



# Territory Resources Limited

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11 January 2011

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

Dear Sir/Madam

## **Managing Director Presentation**

Attached is a copy of a broker presentation by Territory Resources Managing Director, Andy Haslam, which was presented yesterday afternoon.

Yours sincerely

**Patrick McCole**  
Company Secretary



**An Australian Resources Group**

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A.B.N. 53 100 552 118

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**Territory Resources Limited**

*An Australian Resources Group*

*Company Update  
January 2011*



# 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 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 for Scalps Stockpiles and Low Grade Stockpiles is based on information compiled by Mr Luke Cox, who is a Member of the 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 Mineral Resources other Scalps Stockpiles and Low Grade Stockpiles is based on information compiled by Mr Mark Nelson, who is a Member of the Australasian Institute of Mining and Metallurgy, and is a full-time employee of Territory Resources Limited. Mr Nelson 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 Nelson 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 9.2 million tonnes of Inferred and Indicated Mineral Resources at 58.0% Fe of which 1.4 million tonnes are Inferred and 7.8 million tonnes are Indicated. These Mineral Resources are inclusive of the Resources modified to produce the Company's 5.1 million tonnes of Probable Ore Reserves at 58.1% Fe.

## 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.





# Territory Update

- Lower production in Quarter due to;
  - *Wet season rain early (Qld weather spinoff)*
  - *MMP for H9 & H11 delayed*
  - *Crushing contractor poor performance*
- Interesting exploration results at McCarthy Hill which needs follow-up work, but encouraging results from Jasmine
- Successful commissioning of Bene plant:
  - *Ramping up to 130tph (Commissioning)*
  - *Grade between 59% & 63%Fe*
  - *Target 40kt/mth ore for sale (12mths)*





# Corporate Overview

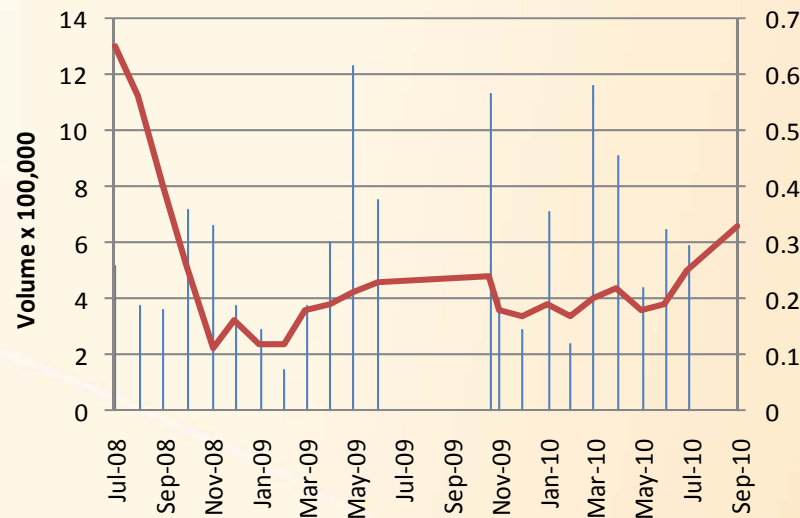
## Pricing Snapshot

Share Price (10.01.2011)	\$	0.375
Fully Paid Ordinary Shares	M	265.1
Market Capitalisation	\$m	99.4

