



14 April 2004

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

Dear Sir

### ANNOUNCEMENT

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

Yours faithfully

**David Richards**  
Managing Director



G L E N G A R R Y

**QUARTERLY EXPLORATION  
ACTIVITY REPORT**

**FOR THE PERIOD ENDING  
31 March 2004**



A MEMBER OF THE AUSTRALIAN GOLD COUNCIL

**GLENGARRY RESOURCES LIMITED  
ABN 40 009 468 099**

**Web Site: [www.glengarrynl.com.au](http://www.glengarrynl.com.au)**

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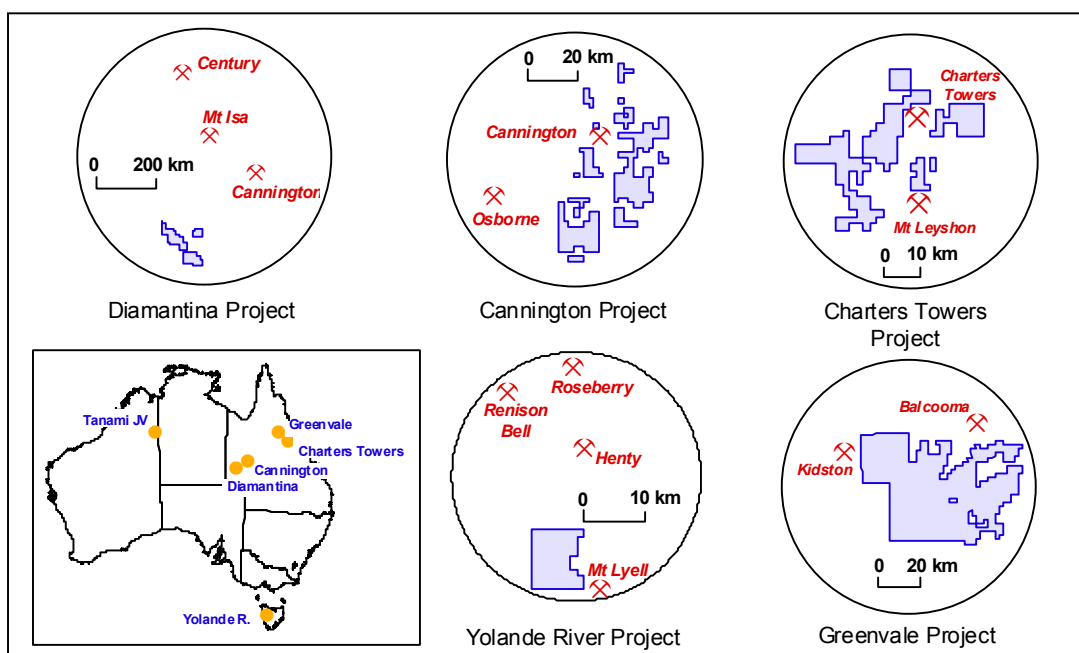
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## SUMMARY AND HIGHLIGHTS

- 944 shareholders with unmarketable holdings totalling approximately 3.1 million shares elected to have Glengarry Resources Limited sell their shares on their behalf. These shares were subsequently sold in a single transaction and cheques posted to the former shareholders. Glengarry's shareholder base has now been reduced by about 35% which will mean a significant saving in administration and share registry costs.
- Ian Gordon was appointed as an independent, non-executive director replacing Mike Glasson who has resigned.
- RC drilling on the Charters Towers Project intersected 3 m @ 6.1 g/t gold at Southern Cross confirming the potential of the prospect to host a high grade gold shoot. The mineralisation, which has now been intersected on 2 adjacent sections, is open in all directions and further drilling is planned. Elsewhere at Charter Towers, soil sampling and prospecting delineated a 2 km anomalous zone at Puzzler West with reconnaissance RC drilling intersecting wide zones of alteration and associated narrower intervals of anomalous gold.
- Gridding and soil sampling commenced on the Yolande River project in western Tasmania. Initial results have recorded 2 geochemically anomalous zones with further work to be planned once all assays have been received.
- At Cannington, a project review confirmed the prospectivity of the Dolly Pot/Honey Pot area and a detailed gravity survey is planned to assist with the design of a follow up drilling program.
- Compilation of previous exploration data for the Greenvale Project has highlighted the exploration potential of the property. At the Galah Dam prospect, previous drilling intersected significant mineralisation in several holes including up to 16 m @ 4.5% Zn and 1.1 g/t Au.
- At Diamantina, future exploration will concentrate on the MB1 anomaly within the Mirrica Bore tenement where lag sampling has recorded anomalous gold over 3 km strike.
- Eight acquisition opportunities were reviewed during the quarter – all were declined due to their limited potential to add significant shareholder value.
- At the end of the quarter, Glengarry had approximately \$1.7 million in cash and securities.

