



## Quarterly Report – December Quarter 2011

### HIGHLIGHTS

- Regional geological interpretation of approx. 290 km of strike of potential coal bearing sequence in favorable setting within TPL's Canning Basin tenure.
- TPL offering an exciting JV opportunity to a large ground holding over known Permian, coal-bearing host rocks.
- Mongolian Project Generation continues and currently seven identified target areas are being evaluated by in-country consultants.

### COMPANY OVERVIEW

TPL Corporation Limited's (ASX: TPL) main objective is the identification, acquisition, exploration and development of underexplored and undervalued mineral resource assets with potential to create short to near term substantial growth in shareholder value. TPL's focus is coal for which it sees a robust short and long term outlook because of increasing global demand particularly from China, India and Southeast Asia.

Through TPL's 100% owned subsidiary Canning Basin Coal Pty Ltd, the company has a large tenement holding within the Canning Basin, Western Australia. Permian sediments within the Canning Basin are proven quality thermal coal bearing sequences. Our western neighbor Rey Resources (REY) has a defined resource of 535 million tonnes of bituminous thermal coal, recently completed a positive definitive feasibility study and plans production starting in 2013 (REY, ASX, June 2011). Results of recent drilling north of Rey's defined resource has been encouraging and they have recently successfully raised \$4M to progress mining permitting and approvals as well as continue their exploration activities (REY, ASX, Jan 2012).

In addition to advancing the Canning Basin coal project TPL's growth strategy includes actively targeting and reviewing quality coal exploration opportunities within both Mongolia and eastern Australia.

## **CANNING BASIN**

During the quarter TPL continued with progressing work on its large Canning Basin landholding. An initial regional scale geological review was completed by Perth based geological consultants Mincorp Consultants Pty Ltd over TPL's entire Canning Basin tenement holding. Utilising regional scale government geological mapping the near surface locations of the upper and lower contacts plus the internal potential coal-bearing stratigraphy of the prospective Lightjack Formation were interpreted. The interpreted near surface locations of the potential coal-bearing horizons will be the focus of subsequent ground truth mapping planned to commence in the coming field season. The timing of the exploration field season in the Northwest of Western Australia is approximately between April and November. On-ground exploration can not commence until aboriginal heritage clearance surveys are completed. The representative body for the local traditional owners was unable to organize clearance surveys during the quarter but have informed TPL that our survey requests will be amongst those addressed at the beginning of the coming field season.

