



# TREK

METALS LIMITED

ABN 18 124 462 826



## ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020

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# CORPORATE DIRECTORY

## DIRECTORS

Gregory Bittar	<i>Non-Executive Chairman</i>
Michael Bowen	<i>Non-Executive Director</i>
John Young	<i>Non-Executive Director</i>

## COMPANY SECRETARY

### Bermuda

Paolo Balen  
Bermuda Administrative Services Ltd  
Trinity Hall  
43 Cedar Avenue  
Hamilton HM12  
Bermuda

### Australia

#### (Local Agent and Joint Company Secretary)

Russell Hardwick

## REGISTERED OFFICE OF INCORPORATION

Trinity Hall  
43 Cedar Avenue  
Hamilton HM 12  
BERMUDA

## REGISTERED OFFICE – AUSTRALIA

130 Stirling Highway  
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## POSTAL ADDRESS

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North Fremantle WA 6159  
AUSTRALIA

## SHARE REGISTRY

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AUSTRALIA  
Tel: +61 8 9323 2000

## AUDITORS

Bentleys Audit & Corporate (WA) Pty Ltd  
Level 3  
216 St Georges Terrace  
Perth WA 6000  
AUSTRALIA

## SOLICITORS TO THE COMPANY

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## WEBSITE

[www.trekmetals.com.au](http://www.trekmetals.com.au)

# REVIEW OF OPERATIONS

The year to 31 March 2020 witnessed significant change for Trek Metals Limited (“Trek” or “the Company”).

Given the location and size of Trek’s flagship Kroussou Lead-Zinc Project in Gabon, Trek determined that the introduction of an earn-in partner was the optimal way to continue to fund the exploration required in order to assess the potential and prospect for future development. Trek entered into an Earn-in Agreement with Apollo Minerals Limited (Apollo Minerals) in September 2019.

Whilst the Earn-in Agreement provides for Apollo to earn-in an interest of up to 80%, it also provides Trek with flexibility as to whether it maintains a direct interest or converts its residual interest to a royalty. Trek will not incur any further expenditure in relation to the Kroussou Project until Apollo Minerals completes its earn-in obligations when a separate decision will be made by Trek as to whether it participates to maintain a 20% interest, dilutes its interest or converts its interest into a 1% net smelter royalty.

The Gabon Government approved the Mining Convention Agreement in May 2020, thereby completing the satisfaction of all the conditions precedent for the Earn-In Agreement and the earn-in period then commenced.

## BOARD CHANGES

As a result of the Trek / Apollo Minerals Earn-In Agreement for the Kroussou Project, Trek undertook a number of changes to its Board and management to ensure it is well placed to source and execute on future resource project opportunities. Managing Director Mr Brad Drabsch and Non-Executive Director Ms Sonja Neame resigned from the Board and Trek announced the appointment of Mr John Young as a Non-Executive Director.

Mr Young, a highly experienced geologist who has worked on exploration and production projects encompassing gold, uranium and specialty metals, including tungsten, molybdenum, tantalum and lithium, is well known as a founding director of Pilbara Minerals Limited (ASX: PLS) and a director of Bardoc Gold Limited (ASX: BDC). Mr Young is responsible for sourcing and assessing new project opportunities for Trek.

## CAPITAL RAISING/CONSOLIDATION

In order to strengthen Trek’s balance sheet, Trek undertook a placement in September 2019 to raise A\$2.4 million at a pre consolidation issue price of \$0.0025 per share (Placement) and subsequently undertook a share capital consolidation on an eight (8) for one (1) basis. The Placement was supported by existing shareholders and Directors and has attracted significant interest from new shareholders looking to support the Company’s growth ambitions.

## LAWN HILL PROJECT – NORTHERN TERRITORY

The Company continued to pursue Native Title discussions to move towards having the tenements granted for its Lawn Hill Project in the Northern Territory. The evaluation of historic data shows the existence of cobalt, copper, zinc and lead anomalies. These anomalies are along strike from the Walford Creek Copper-Cobalt-Zinc-Lead Project (Aeon Metals Limited, ASX: AML). An initial on-country meeting with Traditional Owners and the Northern Land Council was held in November 2019 with further discussions planned when practical post COVID-19 restrictions.

## DIVESTMENT OF KANGALUWI COPPER PROJECT – ZAMBIA

It is also worth noting that Trek completed the outright sale of its 100% subsidiary, Mwembeshi Resources (Bermuda) Limited (“MRBL”) which holds the Kangaluwi Copper Project in Zambia (“KCP”) to a Dubai-based investment company, Grand Resources Limited (“Grand”). Total consideration received for the sale was A\$1.1 million. All debentures, charges and mortgages on the KCP have been released with payment to third parties for this release totalling approximately A\$950k. The remaining A\$150k was received by TKM for the transfer of 100% of the shares in MRBL. The divestment removes all ongoing liabilities, royalties, holding and legal costs associated with the KCP and associated subsidiaries from the Trek Group. Trek impaired the value of this asset to nil several years prior.

In addition to the Earn-in Agreement with Apollo and continuing to pursue Native Title for Lawn Hill, Trek remains focussed on identifying and assessing new project opportunities.

## FINANCIAL REVIEW

The Group incurred a loss for the year of \$2,413,892 (2019 Loss: \$888,008). Significant expenditure items during the period include:

- Exploration and evaluation expenditure impaired of \$2,035,696 (2019: \$ Nil);
- Exploration and evaluation expenditure expensed of \$44,311 (2019: \$64,171);
- Directors and Consulting Fees of \$144,679 (2019: \$145,537);
- Foreign exchange loss of \$128,133 (2019: \$42,822), and
- Share based payment of \$70,415 (2019: \$171,762).

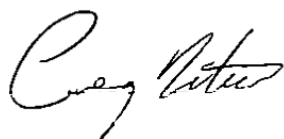
The group began the year with \$462,200 in cash and ended the year with \$1,336,325 in cash.

## FINANCIAL POSITION

The net assets of the Group have decreased to \$1,845,940 as at 31 March 2020. This has largely resulted from the impairment of the carrying value of the Kroussou project.

Subject to the disclosures elsewhere in this report, the Directors believe the Group is in a stable financial position to continue to explore its projects and to identify new opportunities within the resources sector.

Lastly, I would like to thank all our staff, consultants and stakeholders for their ongoing efforts on behalf of the Company and look forward to progressing new project opportunities to create value for shareholders.



**Greg Bittar**  
Chairman

29 June 2020

## COMPETENT PERSONS STATEMENT

The information in this report relating to Exploration Results and Mineral Resources is based on information compiled by, Mr John Young, a competent person, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Young has sufficient experience relevant to the style of mineralisation and to the type of activity described to qualify as a competent person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.” Mr Young has disclosed to the Company that he is a shareholder in the Company. Mr Young consents to the inclusion in this announcement of the matters based on his information in the form and content in which it appears.



# DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Trek Metals Limited ("TKM", "Trek" or the "Company") and its controlled entities ("Group") for the year ended 31 March 2020.

## PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries ("the Group") is to progress the exploration of its mineral properties and to identify suitable acquisitions in the mineral resources sector.

## RESULTS AND DIVIDEND

The loss for the Group for the year ended 31 March 2020 was US\$2,413,892 (31 March 2019: US\$888,008). The Directors do not recommend the payment of a dividend.

## DIRECTORS' AND SENIOR MANAGEMENT

The following persons held office as directors during the financial year and to the date of this report. Directors were in office for the entire period and to the date of this report unless otherwise stated:

Name, qualifications and independence status	Experience, special responsibilities and other Directorships in listed entities
<p><b>Greg Bittar</b></p> <p>Non-Executive Chairman</p> <p>Appointed 4 March 2016</p>	<p><b>Experience</b></p> <p>Mr Bittar has a Bachelor of Economics and Bachelor of Laws (University of Sydney) and Masters in Finance (London Business School), and has over 17 years investment banking and resource sector experience in Australia and overseas – having worked for Bankers Trust, Baring Brothers Burrows and following the completion of his Masters in Finance in 2000, he joined Morgan Stanley for 10 years, working in London, Melbourne and Sydney.</p> <p>He has extensive experience in public and private markets mergers and acquisitions, capital markets and strategic advisory assignments across a range of sectors including general industrials, metals and mining, mining services and energy. He is also Non-Executive Director of Millenium Minerals Limited, Horizon Oil Limited and ECM Limited.</p> <p><b>Special responsibilities</b></p> <p>None</p> <p><b>Directorships held in other listed entities during the three years prior to the current year</b></p> <p>Millenium Minerals Limited</p> <p>Horizon Oil Limited</p> <p>ECM Limited (resigned June 2019)</p>

<p><b>John Young</b></p> <p>Non-Executive Director</p> <p>Appointed 2 September 2019</p>	<p><b>Experience</b></p> <p>Mr Young has a Bachelor of Applied Science (Geology) and is a member of AusIMM. Mr Young is a highly experienced geologist who has worked on exploration and production projects encompassing gold, uranium and specialty metals, including tungsten, molybdenum, tantalum and lithium.</p> <p>Mr Young's corporate experience includes appointments as Chief Executive Officer of Marenica Energy Limited and CEO and Director of Thor Mining PLC. Mr Young was Pilbara Minerals Exploration Manager from June 2014 until August 2015, appointed Technical Director in September 2015 and transitioned to Non-Executive Director in July 2017 until his resignation in April 2018. Mr was also the Managing Director of Bardoc Gold Limited from May 2017 to April 2019 and remains a Non-Executive Director. Mr Young is also a Non-Executive Director of AIM listed Mosman Oil and Gas and Chairman of ASX Listed Rarex Limited.</p> <p><b>Special responsibilities</b></p> <p>None</p> <p><b>Directorships held in other listed entities during the three years prior to the current year</b></p> <p>Pilbara Minerals Limited (resigned 20 April 2018)</p> <p>Mosman Oil &amp; Gas Limited</p> <p>Rarex Limited</p> <p>Bardoc Gold Limited</p>
<p><b>Michael Bowen</b></p> <p>Non-Executive Director</p> <p>Appointed 22 February 2017</p>	<p><b>Experience</b></p> <p>Mr Bowen graduated from the University of Western Australia with Bachelor of Law, Jurisprudence and Commerce. He has been admitted as a barrister and solicitor of the Supreme Court of Western Australia and is an Associate and Certified Practicing Accountant of the Australian Society of Accountants.</p> <p>Mr Bowen is a partner of the law firm DLA Piper (formerly of Hardy Bowen which merged with DLA Piper on 1 July 2015) practicing primarily corporate, commercial and securities law with an emphasis on mergers, acquisitions, capital raisings and resources. Mr Bowen also serves as a Non-Executive Director of Omni Bridgeway Limited.</p> <p><b>Special responsibilities</b></p> <p>None</p> <p><b>Directorships held in other listed entities during the three years prior to the current year</b></p> <p>Omni Bridgeway Limited</p>
<p><b>Bradley Drabsch</b></p>	<p><b>Managing Director</b> (resigned 2 September 2019)</p>
<p><b>Sonja Neame</b></p>	<p><b>Non-executive Director</b> (resigned 2 September 2019)</p>



## COMPANY SECRETARY(S)

- Nerida Schmidt – Local Agent and Joint Company Secretary (resigned 24 April 2020)
- Russell Hardwick – Local Agent and Joint Company Secretary (appointed 21 February 2020)
- Paolo Balen – Joint Company Secretary (in accordance with Bermuda Company Law)

## CORPORATE GOVERNANCE

The directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the Corporate Governance Statement on the Company's website at <https://trekmetals.com.au/corporate/corporate-governance/>

## BOARD MEETINGS

The Directors held one (1) meetings during the year. The following table shows their attendance at Board meetings:

Name	No. of meetings attended	Eligible to attend
Gregory Bittar	1	1
Michael Bowen	1	1
John Young	1	1
Bradley Drabsch	0	0
Sonja Neame	0	0

In addition, a number of matters were approved by circular resolution signed by all Directors.

