

ASX Announcement
19 August 2013

ASX Code: TPL

OPTION TO ACQUIRE CHROME FIELDS AND PROCESSING PLANT AND SHARE PLACEMENT AT ABOVE MARKET PRICE

Highlights

- **Option to acquire a 70% equity interest in a chrome mine and processing plant established in 2008 located along the Great Dyke, Zimbabwe**
- **Exploration target of between 15Mt to 20Mt at 10% to 14% Cr₂O₃ to a depth of 0.5m***
- **Existing processing capacity of approximately 3,000 tonnes of chrome concentrate per month**
- **Opportunity to team up with strong local team of indigenous and non-indigenous Zimbabwe mining professionals**
- **Placement to investors to raise up to \$300,000 at above market price**

TPL Corporation Limited (ASX "TPL") is pleased to announce that it has entered into a Heads of Agreement to acquire an option to subscribe for a 70% equity interest in a chrome mine, chrome mining concessions and a processing operation established in 2008 in Central Zimbabwe.

Pursuant to the terms of the Heads of Agreement and subject to certain conditions, TPL has acquired a 12 month option to subscribe for new shares representing 70% of the fully diluted capital of Fanshawe Mining Services (Pvt) Limited ("Fanshawe") and African Chrome Fields (Pvt) Limited ("African Chrome"). Farvic Consolidated Mines (Pvt) Limited ("Farvic") will hold the remaining 30% equity interest in both Fanshawe and African Chrome. Farvic is a Zimbabwean registered company that is compliant with Zimbabwe Indigenisation Legislation.

** (The potential tonnes and grades are conceptual in nature and there is insufficient exploration to estimate a Mineral Resource at this stage and that it is uncertain if further exploration will result in the estimation of a Mineral Resource)*

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The exercise of the option is subject to satisfaction of a number of conditions precedent including Farvic completing its planned capital reorganisation of both Fanshawe and African Chrome, within 90 days of execution of the HOA.

Fanshawe is the holder of approximately 150 eluvial chrome mining concessions (base metals claims) covering approximately 60 sq kms located in 6 areas along the flanks of the Great Dyke belt in Central Zimbabwe. They cover both eluvial chrome and lumpy chrome deposits although only the eluvial deposits have been exploited to date. These eluvial deposits of concentrated chrome occur fairly continuously along the flanks of the Great Dyke, to an average depth of 1.5m.

The Fanshawe claims have an Exploration Target of between 15Mt to 20Mt at 10% to 14% Cr₂O₃ to a depth of 0.5m*. The lumpy chrome potential has not been defined nor the potential for platinum group metals on certain claims.

African Chrome is the owner of a modular chrome recovery plant consisting of a washing plant, spiral concentrator set and two magnetic separators which produces a chrome concentrate and a magnetite product. This plant is located on Fanshawe mining concessions at Chinyika on the Great Dyke. Water for the washing process is readily available from boreholes and the nearby Sebakwe dam. The plant is run on mains electricity, supplied by the National Grid. The existing plant and equipment is capable of processing approximately 30,000 tonnes per month of feedstock to generate approximately 3,000 tonnes of chrome concentrate per month.

Investors should note that there is a Zimbabwe Government imposed ban on the export of 'unprocessed chrome' from Zimbabwe. As a consequence of this ban, African Chrome holds a stockpile of processed and unprocessed chrome concentrate. The ban on the export of chrome concentrate was, in part, enacted to promote the development of a downstream processing industry of ferrochrome within Zimbabwe.

Prior to the ban being implemented, African Chrome was producing and exporting a chrome concentrate comprising +50%Cr₂O₃, less than 1% SiO₂ and a chrome to iron ratio of approximately 2:1. Samancor of South Africa was the main Chrome buyer and at the time of closure, Samancor was taking the entire mine production.

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African Chrome has an existing stockpile of approximately 3,500 tonnes of washed concentrate. It has a further 60,000 tonnes of wash plant feedstock ready to be processed (approximately 2 months process supply) to generate approximately 6,000 tonnes of Chrome concentrate. Prior to the export ban being implemented, African Chrome received sales prices of between US\$175 to US\$200/tonne of concentrate (FOT ex works). Given the current inability of African Chrome to export chrome concentrate, future pricing is uncertain.

