



23 January 2004

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

Dear Sir

ANNOUNCEMENT

Please find attached Glengarry Resources Limited's Quarterly Report for the quarter ended 31 December 2003.

Yours faithfully

David Richards
Managing Director



**QUARTERLY EXPLORATION
ACTIVITY REPORT**

**FOR THE PERIOD ENDING
31 December 2003**



A MEMBER OF THE AUSTRALIAN GOLD COUNCIL

**GLENGARRY RESOURCES LIMITED
ABN 40 009 468 099**

Web Site: www.glengarrynl.com.au

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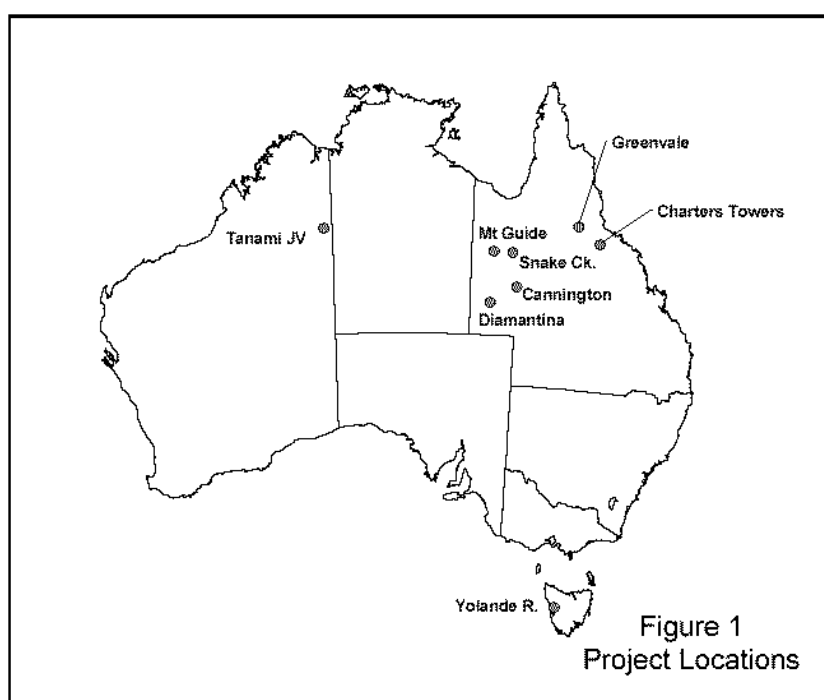
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SUMMARY AND HIGHLIGHTS

- Approximately \$450,000 was raised via the sale of 7 million Tanami Gold NL Contributing (TAMCA) shares. Glengarry currently has approximately \$2,000,000 in cash and securities to fund future exploration programs including potential acquisitions.
- An offer was made to all shareholders with unmarketable holdings to sell their shares on their behalf with all costs relating to the sale borne by Glengarry. Approximately 900 shareholders with a total of approximately 3,000,000 shares took advantage of the offer. This will mean significant savings resulting from reduced administration and share registry costs.
- A review of Glengarry's current status and strategies was undertaken. The main outcome is that Glengarry will focus on its gold targets at Charters Towers and Yolande River in the first half of 2004. At Charters Towers, high grade gold values have been recorded from several prospects and drilling is scheduled for February/March 2004. At Yolande River, 6 km of prospective stratigraphy has been delineated for follow up sampling and mapping.
- First-pass, reconnaissance drilling was undertaken in the Mirrica Bore area at Diamantina. Unfortunately, difficult access conditions meant that only one target could be adequately tested.
- A RC/aircore drill program was successfully completed in the Dolly Pot area at Cannington. Moderately anomalous copper and alteration was intersected in several areas indicating potential for a large, hydrothermal mineralised system.
- In the Tanami, Barrick Gold of Australia Limited commenced a review of their 2003 work program on the Larranganni Joint Venture. Total expenditure on the JV for 2003 was approximately \$2,100,000.
- Mapping and geochemical sampling in the Dogmatix/Puzzler area at Charters Towers recorded strongly anomalous gold in rock chips (up to 12.1 g/t) and soils (up to 144 ppb). Further mapping and sampling is continuing to better define the mineralised targets prior to drilling in February/March 2004.
- Field work commenced on the Yolande River project in western Tasmania. Reconnaissance traverses confirmed a similar stratigraphic setting to the Henty gold deposit located approximately 20 km to the north and follow-up gridding and soil sampling is planned for the first quarter of 2004.



