

September 2007 Quarterly Report

Exploration Highlights

- Resource definition drilling commenced at the Maitland copper deposit on the Company's wholly owned Greenvale Project in North Queensland. The drilling is designed to define the deposit down to 150 metres depth and approximately 8,000 metres of reverse circulation percussion drilling is planned for the December Quarter. The resultant assay data will be used to calculate a measured and indicated resource in the first Quarter of 2008.
- Geochemical sampling elsewhere on the Greenvale Project has indicated significant copper anomalies at the Maitland South and Copper Creek prospects. Initial drill testing will be completed at Maitland South during the next Quarter while infill soil sampling is planned for Copper Creek.
- Soil sampling at Snake Creek in western Queensland has defined a number of strong copper-gold anomalies. Mapping and further soil sampling is planned prior to conducting initial drill testing of the targets.

Corporate Highlights

- Respected base metal miner, Kagara Zinc Limited acquired a substantial holding in Glengarry Resources during the Quarter and now holds approximately 17% of the Company's issued capital. The deal with Kagara has resulted in additional funding of \$4.4 million, part of which will be used to fund the resource drilling at Maitland. Kagara is currently mining and milling high-grade copper, lead and zinc ore from the Balcooma deposits which are located approximately 40 kilometres northeast of Maitland.
- Glengarry's combined cash and realisable investments currently total approximately \$9.5 million which will allow the Company to significantly expand its exploration work over the next 2 years and increase the chance of a major discovery.

Priorities for the December 2007 Quarter

- At Greenvale
 - Complete resource definition drilling at the Maitland copper deposit.
 - Carry out initial drill testing of Maitland South target.
 - Complete infill soil sampling across Copper Creek area.
- Complete follow up mapping and soil sampling over Snake Creek copper-gold targets in preparation for drill testing.
- Secure drill rig to test Acacia North gold target at the Rum Jungle Project in the Northern Territory.
- Finalise access negotiations with Traditional Owners for the Citadel Project in northwest Western Australia.

Project Activities Report

QUEENSLAND

Greenvale Project (North Queensland) – Resource definition drilling commences at Maitland copper deposit.

Exploration at the Greenvale Project (Figure 1) during the Quarter included a review of drilling results reported last quarter and additional geochemical sampling. The economic potential of the Maitland copper deposit has been confirmed and comprehensive resource evaluation drilling has commenced. Interface and soil sampling also indicate potential for other zones of copper mineralisation with anomalous geochemical values recorded at Maitland South and Copper Creek.

Maitland Copper-Molybdenum Deposit

Drilling results reported last Quarter from Maitland included assays from 3 metre composite samples. Assays have now been received for all individual metre samples and the results are within 10% of the original intersections.

Updated intersections for the holes drilled last quarter are tabled below:

Hole	From (m)	To (m)	Intersection* (m)	Cu %
MTRC17	49	71	22	1.54
	Including:			
	58	64	6	2.50
MTRC18	76	87	11	1.01
	Including:			
	91	132	41	3.25
MTRC19	104	117	13	6.31
	99	103	4	1.77
MTRC20	109	112	3	0.61
	110	111	1	0.54

* >0.5% copper cut off.

Individual metre assays also confirmed high grade molybdenum results with Hole MTRC18 recording 5 metres @ 0.47% molybdenum from 88 metres including 1 metre @ 1.18% molybdenum from 91 metres.

A review of data from all drilling programs conducted at Maitland indicates good potential for an economic copper deposit and the Company has now committed to a comprehensive resource drill out of the deposit.

