



13 January 2005

Manager Company Announcements
Company Announcements Office
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam

ANNOUNCEMENT

Please find attached Glengarry Resources Limited's Quarterly Report for the quarter ended 31 December 2004.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D Richards', enclosed within a circular scribble.

David Richards
Managing Director

December 2004 – Quarterly Report

Highlights

- **Entitlements Issue Fully Subscribed** – The shortfall to a 1:4 entitlements issue undertaken last quarter has been successfully allocated to a number of investors. The full entitlements issue raised gross proceeds of approximately \$1,100,000 which will be used to fund exploration work on Glengarry’s key projects in NE Queensland.
- **New Gold Prospects Defined at Charters Towers** – Soil sampling across prospective corridors at Charters Towers has delineated seven new gold anomalies including 3 which recorded plus 1 g/t gold values. Follow up drilling is scheduled for mid to late January 2005.
- **Fieldwork commences at Greenvale** – Follow up of gold targets defined by a recent review of the Greenvale Project has commenced with approximately 1000 soil samples collected over the Bottletree Porphyry area. Assays have not yet been received for most samples.
- **Snake Creek Project Farmed Out to Xstrata** – Agreement has been reached with Xstrata to farm into Glengarry’s Snake Creek Project located in the Mt Isa region of western Queensland. Xstrata may earn up to 75% equity in the Project by spending \$3,000,000 on exploration over 5 years.
- **Larranganni Sale Realises \$250,000** – Glengarry has sold its 7.5% interest in the Larranganni Joint Venture to joint venture partner Tanami Gold NL for \$250,000 cash. Glengarry believes that the Company should invest in the discovery of a stand alone gold deposit on its 100% owned projects rather than participate as a minority partner in the mining of the existing resources (approximately 160,000 ounces gold) on the Larranganni Joint Venture.
- **Strong Cash Position** – The successful completion of the entitlements issue and the sale of the Larranganni interest means that Glengarry has adequate funds to continue an aggressive exploration program on its key Charters Towers and Greenvale Projects in NE Queensland. There will be strong emphasis on drilling in the first half of 2005.

Plans for the March 2005 Quarter

- Drill test soil anomalies and Day Dawn Extended prospect at Charters Towers.
- Process data from Greenvale and define drill targets for testing later in the March quarter.
- Finalise Snake Creek agreement.
- Evaluate new opportunities in Australia and overseas.



Exploration Report

Charters Towers Project (North Queensland) – New gold targets defined

Exploration at Charters Towers comprised reconnaissance geological mapping across the prospective corridors defined during the September quarter followed by soil sampling over areas where it was deemed appropriate. A total of 3,268 soil samples were collected every 50 m on lines 400 m apart – infill sampling on 200 m spaced lines was completed over anomalous areas.

The drilling rig booked to test the Day Dawn Extended prospect has been delayed and the proposed drilling program has been postponed until mid - late January 2005. The program will now be expanded to test several of the new gold-in-soil anomalies described below.

- **Soil Sampling**

Soil sampling defined 7 new coherent gold-in-soil anomalies. Details of the anomalies, which are defined by a plus 16 ppb gold threshold, are listed in Table 1 and locations are shown on Figure 1.

Table 1: Charters Towers – New Gold-in-Soil Anomalies

Name	Dimensions (m)	Maximum Gold (ppb)	Comments
Lollypop	>1000 x 150	780	Eastern margin of Puzzler Granodiorite
Taxman	200 x 150	15,600	Single line anomaly
Red Bluff	750 x 100	69	Southwest margin of Centauri Granodiorite
Cumnock	750 x 150	18	Northern margin of Centauri Granodiorite
Jesmond Road	400 x 50	270	Coincident with 300 m diameter negatively polarised magnetic anomaly
Lincoln Hill	900 x 100	6,300	Coincident with anomalous rock chips up to 10.5 g/t gold and 229 ppm bismuth
Wellington Road	>1000 x 200	4,360	Coincident with intersection of Merrie Monarch Fault and contact between Tower Hill Granodiorite and Charters Towers Metasediments

Further mapping will be completed across the anomalies in early January and follow up drilling is scheduled for mid - late January. The Lollypop and Wellington Road anomalies are considered the highest priority targets.

