

December 2008 Quarterly Report

Highlights

Percyvale Project (North Queensland)

- Initial reverse circulation percussion drilling program completed.
- Significant gold and gold-silver-copper-zinc mineralisation intersected at Bernadette prospect. Better intersections include:
 - **4 metres @ 5.1 g/t gold** from 68 metres including **2 metres @ 8.7 g/t gold** from 69 metres
 - **7 metres @ 0.3 g/t gold, 22 g/t silver, 2% copper and 0.5% zinc** from 63 metres including **2 metres @ 0.6 g/t gold, 44 g/t silver, 3.7% copper and 0.5% zinc** from 64 metres and **1 metre @ 0.6 g/t gold, 41 g/t silver, 4.3% copper and 2.5% zinc** from 68 metres.

Citadel Project (NW Western Australia)

- Aboriginal Heritage surveys completed over all proposed, high priority drill targets.
- Remaining tenement applications granted including Exploration Licence containing highly prospective Magnum area where previous explorers intersected high grade gold and copper mineralisation.

Corporate

- Glengarry finished 2008 in strong financial position with cash and liquid investments exceeding \$10 million.

Priorities for the March 2009 Quarter

- Reassess strategic and operational priorities for Company in light of current and forecast economic conditions.
- Complete assessment of Percyvale drill results and plan follow up exploration work.
- Complete planning and scheduling of initial field program at Citadel.
- Continue active pursuit of new merger and acquisition business opportunities in Australia and overseas.

PROJECT ACTIVITIES REPORT

Wholly Owned Projects

Percyvale Project (North Queensland)

- ***Initial drilling program intersects significant gold and base metal mineralisation at the Bernadette prospect.***

The Percyvale Project is located in North Queensland approximately 300 kilometres west of Townsville (Figure 1) in a geological region known to host economic deposits of a number of different metals including gold, copper, lead-zinc-silver,

uranium and molybdenum. The world class Kidston gold deposit which produced 4.5 million ounces of gold is located immediately east of the Project area (Figure 1).

During the Quarter, Glengarry completed a reverse circulation percussion drilling program comprising 18 holes for 2,709 metres. The drilling program tested targets defined at 3 prospects, Bernadette, Maggies and Black Soil Creek. Drill hole statistics and summary assay results are tabled in Appendix 1.

