



Territory Resources Limited

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3 August 2010

Manager Announcements
Company Announcements Office
ASX Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Chairman Presentation to Diggers & Dealers Conference

Attached is a copy of a presentation by Territory Resources Chairman, Andrew Simpson, to the Diggers & Dealers Mining Conference being held today.

Yours sincerely

Patrick McCole
Company Secretary

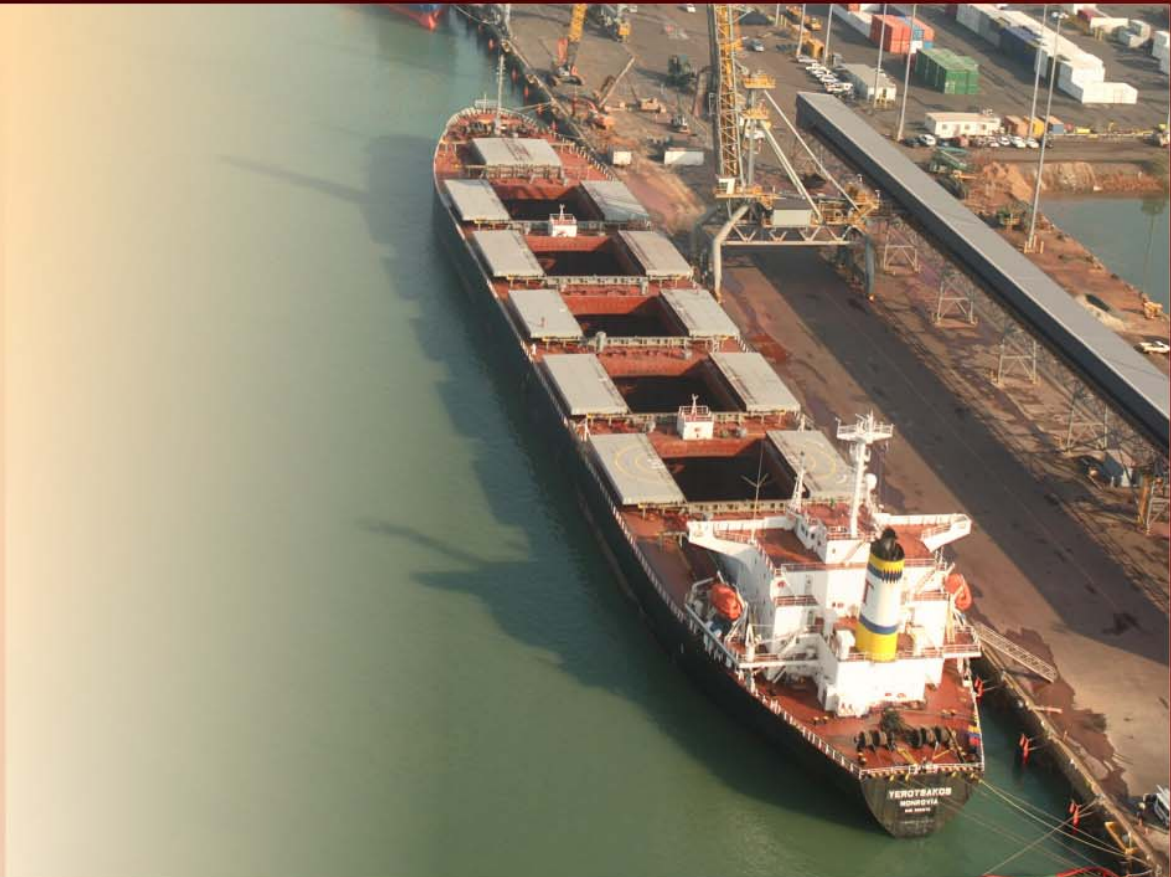


An Australian Resources Group

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In New Territory...

- *Debt slashed*
- *Mine life extended*
- *Surging cash flow from iron ore sales in last quarter*



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Diggers & Dealers
August 2010





Disclaimer

Forward-Looking Statements

This presentation contains forward looking statements concerning the projects owned by Territory Resources Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Data and amounts shown in this presentation relating to capital costs, operating costs and project timelines are internally generated best estimates only. All such information and data is currently under review as part of Territory Resources Limited's ongoing development and feasibility studies. Accordingly, Territory Resources Limited cannot guarantee the accuracy and/or completeness of the figures or data included in the presentation until the feasibility studies are completed.

Competent Person's Statement

The information in this report that relates to Ore Reserves is based on information compiled by Mr Marek Wydmanski, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Territory Resources Ltd. Mr Wydmanski has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Mr Wydmanski consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Luke Cox, who is a Member of Australasian Institute of Mining and Metallurgy, and is a full-time employee of Territory Resources Limited. Mr Cox 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Mr Cox consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Mr David Broomfield, who is a Member of the Australasian Institute of Mining and Metallurgy, and is a full-time employee of Territory Resources Limited. Mr Broomfield 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Mr Broomfield consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Reserves and Resources

Frances Creek currently has 9.6 million tonnes of Inferred and Indicated Mineral Resources of which 1.5 million tonnes are Inferred and 8.1 million tonnes are Indicated. These Mineral Resources are inclusive of the Resources modified to produce the Company's 5.7 million tonnes of Probable Ore Reserves.