## BOARD COMMITTEES

The Company does not have an Audit, Remuneration or Nomination Committee. Given its size and composition, the Board considers that at this stage, no efficiencies or other benefits would be gained by establishing separate board committees. To assist the Board to fulfil its function it has adopted charters for each of these committees. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit, Remuneration and Nomination Committees under the charters in place for each of these.

## DIRECTORS' SHARE AND OPTION HOLDINGS

The Directors and senior management of the parent entity are shown below together with their holdings of ordinary fully paid shares of £0.01 par value each, in which they have an interest, and share options.

At the Annual General Meeting on 3 October 2019, the Company received Shareholder approval to consolidate the number of shares and options on issue on an eight (8) for one (1) basis (Consolidation), reduce the par value of the share capital and increase authorized capital. The Consolidation was completed on 9 October 2019. The table below shows the post consolidation numbers only.

NAME	FULLY PAID ORDINARY SHARES HELD AS AT 31 MARCH 2020		UNLISTED OPTIONS AT 31 MARCH 2020	
	Direct	Indirect	Direct	Indirect
Gregory Bittar	587,500	3,500,000 <sup>(1)</sup>	1,750,000 <sup>(5)</sup>	1,875,000 <sup>(6)</sup>
Michael Bowen	-	5,475,000 <sup>(2)</sup>	-	3,500,000 <sup>(7)</sup>
John Young*	-	3,500,000 <sup>(3)</sup>	-	1,875,000 <sup>(8)</sup>
Bradley Drabsch	-	1,437,500 <sup>(4)</sup>	-	2,437,500 <sup>(9)</sup>
Sonja Neame	-	-	750,000 <sup>(10)</sup>	437,500 <sup>(11)</sup>

\*John Young acquired a further 1,530,000 shares on 5 June 2020, his shareholding at the date of this report is currently 5,030,000.

## Notes:

- (1) 3,500,000 held by Gernie Invts Pty Ltd a company of which Mr Bittar is a director and shareholder.
- (2) 5,475,000 held by Bouchi Pty Ltd a company of which Mr Bowen is a director and shareholder.
- (3) 3,500,000 held by Mr John A Young & Mrs Cheryl K Young <The Forever Young Family Trust> an entity of which Mr Young is a trustee and beneficiary.
- (4) 1,350,000 held by Centrepeak Resources Group Pty Ltd a company of which Mr Drabsch is a director and shareholder. 87,500 held by Bradley James Drabsch ATF for The Oceanobush Trust, an entity of which Mr Drabsch is a trustee and beneficiary. (Mr Drabsch resigned as a Director on 2 September 2019, options shown are as of resignation date)
- (5) Comprises 1,250,000 options exercisable at A\$0.48 expiring on 2 November 2021 and 500,000 options exercisable at A\$0.184 expiring on 8 October 2021.
- (6) Comprises 1,875,000 options exercisable at A\$0.056 expiring on 30 September 2023 held by Gernie Invts Pty Ltd a company of which Mr Bittar is a director and shareholder.
- (7) Comprises 1,125,000 options exercisable at A\$0.48 expiring on 2 November 2021, 500,000 options exercisable at A\$0.184 expiring on 8 October 2021, and 1,875,000 options exercisable at A\$0.056 expiring on 30 September 2023 held by Bouchi Pty Ltd a company of which Mr Bowen is a director and shareholder.
- (8) Comprises 1,875,000 options exercisable at A\$0.056 expiring on 30 September 2023 held by Mr John A Young & Mrs Cheryl K Young <The Forever Young Family Trust> an entity of which Mr Young is a trustee and beneficiary.
- (9) Comprises 1,750,000 options exercisable at A\$0.48 expiring on 2 November 2021, and 687,500 options exercisable at A\$0.184 expiring on 8 October 2021, held by Bradley James Drabsch ATF for The Oceanobush Trust, an entity of which Mr Drabsch is a trustee and beneficiary.
- (10) Comprises 750,000 options exercisable at A\$0.48 expiring on 2 November 2021.
- (11) Comprises 437,500 options exercisable at A\$0.184 expiring on 8 October 2021 held by Waimarie Pty Ltd <Neame Family A/C> an entity of which Ms Neame is a trustee and beneficiary. (Ms Neame resigned as a Director on 2 September 2019, options shown are as of resignation date)

NAME	FULLY PAID ORDINARY SHARES HELD AS AT 31 MARCH 2019 (PRE-CONSOLIDATION)		UNLISTED OPTIONS AT 31 MARCH 2019 (PRE-CONSOLIDATION)	
	Direct	Indirect	Direct	Indirect
Gregory Bittar	4,700,000	-	16,000,000 <sup>(3)</sup>	-
Bradley Drabsch	-	11,500,000 <sup>(1)</sup>	-	28,750,000 <sup>(5)</sup>
Michael Bowen	-	3,800,000 <sup>(2)</sup>	-	15,250,000 <sup>(6)</sup>
Sonja Neame	-	-	9,500,000 <sup>(4)</sup>	-

## Notes:

- (1) 10,800,000 held by Centrepeak Resources Group Pty Ltd a company of which Mr Drabsch is a director and shareholder. 700,000 held by Bradley James Drabsch ATF for The Oceanobush Trust, an entity of which Mr Drabsch is a trustee and beneficiary.
- (2) 3,800,000 held by Bouchi Pty Ltd a company of which Mr Bowen is a director and shareholder.
- (3) Comprises 2,000,000 options exercisable at A\$0.03 expiring on 30 June 2019, 10,000,000 options exercisable at A\$0.06 expiring on 2 November 2021 and 4,000,000 options exercisable at A\$0.023 expiring on 8 October 2021.
- (4) Comprises 6,000,000 options exercisable at A\$0.06 expiring on 2 November 2021 and 3,500,000 options exercisable at A\$0.023 expiring on 8 October 2021
- (5) Comprises 9,250,000 options exercisable at A\$0.03 expiring on 30 June 2019 held by Centrepeak Resources Group Pty Ltd a company of which Mr Drabsch is a director and shareholder; and 14,000,000 options exercisable at A\$0.06 expiring on 2 November 2021, and 5,500,000 options exercisable at A\$0.023 expiring on 8 October 2021, held by Bradley James Drabsch ATF for The Oceanobush Trust, an entity of which Mr Drabsch is a trustee and beneficiary.
- (6) Comprises 2,250,000 options exercisable at A\$0.03 expiring on 30 June 2019, 9,000,000 options exercisable at A\$0.06 expiring on 2 November 2021 and 4,000,000 options exercisable at A\$0.023 expiring on 8 October 2021 held by Bouchi Pty Ltd a company of which Mr Bowen is a director and shareholder.

## DIRECTORS' AND SENIOR MANAGEMENT REMUNERATION

The Board of Directors is responsible for determining and reviewing compensation arrangements for the directors and the senior management. The Board assesses the appropriateness of the nature and amount of remuneration of non-executive directors and executives on a periodic basis by reference to relevant employment market conditions. The Company recognises that it operates in a competitive environment and to operate effectively it must be able to attract, motivate and retain key personnel. The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- The capability and experience of the key management personnel;
- Size of the Group;
- The key management personnel's ability to control the performance; and
- The Group's exploration success and identification of new investments.

Salaries and fees paid to Directors have been determined in relation to salaries paid to comparable companies, management responsibility and experience. The salaries and fees are reviewed annually to ensure that Directors are appropriately rewarded for their efforts in enhancing shareholder value. Where required, the Board obtains independent advice as required on the appropriateness of compensation packages of the Company given trends of comparative companies and the objectives of the Company's compensation strategy.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. Directors may also provide consultancy services to the Company and are remunerated at market rates.

Key management personnel are also entitled to participate in the company's Employee Share Option Plan ("ESOP"). Any options issued are valued using standard valuation techniques such as Black-Scholes methodology.

The objectives of the ESOP is to reward Directors and senior management in a manner that aligns remuneration with the creation of shareholder wealth. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date fair value based on the probability of the vesting conditions being achieved over the life of the options. The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. As part of each of the key management personnel's remuneration package, there is a performance-based component consisting of the issue of share options to encourage the alignment of management and Shareholders' interests. The Board determines appropriate option conditions that includes specific milestones and/or a premium over the prevailing share price to provide potential rewards over a period of time.

A summary of the operating losses and share prices at year end for the last three years are as follows:

	Post consolidation (8:1)		
	2018	2019	2020
Net Profit/(Loss)	(\$1,478,351)	(\$888,008)	(\$2,413,892)
Share price at year end	\$0.184	\$0.04	\$0.014
Earnings per share	(3.79c)	(1.88c)	(1.71c)

Remuneration earned and the value ascribed to share based payments which vested during the year ended 31 March 2020 in relation to Directors and Senior Management is summarised as follows:

2020	Directors Fees US\$	Consultancy Fees US\$	Other Benefits US\$	Options Granted US\$	Total Remuneration US\$
Gregory Bittar	49,339	-	-	10,051	59,390
Michael Bowen	23,355	-	-	10,051	33,406
John Young <sup>(1)</sup>	23,184	19,923	-	20,160	63,267
Bradley Drabsch <sup>(2)</sup>	28,878	-	-	-	28,878
Sonja Neame <sup>(2)</sup>	-	-	-	-	-
	<b>124,756</b>	<b>19,923</b>	-	<b>40,262</b>	<b>184,941</b>

<sup>(1)</sup> Mr Young was appointed on 2 September 2019.

