



G L E N G A R R Y

*Annual Report 2005*

GLENGARRY RESOURCES LIMITED ABN 40 009 468 099  
Annual Report — 30 June 2005

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*Glengarry Resources Limited — Directors*  
*From left: Keith McKay, Allan Harris, David Richards, Ian Gordon*



# CORPORATE DIRECTORY

## Directors

K G McKay BSc (Hons), FAusIMM  
*Chairman*

D R Richards BSc (Hons), MAIG  
*Managing Director*

I J Gordon BComm (Corporate Administration)

A T Harris FCA

## Secretary

A T Harris FCA

## Share register

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands 6009  
(08) 9389 8033

## Auditor

PricewaterhouseCoopers  
Chartered Accountants  
"QV1"  
250 St Georges Terrace  
Perth 6000

## Solicitors

Mark R Edwards  
4 Kangaroo Parade  
Yallingup 6282

## Bankers

Australia and New Zealand Banking Group Limited  
77 St George's Terrace  
Perth 6000

## Stock exchange listings

Glengarry Resources Limited shares are listed on the Australian Stock Exchange

Ordinary fully paid shares (ASX code GGY)

## Principal registered office in Australia

35 Havelock Street  
West Perth 6005  
(PO Box 975, West Perth 6872)

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Facsimile (08) 9322 5510  
Email [info@glengarrynl.com.au](mailto:info@glengarrynl.com.au)  
Website [www.glengarrynl.com.au](http://www.glengarrynl.com.au)

## Notice of annual general meeting

The annual general meeting of Glengarry Resources Limited

**will be held at** City West Function Centre  
"The Sutherland Room"  
45 Plaistowe Mews  
City West Centre, West Perth

**time** 11am

**date** Monday 28 November 2005

A formal notice of meeting is enclosed.

## CHAIRMAN'S REPORT

On behalf of fellow Directors of Glengarry Resources, Allan Harris, Ian Gordon and David Richards, I am pleased to present the 2005 Annual Report of your Company.

Glengarry has conducted a very active and cost effective exploration program in the past year. We believe that significant progress has been made towards our number one objective of discovering and developing a profitable mining operation. Your Board is very enthusiastic about this progress and I would like to briefly outline the reasons for our optimism.

Early in the year the Management and Board of your Company undertook a comprehensive review of corporate procedures and exploration activities. This led to a clearer identification of Glengarry's objectives and the best strategies to achieve these objectives. For those interested, I direct you to Glengarry's website where these "Objectives and Strategies" are documented.

As a result of this review, your Company initially prioritized all then eight projects and has subsequently made a conscious effort to focus on fast tracking the better projects. The key projects identified for priority attention were Greenvale and Charters Towers, both in North Queensland and both wholly owned. Most other projects were either farmed out during the year or surrendered if a joint venture partner could not be obtained.

I am pleased to report that the strategy in directing the bulk of our time and available funds towards our better projects is beginning to bear fruit. The Greenvale Project in particular is showing considerable promise for several metal types. The Project covers an area of some 2,800 square kilometres in an area well known for its widespread multi-metal mineralisation. Our exploration program at Greenvale has defined gold, silver, uranium and base metal (copper, lead and zinc) targets. We have already conducted an initial drilling program on the Galah Dam gold-zinc prospect with encouraging results and drilling of the Maitland copper prospect (an old copper mine) is in progress. Additionally, we have commenced a uranium exploration program at Greenvale and drill testing of the

Oasis uranium prospect will commence shortly. A small uranium deposit with potentially economic grades has already been defined by previous explorers at Oasis in the 1970's.

We believe that Glengarry has a portfolio of quality projects with significant exploration potential. The projects in North Queensland are all very under-explored by Western Australian standards and we will continue to focus in this region in the coming year.

I would like to take this opportunity to thank the hard working Management and employees of Glengarry for their efforts in the past twelve months. A special thanks to Managing Director David Richards and Exploration Manager Kevin Seymour for their lead role in developing the Company's new strategy.

Thanks also to my fellow Board members. We maintain a relatively small Board which is able to meet at short notice and make timely and effective decisions. This is my first year as Chairman of your Company having replaced long time Chairman Allan Harris when he retired at the last Annual General Meeting. Allan has been very supportive of the Company's new direction and was instrumental in initiating recent key Management changes. I would like to personally thank Allan for his efforts.

Finally, thanks to you the Shareholders of Glengarry for your continued loyalty and in particular for your support of the rights issue earlier in the year. I look forward to meeting you at the Company's Annual General Meeting.

I am confident that we will achieve significant exploration successes in the next twelve months and I also look forward to reporting on our progress this time next year.



Keith G McKay  
Chairman  
2 September 2005



## OPERATIONS REVIEW

### SUMMARY

Glengarry Resources Limited is a Perth-based junior exploration company undertaking mineral exploration in Australia. The Company's key projects are in North Queensland where it is exploring for gold, uranium and base metals.

Glengarry commenced the year with eight Australian projects including three projects that had previously been farmed out to other parties. Following a review of corporate strategies and objectives early in the year, it was decided to focus exploration efforts on the Company's more significant projects to maximise the chances of short term success.

Two key projects were selected for priority attention, the wholly owned Greenvale and Charters Towers Projects, both located in North Queensland and both representing large land positions in well mineralised areas. Most other projects were either farmed out or terminated during the year.

#### Highlights from exploration work completed at Greenvale during the year include:

- Definition of a geophysical anomaly beneath the historic Maitland copper workings indicating mineralisation is continuous at depth. Shallow drilling immediately below the workings in the 1960's intersected up to 21.4 metres @ 3% copper. An initial five hole drilling program to test geophysical targets is in progress.
- Delineation of a 50 kilometre long corridor prospective for high grade uranium mineralisation. The corridor hosts a number of uranium occurrences including the Oasis prospect where drilling in 1978 intersected up to 9.5 metres @ 0.23%  $U_3O_8$ . Numerous radiometric anomalies possibly indicative of further uranium mineralisation have also been defined along the corridor.
- Confirmation of extensive gold and zinc mineralisation at Galah Dam where drilling by Glengarry has intersected up to 12 metres @ 1.95% zinc and 4 metres @ 2.83 g/t gold.