The Lollypop prospect, which is open to the north and south, is located approximately 400 m southeast of Balfes Creek prospect where drilling in the 1996 intersected high grade gold at shallow depths; i.e., 6 m @ 8 g/t from 3 m and 7 m @ 18 g/t from 2 m. Follow up drilling failed to define the source of the high grade gold in the initial drill holes which are located in a creek.

The Wellington Road anomaly is immediately north of the previously reported Back Creek prospect and coincident with the Merrie Monarch fault where it intersects the contact between metasediments and the Towers Hill Granite (the main host to historic high grade

lodes at Charters Towers). Multiple plus 1 g/t gold values were recorded by the soil sampling.

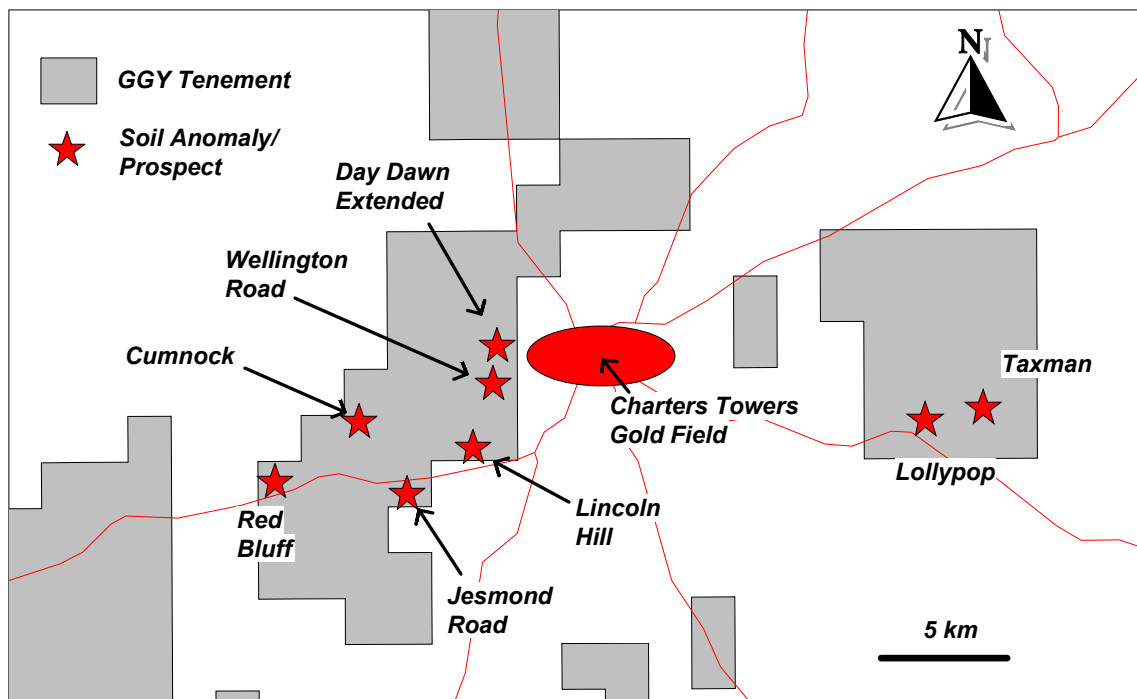


Figure 1: Charters Towers Project showing new gold-in-soil anomalies.

- **Day Dawn Extended**

RC percussion drilling at Day Dawn Extended has been re-scheduled to commence in mid-late January, 2005. The Day Dawn Extended target represents the western strike extension to the historical Day Dawn Lode which had a historical production of 1.4 Moz of gold.

