



PANAEGIS

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STOCK EXCHANGE ANNOUNCEMENT

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PANAEGIS MOVES TO 100% OF NAGAMBIE GOLD PROJECT

Panaegis (ASX: PAU) is pleased to announce that an agreement has been entered into between the Company and Perseverance Mining Pty Ltd (PSV), a wholly owned subsidiary of Northgate Minerals Corporation, whereby Panaegis and PSV have agreed to terminate the existing Joint Venture over the Victorian tenements MIN 5412 (held by PSV) and ELs 4718 & 4887 (held by Panaegis). Following completion under the agreement Panaegis will hold a 100% interest in ELs 4718 & 4887 and MIN 5412. PSV has also agreed to transfer to Panaegis freehold property totalling 187.25 hectares (including all buildings and chattels) within MIN 5412 known as 726 Ballantynes Road, Nagambie. Completion is conditional on receipt of Ministerial consent to the transfer of MIN 5412.

In respect of MIN 5412, the terms of the agreement include Panaegis accepting, from completion full responsibility for compliance with the *Mineral Resources (Sustainable Development) Act 1990* and with the terms and conditions under which MIN 5412 has been granted. Panaegis will assume full responsibility for the environmental rehabilitation bond.

MIN 5412 is a 763 hectare Mining Licence which includes the Nagambie Mine which was worked from 1990 to 1997 and produced 134,774 ozs of gold from the heap leaching of 7,311,123 tonnes of ore mined from two adjacent open pits.

Panaegis intends to drill out the near-surface oxide gold mineralisation between and along strike of the two open pits as soon as possible with a view to re-commencing mining and heap leaching operations given the current high gold price relative to the gold price in the 1990's.

The acquisition of 100% of MIN 5412 is also important in a regional ore treatment sense for Panaegis as the Company has other shallow oxide gold targets within economic trucking distance of Nagambie at Redcastle, Heathcote and Graytown.

Panaegis Chief Executive Officer, Colin Glazebrook said: *"The move to 100% of the Nagambie Gold Project is an important step forward for the Company. It completes the rationalisation and exploration focus that we set out to put in place over the last six months."*

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