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ASX Announcement

31 January 2018

December 2017 Quarterly Operations Report

1. Key Points

Kroussou Project

- TKM enters into a binding term sheet with Battery Minerals Limited (ASX: BAT) subsequent to the quarter end to acquire the Kroussou Project 100% for a consideration of US\$400,000 in a combination of cash and securities.
- Initial results from a programme of ground based geophysics, including IP and NSAMT (Induced Polarisation and Natural Source Audio Magneto Tellurics) to target near surface open-pit orebodies returns several large anomalies.
- Anomalies within the Dikaki Channel highlight the potential for extensions to known mineralisation.
- Inversion modelling suggests significant targets from near surface to approximately 100m below surface.

Arunta Lithium - Cobalt Project

- Project includes six exploration licences and one exploration licence application with historical rock chips up to 1,500ppm Li₂O, 0.12% Co.
- Project includes historical reports of lithium, cobalt, tin, tungsten, copper, tantalum and niobium anomalism and/or mineralisation
- Reconnaissance field work indicates large volumes of granite with pegmatites and copper mineralisation at surface.
- Historical exploration review to evaluate numerous opportunities within the extensive ground package is ongoing.

Lawn Hill Project

- Meeting with Traditional Owners anticipated during the June Quarter.
- Historical exploration review and initial target development work is ongoing.
- Aeon Metals' Walford Creek Deposit, along strike, has grown its resource to 15.7Mt @ 1.24% Copper and 0.15% Cobalt.

2. Kroussou Project

2.1 100% Acquisition

Subsequent to the quarter end, Trek was delighted to advise that a binding term sheet had been signed to acquire 100% of the Kroussou Zinc-Lead Project in Gabon from Battery Minerals Limited (ASX:BAT) (refer to ASX announcement – 11 January 2018).

Trek will pay Battery Minerals Limited US\$400,000 in a mix of cash and securities plus a deferred consideration of shares and options, totalling US\$2.5 million subject to a mineral resource of 250,000 tonnes of combined zinc-lead metal being estimated on the Kroussou Project. Trek will also grant BAT a 2.5% NSR on the project, subject to a 1% buyback by TKM with the payment of US\$1.5million in cash.

Deal Terms

Key points of the Term Sheet include:

- TKM (or its nominee) will acquire 100% of the issued capital of BAT subsidiary, Select Exploration (Select Exploration), which holds a 100% interest in the Kroussou Project.
- The consideration for the acquisition of the Kroussou Project is:
 - a cash payment of US\$200,000 to BAT; and
 - the issue of US\$200,000 of TKM shares based on a 5-day VWAP prior to the date of issue and subject to a minimum floor price of \$0.025 (Consideration Shares) and one free attaching option (term of 3 years, \$0.10 exercise price) for every two Consideration Shares issued.
- The Consideration Shares will be subject to a 12-month voluntary escrow period.
- Deferred consideration upon an Indicated Resource (as defined in JORC 2012) of more than 250,000 tonnes of combined Zn/Pb metal being declared in relation to the Kroussou Project and subject to shareholder approval, of US\$2,500,000 of TKM shares based on a 5-day VWAP prior to the date of issue and subject to a minimum floor price of \$0.025 (Deferred Consideration Shares) and one free attaching option (term of 3 years, exercise price of 150% of the 5-day VWAP prior to the date of issue) for every two Deferred Consideration Shares issued (Deferred Consideration Options) (together, the Deferred Consideration).
- TKM will grant BAT a 2.5% net smelter royalty on gross sales revenue (NSR) with TKM having an option to buy back 1% of the NSR for US\$1,500,000.
- An existing 0.75% net smelter royalty payable in relation to the Kroussou Project to a third party (Existing Royalty) which can be bought back for US\$250,000, will be novated from BAT to TKM as part of the acquisition.
- If TKM abandons the Kroussou Project, BAT has the option to acquire the project for fair value. If TKM sells the Kroussou Project, the third-party purchaser must undertake to provide BAT with an equivalent Deferred Consideration or TKM may agree to pay BAT the Deferred Consideration.
- Conditions precedent to completion of the acquisition include a satisfactory 30-day due diligence period for TKM, novation of the Existing Royalty from BAT to TKM and other conditions precedent which are considered standard for a transaction of this nature including no material adverse change to BAT or TKM, representations and warranties of BAT being true and correct and BAT complying with its obligations under the Term Sheet. TKM may terminate the Term Sheet if any conditions precedent are not satisfied or waived by 31 March 2018 and BAT may terminate if a material adverse change occurs in relation to TKM.
- The Term Sheet also contains representations and warranties from the parties that are considered standard for this type of transaction.