JORC - Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this presentation relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.





In New Territory...

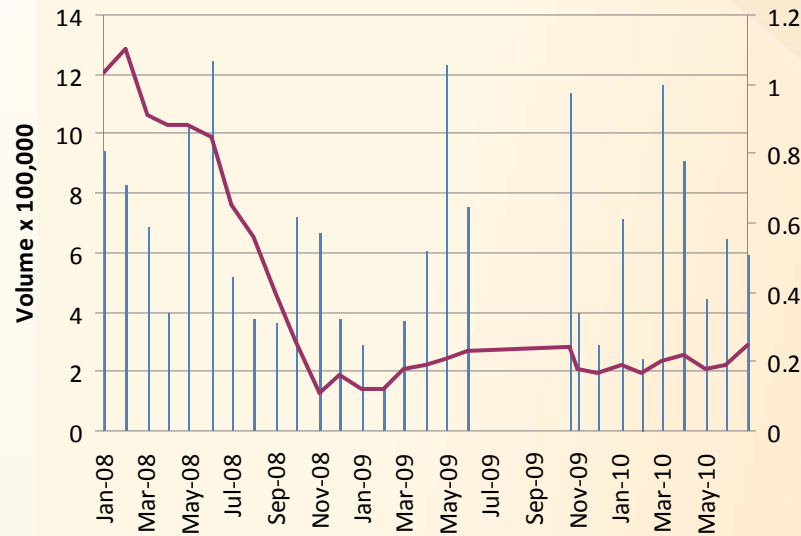
- Operational turnaround complete
- Now shipping 2Mtpa of high-grade DSO
- Mine life extended to 2013
- Further extensions expected from aggressive drilling on near-mine prospects
- Financial turnaround gathering momentum:
 - *\$13.7M NPAT for 1H FY 2010 on \$82.0M sales*
 - *EBITDA of \$24.5M on record \$67.3M operating revenue for Q4 FY 10**
 - *FY 2010 results expected 9 August*
- Core debt to be repaid within 12 months
- Currently evaluating growth opportunities, supported by Noble Group



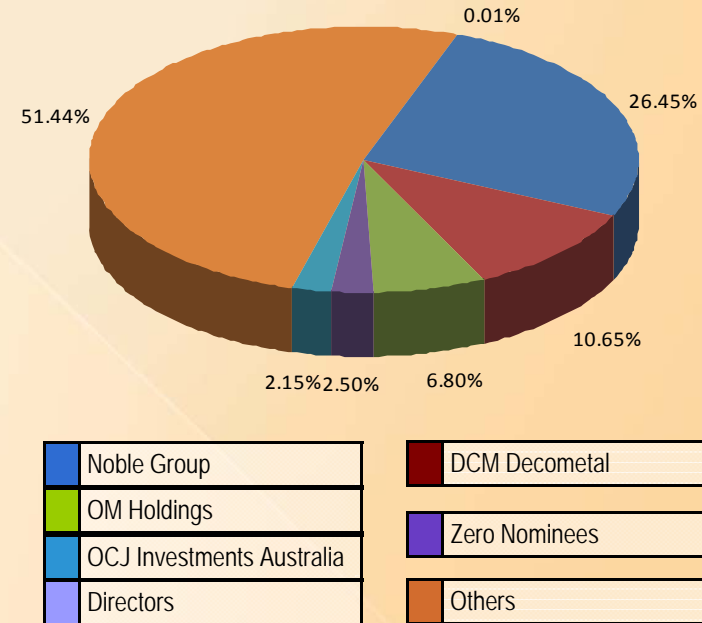


Corporate Overview

Nominal Share Price (LTM)



Shareholder Analysis (Undiluted)



Pricing Snapshot

Share Price (27 July 2010)	\$	0.27
Fully Paid Ordinary Shares	M	264.6
Market Capitalisation	\$m	71.4

