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ASX/MEDIA RELEASE

Trek Secures Option to Acquire Highly Prospective Pilbara Gold Portfolio, \$1 million Capital Raising

Proposed acquisition of two strategically located projects with outstanding gold and base metal potential and multiple drill targets

Highlights

- Trek Metals (ASX: TKM) enters into a Term Sheet to acquire **unlisted Australian explorer ACME Pilbara Pty Ltd (“APP”)**, which holds a suite of Pilbara gold and base metal assets.
- The acquisition, which is subject to the completion of satisfactory due diligence and the exercise of an option, would lead to the acquisition of **100% ownership of two Exploration Licences and two Exploration Licence Applications** in the Pilbara region of Western Australia. In aggregate, they represent a **prospective 267km² gold project**.
- Firm commitments received for a two-tranche share placement to raise \$1 million at 3.5c per share (tranche two is subject to shareholder approval).
- TKM to undertake a technical data base and historical drilling review as part of its due diligence and will inform the market in the coming weeks.
- **Pincunah Gold Project:**
 - 154km² tenement package located 70km west of Marble Bar
 - Mafic – sediment contact along the regionally important Carlindi Shear
 - 6km of strike potential which is prospective for gold
 - Gold and nickel prospects, including the Valley of the Gossans nickel prospect
 - E45/4917 is located just 10km south-west of the Sulphur Springs VMS Copper-Zinc Project, where Venturex Resources Limited (ASX: VXR) is targeting development a new base metal mine
 - E45/4909 is located 5km south-east of Mt York, where Kairos Minerals Limited (ASX: KAI) has established a Mineral Resource of 873,000oz
- **Jimblebar Gold and Copper Project:**
 - 111km² tenement package located 50km east of the Newman area
 - Encompasses a 2km strike length of the old Jimblebar Goldfield
 - The Jimblebar Greenstone belt is one of the least explored greenstone belts in the region, prospective for gold and base metals
 - The Sunny South Prospect has mineralised strike length of 600m, with small-scale mining occurring between 1930 and 1937
 - Last explored in 2008/2009 by Warwick Resources Limited, prior to its acquisition by Atlas Iron Limited

Trek Metals Limited (ASX: **TKM**) ("**Trek**" or the "**Company**") is pleased to advise that it has secured an exciting new exploration and growth opportunity in the Pilbara Region of Western Australia after reaching agreement to acquire a highly prospective portfolio of gold and base metal exploration assets.

Trek has entered into a binding term sheet to acquire ACME Pilbara Pty Ltd ("**APP**"), a private Australian registered company focused on identifying and acquiring quality gold projects ("**the Acquisition**").

Subject to completion of due diligence and exercise of the option to acquire APP, the transaction will result in the Company acquiring 100% ownership of two strategically located gold and base metal projects with an aggregate area of 267km².

In the case of the Pincunah Gold Project, 70km west of Marble Bar, the acquisition includes tenements located near significant established gold and base metal deposits, while in the case of the Jimblebar Gold and Copper Project, it includes a greenstone-scale exploration opportunity with a historical goldfield. Both projects include prospects for gold and base metal mineralization and numerous drill targets and exploration opportunities, with virtually no exploration in modern times.

Terms of the Agreement

Total cost of the acquisition is A\$200,000 in cash plus Trek shares as follows: -

- 1.) Payment of a non-refundable option fee of \$25,000;
- 2.) Trek may exercise the option at any time within 28 days;
- 3.) Acquisition conditional on completion of due diligence to Trek's satisfaction and all necessary third party and regulatory approvals;
- 4.) Consideration payable by Trek for the Acquisition is the issue of 6,666,667 fully paid ordinary shares in Trek at a deemed issue price of \$0.03, pursuant to the Company's existing Listing Rule 7.1 placement capacity;
- 5.) A 1% net smelter royalty;
- 6.) A Cash Payment of \$175,000; and
- 7.) The shareholder of APP is Australian Commercial Minerals Exporters Pty Ltd.

Capital Raising

The Company has received firm commitments for a share placement comprising 28,571,429 shares at an issue price of \$0.035 per share to sophisticated and professional investors to raise a total of \$1 million (**Placement**).