<sup>(2)</sup> Mr Drabsch and Ms Neame both resigned on 2 September 2019.

2019	Contract Fees US\$	Consultancy Fees US\$	Other Benefits US\$	Options Granted US\$	Total Remuneration US\$
Gregory Bittar	-	-	-	16,433	16,433
Bradley Drabsch <sup>(1)</sup>	145,537	-	-	23,121	168,658
Michael Bowen	-	-	-	16,166	16,166
Sonja Neame	-	-	-	15,072	15,072
	<b>145,537</b>	-	-	<b>70,792</b>	<b>216,329</b>

(1) Mr Drabsch's earned A\$200,000 (US\$145,537) for the year ended 31 March 2019. Effective from 1 April 2019, Mr Drabsch has agreed to a 50% reduction in his contract fee to A\$100,000.

## POST BALANCE DATE EVENTS

On 24 April 2020 Nerida Schmidt resigned as joint Company Secretary.

On 11 May 2020 Apollo Minerals Limited confirmed that all conditions precedent for the Earn-In Agreement with Trek Metals Limited to earn-in an interest of up to 80% in the Kroussou zinc-lead project (Kroussou Project or Project) in Gabon have been satisfied, and the earn-in period has now commenced.

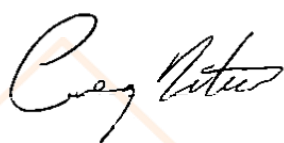
## NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor, Bentleys, or associated entities during the period.

The Directors are satisfied that the provision of non-audit services does not compromise the external auditors' independence as a result of:

1. All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the audit; and
2. None of the services undermine the general principle relating to auditor independence as set out in APES 110 "Code of ethics for professional accountants".

Signed on behalf of the Board.



**Gregory Bittar**  
Chairman

29 June 2020

# AUDITORS' INDEPENDENCE DECLARATION



**Bentleys Audit & Corporate  
(WA) Pty Ltd**

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Level 3,  
216 St Georges Terrace  
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To The Board of Directors

## Auditor's Independence Declaration

As lead audit Partner for the audit of the financial statements of Trek Metals Limited for the financial year ended 31 March 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct in relation to the audit.

Yours Faithfully,

**BENTLEYS**  
Chartered Accountants

**MARK DELAURENTIS CA**  
Partner

Dated at Perth this 29<sup>th</sup> day of June 2020



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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	NOTES	YEAR ENDED 31 MARCH 2020 US\$	YEAR ENDED 31 MARCH 2019 US\$
<b>Continuing Operations</b>			
Investment revenue	6	6,069	7,225
Other income	6	391	-
Share based payment expense	22	(70,415)	(171,762)
Exploration expenses		(44,311)	(64,171)
Impairment of capitalised Exploration & evaluation expenditure	11	(2,035,696)	-
Foreign exchange gain/(loss)		(128,133)	(42,822)
Gain on sale of subsidiaries	23	282,207	-
Other operating expenses	6	(424,004)	(616,478)
Loss before tax		(2,413,892)	(888,008)
Income tax expense	8	-	-
Loss for the year		(2,413,892)	(888,008)
<b>Attributable to:</b>			
Equity holders of the Parent		(2,413,892)	(888,008)
<b>Loss per share for loss attributable to the ordinary equity holders of the Parent:</b>		<b>Cents/share</b>	<b>Cents/share</b>
Basic loss per share	7	(1.71)	(1.88)
Diluted loss per share	7	(1.71)	(1.88)

Notes forming part of these financial statements are included on pages 19 to 45.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	NOTES	YEAR ENDED 31 MARCH 2020 US\$	YEAR ENDED 31 MARCH 2019 US\$
Loss for the year		(2,413,892)	(888,008)
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(26,957)	(71,674)
<i>Items that have been recycled to profit or loss</i>			
Exchange differences realised on disposal of foreign operations		(172,399)	-
<b>Total Comprehensive Loss for the Year Attributable to Owners of the Company</b>		(2,613,248)	(959,682)

Notes forming part of these financial statements are included on pages 19 to 45.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

		31 MARCH 2020 US\$	31 MARCH 2019 US\$
	NOTES		
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	1,336,325	462,200
Trade and other receivables	10	10,775	16,269
Other assets		10,301	13,322
<b>Total current assets</b>		<b>1,357,401</b>	<b>491,791</b>
<b>Non-current Assets</b>			
Property, plant and equipment		6,656	9,596
Exploration and evaluation expenditure	11	610,200	2,467,212
Other assets		857	6,263
<b>Total non-current assets</b>		<b>617,713</b>	<b>2,483,071</b>
<b>Total Assets</b>		<b>1,975,114</b>	<b>2,974,862</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	14	70,355	163,430
Provision	15	58,819	-
<b>Total current liabilities</b>		<b>129,174</b>	<b>163,430</b>
<b>Total Liabilities</b>		<b>129,174</b>	<b>163,430</b>
<b>NET ASSETS</b>		<b>1,845,940</b>	<b>2,811,432</b>
<b>Equity</b>			
<b>Capital and reserves</b>			
Issued capital	16	26,154,711	24,757,035
Reserves		35,896,252	35,874,891
Accumulated loss		(60,205,023)	(57,820,494)
<b>Total Equity</b>		<b>1,845,940</b>	<b>2,811,432</b>

Notes forming part of these financial statements are included on pages 19 to 45.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

Consolidated	Note	Issued Capital	Share Premium Reserve	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 April 2019</b>		<b>24,757,035</b>	<b>34,741,556</b>	<b>1,023,896</b>	<b>109,439</b>	<b>(57,820,494)</b>	<b>2,811,432</b>
Loss for the year		-	-	-	-	(2,413,892)	<b>(2,413,892)</b>
Other comprehensive income/(loss)		-	-	-	(199,356)	-	<b>(199,356)</b>
Total comprehensive loss for the year		-	-	-	(199,356)	(2,413,892)	<b>(2,613,248)</b>
Transactions with owners, recorded directly in equity							
Issue of ordinary shares		1,464,094	150,302	-	-	-	1,614,396
Share based payments	22	-	-	70,415	-	-	70,415
Loss of subsidiary sold		-	-	-	-	29,363	29,363
Share issue expenses		(66,418)	-	-	-	-	(66,418)
<b>Balance at 31 March 2020</b>		<b>26,154,711</b>	<b>34,891,858</b>	<b>1,094,311</b>	<b>(89,917)</b>	<b>(60,205,023)</b>	<b>1,845,940</b>

Notes forming part of these financial statements are included on pages 19 to 45.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

Consolidated	Note	Issued Capital	Share Premium Reserve	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 April 2018</b>		<b>23,179,105</b>	<b>35,140,138</b>	<b>852,134</b>	<b>181,113</b>	<b>(56,932,486)</b>	<b>2,420,004</b>
Loss for the year		-	-	-	-	(888,008)	<b>(888,008)</b>
Other comprehensive income/(loss)		-	-	-	(71,674)	-	<b>(71,674)</b>
Total comprehensive loss for the year		-	-	-	(71,674)	(888,008)	<b>(959,682)</b>
Transactions with owners, recorded directly in equity							
Issue of ordinary shares		1,655,824	(398,582)	-	-	-	1,257,245
Share based payments	22	-	-	171,762	-	-	171,762
Share issue expenses		(77,897)	-	-	-	-	(77,897)
<b>Balance at 31 March 2019</b>		<b>24,757,035</b>	<b>34,741,556</b>	<b>1,023,896</b>	<b>109,439</b>	<b>(57,820,494)</b>	<b>2,811,432</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	NOTES	YEAR ENDED 31 MARCH 2020 US\$	YEAR ENDED 31 MARCH 2019 US\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(465,037)	(659,697)
Payments for exploration and evaluation		(44,311)	-
Interest received		6,069	7,225
<b>Net cash used by operating activities</b>	9	<b>(503,279)</b>	<b>(652,472)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		(176,106)	(1,540,180)
Proceeds received on sale of subsidiaries		133,664	-
Acquisition of subsidiary, net of cash acquired		-	(179,745)
<b>Net cash from / (used by) investing activities</b>		<b>(42,442)</b>	<b>(1,719,925)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		1,614,398	1,057,245
Payments for share issue costs		(66,419)	(75,873)
<b>Net cash generated by financing activities</b>		<b>1,547,979</b>	<b>981,372</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,002,258</b>	<b>(1,391,025)</b>
Cash and cash equivalents at beginning of the year		462,200	1,896,047
Effects of exchange rate changes on the balance of cash held in foreign currencies		(128,133)	(42,822)
<b>Cash and cash equivalents at the end of year</b>	9	<b>1,336,325</b>	<b>462,200</b>

Notes forming part of these financial statements are included on pages 19 to 45.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2020

### NOTE 1: CORPORATE INFORMATION

Trek Metals Limited is a limited company incorporated in Bermuda, whose shares are publicly traded on the Australian Securities Exchange.

The consolidated financial statements of the Company as at and for the year ended 31 March 2020 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates and jointly controlled entities.

The principal activities of the Company and its subsidiaries (“the Group”) is to progress the exploration of its mineral properties and to identify suitable acquisitions in the mineral resources sector.

#### (a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards and Interpretations.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards (‘IFRS’).

#### (b) Going Concern

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss for the year of US\$2,413,892 (2019: loss of US\$888,008) and cash outflows from operating activities of US\$503,279 (2019: US\$652,472).

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company’s history of raising capital to date, the directors are confident of the Company’s ability to raise additional funds as and when they are required.

### NOTE 2: ADOPTION OF NEW AND REVISED STANDARDS

#### (a) New and Amended Standards Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

- AASB 16: Leases

#### (b) Changes in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group’s financial statements and discloses the new accounting policies that have been applied from 1 April 2019, where they are different to those applied in prior periods.

## a. Leases

### The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

### The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease. A contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, costs to set up equipment) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

## b. Initial Application of AASB 16: Leases

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 April 2019. In accordance with AASB 16 the comparatives for the 2018 reporting period have not been restated.

Based on the assessment by the Group, it was determined there was no impact on the Group. As such, the Group has not recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: Leases where the Group is the lessee.

