



18 October 2004

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

Dear Sir/Madam

**ANNOUNCEMENT
NOTICE OF ANNUAL GENERAL MEETING**

The directors of Glengarry Resources Limited announce the Notice of Annual General Meeting to be held on Monday 22 November 2004.

Yours faithfully

David Richards
Managing Director

Notice of annual general meeting

The annual general meeting of Glengarry Resources Limited will be held at the City West Function Centre - "The Sutherland Room" 45 Plaistowe Mews, City West Centre West Perth WA 6005, at 11am on Monday 22 November 2004.

Agenda

Financial report and directors' and audit reports

1. To receive and consider the financial report, including the directors' declaration, for the year ended 30 June 2004 and the related directors' report and audit report.

Election of directors

2. To elect three directors:
 - (a) Mr A T Harris retires in accordance with the Constitution and, being eligible, offers himself for re-election.
 - (b) Mr I J Gordon retires in accordance with the Constitution and, being eligible, offers himself for re-election.
 - (c) Mr K G McKay retires in accordance with the Constitution and, being eligible, offers himself for re-election.

Information about the candidates is set out on the following page.

Amend the terms and conditions of the Employee Incentive Scheme

3. To consider and if thought fit pass the following resolution as an ordinary resolution:
"That clause 7(a) of the Terms and Conditions of the Employee Incentive Scheme ("the Scheme") be deleted and replaced by clause 7(a) as follows:

7. GRANT OF OPTIONS

- (a) The Directors may in their discretion grant to Eligible Participants free options on the conditions set out in this paragraph 7 and such additional conditions as the Directors may from time to time determine. Each option shall entitle the option holder, upon exercise, to subscribe for one ordinary share fully paid in the capital of the Company at an exercise price to be determined by the Directors".

For further information, refer to the attached Explanatory Memorandum.

Approve the issue of securities under the Employee Incentive Scheme as an exception to Listing Rule 7.2

4. To consider and if thought fit to pass the following resolution as an ordinary resolution:
"That the issue of securities under the Employee Incentive Scheme be approved as an exception to Listing Rule 7.2."

For further information, refer to the attached Explanatory Memorandum.

Increase in directors' fees

5. To consider and if thought fit pass the following resolution as an ordinary resolution:
"For the purposes of Regulation 58.1 of the Company's Constitution and Listing Rule 10.17 and for all other purposes that the aggregate maximum amount of remuneration payable to directors of the Company as directors' fees be increased from a total of \$100,000 per annum to a total of \$200,000 per annum to be apportioned by the directors at their discretion commencing 1 December 2004."

For further information, refer to the attached Explanatory Memorandum.

Notice of annual general meeting (continued)

Ratify options granted to employees pursuant to the Employee Incentive Scheme (“the Scheme”)

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

“That for the purposes of Listing Rule 7.2 and for all other purposes the grant of those options granted to employees of the company pursuant to the Scheme, as set out in the table below, be ratified.”

Date of grant	Expiry date	Number of options granted	Consideration	Market Price of shares at grant date	Exercise price
8 March 2004	8 March 2006	600,000	Nil	\$0.053	5 cents per share
6 October 2004	1 September 2005	500,000	Nil	\$0.036	5 cents per share
6 October 2004	1 September 2006	500,000	Nil	\$0.036	The greater of 10 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme
6 October 2004	1 September 2007	500,000	Nil	\$0.036	The greater of 15 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme

For further information, refer to the attached Explanatory Memorandum.

Ratify options granted to the Managing Director pursuant to the Employee Incentive Scheme (“the Scheme”)

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

“That for the purposes of Listing Rule 7.2 and for all other purposes the grant of those options granted to the Managing Director, Mr David Ross Richards, pursuant to the Scheme, as set out in the table below, be ratified.”

Date of grant	Expiry date	Number of options granted	Consideration	Market Price of shares at grant date	Exercise price
14 April 2003	18 February 2004	500,000	Nil	\$0.050	5 cents per share
8 March 2004	18 February 2005	500,000	Nil	\$0.053	The greater of 10 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme
8 March 2004	18 February 2006	500,000	Nil	\$0.053	The greater of 15 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme

For further information, refer to the attached Explanatory Memorandum.

Approve the issue of shares to a director

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

“That for the purposes of Listing Rule 10.11 approval is given to the issue to Mr Keith Graham McKay, a director of Glengarry Resources Limited, of 1,000,000 ordinary shares at an issue price of 3.5 cents per share payable in full at the time of issue out of the shortfall arising from the one for four pro rata non-renounceable entitlements issue of ordinary shares at 3.5 cents per share, pursuant to a prospectus dated 24 August 2004.”

