

# ASX ANNOUNCEMENT

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24 January 2020

## December 2019 Quarterly Operations Report

### HIGHLIGHTS

#### Kroussou Project

- Earn-in Agreement progressing with Apollo Minerals Limited (**Apollo, ASX: AON**) for earn-in by Apollo of up to 80% interest in the Kroussou zinc-lead project in western Gabon

#### Lawn Hill Project

- Meeting held with Traditional Owners in November 2019 to discuss the grant of the Lawn Hill Project tenure

#### Corporate

- Consolidation of the number of shares and options on issue on an eight (8) for one (1) basis
- Placement completed to new and existing sophisticated and professional investors to raise A\$2.4 million (before costs) at a post consolidation issue price of \$0.02 per share
- Deregistration of wholly owned subsidiary, Select Exploration Europe SARL which will deliver corporate compliance cost savings
- Cash position at 31 December 2019 of approximately A\$2.35 million/ (US\$1.65 million).

## Kroussou Project

As announced on 4 September 2019, the Company entered into an Earn-in Agreement (**EIA**) with Apollo Minerals Limited (**Apollo Minerals, ASX: AON**) for Apollo Minerals to earn-in an interest of up to 80% in the Kroussou zinc-lead project (**Kroussou Project** or **Project**) in western Gabon.

The key terms of the EIA with Apollo Minerals were described in the announcement of 9 September 2019 as well as contained in the announcement released by Apollo Minerals on the same date.

Apollo Minerals has undertaken surface exploration programs comprising of soil surveying, geological mapping, rock chip sampling to further assess identified prospects and to generate new targets within the broader Kroussou Project. The results have been recently announced to the ASX and Apollo Minerals has stated that it intends to commence with a drilling program this year in order to test numerous highgrade, shallow lead and zinc targets identified from surface sampling and previous exploration work.

The Agreement was dated 2 September 2019. Completion of the acquisition of the Project was to occur within three months of signing the EIA ("**End Date**"). A new Minister of Mines in Gabon was recently appointed and the Company's in-country representatives continue to be in regular contact with the Ministry, specifically with respect to the issuance of a Mining (Exploration) Convention for the project. As a result, Apollo Minerals provided notice to Trek that it has extended the conditions precedent End Date contemplated in the EIA (refer to announcement dated 3 September 2019) for the Kroussou Project to 2 March 2020. The EIA remains subject to the following conditions precedent:

1. Required approvals for the indirect change in control in the Project;
2. Government of Gabon issuing a Mining (Exploration) Convention;
3. No material adverse event; and
4. No material breach of the EIA.

## Lawn Hill Project

Trek owns 100% of TM Resources Pty Ltd which holds two exploration tenement applications in the Northern Territory, known as the Lawn Hill Project.

The tenements contain highly prospective geology with the potential to host large scale sediment hosted zinc-lead deposits similar in style to the world class Century deposit (> 150Mt @ 8.2% Zn + 1.2 % Pb + 33g/t Ag) with anomalies along strike and in the same corridor that hosts the Walford Creek (Copper-Cobalt) Project (owned by Aeon Metals Limited, ASX: AML).

On 5 November 2019, the Company held the first meeting with the Traditional Owners of the region and the Northern Land Council in order to commence discussions regarding the grant of the tenements. This meeting was positive with the NLC indicating the Traditional Owners supported continuing discussions which the Company and the NLC are planned for the coming months.

## Corporate

### Consolidation and Reduction of Share Capital

At the 2019 Annual General Meeting of the Company held on 3 October 2019 (**2019 AGM**), the Company received Shareholder approval to consolidate the number of shares and options on issue on an eight (8) for one (1) basis (**Consolidation**), reduce the par value of the share capital and increase authorized capital. **The Consolidation was completed on 9 October 2019.**

The Company's capital structure post the Consolidation is as follows:

	Fully Paid Ordinary Shares	Unlisted Options exercisable at \$1.28 by 31/12/20	Unlisted Options exercisable at \$0.48 by 2/11/21	Unlisted Options exercisable at \$0.80 by 27/4/21	Unlisted Options exercisable at \$0.184 by 8/10/21	Unlisted Options exercisable at \$0.056 by 30/9/23
Securities on issue 31/10/19	174,782,262	156,250	10,765,121	660,415	5,625,000	11,250,000

## **Capital Raising**

Following shareholder approval at the 2019 AGM, The Company completed a placement to new and existing sophisticated and professional investors to raise A\$2.4 million (before costs) at a post consolidation issue price of \$0.02 per share (**Placement**).

The Placement significantly strengthened Trek's balance sheet and will be used to continue progressing an exploration strategy at the Company's Lawn Hill Project, monitor its carried interest in the Kroussou Project in Gabon and identify new project opportunities.

The Placement was supported by existing shareholders and Directors and attracted significant interest from new shareholders looking to support the Company's growth ambitions.

The Directors of the Company, Gregory Bittar, Michael Bowen and John Young, each participated in the Placement.

## **Deregistration of subsidiary and reorganization within Group**

The Company completed a reorganization within the Group in order to reduce administrative expenses, resulting in the dissolution of Select Exploration Europe SARL in December 2019.

## Tenements

Tenement	Holder	Last Qtr Interest	Current Qtr Interest
G4-5679 (Gabon)	Select Explorations Gabon SA (Wholly owned subsidiary of Trek Metals Limited)  (subject to JV with Apollo Minerals Limited)	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%
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%

**Gregory Bittar**

CHAIRMAN

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## ABOUT TREK METALS LIMITED

Trek Metals Limited is an Australian listed (ASX:TKM) base metals explorer focused on delivering World Class discovery opportunities from parts of the world that have seen limited exploration. The Company's flagship project is the Kroussou Zinc-Lead Project located in Gabon in West Africa. The Kroussou Project was acquired in 2016 and has been largely unexplored since the late 1970's when the Bureau de Recherches Géologiques et Minières (BRGM) discovered significant, near surface mineralisation there. Trek is determined to deliver to shareholders the best possible outcome by leveraging itself to genuine opportunities for discovery.

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