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ASX Announcement

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March 2017 Quarterly Operations Report

1. Key Points

Kroussou Project

- Trek's maiden drilling programme at the Kroussou Project has been completed. Assays are awaited.
- Sphalerite and galena have been observed in all drillholes including the twin of historic drillhole S1 which, importantly confirms the potential for the broader basin to host significant mineralisation.
- Rock chips from Dikaki, Niamadbimbou and Bimbone Prospect confirm the prospectivity within and away from the Dikaki Prospect.

Lawn Hill Project

- The process towards granting of the tenements continues.

Kangaluwi Project

- The High Court of Lusaka is still yet to hand down the judgement with respect to the appeal lodged by environmental groups.
- TKM received a waiver from the 2017 licence fees whilst the decision is pending.
- Whilst TKM continues to lobby to have the decision handed down, TKM is considering its strategic options for Kangaluwi.

1. Kroussou Project

1.1 About the Project

Trek Metals Limited announced on 2 November 2016 that it had entered into an option agreement with Battery Minerals Limited (ASX:BAT, formerly Metals of Africa Limited, ASX:MTA) to farm into the highly prospective Kroussou Zinc-Lead Project in Gabon (Figure 1). Intermittent historic exploration, conducted from 1962 to 1980 by the French Geological Society (BRGM), identified significant near-surface base metal mineralisation with drill testing limited to a small portion of the target areas.

Project details can be found in the TKM ASX announcement dated 2 November 2016.

The key terms of the agreement are:

- Drill Option – TKM to fund an initial drilling programme at Kroussou up to US\$250,000.
- Should TKM elect to exercise this option (prior to 31st July 2017), TKM will pay BAT US\$240,000 in cash and/or shares as a reimbursement of costs and to secure the right to earn 30% of the Kroussou Project through the expenditure of US\$1M within 12 months of the exercise date.
- TKM can then earn a further 40% of the Project through the expenditure of US\$3M in the subsequent 24 months.
- TKM will then have earned 70% of the Kroussou Project and agrees to free carry BAT through to the completion of a PFS (Pre-Feasibility Study, as defined in JORC 2012). At that point, BAT will have the option to contribute to the delivery of a DFS (Definitive Feasibility Study as defined in JORC 2012) or dilute, via standard industry formulae to 5%, whereby below that, its interest will convert to a 2.5% Net Smelter Royalty (NSR). TKM will have the option to buy back 1% of this royalty through the payment of US\$1M to BAT.

1.2 Drilling

TKM has now completed its maiden drilling programme at the Kroussou Project within the Dikaki Prospect (for further details refer to ASX announcement from 28 February and 12 April 2017).

The drilling programme was designed to confirm the presence of near-surface zinc-lead mineralisation originally identified by the French Geological Survey (BRGM) as early as the 1960's.

TKM completed a total of nine drillholes for 450.77m with all holes displaying visible zinc and lead mineralisation. Assays are awaited and are anticipated to be received in full by early May.

Important from an overall project perspective is the twin of historic hole S1. This twin hole displays visual mineralisation at various depths down-hole (details of this hole were provided in ASX announcement dated 28 Feb 2017).

This is highly significant because it shows that the mineralisation may not be restricted to the channels themselves but may be present within the broader basin. As a result, the target area for the project has been extended significantly, with the entire basin now considered prospective for zinc and lead.

Observations from the core appear consistent with the historic drill logs with mineralisation hosted across a range of rock types including coarse to fine sandstones, mudstones, siltstones and dolostones. Some bituminous bands are present. The basement rocks comprise altered (biotite + pyrite + chlorite) gneiss and granitoid, which is commonly brecciated.

Mineralisation is comprised largely of fine grained sphalerite and galena in varying concentrations within bands with occasional solid veins. There are also coarse grained crystalline examples of both minerals.



Figure 1: Very coarse, crystalline galena and sphalerite in a section of core from hole DKDD001

Planning is underway to complete a regional soil and stream sediment survey along with an airborne geophysical survey to develop targets for follow-up during the next dry season later in the year. This work is expected to commence during May.

