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## June 2020 Quarterly Activities Report

### HIGHLIGHTS

#### Kroussou Project

- Conditions Precedent satisfied for the Earn-in Agreement (“EIA”) with Apollo Minerals Limited (**Apollo, ASX: AON**) for Apollo to earn up to an 80% interest in the Kroussou Zinc-Lead Project in Western Gabon. The EIA provides Trek with flexibility as to whether to maintain a direct interest in the Project or convert its residual interest to a royalty.
- Earn-in agreement now commenced following approval of the Mining Convention Agreement by the Gabon Government.
- Apollo is now the Manager of the Kroussou Project and will determine all exploration programs and other activities to advance the Project moving forward.

#### Post 30 June

#### Pilbara Gold Project / \$1m Placement

- Trek entered into a Term Sheet for an option to acquire unlisted Australian explorer ACME Pilbara Pty Ltd (“APP”), which holds a suite of highly prospective gold and base metal assets in the Pilbara region of Western Australia.
- The acquisition, which is subject to the completion of satisfactory due diligence and the exercise of the option, would lead to the acquisition of 100% ownership of two Exploration Licences and two Exploration Licence Applications covering a total area of 267km<sup>2</sup>.
- Firm commitments received for a two-tranche share placement to raise \$1 million at 3.5c per share (Tranche 1 completed, and Tranche 2 is subject to shareholder approval).
- Trek to undertake a detailed review of the technical database and historical drilling as part of its due diligence and will update the market in the coming weeks.

#### Corporate

- Trek continues to review other potential acquisitions and investments in the mineral resource sector.
- Cash position at 30 June 2020 of approximately A\$2.04 million/ (US\$1.41 million).

## Overview

Trek Executive Director John Young said the Company took major steps towards its goal of becoming a focused Australian gold explorer during the June Quarter, with the successful farm-out of its African zinc-lead project and a lengthy search for new projects resulting in a significant transaction that was announced subsequent to quarter-end.

*“The previously announced earn-in agreement with ASX-listed explorer Apollo Minerals over our Kroussou Zinc-Lead Project in Gabon was completed during the quarter, clearing the way for Apollo to commence its earn-in and take over management of the Project. We are pleased to have a partner now in place with the focus and resources to take this asset forward.*”

*“Subsequent to quarter-end we announced a game-changing acquisition in conjunction with a \$1 million capital raising. The proposed acquisition of a large and highly prospective Pilbara gold portfolio is an exciting development for our shareholders. The Pilbara is currently one of Australia’s exploration hot-spots with activity increasing on several fronts thanks to the breakthrough discoveries of De Grey Mining.*”

*“The portfolio Trek are acquiring through the transaction with unlisted company ACME Pty Ltd is highly prospective for gold and base metal discoveries, and we are really looking forward to completing the transaction and getting on the ground to start exploration.”*

## Kroussou Project

The Kroussou Zinc-Lead Project consists of Prospecting Licence G4-569 which covers an area of 986.6km<sup>2</sup> in the Ngounie Province of Western Gabon, located approximately 220km south-east of the capital city of Libreville.

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 to earn an interest of up to 80% in the Kroussou Project (**Kroussou Project** or **Project**).

Given the location and potential size of the project, Trek determined that the introduction of an earn-in partner was the optimal way to continue to fund the exploration required. The EIA provides Trek with the flexibility as to whether to maintain a direct interest in the Project or convert its residual interest to a royalty.

Other than the exploration work conducted by Apollo, there were no other exploration activities during the quarter.

## Lawn Hill Project

Trek owns 100% of TM Resources Pty Ltd, which holds four exploration tenement applications in the Northern Territory, known as the Lawn Hill Project (ELAs 31260, 31261, 31751 and 31752).

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).

During late 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 are planned for the coming months.

### **Post 30 June**

#### **Pilbara Gold Project / \$1m Placement**

On 14<sup>th</sup> July, Trek announced that it has secured an exciting new exploration and growth opportunity in the Pilbara Region of Western Australia after reaching agreement to acquire a highly prospective portfolio of gold and base metal exploration assets. Trek entered into a binding term sheet for an option to acquire ACME Pilbara Pty Ltd (“**APP**”), a private Australian registered company focused on identifying and acquiring quality gold projects (“the **Acquisition**”).

Subject to completion of due diligence and exercise of the option to acquire APP, the transaction will result in the Company acquiring 100% ownership of two strategically located gold and base metal projects with an aggregate area of 267km<sup>2</sup>.