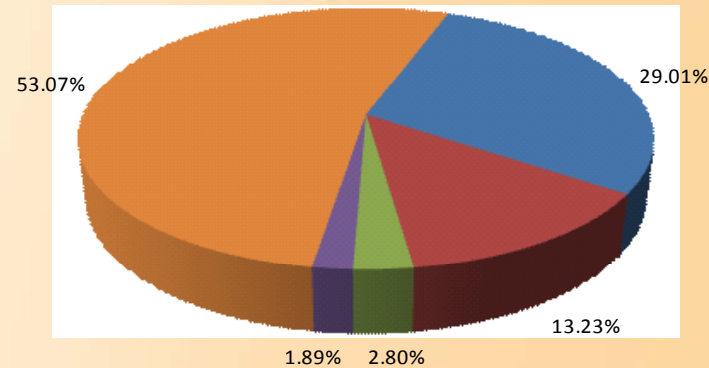
## Territory Resources Board Directors

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

## Nominal Share Price (LTM)



## Shareholder Analysis (Undiluted)



Noble Group	APAC Resources Capital
HSBC Custody Nominees	Others
Zero Nominees	





# Territory Update

- Mining H6/7 stage 4;
  - *Jamine East & Central pits*
  - *Opened up H9 & H11 in Qter*
  - *Cutback started on H3 – stage 2*
- TTY shares in Matilda re-listed into Blackwood Corp (BDW @ \$0.285) \$8.5m holding
- Monarch / Stirling repayment
  - *TTY debt \$13.6m*
  - *Negotiations ongoing with Pitcher Partners for full Monarch debt to be repaid in full*





## Territory Update

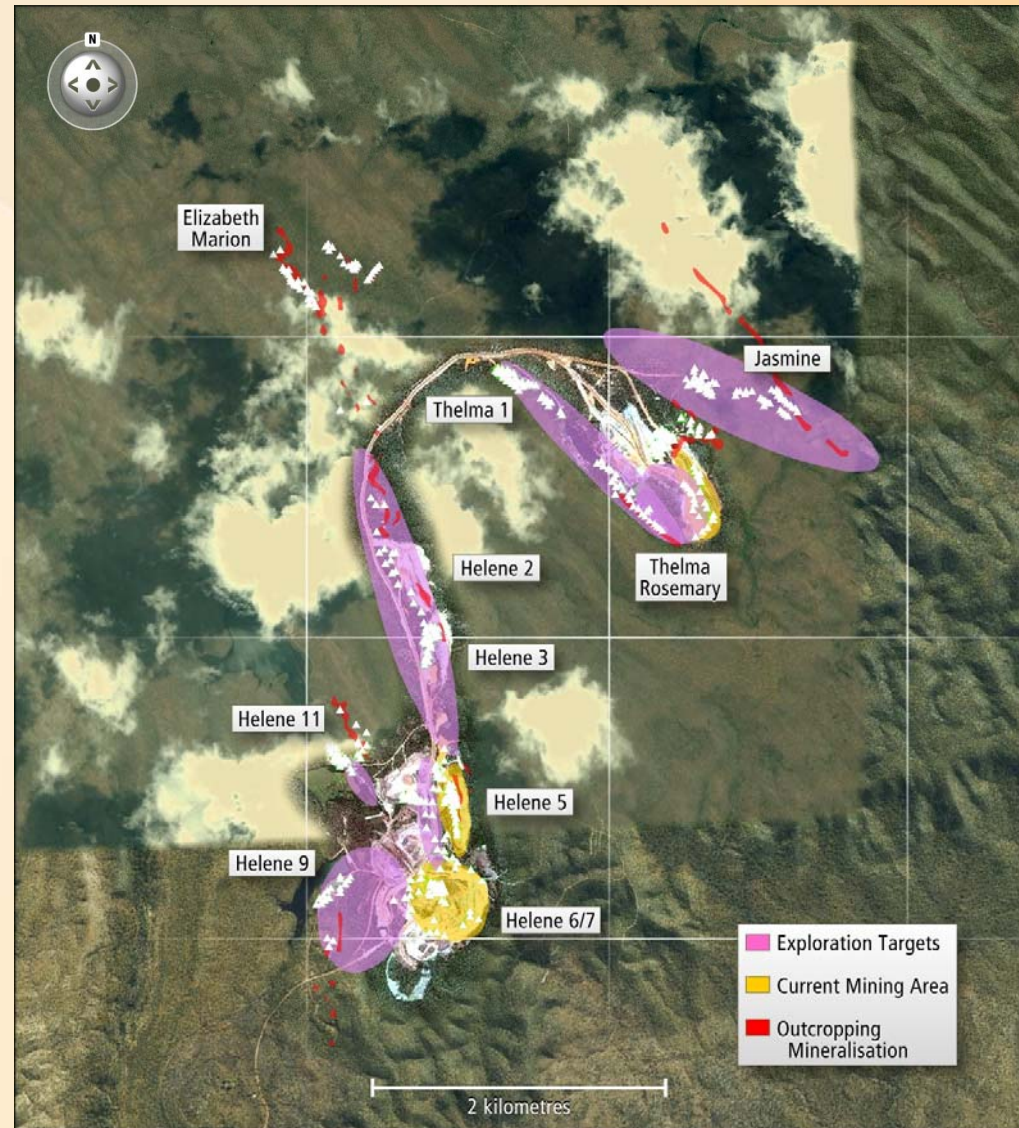
- Sales prices still remain strong at between US\$110/t to US\$125/t FOB
- Lump shipments @ 59% Fe
- Fines shipments @ 58% Fe
- Optimistic about prices for this Financial Year – Very strong demand and supply constraints from India.
- Australian dollar high, but US\$ price has mitigated impact