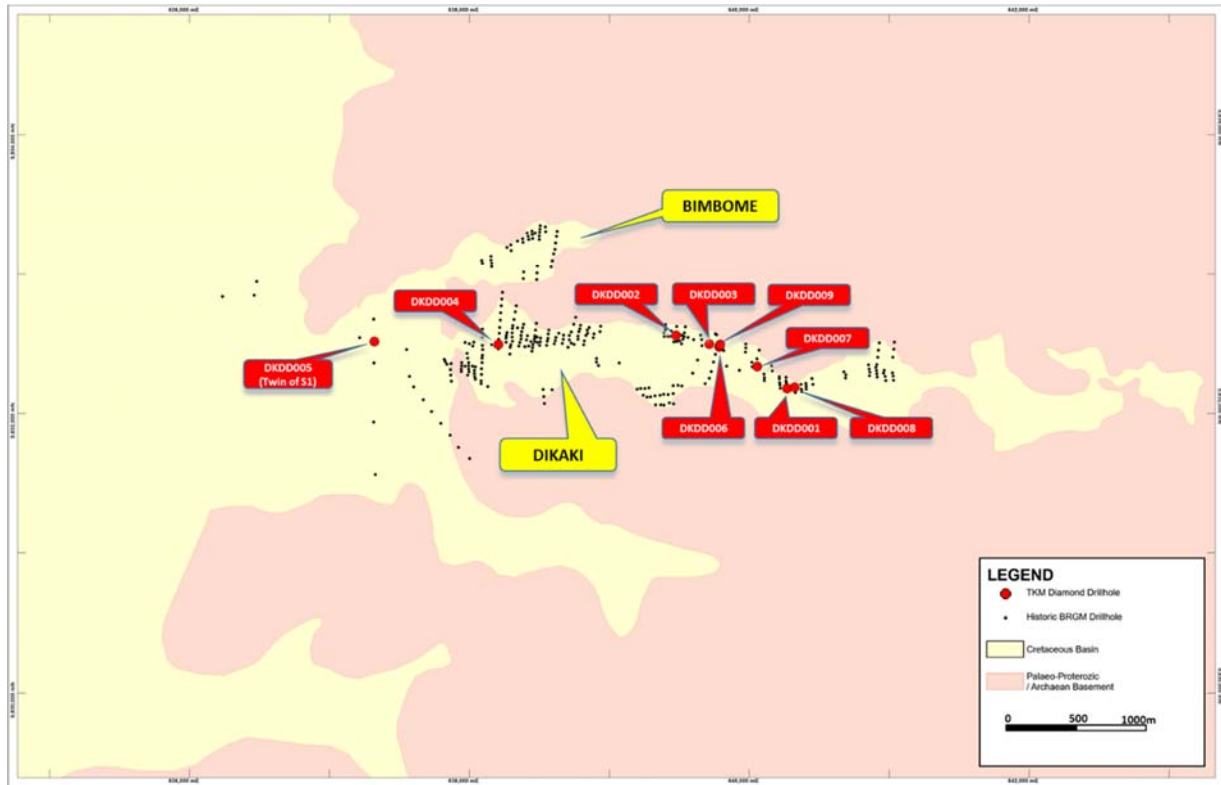


Figure 2: Drillhole collar plan of the Dikaki channel showing the historic drilling and the spread of the current drilling being undertaken by Trek Metals

Hole ID	Easting	Northing	RL_Approx (m)	Depth (m)
DKDD001	640268	9832179	208	39.4
DKDD002	639475	9832558	187	47.0
DKDD003	639714	9832496	200	42.2
DKDD004	638207	9832495	198	49.87
DKDD005	637320	9832515	138	137.85
DKDD006	639784	9832475	186	25.75
DKDD007	640056	9832337	169	27.7
DKDD008	640324	9832187	205	39.55
DKDD009	639782	9832471	200	41.45

Table 1: Collar locations for TKM drillholes at the Dikaki Prospect area. (Coordinates are WGS 84 Zone 32S) * - Drillhole is still in progress[SN1]

1.3 Rock Chip Samples

The results from the assaying of thirty-one rock chip samples collected recently at the Kroussou Project in Gabon were released during the quarter (for further details refer to ASX announcements dated 14 February 2017 and 12 April 2017).

