



Consolidated Financial Report

For the half-year ended 30 September 2018

Contents

Contents.....	1
Corporate Directory	2
Directors' Report & Operations Review.....	3
Independent Auditor's Report	21
Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income for the Half-Year Ended 30 September 2018	26
Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income for the Half-Year Ended 30 September 2018	27
Condensed Consolidated Statement of Financial Position as at 30 September 2018.....	28
Condensed Consolidated Statement of Changes in Equity for the Half-Year Ended 30 September 2018	29
Condensed Consolidated Statement of Cash Flows for the Half-Year ended 30 September 2018 ...	30
Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 30 September 2018	31
Directors' Declaration	45

Corporate Directory

Directors

Gregory Bittar	<i>Non-Executive Chairman</i>
Bradley Drabsch	<i>Managing Director</i>
Michael Bowen	<i>Non-Executive Director</i>
Sonja Neame	<i>Non-Executive Director</i>

Share Registry

Computershare Investor Services Pty Ltd
GPO Box D182
Perth WA 6841
AUSTRALIA
Tel: +61 8 9323 2000

Company Secretary

Bermuda

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

Australia

(Local Agent and Joint Company Secretary)
Nerida Schmidt

Auditors

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

Solicitors to the Company

DLA Piper Australia
Level 31 Central Park
152-158 St Georges Terrace
Perth WA 6000
AUSTRALIA
Tel: +61 8 6467 6000

Registered Office of Incorporation

Trinity Hall
43 Cedar Avenue
Hamilton HM 12
BERMUDA

Website

www.trekmetals.com.au

Registered Office – Australia

Suite 5/56 Kings Park Road
West Perth WA 6005
AUSTRALIA
Tel: +61 8 6555 1879
Fax: +61 8 9398 4104

Postal Address

PO Box 1796
West Perth WA 6005
AUSTRALIA

Directors' Report & Operations Review

The Directors present the Directors' and Operations Report for Trek Metals Limited ("TKM", "Trek" or the "Company") for the half-year ended 30 September 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries ("the Group") is the exploration for minerals.

RESULTS AND DIVIDEND

The loss for the Group for the half-year ended 30 September 2018 was US\$396,148 (2017: US\$547,992). The Directors do not recommend the payment of a dividend.

OPERATIONS REVIEW

KROUSSOU PROJECT - GABON

About the Project

At the Kroussou Project, zinc and lead mineralization is hosted in Cretaceous sediments on the margin of the Cotier Basin within preserved channels onlapping unconformable Archaean and Paleoproterozoic basement rocks. Work carried out historically by the Bureau de Recherches Géologiques et Minières ("BRGM") identified 18 base metal occurrences along a 60 kilometre strike length of the Project (~1,500km² of tenure) within exposed channels that offer very shallow, near surface targets close to the Archaean and Paleoproterozoic basement rocks. Only two of the 18 exposed channels were drill tested by the BRGM, with both channels containing significant base metal mineralization. Trek believes there is potential for the discovery of further base metal accumulations within the remaining untested 16 channels and also further potential westward within the broader Cotier Basin.

Trek has been progressing exploration at Kroussou during the period, culminating in an approximately 2,250m diamond drilling programme for which approximately 75% of results have now been returned.

The results returned to date are highly encouraging and indicate the potential for the delineation of a very large-scale zinc and lead mineralised system at Kroussou.

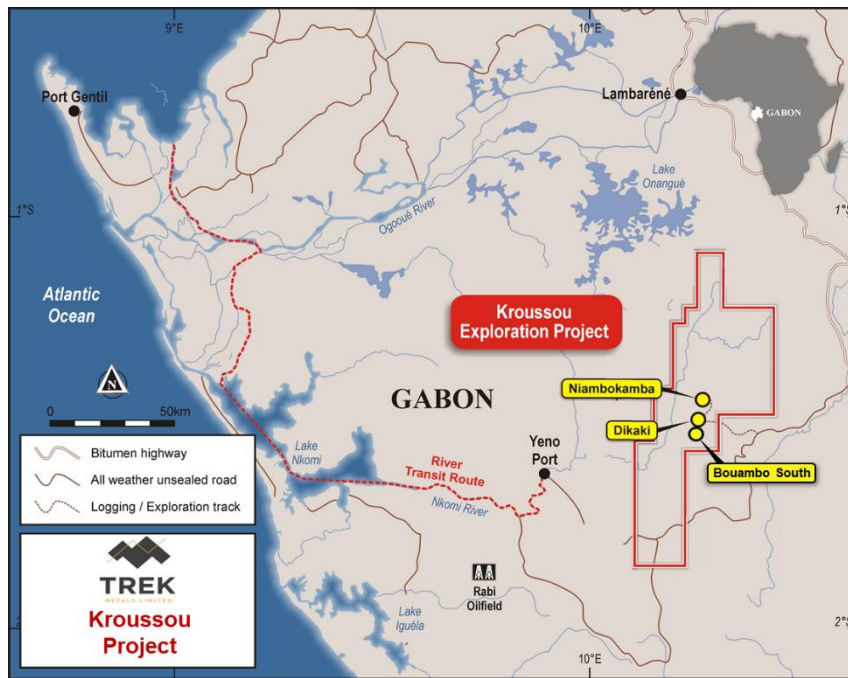


FIGURE 1: LOCATION PLAN OF THE KROUSSOU PROJECT IN GABON

Introduction

The mineralization at Kroussou shows great lateral extent along the Cretaceous unconformity over 30 kilometres in the Project area, indicating that the basin was productive for zinc-lead-silver mineralizing fluids and experienced a major focused fluid flow event of uncertain timing and trigger. The location of Kroussou coincides with a major right-step relay and transform zone that would have acted to focus fluid flow out of the basin onto the rift-shoulder basin high, with additional focus provided by pinch out basin aquifer units.

High-grade mineralization at the Project is hosted in coarse clean high-energy clastic sediments deposited in palaeochannels in the embayments, as well as replacing lacustrine carbonate rocks. Low-grade halo mineralization extends through the clastic stratigraphy with zinc more widely distributed than lead. Mineralization is characterized by replacement of carbonate cement and open space fill in clean clastic units and subsidiary replacement of dolostone horizons. Chemistry and mineralogy are simple, characterized by zinc-lead-silver with anomalous copper with generally low-iron sphalerite and associated with marcasite. The gangue is calcite and locally barite with no dolomite.

Drilling

The Company has now completed its first true exploration drilling programme at Kroussou, with approximately 2,250m drilled from a total of 45 holes (significant results returned to date form Table 1). Approximately 25% of the assay results are still pending with all results expected to be returned during Q4 2018.

This drilling programme aimed to achieve a number of goals:

- Demonstrate down-dip and along strike continuity;
- Demonstrate the potential for large tonnage; and
- Present new exploration targets – demonstrate multiple deposit potential.

The Company believes it has successfully achieved each of these aims and is now ready to progress the project towards a resource definition drilling programme during the 2019 drilling season.

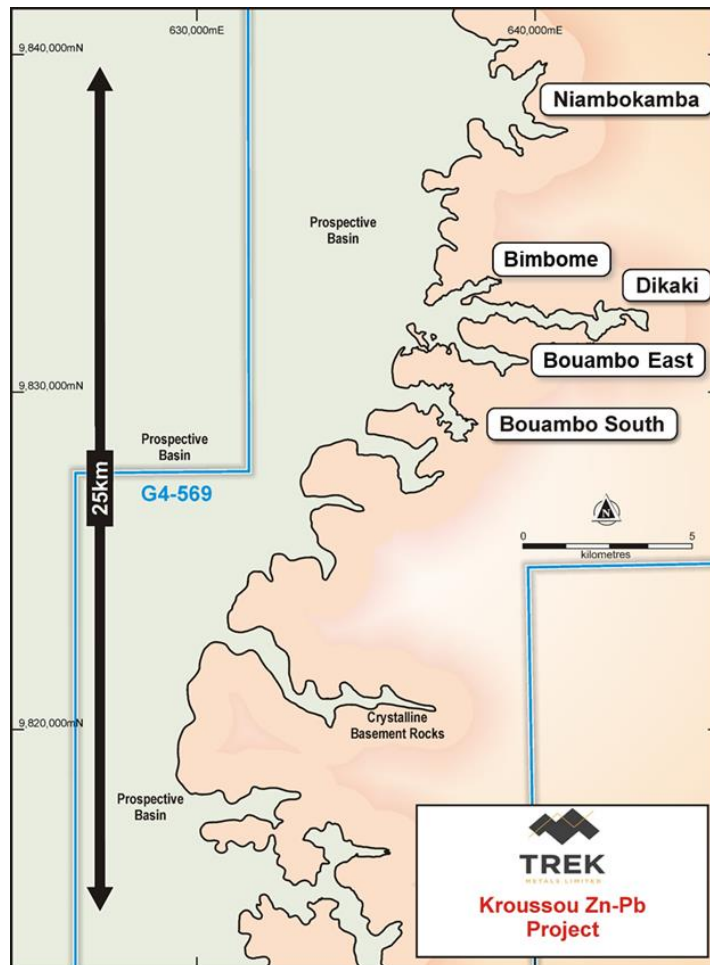


FIGURE 2: PROSPECTIVE CHANNELS AT KROUSSOU

Dikaki Channel

Initial drilling was centred within the Dikaki Channel (Figures 2 and 3) with the aim of demonstrating the down-dip and along strike continuity of the mineralisation identified there originally through the historic exploration of the BRGM and confirmed by Trek during the 2017 confirmation drilling programme.

Trek can now confirm that the mineralisation in the section of Dikaki that was drilled is continuous, both down-dip and along strike (Figures 3 and 4).