# Resources: Exploration Strategy

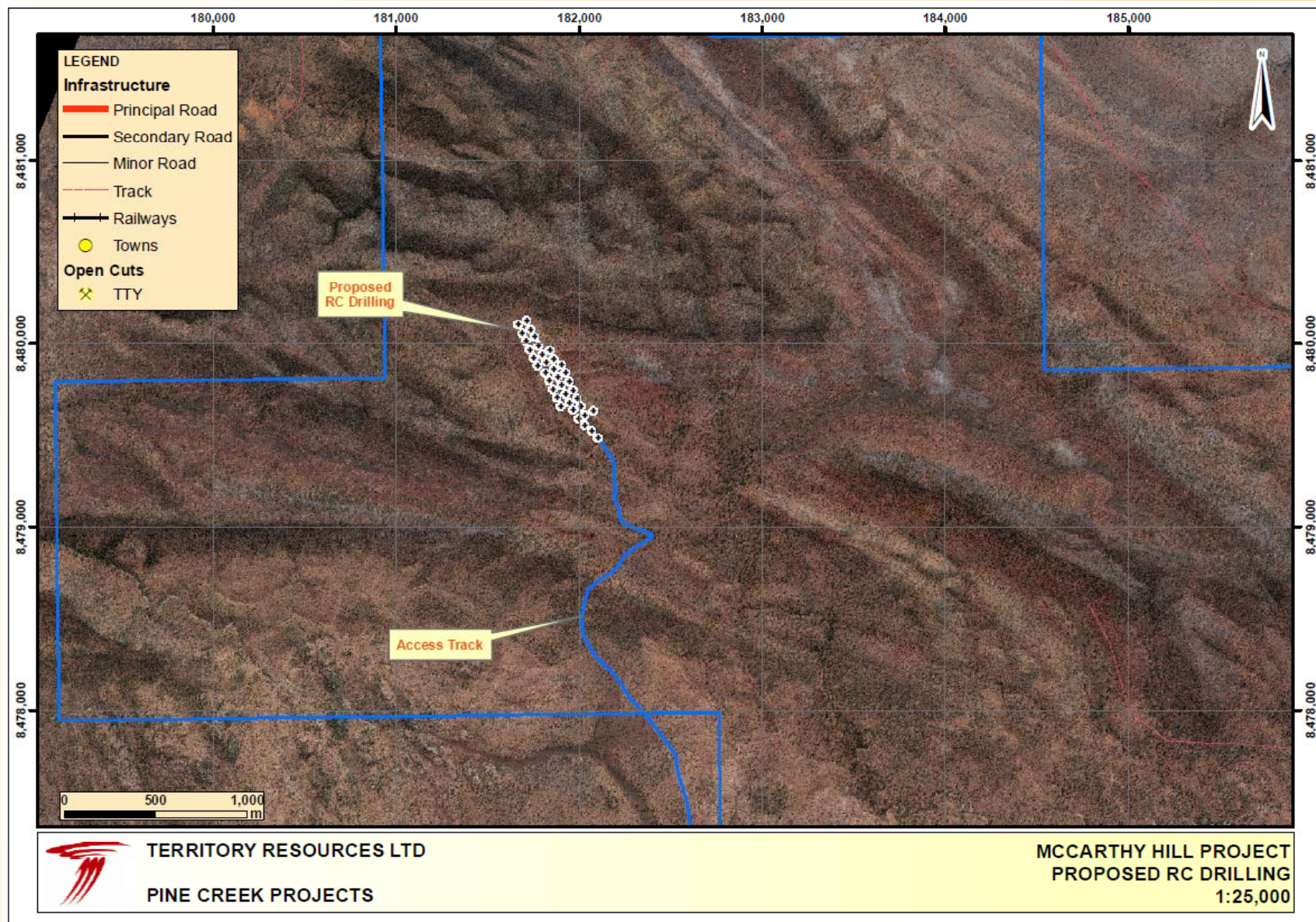
- Ore Reserves currently **5.1Mt @ 58.1% Fe**
- Resources Currently **9.2Mt @ 58.0% Fe**
- Mine life to mid 2013
- One drill rig on site:
  - *Near-mine drilling (including Helene 4, Jasmine pits)*
  - *Regional exploration – 26 targets to North – RAB drill to test after wet*
  - *McCarthy Hill first campaign complete – evaluate*