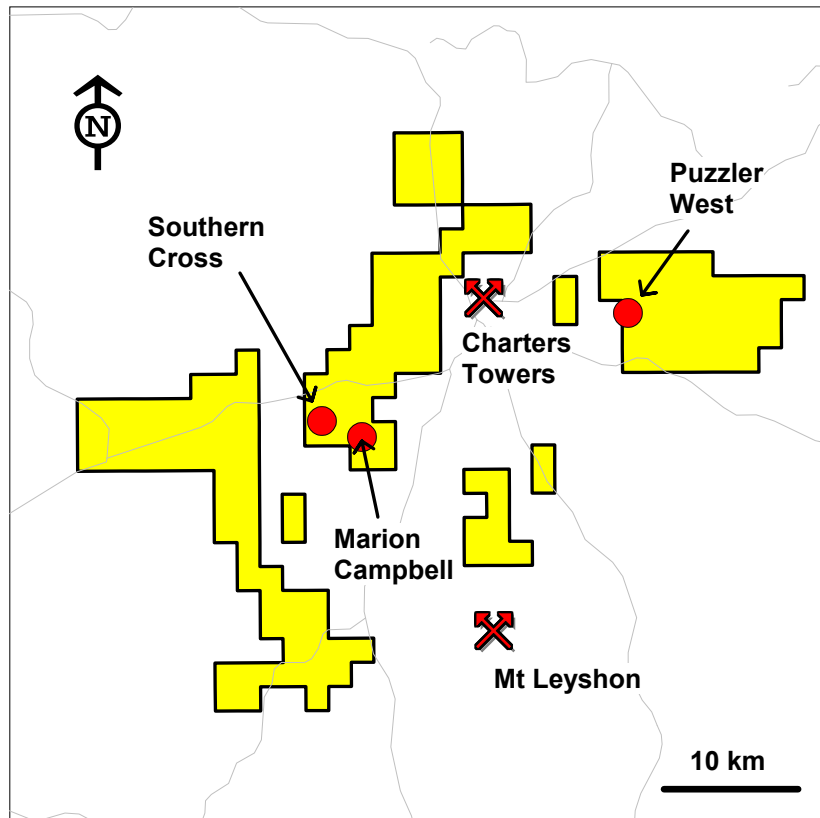


**Figure 1: Project Locations**

## 1.0 EXPLORATION REPORT

### 1.1 Charters Towers Project, North Queensland (Glengarry 100%)

An RC drilling program comprising 25 holes for 1816 m was completed at Charters Towers. The drilling was carried out at Southern Cross (5 holes/558 m) and Puzzler West (20 holes/1258 m) prospects (Figure 2) where previous exploration had delineated several high grade gold targets. Assays have been received for all holes with anomalous intersections listed in Table 1.



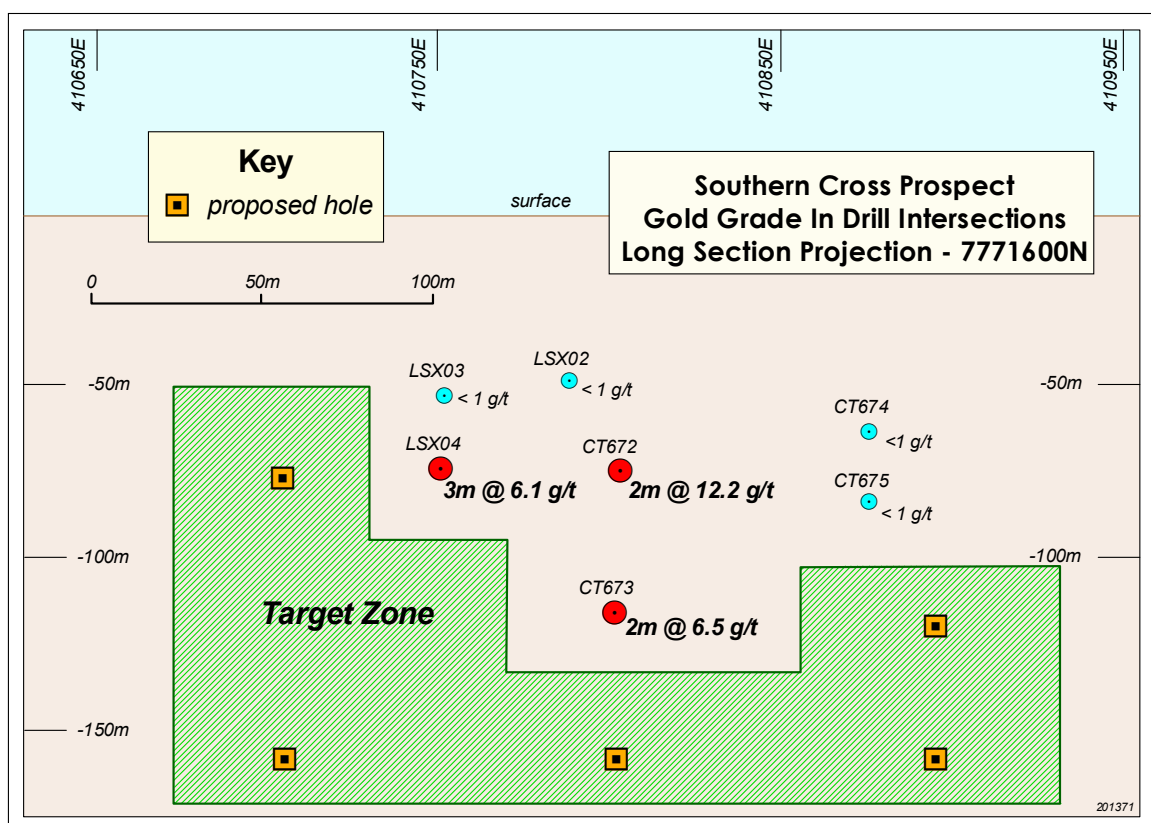
**Figure 2: Charters Towers Project – Prospect Locations**

