
GLENGARRY RESOURCES LIMITED

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NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at the Celtic Club, 48 Ord Street, West Perth WA 6005 on Tuesday 20 June 2006 at 10 am.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9322 4929.

GLENGARRY RESOURCES LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of the Glengarry Resources Limited (the "Company") will be held at the Celtic Club, 48 Ord Street West Perth WA 6005 on Tuesday 20 June 2006 at 10.00 am, ("Meeting").

The Proxy Form forms part of this Notice of General Meeting ("Notice").

The Directors have determined pursuant to regulation 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 10.00 am on Sunday 18 June 2006.

AGENDA

ORDINARY BUSINESS

1. Ratification of Share Placement

To consider, and if thought fit, pass as an ordinary resolution the following:

"That, for the purpose of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the shareholders ratify the issue of 27,000,000 fully paid ordinary shares in the capital of the Company on 10th March 2006 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast on this resolution by any person who participated in the issue or any associate of those persons.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

2. Issue of Options to Managing Director

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of Chapter 2E of the Corporations Act, Listing Rule 7.1 and Listing Rule 10.14 of the Listing Rules of Australian Stock Exchange Limited ("ASX") and for all other purposes, the shareholders approve and authorise the issue of 2,000,000 free options to Mr David Richards (or his permitted nominee), to acquire fully paid ordinary shares in the capital of Glengarry Resources Limited on the terms and conditions stated in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr David Richards or any of his associates.

However, the Company need not disregard a vote if:

- (a) 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
- (b) 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.

3. Re-election of Director – Mr William Manning

To consider, and if thought fit, pass as an ordinary resolution the following:

"That Mr William Manning, who retires in accordance with Rule 50.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a director."

4. Re-election of Director – Mr Darren Gordon

To consider, and if thought fit, pass as an ordinary resolution the following:

"That Mr Darren Gordon, who retires in accordance with Rule 50.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a director."

By Order of the Board

Janelle Burns
Joint Company Secretary
10 May 2006

GLENGARRY RESOURCES LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of Glengarry Resources Limited (the "Company") in connection with the business to be conducted at the General Meeting of the Company to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 on Tuesday 20 June 2006 at 10.00 am.

The purpose of this Explanatory Memorandum is to provide information which the Board believes is material to Shareholders in relation to the Resolutions. The Explanatory Memorandum explains the Resolutions and identifies the Directors' reasons for putting them to Shareholders. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors before voting.

2. Resolution 1 – Ratification of a Share Issue

In March 2006 the Company issued 27,000,000 fully paid ordinary shares to institutional and sophisticated investors introduced by Far East Capital Limited, at an issue price of five (5) cents per share.

Resolution 1 seeks shareholder approval under Listing Rule 7.4, which provides that an issue of securities that is made without shareholder approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if each of the following applies:

- (a) the issue did not breach Listing Rule 7.1; and
- (b) the holders of ordinary securities subsequently approve it.

The directors confirm that the issue did not breach Listing Rule 7.1. The effect of shareholders passing Resolution 1 will be to restore the Company's ability to issue shares within the 15% limit currently imposed by Listing Rule 7.1 to the extent of the aggregate 27,000,000 shares issued. For the purposes of Listing Rule 7.5 the following information is provided to shareholders:

- (a) The securities rank *pari passu* with, and were issued on the same terms as, existing ordinary shares on issue.
- (b) This issue was made to provide funds for:
 - Drilling of the Maitland supergene copper zone; and
 - Testing for extension of the Oasis uranium zone.
- (c) The concerned shareholders and their associates are not permitted to vote on this resolution in accordance with the voting exclusion statement that is stated in the Notice immediately after the resolution.

The Board of Directors unanimously recommends that shareholders vote to approve Resolution 1 as it would be in the best interests of the Company to increase its capacity to issue shares in the future.

3. **Resolution 2 – To Approve the Issue of Options to the Managing Director.**

Resolution 2 seeks shareholder authority pursuant to ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act for the Directors to grant a total of 2,000,000 options to the Managing Director. The Directors recommend the issue of options to Mr Richards as an incentive to perform.

Chapter 2E of the Corporations Act – Related Party Transactions.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Richards, being Managing Director, is a related party of the Company.