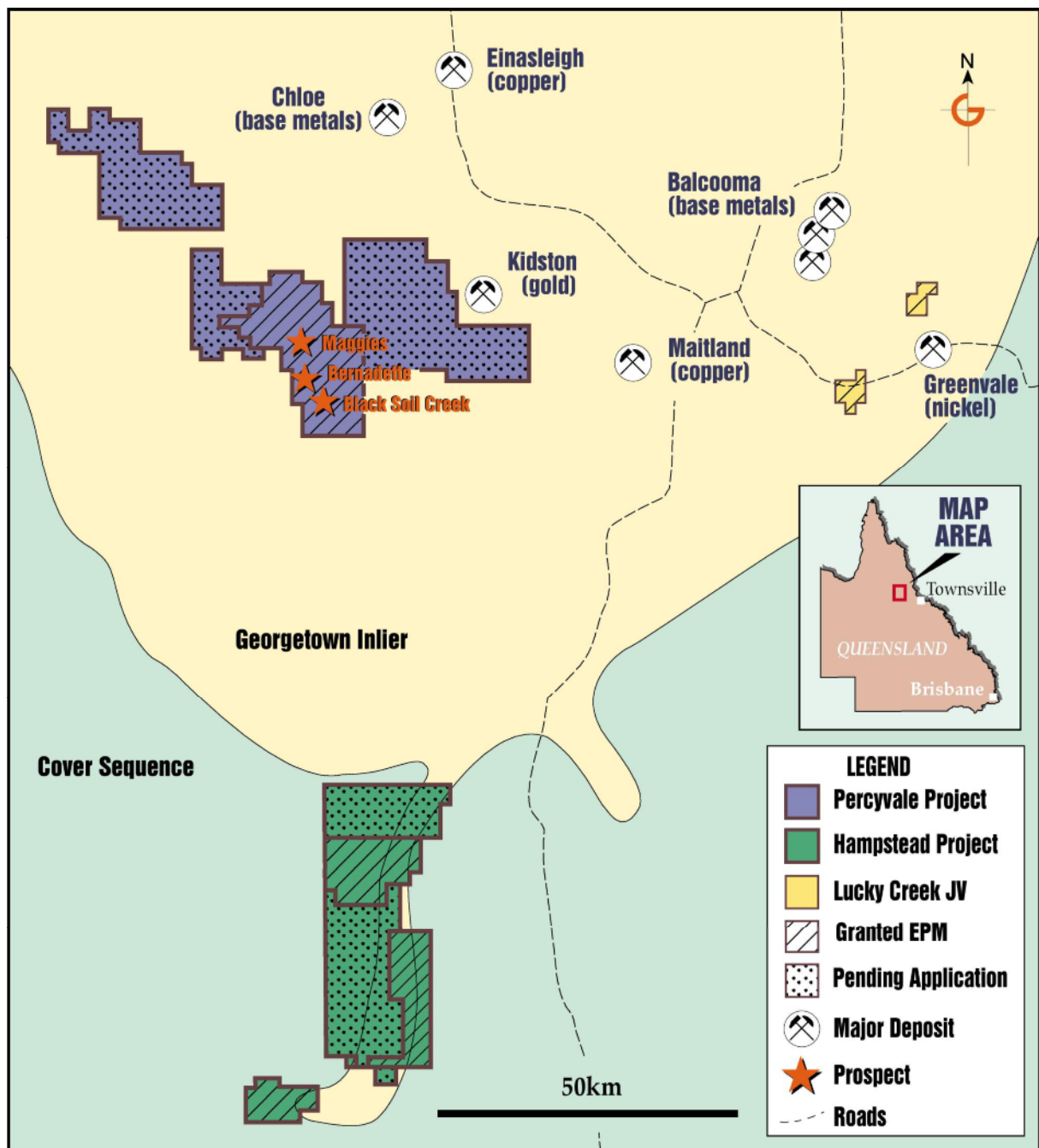


Figure 1: Glengarry Resources – North Queensland Projects.

Bernadette Prospect

Soil and rock chip sampling completed last Quarter at Bernadette defined multiple gold and copper anomalies within a 2.5 by 1 kilometre, northeast trending corridor (Figure 2). Most of the drilling completed at Percyvale during the report period was targeted at the anomalies defined at Bernadette with 14 holes drilled for a total of 2,100 metres. There had been no

previous drilling at Bernadette prior to Glengarry’s program.

The drilling at Bernadette intersected two different styles of mineralisation with significant gold and gold-silver-copper-zinc values reported from a number of drill holes. The better intersections are plotted on Figure 2 and listed in Table 1.