- ***Southern Cross***

At Southern Cross, hole LSXRC4 intersected 3 m @ 6.1 g/t Au from 89 - 92 m. This intersection is approximately 60 m along strike to the west (Figure 3) of high grade results (up to 2 m @ 12.2 g/t Au) reported last year. Ore grade gold values have now been intersected in 3 holes on two adjacent sections and the mineralised zone is open in all directions. Significantly, the mineralised zone does not appear to extend to the surface and there is good potential for further high grade lodes along most of the 2 km long Southern Cross host structure.

The mineralisation at Southern Cross is associated with an alteration zone that is 5 – 20 times less magnetic than the adjacent country rock. Aeromagnetic data indicate a linear magnetic low extending westward beneath alluvial cover for another 1.5 km from hole LSXRC4. A ground magnetic survey is in progress to better delineate the magnetic low and its relationship to recently intersected gold mineralisation.

Follow up drilling will be completed as soon as feasible and will comprise 4 – 6 reverse circulation holes testing a 200 m long panel (Figure 3) along strike and down dip of the existing intersections.



**Figure 3: Southern Cross Long Section**

- ***Puzzler West***

Soil sampling during the early part of the quarter recorded elevated gold values (>10 ppb Au) over approximately 2 km strike. A complex regolith including locally distributed Tertiary gravels causes an erratic pattern to the soil contours; however, prospecting detected numerous sub cropping, auriferous quartz veins spatially related to the anomalous soils including several grading >30 g/t gold. Mapping indicates that the anomalous gold values are associated with broad zones of strong sericite alteration.

RC drilling intersected wide zones of strong silica-sericite±pyrite alteration associated with moderately anomalous gold assays up to 3 m @ 0.57 g/t Au (Table 1). The extensive alteration, gold anomalism and numerous high grade quartz veins indicate that the Puzzler West area is still very prospective; however, the complex regolith means a detailed review is required prior to follow up drilling. The Tertiary gravels, which are typically less than 10 m thick, mask large areas of bedrock and probable zones of primary mineralisation and several traverses of deep, overlapping RC holes may be required to adequately assess the area.

Further work is also required at Dogmatix, located 2 km east of Puzzler West, where previous RAB drilling intersected 6 m @ 1 g/t Au at the bottom of a shallow, vertical reconnaissance hole. Mapping and magnetic data indicate potential for Mt Leyshon style mineralisation in this area which is also largely obscured by Tertiary sediments.

**Table 1: Anomalous drill intercepts**

Hole No.	Prospect	AMG Coordinates		Depth (M)	Interval	From	To	Intersection (g/t Au)
		E	N					
LSXRC2	S. Cross	410785	7771611	107	3	51	54	3m @ 0.34
LSXRC3	S. Cross	410749	7771614	101	3	84	87	3m @ 0.30
LSXRC4	S. Cross	410752	7771654	119	3	89	92	<b>3m @ 6.1 incl. 1m @ 9.6 g/t Au from 90m</b>
PZRC51	Puzzler W	434050	7780180	53	5	5	10	3m @ 0.47
PZRC53	Puzzler W	434590	7779626	71	3	9	12	3m @ 0.43
PZRC56	Puzzler W	434400	7779290	83	3	66	69	3m @ 0.25
PZRC58	Puzzler W	434445	7779226	77	3	33	36	3m @ 0.57
PZRC59	Puzzler W	434466	7779328	77	3	6	9	3m @ 0.56

(NB Down hole widths approximately equal to true widths)

- **Regional**

The Charters Towers district is one of the premier gold mining regions of Australia and has produced more than 17 M oz from historic and modern day production. The district is noted for several world class ore bodies with gold occurring in different geological environments including narrow, high grade quartz veins (eg Charters Towers) and as bulk tonnage, medium grade deposits (eg Mt Leyshon).

