



PANAEGIS

*PANAEGIS GOLD MINES LIMITED ABN 42 111 587 163 ACN 111 587 163
174b High Steet Heathcote Victoria Australia 3523
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ASX Code: PAU

“A small company on the way up”

Issued Shares:	95.0 Million
Price:	3.0 Cents
Market Cap:	\$2.9 Million

**October 2008
INVESTOR UPDATE**

Important Notice

The information contained in this presentation is current as at 9 October 2008 and all statements are based upon the Company's best information as at 9 October 2008. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and share performance) are based upon the best judgement and beliefs of Panaegis management but are subject to various risks, uncertainties and assumptions.

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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.



PANAEGIS SHAREHOLDERS

Significant Shareholders

Cairnglen Investments Pty Ltd	12.4%
Beaconsfield Gold Mines Pty Ltd	11.1%
Mr Ralph Douglas Russell & Ms Ann Maree Hynes	9.5%
Mr Michael Ward Trumbull	5.8%

Top 20 65.4%

Total Number of Shareholders 445



PANAEGIS PERSONNEL

Directors

Mike Trumbull

Non-Executive Chairman

Colin Glazebrook

Executive Director, CEO & Exploration Manager

Geoff Turner

Non-Executive Director

Executive

Alfonso Grillo

Company Secretary

Joe Fekete

CFO

Sally Sutherland

Senior Exploration Geologist

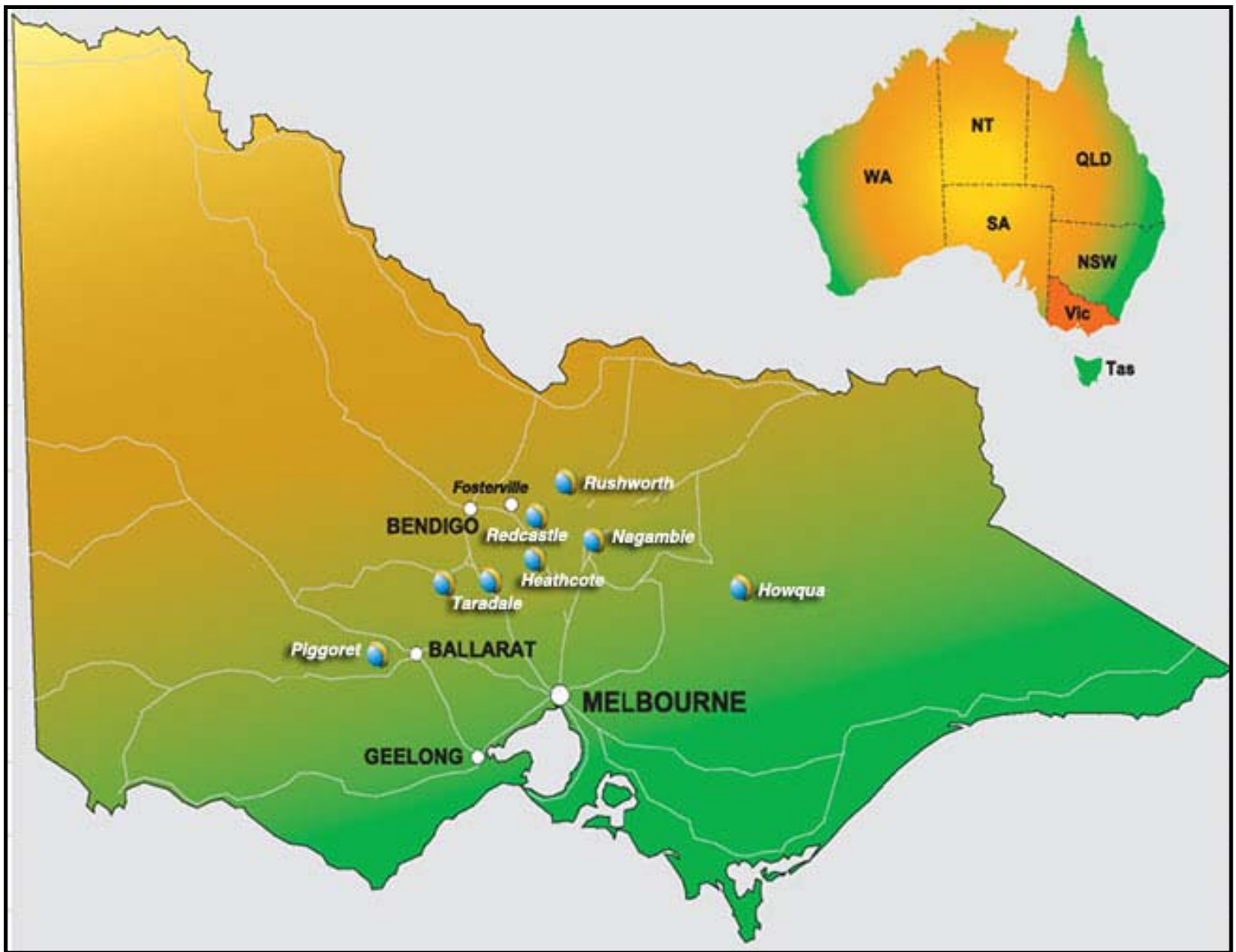
Liz Fuller

Heathcote Office Manager

Trevor Jeffery

Field Operations Manager

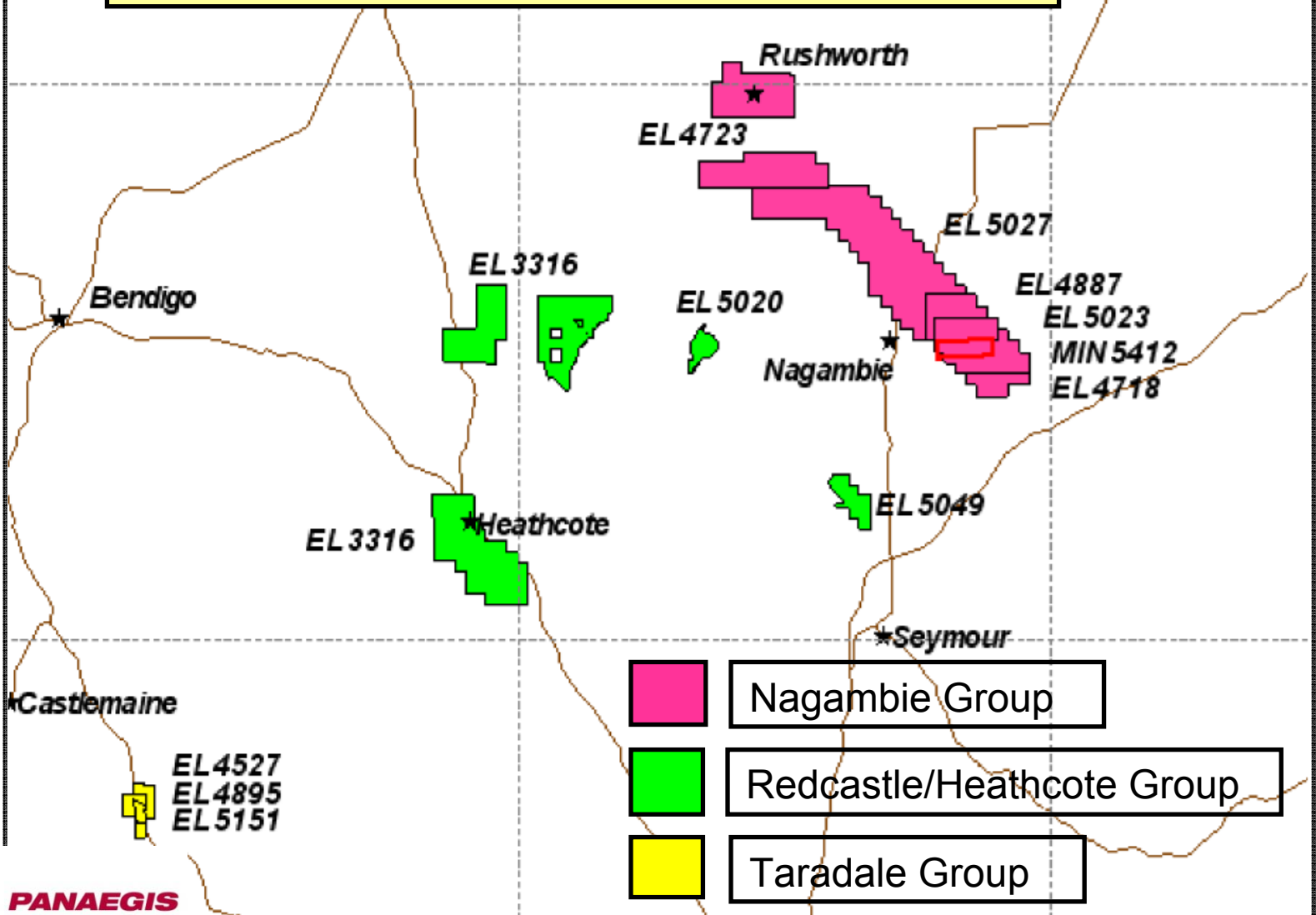




Panaegis Exploration Areas



Melbourne - Bendigo Zone Licences



Nagambie Mine Site – MIN 5412

Ballantynes Rd

536 m

Image © 2008 DigitalGlobe
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©2008 Google

