

10 September 2024

Trek Signs Option Agreement to Divest the Hendeka Manganese Project in WA's Pilbara to Advanced Energy Fuels, Inc.

Transaction will allow Trek to focus on its flagship gold and niobium projects in WA and the NT, while retaining exposure to future upside at Hendeka

Highlights

- Trek has signed a Binding Option and Acquisition Agreement with Advanced Energy Fuels, Inc. ("AEFI") to explore and develop Trek's Hendeka Manganese Project ("Hendeka Project") in the Pilbara region of Western Australia.
- AEFI may exercise the option to acquire the Hendeka Project by paying A\$450,000 in cash as part of a proposed US listing and issuing to Trek 8,000,000 in shares in AEFI or that number of AEFI Shares which represents, at the listing of AEFI, not less than 20%.
- As part of the option, AEFI will spend A\$2 million on advancing the Hendeka Project and may elect to exercise the option by 30 September 2027.
- This is consistent with Trek's strategic focus on its high-priority Christmas Creek Gold Project in the Kimberley region of WA and its McEwen Hills Niobium Project, located along strike from WA1's world-class Luni discovery.

Trek Metals Limited (ASX: TKM) ("Trek" or "the Company") is pleased to advise that it has entered into an option and acquisition agreement ("Option and Acquisition Agreement") with US-based Advanced Energy Fuels, Inc. ("AEFI") over Trek's non-core Hendeka Manganese Project in the Pilbara region of Western Australia.

The Option and Acquisition Agreement gives AEFI an option to acquire the Hendeka Project as part of a proposed US listing and by making certain payments and sole funding A\$2 million of exploration expenditure. The material terms and conditions of the Option and Acquisition Agreement are set out further below.

AEFI is a private US company leveraging the transition to clean energy through the development of critical minerals projects in Australia and the USA. The company is focused on US battery supply chains and is planning to list within the next 12 months.

Trek's CEO Derek Marshall said: *"The Hendeka Project offers significant optionality on the resurgence of the manganese sector following recent well-publicised global supply issues. However, it is a non-core project for Trek given our strategic focus on the Christmas Creek Project, where we have a major gold drilling program underway, and our exciting McEwen Hills Niobium Project."*

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“The deal is structured in a way that will give Trek significant exposure to future upside from the exploration and development of Hendeka via a 20 per cent shareholding.

“We are excited about our current drilling program at the Christmas Creek project, which is thought to host a potential extension of the prolific Granites-Tanami Orogen, with metasediments in the area showing a correlation to the geological sequences that host Newmont’s globally significant Tanami Gold Mine. Newmont generated numerous high priority targets that we are following up, both via additional surface geochemistry and drilling.”

Material Terms of the Option and Acquisition Agreement include:

- AEFI to pay an option fee of A\$50,000 for an exclusive option to acquire the Hendeka Project (“Option”) (\$25,000 received to date).
- If AEFI exercise the Option, it will acquire Trek subsidiaries Edge Minerals Pty Ltd and Bellpiper Pty Ltd that hold the tenements that make up the Hendeka Project.
- AEFI can exercise the Option anytime up until 30 September 2027. (“Option Period”) subject to meeting the payments and exploration expenditure set out below.
- AEFI to pay A\$450,000 on the proposed listing of AEFI on or before 30 September 2025.
- Upon listing, AEFI to issue 8,000,000 Shares or that number of AEFI Shares which represents, on the listing of AEFI, not less than 20% of the total issued capital of AEFI on a fully-diluted basis up to a maximum value of A\$4,000,000.
- As part of the Option, AEFI to also spend at least A\$2,000,000 on the Hendeka Project, including meeting minimum expenditures to maintain the tenements in good standing. AEFI shall also be the operator of the Hendeka Project for the duration of the Option Period.
- Pursuant to a separate investor rights agreement signed on the date of the Option and Acquisition Agreement, Trek has the right but not the obligation to appoint one Director to AEFI as well as customary participation and information rights in AEFI.
- The Hendeka Project covers tenements – E46/616, E46/787, E46/835, E46/1159, E46/1160, E46/1282, E46/1304, E46/1387, E46/1521, E46/1542 & R46/2.
- The Option and Acquisition Agreement contains other customary terms for an agreement of this nature including representations and warranties and termination rights.

Authorised by the Board.



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