There has been no significant change from prior year treatment for leases where the Group is a lessor.

Lease liabilities are measured at the present value of the remaining lease payments, where applicable. The Group's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right-of-use assets, where applicable for the remaining leases have been measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability and the prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

### **NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

#### ***Basis of Preparation***

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in US dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### ***(a) Basis of Consolidation***

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in

assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### **(b) Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

#### **(c) Foreign Currency Transactions and Balances**

##### **a. Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The functional currency and presentation currency of the parent is USD. The consolidated financial statements are presented in US Dollars.



## **b. Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the transition of monetary items are recognised in the income statement in the period in which they arise, except where deferred in equity as a qualifying cash flow.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

## **c. Group companies**

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in USD using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

## **(d) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible borrowing. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the notes. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.



Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### **NOTE 4: CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments and estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### **a. Impairment of capitalised exploration and evaluation expenditure**

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes and the approval of the Environmental Impact Study (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

##### **b. Share-based payment transactions**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model.

##### **c. Taxation**

Balances disclosed in the financial statements and the notes thereto related to taxation are based on the best estimates of the directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the directors' best estimate, pending an assessment by the applicable taxation authorities.

**NOTE 5: SEGMENT INFORMATION****(a) Identification of reportable segments**

The Group operates predominantly in the mining and exploration industry. This comprises exploration and evaluation activities that related to pursuing the Kroussou zinc-lead project in Gabon that are now subject to an earn-in agreement with Apollo Minerals Limited.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors (chief operating decision makers) to assess performance and determine the allocation of resources. Management has identified the operating segments based on the principal location of its projects, being Africa, Australia and its ASX listing and management location in Australia.

**(b) Basis of accounting for purposes of reporting by operating segments:****a. Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

**b. Inter-segment transactions**

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are generally on commercial terms.

**c. Segment assets**

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

**d. Segment liabilities**

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

The following is an analysis of the Group's results by reportable operating segment for the period:

	<b>SEGMENT LOSS</b>	
	<b>31 MAR 2020</b>	<b>31 MAR 2019</b>
	<b>US\$</b>	<b>US\$</b>
<b>Continuing operations</b>		
Exploration and evaluation	(1,745,899)	(64,171)
Corporate	(667,993)	(823,837)
<b>Consolidated segment loss for the year from all operations</b>	<b>(2,413,892)</b>	<b>(888,008)</b>

The following is an analysis of the Group's assets by reportable operating segment:

	<b>SEGMENT ASSETS</b>	
	<b>31 MAR 2020</b>	<b>31 MAR 2019</b>
	<b>US\$</b>	<b>US\$</b>
<b>Continuing operations</b>		
Exploration and evaluation	660,860	2,490,804
Unallocated corporate assets	1,314,254	484,058
<b>Consolidated segment assets</b>	<b>1,975,114</b>	<b>2,974,862</b>

The following is an analysis of the Group's liabilities by reportable operating segment:

	SEGMENT LIABILITIES	
	31 MAR 2020 US\$	31 MAR 2019 US\$
<b>Continuing operations</b>		
Exploration and evaluation	104,326	75,502
Unallocated corporate liabilities	24,848	87,928
<b>Consolidated segment liabilities</b>	<b>129,174</b>	<b>163,430</b>

#### NOTE 6: RECONCILIATION OF LOSS

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

The loss before tax from continuing operations after charging expenses and receiving income was as follows:

	31 MAR 2020 US\$	31 MAR 2019 US\$
<b>Investment Revenue</b>		
Interest revenue	6,069	7,225
<b>Total Investment Revenue</b>	<b>6,069</b>	<b>7,225</b>
<b>Other Income</b>		
ATO refund related to prior periods	391	-
<b>Total Other Income</b>	<b>391</b>	<b>-</b>
<b>Other Operating Expenses</b>		
Auditor's remuneration	(20,176)	(24,040)
Communications costs	(4,839)	(4,118)
Consultants	(52,731)	(76,580)
Contract accounting and company secretarial	(68,600)	(111,091)
Directors' fees and consultant fees	(144,679)	(145,537)
Insurance	(11,238)	(14,370)
Lease costs	(7,766)	(21,219)
Legal	(873)	(76,429)
Corporate & statutory costs	(51,887)	(59,229)
Travel	(25,171)	(51,773)
Software expenses	(5,457)	(20,074)
Business development	(24,513)	-
Other costs	(6,074)	(12,099)
<b>Total Other Operating Expenses</b>	<b>(424,004)</b>	<b>(616,478)</b>

**NOTE 7: EARNINGS PER SHARE**

The calculation of the basic and diluted (loss) /earnings per share is based on the following information:

	31 MAR 2020 US\$	31 MAR 2019 US\$
<b>Earnings</b>		
Loss attributable to the ordinary equity holders of the Company used in calculating basic and diluted loss per share:		
From continuing operations	(2,413,892)	(888,008)
	<u>(2,413,892)</u>	<u>(888,008)</u>
<b>Shares</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	140,975,854	47,136,736
Adjustment for calculation of diluted earnings per share:		
Options	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	<u>140,975,854</u>	<u>47,136,736</u>
<b>Basic Loss per Share</b>	<b>Cents/share</b>	<b>Cents/share</b>
Total basic loss per share attributable to the ordinary equity holders of the Company	(1.71)	(1.88)
Total diluted loss per share attributable to the ordinary equity holders of the Company	(1.71)	(1.88)

Note : Post 1:8 consolidation of share capital and options.

The following number of potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares in the year ended 31 March 2020:

	31 MAR 2020	31 MAR 2019
Unlisted Options	28,456,789	20,644,285
	<u>28,456,789</u>	<u>20,644,285</u>

Note: Post the 1:8 consolidation of share capital and options.

**NOTE 8: INCOME TAX**

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Major components of income tax for the year ended 31 March 2020 are as follows:

	31 MAR 2020 US\$	31 MAR 2019 US\$
Current income tax charge	-	-
Income tax expense reported in income statement	-	-

The current tax liabilities are as follows:

	31 MAR 2020 US\$	31 MAR 2019 US\$
Income tax payable	-	-
	-	-

A reconciliation of the income tax expense applicable to the loss from operating activities before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rates is as follows:

	31 MAR 2020 US\$	31 MAR 2019 US\$
Loss from operating activities before income tax	(2,413,892)	(888,008)
Prima facie tax benefit on loss from ordinary activities at 27.5% (2019: 27.5%)	(663,820)	(244,202)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Share based payment expense	19,364	35,281
- Entertainment	211	178
- Other	60	1,721
	(644,185)	(207,022)
Movement in temporary differences	(7,977,562)	20,879
Tax effect of current year losses not recognised:		
At Zambian statutory income tax rate of 35% (2019: 35%)	-	-
At Gabonese statutory income tax rate of 35% (2019: 35%)	954	11,518
At Australian statutory income tax rate of 27.5% (2019: 27.5%)	8,620,793	174,625
Income tax expensed reported in income statement	-	-

Unrecognised deferred tax balances relate to the following:

	31 MAR 2020 US\$	31 MAR 2019 US\$
Deferred tax assets at 27.5% (2019: 27.5%)		
Provisions	127,459	8,594,957
Prepayments	(2,833)	(3,664)
Capitalised Expenses	3,324	29,987
Capitalised Exploration costs	98,867	107,106
Accrued expenses	4,410	5,534
Capital Raising costs	59,154	53,443
<b>Total Deferred Tax Assets</b>	<b>290,381</b>	<b>8,787,363</b>

Potential deferred tax assets for the Group are attributable to Gabonese and Australian tax losses carried forward by the subsidiaries and future benefits to exploration expenditure and other temporary differences allowable for deduction. Deferred tax assets have not been brought to account in the consolidated statements as at 31 March 2020 because the directors are of the opinion that it is not appropriate to regard full realisation of the deferred tax assets as probable.

These benefits will only be obtained if:

- The subsidiaries derive future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised; and
- The subsidiaries continue to comply with the conditions for deductibility imposed by tax legislation; and
- No changes in tax legislation adversely affect the subsidiaries in realising the benefit from the deduction of the losses.

Unused tax losses not brought to account are as follows:

	31 MAR 2020 US\$	31 MAR 2019 US\$
Opening unused tax losses	11,137,545	10,464,153
Add: losses for the year	31,351,519	673,392
Less: losses written off during the year	-	-
<b>Unused tax losses</b>	<b>42,489,064</b>	<b>11,137,545</b>

## NOTE 9: CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

	31 MAR 2020 US\$	31 MAR 2019 US\$
Bank balances	1,323,473	447,430
Term deposit <sup>(1)</sup>	12,852	14,770
	<b>1,336,325</b>	<b>462,200</b>

<sup>(1)</sup> A\$20,000 of the cash and cash equivalents is restricted and set aside to offset credit card limits.

**(a) Reconciliation of profit or loss after income tax to net cash flow from operating activities**

	31 MAR 2020 US\$	31 MAR 2019 US\$
Loss for the year	(2,413,892)	(888,008)
Share-based payment expense	70,415	171,762
Exploration expenses classified as investing	-	64,171
Exploration asset expensed	2,035,696	-
Sale of subsidiaries	(304,911)	-
Net exchange differences	128,133	42,822
<b>Change in operating assets and liabilities, net of effects from sale of subsidiary:</b>		
(Increase)/decrease in trade and other receivables	8,515	(10,882)
Increase in other assets – current & non-current	5,406	(957)
(Decrease) in trade and other payables	(32,641)	(31,380)
<b>Net cash outflow from operating activities</b>	<b>(503,279)</b>	<b>(652,472)</b>

**(b) Non-cash investing and financing activities**

	31 MAR 2020 US\$	31 MAR 2019 US\$
Acquisition of Select Exploration via the issue of shares (refer Note 11)	-	200,000

**NOTE 10: TRADE AND OTHER RECEIVABLES**

	31 MAR 2020 US\$	31 MAR 2019 US\$
<b>Current</b>		
Other receivables	10,775	16,269
	<b>10,775</b>	<b>16,269</b>

Trade and other receivables are non-interest bearing, have no security held against them and are, on average, on terms of 15 days.

**NOTE 11: EXPLORATION AND EVALUATION EXPENDITURE**

Exploration and evaluation expenditure primarily consist of activities including drilling, assaying, geochemical and geophysical investigations and independent geological consultants in respect of each identifiable area of interest. These costs are capitalised provided the rights to tenure of the area of interest is current and either:

- the expenditures are expected to be recouped through successful development and exploitation or sale of the area of interest; or
- activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.



