



22 July 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 30 June 2004.

Yours faithfully

**David Richards**  
Managing Director



G L E N G A R R Y

**QUARTERLY EXPLORATION  
ACTIVITY REPORT**

**FOR THE PERIOD ENDING  
30 June 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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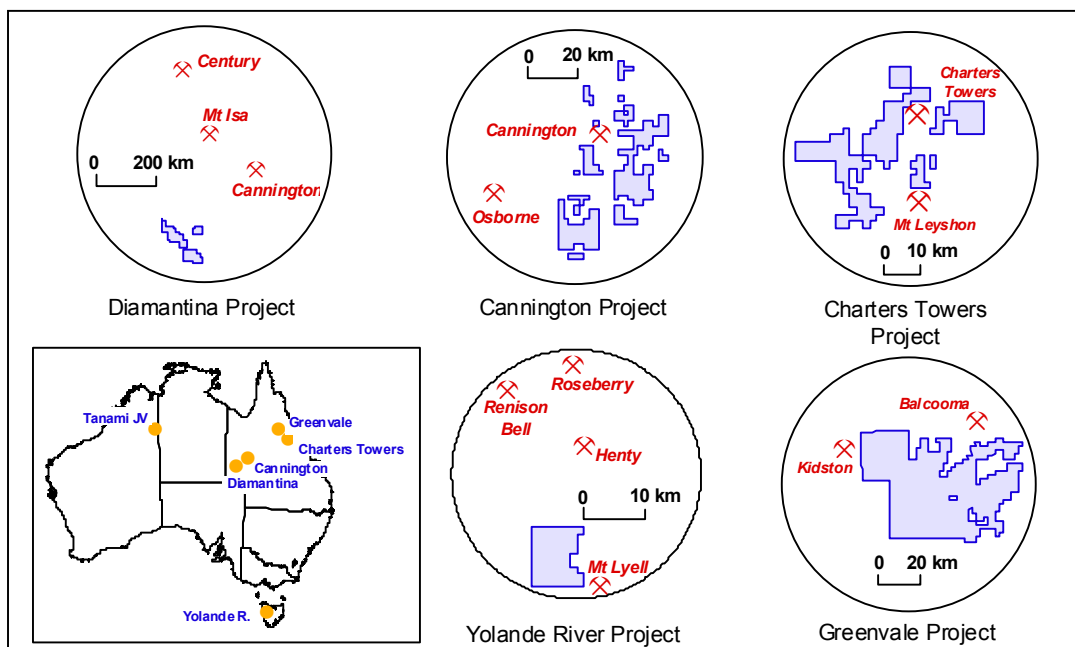
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## SUMMARY AND HIGHLIGHTS

- RC drilling on the Charters Towers Project intersected strong alteration, anomalous pathfinder elements and up to 2 m @ 0.73 g/t gold at Back Creek. Further drilling is required to locate the main source of the 800 m long anomalous zone. Elsewhere at Charter Towers, RC drilling at Southern Cross appears to have closed off the high grade gold zone and further work is unlikely. RC drilling is scheduled for late July at the Dogmatix prospect and resource modelling is in progress for the 100% owned Great Britain deposit.
- Reconnaissance soil sampling was completed over the southern target area at Yolande River with anomalous gold and base metals recorded coincident with a zone of porphyry intrusions. Infill sampling is planned for late July 2004.
- At Cannington, a gravity survey in the Dolly Pot/Honey Pot area has defined several dense bodies close to base metal anomalies intersected in drilling late last year.
- Compilation of previous exploration data for the Greenvale Project has highlighted the Daintree prospect where previous drilling intersected wide zones of anomalous copper up to 18.3 m @ 2.3%.
- At Diamantina, infill geochemistry and ground magnetics is scheduled for the MB1 prospect within the Mirrica Bore tenement where lag sampling has recorded anomalous gold over 3 km strike.
- In the Tanami Region, agreement has been reached with Newmont whereby Newmont can earn up to 70% interest in the Inningarra property.
- Four acquisition opportunities were received during the quarter – two are currently under review.
- Exploration Director, Tony Alston elected to resign during the quarter and will step down in mid September.
- At the end of the quarter, Glengarry had approximately \$1.3 million in cash and securities.