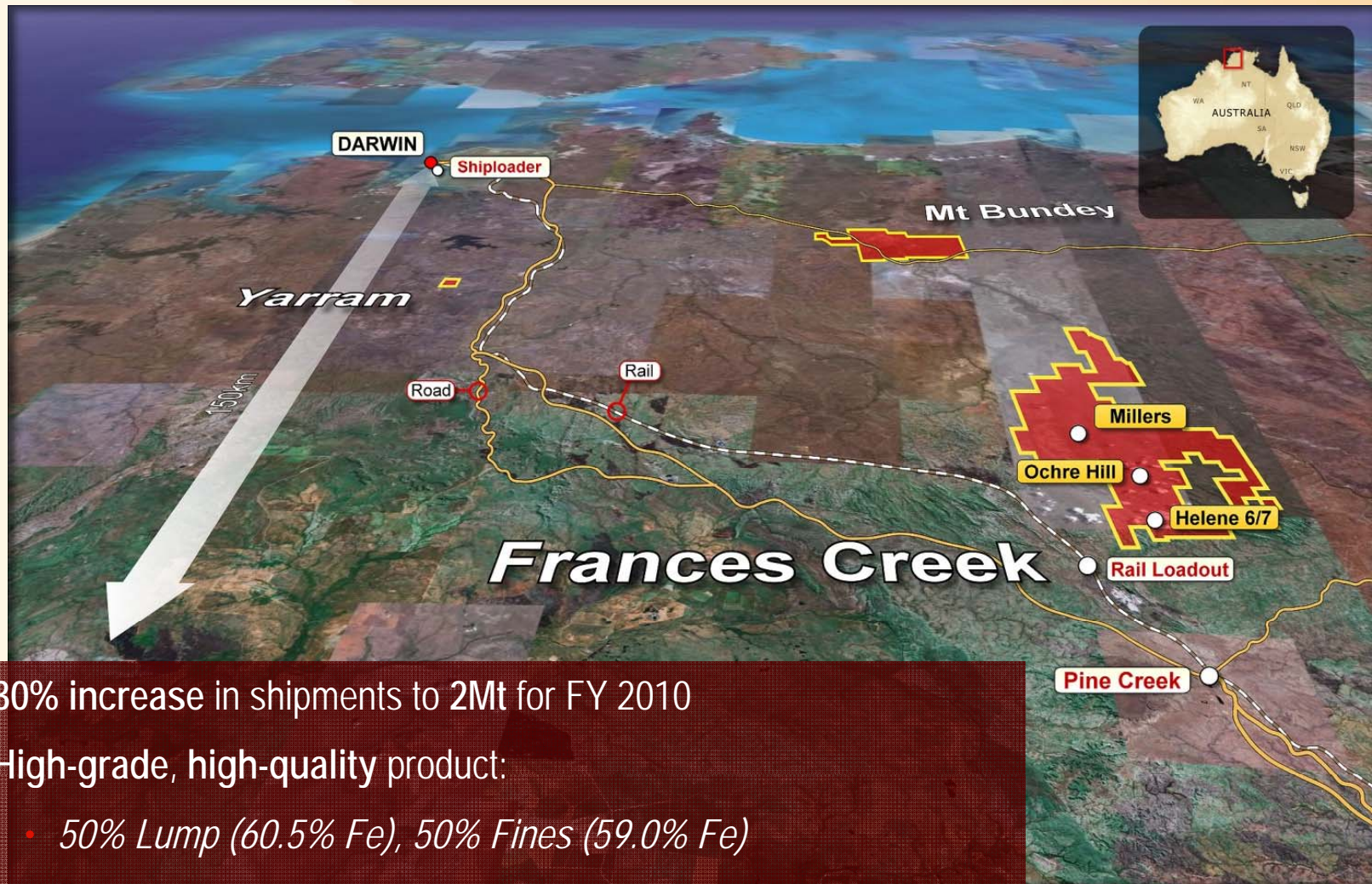
Board & Management

Andrew Simpson	Non-Executive Chairman
Andrew Haslam	Managing Director
Guisepppe Ariti	Non-Executive Director
Michael Donaldson	Non-Executive Director
Fiona Harris	Non-Executive Director
Ian McCubbing	Non-Executive Director