1.0 COMPANY REVIEW

Following the appointment of a Managing Director during the September quarter of 2003, a review of the company's status and future strategies was undertaken. This review concluded that:

- The company has quality, green field projects in well-endowed mineral terrains in Eastern Australia.
- The resources available mean that Glengarry needs to focus on those projects where there is potential for exploration to indicate an economic deposit within the next 12 months. The projects also need to be logistically straightforward to minimise expenditure. Consequently, the company will concentrate on its gold projects in well-endowed terrains and where infrastructure is well developed. Field work for the first half of 2004 will focus on the Charters Towers and Yolande River projects.
- Projects that cannot be adequately resourced or that have limited prospectivity should be divested. Consequently, the Lewis Range, Corktree Well and Buddadoo applications in WA and the Avon Downs application in Queensland have been withdrawn.
- A project geologist will be employed in the Townsville office to improve the continuity of the exploration effort.
- A proactive project generation and acquisition effort will be maintained to ensure that Glengarry maintains a quality property portfolio. Acquisitions should be advanced enough to indicate a high probability of an economic discovery or highly prospective and in terrains that can be effectively explored by Glengarry. The main commodity focus will be gold.

2.0 EXPLORATION REPORT

2.1 Gold/Base Metal Projects

2.1.1 Diamantina Project, South West Queensland (Glengarry 100%)

- **Mirrica Bore EPM 13746**

First pass, reconnaissance aircore drilling was undertaken on the Mirrica Bore tenement. The drilling was designed to provide bedrock information for the MB1, MB2 and MB5 prospects where previous surface, geochemical sampling had recorded moderately anomalous gold assays. A total of 21 holes for 1399 m were completed; unfortunately, difficult access conditions meant that only the eastern most MB2 anomaly could be adequately tested with no holes drilled into the best gold anomaly at MB1 and only 3 holes drilled at MB5.

