



ASX Announcement

30 January 2008

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 31 DECEMBER 2007

OVERVIEW

- Electromagnetic (EM) geophysical surveys were conducted during the quarter within the Nagambie Joint Venture tenements (NJV). Results within MIN 5412 indicated that conductive material extends along strike to the west of the West Pit. Furthermore, a second conductive zone has been identified to the north west of the West Pit on an interpreted "300 structure".
- Trial EM traversing carried out in ELs 4594 and 3316 (Redcastle) and EL 4527 (Taradale) produced encouraging responses.
- Unfortunate cancellations by two drilling contractors during the quarter resulted in the postponement of the planned drilling programs until early 2008.
- B horizon soil sampling and rock chip investigations were conducted within ELs 5080, 5027, 5049 and 4887 (Nagambie) and EL 4719 (Baillieston) targeting "300 structure" intersections under cover.
- Exploration Licence 5080 (Nagambie North) of 237 sq kms was granted during the quarter covering structures identified in the Nagambie – Rushworth area.
- Company reorganisation with the establishment of a new Board of Directors, the appointment of an Acting CEO and Exploration Manager and the relocation of the Registered Office and Head office to Heathcote, Central Victoria.
- Changes instituted will reduce corporate overheads for the Company by over \$0.5 million per year going forward.

OBJECTIVES

Panaegis' objective for 2008 is to build a substantial "PROSPECT" inventory within its present areas for target drilling and to look for further exploration opportunities.

ABOUT PANAEGIS

Panaegis Gold Mines Limited (ASX Code: PAU) listed on the ASX in 2006 and is an Australian gold company whose principal focus is on the evaluation and development of disseminated gold deposits in Victoria.

The company holds over 1,600 sq kms of exploration tenements in Central Victoria encompassing several historic goldfields.

The company is utilising historical studies, field investigations and geological modelling to enable the development of new structural interpretation and mineralisation concepts to highlight areas for early drilling programs within its exploration areas.

SHARES ON ISSUE

Quoted: 87,258,400
Restricted: 7,735,000
Issued: 94,993,400

PANAEGIS GOLD MINES
LIMITED
ABN 42 111 587 163
ACN 111 587 163

REGISTERED OFFICE

174b High Street
HEATHCOTE VIC 3523

Telephone: 03 5433 3422
Facsimile: 03 5433 3466



EXPLORATION

NAGAMBIE JOINT VENTURE (NJV) MIN 5412, ELs 4718 and 4887

The NJV participants are Panaegis, 51% and Manager, and Perseverance Corporation, 49%.

Soil Sampling

Roadside soil sampling has continued in the Nagambie Region tenements. For those traverses for which analytical results have been returned, no new anomalous zones have been identified.

Geophysical Surveying

An economic and flexible ground geophysical survey methodology has been identified. This Electromagnetic (EM) method enables fast ground surveying of soil anomalies and previous drilling intercepts to facilitate the orientation and targeting of follow-up drilling.

Broadly, the method identifies sub-surface conductive zones which include metallic sulphide mineralisation, but which also can include water-filled shears and fault zones. Because of the structural control association with mineralisation, both eventualities can lead to identification and possible delineation of significant mineralisation zones.

An encouraging test example of the EM geophysics response for a traverse between the pits at Nagambie was presented in the September 2007 quarterly report and is shown again in Figures 1 and 2.

The 'green', 'yellow', and 'red' colours are interpreted as showing the higher conductivity (relative to surrounding ground) of the sulphide mineralisation at depth below the pits.