Glengarry plans to continue its multi-commodity exploration program at Greenvale with an emphasis on uranium. The availability of previous exploration data and government airborne geophysical surveys mean that prospective areas can be identified and drill tested in a cost effective and timely manner.

The **Charters Towers Project** is located in one of Australia's premier historic gold mining regions and Glengarry has been active in the area since 1996. The Company's systematic exploration program has discovered and tested numerous gold prospects mostly hosted by narrow quartz veins. A small gold resource of some 109,000 ounces has also been defined by drilling at the Great Britain prospect. Recently, the Company elected to cease exploration at Charters Towers to concentrate on its Greenvale Project. A joint venture partner is currently being sought to continue exploration at Charters Towers.

Glengarry has three properties in the Mt Isa region of northwest Queensland – the Cannington, Snake Creek and Mt Guide Projects. The wholly owned Cannington Project is located close to the world-class Cannington silver-lead-zinc mine currently operated by BHP Billiton. Glengarry has recently completed a detailed gravity survey on its Cannington ground over the Dolly Pot prospect and has identified a significant anomaly possibly indicative of buried base metal mineralisation. A drilling program is being planned.

The lower priority Snake Creek and Mt Guide Projects were joint ventured out during the year to Xstrata Copper and Summit Resources respectively. These companies are both active explorers in the region with large strategic land holdings.

Glengarry funded its aggressive exploration effort in the past year through a 1:4 entitlements issue which raised approximately \$1.1 million and the sale of its 7.5% interest in the Larranganni Joint Venture for \$250,000 cash. The Company intends to maintain a dynamic exploration program in the coming twelve months and will place a strong emphasis on drilling and other in-ground exploration. In addition, acquisition opportunities will continue to be assessed for their potential to add value to the Company.

## OPERATIONS REVIEW (continued)

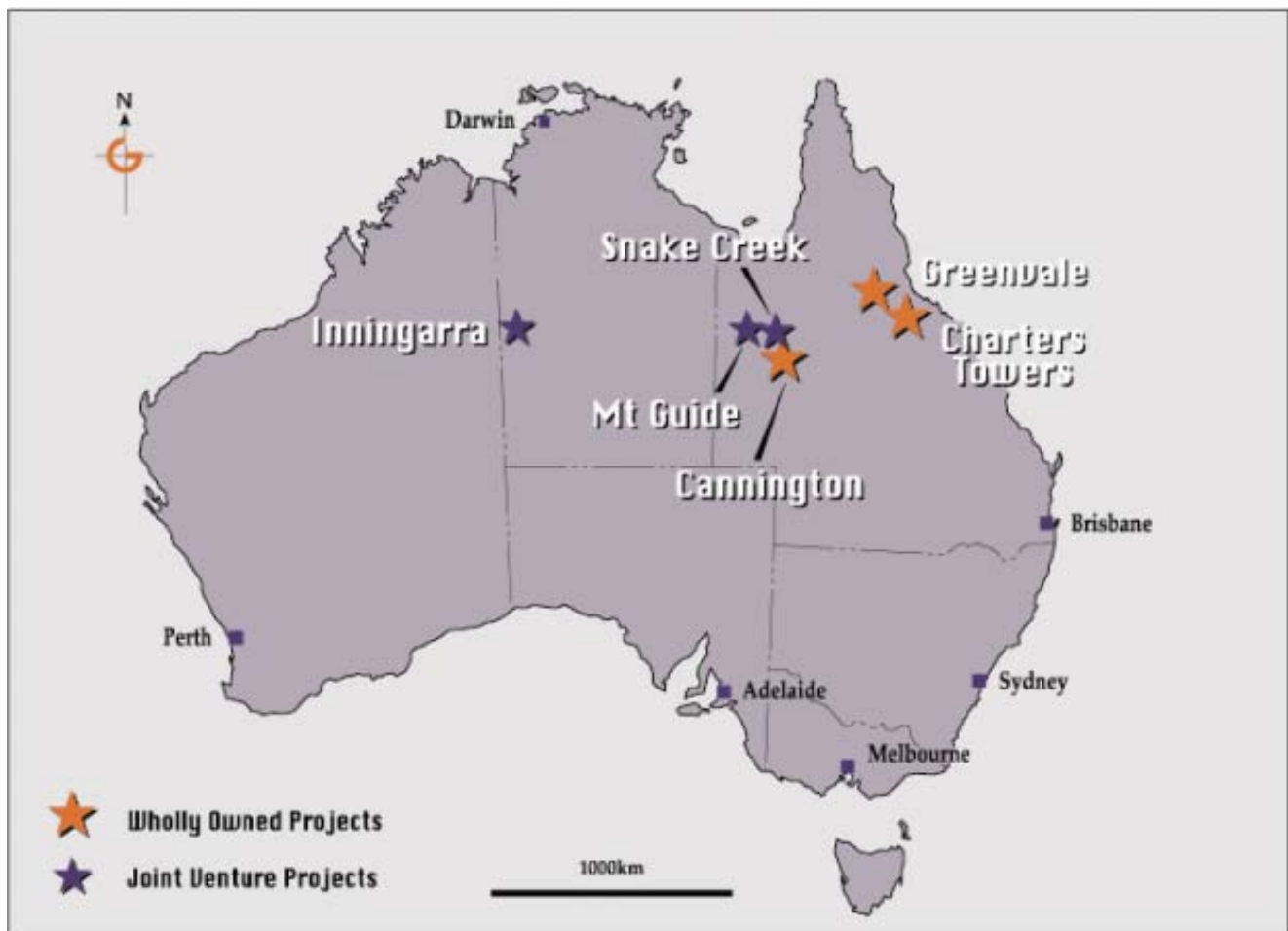


Figure 1  
Current Project Locations

### GREENVALE PROJECT (Glengarry 100%)

The Greenvale Project is situated 200 kilometres west of Townsville in North Queensland and is strategically located immediately east of the 4.5 million ounce Kidston Gold Mine and just south of Kagara Zinc's Balcooma base metal operations (Figure 2). During the year, four key tenements covering approximately 1,200 square kilometres were granted allowing field work to commence on these areas. Several new tenements covering 930 square kilometres were also recently applied for increasing the total Project area to 2,800 square kilometres. Changes to government procedures and streamlining of Native Title processes in Queensland mean that the new tenement applications should be granted before the end of 2005.