Production: Frances Creek Iron Ore Mine

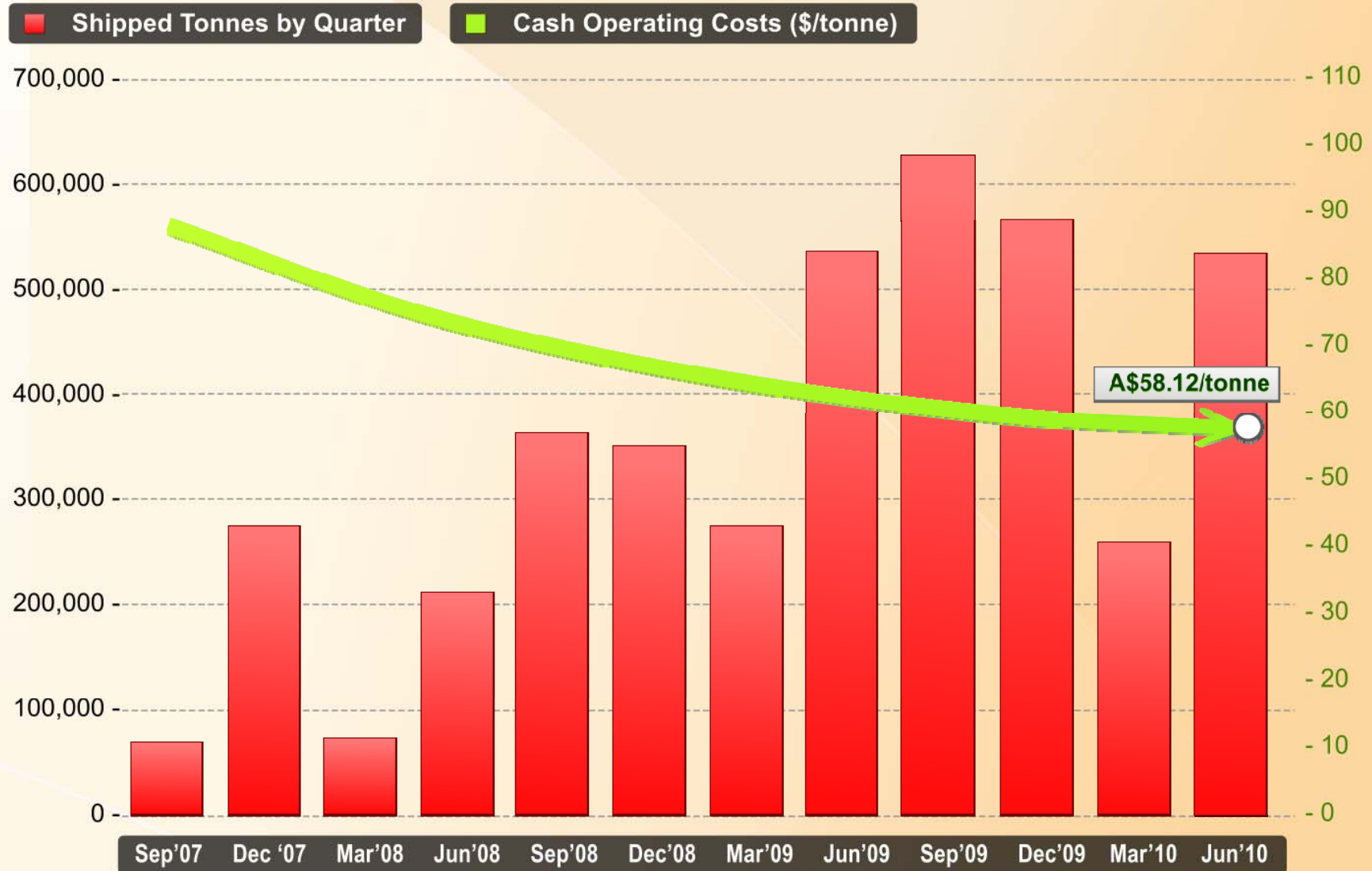


- 30% increase in shipments to 2Mt for FY 2010
- High-grade, high-quality product:
 - 50% Lump (60.5% Fe), 50% Fines (59.0% Fe)
- Strong demand in China for Frances Creek ore – fully sold position
- Excellent logistics – end-to-end Mine, Rail, Port infrastructure





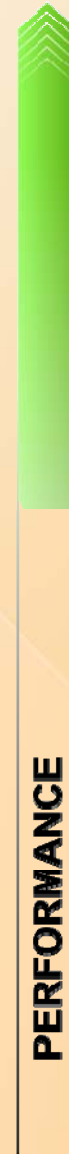
Shipped Ore Volumes on Target





Operational Changes Driving Stronger Performance

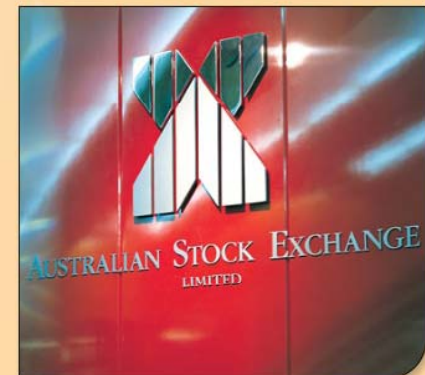
- Focus on safe and consistent ore production
- “Pit to Port” – logistics efficiency improvements
- Optimised mining parameters
- Improved blasting techniques
- New wet processing plant commissioned
- New beneficiation plant to process low-grade material
- Improved communication flow
- Logistics team providing continuous management of stock levels and materials handling quality





Financial Results: The Territory Turnaround

- Sales revenue of **\$178M** for FY 2010 – 49% **increase** from \$120M in FY 2009
- Record operating revenue **\$67.3M** in June Quarter 2010 compared with \$30.8M in June Quarter 2009
- Average price for the quarter **US\$110/t** compared with US\$47/t in June Quarter 2009
- Unaudited EBITDA **\$24.5M** for June Quarter 2010
- Net operating cashflow of **\$20.5M** for June Quarter and **\$31.4M** for FY2010
- Cash operating costs reduced by **8.0%** from \$63.17/t to **\$58.12/t** for FY 2010





