

TERRITORY URANIUM GRANTS OPTION OVER PROSPECTIVE BAUXITE TENEMENT

Territory Uranium Company Limited (TUC) is pleased to advise that it has signed a binding letter agreement with Rio Tinto Exploration Pty Limited (RTX) granting RTX the exclusive right to explore and, at RTX's election, the option to acquire ELA 25395, covering the north eastern tip of Arnhem Land (NT).

- ✿ RTX will fund all expenditure associated with the tenement for up to 2 years, with an option to extend for a further 2 years.
- ✿ Acquisition will be by way of a cash payment to exercise the option at the election of RTX.

TUC has signed a letter agreement with RTX, a wholly owned subsidiary of Rio Tinto Limited (RIO).

Under the agreement, TUC grants RTX the exclusive option to acquire ELA 25395, known as Jandapa Hill. The tenement is located on the north eastern tip of Arnhem Land and is thought to be prospective for bauxite.

The detailed terms of the agreement are subject to commercial confidentiality, but general provisions are:

- The option is subject to ELA 25395 being granted with traditional owners making an acceptable portion of the area available for exploration under an exploration agreement negotiated to RTX's satisfaction.
- RTX will hold an exclusive right to explore and option to purchase for an initial two years from satisfaction of the conditions precedent.
- RTX may extend the exclusive right to explore and its option to purchase for a further two years.
- RTX will pay a modest cash fee for each option period and will fund all expenditure associated with the tenement until its withdrawal or exercise of the option.
- RTX may withdraw at any time during prior to the expiry of the first two periods.
- RTX may acquire the tenement at any time within the option periods by the payment of a cash sum, with a further payment due upon the commencement of any commercial production of minerals from the tenement.

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Territory Uranium holds approximately 25,230km² of prospective land package across 42 (21 under application) tenements making it one of the biggest ground holders in the Northern Territory of Australia. Although the Company has a primary focus on Uranium exploration, the business currently holds nine consolidated project areas across several key geological and metallogenic terrains, affording it the opportunity to diversify exploration into base metals, gold and phosphate.