Key results include:

- **20.8m @ 4.2% Zn + Pb** (DKDD010, from 2.4m)
Incl. **4.7m @ 9.7% Zn + Pb** (from 13.6m)
- **12.7m @ 4.6% Zn + Pb** (DKDD012, from 25.1m)
Incl. **3.5m @ 9.8% Zn + Pb** (from 34.3m)
- **15.1m @ 6.1% Zn + Pb** (DKDD013, from 0.7m)
Incl. **6.0m @ 10.0% Zn + Pb** (from 1.0m)

Observations, by Trek, during the current programme, indicate that zinc and lead mineralisation is present in all holes with the assays returned to date, supporting these observations. The mineralisation is dominated by replacement of carbonate in fine – coarse sandstones and micro-conglomerates by trace to highly abundant, disseminated, sphalerite (zinc sulphide) and galena (lead sulphide).

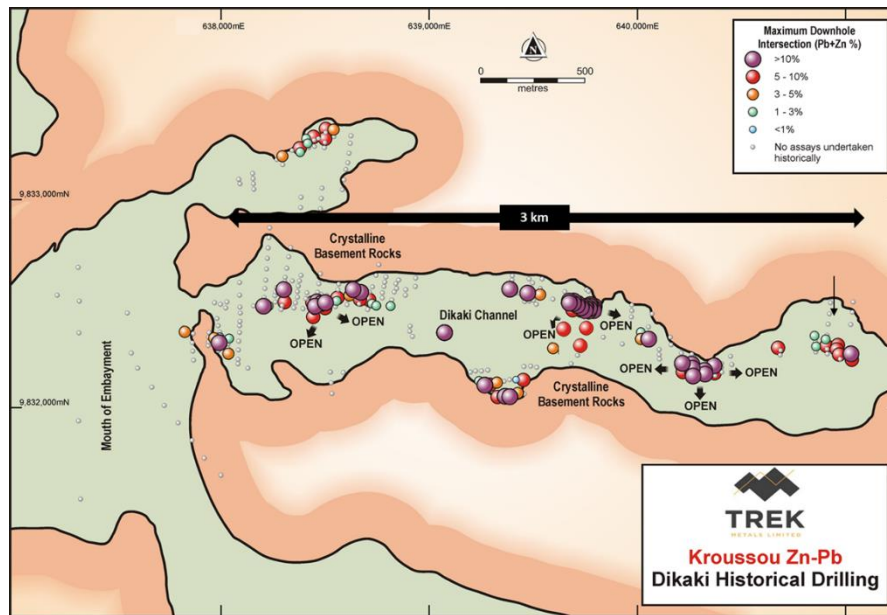


FIGURE 3: HISTORIC DRILLING WITHIN THE KROUSSOU CHANNEL

Most importantly, these results clearly demonstrate the continuity, both along strike and down-dip, of the mineralisation within the Dikaki Channel. The mineralised zone remains open in both directions along strike and down-dip and presents as an excellent starting point to define a highly significant, open-pit zinc lead resource.

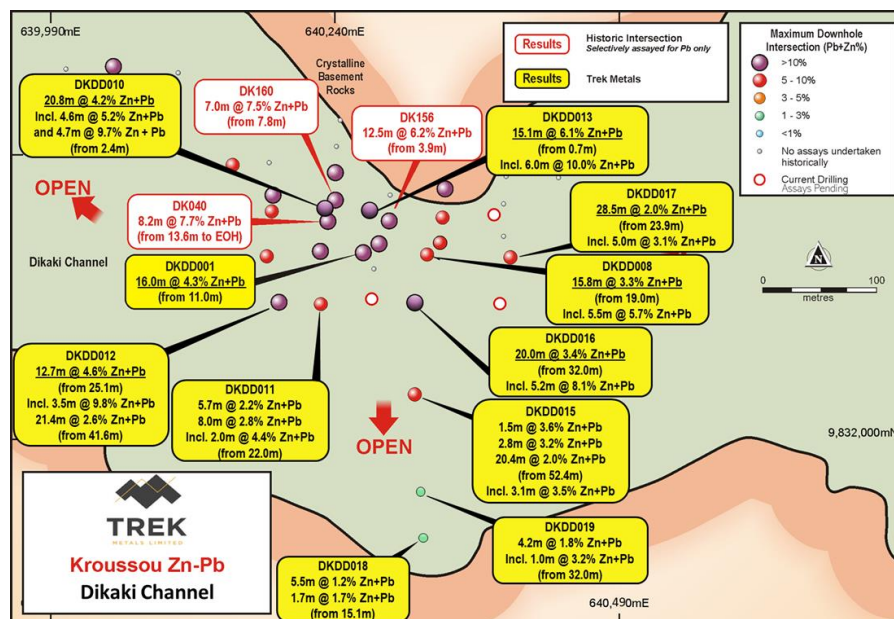


FIGURE 4: RESULTS FROM A KEY REGION OF THE DIKAKI CHANNEL FROM THE LATEST TKM DRILLING

Work completed by the Bureau de Recherches Géologiques et Minières (BRGM), beginning in the early 1960's and continuing sporadically up until the very early 1980's, was primarily focused upon the discovery of high-grade lead (Pb) mineralization within approximately 20m of the surface.

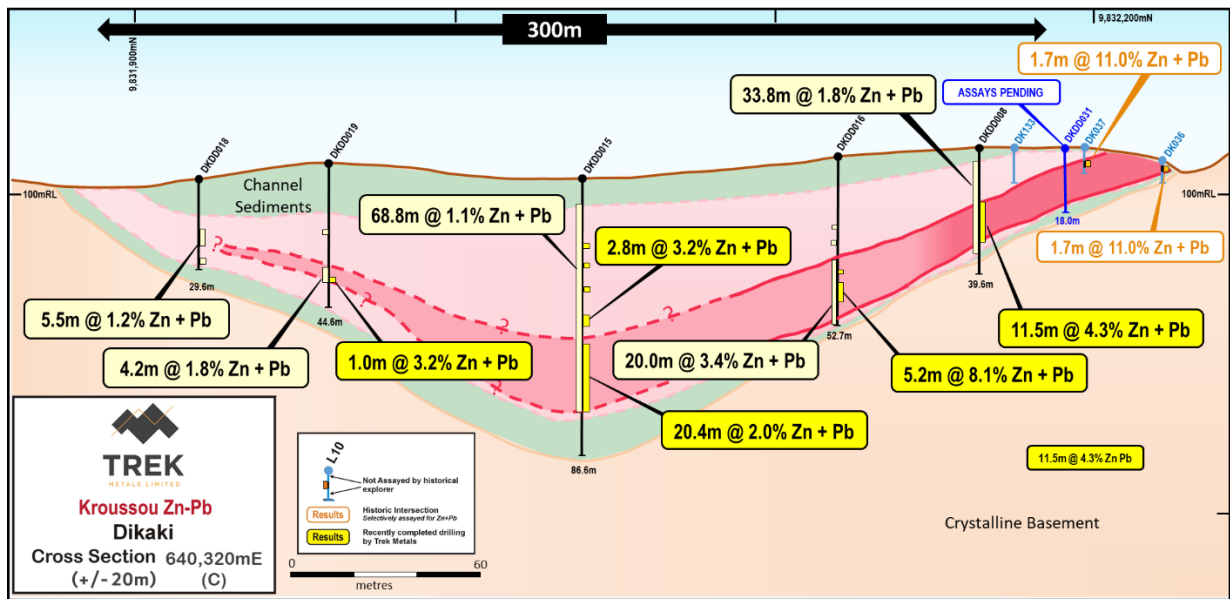


FIGURE 5: SECTION 640,320E ACROSS THE DIKAKI CHANNEL

As such, drilling was limited in depth extent and drill targeting was almost solely based upon surface observations from outcrops exposed along drainages.

Ongoing compilation of the historic data produced from this work, has led to the delineation of numerous, high and very high-grade, narrow zones that remain open down-dip and along strike within Dikaki, including (Figure 6):

- **2.8m @ 24.5% Zn + Pb** (DKDD003, from 7.7m)
- **2.0m @ 31.6% Zn + Pb** (J6, from surface)
- **2.0m @ 32.6% Zn + Pb** (L6, from 0.9m)
- **3.8m @ 23.0% Zn + Pb** (N8, from 5.2m)
- **1.1m @ 26.7% Zn + Pb** (DK093, from 5.5m)
- **2.4m @ 5.4% Zn + Pb** (DK139, from 5.4m)
- **2.0m @ 4.4% Zn + Pb** (DK106, from 6.3m)

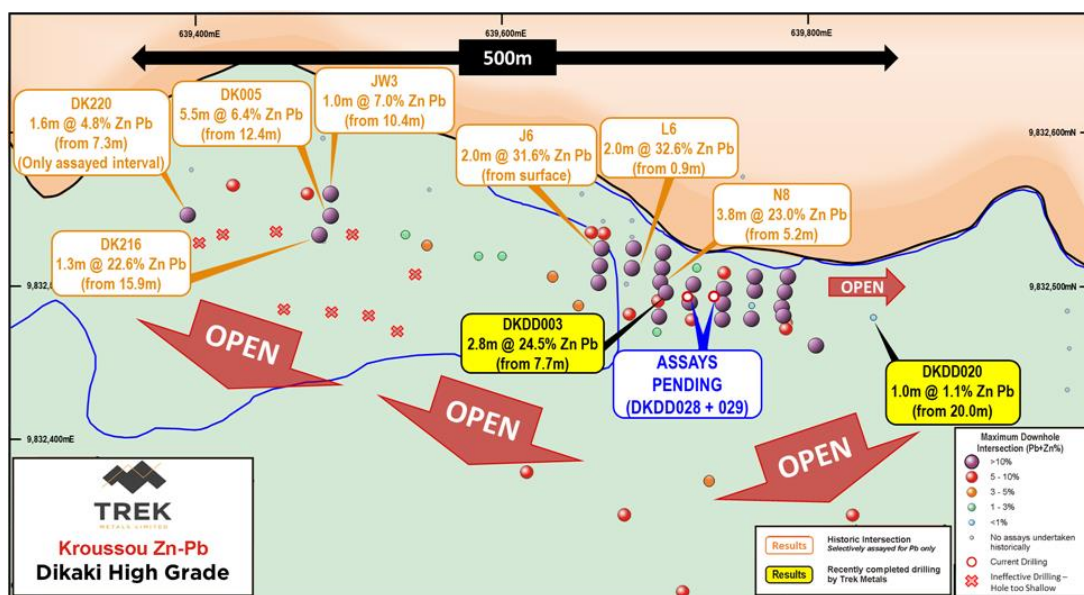


FIGURE 6: VERY HIGH-GRADE SECTION OF DIKAKI

Assaying of drill core was not conducted as it would be today on all, or the majority of samples, but instead was highly selective based predominantly upon visual estimations of the abundance of the lead (Pb) bearing sulphide ore mineral, galena. As a result, very few intervals were assayed and the significance and potential of zinc (Zn) in the Kroussou mineralizing system was largely discounted.