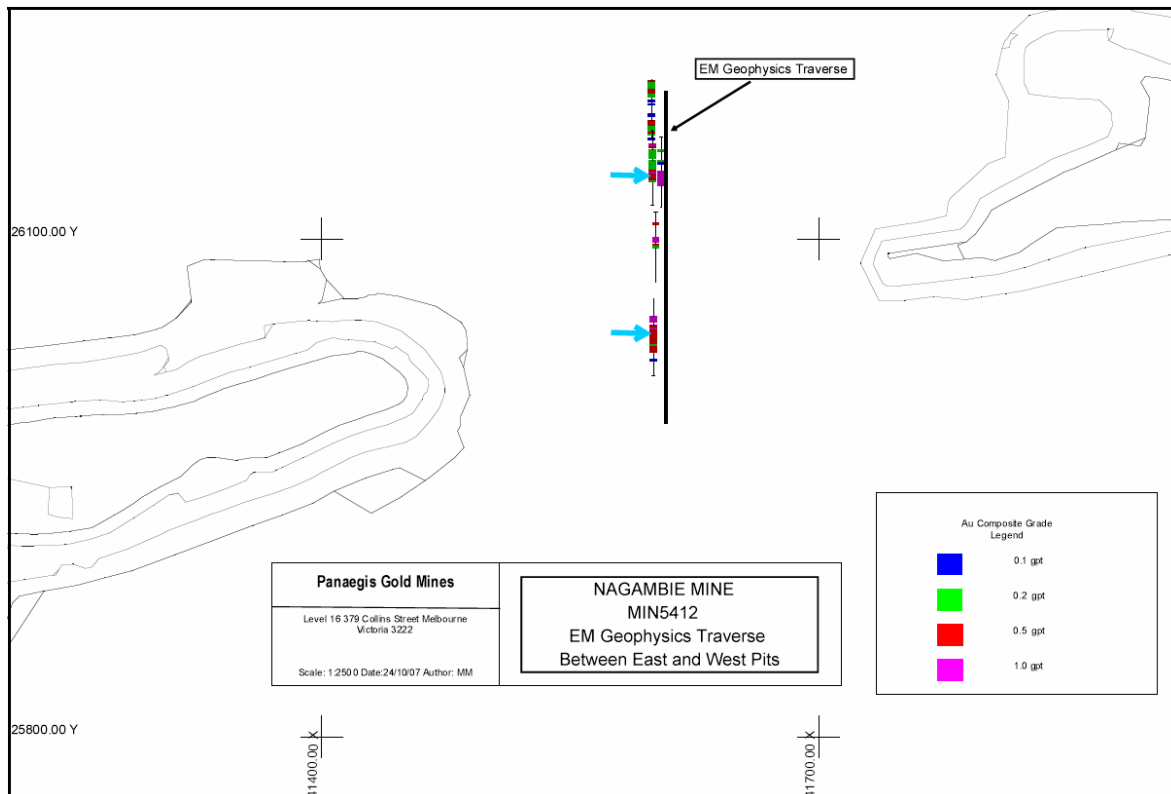


Figure 1. EM Geophysics traverse between the Nagambie Pits

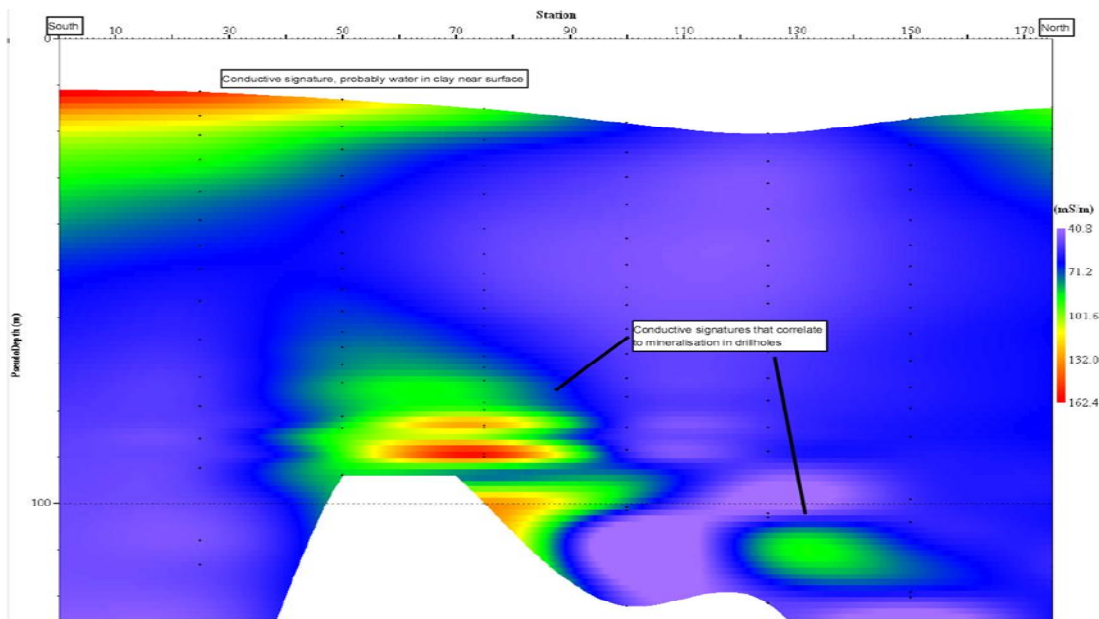


Figure 2. EM response, looking west, between the Nagambie Pits

Follow-up EM geophysics traverses in the Nagambie Region produced some encouraging EM signatures that could be related to mineralisation. A depth to basement contour mapping project using water bore data was also conducted during the quarter by Ballarat University and this project should be concluded early in March 2007 quarter.

REDCASTLE ELs 4594 and 3316 (Panaegis 100%)

Five EM traverses were completed over a number of prospective locations in the Redcastle tenements. Figure 3 shows an encouraging and broad EM response across the already drill defined Mullocky prospect mineralisation trend. At 120 to 130 metres depth, this anomaly is deeper than current drill intercepts and presents a potentially expanded mineralisation drill target at depth.

