



# Territory Resources Limited

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3 October 2007

Australian Securities Exchange Limited  
Company Announcements  
Level 10, 20 Bond Street  
SYDNEY NSW 2000

Dear Sir / Madam

## **Territory investment in Matilda Minerals**

Attached is a media release relating to Territory's investment in Matilda Minerals Limited

Yours faithfully

Peter Ruttledge  
Company Secretary

**An Australian Resources Group**

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**MEDIA RELEASE**

**3 OCTOBER 2007**

## **TERRITORY WALTZES IN TO MATILDA**

Australian resources group Territory Resources (ASX:TTY) is pleased to announce the company has invested in the growth of mid tier mineral sands producer, Matilda Minerals (ASX:MAL).

Territory has completed a \$2.75 million investment via a placement of 5 million shares at 55 cents, a 7.35% premium to the 10 day VWAP. Territory's current shareholding in Matilda totals 8.6% and Territory Chairman Michael Kiernan has been a Non-Executive Board Member since December 2006.

The money raised will be used as working capital to kick start a drilling and exploration program at the highly prospective Cape York Peninsula mineral sands development in far north western Queensland. Matilda has successfully negotiated with the traditional owners to commence exploration for heavy minerals at Cape York, an area previously having limited exploration in the 1960's.

Territory Resources Chairman Michael Kiernan said the investment in Matilda was a strategic move to access a very simple mining operation with low capital costs.

"Matilda Minerals has been the quiet achiever in the top end of Australia investing \$5 million towards successfully establishing the high grade zircon and rutile rich minerals sands mine on the Tiwi Islands north of Darwin," Mr Kiernan said.

"With production generating cash flow at the Tiwi Islands operation, Territory saw an opportunity to invest in a solid business with a significant upside for shareholders

"A major focus for Matilda moving forward will be the exploration and development of the company's Cape York operations. An exploration program is on track to commence at Cape York immediately following the granting of an EPM permitting exploration which is imminent."

Zircon is in high demand in China and throughout the world. It is an important ingredient in high grade ceramics, refractories and has a high temperature resistor. The product is extensively used in ceramic tiles to give whiteness and durability.

"The Northern Territory is the gateway to Asia. It is the closest Australian mainland port to major markets such as China, and offers major freight and logistics advantages," Mr Kiernan said.

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**An Australian Resources Group**



## About Matilda Minerals

Matilda Minerals is focused on developing high-value zircon and rutile-rich mineral sands deposits on its flagship Tiwi Islands project.

Low capital and operating costs distinguish Matilda from traditional mineral sands companies where lower-priced ilmenite is the primary product.

Its Tiwi Islands mineral sands project is situated on Bathurst and Melville (Tiwi) Islands north of Darwin, Northern Territory, and is in full production for the next four years on the Andranangoo project on Melville Island.

Increased worldwide demand for zircon has led to the price exceeding US\$800 per tonne.

Matilda has compiled an impressive portfolio of exploration tenements that covers the highly prospective far north Queensland region on the west of Cape York including Urquhart Point and more recently, Mapoon.

Matilda also has other projects in Western Australia at Pender Bay (north of Broome), Anson Bay (north Western Australia) and Carnarvon.

## About Territory Resources

Territory Resources (ASX:TTY), an independent Australian resources group, has a clear strategy to develop into a diversified carbon steel materials producer.

The Company is in production at the 100% owned 1.5 mtpa Frances Creek haematite iron ore project located north of the regional town of Pine Creek on the Stuart Highway, 190 km south of Darwin with the existing Alice Springs to Darwin rail line running within 15 kms of the project.

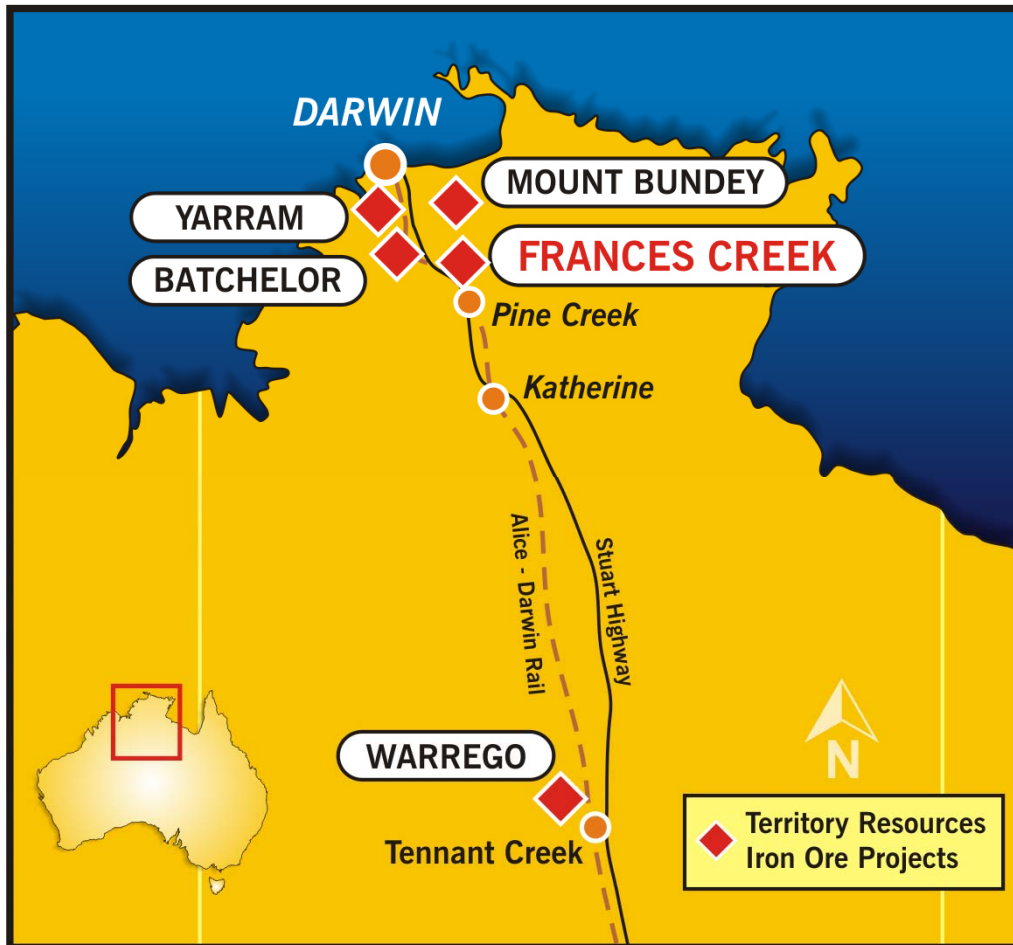
A significant re-rating of the company has occurred in the last quarter as production commenced at the Frances Creek operation in June 2007 and Territory shipped its first high grade ore in September 2007 to China.

Marketing of Territory's ore will be undertaken by the Hong Kong based Noble Group Limited via a life-of-mine marketing agreement. Crawley Resources Limited (Noble Group Limited 70% and local mining identity Michael Kiernan 30%) owns 30.0% of Territory. **Visit:**  
[www.territoryresources.com.au](http://www.territoryresources.com.au)



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