TREK METALS LIMITED

Company No. (Bermuda) 35116

ARBN 124 462 826

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Wednesday, 3 October 2018

Time of Meeting

11:00 am Perth WST / (12:00 pm Bermuda ADT (Atlantic Daylight Time) previous day)

Place of Meeting

The Boardroom
Bentleys (WA) Pty Ltd
Level 3
216 St Georges Terrace
Perth, Western Australia

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Meeting, please complete and return the enclosed CDI Form of Instruction (as applicable) in accordance with the specified instructions.

Trek Metals Limited

Company No. (Bermuda) 35116

ARBN 124 462 826

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Shareholders of Trek Metals Limited ("**Company**") will be held at The Boardroom, Bentleys (WA) Pty Ltd, Level 3, 216 St Georges Terrace, Perth, Western Australia on Wednesday, **3rd October 2018** at 11:00 am (WST), for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice of Meeting.

# AGENDA

## ORDINARY BUSINESS

### 2018 Accounts

To receive and consider the financial report of the Company for the year ended 31 March 2018, and the reports by the Directors and Independent Auditors.

## RESOLUTIONS

### Resolution 1 – Appointment of Auditor

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"*That, Bentleys Audit & Corporate (WA) Pty Ltd be and is hereby appointed as Auditors of the Company until the conclusion of the next annual general meeting at a fee to be agreed by the Directors.*"

### Resolution 2 – Re-election of Mr Bradley Drabsch as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of By-law 77 of the Company, ASX Listing Rule 14.5, and for all other purposes, Mr Bradley Drabsch who was appointed as a Director at the Annual General Meeting of the Company on 17 August 2016 for a term of 3 years, retires and, being eligible, is re-elected as a Director of the Company for a further term of three years."*

### Resolution 3 – Re-election of Mr Gregory Bittar as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of By-law 77 of the Company and for all other purposes, Mr Gregory Bittar who was appointed as a Director at the Annual General Meeting of the Company on 17 August 2016 for a term of 3 years, retires and, being eligible, is re-elected as a Director of the Company for a further term of three years."*

### Resolution 4 – Subsequent Approval under ASX Listing Rule 7.4 of Securities Issued under ASX Listing Rule 7.1

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"*That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 10,566,636 fully paid ordinary shares and 5,283,318 unlisted options with an exercise price of $0.10 and expiring on 27 April 2021, without Shareholder approval under ASX Listing Rule 7.1 on 27 April 2018, outlined in the Explanatory Memorandum.*"

> The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue, or any associates of those persons. However, the Company will not disregard a vote if:
>
> (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
>
> (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Resolution 5 – Approval of Issue of Capital Raising Securities

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"*Subject to and conditional on the passing of Resolution 13, for the purpose of ASX Listing Rule 7.1, and for all other purposes, approval is given for the issue of up to 115,384,640 Capital Raising Shares at an issue price of $0.013 per Capital Raising Share to raise up to $1,500,000 on the terms and conditions in the Explanatory Memorandum.*"

> The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely by reason of being a holder of ordinary securities, if the Resolution is passed, or any associates of those persons. However, the Company will not disregard a vote if:
>
> (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
>
> (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Resolution 6 – Participation in Capital Raising by Mr Gregory Bittar

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"*Subject to and conditional on the passing of Resolutions 5 and 13*, f*or the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 1,500,000 Capital Raising Shares to Mr Gregory Bittar (or his nominee) to raise up to $19,500 (before associated costs) on the terms and conditions in the Explanatory Memorandum.*"

The Company will disregard any votes cast in favour of this Resolution by Mr Gregory Bittar (and/or his nominee(s)) or any of their associates. However, the Company will not disregard a vote if:

(a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Resolution 7 – Approval of Issue of Facilitator Options

To consider and, if thought fit, to pass with or without amendment as an **ordinary resolution** the following:

*"Subject to and conditional on the passing of Resolutions 5 and 13, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of up to 25,000,000 unlisted Options with an exercise price of $0.023 and expiring 3 years from the date of issue, to Hartleys Limited and Ashanti Capital Pty Ltd (and/or their nominee(s)) on the terms and conditions in the Explanatory Memorandum.",*

The Company will disregard any votes cast in favour of this Resolution by Hartleys Limited and Ashanti Capital Pty Ltd (and/or their nominee(s)) or any of their associates. However, the Company will not disregard a vote if:

(a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Resolution 8 – Approval of issue of Plan Options to Mr Greg Bittar

