

CHROME

CORPORATION LTD

ABN 30 003 207 467

29 October 2009

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

30 September 2009 Quarterly Activities Report

Highlights:

- Completed take-over of Papua New Guinea Gold Explorer, Pacific Niugini Minerals Limited ("PNM").
- Experienced and highly regarded Australian and PNG Mining Executive, Peter Cook joins the board as Non-Executive Chairman.
- Highly regarded PNG geologist, David Osikore joins the Board as Executive Director - Exploration
- Exploration on the ground in Papua New Guinea continues with encouraging rock chip sampling from EL1589 - Zenag
- Ruighoek Chrome Mine Operations continue with CCI receiving Call Option Fees of US\$225,000 for the quarter pursuant to deferred sale arrangement of its remaining 47% interest to 53% owner AMCOL for US\$12.4m.
- Cash at end of quarter was \$3.27m plus additional receivables and liquid assets of \$2.4m
- Following the take-over of PNM, CCI has 203.18m shares on issue

Enquiries:

Peter Cook
Chairman

Brian Thomas
Managing Director

SUMMARY OF QUARTERLY ACTIVITIES

Pacific Niugini Minerals Limited (“PNM”)

PNM’s shareholders accepted the off-market takeover offer by Chrome and Chrome’s shareholders overwhelmingly approved the proposed takeover at a General Meeting convened on 31 August 2009.

