



Trek Signs Share Sale Agreement to Acquire 100% of Kroussou Project

*Completion anticipated in April 2018
Planning on track for drilling commencement
during Q2 2018*

ASX ANNOUNCEMENT

28 March 2018

ASX: TKM

ARBN: 124 462 826

Board of Directors

Mr Greg Bittar

Non-Executive Chairman

Mr Bradley Drabsch

Managing Director

Ms Sonja Neame

Non-Executive Director

Mr Michael Bowen

Non-Executive Director

Issued Capital

Shares – 312.3 M

Options – 114.9.0M

Share Price – A\$0.022

Market Cap. – A\$6.87M

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HIGHLIGHTS

- Trek has entered into a binding share sale agreement to acquire 100% of the Kroussou Lead/Zinc Project from Battery Minerals Limited

Project Contains -

- Strongly zinc and lead mineralised rocks at surface along tens of kilometres of strike
- Large zinc and lead soil anomalies
- Geophysical imagery suggests large, strong conductors potentially associated with known mineralisation and extensions to it along with new targets
- Drill targeting being finalised with drilling set to commence at the onset of the upcoming dry season (expected to commence in June)

Trek Metals Limited (TKM or Trek) is pleased to confirm it has executed a share sale agreement (**Agreement**) to acquire 100% of the Kroussou Project from TKM's JV partner, Battery Minerals Limited (ASX:BAT) (**BAT**), with completion anticipated in early April.

Trek has been progressing its exploration at the Kroussou Project over the past 12 months and is ready to commence its maiden exploration drilling programme during Q2 2018.

Trek's Managing Director Bradley Drabsch commented that *"We are very excited to take control of this highly prospective project. Owning 100% provides flexibility in undertaking exploration activities as well as longer term strategic flexibility when considering options for maximising the Project's value. Kroussou presents us a unique opportunity in a forgotten part of the world that has received precious little attention for its base metals potential in the past. We remain committed to the discovery of a genuine World Class mineralised system at Kroussou and, so far, we have all the ingredients present to do exactly that."*

Agreement Key Terms

The Agreement formalises a previous term sheet (refer ASX Announcement 11 January 2018) and replaces the farm in arrangements with BAT. A summary of the key terms of the Agreement is as follows:

- TKM (or its nominee) will acquire 100% of the issued capital of BAT's Mauritian subsidiary, Select Exploration Limited (**Select Exploration**), which holds a 100% interest in the Kroussou Project (refer ASX Announcement 11 Jan 2018).
- The initial 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.
- Upon Trek defining a JORC-compliant Indicated Mineral Resource Estimate of more than 250,000 tonnes of combined Zn/Pb metal in relation to the Kroussou Project and subject to shareholder approval, Trek will issue BAT US\$2,500,000 of TKM shares based on a 5-day VWAP prior to the date of issue (subject to a minimum floor price of \$0.025 per share) (**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**).
- Trek will grant BAT a 2.5% net smelter return royalty on gross sales revenue (**NSR Royalty**) with Trek having an option to buy back 1% of the NSR Royalty for US\$1,500,000.
- An existing 0.75% net smelter return royalty payable in relation to the Kroussou Project to a third party which can be bought back for US\$250,000 (**Existing Royalty**), will be novated from BAT to Trek as part of the acquisition.
- The Agreement also contains conditions precedent, indemnities, representations and warranties from the parties that are considered standard for this type of transaction.

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.

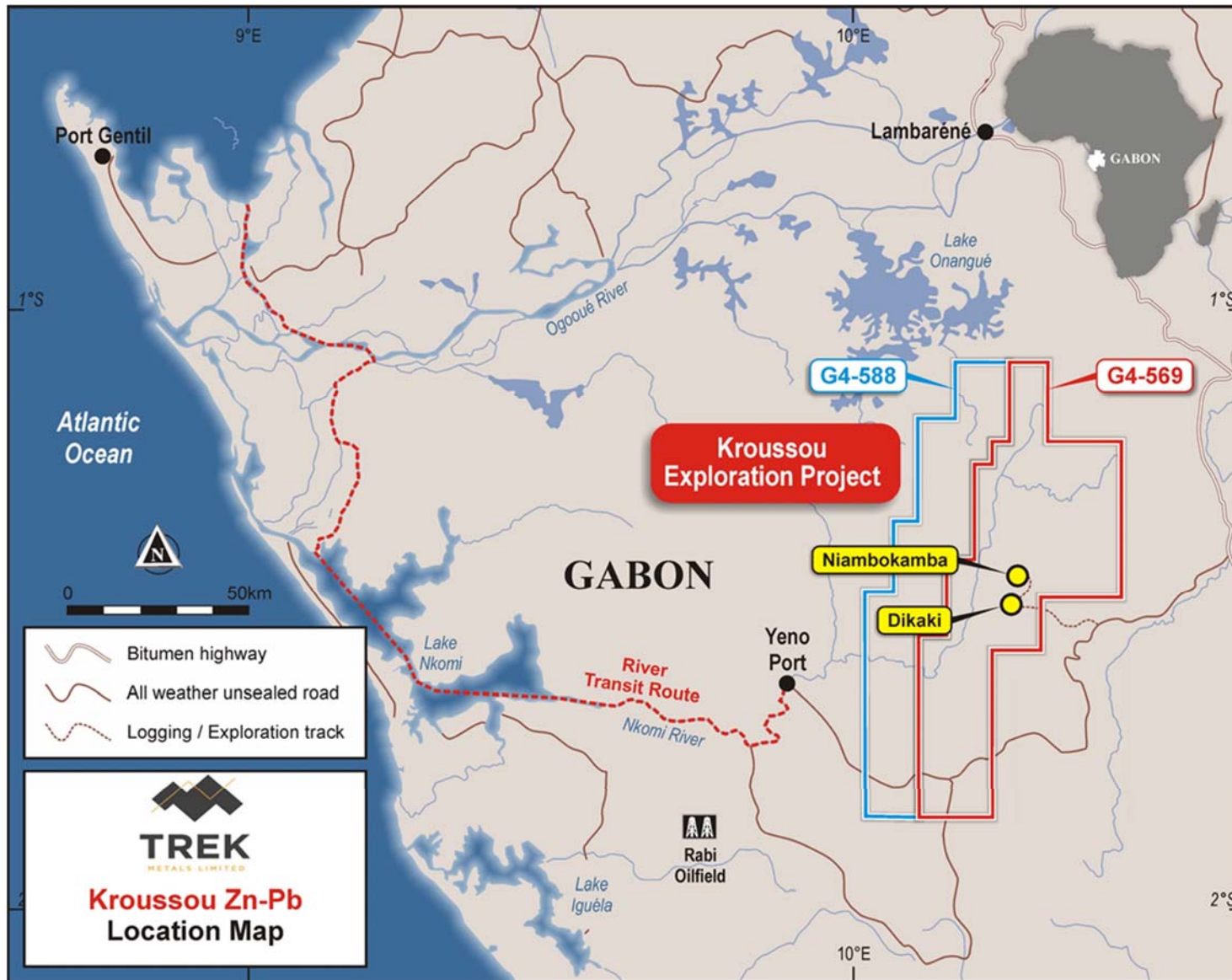


Figure 1: Kroussou Project Location Plan showing Key Infrastructure