To consider and, if thought fit, to pass with or without amendment as an **ordinary resolution** the following:

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to issue up to 4,000,000 Plan Options under the Plan to Mr Greg Bittar (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

The Company will disregard any votes cast in favour of this Resolution by any Director, other than a Director who is ineligible to participate in the Plan, or any of their associates. However, the Company will not disregard a vote if:

(a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Resolution 9 – Approval of issue of Plan Options to Mr Bradley Drabsch

To consider and, if thought fit, to pass with or without amendment as an **ordinary resolution** the following:

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to issue up to 5,500,000 Plan Options under the Plan to Mr Bradley Drabsch (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

The Company will disregard any votes cast in favour of this Resolution by any Director, other than a Director who is ineligible to participate in the Plan, or any of their associates. However, the Company will not disregard a vote if:

(a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Resolution 10 – Approval of issue of Plan Options to Mr Michael Bowen

To consider and, if thought fit, to pass with or without amendment as an **ordinary resolution** the following:

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to issue up to 4,000,000 Plan Options under the Plan to Mr Michael Bowen (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

The Company will disregard any votes cast in favour of this Resolution by any Director, other than a Director who is ineligible to participate in the Plan, or any of their associates. However, the Company will not disregard a vote if:

(a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Resolution 11 – Approval of issue of Plan Options to Ms Sonja Neame

To consider and, if thought fit, to pass with or without amendment as an **ordinary resolution** the following:

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to issue up to 3,500,000 Plan Options under the Plan to Ms Sonja Neame (or her nominee) on the terms and conditions in the Explanatory Memorandum."*

The Company will disregard any votes cast in favour of this Resolution by any Director, other than a Director who is ineligible to participate in the Plan, or any of their associates. However, the Company will not disregard a vote if:

(a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Resolution 12 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

"*That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.*"

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the 10% Placement Capacity (except a benefit solely by reason of being a holder of ordinary securities), or any associates of those persons. However, the Company will not disregard a vote if:

(a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## Resolution 13 – Increase of Authorised Share Capital

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"*That, for the purposes of Bermudian law and for all other purposes, the authorised share capital of the Company be and is hereby increased from £3,950,000 divided into 395,000,000 shares of 1p each to £7,500,000 by the creation of an additional 355,000,000 shares of 1p each in the capital of the Company each ranking pari passu in all respects with the existing shares.*"

The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue, a person who might obtain a benefit, except a benefit solely in the capacity of the holder of ordinary securities if the Resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if it is cast by:

(a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD

Bradley Drabsch
*Managing Director*
Dated: 21 September 2018

Proxies
Registered Shareholders for the Company only can vote at the Meeting personally or by proxy, attorney or representative. A Shareholder entitled to attend and vote at the Meeting may appoint not more than two proxies to attend and vote at the Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. A proxy may but need not be a Shareholder of the Company. The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or email and reach the respective offices of the Company, for Australian holders not later than 11.00am Western Standard Time on Monday, 1st October 2018. For the convenience of Shareholders, a Proxy Form is enclosed with Notices sent to Shareholders.

A Shareholder that is a corporation may elect to appoint a representative in accordance with the Articles of Association in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to, the Company not later than 11.00 am Western Standard Time on Monday, 1st October 2018.

CHESS Depositary Interests
Holders of CHESS Depositary Interests ("CDI") are invited to attend the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, CDI holders must complete, sign and return the CDI Form of Instruction enclosed with the Notice sent to them to the Company at Suite 5, 56 Kings Park Road, West Perth WA 6005, PO Box 1796, West Perth WA 6872 or alternatively you can email your form to info@trekmetals.com.au, so that CDI holders can direct CHESS Depositary Nominees Pty Ltd ("CDN") to vote the underlying Shares on their behalf. The CDI Form of Instruction needs to be received by not later than 11.00 am Western Standard Time on Sunday, 30th September 2018.

Trek Metals Limited
Company No. (Bermuda) 35116
ARBN 124 462 826

# EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of Trek Metals Limited ("**Trek**" or "**Company**") in connection with the business to be conducted at the Annual General Meeting of the Company to be held at The Boardroom, Bentleys (WA) Pty Ltd, Level 3, 216 St Georges Terrace, Perth, Western Australia on **Wednesday, 3rd October 2018 commencing at 11:00 am Perth WST / (12:00 pm Bermuda ADT (Atlantic Daylight Time) previous day).**

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

## 1 RESOLUTION 1 – APPOINTMENT OF AUDITOR

### 1.1 General

Section 89(1) of the Companies Act 1981 of Bermuda provides that members of a company at each annual general meeting shall appoint one or more auditors to hold office until the close of the next annual general meeting. In addition, section 89(6) provides that the remuneration of an auditor appointed by the members shall be fixed by the members or by the Directors, if they are authorized to do so by the members.