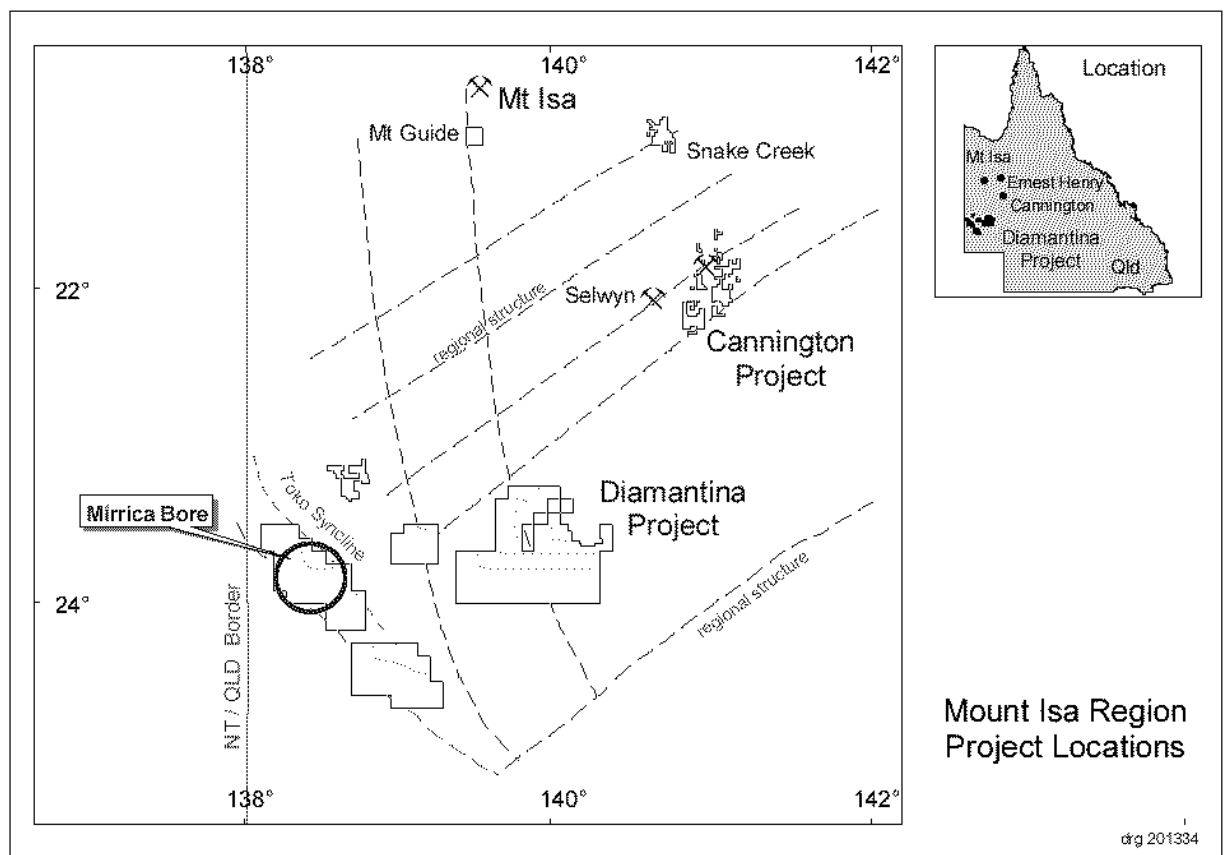


Figure 2

At MB2, Proterozoic granitic rocks were intersected beneath approximately 50 – 80 m of younger sedimentary cover. No anomalous geochemical results were returned and the source of the elevated gold values in soils remains unexplained. High silver-cobalt-tungsten values reported during the quarter were subsequently found to be spurious and the result of drill-bit contamination.

Drilling at MB5 failed to penetrate the transported cover; however, most of the anomaly could not be tested due to the inability of the rig to negotiate sandy conditions which also prevented any drilling at MB1. The MB1 anomaly is considered the highest priority target

within the Mirrica Bore tenement due to the coherent nature of the soil geochemistry and the likely shallow depth to basement.

Follow up drilling is warranted on the Mirrica Bore tenement; however, higher priority targets on other projects means that future drilling is unlikely be completed until the second half of 2004.