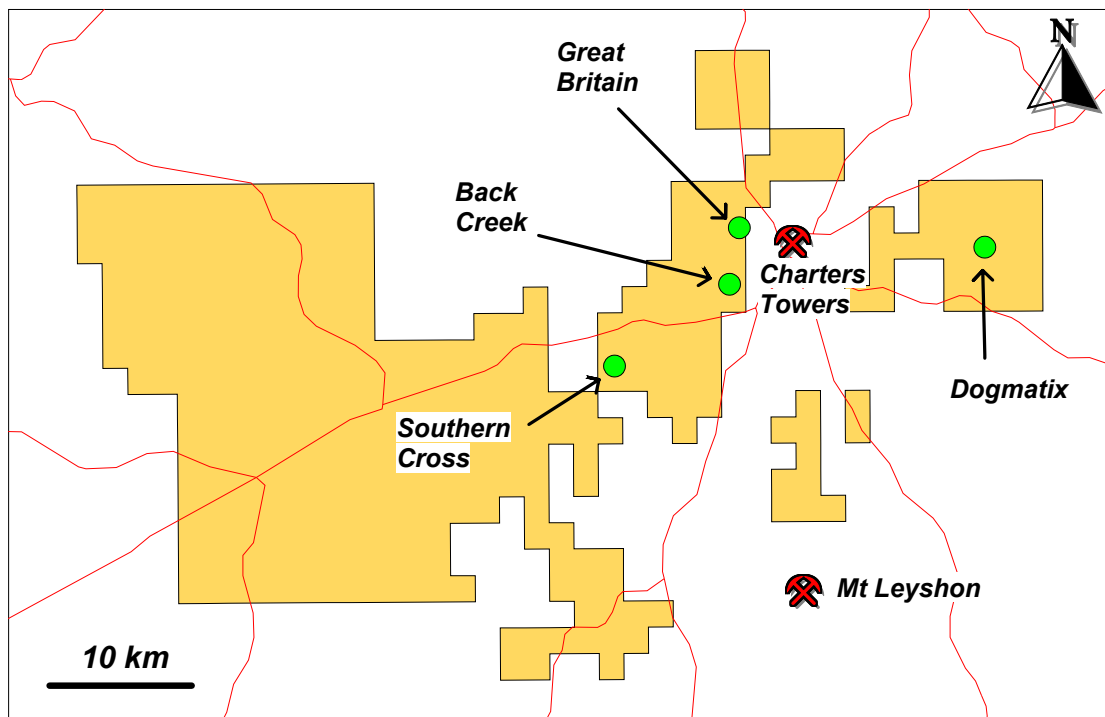
**Figure 1: Project Locations**

## 1.0 EXPLORATION REPORT

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

An RC drilling program comprising 27 holes for 2178 m was completed at Charters Towers. The drilling was carried out at Southern Cross (10 holes/1074 m) and Back Creek (17 holes/1104 m) prospects (Figure 2) where previous exploration had delineated potential high grade gold targets. Assays have been received for all holes and are discussed below.

Other work during the quarter included a review of the Great Britain resource, planning of drilling at Dogmatix and regional targeting.



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

- ***Southern Cross***

At Southern Cross, 10 RC holes (1074 m) were drilled along strike and down dip of high grade intersections (i.e. up to 2 m @12.2 g/t) reported previously. Strong quartz veining with associated alteration and sulphides were intersected in most holes; however, assays were disappointing with only 2 holes recording values greater than 1 g/t Au; i.e.,

SXRC006	47 – 48 m	1 m @ 1.25 g/t Au
SXRC011	93 – 94 m	1 m @ 2.60 g/t Au

A review of all results will be completed; however, the latest drilling appears to limit the economic potential of the prospect.