In the case of the Pincunah Gold Project, 70km west of Marble Bar, the acquisition includes tenements located near significant established gold and base metal deposits, while in the case of the Jumblebar Gold and Copper Project, it includes a greenstone-scale exploration opportunity with a historical goldfield. Both projects include prospects for gold and base metal mineralization and numerous drill targets and exploration opportunities, with virtually no exploration in modern times.

#### **Key Terms of the Agreement**

Total cost of the acquisition is A\$200,000 in cash plus Trek shares as follows: -

- 1.) Payment of a non-refundable option fee of \$25,000;
- 2.) Trek may exercise the option at any time within 28 days;
- 3.) Acquisition conditional on completion of due diligence to Trek’s satisfaction and all necessary third party and regulatory approvals;
- 4.) Consideration payable by Trek for the Acquisition is the issue of 6,666,667 fully paid ordinary shares in Trek at a deemed issue price of \$0.03, pursuant to the Company’s existing Listing Rule 7.1 placement capacity. Consideration shares to be subject to a voluntary 6-month escrow;
- 5.) A 1% net smelter royalty;
- 6.) A Cash Payment of \$175,000; and
- 7.) The shareholder of APP is Australian Commercial Minerals Exporters Pty Ltd.

#### **Capital Raising**

The Company has received firm commitments for a share placement comprising 28,571,429 shares at an issue price of \$0.035 per share to sophisticated and professional investors to raise a total of \$1 million (**Placement**).

The Placement will be undertaken in two tranches with 19,550,672 issued on 22<sup>nd</sup> July 2020 within the Company's existing Listing Rule 7.1 placement capacity and 9,020,757 shares to be issued subject to approval by shareholders at a shareholder meeting to be held. The new shares issued under the Placement will rank equally with the existing ordinary shares on issue.

The proceeds from the placement are intended to be used for completion of due diligence, exploration at the Pincunah and Jimblebar Projects and for corporate and general working capital.

Westar Capital acted as Lead Managers to the Placement and will be paid a fee of six percent on the funds raised under the placement.

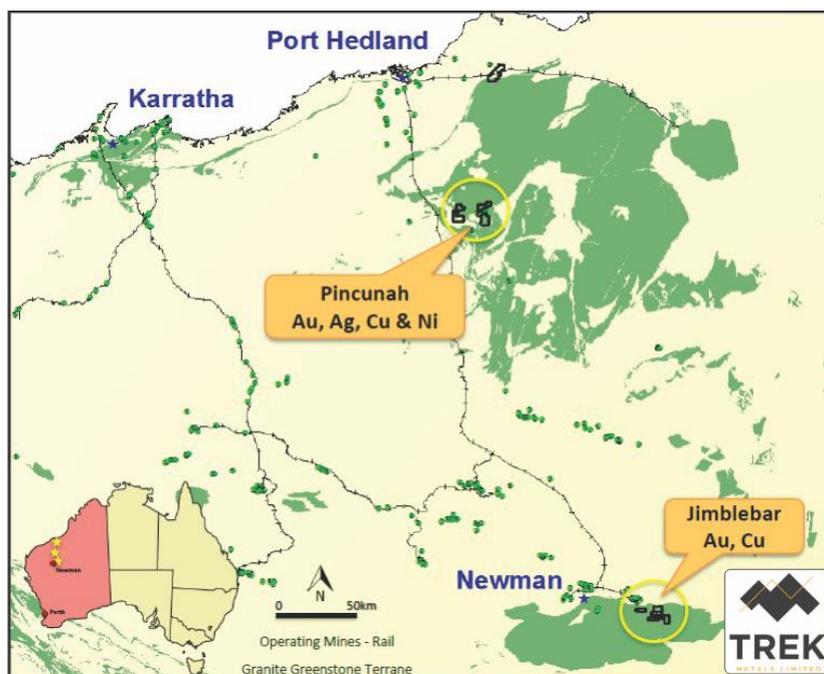


Figure 1. Tenements Location Plan.

### **Pincunah Gold Project (E45/4909, and EL(A)45/4917)**

The Pincunah Project is located 70km west of Marble bar, 100km south of Port Hedland and 5km south- east of Kairos Minerals Limited (ASX: KAI) Mt York Gold Project.

Gold prospects occur in several settings. The Carlindi Shear lies with siliclastic sediments on EL45/4909 with a 6km long structural corridor which has been drilled in the past by Lynas Gold Limited. In 1969, Pickands Mather International conducted mapping, surface sampling and limited drilling on several gold and base metal prospects, collectively called the Valley of the Gossans, where mineralisation occurs in sheared brecciated and carbonate altered ultramafics.