The Project hosts numerous gold, base metal and uranium occurrences and Glengarry has confirmed the potential of several prospects to host economic mineralisation. The Company has used a combination of regional geological and geophysical surveys generated by the Queensland government in 1999/2000 and historic exploration data from previous explorers dating from the 1960's to the 1990's, to identify prospective target areas. Fieldwork during the year included RC percussion drilling, Induced Polarisation (IP) geophysical surveying, geological mapping and geochemical sampling. Significant prospects are discussed below:



## OPERATIONS REVIEW (continued)

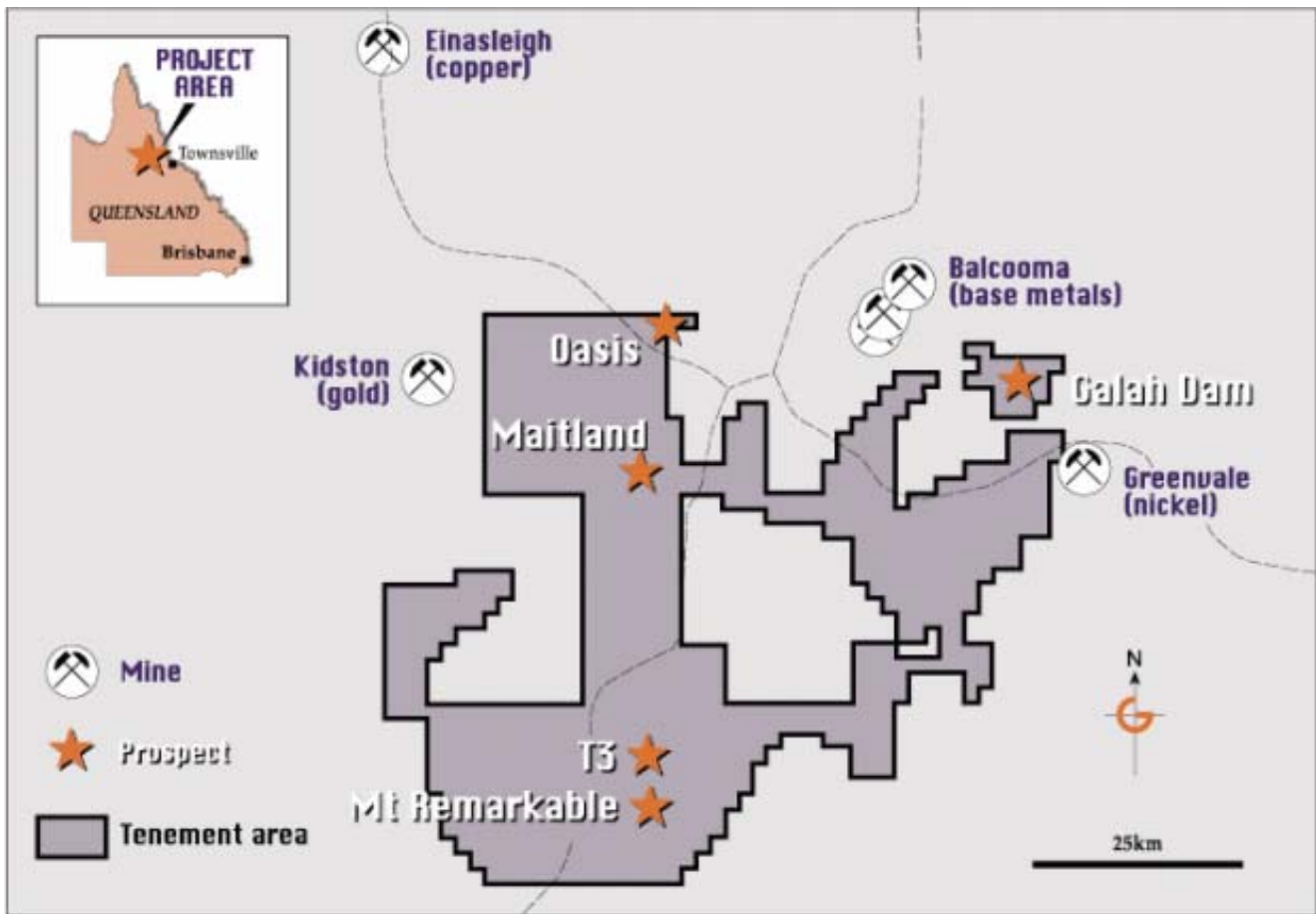


Figure 2  
Greenvale Project – Tenure and Prospects

### Maitland (formerly Daintree) Prospect – (Copper)

Copper-silver ores were mined from the Maitland prospect from 1909 to 1921 with approximate production of 1,250 tonnes @ 17.4% copper. Exploratory drilling in the 1960's confirmed copper mineralisation over a 300 metre strike length with a best intersection of 21.4 metres @ 3% copper. Most of this drilling was not assayed for gold or silver.

Glengarry completed an Induced Polarisation survey at Maitland to define extensions and repetitions of the known mineralisation for future drill testing. IP surveying is a geophysical technique commonly used to define copper mineralisation beneath barren cover. It involves transmitting an electric current into the ground and measuring chargeable responses caused by minerals such as copper sulphides.



*Maitland Prospect — Historic Mine Workings*

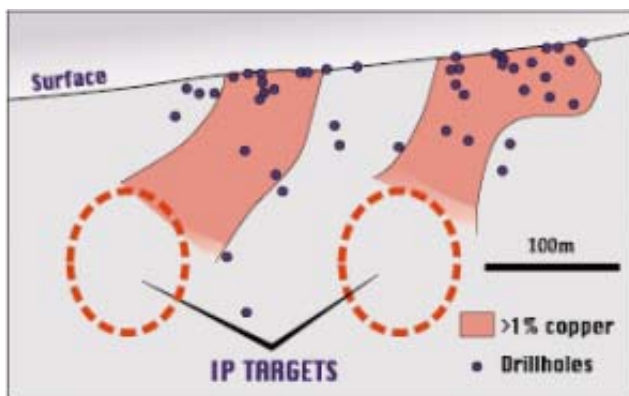
## OPERATIONS REVIEW (continued)

The IP surveying defined 3 anomalies:

- A strong IP anomaly coincident and immediately below the historic workings suggesting the mineralisation continues at depth (Figure 3).
- A second, very strong IP anomaly located 2 kilometres south of the workings beneath soil cover.
- A third, moderate, 500 metre long IP anomaly approximately 500 metres east of the workings and coincident with a strong magnetic anomaly.

