

**17 June 2005**

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Australian Stock Exchange Limited  
Company Announcements  
Level 10, 20 Bond Street  
Sydney NSW 2000

**Territory Iron – June 16 2005 Press Release**

Please find enclosed a press release dated 17 June 2005

Yours faithfully,

A handwritten signature in blue ink, appearing to read "D. STA." with a period at the end.

Doug Stewart  
Managing Director  
Territory Iron Ltd

**MEDIA RELEASE  
17 JUNE 2005****EXPLORATION DRILLING COMMENCED AT FRANCES CREEK IRON  
ORE PROJECT**

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Territory Iron Limited (ASX: TFE) is pleased to announce that a comprehensive RC/RAB drilling programme for the 2005 field season has commenced at its Frances Creek Project in the Northern Territory.

Two drill rigs arrived on site on 11 June and have commenced RC drilling of the Helene 5 and Ochre Hill prospects where a total of 1,100,000 inferred resource tonnes of iron mineralisation was outlined from drilling in 2004. A total of 19 holes for 900 metres have been drilled to date.

Assays from this work are not yet available. Based on visual estimates from drill logging, results are highly encouraging and indicate that significant iron mineralisation is present at both deposits.

Dewatering of the flooded Helene 6/7 pit commenced on 9 June and is progressing well. This work is scheduled to be completed in early July and will enable access for confirmatory drilling of the 1,000,000 tonnes inferred resource of higher grade mineralisation estimated to occur below the old pit floor.

Other preparatory work comprising access and drill pad establishment is also well advanced for all major prospect areas and is on schedule.

**Released for and on behalf of Territory Iron Limited.**

**For Further Information, Please contact Mr Doug Stewart on (08) 9483 5100**