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ASX/MEDIA RELEASE

## **Trek further expands Pilbara portfolio with agreements to acquire prospective gold and iron ore projects**

*Acquisition and option agreements over the large Tambourah Project tenement package further strengthen Trek's pipeline of exploration opportunities*

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### **Highlights**

- **Binding Heads of Agreement secured to acquire a 100% interest in E45/5484, covering the central portion of the 15km long Western Shaw greenstone belt and including numerous gold and base metal targets.**
- **The tenement is located 50km south of Trek's existing Pincunah Project and close to Kairos Minerals' 873,500oz Mt York Gold Project and Pilbara Minerals' Pilgangoora-Altura Lithium Project.**
- **The licence package also comes with options to acquire E45/4960, as well as the possibility of acquiring a third licence, ELA45/5722, which is currently in a ballot with two other companies.**
- **The Western Shaw Project (E45/4960), located south and contiguous with E45/5484, adds a further 11km of greenstone belt prospective for gold and iron ore. The tenement covers the Garden Creek iron prospects, originally held by Atlas Iron.**
- **ELA45/5722 surrounds eight Prospecting Licences held by other parties and is located in an area of highly prospective greenstone terrane. Numerous surface gold and copper rock chip occurrences indicate that the licence is highly prospective for gold and base metal mineralisation.**
- **Trek has also submitted an additional application for a fourth licence, E45/5839, located to the north and north-west of ELA45/5722**
- **An initial program of reconnaissance rock chip sampling program and field investigation has been completed on E45/5484, with results expected in early 2021.**

**Commenting on the acquisition, Trek Executive Director John Young said:**

*"This represents an exciting low-cost, low-risk opportunity for Trek Metals to further enhance our pipeline of gold exploration targets in the Pilbara and at the same time review a highly prospective iron ore opportunity at a time of renewed interest in the iron ore sector.*

*"We are particularly interested to see the results from the initial sampling conducted last month and to get started at the Western Shaw Project, which is prospective for both gold and iron ore mineralisation."*

Trek Metals Limited (ASX: **TKM**) (“**Trek**” or the “**Company**”) is pleased to advise that it has entered into three separate agreements to expand its exploration portfolio in the Pilbara region of Western Australia through the acquisition of highly prospective gold, base metal and iron ore opportunities.

The Tambourah tenement package, located in close proximity to the Company’s existing Pincunah Gold Project in the Pilbara region of Western Australia (Figure 1), offers strong prospectivity for new gold and base metals discoveries and substantially enhances the Company’s exploration pipeline in this world-class mining region.

The large tenement package covers a total area of 290 square kilometres in the highly prospective Western Shaw Greenstone Belt.

### **Tambourah Project**

The Tambourah Project is considered highly prospective for gold deposits with at least 13 known gold occurrences and old mining workings located on the project.

The area is renowned historically for a large number of small-scale gold mines where miners have targeted narrow, high-grade, north-trending quartz veins in the past. Total historical production at the Tambourah Mines to the end of 1977 has been recorded by the Geological Survey as 5,247 ounces at an average grade of 30g/t Au (Hickman, 1983).

The Project encompasses the central portion of the 15km long Western Shaw Greenstone Belt, which occurs on the eastern limb of an anticline folded around the Tambourah Dome. The greenstone rocks comprise Archean-aged metavolcanic, metasedimentary and various granitoids that occur as large plutons and smaller intrusives.

Structural deformation in the area is characterized by classic left lateral strike-slip movement on various north- and northwest-trending shear zones. Gold occurrences and mine workings are scattered throughout the greenstone belt, associated with a shear zone complex extending over a strike length of at least 30km.