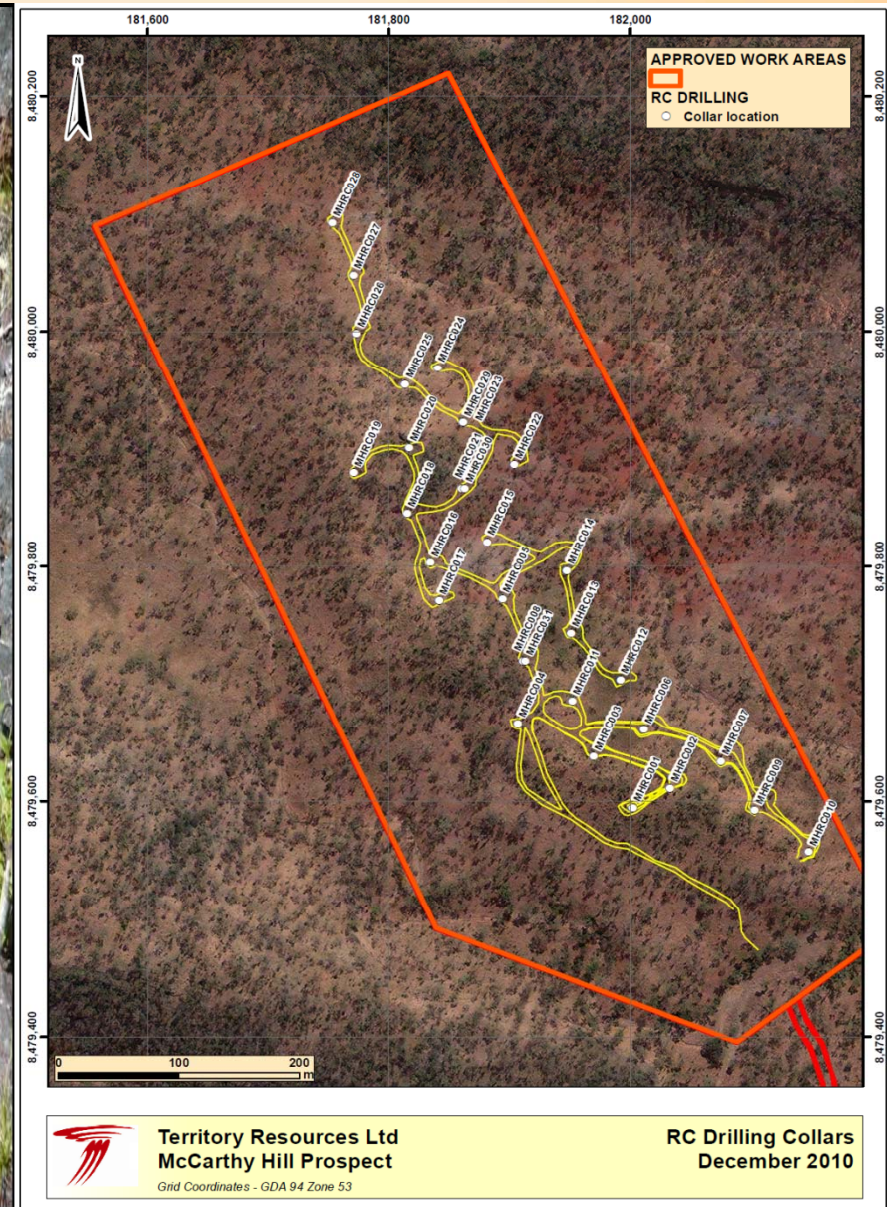


# McCarthy Hill Project – RC Drilling Program





# Resources: Exploration Strategy





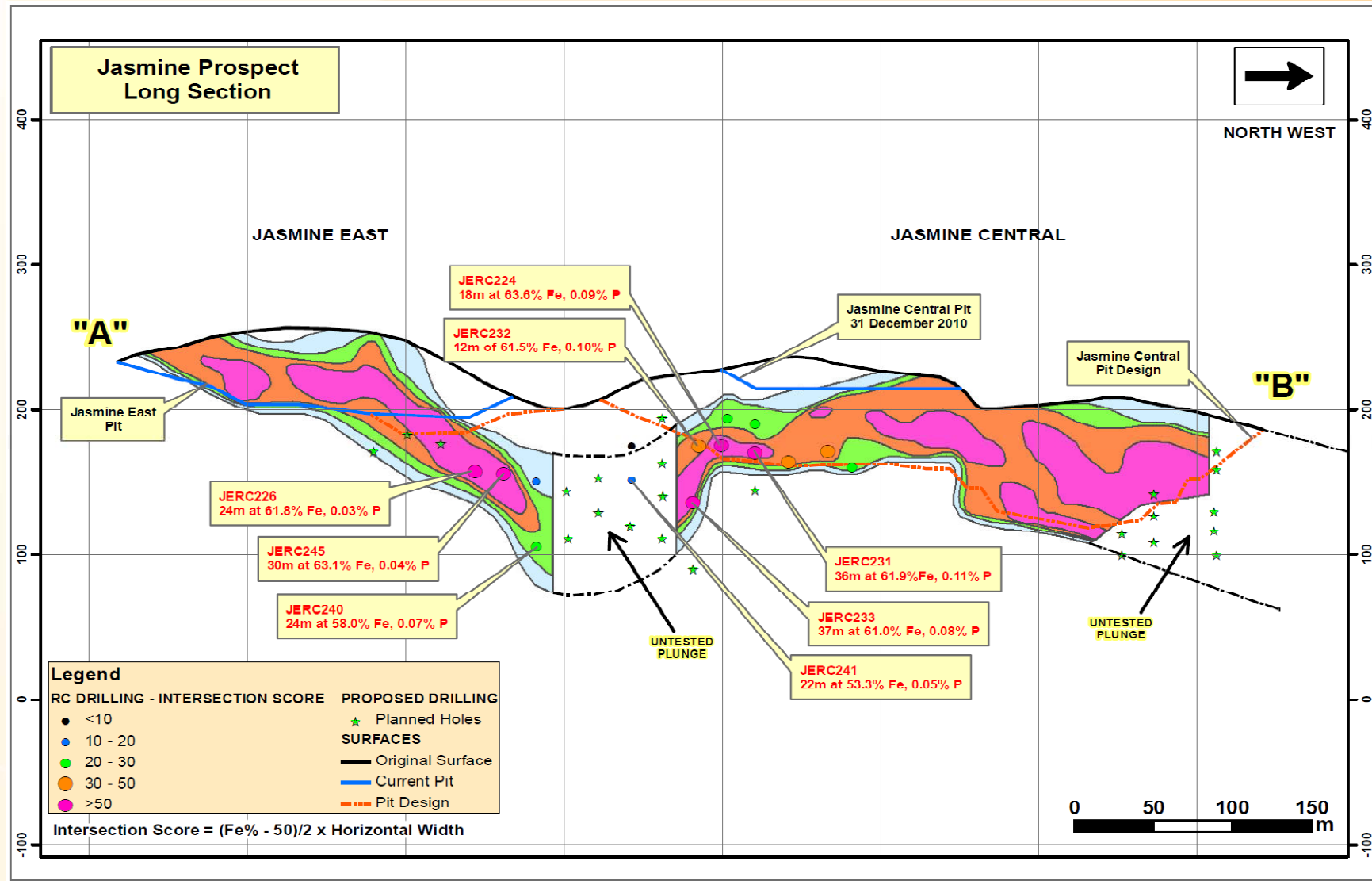
# McCarthy Hill Recent Drilling Results

Hole No.	From (m)	To (m)	Length (m)	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	LOI%
MHRC003	25	29	4	50.1	15.6	6.4	0.05	2.7
	32	34	2	50.6	15.0	5.5	0.04	2.9
MHRC005	78	80	2	51.7	15.1	4.5	0.08	2.2
MHRC006	81	83	2	52.9	9.7	4.7	0.66	2.6
MHRC008	27	31	4	55.7	11.6	4.5	0.06	1.9
MHRC011	44	46	2	58.5	12.0	2.3	0.02	0.9
MHRC012	71	74	3	54.5	11.1	4.7	0.17	2.0