The rock chip samples were collected as part of a broader mapping project conducted at Kroussou late in 2016 and build on the work completed previously by BAT. Results indicate that significant zinc and lead mineralisation is present, not only in the Dikaki area but at the Niamadbimbou Prospect 15km to the south and at the Niambokamba Prospect 5km to the north as well as at Bimbome just 1km north of Dikaki.

The rocks collected include sandstones, conglomerates, mudstones, breccias, limestones, dolomitic limestones and chert and represent a cross section of the geology occurring at surface within the prospect areas.

The prospects that occur along the contact provide a window into the broader Cotier Basin and indicate the prospectivity of the entire region. With these new results continuing to confirm high grade base metal mineralisation away from the more explored prospects, the entire basin margin becomes a live target. This would suggest that the sediments within the basin itself are also highly prospective.



Figure 3: This entire outcrop within the Dikaki embayment contains approximately 20 – 40 % Galena and Sphalerite (Lead and zinc sulphide minerals respectively).



Figure 4: This outcrop from the Nimadbimbou Prospect, approximately 15km to the south of Dikaki returned an assay of 14.0% combined Zn+Pb (sample MKR342).

Sample_ID	Pb_pp m	Pb_%	Zn_pp m	Zn_%	Zn+Pb_ %	Prospect	Easting	Northing
MKR016	210	0.02	122	0.01	0.03	Niambokamba	639243	9837926
MKR024	112	0.01	122	0.01	0.02	Niambokamba	639102	9837660
MKR028	1237	0.12	10784	1.08	1.20	Niambokamba	639174	9837542
MKR029	810	0.08	8649	0.86	0.95	Niambokamba	639151	9837563
MKR042	0.001	0.00	485	0.05	0.05	Niambokamba	639541	9838265
MKR049	6024	0.60	12986	1.30	1.90	Niambokamba	639381	9838397
MKR120	64	0.01	189	0.02	0.03	Niambokamba	639240	9838126
MKR121A	84	0.01	2412	0.24	0.25	Niambokamba	639261	9838132
MKR121B	2449	0.24	24296	2.43	2.67	Niambokamba	639261	9838132
MKR146	611	0.06	4670	0.47	0.53	Dikaki	638246	9832220
MKR148A	3296	0.33	15603	1.56	1.89	Dikaki	638086	9832313
MKR148B	16652	1.67	30534	3.05	4.72	Dikaki	638086	9832313
MKR154A	56322	5.63	56736	5.67	11.31	Dikaki	638716	9832530
MKR154B	39686	3.97	63880	6.39	10.36	Dikaki	638716	9832530
MKR155	51476	5.15	48620	4.86	10.01	Dikaki	638334	9832522
MKR160A	143027	14.30	59365	5.94	20.24	Dikaki	638322	9832599
MKR160B	289616	28.96	8140	0.81	29.78	Dikaki	638322	9832599
MKR183	51658	5.17	93589	9.36	14.52	Dikaki	639490	9832160
MKR188	94075	9.41	1393	0.14	9.55	Dikaki	639398	9832052
MKR207	22291	2.23	23852	2.39	4.61	Dikaki	639408	9832589
MKR219	19373	1.94	13957	1.40	3.33	Dikaki	640403	9832271
MKR221	1880	0.19	6014	0.60	0.79	Dikaki	640487	9832297
MKR225	10939	1.09	22900	2.29	3.38	Dikaki	640641	9832353
MKR229	652	0.07	163	0.02	0.08	Dikaki	640958	9832602
MKR230	130	0.01	157	0.02	0.03	Dikaki	641007	9832579
MKR256A	71467	7.15	5786	0.58	7.73	Bimbome	638448	9833332
MKR256B	16816	1.68	10999	1.10	2.78	Bimbome	638448	9833332
MKR256C	23363	2.34	18823	1.88	4.22	Bimbome	638448	9833332
MKR342	72550	7.26	67343	6.73	13.99	Niamadbimbou	633214	9814210
MKR356	33519	3.35	21774	2.18	5.53	Niamadbimbou	632187	9816516
MKR382	583	0.06	754	0.08	0.13	Niamadbimbou	634385	9816531

Table 2: Assay results from the recently received rock chip samples from the Kroussou Project. Co-ordinates are provided using datum WGS84 – Zone 32S

1.4 New Tenement

A new prospecting licence, G4-588, has now been granted to BAT and provides the opportunity to continue exploration deep into the prospective Cotier Basin (Figure 5).

