GLENEAGLE
GOLD LIMITED
ABN 27 103 782 378

NOTICE OF GENERAL MEETING

– and –

EXPLANATORY STATEMENT

– and –

PROXY FORM

DATE AND TIME OF MEETING:
18 December 2006 at 10.30 am

VENUE: Celtic Club
48 Ord Street, West Perth,
Western Australia 6005

These documents should be read in their entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.

GLENEAGLE

GOLD LIMITED

ABN 27 103 782 378

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NOTICE OF MEETING

Notice is hereby given that the Extraordinary General Meeting of the members of Gleneagle Gold Limited (**"Gleneagle Gold" or the "Company"**) will be held at the **Celtic Club, 48 Ord Street, West Perth, Western Australia 6005, at 10.30am, 18 December 2006.**

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered.

AGENDA

To consider and, if thought fit, to pass, with or without amendment, the following resolutions as **ordinary resolutions**:

1. "Ratification of Previous Issue and Allotment of Shares"

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue and allotment of 10,500,000 Shares at an issue price of 25 cents each and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

1. Prior to making a decision with respect to Resolution 1, Shareholders should refer to Section 1 of the Explanatory Statement which accompanies this Notice of Meeting.
2. In accordance with ASX Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 1 by any person who participated in the issue and any person associated with those persons.

2. "Approval of the Future Placement of Shares"

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue and allot up to 4,700,000 Shares at an issue price of 25 cents each and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

1. Prior to making a decision with respect to Resolution 2, members should refer to Section 2 of the Explanatory Statement which accompanies this Notice of Meeting.
2. In accordance with ASX Listing Rule 7.5.6, the Company will disregard any votes cast on Resolution 2 by any party participating in the Placement or any associate of any party participating in the Placement.

3. "Approval of the Future Issue of Share Purchase Plan Shortfall Shares"

To consider and, if thought fit, to pass, with or without modification, the following ordinary resolution:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue and allot up to 20,000,000 Shares at an issue price of 25 cents each and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

1. Prior to making a decision with respect to Resolution 3, members should refer to Section 3 of the Explanatory Statement which accompanies this Notice of Meeting.
2. In accordance with ASX Listing Rule 7.5.6, the Company will disregard any votes cast on Resolution 3 by any party participating in the Placement or any associate of any party participating in the Placement.

PROXIES

1. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote instead of the member. If two proxies are appointed, and a member does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a member of the Company.

2. In order to vote on behalf of a company that is a Shareholder of Gleneagle Gold, a valid Power of Attorney in the name of the attendee, must be either lodged with the Company prior to the Meeting, or be presented at the Meeting before registering on the attendance register for the Meeting.

3. Forms to appoint proxies, and the Power of Attorney (if any) under which they are signed, must be lodged at the registered office of the Company, at 675 Murray Street, WEST PERTH WA 6005, or by facsimile (61 8) 9476 4600 not less than 48 hours before the time of the Meeting or resumption of an adjourned meeting at which the person named in the instrument proposes to vote.

4. An instrument appointing a proxy:

   a) shall be in writing under the hand of the appointor or of his attorney, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney;

   b) may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument;

   c) shall be deemed to confer authority to demand or join in demanding a poll; and

   d) shall be in such form as the Directors determine and which complies with Section 250A of the Corporations Act 2001 and the Listing Rules;

ATTENDANCE AND VOTING ELIGIBILITY

For the purpose of regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that Shares held at 5.00pm WST on 14 December 2006 will be taken, for the purposes of this Annual General Meeting, to be held by the persons who held them at that time.

VOTING EXCLUSION

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a 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 a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD

Suzie Foreman
Company Secretary
Dated: 14 November 2006

Enquiries

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Statement should be directed to the Company's Managing Director, Mr Ian Prentice or Company Secretary, Ms Suzie Foreman (telephone: +61 8 9476 4646).

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at the **Celtic Club, 48 Ord Street, West Perth, Western Australia 6005, at 10.30am, 18 December 2006.**

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. RESOLUTION 1 – RATIFICATION OF PREVIOUS ISSUE AND ALLOTMENT OF SHARES

Resolution 1 seeks Shareholder ratification and approval of the issue of 10,500,000 Shares.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of the shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 1 proposes the ratification and approval of the issue and allotment of Shares for the purpose of satisfying the requirements of ASX Listing Rule 7.4.

