Infill Soil Geochemistry Upgrades Kroussou Zinc-Lead Potential High Order Anomalies

Additional Rock Chip Sampling Returns Values up to 44.4 % Pb + Zn

ASX ANNOUNCEMENT
19 October 2017
ASX: TKM
ARBN: 124 462 826

Issued Capital

Shares – 232.0 M
Options – 55.5M
Share Price – A$0.038
Market Cap. – A$8.82M

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HIGHLIGHTS

- **Approximately 20 strike-kilometres of anomalism at greater than 500ppm Zn + Pb**
- **Infill soil geochemistry highlights numerous targets within Dikaki, Niambokamba and Bouambo South prospects**
- **Additional rock chip samples provide further evidence of ore grade mineralisation at surface eg. JB612 @ 43.8% Pb and 0.6 % Zn***
- **Peak soil results of 3,156ppm Zn and 2,410ppm Pb with >10% of samples >500ppm Zn + Pb***
- **Ground based geophysics (IP and NSAMT) continues across high priority target areas**
- **Commitment received for remaining 4M shares from recent placement to existing sophisticated investor**

Trek Metals Limited (ASX:TKM) is pleased to announce that the infill soil geochemistry programme at its Kroussou Zn-Pb Project JV (in partnership with ASX:BAT) has now been completed (Figures 2, 3 and 4).

The results returned have confirmed the presence of, and upgraded the tenor of the soil anomalies from the first pass work completed earlier this year (refer ASX announcement – 28 August 2017). A total of 7,177 samples were collected during the two programmes with the infill completed at 50m x 50m spacing.

Several, highly significant, high-order and large-scale anomalies across the three priority prospect areas have been defined with coherent zinc and lead anomalies peaking at 3,156ppm and 2,410ppm respectively*, forming the basis upon which the ongoing surface geophysical programme is being undertaken.

An aggregate total of approximately **20 strike-kilometres of soil anomalies at >500ppm zinc plus lead** have been defined presenting numerous discovery opportunities.

Trek's Managing Director, Bradley Drabsch, commented that "once again, we have delivered results through our step-by-step approach to exploration at Kroussou. It's not often that you get the opportunity to complete simple, effective exploration that enhances the discovery chances at every turn."

Exploration Process

Trek has quickly moved the Kroussou Project from a series of historical occurrences in a forgotten corner of West Africa to a point where the potential for the discovery of a significant zinc/lead orebody is high. All the ingredients for success are present at Kroussou and the Company has systematically progressed its exploration, de-risking the Project at every step and continues to deliver positive results. Table 1, below, outlines the work completed to date, all during 2017, and the next steps for the Project.

The Company remains on track to begin drilling later in 2017and continuing early in 2018.

Exploration Step	Exploration Activity	Completion
Step 1	Review Historic Data	Always Ongoing
Step 2	Confirm Historic Surface Observations	**Completed**[1]
Step 3	Confirm Historic Drilling Results **(Phase 1 DD Programme)**	**Completed**[2]
Step 4	Complete First Pass Surface Geochemistry	**Completed**[3]
Step 5	Complete Infill Surface Geochemistry	**Completed**
Step 6	Complete Surface Geophysical Programme (IP and NSAMT)	**Underway**[4] **(Q4 Completion)**
Step 7	Drill Test Priority 1 Targets **(Phase 2 DD Programme)**	**Q4 2017- Q1 2018**

Table 1: Kroussou Project Exploration Process

Notes:
[1] Refer ASX Announcement 14 February 2017
[2] Refer ASX Announcement 28 February 2017, 12 April 2017, 11 May 2017
[3] Refer ASX Announcement 28 August 2017
[4] Refer ASX Announcement 16 October 2017

* - pXRF value from a Niton XL3t GOLDD+ analyser

Placement Finalisation

In a strong signal of support, Trek has now received a commitment from an existing sophisticated investor to place the remaining 4 million new fully paid ordinary shares (see below) to raise $100,000 (before costs). An Appendix 3B and Cleansing Notice in this regard is to follow in due course.