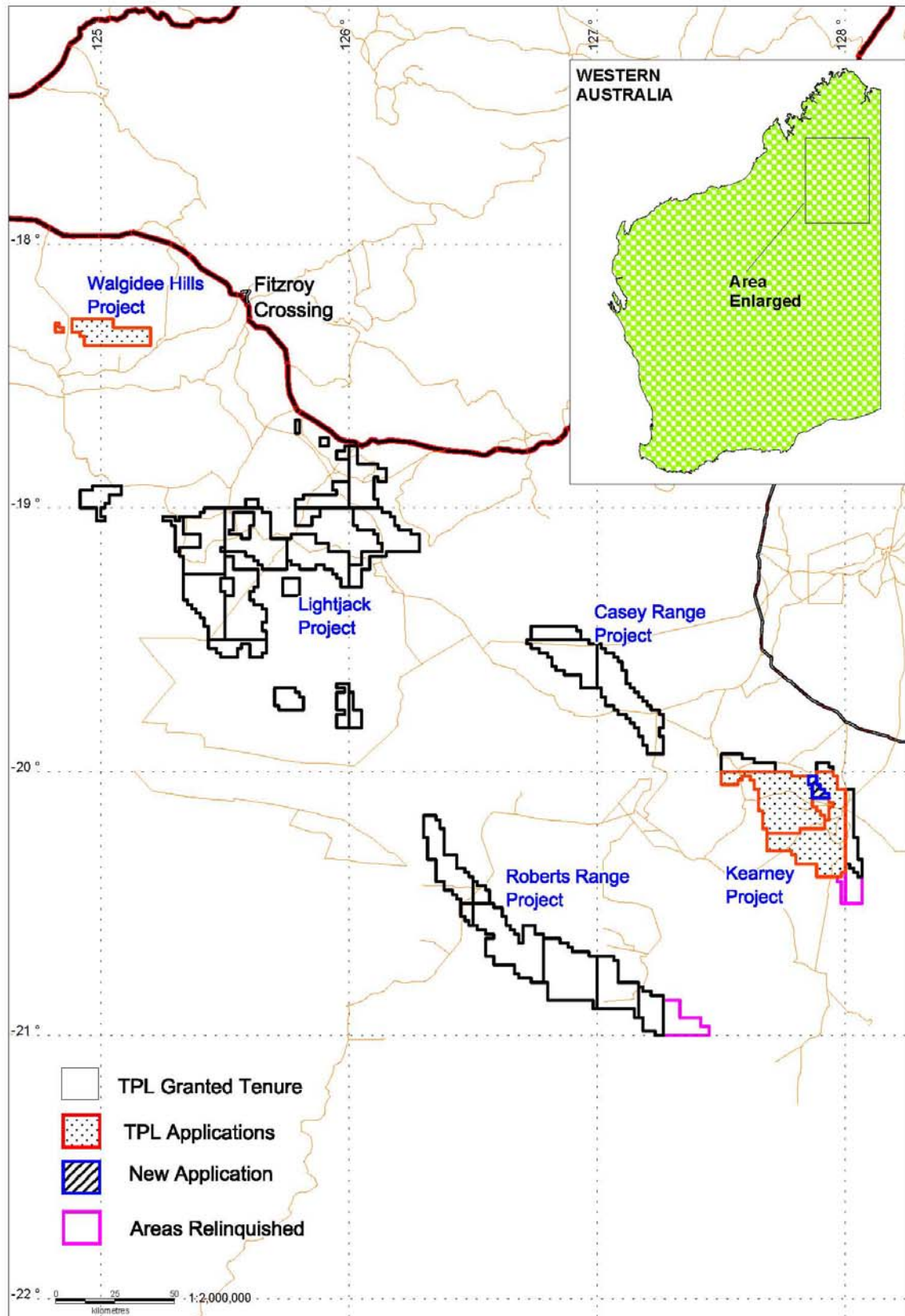
The regional review has confirmed favourable structural setting within the majority of the area held by TPL. The potential coal hosting Lightjack Formation is generally gently folded with shallow dips and its geometry rarely complicated by faults or tight folding. At a regional scale approximately 290 km of prospective strike of near surface potential coal bearing horizons within the Lightjack Formation has been interpreted. Subsequent project scale geological mapping and initial drill testing will be required to advance and confirm this interpretation.

## **Heritage and Native Title**

The majority of TPL's land holding is now covered by Heritage Protection and Mineral Exploration Access Agreements (HPA) with traditional owner groups in the region. Under the protocol of these agreements TPL has submitted survey requests to cover all planned on-ground exploration including geological mapping and drilling for the coming field season.

## **Tenure**

Change in tenure during the quarter was minimal with the surrender of E80/4335 and partial surrender of E80/4361 and E80/4357. These tenements fell on the southeast corner of Kearney Project area. This project area is the most eastern in the Canning Basin. This



**Figure 1: TPL Tenure – Surrendered & Applied Ground and Project Areas**

ground was relinquished due to lack of interpreted prospectivity, remoteness and land access issues.

A new Exploration Licence Application (ELA)80/4654 also within the Kearney Project has been submitted. Prospectivity of this ground was highlighted by the recent regional geological review and interpretation of the Lightjack Formation by Mincorp. The application covers a potential gap in the interpreted prospective strike coverage within the Kearney Project area.