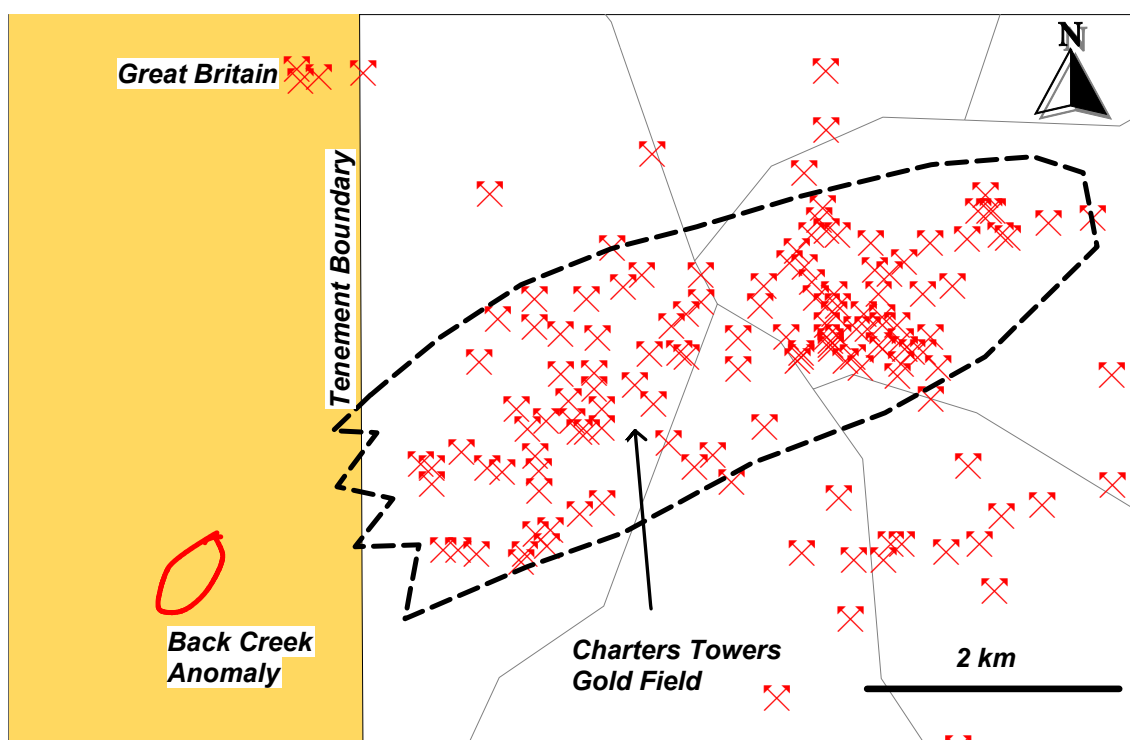
- ***Back Creek***

The Back Creek prospect is located 4 – 5 km southwest of Charters Towers. The prospect was identified early in the quarter as part of a regional targeting exercise and is also located on the extension of the main Charters Towers gold field (Figure 3) coincident with the intersection of major geological and structural trends.

Follow up exploration delineated a coherent, 800 m long, NE trending anomalous zone with soil values up to 130 ppb Au and float samples up to 30 g/t Au. Recent sampling indicates that the anomalous zone extends further to the southwest but results have yet to be reviewed in detail.

Although the anomalous zone at Back Creek is immediately east of a N/S trending ultramafic intrusion, a lack of outcrop means the controls on gold mineralisation are difficult to determine. A reconnaissance RC program comprising 17 holes for 1104 m drilled to provide bedrock information on the area intersected wide spread alteration, disseminated sulphides and arsenic up to 2900 ppm. Gold assays were generally low; however, the final hole of the program (BKRC017) drilled on the northern edge of the anomaly and towards the NE intersected 2 m @ 0.73 g from 17 m depth. The first 16 holes in the program were drilled predominantly towards the northwest and consequently do not provide an adequate test of the anomalous zone.