A formal share sale agreement and royalty deed in respect of the Term Sheet is expected to be executed by the parties by the end of Q1 2018.

2.2 Surface Geophysics

During the quarter, the Company announced that it had commenced a ground geophysical programme at its Kroussou Zn-Pb Project JV (*refer to ASX announcement – 16 October 2017*).

This programme, consisting of both IP and NSAMT methods (Induced Polarisation and Natural Source Audio Magneto Tellurics), aimed to assist drill targeting in combination with the recently identified soil anomalies within the Project area.

Initial lines indicated significant anomalies potentially related to mineralisation being present within the Dikaki Channel. Both IP and NSAMT methods highlighted these anomalies that appear related to known mineralisation. Inversion modelling orientation lines across some of the known mineralisation at Dikaki has indicated that a substantial semi-continuous conductive body persists from surface (associated with known mineralisation) to approximately 100m below surface (Figures 2 and 3) (*refer to ASX announcement – 03 November 2017*).

2.3 Future Work

The geophysical programme has now recommenced following a period of heavy rain that halted activity. It is anticipated that the programme will be completed during Q1 2018 with drilling to follow thereafter.

3. Arunta Project

3.1 Project Acquisition

Trek announced the 100% acquisition, during the quarter, of Elm Resources Pty Ltd which owns seven applications (six now granted) in the Northern Territory that are highly prospective for Lithium and Cobalt (Figure 4) (*refer to ASX announcement – 15 November 2017*).

This acquisition provides Trek with significant exposure to strategic commodities for the mobile energy / battery market and is an adjunct to its strategy of the discovery of zinc and lead deposits both in Australia (Lawn Hill Project) and via its interest in the Kroussou Zinc-Lead Project JV in Gabon.

Trek sees this commodity mix as presenting opportunities in both base load energy storage (lead and zinc) and mobile energy storage (lithium and cobalt) as the renewables sector expands globally.

The key technical aspects of the Arunta Lithium – Cobalt Project are as follows:

- 7 ELA's (6 now granted) for a total of 5,274 km²
- Approximately 200km NW of Alice Springs adjacent to the Tanami Road with a major unsealed link road to the Stuart Highway traversing the eastern part (Napperby) of the project area
- Wangala Suite Granites mapped across the Napperby area – highly lithium fertile rocks
- Historic rock chips up to 0.12% Cobalt in Lander Bed meta-sediments
- Southwark Granite in the western part of the project area (Mt Singleton) contains pegmatites and greisen phases with elevated tungsten – highly lithium fertile rocks
- Abundant pegmatites mapped in both regions of the project
- Exploration possible year-round with access along pastoral and exploration tracks
- Potential exists also for tin, tungsten, copper, gold, tantalum and niobium mineralisation

A reconnaissance field trip was undertaken late last year and confirmed the presence of widespread granites mapped as Wangala Suite which are considered highly prospective sources for lithium mineralisation in the Northern Territory. Outcropping copper mineralisation was also present at one location visited during the excursion (Figures 5 and 6).

Consideration

Trek secured the outright purchase of the Arunta Li-Co Project for a consideration of \$300,000 comprising an issue of 8,571,429 Trek shares at \$0.035 per Trek share. Fifty percent of the shares issued as consideration will be escrowed for 6 months. There are no other material conditions of the agreement.

3.2 Future Work

Compilation of historical data will be ongoing with a more complete understanding of the potential of the tenements to continue to emerge in the coming months with commensurate ground works beginning during 2018.

4. Lawn Hill Project

4.1 Historic Exploration

Trek is continuing to evaluate the historic data available for the Lawn Hill Project (Figure 7). The geology across much of the Project area is very similar to that which hosts the Walford Creek Project (see Aeon Minerals ASX: AML), across the border in Queensland approximately 30km to the east. The Fish River Fault, associated intimately with the Walford Creek mineralisation, traverses TKM's Lawn Hill Project area.

A compilation of available historic stream sediment data, collected in the 1980's across the Lawn Hill Project area, indicates the potential for copper, cobalt, zinc and lead mineralisation across the tenement application areas (*refer to ASX announcement – 21 August 2017*).

The Lawn Hill Project is located immediately across the border (approx. 35km west and directly along strike) on the Northern Territory side, from the emerging Walford Creek Copper-Cobalt-Zinc-Lead Project owned by Aeon Metals Limited. Aeon Metals suggests that the Walford Creek Project contains Australia's largest and most advanced sulphide cobalt resource.

