

DECEMBER 2005 Quarterly Report

Highlights

- A four hole drilling program at the Maitland prospect to follow up significant copper-molybdenum mineralisation reported in the previous quarter, has intersected high grade copper mineralisation in all holes confirming the potential of the prospect to host an economic mineral deposit. Better intersections include

Copper

- 12 metres @ 4.27% copper from 160 metres (New result)
- 7 metres @ 3.44% copper from 137 metres (New result)
- 41 metres @ 1.85% copper from 147 metres (Sept. Qtr)

Molybdenum

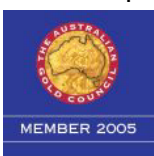
- 5 metres @ 0.31% molybdenum from 153 metres (New result)
- 6 metres @ 0.16% molybdenum from 132 metres (New result)
- 8 metres @ 0.43% molybdenum from 143 metres (Sept. Qtr)

Continuous mineralisation has now been intersected in five holes drilled at Maitland in 2005 with the zone open at depth.

- The Maitland prospect is located within Glengarry's wholly-owned Greenvale Project approximately 30 kilometres southwest of Kagara Zinc's Balcooma Project where recent drilling has also intersected wide zones of high grade copper mineralisation.
- Reconnaissance sampling has successfully delineated the southern extension of the shear zone that hosts the Oasis uranium mineralisation at Greenvale. Drilling during the September quarter at Oasis intersected **10 metres @ 0.12% U₃O₈** and **7 metres @ 0.17% U₃O₈**.
- Agreement has been reached with Metallica Minerals Limited to earn 80% of the uranium rights in the Sandy Creek tenement (EPM14987) which is located adjacent to Glengarry's wholly-owned Oasis prospect. Several strong radiometric anomalies have been defined for immediate assessment.
- The tenement applications covering the southern part of the Greenvale Project that include the priority **Mt Remarkable gold prospect** and other gold, base metal and uranium prospects defined by exploration in the 1980's and 1990's have been granted and fieldwork will commence as soon as ground conditions permit.

Plans for the March 2006 Quarter

- Undertake detailed review of Maitland drill results and plan further work.
- Drill test dip and strike extensions of the Oasis uranium zone.
- Assess uranium potential of Sandy Creek Joint Venture.
- Commence field assessment of targets in southern part of Greenvale Project including the priority Mt Remarkable gold prospect.



Greenvale Project (North Queensland) – Follow up drilling confirms Maitland copper-molybdenum potential.

The 2,800 square kilometre Greenvale Project is strategically located in a well endowed mineral province which includes the 4.5 million ounce Kidston gold deposit, Kagara Zinc’s high grade Balcooma zinc and copper deposits and Copper Strike’s Einasleigh Copper project (Figure 1). Exploration by Glengarry in 2005 has highlighted the potential of the Project to contain economic concentrations of several metals including copper, uranium, gold and molybdenum.

mineralisation intersected by Hole MTD002 during the previous quarter. MTD002 intersected 41 metres @1.85% copper from 147 metres including 5 metres @ 3.63% copper from 149 metres and 4 metres @ 4.16% copper from 182 metres. MTD002 also intersected 8 metres @ 0.43% molybdenum from 143 metres.

Drill holes MTD005 and MTRC001 were targeted at the up dip extension of the mineralisation in MTD002 while MTD006 and MTD007 tested approximately 50 metres to the south (Figure 2). All four holes intersected significant disseminated to semi-massive mineralisation.

Maitland Copper-Molybdenum Prospect

A four hole (MTD005 – MTD007, MTRC001) diamond core/reverse circulation percussion drill program was completed at the Maitland prospect during the quarter for an aggregate 703.6 metres. The drilling program was designed to test strike and extent and depth continuity of high grade copper-molybdenum

Assay results for all holes drilled at Maitland in 2005 with the exception of MTD006 are summarised in Table 1. Hole MTD006 results are pending but visible copper mineralisation has been logged. True widths are approximately 70% of down hole intersections.