For further information, refer to the attached Explanatory Memorandum.

Notice of annual general meeting (continued)

Approve the grant of options to the Managing Director pursuant to the Employee Incentive Scheme

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

“That subject to resolutions 3 and 4 being passed, in accordance with the Listing Rule 10.14 of the Listing Rules of Australian Stock Exchange Limited the directors of the Company are hereby authorised to grant to the Managing Director, Mr David Ross Richards, or his Eligible Associate, pursuant to the terms and conditions of the Employee Incentive Scheme (“the Scheme”) the following options for no consideration:

- (i) 500,000 options expiring 30 June 2006 at an exercise price of 10 cents per ordinary share;
- (ii) 500,000 options expiring 30 June 2007 at an exercise price of 15 cents per ordinary share.”

Other business

10. To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act 2001.

By Order of the Board
A T Harris
Secretary

8 October 2004

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed form of proxy. This form must be received by the company by 11am on Thursday 18 November 2004.

The completed form of proxy may be lodged by posting, delivery or facsimile to the company’s Registered Office (see details on proxy form).

A member entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member’s voting rights. A proxy need not be a member of the company.

Notice of annual general meeting (continued)

Information about the candidates for election as directors

Mr Allan T Harris

Age 66, FCA

Mr Allan Harris was elected a non-executive director to the Board on 24 February 1992 and retires by rotation in accordance with the company's Constitution. Mr Harris is Chairman and Company Secretary.

Mr Harris is a Chartered Accountant and has 25 years commercial experience in the mining industry.

Mr Ian J Gordon

Age 38, B Comm (Corporate Administration)

Mr Ian Gordon was elected to the Board on 19 March 2004. He is an independent non-executive director. Mr Gordon is a consultant to the mining industry and was previously employed as Manager - Land Access of Gold Fields Australia Pty Ltd and Business Analyst - Project Generation of Auriongold Limited.

Mr Keith G McKay

Age 58, BSc (Hons), FAusIMM

Mr Keith McKay was elected to the Board on 26 August 2004. He is an independent non-executive director. Mr McKay is a geologist with 36 years experience in the mining industry. Mr McKay is currently Chairman of Gindalbie Gold NL and his previous executive positions include Managing Director of Gallery Gold NL and Managing Director/Vice President of Battle Mountain (Aust.) Inc.

Explanatory Memorandum to notice of annual general meeting

This Explanatory Memorandum forms part of the Notice of Meeting in respect of the Annual General Meeting of Glengarry Resources Limited (the "company") to be held at the City West Function Centre, "The Sutherland Room", 45 Plaistowe Mews, City West Centre, West Perth on Monday 22 November 2004 at 11am.

This Explanatory Memorandum has been prepared to provide shareholders with an explanation and information on resolutions to be considered at the Annual General Meeting.

Resolution 3. Amend the terms and conditions of the Employee Incentive Scheme ("the Scheme")

The Scheme currently provides that in the grant of options, the exercise price or subscription price shall be the greater of 25 cents or 80% of Market Price (as defined) on the date upon which the directors first resolved to grant the options. The amount of 25 cents relates back to the time when shares in companies carried a par value which defined a minimum price at which shares could be issued. In Glengarry's case the par value of its shares at the time the Scheme was adopted was 25 cents per share. Given that par values no longer apply and the relevant measure of worth is market value, your directors consider this amendment appropriate in the circumstances and in keeping with current day incentive practices.

The existing clause and the proposed amended clause are set out as follows:

Existing clause:

7. GRANT OF OPTIONS

- (a) The Directors may in their discretion issue to Participants free Options on the conditions set out in this paragraph 7 and such additional conditions as the Directors may from time to time determine. Each option shall entitle the option holder, upon exercise, to subscribe for one ordinary fully paid Share of 25 cents in the capital of the Company at a subscription price of 25 cents or not less than 80% of Market Price on the date upon which the Directors first resolved to grant the Options (whether or not contingent upon shareholder approval), whichever is the higher.

Explanatory Memorandum to notice of annual general meeting (continued)

Resolution 3. Amend the terms and conditions of the Employee Incentive Scheme (“the Scheme”) (continued)

Proposed amended clause:

7. GRANT OF OPTIONS

- (a) The Directors may in their discretion issue to Eligible Participants free options on the conditions set out in this paragraph 7 and such additional conditions as the Directors may from time to time determine. Each option shall entitle the option holder, upon exercise, to subscribe for one ordinary share fully paid in the capital of the Company at an exercise price to be determined by the Directors which price will be not less than 80% of Market Price (as defined) on the date upon which the Directors first resolved to grant the options (whether or not contingent upon shareholder approval).