A four hole, diamond drill hole program to test the IP anomalies commenced on the 13<sup>th</sup> August but no analytical results are yet to hand.

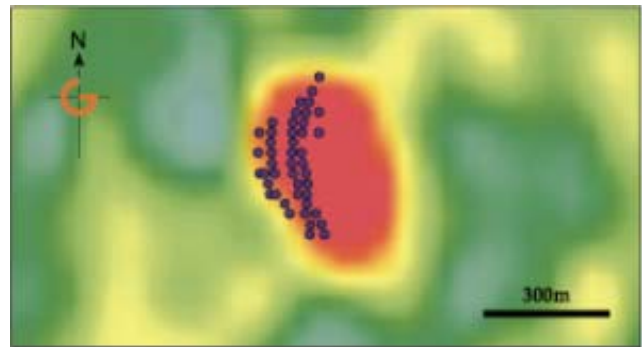
Significantly, the Maitland copper mineralisation occurs in the same sequence of rocks that hosts Copper Strike Limited's Einasleigh Project located approximately 60 kilometres to the northwest. In early 2005, Copper Strike reported intersections up to 50 metres @ 6.65% copper and ore resource definition drilling is in progress.



**Figure 3**  
**Maitland Copper Prospect**  
**Long Section (looking west)**

### Oasis Prospect – (Uranium)

The Oasis uranium prospect was drilled by Esso Minerals in 1978. Esso drilled 32 diamond core holes and 14 percussion holes (Figure 4) and intersected uranium mineralisation over a strike length of approximately 300 metres and to a depth of 120 metres. Better reported intersections include 9.5 metres @ 0.23%  $U_3O_8$  from 28 metres and 6.7 metres @ 0.23%  $U_3O_8$  from 48 metres depth.



**Figure 4**  
**Oasis Uranium Prospect**  
**Radiometric Image and Previous Drilling**

The Oasis prospect is located at the northern end of a north northeast trending corridor that is considered highly prospective for uranium mineralization (Figure 5). The Greenvale Project covers approximately 50 kilometres of the corridor which is adjacent to a major geological structure known as the Lynd Mylonite Zone. As well as the occurrence of Oasis mineralisation, evidence for the prospectivity of the corridor includes:

- Numerous uranium anomalies defined by radiometric data.
- Delineation in the late 1970's of extensive uranium geochemical anomalism in the southern part of the corridor coincident with several radiometric anomalies. At the Gregory prospect, exploration in the late 1970's recorded stream sediment assays up to 760 ppm uranium (~ 2 lbs/t  $U_3O_8$ ) and rock chips up to 0.35% uranium (~9 lbs/t  $U_3O_8$ ).

## OPERATIONS REVIEW (continued)

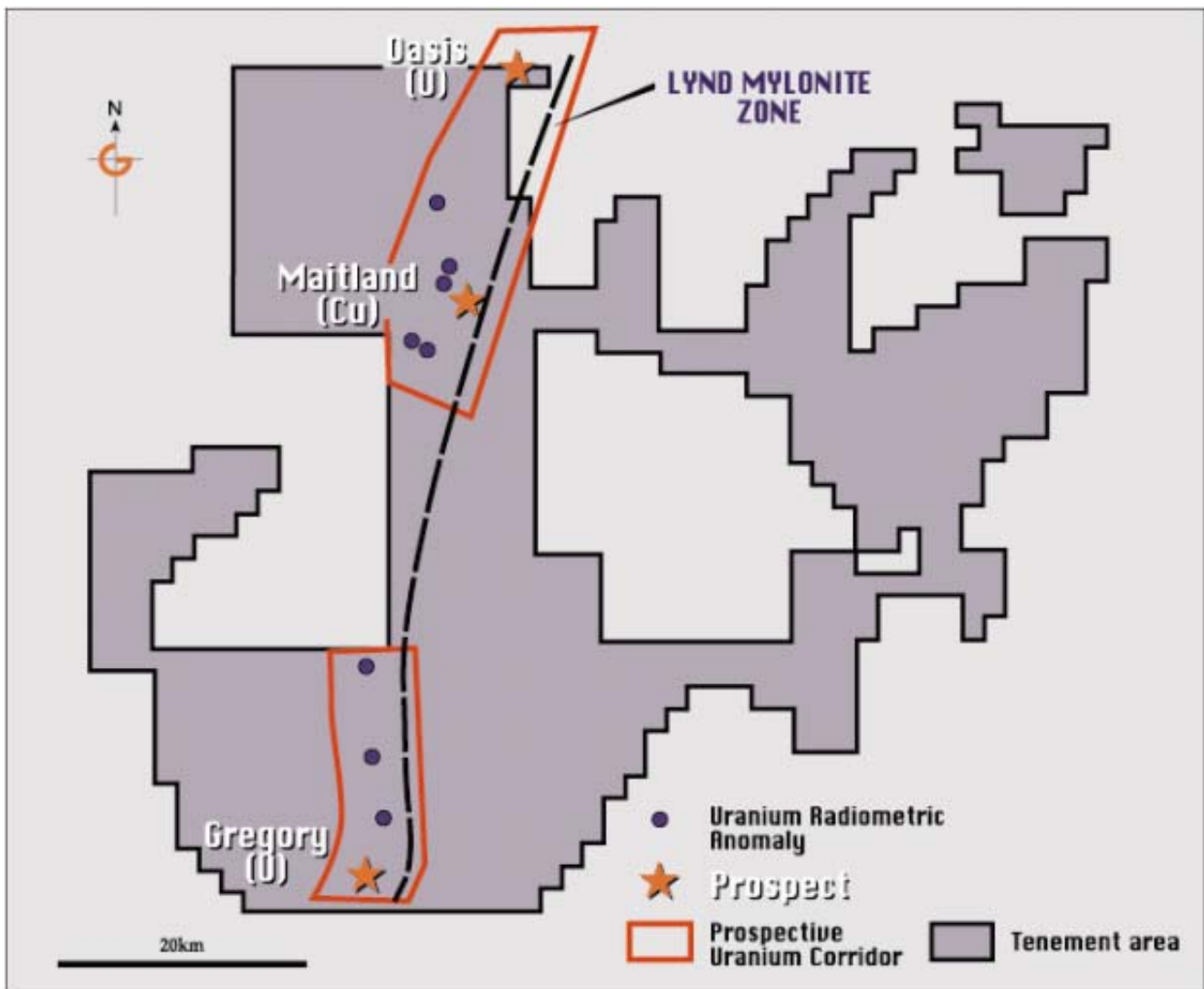


Figure 5  
Greenvale Project – Uranium Targets

Exploration planned to test the uranium potential of the Project includes:

- A drilling program to assess the depth and strike potential of the Oasis uranium mineralisation.
- Reconnaissance geochemical sampling and ground scintillometer traverses across targets defined by the aerial radiometric surveys.
- Soil sampling across the anomalous areas defined over the southern part of the prospective corridor.
- RC/diamond drill testing of targets defined by the above exploration.

