

Quarterly Exploration Activities Report for the Period Ending 30 September 2009

Territory Uranium Company Limited (TUC) provides its Exploration Activities Report for the quarter ending 30 September 2009.

Significant Events During the Quarter

- **Drilling Commences at Daly River Uranium Project**
 - A program of approximately 1,100m of RC drilling in 15 holes is currently in progress at the Energy uranium prospect to test four targets zones over a +2km strike length where previously reported rock chip and soil samples have returned significant uranium results. These include a best rock chip result of 1.5 kg/t (1500ppm) U₃O₈ and three discrete zones with soil results of up to 0.3 kg/t (300ppm) U₃O₈.
- **Corporate Update**
 - In March 2009 TUC signed a letter of intent to sell a small portion of its non-core base metal and gold prospective tenement holdings to Chinese mining company, Anhui Geology & Mining Investment Ltd, for A\$600,000. The final agreement has been signed and authority to settle the deal has been given by the Foreign Investment Review Board. Settlement is expected in early November 2009.
- **Extra Government Funding Awarded for Planned Drilling at Tennant Creek**
 - TUC has been awarded an additional \$50,000 on top of its original award of \$50,000 from the Northern Territory Government's 'bringing forward discovery' initiative and 'Drilling Collaborations' program, for its planned drilling activities at its Tennant Creek Bluebush gold copper project. Territory Uranium believes this further reflects the quality of geological targeting on this prospect.
- **Improved Financial Position**
 - In the last quarter the company has raised sufficient funding (+\$2.8M) to allow it to undertake the next phase of an aggressive exploration program.
 - With additional funding expected from finalisation of the Anhui agreement (\$0.6M), funding from the NT Governments Collaborations program (\$0.2M) and expenditure from joint venture and option partners (+\$0.5M) the company is well placed to make significant inroads into exploration across its portfolio and partnerships.

Exploration Activities Report

Field exploration for the quarter focused primarily on TUC's Daly River uranium project.

RC drilling commenced at the Energy uranium prospect.

Infill and extensional geochemical sampling and ground radiometric surveys continued at the Green unconformity related uranium prospect towards further definition of drill targets.

A program of road building was undertaken across the Daly River project to allow easy access to a number of uranium prospects which will be targeted in the remainder of 2009 and throughout 2010.



TERRITORY
URANIUM

ASX Code: TUC

29 October 2009

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Exploration Activities Report (continued)

At Pine Creek, first pass geochemical and ground radiometric exploration was undertaken to follow up on a number of prospects identified in the June 2009 high resolution airborne radiometric and magnetic survey.

Other Commodities and Joint Ventures:

At the Tennant Creek Bluebush Panoramic Joint Venture (copper gold), drill pad preparation was undertaken for RC and diamond drilling planned to commence in November 2009.

DALY RIVER URANIUM PROJECT (3,615km²)

ELs 25222, 25223, EL25224, EL25228 & 25229

Figure 1 shows TUC's Daly River and Pine Creek tenement package, prospects, and recent work areas in relation to Northern Territory unconformity related uranium deposits and associated geological elements.