The information required to be provided to shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

In compliance with the information requirements of ASX Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

(a) Proposed date of issue of the Shares: 30 November 2006;

(b) Number of Shares issued: 10,500,000;

(c) Price at which Shares were issued: 25 cents each;

(d) The Shares rank equally in all respects with the existing ordinary shares on issue;

(e) The Shares were issued to various clients of Patersons Securities Limited and European investors as a "Tranche 1 placement" pursuant to the "excluded offer" provisions (Section 708) of the Corporations Act. No allottee, either individually or in association with any related entity, was allotted securities which would, if added to existing holdings, result in the holder and their related entities holding in excess of 5% of the issued capital of the Company. No Shares were issued to any related parties or associates of the Company;

(f) $2,625,000 was raised from the issue of the Shares before costs of the issue; and

(g) the funds raised from the issue of Shares the subject of Resolution 1 will be used to reduce the Company's debt levels and to allow the Company to maintain an aggressive exploration focus during the Fortnum Gold project production ramp up period.

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – APPROVAL FOR FURTHER FUTURE PLACEMENT

Resolution 2 seeks Shareholder approval for the issue of up to 4.7 million Shares.

Background

On 13 November 2006 the Company announced that it had entered into agreements with European investor groups and clients of Patersons Securities Limited, to raise $3.8 million via the issue of 15.2 million ordinary shares at 25 cents each. The placement was intended to be issued in two tranches, the first tranche of 10.5 million ordinary shares proposed to be issued on 30 November 2006, and are the subject of Resolution 1 of this Notice of Meeting, and the second tranche being the remaining 4.7 million ordinary shares are the subject of this Resolution.

The Company also advised in its September 2006 Quarterly Activities Report and announcement on 14 November 2005 that the ramp up in production at Fortnum had taken longer than forecast, with a number of operational issues impacting the ramp up, causing the Company to take on additional debt. The servicing of the debt had diverted funds from Gleneagle's primary objective – aggressive exploration of its highly prospective land holding.

A placement in conjunction with a Share Purchase Plan (SPP) to eligible shareholders was announced on 13 November 2006. The capital raised from the placement and SPP will be used to fund exploration, provide working capital and reduce debt levels.

Recent exploration activities have delivered further success in the Peak Hill Goldfield, with high grade (up to 299g/t Au) surface samples reported from the Jacques Prospect at Doolgunna and the delineation of a shallow mineralised zone at Forrest Gimp (RAB drill results including 18m at 2.88g/t from 18m).

The information in this notice of meeting that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Ian Prentice, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ian Prentice is a full-time employee of the company. Mr Ian Prentice has sufficient experience which is relevant to the style of mineralisation and type of deposits 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'. Mr Ian Prentice consents to the inclusion in the notice of meeting of the matters based on his information in the form and context in which it appears.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

The Company is seeking shareholder approval for the proposed issue of 4,700,000 Shares (**Placement Shares**) so that this number of securities is not included in the 15% calculation set out in Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders:

(a) the maximum number of Placement Shares which may be allotted and issued is 4,700,000 Shares;

(b) the Placement Shares will be issued and allotted no later than three (3) months after the date of this Meeting or such later date as approved by ASX;

(c) the issue price of the Placement Shares proposed to be allotted and issued will be 25 cents each;

(d) the allottees in respect of Resolution 2 will be various clients of Patersons Securities Limited and European investors. The allottees of the Placement Shares will not be related parties or associates of the Company. No other subscribers of Placement Shares, either individually or in association with any related entity, will be allotted securities which would, if added to existing holdings, result in the holder and their related entities holding in excess of 5% of the issued capital of the Company;

(e) the Placement Shares will rank pari-passu on allotment and issue with the existing Shares of the Company;

(f) the Placement Shares will be allotted progressively as allottees are identified, however no Shares will be issued or allotted after the date which is three (3) months after the date of the Meeting (or later to the extent permitted by any ASX waiver of the Listing Rules);

(g) $1,175,000 will be raised (before costs) from the issue of the Placement Shares; and

(h) the Company intends to use the funds raised by the issue of the Placement Shares to repay a proportion of its existing debt funding, for further exploration on its Peak Hill tenements while production is continued at the Fortnum Gold Project, and any surplus funds will be used for additional working capital. As at the date of this Notice, the exact allocation of funds cannot be reasonably determined.

The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – APPROVAL FOR FUTURE ISSUE OF SHARE PURCHASE PLAN SHORTFALL SHARES

Resolution 3 seeks Shareholder approval for the issue of up to 20 million Shares.

Background

On 13 November 2006 the Company announced its intention to make an offer to eligible shareholders pursuant to a Share Purchase Plan (**SPP**) under which shareholders registered at the close of business (WST) on 24 November 2006 could apply for additional shares in Gleneagle Gold at 25 cents per ordinary share, up to a limit of $5,000 per shareholder. The minimum application per shareholder under the SPP is $3,000. The SPP offer is limited to a maximum of 20 million shares, with the first $1.5 million (or 6 million shares) being underwritten by Paterson Securities Limited. The Company may seek to place any shares not taken up in the SPP, up to a maximum of 20 million shares (**SPP Shortfall**).

