

25 May 2023

TREK TO RAISE UP TO \$7.5 MILLION TO ACCELERATE MAIDEN PILBARA LITHIUM DRILLING PROGRAM

Funds to underpin a significant ramp-up in exploration over the next six months, with initial drilling program at the Tambourah Lithium Project set to commence in June 2023

Highlights

- Firm commitments received for a Share Placement to raise up to A\$7.5 million at \$0.06 per share with a free attaching 1:3 option at \$0.085 with a 2-year expiry.
- Placement was strongly supported by new and existing sophisticated investors, including members of the Board, with Trek Directors to participate in the placement for a total amount of approximately \$500,000 (subject to shareholder approval).
- Proceeds will increase Trek's cash reserves to over A\$9 million, putting it in a strong position to execute its growth strategy in 2023.
- Funds will be used to accelerate exploration activity across Trek's Pilbara exploration portfolio, including a maiden drilling campaign at the Tambourah Lithium Project which is expected to commence next month.
- Major ramp-up in exploration programs scheduled over the next six months, paving the way for strong news flow over the remainder of FY2023.

Trek Metals Limited (ASX: **TKM, Trek or the Company**) is pleased to announce a strongly supported capital raising of up to A\$7.5 million (before costs) to accelerate exploration across its lithium and manganese projects in the Pilbara region of Western Australia (**Placement**).

The Company has received firm commitments for the Placement comprising 75 million shares in the capital of the Company (**Shares**) at an issue price of \$0.06 per Share to existing and new professional, sophisticated and other institutional investors to raise a total of \$4.5 million (**Tranche One**). In addition, the Company has elected to accept oversubscriptions of an additional A\$3.0 million in Shares from directors of the Company and other investors introduced by the Board in a second tranche which will be subject to shareholder approval (**Tranche Two**). The Placement includes a 1:3 free attaching option exercisable at \$0.085 per option expiring 2 years from the date of issue (**Attaching Option**). The Attaching Options will be issued subject to shareholder approval at the Company's Annual General Meeting expected to be held in late July 2023 (**AGM**). The Company intends to list the Attaching Options, subject to satisfying ASX Listing Rule requirements.

Commenting on the capital raising, Trek's Chief Executive Officer Derek Marshall said:

"This is a significant capital raising that will put Trek in a strong financial position as we embark on our maiden drilling program at the Tambourah Lithium Project and progress exploration programs across our other projects in the Pilbara."

Australia

Suite 5/2 Centro Avenue
Subiaco Western
Australia 6008

Bermuda

Vallis Building, 4th
Floor 58 Par-la-Ville
Road Hamilton HM 11

Postal

P.O Box 8209 Subiaco
East Western
Australia 6008

Phone

08 6383 7844

Email

info@trekmetals.com.au

For personal use only

“Tambourah is a hugely exciting target that has all the right ingredients for a lithium discovery – including high-grade spodumene rock chip of up to 3.07% Li₂O as announced by the Company on 27 October 2022 and 7 November 2022 – and we are very much looking forward to getting on the ground to get our maiden drill program underway.

“2023 is set to be an exciting year for Trek, with plenty of targets to test. We now have a strong balance sheet to support these programs and I would like to sincerely thank all our shareholders for their support.”

Use of Funds

Placement proceeds will be used to fund the following:

- **Tambourah Lithium Project:**
 - **Maiden 3,000m reverse circulation (RC) drill program targeting high grade spodumene bearing pegmatite dykes**
 - **Regional rock chip and soil sampling to generate next round of lithium drill targets**
- **Hendeka Manganese Project:**
 - **Ongoing metallurgical test work to produce Manganese concentrate**
 - **Hydro-metallurgical test work to produce high-purity manganese sulphate monohydrate (HPMSM) as feed to the lithium-ion battery manufacturing sector**
 - **Resource infill and extension drilling**
 - **Regional Manganese exploration drilling**
- **Costs of the issue; and**
- **General working capital.**

The funds raised through the Placement are intended to be used to accelerate the next phase of exploration across the Company’s Pilbara asset portfolio, including the upcoming drilling program at the highly prospective Tambourah Lithium Project where the Company plans to commence testing of a number of recently identified high-priority lithium-pegmatite targets in the coming weeks.