Significantly, the anomalous gold in BKRC017 is associated with elevated bismuth (up to 33 ppm) similar to the high grade float samples collected from near the centre of the prospect. The elevated bismuth in BKRC017 confirms that there is a bedrock source for the high grade float samples collected from the main part of the prospect and that it has yet to be intersected by drilling. A review of exploration results combined with detailed geological mapping will be completed prior to further drilling.



**Figure 3: Back Creek Location**

- **Great Britain**

Independent consultants Resource Evaluations Pty Ltd have been contracted to carry out data validation, three dimensional resource modelling, variography studies, statistical analysis and estimations to a JORC compliant standard for the Great Britain deposit located 3 km northwest of Charters Towers. Work on the deposit which was discovered and drilled out in the late 1990s by Glengarry was put on hold when the Australian gold price decreased to \$400 per ounce. The sustained increase in the gold price and existing milling

infrastructure in the region means that an independent review is justified to determine whether optimisation studies are warranted. A report including recommendations is expected from Resource Evaluations in late July/early August.

- ***Dogmatix***

A 6 hole/450 m RC program is scheduled for late July at the Dogmatix prospect located 15 km east of Charters Towers. Previous exploration at Dogmatix has recorded up to 6 m @ 0.9 g/t Au (21 -27 m) from the bottom of shallow RAB holes and strongly anomalous Au (up to 29 g/t), Ag (up to 123 g/t), As (up to 1.1%) and Pb (up to 4.4%) from steeply dipping quartz veins and vein float.

- ***Regional***

A detailed study of the geological, structural and geophysical data for the Charters Towers region has delineated and ranked more than 30 conceptual targets. Although some of the targets are coincident with existing prospects (eg Back Creek), most have undergone previous little effective exploration due to transported cover. Some of the targets were located on vacant ground and additional tenements have been applied for increasing Glengarry's land holding in the area to approximately 1100 km<sup>2</sup>. Planning to follow up these targets will commence next quarter.

A review of the main tenement holders in the area indicates that Newcrest Mining have recently acquired or applied for tenements totalling approximately 1800 km<sup>2</sup>. The commitment by Australia's biggest gold miner and explorer to the area provides support for Glengarry's strategy of focussing on the Charters Towers project.

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

Exploration at Yolande River during the quarter included soil sampling, line cutting, geological reconnaissance and statutory reporting.

Reconnaissance soil sampling totalling 92 samples was completed over the southern area and all assay results have been received. These samples had to be recollected due to a fire at the laboratory in Burnie destroying the original samples. Anomalous results up to 39 ppb gold were recorded from the Diamond Hill area where there are a number of historical adits. A review of all soil results indicates an anomalous, 1 km long, N/S trending zone coincident with discrete, quartz-feldspar intrusions and a program of infill soils is planned.

A 4.2 km long access line was cut into the northern target area. Geological traverses were completed across this line and the previously cut southern lines. Possible clay alteration was observed adjacent to the porphyries coincident with anomalous soil geochemistry in the southern area; however, no other signs of mineralisation were recorded elsewhere in the project area. The lack of hydrothermal alteration in the northern area indicated that soil sampling was not warranted and the original proposed work will not be completed.

Infill soil sampling (50 – 100 samples) will be completed across the anomalous zone in the southern target area as soon as weather conditions permit. Further work will be dependent on the results of this work.