Work that Trek has completed to date has shown that zinc (Zn) is consistently present, mostly in the form of the zinc sulphide ore mineral, sphalerite, within the channel sediments, either associated with lead mineralization or in separate mineralized strata. Trek has demonstrated that drilling down-dip and along strike from these historic, high-grade intervals can yield significant thicknesses of mineralization providing the potential for large ore tonnages.

Regional Targets

The mineralization in the regional channels tested to date is very similar to that within the Dikaki Channel, although it appears to be more zinc (sphalerite) dominated. This may be a function of bias with respect to historic sampling in Dikaki or may reflect changed chemical or physical conditions prior to mineralization. Fine to medium grained sphalerite +/- galena (zinc and lead sulphide respectively) is predominant in laminated to thickly bedded (up to metre scale) alternating siltstone to conglomeratic units. The disseminated mineralization is apparently replacing a carbonate rich matrix although further work is required to more fully understand its nature. Several samples have been submitted for petrographical analysis.

Exploration drilling to date has largely been targeted simply on soil and rock chip anomalies in combination with geological mapping in areas that have been easily accessible. This simple approach to exploration continues to yield results that provide the Company with the confidence that truly globally significant Project will emerge at Kroussou.

Trek released results from hole BODD004 in the Bouambo South Channel (Figure 7). This drillhole targeted mineralisation identified from rock chips and soil samples collected by Trek during the surface sampling and mapping programme.

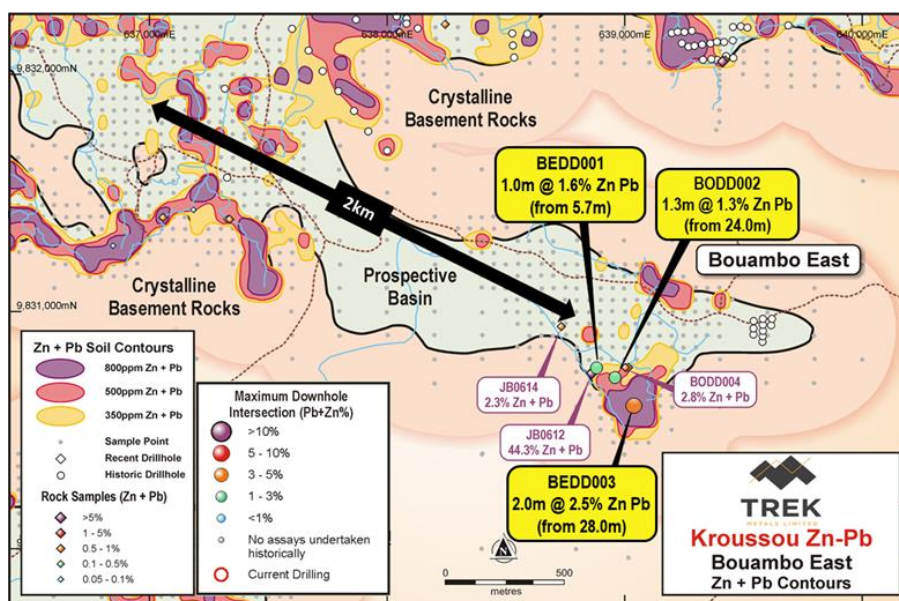
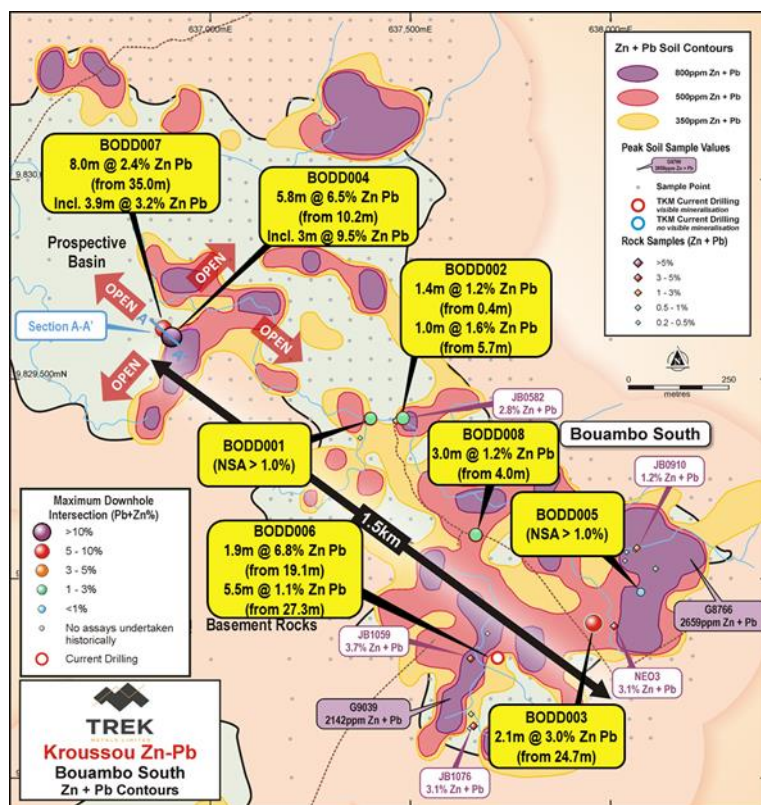
Results from hole BODD004 include:

- **5.8m @ 6.5% Zn + Pb** (BODD004, from 10.2m)
Incl. **3.0m @ 9.5% Zn + Pb** (8.0% Zn + 1.5% Pb)

Further intersections from Bouambo South included **8.0m @ 2.4% Zn + Pb** incl. **3.9m @ 3.2% Zn + Pb** (BODD007, from 35.0m) and **2.1m @ 3.0% Zn + Pb** (BODD003, from 24.7m).

Assays from the first ever drilling at Bouambo East (Figure 8) returned results including **3.4m @ 1.2% Zn + Pb** (BEDD003, from 11.6m) and **1.0m @ 1.3% Zn + Pb** (BEDD002, from 14.0m) and the first ever Trek drilling in the Bimbone Channel included results of **8.2m @ 1.9% Zn + Pb** incl. **2.8m @ 3.3% Zn + Pb** (BIDD001, from 12.7m).

These results are highly encouraging for the potential of the broader project. It shows that the systematic exploration approach undertaken by Trek to date is not only appropriate but ideal. Drilling adjacent to outcrops with mineralised rock that occur within broad, high-order soil anomalies, is delivering significant results and opening up additional near-surface targets outside of the known mineralisation within the Dikaki Channel. Trek has defined soil anomalies and collected highly anomalous rock chips in at least 10 channels along the basin-basement contact, presenting numerous opportunities to grow this already significant project.



The lead concentrate produced (Figure 9) from these first pass, non-refined tests, would rate as amongst one of the highest grade concentrates in the world, with individual concentrate grades up to 79% Pb. The overall un-optimised lead concentrate graded >70% Pb with > 90% recovery.

The zinc concentrate (Figure 10), still requiring further work to refine, produced a very saleable product of up to 58% Zn in the highest grade concentrate. The overall zinc concentrate graded 53% Zn at 65% recovery, with the majority of the zinc losses reporting to the lead rougher concentrate. Of the zinc reporting to the zinc rougher, 90% was recovered. Further optimisation on zinc depression in the lead rougher is expected to significantly improve the overall zinc recovery.

The independent testwork was undertaken by METS Engineering in Perth, Western Australia.



FIGURE 9: LEAD (Pb) ROUGHER-CLEANER FLOTATION
TESTWORK – UP TO 79% Pb



FIGURE 10: ZINC (Zn) ROUGHER-CLEANER FLOTATION
TESTWORK – UP TO 58% Zn

Hole ID	Easting (WGS84 32S)	Northing (WGS84 32S)	RL^ (m)	Dip/Azimuth	Max Depth	From (m)	To (m)	Interval	Zn + Pb (%)	Zn (%)	Pb (%)
DKDD010	640,245	9,832,204	84	-90/000	38.1	2.4	23.2	20.8	4.2	1.7	2.5
					Incl.	5.0	9.6	4.6	5.2	4.4	0.8
					and incl.	13.6	18.3	4.7	9.7	0.4	9.3
					and incl.	21.0	23.2	2.2	5.1	4.2	0.9
					and	34.0	35.1	1.1	3.8	1.6	2.2
DKDD011	640,235	9,832,117	86	-90/000	59.3	11.5	17.2	5.7	2.2	1.8	0.4
					and	22.0	30.0	8.0	2.8	1.3	1.5
					Incl.	22.0	24.0	2.0	4.4	2.5	1.9
					and incl.	28.1	30	1.9	5.5	1.7	3.8
					and	33.0	45.0	12.0	1.9	0.5	1.4
					Incl.	35	38	3.0	4.3	0.7	3.6
					and	50.0	54.0	4.0	2.1	1.7	0.4
DKDD012	640,201	9,832,116	93	-90/000	68.6	20.0	21.0	1.0	1.8	1.0	0.8
					and	25.1	37.8	12.7	4.6	1.5	3.5
					Incl.	34.3	37.8	3.5	9.8	4.0	5.8
					and	41.6	63.0	21.4	2.6	0.6	2.0
					Incl.	43.2	46.6	3.4	8.3	1.6	6.7
DKDD013	640,281	9,832,201	87	-90/000	19.0	0.7	15.8	15.1	6.1	2.6	3.5
					Incl.	1.0	7.0	6.0	10.0	4.7	5.3
DKDD014	640,161	9,832,243	82	-90/000	54.0	3.0	4.0	1.0	1.1	1.1	0.0
					and	9.9	11.6	1.7	2.2	1.9	0.3
					and	13.5	15.2	1.7	2.9	2.4	0.5
					and	38.2	46.2	8.0	1.0	0.5	0.5
DKDD015	640,313	9,832,041	102	-90/000	86.6	20.4	21.9	1.5	3.6	3.6	0.0

