological similarities. As such, the Company believes excellent potential exists at GTS Next (and also along the northerly trend for a further 500m) for shallow oxide gold mineralisation similar to that seen at Golden Terrace South. Pacrim has therefore accelerated exploration efforts and will conduct further RC drilling in August in order to ascertain the resource potential of GTS Next and other prospects. Significant assay results from initial 5 metre composites are presented below;

### GTS NEXT - RC Drilling - 5m Composite Assay Summary

HOLE ID	EAST	NORTH	AZ/DIP	TOT DEPTH	FROM	TO	INTERCEPT - G/T GOLD	
GTRC213	357512	6838540	270/-60	90	15	45	30m @ 0.75	
					inc.	30	45	<b>15m @ 1.28</b>
						50	70	20m @ 0.38
GTRC214	357525	6838540	270/-60	102	40	60	20m @ 0.28	
						65	85	20m @ 0.90
					inc.	70	75	<b>5m @ 2.03</b>
GTRC215	357540	6838540	270/-60	126	85	90	5m @ 0.28	
						105	110	5m @ 0.25
GTRC216	357540	6838560	270/-60	120	80	105	25m @ 0.60	
GTRC217	357540	6838580	270/-60	120	95	115	20m @ 0.45	
					inc.	110	115	<b>5m @ 1.37</b>
GTRC218	357540	6838600	270/-60	126	95	115	20m @ 0.24	
GTRC219	357540	6838620	270/-60	126	90	110	20m @ 0.89	
					inc	100	105	<b>5m @ 2.62</b>
GTRC220	357540	6838640	270/-60	126	100	120	20m @ 0.41	
GTRC221	357540	6838660	270/-60	120	105	120	15m @ 0.73 (EOH)	
GTRC222	357540	6838680	270/-60	150	70	75	<b>5m @ 1.45</b>	
						110	140	30m @ 0.79
					inc.	120	125	<b>5m @ 1.37</b>
			inc.		130	135	<b>5m @ 2.36</b>	
GTRC223	357540	6838520	270/-60	120	15	20	5m @ 2.26	
						75	80	5m @ 0.37
						90	105	15m @ 0.39
GTRC224	357540	6838500	270/-60	115	80	115	35m @ 0.28 (EOH)	

Grid GDA94 Zone 1, Fire Assayed by Kalassay, lower cut 0.1g/t, max 1 sample internal waste, bold >1g/t

## Kelly Prospect

Historic RAB and RC drilling has returned numerous indications of gold mineralisation over at least one kilometre of strike at the Kelly Prospect. Pacrim's first programme of exploration at Kelly (and the first in over 10 years) is continuing with over 20 holes completed to date for approximately 3000 metres advance.

The initial results from the first 9 holes from sampling of 5 metre composites indicate the existence of a very large gold mineralised system, consistently showing broad intervals of gold mineralisation, (inc. 85m @ 0.63g/t, 120m @ 0.34g/t, 120m @ 0.52g/t, and 120m @ 0.42g/t) but also including significant intercepts of; **30m @ 1.19g/t, 30m @ 1.24g/t, 5m @ 20.1g/t, 5m @ 6.00g/t gold.**

Mineralisation at Kelly is open in all directions and results to date are considered by the Company's geologists to be highly encouraging. As a demonstration of the diversity in styles of gold mineralisation in Pacrim's project area, gold mineralisation differs from Golden Terrace South as it is hosted in a highly sheared felsic volcanic dominated sequence of rocks associated with the Mertondale Fault yet with minimal black shales.

Significant assay results received to date at Kelly are presented below;

#### Kelly - RC Drilling - 5m Composite Assay Summary

HOLE ID	EAST	NORTH	AZ/DIP	TOT DEPTH	FROM	TO	INTERCEPT - G/T GOLD	
GTRC225	358085	6842360	270/-60	114	25	35	10m @ 0.30	
					45	85	40m @ 0.25	
GTRC226	358055	6842360	270/-60	120	5	90	<b>85m @ 0.63</b>	
					inc.	45	75	<b>30m @ 1.19</b>
						100	115	15m @ 0.80
					inc.	100	105	<b>5m @ 2.10</b>
GTRC227	358030	6842360	270/-60	150	25	145	<b>120m @ 0.34</b>	
GTRC228	358110	6842260	270/-60	120	5	85	80m @ 0.37	
GTRC229	358040	6842260	270/-60	150	0	110	110m @ 0.23	
GTRC230	358065	6842260	270/-60	150	20	105	85m @ 0.38	
						115	120	5m @ 0.24
						130	140	10m @ 0.28
GTRC231	358120	6842260	270/-60	192	35	55	20m @ 5.10	
					inc.	35	40	<b>5m @ 20.1</b>
						115	192	77m @ 0.29 (EOH)
				inc.	180	185	<b>5m @ 1.39</b>	
GTRC232	357955	6841960	270/-60	144	0	120	<b>120m @ 0.52</b>	
					inc.	20	50	<b>30m @ 1.24</b>
					inc.	110	115	<b>5m @ 1.11</b>
GTRC233	357990	6841960	270/-60	144	15	115	100m @ 0.37	
GTRC234	358020	6841960	270/-60	180	20	30	10m @ 3.15	
					inc.	20	25	<b>5m @ 6.00</b>
					40	160	<b>120m @ 0.42</b>	

Grid GDA94 Zone 1, Fire Assayed by Kalassay, lower cut 0.1g/t, max 1 sample internal waste, bold >1g/t or >40g.m

Diamond core from the Golden Terrace South Mining Proposal area has been logged, cut, sampled and submitted for assay prior to selection of intervals for metallurgical test work. RC drilling, sampling, and receiving of assay is ongoing at Kelly and further is planned for the extensions of Golden Terrace South. Further results will be reported as they become available and are compiled.



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 Managing Director Pacrim Energy Limited

*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.*