The rocks hosting the Walford Creek Project, the Lawn Hill Platform, extend across the border from Queensland into the Northern Territory. An obvious and abrupt absence of copper-cobalt, zinc and lead occurrences within the Lawn Hill Platform rocks on the Northern Territory side of the border is not necessarily due to an absence of mineralisation but rather a lack of exploration.

ESSO conducted limited surface exploration between 1979 - 1981 which included:

- stream sediment sampling
- rock chip sampling
- gravity survey
- drilling of two stratigraphic diamond drillholes

4.2 Tenement Applications

The process of negotiating access arrangements to allow for the grant of the Lawn Hill Project tenure is ongoing. A meeting with Traditional Owners is now due to be held in Q1 2018.

Several new tenement applications were lodged during the quarter to bolster the Lawn Hill Project package. For details of this see the ASX announcement from 27 November 2018 (Figure 8).

5. Kangaluwi Copper Project

5.1 Court Case

The Company is awaiting written judgement by the Judge of the Lusaka High Court on the appeal lodged by organisations associated with the conservation movement in Zambia on 17 January 2014 against the decision of the Minister of Lands, Natural Resources and Environment Protection to approve the Company's 100% owned Kangaluwi Copper Project. The stay of execution remains in place pending the outcome of the appeal against the Minister's decision.

TKM is currently evaluating its options with respect to the divestment of this Project.

6. Corporate

6.1 Fund Raising & General Meeting

Given the very strong market interest in the key strategic commodities for the mobile energy / battery market and the prospectivity of the Arunta Li-Co Project, Trek received commitments during the quarter from new and existing sophisticated and professional investors for 67,741,935 new shares to raise \$2.1 million (before costs) at \$0.031 per Trek share through Lead Manager PAC Partners (**Placement**). The Placement included a 1:2 free attaching unlisted option exercisable at \$0.06 before 2 November 2021 (Placement Options) and 4,000,000 Broker Options on the same terms.

Proceeds from the Placement were to fund:

- Initial assessment of the **Arunta Lithium-Cobalt Project** in Northern Territory
- Continuing advancement of exploration activities at the **Kroussou Zinc-Lead Project** in Gabon
- Support ongoing exploration activities on the company's other base metals project in the Northern Territory, the **Lawnhill Zinc-Copper-Cobalt Project**
- General working capital, including evaluation of **new project opportunities**

The securities were issued in two tranches, the first utilising its capacity under Listing Rules 7.1 and 7.1A of 58,997,562 fully paid ordinary shares issued in November 2017. The remaining 8,744,373 shares, the Placement Options and the Broker Options received shareholder approval at a General Meeting which was held on 4 December 2017 and were issued following that meeting.

The Company also received at that General Meeting approval for the issue of 8,571,429 new fully paid ordinary shares for the purchase of the Arunta Li-Co Project and for the issue of 21 million unlisted options exercisable at \$0.06 before 2 November 2021 to directors.

The Company also completed in October 2017 the issue of 4 million new fully paid ordinary shares at \$0.025 per share to sophisticated and professional investors to finalise the \$2 million capital raising approved by shareholders at the Annual General Meeting of Shareholders in August 2017.

7. Tenements

Tenement	Holder	Last Qtr Interest	Current Qtr Interest
EPM26707 (appl.) (Queensland)	Trek Metals Limited	100%	100%
EPM26708 (appl.) (Queensland)	Trek Metals Limited	100%	100%
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%
EL31564 (Northern Territory)	ELM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31565 (Northern Territory)	ELM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31566 (Northern Territory)	ELM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31567 (Northern Territory)	ELM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31598 (Northern Territory)	ELM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31599 (Northern Territory)	ELM Resources Pty Ltd (100% owned subsidiary)	100%	100%

EL31728 (appl.) (Northern Territory)	ELM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31260 (appl.) (Northern Territory)	TM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31261 (appl.) (Northern Territory)	TM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31751 (appl.) (Northern Territory)	TM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31752 (appl.) (Northern Territory)	TM Resources Pty Ltd (100% owned subsidiary)	100%	100%
EL31753 (appl.) (Northern Territory)	TM Resources Pty Ltd (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.

