

“Exploring for the Future”

MARCH 2006 Quarterly Report

Highlights

Greenvale Project (North Queensland)

- At Maitland, a high grade zone of supergene copper mineralisation has been identified approximately 30 metres below the surface and immediately above the primary copper-molybdenum mineralisation intersected in late 2005. Previous sampling of shafts and cross-cuts that intersect the interpreted supergene zone recorded a number of high grade intervals including **12 metres @ 10% copper** and **18 metres @ 4.7% copper**.

Follow up drilling to estimate the potential supergene resource and to further define the primary mineralisation at Maitland has commenced although progress has been severely disrupted by record, unseasonal rainfall.

- At the Oasis uranium prospect, site preparation has been completed for follow up drilling which is scheduled to commence immediately after the drilling at Maitland. Drilling in 2005 intersected significant uranium mineralisation including **10 metres @ 0.12% U₃O₈**.
- Fieldwork has commenced on the Metallica Joint Venture which covers the southern strike extension of the structure that hosts the Oasis uranium mineralisation. Detailed soil sampling along the Oasis shear zone is planned to define targets for follow up drilling.
- Field programs have been designed for the Mt Remarkable gold and T3 silver-lead-zinc prospects located in the recently granted southern part of the Greenvale Project. Previous exploration at both prospects has recorded strong mineralisation and initial drill testing is scheduled for mid 2006.

Corporate

- A number of Board and Management changes were made during the quarter. Mr Darren Gordon and Mr Bill Manning were appointed as Non-Executive Directors and Mr Des Kelly and Ms Janelle Burns were appointed as Joint Company Secretaries. The new appointments significantly enhance the Company's corporate expertise. Long time Director and Company Secretary, Mr Allan Harris has retired from all roles at the Company.
- \$1,350,000 was raised via a placement of 27,000,000 ordinary shares fully paid at 5 cents. The funds will be primarily directed towards advanced exploration targets at Greenvale.

Plans for the June 2006 Quarter

- Complete drill definition of high grade copper (- molybdenum) mineralisation at Maitland.
- Drill test immediate extensions of the Oasis uranium zone and delineate southern extension of the mineralised host structure.
- Carry out initial field assessment of Mt Remarkable gold and T3 base metal prospects.
- Drill test geophysical targets on Cannington Project.

Greenvale Project (North Queensland) – High grade supergene zone identified at Maitland.

Field work including drilling recommenced at Greenvale late in the quarter; however, activity has been disrupted by unseasonably late monsoonal rain. Most of the work planned for the March quarter will now be completed during the June quarter of 2006.

Maitland Copper-Molybdenum Prospect

A review of assay results from drilling programs carried out at the Maitland prospect in late 2005 was completed during the quarter. The drilling programs were designed to test the strike extent and depth continuity of high grade copper-molybdenum mineralisation beneath historic mine workings which had been partially defined by drilling completed in the 1960's. Better intersections recorded in 2005 included 41 metres @ 1.85% copper from 147 metres, 12 metres @ 4.27% copper from 160 metres and 8 metres @ 0.43% molybdenum from 143 metres. All significant copper and molybdenum intersections returned from

drilling in 2005 are summarized in Tables 1 and 2 at the end of this report.

Two shoots of significant, primary copper and molybdenum mineralisation have been partially defined at Maitland (Figure 2). Glengarry has drilled five holes into the southern shoot and intersected continuous high grade copper and molybdenum mineralisation in all holes to a depth of 200 metres below surface. A second northern zone has not yet been tested by Glengarry. Both shoots remain open along strike and down plunge.

The review also identified a zone of high grade (5 - 10%) supergene copper mineralisation at depths 20 to 35 metres below the surface and immediately above the primary mineralisation (Figure 2). Sampling reported by previous explorers of shafts and cross cuts which intersected the supergene zone recorded a number of high grade copper intervals including 12 metres @ 10% copper and 18 metres @ 4.7% copper.