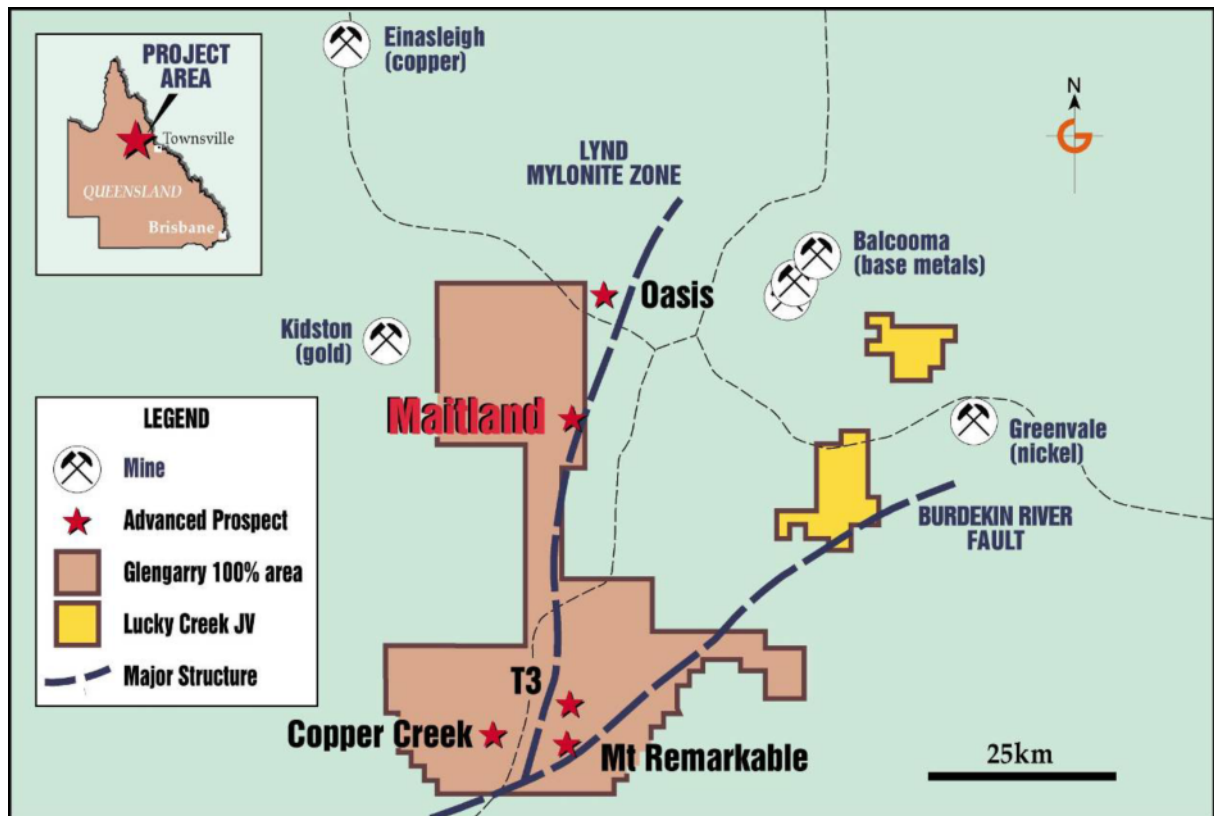


Figure 1: Greenvale Project Area showing tenements and main prospects

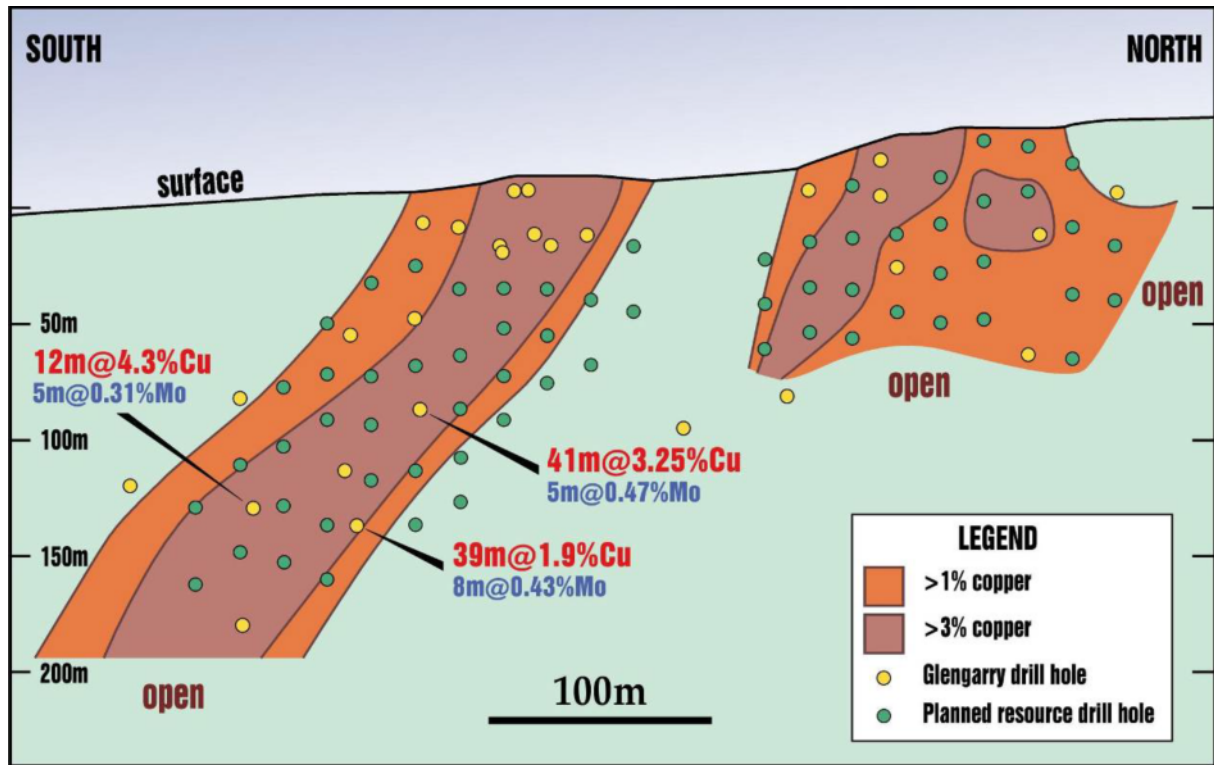


Figure 2: Maitland Prospect - Longitudinal Section showing planned resource drill holes.

The planned resource drilling program is designed to define the deposit on a 20 by 20 metre pattern down to a vertical depth of 150 metres and will comprise 66 reverse circulation percussion drill holes for a total of approximately 8,000 metres (Figure 2). The drill program is scheduled to be completed by the end of November 2007 with all assay results expected by mid January 2008.

Results from the drilling program will be used to calculate a measured and indicated resource next Quarter from which a mining reserve will be established.

Other activities completed as part of the resource evaluation at Maitland include construction of a 10 man camp and initial environmental base line studies. Further environmental studies will be conducted immediately after the end of the wet season next year which will allow an application to be submitted for a mining lease over the deposit.

Maitland Geochemical Anomalies

Additional interface sampling was completed during the Quarter across the alluvial flats which obscure prospective bedrock immediately south of the existing Maitland mineralisation (Figure 3). The

interface sampling was designed to follow up anomalous values reported last Quarter from a single line of shallow drill holes which recorded up to 503 ppm copper.