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

A 400 by 400 m gravity survey was completed over the Dolly Pot/Honey Pot area 5 – 10 km southwest of the Cannington Mine. The gravity survey was designed to assist with future drilling programs by delineating dense bodies beneath the transported cover that may represent sulphidic ore systems similar to Cannington or Osborne. A number of discrete anomalies were defined including several close to base metal anomalous holes drilled last year (Figure 4). Geophysical modelling will be completed to determine the optimum test pattern for follow up drilling of the targets.

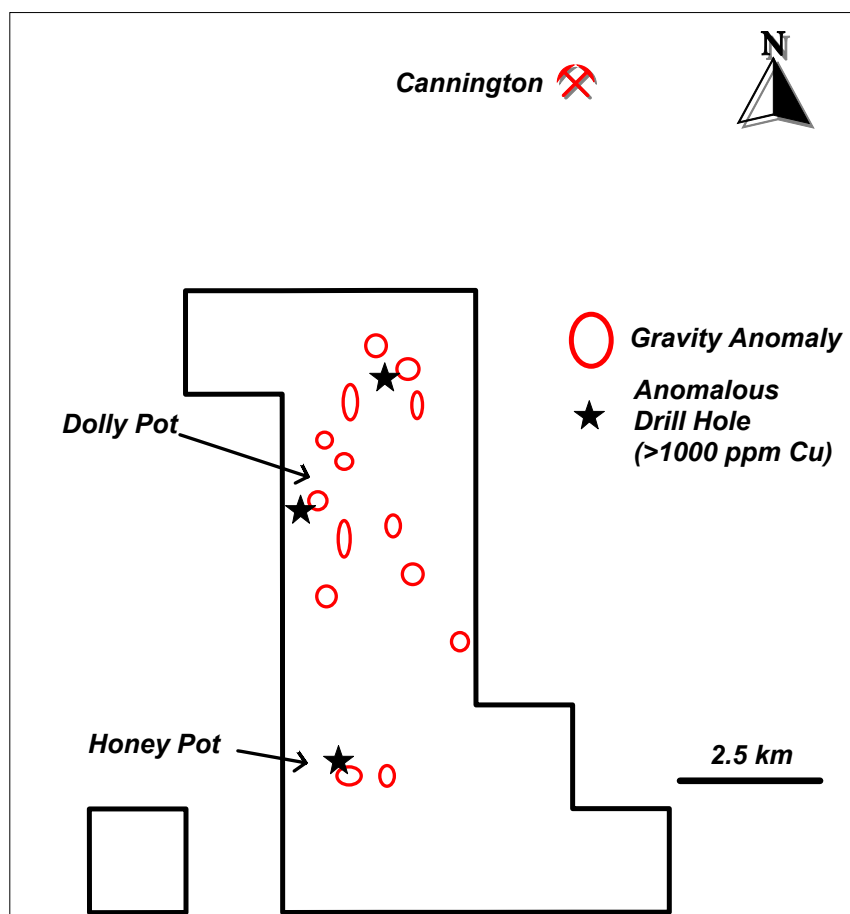


Figure 4: Cannington Project/Dolly Pot-Honey Pot area – Gravity Anomalies

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

A review of previous exploration data for the Greenvale project continued during the quarter. This work has highlighted the Daintree copper prospect located approximately 30 km southeast of Kidston. There has been very little modern exploration on the prospect which is coincident with a number of historic workings; however, costeaning and drilling in the 1960s and 1970s recorded wide zones of potentially economic copper mineralisation. Better intersections include 18.3 m @ 2.3% Cu and 19.5 m @ 2.2% Cu. No gold assays are available probably due to the era that the work was completed.

Follow up on the Daintree prospect and several other target areas will be planned once all underlying tenements are granted.