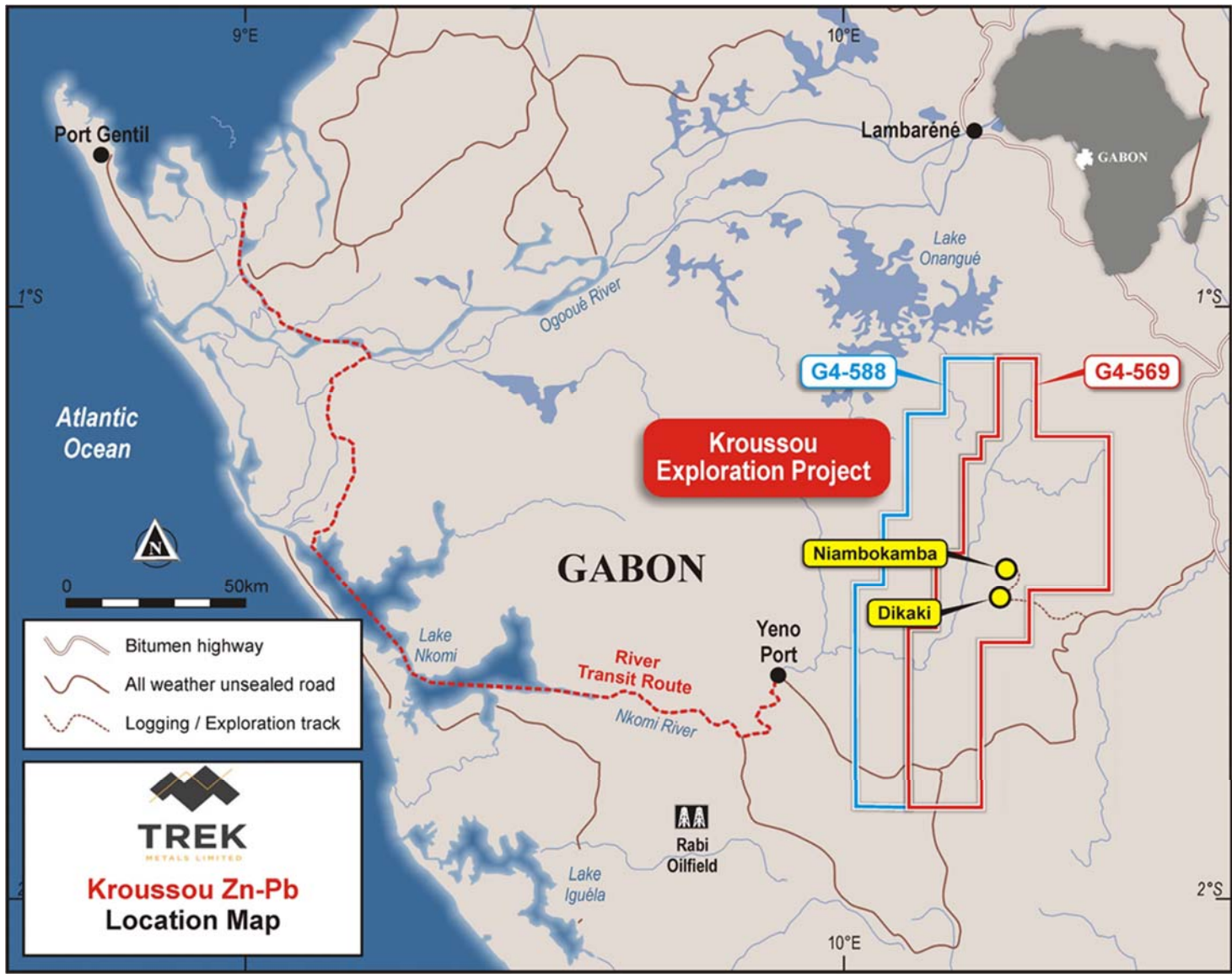


Figure 1: Kroussou Project Location Plan

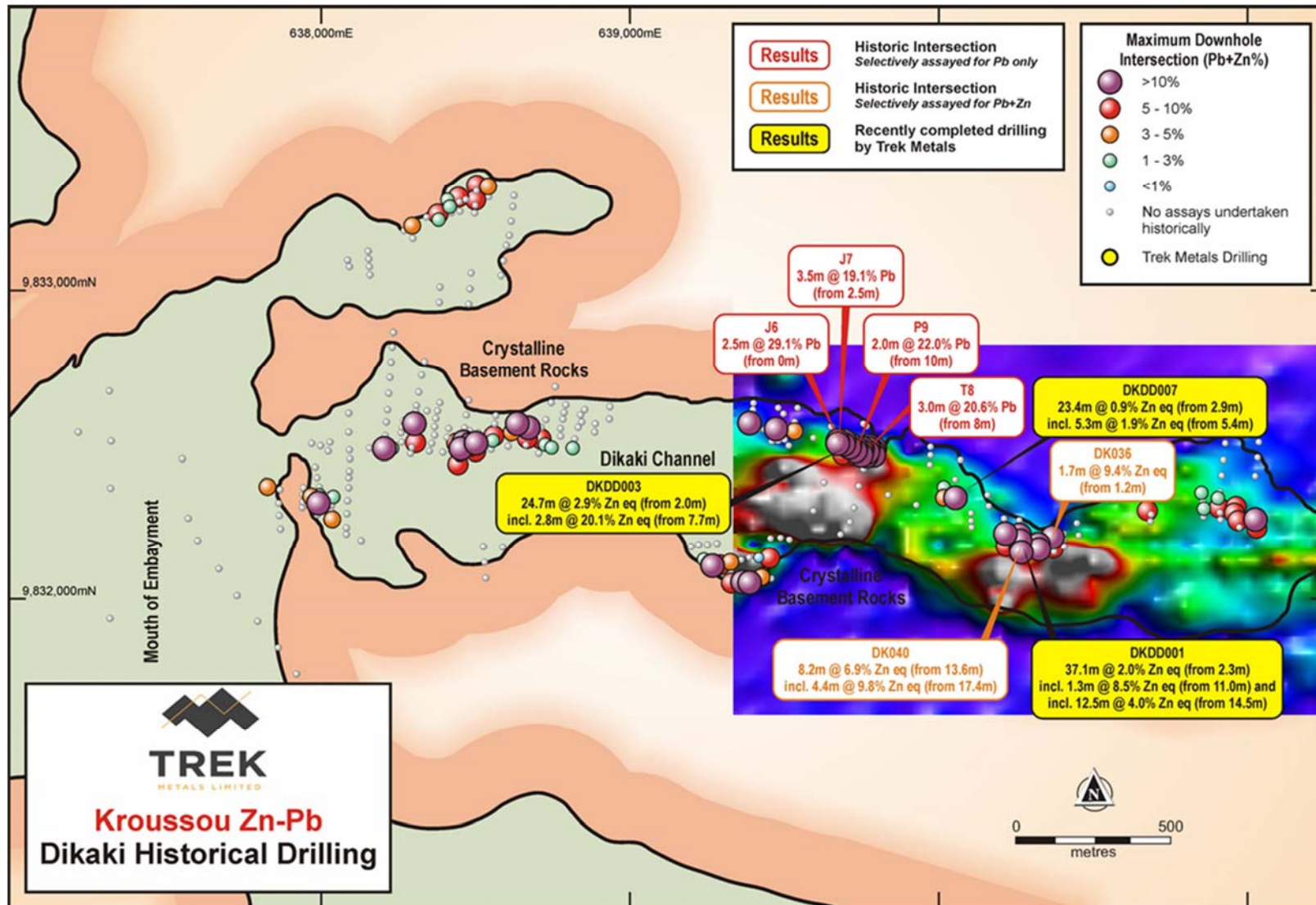


Figure 2: Geophysical image (metal factor – chargeability/resistivity) over part of the Dikaki Channel. The anomalies may represent down dip and along strike extensions to the known mineralization (for details of intersections, refer ASX Announcement 11 May 2017)