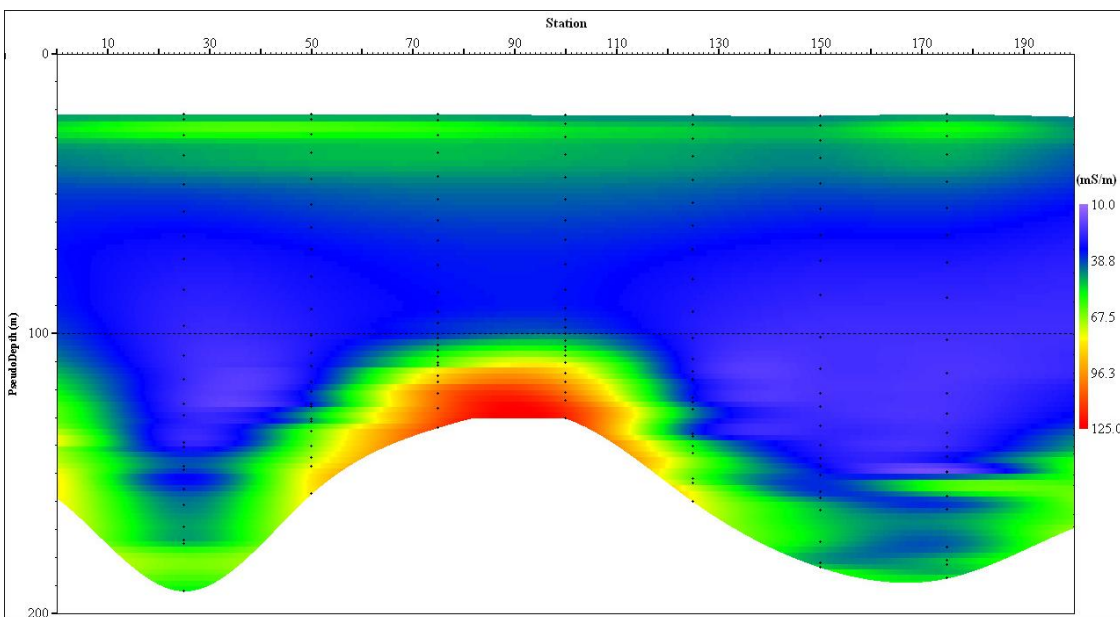


Figure 3. Redcastle-Mullocky Prospect deep EM response



TARADALE EL 4527 Panaegis 100%)

A west-to-east EM traverse across the United Kingdom Extended anticline showed a potentially significant anomaly approximately 100 metres to the west of the anticlinal hinge zone and at 180 to 200 metres depth. This traverse needs to be extended further west to confirm the extent of the anomaly and its potential as a drilling target.

CASTLEMAINE EL 4722 (Panaegis 100%)

EM work was carried out in the Yandoit and southern portion of the Castlemaine tenement. The relative magnitude of the anomalous response was significant but the traverse needs to be extended in both directions to confirm the extent of the response.