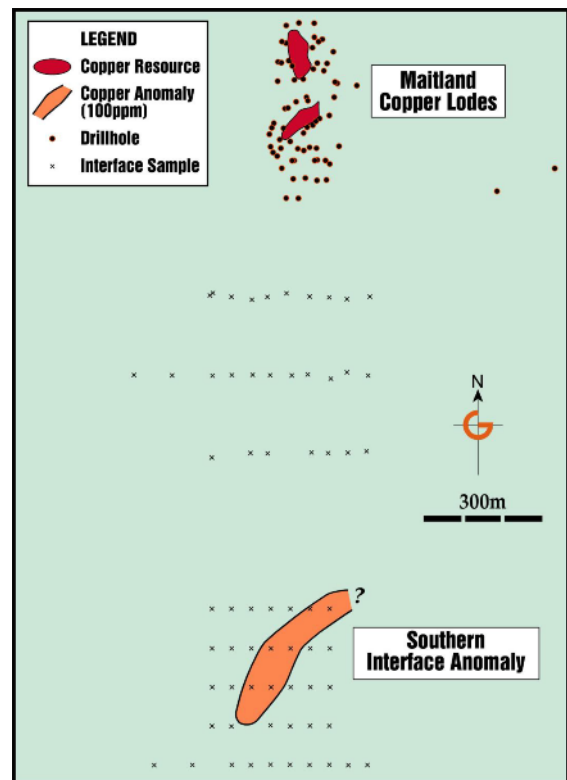


Figure 3: Maitland Prospect showing southern interface anomaly

The follow up sampling program comprised 81 RAB holes for a total 561 metres (average depth 7 metres) and was

drilled on lines 100 to 200 metres apart. Samples were collected from the interface between the transported cover and bedrock and analysed for base metals and gold. Anomalous copper results (>100 ppm) were reported over a 300 metre strike length on 3 adjacent lines (Figure 3) coincident with a linear magnetic low. The magnetic low may represent an alteration zone similar to that associated with the known mineralisation at Maitland. Reverse circulation percussion drill testing will be conducted across the interface anomaly during the December quarter.

Additional soil sampling approximately 400 metres northwest of the Maitland resource area failed to extend a previously defined copper anomaly. A detailed ground assessment will be carried out to determine whether further work is warranted.

Copper Creek Prospect

The Copper Creek area is located approximately 44 kilometres south of the Maitland deposit (Figure 1) in the same geological sequence. Stream sampling in the 1980's defined anomalous copper over a 1 kilometre long strike length and reconnaissance prospecting by Glengarry recorded up to 3.3% copper, 0.32 g/t gold and 19 g/t silver in rock chip samples.

Five soil sample lines spaced 400 – 600 metres apart were completed across the

Copper Creek area during the Quarter. Moderately anomalous (>200 ppm) copper values were recorded on 4 lines over 1.2 kilometres strike with the extent of the anomaly not yet closed off. A ground inspection identified gossanous, quartz veined material coincident with anomalous soils and several rock chip samples have been collected and submitted for assay. Results are pending.

Lucky Creek Joint Venture

The north eastern Lucky Creek Group tenements at Greenvale (Figure 1) are subject to a Joint Venture Agreement with Beacon Minerals Limited (Beacon). The tenements cover 195 square kilometres and comprise 10% of the Company's existing tenure in the Greenvale area.

Beacon is managing exploration on the tenements and during the quarter processed data collected from an airborne electro-magnetic survey (VTEM) completed over the northern part of the JV area. Full details of this work are reported in Beacon's September Quarterly report.

A number of anomalies that may represent buried massive sulphide deposits have been defined by the VTEM survey. Beacon is reviewing data for each anomaly and will plan follow up work once this is completed.