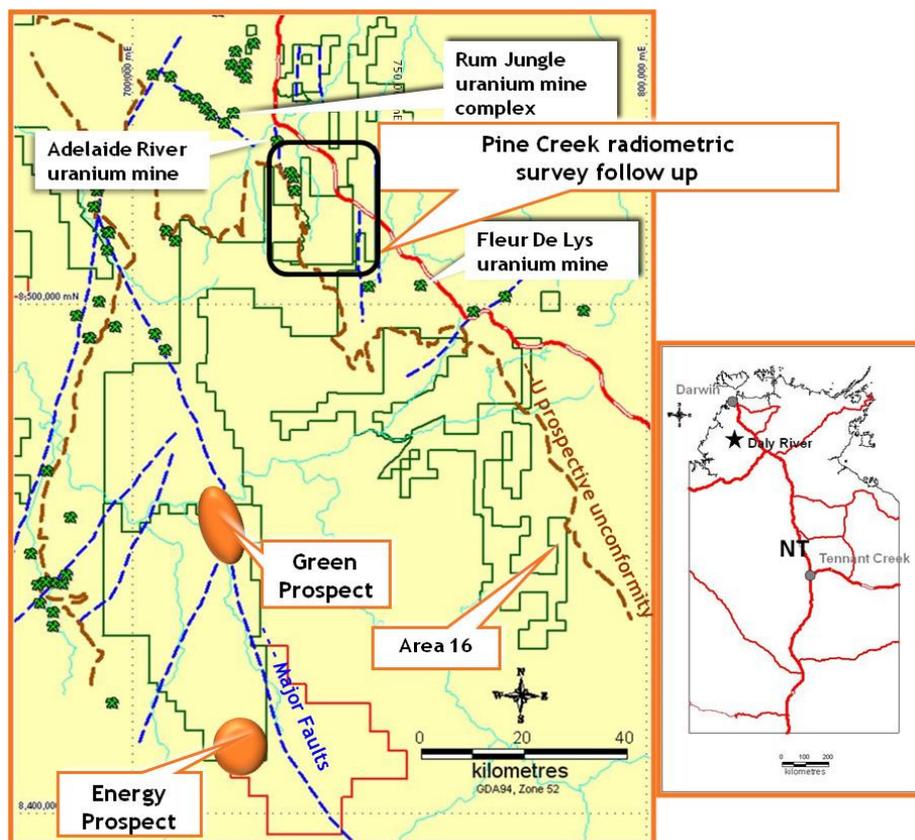


Figure 1: Territory Uranium Daly River/Pine Creek tenements and prospects discussed in this report

Energy Prospect

Approximately 1,100m of RC drilling in 15 holes is in progress to test four targets over a +2km strike length where previously reported rock chip and soil samples have returned significant uranium results. These include a best rock chip result of 1.5 kg/t (1500ppm) U₃O₈ and three discrete zones with soil results of up to 0.3 kg/t (300ppm) U₃O₈.

Mineralisation of various styles is interpreted to overlie an unconformity-type fault system. Figure 2 shows a hypothetical cross section depicting the various uranium mineralised settings being tested by the drilling programme. These settings include fault bound/vein related, stratigraphic, and roll front.

Exploration Activities Report (continued)

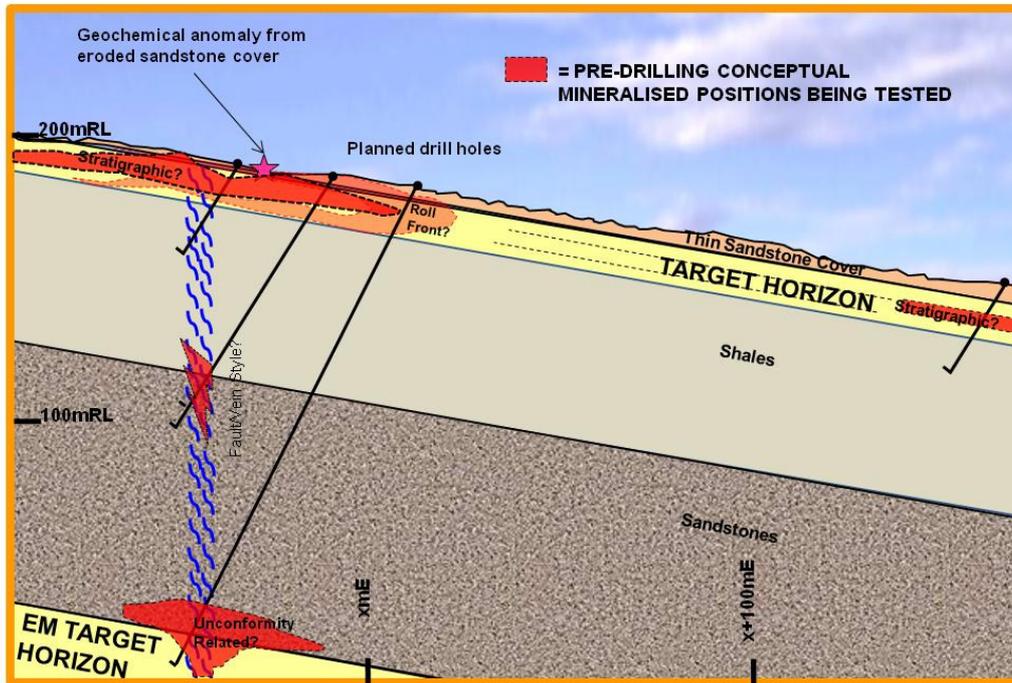


Figure 2 Theoretical mineralised positions being tested by first pass drilling at the Energy prospect. *EM Target Horizon = Electromagnetic geophysical target horizon.

Metal values (U) have been converted to oxide values (U_3O_8) using a factor of 1.179, and expressed as kg/t U_3O_8 . Note that 100 ppm U_3O_8 is equivalent to 0.1 kg/t U_3O_8 .

Green Prospect

Infill geochemical sampling and ground radiometrics continued at the Green prospect to accurately define drill targets along this 8km long uranium anomalous corridor. A total of 150 sample locations and 6 line km of ground radiometrics was completed during the period. Assay results remain pending. A 1000m drilling programme is now scheduled for 2010 and will be undertaken with the aid of a grant of \$100,000 from the Northern Territory Governments Drilling Collaborations program.