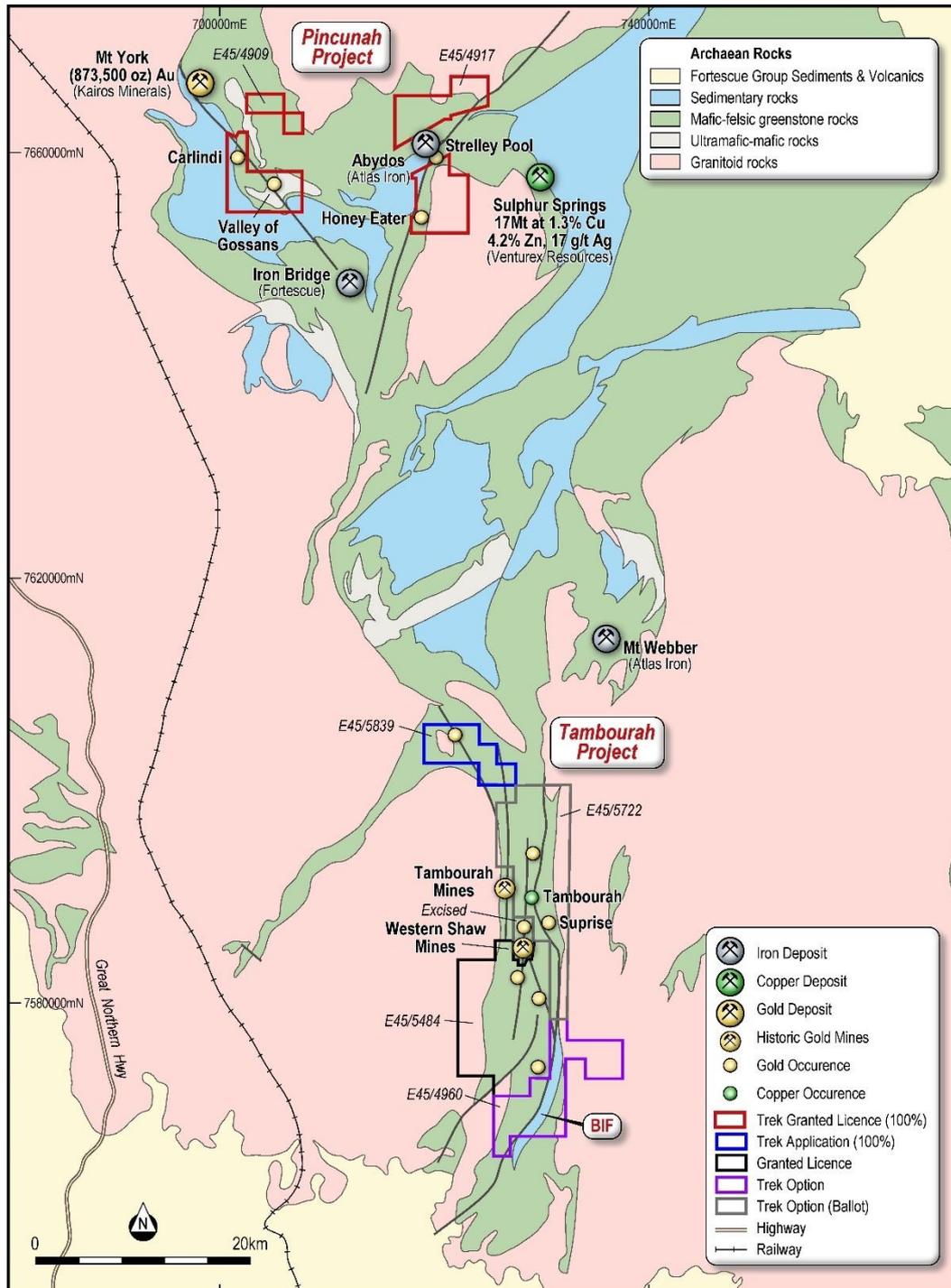
Surprisingly, few companies have conducted systematic exploration on the Tambourah Project licences. Some regional exploration work for base metals and gold was conducted including stream sediment sampling by Fortescue in 2014, rock sampling by Cazaly in 2012 and rock sampling by De Grey in 2008 which produced highly encouraging gold results. This work is currently being compiled and reviewed.

