



TREK METALS LIMITED

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ASX Announcement

27 January 2017

December 2016 Quarterly Operations Report

1. Key Points

Change of Company Name and ASX Code

- The company resolved on the 30 December 2016 to change its name to “Trek Metals Limited” and as a result it’s ASX code has now also changed to TKM

Kroussou Project

- A small team has been mobilised in Gabon to begin preparation for the upcoming drilling at the Kroussou Project
- Drilling expected to commence during Q1 2017

Lawn Hill Project

- The process towards granting of the tenements is ongoing

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 continues to lobby to have the decision handed down

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 – ZRL to fund an initial drilling programme at Kroussou up to US\$250,000.
- Should ZRL elect to exercise this option (prior to 31st July 2017), ZRL will pay MTA 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.
- ZRL can then earn a further 40% of the Project through the expenditure of US\$3M in the subsequent 24 months.
- ZRL will then have earned 70% of the Kroussou Project and agrees to free carry MTA through to the completion of a PFS (Pre-Feasibility Study, as defined in JORC 2012). At that point MTA 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). ZRL will have the option to buy back 1% of this royalty through the payment of US\$1M to MTA.

1.2 Drilling

Drilling at Kroussou is set to begin in early February 2017 with approximately 8-10 holes for 500m to be drilled to confirm the presence of base metals identified by the BRGM in its historic exploration.

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 Change of Name and Employee Share Option Plan (ESOP)

The Company announced on the 2nd November 2016 its intention to change the Company name to Trek Metals Limited and to establish an Employee Share Option Plan.

A General Meeting to approve and adopt these changes was held on Friday, 30 December 2016 with all resolutions being passed.

4.2 Changes in Management

The Company announced on the 3rd October 2016 the resignation of Mr David Vilensky as Chairman of the Company.

Mr Gregory Bittar was appointed as Chairman.

TKM also announced, post the end of the quarter on 19 January 2017, it had appointed Ms Sonja Neame as a Non-Executive Director. Sonja 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. Sonja is Managing Director of mining and exploration consultants, Ravensgate and serves as chairman of a Perth based school. Sonja was Administration Manager for mining consultants RSG/RSG Global where she played a major role in the group's international expansion. Sonja 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.

4.3 Change of Local Agent / Office

The Company has also appointed Ms Nerida Schmidt as Joint Company Secretary and Local Agent. Nerida holds a Bachelor of Commerce from the University of Western Australia, is a Certified Practising Accountant, a Fellow of FINSIA, is a Chartered Secretary and holds a Graduate Diploma in Company Secretarial Practice. Nerida has 25 years' professional experience as the company secretary of a number of ASX and AIM listed companies in a variety of industries.

Trek also advised of the new Administrative Office being Suite 5/56 Kings Park Road, WEST PERTH WA 6005.

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%
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 Zambezi Resources 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.