

Panoramic Resources and Territory Uranium: Bluebush Copper-Gold Joint Venture



TERRITORY
URANIUM

ASX Code: TUC

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ASX Announcement

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Territory Uranium Company Limited (TUC) is pleased to advise that it has signed a letter agreement with Panoramic Resources Limited (ASX: PAN) granting PAN the right to earn equity in TUC's Bluebush copper-gold Project at Tennant Creek by funding drilling based exploration.

- * PAN can earn up to 51% by spending \$3M on direct exploration costs within three years with a minimum direct exploration expenditure commitment of \$0.5M within one year.
- * PAN can earn up to 80% within seven years by spending up to \$9M or by completion of a pre-feasibility study, subject to TUC's right to elect to participate at the conclusion of each earn-in stage.
- * TUC will manage the project until PAN has earned 51% equity and will maintain the right to participate financially after PAN has earned 60% and 80% or dilute pro-rata down to a final Net Smelter Return (NSR) Royalty.
- * TUC is also pleased to announce that exploration will be aided by a recently awarded grant of \$50,000 through the Northern Territory Government's 'Bringing Forward Discovery' initiative and 'Drilling Collaborations' program (See TUC ASX Announcement dated 11/06/09).

TUC has signed a binding letter agreement (subject to a 30 day due diligence period) with Panoramic Resources Limited (PAN) to enter into a joint venture agreement on TUC's Bluebush gold-copper project on the EL24966 lease at Tennant Creek in the Northern Territory. The project is located between the Tennant Creek mineral field and the Rover mineral field (Figure 1) where recent exploration success has provided renewed interest in an area which has historically produced ~5.5Moz of gold and ~0.47Mt of copper. PAN can also elect within the 30 day due diligence period to include another TUC Tennant Creek area tenement, EL 24967, into the Joint Venture.

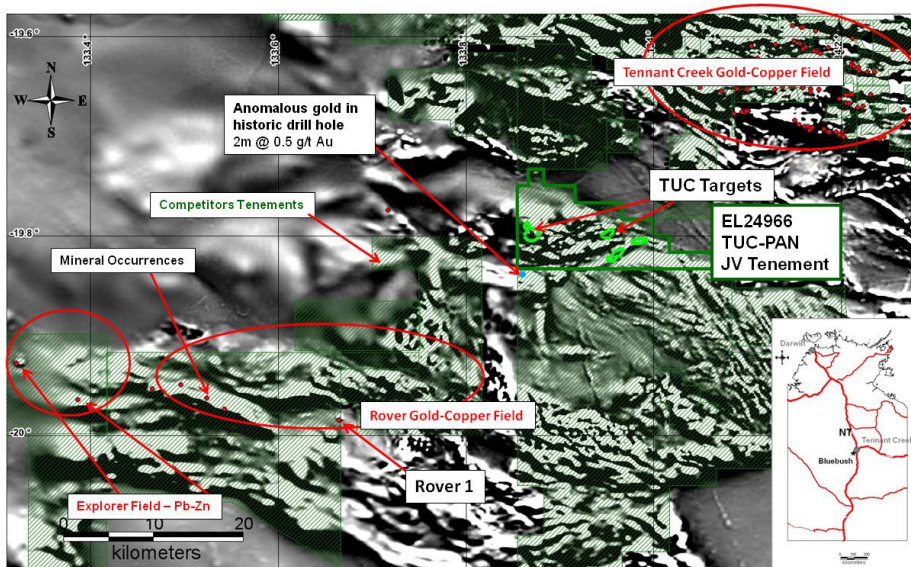


Figure 1 - Bluebush project location with respect to nearby gold-copper mineralised fields

Under the agreement, PAN will initially fund TUC's drilling based exploration to test a series of geophysically and geologically defined targets, postulated to be Iron Oxide Copper Gold (IOCG) style systems. Drilling is scheduled to commence in the first Quarter of the 2009-2010 financial year.

An initial program of approximately 2,000-4,000m RC and diamond drilling is planned to test two target areas on the licence area. Figure 2 illustrates these two areas. Drilling will investigate Tennant Creek and Rover style gravity and magnetic anomalies under shallower cover in the south eastern corner of the lease.

In addition, drilling will also test the major district scale Bluebush combined gravity and magnetic anomaly (in the southwest of Figure 2) which is similar in size, response and geological setting to the anomaly that lead to the discovery of the Olympic Dam ore body. Figure 3 illustrates the nature of this large scale geophysical response and the subsequent Bluebush drill target. Previous drilling completed in the early 1990s in a joint venture between BHP and Giants Reef mining failed to adequately outline the source the Bluebush anomaly and did not test the targets developed by TUC. Recent detailed gravity survey work by TUC has further defined the target zone and review of the data has warranted further drill testing.

