



ASX Release

10th June 2008

GLENGARRY RESOURCES ENTERS SALE AGREEMENT WITH KAGARA

The Board of Glengarry Resources Limited ("**Glengarry**") is pleased to advise that Glengarry has entered into a conditional agreement with Kagara Ltd ("**Kagara**") for the sale of the Greenvale Project ("**Greenvale**") which includes the Maitland Copper Deposit ("**Maitland**"). Glengarry will receive consideration of \$6.5 million cash in relation to the sale and retain a royalty of \$5 per tonne in respect of all ore processed in excess of one million tonnes.

Following a review of the Maitland resource definition drilling and the commissioning of an independent scoping study, the Glengarry Board completed a detailed study of development alternatives, with a view to maximising economic return to Glengarry shareholders. After completion of this study and discussions with a number of parties including Kagara, the Board concluded that developing Maitland as a stand-alone project was not the optimal outcome for Glengarry. The Board determined that the sale of Maitland to Kagara, which has the development expertise and nearby mining and milling infrastructure, provides the best alternative to maximise the economic return to Glengarry shareholders.

Key terms and conditions of the conditional sale agreement are:

1. Kagara will pay \$6.5 million for 100% ownership of the Greenvale Project tenements, excluding the uranium rights.
2. Kagara will pay a royalty of \$5 per tonne on all ore processed in excess of one million tonnes.
3. Payment of \$1 million to be made upon signing of the formal Sales Agreement with the balance of \$5.5 million due immediately after approval of the sale by Glengarry shareholders.
4. The sale is subject to:
 - a. Execution by both parties of a formal Sales Agreement.
 - b. Approval by Glengarry shareholders as required by ASX Listing Rule 10.1.
 - c. Necessary governmental approvals.

Glengarry is delighted with the ongoing support it has received from Kagara, which has advised that it looks forward to continuing to support Glengarry as a substantial shareholder.

Following completion of the Greenvale sale, Glengarry will have in excess of \$11 million in cash reserves and be fully funded to advance exploration on its portfolio of Australian resource projects.

Glengarry's ongoing exploration focus will be on its wholly owned Citadel Project located in the Telfer region of northwest Western Australia where the Company has four contiguous Exploration Licences covering approximately 1,400 square kilometres.

Previous exploration by other companies within the Citadel project area discovered high grade copper/gold mineralisation at the Magnum prospect. Mineralisation, which includes intersections up to 8 metres @ 4.4% copper and 15 metres @ 14.1 g/t gold, remains open along strike and at depth. A comprehensive review of previous exploration data has identified 20 additional priority targets within Glengarry's land holding which are ready for immediate drill follow up. Glengarry has already planned a \$1 million, 10,000 metre aircore drilling program to further test Magnum and the 20 new priority targets.

Glengarry has recently negotiated an Access Agreement with the Traditional Owners of the Citadel area and the formal legal documentation is in the final stages of execution. Glengarry will now work with the Traditional Owners to have all the tenements granted as quickly as possible. Heritage surveys will then be undertaken prior to commencement of drilling.

Additionally, Glengarry is also planning drill programs at Percyvale and Hampstead in North Queensland in the second half of 2008. Initial access was gained to these new Projects in May 2008 and target definition work is in progress.

The sale of the Greenvale Project and Maitland Copper Deposit to Kagara provides Glengarry with the opportunity to aggressively advance existing exploration projects and to pursue new business opportunities. The Directors of Glengarry have a proven track record of identifying and exploiting resource opportunities and adding value for shareholders. A number of opportunities are currently under review throughout Australia and offshore.



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Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by David Richards who is a member of the Australian Institute of Geoscientists. David Richards is a full time employee of Glengarry Resources Limited. David Richards 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 Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. David Richards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.