Voting exclusion statement:

The company will disregard any votes cast on the resolution by:

- a person who is eligible to participate in the Scheme; or
- an associate of a person who is eligible to participate in the Scheme.

However, the company need not disregard a vote if:

- 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
- 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.

Resolution 4. Approve the grant of securities under the Employee Incentive Scheme as an exception to Listing Rule 7.2 of the ASX Listing Rules

Exception 9 to Listing Rule 7.2 of the ASX Listing Rules permits securities to be issued under an employee incentive scheme without reducing the number of securities the company may issue under Listing Rule 7.1 without shareholder approval. However, to qualify for the exemption, shareholders must approve the issue of securities under the Scheme as an exception to Listing Rule 7.1. As shareholder approval is being sought to vary the Scheme at the meeting, it is necessary to formally seek approval to the issue of securities under the Scheme as an exception to Listing Rule 7.1.

Attached to this notice of meeting is a copy of the terms and conditions of the Scheme assuming Resolution 3 is passed.

Voting exclusion statement:

The company will disregard any votes cast on the resolution by:

- a person who is eligible to participate in the Scheme; or
- an associate of a person who is eligible to participate in the Scheme.

However, the company need not disregard a vote if:

- 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
- 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.

Resolution 5. Increase in directors’ fees

The aggregate amount of remuneration payable to directors of the company as directors’ fees has not increased since 25 November 1994 when shareholders approved the current pool maximum limit of \$100,000 per annum. Glengarry is looking to attract experienced non-executive directors who will add to the Board’s expertise and help raise the profile of the company. Remuneration of non-executive directors has increased substantially in the past decade and the current pool limit of \$100,000 for directors’ fees is not considered adequate if the company is to achieve its objectives. Accordingly, approval is sought to increase the maximum amount of directors’ fees which can be paid to directors as a whole to \$200,000 per annum being an increase of \$100,000 per annum. It is not the intention of the company to necessarily disburse the total pool amount of \$200,000 in each year, if approved by shareholders, but rather the intention is to allow flexibility to remunerate directors with fees commensurate with industry standards.

Explanatory Memorandum to notice of annual general meeting (continued)

Resolution 5. Increase in directors' fees (continued)

Voting exclusion statement:

The company will disregard any votes cast on the resolution by:

- a person who is a director; or
- an associate of a person who is a director.

However, the company need not disregard a vote if:

- 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
- 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.

Resolution 6. Ratify options granted to employees pursuant to the Employee Incentive Scheme (“the Scheme”)

Options have been granted to employees of the company as set out in the table below:

Date of issue	Expiry date	Number of options granted	Consideration	Market Price of shares at grant date	Exercise price
8 March 2004	8 March 2006	600,000	Nil	\$0.053	5 cents per share
6 October 2004	1 September 2005	500,000	Nil	\$0.036	5 cents per share
6 October 2004	1 September 2006	500,000	Nil	\$0.036	The greater of 10 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme
6 October 2004	1 September 2007	500,000	Nil	\$0.036	The greater of 15 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme

The current terms and conditions of the Scheme provide that the exercise price of any options granted is 25 cents or not less than 80% of Market Price (as defined) on the date upon which the directors first resolved to grant the options, whichever is the higher. Resolution 3 sets out to amend this provision.

The options granted as shown in the table above were purportedly granted under the Scheme but were inadvertently granted with exercise prices below 25 cents. The options were granted in good faith by the directors to valued employees at exercise prices commensurate with the market value of the company's shares at the date of grant. Legal advice received by the company indicates that any irregularity in the grant of the options will be rectified if the grant is ratified by shareholders in general meeting. The directors of the company urge shareholders to support the motion and approve the ratification.

Further, to the extent that the options were granted on terms which did not strictly comply with the Scheme, the ratification of the grant will ensure that the grant of the options will not reduce the number of equity securities which the company would otherwise be entitled to issue under Listing Rule 7.1 of the Listing Rules of the ASX without shareholder approval.

No funds were raised by the issue of the options but if the options or any of them are exercised, then funds will be raised by the issue of the resultant shares (the exact level of funds will depend upon the number of options exercised and the applicable exercise price).

The terms of the options are set out in the enclosed Statement Of Terms And Conditions Of Employee Incentive Scheme In Accordance With The Official Listing Rules Of Australian Stock Exchange Limited.