elev 138 m

Aug 31, 2006

Eye alt 2.21 km



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NAGAMBIE MIN 5412

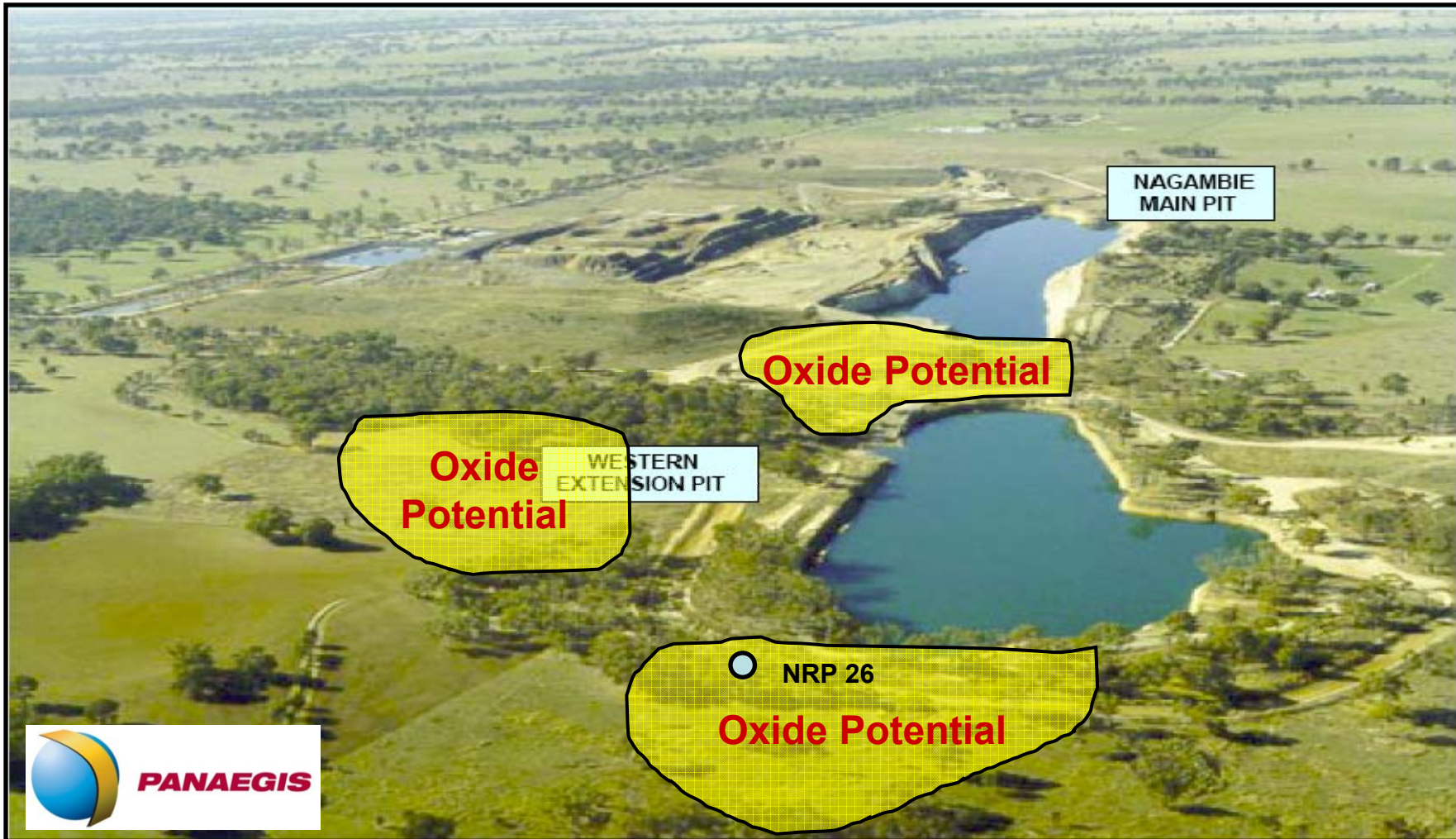
Panaegis now holds **100% of Nagambie MIN 5412**, including **187 hectares of freehold land** and facilities from the previous gold mining operation. MIN 5412 is a particularly valuable asset for Panaegis:

1. MIN 5412 itself contains obvious additional **heap-leachable oxide gold targets** awaiting follow up drilling;
2. As a granted mining licence with a recent operations history, MIN 5412 is an important strategic asset as Panaegis has other compelling **heap-leachable oxide gold targets within economic trucking distance of MIN 5412 at Redcastle, Heathcote South, Graytown, Rushworth and Nagambie Regional**; and
3. MIN 5412 has the potential to generate substantial income for Panaegis, well in excess of current market capitalisation, from the **sale of waste rock for roadmaking** as part of the rehabilitation process.



