

Ref: *Tenements and Infrastruct 15 Mar 06*

15 March 2006

No of Pages: 2

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

Re: **Territory Iron Update – Infrastructure and Tenements**

Please find enclosed an announcement providing an update on Territory Iron's Frances Creek iron ore project in the Northern Territory.

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

Doug Stewart
Managing Director

**Additional Tenements
and
NT Government funding of Infrastructure**

NT Government contributes to Infrastructure

Territory Iron is pleased to announce that the NT Government, through the Darwin Port Corporation, has agreed to fund the construction of conveyors within the stockpile area at the Port. The amount of funding will be capped at \$2.86 million. The funding will subsequently be recovered through a \$1.00 per tonne levy upon commencement of shipping. The conveyors are in addition to the train bottom dump and bulk loader facilities already being provided by the Corporation.

Territory Iron is currently well funded to continue aggressive exploration this year with a total of \$2.6 million budgeted at Frances Creek to increase known Resources and Reserves. This will add to the mine life of the future mining operation.

Earning majority interest in tenements

Territory Iron has earned a 51% interest in Exploration Licence 23824 held by Softwood Plantations Pty Ltd following \$250,000 of exploration expenditure incurred by Territory Iron in 2005 on the tenement. As a result of exploration carried out last year within EL23824, Territory Iron has defined a JORC-compliant Inferred Resource of 1.03 million tonnes at an average grade of 63% calcined Fe+Mn at the Millers prospect. Under the JV Agreement with Softwood, Territory Iron can on fulfilling certain other conditions further increase its equity to a total of 75% of areas designated for mining within the tenement.

Additional tenements secured for exploration.

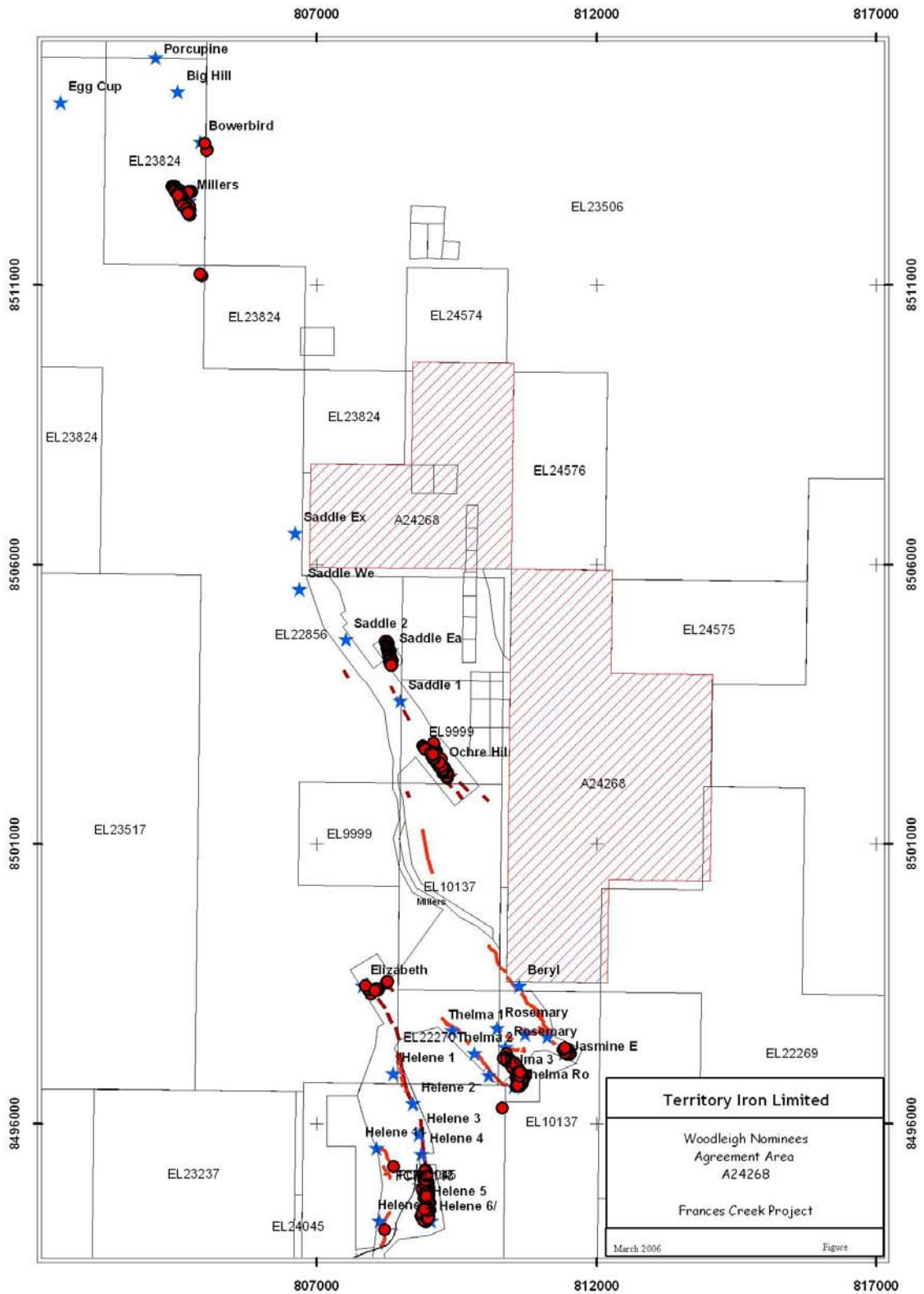
In addition Territory Iron has signed an agreement with Woodleigh Nominees under which Territory Iron has the exclusive right to explore and mine iron ore from tenement A242628. The tenement is some 30 square kilometres in size and abuts Territory Iron ground. It contains the iron ore prospective Wildman Formation rocks that extend south east from the proposed Ochre Hill mine site as well as the southern half of the Saddle Extended deposit which is known to host sizeable tonnages of iron mineralisation.

A map of the tenements is attached.



Doug Stewart
Managing Director

Map showing location of Tenement A24268



Territory Iron is an emerging iron ore producer which listed on the ASX in March 2005. The company has drilled part of the previously mined Frances Creek iron ore mine in the Northern Territory. Since the drilling, feasibility studies have indicated that the project is economic based on advantages which include local infrastructure, bulk handling facilities presently being constructed at the port of Darwin, and a well priced iron ore market.