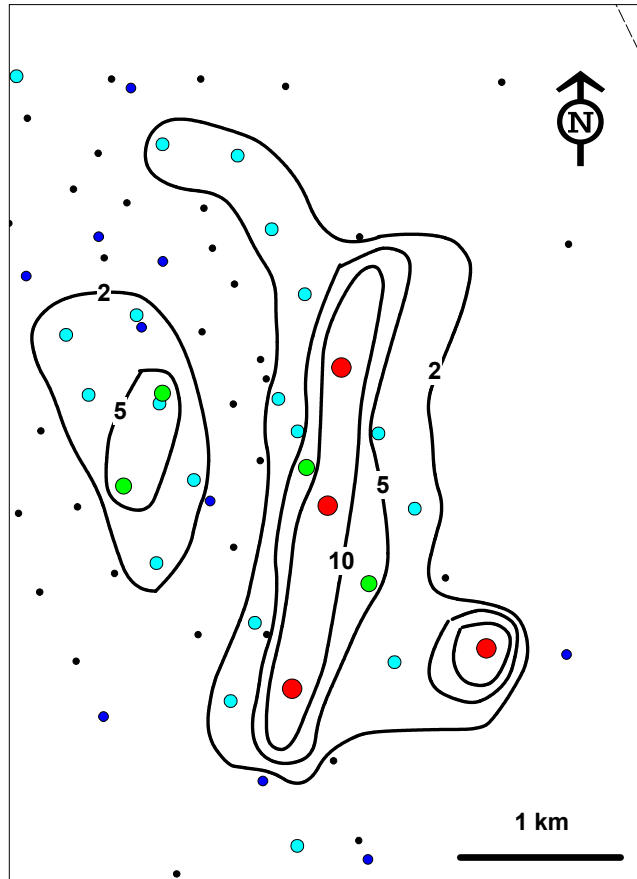


## 1.5 Diamantina Project, South West Queensland (Glengarry 100%)

- **Mirrica Bore EPM 13746**

No field work was completed during the quarter; however, infill sampling and ground magnetics is scheduled over the MB1 gold anomaly (Figure 5) for mid August 2004. The prospect area is totally covered by aeolian sands; however, previous base metal drilling to the south and east indicates that depth of cover should be shallow.

A prospectivity review of other Glengarry tenements in the area resulted in further applications being withdrawn reducing the total project area to approximately 2,400 km<sup>2</sup>.



**Figure 5: MB1 gold in lag (ppb) anomaly.**

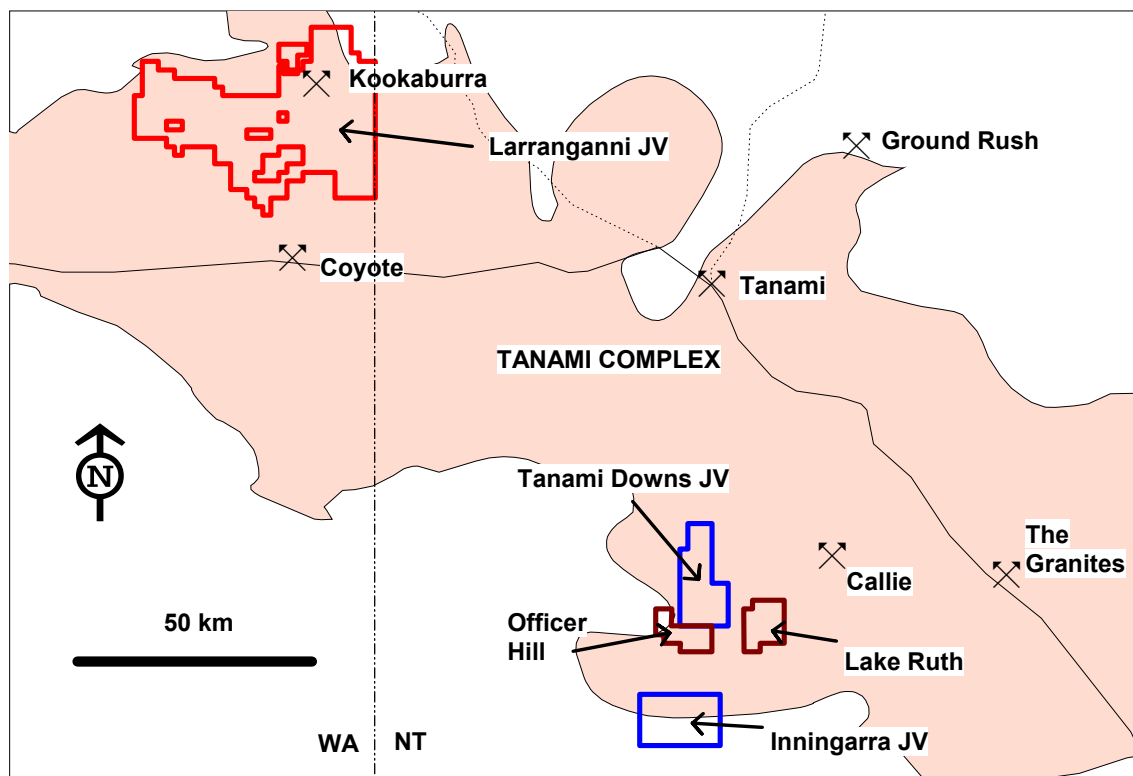
## 1.6 Tanami Joint Ventures, Western Australia and Northern Territory