Currently TPL has 32 granted exploration licences covering 7089 km<sup>2</sup> and a further 5 exploration licence applications covering 1327 km<sup>2</sup> within a total of six project areas in the Canning Basin.

## **Joint Venture Funding**

TPL is seeking a strategic joint venture partner to assist with systematic exploration of our prospective potential coal-bearing tenements within the Canning Basin. This is an opportunity for the right partner to obtain access to one of the largest ground holdings in the region over a grossly under explored, sedimentary basin containing known quality thermal coal bearing Permian host rocks. During the quarter TPL held discussions with both Chinese and Indian companies. TPL intends to increase the marketing exposure of the Canning Basin next quarter.

## **GROWTH STRATEGY**

### **Mongolia**

Mongolia offers one of the best opportunities in the world for potentially obtaining an early stage, quality coal exploration project. This frontier country abuts the coal hungry nation of China to the south and contains sparsely explored, world class, coal endowed basins.

During the quarter TPL continued to pursue its strategy to identify and acquire a high margin, coking ± quality thermal coal project in Mongolia. This was done through our on-going Project Generation & Evaluation Program (ProjGen & Eval). In addition we continue reviewing projects presented by Finder Groups.

ProjGen & Eval involves the initial selection of favourable target areas utilizing regional scale data collated in a GIS (geographical Information System). These target areas are then further

evaluated by in country consultants who have access to more detailed information on vendors, geology, coal occurrences and exploration history. During the quarter a total of six target areas the Western Mongolian Province (WMP), a further five in the South Gobi Basin (SG) and late in the quarter a further five target areas in the Eastern Gobi Basins (EGB) were identified. Follow up work by Mongolian consultants has discounted all WMP and three SG targets. These targets either failed to meet TPL's prospectivity criteria or vendor had on dealt to an active operator. Chinese owned companies are very active in acquiring, exploring and developing Mongolian coal assets. Detailed evaluation on two SG and all the EGB target areas are yet to be finalized and will be completed next quarter.

Also during the quarter Finder Groups presented in total seven coal and six non-coal (i.e. Au, Cu, Fe, Mo & Zn) projects for review. All projects were rejected due to either grassroots status, poor prospectivity, tenure issues or a combination of these.

## **Queensland**

TPL exploration tenement application (EPC 2333) located within the prospective Galilee Basin will enter into a three month advertisement period Native Title requirements. An advertisement on the application is due to run in several Queensland newspapers in January 2012.

A package of 100 tenements was presented to TPL. Majority of these tenements are grassroots projects and were quickly reduced down to a selection of twelve. Detail evaluation of these projects will be completed in the coming quarter. Detailed discussions were held with a company holding grassroots to advance stage coal projects in Queensland unfortunately agreement could not be met on a potential deal. TPL will continue to consider opportunities in Queensland.

## **CORPORATE**

During the quarter TPL Corporation (TPL) was reclassified and is now a member of the Resource stocks within the Australian equity market.

Chris Hilbrands has been appointed as the company's Chief Financial Officer (CFO). Chris is a Chartered Accountant with considerable resource industry experience in both the United Kingdom AIM environment and the Australian ASX.

## PLANS FOR COMING QUARTER

- Increase the marketing of Canning Basin Joint Venture opportunity.
- Liaise with traditional owner representative body to ensure expeditious timing of requested Heritage Clearance surveys at the beginning of 2012 field season.
- Further refine targeting and prioritization of on-ground work planned for Canning Basin Coal.
- Complete evaluation of identified target areas within the Southern and Eastern Gobi Basins of Mongolia.
- Ongoing due diligence of presented Queensland coal projects.

### For further information please contact

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### **Competent Person Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Gunther who is a full time employee of TPL Corporation Limited and a Member of the Australian Institute of Geoscientists. Mr Gunther has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gunther consents to the report being issued in the form and context in which it appears.*

### **Exploration Target**

*Any discussion in relation to an exploration target is only conceptual in nature, as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of further Mineral Resources.*