This is further to the release dated 8 August 2017 at which it was announced that shareholder approval had been granted at the Annual General Meeting of Shareholders for the issue of up to 80 million new fully paid ordinary shares at an issue price of 2.5 cents per share, and that the raising of $1.9 million through the issue of 76 million new fully paid ordinary shares had been completed with the issue of those securities on that date.

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.

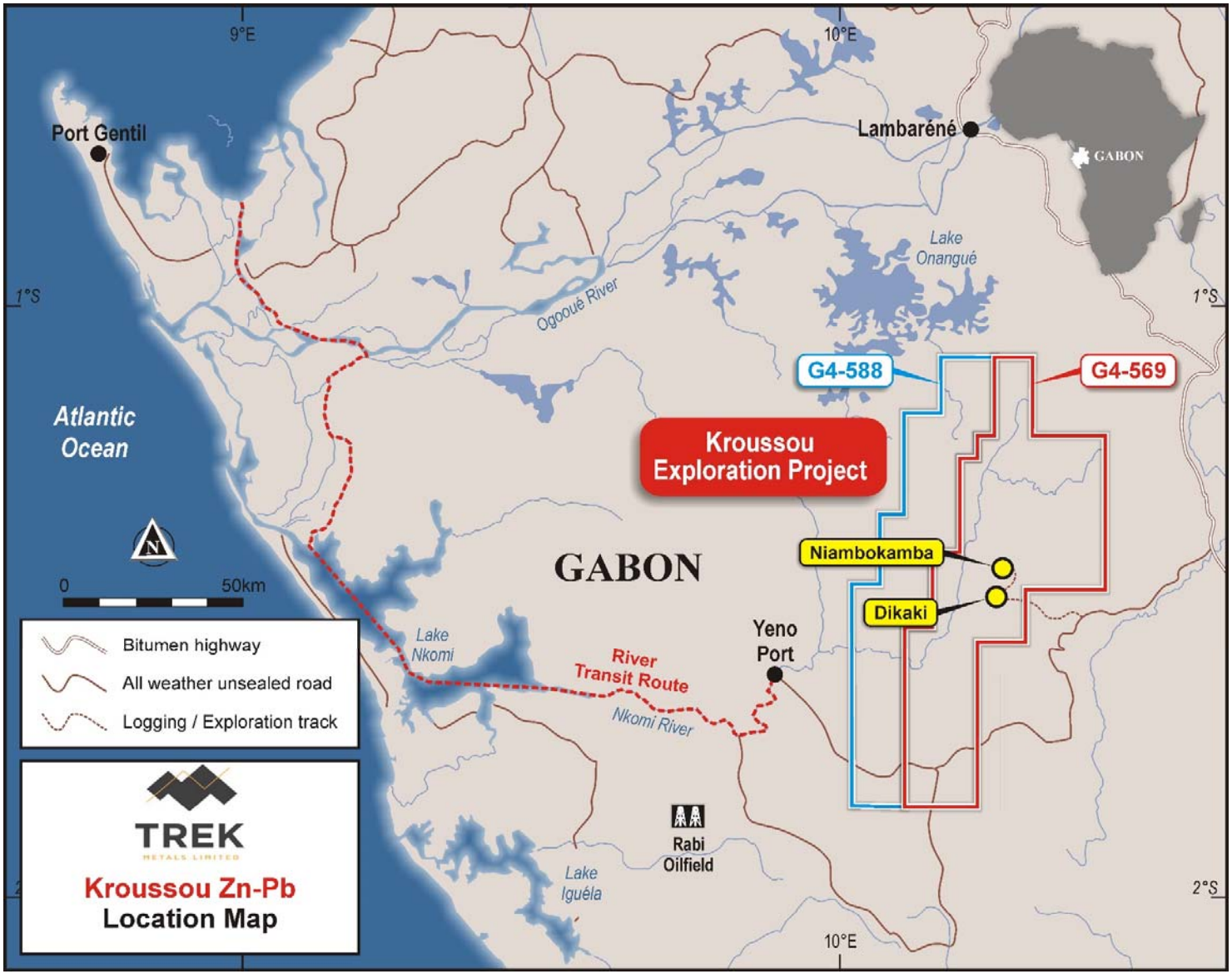

Figure 1: Kroussou Project Location Plan showing Key Infrastructure

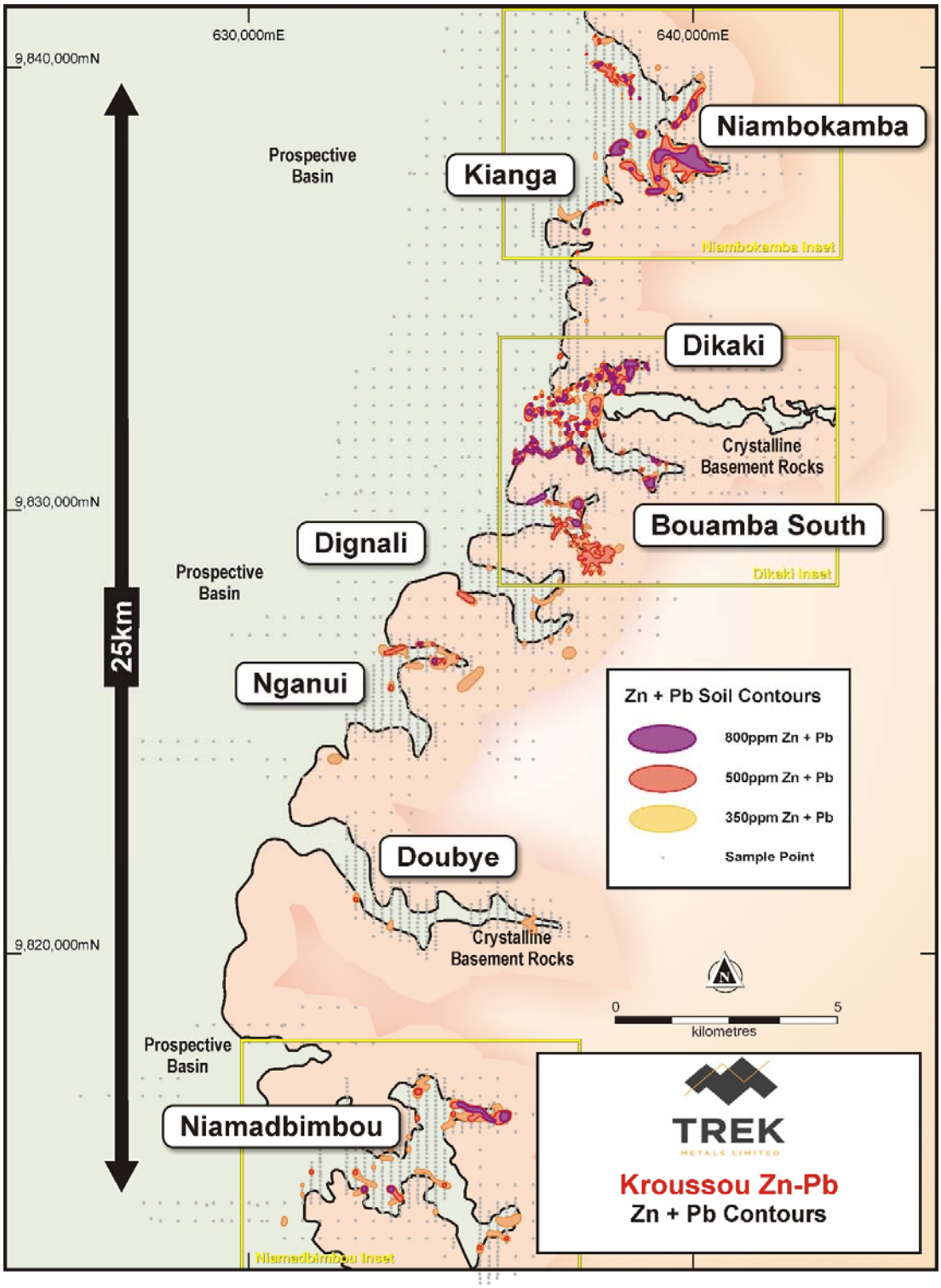

Figure 2: Prospect Location Plan with Priority Areas

