



Territory Resources Limited

23 Ventnor Avenue,
West Perth WA 6005
Telephone: +61 8 9483 5100
Facsimile : +61 8 9483 5111

14 June 2011

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

Dear Sir/Madam

Issue of Unlisted Performance Rights

Attached is an Appendix 3B detailing the issue of 933,770 unlisted performance rights issued pursuant to the terms of the Territory Resources Limited Performance Rights Plan.

Yours sincerely

Patrick McCole
Company Secretary



An Australian Resources Group

Post Office Box 158, West Perth, Western Australia 6872
admin@territoryresources.com.au www.territoryresources.com.au
A.B.N. 53 100 552 118

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

TERRITORY RESOURCES LIMITED

ABN

53 100 552 118

We (the entity) give ASX the following information.

1.1 Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | |
|--|---|
| 1 +Class of +securities issued or to be issued | Performance rights under the Performance Share Rights Plan approved by the Board of Territory Resources Limited (Company) on 28 April 2010 and by shareholders on 13 October 2010. |
| 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued | 933,770 Performance Rights with an expiry date of 12 June 2018. |
| 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | See Annexure A attached. |

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No.</p> <p>Prior to vesting, the Performance Rights do not carry a right to vote, to receive dividends or generally to participate in other corporate actions.</p> <p>Once the Performance Rights have been exercised, the shares will rank equally in all respects with existing fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Performance Rights are issued under the Performance Share Rights Plan approved by the Board of the Company on 28 April 2010 and the shareholders of the Company on 13 October 2010. This is a deferred tax incentive plan which applies to employees of the Company.</p>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>14 June 2011</p>

8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		265,121,141	Fully paid ordinary shares

9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		1,759,224	<u>Performance Rights</u> Performance Rights with an expiry date of 30 June 2016
		647,234	Performance Rights with an expiry date of 30 June 2017.
		933,770	Performance Rights with an expiry date of 12 June 2018.
		833,000	<u>Options</u> Exercisable at \$1.00 each with an expiry date of 21 December 2011.
	1,250,000	Exercisable at \$1.50 each with an expiry date of 21 December 2012.	

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
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12	Is the issue renounceable or non-renounceable?	N/A
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13	Ratio in which the +securities will be offered	N/A
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14	+Class of +securities to which the offer relates	N/A
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15	+Record date to determine entitlements	N/A
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

30	How do *security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do *security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	*Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the *securities are *equity securities, the names of the 20 largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders

36 If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional *securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

N/A

39 Class of +securities for which quotation is sought

N/A

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	N/A	N/A

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: **Patrick McCole**
(Company secretary)

Date: 14 June 2011

Print name: Patrick McCole

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Annexure "A"

The principal terms of the Performance Rights are as follows:

1. Each vested Performance Right shall confer the right to be issued one fully paid ordinary share in the Company.
2. The maximum number of Performance Rights which are capable of conversion into shares (if the Performance Conditions below are met) is 933,770.
3. Performance Rights carry rights to receive shares in the Company if the Board determines that the following Performance Conditions have been met:
 - (a) Tranche 1 – 50% of the Performance Rights will vest upon the longer of:
 - (i) three years of service by the holder; and
 - (ii) The board of the Company, in its absolute discretion determining as of 30 June 2013 that the mine life of the Company's Frances Creek iron ore project has increased by a total of one year for each year of operation throughout 1 July 2010 to 30 June 2013 ("**Vesting Period**"); or the Company's reserves have increased on an equivalent basis to that set out above by way of a merger, or acquisition by the Company of another company or project. This can be achieved at any time over the Vesting Period and the failure to achieve the targeted increase in any one year prior to the completion of the Vesting Period will not result in any forfeiture of Performance Rights at that time.
 - (b) Tranche 2 – 50% of the Performance Rights will vest upon the achievement of "Total Shareholder Return" greater than 15% per annum over the period from 1 July 2010 to 30 June 2013, provided the holder served the Company for at least three years.
4. A holder of the Performance Rights must still be employed by the Company on 30 June 2013 in order for such Performance Rights to vest.
5. The exercise of any vested Performance Rights into shares will occur automatically.
6. No amount is payable on the conversion of Performance Rights.
7. The last possible vesting date for Performance Rights is 5.00 pm Perth time on the date 7 years after the date of grant of the Performance Rights, upon which all Performance Rights will lapse.