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Ref: Approval to be sought for issue of options to directors

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

Shareholder approval to be sought for the issue of unlisted options to directors

The Board of Territory Iron has resolved to seek shareholder approval for the issue of a total of 2 million unlisted options to directors.

Approval is to be sought for the issue of 500,000 options to the non-executive chairman and 250,000 options each to the three non-executive directors as an equity-based component of their remuneration. The proposed options, each to acquire one ordinary share in the company at an exercise price of 40.15 cents, will have a term of three years from the date of issue and 50% will vest 12 months from the date of issue and the balance 12 months later.

As a result of the recent annual review of the Managing Director's remuneration package, approval is also to be sought for the issue of a total of 750,000 options to the Managing Director. It is proposed that the options, each to acquire one ordinary share in the company, will be issued in three equal tranches of 250,000 options, exercisable at 40.15 cents, 50 cents and 60 cents per share respectively. Each tranche will have a term of three years from date of issue and 50% will vest 12 months from the date of issue and the balance 12 months later.

It is anticipated that a notice of meeting and explanatory memorandum will be despatched to shareholders shortly convening a meeting of shareholders in April to consider the approval of the above proposed options issue.

Peter Rutledge
Company Secretary
Territory Iron Limited