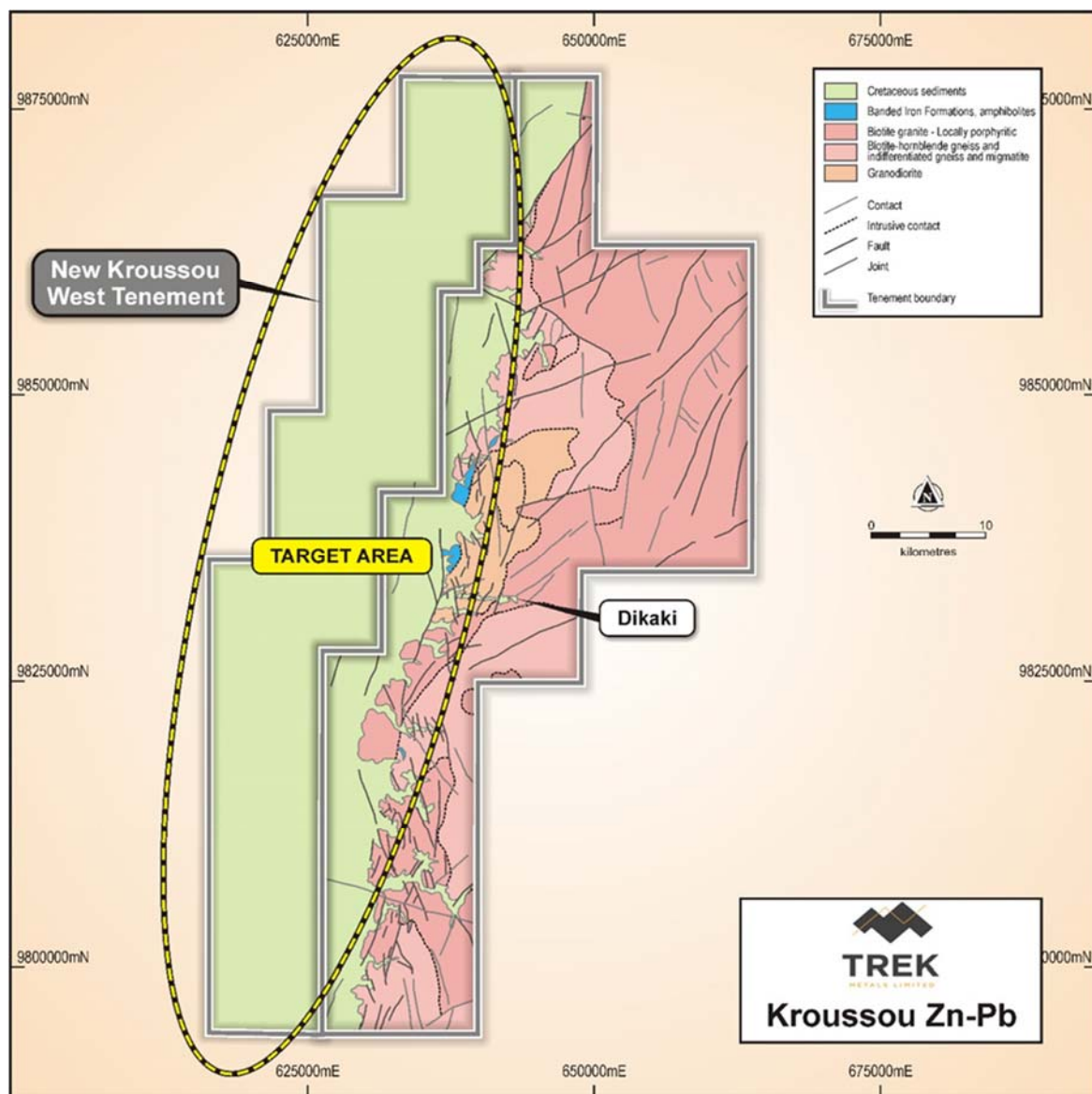


Figure 5: The Kroussou Project showing the new tenement and the live target expanded to the entire sedimentary basin.