Exploration prior to Glengarry was piecemeal with drilling and soil sampling typically located on a number of separate, isolated local grids with intervening, covered areas usually left untested. Glengarry is currently compiling and reviewing previous exploration data and combining this with regional aeromagnetics to identify other prospects for follow up field work. A potential target is the Marion Campbell prospect located approximately 3.5 km ESE of Southern Cross. Drilling by WMC intersected up to 6 m @ 23 g/t Au and there are also a number of strong soil anomalies (up to 400 ppb Au) that do not appear to have been drilled.

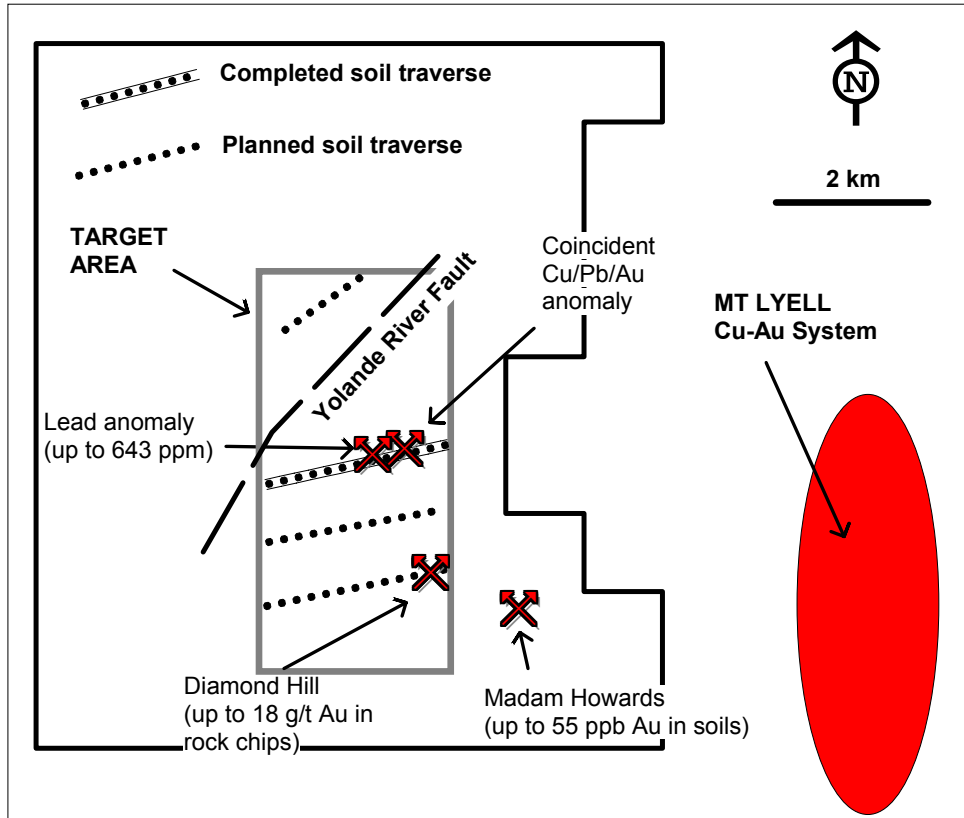
## 1.2 Yolande River, Tasmania (Glengarry 100%)

Systematic gridding and soil sampling commenced at Yolande River during the quarter. The main target area (Figure 4) has been divided into a northern and southern zone separated by the Yolande River which is also coincident with a NE trending wrench fault.

Line cutting (3 lines/8.01 km), reconnaissance mapping and soil sampling (147 samples/50 m spacing) have been completed over the southern zone. Unfortunately, a fire at the assay laboratory destroyed the soil samples (92 samples) from the southern 2 lines and these will have to be retaken. Assay results for the northern line defined two anomalous zones; i.e.

- A coincident, moderate to strong, multi-element anomaly with up to 173 ppm copper, 174 ppm lead and 6 ppb gold.
- A strong lead anomaly (up to 643 ppm).

Exposure of outcrop is limited; however, mapping indicates that the anomalous zones are coincident or close to a contact between a predominantly andesitic volcanic sequence and a predominantly sedimentary sequence.



