



PANAEGIS

PANAEGIS GOLD MINES LIMITED ABN 42 111 587 163 ACN 111 587 163
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ASX CODE: PAU

About Panaegis

Panaegis listed on ASX on 23 June 2006 and is focussed on the evaluation and development of finely disseminated, sediment hosted gold deposits in Victoria.

Contact:

Website:

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Shares on Issue

Quoted: 51,577,500

Restricted: 18,485,000

Issued: 70,062,500

Directors

John W Cornelius
(Non-Executive Chairman)

Ian D Buckingham
(Managing Director &
Chief Executive Officer)

Andrew R Ristrom
(Non-Executive Director)

Peter I Rudd
(Non-Executive Director)

Michael W Trumbull
(Director - Mining)

Alfonso M G Grillo
(Company Secretary)

Share Registry:

Computershare Investor
Services Pty Ltd
Yarra Falls
452 Johnston Street
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ASX/MEDIA RELEASE

29 November 2006

DRILLING AT REDCASTLE GOLD PROJECT (PAU 100%)

Panaegis' initial drilling evaluation program at its Redcastle property (EL3316 & EL4594), northeast of Heathcote in central Victoria, which commenced on 14 October, involved the drilling of 23 holes for a total of 800 metres of reverse circulation (RC) drilling on ten prospects. The rig was then released pending the return of assay results.

Initial 4-metre composite assay results identified several zones of gold mineralisation on a number of prospects worthy of follow-up assaying. Better results from preliminary assays of RC single metre re-splits of anomalous composite include:

Hole ID	From	Interval	Au ppm	Prospect
RRC04	28m	1m	1.5	Chapman's
RRC06	10m	2m	1.5	NRFZ
RRC08 including	13m 16m	10m 7m	1.6 2.0	Mullocky
RRC10	12m	1m	1.24	Mullocky
RRC12	13m	7m	0.60	Why Not
RRC13	28m	2m(EOH)	1.5	Mitchells
RRC17	12m	3m	3.3	Site 4
RRC20	23m	3m	2.5	Native Gully

Wide zones of quartz stockworking have been intersected at Mullocky, Native Gully and South Empress with further assays awaited. Assays for several of the drill holes at these prospects are yet to be received.

Based on the assay results a next phase drilling program was designed. This program will consist of 71 holes for a total of 1370 metres of reverse circulation drilling. Prospects targeted by this drilling program include: Native Gully, RFZ, Staffordshire Flat, RF35, Mullocky, Pioneer, Site 2 and Site 4.

This follow up drilling program commenced on 28 November 2006.

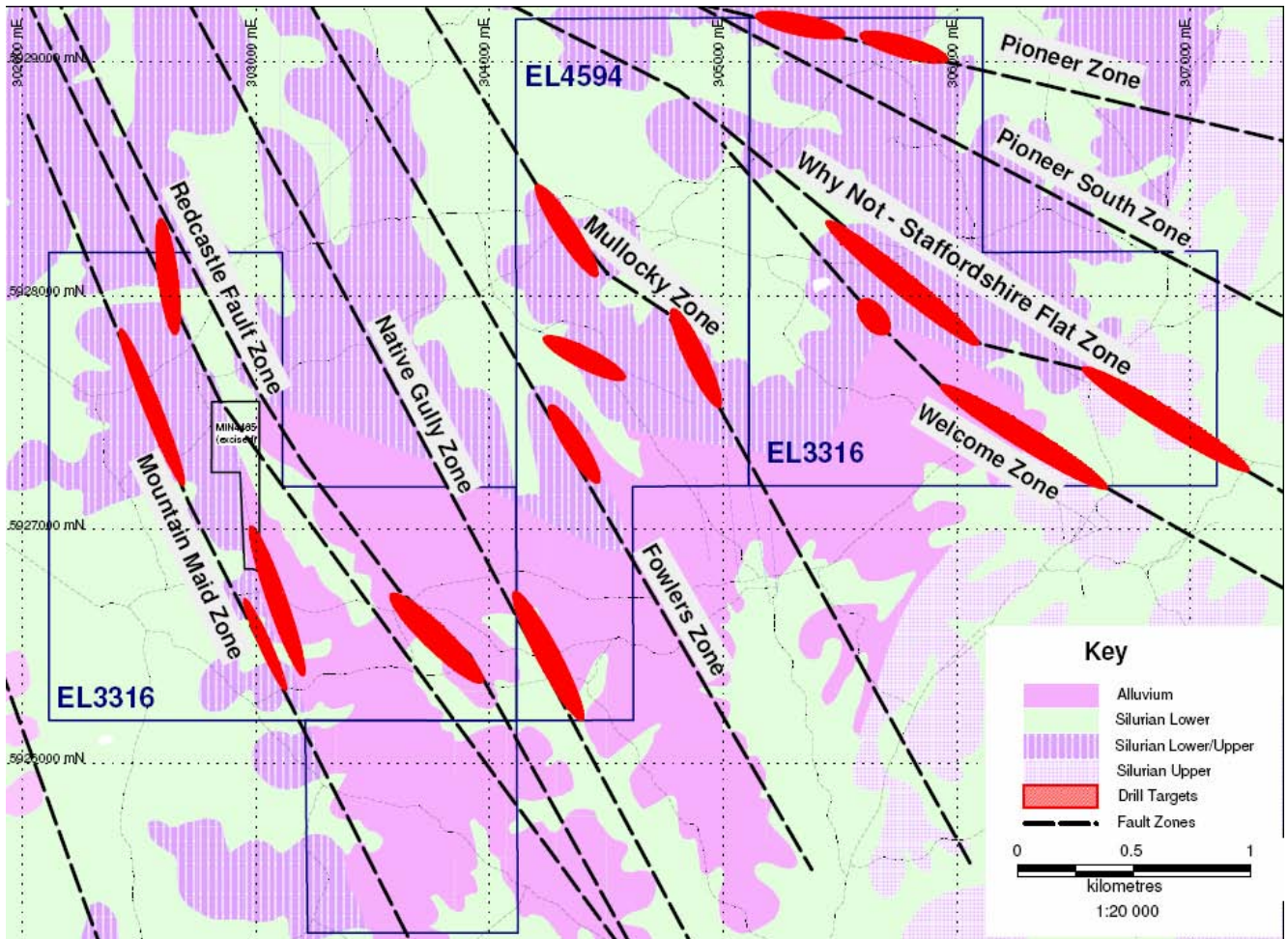


Figure 1: Redcastle prospects

IAN D BUCKINGHAM
 Managing Director/CEO

For further information contact Ian Buckingham on 03 9696 9791 or 0417 335 462.

Within this statement references to Resources and exploration results have been approved for release by Mr N Motton BSc(Hons), MAIG, who is a Competent Person as defined by the JORC Code (2004). He has consented to the inclusion of the material in the form and context in which it appears.