When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is measured at cost and assessed for impairment.

**(a) Impairment**

All capitalised exploration and evaluation expenditure is monitored for indications of impairment on a cash-generating unit basis. The cash generating unit shall not be larger than the area of interest. If sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the capitalised expenditure which is not expected to be recovered is charged to the income statement.

	31 MAR 2020 US\$	31 MAR 2019 US\$
<b>Exploration and Evaluation Expenditure</b>	-	2,467,212
<i>Movement during the period:</i>		
Opening balance	2,467,212	652,420
Exploration and evaluation recognised on acquisition of Select Exploration	-	446,414
Additions for the period	166,732	1,447,901
Foreign exchange movement	11,952	(79,523)
Impairment of expenditure	(2,035,696)	-
<b>Closing balance at balance date</b>	<b>610,200</b>	<b>2,467,212</b>

The Group's exploration properties may be subject to claim under Native Title (or jurisdiction equivalent), or contain sacred sites, or sites of significance to the indigenous people of Australia, Zambia and Gabon. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

Recoverability of the Group's carrying value of interests in mineral projects is subject to the successful development and exploitation of the exploration properties or alternatively, the sale of these tenements at amounts at least equal to the book values.

**Kroussou (Gabon) exploration expenditure**

The Group had previously capitalised exploration and evaluation expenditures for the Kroussou Project. Following the recent Earn-in agreement with Apollo Minerals Limited and completion of all conditions precedent the Directors have decided to impair the carrying value of the Kroussou project to \$610,200 based on an estimate of the remaining value of the Earn-in agreement and carrying interest in the project.

**2018 Acquisition of Select Exploration (Gabon)**

On 27 April 2018, Trek, through its wholly owned subsidiary, Select Exploration (Europe) SARL acquired the Kroussou exploration properties in Gabon valued at US\$446,414 through the acquisition of the ultimate parent entity of the license holding entity, Select Exploration. The acquisition of Select Exploration and its controlled entity was deemed an asset acquisition rather than a business combination due to both companies not meeting the definition of a business under the accounting standards.



	<b>31 March 2019</b>
	<b>Fair value</b>
	<b>US\$</b>
<b>Purchase consideration</b>	
- Cash	200,000
- Issue of fully paid ordinary shares with free attaching options	200,000
	<u>400,000</u>
<i>Less:</i>	
- Cash on hand	20,255
- Other current assets	111
- Written down value of Property, plant and equipment	16,595
- Other non-current assets	944
- Payables and other liabilities	(84,319)
Net Liabilities acquired	<u>(46,414)</u>
<b>Capitalised exploration on consolidation</b>	<b><u>446,414</u></b>

## NOTE 12: SUBSIDIARIES

The consolidated financial statements include the financial statements of Trek Metals Limited and the subsidiaries listed below:

	COUNTRY OF INCORP'N	CLASS OF SHARE CAPITAL HELD	HOLDING & VOTING CAPACITY (%)		BUSINESS
			31 MAR 2020	31 MAR 2019	
Mwembeshi Resources (Bermuda) Limited <sup>(2)</sup>	Bermuda	Ordinary	0	100	Holding
Mwembeshi Resources Limited <sup>(2)</sup>	Zambia	Ordinary	0	100	Exploration
TM Resources Pty Ltd	Australia	Ordinary	100	100	Exploration
Trek Management Pty Ltd	Australia	Ordinary	100	100	Man. Services
Makoma Resources Limited <sup>(2)</sup>	Zambia	Ordinary	0	100	Exploration
Elm Resources Pty Ltd	Australia	Ordinary	100	100	Exploration
Select Exploration (Europe) SARL <sup>(1)</sup>	Luxembourg	Ordinary	0	100	Holding
Select Exploration	Mauritius	Ordinary	100	100	Holding
Select Exploration (Gabon)	Gabon	Ordinary	100	100	Holding

<sup>(1)</sup> Mwembeshi Resources (Bermuda) Limited and its wholly owned subsidiaries Mwembeshi Resources Limited and Makoma Resources Limited were divested on 15 April 2019. Refer Note 23.

<sup>(2)</sup> Select Exploration (Europe) SARL was divested on 16 December 2019. Refer Note 23.

**NOTE 13: INVESTMENTS IN ASSOCIATES**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Details of the Group's associates are as follows:

NAME OF ASSOCIATE	COUNTRY OF INCORP'N	CLASS OF SHARE CAPITAL HELD	OWNERSHIP INTEREST (%)		BUSINESS
			31 MAR 2020	31 MAR 2019	
Cape Resources Limited <sup>(1)</sup>	Bermuda	Ordinary	49	49	Exploration
Cheowa Resources Limited <sup>(1)</sup>	Zambia	Ordinary	49	49	Exploration

<sup>(1)</sup> Trek Metals Limited holds 49% of the share capital of Cape Resources Limited and its Subsidiary Cheowa Resources Ltd, two companies controlled by Glencore International AG (Glencore) and holding the Cheowa and CCB JV projects. There were no contributions to Cheowa and CCB JV projects by Trek Metals in 2020. The investment in these associates is carried at \$Nil (2019: nil).

**NOTE 14: TRADE AND OTHER PAYABLES**

	31 MAR 2020 US\$	31 MAR 2019 US\$
<b>Current</b>		
Trade and other payables	54,319	143,285
Accrued expenses	16,036	20,145
	<u>70,355</u>	<u>163,430</u>

Trade payables and accruals are non-interest bearing and have repayment terms within 30 days.

**NOTE 15: PROVISIONS**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

	31 MAR 2020 US\$	31 MAR 2019 US\$
<b>Current</b>		
*Provision - CNSS	58,819	-
	<u>58,819</u>	<u>-</u>

\*The Company's subsidiary Select Exploration (Gabon) has received notification from the Gabon National Social security fund that it proposes an adjustment of 184,691,726 XAF (approximately US\$313,037) for social security benefits for the period 1 January 2017 to 1 January 2019 ("adjustment"). The Company disputes this proposed adjustment and have sought external advice and review by Business Consulting Gabon ("BCG"). BCG have advised the Company that the amount potentially payable is 34,673,888 (Approximately \$58,819). Accordingly, the Company has raised a provision for \$58,819 in this financial report. BCG are responding to the Gabon National Security Fund disputing the proposed adjustment.

**NOTE 16: ISSUED CAPITAL**

Authorised ordinary shares of par £0.01 each, carrying one vote per share and rights to dividends.

At the Annual General Meeting on 3 October 2019, the Company received Shareholder approval to consolidate the number of shares and options on issue on an eight (8) for one (1) basis (Consolidation), reduce the par value of the share capital and increase authorized capital. The Consolidation was completed on 9 October 2019.

The ordinary shares on issue is summarised as follows:

<b>31 MARCH 2020</b>	<b>NUMBER OF SHARES</b>	<b>ISSUED CAPITAL US\$</b>	<b>SHARE PREMIUM US\$</b>
<b>Issued and fully paid ordinary shares</b>			
As at 1 April 2019	438,254,890	24,757,035	34,741,556
No of shares Post-Consolidation 1:8 (3 October 2019)	54,782,262	24,757,035	34,741,556
<b>Allotments</b>			
9/10/2019 Placement at A\$0.02 per share <sup>(1)</sup>	120,000,000	1,464,094	150,302
Share Issue costs	-	(66,418)	-
<b>Balances as at 31 March 2020</b>	<b>174,782,262</b>	<b>26,154,711</b>	<b>34,891,858</b>

(1) Shares issued pursuant to capital raising of A\$2.4M

<b>31 MARCH 2019</b>	<b>NUMBER OF SHARES</b>	<b>ISSUED CAPITAL US\$</b>	<b>SHARE PREMIUM US\$</b>
<b>Issued and fully paid ordinary shares</b>			
As at 1 April 2018	312,303,614	23,179,105	35,140,138
<b>Allotments</b>			
27/04/2018 Acquisition shares at A\$0.025 per share <sup>(1)</sup>	10,566,636	147,256	52,744
08/10/2018 Placement at A\$0.013 per share <sup>(2)</sup>	115,384,640	1,508,571	(451,326)
Share Issue costs	-	(77,897)	-
<b>Balances as at 31 March 2019</b>	<b>438,254,890</b>	<b>24,757,035</b>	<b>34,741,556</b>

(1) Shares issued as consideration for the acquisition of Select Exploration (refer Note 11).

(2) Shares issued pursuant to capital raising of A\$1.5m.

### Options on Issue

Unissued ordinary shares of the Company under option at 31 March 2020 are as follows (post-consolidation of shares and options):

<b>Options issued</b>	<b>No of options</b>	<b>Exercise price (US\$)</b>	<b>Fair value at Grant Date (US\$)</b>	<b>Grant date</b>	<b>Expiry</b>	<b>Vested #</b>
<b>Options issued to Investors:</b>						
Free attaching options to investors	4,233,874	0.38	-	04/12/17	02/11/21	4,233,874
Free attaching options to Acquiree	660,415	0.61	-	27/4/18	27/04/21	660,415
	<u>4,894,289</u>					<u>4,894,289</u>
<b>Options issued as Share Based Payments:</b>						
Fees for services	156,250	0.93	0.01	16/02/16	31/12/20	156,250
Directors	1,750,000	0.34	0.15	18/01/17	02/11/21	1,750,000
Consultant	93,750	0.35	0.16	18/01/17	02/11/21	93,750
Directors	625,000	0.36	0.13	23/02/17	02/11/21	625,000
Consultant	125,000	0.36	0.13	23/02/17	02/11/21	125,000
Consultant	375,000	0.37	0.26	23/02/17	02/11/21	375,000
Consultant	125,000	0.38	0.11	30/08/17	02/11/21	125,000
Consultant	187,500	0.38	0.12	24/10/17	02/11/21	187,500
Directors	375,000	0.38	0.10	04/12/17	02/11/21	375,000
Directors	2,250,000	0.38	0.10	04/12/17	02/11/21	2,250,000
Consultant	125,000	0.38	0.12	04/12/17	02/11/21	125,000
Broker Options	500,000	0.38	0.12	04/12/17	02/11/21	500,000
Employee	375,000	0.13	0.03	17/09/18	08/10/21	375,000
Directors	2,125,000	0.13	0.03	08/10/18	08/10/21	2,125,000
Broker Options	3,125,000	0.13	0.03	08/10/18	08/10/21	3,125,000
Directors	1,875,000	0.04	0.011	02/09/19	30/09/23	1,875,000
Directors	3,750,000	0.04	0.005	03/10/19	30/09/23	3,750,000
Consultant	3,125,000	0.04	0.005	03/10/19	30/09/23	3,125,000
Broker Options	2,500,000	0.04	0.005	03/10/19	30/09/23	2,500,000
	<u>23,562,500</u>					<u>23,562,500</u>
<b>Options outstanding and exercisable as at 31 March 2020</b>	<b>28,456,789</b>					<b>28,456,789</b>

**NOTE 17: RESERVES****(a) Share Premium Reserve**

The share premium reserve records the amounts paid by shareholders for shares in excess of their nominal value.

