12 May 2023

AGREEMENT WITH RIO TINTO EXPLORATION TO EXPLORE TREK'S JIMBLEBAR NICKEL-COPPER PROJECT, WA

Highlights

- **Trek enters into Option Agreement with Rio Tinto Exploration (RTX) to explore Trek's Jimblebar Nickel-Copper Project in the Pilbara region of Western Australia.**

- **During an initial option period, RTX may elect to farm-in to the Project with the right to earn an 80% Joint Venture interest by sole funding A$5 million in exploration expenditure.**

- **Upon completion of the 80% earn-in sole funding period, an 80/20 Joint Venture will be established whereby RTX will free-carry Trek until the earlier of delivery of an "Order of Magnitude" study or expenditure of a cumulative A$40 million.**

- **This is consistent with Trek's strategic focus on its high-priority Tambourah Lithium and Hendeka Manganese Projects in WA's Pilbara.**

- **RTX brings considerable financial and technical expertise to explore for magmatic nickel-copper at Jimblebar, with Trek shareholders retaining significant exposure to a potential future discovery under the agreement structure.**

Trek Metals Limited (ASX: TKM) ("Trek" or "the Company") is pleased to advise that it has signed a binding term sheet ("Agreement") with Rio Tinto Exploration Pty Limited ("RTX"), a wholly-owned subsidiary of the global mining group Rio Tinto, for an option to farm-in over its Jimblebar Nickel-Copper Project in the Pilbara region of Western Australia.

Trek's CEO Derek Marshall said: "*We are delighted to be partnering with Rio Tinto Exploration (RTX) to advance the exploration for magmatic nickel-copper at Jimblebar, which is located in the Tier-1 Pilbara mining district of Western Australia. RTX brings significant technical and operational expertise to the table, and we are very excited to be able to collaborate with their team to generate, refine and test targets across the tenements.*

"*This agreement allows Trek to continue to focus on our flagship Tambourah Lithium Project, where we plan to commence our maiden drill program this quarter, and continue to advance our high-grade Hendeka Manganese Project, while keeping a free-carried exposure to the nickel-copper potential at Jimblebar and allowing it to progress much quicker than would otherwise be achievable.*"

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Jimblebar Project

The Jimblebar Project ("Project") is comprised of Exploration Licences E52/3605, E52/3672, E52/3983 and E52/4051 (the "Tenements"). The Project is located 40km south-east of Newman and includes the western arm of the Jimblebar greenstone belt, a constituent of the Achaean Sylvania Inlier. The Project is considered highly prospective for magmatic nickel-copper sulphide mineralisation.

Material Terms of the Agreement with RTX

The Company has entered a binding term sheet with RTX, under which:

- RTX will pay Trek A$50,000 up front for an exclusive initial 6-month option to explore the Jimblebar Project.
- RTX commits to spending a minimum of A$100,000 on the Tenements during the option period.
- RTX has the right to extend the option period to 12 months by the payment of an additional A$25,000.
- At any time during the option period, RTX may elect to farm-in to the Jimblebar Project to earn an 80% Joint Venture ("JV") interest by sole funding exploration expenditure of A$5,000,000 on the Tenements including at least 2,000m of reverse circulation (RC) and/or diamond drilling within 6 years.
- RTX can withdraw from the farm-in at any time after meeting a minimum expenditure commitment of A$150,000.
- If RTX earns its 80% JV interest, RTX will fund Trek's share of JV expenditure until the earlier of (i) an "Order of Magnitude" study (i.e. advanced scoping study level) has been completed in relation to the development of a mining operation based on mineralisation delineated on the Tenements, and (ii) cumulative sole funded expenditure of A$40,000,000 by RTX (the "Sole Fund Milestone").
- After the Sole Fund Milestone has been reached, each party has the right but not the obligation to contribute to JV expenditure.
- If a party does not contribute its JV share of expenditure (pro-rata, based on its JV interest), its JV interest will dilute, with deemed project value based on total expenditure from the start of the farm-in period.
- If a party's JV interest falls below 10%, the other party may buyout their interest (at an independently determined fair market value), or the JV interest otherwise converts into a 0.5% net smelter return royalty on the first 10 years of commercial production.

Authorised by the Board.

ENDS

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