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## **NEW TENEMENTS CONTAINING HIGH GRADE GOLD-COPPER MINERALISATION PEGGED NEAR TELFER**

Glengarry Resources Limited has applied for a 1,700 square kilometre area located 100 kilometres north of the Telfer gold mine in northwest Western Australia (Figure 1). The region contains several world class metal deposits including Telfer (26 M oz gold, 1 Mt copper), Nifty (1 Mt copper) and Kintyre (24 Kt tonnes U<sub>3</sub>O<sub>8</sub>). Exploration by other companies confirms that Glengarry's new tenements, which will be known as the **Citadel Project**, are highly prospective for these commodities.

Drilling by previous explorers at the **Magnum prospect** (Figure 2) located within the Citadel Project has recorded a number of significant intersections including:

- **8 metres @ 3.5 g/t gold and 4.4% copper from 279 metres**
- **4 metres @ 11.7 g/t gold from 261 metres**
- **15 metres @ 14.1 g/t gold from 464 metres**
- **5 metres @ 1.23 g/t gold and 2.43% copper from 211 metres**

The mineralisation at Magnum comprises multiple gold and copper zones and remains open along strike and at depth. Further drilling is required to fully assess the potential of the prospect.

Previous work by other companies has included regional and detailed geophysical surveys, geochemical surveys and drilling which provide a comprehensive database and will allow rapid delineation of targets for future exploration. Glengarry has also acquired the complete exploration database for the Citadel Project from Gindalbie Metals Limited who held the area prior to Glengarry applying for the tenements. As consideration, Glengarry will issue Gindalbie \$250,000 worth of shares, deferred until the grant of tenure at the Citadel Project. Importantly, the acquisition of Gindalbie's database ensures that Glengarry's exploration effort is not delayed awaiting the release of the data via the state government's open file system.

Geologically, the Citadel Project is in the northern part of the Proterozoic Paterson Province which includes the prospective Yeneena Supergroup that hosts the world class metal deposits listed above. In the Project area, the prospective lithologies are obscured by up to 100 metres of cover sediments; however, geophysical surveys have successfully defined targets (including the Magnum prospect) beneath the younger cover. Numerous targets defined by earlier geophysical surveys have not yet been tested by drilling.

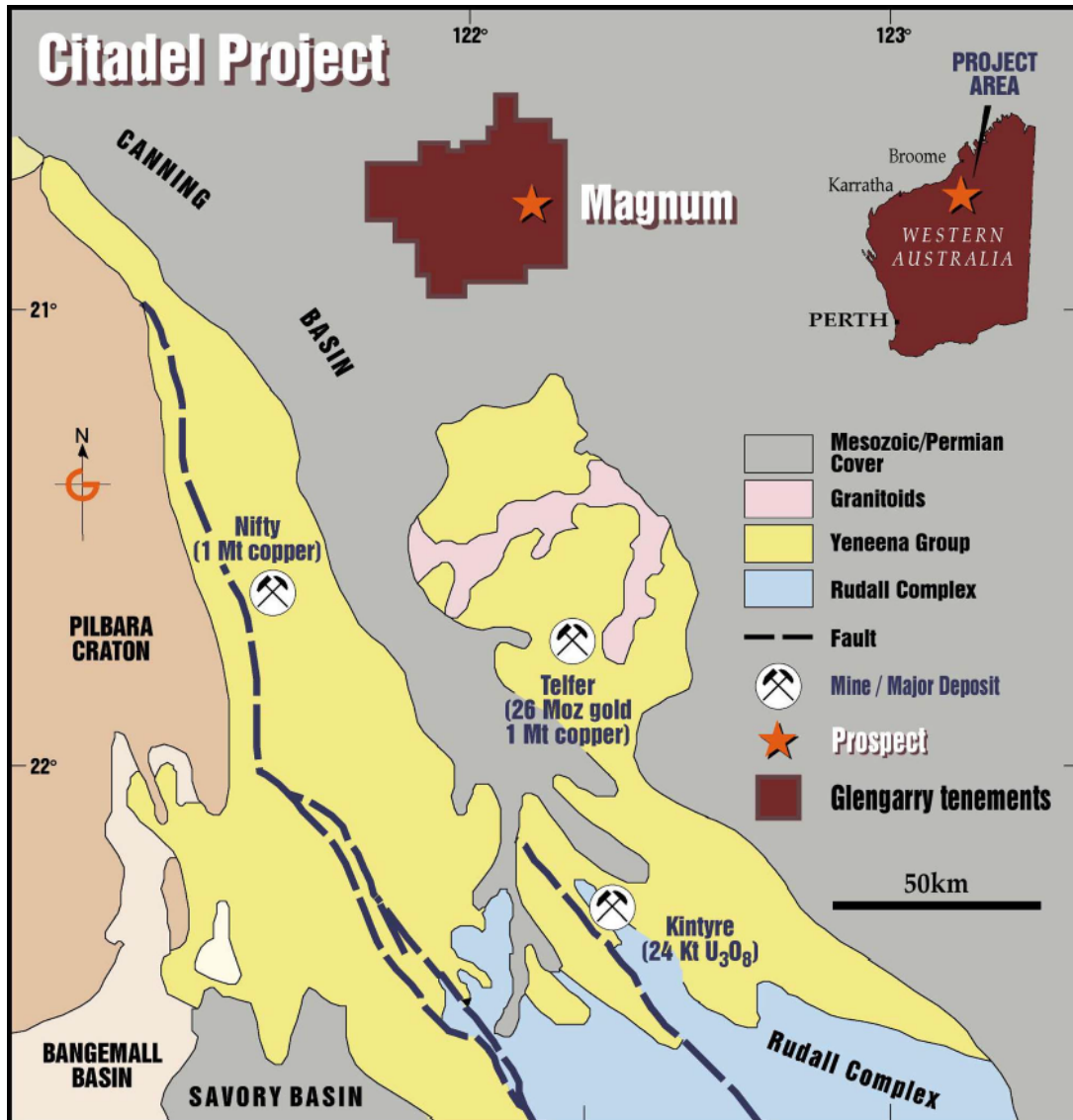
Sampling of granitic units in the area indicates that they are enriched in uranium and that they would provide a good source for the development of economic uranium mineralisation in palaeochannels and at unconformities between geological sequences of different ages. No previous exploration for uranium has been conducted within the Citadel Project.

