



Territory Resources Limited

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27 April 2009

Manager Announcements
Company Announcements Office
ASX Limited
Level 4
20 Bridge Street
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Dear Sir/Madam

Exploration Update – Frances Creek Iron Ore Mine

Attached is a Media Release in regard to the above.

Yours sincerely,

Patrick McCole
Company Secretary



An Australian Resources Group

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Media/ASX Release

27 April 2009

Exploration Update – Frances Creek Iron Ore Mine

Drilling Confirms Extensions to Flagship Helene 6/7 Deposit

Territory Resources Limited (ASX: TTY – “Territory” or “the Company”) is pleased to report highly encouraging results from ongoing drilling programs at its 100%-owned **Frances Creek Iron Ore Mine** in the Northern Territory (see Fig. 1).

The Company has made excellent progress with its 2009 Reverse Circulation drilling campaign following up on mineralisation identified below the current resource model at the flagship **Helene 6/7 deposit** – one of two adjacent operating mining areas at Frances Creek (see Fig. 2).

A total of 53 holes for 4064 metres have been completed so far this year, with excellent results confirming extensions to the previously announced intersections at depth (see Fig. 3). Examples of some of the better intersections include (see Table 1 attached for a full list of intersections):

- **47m @ 64.98% Fe** from 30m
- **45m @ 66.06% Fe** from 39m
- **33m @ 64.19% Fe** from 23m
- **29m @ 62.9% Fe** from 97m

Drilling is continuing in and around the high-grade Helene 6/7 pit and on the highly prospective ground between the adjacent Helene 5 deposit (the other operating open pit at Frances Creek) and Helene 6/7.

A new geological interpretation for the high-grade, low phosphorous Helene 6/7 ore body identified specific target areas with the potential to host mineralisation. Drill testing of these targets has confirmed the new model with multiple high grade ore intersections.

The latest drilling results indicate that the deeper mineralisation in Helene 6/7 is continuous with deeper mineralisation in Helene 5, over a previously poorly tested strike extent of some 180 metres. A smaller ore body in a hanging wall position has now been shown to extend under the existing western ramp at relatively shallow depth. It is considered likely that mine planning will enable this to be extracted via a low-strip side-extension off the current pit design.

The results to date are being included in a new geological interpretation that will be used to generate a new resource model for the Frances Creek Project. At the same time, further drilling has been planned. A new track-mounted Reverse Circulation drilling rig with significantly higher depth capacity and penetration rates will soon be on site to complete this drilling and allow a complete assessment to be made.

The full drill results presented in Table 1 (attached) show the high value of this mineralisation as a potential ore source, since it provides high grade iron mineralisation with low-phosphorous content within close proximity to the crusher for blending with medium to high grade material from the other satellite pits within the Frances Creek mining operation. The new structural interpretation for Helene 6/7 is also generating further untested targets for assessment as part of the Company's ongoing exploration program.

Territory's Managing Director, Andy Haslam, said: “These results are very encouraging and build further on our successful 2008 exploration program. Our exploration team has achieved an important breakthrough by confirming that the high-grade, high-value Helene 6/7 ore body extends at depth. This is strategically important for the operation as it opens up the range of blending options with lower grade satellite deposits, which will assist in extending our mine life.”





- ENDS -

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On behalf of:
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Competent Person’s Statement