During the option period TPL proposes to fund and complete a feasibility study to build a ferrochrome smelter. (This feasibility study is expected to cost no more than US\$50,000 and the costs will be treated as an unsecured loan to African Chrome and Fanshawe.) With the establishment of a small ferrochrome smelter, it is expected that African Chrome will be able to commence export of its product once again.

Details of the Transaction

TPL will pay an amount of US\$50,000 to Farvic as a non refundable option fee, within 10 days of Farvic confirming that it has completed the reorganisation of the capital of Fanshawe and African Chrome.

Upon exercise of the option, TPL has agreed to subscribe (via the conversion of its loan) for new shares to the value of US\$25,000 for each Fanshawe and African Chrome which represents a 70% equity interest in each company. In addition, if TPL elects to exercise the option it is obliged to issue to Farvic or its designated allottees 525 million ordinary fully paid TPL shares, subject to TPL shareholder and other ASX approvals (as required).

Exercise of the option and completion of the acquisition of Fanshawe and African Chrome is subject to Australian and Zimbabwe regulatory approval including, in particular, Zimbabwe Investment Authority approval, TPL shareholder approval and any other ASX approvals.

Geology of the Great Dyke

The Great Dyke is a 2.5 billion year old highly elongated, 550km long layered igneous intrusion which bisects Zimbabwe in a north–northeast trending direction.

It is a layered complex similar to that of the Bushveld & Stillwater Complexes. The Dyke is divided vertically into three major successions, a lower mafic sequence consisting mainly of steeply–dipping, pyroxenites and norites, and an overlying ultramafic sequence dominated from the base upwards by cyclic repetitions of dunite, harzburgite and bronzitite, and an upper mafic sequence consisting mainly of gabbro and gabbro–norites. It is V–to Y–shaped in section, with the layering dipping from the sides of the Dyke towards the axis of the intrusion near the margins and flattening out near the centre to form a flat–lying floor. Much of the mafic sequence has been removed by erosion.

Within the ultra mafics are a series of chromite seams which have differentiated from the magma, whilst 10m to 50m below the mafic–ultramafic contact, is the Main Sulphide Zone (MSZ), the host to the Ngezi, Unki and Mimosa platinum group metals (PGM) mineralisation. Disseminated sulphides with anomalous base metals, but a low PGM content are also present locally at the mafic–ultramafic contact.

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The eluvial chrome deposits that were being exploited successfully by African Chrome and others, are a residual weathering feature. They are caused by the preferential weathering of the host ultramafic rocks and resultant accumulation of metals, including chrome and iron with lesser amount of copper, nickel and PGMs.

The chrome being both largely chemically inert and mechanically resistant accumulates preferentially. The eluvial deposits, essentially mineralised residual soil are thickest at the base of the low rolling hills formed by the Great Dyke. These typically extend for about a kilometre from the break of slope, however in some cases extra deposits have concentrated in palaeo-water courses.

Capital Raising

TPL has entered into share subscription agreements with certain investors to subscribe for up to 150 million ordinary fully paid shares at an issue price of 0.2c per share to raise up to \$300,000. The funds will be used to meet the cost of acquiring the option, meeting the costs of the feasibility study and for the general working capital of the Company. Certain directors (and their nominees) of the Company have agreed to subscribe for up to 82.5 million shares (\$165,000), subject to shareholder and ASX approval being obtained. No placing fees are payable on this capital raising.

Changes to the Board

The Company is pleased to announce the appointment of Duncan (Harry) Greaves as a non-executive director. Harry will work with Hugh Warner, Executive Chairman to help oversee completion of the feasibility study.

Harry (48) is a fourth generation Zimbabwean. He holds a B.Sc (agriculture) from University of Natal (in South Africa). He is the founding shareholder of Farvic Consolidated Mines (Pvt) Ltd which operates the Prince Olaf, Farvic and Nicolson gold mines in southern Zimbabwe all of which he brought back into production over the last 10 years including the design and construction of two milling facilities. He is a well respected and well known member of the Zimbabwe mining fraternity.

Contact Details

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Competent Person Statement

The information in this announcement that relates to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled by Mr Roger Tyler. Mr Tyler is a consulting geologist to the Company.

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Mr Tyler is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tyler consents to the inclusion of the matters based on his information in the form and context in which it appears.

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