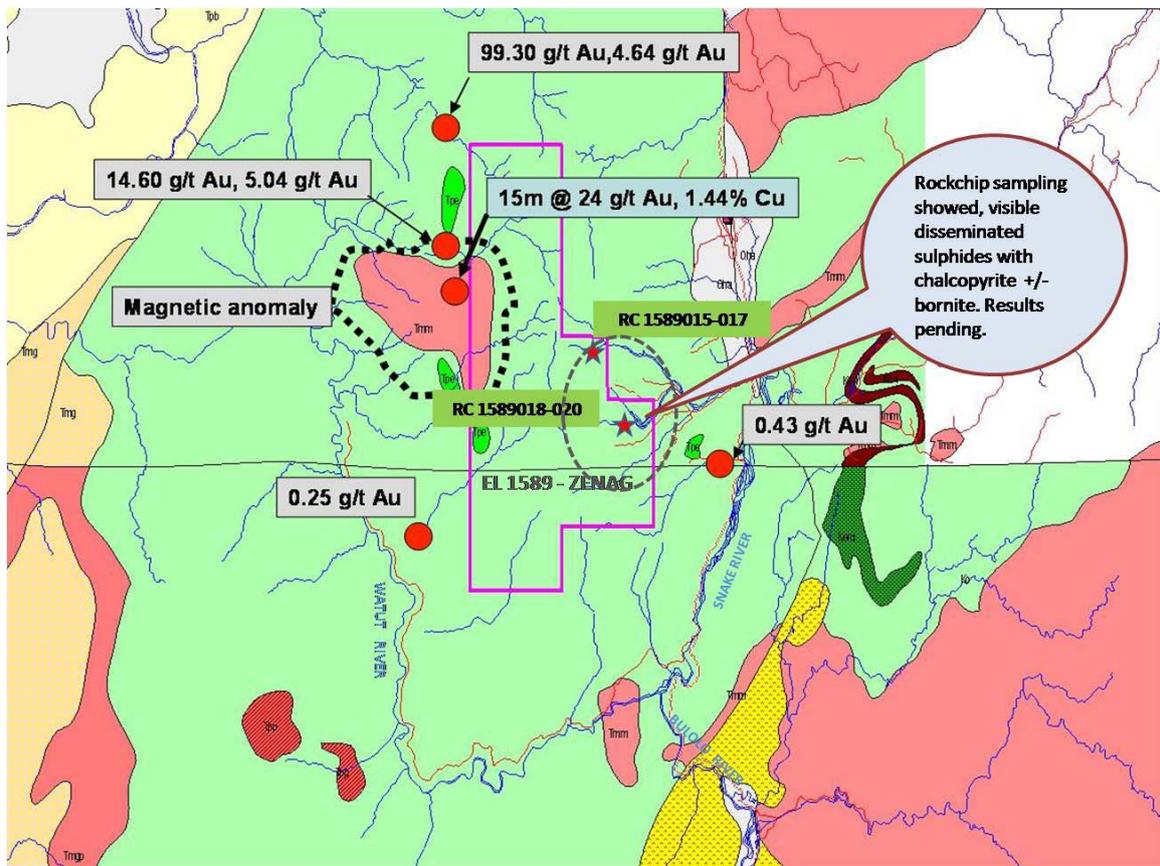
Papua New Guinea - Exploration

Surface sampling and geological mapping continued with a focus during the quarter on the Zenag and Bulolo Prospects. PNM began to expand its on-the-ground team with key technical and administrative appointments.

EL1589 – Zenag, Morobe Province.

Surface sampling and geological mapping was performed with the objective of locating the source of elevated gold and copper assays reported in creeks from work done by previous explorers.

A circular magnetic anomaly is evident within the tenement identified from available regional aeromagnetic data. The anomaly is located at the central portion of tenement area and extends further west to ownership neighbouring tenement. This anomaly may represent an underlying mineralised magnetic intrusive body.



Zenag - Sample Location, Geology and Targets.

A total 14 rock chip samples (RC15890001 – RC15890014) and 4 stream sediment samples (PC1589001 – PC1589004) were collected and submitted for analysis for Au, Ag, Pb, Zn, Cu, Mo, As, Ni, Fe, and Sb.

Geology and Mineralisation

Geological mapping has identified schists, phyllites and slates of the Cretaceous Owen Stanley Metamorphic (OSM) as dominant rock types. The OSM are truncated by up to 3m wide, andesite dykes at central east portion of the tenement. The OSM here is intensely deformed (sheared, folded and faulted). This may suggest proximity to a major regional structure or proximity to an underlying intrusive body.

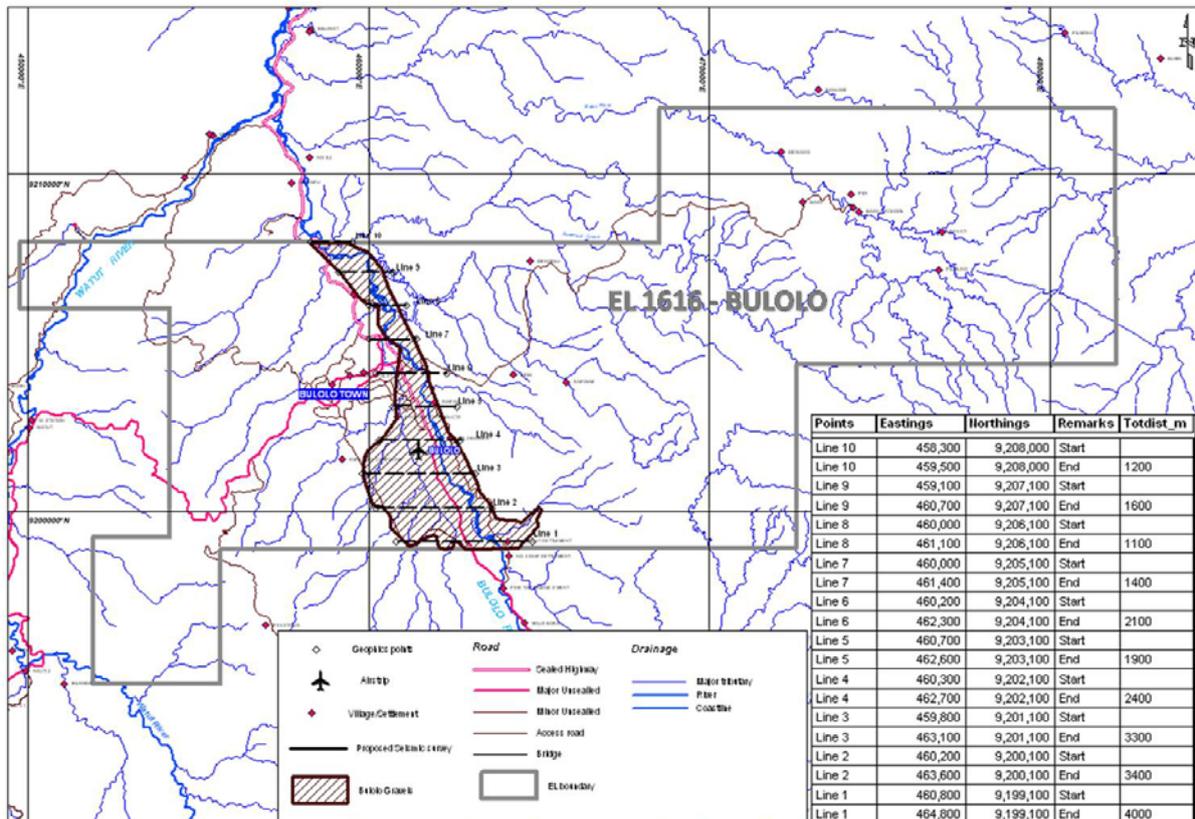
Hydrothermal alteration consisting of K-feldspar – sericite - argillic – pyrite (potassic/phylic) is present, with chlorite, pyrite, epidote and possibly bornite in evidence in creek floats and outcrop. Fine disseminated sulphides (pyrite, arsenopyrite and possibly bornite) were observed associated with prophylic and phyllic altered andesite and OSM. Assay results are pending.