The names of the persons who received the options are as follows:

- Sharon Patricia Hamdorf 200,000
- Bridget Isabella Hogarth 200,000
- Arlene Kay Rigby 200,000
- Alison Elizabeth Seymour 1,500,000

Explanatory Memorandum to notice of annual general meeting (continued)

Resolution 6. Ratify options granted to employees pursuant to the Employee Incentive Scheme (“the Scheme”) (continued)

Voting exclusion statement:

The company will disregard any votes cast on the resolution by:

- any person who participated in the Scheme; or
- an associate of any person who participated in the Scheme.

However, the company need not disregard a vote if:

- 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
- 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.

Resolution 7. Ratify options granted to the Managing Director pursuant to the Employee Incentive Scheme (“the Scheme”)

Options have been granted to the Managing Director of the company as set out in the table below:

Date of grant	Expiry date	Number of options granted	Consideration	Market Price of shares at grant date	Exercise price
14 April 2003	18 February 2004	500,000	Nil	\$0.050	5 cents per share
8 March 2004	18 February 2005	500,000	Nil	\$0.053	The greater of 10 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme
8 March 2004	18 February 2006	500,000	Nil	\$0.053	The greater of 15 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme

The current terms and conditions of the Scheme provide that the exercise price of any options granted is 25 cents or not less than 80% of Market Price (as defined) on the date upon which the directors first resolved to grant the options, whichever is the higher. Resolution 3 sets out to amend this provision.

The options granted as shown in the table above were purportedly granted under the Scheme but were inadvertently granted with exercise prices below 25 cents. The options were granted in good faith by the directors to the Managing Director pursuant to the terms of a contract of employment dated 19 December 2002 when Mr Richards was appointed Exploration Manager, at exercise prices commensurate with the market value of the company’s shares at the date of grant. Legal advice received by the company indicates that any irregularity in the grant of the options will be rectified if the grant is ratified by shareholders in general meeting. The directors of the company, excluding the Managing Director, urge shareholders to support the motion and approve the ratification.

Further, to the extent that the options were granted on terms which did not strictly comply with the Scheme, the ratification of the grant will ensure that the grant of the options will not reduce the number of equity securities which the company would otherwise be entitled to issue under Listing Rule 7.1 of the Listing Rules of the ASX without shareholder approval.

No funds were raised by the issue of the options but if the options or any of them are exercised, then funds will be raised by the issue of the resultant shares (the exact level of funds will depend upon the number of options exercised and the applicable exercise price).

The terms of the options are set out in the enclosed Statement Of Terms And Conditions Of Employee Incentive Scheme In Accordance With The Official Listing Rules Of Australian Stock Exchange Limited.

Explanatory Memorandum to notice of annual general meeting (continued)

Resolution 7. Ratify options granted to the Managing Director pursuant to the Employee Incentive Scheme (“the Scheme”) (continued)

Voting exclusion statement:

The company will disregard any votes cast on the resolution by:

- any person who participated in the Scheme; or
- an associate of any person who participated in the Scheme.

However, the company need not disregard a vote if:

- 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
- 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.

Resolution 8. Approve the issue of shares to a director

On 24 August 2004 the company lodged a prospectus with the Australian Securities and Investments Commission for a one for four pro rata non-renounceable entitlements issue of ordinary shares at 3.5 cents per share which, if fully subscribed, would result in the issue of approximately 31,576,787 new shares and raise approximately \$1,105,187. The issue closed on 23 September 2004 and on 28 September 2004 the company announced a shortfall of 19,928,629 ordinary shares and reported that the directors had three months until 23 December 2004 in which to place the shortfall. Mr K G McKay, who was appointed a non-executive director of the company on 25 August 2004, has lodged a Shortfall Application Form to subscribe for 1,000,000 ordinary shares at 3.5 cents per share, however, the allotment of those shares is subject to the approval of shareholders in general meeting. Mr McKay has demonstrated his confidence in the future of the company by submitting this application and the other directors of the company urge your support for the motion.

The date by which the company will issue the securities will be within 30 days of the date of the meeting at which approval was obtained.

The funds raised from the issue of the securities will be used to fund the company’s exploration programs as set out in the prospectus dated 24 August 2004.

Voting exclusion statement:

The company will disregard any votes cast on the resolution by:

- Mr K G McKay; or
- an associate of Mr K G McKay.

However, the company need not disregard a vote if:

- 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
- 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.

