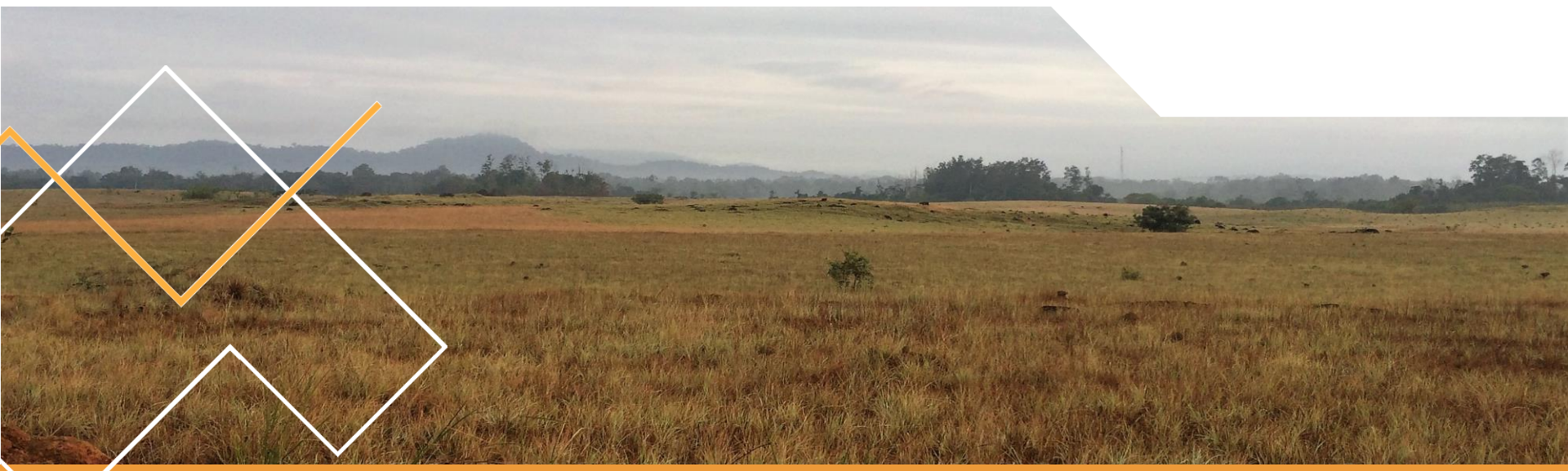




Zambezi Resources Limited



# COMPANY UPDATE

January 2017



# Disclaimer

*This presentation has been prepared by Trek Metals Limited (“TKM”, “Trek” or the “Company”). Trek was formerly known as Zambezi Resources Limited (ASX:ZRL). A shareholder meeting held on the 30<sup>th</sup> December 2016 approved the name change to Trek Metals Limited.*

*It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this presentation.*

*This presentation contains forecasts and forward looking information. Such forecasts and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. Zambezi has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Zambezi makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.*

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## **Competent Persons Report**

*The information in this announcement that relates to Exploration Results is based on information compiled by Bradley Drabsch. Brad is the Managing Director of Zambezi Resources and is also a member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Bradley Drabsch consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## **Qualifying Statement**

*This release may include forward-looking statements. These forward-looking statements are based on Zambezi’s expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Zambezi, which could cause actual results to differ materially from such statements. Zambezi makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of this release.*



# A New Beginning – Trek Metals Limited (TKM)

## Balance Sheet Deleveraging

- \$9M debt converted into equity and direct interest in ZRL's Kangaluwi Copper Project ("KCP") in Zambia
  - IMC Group circa 55% of ZRL plus a 3% gross revenue royalty in KCP and the option to earn up to 75% of KCP by spending on KCP that is not matched by ZRL
- Share consolidation (4:1)

## Capital Injection

- Two recent capital raisings (\$0.02) - **~\$800k cash and ZERO debt**
  - Supported by IMC and Board, as well as new strategic shareholders including Centrepark Resources Group, Precision Opportunities Fund and PYBAR Mining Services