MHRC013	84	86	2	53.8	10.9	5.2	0.26	2.3
	87	89	2	55.1	10.7	4.8	0.15	2.2
MHRC014	129	132*	3	52.9	12.3	4.5	0.15	2.3
MHRC018	21	23	2	55.0	10.5	5.9	0.04	2.7
MHRC021	8	14	6	60.4	7.5	3.8	0.03	1.6
MHRC022	24	26	2	55.2	14.8	3.6	0.04	1.7
MHRC030	11	16	5	58.1	10.4	3.8	0.02	1.5
MHRC031	0	2	2	58.8	9.5	4.1	0.04	1.6
	85	87	2	51.0	15.5	4.9	0.13	2.2





# Jasmine Prospect Area – Long Sectional Projection





# Jasmine Prospect Area – Long Sectional Projection





## Mine Site Resource Development Activities

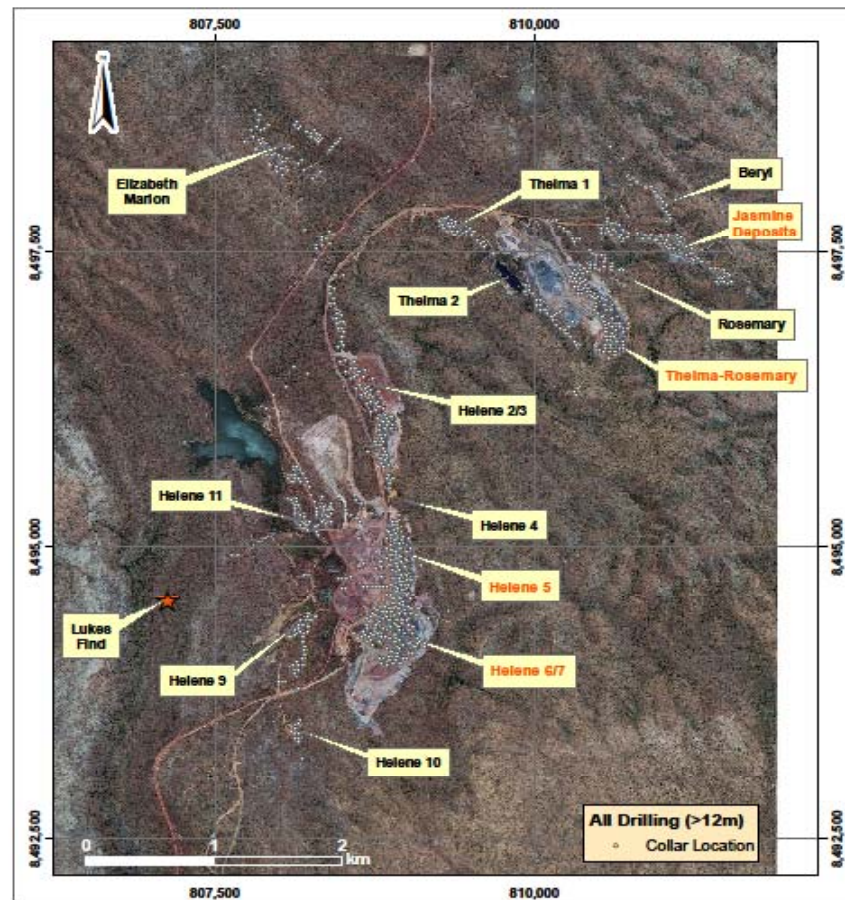
- Total of 4,875m of RC drilling and 833.2m of geotechnical and metallurgical DD completed to date
- Significant Jasmine Prospect results including:
  - 18m @ 63.6% Fe (JERC224)
  - 23m @ 62.2% Fe (JERC226)
  - 36m @ 61.9% Fe (JERC231)
  - 38m @ 60.9% Fe (JERC233)
  - 32m @ 62.7% Fe (JERC246)
- Resource Modelling, re-estimation and re-optimisation increased Mineral Resources by 19% and Ore Reserves by 68% from May to September 2010
- Resource Modelling work ongoing – Helene, Jasmine, Rosemary, Saddles etc.
- Planned RC drilling for Helene 567, Helene 4, Helene 9-11 “gap”, Beryl-Jasmine junction