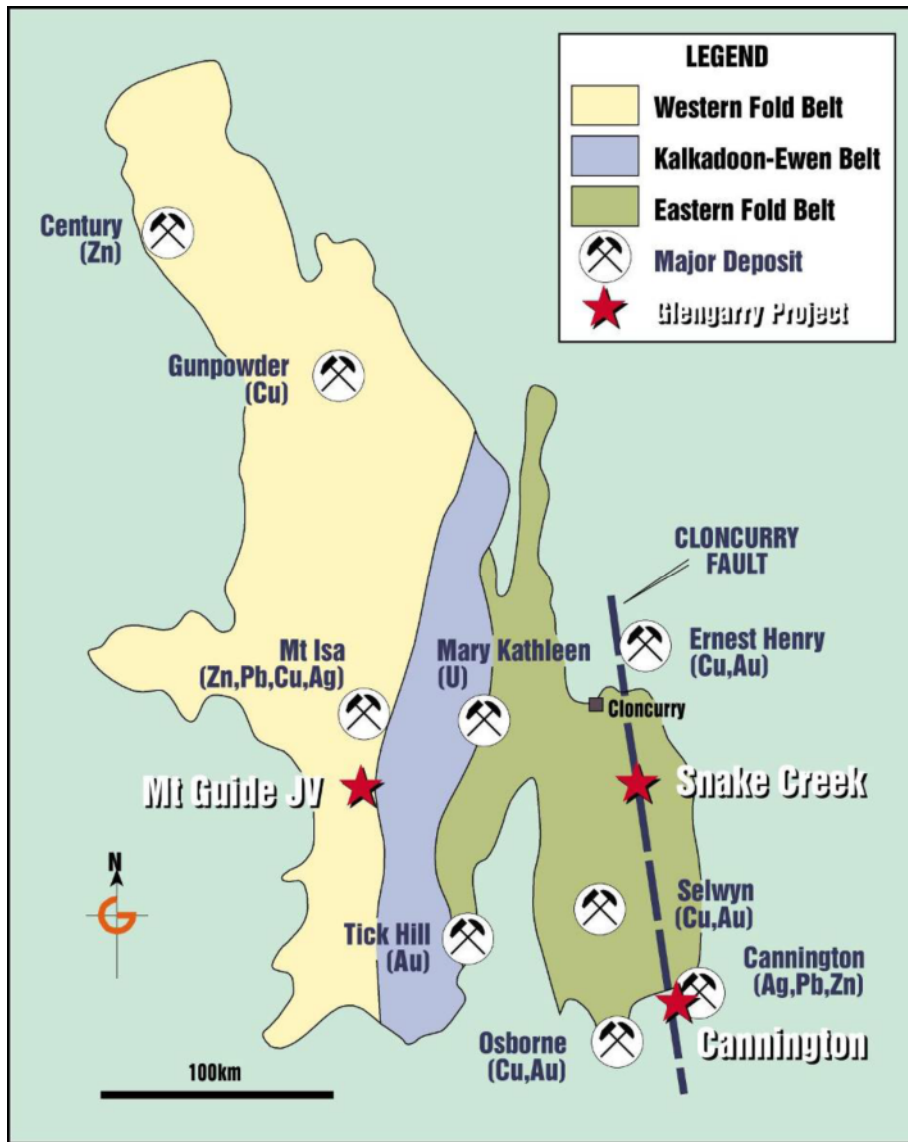


Figure 4: Mt Isa region showing major mineral deposits and Glengarry Projects.

Cannington Project (Western Queensland) – Assay results pending for interface sampling program at Crackpot.

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 (Figures 4 & 5).

Exploration results reported last quarter indicated good potential for uranium mineralisation at the Glenholme and Crackpot prospects.

At Glenholme, a regional radiometric survey had delineated a uranium anomaly and a soil sampling program was conducted during the Quarter to assess the prospect. No significant assay results were recorded from the soil sampling and the economic potential of the area has been downgraded.