## Board Restructure Underway

- New Non-Executive Chair – Gregory Bittar (Investment Banker)
- New Managing Director – Bradley Drabsch (Exploration Geologist)
- Finance Director – Marinko Vidovich (Chartered Accountant)

## New Company Name

- **Trek Metals Limited (ASX:TKM)**

# A New Beginning – Trek Metals Limited (TKM)

## Strategic Focus

- Build a portfolio of highly prospective, early stage base and precious metals projects
- New projects already secured
- Opportunities to maximise shareholder value from KCP will continue to be assessed

### Market Snapshot

|                            |             |
|----------------------------|-------------|
| Shares on Issue            | 140,000,000 |
| Share Price (16 Jan 2017)  | \$0.037     |
| Market Cap (Undiluted)     | \$5,180,000 |
| Cash at Bank (31 Dec 2016) | \$800,000   |
| Debt                       | Nil         |
| Options                    | 28,750,000  |

### Significant Shareholders (Undiluted)

|                                    |       |
|------------------------------------|-------|
| IMC Group                          | 54.7% |
| Centrepeak Resources Group Pty Ltd | 7.2%  |
| Precision Opportunities Fund Ltd   | 3.6%  |
| PYBAR Mining Services Pty Ltd      | 3.2%  |



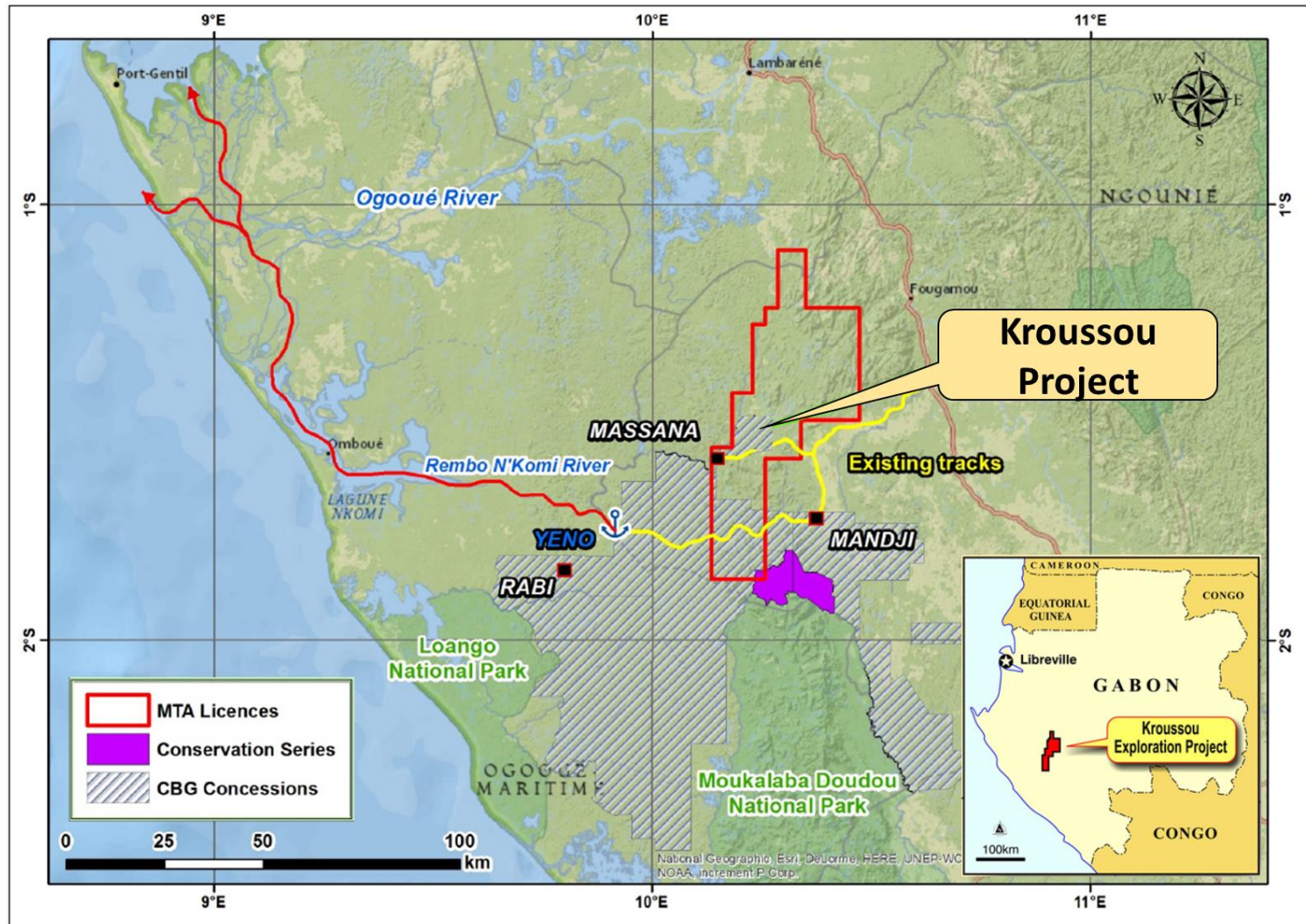
# Kroussou Zinc-Lead Project

## Exceptional Tier 1 Zinc-Lead Opportunity

- 85km of highly prospective basin margin under tenure
- High-grade historic drilling intercepts from near surface
- Multiple prospects defined by rock chip sampling of outcropping mineralisation
- Mississippi Valley Type (MVT) / Sedimentary Exhalative (SEDEX) style characteristics
- Potential for multiple deposits within channels and the broader sedimentary basin
- Excellent infrastructure with good road and river port access
- ZRL earning 70% interest (JV Partner – Battery Minerals ASX:BAT) for staged earn-in with US\$4.5M spend over 45 months
- Confirmation Drilling to commence early 2017