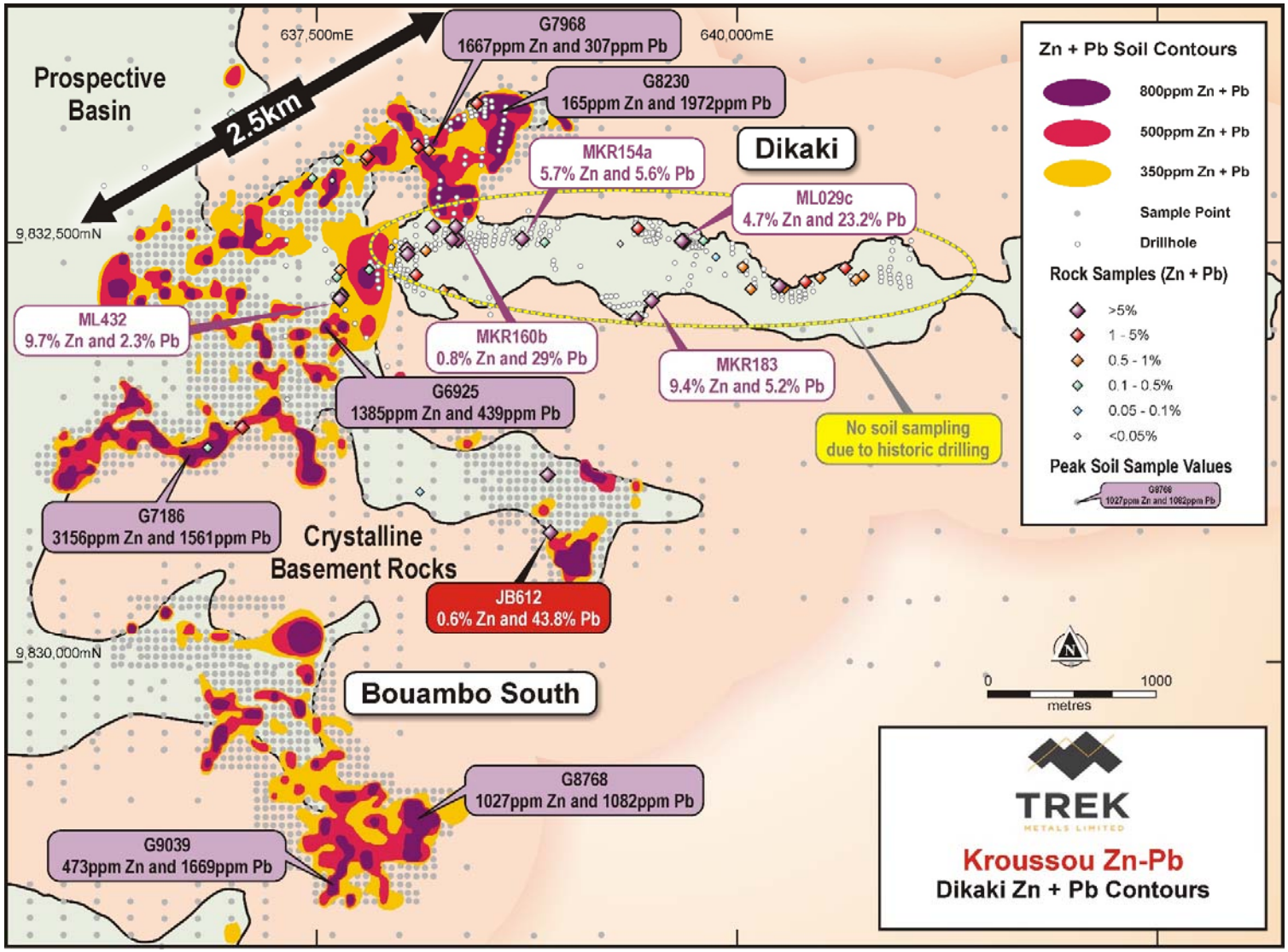

Figure 3: Soil anomalies within the Dikaki Prospect

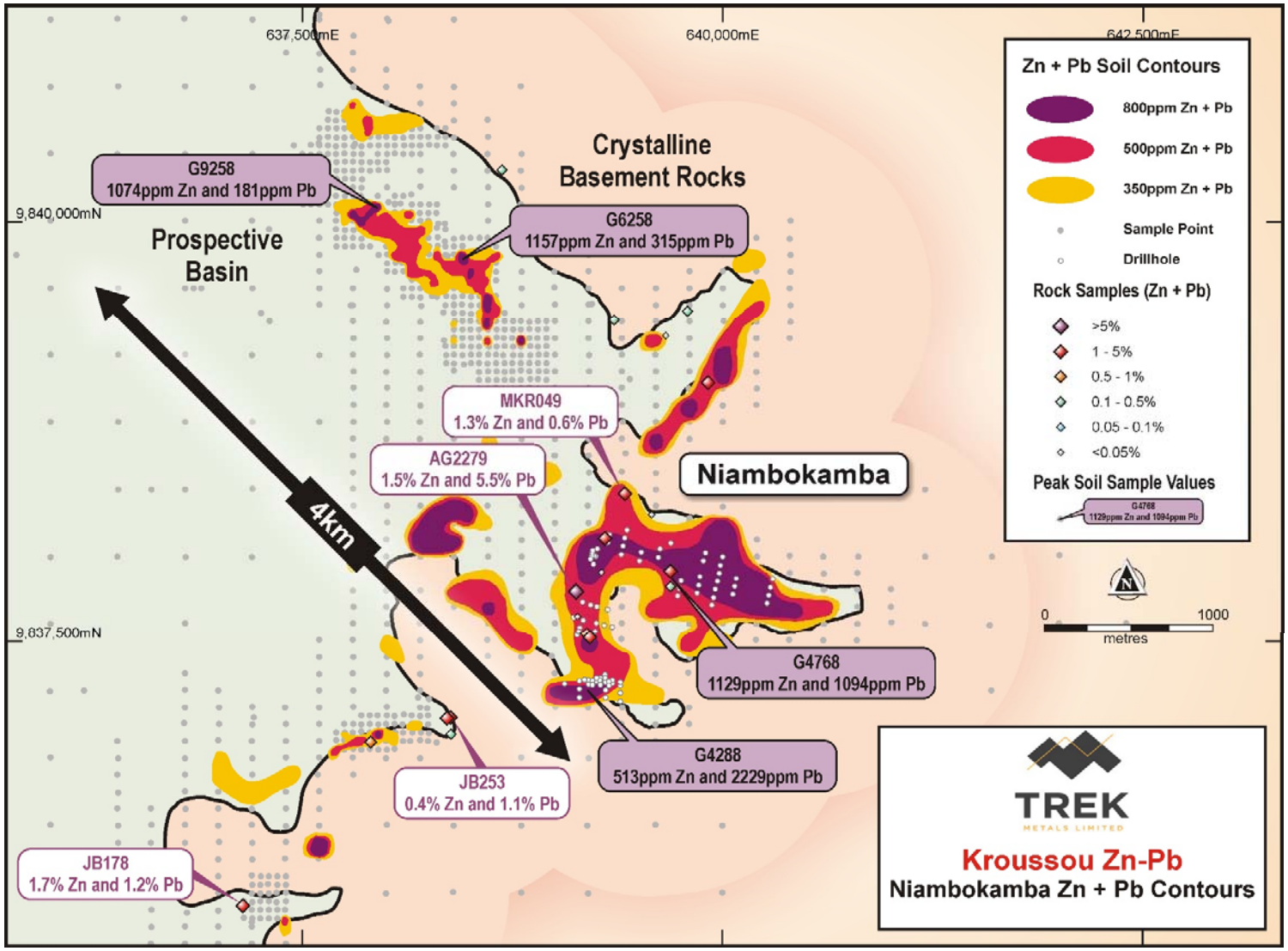

Figure 4: Soil anomalies within the Dikaki Prospect

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Soil samples taken from approx. 400mm below the surface • The samples are air dried, "de-clumped", sieved to minus 225 microns and then bagged ready for analysis using a portable XRF (NITON XL3t GOLDD+)
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No drilling was conducted
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• No drilling was conducted
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical*	• A short field description of each sample was collected