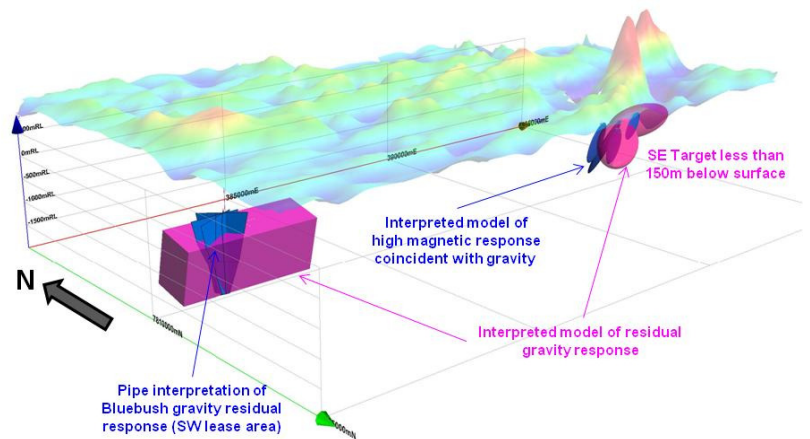


Figure 2 - 3D image of gravity and magnetic models targeted in the planned program, surface shows residual gravity peaks.

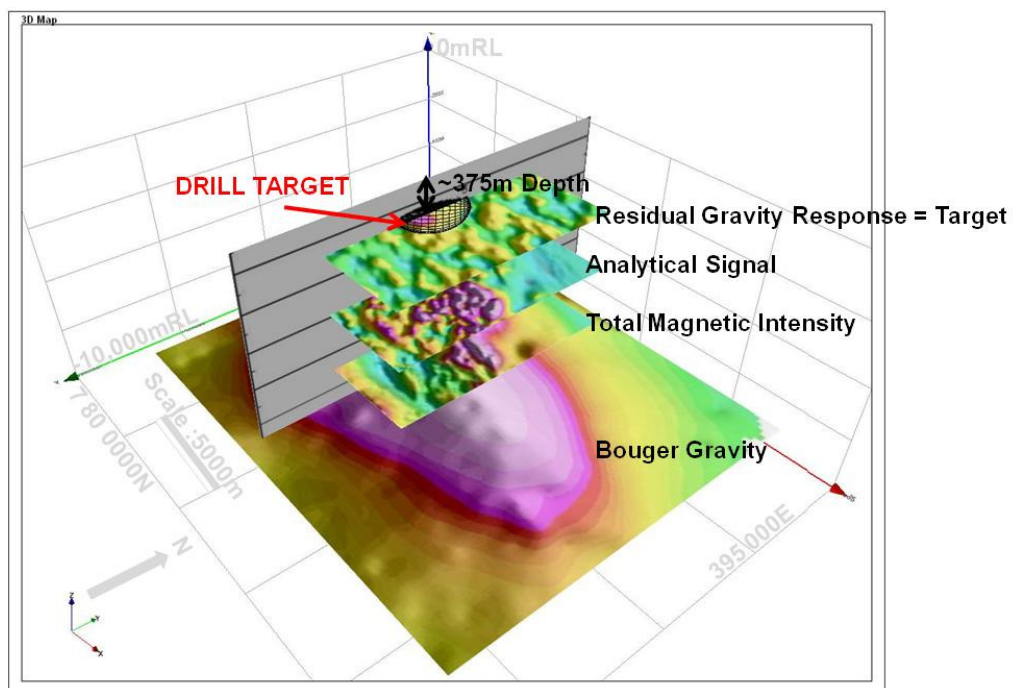


Figure 3 - 3D modeling of gravity and magnetic based drill target at Bluebush

Additional details on the terms of the agreement are as follows:

- * PAN can earn up to 51% by spending \$3M on direct exploration costs within three years with a minimum direct exploration expenditure commitment of \$0.5M within one year;
- * TUC will manage the project until PAN has earned a 51% interest. PAN will authorise budgeted JV expenditure;
- * PAN has the option to operate the joint venture after earning its 51% interest;
- * PAN can increase its interest to 60% within 5 years of the commencement of the joint venture by spending an additional \$3M (cumulative \$6M);
- * PAN will not retain any interest in the tenement if it withdraws prior to meeting the expenditure commitment to earn 60%;
- * PAN can further increase its interest to 80% within seven years of signing the joint venture by spending up to an additional \$3M or by completing a prefeasibility study to a prescribed standard (cumulative approximately \$9M);
- * TUC will maintain rights to participate financially after PAN has earned 60%, and 80%;
- * On PAN earning 80% and if TUC elects not to participate at 20%, its interest will dilute pro-rata down to a percentage NSR Royalty; and
- * PAN also has the option to include another TUC Tennant Creek area tenement, EL 24967, into the joint venture within the 30 day due diligence period.

TUC is also pleased to advise that in support of this drill program, it has been awarded a grant of \$50,000 through the Northern Territory Government's 'Bringing Forward Discovery' initiative and 'Drilling Collaborations' program. The program provides 50% of direct exploration expenses up to the maximum granted to companies it considers to have competitive and innovative exploration programs in frontier exploration areas.

For further information please contact:

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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 gold, base metals and phosphate.

The information in this report relates to exploration results compiled by Ian Bamborough, who is a Member of The Australian Institute of Geoscientists. Ian Bamborough is a fulltime employee of Territory Uranium. Ian Bamborough has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Ian Bamborough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.