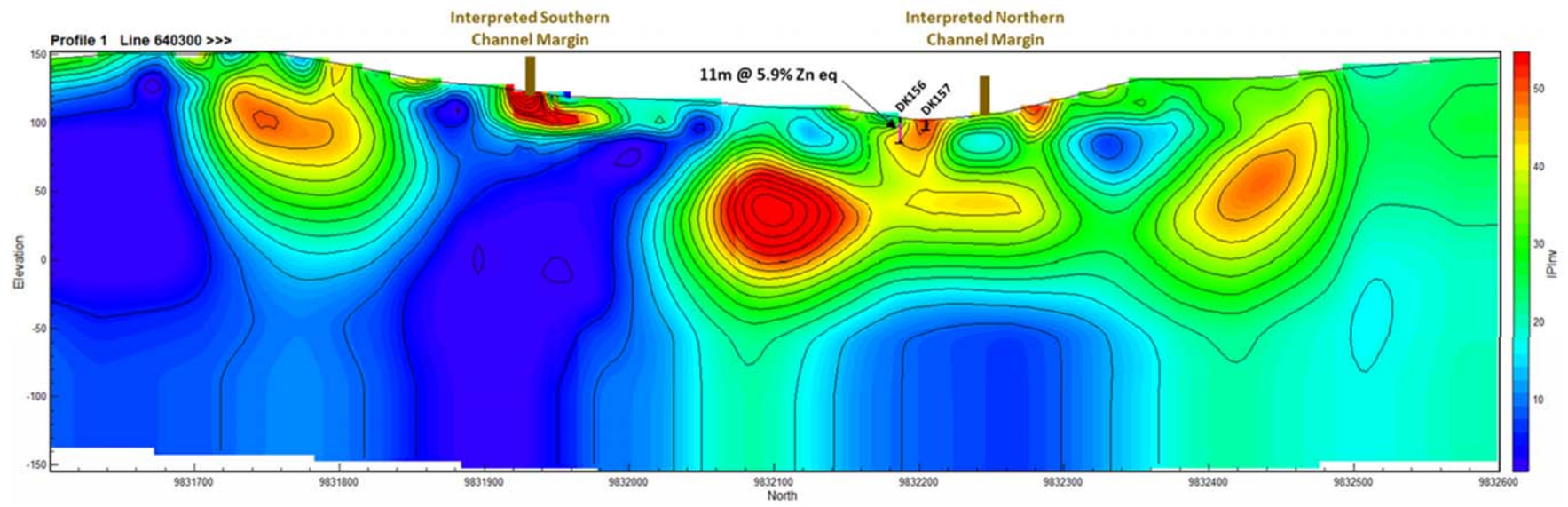


Figure 3: DDIP Inversion Model along section line 640300mN indicating a chargeable body that approximately coincides with known mineralization at surface and a much larger anomalous region deeper down

