



3 August 2007

**ASX RELEASE**

**SHARE PLACEMENT TO KAGARA ZINC LTD**

The Directors of Glengarry Resources Limited (Glengarry or the Company) are pleased to announce that Kagara Zinc Ltd (Kagara) has agreed to subscribe to 35,000,000 Glengarry shares at 12.5 cents per share to raise \$4,375,000. The subscription price is at a premium to Glengarry's current share price.

The Kagara placement will represent 12.3% of Glengarry's expanded, undiluted share capital and the shares will be escrowed for 12 months from the date of issue. There are no other conditions related to the placement and the securities will be issued immediately under the Company's 15% placement capacity.

A significant portion of the funds raised will be used to fast track resource definition and related activities at the Maitland copper-molybdenum deposit where recent drilling has confirmed the continuity of high grade mineralisation. The Maitland deposit occurs within Glengarry's wholly-owned Greenvale Project located in North Queensland. Kagara is currently mining high-grade copper, zinc and lead mineralisation at Balcooma located approximately 37 kilometres northeast of Maitland (Figure 1). Previous metallurgical test work and preliminary scoping studies completed by independent consultants indicate good potential to profitably truck ore from Maitland to a third party mill.

The additional funding increases Glengarry's total cash and tangible investments to approximately \$10,000,000 and allows the Company to aggressively expand exploration efforts on its other Australian Projects which are prospective for stand alone base metal, gold and uranium deposits. All of the Projects are located in well mineralised provinces and in close proximity to world class mineral deposits.

Kagara has undertaken to assist Glengarry with logistical aspects of ongoing exploration and resource assessment work at Maitland and drilling will recommence at the deposit as soon as appropriate drill rigs can be secured.

**David Richards**  
**Managing Director**

**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. David Richards is a full time employee of Glengarry Resources Limited. David Richards has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. David Richards consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

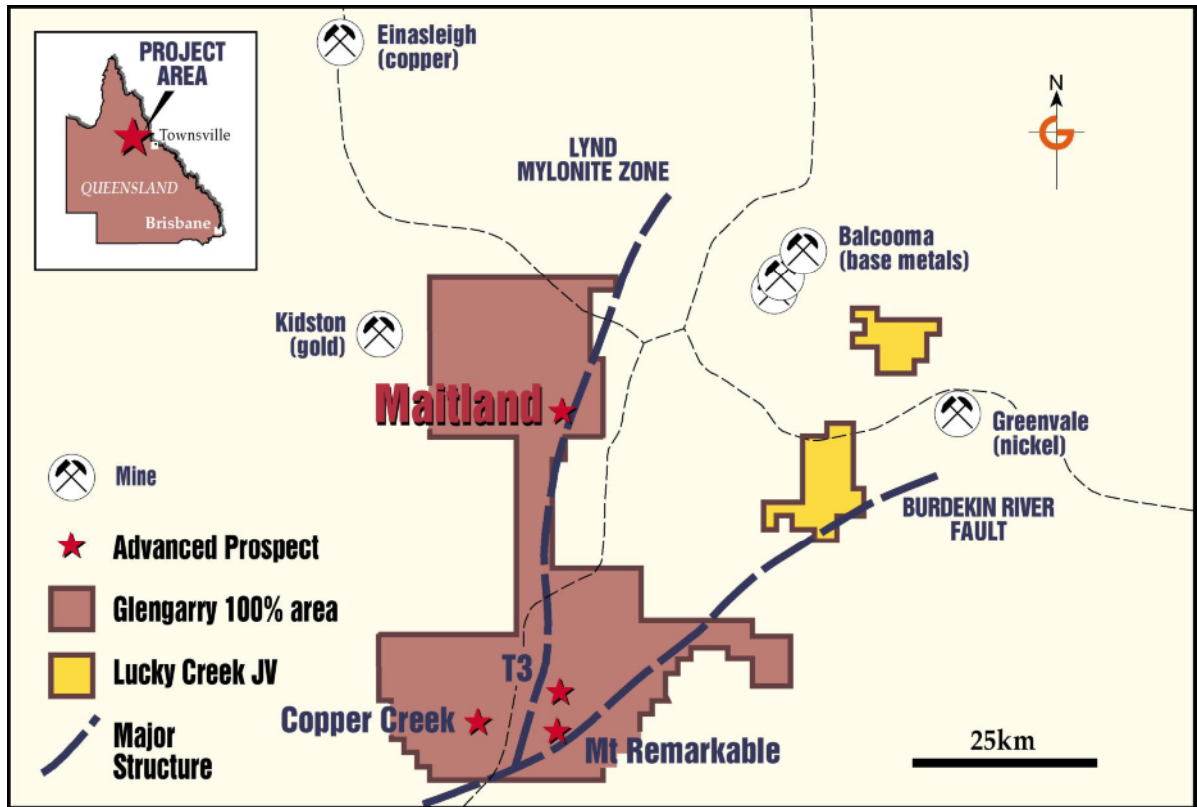


Figure 1: Greenvale Project