**Figure 4: Yolande River – Proposed soil sampling**

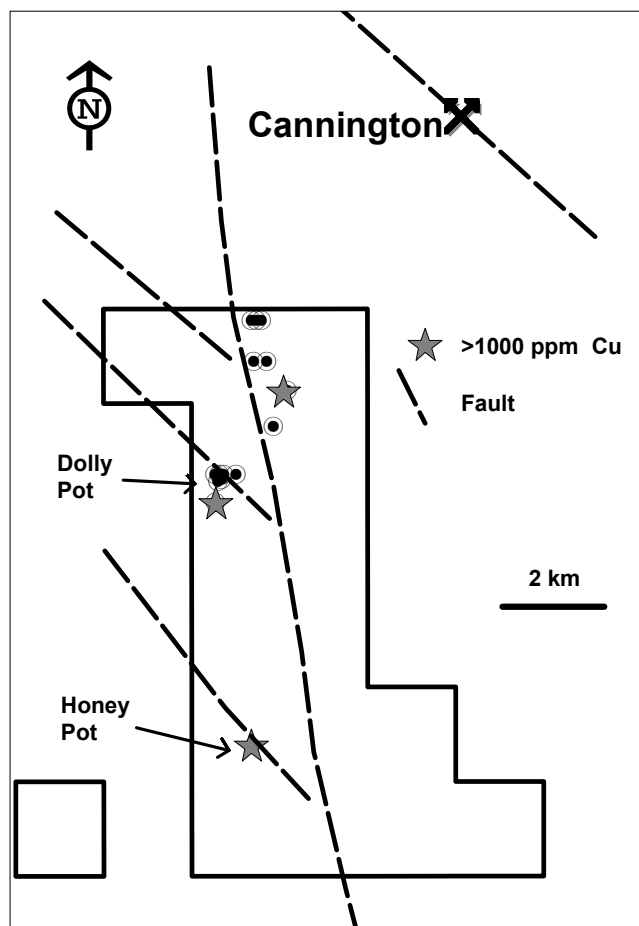
Line cutting and soil sampling is scheduled to commence over the northern target area during the next quarter. Follow up work on both the northern and southern areas will be planned once all soil assay results have been received.

### **1.3 Cannington Project, Western Queensland (Glengarry 100%)**

No field work has been completed during the quarter; however, a detailed project review has confirmed the prospectivity Dolly Pot/Honey Pot area located 5 – 10 km southwest of the Cannington Mine (Figure 5). An RC/aircore drilling program completed late last year intersected anomalous base metals and hydrothermal alteration in several holes close to regional faults.

The extensive transported cover means that follow up drill holes are difficult to site based on current data. Consequently, a detailed gravity survey is planned to delineate dense bodies that may represent a buried massive sulphide deposit.





**Figure 5: Cannington Project/Dolly Pot-Honey Pot area – 2003 Drill Hole Plan**

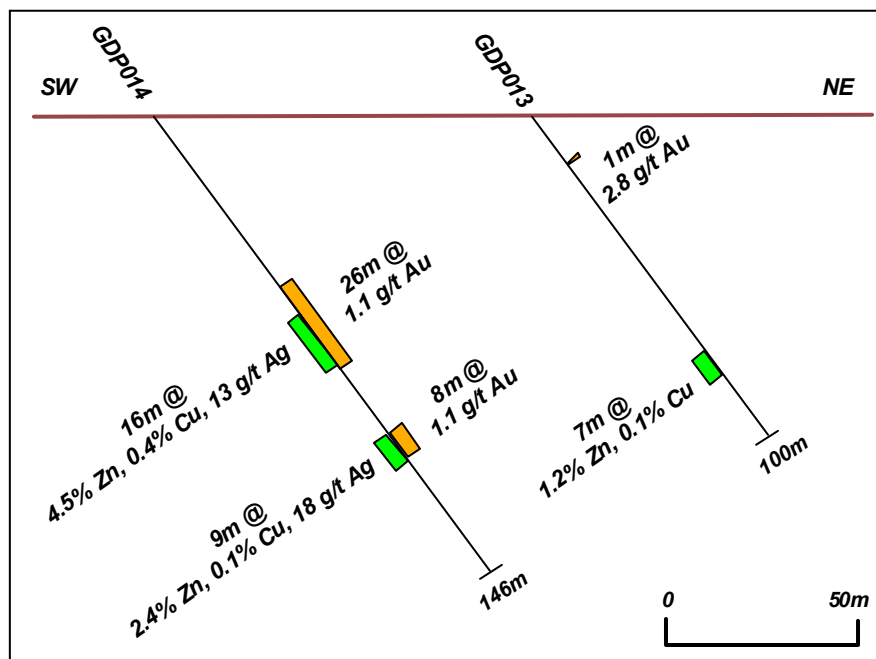
#### **1.4 Greenvale, North Queensland (Glengarry 100%)**

A detailed compilation of previous exploration data for the Greenvale project has been completed and the results are currently being processed. The data compilation has confirmed the prospectivity of the eastern part of the project to host volcanogenic massive sulphide deposits similar to Balcooma and highlighted the lack of exploration for Kidston style mineralisation in the west.