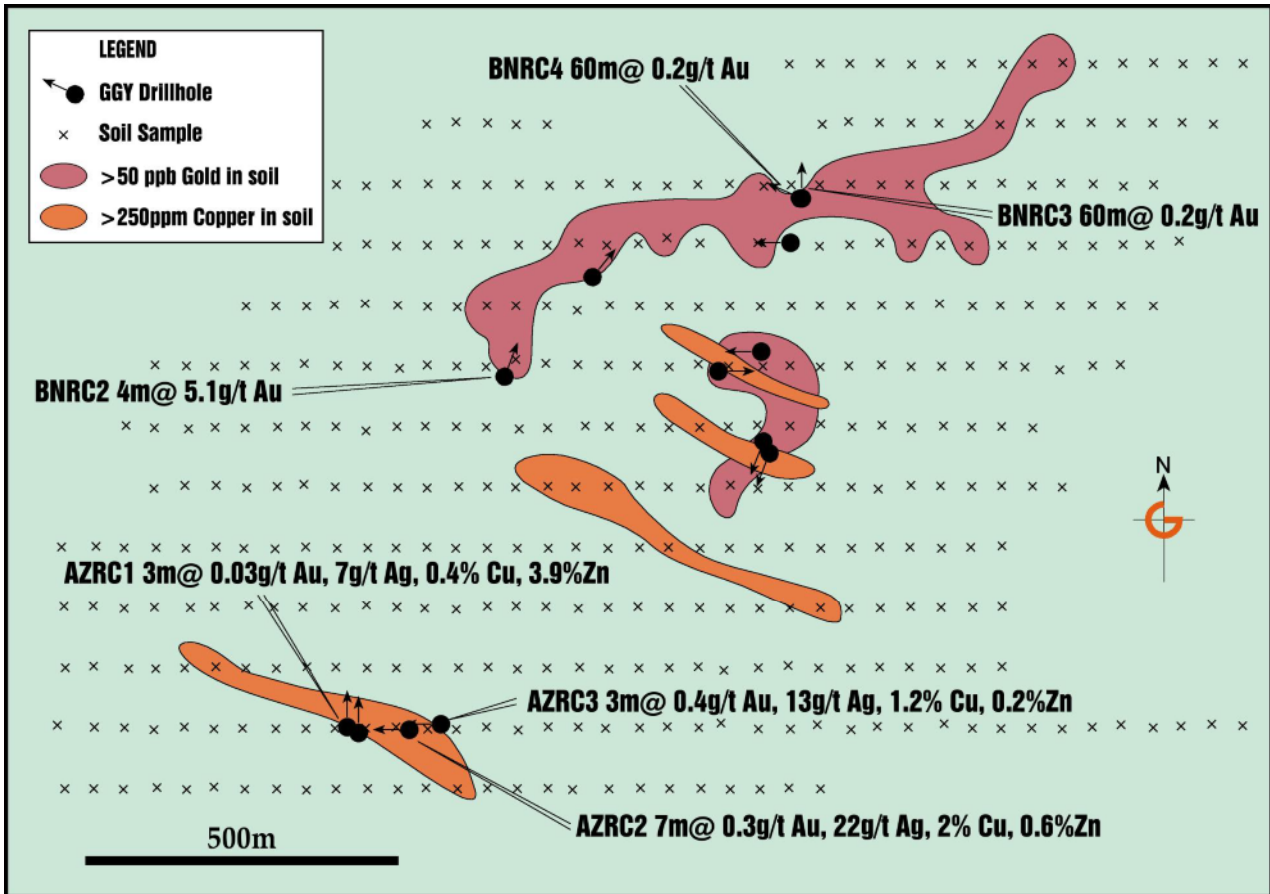


Figure 2: Percyvale Project Bernadette Prospect – Anomalous Soil and Drilling Results

Table 1: Percyvale Project Bernadette Prospect – Significant Drill Hole Results

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu%	Zn%
BNRC2	68	72	4	5.1	-	-	-
	including						
	69	71	2	8.7	-	-	-
BNRC3	0	60	60	0.2	-	-	-
BNRC4	0	60	60	0.2	-	-	-
AZRC1	56	59	3	-	7	0.4	3.9
AZRC2	63	70	7	0.3	22	2.0	0.5
	including						
	64	66	2	0.6	44	3.7	0.5
	68	69	1	0.6	41	4.3	2.5
AZRC3	46	49	3	0.4	13	1.2	0.15

The gold mineralisation intersected in drill holes BNRC2 – 4 is coincident with a 1 kilometre long, east to east northeast trending plus 50 ppb gold-in-soil anomaly (Figure 2). Previous rock chip sampling recorded up to 62 g/t gold from narrow (<1 metre) quartz veins that appear to be the main cause of the soil anomaly; however, the recent drill intersections indicate a large system with potential for bulk tonnage mineralisation containing high grade gold zones. The gold mineralisation is hosted by quartz veined, silica-sericite-pyrite altered granitic rocks.

The gold and base metal mineralisation in drill holes AZRC1-3 is associated with primary, semi-massive to massive sulphide (pyrite-chalcopyrite-sphalerite) horizons. The mineralisation is coincident with a 500 metre long, west northwest trending plus 250 ppm copper-in-soil anomaly.

Results from the initial drilling program at Bernadette are encouraging and further work is warranted; however, controls on the orientation, extent and number of mineralised horizons are poorly understood. The next phase of work will focus on improving the understanding of the geology and mineralisation at Bernadette prior to planning any follow up drilling.