#### Galah Dam Prospect – (Gold/Zinc)

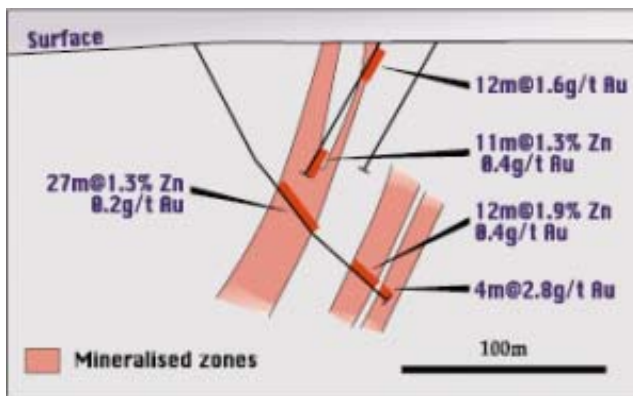
The Galah Dam prospect is hosted by rocks of similar age and composition as the high grade Balcooma base metals deposits being mined by Kagara Zinc approximately 20 kilometres to the north. Previous exploration undertaken by Pancontinental/Homestake in the 1990's identified extensive gold and zinc mineralisation with drill intersections up to 30 metres @ 1.1 g/t gold and 5 metres @ 8.5% zinc over 200 metres strike. Subsequent IP surveying by RGC in 1997 indicated that the mineralisation was part of a large alteration system at least 700 metres long and open to the north-east; however, no further work was completed until the area was acquired by Glengarry.

## OPERATIONS REVIEW (continued)



*Galah Dam Prospect — RC Percussion Drilling  
(April 2005)*

Glengarry interpreted the low grade mineralisation as the halo of a possible high grade polymetallic system similar to the Balcooma system and drilled 3 RC percussion holes totalling 651 metres to test for high grade massive sulphide mineralisation.



**Figure 6**  
**Galah Dam Prospect – Drill Section**

The drilling confirmed a large mineralised system containing multiple zones of low-grade zinc-gold mineralisation (Figure 6). Better intersections include 12 metres @ 1.95% zinc and 0.41 g/t gold from 159 metres and 4 metres @ 2.83 g/t gold from 177 metres. Further work is planned including geophysical surveying to test for a possible high grade core to the mineralisation.

### **Mt Remarkable Prospect – (Gold)**

The Mt Remarkable prospect has a similar geological and geophysical setting to the 3 million ounce Mt Leyshon gold deposit that is located approximately 230 kilometres to the southeast. Previous stream sampling by several companies has recorded strongly anomalous gold values; however, the source has not been defined and there has been no drilling. Landsat imagery indicates the prospect area is largely covered with black soils which probably mask the bedrock gold source. Exploration planned by Glengarry includes auger sampling through the transported cover followed by RC percussion drilling.

### **T3 Prospect – (Silver/Lead/Zinc)**

The T3 prospect is situated in lithologies belonging to the southern strike extension of the Balcooma Metamorphic Sequence which host Kagara Zinc's high grade base metal operations approximately 60 kilometres to the northeast.

Exploration in 1981 reported up to 52 g/t silver, 11.1% lead and 8% zinc in a gossan that has not yet been tested by drilling. Subsequent exploration in the 1980's by other explorers confirmed the location of the gossan which appears to be situated on an altered geological contact. Glengarry is planning to carry out detailed geological mapping and ground geophysics to define possible massive sulphide bodies at depth which will then be tested by RC percussion drilling.

### **Regional Potential at Greenvale**

Geophysical surveys and geological mapping completed by the Queensland government in 1999 and 2000 indicate that the Greenvale Project is cut by regionally significant geological structures prospective for several commodities including gold, base metals and uranium. Regional drainage geochemistry by previous explorers has recorded extensive geochemical anomalism confirming the prospectivity of the area. Glengarry plans to infill sample the anomalous areas to define targets for drill testing.



## OPERATIONS REVIEW (continued)

### CHARTERS TOWERS PROJECT

(Glengarry 100%)

The Charters Towers Project is located 110 kilometres southwest of Townsville in North Queensland. It surrounds the historic gold mining town of the same name and comprises 4 granted tenements and 1 application covering 1,057 square kilometres. The Charters Towers district is one of the premier mining districts of Australia having produced more than 15 million ounces of gold from several different types of ore body. The immediate Charters Towers district has produced over 6 million ounces of gold from high grade, structurally controlled quartz veins with an average grade of 1 ounce per tonne. There is also good potential for bulk tonnage gold mineralisation similar to that mined from the 3.5 million ounce Mt Leyshon deposit located immediately south of the Charters Towers Project.

Glengarry has conducted a number of phases of exploration in the Charters Towers district commencing in 1996. The Company's systematic exploration program has discovered and tested numerous gold prospects mostly hosted by relatively narrow quartz veins.

Exploration completed during the past year included a review of all available technical data; regional, systematic grid based soil sampling and geological mapping which defined two prospects for follow up RC percussion drilling; i.e. Day Dawn Extended and Lollypop (Figure 7). An open pit optimisation study was also completed for the Great Britain gold resource delineated by previous Glengarry drilling.