Terms and Conditions of Options

The proposed terms and conditions of the options are as follows:

- *Each option entitles the holder to subscribe for one fully paid share in the capital of Glengarry Resources Limited;*
- *The amount payable on exercise of the options and the vesting dates are as follows:*

Tranche	Number	Exercise Price	Vesting Date
1	500,000	11 cents	Immediately
2	500,000	13 cents	12 months from date of issue
3	1,000,000	15 cents	24 months from date of issue

- *The options will expire 5 years from date of allotment.*
- *The options are exercisable by notice in writing to the Company accompanied by payment of the exercise price on or prior to the expiry date;*
- *If the Managing Director ceases to be an employee of the Company the options held by and vested in the Director will expire three months from the date of his ceasing to be an employee of the Company. Options not vested would automatically lapse.*

- *All shares issued upon exercise of the options will rank pari passu in all respect with the then existing shares of the Company;*
- *The Company will apply for quotation of the shares pursuant to the exercise of options within 10 days of their exercise;*
- *There are no participation rights or entitlements inherent in the options and their holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. The Company, however, will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be in accordance with the ASX Listing Rules. This will give the option holder the opportunity to exercise his options (should he otherwise be entitled to) prior to the date for determining entitlements to participate in any such issue;*
- *In the event of any reconstruction of the issued capital of the Company, the number of options or the exercise price of the options or both shall be reconstructed in a manner which complies with the ASX Listing Rules in force at that time and in all other respects the terms for the exercise of the Options shall remain unchanged; and*
- *Options not exercised by 5.00 pm WST on the expiry date will automatically expire.*

Mr Richards and his associates may not vote on this resolution.

Employment Agreement

The Company entered into an Employment Agreement with Mr Richards on 1 September 2003 ("Agreement"). In accordance with the terms of the Agreement Mr Richards agreed to undertake all functions, duties, roles and authorities which the Company would require of a person engaged as Managing Director of the Company on a full time basis. The Agreement commenced on the 1 September 2003 and continues for an unspecified period. Either the Company or Mr Richards may terminate the Agreement by giving six (6) months written notice.

The gross salary payable under this Agreement is currently \$192,000, standard annual, long service and sick leave entitlements, the provision of a mobile telephone and payment of subscriptions to acceptable professional institutions. Mr Richards is also entitled to reimbursement of reasonable motor vehicle expenses.

Mr Richards has the following relevant interest in the securities of the Company.

Holding	Shares	Options	Exercise Price	Expiry Date
David Ross Richards	384,610	500,000	10 cents	30 June 2006
		500,000	15 cents	30 June 2007

Listing Rule 10.14

The following information is provided to satisfy ASX Listing Rule 10.14. The maximum number of options to be issued is 2,000,000. These options will be issued to Mr Richards (or his nominee) within one month of the date of the meeting. The options are free. No funds will be raised by the issue of the options. If the options are all exercised, a maximum of \$270,000 will be added to working capital of the Company in due course.

The Directors, in conjunction with the Company's advisers have attempted to value the options by reference to the Black Scholes option pricing model, based on the following assumptions at the date the Directors (other than Mr Richards) determined (subject to shareholders approval) to grant the options):

	Tranche 1	Tranche 2	Tranche 3
Effective date of valuation	10 April 06	10 April 06	10 April 06
Date of issue of options	10 April 06	10 April 06	10 April 06
Vesting date of options	10 April 06	10 April 07	10 April 08
Expiry date of options	10 April 11	10 April 11	10 April 11
Expected life of options (years)	5	5	5
Current share price at date of valuation for Glengarry Resources Limited	7.2 cents	7.2 cents	7.2 cents
Number of shares currently on issue	208,966,528	208,966,528	208,966,528
Dividend yield	0%	0%	0%
Exercise price of one option	\$0.11	\$0.13	\$0.15
One option equates to	1 share	1 share	1 share
Options will be	Unlisted	Unlisted	Unlisted
Appropriate government bond rate	5.5%	5.5%	5.5%
Share price volatility	70%	70%	70%

VALUE OF THE OPTIONS

Having regard to the factors set out above, and using the Black-Scholes method, the value of the options is calculated to be as follows:

Tranche	Number of options	Option value	Total value
		\$	\$
1	500,000	0.0382	19,100
2	500,000	0.0356	17,800
3	1,000,000	0.0332	33,200
Total	2,000,000		70,100

Directors' Recommendation

The Directors wish to make a recommendation about the proposed Resolution 3:

Director	Recommendation
Mr Keith McKay Mr William Manning Mr Darren Gordon	The Options are considered by the directors to provide a cost effective means of giving an incentive to Mr Richards to advance the Company's interests in accordance with the directions given from time to time by the board of directors. The number of options to be issued are in line with the number issued to directors of similar companies. The directors therefore recommend that shareholders approve the issue of the options. These directors do not have an interest in the outcome of this resolution.
Mr David Richards	As Mr Richards stands to gain personally from the issue of the Options, he declines to make any recommendation in relation to shareholders' consideration of the resolution.