OTHER TENEMENTS

GRAYTOWN EL 5020 (Panaegis 100%)

Field mapping and rock chip sampling was conducted during the quarter.

MITCHELLSTOWN EL 5049 (Panaegis 100%)

Application awaiting grant.

RUSHWORTH EL 4723 (Panaegis 100%)

Field investigations indicate potential in the Northern Anticline, with all old workings stopping at the water table. Further work is also planned along the Whroo anticline and interpreted "300 structures".

PIGGOREET EL 4994 (Panaegis 100%)

No significant work was conducted in this licence during the quarter. Previous drilling requires relogging and reinterpretation to guide further work.

HOWQUA MIN 5420 (Panaegis 100%)

Reinterpretation of structure and geology of the Great Rand mine was commenced.

HOWQUA EL 3424 (Panaegis 100%)

Awaiting on renewal of the area so no significant work was conducted in this licence during the quarter.

NAGAMBIE EL 5023, NAGAMBIE NORTH EL 5080, NAGAMBIE WEST EL 5027, BAILIESTON EL 4719, WEDDERBURN EL 4721, TARADALE EAST EL 4895, TARADALE SW EL 4894, HEATHCOTE EL 4941 (all Panaegis 100%)

No significant work was conducted in these licences during the quarter.

The new management team is reviewing all previous exploration strategies and data in order to focus on those prospects with the greater potential to host economic mineralisation, test those prospects by aggressive drilling programs, and bring them to a development stage in a meaningful time frame.



CORPORATE

BOARD AND MANAGEMENT CHANGES

On 19 October 2007, the Company received a further notice under Section 249D of the Corporations Act from shareholders holding a total of 9.5% of the votes that may be cast at a general meeting. The notice requested that the Company call and convene a general meeting to consider resolutions to remove Peter Rudd and Andrew Ristrom as Directors of the Company and to appoint Geoff Turner and Colin Glazebrook as Directors of the Company

At a meeting on 20 December 2007, both resolutions were passed and Mr Peter Rudd and Mr Andrew Ristrom were removed and replaced as Directors by Mr Geoff Turner and Mr Colin Glazebrook, respectively. Mr Geoff Turner and Mr Colin Glazebrook are both geologists with extensive experience in Victorian gold exploration.

Dr John Cottle resigned as Exploration Manager and Interim Chief Operating Officer on 20 December 2007. The new Board of three Directors met later on 20 December 2007 and appointed Mr Colin Glazebrook as Acting Chief Executive Officer and Exploration Manager. The new Board also elected Mr Michael Trumbull as Non-Executive Chairman.

RELOCATION OF REGISTERED OFFICE AND HEAD OFFICE

The Panaegis Melbourne office at Level 16, 379 Collins Street was closed early in January 2008. The previous Field Office location at 174b High Street, Heathcote Vic 3523 (phone 03 5433 3422 and fax 03 5433 3466) is now the Registered Office and Head Office for the company.

A small serviced office, Suite 3.07 at 737 Burwood Road, Hawthorn Vic 3122, has been leased to accommodate Mr Colin Glazebrook, the Acting Chief Executive Officer and Exploration Manager.

CORPORATE OVERHEADS

The new office arrangements and the Board and management changes instituted in recent months will reduce corporate overheads for the Company by over \$0.5 million per year going forward.

In total, the Company is now operating with eight less Head Office employees, directors and consultants compared with the position at September 2007.