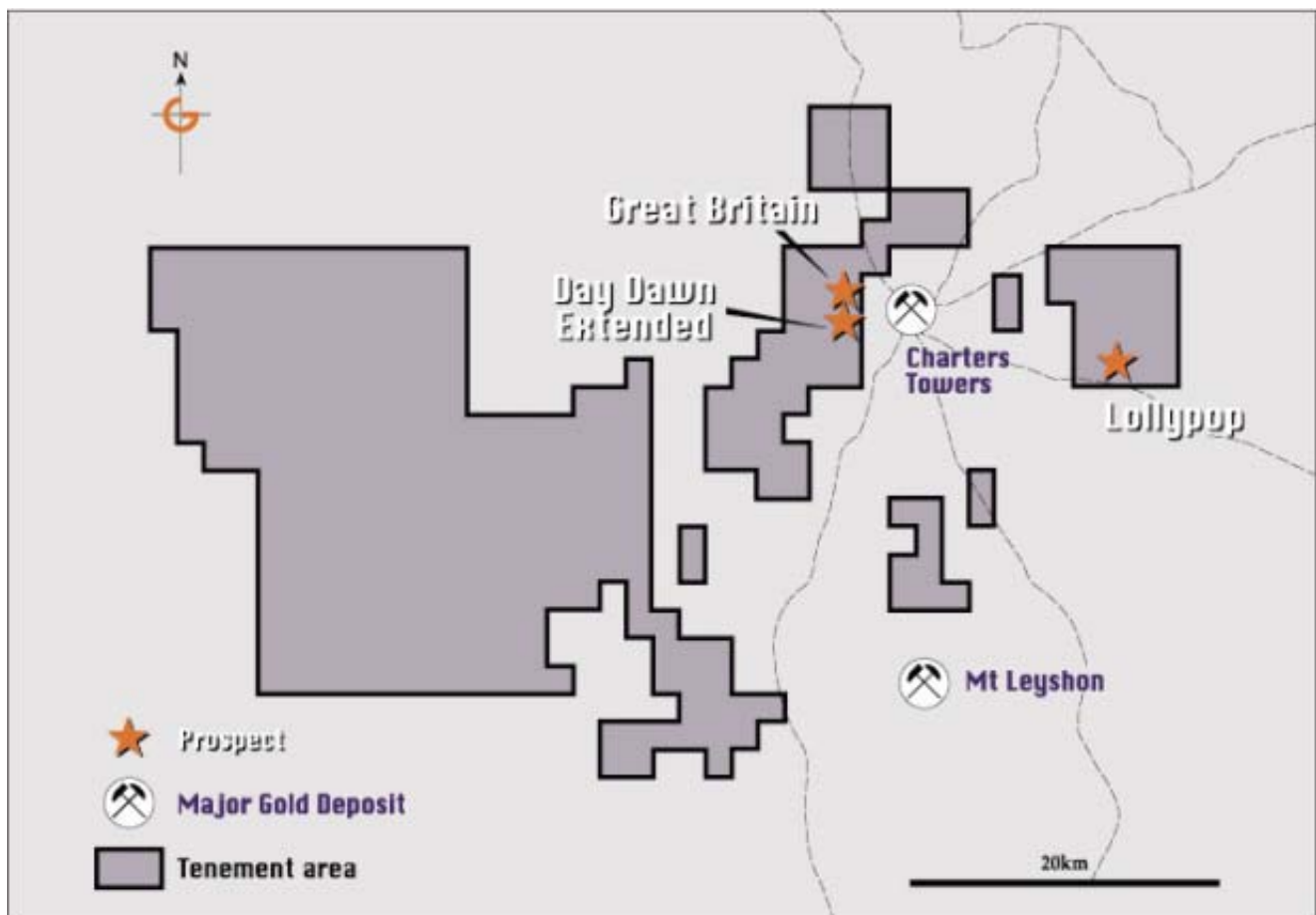


Figure 7  
Charters Towers Project – Tenure and Prospects

## OPERATIONS REVIEW (continued)

### Day Dawn Extended Prospect

Old mine records and aeromagnetic data indicate that the east-west structure that hosts the 1.4 million ounce historical Day Dawn gold mine at Charters Towers extends into Glengarry's tenure where it is largely obscured by shallow alluvial cover. RC percussion drilling in 2005 intersected the structure within Glengarry's tenure; however, no significant gold values were recorded. High grade gold mineralisation at Charters Towers is typically hosted by narrow quartz veins which pinch and swell within geological structures and Glengarry's drilling provides encouragement for further work along strike and down dip.

### Lollypop Prospect

The Lollypop prospect is one of several gold anomalies defined by the regional soil sampling program. Anomalous gold up to 780 ppb was recorded over a 1,000 metre strike length at Lollypop coincident with an intrusive granite contact. RC percussion drilling defined a plus 20 ppb gold response in bedrock over a 400 metre strike length with a peak intersection of 3 metres @ 0.34 g/t gold, however, the bedrock source of the soil anomalism was not identified. The primary bedrock source may be between and oriented parallel to the drill traverses and close spaced, infill drilling will be required before it can be defined.

### Great Britain Prospect

A JORC compliant inferred resource of 1.54 million tonnes @ 2.2 g/t gold (109,000 ounces) was calculated last year for the Great Britain deposit. Independent resource consultants concluded that the Great Britain deposit had reasonable potential for open pit mining and recommended that an open pit optimisation study be carried out. The optimisation study assumed the use of milling infrastructure currently operating in the Charters Towers region and a range of different gold prices.

Based on a gold price of \$A575 per ounce, the study indicated a mineable reserve of 70,000 tonnes @ 3.6 g/t to produce approximately 7,500 ounces of gold with an optimal pit value of \$1,100,000. Given the small size of the optimised resource, Glengarry did not consider further work was warranted.