Markets: Reasons for Optimism

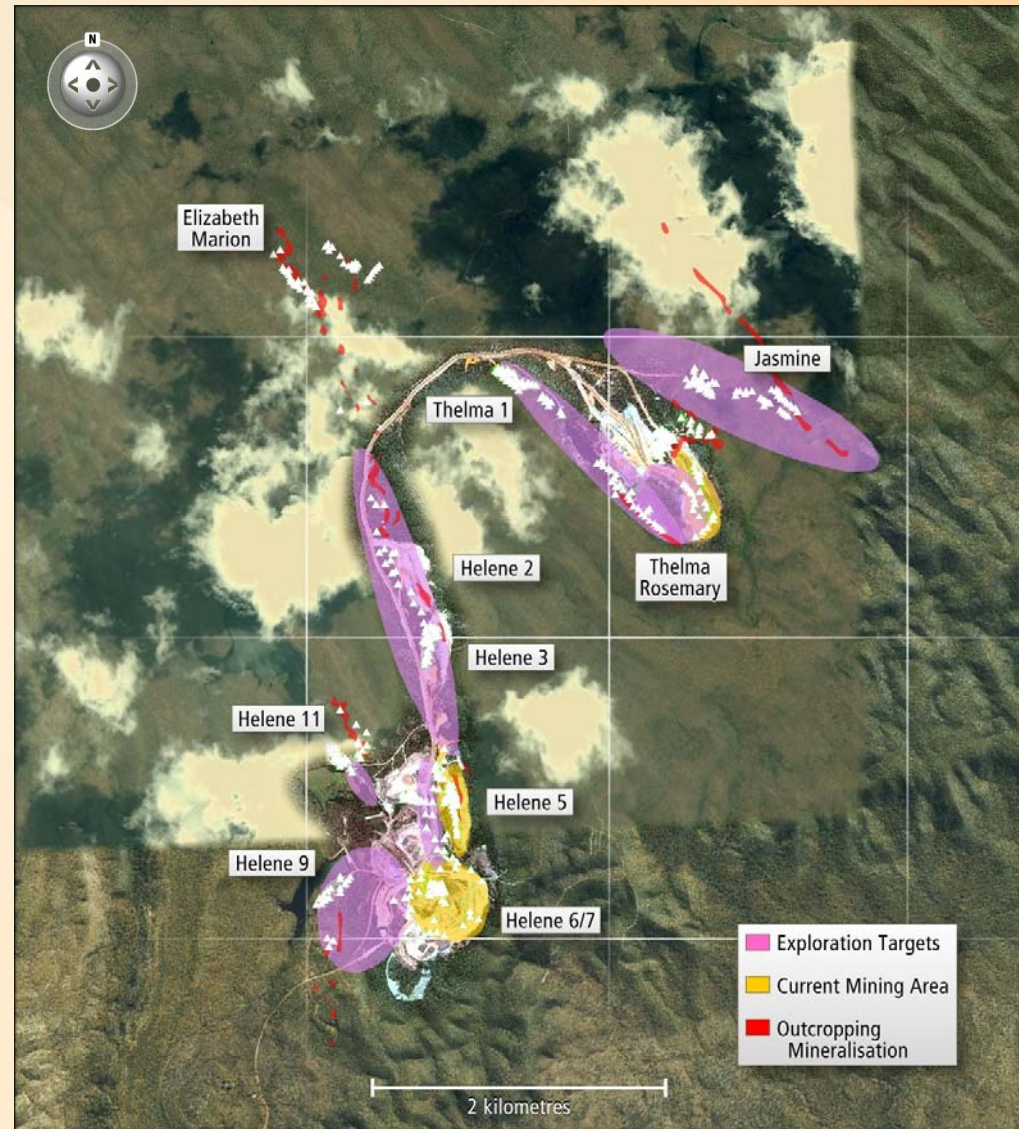
- Strong rebound in iron ore prices since global crisis
- Chinese demand outlook remains robust – new wave of modernisation in Western Provinces
- Supply side constraints remain very significant
- Domestic iron ore production in China facing rising cost of production – *up to 400Mtpa of supply may need to be replaced*
- Growing tariff protectionism on Indian iron ore exports – currently meeting 15% of Chinese demand