EL(A) 45/4917 is located 10km east of Valley of the Gossans and 10km south-west of Venturex Resources Limited's (ASX: VXR) Sulphur Springs Copper-Zinc Project. Previous work focused on the western edge of a large granite intrusive at the Honey Eater prospect, where copper and gold anomalies occur over 4km along a highly prospective north-south shear zone.

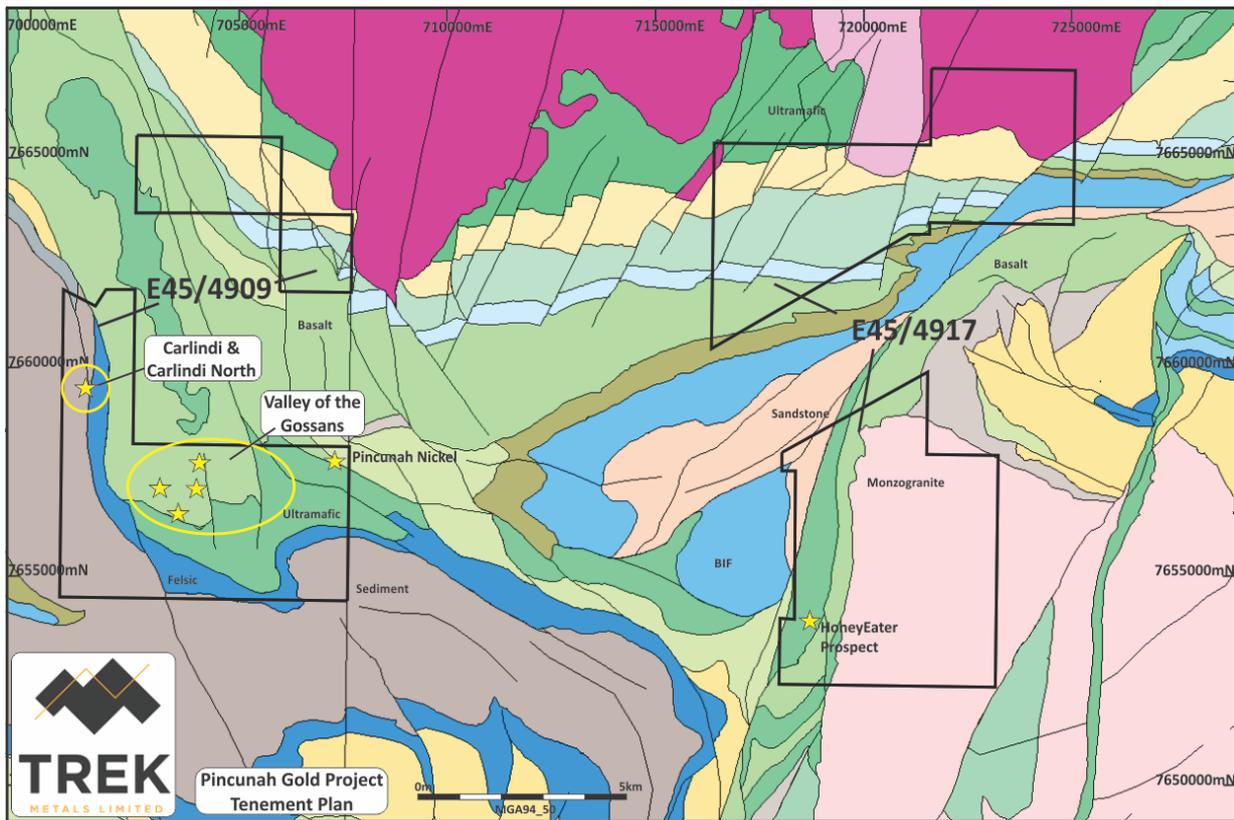
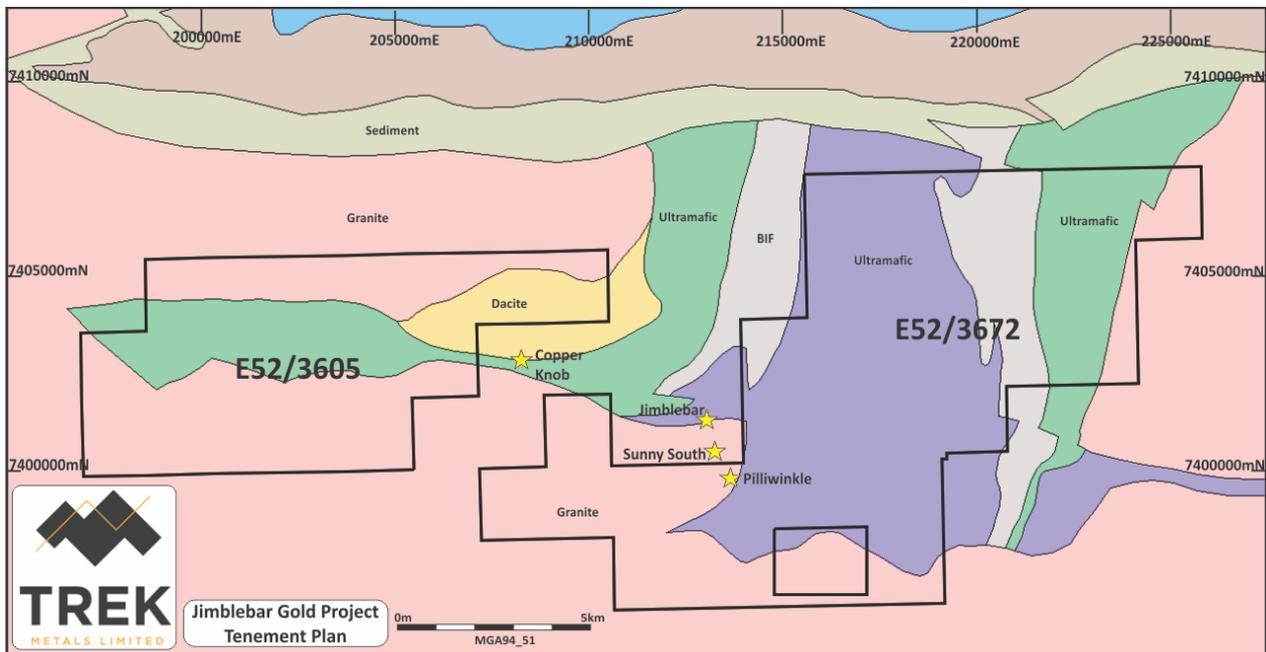


