

16<sup>th</sup> April 2007

## Key Uranium Tenements Granted at Citadel

Glengarry Resources Limited is pleased to announce that two exploration licences considered highly prospective for uranium have been granted in northwest Western Australia. The granted tenure comprise the northern part of Glengarry's wholly owned, 1,700 square kilometre Citadel Project located approximately 100 kilometres north of Telfer in the Paterson Province (Figure 1). The Paterson Province hosts the world class Kintyre uranium deposit (36 Kt  $U_3O_8$ ) currently being assessed by Rio Tinto. Other major mineral deposits in the region include the Telfer gold mine (26 M oz gold, 1 Mt copper) and the Nifty copper mine (1 Mt copper).

The Citadel Project is prospective for unconformity-style uranium mineralisation similar to the Kintyre deposit and paleodrainage-hosted uranium mineralisation similar to the Beverly deposit (21 Kt  $U_3O_8$ ) in South Australia. Radiometric data show elevated levels of uranium anomalism (Figure 2) over most of the Project indicating uranium-enriched bedrock beneath the cover sediments. The radiometric data also define a number of stronger anomalies (Figure 3) within the elevated background that may be prospective for near surface, calcrete-hosted uranium mineralisation similar to the Yeeleerie deposit (52 Kt  $U_3O_8$ ) in southern WA.

There has been no prior exploration for uranium in the Citadel area; however, government surveys and work by previous explorers has generated a comprehensive database including regional and detailed geophysical data, geochemical surveys and drill hole information. Glengarry has acquired the complete database and will utilise it to focus its initial exploration. An exploration program comprising ground follow up of the stronger radiometric anomalies and drill traverses across prospective stratigraphy defined by geophysical data is scheduled to commence over the granted tenure before the middle of the year. Access negotiations with the Traditional Owners of the two exploration licence applications that comprise the southern part of the Citadel Project are well advanced and these tenements should be granted within the next 6 months.

Work by previous explorers confirmed that the Project is also prospective for high grade gold and copper mineralisation. Drilling at the Magnum prospect recorded up to 15 metres @ 14.1 g/t gold (from 464 metres) and 8 metres @ 4.4% copper (from 279 metres) and multiple zones of ore grade mineralisation remain open along strike and at depth. A number of other regional gold/copper geochemical anomalies have also been defined where shallow infill drilling is planned. Follow up on these targets will occur simultaneously with the uranium exploration.

**DAVID RICHARDS** Managing Director

The information in the 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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Figure 1: Citadel Project - Location Plan and Regional Geology



Figure 2: Citadel Project – Radiometric Image showing elevated uranium responses



Figure 3: Citadel Project – Enlargement of radiometric image showing strong surficial uranium anomaly