



# Trek Completes 100% Acquisition of Kroussou Project

*Planning on track for drilling commencement during June 2018*

## ASX ANNOUNCEMENT

30 April 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 – 322.9 M

Options – 120.2 M

Share Price – A\$0.021

Market Cap. – A\$6.78M

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## HIGHLIGHTS

- **Trek has completed the acquisition of a 100% interest in the Kroussou Project from Battery Minerals Limited.**
- **Drill targeting underway with drilling set to commence at the onset of the dry season in June**

Trek Metals Limited (**TKM** or **Trek**) is pleased to confirm it has now completed the acquisition of 100% of the Kroussou Project from TKM's JV partner, Battery Minerals Limited (ASX:BAT) (**BAT**).

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 *“My recent visit to, our now 100% owned Kroussou Project, has re-doubled my excitement to begin our maiden exploration drilling programme at this very special area in June. I remain constantly amazed at the fact that we can walk around in 2018 and literally kick ore-grade rocks on the ground at Kroussou. In a period where most of the world is looking to deep targets, very deep targets, we are picking ore up off the ground.”*

An Appendix 3B and Cleansing Notice in relation to the acquisition has been released separate to this announcement.

## 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.

## Key Terms of the Acquisition

A summary of the terms of the acquisition are as follows:

- TKM's nominee acquired 100% of the issued capital of BAT's Mauritian subsidiary, Select Exploration (**Select Exploration**), which holds a 100% interest in the Kroussou Project.
- The initial consideration for the acquisition of the Kroussou Project is:
  - a cash payment of US\$200,000 to BAT;
  - the issue of 10,566,636 fully paid ordinary shares at a deemed issue price of A\$0.025 per share (**Consideration Shares**) and 5,283,318 free attaching options exercisable at A\$0.10 and expiring 27 April 2021 and vesting 12 months from issue; and
  - Trek has granted 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.
- The Consideration Shares are 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**).
- 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.
- If Trek abandons the Kroussou Project, BAT has the option to acquire the project for fair value to be determined by an appointed expert.
- If Trek 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 in cash.

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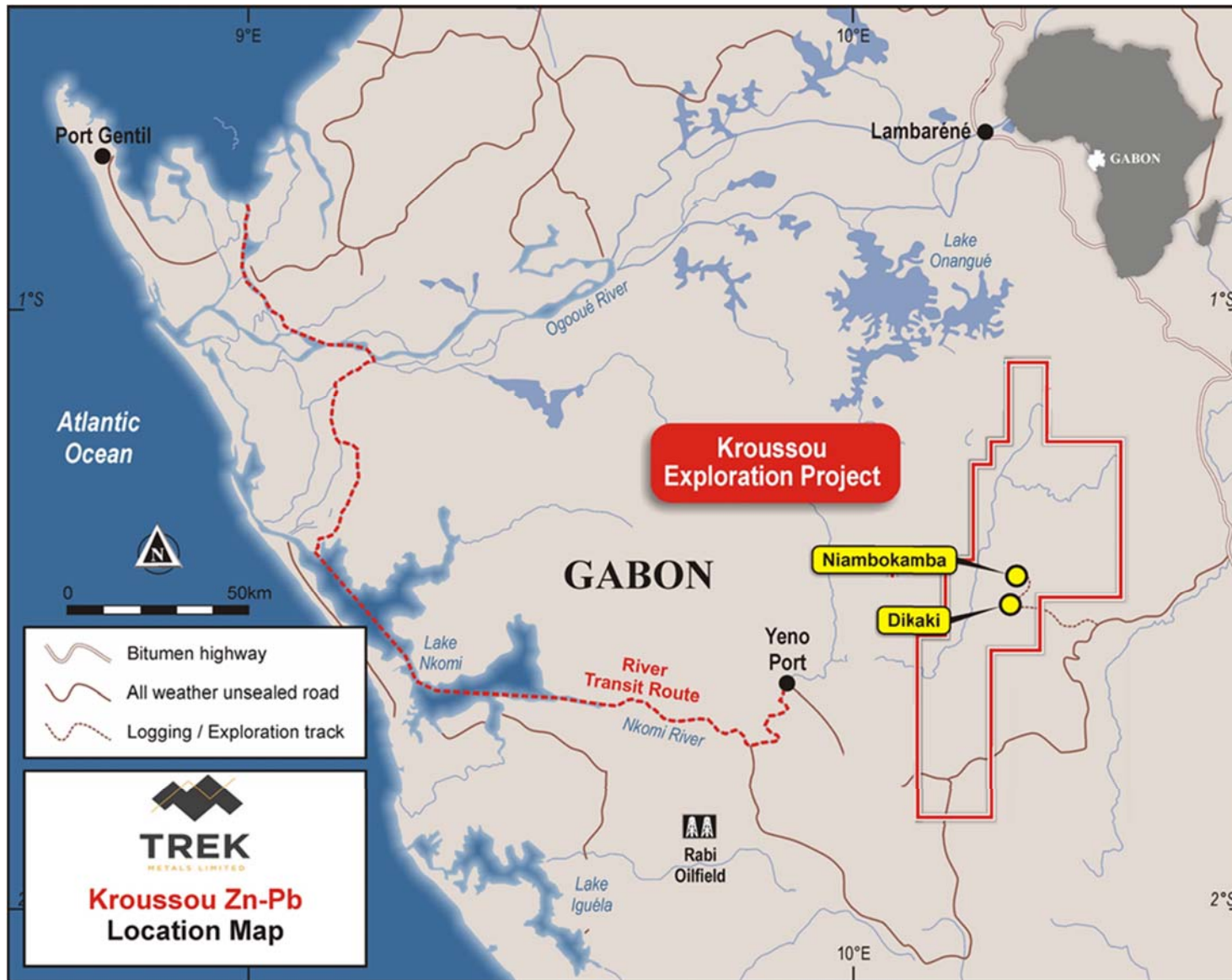


Figure 1: Kroussou Project Location Plan showing Key Infrastructure