



**PANAEGIS**

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## STOCK EXCHANGE ANNOUNCEMENT

24 SEPTEMBER 2008

### PANAEGIS HAS 100% OF NAGAMBIE GOLD PROJECT

Panaegis (ASX: PAU) is pleased to announce that settlement was completed today between the Company and Perseverance Mining Pty Ltd (PSV), a wholly owned subsidiary of Northgate Minerals Corporation, in respect of Nagambie Mining Licence MIN 5412 following the receipt of Ministerial consent and the registration of the transfer of the licence.

PSV has also transferred to Panaegis the 187.25 hectares of freehold property, including all buildings and chattels, within MIN 5412 known as 726 Ballantynes Road, Nagambie. Panaegis has assumed full responsibility for the environmental bond of \$385,000.

MIN 5412 includes the Nagambie Gold Mine which was worked by PSV between 1990 and 1997. The operation produced approximately 135,000 ounces of gold from the heap leaching of 7.3 million tonnes of ore mined from two adjacent pits. Average head grade was 0.78 g/t gold and heap leach recovery was estimated at 73%.

#### Oxide Gold Targets on MIN 5412

Panaegis intends carry out an exploratory drilling program to evaluate oxide gold targets adjacent to and along strike with the historic open pits with a view to re-commencing mining and heap leaching operations given the current high A\$ gold price relative to the gold price in the 1990's.

At least two parallel structures north of the West Pit have been identified from previous drilling. Extending the West Pit westwards is of particular interest to Panaegis given that a 2006 scout hole drilled to the west, NRP 26, intersected 24 metres of oxide mineralisation averaging 1.0 g/t gold. Exploration of these areas may lead to the location of gold mineralisation of similar size and tenor to that mined by PSV from the West Pit.

#### Regional Gold Exploration Strategy

The acquisition of 100% of MIN 5412 is important in a regional ore treatment sense for Panaegis as the Company has other compelling oxide gold targets within economic trucking distance of MIN 5412. The aim is to establish significant oxide gold resources, typically averaging 1 to 2 g/t gold that could be mined and trucked to MIN 5412 for heap leaching along with oxide ore from MIN 5412. Panaegis is targeting total heap-leachable gold of at least 100,000 ounces. A summary of current exploration in the region is as follows:

- **Redcastle Project (EL 3316).** Encouraging previous drilling results from the area such as 7m at 2.0g/t (gold) from 16m (depth), 10m at 2.5g/t from 22m and 8m at 5.2g/t from 36m have been followed up by a comprehensive costeaning program over the historic Redcastle Gold Field. An evaluation drilling program is now being planned.
- **Heathcote South Project (EL 3316).** A comprehensive costeaning program over the historic high grade Heathcote Gold Field is to commence in October 2008. Once all assays are received and geological interpretations made, an evaluation drill program will be planned to follow on from the Redcastle drilling.

- **Nagambie Project (ELs 4994 & 5023).** Only 2 to 3 km north of MIN 5412 an area exceeding 3.5 km in strike with anomalous gold in soil (+20ppb) has been identified from roadside soil sampling. This is being followed up by a comprehensive infill soil sampling program using the latest techniques identified by Geoscience Victoria in using soil geochemistry to locate buried gold deposits.
- **Graytown (EL 5020) and Rushworth (EL 4723) Projects.** Compilation of historic mining and company exploration data has commenced over these historic goldfields, enabling all data to be evaluated in a comprehensive format.

### **Proposed Change of Name to Nagambie Mining Limited**

Nagambie MIN 5412 is now clearly the most valuable asset of the Company and central to its exploration and development aims in central Victoria. With that in mind, the directors consider that a change of name from Panaegis Gold Mines Limited to Nagambie Mining Limited is appropriate and a resolution to that effect will be put to shareholders at the Annual General Meeting in November.

#### **For further information contact:**

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*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Colin Glazebrook, who is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Glazebrook is a Director of Panaegis Gold Mines Limited and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Colin Glazebrook 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'.*

*This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Panaegis Gold Mines Limited that could cause actual results to differ materially from such statements. Panaegis makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.*