EL1616 – Bulolo, Morobe Province

Bulolo Gravel Investigation

Towards the end of the quarter, a proposal for a field programme was being finalised for a seismic survey over the entire 9km long x 2.2 km (average width) Bulolo Gravels. An initial programme of 10 lines at 1km intervals totalling 22.4 line kilometres is being proposed.

The objective of the seismic survey is to distinguish the gravel profiles to the top of bedrock along the entire length of gravels. This information will assist in planning of a drill programme and resource calculation going forward.



Bulolo - Proposed Seismic Lines

The Bulolo Gravel Flats was dredged from late 1939 and ceased in 1973 producing over 2.1 million ounces of gold (67,600kg). PNM's EL1616 contains the best historically productive Bulolo gravel flats. A review of dredging operations by Peter Lowenstein (Lowenstein 1980) indicated the depth of dredging operations terminated on a "false bottom" or a volcanic ash. His review also suggests that parts of gravel flat were not dredged and dredging did not in many occasions never reach gravel depth. Also a number of gravel deposits away from main area of dredging operation still remain to be dredged and the limits of gravel in dredged areas were invariably reached.

PNM aims to assess the gravels for alluvial gold resource for development of dredging operation.

Ruighoek Chrome Project – South Africa (CCI 47%)

CCI has previously announced that it has sold its interest in the Ruighoek Chrome Project to AMCOL International Corporation.

AMCOL settled the acquisition for a 53% interest in February 2009 and retain the rights to acquire the remaining 47% from Chrome for US\$12.4m.

AMCOL's acquisition right for the remaining 47% interest is secured by a Call Option over CCI's remaining 47% shareholding in the project at any time within a 24-month period. A monthly option fee of US\$75,000 is payable by AMCOL to CCI for the first 12 months, increasing to US\$150,000 a month in the second 12 months. During this period CCI receives the option payments in lieu of financial interests from its 47% interest in Ruighoek.

Should AMCOL not exercise its Call Option within the 24-month period, Chrome has the right to Put its remaining shares in the project to AMCOL for US\$12.4m within 60 days after the expiry of the 24-month term. A fee of US\$300,000 is payable by Chrome if it exercises this Put. There is no obligation for AMCOL to exercise the Call before the expiry of the 24-month term of the Option arrangement. This may mean that Chrome will not receive final settlement until at least April 2011.

Operations

Volclay South Africa (Pty) Ltd, the South African subsidiary of AMCOL International Corporation ("AMCOL"), continued open cut mining operations on the LG6 and LG6A chrome seams at Ruighoek. During this period a further 25,792 tonnes of chrome ore was mined. AMCOL also announced that the new chrome treatment plant being constructed on site at Ruighoek is due to be commissioned in April 2010.