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



Fig.1 – Frances Creek Iron Ore Mine Location

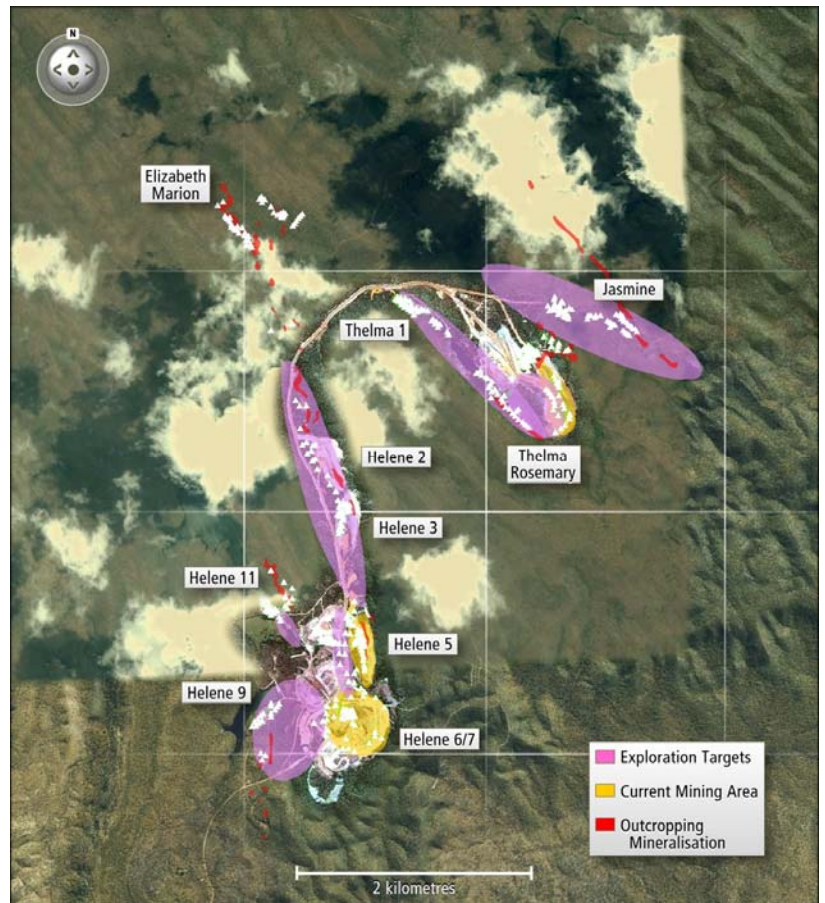
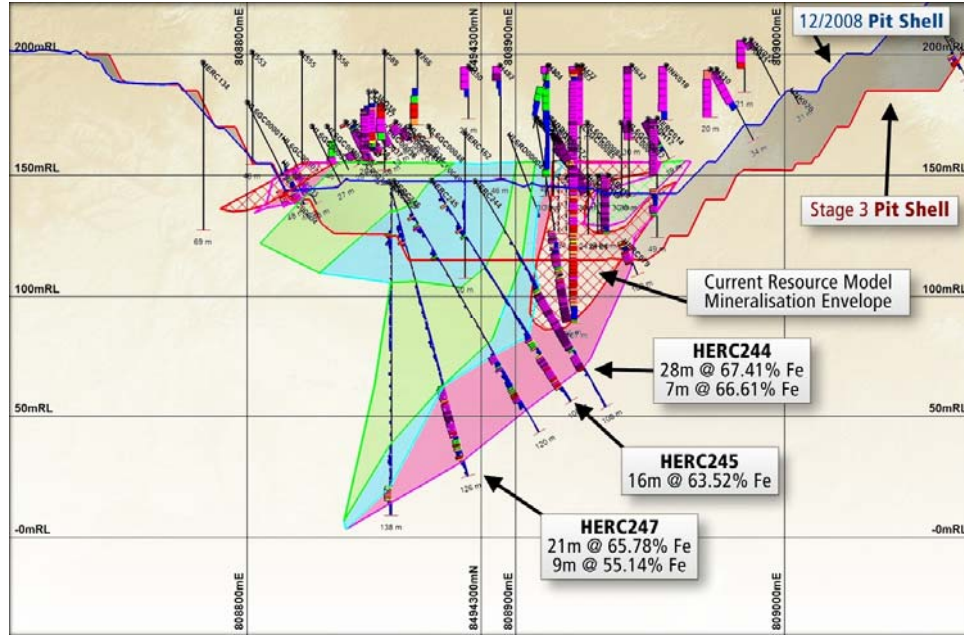


Fig. 2 – Current Mining Areas and Exploration Targets





Fig 3 – Helene 6/7 Cross Section Showing Previously Announced Drilling Intersections