2. Lawn Hill Project

2.1 Tenement Applications

TKM is currently in the process of negotiating access arrangements to allow for the grant of the Lawn Hill Project Tenements. This process is expected to continue for the remainder of 2017.

3. Kangaluwi Copper Project

3.1 Court Case

The Company is awaiting written judgement on the appeal. The stay of execution remains in place pending the outcome of the appeal against the Minister's decision.

TKM continues to lobby to have the decision handed down.

4. Corporate

4.1 Board Changes

TKM has appointed two new Non-Executive Directors in the quarter. Ms Sonja Neame was appointed in January and Mr Michael Bowen during February.

Ms Neame has 23 years' mining industry experience and significant international experience in Africa, South America, Asia and the Pacific. She has a keen interest in corporate governance and provides consulting services to clients establishing themselves overseas. Ms Neame is Managing Director of mining and exploration consultants Ravensgate and serves as Chairman of a Perth-based school. Ms Neame was Administration Manager for mining consultants RSG/RSG Global where she played a major role in the group's international expansion. Ms Neame is a member of the Australian Institute of Company Directors and Governance Institute of Australia and has a Graduate Diploma of Business Management from the University of Western Australia.

Mr Bowen graduated from the University of Western Australia with Bachelors of Law, Jurisprudence and Commerce. He has been admitted as a barrister and solicitor of the Supreme Court of Western Australia and is an Associate and Certified Practising Accountant of the Australian Society of Accountants. Mr Bowen is a partner of the law firm DLA Piper (formerly of Hardy Bowen which merged with DLA Piper on 1 July 2015) practicing primarily corporate, commercial and securities law with an emphasis on mergers, acquisitions, capital raisings and resources. Mr Bowen also serves as a Non-Executive Director of IMF Bentham Limited.

Mr Marinko Vidovich resigned as a Non-Executive Director of TKM, effective 31 January 2017. Mr Vidovich continues to assist TKM in considering alternatives for crystallising value from the Company's Kangaluwi Copper Project in Zambia.

TKM also appointed Ms Nerida Schmidt as Joint Company Secretary in January. Ms Schmidt holds a Bachelor of Commerce, is a CPA, a Fellow of FINSIA, and is a Chartered Secretary. Ms Schmidt has 25 years' professional experience as the company secretary of a number of ASX and AIM listed companies in a variety of industries.

4.2 Fund Raising

During the quarter the Company completed a strategic share placement utilising its 15% placement capacity under Listing Rule 7.1 to raise A\$500,000, before costs, through the issue of 16,666,667 shares at \$0.03 to sophisticated and professional investors. Funds raised were and will be utilised to assist with funding the drilling programme and ongoing exploration at Kroussou Project in Gabon, to seek and access new resource opportunities and for general working capital purposes.

5. Tenements

Tenement	Holder	Last Qtr Interest	Current Qtr Interest
G4-569 (Gabon)	Select Explorations Gabon SA (Wholly owned subsidiary of Battery Minerals Limited)	0% (Option agreement to enter into JV to earn up to 70%)	0%
G4-588	Select Explorations Gabon SA (Wholly owned subsidiary of Battery Minerals Limited)	0% (Option agreement to enter into JV to earn up to 70%)	0%
EL31260 (appl.) (Northern Territory)	TM Resources (100% owned subsidiary)	100%	100%
EL31261 (appl.) (Northern Territory)	TM Resources (100% owned subsidiary)	100%	100%
15547-HQ-LML (Zambia)	Mwembeshi Resources (100% owned subsidiary)	100%	100%
13170-HQ-LPL (Zambia)	Cheowa Resources (Incorporated JV- 51% Glencore 49% TKM)	49%	49%
13171-HQ-LPL (Zambia)	Cheowa Resources (Incorporated JV- 51% Glencore 49% TKM)	49%	49%
8573-HQ-LPL (Zambia)	Cheowa Resources (Incorporated JV- 51% Glencore 49% TKM)	49%	49%

COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results is based on information compiled by Mr Bradley Drabsch, Member of the Australian Institute of Geoscientists ("AIG") and Managing Director of Trek Metals Limited. Mr Drabsch has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a competent person as defined in the JORC Code 2012. Mr Drabsch consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.