There has been very little drilling or trenching on the Project licences, with just a handful of historical programs conducted near the known gold workings.

Exploration to date, including work by De Grey, has focused largely on copper and base metal exploration associated with felsic volcanic stratigraphic horizons, similar to the host rocks at the Sulphur Springs deposit to the north (Figure 1). The possibility of bulk tonnage gold deposits comprising multiple stacked, narrow high-grade quartz veins has not been properly tested.

A Trek geologist has conducted field reconnaissance work on E45/5484 as part of the due diligence process for the Tambourah Project acquisition and collected 41 rock samples with a number of

outcropping highly gossanous quartz veins identified together with highly gossanous and often pyrite-bearing mafic and chert host rocks. The results are pending.



**Figure 1: Location of the Tambourah Gold-Iron Ore Project licences to the south of the Pincunah Gold-Copper Project**

In addition to gold, one licence in particular, E45/4960, is considered to be highly prospective for iron ore, with an 11km strike length of banded iron formation (BIF) identified on the licence that has been poorly explored. Trek has secured an option to acquire E45/4960.

Atlas Iron completed reconnaissance exploration for iron ore across the BIF in 2009 including rock sampling and limited drilling, which produced highly encouraging results. Several geophysical anomalies were identified and have not yet been followed up.

The iron ore option is considered to be a highly valuable addition to the project given its strategic position located 220km south-east of Port Hedland, 10km north-east of the Fortescue and Roy Hill railway and 25km north-east of the BHP railway.

## **Key Terms of Agreements for the Tambourah Projects**

### **Acquisition of E45/5484**

- 1.) Consideration payable by Trek for the Acquisition is:
  - a) The issue of 750,000 fully-paid ordinary shares in Trek, pursuant to the Company's existing Listing Rule 7.1 placement capacity;
  - b) Payment of \$50,000; and
  - c) A one percent (1%) net smelter return royalty (NSR)
- 2.) Shares issued will be subject to a voluntary 6-month escrow from the date of issue;
- 3.) The vendor is Redstone Metals Pty Ltd (50%) & Territory Prospecting Pty Ltd (50%).

### **Option over E45/4960**

- 1.) Trek to conduct due diligence and meet the minimum expenditure obligation of \$30,000.
- 2.) Option is exercisable up to 30 June 2021.
- 3.) Consideration payable by Trek if the option is exercised is the issue of 3,000,000 fully-paid ordinary shares in Trek.
- 4.) In addition, a one point five percent (1.5%) free-on-board (FOB) Iron Ore revenue royalty and 1% NSR on all other minerals is payable.
- 5.) Any shares issued will be subject to a voluntary 6-month escrow from the date of issue.
- 6.) Option Agreement contains usual clauses and warranties and provides for an exclusive option period.
- 7.) The vendor is Redstone Metals Pty Ltd.

### **Option over ELA 45/5722**

- 1.) Acquisition is conditional on tenement being granted to the vendor (currently subject to a ballot between three parties).
- 2.) Consideration payable by Trek if the vendor is successful in the ballot and the option is exercised is the issue of 3,000,000 fully-paid ordinary shares in Trek.
- 3.) Any shares issued will be to subject a voluntary 6-month escrow from the date of issue.
- 4.) In addition, a one-point five percent (1.5%) free-on-board (FOB) Iron Ore revenue royalty and 1% NSR on all other minerals is payable.
- 5.) Option Agreement contains usual clauses and warranties and provides for an exclusive option period.
- 6.) The vendor is Resource Gold Pty Ltd.



Approved for release by John Young – Executive Director.

**ENDS**

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The forward-looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Trek and the industry in which it operates. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward-looking statements. The past performance of Trek is no guarantee of future performance.

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