Therefore, pursuant to Resolution 1, Bentley's Audit & Corporate (WA) Pty Ltd will be appointed as the Company's auditors until the close of the next annual general meeting at a fee to be agreed by the Directors.

The Chairman intends to vote all available undirected proxies in favour of Resolution 1.

### 1.2 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

## 2 RESOLUTION 2 – RE-ELECTION OF MR BRADLEY DRABSCH

### 2.1 General

Mr Bradley Drabsch was appointed as a Director following election for a term of three years at the Annual General Meeting of the Company on 17 August 2016.

By-law 77 permits a Director to serve such term as the Company by resolution may determine, or in the absence of such determination, until the termination of the next annual general meeting following their appointment. Accordingly, Mr Bradley Drabsch submits himself for re-election.

The Company is required, pursuant to ASX Listing Rule 14.5, to hold an election of Directors each year.

Resolution 2 seeks approval for the re-election of Mr Bradley Drabsch as a Director with effect from the end of the meeting for a further term of three years.

Mr Drabsch has a BSc (Hons) Econ. Geology, and has 16 years multi-commodity experience in Australia and Mongolia. Mr Drabsh has been a leader of successful mineral exploration teams and is experienced in the identification of quality mineral opportunities and execution of exploration programs. Mr Drabsch has held key exploration and senior management roles at Ivanhoe Mines, BHP Billiton, Independence Group NL and Doray Minerals.

The Chairman intends to vote all available undirected proxies in favour of Resolution 2.

### 2.2 Directors' recommendation

Mr Bradley Drabsch declined to make a recommendation about the proposed Resolution because he has an interest in its outcome. Mr Gregory Bittar, Ms Sonja Neame and Mr Michael Bowen recommend that Mr Bradley Drabsch be re-elected to the Board.

## 3 RESOLUTION 3 – RE-ELECTION OF MR GREGORY BITTAR

### 3.1 General

Mr Gregory John Bittar was appointed as a Director on 4 March 2016 to fill a casual vacancy and elected for a term of three years at the Annual General Meeting of the Company on 17 August 2016.

By-law 77 permits a Director to serve such term as the Company by resolution may determine, or in the absence of such determination, until the termination of the next annual general meeting following their appointment. Accordingly, Mr Gregory John Bittar submits himself for re-election.

Resolution 3 seeks approval for the re-election of Mr Gregory John Bittar as a Director with effect from the end of the meeting for a further term of three years.

Mr Bittar has a Bachelor of Economics and Bachelor of Laws (University of Sydney) and Masters in Finance (London Business School), and has over 15 years investment banking and mining resource sector experience in Australia and overseas – having worked for Bankers Trust and Baring Brothers Burrows. Following the completion of his Masters in Finance in 2000, he joined Morgan Stanley, working in London, Melbourne and Sydney.

He has extensive experience in public and private markets mergers and acquisitions, capital markets and strategic advisory assignments across a range of sectors including general industrials, metals and mining, mining services and energy. Since leaving Morgan Stanley in 2010, he became Managing Director of Sherwin Iron Limited, resigning in July 2011. Mr Bittar has had a number of roles in the resources sector, in both management and consulting roles including currently as Executive Director of Millennium Minerals Ltd and Non-Executive Director of EC&M Limited.

The Chairman intends to vote all available undirected proxies in favour of Resolution 3.

### 3.2 Directors' recommendation

Mr Gregory Bittar declined to make a recommendation about the proposed Resolution because he has an interest in its outcome. Mr Michael Bowen, Mr Bradley Drabsch and Ms Sonja Neame recommend that Mr Gregory Bittar be re-elected to the Board.

## 4 RESOLUTION 4 – SUBSEQUENT APPROVAL UNDER ASX LISTING RULE 7.4 OF SECURITIES ISSUED UNDER ASX LISTING RULE 7.1

### 4.1 General

In accordance with ASX Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 allows a company in a general meeting to subsequently approve an issue of securities under ASX Listing Rule 7.1, provided the previous issue did not breach ASX Listing Rule 7.1. The Company confirms that the issue of the Shares and Options detailed below did not breach ASX Listing Rule 7.1.