Maggies Prospect

At Maggies, two reverse circulation percussion drill holes for a total 279 metres were drilled to test beneath a northwest-southeast trending gossanous (ex-sulphide) horizon defined over a strike length of at least 1 kilometre. Soil sampling had delineated a copper anomaly (>100 ppm) coincident with the gossanous horizon and rock chip sampling recorded up to 15.9% copper, 0.32 g/t gold and 11 g/t silver. No drilling had been completed at Maggies prior to Glengarry's program.

The drilling at Maggies did not intersect any significant base metals or gold values or sulphide mineralisation and no immediate follow up is planned. The extent of the gossanous material at surface is significant and geophysics designed to detect buried sulphide

mineralisation may be considered as part of any follow up exploration work carried out at Bernadette.

Black Soil Creek Prospect

Two reverse circulation percussion drill holes for a total 330 metres were drilled at Black Soil Creek (BSC) to test targets defined by a review of geophysical data collected by BHP in the mid 1990s. BHP had identified a large potential Broken Hill type mineralised system but had only partially tested it by drilling.

Glengarry's drilling intersected broad zones of low grade silver-copper-zinc mineralisation (up to 27 metres @ 4 g/t silver, 0.2% copper, 0.6% zinc) associated with massive pyrrhotite (iron sulphide) horizons; however, the results do not warrant follow up drilling. The observed sulphide mineralisation adequately explains the geophysical anomalies.

Percyvale Regional Exploration

Glengarry has identified the Percyvale region as being prospective for gold and base metals and has submitted a number of new tenement applications covering a total area of approximately 965 square kilometres that are largely contiguous with current project area (Figure 1). The applications, most of which are competing with applications submitted by other companies, are currently being assessed by the Queensland government.

Citadel Project (Northwest Western Australia)

- **Remaining tenement applications granted.**
- **Aboriginal Heritage surveys completed.**

The wholly owned Citadel Project is located in the Telfer region of northwest Western Australia (Figure 3) where the Company has four contiguous Exploration Licences covering approximately 1,400 square kilometres. The region contains several world class gold, copper and uranium deposits including Telfer (26 M oz gold, 1 Mt copper), Nifty (1 Mt copper) and Kintyre (36 Kt tonnes U₃O₈).

Previous exploration by other companies within the Citadel project area discovered high grade copper/gold mineralisation at the Magnum prospect. Mineralisation, which includes intersections up to 8 metres @ 4.4% copper and 15 metres @ 14.1 g/t gold, remains open along strike and at depth.

During the Quarter, Glengarry completed Aboriginal Heritage surveys over planned drill sites designed to test 18 high priority targets defined by a review of previous exploration work. Only one drill site was not cleared; however, this is unlikely to have a significant impact on the proposed 10,000 metre drill program scheduled to commence during the second quarter of 2009.