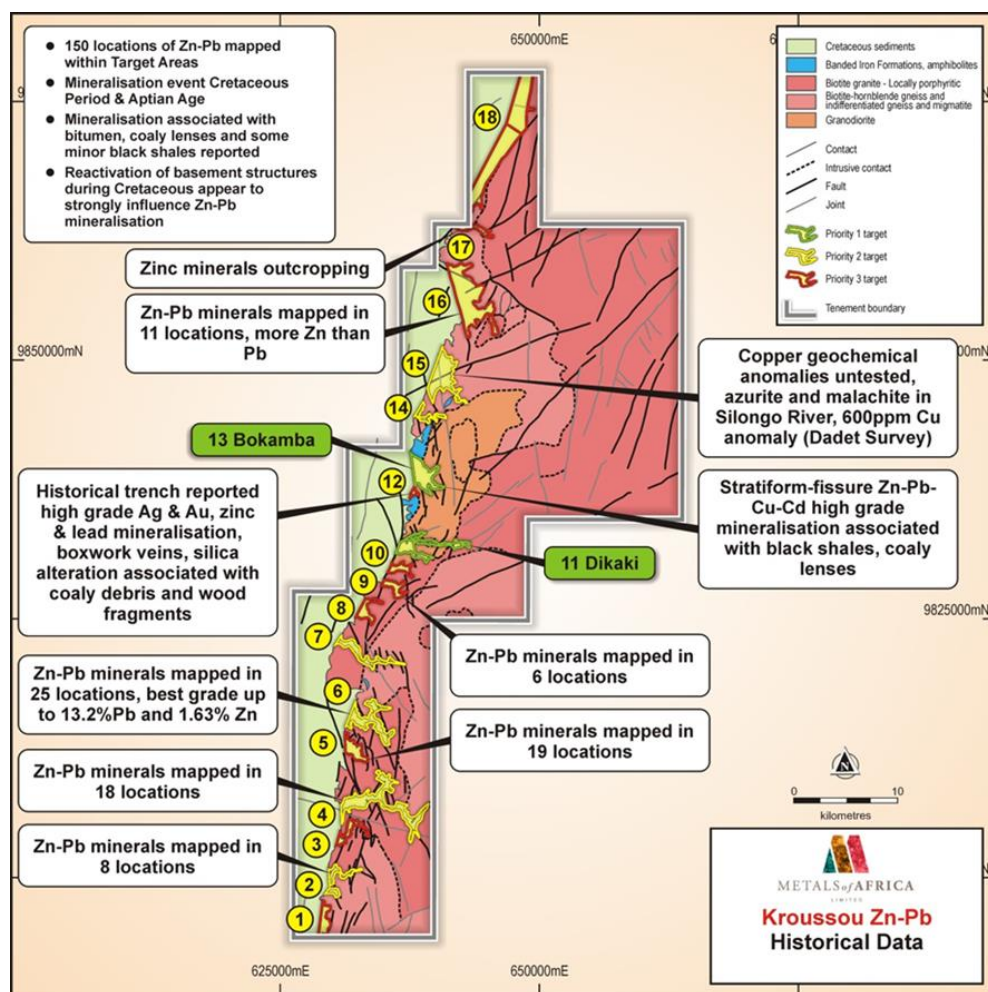
# Kroussou Zinc-Lead Project



# Kroussou Zinc-Lead Project

## Known Mineralisation – Little Exploration

- Exploration from the 1960's to 1980's discovered significant zinc and lead at Kroussou Project area
- Approx. 85km strike of prospective rocks
