



PANAEGIS

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

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Panaegis Gold Mines Limited (*Company*) will be held at The Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne on Wednesday 27 June 2007 at 9.00 am.

BUSINESS

To consider, and if thought fit, approve the following resolution by members as an ordinary resolution:

1. **Issue of Shares**

'That for the purposes of ASX Listing Rule 7.4, approval be given in respect of the issue of 10,500,000 fully paid ordinary shares in the Company on 22 May 2007 on the terms and conditions set out in the Explanatory Notes to the Notice convening this General Meeting.'

By Order of the Board

Alfonso Grillo
Company Secretary

Dated: 25 May 2007



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EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of General Meeting dated 28 May 2007 and should be read in conjunction with that Notice as these Explanatory Notes contain important information on the proposed Resolutions.

1. RESOLUTION 1 – ISSUE OF SHARES

Approval is sought pursuant to ASX Listing Rule 7.4 to the past issue of 10,500,000 ordinary shares issued to Beaconsfield Gold Mines Pty Ltd on 22 May 2007. Such approval will enable the Company to refresh its ability to issue further securities in the future without seeking shareholder approval in accordance with ASX Listing Rule 7.1.

1.1. Listing Rule 7.1

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that a company may issue without shareholder approval in any 12 month period to 15% of its issued securities.

ASX Listing Rule 7.4 allows for shareholders to subsequently approve an issue of securities, provided the issue was not in breach of ASX Listing Rule 7.1. The issue of the securities did not breach ASX Listing Rule 7.1. Shareholders are being asked to approve the issue of the securities in accordance with ASX Listing Rule 7.4.

If the issue of the securities issued to Beaconsfield Gold Mines Pty Ltd on 22 May 2007 is treated as having been made with shareholder approval pursuant to ASX Listing Rule 7.4, the Company's capacity to issue further securities is restored. The Directors consider it prudent to retain the capacity to issue further securities and accordingly seek shareholders' approval to the issue of the securities as set out in Resolution 1.

1.2. Number of Shares

The number of shares for which shareholder approval is being sought is 10,500,000 ordinary shares.

1.3. Consideration

The shares were issued for consideration of \$0.09 per share. The total funds raised by the share issue was \$945,000.

1.4. Terms of the securities issued

From their date of issue, the shares issued ranked equally in all respects with the Company's existing fully paid ordinary shares.

1.5. Names of the allottees

The shares were issued to Beaconsfield Gold Mines Pty Ltd.

1.6. Use of Funds Raised

The funds raised will be used as working capital and to fund the Company's exploration and mine development program at Nagambie in Central Victoria

1.7. Recommendation

The Board recommends that shareholders approve the past issue of securities proposed by Resolution 1.

1.8. Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by:

- a person who participated in the issue of securities; and
- an associate of a person who participated in the issues of securities.

However the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

GENERAL NOTES

1. Voting by proxy

The Chairman of the Meeting intends to vote undirected proxies **for** Resolution 1.

A shareholder entitled to attend and vote at the General Meeting may appoint one proxy or, if the shareholder is entitled to cast two or more votes at the meeting, two proxies to attend and vote instead of the shareholder.

Where two proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting. If the vote split is not specified, it is deemed to be equally divided between the two proxies.

Unless a member specifically directs the proxy how to vote the proxy may vote as they think fit or abstain from voting.

A proxy need not be a shareholder of the Company.

A proxy form accompanies this notice. The proxy form must be deposited at the share registry of the Company, Computershare Investor Services Pty Limited, located at Yarra Falls, 452 Johnston Street, Abbotsford or by mail to GPO Box 52 Melbourne, Victoria 8060 or at the Company's Registered Office, Level 16, 379 Collins Street, Melbourne, Victoria, 3000 or by facsimile to Computershare Investor Services Pty Limited on (03) 9473 2555 by no later than 9.00 am Australian Eastern Standard Time on Monday 25 June 2007.

2. Explanatory Notes

Explanatory Notes accompany this Notice of General Meeting containing information about the special business referred to in this Notice of General Meeting.

3. Voting Entitlement

A determination has been made by the Board of Directors of the Company in accordance with Regulation 7.11.37 of the Corporations Act that those persons who are registered as the holders of shares in the Company at 7.00pm on Monday 25 June 2007 will be taken to be the holders of shares for the purposes of determining voting entitlements at the meeting.