Pine Creek Radiometrics

Results of first pass rock chip sampling to follow up on radiometric anomalies delineated in the recent Pine Creek airborne radiometric survey are listed in Table 1.

Sample #	GDA94z52 N	E	Rock	U ppm
2000554	734959	8508072	Iron rich Sandstone	23
2000555	734972	8508002	Iron rich Sandstone	32
2000556	735062	8507980	Iron rich Sandstone	45.5
2000557	735059	8507984	Iron rich Sandstone	41
2000558	746700	8514694	Shale	10

*ppm = parts per million

Table 1 Pine Creek airborne radiometric survey follow up rock chip results

Exploration Activities Report (continued)

These results are located on major fault zones and in association with the uranium prospective unconformity line and rock units. Further geochemical sampling work and possibly Rotary Air Blast (RAB) /Aircore (AC) drilling is planned to follow up on some of these anomalies in the 2010 field season (March-November).

TENNANT CREEK PROJECT; EL24966 & EL24967 (868km²)

Bluebush, Iron Oxide Copper Gold style targets

Panoramic Joint Venture

EL 24966

TUC has been awarded an additional \$50,000 on top of its original award of \$50,000 from the Northern Territory Government's 'bringing forward discovery' initiative and 'Drilling Collaborations' program for its planned drilling activities at its Tennant Creek Bluebush gold copper project. Territory Uranium believes this further reflects the quality of geological targeting on this prospect.

Drill pad preparation was undertaken for RC and diamond drilling planned to commence in November 2009.

Field Work Planned For The Next Quarter

Figure 3 shows the locations of planned field based activities.

URANIUM

Daly River - Energy:

- RC drilling; completion of ~1100m program.
- Costean style sampling of exposed rock faces in drill tracks cut into hills around the Energy prospect.

Daly River - Green:

- Soil based geochemical and ground radiometric programs continue at the Green prospect with follow up drilling now not planned to commence until 2010.

Arnhem Land:

- First pass geochemical and ground scintilometer programs are planned to follow up on airborne radiometric anomalies identified in the recent Pine Creek survey.

COPPER/GOLD

Tennant Creek Panoramic Joint Venture

- RC and Diamond drilling are scheduled to commence in November 2009. A ~2000m program is planned as an initial test of some of the geophysical delineated targets.

Field Work Planned For The Next Quarter (continued)

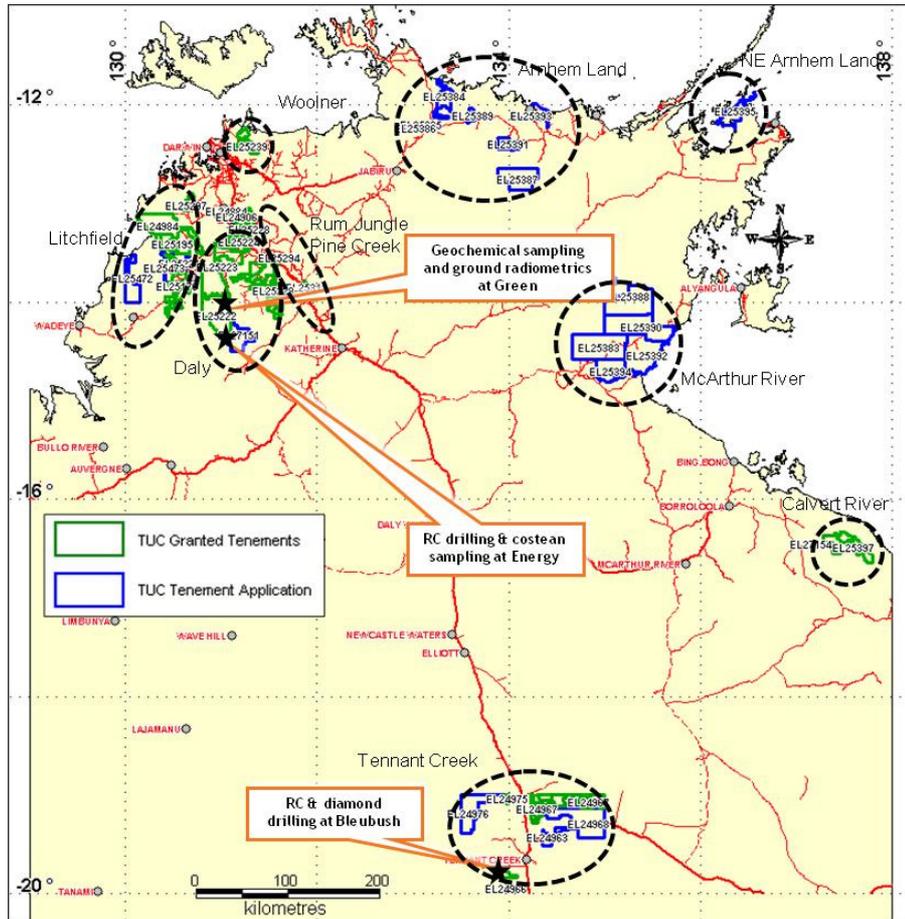


Figure 3: September-December 2009 Planned Field Exploration Activities, tenement holdings and projects