Glengarry is currently completing a systematic review of the previous data to determine future exploration strategies for the Citadel Project. The new tenement applications are expected to be granted near the end of 2006 and fieldwork is scheduled to commence in April 2007.

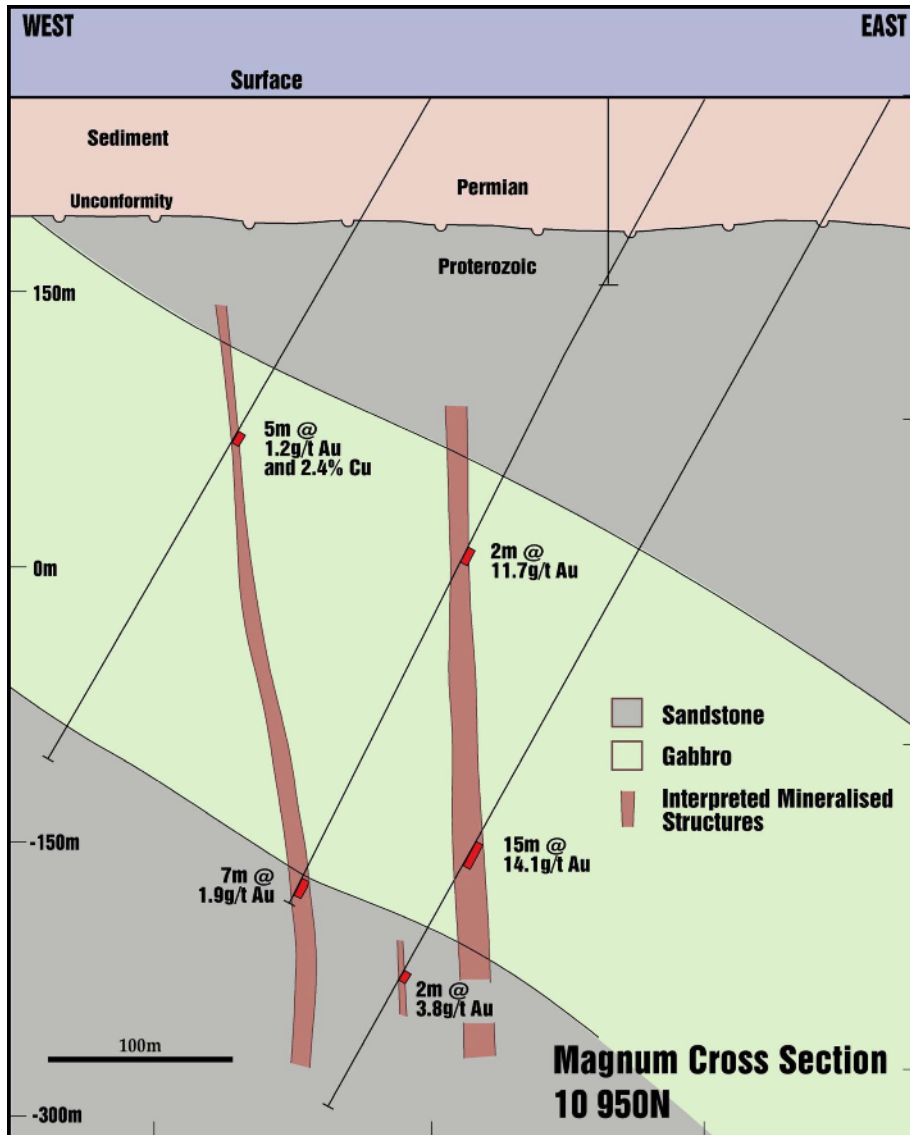


**DAVID RICHARDS**  
Managing Director

The information in the 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.



**Figure 1: Citadel Project – Location Plan and Regional Geology**



**Figure 2: Magnum Prospect – Drill Section**