



31 October 2008

Company Announcements Office
Australian Stock Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

**RENOUNCEABLE RIGHTS ISSUE, BRIDGING LOAN FACILITY, and APPENDIX 4C
Gage Roads Brewing Co Limited (ASX Code: GRB)**

2 for 1 Renounceable Rights Issue

As previously announced on 9 October 08 the Company intends to undertake a pro rata renounceable entitlements issue of shares on the basis of 2 shares for every 1 share held on the record date. The shares will be issued at an issue price of 1 cent each, and if fully subscribed will raise approximately \$1.47 million in working capital.

The Directors have received verbal commitments to underwrite approximately 64% of the issue. The Directors has also received commitments to date from existing shareholders to take up their entitlements representing a further 25% of the issue, amounting to a total of approximately 90% of the issue.

Monies raised from the issue will be used for operational and marketing expenditure, the costs of the offer, working capital purposes and repayment of the bridging loan facility referred to below.

The Directors are currently finalising underwriting agreements and expect to lodge a notice under section 708AA(2)(f) of the Corporations Act and an Appendix 3B next week. A letter to Shareholders detailing the timetable of the issue and an offer document including an entitlement and acceptance form will be dispatched for the rights issue in due course.

Bridging Loan Facility

The Directors advise that the Company has entered into a loan agreement with Top Nominees Pty Ltd (a substantial shareholder of the Company) for \$400,000 to provide bridging funding for the ongoing operational and marketing expenditure and working capital purposes. The loan agreement provides for the repayment of the loan from the proceeds of the renounceable rights issue referred to above. Further information regarding the loan agreement can be found in the section 708AA notice which is expected to be lodged with the ASX next week.

AUSTRALIA'S CRAFT BREWERY

GAGE ROADS BREWING CO LTD
ABN 22 103 014 320

14 ABSOLON STREET PALMYRA WESTERN AUSTRALIA 6157 PO BOX 2024 PALMYRA DC WESTERN AUSTRALIA 6961
TELEPHONE: (08) 9331 2300 FACSIMILE: (08) 9331 2400 EMAIL: brewery@gageroads.com.au WEB: www.gageroads.com.au



Appendix 4C

Please find attached an Appendix 4C for the quarter ended 30 September 2008.

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For further information please contact:

John Hoedemaker
Company Secretary
Gage Roads Brewing Co Ltd

Tel: (08) 9331 2300

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

GAGE ROADS BREWING CO LIMITED

ABN

22 103 014 320

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	368	368
1.2 Payments for		
(a) staff costs	(457)	(457)
(b) advertising and marketing	(148)	(148)
(c) research and development	--	--
(d) leased assets	(3)	(3)
(e) other working capital	(421)	(421)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	(8)	(8)
1.6 Income taxes paid	--	--
1.7 Other	--	--
Net operating cash flows	(665)	(665)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(665)	(665)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	--	--
(b) equity investments	--	--
(c) intellectual property	--	--
(d) physical non-current assets	(28)	(28)
(e) other non-current assets	--	--
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	--	--
(b) equity investments	--	--
(c) intellectual property	--	--
(d) physical non-current assets	(3)	(3)
(e) other non-current assets	--	--
1.11 Loans to other entities	--	--
1.12 Loans repaid by other entities	--	--
1.13 Other (provide details if material)	--	--
Net investing cash flows	(31)	(31)
1.14 Total operating and investing cash flows	(696)	(696)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	180	180
1.16 Proceeds from sale of forfeited shares	--	--
1.17 Proceeds from borrowings	35	35
1.18 Repayment of borrowings	(47)	(47)
1.19 Dividends paid	--	--
1.20 Other (provide details if material)	--	--
Net financing cash flows	168	168
Net increase (decrease) in cash held	(528)	(528)
1.21 Cash at beginning of quarter/year to date	699	699
1.22 Exchange rate adjustments to item 1.20	--	--
1.23 Cash at end of quarter	171	171

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(98)
1.25	Aggregate amount of loans to the parties included in item 1.11	--

1.26 Explanation necessary for an understanding of the transactions:

Payments include directors fees for non executive directors and salaries for executive directors
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows:

NIL

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest:

NIL

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	450	450
3.2	Credit standby arrangements	--	--

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	171	699
4.2	Deposits at call	--	--
4.3	Bank overdraft	--	--
4.4	Other (provide details)	--	--
Total: cash at end of quarter (item 1.23)		171	699

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	N/A
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
2. This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 October 2008.
 (Company secretary)

Print name: John Hoedemaker

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below:
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.