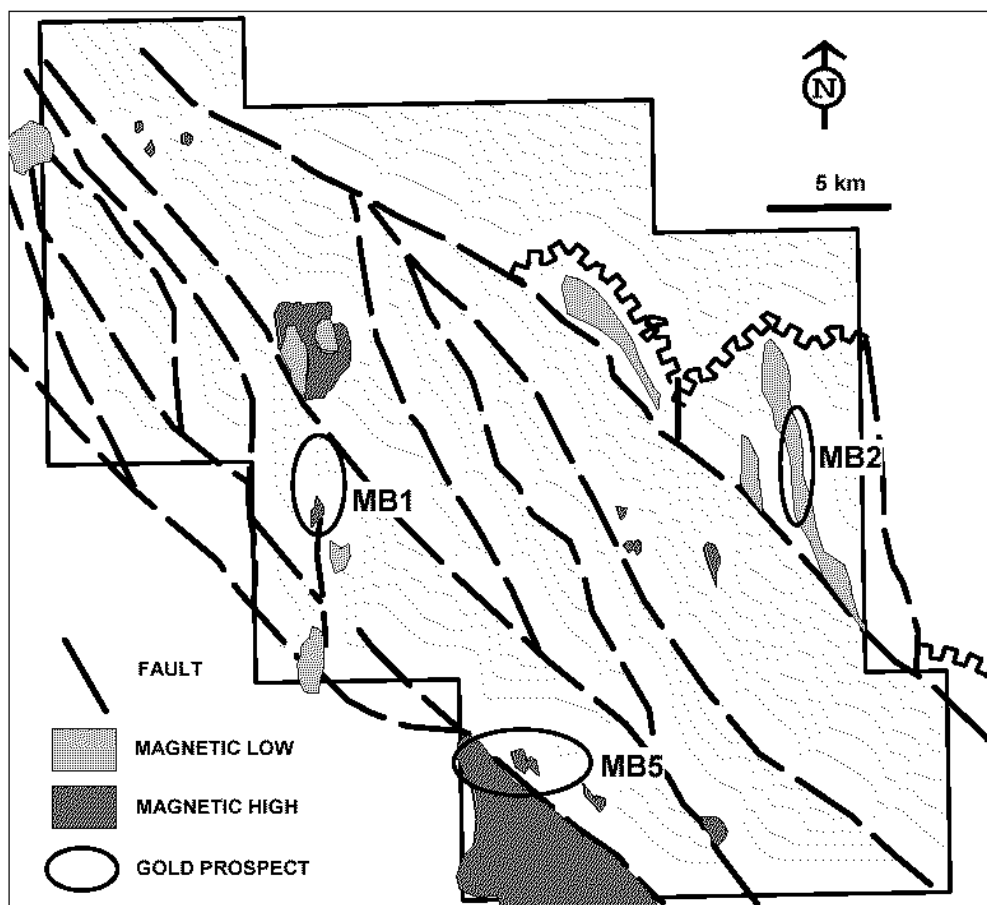


Figure 3 – Mirrica Bore prospect locations

- ***Regional***

A prospectivity review of tenements offered for grant during the quarter was completed. Several more applications have been withdrawn reducing the total area under tenure to approximately 8,200 km².

2.1.2 Cannington Project, Western Queensland (Glengarry 100%)

- ***Dolly Pot***

A RC/aircore drilling program designed to test the Dolly Pot magnetic anomaly and several other nearby targets was successfully completed in December 2003. A total of 16 holes were drilled for 851 m.

At Dolly Pot, hematite-altered, magnetite-bearing granite was intersected explaining the magnetic anomaly; however, assay results were disappointing with no significant gold or base metal values recorded. Moderately anomalous copper (upto 1 m @ 1905 ppm from 102 m) associated with minor chalcopyrite was recorded on the margins of the magnetic

anomaly approximately 700 m to the south indicating potential for an iron oxide, copper-gold mineralized system and further drilling may be warranted.

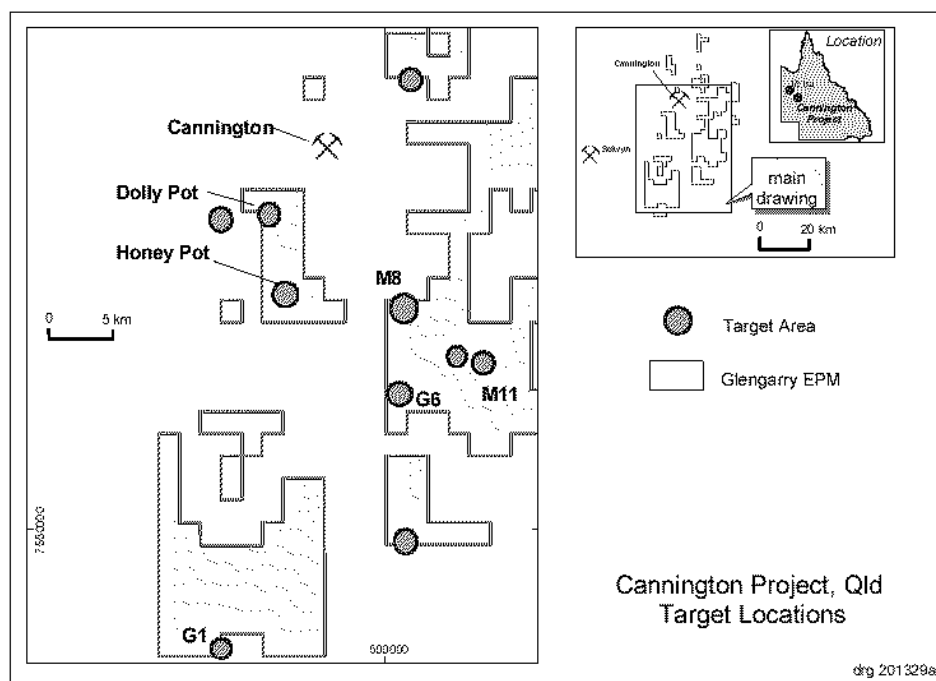


Figure 4

Other targets tested included the NE corner of the tenement where prospecting had recorded anomalous lead in rock chips and the Honey Pot magnetic anomaly located approximately 5 km south of Dolly Pot.