Panaegis Gold Mines Limited

MIN 5412 – Oxide Gold Potential Areas



MIN 5412 OXIDE GOLD TARGETS

The Nagambie Gold Mine was worked by the previous owner, Perseverance Corporation Limited, 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%.

Panaegis intends to test the near-surface oxide potential gold targets adjacent to and along strike of the historic open pits with a view to recommencing mining and heap leaching operations given the current high A\$ gold price relative to the gold price in the 1990's.

Extending the West Pit westwards is of particular interest to Panaegis given that a 2007 scout hole NRP 26, drilled to the west, intersected 24 metres at 1.0 g/t gold of oxide mineralisation.

Heap-leach operations can be developed quickly and are much lower cost than conventional gold treatment operations, both in terms of capital cost and operating cost per tonne.

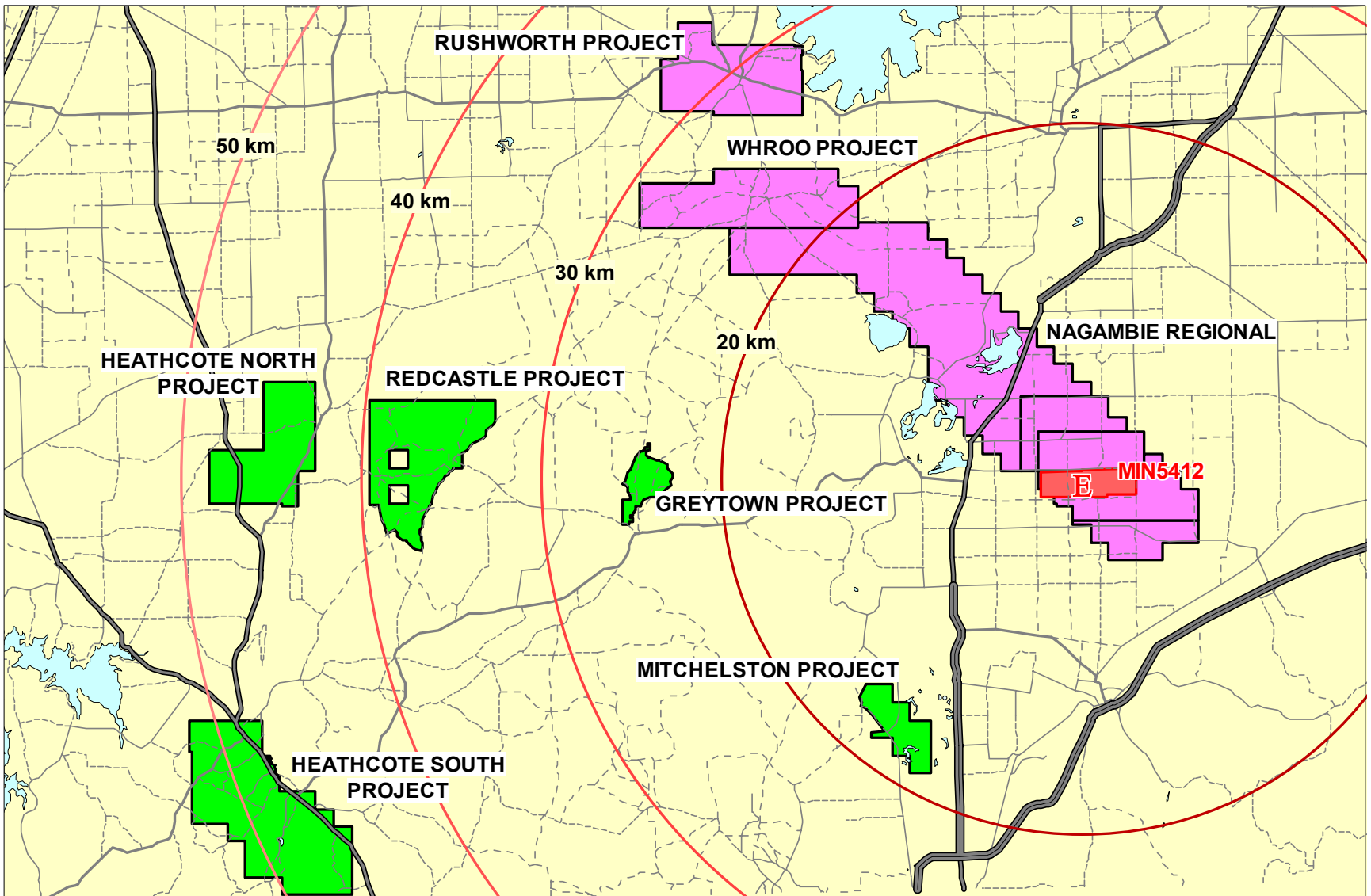


REGIONAL EXPLORATION STRATEGY

The aim is to establish significant oxide gold resources, typically averaging 1 to 2 g/t, that can be mined and trucked to MIN 5412 for heap leaching along with oxide ore from MIN 5412. Including the oxide targets on MIN 5412, Panaegis is **targeting total heap-leachable gold of at least 100,000 to 200,000 ounces.**

- **Redcastle.** Encouraging first pass drilling results such as 7m at 2.0 g/t (gold) from 16m (depth), 10m at 2.5 g/t from 22m, 6m at 2.4g/t from 51m and 8m at 5.2 g/t from 36m have been followed up by a detailed costeaning program over the field. A reverse circulation (RC) drilling program is now being planned as assays become available from the costeaning program.
- **Heathcote South.** 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 RC drilling program is planned to follow on from the Redcastle drilling.
- **Nagambie Regional.** A target only 2 to 3 km north of MIN 5412 which has a gold-in-soil anomaly more than 3.5 km in strike length has been selected for follow-up investigations leading to an aggressive RC drilling program.
- **Graytown and Rushworth.** Compilation of historic mining and company exploration data has commenced over these historic high grade goldfields, enabling all data to be evaluated in a comprehensive format.