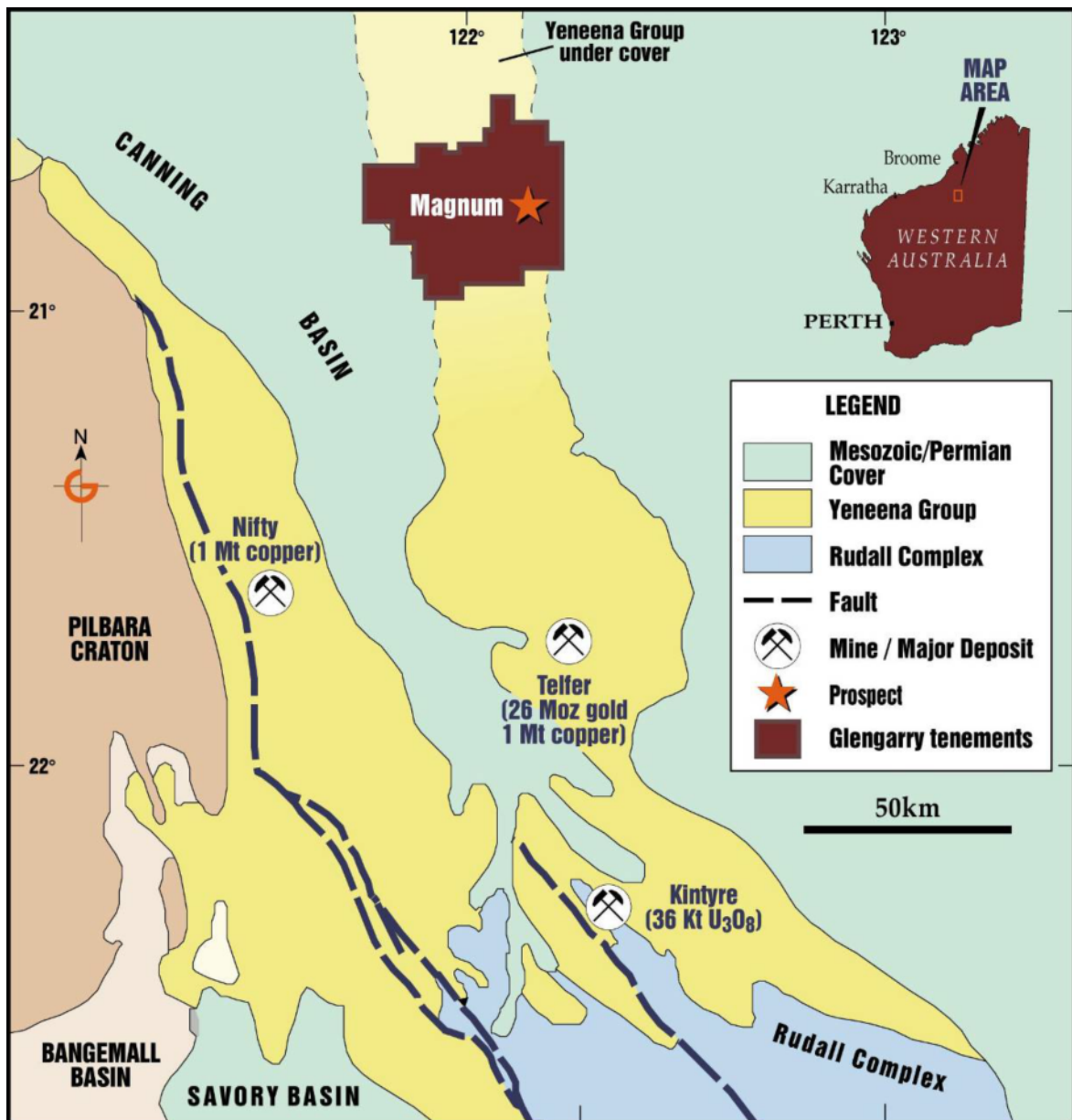


Figure 3: Citadel Project area showing regional geology and major deposits.

Immediately subsequent to the end of the Quarter, Glengarry was advised that EL applications covering the southern portion of the Citadel area had been granted. These applications include the highly prospective Magnum area which includes most of the defined targets.

ELs covering the northern portion of the Citadel area were previously granted in early 2007.

Work planned for the first Quarter of 2009 includes detailed planning and scheduling of the initial phase of field activities.

Rum Jungle Project (Northern Territory)

- ***Drill testing of Acacia North gold prospect completed.***

Glengarry's wholly owned Rum Jungle Project covers approximately 80 square kilometres in the Rum Jungle area located 65 kilometres south of Darwin in the Northern Territory.

Previous explorers intersected high grade gold mineralisation at Acacia North (up to 6 metres @ 11.3 g/t gold) which is open in all directions. During the Quarter, Glengarry completed a reverse circulation percussion drill program comprising 8 holes for a total of 728 metres. The drilling tested a total strike length of 1.6 kilometres and was designed to intersect a contact between dolerite and shale. Gold intersections recorded by previous explorers were located within the dolerite close to the shale contact.

Assays have been received for all holes drilled by Glengarry. Results confirm that the dolerite/shale contact is mineralised; however the grades and widths recorded were disappointing with the best intersection being 5 metres @ 1.22 g/t gold from 101 metres down dip of the high grade intersection reported above. Complete drill hole statistics and summary results are tabled in Appendix 2.

