

ASX Announcement
Wednesday, 2 November 2016

Zambezi Resources to Change Name to Trek Metals Limited and to Establish an Employee Share Option Plan

Zambezi Resources Limited (“ZRL” or “Company”) is pleased to announce that it intends to change its name to Trek Metals Limited. The Board of Zambezi believes that a new brand will reflect an exciting new chapter in the development of the Company as a multi project, base and precious metals growth platform.

The proposed name change, which is subject to shareholder approval, is expected to occur in early 2017.

The Company also announces the intention to seek shareholder approval for the adoption of an employee share option plan (“ESOP”). The Board believes that the adoption of an ESOP and the issuance of unlisted options, with an exercise price being at a substantial premium to both the recent share price and the price at which capital has been raised, provides a cost effective incentive-based form of remuneration for all participants. Importantly, it aligns their interests and remuneration to the achievement of project success, share price appreciation and hence total shareholder return.

The implementation of the ESOP also reflects that currently, the Company is paying the Managing Director an annual fee of only \$30,000 and the role of Chairman is not currently being paid a fee. This is expected to be reassessed once the Company is more advanced in relation to securing a new project or projects.

The Board has made offers to participate in the proposed ESOP and these offers have been accepted (subject to shareholder approval of the ESOP and the issue of options in the case of Directors). These offers involve the proposed issuance of options with the following terms:

- ⑈ Unlisted, 4 year expiry;
- ⑈ Exercise price of \$0.06 representing a 50% premium to recent volume weight average price and 300% of the price of recent capital raisings;

- ⑧ Up to 1,000,000 options or 35% of the grant (whichever is the greater) to vest immediately; 50% of each grant to vest upon entering an acquisition or farm in arrangement in relation to a flag-ship project and a reasonably contemporaneous capital raising; and 15% of each grant to vest after 18 months or after the ZRL share price has traded on a 1 month vwap of no less than 10 cents; and
- ⑧ Proposed awards to Directors are:
 - Gregory Bittar (Chairman) – 5,000,000 options
 - Bradley Drabsch (Managing Director) – 8,000,000 options
 - Marinko Vidovich (Finance Director) – 1,000,000 options

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Zambezi Resources Limited

Greg Bittar

Chairman

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