The capital raised from the SPP in conjunction with the placement funds, which are the subject of Resolutions 1 and 2, will be used to fund exploration, provide working capital and reduce debt levels.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions,) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1, exception 15 provides that an issue of securities under an eligible SPP is not included in the 15% calculation set out in the listing Rule. Shareholder approval is therefore not sought in this Resolution for the securities which are issued under the terms of the SPP.

The Company is seeking shareholder approval for the proposed maximum issue of 20 million SPP Shortfall Shares so that this number of securities is not included in the 15% calculation set out in Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3, the following information is provided to Shareholders:

(a) the number of SPP Shortfall Shares which may be allotted is dependent upon the SPP take up from eligible shareholders.

The table below illustrates the relevant number of SPP Shortfall Shares for which approval is sought. The number of Shares to be issued is dependent upon the take up of SPP Shares from eligible shareholders. The table illustrates the SPP shortfall which will be issued based upon a SPP take up range of between 0 to 100%.

SPP Take Up	Number of Shareholders (Assuming 1,000)	SPP Shares Issued (number of ordinary shares)	SPP Shortfall to be Issued (Number of ordinary shares)
100%	1,000	20,000,000	0
75%	750	15,000,000	5,000,000
50%	500	10,000,000	10,000,000
25%	250	5,000,000	15,000,000
0%	0	0	20,000,000

Note that the SPP take up proportions are based upon the number of eligible shareholders registered at 24 November 2006. As this is currently undetermined, the number of eligible shareholders have been estimated at 1,000. It is also assumed that each eligible shareholder will apply for their maximum entitlement of $5,000 (or 20,000 Shares) under the SPP.

(b) the SPP Shortfall Shares will be issued and allotted no later than three (3) months after the date of this Meeting or such later date as approved by ASX;

(c) the issue price of the SPP Shortfall Shares proposed to be allotted and issued will be 25 cents each;

(d) the allottees in respect of Resolution 3 will be clients of Patersons Securities Limited. The allottees of the SPP Shortfall Shares will not be related parties or associates of the Company. No other subscribers of SPP Shortfall Shares, either individually or in association with any related entity, will be allotted securities which would, if added to existing holdings, result in the holder and their related entities holding in excess of 5% of the issued capital of the Company;

(e) the SPP Shortfall Shares will rank pari-passu on allotment and issue with the existing Shares of the Company;

(f) the SPP Shortfall Shares will be allotted progressively as allottees are identified, however no Shares will be issued or allotted after the date which is three (3) months after the date of the Meeting (or later to the extent permitted by any ASX waiver of the Listing Rules);

(g) up to $5,000,000 will be raised from the issue of the SPP Shortfall Shares; and

(h) the Company intends to use the funds raised by the issue of the SPP Shortfall Shares to repay a proportion of its existing debt funding, for further exploration on its Peak Hill tenements while production is continued at the Fortnum Gold Project, and any surplus funds will be used for additional working capital. As at the date of this Notice, the exact allocation of funds cannot be reasonably determined.

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

If Resolutions 1 to 3 are approved and the Placement Shares and SPP Shortfall Shares are issued, the Company will have the following securities on issue:

- 114,819,936 ordinary shares (pre-placement; 90,119,936);
- 167,000 25 cent options expiring 3 September 2008;
- 160,000 30 cent options expiring 3 September 2008;
- 167,000 35 cent options expiring 3 September 2008;
- 275,000 50 cent options expiring 3 September 2008;
- 281,000 40 cent options expiring 3 September 2008;
- 282,000 60 cent options expiring 3 September 2008;
- 15,769,462 20 cent options expiring 30 June 2007;
- 418,000 35 cent options expiring 23 January 2011;
- 418,000 50 cent options expiring 23 January 2011;
- 414,000 60 cent options expiring 23 January 2011;
- 500,000 40 cent options expiring 30 June 2007; and

- 2,000,000 38 cent options expiring 13 September 2008

GENERAL

The following is a summary of the Company's Share price over the three (3) month period immediately prior to the date of this Notice:

Event	Date	Share Price
High	7 September 2006	40.0 cents
Low	14 November 2006	27.5 cents
Last	14 November 2006	27.5 cents

ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Statement carefully before deciding how to vote on each Resolution.

Attached to the Notice of Meeting is a proxy form for use by Shareholders. Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a Shareholder from attending and voting at the Meeting in person.