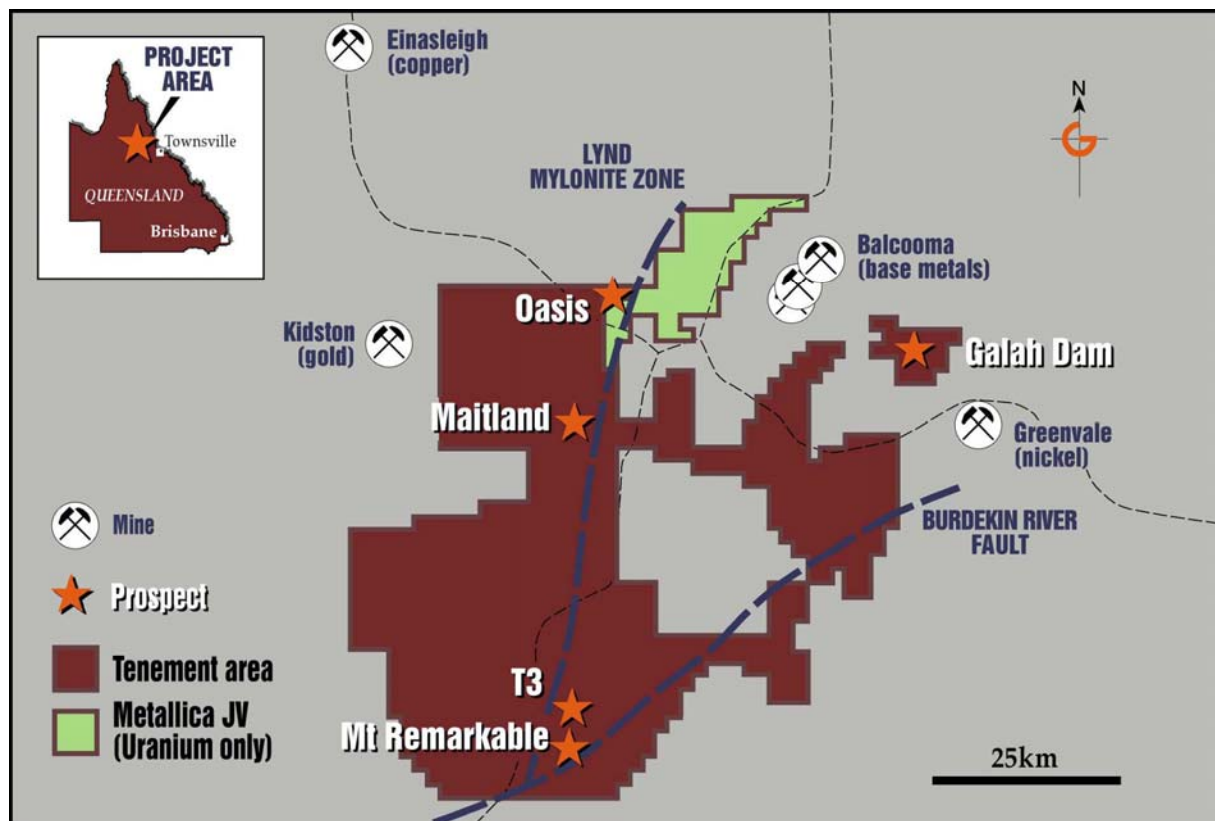


Figure 1: Greenvale Project Area

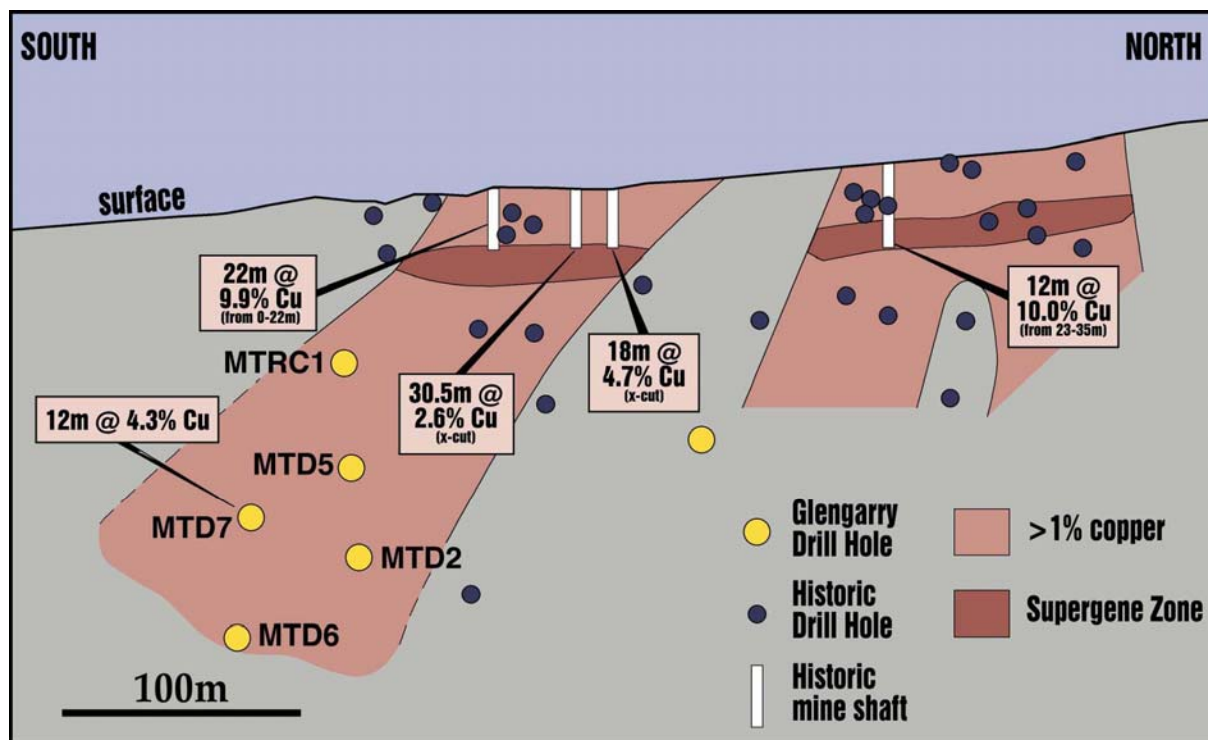


Figure 2: Maitland Prospect - Longitudinal Section

Historic mine production at Maitland was reported to be only 1,200 tonnes of mainly oxide ore averaging 17% copper. Given the known 300 metre length of the Maitland copper deposit, it is highly likely that the bulk of the high grade supergene zone remains intact and within open pitable depth.

The identification of high grade supergene mineralisation further enhances the potential for an economic resource at Maitland and drilling recommenced in late March 2006. The drilling will comprise a program of approximately 500 metres of shallow RC percussion drilling targeting the supergene mineralisation on a 20 by 20 metre pattern. A further 1,000 metres of drilling should be sufficient to define the supergene deposit on a 10 by 10 metre pattern. This would allow an indicated resource to be estimated, enabling a mining feasibility study to proceed. Approximately 2,000 metres of deeper RC percussion/diamond core drilling, into the primary zone, will also be carried out following completion of the initial 20 by 20 metre supergene drilling. The deeper drilling is designed to define the primary mineralisation on a 50 by 50 metre pattern.

Oasis Uranium Prospect