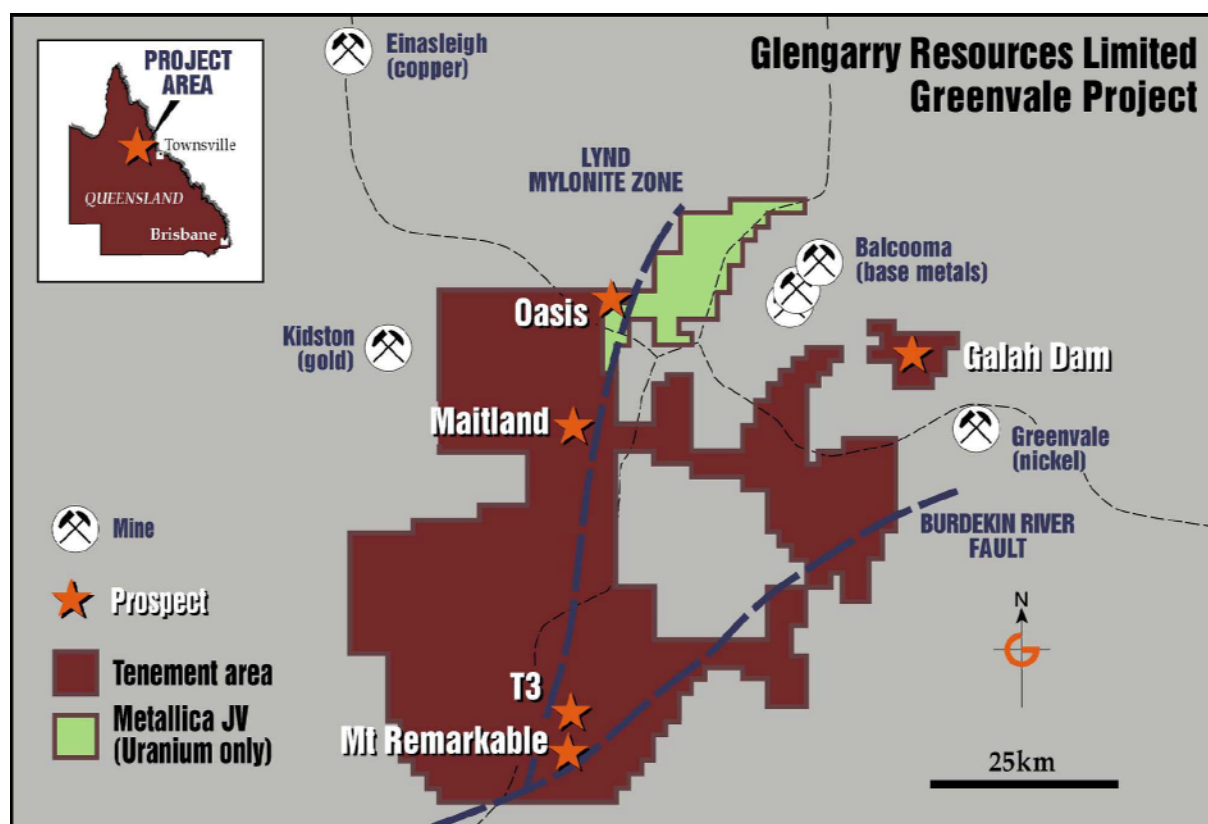


Figure 1: Greenvale Project Area

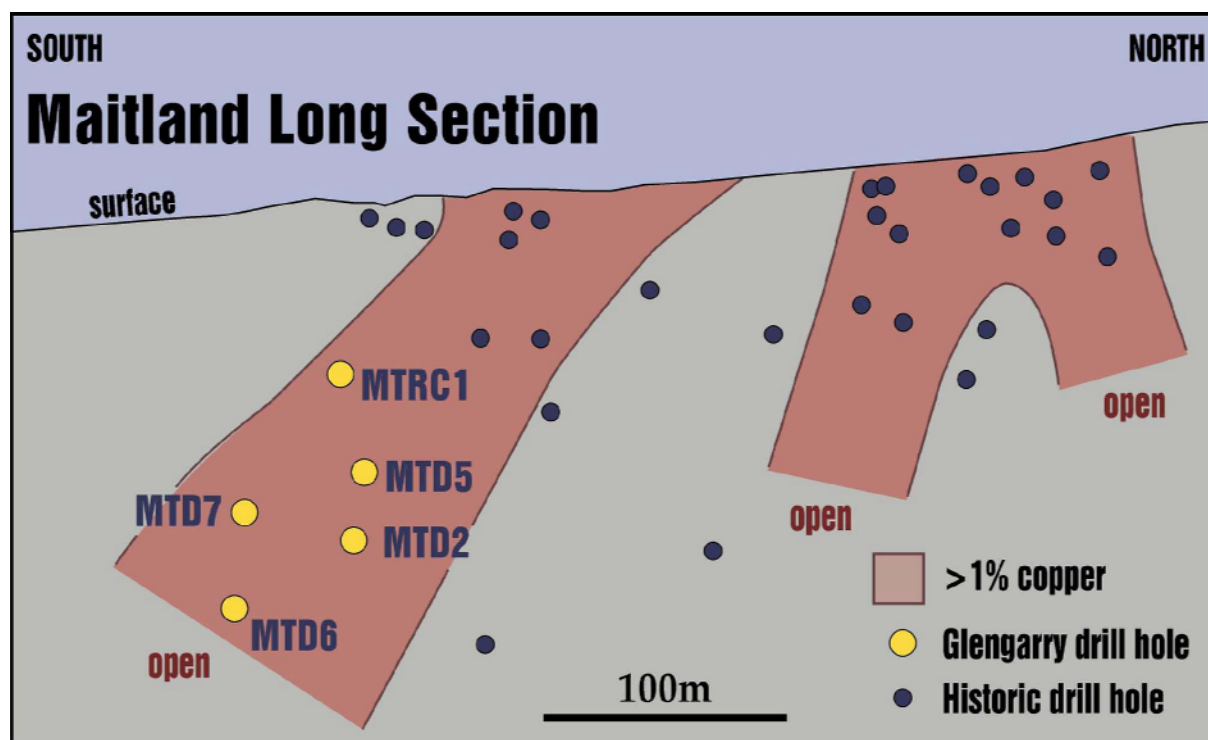


Figure 2: Maitland Long Section

Table 1: Maitland – Significant 2005 Drill Intercepts

Hole	Easting	Northing	Depth (m)	From (m)	To (m)	Intersection (m)	Cu (%)	Mo (%)
MTD002	226475	7899550	200.8	134	141	7	1.05	nsr
				147	188	41	1.85	0.06
				149	154	5	3.63	0.20
				160	162	2	3.58	nsr
				176	177	1	6.31	nsr
MTD005	226460	7899557	174.3	182	186	4	4.16	nsr
				122	127	5	0.96	nsr
				137	158	21	1.95	0.02
				137	144	7	3.44	nsr
MTD006	226470	7899498	258.7			Assays pending		
				148	155	7	2.14	nsr
MTD007	226442	7899506	189.6	153	157	4	1.26	0.36
				160	172	12	4.27	0.02
MTRC001	226415	7899550	108	80	92	12	1.56	nsr
				87	91	4	3.00	nsr

Cu – copper, Mo – molybdenum
nsr – No significant results

High grade molybdenum mineralisation has also been intersected immediately above the main copper intersections in drill holes MTD002 (8 metres @ 0.43% molybdenum from 143 metres), MTD005 (6 metres @ 0.16% molybdenum from 132 metres) and MTD007 (5 metres @ 0.31% molybdenum from 153 metres). The price of molybdenum oxide is approximately US\$25 per pound and the molybdenum mineralisation intersected at Maitland would significantly enhance the economic potential of the prospect. The average

grade of 0.43% molybdenum in MTD002 is equivalent to 9.5 pounds molybdenum oxide per tonne or US\$237 per tonne contained value. Molybdenum is important in steel making and the increase in price reflects the increasing demand for the metal from countries such as China.

The Maitland mineralisation is structurally controlled and occurs as disseminated chalcopyrite and molybdenite within a silica – epidote – magnetite altered calc-silicate gneiss. Previous deep drilling in

the 1960's failed to intersect significant results as it did not take into account the structural controls on mineralisation. Mineralisation is hosted by two, 100 to 150 metre long, up to 30 metre thick, south plunging shoots that are open at depth. Surface sampling and a review of the 1960's drilling data indicates that the northern shoot, that has yet be tested by modern drilling, is probably higher grade than the southern shoot.