Resolution 9. Approve the grant of options to the Managing Director pursuant to the Employee Incentive Scheme

Mr D R Richards was employed by Glengarry Resources Limited on 3 February 2003 as Exploration Manager. The salary package of Mr Richards included as an incentive the grant of options under the company’s Employee Incentive Scheme (“the Scheme”) as follows:

Quantity	500,000	500,000	500,000
Consideration	Nil	Nil	Nil
Expiry date	18 February 2004	18 February 2005	18 February 2006
Exercise price	5 cents per share	The greater of 10 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme	The greater of 15 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme

Explanatory Memorandum to notice of annual general meeting (continued)

Resolution 9. Approve the grant of options to the Managing Director pursuant to the Employee Incentive Scheme (continued)

On 1 September 2003 Mr Richards was appointed Managing Director of the company and the other directors of Glengarry Resources Limited do not consider the options granted to him as Exploration Manager carry sufficient incentive for Mr Richards in his capacity as Managing Director. In fact, the total salary package of Mr Richards is considered by the directors to be below the median for such a role in the mining and exploration industry. The other directors of the company therefore recommend to shareholders that further options should be granted to Mr Richards as an incentive to work towards and promote the future success of the company. The exercise prices of the proposed options are substantially in excess of the current market price of the company's shares and therefore the options will only be of commercial value to Mr Richards if he is successful in assisting the company in achieving a substantial increase in the share price. Those directors recommend shareholders approve the grant of further options to Mr Richards or his Eligible Associate (as defined in the Scheme) as follows:

Quantity	500,000	500,000
Consideration	Nil	Nil
Expiry date	30 June 2006	30 June 2007
Exercise price	10 cents per share	15 cents per share

Assuming Resolutions 6, 7 and 9 are passed, the total number of options granted under the Scheme will be 4.1 million, representing approximately 3% of the current issued capital, considerably below the maximum of 5% of the current issued capital, allowed under the Scheme.

In accordance with Listing Rule 10.15A the following information is provided:

1. The person acquiring the securities, Mr D R Richards, is a director (Managing Director).
2. The maximum number of securities that may be acquired by Mr Richards is 1,000,000 options as set out above.
3. The price for each security to be acquired under the Scheme is set out above.
4. The names of the directors, associates of the directors and related parties of the directors who received securities under the Scheme since the last approval, the number of securities received and the acquisition price for each security are as follows:

Options have been granted to the Managing Director of the company, Mr D R Richards, as set out in the table below:

Date of grant	Expiry date	Number of options granted	Consideration	Market Price of shares at grant date	Exercise price
14 April 2003	18 February 2004	500,000	Nil	\$0.050	5 cents per share
8 March 2004	18 February 2005	500,000	Nil	\$0.053	The greater of 10 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme
8 March 2004	18 February 2006	500,000	Nil	\$0.053	The greater of 15 cents per share or 80% of Market Price calculated as at the date of exercise in accordance with the terms and conditions of the Scheme

No other directors, associates of directors or related parties of directors have received securities under the Scheme.

5. The names of the directors, associates of the directors and related parties of the directors entitled to participate in the Scheme are as follows:
 - Ian James Gordon and his eligible associate
 - Allan Thomas Harris and his eligible associate
 - Keith Graham McKay and his eligible associate
 - David Ross Richards and his eligible associate
6. Details of any securities issued under the Scheme will be published in each annual report of the company relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under the ASX Listing Rules.

Explanatory Memorandum to notice of annual general meeting (continued)

Resolution 9. Approve the grant of options to the Managing Director pursuant to the Employee Incentive Scheme (continued)

7. Any additional persons who become entitled to participate in the Scheme after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under the ASX Listing Rules.
8. The date by which the company will issue the securities will be within 30 days of the date of the meeting at which approval was obtained.

Voting exclusion statement:

The company will disregard any votes cast on the resolution by:

- a director of the company; or
- an associate of a director of the company.

However, the company need not disregard a vote if:

- 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
- 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.

Proxy form

Please see the instructions for the completion of this proxy form on the reverse.

1. Registered name and address

Are your address details correct?

If you want to notify us of any changes, mark them on this form and place an 'X' in the box

2. Appointment of proxy

I/We being a member/s of Glengarry Resources Limited and entitled to attend and vote hereby appoint:

 the Chairman of
the meeting
(mark with an 'X')

OR

Write here the name of
the person you wish to
appoint as proxy

or, failing the person named, or if no person is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the annual general meeting of Glengarry Resources Limited to be held at the City West Function Centre - "The Sutherland Room" 45 Plaistowe Mews, City West Centre West Perth WA 6005, at 11am on Monday 22 November 2004 and at any adjournment of that meeting. The Chairman of the meeting intends to vote undirected proxies in favour of the motions referred to in the Notice of Meeting.

