



**PANAEGIS**

PANAEGIS GOLD MINES LIMITED ABN 42 111 587 163 ACN 111 587 163  
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10 October 2008

The Manager  
Company Announcements Platform  
ASX Limited

Dear Sir/Madam

**Lodgement of prospectus for a non-renounceable Rights Issue**

Panaegis Gold Mines Limited (ASX Code: PAU) is pleased to announce that it has today lodged a Prospectus with the Australian Securities and Investments Commission for a non-renounceable Rights Issue to raise up to \$949,934 (before costs). Under the Rights Issue, Eligible Shareholders will be given the opportunity to subscribe for 1 New Ordinary Share for every 3 Shares held at \$0.03 per New Ordinary Share.

Shares will be quoted 'ex' rights on 14 October 2008 and the Record Date for determining entitlements will be 20 October 2008.

On or about 24 October 2008, a Prospectus and Entitlement and Acceptance Form will be dispatched to Eligible Shareholders who are recorded on the Company's register on the Record Date. The Prospectus can be viewed online or downloaded from 10 October 2008 at [www.panaegis.com.au](http://www.panaegis.com.au).

The proceeds of the Rights Issue will be applied as follows:

- (a) exploration and development of mining licence MIN 5412;
- (b) exploration and development of the other 14 licence areas in central Victoria held by the Company;
- (c) working capital; and
- (d) the expenses of the Offer.

Yours faithfully

Colin Glazebrook  
CEO

## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

PANAEGIS GOLD MINES LIMITED

ABN

42 111 587 163

We (the entity) give ASX the following information.

#### Part 1 – All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |    |  |                             |
|----|--|-----------------------------|
| 2. | +Class of +securities issued or to be issued   | Ordinary shares.            |
| 3. | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 31,664,467 ordinary shares. |
| 4. | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares. |

| 5.          | <p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>Yes. Ordinary shares rank pari passu with fully paid ordinary shares on issue.</p>   |        |        |             |                            |
|-------------|---|---|--------|--------|-------------|----------------------------|
| 6.          | Issue price or consideration  | 3.0 cents per ordinary share.   |        |        |             |                            |
| 7.          | <p>Purpose of the issue<br/>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>   | <p>The proceeds of this Rights Issue will be used to fund the Company's activities including:</p> <ul style="list-style-type: none"> <li>(a) exploration and development of mining licence MIN 5412;</li> <li>(b) exploration and development of the other 14 licence areas in central Victoria held by the Company;</li> <li>(c) working capital; and</li> <li>(d) the expenses of the Offer.</li> </ul> |        |        |             |                            |
| 8.          | <p>Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>  | 18 November 2008.   |        |        |             |                            |
| 9.          | <p>Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>   | <table border="1"> <thead> <tr> <th data-bbox="734 1635 1066 1668">Number</th> <th data-bbox="1074 1635 1407 1668">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="734 1668 1066 1706">126,657,867</td> <td data-bbox="1074 1668 1407 1706">Ordinary shares fully paid</td> </tr> </tbody> </table>  | Number | +Class | 126,657,867 | Ordinary shares fully paid |
| Number      | +Class  |   |        |        |             |                            |
| 126,657,867 | Ordinary shares fully paid  |   |        |        |             |                            |

|     |   |  |  |
|-----|---|--|--|
| 10. | Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable) | Number   | +Class   |
|     |   | 700,000  | Options exercisable at \$0.10, vesting 4 September 2010 and expiring 4 September 2013. |
| 11. | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)  | The directors of the Company may from time to time determine to distribute the profits of the Company by way of dividend amongst the Shareholders in proportion to the amounts paid up on the Shares held by them. |  |

## Part 2 – Bonus issue or pro rata issue

|     |   |  |
|-----|---|--|
| 12. | Is security holder approval required?   | No.  |
| 13. | Is the issue renounceable or non-renounceable?  | Non-renounceable.  |
| 14. | Ratio in which the <sup>+</sup> securities will be offered  | 1 New Ordinary Share for every 3 Shares held at 7.00pm AEDT time on 20 October 2008. |
| 15. | <sup>+</sup> Class of <sup>+</sup> securities to which the offer relates  | Ordinary shares.   |
| 16. | <sup>+</sup> Record date to determine entitlements  | 7.00pm AEDT time on 20 October 2008.   |
| 17. | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?  | No.  |
| 18. | Policy for deciding entitlements in relation to fractions   | Fractional entitlements will be rounded up.  |
| 19. | Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.<br/>Cross reference: rule 7.7.</small> | United Kingdom<br>Singapore  |
| 20. | Closing date for receipt of acceptances or renunciations  | 5.00pm AEDT time on 10 November 2008.  |

|     |   |                  |
|-----|---|------------------|
| 21. | Names of any underwriters   | Not applicable.  |
| 22. | Amount of any underwriting fee or commission  | Not applicable.  |
| 23. | Names of any brokers to the issue   | Not applicable.  |
| 24. | Fee or commission payable to the broker to the issue  | Not applicable.  |
| 25. | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders                             | Not applicable.  |
| 26. | If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting  | Not applicable.  |
| 27. | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  | 24 October 2008. |
| 28. | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | Not applicable.  |
| 29. | Date rights trading will begin (if applicable)  | Not applicable.  |
| 30. | Date rights trading will end (if applicable)  | Not applicable.  |
| 31. | How do <sup>+</sup> security holders sell their entitlements <i>in full</i> through a broker?   | Not applicable.  |
| 32. | How do <sup>+</sup> security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?                                    | Not applicable.  |
| 33. | How do <sup>+</sup> security holders dispose of their entitlements (except by sale through a broker)?   | Not applicable.  |

34. <sup>+</sup>Despatch date

18 November 2008.

## Part 3 – Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

35. Type of securities  
(tick one)

- (a)  Securities described in Part 1
- (b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

36.  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
37.  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 – 5,000  
5,001 – 10,000  
10,001 – 100,000  
100,001 and over
38.  A copy of any trust deed for the additional <sup>+</sup>securities

**Entities that have ticked box 34(b)**

39. Number of securities for which <sup>+</sup>quotation is sought

|  |  |
|--|--|
|  |  |
|--|--|

40. Class of <sup>+</sup>securities for which quotation is sought

|  |  |
|--|--|
|  |  |
|--|--|

41. Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

|  |  |
|--|--|
|  |  |
|--|--|

42. Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

|  |  |
|--|--|
|  |  |
|--|--|

43. Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (*including* the securities in clause 38)

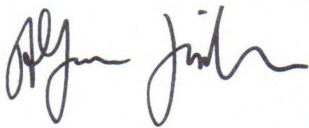
| Number | +Class |
|--------|--------|
|        |        |

**Quotation agreement**

1. <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX’s absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
  
2. We warrant the following to ASX.
  - The issue of the <sup>+</sup>securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those <sup>+</sup>securities should be not be granted <sup>+</sup>quotation.
  - An offer of the <sup>+</sup>securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any <sup>+</sup>securities to be quoted and that no-one has any right to return any <sup>+</sup>securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the <sup>+</sup>securities to be quoted, it has been provided at the time that we request that the <sup>+</sup>securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the <sup>+</sup>securities to be quoted under section 1019B of the Corporations Act at the time that we request that the <sup>+</sup>securities be quoted.
  
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before <sup>+</sup>quotation of the <sup>+</sup>securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
(Secretary)

Date: 10 October 2008

Print name: Alfonso Grillo