Criteria	JORC Code explanation	Commentary
	studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Replicate samples have been collected in the field to allow for checking of sample representivity • Duplicate assaying of samples has also been undertaken • The sample preparation utilised is appropriate for this stage of exploration for this style of sample • A representative selection of samples has been chosen and will be analysed in a laboratory using standard industry methods. These results are not available at this time
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Assaying using a portable XRF following sieving of soil sample material to minus 225 micron is considered an appropriate first pass method and is a partial technique. • The instrument used for assay is a Niton XL3t GOLDD+. The instrument is self-calibrating • Standards and blanks have been used during the assaying process, the results of which appear acceptable. A full analysis of these QAQC results, however, has not been undertaken • A total of 175 samples were selected from areas of anomalism and background for wet conventional assaying as a check of pXRF performance. Results indicate that the pXRF results are suitable to guide future exploration.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Sample locations are collected using a handheld GPS with observations entered into a notebook before being digitised • Assay results are downloaded directly from the portable XRF machine

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Samples have been collected at spacing of either 400m x 400m or 200m x 100m depending upon the general location of the sample region. Samples collected outside channels are broader, those inside channels tighter • The sample spacing is appropriate at this stage of the exploration process
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Samples were taken according to observations at the time in the field.
Sample security	• *The measures taken to ensure sample security.*	• Samples are initially placed in bags in the field • Samples are transported to the exploration field office for drying, screening and assaying via portable XRF • Samples selected for wet laboratory analysis were shipped to the laboratory in Australia via DHL
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A comparison of the pXRF data vs wet assay data was conducted for the samples selected for assay and the comparison showed that the pXRF values were comparable and appropriate for use to guide future exploration. .

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• BAT acquired the Kroussou Project in Gabon from Select Exploration Limited (ASX:SLT) in March 2014. BAT has 100% equity in these projects. Havilah Consolidated Resources (HCR) holds a 0.75% NSR. This royalty may be bought back from HCR by BAT for US$250,000 • The Kroussou tenure is an Exploration License (G4-569) renewable each year for a further 3-year period beginning the 02nd of July 2015 and a Prospecting Licence (G4-588) which is convertible to an Exploration Licence should TKM elect to convert after 03rd March 2018. • The Company is not aware of any impediments relating to the licenses or area.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Intermittent historical exploration as conducted by French Bureau de Recherches Géologiques et Minières (BRGM) at Kroussou from 1962 - 1963, the project was then later re-examined in 1979-1981 by the BRGM in joint venture with Comilog which is a Gabonese government owned mining company. • BRGM discovered the Kroussou Pb-Zn-(Ag) mineral occurrences as well as others along various river systems on the Kroussou license. • BRGM conducted drilling on the project in 1962, 1977-1980. • BAT has obtained historical reports and drill logs relating to BRGM's field program.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit style reported in BRGM historical files is Mississippi Valley Type (MVT) sedimentary mineralisation of Pb-Zn-(Ag) where mineralisation is similar to the Laisville (Sweden) style with deposition within siliciclastic horizons in a reducing environment. • On a regional scale, the Pb-Zn mineral concentrations are distributed at the edge of the continental shelf which was being eroded during Lower Cretaceous time. • Mineralisation is located within the Gamba Formation part of the N'Zeme Asso Series and was deposited during the Cretaceous as part of the Cocobeach Complex deposited during formation of the Cotier Basin. • Mineralisation is hosted by conglomerates, sandstones and siltstones deposited in laguno-deltaic reducing conditions at the boundary of the Cotier Basin onlapping continental basement rocks.

Criteria	JORC Code explanation	Commentary
		• Large scale regional structures are believed to have influenced mineralisation deposition. • BAT's field reconnaissance identified mineralisation within coarse-grained arkosic sandstone and conglomerate and observed local silicification.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• No drilling has been conducted
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No drilling was conducted • No metal equivalents have been used • Data presented is based upon Zn + Pb
Relationship between mineralisation widths and intercept lengths	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No drilling was conducted.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to figures in report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Contouring provides an appropriate representation of the results.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All meaningful and material information is reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• This current work is likely to be followed by geophysical surveys, and geological mapping to generate and further delineate drill targets within existing mineralised zones and within the broader project area.