The Placement will be undertaken in two tranches with 19,550,672 to be issued within the Company's existing Listing Rule 7.1 placement capacity and 9,020,757 shares to be issued subject to approval by shareholders at a shareholder meeting. The Company intends to convene the meeting of shareholders as soon as possible. The Company's directors have participated in the Placement for a total of \$100,000, with the issue of these Placement shares to the directors subject to shareholder approval to be obtained at the shareholder meeting.

The new shares to be issued under the Placement will rank equally with the existing ordinary shares on issue.

Allotment of Tranche one shares pursuant to the Placement is expected to occur on or around 20th July 2020. The Placement price of \$0.035 per share represents a 11.2% discount to the volume weighted average price (VWAP) in respect of the last 10 trading days prior to the date of this announcement, which was \$0.0394.

The proceeds from the placement are intended to be used for completion of due diligence, exploration at the Pincunah and Jimblebar Projects and for corporate and general working capital.

Westar Capital acted as Lead Managers to the Placement and will be paid a fee of six percent on the funds raised under the placement.

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

“This acquisition is a game-changer for Trek and forms a major part of our goal of delivering value to shareholders. The Pilbara is currently one of Australia’s exploration hot-spots thanks to the extraordinary success of De Grey Mining with its spectacular Hemi discovery, which represents a new style of intrusive-related gold mineralisation for the district.

“The funding secured through the placement bolsters Trek’s cash position and will allow Trek to exercise the option subject to due diligence and expedite exploration activities at the new projects.

“The Hemi discovery has sparked a resurgence of exploration activity across the Pilbara and, through this acquisition we have the opportunity to become an active explorer in the heart of this emerging district at a time of record gold prices.

“We will target moderate to high-grade gold opportunities within the portfolio where we can add substantial value if we can achieve resource definition and make new discoveries, including evaluating the potential for Hemi-style, intrusive-related gold mineralization. There are also significant nickel and base metal opportunities within the portfolio which we intend to evaluate in due course. This is an exciting time for Trek and I look forward to updating shareholders as the acquisition progresses.”

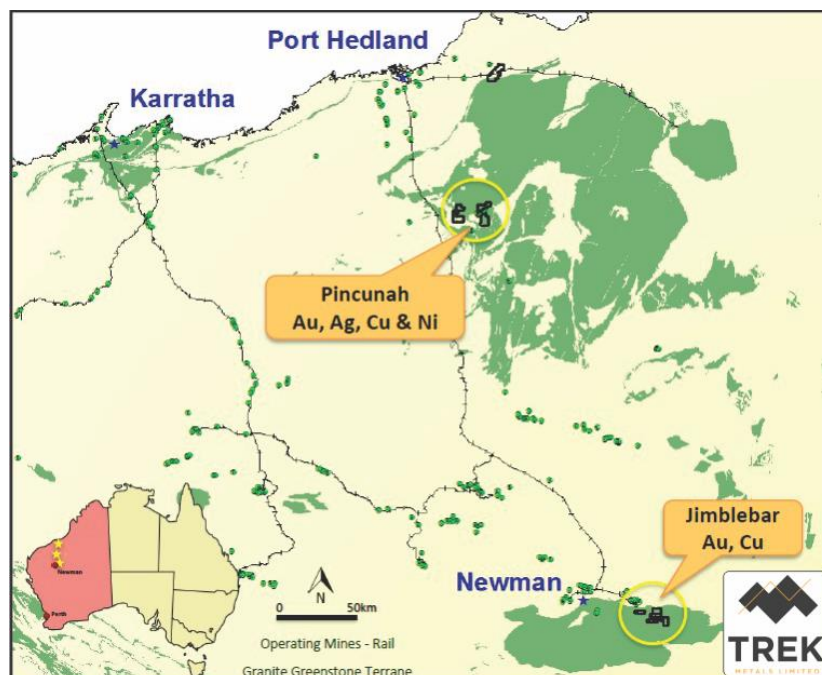


Figure 1. Tenements Location Plan.

Pincunah Gold Project (E45/4909, and EL(A)45/4917)

The Pincunah Project is located 70km west of Marble bar, 100km south of Port Hedland and 5km south- east of Kairos Minerals Limited (ASX: KAI) Mt York Gold Project.