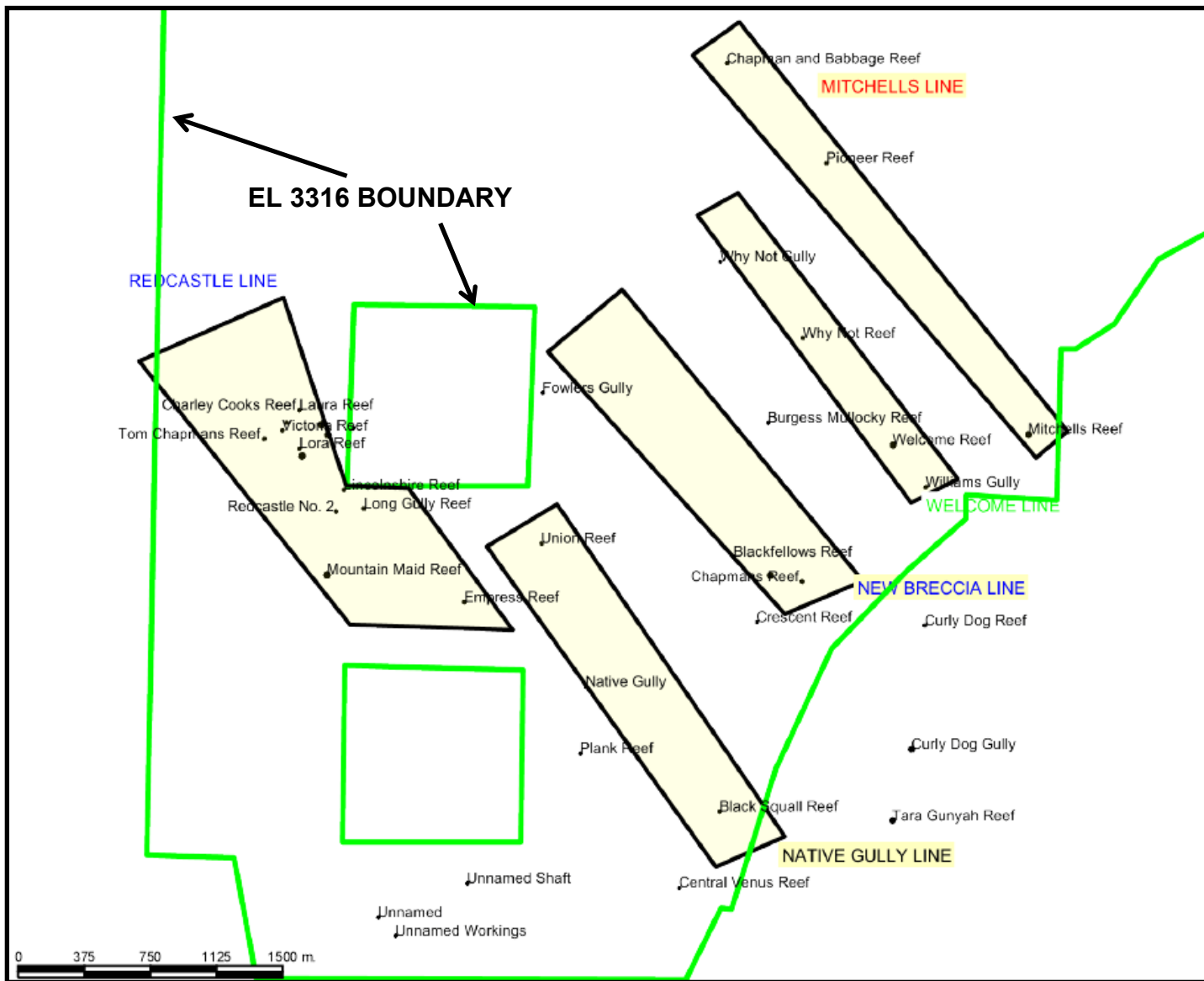


REDCASTLE GOLDFIELD

Reef Line	Mine Name	Depth (m)	Grade (g/t)	Associated Minerals
Mitchell Line				
	Mitchells Reef	u	18.4	
	Chapman and Babbage Reef	24	10.2	
Welcome Line				
	Welcome Reef	107	174.7	Antimony
	Why Not Reef	u	2.1	
New Breccia Line				
	Curly Dog Reef	60	33.0	Antimony
	Beautiful Venice Reef	76	36.3	