Pursuant to ASX Listing Rule 7.4, Resolution 4 seeks Shareholder approval of the securities issued as consideration for the acquisition of Select Exploration (as announced on 28 March 2018) on 27 April 2018. These securities were issued without Shareholder approval under ASX Listing Rule 7.1. If such approval is given, the Company will be able to issue securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1, without obtaining prior Shareholder approval.

### 4.2 Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

(a) On 27 March 2018, the Company issued:

  (i) 10,566,636 shares ("**Battery Shares**"); and

  (ii) 5,283,318 unlisted options exercisable at $0.10 on or before 27 April 2021 ("**Battery Options**"),

  to Battery Minerals Limited (together, the "**Battery Securities**");

(b) the Battery Securities were issued consideration for the acquisition of Select Exploration in accordance with a share sale deed dated 27 March 2018;

(c) the Battery Shares are fully paid ordinary Shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares and the terms and conditions of the Battery Options are set out in Schedule 1;

(d) the Battery Securities were issued to Battery Mineral Limited, who is not a related party to the Company; and

(e) no finds were raise pursuant to the issue of the Battery Securities as the Battery Securities were issued in consideration for the acquisition of Select Exploration

A voting exclusion statement is set out in the Notice of Meeting.

The Chairman intends to vote all available undirected proxies in favour of Resolution 4.

### 4.3 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

## 5 RESOLUTION 5 – APPROVAL OF ISSUE OF CAPITAL RAISING SECURITIES

### 5.1 General

Subject to the passing of Resolution 13, Resolution 5 seeks Shareholder approval for the issue of up to 115,384,640 Shares ("**Capital Raising Shares**") at an issue price of $0.013 per Capital Raising Share to raise up to $1,500,000 (before associated costs) ("**Capital Raising**").

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The effect of Resolution 5 will be to allow the Company to issue Capital Raising Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 5 is subject to and conditional on the passing of Resolution 13.

### 5.2 Effect on Share Capital

| | Number of Shares |
|---|---|
| Number of Shares on issue at **21 September 2018** | 322,870,250 |
| Maximum number of Shares to be issued under the Capital Raising | 115,384,640 |
| **Total** | 438,254,890(1) |

(1) Assuming no Options are converted. The Company currently has 120,154,285 unlisted Options currently on issue.

### 5.3 Information required by ASX Listing Rule 7.3

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

(a) the Company will issue a maximum number of 115,384,640 Capital Raising Shares to raise up to $1,500,000 (before associated costs);

(b) the Capital Raising Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(c) the Capital Raising Shares will be issued at $0.013 per Share;

(d) the Capital Raising Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares;

(f) the Capital Raising Shares will be issued to sophisticated and professional investors, none of who will be be a related party or an associate of a related party of the Company, other than Mr Gregory Bittar, who is obtaining approval for his participation in the Capital Raising pursuant to Resolution 6;

(g) the Company intends to use the funds raised pursuant to the Capital Raising to:

   (i) advance exploration within the Dikaki Channel at the Kroussou Project;

   (ii) investigate and advance potential short-term cash flow producing options within the Dikaki Channel;

   (iii) prepare for the phase-3 drilling within Dikaki with the aim of presenting a JORC 2012 Inferred Resource to the market in late 2019;

   (iv) advance regional exploration targets at the Kroussou Project; and

   (v) general working capital purposes.

(h) the allotment and issue of the Capital Raising Shares will occur as soon as practicable after the Meeting; and

(i) a voting exclusion statement is set out in the Notice of Meeting.

The Chairman intends to vote all available undirected proxies in favour of Resolution 5.

### 5.4 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

## 6 RESOLUTION 6 – PARTICIPATION IN CAPITAL RAISING BY MR GREGORY BITTAR

### 6.1 General

Pursuant to Resolution 5 the Company is seeking Shareholder approval for the Capital Raising.

Resolution 6 seeks Shareholder approval for the issue of up to 1,500,000 Capital Raising Shares to Mr Gregory Bittar, a Director (or his nominee) to raise up to $19,500 ("Bittar Capital Raising Shares").

Resolution 6 is subject to and conditional on the passing of Resolutions 5 and 13.

### 6.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

Mr Gregory Bittar is a related party of the Company as he is a Director.

Pursuant to ASX Listing Rule 7.2, exception 14, the effect of passing Resolution 6 will be to allow the Company to issue up to 1,500,000 Capital Raising Shares to Mr Gregory Bittar without using up the Company's 15% placement capacity under ASX Listing Rule 7.1.