- Only 2 areas drilled on the entire project!!
- Dikaki Channel has most work – it has the best access
- Channels are windows, Legacy targets from BRGM





# Kroussou Zinc-Lead Project

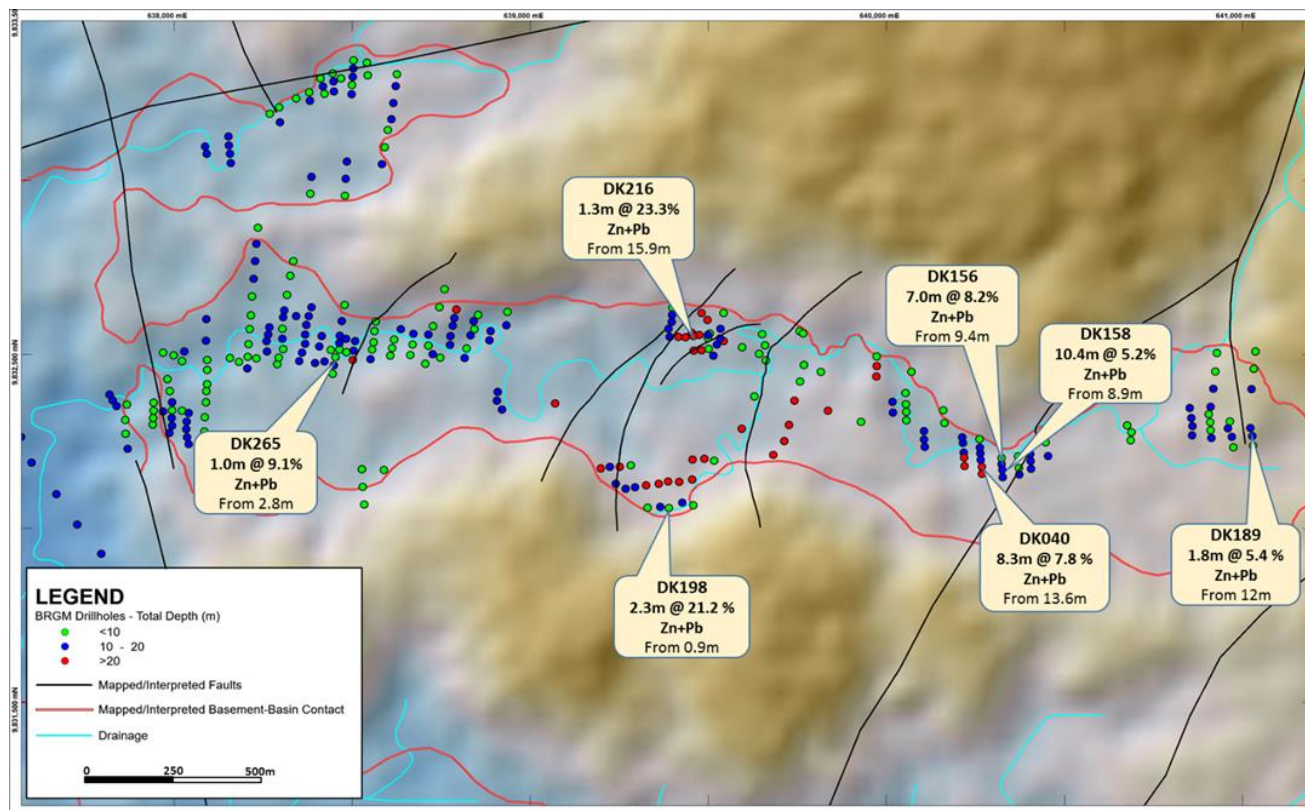
## Significant Drill Intercepts - Dikaki