						26.6	27.8	1.2	1.3	1.3	0
						43.0	45.8	2.8	3.2	3.0	0.2
						52.4	72.8	20.4	2.0	0.6	1.4
					Incl.	64.6	67.7	3.1	3.5	0.4	3.1
DKDD016	640,320	9,832,113	96	-90/000	52.7	32.0	52.0	20.0	3.4	1.1	2.3
					Incl.	39.4	44.6	5.2	8.1	2.5	5.6
DKDD017	640,391	9,832,157	97	-90/000	52.5	23.9	52.5 (EOH)	28.5	2.0	1.3	0.7
					Incl.	26	29	3.0	3.4	2.9	0.5
					and	39	44	5.0	3.1	1.5	1.6
					And	48.5	51.9	3.4	3.2	1.6	1.6
DKDD018	640,320	9,831,929	103	-90/000	29.6	15.1	20.6	5.5	1.2	0.6	0.6
					and	24.2	25.9	1.7	1.7	1.6	0.1
DKDD019	640,321	9,831,961	110	-90/000	44.6	20.5	21.6	1.1	1.6	1.6	0.0
					and	32.0	36.2	4.2	1.8	1.7	0.1
					Incl.	35.2	36.2	1.0	3.2	0.0	3.2
DKDD020	639,842	9,832,481	85	-90/000	42	20.0	21.0	1.0	1.1	1.1	0.0
					and	34.0	36.5	2.5	1.0	0.8	0.2
DKDD021	639,600	9,832,520	78	-90/000	36	15.0	16.0	1.0	1.0	0.6	0.4
					and	29.9	32.7	2.8	1.4	1.0	0.4
DKDD022	638,452	9,832,490	69	-90/000	52.3	7.0	12.0	5.0	2.2	1.9	0.3
DKDD023	639,679	9,832,351	81	-90/000	113.5	11.7	12.7	1.0	1.6	1.5	0.1
						20.2	21.9	1.7	4.6	4.6	0.0
						52.0	53.0	1.0	1.6	1.0	0.6
						58.0	61.0	3.0	1.3	0.8	0.5
DKDD024	640,031	9,832,312	81	-90/000	52.5	0.3	2.0	1.7	1.2	0.7	0.5
						10.8	11.8	1.0	1.5	1.5	0.0
						13.4	15.1	1.7	3.2	2.2	1.0
						18.0	19.0	1.0	2.5	1.6	0.9
						37.0	48.6	11.6	1.2	0.4	0.8

						48.0	50.0	2.0	3.7	0.2	3.5
DKDD025	640,511	9,832,249	91	-90/000	50.3	18.8	22.6	3.8	1.9	1.2	0.7
					Incl.	21.9	22.6	0.7	7.1	3.8	3.3
						33.0	40.8	7.8	2.5	1.1	1.4
BODD001	637,400	9,829,429	32	-90/000	83.6	37.0	38.0	1.0	1.0	0.8	0.2
BODD002	637,455	9,829,423	34	-90/000	54.0	0.4	1.8	1.4	1.2	1.0	0.2
					and	5.7	6.7	1.0	1.6	1.5	0.1
BODD003	637,941	9,828,898	61	-90/000	34.6	24.7	26.8	2.1	3.0	2.1	0.9
BODD004	636,920	9,829,600	31	-60/120	41.5	10.2	16.0	5.8	6.5	5.3	1.2
					Incl.	10.2	13.2	3.0	9.5	8.0	1.5
BODD005	638,091	9,828,951	58	-90/000	19.5				NSA		
BODD006	637,724	9,828,798	46	-90/000	52.5	19.1	21.0	1.9	6.8	0.3	6.5
					And	27.3	32.8	5.5	1.1	1.0	0.1
BODD007	636,906	9,829,608	38	-90/000	56.0	35.0	43.0	8.0	2.4	1.7	0.8
					Incl.	35.0	38.9	3.9	3.2	2.1	1.1
BODD008	637,635	9,829,111	37	-90/000	25.5	4.0	7.0	3.0	1.2	1.2	0.0
BEDD001	638,877	9,830,760	60	-90/000	19.5	7.0	8.0	1.0	1.4	1.4	0.0
BEDD002	639,037	9,830,606	67	-90/000	27.0	14.0	15.0	1.0	1.3	1.3	0.0
					And	21.0	22.0	1.0	1.1	1.0	0.1
					And	24.0	25.0	1.0	1.3	0.0	1.3
BEDD003	638,959	9,830,726	67	-90/000	53.6	11.6	15.0	3.4	1.2	1.2	0.0
					And	19.0	20.0	1.0	1.0	1.0	0.0
					And	28.0	30.0	2.0	2.5	1.7	0.8
					And	43.4	45.3	1.9	1.4	0.0	1.4
BIDD001	637,885	9,832,966	67	-90/000	48.0	12.7	20.9	8.2	1.9	1.9	0.0
						17.0	19.8	2.8	3.3	3.3	0.0
						48.0	50.0	2.0	3.7	0.2	3.5
J6	639,663	9,832,522	79	-90/000	15.0	0.0	2.0	2.0	31.6	1.2	30.4
J7	639,662	9,832,512	75	-90/000	19.0	0.4	3.1	2.7	11.6	0.8	10.8
					Incl.	1.8	3.1	1.3	19.5	1.4	18.1
J8	639,661	9,832,502	77	-90/000	21.0	11.2	12.6	1.4	5.6	3.9	1.7

L6	639,684	9,832,522	81	-90/000	19.0	0.9	2.9	2.0	32.6	0.0	32.6
L7	639,683	9,832,511	78	-90/000	19.0	1.4	5.3	3.9	20.8	5.3	12.3
N7	639,703	9,832,510	81	-90/000	16.0	2.5	3.5	1.0	23.9	1.6	22.3
N8	639,702	9,832,501	81	-90/000	27.5	5.2	9.0	3.8	23.0	2.7	20.3
DKDD003	639,704	9,832,495	82	-90/000	42.2	7.7	10.5	2.8	24.5	4.3	20.2
P8	639,722	9,832,499	83	-90/000	18.0	5.5	8.5	3.0	17.6	0.9	16.8
					Incl.	5.9	8.5	2.6	19.7	1.0	18.7
P9	639,721	9,832,489	84	-90/000	24.0	9.5	11.9	2.4	18.7	3.6	15.1
					Incl.	10.3	11.9	1.4	25.8	3.9	21.9
P10	639,720	9,832,478	83	-90/000	28.0	11.7	13.4	1.7	5.2	4.4	0.8
R8	639,742	9,832,497	83	-90/000	22.0	6.5	8.7	2.2	17.4	0.8	16.6
R9	639,741	9,832,487	85	-90/000	27.5	10.3	12.5	2.2	14.2	2.3	11.9
					Incl.	10.7	12.5	1.8	16.3	2.2	14.1
T7	639,763	9,832,504	83	-90/000	15.0	2.4	3.4	1.0	18.1	0.0	18.1
T8	639,762	9,832,496	83	-90/000	19.0	6.9	9.5	2.6	17.6	0.6	17.0
					Incl.	7.1	9.1	2.0	20.8	0.2	20.6
V8	639,783	9,832,496	83	-90/000	20.0	6.6	8.7	21.	12.2	0.0	12.2
					Incl.	7.6	8.4	0.8	22.7	0.0	22.7
DK093	638,225	9,832,506	68	-90/000	8.9	5.5	6.6	1.1	26.7	19.1	7.6
DK074	638,477	9,832,531	70	-90/000	7.5	2.5	3.3	0.8	22.1	5.6	16.5
DK139	638,500	9,832,526	70	-90/000	9.0	5.4	7.8	2.4	5.4	2.7	2.7
DK257	638,679	9,832,560	73	-90/000	11.5	2.6	2.8	0.2	17.9	9.5	8.3
DK106	637,993	9,832,319	65	-90/000	10.1	6.3	8.3	2.0	4.4	2.7	1.6

TABLE 1: SIGNIFICANT DRILLING RESULTS FROM TKM'S CONFIRMATION DRILLING PROGRAMME

LAWN HILL PROJECT – NORTHERN TERRITORY

As announced on 16 September 2016, Trek entered into a share sale agreement to purchase 100% of TM Resources Pty Ltd (“TM Resources”) which holds two exploration tenement applications in the Northern Territory known as the Lawn Hill Project. The tenements contain highly prospective geology with the potential to host large scale sediment hosted zinc-lead deposits similar in style to the World Class Century deposit (> 150Mt @ 8.2% Zn + 1.2 % Pb + 33g/t Ag) and are directly along strike within the same package and containing the same structure that hosts the emerging Walford Creek Project (15.7Mt @ 1.24% Cu and 0.15% Co).

Rocks of the Lawn Hill Platform, hosting the Century Zinc Deposit to the south-east of the tenement applications in Queensland are mapped across much of the tenement applications that form the Lawn Hill Project. In addition to being correlated with the rocks hosting Century, the Fickling Group sediments within the Lawn Hill Project can also be correlated with those of the McArthur Group which contain one of the World’s largest sediment hosted base metal deposits at McArthur River (HYC Deposit, > 200Mt @ 13% Zn+Pb).

Little Previous Exploration

Trek is continuing to evaluate the historic data available for the Lawn Hill Project (figure 4). The geology across much of the Project area is very similar to that which hosts the Walford Creek Project (see Aeon Minerals ASX: AML), across the border in Queensland approximately 30km to the east.