Trek has recently reported highly encouraging results from an independent evaluation of available stream sediment, rock chip and soil data from the Tambourah Lithium Project, which confirmed the project’s outstanding prospectivity for a greenfields lithium discovery (refer to ASX Release 14 February 2023).

Placement

Placement to raise approximately A\$7.5 million via a share placement comprising the issue of up to approximately 125 million new fully paid ordinary shares (**New Shares**) in the Company (the **Placement**) to be conducted via two tranches:

- A first tranche of approximately A\$4.5 million utilising the Company’s available placement capacity under ASX Listing Rule 7.1 and 7.1A (**Tranche One**); and
- A second tranche of approximately A\$3.0 million which will be subject to shareholder approval at the Company’s AGM (**Tranche Two**), comprising:
 - Investors nominated by TKM’s Board of up to approximately A\$2.5 million; and

Australia

Suite 5/2 Centro Avenue
Subiaco Western
Australia 6008

Bermuda

Vallis Building, 4th
Floor 58 Par-la-Ville
Road Hamilton HM 11

Postal

P.O Box 8209 Subiaco
East Western
Australia 6008

Phone

08 6383 7844

Email

info@trekmetals.com.au

- Director participation of approximately A\$500,000.
- The Placement will include a one (1) for three (3) free-attaching option exercisable at A\$0.085 and expiring 24 months from the issue (**Attaching Options**). The Attaching Options will be issued subject to shareholder approval at the AGM and will be listed subject to satisfying ASX requirements.

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

The Placement was not underwritten.

Indicative Placement Timetable	
Event	2023 Time / Date
ASX Announcement/Resume Trading	Thursday, 25 May 2023
Settlement of Tranche 1 Shares	Friday, 2 June 2023
Expected date of ASX Quotation of Tranche 1 Shares	Monday, 5 June 2023
Settlement and allotment of Tranche 2 Shares and the Attaching Options (subject to shareholder approval at the AGM)	Late-July 2023

The Placement will be undertaken in two tranches.

Tranche One will be undertaken within the Company's existing placement capacity under the ASX Listing Rules, with 39,084,725 Shares to be issued under Listing Rule 7.1 and 35,915,275 Shares to be issued under LR 7.1A. Accordingly, no shareholder approval will be required for the issue of Tranche One Placement Shares.

Tranche Two, will comprise the issue of up to 50,000,000 Shares to Directors and related parties of the Company and other investors introduced by the Board which will be subject to shareholder approval.

Placement participants will also be entitled to a one (1) for three (3) Attaching Option under the Placement. Tranche Two shares and the Attaching Options will be issued subject to shareholder approval at the Company's Annual General Meeting expected to be held in late July 2023 (**AGM**). The Attaching Options will be issued by the Company pursuant to a prospectus to facilitate the quotation of the Attaching Options, subject to meeting the ASX's requirements.

Allotment of the Shares pursuant to Tranche One of the Placement is expected to occur on or around 2 June 2023. Further details in relation to the Placement are set out in the Appendix 3B's released today.

The Placement price of \$0.06 per Share represents a 18.86% discount to the 15-day volume weighted average price (VWAP) of \$0.07395.

The Company confirms that the issue price of \$0.06 per Share satisfies the requirements of Listing Rule 7.1A.

Rawson Lewis Pty Ltd and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers to the Placement.

Australia

Suite 5/2 Centro Avenue
Subiaco Western
Australia 6008

Bermuda

Vallis Building, 4th
Floor 58 Par-la-Ville
Road Hamilton HM 11

Postal

P.O Box 8209 Subiaco
East Western
Australia 6008

Phone

08 6383 7844

Email

info@trekmetals.com.au

Authorised by the Board.

ENDS

For further information contact:

INVESTORS:

Derek Marshall

dmarshall@trekmetals.com.au

info@trekmetals.com.au

MEDIA:

Nicholas Read

0419 929 046

DISCLAIMERS AND FORWARD-LOOKING STATEMENTS

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 it operates. 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.

None of Trek's directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

Australia

Suite 5/2 Centro Avenue
Subiaco Western
Australia 6008

Bermuda

Vallis Building, 4th
Floor 58 Par-la-Ville
Road Hamilton HM 11

Postal

P.O Box 8209 Subiaco
East Western
Australia 6008

Phone

08 6383 7844

Email

info@trekmetals.com.au