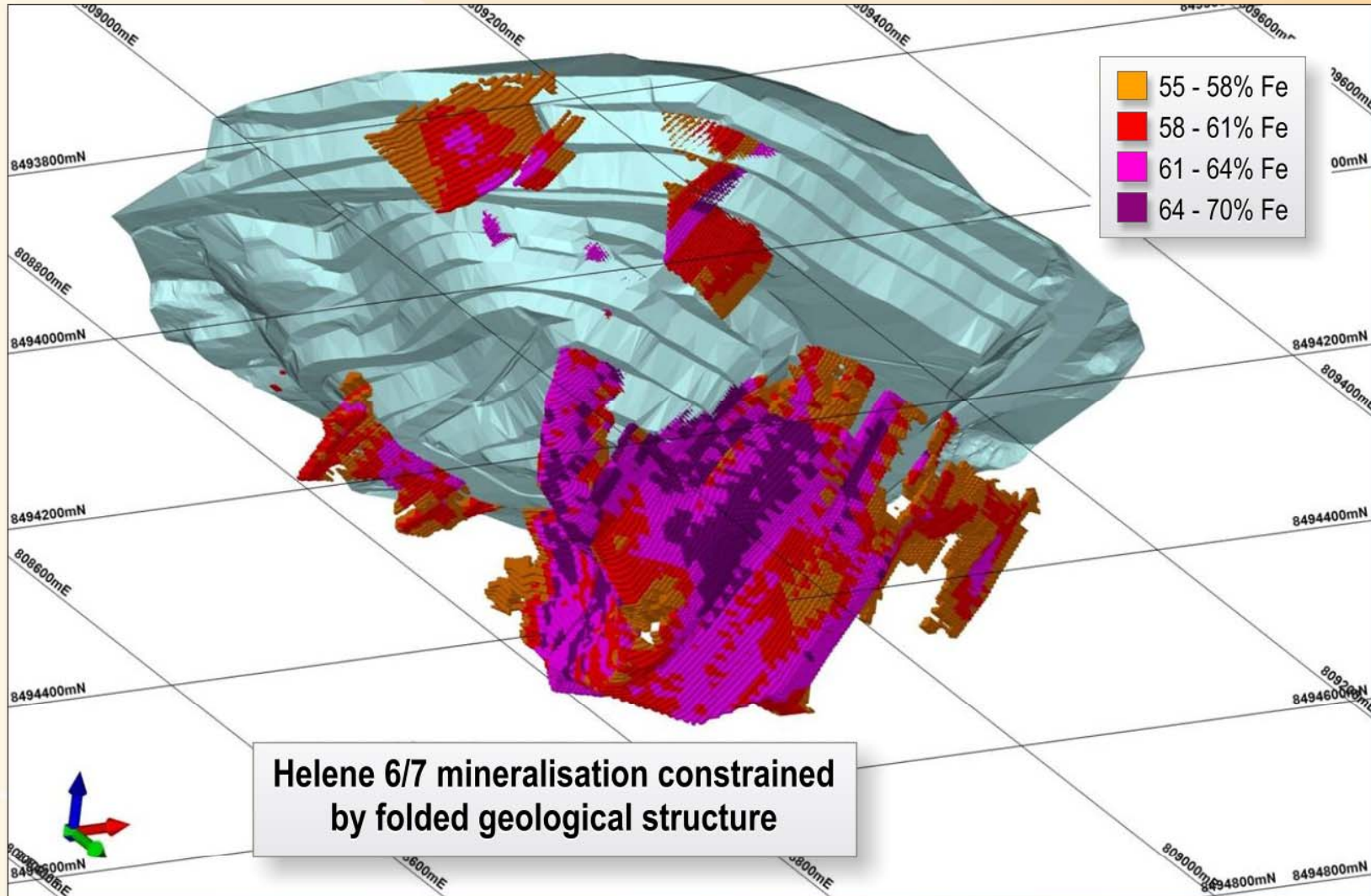
Resources: Exploration Strategy

- 50% increase in Ore Reserves upgraded to **5.7Mt @ 57.8% Fe**
- 11% increase in Resources upgraded to **9.6Mt @ 58.0% Fe**
- Underpins mine life to 2013
- Three-pronged strategy to grow Resources and Reserves further:
 - *Near-mine drilling (including Helene 4)*
 - *Regional exploration targeting areas of known prospectivity*
 - *McCarthy Hill Project, 25km SE of Frances Creek*



