

ASX ANNOUNCEMENT

10 September 2019

Capital Raising and Consolidation of Capital

Capital Raising

Trek Metals Limited (“**Trek**” or the “**Company**”) is pleased to advise that it has received commitments from new and existing sophisticated and professional investors to raise A\$2.4 million at a pre consolidation issue price of \$0.0025 per share (**Placement**).

The Placement significantly strengthens Trek’s balance sheet and will be used to continue progressing an exploration strategy at the Company’s Lawn Hill Project, monitor its carried interest in the Kroussou Project in Gabon and identify new project opportunities.

The Placement has been supported by existing shareholders and Directors and has attracted significant interest from new shareholders looking to support the Company’s growth ambitions.

The Directors of the Company, Gregory Bittar, Michael Bowen and John Young, each intend to participate in the Placement, subject to shareholder approval.

John Young, who was recently appointed as a Director of Trek, will assist Trek in sourcing project opportunities through his extensive relationships in the resource sector. 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).

The Company will also issue 20 million unlisted facilitator and broker options, exercisable at \$0.007 expiry 30 September 2023 (**Facilitator Options**). The Placement shares and the Facilitator Options will be issued subject to shareholder approval at the Annual General Meeting of the Company to be held in early October 2019.

Consolidation of Share Capital

At its Annual General Meeting, the Company will also seek as a condition precedent to the Capital Raising, Shareholder approval to consolidate the number of shares and options on issue on an eight

(8) for one (1) basis (**Consolidation**) and reduce the par value of the share capital. The purpose of the Consolidation is to reduce the number of shares and options on issue, to correspondingly increase the imputed value of each share and option, to make the investment in the Company's securities more attractive to institutional and other investors and to position the Company for long term growth. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole share or option.

If the proposed Consolidation is approved by shareholders, the shares and the options on issue, including the Placement shares and the Facilitator Options will be adjusted in accordance with Listing Rule 7.22.1. The resultant effect on the Company's capital structure is as follows (ignoring the effect of fractional entitlements):

	Fully Paid Ordinary Shares	Unlisted Options exercisable at \$0.16 ¹ by 31/12/20	Unlisted Options exercisable at \$0.06 ² by 2/11/21	Unlisted Options exercisable at \$0.10 ³ by 27/4/21	Unlisted Options exercisable at \$0.023 ⁴ by 8/10/21	Unlisted Options exercisable at \$0.007 ⁵ by 30/9/23
Current balance	438,254,890	1,250,000	86,120,967	5,283,318	45,000,000	15,000,000
Proposed Placement ⁶	960,000,000					20,000,000
Proposed Director Options ⁷						30,000,000
Securities on issue prior to Consolidation	1,398,254,890	1,250,000	86,120,967	5,283,318	45,000,000	65,000,000
Securities on issue after Consolidation	174,781,861	156,250	10,765,121	660,415	5,625,000	8,125,000

Notes:

- 1: This exercise price will change to \$1.28 post Consolidation;
- 2: This exercise price will change to \$0.48 post Consolidation;

- 3: This exercise price will change to \$0.80 post Consolidation;
- 4: This exercise price will change to \$0.184 post Consolidation;
- 5: This exercise price will change to \$0.056 post Consolidation;
6. Assuming shareholder approval is received for the Placement;
7. Assuming shareholder approval is received for the issue of Director Options (see announcement dated 4 September 2019).

Annual General Meeting

The Annual General Meeting of the Company is expected to be held in early October 2019. The Notice of Annual General Meeting will include resolutions for the approval to issue the Placement shares and Facilitator Options, the Directors Options, participation in the Placement by Directors, the Consolidation and regular annual resolutions. The Notice of Annual General Meeting is expected to be despatched to shareholders by mid-September.

Greg Bittar

CHAIRMAN

REGISTERED OFFICES

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