Native Gully Line				
	Union Reef	43	24.2	Antimony
Redcastle Line				
	Mountain Maid Reef	24	2.6	
	Long Gully Reef	u	57.2	

Historic Mines with recorded DPI - Vic Mines Grade

u = Unknown Depth



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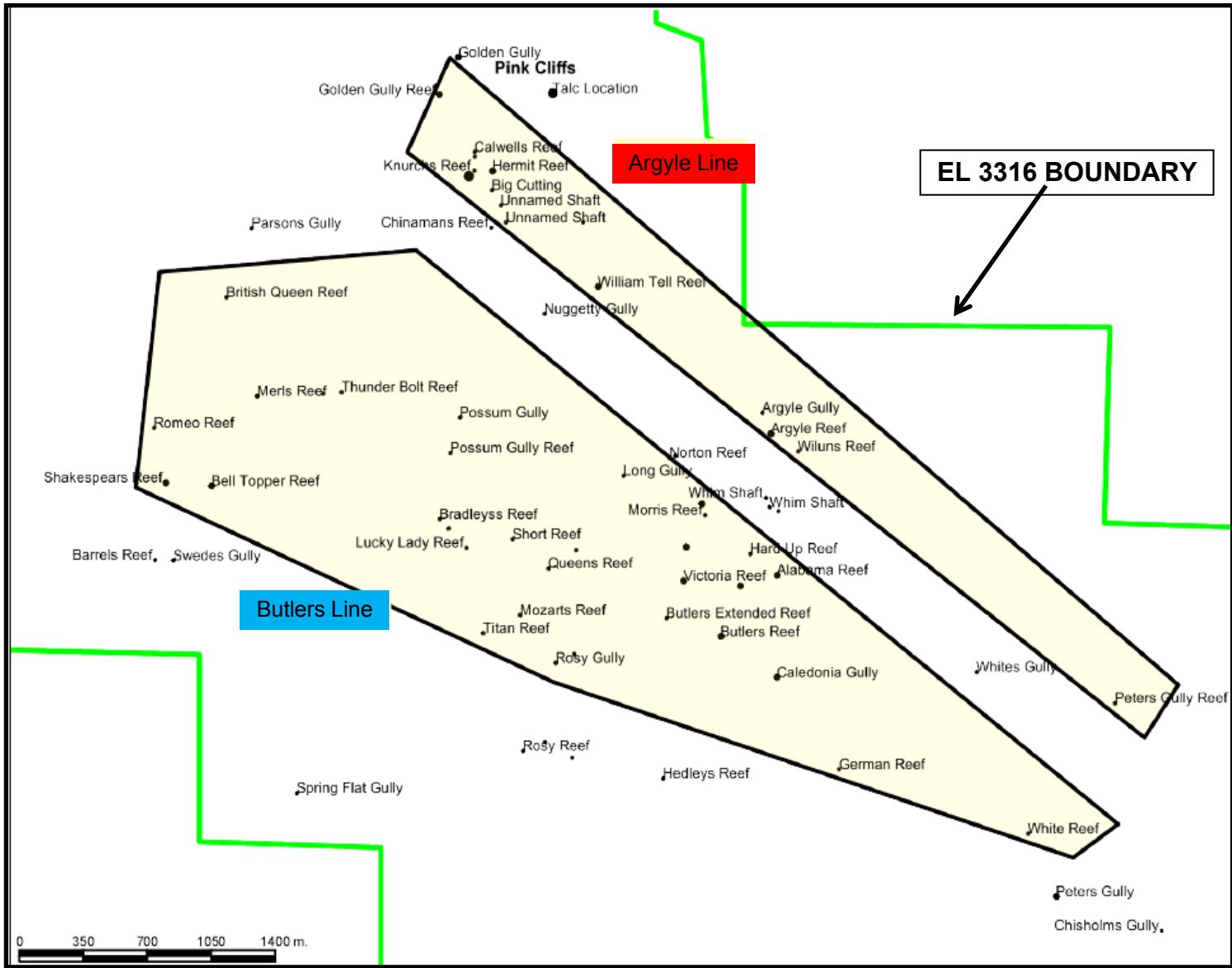
**REDCASTLE PROJECT
REEF TRENDS TESTED BY COSTEANING PROGRAM**