Widespread, elevated gold and base metal values have been recorded in soils, streams and rocks from the eastern part of the project and the level of anomalism is very similar to the Balcooma sequence where Kagara Zinc is developing the Dry River South and Surveyor massive sulphide deposits. The lack of exploration success in Glengarry's tenure is probably a function of drill density which is much lower compared with the Balcooma area. The best drill results in the Greenvale Project were recorded from the Galah Dam prospect in the northeast where several holes intersected promising mineralisation including up to 16 m @ 4.5% Zn, 1.1. g/t Au, 0.4% Cu and 13 g/t Ag from 64 m depth (Figure 6). The mineralised zone appears open and further work will be completed once the underlying tenement is granted.

Exploration by Glengarry on granted parts of the project has also recorded numerous anomalous base metal and minor gold intersections from shallow reconnaissance drilling (i.e. up to 15 m @ 0.5% Zn and 15 m @ 0.65 g/t Au). The extensive, polymetallic anomalism indicates a large volcanogenic massive sulphide system occurs on Glengarry's

ground; however, extensive cover and complex geology mean that drill target definition is problematic. EM geophysical surveys were effective in defining the Balcooma deposits and a similar survey is required to delineate massive sulphide horizons within Glengarry's project.



**Figure 6: Drill Section from Galah Dam Prospect**

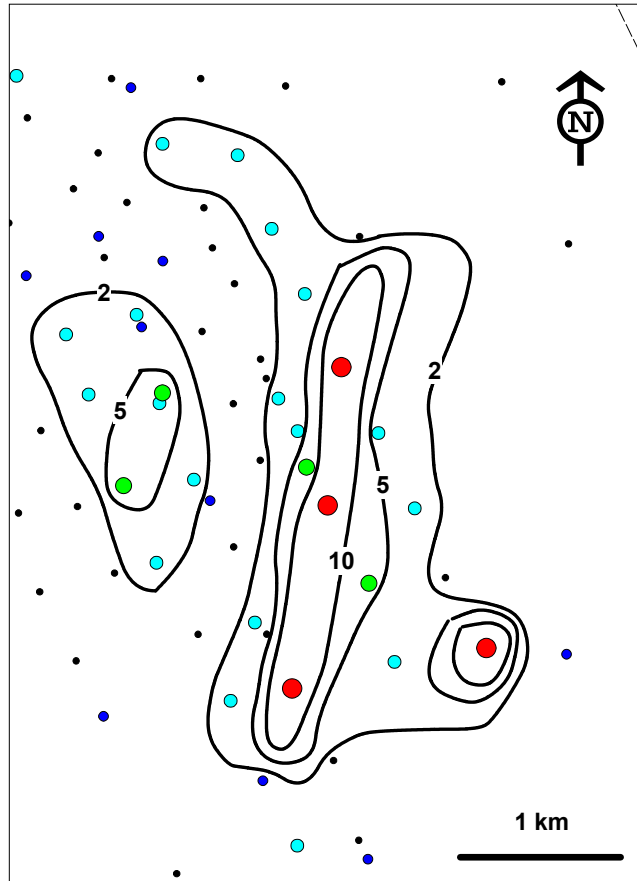
A review of the regional aeromagnetic data indicates several settings prospective for Kidston style mineralisation. Open file research suggests that most of these target areas have not been previously explored and first pass geochemistry will be required prior to any drilling.

### 1.5 Diamantina Project, South West Queensland (Glengarry 100%)

- **Mirrica Bore EPM 13746**

A review of the Mirrica Bore tenement has confirmed the potential of the MB1 area to host a major ore body. Wide spaced (500 – 1000 m) lag sampling has defined a coherent, 3 km long gold anomaly (>10 ppb) that is coincident with a north – south fault zone. The southern part of the anomaly (Figure 7) is also underlain by a discrete elliptical magnetic anomaly.

The prospect area is totally covered by aeolian sands; however, previous base metal drilling by BHP several kilometres to south and east, seismic shot hole traverses and historic government mapping indicate that the transported cover is likely to be thin. Infill sampling and ground magnetics is planned prior to drill testing of the anomaly.