**(b) Share-Based Payment Reserve**

The share-based payment reserve records the fair value of options granted to staff and directors, and suppliers.

**(c) Translation Reserve**

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency of USD are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

**NOTE 18: FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**(a) Financial Assets**

On initial recognition, financial assets are classified as measured at:

- Amortized cost;
- Fair Value through Other Comprehensive Income ("FVOCI") – debt investment;
- FVOCI – equity investment; or
- Fair Value through Profit or Loss ("FVTPL")

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. For financial assets measured at amortized cost, these assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses.

Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

As of 31 March 2020, the Group's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables.

Cash and cash equivalents and other receivables are classified as amortised cost under AASB 9. The trade and other payables are designated as other financial liabilities, which are measured at amortised cost.

The cash and cash equivalents, trade and other receivables, and trade and other payables approximate their fair value due to their short-term nature.

The Group classified the fair value of the financial instruments according to the following fair value hierarchy based on the amount of observable inputs used to value the instruments:

The three levels of the fair value hierarchy are:

- Level 1 – Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values based on inputs, including quoted prices, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values based on prices or valuation techniques that are not based on observable market data.

### Impairment of financial assets

The Group assesses the recoverability of financial assets using an ‘expected credit loss’ (“ECL”) model. This impairment model is applied to financial assets measured at amortized cost, contract assets and debt investments at Fair Value Through Other Comprehensive Income (“FVOCI”), but not to investments in equity instruments.

In accordance with AASB 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECL: these are ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Categories of financial instruments	31 MAR 2020 US\$	31 MAR 2019 US\$
<b>Financial assets</b>		
Cash and bank balances	1,336,325	462,200
Trade and other receivables	10,775	16,269
<b>Financial liabilities</b>		
Trade and other payables	70,355	163,430

### Financial Risk Management objectives and policies

The Group’s risk oversight and management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects and ensure that net cash flows are sufficient to support the delivery of the Group’s financial targets whilst protecting future financial security. The Group continually monitors and tests its forecast financial position against these objectives and may undertake forward-rate agreements when necessary to ensure the objectives are achieved.

The Group’s activities expose it to a variety of financial risks; market, credit and liquidity. These risks are managed by senior management in line with policies set by the Board. The Group’s principal financial instruments comprise cash and short-term deposits. Other financial instruments include trade receivables and trade payables, which arise directly from operations.

It is, and has been throughout the period under audit, Group policy that no speculative trading in financial instruments be undertaken.

## Market risk

### (a) Interest Rate Risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. The Group manages this risk by maintaining an appropriate mix between fixed and floating rate instruments.

The effective weighted average interest rates on classes of financial assets and financial liabilities are as follows:

31 March 2020	Weighted Ave Effective Int Rate %	Less than 1 month US\$	1 month – 1 year US\$	1 – 5 years US\$	5+ years US\$	Total US\$
<b>Financial Assets</b>						
Non-interest bearing	-	10,775	-	-	-	10,775
Fixed interest rate instruments	1.1	12,852	-	-	-	12,852
Variable interest rate instruments	0.6	1,323,473	-	-	-	1,323,473
<b>Total Financial Assets</b>	0.58	1,347,100	-	-	-	1,347,100
<b>Financial Liabilities</b>						
Non-interest bearing	-	70,355	-	-	-	70,355
<b>Total Financial Liabilities</b>	-	70,355	-	-	-	70,355

Financial assets are classified based upon their expected maturity whilst financial liabilities are classified based upon their contractual maturity.

31 March 2019	Weighted Ave Effective Int Rate %	Less than 1 month US\$	1 month – 1 year US\$	1 – 5 years US\$	5+ years US\$	Total US\$
<b>Financial Assets</b>						
Non-interest bearing	-	88,109	-	-	-	88,109
Fixed interest rate instruments	2.1	14,770	-	-	-	14,770
Variable interest rate instruments	0.9	376,188	-	-	-	376,188
<b>Total Financial Assets</b>	0.8	479,067	-	-	-	479,067
<b>Financial Liabilities</b>						
Non-interest bearing	-	163,480	-	-	-	163,480
<b>Total Financial Liabilities</b>	-	163,480	-	-	-	163,480

### (b) Currency risk

The Group has subsidiaries operating in Africa and Australia, whose businesses are conducted predominantly in Central African Franc, Euro, Australian Dollars, and US dollars respectively, exposing the Group to exchange rate fluctuations.

The Group manages this risk by monitoring foreign exchange rates, maintaining the majority of cash assets in Australian Dollars, and limiting the amounts transferred to the subsidiaries to that which is required to sustain operations. The Company's funding and previous borrowings are in Australian Dollars and are also subject to foreign exchange fluctuations through retranslation to the presentation currency of USD. The Group has not entered into any derivative financial instruments to hedge such transactions.

Foreign exchange differences on retranslation of the foreign subsidiaries' assets and liabilities are taken to the translation reserve.

At year end the Group has US\$1,302,331 (2019: US\$403,217) of monetary assets held in Australian Dollars, US\$Nil (2019: US\$45,932) in Euros, US\$33,994 (2019: US\$12,876) in Central African Franc.



The maximum exposure to credit risk is represented by the carrying amount of each of these assets in the balance sheet.

The following table summarises the sensitivity of financial instruments held at the balance sheet date to movements in the exchange rate of the Central African Franc, Euro and Australian Dollar to the US Dollar, with all other variables held constant. The sensitivities are based on an analysis of actual historical rates for the preceding five-year period.

	IMPACT ON PROFIT		IMPACT ON EQUITY	
	31 MAR 2020	31 MAR 2019	31 MAR 2020	31 MAR 2019
	US\$	US\$	US\$	US\$
AUD/USD +10%	130,221	40,322	(130,221)	(40,322)
AUD/USD -10%	(130,221)	(40,322)	130,221	40,322
EUR/USD +10%	-	6,482	-	(6,482)
EUR/USD -10%	-	(6,482)	-	6,482
XAF/USD +10%	3,777	1,431	(3,777)	(1,431)
XAF/USD -10%	(3,777)	(1,431)	3,777	1,431

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's result for the year ended 31 March 2020 would increase/decrease by US\$7,878 (2019: increase/decrease by US\$3,806). This is mainly attributable to the Group's exposure to interest rates on its variable rate investments.

#### (c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Due to the current nature of the Group's operations there is no significant concentration of credit risk. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

#### (d) Capital Risk Management

The Group manages capital to ensure that companies in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt to equity balance. The Group's focus has been to raise sufficient funds through equity to fund exploration activity. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The Group monitors capital on the basis of the gearing ratio and the external borrowings currently in place however this is not required since the facility was extinguished in the prior period.

#### (e) Liquidity risk

Liquidity risk refers to the risk that the Group will have insufficient funds to meet its operational requirements. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquidity levels are maintained. The undiscounted contractual or expected maturities of the financial assets and liabilities are reported in the tables under "Interest rate risk".

#### (f) Fair Values

Monetary financial assets and liabilities not readily traded in an organised financial market have been valued at cost, which approximates fair value.

The carrying amount of cash and cash equivalents approximate net fair value.



The carrying amounts and net fair values of financial assets and liabilities as at the reporting date are as follows:

	FAIR VALUE HIERARCHY	31 MAR 2020 US\$	31 MAR 2019 US\$
<b>Financial Assets</b>			
Trade and other receivables	Level 2	10,775	16,269
<b>Financial Liabilities</b>			
Trade and other payables	Level 2	70,355	163,430

#### NOTE 19: CAPITAL COMMITMENTS

The Group has committed to the following minimum expenditure in relation to the Kroussou project.

	31 MAR 2020 US\$	31 MAR 2019 US\$
Not later than 1 year	1,753,729	943,453
Later than 1 year and not later than 5 years	-	2,124,368
Later than 5 years	-	-
	1,753,729	3,067,821

The Kroussou License which was renewed on 18 July 2018 requires a total of 1,793,706,000 CFA to be spent over the 3 years from the date of renewal. The amount shown above is the remaining expenditure commitment at year end. Non-compliance with the expenditure commitment is a penalty of 10% of the outstanding investment.

On 4 September 2019, the Company entered into an Earn-in Agreement (EIA) with Apollo Minerals Limited for Apollo Minerals to earn-in an interest of up to 80% in the Kroussou zinc-lead project. The Conditions Precedent to the EIA were satisfied on 11 May 2020 and Trek will not incur any further expenditure in relation to the Kroussou Project until Apollo Minerals completes its earn-in obligations when a separate decision will be made by Trek as to whether it participates to maintain a 20% interest, dilutes its interest or converts its interest into a 1% net smelter royalty. Accordingly, the above capital commitments are continued to be shown in the accounts of Trek Metals Limited but will be offset by amounts spent by Apollo on the Kroussou Project.

#### NOTE 20: COMMITMENTS AND CONTINGENCIES

##### (a) Operating leases

There are no current non-cancellable leases. Non-cancellable operating leases for an item of office equipment and office space expired as at 31 March 2019 and were not renewed.

##### (b) Contingencies

###### a. TM Resources Acquisition

On 16 September 2016, the Company, and the shareholders of TM Resources Pty Ltd (TM) entered into a Share Sale Agreement which resulted in the Company acquiring all the shares on issue in TM. The Company paid US\$7,516 (A\$10,000) on execution of the Share Sale Agreement. The Company also agreed to pay the following contingent consideration:

1. Trek Metals Limited (TML) shares to the value of A\$50,000 within 7 days of the grant of the tenements that TM has applied for.
2. A\$1,000,000 upon the public release by TML of Mineral Resource Estimate in respect of the Lawn Hill Project of between 550Kt Zn eq - 1.1Mt Zn eq; and
3. A\$3,000,000 upon the public release by TML of a Mineral Resource Estimate in respect of the Lawn Hill Project of greater than 1.1Mt Zn eq.