Greenvale Project (North Queensland) – Results from soil sampling awaited

Exploration at Greenvale comprised reconnaissance mapping and soil sampling over the Bottletree Porphyry which is interpreted to be prospective for Kidston style mineralisation. The Bottletree Porphyry is defined by a broad, elliptical magnetic low completely covered by transported sediments and located immediately west of the Bottletree copper/gold soil anomaly where drilling by previous explorers had intersected anomalous gold and copper results. Reconnaissance mapping confirmed that the interpreted porphyry was suitable for surface geochemistry and 926 soil samples were collected 50 m apart on lines 400 m apart. Assay results are awaited for most samples.

Results from the soil sampling at Bottletree together with a recent review of previous company exploration data are expected to generate a number of drill targets which are scheduled to be tested late in the March 2005 quarter.

Diamantina Project (West Queensland)

An Information Memorandum summarising the exploration potential of the Diamantina Project has been prepared and forwarded to potential joint venture partners.

Cannington Project (West Queensland)

No exploration was completed on the Cannington project during the quarter.

Snake Creek Project (West Queensland) – New Joint Venture negotiated

Glengarry's Snake Creek Project is located in the Mt Isa region of western Queensland and is located approximately 35 km SSE of Cloncurry. During the quarter, Glengarry reached agreement with Xstrata (subject to contract and grant of the underlying tenement EPM 14449) whereby Xstrata may earn 75% equity in the Project by spending \$3,000,000 on exploration over 5 years. Previous exploration had delineated a number of copper and gold anomalies which will be the main focus of Xstrata's initial exploration.

Yolande River Project (Tasmania)

A data package has been prepared for the Yolande River Project and forwarded to potential joint venture partners.

Larranganni Joint Venture (Tanami Desert, WA) – Interest sold to Tanami Gold NL

Glengarry Resources Limited sold the Company's 7.5% participating interest in the Larranganni Joint Venture to partner Tanami Gold NL for \$250,000 cash.

The Larranganni property hosts small gold resources at Kookaburra and Sandpiper which total 160,000 ounces. The sale valued the existing resources at more than \$20 per ounce of gold which compares favourably with other recent industry transactions. Reserves have not yet been finalised.

Considerable exploration has already been conducted on the property and whilst there may be potential for the discovery of resources incremental to the known deposits, Glengarry strongly believes the Company should focus on the discovery of a stand alone gold ore body. Glengarry also considered its small interest of 7.5% in the Larranganni Joint Venture as non-core and the Company decided to sell out rather than contribute as a minority joint venture partner to future development of the existing resources.

Corporate Report

Capital Raising

The shortfall to a 1:4 entitlements issue (Record Date 2nd September 2004) has been successfully allocated during the quarter and the issue closed fully subscribed. The entitlements issue comprised a total of 31,576,787 New Shares and raised gross proceeds of \$1,105,187. Glengarry's total issued capital is now 157,883,938 shares.

Board Changes

Mr Keith McKay accepted the position of Chairman in place of Mr Allan Harris who stood down at the Annual General Meeting on 22nd November 2004. Mr Harris will remain as a non-executive Director and will continue as Company Secretary.

Cash Position

At the end of the December 2004 quarter, Glengarry had approximately \$1.9 million in cash and securities.



David Richards
Managing Director
13 January 2004

This information, so far as it pertains to ore or mineralisation, is based on information compiled by Mr D.R. Richards, a member of the Australian Institute of Geoscientists, who has had at least five years experience in the field of activity concerned.

COMPANY INFORMATION

DIRECTORS

Keith G McKay BSc(Geol Hons), MAusIMM
Chairman

Allan T Harris FCA
Director

Ian J Gordon BComm (Corporate Administration)
Director

PRINCIPAL OFFICE

Ground Floor, 35 Havelock Street
West Perth WA 6005
(PO Box 975, West Perth WA 6872)
Telephone: (08) 9322 4929
Facsimile: (08) 9322 5510

MANAGING DIRECTOR

David R Richards BSc(Geol Hons), MAIG

STOCK EXCHANGE LISTING

Glengarry Resources Limited shares and options
are listed on the Australian Stock Exchange
Shares - Code GGY
Options - Code GGYOA

Email: info@glengarrynl.com.au

Web Site: www.glengarrynl.com.au