HEATHCOTE SOUTH GOLDFIELD

Reef Line	Mine Name	Depth (m)	Grade (g/t)	Associated Minerals
Argyle Line				
	Golden Gully Reef	u	25.8	
	Peters Gully Reef	u	21.1	
	Argyle Reef	u	67.4	
	William Tell Reef	u	60.0	
Butlers Line				
	Alabama Reef	182	35.5	
	Butlers Reef	262	33.3	
	Whites Reef	u	31.1	
	Bell Topper Reef	u	51.2	
	Hermit Reef	u	53.1	
	Norris Reef No. 2	61	18.0	
	Shakespears Reef	u	20.7	
	Victoria Reef	u	35.5	
	British Queen Reef	u	11.7	

Historic Mines with recorded DPI - Vic Mines Grade

u = Unknown Depth



HEATHCOTE SOUTH PROJECT - REEF TRENDS TO BE TESTED BY COSTEANING PROGRAM



MIN 5412: SUPPLIER OF ROCK FOR ROAD MAKING

Before gold mining commenced at Nagambie in 1990, the site was a quarry supplying the local region. As a result of that gold mining operation, which ran until 1997, around **5 million tonnes of crushed rock** and **10 million tonnes of uncrushed rock** were placed in various surface stockpiles within MIN 5412.

Since 1997, approximately 200,000 tonnes of the crushed rock and 160,000 tonnes of the uncrushed rock have been sold for local road works and general farm use as part of the rehabilitation process. The most recent sales, during the 2007/2008 year, were of uncrushed rock to an earthmoving contractor at **\$2 per tonne uncrushed** on an “as is, where is” basis.



VICROADS AND EPA

VicRoads gave a favourable report on the rock in the 1990's and concluded that the stockpiled rock would make an excellent select or capping material or could be a suitable sub base material for road making. VicRoads subsequently used 200,000 tonnes of the crushed rock for construction of the Goulburn Valley Highway.

The EPA, in a December 1999 report, were also satisfied that the rock stockpiled on MIN 5412 is “not contaminated waste and therefore is not regulated waste this type of waste has no adverse environmental impacts to human health therefore the overburden is safe to use in road construction”.