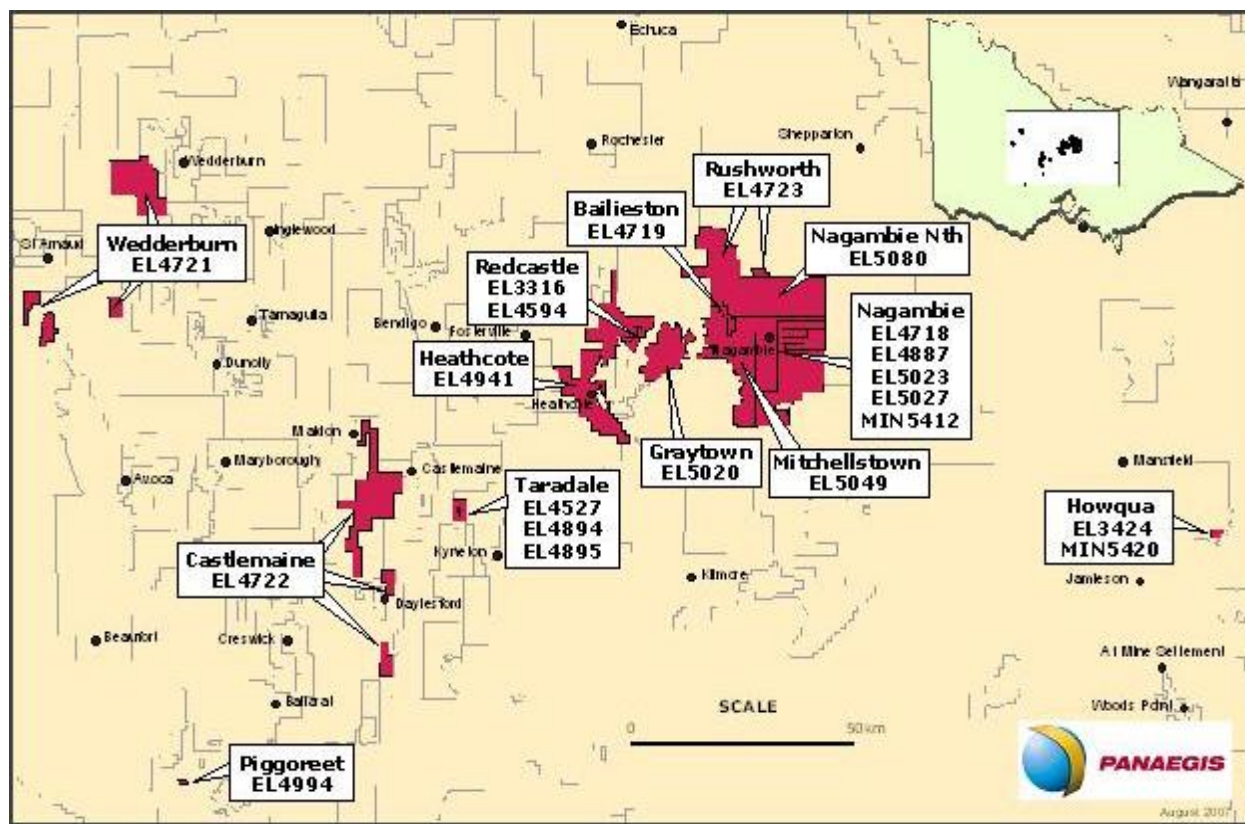
WEBSITE

Due to the closure of the Company's office at Level 16, 379 Collins Street, Melbourne, the Panaegis website is temporarily unavailable. The Company will make an announcement as soon as the website is again available.

Colin Glazebrook
Acting Chief Executive Officer



CURRENT PANAEGIS TENEMENTS



For further information regarding Panaegis' Australian projects go to our website at www.panaegis.com.au or contact:

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COMPETENT PERSONS STATEMENT

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'.



ASX ANNOUNCEMENTS

During the quarter the following ASX announcements were released regarding the Company's activities and projects:

21/12/2007	Management Update
21/12/2007	Change of Registered Office
20/12/2007	Results of General Meeting
14/11/2007	Notice of General Meeting/Proxy Form
31/10/2007	Quarterly Cash flow Report
31/10/2007	Quarterly Activities Report
22/10/2007	Resignation of Company Secretary
22/10/2007	Requisition of meeting
22/10/2007	Results of AGM - Amendment
19/10/2007	Results of Annual General Meeting
19/10/2007	Operations Presentation
19/10/2007	Chairman`s Address to Shareholders
09/10/2007	Results of Meeting
08/10/2007	Director Appointment/Resignation

COMPANY INFORMATION

DIRECTORS

Michael W. Trumbull	(Chairman)
Colin Glazebrook	(Director – Acting Chief Executive Officer)
Geoff Turner	(Director)

COMPANY SECRETARY

Alfonso M G Grillo

REGISTERED OFFICE

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AUDITORS

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SHARE REGISTRY

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