Widespaced drilling in the NE corner of the tenement intersected moderately anomalous copper (up to 4 m @ 1271 ppm from 2 m) in two holes coincident with the margin of an amphibolite unit. The widespaced nature of the anomalism combined with the shallow cover means that a ground based electrical geophysical survey may be warranted to determine whether a massive sulphide body exists in the area.

A single hole drilled into the Honey Pot anomaly intersected a 15 m wide zone of strong sulphide-silica-sericite-biotite-garnet alteration coincident with a sediment/granite contact. Moderately anomalous copper and arsenic were recorded (i.e. 1 m @ 1885 ppm Cu and 537 ppm As from 125 m) indicating potential for a mineralized system.

Although no ore grade values were intersected, the limited drilling combined with the anomalous alteration and geochemistry recorded means that further work is warranted. A review will be undertaken during the next quarter to determine whether Glengarry completes this work or seeks a joint venture partner. The review will also include an analysis of regional targets within the project area.

2.1.3 Greenvale/Big Mag, North Queensland (Glengarry 100%)

No field work was completed at Greenvale during the quarter due to work on other projects. The Greenvale Project is considered highly prospective for gold and base metals due to its proximity and similar geology to existing deposits (i.e. Kidston and Balcooma) and limited

previous exploration. A detailed data compilation of the entire project area documenting and ranking targets will be undertaken during the first quarter of 2004.

2.2 Gold Projects

2.2.1 Tanami/Granites, Western Australia and Northern Territory

- ***Larranganni Joint Venture, WA (Glengarry 7.5% free carried)***

This area is the subject of a joint venture between Tanami Gold NL and operator Barrick Gold of Australia Limited (Barrick).

No field work was completed during the quarter; however, assays for drilling in the September quarter at the Bikini and Watts Rise prospects were received and processed. No significant results were reported.

A review of work completed in 2003 is in progress and should be completed early in the first quarter of 2004. Following the review, Barrick will document their plans for the 2004 field season. Exploration expenditure for 2003 totalled approximately \$2,100,000.