**Figure 7: MB1 gold in lag (ppb) anomaly.**

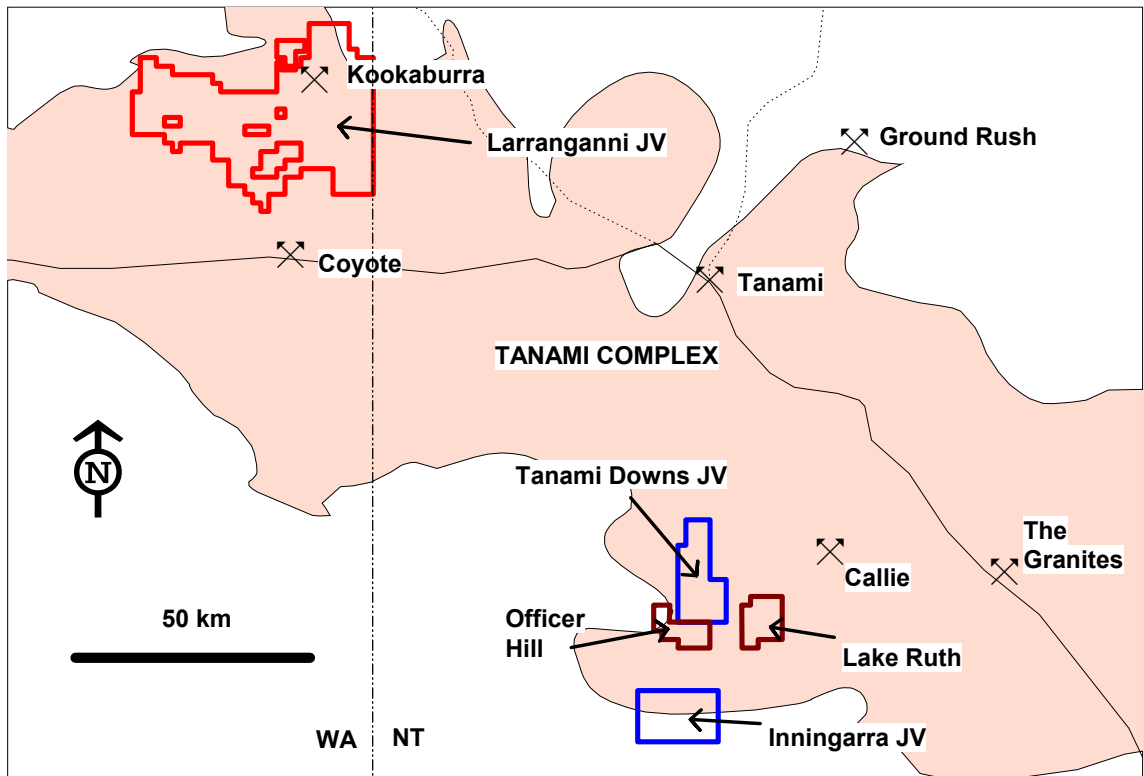
## 1.6 Tanami Joint Ventures, Western Australia and Northern Territory

- ***Larranganni Joint Venture, WA (Glengarry 7.5% free carried)***

This area is the subject of a joint venture between Tanami Gold NL and operator Barrick Gold of Australia Limited (Barrick). A joint venture meeting is scheduled for early in the next quarter to discuss proposed field work for 2004.

The JV, which includes the Kookaburra and Sandpiper resources (~160,000 oz Au) as well as a number of nearby advanced prospects, is located north of the high grade Coyote deposit (~400,000 oz Au) recently acquired by Tanami Gold NL (Figure 8).

Barrick do not consider the known resources and advanced prospects on the Larranganni JV to have multi-mineral ounce gold potential and do not intend to carry any further exploration on these targets; however, Tanami Gold believe they will provide supplemental ore to a mining operation at Coyote. Consequently, Tanami Gold have reached agreement with Barrick to sole risk exploration on these areas in return for a production royalty and buy back option if a major discovery is made. Glengarry will retain a 7.5% free carried interest on the sole risk areas and on the tenements that Barrick continue to explore within the JV. Tanami Gold's purchase and probable exploitation of the Coyote deposit has significantly increased the likelihood of Glengarry benefiting from a mining operation within the Larranganni JV.



**Figure 8 – Glengarry Projects in Tanami Region.**

- ***Tanami Downs Joint Venture, NT (Glengarry 100%, Barrick earning 70%)***

The Central Land Council (CLC) has yet to advise Barrick whether the Traditional Owners wish them to negotiate on their behalf. A decision is expected soon; however, the timing is uncertain.

David Richards  
Managing Director

14 April 2004

This information, so far as it pertains to ore or mineralisation, is based on information compiled by a member of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, who has had at least five years experience in the field of activity concerned:  
David Richards – Managing Director, Glengarry Resources Limited

## 2.0 PROJECT LAND STATUS SUMMARY

Following is a brief outline of land access for exploration on the various properties controlled by Glengarry:

Project	Land Status	Access Agreement (Native Title Parties)	Time Frame for Exploration
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### QUEENSLAND