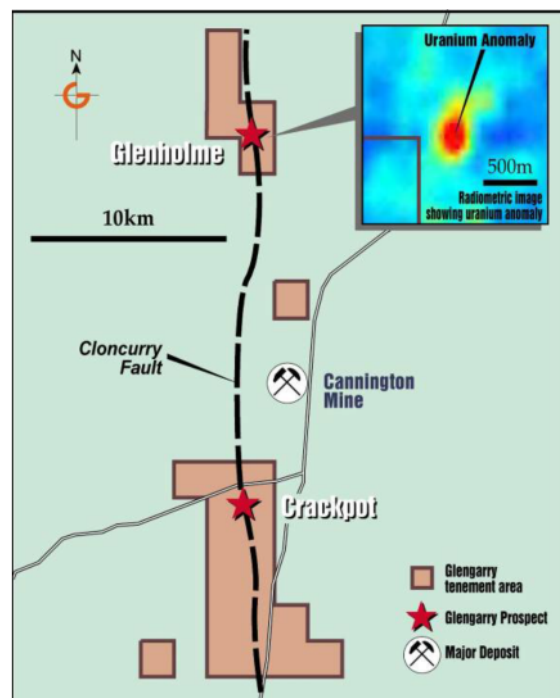


Figure 5: Cannington Project Area showing prospects

Drilling reported last Quarter for the Crackpot area recorded up to 0.9 lbs/t U_3O_8 and 10 g/t silver. Shallow, barren cover obscures the prospective bedrock and a 200 by 50 metre interface sampling program was completed during the Quarter to determine whether additional deeper drilling is warranted. 89 shallow RAB holes were drilled for a total 771 metres. Assays are pending.

Snake Creek Project (Western Queensland) – Infill soil sampling delineates extensive copper-gold anomalies.

The Snake Creek Project is located in northwest Queensland approximately 125 kilometres east-southeast of Mt Isa (Figure 4) and on the northern extension of the Cloncurry Fault. It is prospective for copper-gold and uranium mineralisation.

During the Quarter, 675 soil samples were collected on 200 by 50 metre spacings across a number of targets defined by a review of previous exploration work. The sampling defined several zones of strong copper (up to 1,300 ppm) – gold (up to 247 ppb) anomalism along the Consternation Trend (Figure 7) which is located 1.5 kilometres west and parallel to the Cloncurry Fault Zone.

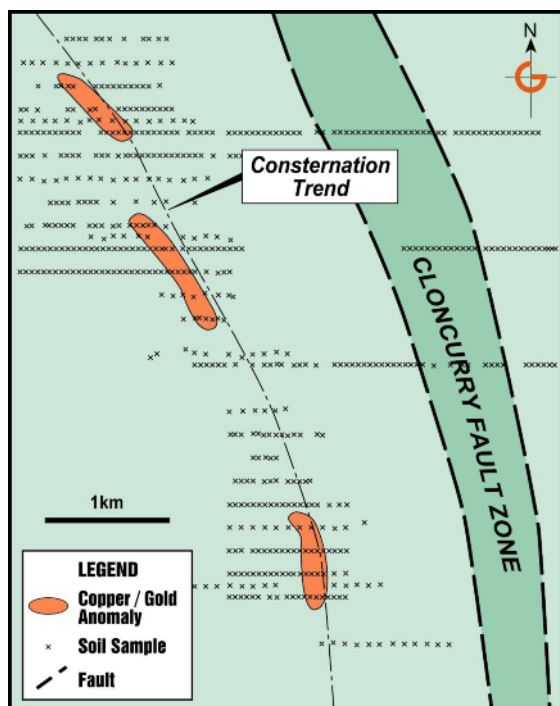


Figure 7: Snake Creek Project – Copper/Gold Soil Anomalies on Consternation Trend.

Geological mapping and further soil sampling is planned to facilitate optimal siting of follow up drill testing

Mt Guide Joint Venture (Western Queensland) – IP geophysical survey completed

The Mt Guide Joint Venture is located 35 kilometres south of Mt Isa (Figure 4) and covers the southern strike extension of the stratigraphy that hosts the world class Mt Isa, Hilton and George Fisher base metal deposits.

Glengarry has a 10% free carried interest in the JV which is operated by Summit Resources. Data from a previously completed 100 line kilometre IP survey over the prospective stratigraphy is still being assessed. Results will be used to target the next phase of drilling.

NORTHERN TERRITORY

Rum Jungle Project – Acacia North gold target ready for drilling.