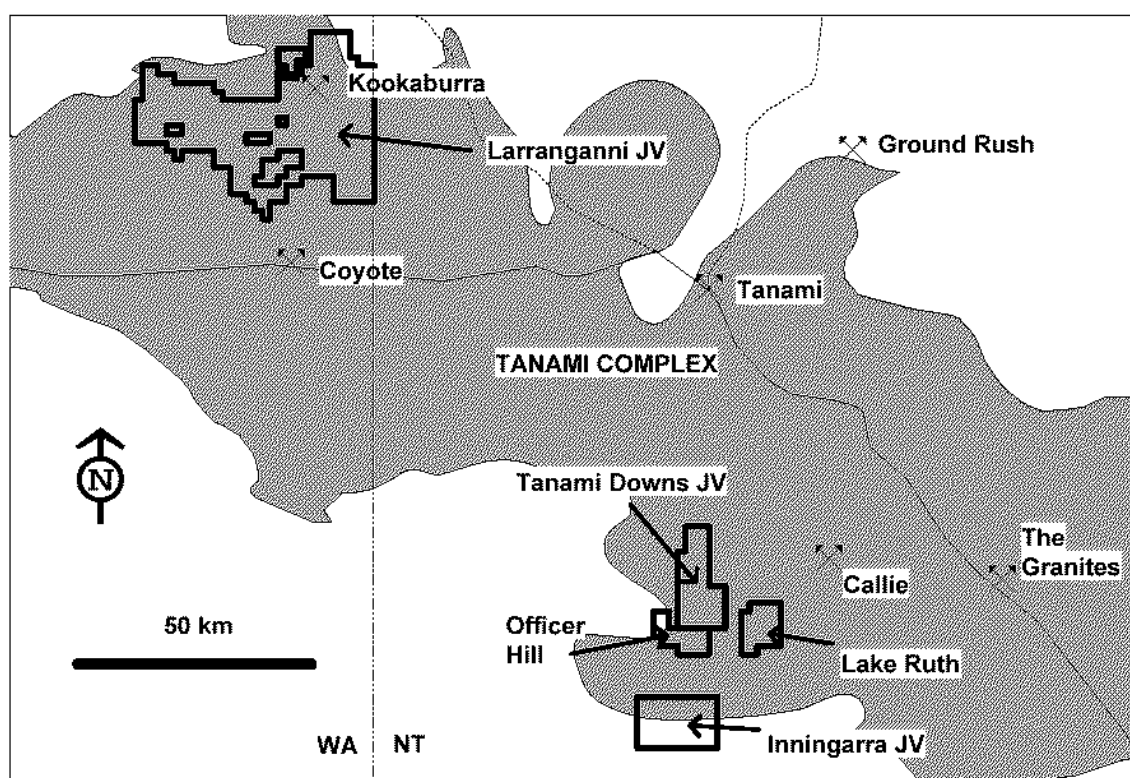


Figure 5 – Glengarry Projects in Tanami Region.

- ***Tanami Downs Joint Venture, NT (Glengarry 100%, Barrick earning 70%)***

The first Traditional Owner meeting to discuss the exploration proposal for the Tanami Downs tenement was attended by Barrick on the 16th and 17th November 2003. The Central Land Council (CLC) will advise Barrick whether the Traditional Owners wish them to negotiate on their behalf after the next full council meeting to be held in March 2004.

2.2.2 Coolgardie, Western Australia

Glengarry received payment of \$150,000 from Kurrawang Resources Pty Ltd for the Coolgardie project tenements. Kurrawang Resources has assumed all of Glengarry's prior obligations and agreements over the project. The funds will be applied to exploration projects elsewhere in Australia.

2.2.3 Charters Towers Project, North Queensland (Glengarry 100%)

A consultant geologist with expertise in the area has been employed to assist with Glengarry's exploration at Charters Towers. Particular attention has been paid to the Dogmatix/Puzzler area where previous exploration has recorded widespread gold and pathfinder element anomalism associated with a linear, NNE trending granodiorite intrusion. Detailed mapping and limited soil sampling have delineated several prospective areas and a drill program will be designed to test these later in the first quarter of 2004.

Mapping has delineated 4 areas of alteration with potential to host significant mineralisation. Rock chip sampling has recorded up to 12.1 g/t gold, 94 g/t silver, 7570 ppm arsenic and 4.4% lead from a narrow, NNW trending, sub vertical quartz vein in one of these areas. Previous nearby drilling is vertical or oriented sub parallel to the vein and has not tested the mineralised trend.

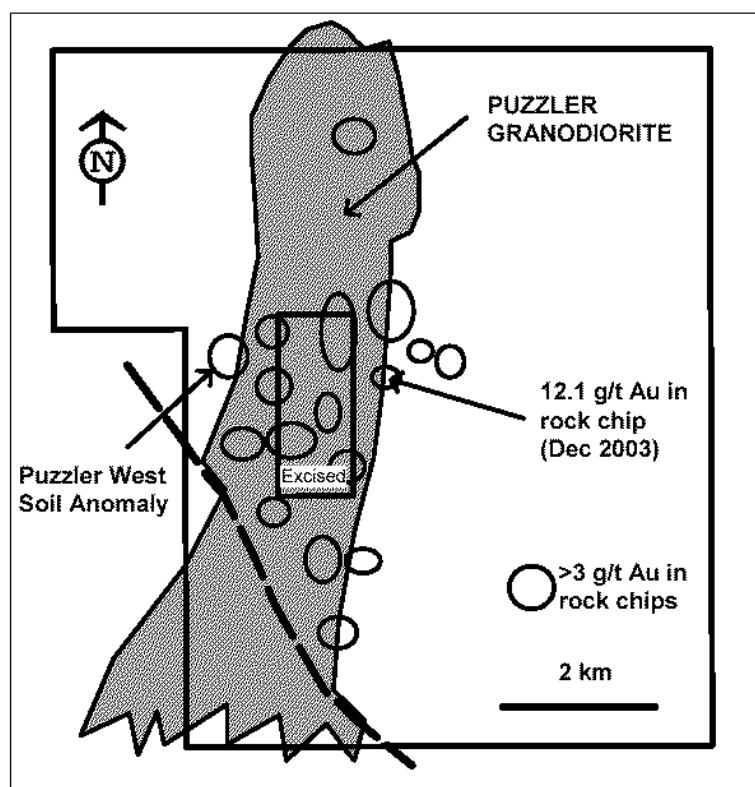


Figure 6: Dogmatix/Puzzler area showing extensive gold anomalism.

