
GLENGARRY RESOURCES LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the Celtic Club, 48 Ord Street, West Perth WA 6005 on Tuesday 28 November 2006 at 10.00 am.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9322 4929.

GLENGARRY RESOURCES LIMITED

ACN 009 468 099

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of the Company will be held at the Celtic Club, 48 Ord Street West Perth WA 6005 on Tuesday 28 November 2006 at 10.00 am, ("Meeting").

The Proxy Form forms part of this Notice of Annual General Meeting ("Notice").

The Directors have determined pursuant to regulation 7.11.38 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 10.00 am on 26 November 2006.

AGENDA

ORDINARY BUSINESS

Financial Report

To receive the Financial Report of the Company for the year ended 30 June 2006 together with the Directors' Report in relation to that financial year and the Auditor's Report on the Financial Report.

1. Directors' and Key Management Personnel Remuneration

To consider, and if thought fit, pass as an ordinary non-binding resolution the following:

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

2. Re-election of a Director – Mr Keith McKay

To consider, and if thought fit, pass as an ordinary resolution the following:

"That Mr Keith McKay who retires in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

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3. Ratification of Share Placement

To consider, and if thought fit, pass as an ordinary resolution the following:

"That, for the purpose of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the Shareholders ratify the issue of 24,000,000 fully paid ordinary shares in the capital of the Company on 26 September 2006 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast on this resolution by any person who participated in the issue or any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Remuneration of Non-executive Directors

To consider, and if thought fit, pass as an ordinary resolution the following:

"That, for all purposes, the maximum aggregate remuneration payable to Directors as Directors' fees in any financial year be increased by \$100,000 to \$300,000."

Voting Exclusion

For the purposes of Listing Rule 10.17.1, the Company will disregard any votes cast on Resolution 4 by a Director or an associate of a Director.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
 - (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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5. Appointment of Auditor

To consider, and if thought fit, pass as an ordinary resolution the following:

“That pursuant to section 327B of the Corporations Act, KPMG, Chartered Accountants, having consented to act under section 328A of the Corporations Act, be appointed as auditors of the Company”.

Other Business

To transact any other business which may be properly brought before the meeting in accordance with the Company’s Constitution and the Corporations Act.

By Order of the Board



Janelle Burns
Joint Company Secretary
16 October 2006

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 on Tuesday 28 November 2006 at 10.00 am.

The purpose of this Explanatory Memorandum is to provide information which the Board believes is material to Shareholders in relation to the Resolutions. The Explanatory Memorandum explains the Resolutions and identifies the Directors' reasons for putting them to Shareholders.

2. Resolution 1 – Directors' and Key Management Personnel Remuneration

Pursuant to section 250R(2) of the Corporations Act the Company is required to put the Remuneration Report to the vote of Shareholders. The Annual Report for the year ended 30 June 2006 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Directors and other key management personnel.

The provisions of the Corporations Act provide that the vote is only an advisory vote of Shareholders. Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report, however the board will take the outcome of the vote into consideration when considering the remuneration policy.

The Chairman of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask questions about, or make comments on the Remuneration Report.

3. Resolution 2 – Re-election of Director Mr Keith McKay

The Constitution requires that if and for so long as there are three or more Relevant Directors, one third of those Directors must retire at each AGM. If the number of Directors is not a multiple of three, then the next nearest whole number of relevant Directors must retire from office. The Constitution excludes the Managing Director.

The Constitution provides that a Director who retires is eligible for re-election.

Pursuant to the Constitution Mr Keith McKay will retire by rotation and seeks re-election. A brief biography of Mr McKay is in the Annual Report.

The Board supports the re-election of Mr Keith McKay.

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4. Resolution 3 – Ratification of Share Placement

In September 2006 the Company issued 24,000,000 fully paid ordinary shares to institutional and sophisticated investors introduced by Patersons Corporate Finance, at an issue price of 4.2 cents per share.

Resolution 3 seeks Shareholder approval under Listing Rule 7.4, which provides that an issue of securities that is made without Shareholder approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if each of the following applies:

- (a) the issue did not breach Listing Rule 7.1; and
- (b) the holders of ordinary securities subsequently approve it.

The Directors confirm that the issue did not breach Listing Rule 7.1. The effect of Shareholders passing Resolution 3 will be to restore the Company's ability to issue shares within the 15% limit currently imposed by Listing Rule 7.1 to the extent of the aggregate 24,000,000 shares issued. For the purposes of Listing Rule 7.5 the following information is provided to Shareholders:

- (a) The securities rank pari passu with, and were issued on the same terms as, existing ordinary shares on issue.
- (b) This issue was made to provide funds for further exploration of the Greenvale and Cannington projects.
- (c) The concerned Shareholders and their associates are not permitted to vote on this resolution in accordance with the voting exclusion statement that is stated in the Notice immediately after the resolution.

The Board of Directors unanimously recommends that Shareholders vote to approve Resolution 3 as it would be in the best interests of the Company to increase its capacity to issue shares in the future.

5. Resolution 4 – Remuneration of Non-executive Directors

Listing Rule 10.17 and clause 56.1 of the Constitution of the Company provide that the maximum aggregate amount of the remuneration payable as Directors' fees to Non-executive Directors is to be determined by Shareholders in a general meeting.

Executive Directors receive salary and other remuneration in accordance with the terms of their employment agreements, but do not receive Directors' fees. The remuneration paid by the Company to Executive Directors is not included in the maximum aggregate amount of Directors' fees for the purpose of this resolution.

It has been two (2) years since Shareholders last approved an increase in Directors' fees.

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The current maximum aggregate amount is \$200,000 per annum and includes Superannuation Guarantee Contributions made by the Company in relation to the Non-executive Directors.

Resolution 4 seeks Shareholder approval to increase the maximum Directors' fees payable to Non-executive Directors in each financial year from \$200,000 to \$300,000 in aggregate, to be apportioned between them as determined by Board resolution.

The proposed increase will allow for Directors' fee increases over the next 2 to 3 years and also for the appointment of additional Directors if that is desirable in the circumstances.

The Directors recommend that Shareholders vote in favour of this resolution. All Directors and their associates are excluded from voting on this resolution.

6. Resolution 5 – Appointment of Auditor

PricewaterhouseCoopers, the Company's existing auditor, resigned their appointment effective from the date of the conclusion of this Annual General Meeting. ASIC has approved their resignation.

As part of a review of the Company's business strategy, it has reconsidered the most appropriate arrangements for its audit work. The Directors consider that KPMG is best suited to audit the Company and seeks approval to appoint KPMG as auditor of the Company.

The Company has received a notice from a Shareholder nominating the appointment of KPMG as auditor of the Company and KPMG have consented to act as auditors if this Resolution is passed.

All Directors recommend shareholders approve this resolution.

ANNEXURE A
NOMINATION OF AUDITOR

The Company Secretary
Glengarry Resources Ltd
Ground Floor
35 Havelock Street
West Perth WA 6005

Dear Sir

NOMINATION OF AUDITOR

For the purpose of Section 328B(1) of the *Corporations Act 2001*, I, Paddy Hogarth being a member of Glengarry Resources Limited hereby nominate KPMG of 152-158 St Georges Terrace, Perth, Western Australia for appointment as Auditor of the Company at the Annual General Meeting of the Company convened for 10.00 am on 28 November 2006 (or adjournment thereof).



Mr P Hogarth

11 October 2006