Figure 2. Pincunah Geology Tenements E45/4909, and EL(A)45/4917

### Jimblebar Gold and Copper Project (E52/3605 and EL(A)4917)

The two tenements are located 50km east of Newman, 5km north-west of the Coobina Chromite Mine and 15km south-east of the major Jimblebar iron ore mine. Gold mineralization in the district is structurally controlled where minor structures cross-cut the major faults or shears, small-scale mining occurred between 1903 and 1937. Gold is associated with dacitic to andesitic (felsic) porphyry intrusives and dykes within mafics and banded iron formations.

TKM will undertake a technical data base and historical drilling review as part of the due diligence program and will update the market in the coming weeks.



**Figure 3. Jimblebar Geology and Tenements E52/3605 and EL(A)52/3672**

Planned upcoming work programs to be undertaken following successful due diligence and completion of the acquisition will include:

- Exploration field work, mapping, and sampling
- Geochemistry programs and drilling programs
- Geophysics

### Cash Position/Expenditure

The Company held cash reserves of approximately A\$2.04 million/ (US\$1.41 million) at the end of the quarter (Refer Appendix 5B). During the quarter, the company expended A\$71,859/US\$48,395 on staffing and consulting costs. This includes payment of normal directors and consulting fees to related parties of A\$57,625/US\$37,831 during the quarter (Refer Appendix 5B).

**Authorised by the Board of Directors**

### More Information

#### INVESTORS:

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### Tenement Schedule/Movements

<b>Tenement</b>	<b>Holder</b>	<b>Last Qtr Interest</b>	<b>Current Qtr Interest</b>
G4-5679 (Gabon)	Select Explorations Gabon SA (Wholly owned subsidiary of Trek Metals Limited)  (*subject to EIA 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%
E45/4909	ACME Pilbara Pty Ltd (Subject to Term sheet/option)	0%	0%
ELA 45/4917	ACME Pilbara Pty Ltd (Subject to Term sheet/option)	0%	0%
E52/3605	ACME Pilbara Pty Ltd (Subject to Term sheet/option)	0%	0%
ELA 52/3672	ACME Pilbara Pty Ltd (Subject to Term sheet/option)	0%	0%

### **REGISTERED OFFICES – TREK METALS LIMITED ARBN 124 462 826**

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