Site preparation has been completed for follow up drilling at the Oasis uranium prospect. The drilling is designed to test for extensions of the known uranium mineralisation and is scheduled to be carried out after the drilling at Maitland. A diamond core drill program completed in the September quarter confirmed significant uranium mineralisation (up to 10 metres @ 0.12% U₃O₈) at the prospect.

The uranium mineralisation at Oasis is hosted by quartz-veined biotite schist which defines a strongly foliated, north to north northwest trending shear zone within granitic rocks. The Oasis shear zone is interpreted to splay off a major north northeast trending structure known as the Lynd Mylonite Zone (Figures 1 and 3). Approximately 1 kilometre of the prospective structure has been defined within Glengarry's wholly owned tenure.

Metallica Joint Venture (EPM14987)

The Metallica Joint Venture (MJV) covers the southern extension of the mineralised Oasis shear (Figure 3). Glengarry has the right to earn 80% of the uranium rights on the tenement (EPM14987) which is currently held by Metallica Minerals Limited. An airborne geophysical survey flown by the Queensland government in

1999 has defined a strong radiometric anomaly on the Metallica ground coincident with the intersection of the Oasis shear and Lynd Mylonite Zone. The prospectivity of the area is further enhanced by stream sediment sampling data from the 1970's which recorded values approximately double those returned for creeks draining the Oasis radiometric anomaly.