### Future Exploration at Charters Towers

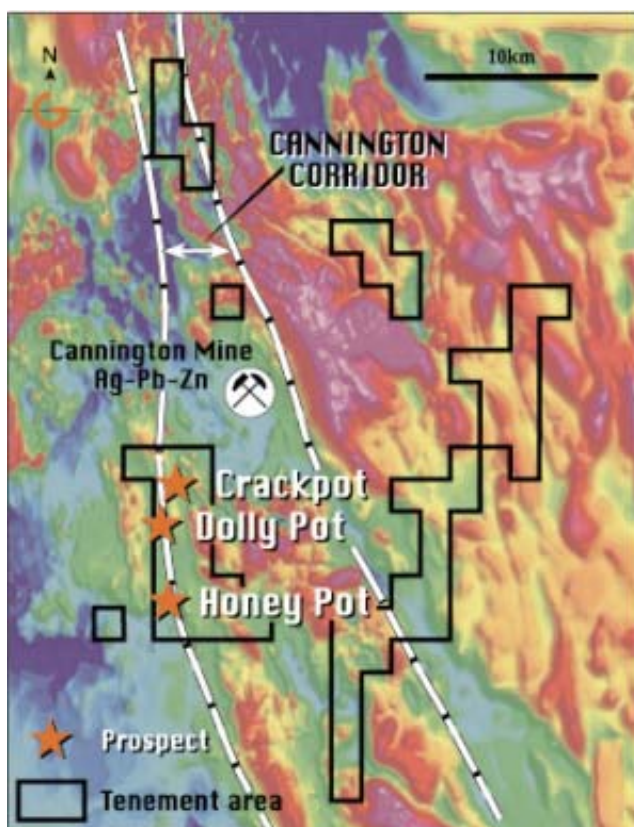
The Charters Towers Project is still prospective for large gold deposits; however, the structurally complex nature of gold mineralisation in the area and the extensive shallow cover that masks much of the Project area means that future exploration will require substantial and sustained drilling programs. Glengarry has elected to decrease the risk by seeking a joint venture partner to fund the next phase of exploration at Charters Towers. A suitable partner is presently being sought.



## OPERATIONS REVIEW (continued)

### CANNINGTON PROJECT (Glengarry 100%)

This Project is 300 kilometres southeast of Mt Isa in northwest Queensland and located within 4 kilometres of the 60 million tonne Cannington silver-lead-zinc mine (Figure 8). Cannington is owned and operated by BHP Billiton Limited and is the world's largest silver mine with output comprising 7% of total world production. Glengarry's tenements lie within the covered strike extension of the southeast trending Cannington corridor — a structural/stratigraphic package hosting the Cannington deposit and hence prospective for similar ore bodies. Exploration potential is also good for iron oxide copper/gold deposits similar to Placer Dome's Osborne mine which occurs west of Glengarry's project area.



**Figure 8**  
**Cannington Project**  
**Aeromagnetic Image and Prospect Locations**

During the year, Glengarry focussed on prospects located immediately southwest of the Cannington mine where anomalous base metal geochemistry and alteration was intersected in drilling completed last year; i.e.,

- Crackpot – up to 1535 ppm Cu, 114 ppm Co, 91 ppm Mo, 260 ppm Pb.
- Dolly Pot – up to 1905 ppm Cu, 84 ppm Co, 81 ppm Mo, 325 ppm Zn, 0.9 g/t Ag.
- Honey Pot – up to 1600 ppm Cu, 507 ppm As, 100 ppm Co, 1.2 g/t Ag.



*Cannington Project — Crackpot Prospect*

The anomalous geochemistry and associated alteration are interpreted to represent the possible margins of nearby, sulphide rich mineralised systems. However, the lack of outcrop means that additional data is required to target follow up drill holes. A first pass, 400 by 400 metre gravity survey was completed by Glengarry and several gravity highs were delineated adjacent to the anomalous drill holes. These gravity highs may represent possible massive sulphide zones at depth.

Recently, an infill 200 by 50 metre gravity survey was completed to provide further data for detailed modelling and follow up drill testing. This confirmed a significant anomaly at Dolly Pot immediately west of previous drilling. Geophysical modelling of the 300 metre long anomaly indicates that it may represent base metal mineralisation at a depth of approximately 40 metres. A drilling program is being planned.

## OPERATIONS REVIEW (continued)

### JOINT VENTURE FARM-OUTS

In the past year Glengarry farmed out its Snake Creek and Mount Guide Projects, both located in the Mt Isa region of northwest Queensland (Figure 9) to Xstrata Copper and Summit Resources respectively. Previously the Company had farmed out its Inningarra Project in the Northern Territory to Newmont and this joint venture remains current.

#### Snake Creek JV Project

The Snake Creek Project is located approximately 125 kilometres southeast of Mt Isa and is prospective for copper-gold mineralisation. The Project was joint ventured out to Xstrata Copper in December 2004. Xstrata has the right to earn up to 75% interest by spending \$3 million on exploration over a five year period. An access agreement has recently been negotiated with the Native Title claimants and soil sampling and ground geophysical surveys are planned.

#### Mt Guide JV Project

The Mt Guide Project is located approximately 35 kilometres south of Mt Isa and is prospective for base metal and gold mineralisation. The Project was joint ventured to Summit Resources Limited in March 2005. Summit has the right to earn up to 80% interest by spending \$0.5 million on exploration over a four year period. The tenement covers 13 kilometres of the

southern strike extension of the Mt Isa Paroo Fault, which is known to be the structural control on a number of world class deposits to the north including the Mt Isa and Hilton base metal mines.

#### Inningarra JV Project

The Inningarra Project is located in the Northern Territory approximately 35 kilometres southwest of the multi-million ounce Callie gold deposit near the southern margin of the prospective Tanami-Granites geological complex. Rocks belonging to the prospective Dead Bullock formation which hosts the Callie Deposit are interpreted to occur beneath younger transported sediments which cover most of the 193 square kilometre property.

Glengarry entered into a joint venture with Newmont Tanami Pty Ltd in 2003 whereby Newmont must spend \$275,000 to earn 70% equity in the Inningarra Project. Newmont is responsible for negotiating access to the tenement with the Traditional Owners and these negotiations are yet to be finalised.