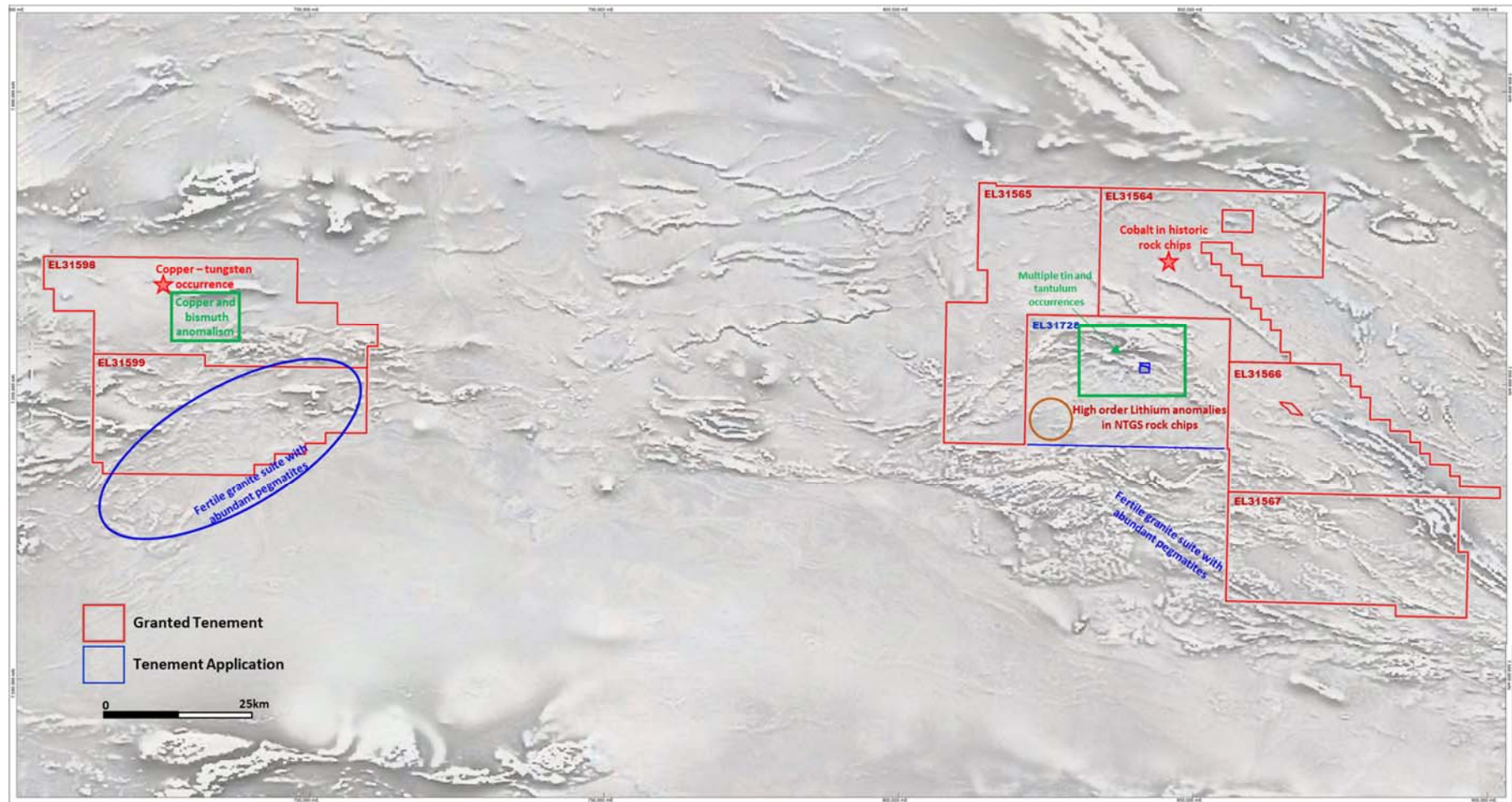


Figure 4: The Arunta Project tenements on regional 1VD Aeromagnetics



Figure 5: Wangala Suite Granites



Figure 6: Rocks from a copper occurrence on EL31598 (671,850mE 7,568,900mN Z52)