<b>Diamantina</b> 5,083 km <sup>2</sup>	Mirrica Bore, 746 km <sup>2</sup> ; granted low impact tenure <sup>(1)</sup> ; leasehold, no native title claim	Not required	Exploration in progress
	Applications, 4,337 km <sup>2</sup> ; leasehold, some subject to native title claim; applications to be processed under NTA <sup>(2)</sup>	Should not be required – grant of tenements will include terms of access and heritage protection	6-12 months
<b>Cannington</b> 509 km <sup>2</sup>	Granted low impact tenure <sup>(1)</sup> ; pastoral lease partly subject to native title claim	One access agreement and heritage survey completed; most ground can be accessed	Exploration in progress
<b>Greenvale/ Big Mag</b> 2,240 km <sup>2</sup>	Granted tenure, 202 km <sup>2</sup> ; freehold and extinguishing leasehold	Not required	Exploration in progress
	Granted low-impact tenure <sup>(1)</sup> , 703 km <sup>2</sup> ; freehold, extinguishing leasehold and some pastoral lease	One access agreement completed; access on native title ground subject to heritage survey	1-3 months
	Applications, 1,335 km <sup>2</sup> ; mostly pastoral lease partly subject to native title claim; applications to be processed under NTA <sup>(2)</sup>	Should not be required – grant of tenements will include terms of access and heritage protection	6-12 months
<b>Westwood</b> 47 km <sup>2</sup>	Granted tenure, freehold	Not required	Exploration in progress
<b>Charters Towers</b> 508 km <sup>2</sup>	Granted tenure, 430 km <sup>2</sup> ; mostly freehold and extinguishing leasehold, some pastoral lease	May be required over pastoral lease; most ground can be accessed	Exploration in progress
	Application, 78 km <sup>2</sup> ; various land classes partly subject to native title claim; application to be processed under NTA <sup>(2)</sup>	Should not be required – grant of tenements will include terms of access and heritage protection	6-12 months
<b>Mt Guide</b> 134 km <sup>2</sup>	Application; pastoral lease subject to native title claim; application to be processed under NTA <sup>(2)</sup>	Should not be required – grant of tenement will include terms of access and heritage protection	6-12 months
<b>Snake Creek</b> 259 km <sup>2</sup>	Application; pastoral lease subject to native title claim; application to be processed under NTA <sup>(2)</sup>	Should not be required – grant of tenement will include terms of access and heritage protection	6-12 months

### TASMANIA

<b>Yolande River</b> 64 km <sup>2</sup>	Granted tenure; various land classes, no native title	Not required	Exploration in progress
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### NORTHERN TERRITORY

<b>Tanami Downs JV</b> 177 km <sup>2</sup>	Application; aboriginal freehold land	Required – initial meeting with traditional owners held in November 2003	6-12 months
<b>Inningarra / Officer Hill / Lake Ruth</b> 334 km <sup>2</sup>	Application; aboriginal freehold land	Required – Traditional owners to respond to Glengarry's work proposal	12-18 months

(1) Alternative State Provisions (Queensland)

(2) Native Title Act (Commonwealth) – Expedited Procedures

Land status details for the Larranganni Joint Venture, in which Glengarry holds a minority 7.5% interest, have not been included.

## ABBREVIATIONS

<b>AC</b>	Air core
<b>Ag</b>	Silver
<b>As</b>	Arsenic
<b>Au</b>	Gold
<b>Ba</b>	Barium
<b>BCL</b>	Bulk Cyanide Leach
<b>Co</b>	Cobalt
<b>Cu</b>	Copper
<b>EL (A)</b>	Exploration Licence (Application)
<b>EM</b>	Electromagnetic geophysical survey
<b>EPM(A)</b>	Exploration Permit for Minerals (Application)
<b>g/t</b>	Grams per tonne
<b>km</b>	Kilometre
<b>lag</b>	Coarse rock fragments remaining at the surface following wind deflation of the finer soil particles
<b>m</b>	Metres
<b>Mn</b>	Manganese
<b>Mo</b>	Molybdenum
<b>Ni</b>	Nickel
<b>ozs</b>	Ounces
<b>Pb</b>	Lead
<b>Pd</b>	Palladium
<b>PGE</b>	Platinum Group Elements
<b>ppb</b>	Parts per billion (1ppb = 0.001 gram per tonne)
<b>ppm</b>	Parts per million (1ppm = 1 gram per tonne)
<b>Pt</b>	Platinum
<b>RAB</b>	Rotary air blast (drilling)
<b>RC</b>	Reverse circulation (drilling)
<b>Sb</b>	Antimony
<b>Sn</b>	Tin
<b>Ta</b>	Tantalum
<b>VMS</b>	Volcanogenic massive sulphides
<b>Zn</b>	Zinc

## COMPANY INFORMATION

### DIRECTORS

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Chairman

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Ian J Gordon BComm (Corporate Administration)  
Director

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### MANAGING DIRECTOR

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### STOCK EXCHANGE LISTING

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

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