No further work is warranted at Rum Jungle and the Project area will be relinquished once all statutory requirements are completed.

Hampstead Project (North Queensland)

- ***Two additional tenements granted.***

The Hampstead Project is located approximately 300 kilometres west southwest of Townsville (Figure 1) and consists of three granted EPM and three EPM applications covering approximately 875 square kilometres.

The Project covers the southern extension of the Georgetown Inlier, the same geological sequence that underlays the Percyvale Project. The Project is considered prospective for gold, base metals and uranium.

Exploration in the 1980s defined a number of large gold and uranium anomalies and these will be the focus of a reconnaissance exploration program scheduled to commence in early 2009 after the northern Australian wet season.

Joint Venture Projects

Snake Creek Joint Venture (Western Queensland)

The Snake Creek Project is located in northwest Queensland approximately 125 kilometres east-southeast of Mt Isa. It is prospective for copper-gold and uranium mineralisation.

Late last Quarter, Glengarry executed a Farm-out Agreement with ASX-listed Ivanhoe Australia Limited (Ivanhoe), a company which has defined significant gold and copper resources in the region.

Under the terms of the Farm-out Agreement, Ivanhoe has the right to earn up to 85% equity in the Snake Creek Project by spending \$1.5 million on exploration within 3 years of signing the Agreement.

During the Quarter, Ivanhoe acquired satellite imagery for the JV area, compiled previous exploration data and completed an initial reconnaissance trip. Work planned for the coming Quarter includes helicopter-supported reconnaissance of the areas inaccessible by conventional vehicles and planning for a drilling program scheduled for the second Quarter of 2009.

Mt Guide Joint Venture (Western Queensland)

The Mt Guide Joint Venture is located 35 kilometres south of Mt Isa and covers the southern strike extension of the stratigraphy that hosts the world class Mt Isa, Hilton and George Fisher base metal deposits.

Glengarry has a 10% free carried interest in the Project which was previously subject to a JV agreement with Summit Resources. Exploration is now being managed by unlisted UK company MM Mining Plc (MMM) which has negotiated an agreement to acquire Summit's equity in the Joint Venture.

Detailed structural mapping completed last Quarter combined with interpretation of geophysical surveys undertaken in 2006 and 2008 has highlighted the Brampton area as warranting further exploration.

Previous exploration by other companies intersected broad zones of low grade zinc mineralisation (up to 48 metres @ 0.2% Zn) at Brampton. MMM has identified a 1.3 kilometre long IP anomaly at Brampton 180 metres below surface which has not been tested by previous drilling. In contrast to previous explorers, MMM consider the IP target to more prospective for copper than zinc.

Drill sites have been selected and Native Title Clearance surveys completed in preparation for drilling in the second Quarter of 2009.

Lucky Creek Joint Venture (North Queensland)

The Lucky Creek Group tenements were subject to a Farm-out Agreement with Beacon Minerals Limited (Beacon) who were the operators of the JV. Subsequent to the end of the Quarter, Beacon advised that they intended to withdraw from the Lucky Creek JV.

Beacon has not yet earned any equity in the Lucky Creek tenements which remain wholly owned by Glengarry.

CORPORATE

Cash and Investments

At the end of December 2008, Glengarry had approximately \$10 million in cash.

Glengarry's investments in other public listed companies are currently valued at approximately \$650,000.

Operations Review

In light of current and forecast economic conditions, Glengarry will carry out a thorough reassessment of the Company's strategic and operational priorities during the first Quarter of 2009.

Glengarry's strong financial position will enable the Company to continue an effective work program in 2009 including an increased effort to identify and acquire an advanced exploration project.