A compilation of available historic stream sediment data, collected in the 1980’s across the Lawn Hill Project area, indicates the potential for copper, cobalt, zinc and lead mineralisation across the tenement application areas (refer to ASX announcement – 21 August 2017).

The Lawn Hill Project is located immediately across the border (approx. 35km west and directly along strike) on the Northern Territory side, from the emerging Walford Creek Copper-Cobalt-Zinc-Lead Project owned by Aeon Metals Limited. Aeon Metals suggests that the Walford Creek Project contains Australia’s largest and most advanced sulphide cobalt resource.

The rocks hosting the Walford Creek Project, the Lawn Hill Platform, extend across the border from Queensland into the Northern Territory. An obvious and abrupt absence of copper-cobalt, zinc and lead occurrences within the Lawn Hill Platform rocks on the Northern Territory side of the border is not necessarily due to an absence of mineralisation but rather a lack of exploration.

ESSO conducted limited surface exploration between 1979 - 1981 which included:

- stream sediment sampling
- rock chip sampling
- gravity survey
- drilling of two stratigraphic diamond drillholes

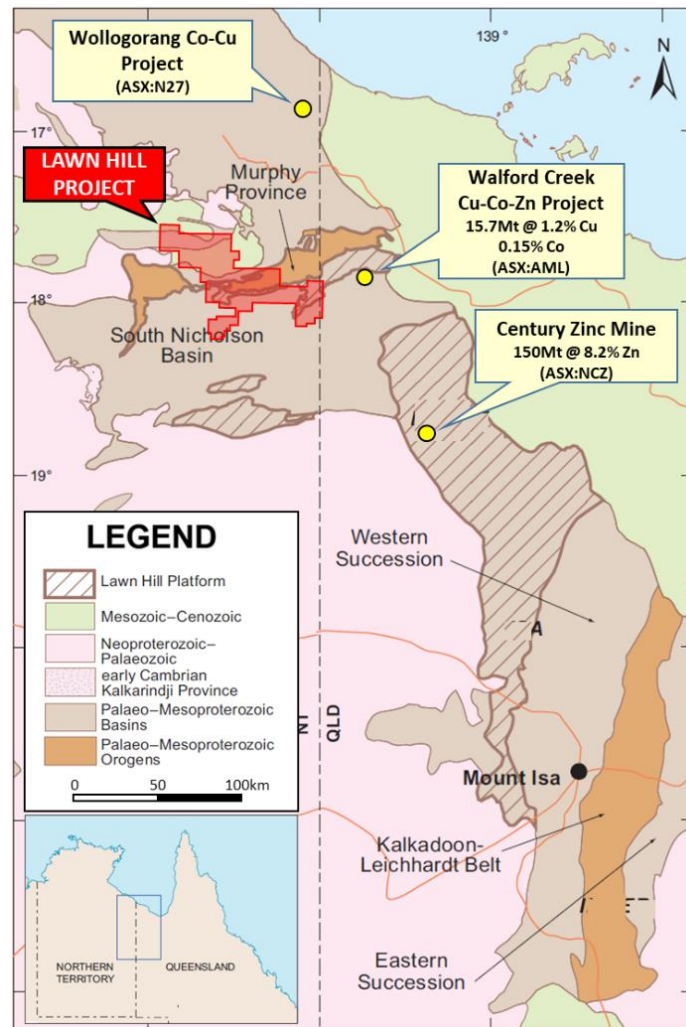


FIGURE 8: LOCATION PLAN OF THE LAWN HILL PROJECT

Numerous Co, Cu, Zn and Pb occurrences are described on the Queensland side of the border, including the Walford Creek Project (Copper dominant resources of 15.7 Mt @ 1.24% Cu + 0.15% Co + 0.98% Pb + 0.82% Zn + 34 g/t Ag and Cobalt dominant resources of 18.0Mt @ 0.11% Co + 0.16% Cu + 1.03% Zn + 0.85% Pb + 22 g/t Ag) currently being explored by Aeon Metals Limited, with nothing on the Northern Territory side, due, simply, to a lack of exploration.

ESSO conducted first pass surface exploration during 1979 – 1981, which mostly included stream sediment sampling, rock chip sampling, a gravity survey and the completion of two stratigraphic diamond drillholes (stratigraphic drillholes are completed to provide an understanding of the sub-surface geology and are not necessarily specifically targeted at mineralisation). Stream sediment sampling was also undertaken by the BMR (Bureau of Mineral Resources). Details of this programme are unknown.

A compilation of the stream sediment sampling results is provided in figure 9 below. Elemental concentrations have been levelled to geology and concentrations represented as percentile groups to indicate anomalism. Values at the 98th percentile could be considered as highly anomalous.

Two drillholes, ND-1 and ND-2, were drilled vertically to a depth of 101.0m and 143.5m respectively. The sequence hosting the Walford Creek Deposit was encountered in both drillholes along with weakly anomalous base metal mineralisation. Further compilation of this historic data is ongoing.

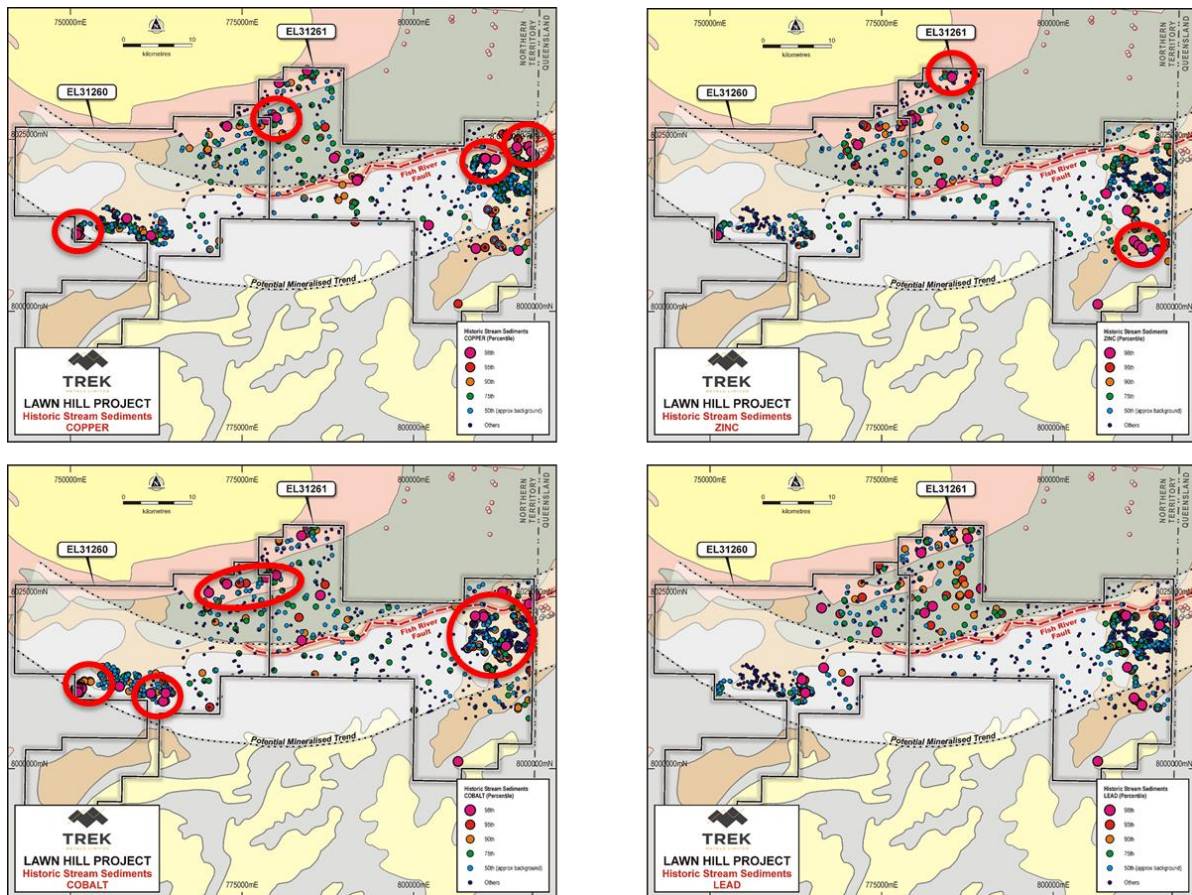


FIGURE 9: LAWN HILL PROJECT STREAM SEDIMENT ANOMALIES FROM HISTORIC EXPLORATION

Tenement Application Process

TKM (through its wholly owned subsidiary, TM Resources Pty Ltd) is currently in the process of negotiating access arrangements to allow for the grant of the Lawn Hill Project Tenements. The process involves negotiations with the Native Title holders in the area, the Waanyi/Garawa Aboriginal Land Trust. TM Resources Pty Ltd commenced discussions with the Waanyi/Garawa Aboriginal Land Trust via the Northern Land Council in order to facilitate the granting process and we look forward to continuing these negotiations.

ARUNTA Li and Co PROJECT – NORTHERN TERRITORY

Compilation of historical data has yielded little in the way of encouraging targets and this project package will be significantly reduced in size during the next period.

KANGALUWI COPPER PROJECT - ZAMBIA

Court Case

The Company is awaiting written judgement by the Judge of the Lusaka High Court on the appeal lodged by organisations associated with the conservation movement in Zambia on 17 January 2014 against the decision of the Minister of Lands, Natural Resources and Environment Protection to approve the Company's 100% owned Kangaluwi Copper Project. The stay of execution remains in place pending the outcome of the appeal against the Minister's decision.

TKM is currently evaluating its options with respect to the divestment of this Project.

CORPORATE

100% Acquisition of Kroussou Project from BAT finalised in April 2018

On 27 April 2018, Trek completed the acquisition of 100% of the issued capital of Select Exploration from Battery Minerals Limited ("BAT"). Select Exploration is a company incorporated in Mauritius and is the immediate parent entity of Select Exploration (Gabon) SA, a company incorporated in Gabon which owns 100% of the Kroussou Project.