3. Voting directions to proxy

For each item of business on the agenda, please mark 'X' in one box only to indicate how you wish your vote to be cast. If you mark the 'Abstain' box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in computing the required majority on a poll. Unless otherwise instructed, your proxy may vote as he/she thinks fit.

	For	Against	Abstain
Item 2(a) Election of Mr A T Harris as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2(b) Election of Mr I J Gordon as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2(c) Election of Mr K G McKay as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Amend the terms and conditions of the Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Approve the issue of securities under the Employee Incentive Scheme as an exception to Listing Rule 7.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Increase in directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Ratify options granted to employees pursuant to the Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxy form (continued)

	For	Against	Abstain
Item 7 Ratify options granted to the Managing Director pursuant to the Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 8 Approve the issue of shares to a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 9 Approve the grant of options to the Managing Director pursuant to the Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Signature/s of shareholder/s

Individual or first shareholder

Shareholder 2

Shareholder 3

Sole director or company secretary

Director

Director/company secretary

Date

Daytime telephone number (in case we need to contact you about your proxy form)

Instructions for completion of proxy form

Appointment of second proxy (optional)

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained from the company's share registry or you may copy this form. To appoint a second proxy:

- (a) on the first proxy form, state the number of shares or the percentage of your voting rights applicable to the first proxy
- (b) on the second form, state the number of shares or the percentage of your voting rights applicable to the second proxy
- (c) return both the forms in the same envelope.

If the forms do not specify the number or percentage of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Voting directions to proxy

You may direct your proxy how to vote by placing an 'X' in one of the three boxes opposite each item of business. All your shares will be voted in accordance with your direction unless you indicate only a portion of voting rights are to be voted on an item by inserting the number or percentage of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on an item, your proxy may decide how to vote on that item. If you place an 'X' in more than one box on an item, your vote on that item will be invalid.

Signature/s

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

Individual: where the shareholding is in one name, the shareholder must sign.

Joint holding: where the shareholding is in more than one name, all of the shareholders must sign.

Power of attorney: to sign under power of attorney, the power of attorney must have been lodged with the share registry or a certified copy of it must accompany this form.

Companies: where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If, in accordance with section 204A of the Corporations Act 2001, the company does not have a company secretary, a sole director can sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

Lodgement of proxy

The completed proxy form (and any power of attorney under which it is signed) must be received by Glengarry Resources Limited by no later than 11am (Perth time) on Thursday 18 November 2004. Any proxy form received after that time will be invalid.

Documents may be lodged using the reply-paid envelope by posting, or delivery to the company's Registered Office, 35 Havelock Street, West Perth WA 6005 or by facsimile (08) 9322 5510.

STATEMENT OF TERMS AND CONDITIONS OF EMPLOYEE INCENTIVE SCHEME IN ACCORDANCE WITH THE OFFICIAL LISTING RULES OF AUSTRALIAN STOCK EXCHANGE LIMITED

1. DEFINITIONS

For the purposes of this Scheme, unless the context requires otherwise:

“**ASX**” means Australian Stock Exchange Limited (A.C.N. 008 624 691);

“**Business Days**” has the same meaning as applies in the Listing Rules;

“**Change of Control**” means any change in the shareholding of the Company as a result of which the composition of the Board of Directors of the Company can be determined or controlled by parties who were not able to determine or control the composition of the Board of Directors at the time at which relevant Options or Shares were issued under this Scheme;

“**Company**” means Glengarry Resources Limited (A.C.N. 009 468 099);

“**Directors**” means the Board of Directors from time to time of the Company;

“**Eligible Associate**” means any person or entity associated with an Eligible Participant whom that Eligible Participant has nominated (by giving written notice to that effect to the Company) to receive benefits under this Scheme in lieu of the Eligible Participant and who is approved by the Directors;

“**Eligible Participant**” means any full time or part time employee or any consultant or contractor to the Company or any Director or Officer of the Company or any Related Corporation or any Eligible Associate subject to the provisions of paragraph 4(c) hereof;

“**Listing Rules**” means the official listing rules from time to time of ASX;

“**Market Price**” in respect of Shares means on the day such price is to be determined the weighted average market price of the Shares calculated by reference to the Register of Sales in respect of the Shares produced by ASX in respect of the five (5) Business Day period up to and including the Business Day prior to the day on which such price is to be determined;

“**Options**” means options granted by the Company under paragraph 7 below;

“**Participant**” means any Eligible Participant or Eligible Associate;

“**Related Corporation**” means a body corporate which is related to the Company under Section 50 of the Corporations Act 2001;

“**Scheme**” means these terms and conditions as varied from time to time in accordance with paragraph 9 hereof;

“**Securities**” means Shares and/or Options issued under this Scheme;

“**Shares**” means ordinary Shares in the capital of the Company.