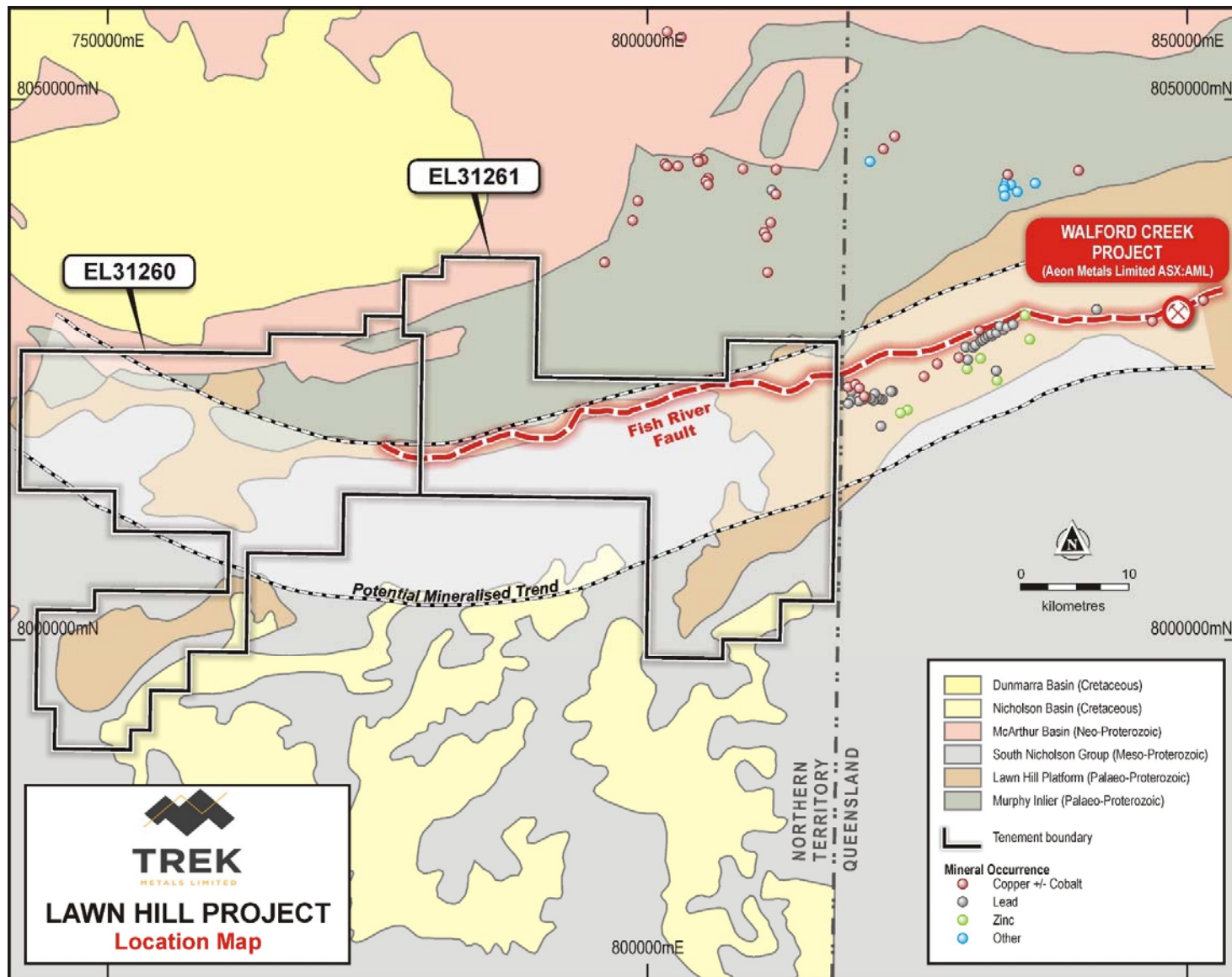


Figure 7: Lawn Hill Project tenement applications in the Northern Territory and Queensland (excluding the newest applications – see below figure)