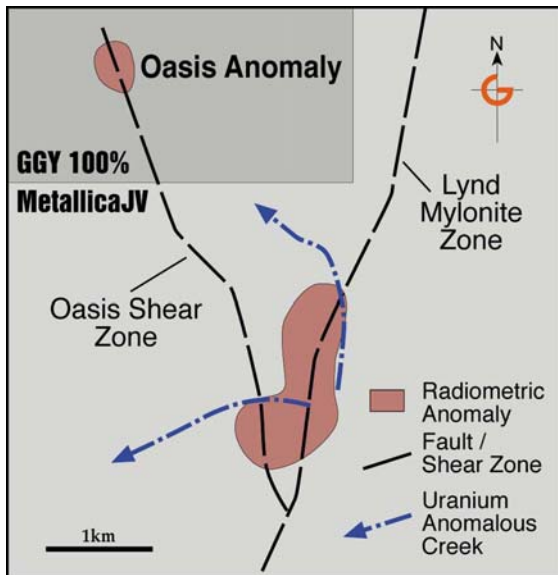


Figure 3: Plan of Oasis and Metallica JV areas

A detailed 200 by 50 metre soil geochemical program will be completed over the prospective areas on the Metallica JV. The soil sampling program will commence in April 2006 and is designed to define mineralised positions along and adjacent to the Oasis shear zone for follow up drilling.

Mt Remarkable Gold Prospect

The Mt Remarkable gold prospect is located in the southern part of the Greenvale Project coincident with the regionally significant Burdekin River Fault (Figure 1). The prospect is underlain by a strong magnetic anomaly which is obscured by a 1 - 5 metre layer of transported black soils. The geological setting is very similar to the 3.5 million ounce Mt Leyshon gold deposit located near Charters Towers approximately 200 kilometres to the southeast and stream sampling by previous explorers has recorded strongly anomalous gold values.

Despite previous explorers recording strongly anomalous gold values, there has been no systematic follow up or any drilling to define the source of the gold. Glengarry plans to complete a detailed auger geochemical program over the Mt Remarkable prospect in May 2006 to define drill targets for testing later in the year.

T3 Silver-Lead-Zinc Prospect

The T3 silver-lead-zinc prospect is located approximately 8 kilometres north of Mt Remarkable and occurs within the southern extension of the Balcooma geological sequence which hosts Kagara Zinc's high grade zinc and copper deposits 60 to 70 kilometres to the northeast. Previous exploration has recorded up to 11% lead, 8% zinc and 52 g/t silver in rock samples at T3; however, no drilling has ever been carried out.

Geophysical and geochemical surveys which are designed to define drill targets for testing later in the year are scheduled to commence in May.

Cannington Project (Northwest Queensland) – Significant gravity targets to be drilled.

The wholly owned Cannington Project tenements are located immediately north and south of BHP Billiton's 40 - 50 million tonne Cannington silver-lead-zinc mine (Figure 4).

A drill program to test the Dolly Pot gravity anomalies is scheduled for May 2006. The anomalies are obscured by transported cover and were only defined in August 2005. They are interpreted to be caused by dense bodies and may be due to massive sulphide horizons similar to those being mined nearby at Cannington.

An IP survey is also scheduled for the June quarter over the Crackpot area where strongly anomalous lead (up to 0.24%) and molybdenum (up to 0.29%) have been recorded in gossanous float. The IP survey is an electrical technique designed to detect the primary sulphides which are the source of the gossanous material at Crackpot.

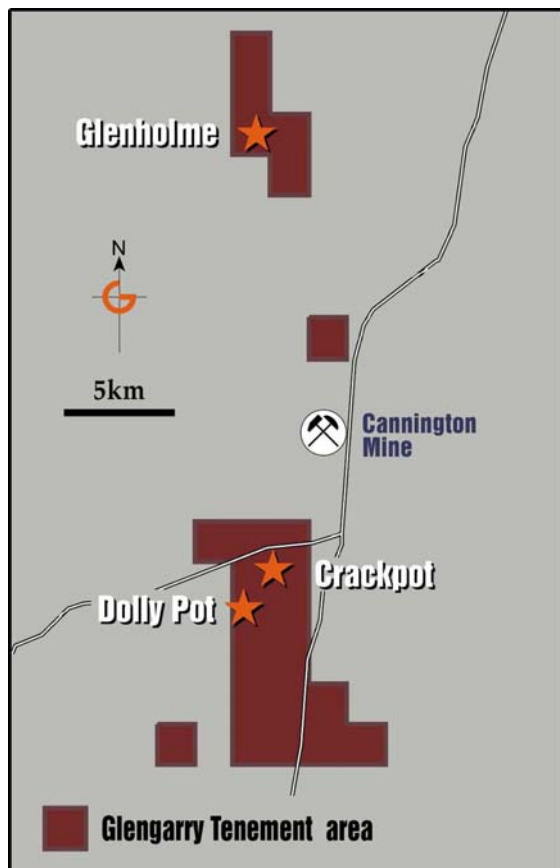


Figure 4: Cannington Project Area

Charters Towers Project (North Queensland) – Divested to pending IPO

Glengarry has agreed to sell the Charters Towers Project to a party who plan to include the property in a gold-focussed IPO scheduled for listing on the ASX later in 2006. Glengarry will be allocated significant equity in the new company.