- Drilling completed by the French Geological Survey (BRGM) returned many significant intercepts including\*:
  - **DK040 – 8.3m @ 7.8% Zn+Pb** from 13.6m (ends in mineralisation)
  - **DK156 – 4.2m @ 4.9% Zn+Pb** from 3.85m and 7.0m @ 8.2% Zn + Pb from 9.4m
  - **DK216 – 1.3m @ 23.3% Zn+Pb** from 15.9m
- Some intervals contain narrow massive sulphide (sphalerite + galena + pyrite)
- BRGM selectively assayed where galena was abundant – sphalerite difficult to recognise and may not have been noticed and therefore Zn rich bands may not have been assayed
- Unfortunately, the core is lost but detailed logs have been obtained

\* For further details see ZRL ASX Announcement – 02 November 2016



# Kroussou Zinc-Lead Project



## Historic Drilling

- Approx. 400 very shallow holes
- Drilling at Dikaki and Niambokamba
- Average depth of 16m
- 60% of holes mineralised with many terminating in mineralisation

# Kroussou Zinc-Lead Project

## Zinc and lead rich rocks

- Rock chip samples from Dikaki Prospect\*
  - ml432 - 9.7% Zn + 2.3% Pb
  - ml418 – 5.3% Zn + 1.9% Pb
  - ml028 – 33.1% Pb + 0.1% Zn
  - ml029c – 23.2% Pb + 4.7% Zn
  - Fresh sulphides at surface !



Sample from Dikaki – Sphalerite and galena bearing sandstone



Sample from Niambokamba – Sphalerite bearing mudstone



Sample from Niamabimbou – Sphalerite and galena bearing sandstone

\* For further details, see BAT (formerly MTA) ASX announcement – 7 April 2015







# Kroussou Zinc-Lead Project

## Deal Terms

- Drill Option – ZRL to fund initial drilling programme – US\$250,000
- Should ZRL elect to exercise (31st July 2017), ZRL to pay BAT US\$240,000 cash and/or shares
- ZRL to earn 30% interest by spending US\$1M within 12 months of exercise
- ZRL to earn further 40% interest by spending US\$3M in the subsequent 24 months
- At 70% interest, ZRL agrees to free carry BAT to completion of a PFS whereby BAT will have the option to contribute or dilute to a minimum of 5% then to a 2.5% NSR.
- ZRL has the option to buy back 1% of NSR for US\$1M





# Kroussou Zinc-Lead Project

## Exploration Pathway

- Drill Option – Drilling to commence 1st quarter 2017 (subject to approvals)
  - 500m diamond drilling to confirm historic intersections
  - Approvals process complete
  - Drilling and access clearing quotes in final stages of negotiation
- Geophysical and geochemical surveys
  - Airborne EM
  - Airborne / Ground based gravity
  - Regional soil/rock chip sampling programme
- Further drilling during the mid-year dry season (subject to approvals)

A wide-angle landscape photograph of a dry, open field in Gabon, with distant hills and a hazy sky. The foreground is a flat, brownish-yellow plain, and the background shows a range of low mountains under a grey, overcast sky.