Gold prospects occur in several settings. The Carlindi Shear lies with siliclastic sediments on EL45/4909 with a 6km long structural corridor which has been drilled in the past by Lynas Gold Limited. In 1969, Pickands Mather International conducted mapping, surface sampling and limited drilling on several gold and base metal prospects, collectively called the Valley of the Gossans, where mineralisation occurs in sheared brecciated and carbonate altered ultramafics.

EL(A) 45/4917 is located 10km east of Valley of the Gossans and 10km south-west of Venturex Resources Limited's (ASX: VXR) Sulphur Springs Copper-Zinc Project. Previous work focused on the western edge of a large granite intrusive at the Honey Eater prospect, where copper and gold anomalies occur over 4km along a highly prospective north-south shear zone.

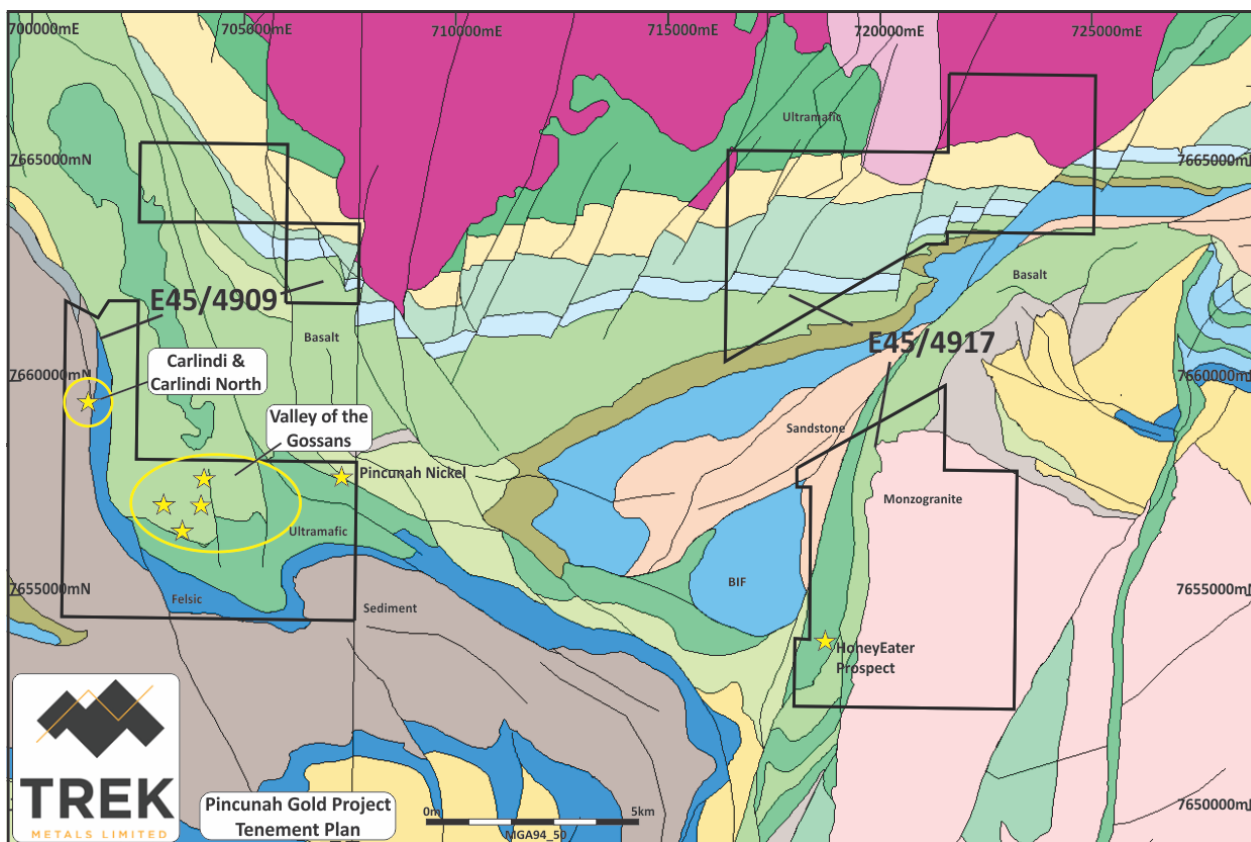


Figure 2. Pincunah Geology Tenements E45/4909, and EL(A)45/4917

Jimblebar Gold and Copper Project (E52/3605 and EL(A)4917)

The two tenements are located 50km east of Newman, 5km north-west of the Coobina Chromite Mine and 15km south-east of the major Jimblebar iron ore mine. Gold mineralization in the district is structurally controlled where minor structures cross-cut the major faults or shears, small-scale mining occurred between 1903 and 1937. The Sunny South Prospect occurs on EL(A)4917 and historically was mined from three stacked lodes. Gold is associated with dacitic to andesitic (felsic) porphyry intrusives and dykes within mafics and banded iron formations.

