



CHAIRMAN'S ADDRESS - 2006 ANNUAL GENERAL MEETING

Prior to the commencement of the formal proceedings of this meeting, I'd like to take a few minutes to reflect on Glengarry's performance in the past year. The ongoing exploration program being conducted by your Company has met with considerable success in the last twelve months and I believe that we've made solid progress towards our stated objective of transitioning from a mineral explorer to a mining company. I'd also like to share with you reasons for my optimism that the Company is well placed for significant growth in the coming year.

In the past year we have directed some 90% of our exploration effort to the Company's wholly owned flagship property, the Greenvale Project in North Queensland. Focussing our field activities on Greenvale is in keeping with our strategy developed in 2005 to concentrate our resources, both people and expenditure, on fewer and priority projects. The Greenvale Project was selected for priority attention because of its potential to host polymetallic ore deposits. The property hosts known gold, copper, lead, zinc and uranium mineralisation and is located next to Kagara Zinc's Balcooma base metal mines and also adjacent to the historic Kidston gold mine.

As a result of our decision to focus on Greenvale, excellent progress has been made on our evaluation of the property with a strong emphasis on drilling known mineralised zones. An initial JORC compliant copper resource has now been defined at the Maitland Prospect and additional drilling is planned to hopefully increase the size of this resource. Development options currently under consideration include trucking to a third party mill or increasing the present resource to justify a stand alone operation.

Also on the Greenvale property, a significant zone of uranium mineralisation has been outlined by drilling at the Oasis Prospect. Only a minor amount of additional drilling is required to establish an initial JORC compliant resource. Following unprecedented interest in the Oasis Prospect from a number of specialist uranium explorers, Glengarry recently sought expressions of interest from several of these companies with a view to a potential sale of the Prospect including uranium rights to the surrounding ground. We believe that our current share price does not reflect the true value of this asset. While no agreement has yet been finalised to sell the Prospect, it is apparent that divestment of the Oasis uranium asset may be the best strategy to allow the full value of the Oasis Uranium Prospect to be realised.

Elsewhere on the Greenvale Project, grass roots exploration has defined several gold and base metal targets which will be drilled as soon as a drilling rig can be obtained.

While our focus will remain on the Greenvale Project for the foreseeable future, we have also conducted limited exploration on other projects during the year and I draw your attention to some very encouraging results from our Cannington Project that we announced this morning. This Project is located only four kilometres south-west of the world class Cannington silver-lead-zinc mine.

An induced polarisation geophysical survey completed last month has located a 300 metre long anomaly possibly indicative of base metal sulphide mineralisation at the Crackpot Prospect where prospecting had previously located base metal gossan float. Importantly, several holes previously drilled to test for the source of the gossan float at Crackpot did not test the newly defined IP anomaly. The anomaly will be drilled as soon as a drilling rig can be obtained.

Another relatively new project where the underlying tenements have recently been approved is our Rum Jungle Project in the Northern Territory. This Project is strategically located near the historic Rum Jungle uranium and Woodlawn base metal deposits. It has both gold and uranium potential with immediate drilling targets.

During the year the Company has continued to divest or joint venture out non-core projects. In mid-2006, Glengarry sold its wholly owned Charters Towers Project to new float Mantle Mining Corporation Limited which successfully listed last week. Consideration for the purchase was three million Mantle Mining shares which are currently worth \$750,000 and are due to be allocated this week.

This month we also farmed out tenements covering the Lucky Creek base metal prospect to Beacon Minerals Limited. Lucky Creek is located to the east of the main Greenvale property.

We are also currently seeking expressions of interest from major companies to farm into the Citadel Project. This is a project secured earlier this year and covering a large area north of the Telfer gold mine in Western Australia. Telfer-style gold-copper mineralisation has already been defined by past explorers within the Citadel Project at the Magnum Prospect.

That pretty well sums up highlights of the past year and the current positions of our main projects. David Richards will give further details on individual projects in his presentation following the formal meeting. I'd now like to offer some brief comments on why I expect the Company to positively re-rate in the coming year:

First and foremost, we have a competent and dynamic Board and Management. This year we beefed up the corporate expertise of the Board of Glengarry with the appointment of Darren Gordon and Bill Manning who are well regarded professionals in the fields of exploration/mining finance and mining law respectively. The Management of the Company is headed by David Richards and Kevin Seymour, both geologists with a proven track record of ore body discoveries.

We have an excellent portfolio of exploration properties and emphasis will be on drilling to evaluate advanced prospects and other targets already in hand. The Company is also well placed financially with some \$2.1 million cash in hand.

I would now like to conclude with several votes of thanks. Firstly I'd like to thank Allan Harris for his many years of service to Glengarry in a number of roles including Chairman, Director and Chief Financial Officer. Allan retired earlier this year but remains an interested shareholder. He was instrumental in initiating the Management and Board changes that have resulted in the formation of the current Team.

In the past year a number of new Shareholders have joined our register and I'd like to welcome you to the Company. A special thanks to US-based Sempra Metals who became a Top Twenty shareholder in September this year.

Finally, thank you to all of our Shareholders for your loyal support. I would like to be reporting that the Glengarry share price has appreciated substantially over the past year but unfortunately the current price of 5.3 cents is essentially the same as this time last year, despite a generally buoyant market. I'd encourage those of you who may consider this performance as less than satisfactory to hang in as the strategies adopted in 2006 should bear fruit in 2007.

We have a number of exciting targets to drill test in the coming months and I believe that the Glengarry stock is well poised for a substantial re-rating in the not too distant future. Like my fellow Directors, we are all Shareholders in the Company and we all remain confident that Glengarry's best days lie ahead.