GLENEAGLE
GOLD LIMITED
ABN 27 103 782 378

27 January 2004

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

Dear Sir

Resource Doubles After Successful Drilling Campaign

Resource estimation conducted on deposits within Gleneagle Gold Limited's ("Gleneagle") Peak Hill Goldfield projects has delivered a global resource of 673,300 ounces (10.7 Million tonnes at 2.0 grams per tonne) (see attached table), which represents a 106% increase on the previous global resource of 326,900 ounces (4.95 Million tonnes at 2.1 grams per tonne).

Gleneagle's recent drilling success at the south end of the Yarlarweelor deposit has added more than 105,000 ounces, with independent consultants RSG Global ("RSG") estimating a global resource in this area of 3.06 Million tonnes at 2.0 grams per tonne for 196,500 ounces (previously announced resource was 1.27 Million tonnes at 2.2 grams per tonne for 91,300 ounces) using a 0.9 grams per tonne lower cut off.

The Yarlarweelor resource upgrade is significant for a number of reasons:

- The achievement of a resource upgrade of this magnitude within the first six months of ownership highlights the geological prospectivity of the region.
- The drilling program, which cost approximately $500,000, delivered the additional 105,000 ounces of resource at Yarlarweelor for a cost of just $4.75 per ounce of resource.
- It is a major step toward the company's goal of using cash flow from gold production to fund ongoing aggressive exploration programs on the company's 1,400 square kilometres of highly prospective tenements in the Peak Hill Goldfield.

RSG were also engaged to estimate resources for the Labouchere and Nathans deposits, which when combined with the upgraded Yarlarweelor resource and the Horseshoe resource (previously estimated by RSG), represent 87% of the group's global resource.

The global resource grade is consistent with historical resource grades for the Peak Hill Goldfield, from which higher grade reserves have been defined and profitably extracted. This is highlighted by the operating history of the previous owners of the Fortnum Gold Project with production of 541,000 ounces at a 3.0g/t head grade over a seven year period.

Drilling is set to resume at the Fortnum Gold Project in early February 2004 with an exploration budget of at least $1.0 million for the period through until the end of June 2004.

This program will focus on three key areas, being:

- Strategic drilling to test specific zones within and along strike of the Yarlarweelor resource,
- Targets generated through the resource modelling process, and
- A number of other advanced prospects within the Peak Hill Goldfield, including Horseshoe, Nathans, Labouchere and Durack.

Gleneagle currently has cash and receivables of approximately $2.8 million to fund this aggressive exploration program.

As a result of this very positive development Gleneagle will now commence a scoping study to determine the most appropriate route for the conversion of this global resource to a mining reserve. This study will also provide an assessment of the estimated cost of recommissioning the Company's 1.0 Million tonne per annum Fortnum Gold Project treatment plant.

Yours faithfully

Ian Prentice

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Managing Director

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The reported Mineral Resources for Yarlarweelor, Nathans, and Labouchere have been compiled by Mr Ingvar Kirchner of RSG Global with data and interpretations supplied by Gleneagle Gold Ltd. Mr Ingvar Kirchner is a member of the Australian Institute of Mining and Metallurgy. Mr Ingvar Kirchner has sufficient experience, 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 1999 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Ingvar Kirchner consents to the inclusion in this report of the resource in the form in which it appears. 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.

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Gleneagle Gold Limited – Peak Hill Goldfield Resource Summary

Deposit		Measured	Indicated	Inferred	**Total**
Yarlarweelor	(1)				
- lode mineralisation			3.34Mt@ 2.1g/t 220,700 oz	0.93Mt @ 2.1g/t 64,900 oz	**4.27Mt @ 2.1g/t** **285,600 oz**
- unconstrained background mineralisation			0.10Mt @ 1.2g/t 4,100 oz	0.50Mt @ 1.2g/t 18,700 oz	**0.59Mt@ 1.2g/t** **22,800 oz**
- laterite/supergene mineralisation			0.18Mt @ 1.2g/t 6,700 oz	0.02Mt @ 1.2g/t 700 oz	**0.20Mt @ 1.2g/t** **7,400 oz**
Horseshoe	(1)		1.47Mt @ 2.0g/t 93,100 oz	1.65Mt @ 1.9g/t 103,500 oz	**3.12Mt @ 2.0g/t** **196,600 oz**
Labouchere	(1)		0.28Mt @ 1.7g/t 15,200 oz	0.53Mt @ 1.8g/t 30,100 oz	**0.81Mt @ 1.7g/t** **45,300 oz**
Nathans	(1)		0.23Mt @ 1.9g/t 14,500 oz	0.34Mt @ 1.8g/t 20,100 oz	**0.57Mt @ 1.9g/t** **34,600 oz**
Durack	(2)	0.39Mt @ 2.2g/t 27,800 oz	0.05Mt @ 2.1g/t 3,400 oz	0.12Mt @ 2.1g/t 7,800 oz	**0.56Mt @ 2.2g/t** **39,000 oz**
Starlight Underground	(3)		0.07Mt @ 5.4g/t 12,200 oz		**0.07Mt @ 5.4g/t** **12,200 oz**
Callies North	(4)	0.18Mt @ 1.8g/t 10,300 oz		0.07Mt @ 1.5g/t 3,100 oz	**0.24Mt @ 1.7g/t** **13,400 oz**
Regent	(4)	0.16Mt @ 1.6g/t 8,500 oz		0.01Mt @ 1.7g/t 400 oz	**0.17Mt @ 1.6g/t** **8,900 oz**
Toms	(4)		0.12Mt @ 1.9g/t 7,500 oz		**0.12Mt @ 1.9g/t** **7,500 oz**
Total		**0.73Mt @ 2.0g/t** **46,600 oz**	**5.84Mt @ 2.0g/t** **377,400 oz**	**4.16Mt @ 1.9g/t** **249,300 oz**	**10.7Mt @ 2.0g/t** **673,300 oz**