Soil sampling at Puzzler West has delineated a coherent 250 by 500 m anomaly with values up to 144 ppb gold. The anomaly is open to the north and south and further work is required to determine the limits of the mineralised zone. There has been no previous drilling in the prospect area; however, prior rock chip sampling has recorded up to 8.5 g/t gold.

As reported previously several other areas within the Charters Towers project (e.g. Southern Cross) also have potential to host significant gold mineralization. In addition, large parts of the project have received little first pass, geochemical exploration. Consequently, a project-wide review will be completed to determine what other work is required to upgrade prospective areas to drill status.

2.2.4 Yolande River, Tasmania (Glengarry 100%)

Initial field reconnaissance was carried out on the Yolande River project during the quarter. The project was acquired earlier this year due to its similarity and proximity to the 1 Moz, high grade, Henty gold deposit currently being mined by Placer Dome approximately 20 km to the north. The project is also immediately west of the +300 million tonne Mt Lyell copper-gold deposit.

The main target zone is a previously unexplored, stratigraphic repeat of the Henty mine horizon that has been interpreted from aeromagnetic data. The Henty horizon is coincident with the contact between the Tyndall Group and the Central Volcanic Complex of the Mt Read Volcanics. The base of the Tyndall Group is marked by a distinct magnetic sedimentary/volcanic horizon known as the Lynchford Tuff. The reconnaissance at Yolande River confirmed that the 6 km long, magnetic horizon interpreted as the base of the Tyndall Group is a similar unit to the Lynchford Tuff. Gridding and soil sampling will be completed across the prospective stratigraphy during the first quarter of 2004.

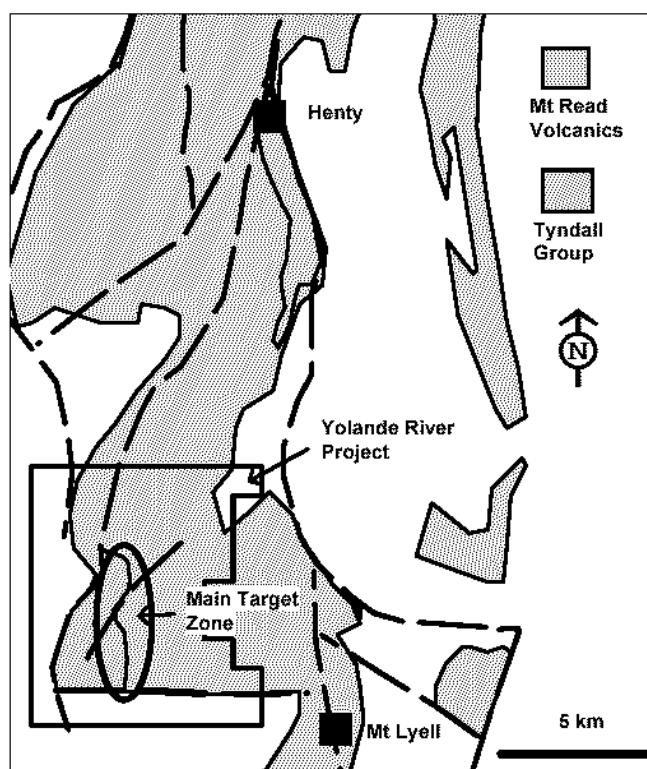


Figure 7: Yolande River Project Regional Geology

The reconnaissance also included traverses across the Diamond Hill and Madam Howards prospects where previous stream sampling had delineated moderate to strong gold anomalism. At Diamond Hill historic adits are associated with quartz veining grading up to 18 g/t gold while soil sampling at Madam Howards returned up to 55 ppb gold close to gossanous subcrop. The potential of both prospects to host economic mineralisation is probably limited due to size constraints; however, follow up is required to adequately assess the anomalies.

A handwritten signature in black ink, appearing to read 'D Richards', with a stylized flourish at the end.