2. CONDITION

This Scheme is subject to approval being given to it by the members of the Company at the Annual General Meeting to be held on 22 November 2004, or at any adjournment thereof, at which any votes cast in relation to the resolution in respect of any Shares held by an officer of the Company or any associate of that officer will be disregarded in determining the result of the resolution.

3. OPERATION

Subject to paragraph 2 above, this Scheme shall operate with effect on and from 22 November 2004.

4. ENTITLEMENT OF ELIGIBLE PARTICIPANTS

- (a) Subject to paragraph 4(c) below, the entitlement from time to time of each Eligible Participant under this Scheme shall be determined by the Directors in their absolute discretion based on the Directors' assessment of the Eligible Participant's length of service with the Company, remuneration level and contribution the Eligible Participant will make to the long term performance of the Company, together with such other criteria as the Directors consider appropriate in the circumstances.

- (b) Any Participant, becoming so entitled, shall apply for Securities in such form as is approved by the Directors from time to time.
- (c) Eligible Participants shall not, unless the Directors in their absolute discretion determine otherwise, participate in this Scheme until they have qualified as an Eligible Participant for a period of at least six months.

5. LIMIT OF SECURITIES

The maximum number of Securities which may be issued pursuant to this Scheme shall not be greater than the lesser of:

- (a) 5% of the fully paid issued capital of the Company from time to time; or
- (b) such other percentage as may be provided by the Listing Rules from time to time.

For the purpose of the calculation referred to in this paragraph each Option granted under the Scheme shall be deemed to be the equivalent of one issued Share.

6. GRANT OF SHARES

- (a) The Directors may, in their discretion, issued Shares to a Participant at a subscription price determined by the Directors but being not less than 80% of Market Price on the date upon which the Directors first resolved to issued the Shares (whether or not contingent upon shareholder approval).
- (b) Shares may be issued as fully paid or partly paid but all partly paid Shares shall be issued at a consideration of at least 0.01 cent per Share payable on application with the balance of the subscription price being payable within a period of ten (10) years from the date of issue on terms and conditions determined by the Directors at the time the Shares were allotted to the Participant.
- (c) The remedy of the Company in the event of failure by the holder of partly paid Shares to pay any calls thereon shall be determined by reference to the Constitution of the Company.
- (d) All Shares issued under this Scheme shall carry voting rights pro rata to the amount of the subscription price paid thereon.
- (e) A Participant shall not without the prior written consent of the Directors who may refuse to grant consent in their absolute discretion without being obliged to provide any reasons for refusal assign any Shares issued under this Scheme until the subscription price for such Shares has been paid in full.
- (f) An assignment of Shares to which the Directors have consented shall be effected by written instrument in a form reasonably acceptable to the Company.
- (g) A copy of the stamped instrument of assignment shall be lodged at the registered office of the Company together with such other information as the Company may reasonably require with respect to the assignment, whereupon the Company shall enter the name of the assignee in a register of Shares as the holder of relevant Shares.
- (h) The Company shall not be bound to recognise the assignment until a copy of the duly executed and stamped instrument of assignment is lodged with the Company.
- (i) Shares issued under this Scheme shall not entitle the holder thereof to dividends until the subscription price for the Shares has been paid in full but shall, in all other respects, including bonus issues and new issues, rank equally and carry the same rights and entitlements as other Shares.
- (j) The Company will not apply for official quotation on ASX of Shares issued under this Scheme until the subscription price for such Shares is fully paid. Once the subscription price for such Shares is fully paid the Company shall make prompt application to have the Shares granted official quotation.
- (k) If, during the currency of any partly paid Shares and prior to their having become fully paid Shares, a takeover offer or takeover announcement (within the meaning of the Corporations Act 2001) has been made to acquire the whole or any part of the Shares of the Company or there has been a change of Control, the Directors shall give written notice thereof to the Shareholder who shall thereupon be entitled, within a period of thirty (30) days from the date of delivery of the written notice, to pay in full the unpaid balance of the subscription price of any or all of such partly paid Shares.