# Gabon

## Good Jurisdiction

- Low population density and abundant energy / mineral resources have helped make Gabon one of the most prosperous countries in Sub-Saharan Africa, with the highest Human Development Indicator (HDI) and the third highest GDP per capita in the region.
- An internationally monitored investment platform which encourages direct foreign investment without any restrictions on converting or transferring funds associated with the investment.
- Specific mining investment codes which encourage investment through customs and tax incentives.
- Gabon's commercial ties with France remain very strong but the government is actively looking to diversify its sources by courting Asian and Anglophone investors.
- The emerging Gabonese economy is based on the domestic conversion of the extracted raw materials.
- In the long term, Gabon has the vocation to become a metallurgy centre, with a dynamic fabric of SMEs exporting metal-based products to the whole sub-region and beyond.
- The Government is presently focusing on upgrading all major roads and the launch of a massive port modernisation plan that will cater for 90% of commercial traffic.
- An investment code which conforms to Central African Economic and Monetary Community (CEMAC) investment regulations giving the same rights to foreign companies operating in Gabon as to domestic firms. Businesses are protected from expropriation or nationalisation without appropriate compensation.
- Gabon is a politically stable democratic state with few instances of social instability in recent years.
- Prospective yet underexplored geology boasting excellent historical datasets.

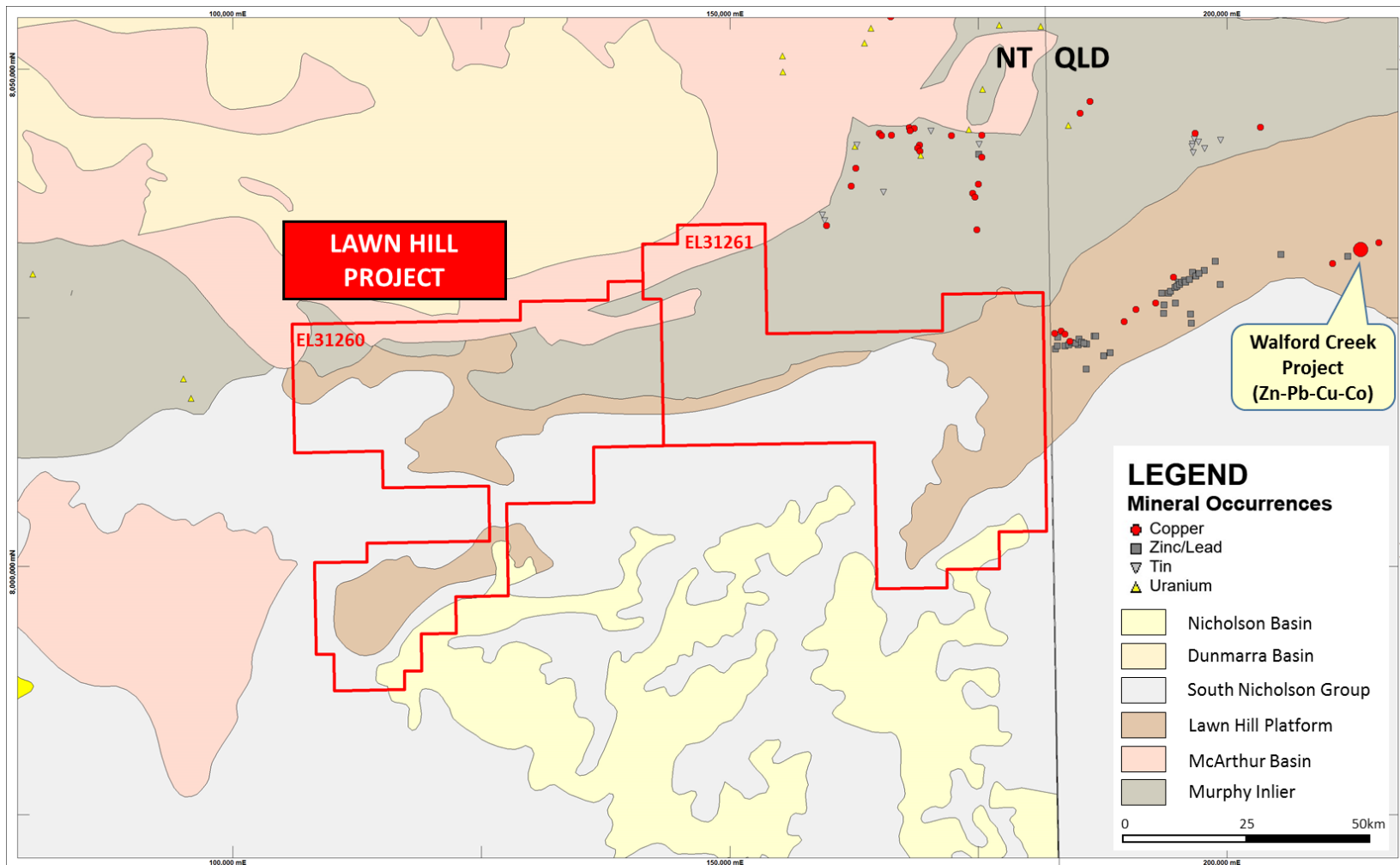


# Lawn Hill Project

## Zinc Prospective Tenement Applications

- Two large tenement applications in the Northern Territory
- Same geology that hosts the World Class Century Zinc Mine - (>150Mt @ 10% Zn+Pb)
- Project geology can be correlated with the rocks that host the HYC Deposit (>200Mt @ 13% Zn+Pb)
- Mineral occurrences on the Qld side and not on the NT side – lack of exploration
- Along strike from the emerging Walford Creek Cu-Co prospect

# Lawn Hill Project





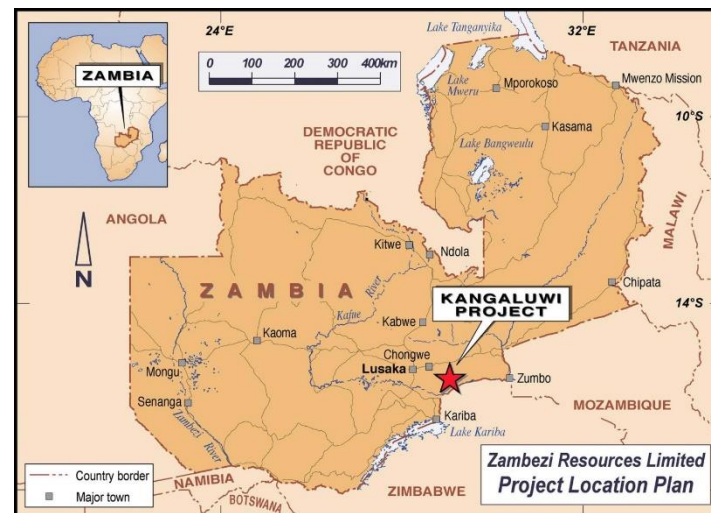
# Kangaluwi Copper Project

## Awaiting Appeal Decision

- Appeal by conservation groups against Minister of Lands, Natural Resources and Environmental Protection allowing development of KCP – decision pending (since 2014)
- Project remains in good-standing and no further work until decision is handed down. TKM remains hopeful for a positive outcome.

| Resource Category | Tonnes (Mt) | Cu (%)      | Contained Cu Metal (t) |
|-------------------|-------------|-------------|------------------------|
| Indicated         | 18          | 0.58        |                        |
| Inferred          | 28          | 0.72        |                        |
| <b>Total</b>      | <b>46</b>   | <b>0.67</b> | <b>308,200</b>         |

Table 1: Kangaluwi Copper Project Mineral Resource Estimate 0.3% Cut-off Grade





# TREK

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