- **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). Barrick recently returned management of all but two of the JV tenements to Tanami Gold in exchange for a royalty provision and clawback right. The only field work planned by Barrick this year is a vacuum program over the Watts Rise/Lewis areas which have yet to be granted. Land access consultants have been employed to advance the grant of the relevant tenements and the field work is planned for the 3<sup>rd</sup> quarter of 2004.

Glengarry's free carried 7.5% interest is unaffected by the changes negotiated by Barrick and Tanami Gold.

Tanami Gold believes the existing resources on the JV at Kookaburra and Sandpiper may provide supplemental ore to a mining operation at Coyote (Figure 6). Discussions have commenced between Glengarry and Tanami Gold to determine the optimal arrangements for mining the deposits.



**Figure 6: Glengarry Projects in Tanami Region.**

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

The Central Land Council (CLC) has advised Barrick that they have received instructions from the Traditional Owners to negotiate on their behalf. The required paperwork including a confidentiality agreement is being prepared.

- ***Inningarra Joint Venture, NT (Glengarry 100%, Newmont earning 70%)***

Glengarry has reached agreement with Newmont Tanami Pty Ltd whereby Newmont can earn up to 70% interest in the Inningarra property. Newmont will manage exploration and assume responsibility for negotiations with the Traditional Owners.



David Richards  
Managing Director

22 July 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 (30 June 2004)

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
<b>QUEENSLAND</b>			
<b>Diamantina</b> 2,400 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, 1,654 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 being processed under NTA <sup>(2)</sup>	Should not be required – grant of tenements will include terms of access and heritage protection	3-6 months
<b>Charters Towers</b> 1,416 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
	Applications, 986 km <sup>2</sup> ; various land classes 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	3-12 months
<b>Mt Guide</b> 134 km <sup>2</sup>	Application; pastoral lease subject to multiple native title claims; application being processed under NTA <sup>(2)</sup>	Subject to negotiation – agreement may be required	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
<b>TASMANIA</b>			
<b>Yolande River</b> 64 km <sup>2</sup>	Granted tenure; various land classes, no native title	Not required	Exploration in progress
<b>NORTHERN TERRITORY</b>			
<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 JV</b> 193 km <sup>2</sup>	Application; aboriginal freehold land	Required – initial meeting with traditional owners held in November 2003	6-12 months
<b>Officer Hill / Lake Ruth</b> 141 km <sup>2</sup>	Application; aboriginal freehold land	Required – Submission to traditional owners made in May 2004	12-24 months

(1) Alternative State Provisions (Queensland)

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

Land status details for the Larranganni Joint Venture in Western Australia, 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

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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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