Enquiries

All enquiries in relation to the contents of the Notice of Meeting or Explanatory Statement should be directed to the Company's Managing Director, Mr Ian Prentice or Company Secretary, Ms Suzie Foreman (telephone: +61 8 9476 4646).

11. GLOSSARY OF TERMS

In this Notice and Explanatory Statement:

"2006 Annual Report"	means the Company's annual report for the year ended 30 June 2006, which can be downloaded from the Company's website at www.gleneaglegold.com.au
"ACN"	Australian Company Number
"ASIC"	Australian Securities and Investments Commission.
"ASX"	Australian Stock Exchange Limited (ACN 008 624 691)
"ASX Listing Rules" or "Listing Rules"	The Official Listing Rules of ASX as amended from time to time.
"Board"	Directors of the Company from time to time.
"Constitution"	Constitution of the Company.
"Corporations Act"	The Corporations Act 2001 (Commonwealth) and any regulations made under it.
"Director"	A director of Gleneagle.
"Gleneagle" or "Company"	Gleneagle Gold Limited (ABN 27 103 782 378).
"Meeting"	The meeting of the Company to be held on Monday 18 December 2006.
"Notice" or "Notice of Meeting"	The notice convening the Meeting, which accompanies this Explanatory Statement.
"Resolutions"	Resolutions in the Notice of Meeting.
"Share"	A fully paid ordinary share in the capital of the Company.
"Shareholder"	A registered holder of a Share in the Company at the date of this Notice.

PROXY FORM

	The Secretary Gleneagle Gold Limited PO Box 1917 WEST PERTH WA 6872

being a member/members of Gleneagle Gold Limited **(the "Company")** hereby appoint

____
Print proxy's name in full

of ____
print proxy's address

and (if you wish to appoint two proxies) ______________________________
print second proxy's name in full

of ____
print second proxy's address

or, in the proxy's/proxies' absence or if no other appointee is mentioned, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the **Celtic Club, 48 Ord Street, West Perth, Western Australia 6005, at 10.30am, 18 December 2006.**and at any adjournment of that meeting in respect of ……………………of my/our shares or, failing any number being specified, ALL of my/our shares.

If you do not wish to direct your proxy how to vote, please place a mark in the box. ☐

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chairman of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark the box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

If the Chairman is to be your proxy in relation to the Resolutions you must either mark the boxes directing your proxy how to vote or mark the box indicating that you do not wish to direct your proxy how to vote, otherwise this appointment of proxy in relation to the Resolutions will be disregarded.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not counted in computing the required majority on a poll.

The Chairman of the meeting intends to vote undirected proxies in favour of the Resolutions.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his or her discretion.

I/We direct my/our proxy to vote as indicated below:

RESOLUTION		FOR	AGAINST	ABSTAIN
1.	**Ratification of Issue of Shares**	☐	☐	☐
2.	**Approval for future placement of Shares**	☐	☐	☐
3.	**Approval of future issue of SPP Shortfall Shares**	☐	☐	☐

PROXY FORM

Note:	1.	If you have appointed two proxies the proportion of your voting rights allocated to each proxy is: Proxy No. 1 ________% Proxy No. 2 ________%.
	2.	If the appointment of a proxy is signed by the appointor's attorney, this form must be accompanied by the authority under which the appointment was signed, or a certified copy of the authority.

The completed Form of proxy may be:

- Mailed to the address on this form; or
- Faxed to the Company on (08) 9476 4600

Signed this day of 2006

If a natural person:

SIGNED by)
in the presence of:)
)

(Signature)

(Signature of Witness)

(Name of Witness in full)

If a Company:

THE COMMON SEAL of)
)
ACN)
was affixed in the presence of:)

(Signature of Secretary/other Director)

(Signature of Director/Sole Director)

(Name of Secretary/other Director in full)

(Name of Director/Sole Director in full)

PROXY VOTES

A vote given in accordance with the terms of an instrument or proxy is valid not withstanding the previous death or unsoundness of mind of the principal, the revocation of the instrument (or the authority under which the instrument was executed), or the transfer of the Share in respect of which the instrument or power is given, if no intimation in writing of the death, unsoundness of mind, revocation or transfer has been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at which the instrument is used or the power is exercised.

REPRESENTATIVES OF CORPORATE SHAREHOLDERS

A body corporate ("the Appointor") that is a Shareholder may authorise, in accordance with Section 250D of the Corporations Act 2001, by resolution of its Directors or other governing body such person or persons as it may determine to act as its Representative at any Meeting of the Company or of any class of Shareholders. A person so authorised shall be entitled to exercise all the rights and privileges of the Appointor as a Shareholder. When a Representative is present at a Meeting of the Company, the Appointor shall be deemed to be personally present at the Meeting unless the Representative is otherwise entitled to be present at the Meeting.