



10 June 2004

Manager Announcements
Company Announcements Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street
Sydney NSW 2000

Dear Sir

DRILLING DEFINES HIGH GRADE ZONES AT DURACK

Results from Gleneagle Gold Limited's ("Gleneagle") initial Reverse Circulation ("RC") drilling program at the Durack Project, part of the Wembley Joint Venture in which Gleneagle is earning an 80% interest from a subsidiary of Grange Resources Limited ("Grange"), have confirmed the presence of high grade mineralisation within the current resource of (557,000 tonnes at 2.2g/t for 39,000 ounces).

Gleneagle has now received all results from the first drilling program completed by the Company at the Durack Project. This program was designed to test for high grade near surface mineralisation within the resource plus potential down dip extensions of interpreted high grade shoots.

The attached table summarises results for the 15 RC holes completed (for 1,578 metres) in this program, with 11 of the holes returning intersections in excess of 2.0g/t. Better intersections include:

DURC004	12m at 8.04g/t from 87m (cut) including 3.0m at 25.9g/t from 87m (cut)
DURC005	8.0m at 7.15g/t from 14m (cut) including 3.0m at 16.1g/t from 15m (cut)
DURC008	25m at 3.19g/t from 77m including 2.0m at 19.6g/t from 80m

This drilling has confirmed:

- **The presence of high grade near surface mineralisation which may enable the development of shallow open pits.**
- **The potential for the delineation of a series of high grade shoots extending beneath the current resource.**
- **A component of higher grade mineralisation that may elevate the tenor of the current resource grade.**



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Gleneagle's exploration of the Wembley Joint Venture will now progress on two fronts; one being the ongoing development of regional targets and potential repetitions of the Durack style mineralisation and the other being the evaluation of the economic potential of the high grade zones of mineralisation defined with the current resource. Modest tonnage, higher grade open pit deposits at Durack have the potential to augment feed to Gleneagle's Fortnum Gold Project treatment plant.

RC drilling is set to resume next week on targets within the Fortnum Central area, with an Aircore drilling program designed to test a series of regional and resource extension targets scheduled to commence toward the end of July 2004.

The Company's scoping study aimed at determining the key parameters required for a resumption of mining at Fortnum and defining the cost of recommissioning the Fortnum Gold Project treatment plant is progressing to schedule.

The technical information in this announcement was prepared by Mr Ian Prentice, who is a member of the Australasian Institute of Mining & Metallurgy and who has in excess of 10 years experience in mining and exploration.

Yours faithfully

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Managing Director

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Table 1

Durack Project – RC Drill Results – 1.0m samples – intersections greater than 2.0g/t

Hole ID	Easting	Northing	Depth	Azimuth	Inclination	From	To	Intersection
DURC003	8325	10507	100	180	-60	66 incl. 71	75 74	9m @ 2.01g/t 3m @ 3.05g/t
DURC004	8300	10535	160	180	-60	87 incl. 87 109	99 90 110	12m @ 8.04g/t (cut) 3m @ 25.9g/t (cut) 1m @ 10.3g/t
DURC005	8275	10482	130	180	-60	14 incl. 15 77 91 123	22 18 78 94 124	8m @ 7.15g/t (cut) 3m @ 16.1g/t (cut) 1m @ 2.32g/t 3m @ 3.11g/t 1m @ 2.64g/t
DURC006	8225	10475	82	180	-60	60 70	61 71	1m @ 2.45g/t 1m @ 2.20g/t
DURC007	8200	10640	124	180	-60	123	124	1m @ 7.47g/t (EOH)
DURC008	8150	10467	112	180	-60	77 incl. 80 and 97	102 82 98	25m @ 3.19g/t 2m @ 19.6g/t 1m @ 8.86g/t
DURC009	8100	10428	130	180	-60	45 incl. 50 85 87 90 96	52 52 86 88 93 97	7m @ 2.19g/t 2m @ 3.71g/t 1m @ 2.35g/t 1m @ 2.65g/t 3m @ 2.18g/t 1m @ 2.91g/t
DURC011	7250	10365	100	180	-60	79	80	1m @ 11.1g/t
DURC012	7225	10422	100	180	-60	16 incl. 16	20 17	4m @ 3.08g/t 1m @ 9.79g/t
DURC014	7175	10400	70	180	-60	44 67	46 68	2m @ 2.37g/t 1m @ 3.51g/t
DURC015	7175	10420	100	180	-60	60	61	1m @ 2.53g/t

N.B. – Lower cut grade of 1.0g/t, upper cut grade of 30g/t, up to 2.0m of <0.5g/t internal dilution used.