Corporate

Following the off-market takeover of PNM, CCI now has the following securities on issue:

Fully Paid Ordinary Shares	203,184,922
Unlisted Options exercisable at \$0.20 expiring 31 December 2012	17,950,100
Unlisted Options exercisable at \$0.30 expiring 30 September 2011	23,719,745
Listed Options exercisable at \$0.40 expired on 30 September 2009	82,106,789

During the quarter, the following changes to the Board of Directors occurred:

1. Mr Richard Linnell resigned as Non-Executive Chairman and a Director
2. Mr Peter Cook was appointed as a Director and Non-Executive Chairman
3. Mr David Osikore was appointed as an Executive Director - Exploration

At the end of the quarter the Company held cash of \$3.27m and liquid investments and receivables of \$2.4m.

In keeping with the shift in the company's focus to PNG gold and copper exploration following the sale of its Chrome interests, the Company intends to ask its shareholders to approve a name change to Pacific Niugini Ltd at its upcoming AGM. The Company head office is to be relocated to Brisbane by the end of November 2009.

Yours faithfully



Brian Thomas
Managing Director
Chrome Corporation Ltd

For further information please contact

Tel : (08) 9388 8430

Fax : (08) 9388 8450

Web : www.chromecorp.com

E-mail : bthomas@chromecorp.com

The information in this report that relates to the Exploration Results for Pacific Niugini Minerals Ltd is based upon information compiled by Mr Peter Cook (BSc(Applied Geology)), MSc Min Econ, M.AusIMM.. Mr Cook is a consultant to Pacific Niugini Minerals (PNG) Limited. and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to duly qualify as a Competent Person as defined in the 2004 Edition of Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cook consents to the inclusion in the report of the matters based upon their information in the form and context to which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CHROME CORPORATION LIMITED

ABN

30 003 207 467

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000 (3 months)
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	272	272
1.2 Payments for		
(a) exploration and evaluation	(11)	(11)
(b) development	-	-
(c) production	-	-
(d) administration	(415)	(415)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	21	21
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(133)	(133)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(14)	(14)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other		
– Cash inflow on acquisition of subsidiary	343	343
Net investing cash flows	329	329
1.13 Total operating and investing cash flows (carried forward)	196	196

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	196	196
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Convertible Note Expenses	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Proceeds from Convertible Note	-	-
1.19	Costs associated with issue of shares	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	196	196
1.20	Cash at beginning of quarter/year to date	3,074	3,074
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,270	3,270

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2 and 1.7	146
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments of Consultancy fees to Director	27
Payments of Directors Fees and Superannuation	119

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 31 August 2009 shareholders approved the acquisition of Pacific Niugini Minerals Ltd via the issue of 35,900,200 ordinary fully paid shares and 17,950,100 unlisted options exercisable at \$0.20 each expiring 30 June 2014.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	560
4.2 Development	
Total	560

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,270	3,047
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – In Trust	-	27
Total: cash at end of quarter (item 1.22)	3,270	3,074

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		Nil		
6.2 Interests in mining tenements acquired or increased	EL 1589	Direct	0%	100%
	EL 1613	Direct	0%	100%
	EL 1614	Direct	0%	100%
	EL 1615	Direct	0%	100%
	EL 1616	Direct	0%	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues	Nil	Nil		
(b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		
7.3 +Ordinary securities	203,184,922	203,184,922		
7.4 Changes during quarter				
(a) Increases through issues	35,900,200	35,900,200	7.2 cents	7.2 cents
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options	23,719,745 17,950,100		<i>Exercise Price</i> 30 cents 20 cents	<i>Expiry Date</i> 30/09/2011 30/06/2014
7.8 Issued during quarter	21,819,744 17,950,100		30 cents 20 cents	30/09/2011 30/06/2014
7.9 Exercised during quarter				
7.10 Expired during quarter	82,106,789	82,106,789	40 cents	30/09/2009

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>	Nil	Nil
7.12	Unsecured notes <i>(totals only)</i>	Nil	Nil

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 29 October 2009

Managing Director

Print Name: Brian Thomas

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==