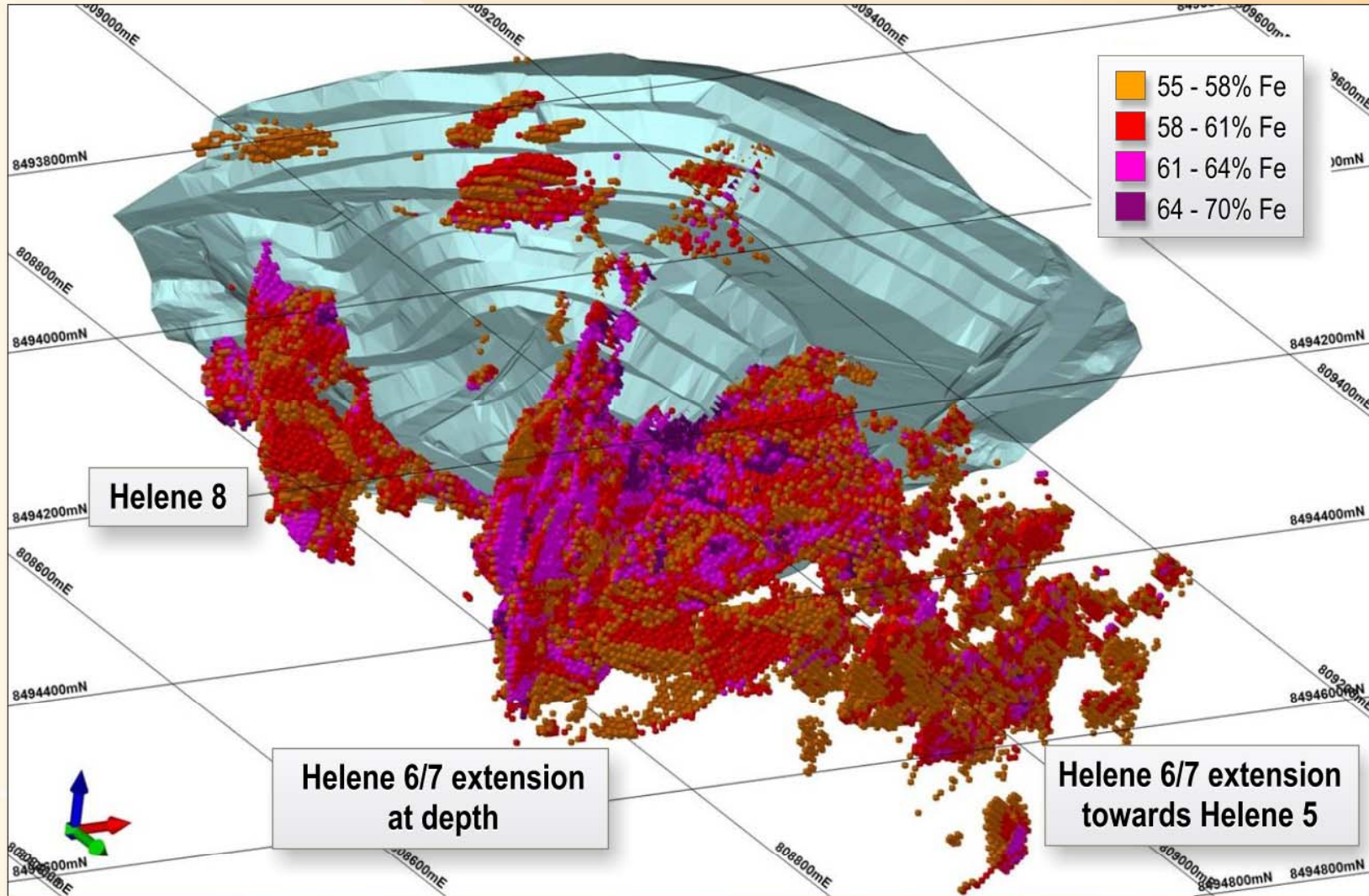


Helene 6/7: 3D Geological Model





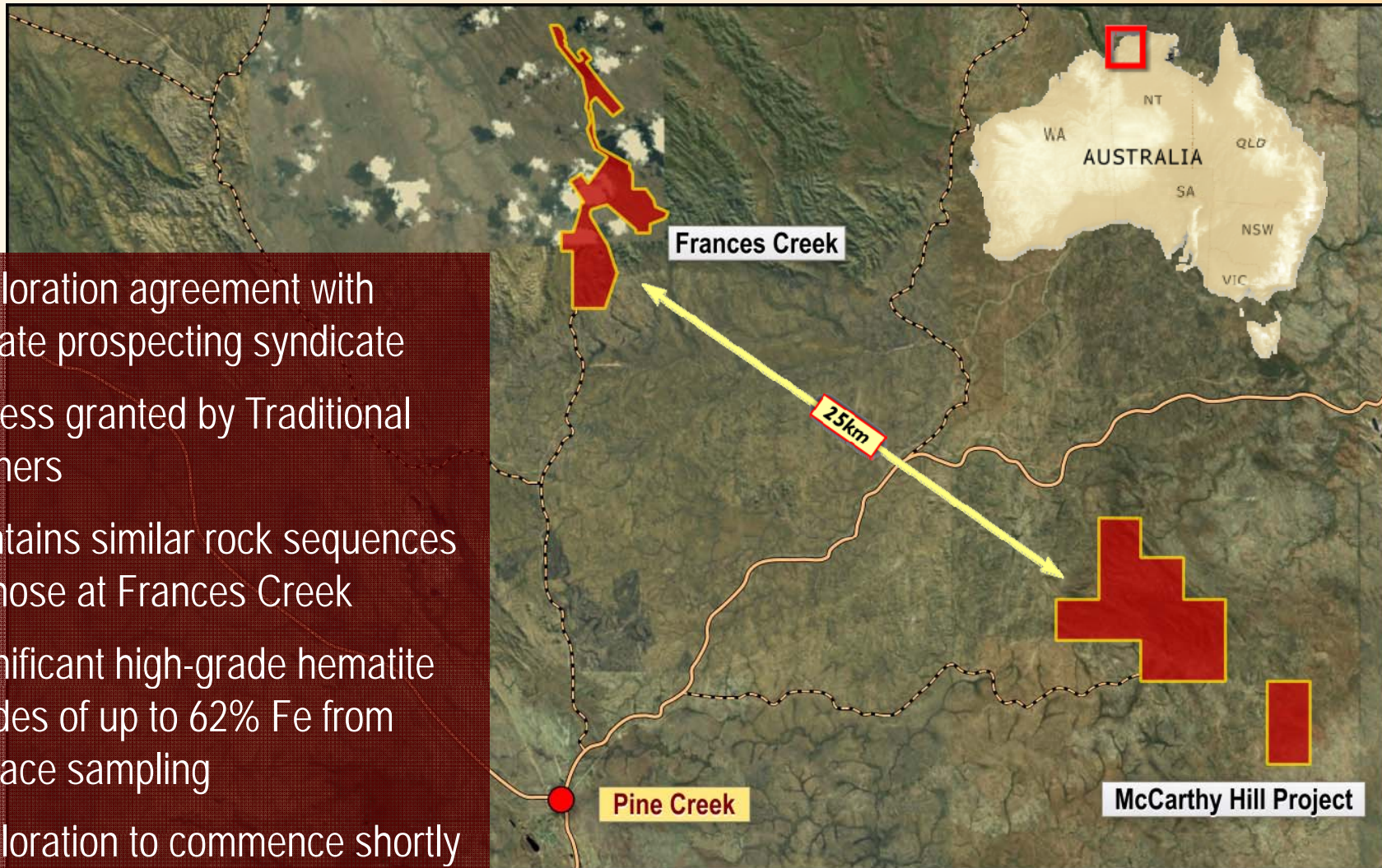
Helene 6/7: 3D Geological Model





McCarthy Hill Project – A Near-Mine Opportunity

- Exploration agreement with private prospecting syndicate
- Access granted by Traditional Owners
- Contains similar rock sequences to those at Frances Creek
- Significant high-grade hematite grades of up to 62% Fe from surface sampling
- Exploration to commence shortly





McCarthy Hill – High Grade Hematite Outcrop





Corporate Strategy

- *Aiming to leverage strong operating and logistics capabilities at Frances Creek*
- *Maximise financial returns from NT assets to extinguish core debt within 12 months*