Key terms of the agreement concluded with BAT in April 2018 for the acquisition of 100% of the Kroussou Project included:

The initial consideration paid comprised:

- A cash payment of US\$200,000 to BAT; and
- The issue of the 10,566,636 fully paid ordinary shares at a deemed price of A\$0.025 per share (**Consideration Shares**) and 5,283,318 free attaching options exercisable at A\$0.10 and expiring 27 April 2021 and vesting 12 months from issue; and
- Trek granting BAT a 2.5% net smelter return royalty on gross sales revenue (**NSR Royalty**) with Trek having an option to buy back 1% of the NSR Royalty for US\$1,500,000.

The Consideration shares are subject to 12 months voluntary escrow period.

Upon Trek defining a JORC-compliant Indicated Mineral Resource Estimate of more than 250,000 tonnes of combined Zn/Pb metal in relation to the Kroussou Project and subject to shareholder approval, Trek will issue BAT US\$2,500,000 of TKM shares based on a 5-day VWAP prior to the date of issue (subject to a minimum floor price of \$0.025 per share) (**Deferred Consideration Shares**) and one free attaching option (term of 3 years, exercise price of 150% of the 5-day VWAP prior to the date of issue) for every two Deferred Consideration Shares issued (**Deferred Consideration**).

An existing 0.75% net smelter return royalty payable in relation to the Kroussou Project to a third party which can be bought back for US\$250,000 (**Existing Royalty**), was novated from BAT to Trek as part of the acquisition.

If Trek abandons the Kroussou Project, BAT has the option to acquire the project for fair value to be determined by an appointed expert.

If Trek sells the Kroussou Project, the third-party purchaser must undertake to provide BAT with an equivalent Deferred Consideration or TKM may agree to pay BAT the Deferred Consideration in cash.

Settlement of Lawsuit against Subsidiary

A lawsuit was filed in January 2018 against Mwembeshi Resources Limited (**MRL**), a wholly owned subsidiary of Trek, by a current Director and a contractor of MRL for consultancy services rendered. MRL challenged the claims in the Zambian courts and, based on legal advice received, agreed to settle the claim for US\$50,000 on 9 October 2018.

TENEMENTS

Tenement	Location	Holder	Interest at 30/9/18
G4-569	Gabon	Select Exploration Gabon SA (100% owned subsidiary)	100%
EL31564	Northern Territory	Elm Resources Pty Ltd (100% owned subsidiary)	100%
EL31565	Northern Territory	Elm Resources Pty Ltd (100% owned subsidiary)	100%
EL31566	Northern Territory	Elm Resources Pty Ltd (100% owned subsidiary)	100%
EL31567	Northern Territory	Elm Resources Pty Ltd (100% owned subsidiary)	100%
EL31598	Northern Territory	Elm Resources Pty Ltd (100% owned subsidiary)	100%
EL31599	Northern Territory	Elm Resources Pty Ltd (100% owned subsidiary)	100%
EL31728	Northern Territory	Elm Resources Pty Ltd (100% owned subsidiary)	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%
EL31753 (appl.)	Northern Territory	TM Resources Pty Ltd (100% owned subsidiary)	100%
EL31752 (appl.)	Northern Territory	TM Resources Pty Ltd (100% owned subsidiary)	100%
EL31751 (appl.)	Northern Territory	TM Resources Pty Ltd (100% owned subsidiary)	100%
15547-HQ-LML	Zambia	Mwembeshi Resources Limited (100% owned subsidiary)	100%
13170-HQ-LPL	Zambia	Cheowa Resources Limited (Incorporated JV- 51% Glencore 49% TKM)	49%
13171-HQ-LPL	Zambia	Cheowa Resources Limited (Incorporated JV- 51% Glencore 49% TKM)	49%
8573-HQ-LPL	Zambia	Cheowa Resources Limited (Incorporated JV- 51% Glencore 49% TKM)	49%

COMPETENT PERSONS STATEMENT

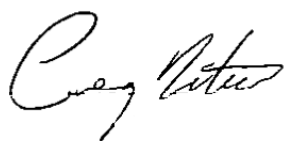
The information in this report that relates to exploration results is based on information compiled by Mr Bradley Drabsch, Member of the Australian Institute of Geoscientists ("AIG") and Managing Director of Trek Metals Limited. Mr Drabsch has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a competent person as defined in the JORC Code 2012. Mr Drabsch consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

POST BALANCE DATE EVENTS

Following shareholder approval at the Annual General Meeting on 3 October 2018, Trek completed the issue of 115,384,640 new fully paid ordinary shares to sophisticated investors at A\$0.013 per share to raise A\$1,500,000, before costs ("Placement"). Trek also issued 45,000,000 unlisted options with an expiry date of 8 October 2021 and an exercise price of A\$0.023, vesting immediately. Of the 45,000,000 issued, 20,000,000 were issued to directors and consultants under the Employee Share Option Plan (3,000,000 of which were included as a share based payment as at 30 September 2018 as they were granted prior to the end of the period), and 25,000,000 were issued to the Facilitators of the Placement.

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.

Signed on behalf of the Board.



Gregory Bittar

Chairman

Dated: 13 December 2018

Independent Auditor's Review Report

To the Members of Trek Metals Limited

We have reviewed the accompanying half-year financial report of Trek Metals Limited, which comprises the condensed consolidated statement of financial position as at 30 September 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration. The consolidated entity comprises the company Trek Metals Limited and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with IAS 134 Interim Financial Reporting and for such internal control as the directors determine is necessary for the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not presented fairly, in all material respects, in accordance with IAS 134 Interim Financial Reporting. As the auditor of Trek Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Review Report

To the Members of Trek Metals Limited (Continued)



Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Trek Metals Limited does not present fairly, in all material respects the consolidated entity's financial position as at 30 September 2018 and of its financial performance for the half-year ended on that date in accordance with IAS 134 Interim Financial Reporting as described in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the Consolidated Entity incurred a net loss of USD\$396,148 during the half-year ended 30 September 2018. As stated in Note 1, this condition, along with other matters as set forth in Note 1, indicates that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 13th day of December 2018

Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income for the Half-Year Ended 30 September 2018

		HALF-YEAR ENDED 30 SEPTEMBER 2018 US\$	HALF-YEAR ENDED 30 SEPTEMBER 2017 US\$
	NOTES		
Continuing Operations			
Investment revenue	4	4,414	2,908
Other income	4	-	114,458
Share based payment expense	13	(23,748)	(45,605)
Exploration expenses		(20,326)	(394,944)
Foreign exchange gain/(loss)		(27,869)	-
Other operating expenses	4	(328,619)	(224,809)
Loss before tax		(396,148)	(547,992)
Income tax expense		-	-
Loss for the period		(396,148)	(547,992)
Attributable to:			
Equity holders of the Parent		(396,148)	(547,992)
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the Parent:			
		Cents/share	Cents/share
Basic loss per share	5	(0.12)	(0.24)
Diluted loss per share	5	(0.12)	(0.24)

Notes forming part of these financial statements are included on pages 31 to 44.

Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income for the Half-Year Ended 30 September 2018

	HALF-YEAR ENDED 30 SEPTEMBER 2018 US\$	HALF-YEAR ENDED 30 SEPTEMBER 2017 US\$
NOTES		
Loss for the period	(396,148)	(547,992)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences arising on translation of foreign operations	6,580	(5,152)
Total Comprehensive Loss for the Period Attributable to Owners of the Company	(389,568)	(553,144)

Notes forming part of these financial statements are included on pages 31 to 44.

Condensed Consolidated Statement of Financial Position as at 30 September 2018

		30 SEPTEMBER 2018 US\$	31 MARCH 2018 US\$
	NOTES		
ASSETS			
Current Assets			
Cash and cash equivalents	6	251,337	1,896,047
Trade and other receivables		8,347	5,139
Other assets		15,953	17,685
Total current assets		275,637	1,918,871
Non-current Assets			
Property, plant and equipment		12,452	-
Exploration and evaluation expenditure	7	2,227,493	652,420
Other assets		6,400	-
Total non-current assets		2,246,345	652,420
Total Assets		2,521,982	2,571,291
LIABILITIES			
Current Liabilities			
Trade and other payables	9	269,823	151,287
Total current liabilities		269,823	151,287
Total Liabilities		269,823	151,287
NET ASSETS		2,252,159	2,420,004
Equity			
Capital and reserves			
Issued capital	10	23,324,336	23,179,105
Reserves		36,256,457	36,173,385
Accumulated loss		(57,328,634)	(56,932,486)
Total Equity		2,252,159	2,420,004

Notes forming part of these financial statements are included on pages 31 to 44.

Condensed Consolidated Statement of Changes in Equity for the Half-Year Ended 30 September 2018

	NOTES	HALF-YEAR ENDED 30 SEP 2018 US\$	HALF-YEAR ENDED 30 SEP 2017 US\$
Issued Capital			
Opening balance		23,179,105	21,618,498
Issued during the period		147,256	1,502,689
Share issue costs		(2,025)	(98,872)
Closing Balance	10	23,324,336	23,022,315
Share Premium Reserve			
Opening balance		35,140,138	33,535,853
Issued during the period		52,744	-
Closing Balance	10	35,192,882	33,535,853
Share Based Payment Reserve			
Opening balance		852,134	415,068
Options issued during the period		23,748	45,605
Closing Balance		875,882	460,673
Foreign Currency Translation Reserve			
Opening balance		181,113	183,018
Other comprehensive (loss)/income for the period		6,580	(5,152)
Closing Balance		187,693	177,866
Accumulated Losses			
Opening balance		(56,932,486)	(55,454,135)
Options expired		-	-
Loss for the period		(396,148)	(547,992)
Closing Balance		(57,328,634)	(56,002,127)
TOTAL EQUITY		2,252,159	1,221,470

Notes forming part of these financial statements are included on pages 31 to 44.

