

# **CHROME**

## **CORPORATION LTD**

ABN 30 003 207 467

23 February 2009

Company Announcements Platform  
ASX Limited  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

### **Ruighoek Chrome Project - Sale Agreement**

Chrome Corporation Ltd ("Chrome") and AMCOL International Corporation ("AIC") have today agreed to vary the conditional share sale agreement dated 5 March 2008 between Chrome, Chrome Holdings Limited ("Chrome Holdings") and AIC whereby AIC or its nominated buyer ("AMCOL") agreed to purchase 100% of the equity in Bonmerci Investments 103 (Pty) Ltd ("Bonmerci"), the holder of 74% of the shares in Batlhako Mining Ltd ("Batlhako"), the registered holder of the Ruighoek Chrome Project. The key terms of the original agreement were announced on 5 March 2008 and shareholders approved the transaction on 30 June 2008.

As previously advised, completion of the sale was subject to the satisfaction of remaining conditions precedent, including the approval from the Exchange Control Department of the South African Reserve Bank. Changes in the financial and capital markets caused by the global financial crisis have resulted in delays in the satisfaction of the conditions precedent under the original terms. Accordingly, the completion aspects of the transaction have been renegotiated so that completion effectively occurs in two stages as further detailed below.

It should be noted that there will be no change to the consideration for the sale, being A\$41 million.

The key amendments to the terms of the agreement are:

1. AMCOL to purchase 53% of Bonmerci for consideration of US\$14 million (A\$21.75 million based on an exchange rate at 30 January 2009 of US\$0.6438) ("Stage 1 Completion");
2. Chrome to repay outstanding US\$6 million loan to AMCOL upon Stage 1 Completion;
3. AMCOL be granted a call option to purchase the remaining 47% equity in Bonmerci from Chrome for US\$12.4 million (A\$19.25 million based on an exchange rate at 30 January 2009 of US\$0.6438) exercisable at any time for a period of 24 months (the purchase by AMCOL of the remaining 47% equity in Bonmerci from Chrome, whether by call option or put option, to be referred to as ("Stage 2 Completion");
4. Chrome to be paid a monthly option fee of US\$75,000/month for the first 12 months and US\$150,000/month for the second 12 months;
5. Chrome to be granted a put option to sell the remaining 47% equity in Bonmerci to AMCOL for US\$12.4 million (A\$19.25 million based on an exchange rate at 30 January 2009 of US\$0.6438) for a one off fee of US\$300,000, which fee is only payable if the put option is exercised by Chrome;

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6. Stage 1 Completion and Stage 2 Completion are not conditional on any further approvals;
7. Stage 1 Completion is due to occur within the next 3 days.

Following Stage 1 Completion, AMCOL and their South African partners will take full operational control of the Ruighoek Chrome Project and continue the open cut mining of chrome ore from the LG6 and LG6A chrome seams commenced late last year.

Chrome recognises that the sale of its interest in the Ruighoek Chrome Project has taken considerably longer to complete than ever expected due to the time required to fulfil all conditions precedent, in particular the regulatory approvals in South Africa. Both AMCOL and Chrome have worked together tirelessly in a spirit of co-operation to finalise this transaction for the mutual benefit of both parties.

Yours faithfully



Brian Thomas  
**Managing Director**  
Chrome Corporation Ltd

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