- *Strong Business Development focus:*
 - *Iron ore, Manganese, Chromite*
- *Aiming to become a significant supplier of raw materials to the Asian steel industry*





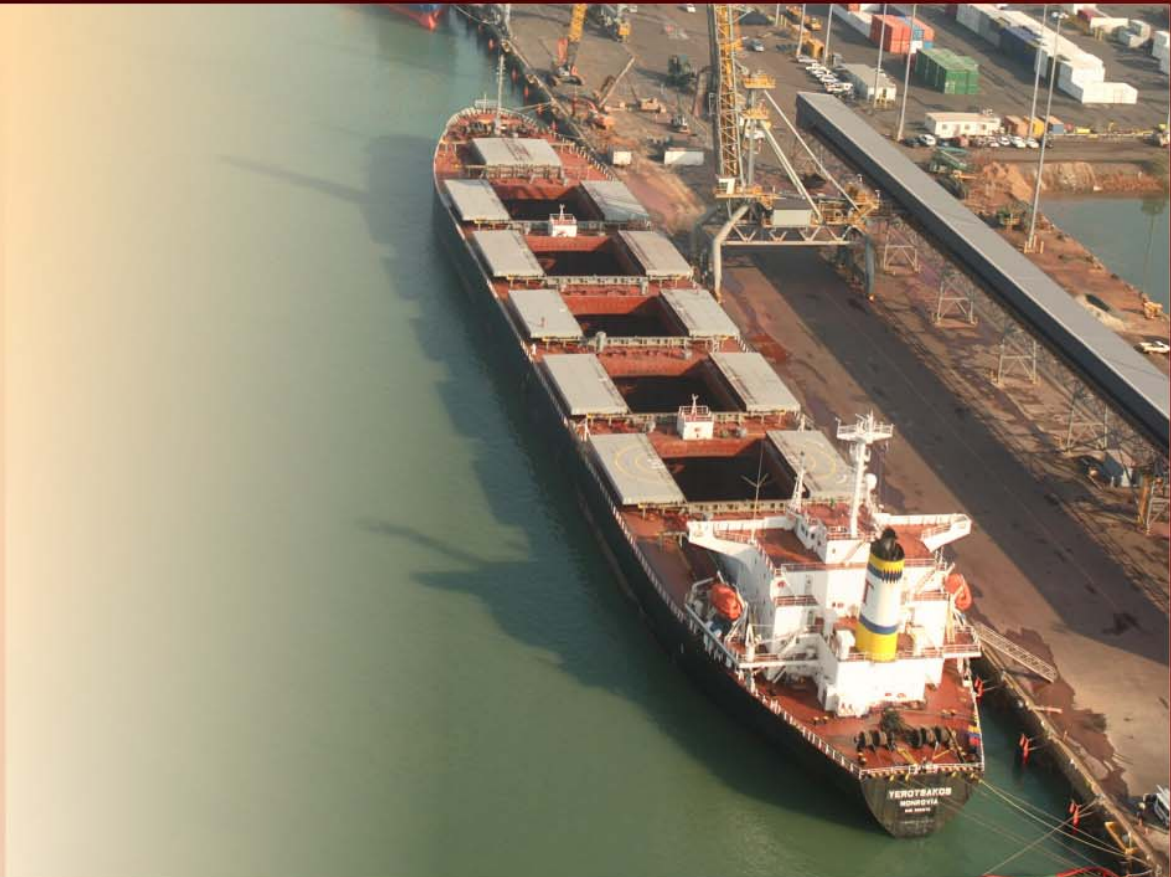
Key Objectives: Next 12 Months

- Maintain profitability by focusing on:
 - *Consistent production – 2.0Mtpa*
 - *Rigorous cost control*
- Eliminate core debt as soon as possible
- Accelerate exploration activity to extend existing mine life beyond 2014
- Build growth program as Noble's preferred entry into carbon steel commodities:
 - *At least one significant acquisition within next 12 months*
 - *2-3 smaller acquisitions, joint ventures or project initiatives*



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