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27 April 2005

**No of Pages: 2**

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

**Territory Iron – March 2005 Press Release**

Please find enclosed a Press Release dated 27 April 2005

A handwritten signature in blue ink, appearing to read "D. Stewart".

Doug Stewart  
Managing Director

**MEDIA RELEASE**

**TERRITORY IRON DRILLING TO START**

**RECENTLY** listed Territory Iron Limited (“Territory Iron” or the “Company”) is scheduled to start an intensive drilling campaign focussing on its Frances Creek tenements in late May.

The Company has budgeted in the upcoming field season approximately \$3.8 million of the \$10 million it raised in its initial public offering.

The Company’s managing director, Mr Doug Stewart, said Territory was targeting sufficient Measured and Indicated Resource tonnage of high grade (plus 60% Fe) iron to enable a production decision to be made.

“Frances Creek currently has a JORC standard Inferred Resource of 3.4 million tonnes at 61.5% Fe” said Mr Stewart. “Our strategy is to focus on outlining sufficient Measured and Indicated resource at Frances Creek by year end to justify a decision to mine. At the same time we will be drilling along the very considerable strike length of prospective host rock to test some of the 50 known occurrences on the tenements.”

The main focus of work at Frances Creek will be to convert Inferred Resources to Indicated and Measured and to explore for additional Resource tonnes. Territory Iron identified about one million tonnes of iron mineralisation at 63.4% Fe in the Helene 6/7 deposit last year.

This is the first stage in preparing for the revival of the mine which closed in 1974 after Cyclone Tracy damaged the railway and associated infrastructure.

Mr Stewart said a combination of high iron ore prices, construction of the new Alice Springs to Darwin railway and plans for the new loading facilities at Darwin had significantly improved project economics for Frances Creek.

The Company also plans to undertake a study on its Warrego tailings project near Tennant Creek which contains iron in the form of magnetite fines and to continue work on its Rum Jungle and Mt Bundy projects, which are also located in the Northern Territory.

Since listing on the Australian Stock Exchange Limited on 11 March 2005, the Company has established new offices in West Perth, appointed its management and operating team and secured two drilling rigs to start an intensive drilling campaign towards the end of May 2005.

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

**For further information, please contact Mr Doug Stewart on (08) 9483 5102.**