All of the directors were available to consider the proposed resolution.

The proposed resolution would have the effect of giving power to the Directors to grant 2,000,000 free Options over unissued shares in the Company to Mr Richards. None of the directors who make a recommendation in favour of the resolution have an interest in the outcome of this resolution.

Shareholders should be aware that under Australian Accounting Standards Board ("AASB 2 Share Based Payments") the Company will be required to determine the fair value of options (as calculated above), issued to employees as remuneration and recognise them in the Income Statement. The issued capital of the Company will increase by 2,000,000 shares if the options are exercised in full which will dilute existing members interests by that amount. The current number of shares on issue is 208,966,528 which would result in a dilution of 0.99% if the options are exercised. There are no taxation consequences for the Company in issuing these options.

These options have no trading history as they will be unlisted and in a category only issued to employees under the Employee Share Option Plan. The company's shares have a 12 month price range of a low of 2.0 cents on 13 May 2005, a high of 8.8 cents on 3 October 2005 and a current last sale at 6.2 cents on 3 May 2006

4. Resolution 3 – Re-election of Director – Mr William Manning

Mr Manning was appointed as a director on 10 March 2006. As Mr Manning has been appointed since the last Annual General Meeting he retires in accordance with the Constitution of the Company and seeks re-election.

Mr Manning has been recognised as one of Australia's leading mining resource lawyers and has published a number of papers on the resources industry. He is currently Chairman of the Asthma and Allergy Research Institute and has previously been a director of Wiluna Mines Limited, Australian Mining & Petroleum Law Association Limited, Queensland Cement Limited and Cement Australia Limited.

The Board supports the re-election of Mr William Manning.

5. Resolution 4 – Re-election of Director – Mr Darren Gordon

Mr Gordon was appointed as a director on 10 March 2006. As Mr Gordon has been appointed since the last Annual General Meeting he retires in accordance with the Constitution of the Company and seeks re-election.

Mr Gordon is a Chartered Accountant with over 15 years experience in the mining sector. He is currently the Chief Financial Officer of Gindalbie Metals Limited where he has been employed since January 1999. Gindalbie Metals is an emerging iron ore producer and Mr Gordon has been an integral part of the team that has seen the company increase its market capitalisation to over \$150 million.

The Board supports the re-election of Mr Darren Gordon.

GLENGARRY RESOURCES LIMITED

ACN 009 486 099

P R O X Y F O R M

The Company Secretary
Glengarry Resources Limited

By delivery:

Ground Floor, 35 Havelock Street
West Perth WA 6005

By post:

PO Box 975
West Perth WA 6872

By facsimile:

+61 8 9322 5510

I/We

¹

of _____

being a Shareholder/Shareholders of the Company and entitled to _____

votes in the Company, hereby appoint ² _____

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at the Celtic Club, 48 Ord Street West Perth WA 6005 on Tuesday 20 June 2006 at 10.00 am, and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to cast is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

INSTRUCTIONS AS TO VOTING ON THE RESOLUTION

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

For Against Abstain

Resolution 1	Ratification of a Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Options to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director Mr William Manning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director Mr Darren Gordon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the Chairman of the meeting is your proxy and you have not directed your proxy how to vote, please place a mark in this box. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman intends to vote undirected proxies in favour of all resolutions.

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 to be counted in computing the required majority on a poll.

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of shareholder

²Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a person or a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that meeting, the representative of the corporation to attend the meeting must produce the appropriate Certificate of Appointment of Representation prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company (Ground Floor, 35 Havelock St, West Perth WA 6005), by post to PO Box 975, West Perth WA 6872 or by Facsimile +61 8 9322 5510 not less than 48 hours prior to the time of commencement of the Meeting (WST).