David Richards
Managing Director

23 January 2004

This information, so far as it pertains to ore or mineralisation, is based on information compiled by a member of the Australian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, who has had at least five years experience in the field of activity concerned:

David Richards – Managing Director, Glengarry Resources Limited

3.0 PROJECT LAND STATUS SUMMARY

Following is a brief outline of land access for exploration on the various properties controlled by Glengarry:

Project	Land Status	Access Agreement (Native Title Parties)	Time Frame for Exploration
QUEENSLAND			
Diamantina 8,237 km ²	Mirrica Bore, 905 km ² – granted tenure; leasehold, no native title claim	Not required	Exploration in progress
	Simpson Desert, 1,357 km ² – application; leasehold, some subject to native title claim; application to be processed under ASP ⁽¹⁾	Required – negotiations initiated	6-12 months
	Other applications – 5,975 km ² ; leasehold mostly subject to native title claim; applications to be processed under NTA ⁽²⁾	Not required – grant of tenements will include terms of access and heritage protection	6-12 months
Cannington 633 km ²	Granted tenure; leasehold partly subject to native title claim; most ground can now be accessed	One access agreement completed	Exploration in progress
Greenvale/ Big Mag 2,311 km ²	Granted tenure, 272 km ² ; freehold	Not required	Exploration in progress
	Granted tenure, 703 km ² ; leasehold partly subject to native title claim	Required – negotiations initiated	1-3 months
	Applications, 1,223 km ² ; leasehold partly subject to native title claim; applications to be processed under NTA ⁽²⁾	Not required – grant of tenements will include terms of access and heritage protection	6-12 months
Westwood 47 km ²	Granted tenure, freehold	Not required	Exploration in progress
Charters Towers 459 km ²	Granted tenure, 436 km ² ; various land classes - tenements granted pre-Wik; no impediment to exploration	Not required	Exploration in progress
	Application, 23 km ² ; various land classes partly subject to native title claim; application to be processed under NTA ⁽²⁾	Not required – grant of tenement will include terms of access and heritage protection	6-12 months
Mt Guide 134 km ²	Application; leasehold subject to native title claim; application to be processed under NTA ⁽²⁾	Not required – grant of tenement will include terms of access and heritage protection	6-12 months
Snake Creek 259 km ²	Application; leasehold subject to native title claim; application to be processed under NTA ⁽²⁾	Not required – grant of tenement will include terms of access and heritage protection	6-12 months

TASMANIA

Yolande River 64 km ²	Granted tenure; various land classes, no native title	Not required	Exploration in progress
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NORTHERN TERRITORY

Tanami Downs JV 177 km ²	Application; aboriginal freehold land	Required – initial meeting with traditional owners held in November 2003	6-12 months
Inningarra / Officer Hill / Lake Ruth 334 km ²	Application; aboriginal freehold land	Required – Traditional owners to respond to Glengarry's work proposal	

(1) Alternative State Provisions (Queensland)

(2) Native Title Act (Commonwealth)

Land status details for the Larranganni Joint Venture, in which Glengarry holds a minority 7.5% interest, have not been included.

ABBREVIATIONS

AC	Air core
Ag	Silver
As	Arsenic
Au	Gold
Ba	Barium
BCL	Bulk Cyanide Leach
Co	Cobalt
Cu	Copper
EL (A)	Exploration Licence (Application)
EM	Electromagnetic geophysical survey
EPM(A)	Exploration Permit for Minerals (Application)
g/t	Grams per tonne
km	Kilometre
lag	Coarse rock fragments remaining at the surface following wind deflation of the finer soil particles
m	Metres
Mn	Manganese
Mo	Molybdenum
Ni	Nickel
ozs	Ounces
Pb	Lead
Pd	Palladium
PGE	Platinum Group Elements
ppb	Parts per billion (1ppb = 0.001 gram per tonne)
ppm	Parts per million (1ppm = 1 gram per tonne)
Pt	Platinum
RAB	Rotary air blast (drilling)
RC	Reverse circulation (drilling)
Sb	Antimony
Sn	Tin
Ta	Tantalum
VMS	Volcanogenic massive sulphides
Zn	Zinc

COMPANY INFORMATION

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Chairman

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Exploration Director

Michael J Glasson BSc(Hons), MSc, FAusIMM
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STOCK EXCHANGE LISTING

Glengarry Resources Limited shares and options
are listed on the Australian Stock Exchange
(Code GGY – Shares)
(Code GGYOA – Options)

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