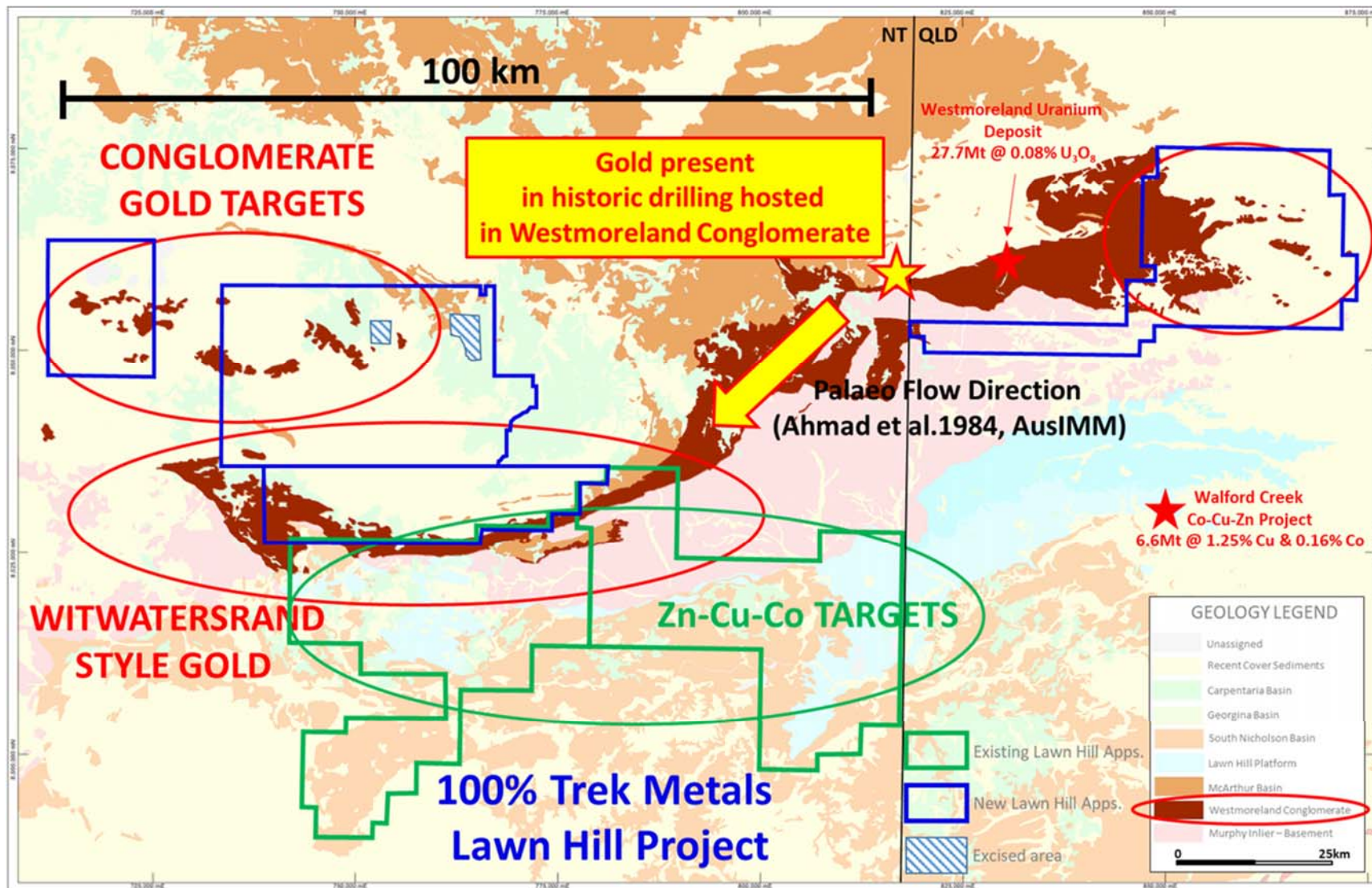


Figure 8: Witwatersrand Gold targets within existing and new tenement applications in the Northern Territory and Queensland