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Hole	East	North	RL	From	To	Interval	TVT	% Fe	% P	Al ₂ O ₃	SiO ₂	LOI
HERC248	8494318	808854	147	126	132	6m @ 58.62 %	3m	58.62	0.13	3.72	7.39	1.53
HERC253	8494400	809005	207	54	69	15m @ 62.35 %	6m	62.35	0.03	1.91	6.58	2.09
HERC255	8494420	809029	207	17	24	7m @ 63.28 %	5m	63.28	0.05	2.51	5.07	1.35
HERC256	8494420	809019	207	40	66	26m @ 61.40 %	20m	61.4	0.06	3.03	6.95	1.56
HERC257	8494439	809023	207	19	26	7m @ 62.92 %	5m	62.92	0.05	2.53	5.59	1.17
HERC259	8494440	808999	207	56	92	36m @ 65.25 %	211	65.25	0.03	1.35	4.24	0.61
HERC260	8494420	809009	207	30	77	47m @ 64.98 %	34m	64.98	0.03	1.31	4.81	0.68
HERC261	8494419	808999	207	39	84	45m @ 66.06 %	20m	66.06	0.02	1.38	3.3	0.6
HERC264	8494240	808770	177	23	56	33m @ 64.19 %	21m	64.19	0.06	2.61	3.63	1.14
HERC265	8494257	808760	178	33	69	36m @ 58.21 %	23m	58.21	0.11	5.22	7.18	1.99
HERC268	8494240	808868	155	65	77	12m @ 63.07 %	12m	63.07	0.03	2.61	5.53	1.43
HERC280	8494463	809016	214	6	12	6m @ 62.53 %	6m	62.53	0.06	2.82	5.67	1.34
HERC281	8494469	809007	213	16	23	7m @ 62.30 %	7m	62.3	0.06	2.85	5.67	1.23
HERC282	8494480	808976	212	61	69	8m @ 61.01 %	5m	61.01	0.06	2.85	8.08	1
HERC286	8494228	808783	174	21	34	13m @ 55.83 %	9m	55.83	0.08	6.84	9.19	2.01
HERC286	8494228	808783	174	40	52	12m @ 60.63 %	8m	60.63	0.11	4.55	6.08	1.68
HERC287	8494296	808764	180	54	60	6m @ 60.18 %	6m	60.18	0.09	4.8	6.16	1.59
HERC291	8494220	808896	158	45	55	10m @ 65.90 %	10m	65.9	0.03	0.91	3.69	0.76
HERC298	8494495	808987	211	103	126	23m @ 61.91 %	18m	61.91	0.08	2.66	4.67	1.58
HERC300	8494501	808954	211	68	91	23m @ 64.03 %	23m	64.03	0.11	1.97	4.08	0.94
HERC300	8494501	808954	211	97	126	29m @ 62.91 %	29m	62.91	0.06	2.59	4.43	1.31
HERC303	8494478	808911	201	103	113	10m @ 61.10 %	7m	61.1	0.05	2.98	7	1.12
HERC305	8494234	808730	201	6	15	9m @ 63.25 %	8m	63.25	0.11	3	4.15	1.24
HERC306	8494235	808718	201	0	8	8m @ 63.85 %	7m	63.85	0.1	2.72	3.56	1.19
HERC307	8494239	808708	200	6	13	7m @ 63.26 %	6m	63.26	0.08	2.88	4.2	1.24
HERC308	8494246	808704	200	7	20	13m @ 62.96 %	6m	62.96	0.05	3.15	4.2	1.29
HERC309	8494344	808872	139	129	136	7m @ 60.79 %	3m	60.79	0.16	2.8	3.93	2.85
HERC310	8494240	808718	201	15	32	17m @ 64.47 %	15m	64.47	0.09	2.85	3.32	1.11
HERC310	8494240	808718	201	79	108	29m @ 60.16 %	29m	60.16	0.23	2.67	4.76	2.11

Table 1 – Helene 6/7 extensional drilling for newly identified mineralisation with a cut off at Fe > 55%. TVT refers to true vertical thickness, calculated using actual geological geometries.



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