# Regional Layout

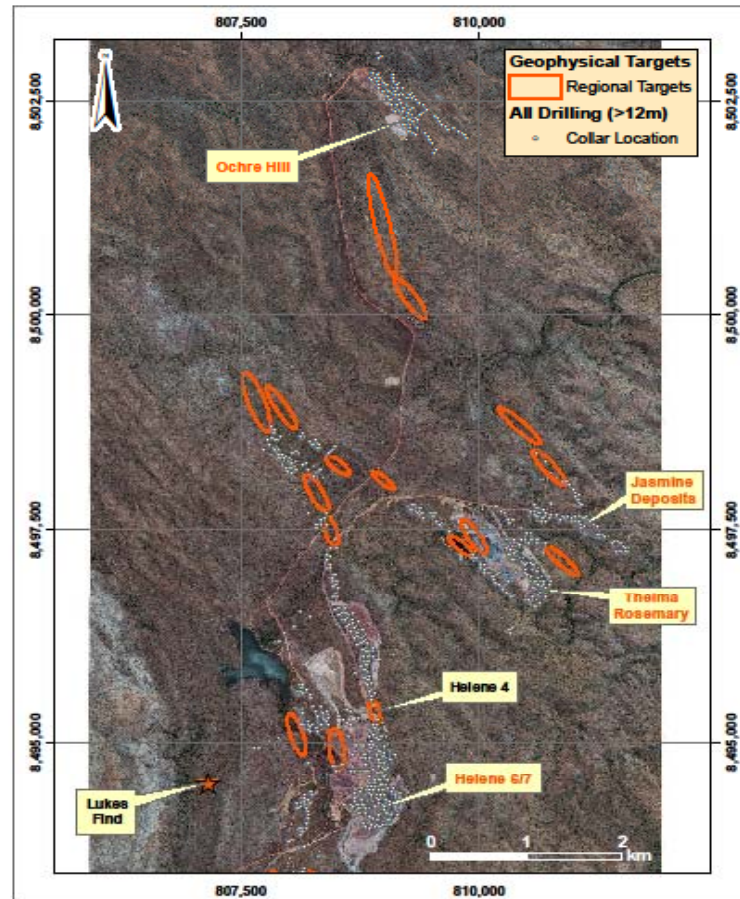
- One drill rig on site:
  - *Near-mine drilling (including Helene 4, Jasmine pits)*
  - *Regional exploration – 26 targets to North – RAB drill to test after wet*
  - *McCarthy Hill first campaign complete – evaluate & look to do another campaign*
  - *Re-look at Ochre Hill*
  - *Parallel structures*





# Regional Layout

- One drill rig on site to work throughout wet season:
  - *Near mine targets*
  - *Despite wet, this work can be undertaken now as opposed to waiting for wet season to end*







# Summary

- Noble Group increased holding by 3% in last Qtr
- Exploration (1 Rig) to continue throughout wet season, Jasmine & Helene 4
- In discussions regarding Monarch debt
- Bene Plant commissioning to be completed by January.

## 2011 Goals and Targets

- Opportunity to test Beneficiation of lower grade ore bodies to potentially extend reserves
- Continue the exploration program to at least replace ore depletion during the period
- Continue to seek new corporate opportunities using demonstrated management strengths



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*Investor Presentation  
January 2011*