## b. Kroussou Earn-in Agreement and Deferred Consideration

### Battery Minerals Arrangements

On 4 September 2019 the Company entered into an Earn-in Agreement (**EIA**) with Apollo Minerals Limited (**Apollo Minerals, ASX: AON**) for Apollo Minerals to earn-in an interest of up to 80% in the Kroussou zinc-lead project (**Kroussou Project** or **Project**) in western Gabon. Trek, through a wholly own subsidiary, entered into a Sale Agreement and Royalty Deed with Battery Minerals Limited on 27 April 2018 in which Trek acquired 100% of the Kroussou Project from Trek JV partner, Battery Minerals Limited (ASX:BAT) (**Battery Minerals Arrangements**).

On 11<sup>th</sup> May 2020, Apollo Minerals confirmed that all conditions precedent for the EIA had been satisfied. With the EIA becoming effective, Trek and Battery Minerals have mutually agreed to terminate the Royalty Deed and certain terms of the Sale Agreement entered into on 27 April 2018.

The effect of this is that Trek's royalty obligations (2.5% net smelter return royalty), Trek's obligation to pay the Deferred Consideration (payable upon a JORC-compliant Indicated Mineral Resource Estimate), and other rights and obligations have been terminated and replaced with the following future payments to Battery in certain circumstances:

- US\$500,000 payable upon a Decision to Mine being made by the Earn-In Parties (payable by Apollo Minerals); and
- 10% of the Net Project Profits received by Trek each year up to a maximum of US\$2,500,000.

In the event that Trek's interest in the Kroussou Project is converted to a royalty, Trek agrees to pay Battery 50% of the royalty received per annum up to a total of US\$3,750,000; and

In the event that Trek disposes its interest in the Kroussou Project, Trek agrees to pay Battery 10% of the net sale proceeds.

## c. Gabon CNSS claim

The Company's subsidiary Select Exploration (Gabon) has received notification from the Gabon National Social security fund that it proposes an adjustment of 184,691,726 XAF (approximately US\$313,037) for social security benefits for the period 1 January 2017 to 1 January 2019 ("adjustment"). The Company disputes this proposed adjustment and have sought external advice and review by Business Consulting Gabon ("BCG"). BCG have advised the Company that the amount potentially payable is 34,673,888 (approximately \$58,819). Accordingly, the Company has raised a provision for \$58,819 in this financial report. BCG have been responded to the Gabon National Security Fund disputing the proposed adjustment.

## NOTE 21: RELATED PARTIES

### (a) Subsidiaries

The subsidiaries and associates of the Group are identified in Note 12. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

### (b) Directors

The Directors of the Company during the year, and up to the date of this report, were as follows:

- Gregory Bittar
- Michael Bowen
- John Young (appointed 2 September 2019)
- Bradley Drabsch (resigned 2 September 2019)
- Sonja Neame (resigned 2 September 2019)

**(c) Related party transactions (other than director fees)**

Mr Michael Bowen is a partner of DLA Piper which provided legal services to the Company during the year totalling US\$6,640 (31 March 2019: US\$14,058). Of this amount, \$Nil (2019: \$Nil) was included in payables and accruals at the end of the reporting period.

Mr John Young provided consulting services to the Company during the year totalling US\$19,923 (31 March 2019: US\$Nil). Of this amount, \$Nil (2019: \$Nil) was included in payables and accruals at the end of the reporting period.

**(d) Compensation of Key Management Personnel**

The remuneration of directors and other members of key management during the year was as follows:

	31 MAR 2020 US\$	31 MAR 2019 US\$
Short term benefits	144,679	145,537
Share based payments	40,262	70,792
	184,941	216,329

The remuneration of directors and key management is determined by the board having regard to the performance of individuals and market trends.

At the end of the reporting period the following amounts were payable to KMPs:

- US\$3,814 (2019: Nil) was payable to Mr Bittar; and
- US\$3,051 (2019: Nil) was payable to Mr Bowen.

There were no other balances outstanding from/to related parties.

**NOTE 22: SHARE BASED PAYMENTS**

Equity-settled share-based payments to directors, employees and others providing similar services are measured at the fair value of the equity instrument at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At the end of each reporting period, the Group revises its estimate of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the Share Based Payments Reserve.

**(a) Options issued**

	31 MAR 2020 US\$	31 MAR 2019 US\$
Share based payment expense	70,415	171,762

The Trek Metals Ltd Employee Share Option Plan ("ESOP") was approved at the Annual General Meeting of shareholders on 3<sup>rd</sup> October 2019. During the year ended 31 March 2020, the following options were granted under ESOP:

<b>YEAR ENDED 31 MARCH 2020</b>	<b>No of options</b>	<b>Exercise price (US\$)</b>	<b>Grant date</b>	<b>Expiry</b>	<b>Vested #</b>	<b>FV @ grant date (US\$/unit)</b>
Directors	1,875,000	0.04	02/09/19	30/09/23	1,875,000	0.011
Consultants	3,125,000	0.04	03/10/19	30/09/23	3,125,000	0.005
Directors	3,750,000	0.04	03/10/19	30/09/23	3,750,000	0.005
<b>Total options subject to ESOP issued during the year</b>	<b>8,750,000</b>					

The following options were granted subject to shareholder approval at the Annual General Meeting on 3 October 2019:

<b>YEAR ENDED 31 MARCH 2020</b>	<b>No of options</b>	<b>Exercise price (US\$)</b>	<b>Grant date</b>	<b>Expiry</b>	<b>Vested #</b>	<b>FV @ grant date (US\$/unit)</b>
Facilitator Options	2,500,000	0.04	03/10/19	30/09/23	2,500,000	0.005
<b>Total options issued subject to Shareholder approval</b>	<b>2,500,000</b>					

There has been no alterations of terms or conditions of the above share-based payments. Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company with full dividend and voting rights.

The figures below are shown including the post-consolidation adjustment of share options.

	<b>31 MAR 2020</b>		<b>31 MAR 2019</b>	
	<b>No of options</b>	<b>Weighted average exercise price (US\$)</b>	<b>No of options</b>	<b>Weighted average exercise price (US\$)</b>
<b>Options at beginning of year</b>	103,500,000	0.031	58,500,000	0.043
Consolidation adjustment 1:8 (3 Oct 2019)	(90,562,500)	-	-	-
Options granted	11,250,000	0.042	45,000,000	0.016
Options lapsed	(625,000)	(0.023)	-	-
Options forfeited	-	-	-	-
Options cancelled	-	-	-	-
<b>Options at end of year</b>	<b>23,562,500</b>	<b>0.16</b>	<b>103,500,000</b>	<b>0.031</b>
<b>Options exercisable at end of year</b>	<b>23,562,500</b>		<b>103,500,000</b>	

## Share options pricing model

The fair value of the equity-settled share options granted during the year is estimated as at the date of grant using a Black Scholes Option Pricing model. The following table lists the inputs to the models used for the valuation of options issued during the year ended 31 March 2020 (post-consolidation figures):

	Director Options	Director/ Consultant Options	Broker Options
Number of Options	1,875,000	6,875,000	2,500,000
Fair values at measurement date –	0.011	0.005	0.005
Grant date share price – US\$/share	0.003	0.016	0.016
Exercise price – US\$/share	0.04	0.038	0.038
Expected volatility %	74.0	74.0	74.0
Options life in years	4.08	3.99	3.99
Dividend yield	-	-	-
Risk-free interest rate %	0.73	0.67	0.67

The weighted average fair value of options granted during the period is US\$0.05 (2019: US\$0.010).

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

## NOTE 23: SALE OF SUBSIDIARIES

### (a) Gain on Sale of Subsidiary

On 15 April 2019, the Company announced the divestment of the Kangaluwi Copper Project (KCP) in Zambia via the sale of its wholly owned subsidiary, Mwembeshi Resources (Bermuda) Limited (MRBL) which ultimately held the KCP.

The Trek Group fully impaired the value of the asset in previous financial years whilst waiting for written judgement from the Lusaka High Court on the validity of the mining license originally issued by relevant government departments in Zambia. This decision is still pending after nearly 5 years.

Total consideration received for the sale was A\$1.1 million. All debentures, charges and mortgages on the KCP have been released with payment due to third parties, for this release, of approximately A\$950k. The remaining A\$150k was received by TKM for the transfer of 100% of the shares in MRBL. The divestment removes all ongoing liabilities, royalties, holding and legal costs associated with the KCP and associated subsidiaries from the Trek Group.

The financial impact is summarised as follows:

	31 MAR 2020 US\$
Revenue from sale of subsidiaries	786,258
Cost on release of debentures, charges and mortgages	(652,594)
Net cash received on sale	133,664
Forgiveness of liabilities	28,211
Foreign currency translation reserve gains	172,234
Gain on disposal of subsidiary	<b>334,109</b>

**(b) Loss on Sale of Subsidiary**

On 16 December 2019, Select Exploration (Europe) was dissolved, with Trek Metals Limited taking over all assets and assuming all liabilities at that date.

The original value of the investment by Select Exploration (Europe) (SEE) in Select Exploration Mauritius (SEM) of \$400,000 was derecognised on completion of the sale of the investment in SEM to Elm Resources for \$20,000.

SEE had a receivable from Trek Management Pty Ltd of \$20,000, which was also derecognised on completion of the sale, resulting in the \$380,000 loss on sale, per the table below.

The intercompany payable to Trek Metals by SEE of \$431,902 was forgiven, as part of the dissolution.

	<b>31 MAR 2020</b>
	<b>US\$</b>
Reversal of investment by SEE in SEM	400,000
Reversal of receivable from TMPL	(20,000)
Loss on sale	380,000
Debt forgiveness from TKM to SEE	(431,902)
Loss on disposal of subsidiary	<b>(51,902)</b>

**NOTE 24: POST-BALANCE SHEET EVENTS**

On 24<sup>th</sup> April 2020 Ms Nerida Schmidt resigned as joint Company Secretary.

On 11 May 2020 Apollo Minerals Limited confirmed that all conditions precedent for the Earn-In Agreement with Trek Metals Limited to earn-in an interest of up to 80% in the Kroussou zinc-lead project (Kroussou Project or Project) in Gabon have been satisfied, and the earn-in period has now commenced.

Other than described above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

**NOTE 25: REMUNERATION OF AUDITORS**

	<b>31 MAR 2020</b>	<b>31 MAR 2019</b>
	<b>US\$</b>	<b>US\$</b>
Audit or review of the financial report	20,176	24,040
Other Non-audit services	-	-
	<b>20,176</b>	<b>24,040</b>

The auditor of Trek Metals Limited is Bentleys (WA) Pty Ltd. The auditor did not provide any non-audit services during the year (2019: US\$Nil).

