



Territory Resources Limited

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4 January 2011

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

Dear Sir/Madam

Successful Commissioning of Beneficiation Plant

Attached is a Media Release in regard to the above.

Yours sincerely,

Patrick McCole
Company Secretary



An Australian Resources Group

Post Office Box 158, West Perth, Western Australia 6872
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A.B.N. 53 100 552 118



Media/ASX Release

4 January 2011

Successful Commissioning of Beneficiation Plant

Commissioning of the iron ore beneficiation plant at Frances Creek unlocks additional shareholder value.

Australian iron ore producer Territory Resources Limited (ASX: **TTY** – “Territory” or “the Company”) is pleased to announce that commissioning of the \$4.3 million iron ore beneficiation plant has commenced at the Frances Creek iron ore mine in the Northern Territory and is performing in accordance with the commissioning plan.

The Company has approximately 800,000 tonnes of 51% Fe scalp ore on stockpiles located near the new plant, which can be beneficiated to 60% Fe and sold as fines. The plant has a nominal feed rate of 130 tph, with a designed 55% mass recovery. At steady state operation, which is scheduled for February 2011, the plant will treat 80,000 tonnes of scalp feed to produce approximately 44,000 tonnes of high-grade fines ore every month.

The plant was designed and manufactured by Consulmet in South Africa, with project management of the plant construction being undertaken by Territory staff. The construction of the plant has proceeded on budget and with a high degree of safety compliance throughout the construction phase.

At this early stage, the plant has been successfully operating at a steady state of 80 - 100 tph and this will be gradually increased to the name-plate rate of 130 tph in coming weeks. The plant consists of a prep-screen section, dense media separation and spiral gravity separation.

Managing Director of Territory Resources, Mr Andy Haslam, said that “the commissioning of the beneficiation plant unlocks considerable value in the current environment of high iron ore prices.”

“This plant will also give us the opportunity to trial the beneficiation of low grade resources at Frances Creek which could extend our mine life well beyond the current delineated reserves. While Frances Creek is recognised as a small, but high grade producer, the addition of the beneficiation plant opens up a raft of new blending opportunities for the project, whilst generating a new source of cashflow.”

- ENDS -

Released by:
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On behalf of:
Andy Haslam
Managing Director
Territory Resources Ltd
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Competent Person's Statement

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.

Forward-Looking Statements

This release may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks,



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uncertainties and other factors, many of which are outside the control of Territory Resources Limited, that could cause actual results to differ materially from such statements. Territory Resources Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

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 above relating to the exploration targets for the Frances Creek Iron Ore Project 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 exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.



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