Condensed Consolidated Statement of Cash Flows for the Half-Year Ended 30 September 2018

	NOTES	HALF-YEAR ENDED 30 SEP 2018 US\$	HALF-YEAR ENDED 30 SEP 2017 US\$
Cash flows from operating activities			
Payments to suppliers and employees		(363,397)	(254,797)
Other income received		-	113,445
Net cash used by operating activities		(363,397)	(141,352)
Cash flows from investing activities			
Payments for exploration and evaluation		(1,126,084)	(699,273)
Interest received		4,414	2,908
Acquisition of subsidiary, net of cash acquired		(179,745)	-
Net cash used by investing activities		(1,301,415)	(696,365)
Cash flows from financing activities			
Proceeds from borrowings		-	316,531
Proceeds from issue of share capital		-	1,186,157
Advance from third parties		9,392	-
Payments for share issue costs		(2,025)	(98,872)
Net cash generated by financing activities		7,367	1,403,816
Net increase in cash and cash equivalents		(1,657,445)	566,099
Cash and cash equivalents at beginning of the period		1,896,047	447,402
Effects of exchange rate changes on the balance of cash held in foreign currencies		12,735	1,013
Cash and cash equivalents at the end of the period	6	251,337	1,014,514

Notes forming part of these financial statements are included on pages 31 to 44.

Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 30 September 2018

Note 1: Statement of Compliance

The Half-Year report of Trek Metals Limited (“Trek” or “the Company”) is a general purpose financial report prepared in accordance with International Financial Accounting Standard IAS 34 ‘Interim Financial Reporting’. The Half-Year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

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 net loss for the half-year of US\$396,148 (2017: loss of US\$547,992) and cash outflows from operating activities of US\$363,397 (2017: US\$141,352). Subsequent to year end the Company completed the issue of 115,384,640 new fully paid ordinary shares to sophisticated investors at A\$0.013 per share to raise A\$1,500,000, before costs.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

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.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to

those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2: Significant accounting policies

Trek Metals Limited is a company registered and domiciled in Bermuda. The condensed financial statements have been prepared under the historical cost convention.

The same accounting policies and methods of computation are followed in these condensed financial statements as compared with the most recent annual financial statements for the year ended 31 March 2018. These accounting policies are consistent with the International Financial Reporting Standards.

In the current period, the Consolidated Entity has adopted all of the new and revised accounting Standards and Interpretations issued by the International Accounting Standards Board (ISAB) and the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to its operations and effective for the current reporting period. There has been no material impact on the financial statements of the Consolidated Entity.

Note 3: Segment Information

Identification of reportable segments

The Group operates predominantly in the mining industry. This comprises exploration and evaluation activities related to pursuing the Kroussou zinc-lead project in Gabon and maintenance of the greater Kangaluwi Copper Project. Due to the difficulties encountered in continuing to develop the Kangaluwi Project, the Group has fully impaired the capitalised exploration expenditure associated with the Kangaluwi project, and has focussed on assessing other commercially and economically viable exploration projects such as the Kroussou project.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors (chief operating decision makers) on a monthly basis 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, and its ASX listing and management location of Australia.

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:

	SEGMENT LOSS	
	HALF-YEAR	HALF-YEAR
	30 SEP 2018	30 SEP 2017
	US\$	US\$
Continuing operations		
Exploration and evaluation	(20,326)	(394,944)
Corporate	(375,822)	(153,048)
Consolidated segment loss for the period from continuing operations	(396,148)	(547,992)

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

	SEGMENT ASSETS	
	30 SEP 2018	31 MAR 2018
	US\$	US\$
Continuing operations		
Exploration and evaluation	2,227,493	652,420
Unallocated corporate assets	294,489	1,918,871
Consolidated segment assets	2,521,982	2,571,291

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

	SEGMENT LIABILITIES	
	30 SEP 2018	31 MAR
	US\$	2018
		US\$
Continuing operations		
Exploration and evaluation	85,501	62,600
Unallocated corporate liabilities	184,322	88,687
Consolidated segment liabilities	269,823	151,287

Note 4: Reconciliation of Loss

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

	HALF-YEAR	HALF-YEAR
	30 SEP 2018	30 SEP 2017
	US\$	US\$
Investment Revenue		
Interest revenue	4,414	2,908
Total Investment Revenue	4,414	2,908
Other Income		
Foreign exchange gains	-	1,013
GST refund related to prior periods	-	113,445
Total Other Income	-	114,458
Other Operating Expenses		
Auditor's remuneration	(10,880)	(8,667)
Communications costs	(1,909)	(3,460)
Consultants	(47,688)	(36,977)
Contract accounting	(48,011)	(34,149)
Directors' fees and consultant fees	(74,036)	(70,588)
Insurance	(7,384)	(8,048)
Lease costs	(11,598)	(5,488)
Legal	(75,069)	(17,112)
Corporate & statutory costs	(15,947)	(14,571)
Travel	(22,634)	(15,447)
Software expenses	(7,995)	(4,974)
Other costs	(5,468)	(5,328)
Total Other Operating Expenses	(328,619)	(224,809)

Note 5: Earnings Per Share

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

	HALF-YEAR 30 SEP 2018	HALF-YEAR 30 SEP 2017
Earnings		
(Loss)/profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted (loss)/earnings per share:	US\$	US\$
From continuing operations	(396,148)	(547,992)
	(396,148)	(547,992)
Shares		
Weighted average number of ordinary shares used as the denominator in calculating basic (loss)/earnings per share	321,311,238	224,822,522
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)/earnings per share	321,311,238	224,822,522
Basic and diluted (loss)/earnings per Share	Cents/share	Cents/share
Total basic (loss)/earnings per share attributable to the ordinary equity holders of the Company	(0.12)	(0.24)
Total diluted (loss)/earnings per share attributable to the ordinary equity holders of the Company	(0.12)	(0.24)

The following number of potential ordinary shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares in the period ended 30 September 2018:

	30 SEP 2018 Number	30 SEP 2017 Number
Unlisted Options on issue ⁽¹⁾	120,154,285	56,500,000
	120,154,285	56,500,000

⁽¹⁾ Excludes 3,000,000 options granted to consultants on 17 September 2018 but not issued until after period end (refer Note 13)

Note 6: Cash and Cash Equivalents

	30 SEP 2018 US\$	31 MAR 2018 US\$
Bank balances	236,432	1,880,514
Term deposit ¹	14,905	15,533
	251,337	1,896,047

¹ A\$20,000 of the cash and cash equivalents is restricted and set aside to offset credit card limits.

Note 7: Exploration and Evaluation Expenditure

	30 SEP 2018 US\$	31 MAR 2018 US\$
Costs	2,227,493	652,420
<i>Movement during the period:</i>		
	6 MONTHS ENDED 30 SEP 2018 US\$	12 MONTHS ENDED 31 MAR 2018 US\$
Opening balance	652,420	7,517
Exploration and evaluation recognised on acquisition of Select Exploration	446,414	-
Additions for the period	1,128,659	644,903
Closing balance at balance date	2,227,493	652,420

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.

The Company policy is to charge exploration expenditure to specific areas of interest. Exploration expenditure that cannot be attributed to specific areas of interest is written off.

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 has capitalised farm-in expenditures related to the Kroussou Project incurred subsequent to the exercise of the Option fee on 31 August 2017.

Documentation for the renewal of the Kroussou exploration licenses was filed with the applicable Gabonese government agencies on 4 May 2018. Confirmation of the renewal is yet to be received as at the date of this report.

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. 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.

	Fair value US\$
Purchase consideration	
- 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>
 Capitalised exploration on consolidation	 <u>446,414</u>

Kangaluwi (Zambia) exploration expenditure

All expenditures carried forward in relation to the Kangaluwi Copper Project have been fully impaired in prior periods. The Company is awaiting written judgement by the Judge of the Lusaka High Court on the appeal lodged by organisations associated with the conservation movement in Zambia on 17 January 2014 against the decision of the Minister of Lands, Natural Resources and Environment Protection to approve the Company's 100% owned Kangaluwi Copper Project. The stay of execution remains in place pending the outcome of the appeal against the Minister's decision. TKM continues to lobby to have the decision handed down, however, the Board has determined that it is unlikely that this situation will be resolved in the near term and fully impaired the value of the Kangaluwi Copper Project in prior periods. TKM is currently evaluating its options with respect divesting this Project.

Note 8: 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
			30 SEP 2018	31 MAR 2018	
Mwembeshi Resources (Bermuda) Limited	Bermuda	Ordinary	100	100	Holding
Mwembeshi Resources Limited	Zambia	Ordinary	100	100	Exploration
TM Resources Pty Ltd	Australia	Ordinary	100	100	Exploration
Trek Management Pty Ltd	Australia	Ordinary	100	100	Man. Services
Makoma Resources Limited	Zambia	Ordinary	100	100	Exploration
Elm Resources Pty Ltd	Australia	Ordinary	100	100	Exploration
Select Exploration (Europe) SARL ⁽¹⁾	Luxembourg	Ordinary	100	-	Holding
Select Exploration ⁽²⁾	Mauritius	Ordinary	100	-	Holding
Select Exploration (Gabon) ⁽²⁾	Gabon	Ordinary	100	-	Holding

- ⁽¹⁾ Select Exploration (Europe) SARL was incorporated on 6 April 2018 as a wholly owned subsidiary of Trek Metals Limited.
- ⁽²⁾ Select Exploration, and it's wholly owned subsidiary Select Exploration (Gabon) was acquired on 27 April 2018 by Select Exploration (Europe) SARL, a wholly owned subsidiary of Trek Metals Limited. Consideration paid comprised US\$200,000 cash, the issue of 10,566,636 shares in Trek Metals Limited at a deemed price of A\$0.025 per share (US\$200,000) and 5,283,318 free attaching options exercisable at A\$0.10, expiring 27 April 2021 and vesting 12 months from issue.