The latest drilling has confirmed the potential of the Maitland prospect to host an economic deposit and further drilling will be planned once a review of the latest results is completed.

Oasis Uranium Prospect

Follow up drilling initially proposed for the quarter at the Oasis uranium prospect was postponed due to the onset of the northern Australian wet season which prevented access to the drill sites. A diamond core drill program completed in the September quarter confirmed significant uranium mineralisation (up to 10 metres @ 0.12% U₃O₈) at the prospect which was originally discovered in the 1970's and further drilling will be completed when ground conditions permit.

The uranium mineralisation at Oasis is hosted by quartz-veined biotite schist which defines a strongly foliated, north-south 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 (Figure 1).

Reconnaissance mapping and geochemistry during the December quarter delineated the southern extension of the mineralised structure which will be tested by drilling in 2006. Approximately 1 kilometre of the prospective structure has been defined within Glengarry's wholly owned tenure.

Sandy Creek Joint Venture (EPM14987)

Agreement was reached with Metallica Minerals during the December quarter for Glengarry to earn 80% of the uranium rights on Metallica's EPM 14987 which is located adjacent to the Oasis prospect.

Airborne geophysical surveys have defined a number of strong radiometric anomalies on the Sandy Creek JV ground and previous exploration in the 1970's has recorded high uranium values in stream sampling. Approximately 2.5 kilometres of the Oasis shear structure is also interpreted to occur within the Sandy Creek JV.

Previous exploration data has been compiled and detailed mapping and soil sampling is planned to commence as soon as the area becomes accessible.