Notes:
(1) - Resource estimate completed by RSG Global. 0.9g/t lower cut off for Yarlarweelor, 1.0g/t lower cut off for Horseshoe, Labouchere and Nathans.
(2)- Gleneagle earning 80% interest. Resource estimate completed by Plutonic Operations Limited.
(3) - Resource estimate completed by Perilya Limited. Undiluted resource using a 2.0g/t lower cut off.
(4) - Resource estimate completed by Perilya Limited. Diluted resource using various lower cut off between 0.8g/t and 1.0g/t.

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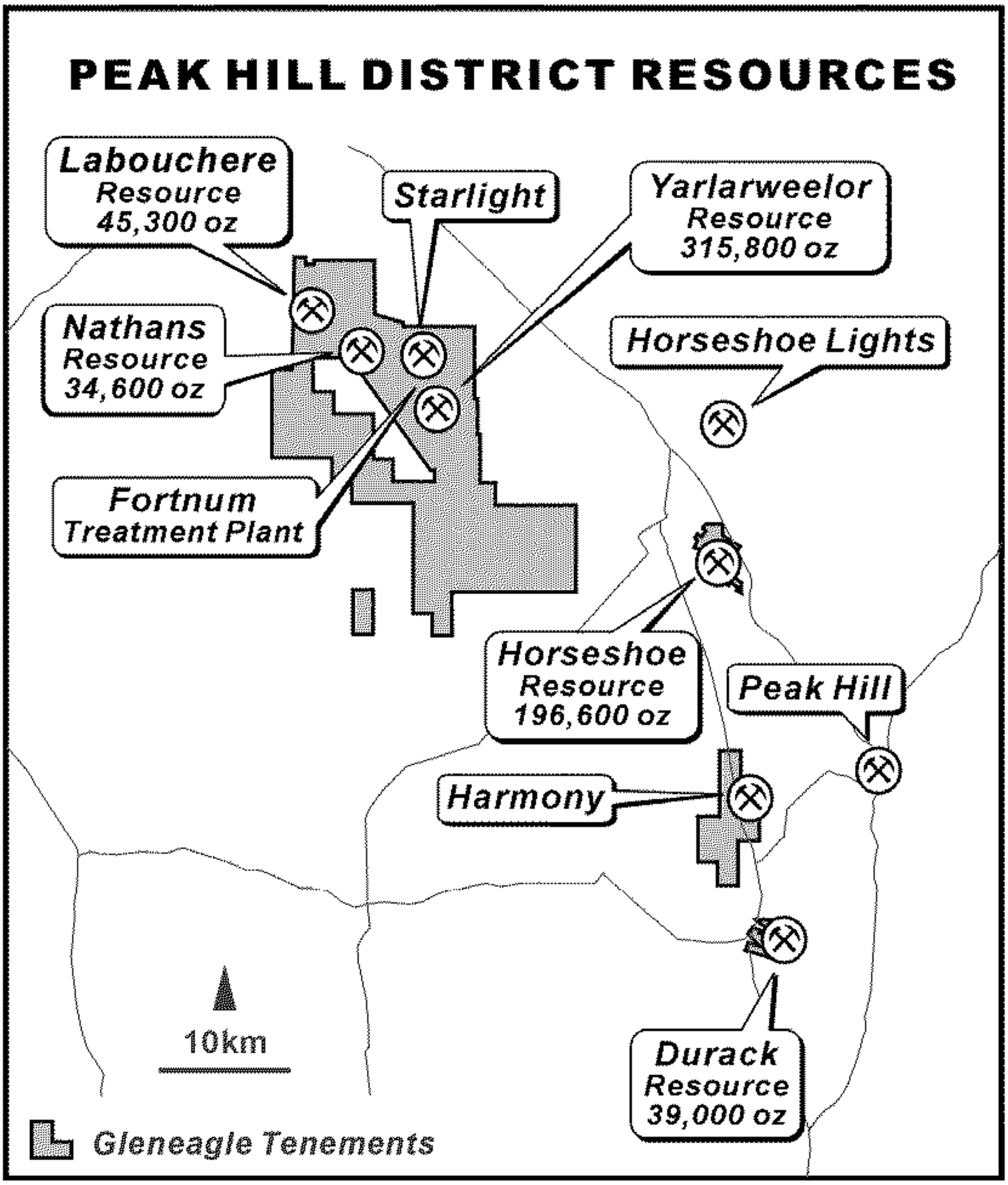

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