Note 9: Trade and Other Payables

	30 SEP 2018 US\$	31 MAR 2018 US\$
Current		
Trade and other payables ⁽¹⁾	241,826	92,642
Accrued expenses ⁽¹⁾	18,605	58,645
Allotment monies received ⁽²⁾	9,392	-
	269,823	151,287

- ⁽¹⁾ Trade payables and accruals are non-interest bearing and have repayment terms within 30 days.
- ⁽²⁾ Allotment monies represent funds received prior to the end of the half-year related to the capital fund raising completed on 8 October 2018 – Refer Note 14.

Note 10: Issued Capital

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

	NUMBER OF SHARES	ISSUED CAPITAL US\$	SHARE PREMIUM US\$
Issued and fully paid ordinary shares			
As at 1 April 2018	312,303,614	23,179,105	35,140,138
Allotments			
27/04/2017 Acquisition shares at A\$0.025 per share ⁽¹⁾	10,566,636	147,256	52,744
Share Issue costs	-	(2,025)	-
Balances as at 30 September 2018	322,870,250	23,324,336	35,192,882
Issued and fully paid ordinary shares			
As at 1 April 2017	155,990,250	21,330,873	33,823,478
Allotments			
07/08/2017	76,000,000	989,841	512,848
24/10/2017 Placement at A\$0.025 per share	4,000,000	52,530	25,252
22/11/2017 Placement at A\$0.031 per share	58,997,562	783,995	603,899
04/12/2017 Placement at A\$0.031 per share	8,744,373	117,750	88,203
04/12/2017 Acquisition shares at A\$0.031 per share ⁽²⁾	8,571,429	115,422	86,458
Share Issue costs	-	(211,306)	-
Balances as at 31 March 2018	312,303,614	23,179,105	35,140,138

⁽¹⁾ Shares issued as consideration for the acquisition of Select Exploration (refer Note 8).

⁽²⁾ Shares issued as consideration for the acquisition of Elm Resources Pty Ltd.

Options on Issue

Unissued ordinary shares of the Company under option at 30 September 2018 are as follows:

Options issued	No of options	Exercise price (US\$)	Fair value at Grant Date (US\$)	Grant date	Expiry	Vested #
Options issued to Investors:						
Free attaching options to investors	22,500,000	0.023	-	08/09/16	30/06/19	22,500,000
Free attaching options to investors	33,870,967	0.046	-	04/12/17	02/11/21	33,870,967
Free attaching options to Acquiree	5,283,318	0.0757	-	27/4/2018	27/04/21	-
	<u>61,654,285</u>					<u>56,370,967</u>
Options issued as Share Based Payments:						
Fees for services	5,000,000	0.023	0.004	07/09/16	30/06/19	5,000,000
Fees for services	1,250,000	0.116 ⁽¹⁾	0.001	16/02/16	31/12/20	1,250,000
Directors	14,000,000	0.043	0.019	18/01/17	02/11/21	14,000,000
Consultant	750,000	0.044	0.020	18/01/17	02/11/21	750,000
Directors	5,000,000	0.045	0.016	23/02/17	02/11/21	5,000,000
Consultant	1,000,000	0.045	0.016	23/02/17	02/11/21	1,000,000
Consultant	3,000,000	0.046	0.033	23/02/17	02/11/21	3,000,000
Consultant	1,000,000	0.048	0.014	30/08/17	02/11/21	1,000,000
Consultant	1,500,000	0.047	0.015	24/10/17	02/11/21	1,500,000
Directors	3,000,000	0.047	0.012	04/12/17	02/11/21	3,000,000
Directors	18,000,000	0.047	0.012	04/12/17	02/11/21	18,000,000
Consultant	1,000,000	0.047	0.015	04/12/17	02/11/21	1,000,000
Broker Options	4,000,000	0.047	0.015	04/12/17	02/11/21	4,000,000
	<u>58,500,000</u>					<u>58,500,000</u>
Options outstanding, and exercisable, at 30 September 2018	120,154,285					114,870,967

⁽¹⁾ Lower of US\$0.116 (AUD\$0.16) or market value

Note 11: Exploration Commitments

Exploration expenditure committed for at the reporting date but not recognised as liabilities is as follows:

	30 SEP 2018 US\$	30 SEP 2017 US\$
Arunta exploration lease payable ⁽¹⁾		
Not later than 1 year	136,541	-
Later than 1 year and not later than 5 years	809,132	-
Later than 5 years	202,283	-
	<u>1,147,956</u>	<u>-</u>

(1) There is no legal obligation to renew the Arunta lease holdings however to maintain the current lease position, the above lease expenditures are treated as committed.

Note 12: Commitments and Contingencies

(a) Operating leases

Operating leases: non-cancellable lease rentals are payable as follows:

	30 SEP 2018 US\$	30 SEP 2017 US\$
Not later than 1 year	7,511	4,245
Later than 1 year and not later than 5 years	-	2,123
Later than 5 years	-	-
	7,511	6,368

The Group has a non-cancellable operating lease for an item of office equipment expiring within 12 months, with rent payable monthly. The item is subject to a per unit charge, but there are no provisions for escalation or renewal within the lease agreement.

The Group has a non-cancellable operating lease for office space for 12 months, effective from 1 April 2018, with rent payable monthly. The lease is subject to 12 months renewal from 1 April 2019.

(b) Contingencies

i. Kangaluwi Royalty

On 9 May 2016 the Company and Perpetual Corporate Trust Limited (now named Theta Asset Management Limited) in its capacity as custodian of the Auctus Resources Fund (**ARF**) entered into an agreement which resulted in the extinguishment of the convertible note liability which existed of A\$6,637,824. In consideration for this ARF will be entitled to receive the following:

1. A royalty of 3% calculated on any gross revenue generated from the Kangaluwi Copper Project (**KCP**) up to a maximum total Royalty payment of A\$12m.
2. In the event KCP is sold 80% of the sale proceeds shall be utilised to satisfy the Royalty obligation.

ii. 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 a contingent consideration:

1. Trek Metals Limited (**TKM**) 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 TKM 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 TKM of a Mineral Resource Estimate in respect of the Lawn Hill Project of greater than 1.1Mt Zn eq.

iii. Kroussou Royalty and Deferred Consideration

As a result of the acquisition of Select Exploration (Europe) SARL, the following contingent liabilities arose:

1. Trek granting BAT a 2.5% net smelter return royalty on gross sales revenue (NSR Royalty) with Trek having an option to buy back 1% of the NSR Royalty for US\$1,500,000.
2. Upon Trek defining a JORC-compliant Indicated Mineral Resource Estimate of more than 250,000 tonnes of combined Zn/Pb metal in relation to the Kroussou Project and subject to shareholder approval, Trek will issue BAT US\$2,500,000 of TKM shares based on a 5-day VWAP prior to the date of issue (subject to a minimum floor price of \$0.025 per share) (**Deferred Consideration Shares**) and one free attaching option (term of 3 years, exercise price of 150% of the 5-day VWAP prior to the date of issue) for every two Deferred Consideration Shares issued (**Deferred Consideration**).
3. An existing 0.75% net smelter return royalty payable in relation to the Kroussou Project to a third party which can be bought back for US\$250,000 (**Existing Royalty**), was novated from BAT to Trek as part of the acquisition.
4. If Trek sells the Kroussou Project, the third-party purchaser must undertake to provide BAT with an equivalent Deferred Consideration or TKM may agree to pay BAT the Deferred Consideration in cash.

Note 13: Share Based Payments

(a) Shares issued for Acquisition

Refer Note 8 regarding Acquisition of Select Exploration.

(b) Options issued

The Trek Metals Ltd Employee Share Option Plan ("ESOP") was approved at a General Meeting of shareholders on 30 December 2016.

	30 SEP 2018 US\$	30 SEP 2017 US\$
Share based payment expense	23,748	45,605

During the half-year ended 30 September 2018, the following options were granted under ESOP:

HALF-YEAR ENDED 30 SEPTEMBER 2018	No of options	Exercise price (US\$)	Grant date	Expiry	Vested #	FV @ grant date (US\$/unit)
Consultants ⁽¹⁾	3,000,000	0.016	17/09/18	08/10/21	3,000,000	0.004
Total options granted during the half-year	3,000,000					

⁽¹⁾ Options granted on 17/9/18 however issued to consultants on 8/10/18.

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.

	30 SEP 2018		30 SEP 2017	
	No of options	Weighted average exercise price (US\$)	No of options	Weighted average exercise price (US\$)
Options at beginning of half-year	58,500,000	0.043	33,000,000	0.040
Options granted	3,000,000	0.016	1,000,000	0.048
Options lapsed	-	-	-	-
Options forfeited	-	-	-	-
Options cancelled	-	-	-	-
Options at end of half-year	61,500,000	0.042	34,000,000	0.040
Options exercisable at end of half-year	61,500,000		30,000,000	

The above table listed options granted and reported as share based payments only

Share options pricing model

The fair value of the equity-settled share options granted during the half-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 granted during the half-year ended 30 September 2018:

	ESOP Options
Number of Options	3,000,000
Fair values at measurement date – US\$/share	0.004
Grant date share price – US\$/share	0.011
Exercise price – US\$/share	0.016
Expected volatility %	74.0
Options life in years	3.06
Divident yield	-
Risk-free interest rate %	2.02

The weighted average fair value of options granted during the period is 0.004 (2017: 0.014).

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 14: Post-Balance Sheet Events

Following shareholder approval at the Annual General Meeting on 3 October 2018, Trek completed the issue of 115,384,640 new fully paid ordinary shares to sophisticated investors at A\$0.013 per share to raise A\$1,500,000, before costs ("Placement"). Trek also issued 45,000,000 unlisted options with an expiry date of 8 October 2021 and an exercise price of A\$0.023, vesting immediately. Of the 45,000,000 issued, 20,000,000 were issued to directors and consultants under the Employee Share Option Plan (3,000,000 of which were included in Note 13 as they were granted prior to the end of the period), and 25,000,000 were issued to the Facilitators of the Placement.

No other matters or circumstances have arisen since the end of the financial half-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.

Directors' Declaration

For the Half-Year Ended 30 September 2018

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; and
- 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.

On behalf of the Board



Greg Bittar

Chairman

13 December 2018