Glengarry's wholly owned Rum Jungle Project covers approximately 140 square kilometres in the Rum Jungle area located 65km south of Darwin in the Northern Territory. The Project is proximal to the historical Rum Jungle uranium mine (3,530 tonnes U_3O_8) and the Woodcutters lead-zinc mine (~6 Mt @ 12% zinc and 6% lead).

Previous explorers intersected high grade gold mineralisation at Acacia North (up to 6 metres @ 11.3 g/t gold) which is open in all directions. Glengarry has designed a 1,000 metre reverse circulation percussion drill program to test for extensions of the gold mineralisation. Attempts to secure a suitable drill rig to complete the program are continuing.

WESTERN AUSTRALIA

Citadel Project (Northwest Western Australia) – *Preparations for initial fieldwork in progress.*

The wholly owned Citadel Project covers approximately 1,700 square kilometres in the Paterson geological province and is located 100 kilometres north of the Telfer gold mine. The region contains several world class uranium, gold and copper deposits including Kintyre (36 Kt tonnes U₃O₈), Telfer (26 M oz gold, 1 Mt copper) and Nifty (1 Mt copper).

The Project comprises 4 Exploration Licences (ELs). Agreement has been reached with the Native Title claimants for the northern ELs and a meeting will be held next Quarter to discuss details of a heritage survey over the proposed work area.

Access negotiations continued with the Martu people who are the Traditional Owners of the southern ELs. It is expected that final agreement will be reached next Quarter.

Fieldwork is now scheduled to commence in the second Quarter of 2008. Glengarry's initial exploration will assess a number of gold/copper/uranium targets defined by a review of data collected by previous explorers.

Corporate

Kagara Zinc Ltd

During the Quarter, Kagara Zinc Ltd agreed to subscribe for 35,000,000 ordinary Glengarry shares at 12.5 cents per share which raised \$4,375,000. The placement was completed at 25% premium to the Glengarry share price at the time. The shares will be escrowed for 12 months; however, there are no conditions related to the placement.

Subsequent to the placement, Kagara has purchased an additional 13,000,000 Glengarry shares on the market and now own a total of 48,000,000 shares which represents 16.78% of Glengarry's total issued capital.

Kagara is currently mining and milling high-grade copper, zinc and lead ore from the Balcooma deposits located 37 kilometres northeast of Maitland (Figure 1). A significant portion of the Kagara funding will be applied to the resource definition drilling at Maitland.

Glengarry is not obliged to send ore from Maitland to a Kagara mill and retains the right to consider other commercial options.

Placement to Gindalbie Metals Limited

During the quarter, Glengarry issued Gindalbie Metals Limited 1,826,150 ordinary shares valued at 13.69 cents per share for a total value of \$250,000.

The shares were issued as payment for the technical database for the Citadel Project area which was previously held by Gindalbie. Glengarry agreed to purchase the database in April 2006 conditional on certain milestones relating to the processing of Glengarry's tenement applications being reached. These milestones were satisfied during the Quarter.

Resignation of a Director

Mr Darren Gordon submitted his resignation as a non-executive Director of

Glengarry Resources Limited on 23 July 2007. The resignation was a result of other work commitments.

It is the Company's intention to appoint another non-executive Director as soon as a suitably qualified and experienced individual can be identified.

Cash Position and Investments

At the end of September 2007, Glengarry had approximately \$6 million in cash.

Glengarry investments in other public listed companies are currently valued at approximately \$3.5 million.

Total Issued Capital

Following the placement of shares to Kagara Zinc and Gindalbie, Glengarry now has total of 286,003,678 shares on issue.



David Richards
Managing Director
25th October 2007

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 and Kevin Seymour who is a member of the Australasian Institute of Mining and Metallurgy. David Richards and Kevin Seymour are full time employees of Glengarry Resources Limited. David Richards and Kevin Seymour have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. David Richards and Kevin Seymour consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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