7. GRANT OF OPTIONS

- (a) The Directors may in their discretion issue to Eligible Participants free options on the conditions set out in this paragraph 7 and such additional conditions as the Directors may from time to time determine. Each option shall entitle the option holder, upon exercise, to subscribe for one ordinary fully paid share in the capital of the company at an exercise price to be determined by the Directors.
- (b) Any Options issued under this Scheme shall be exercisable within such period as the Directors, in their absolute discretion, may specify, up to a maximum of five (5) years from the date of grant.
- (c) Options not exercised on or before 5:00pm Perth time on the expiry date will lapse automatically.
- (d) Options issued under this Scheme shall not be exercisable immediately but shall become exercisable in the manner stated on the face of the Options Certificate which shall provide that the number of Options from any particular issue of Options that may be exercised by an option holder from time to time is equal to or less than the variable "X" calculated in accordance with the following formula:-

$$X = (a \times b/c) - y$$

where:

- a = the total number of Options issued to the option holder pursuant to this Scheme on any particular date ("the Relevant Date"), and
- b = the number of months during which the option holder has held the Options in "a" above.
- c = a period to be nominated by the Directors.
- y = the number of Options issued on the Relevant Date already exercised by the option holder.

but provided that all outstanding Options, which, by virtue of the provisions of this paragraph, are not yet exercisable, shall become immediately exercisable upon delivery to the option holder of a notice given by the Directors to the option holder pursuant to paragraph 7(p) below.

- (e) The option holder may exercise his Options in accordance with this paragraph by lodging with the Company at its registered office:
 - (i) The Option Certificate;
 - (ii) a duly completed and signed exercise notice; and
 - (iii) the subscription moneys for the relevant Shares.
- (f) Upon allotment to the option holder of the Shares specified in his exercise notice the Option Certificate lodged with the Company by the option holder pursuant to paragraph 7(e) above shall:
 - (i) if all outstanding Options have been exercised, be cancelled by the Company; or
 - (ii) if part only of the outstanding Options have been exercised, be appropriately endorsed by the Company and thereupon returned to the option holder.
- (g) The Company shall issue and allot to the option holder, within ten (10) Business Days of receipt of an exercise notice under this paragraph, so many Shares as corresponds with the number of Options exercised.
- (h) The option holder shall not assign his Options without the prior written consent of the Directors who may refuse to grant consent in their absolute discretion without being obliged to provide any reasons for refusal.
- (i) An assignment of Options to which the Directors have consented shall be effected by written instrument in a form reasonably acceptable to the Company.
- (j) A copy of the stamped instrument of assignment shall be lodged at the registered office of the Company together with such other information as the Company may reasonably require with respect to the assignment, whereupon the Company shall enter the name of the assignee in a register of Options as the holder of the relevant Options.
- (k) The Company shall not be bound to recognise the assignment until a copy of the duly executed and stamped instrument of assignment is lodged with the Company.

- (l) Option holders shall be permitted to participate in new issues of Shares on the prior exercise of the Option, but subject to the limitations imposed by paragraph 7(d) above, in which case the option holder shall be afforded the period of at least twelve (12) Business Days before the books closing date (to determine entitlements to the issue) to exercise the Options.
- (m) It shall be a condition of each of the Options issued under this Scheme that, in the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reconstructed in accordance with the Listing Rules.
- (n) Shares allotted pursuant to the Options shall rank from the date of allotment pari passu in all respect with the Shares of the Company then on issue.
- (o) If, during the currency of any Options and prior to their exercise, a takeover offer or takeover announcement (within the meaning of the Corporations Act 2001) has been made to acquire the whole or any part of the Shares of the Company or a Change of Control has taken place, the Directors shall give written notice thereof to the option holder who shall thereupon be entitled, within a period of thirty (30) days from the date of delivery of the written notice, to exercise all or any of his outstanding Options, even though some or all of such Options might otherwise not then be exercisable.
- (p) The Company will not apply for official quotation on ASX of the Options but following the exercise of any of the Options, the Company shall make prompt application to have the resulting Shares granted official quotation.
- (q) Any stamp duty payable on the issue and allotment of shares acquired pursuant to the exercise of the Options shall be borne by the allottee of the Shares.

8. TERMINATION OF SCHEME

This Scheme may be terminated at any time by resolution of the Directors but any such resolution shall not affect the rights of the holders of any Options issued under the Scheme at that time or affect the rights of any Participant to Shares agreed to be issued under this Scheme but not issued at the date of termination.

9. VARIATION OF SCHEME

This Scheme may be varied at any time by special resolution of the Company in general meeting, subject to the Listing Rules from time to time.

10. INTERPRETATION

Any question arising as to the interpretation or construction of these terms and conditions may be determined by the Directors and, if so determined, their decision shall be final.

11. REGISTER

The Company shall establish and maintain a register to be kept at its registered office showing the Participants under this Scheme and the Securities held by them and such register shall be open for inspection by any shareholder of the Company without charge.