Snake Creek Project (Northwest Queensland) – Follow up exploration to commence

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

The Project is subject to a joint venture agreement with Xstrata Copper which has the right to earn up to a 75% interest by spending \$3 million on exploration.

Fieldwork planned for 2006 has been delayed due to wet weather and is now

scheduled to recommence during the June quarter.

Mount Guide Project (Northwest Queensland) – Drill testing of targets in progress

The Mt Guide Project, located in northwest Queensland approximately 35 kilometres south of Mt Isa, is considered prospective for base metal and gold mineralisation. The Project covers 13 kilometres of the southern strike extension of the Mount Isa Paroo Fault, which is known to be the structural control on a number of world class deposits to the north including the Mount Isa and Hilton base metal mines.

The Project is subject to a joint venture agreement with Summit Resources Limited. Summit has the right to earn up to 80% interest by spending \$500,000 on exploration.

Summit has identified four priority targets on the Mt Guide JV and commenced drilling on two; i.e., Apogee and Red Bull prospects. Four diamond drill holes have been completed and a fifth is in progress for a total of 1538.4 metres drilled. Two of the four holes completed did not reach target depth due to significant hole deviation.

Drilling into the Red Bull prospect has intersected strong quartz-dolomite brecciation similar to that seen around copper ore bodies at Mt Isa. Diamond drilling is in progress to test beneath the breccia zone for the interpreted massive sulphide horizon.

Assay results have not yet been received for most of the drilling completed.

Corporate

New Board Appointments

Long time Director and Company Secretary Mr Allan Harris retired from all roles with Glengarry Resources Limited on 10 March 2006.

Mr Darren Gordon and Mr Bill Manning joined the Board of the Company as Non-Executive Directors on 10 March 2006. Both men are well-respected industry professionals with extensive corporate knowledge.

Mr Des Kelly and his associate Ms Janelle Burns were appointed as Joint Company Secretaries on 10 March 2006. Both have extensive experience in the resources sector and are currently Company Secretaries to a number of exploration companies.

Capital Raising

During the quarter, the Company raised \$1,350,000 via a 15% placement of 27,000,000 ordinary shares fully paid at 5 cents to clients of Far East Capital.

Glengarry Resources Limited now has 208,566, 528 shares on issue.

The funds will be primarily used to advance exploration on targets within the Greenvale Project in North Queensland.

At the end of March 2006, Glengarry had approximately \$2.1 million in cash.



David Richards
Managing Director
21 April 2006

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.

COMPANY INFORMATION

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Chairman

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STOCK EXCHANGE LISTING

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Shares - Code GGY

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Maitland Copper – (Molybdenum) Prospect – 2005 Drill Results

Table 1: Significant Copper (0.5% lower cut) Drill Intersections

Hole	Easting	Northing	Depth (m)	From (m)	To (m)	Intersection (m)	Copper (%)
MTD002	226475	7899550	200.8 including and and and	134	141	7	1.05
				147	188	41	1.85
				149	154	5	3.63
				160	162	2	3.58
				176	177	1	6.31
				182	186	4	4.16
MTD005	226460	7899557	174.3 including and	122	127	5	0.96
				137	158	21	1.95
				137	144	7	3.44
				148	155	7	2.14
MTD006	226470	7899498	258.7 including including and	196	203	7	1.55
				199	200	1	6.56
				219	239	20	1.41
				222	225	3	3.36
				228	230	2	3.14
MTD007	226442	7899506	189.6 including	153	157	4	1.26
				160	172	12	4.27
				165	172	7	5.59
MTRC001	226415	7899550	108 including	80	92	12	1.56
				87	91	4	3.00

(True widths are approximately 70% of the down hole widths.)

Table 2: Significant Molybdenum (0.1% lower cut) Drill Intersections

Hole	Easting	Northing	Depth (m)	From (m)	To (m)	Intersection (m)	Molybdenum (%)
MTD002	226475	7899550	200.8 including	134	141	8	0.43
				148	149	1	1.05
MTD005	226460	7899557	174.3	132	138	6	0.16
MTD006	226470	7899498	258.7	187	188	1	0.13
				197	199	2	0.13
MTD007	226442	7899506	189.6	153	158	5	0.31

(True widths are approximately 70% of the down hole widths.)