David Richards
Managing Director
21st January 2009

Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by David Richards who is a member of the Australian Institute of Geoscientists and Kevin Seymour who is a member of the Australasian Institute of Mining and Metallurgy. David Richards and Kevin Seymour are full time employees of Glengarry Resources Limited. David Richards and Kevin Seymour have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. David Richards and Kevin Seymour consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

COMPANY INFORMATION

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STOCK EXCHANGE LISTING

Glengarry Resources Limited shares are listed on
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**Appendix 1: Percyvale Drilling
Drill Hole Statistics and Significant Intersections
(>3 metres @>0.1g/t gold, >0.1% base metals)**

Hole ID	Prospect	East	Northing	Az/ Dip	Depth (m)	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Cu %	Zn %				
AZRC1	Bernadette	799615	7896980	360/ 60	130	56	59	3	-	7	0.4	3.9				
AZRC2	Bernadette	799730	7896995	270/ 60	100	0	33	33*	-	1.5	0.1	0.4				
						including										
						30	33	3*	-	-	-	2.9				
						63	70	7	0.3	22	2.0	0.5				
						64	66	2	0.6	44	3.7	0.5				
						68	69	1	0.6	41	4.3	2.5				
						73	74	1	3.5	-	-	-				
AZRC3	Bernadette	799775	7897000	270/ 60	100	46	49	3	0.4	13	1.2	0.15				
AZRC4	Bernadette	799615	7896978	360/ 70	150	NSR										
BNRC1	Bernadette	800025	7897745	040/ 55	252	27	30	3*	0.2	-	-	-				
						102	111	9*	0.1	-	-	-				
BNRC2	Bernadette	799880	7897580	020/ 55	252	30	33	3*	0.1	-	-	-				
						including										
						68	72	4	5.1	-	-	-				
						69	71	2	8.7	-	-	-				
						144	147	3*	0.3	-	-	-				
186	192	6*	0.3	-	-	-										
BNRC3	Bernadette	800372	7897860	229/ 60	156	0	60	60*	0.2	-	-	-				
						105	108	3*	0.3	-	-	-				
						186	192	6*	0.1	-	-	-				
BNRC4	Bernadette	800372	789860	360/ 60	138	0	60	60*	0.2	-	-	-				
BNRC5	Bernadette	800370	7897800	270/ 60	132	49	51	2	0.8	-	-	-				
						123	126	3*	0.4	-	-	-				
MYRC1	Bernadette	799200	7896700	180/ 55	252	NSR										
NTRC1	Bernadette	800325	7897600	270/ 60	126	NSR										
NTRC2	Bernadette	800225	7897600	090/ 60	132	NSR										
NTRC3	Bernadette	800300	7897470	200/ 60	80	NSR										
NTRC4	Bernadette	800322	7897457	200/ 60	100	9	10	1	0.3	5	-	-				
						13	14	1	0.3	2	-	-				
						19	20	1	0.3	18	-	-				
MGRC1	Maggies	799472	7903084	210/ 60	162	NSR										
MGRC2	Maggies	799438	7902985	020/ 60	117	NSR										
BSRC2	BSC	802070	7895890	270/ 50	132	0	12	12	-	2	0.2	0.4				
						15	42	27	-	4	0.2	0.6				
						74	91	17	-	2	0.2	0.6				
including																
87	89	2	-	3	0.3	2.0										
BSRC3	BSC	802170	7895470	270/ 60	198	NSR										

* 3 metre composite sample

NSR – No significant results in drill hole

**Appendix 2: Rum Jungle Drilling
Drill Hole Statistics and Significant Intersections
(>0.5 g/t gold)**

<i>Hole_Id*</i>	<i>AMGE</i>	<i>AMGN</i>	<i>F/Depth (m)</i>	<i>From (m)</i>	<i>To (m)</i>	<i>Intersection (m)</i>	<i>g/t Au</i>
ANRC030	736524	8587497	84	36	37	1	1.39
				38	39	1	0.51
				56	57	1	1.22
ANRC031	736512	8587495	91	10	11	1	0.72
				15	16	1	0.66
				68	69	1	0.60
ANRC032	736468	8587377	150 incl	101	106	5	1.22
				101	102	1	3.09
ANRC033	736513	8587301	61	13	14	1	1.24
				16	17	1	0.50
ANRC034	736493	8587302	82	29	30	1	0.91
ANRC035	736484	8587193	50	43	44	1	2.74
				47	48	1	3.70
ANRC036	736354	8587099	120	NSR			
ANRC037	736376	8586706	90	NSR			