OPERATIONS REVIEW (continued)

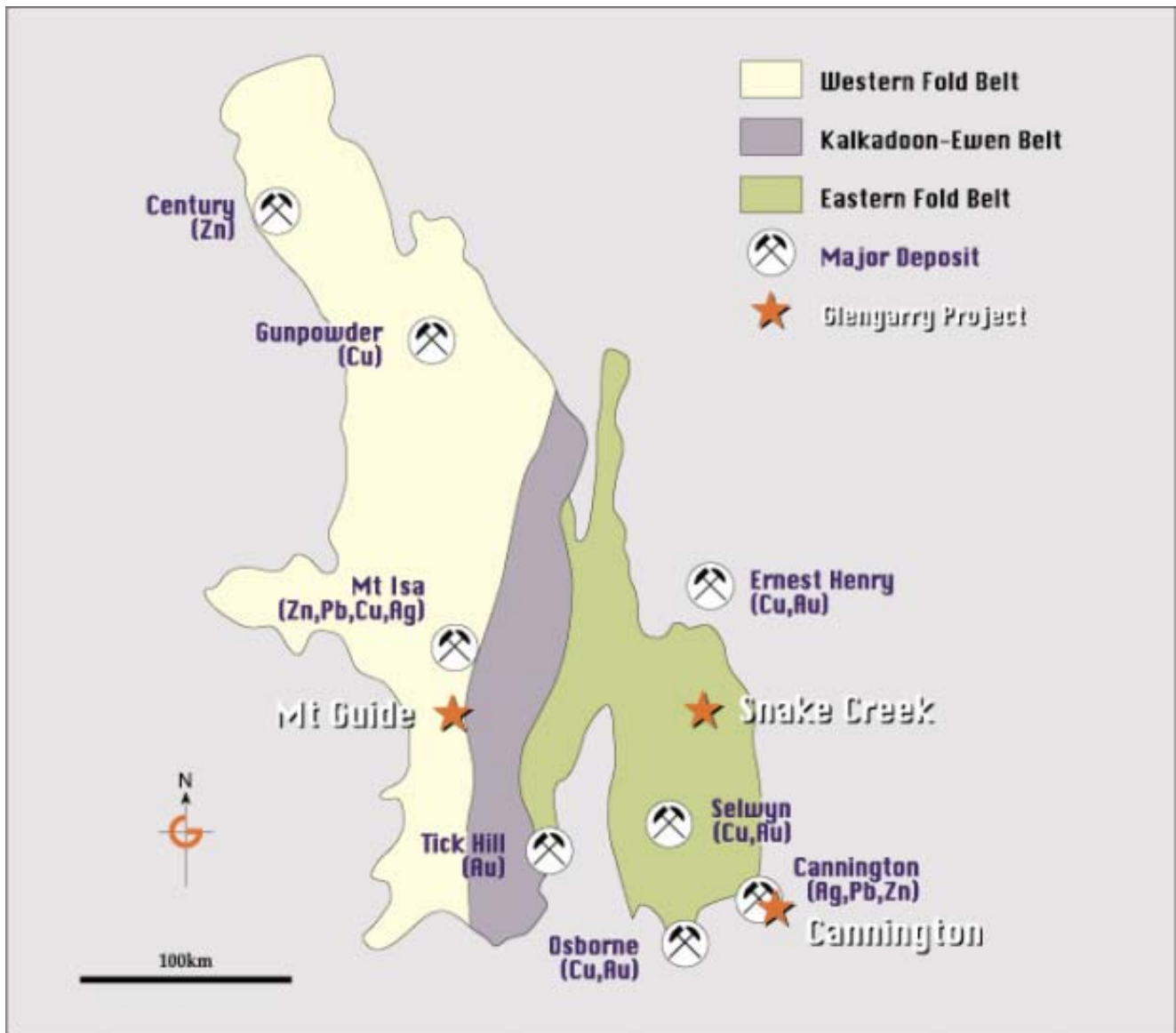


Figure 9  
Glengarry Projects in Mt Isa Region

## OPERATIONS REVIEW (continued)

### TERMINATED PROJECTS

#### Diamantina Project

This Project was located in remote country 350 kilometres southwest of Mount Isa near the Queensland and Northern Territory border. No additional exploration was completed at Diamantina in the past year and the project was relinquished in March 2005.

#### Yolande River Project

The Company's Yolande River Project in western Tasmania was surrendered in July 2005. No additional exploration was completed on the property in the past year.

#### Tanami Downs Project

This project was located in the Tanami region of the Northern Territory some 25 kilometres west of the Callie gold deposit. The Project was farmed out to Barrick Gold in 2002 but this company elected to withdraw from the joint venture in March 2005 following lengthy delays in the tenement approval process. Glengarry subsequently decided to surrender the property.

#### Larranganni Project

Glengarry sold its 7.5% participating interest in the Larranganni Joint Venture to partner Tanami Gold NL for \$250,000 cash in November 2004.

The Larranganni property hosts small gold resources at Kookaburra and Sandpiper which total some 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.

Considerable exploration has already been conducted on the property and the existing resources would appear to have limited upside. Glengarry 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.

#### Abbreviations

Ag	Silver
As	Arsenic
Au	Gold
Cu	Copper
Co	Cobalt
g/t	grams per tonne
IP	Induced polarisation
JORC	Joint Ore Reserve Committee
km	kilometres
lbs/t	Pounds per ton
Mo	Molybdenum
m	metres
Pb	Lead
ppb	parts per billion (1ppb = 0.001 gram per tonne)
ppm	parts per million (1ppm = 1 gram per tonne)
RC	Reverse Circulation (drilling)
U <sub>3</sub> O <sub>8</sub>	Uranium oxide
Zn	Zinc



## OPERATIONS REVIEW (continued)

### CORPORATE MATTERS

#### CASH POSITION

At the end of June 2005 Glengarry had approximately \$1.2 million in cash and securities.

#### EXPLORATION EXPENDITURE

Glengarry expended a total of \$1.59 million on exploration and associated administration costs in the year under review. The Company intends to maintain a dynamic exploration program in the coming twelve months with strong emphasis on drilling and other in-ground exploration. A similar level of exploration to the past year is anticipated in the 2005/2006 financial year.

#### CAPITAL RAISING

On 28 September 2004 Glengarry announced a pro-rata non-renounceable 1:4 entitlements issue to raise working capital for ongoing exploration. The issue was fully subscribed and a total of 31,576,787 new shares were issued at a price of 3.5 cents per share which raised a total of \$1,105,187.

The Company presently has 157,883,938 fully paid ordinary shares on issue and a total of 3,100,000 unlisted options.

### NEW APPOINTMENTS

Mr Kevin Seymour was appointed Exploration Manager on 1 September 2004. He has some 20 years of experience in mineral exploration and an excellent track record in ore body discovery.

Mr Keith McKay was appointed to the Board on 26 August 2004 and assumed the role of Chairman on the retirement of long time Chairman Mr Allan Harris on 23 November 2004. He is a qualified geologist with some 37 years of experience including senior corporate positions.