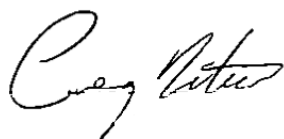
# DIRECTORS' DECLARATION

## FOR THE YEAR ENDED 31 MARCH 2020

The Directors declare that:

- a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;
- c) in the directors' opinion, the attached financial statements and notes thereto are in compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- d) this declaration has been made after receiving a declaration to the directors by the Chairman and Company Secretary.

On behalf of the Board



**Greg Bittar**  
Chairman

29 June 2020



# INDEPENDENT AUDITOR'S REPORT



## Independent Auditor's Report

### To the Members of Trek Metals Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Trek Metals Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 March 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the financial report of Trek Metals Limited presents fairly, in all material respects the consolidated entity's financial position as at 31 March 2020 and its financial performance for the year then ended in accordance with Australian Accounting Standards; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 3.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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(WA) Pty Ltd

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Accounting for disposal of subsidiary</b></p> <p>As disclosed in note 23 to the financial statements, the Group disposed its subsidiary, Mwembeshi Resources Limited and dissolved its subsidiary, Select Exploration (Europe) resulting in a gain on sale of USD \$334,109 and loss of USD \$51,902 respectively.</p> <p>We considered this to be a key audit matter due to the judgement involved in determining the financial results of the operations.</p>	<p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> <li>➤ Review of the sales agreement and calculation of the Gain / Loss on Disposal; and</li> <li>➤ Assessing the adequacy of the disclosures included in Note 23 to the financial statements.</li> </ul>
<p><b>Impairment of exploration and evaluation expenditure</b></p> <p>As disclosed in note 11, USD \$2,035,696 of capitalised exploration and evaluation expenditure was impaired during the year.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the group is required to assess if there are any impairment triggers which suggest the carrying value is in excess of the recoverable value.</p> <p>Impairment is a key risk due to the significant judgement involved in determining the existence of impairment triggers.</p>	<ul style="list-style-type: none"> <li>➤ Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the consolidated entity holds an interest and the exploration programmes planned for those tenements.</li> <li>➤ For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties;</li> <li>➤ We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6;</li> <li>➤ We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest</li> <li>➤ We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: <ul style="list-style-type: none"> <li>➤ the licenses for the right to explore expiring in the near future or are not expected to be renewed;</li> </ul> </li> </ul>

Key Audit Matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>substantive expenditure for further exploration in the specific area is neither budgeted or planned</li> <li>decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and</li> <li>data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.</li> <li>Assessing the adequacy of the disclosures included in Note 11 to the financial statements.</li> </ul>

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 March 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent Auditor's Report

To the Members of Trek Metals Limited *(Continued)*

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink that reads 'Bentleys'.

**BENTLEYS**  
Chartered Accountants

A handwritten signature in blue ink that reads 'Mark DeLaurentis'.

**MARK DELAURENTIS CA**  
Partner

Dated at Perth this 29<sup>th</sup> day of June 2020

# ADDITIONAL SECURITIES EXCHANGE INFORMATION AS AT 23 JUNE 2020

## STOCK EXCHANGE LISTING

Trek Metals Limited is listed on the Australian Securities Exchange. The Company's ASX code is TKM.

## SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%)

The Company is incorporated in Bermuda as an exempted company and is subject to Bermudan Law. It is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 dealing with the acquisition of shares (including substantial shareholdings and takeovers) and shareholders are not required to provide written notifications relating to becoming a substantial holder, changes in substantial holdings or ceasing to be a substantial holder.

Name of Shareholder	Total Number of Voting Share in the Company in which the Substantial Shareholders and its Associates Hold Relevant Interests	Percentage of Total Number of Voting Shares (%)
JP MORGAN NOMINEES AUSTRALIA LIMITED	12,844,829	7.35
BIDDLE PARTNERS PTY LTD <BIDDLE SUPER FUND A/C>	9,110,000	5.21

## CLASS OF SHARES AND VOTING RIGHTS

There are 1,103 holders of 174,782,262 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

- a) each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and
- c) on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

There are no voting rights attached to the options in the Company. Voting rights will be attached to the unissued ordinary shares when options have been exercised. There is no current on-market buy-back.



## DISTRIBUTION OF SECURITY HOLDERS - SHARES

Number of Shares Held	Number of Shareholders	%
1 – 1,000	589	0.06
1,001 – 5,000	110	0.16
5,001 – 10,000	58	0.23
10,001 – 100,000	186	3.94
100,001 and over	153	95.61
<b>Total</b>	<b>1,096</b>	<b>100</b>

The number of shareholders holding less than a marketable parcel is 804 based on the closing price of the Company's shares of \$0.03.

## CASH USAGE

Since the time of listing on ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

## LISTING OF 20 LARGEST SHAREHOLDERS

	Name of Ordinary Shareholder	Number of shares held	% of Shares Held
1.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,844,829	7.35
2.	BIDDLE PARTNERS PTY LTD <BIDDLE SUPER FUND A/C>	9,110,000	5.21
3.	ISIDORE 14 PTY LTD <GIBSON FAMILY A/C>	7,625,000	4.36
4.	MR MARK JOHN BAHEN + MRS MARGARET PATRICIA BAHEN <MJ BAHEN SUPER FUND A/C>	6,000,000	3.43
5.	BOUCHI PTY LTD	5,475,000	3.13
6.	RATDOG PTY LTD	5,000,000	2.86
7.	MR SCOTT DOUGLAS AMOS + MRS KAREN ELIZABETH AMOS <THE SDA SUPER FUND A/C>	4,730,000	2.71
8.	LONGREACH 52 PTY LTD	4,500,000	2.57
9.	KALONDA PTY LTD <LEIBOWITZ SUPER FUND A/C>	4,002,329	2.29
10.	SLAM CONSULTING PTY LTD	4,000,000	2.29
11.	GERNIE INVTS PTY LTD <GERNIE INVTS A/C>	3,500,000	2.00
11.	MR JOHN ALEXANDER YOUNG + MRS CHERYL KAYE YOUNG <THE FOREVER YOUNG S/F A/C>	3,500,000	2.00
13.	KENDALI PTY LTD	2,800,000	1.60
14.	HAMMERHEAD HOLDINGS PTY LTD <HHH S/F A/C>	2,500,000	1.43
14.	KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	2,500,000	1.43
14.	KONKERA PTY LTD <KONKERA FAMILY A/C>	2,500,000	1.43
14.	LADYMAN SUPER PTY LTD <LADYMANSUPERFUND A/C>	2,500,000	1.43
14.	SCHAMMER PTY LTD <SCHAMMER FAMILY A/C>	2,500,000	1.43
14.	ZERRIN INVESTMENTS PTY LTD	2,500,000	1.43
20.	MRS MELANIE BOME	2,481,033	1.42
		<b>90,568,191</b>	<b>51.82</b>

## DISTRIBUTION OF SECURITY HOLDERS – UNQUOTED OPTIONS

### a.) Unlisted Options expiring 31<sup>st</sup> December 2020 @ \$1.28

Number of Options Held	Number of holders	%
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	1	100
<b>Total 156,250</b>	<b>1</b>	<b>100</b>

#### Holders greater than 20%

Name of Holder	%
Theta Asset Management Ltd <Auctus Resources Fund A/C>	100

### b.) Unlisted Options expiring 27<sup>th</sup> April 2021 @ \$0.80

Number of Options Held	Number of holders	%
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	1	100
<b>Total 660,415</b>	<b>1</b>	<b>100</b>

#### Holders greater than 20%

Name of Holder	%
Battery Minerals Limited	100

### c.) Unlisted Options expiring 2<sup>nd</sup> November 2021 @ \$0.48

Number of Options Held	Number of holders	%
1 – 1,000	-	0.0
1,001 – 5,000	2	0.06
5,001 – 10,000	10	0.66
10,001 – 100,000	87	30.27
100,001 and over	18	69.01
<b>Total 10,765,124</b>	<b>117</b>	<b>100</b>

#### Holders greater than 20%

Name of Holder	%
N/A	-

**d.) Unlisted Options expiring 8<sup>th</sup> October 2021 @ \$0.184**

Number of Options Held	Number of holders	%
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	4	3.56
100,001 and over	8	96.44
<b>Total 5,625,000</b>	<b>12</b>	<b>100</b>

**Holders greater than 20%**

Name of Holder	%
Slam Consulting Pty Ltd	22.22
Zenix Nominees Pty Ltd	25.56

**e.) Unlisted Options expiring 30<sup>th</sup> September 2023 @ \$0.056**

Number of Options Held	Number of holders	%
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	7	100
<b>Total – 11,250,000</b>	<b>7</b>	<b>100</b>

**Holders greater than 20%**

Name of Holder	%
Ratdog Pty Ltd	22.22

**COMPANY SECRETARY****Bermuda**

Paolo Balen

**Australia**

Russell Hardwick

**PRINCIPAL REGISTERED OFFICE - AUSTRALIA**

The address of the principal registered office in Australia is:

130 Stirling Highway

North Fremantle WA 6159

**REGISTER OF SECURITIES**

Computershare

Level 11, 172 St Georges Terrace

PERTH WA 6000

P: + 61 8 9323 2018

## SCHEDULE OF TENEMENTS

Tenement	Holder	Interest
*G4-569 (Gabon)	Select Explorations Gabon SA (Wholly owned subsidiary of Trek Metals Limited)	100%
EL31260 (appl.) (Northern Territory)	TM Resources Pty Ltd (100% owned subsidiary)	100%
EL31261 (appl.) (Northern Territory)	TM Resources Pty Ltd (100% owned subsidiary)	100%
EL31751 (appl.) (Northern Territory)	TM Resources Pty Ltd (100% owned subsidiary)	100%
EL31752 (appl.) (Northern Territory)	TM Resources Pty Ltd (100% owned subsidiary)	100%
13170-HQ-LPL (Zambia)	Cheowa Resources (Incorporated JV- 51% Glencore 49% TKM)	49%
13171-HQ-LPL (Zambia)	Cheowa Resources (Incorporated JV- 51% Glencore 49% TKM)	49%
8573-HQ-LPL (Zambia)	Cheowa Resources (Incorporated JV- 51% Glencore 49% TKM)	49%

\*Subject to an Earn-in agreement with Apollo Minerals Limited