Regional Exploration

Most of the known mineralisation the Greenvale region, including the Kidston gold and Balcooma base metal deposits, are located adjacent to major north northeast to northeast trending geological structures. The Maitland and Oasis prospects are located adjacent to a major, geological structure known as the Lynd Mylonite Zone (LMZ). The Greenvale Project covers approximately 70 kilometres of the LMZ (Figure 1) and a number of other similar structures and the areas adjacent to these will be the focus of regional exploration.

The tenements comprising the southern part of the Greenvale Project (Figure1) have recently been granted. This area contains a number of prospective structures including the southern extension of the LMZ and exploration in the 1980's and 1990's largely comprising stream sampling and prospecting defined a number of gold, base metal and uranium targets. Most of these were not assessed by drilling and further work using modern exploration techniques is planned.

The highest priority targets in the southern part the Greenvale Project are the Mt Remarkable gold prospect and the T3 silver-lead-zinc prospect (Figure1).

The Mt Remarkable gold prospect is located on the Burdekin River Fault coincident with a strong magnetic anomaly largely obscured by a 1 - 5 metre layer of transported black soils. Strongly anomalous gold has been recorded by stream sampling and 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.

The T3 silver-lead-zinc prospect occurs within the southern extension of the Balcooma 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; however, there has been no drilling completed.

Follow up exploration at Mt Remarkable and T3 will commence once the areas become accessible following the northern wet season.

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

The Cannington Project tenements are located north and south of BHP Billiton's 40 - 50 million tonne Cannington silver-lead-zinc mine (Figure 3).

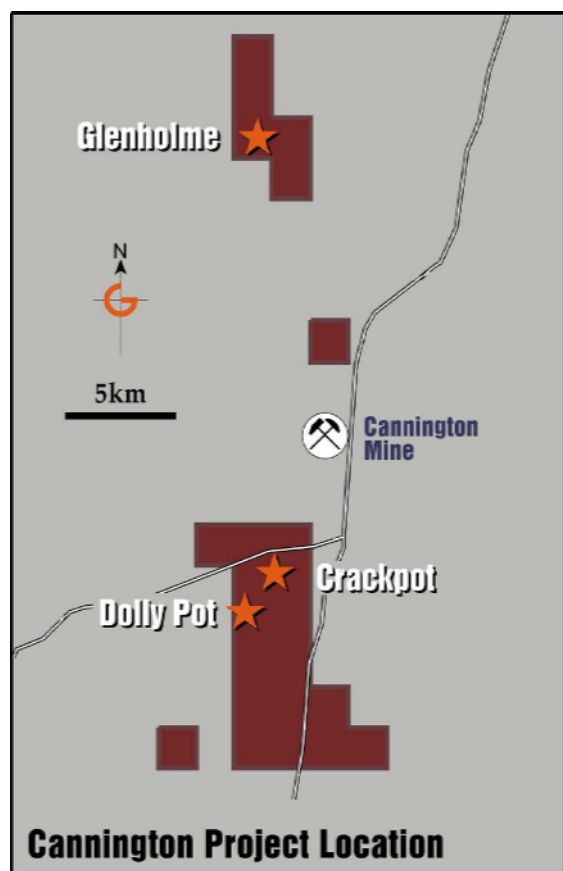


Figure 3: Cannington Project Area

No fieldwork was completed during the December quarter; however, drill testing of

the Dolly Pot and Crackpot prospects is proposed for 2006.

At Dolly Pot, a 200 by 50 metre gravity survey carried out in August defined two significant gravity anomalies interpreted to be possible dense sulphide bodies beneath transported cover.

Glengarry previously discovered gossanous float at Crackpot containing strongly anomalous lead (up to 0.24%) and molybdenum (up to 0.29%). An IP survey scheduled for November 2005 to delineate the source of the gossanous material was postponed and is now expected to be completed once access becomes possible after the wet season.

Charters Towers Project (North Queensland) – Interested parties reviewing data

No exploration work was completed at Charters Towers during the quarter. Glengarry is seeking to divest or farm out this Project and several parties are currently reviewing the technical data.

Snake Creek Project (Northwest Queensland) – Soil sampling defines anomaly

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 comprising geological mapping rock chip sampling and soil sampling was carried out during the quarter. Anomalous copper and gold has been defined by soil sampling and follow up is planned for the first quarter of 2006.

Mount Guide Project (Northwest Queensland) – *Drill testing of targets commenced*

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 defined four targets for drill testing. One hole has been drilled in the Red Bull target with further drilling scheduled for early 2006 when ground conditions permit. No significant assays have been reported from the first hole.

Corporate

Mr I.J. Gordon resigned as a non-executive Director of Glengarry Resources Limited on the 28 November 2005. Mr Gordon accepted a full-time position with another company and advised that he no longer had the time to continue as a Director of Glengarry.

At the end of December 2005, Glengarry had approximately \$1.3 million in cash and securities.



David Richards
Managing Director
31 January 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.

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