Corporate

RIO TINTO EXPLORATION LIMITED (RTX) (Bauxite)

Grant of ELA 25395 (and any derivatives) in Northeast Arnhem Land is expected in November 2009. On grant, all conditions precedent of the Rio Tinto Exploration option to explore and purchase agreement will be satisfied. Exploration is expected to commence in 2010.

SALE OF TENEMENT PACKAGE FOR A CASH CONSIDERATION TO CHINESE ORGANISATION, AUSTRALIAN MINING & GEMSTONE CO. PTY. LTD

In March 2009 TUC signed a letter of intent to sell a small portion of its non-core base metal and gold prospective tenement holdings to Chinese mining company, Anhui Geology & Mining Investment Ltd, for A\$600,000. The final agreement has been signed and authority to settle the deal has been given by the Foreign Investment Review Board. Settlement is expected in early November 2009.

Tenement Holdings

TUC has 39, 100% owned tenements in the Northern Territory (Figure 3); 19 granted and 20 applications as of October 2009. Most granted tenements are around the midpoint of a six year tenure.

Since the last reporting period, the Company has undertaken partial relinquishment of some tenements within its portfolio in line with current Northern Territory mining legislation. TUC believes that turnover of ground represents efficient assessment of potential and an increase in the quality of tenure remaining.

In the last period TUC has completely dropped its ground holdings at the Helen Springs project (EL25060,

Tenement Holdings (continued)

EL25070, & EL25082), thus directing expenditure to more deserving projects.

In mid October TUC was given grant on Calvert River Project tenement EL27154.

The project areas listed below and tenement groupings shown in Figure 3 reflect geographical and geological boundaries, some areas being prospective for more than one style of mineralisation (eg. uranium, gold and base metals).

1. Arnhem Project
2. NE Arnhem Project
3. Rum Jungle / Pine Creek Project
4. Daly River Project
5. Litchfield Project
6. Tennant Creek Project
7. McArthur River Project
8. Woolner Project
9. Calvert River Project

For more information on the individual project areas, please refer to the TUC website.

Land Access

Native Title Claimant Information Meetings

In line with our policy of engaging stakeholders at an early stage, a series of Native Title Claimant Information Meetings were held to update interested parties on our planned exploration activities for the remainder of 2009 and the 2010 field season. Meetings were held for EL's 25222, 25223, 25224, 25228 and 25229 (Daly River and Pine Creek). A Native Title Information Meeting is planned for EL24967 (Tennant Creek).

Finance

In the last quarter the company has raised sufficient funding (+\$2.8M) to allow it to undertake the next phase of an aggressive exploration program.

The September 2009 cash position of the Company is \$2.98M.

With additional funding expected from finalisation of the Anhui agreement (\$0.6M), funding from the NT Governments Collaborations program (\$0.2M) and expenditure from joint venture and option partners (+\$0.5M) the company is well placed to make significant inroads into exploration across its portfolio and partnerships. Exploration expenditure in the next quarter will be supported in part by joint venture inflows.

Capital Structure:

Share Price (TUC): \$0.155 (as at 28 October 2009)

Issued Shares: 93.8M

Market Cap: \$14.5M

For further information please contact:

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Quarterly Activities Report (continued)

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Peter Harold - Non-Executive Chairman
Ian Bamborough - Managing Director
Ronald Stanley - Non Executive Director
Peter Stanley - Non Executive Director
Michael Britton - Non Executive Director
Graeme Boden - Company Secretary

Territory Uranium holds approximately 21,500km² of prospective land package across 39 (20 under application) tenements making it one of the biggest ground holders in the Northern Territory of Australia. Although the Company has a primary focus on Uranium exploration the business holds nine consolidated project areas across several key geological and metallogenic terrains, affording it the opportunity to diversify exploration into other commodities.

The information in this report relates to exploration results compiled by Ian Bamborough, who is a Member of The Australian Institute of Geoscientists. Ian Bamborough is a fulltime employee of Territory Uranium. Ian Bamborough 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'. Ian Bamborough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.