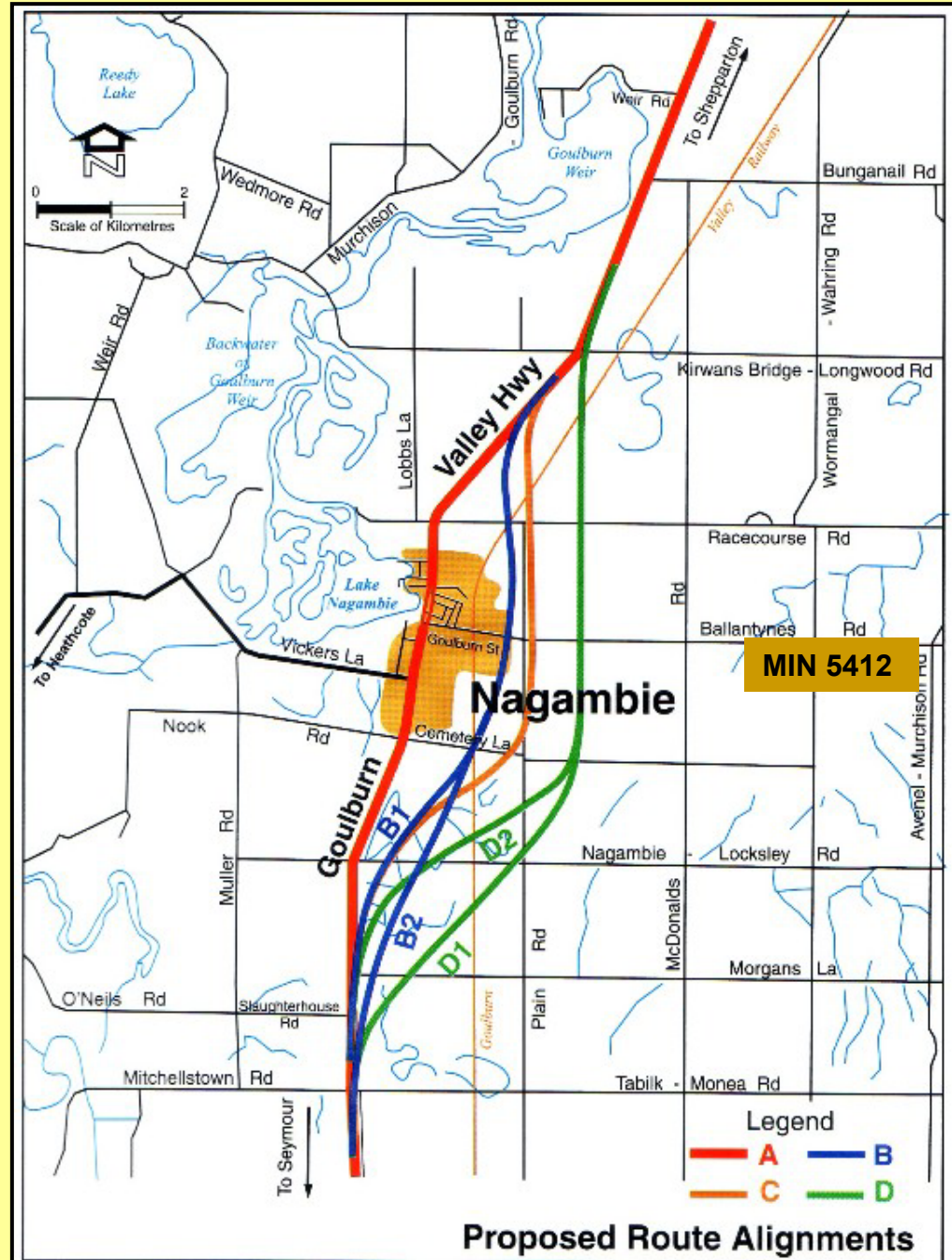


NAGAMBIE BYPASS

VicRoads is carrying out pre-construction planning for the **17.4 km Nagambie bypass highway, an AusLink National Project**. Road building is planned to start in 2010. The D1 route (green) was approved in July 2006 following a lengthy process of community consultation.

It is understood that **4 to 5 million tonnes of crushed rock** may be required to construct the four lane, freeway standard road with PAU well placed to provide the majority of the rock from the stockpiles on MIN 5412.

Additionally, large quantities of water will be required during the road making and PAU is well placed to provide that water from MIN 5412 which has a total of **3 Gigalitres of water** in the West and East Pits.



Panaegis Gold Mines Limited

MIN 5412 – Waste Rock Stockpiles

North Stockpile
Uncrushed Rock

Heap Leach Stockpile
Crushed & Uncrushed

East Stockpile
Uncrushed Rock

NAGAMBIE
MAIN PIT

WESTERN
EXTENSION PIT

West Stockpile
Top Soil & Uncrushed Rock



Panaegis Gold Mines Limited

Water in West Pit



CORPORATE

Cash

30 June 2008	\$1,002,000
30 September 2008	\$ 703,000

Nagambie Mining Limited

With Nagambie MIN 5412 now clearly the most valuable asset of the Company and central to its exploration and development aims in central Victoria, the directors consider that a change of name to **Nagambie Mining Limited** is appropriate and a resolution to that effect is being put to shareholders at this year's AGM.