TKM will undertake a technical data base and historical drilling review as part of the due diligence program and will update the market in the coming weeks.

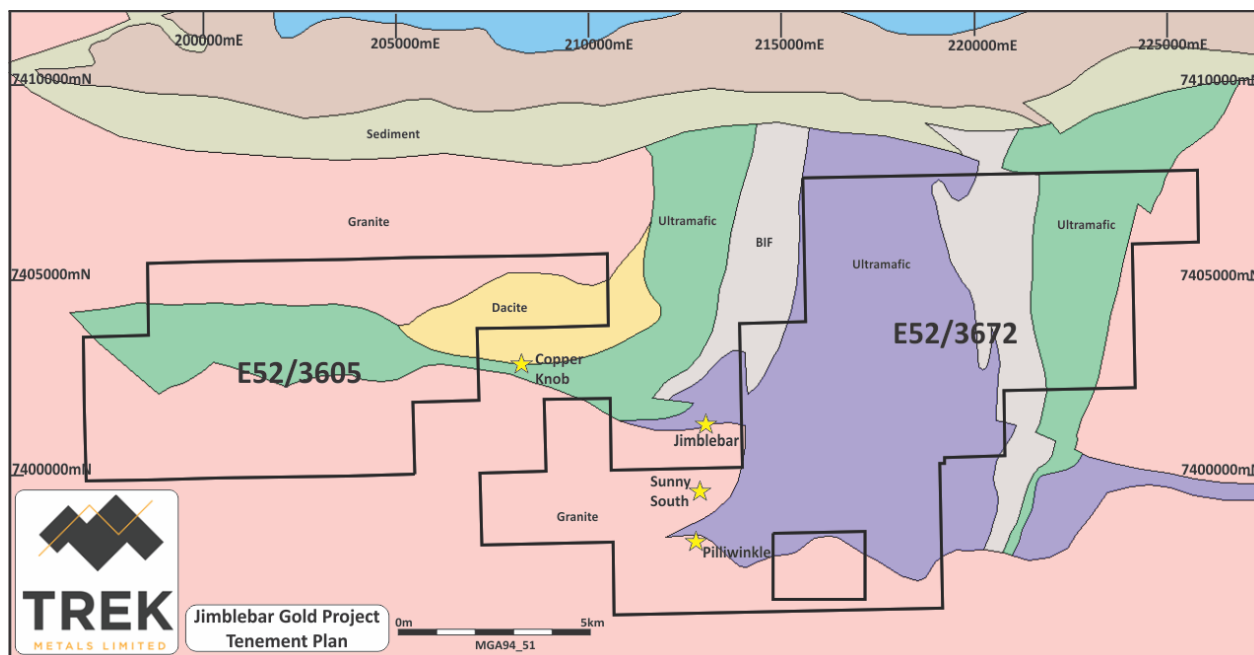


Figure 3. Jimblebar Geology and Tenements E52/3605 and EL(A)52/3672

Rationale for the Acquisition

Recent discoveries in the Pilbara such as De Grey's Hemi deposit have highlighted the potential for large-scale intrusive-related mineralised systems.

The APP tenements show potential to host significant gold mineralisation and recent results and corporate activity by other explorers such as Kairos Minerals Limited (ASX: KAI), De Grey Mining Limited (ASX: DEG), Venturex Resources Limited (ASX: VXR), DGO Gold Limited (ASX: DGO), and Calidus Resources Limited (ASX: CAI) has ensured that the Pilbara is continuing to emerge as one of the most exciting gold provinces in Australia

Planned upcoming work programs to be undertaken following successful due diligence and completion of the acquisition will include:

- Exploration field work, mapping, and sampling
- Geochemistry programs and drilling programs
- Geophysics

Authorised by the Board.

ENDS

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This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "target", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

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

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