

23 August 2004

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

Dear Sir

ANNOUNCEMENT

PRO RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE OF ORDINARY SHARES

The directors of Glengarry Resources Limited are pleased to announce a pro rata non-renounceable issue of ordinary shares fully paid on the basis of 1 New Share for every 4 shares held on the Record Date, 2 September 2004. The New Shares will be issued at 3.5 cents per share and if the Entitlements Issue is fully subscribed the company will issue approximately 31,576,787 New Shares and raise gross proceeds of approximately \$1,105,187. The company's existing listed shares will be quoted on an "ex" basis on 27 August 2004.

Option holders who hold options exercisable at 15 cents per share on or before 31 March 2005 will be entitled to participate in the issue if the options are exercised on or before the Record Date, 2 September 2004.

In the event of a shortfall, the Prospectus will make provision for the directors to allocate any shortfall on the basis that preference will be given to existing shareholders who elect to subscribe for additional shares.

Yours faithfully



DAVID RICHARDS
Managing Director