If Shareholders do not approve Resolution 6 (and Resolutions 5 and 13), the Company will not issue any Capital Raising Shares to Mr Gregory Bittar (or his nominee).

## 6.3 Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

(a) the Bittar Capital Raising Shares will be issued to Mr Gregory Bittar (or his nominee) who is a related party by virtue of being a Director;

(b) Mr Gregory Bittar will be issued up to a maximum of 1,500,000 Capital Raising Shares to raise up to $19,500;

(c) the Bittar Capital Raising Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the Bittar Capital Raising Shares will be issued on the same date as the other Capital Raising Shares;

(d) the Bittar Capital Raising Shares will be issued at $0.013 each, being the same issue price as the other Capital Raising Shares;

(e) the Bittar Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares and will rank equally in all respects with the Company's existing Shares;

(f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 5.3(g) of this Explanatory Statement; and

(g) a voting exclusion statement is set out in the Notice of Meeting.

The Chairman intends to vote all available undirected proxies in favour of Resolution 6.

## 6.4 Directors’ Recommendation

The Directors (other than Mr Bittar) recommend that Shareholders vote in favour of Resolution 6.

# 7 RESOLUTION 7 – APPROVAL OF ISSUE OF FACILITATOR OPTIONS

## 7.1 General

Resolution 7 seeks Shareholder approval for the issue of up to 25,000,000 unlisted Options with an exercise price of $0.023 and expiring three years from the date of issue to Hartleys Limited and Ashanti Capital Pty Ltd (and/or their nominee(s)) ("**Facilitator Options**") in consideration for corporate advisory services provided to the Company in connection with the Capital Raising.

Subject to Shareholder approval and the Company successfully raising at least $500,000 pursuant to the Capital Raising, the Company intends to grant up to:

(a) 15,000,000 Facilitator Options to Hartleys Limited; and
(b) 10,000,000 Facilitator Options to Ashanti Capital,
(and/or their nominees).

The Facilitator Options will be issued on the terms and conditions detailed in Schedule 2.

A summary of ASX Listing Rule 7.1 is provided in section 5.1 of this Explanatory Memorandum.

The effect of Resolution 7 will be to allow the Company to issue the Facilitator Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 7 is subject to and conditional on the passing of Resolutions 5 and 13.

## 7.2 Information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 7:

(a) the Company will issue a maximum of 25,000,000 unlisted Options with an exercise price of $0.023 expiring three years from the date of issue as follows:

   (i) up to 15,000,000 Facilitator Options to Hartleys Limited (and/or its nominee); and

   (ii) up to 10,000,000 Facilitator Options to Ashanti Capital (and/ or its nominee);

(b) the Facilitator Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

(c) the Facilitator Options will be issued for nil cash consideration in lieu of services provided in connection with the Capital Raising;

(d) the Facilitator Options will be issued to Hartleys Limited and Ashanti Capital (and/or their nominee(s));

(e) the full terms and conditions of the Facilitator Options are outlined in Schedule 2 to this Notice;

(f) as the Facilitator Options are being issued for nil cash consideration, no funds will be raised from the issue. The funds raised from the exercise of the Facilitator Options will be issued for the same purpose as all other funds raised under the Capital Raising as detailed in section 5.3(G) of this Explanatory Memorandum;

(g) subject to section 7.2(b), the allotment and issue of the Facilitator Options will occur as soon as practicable after the Meeting; and

(h) a voting exclusion statement is included in the Notice of Meeting.

The Chairman intends to vote all available undirected proxies in favour of Resolution 7.

### 7.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

## 8 RESOLUTIONS 8 TO 11 (INCLUSIVE) - ISSUE OF PLAN OPTIONS TO DIRECTORS

### 8.1 General

Resolutions 8 to 11 (inclusive) seek Shareholder approval pursuant to ASX Listing Rule 10.14 for the grant of up to an aggregate total of 17,000,000 unlisted Options exercisable for $0.023 and expiring three years from the date of issue, under the Plan to the Directors (or their nominee(s)) ("**Plan Options**").

The Plan was approved by Shareholders on 30 December 2016. The Board considers that the grant of Plan Options is appropriate to align the efforts of the Directors in seeking to achieve growth of the Share price and the creation of Shareholder value. In addition, the Board also believes that incentivising the Directors with Plan Options is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these Plan Options to continue to attract and retain experienced and quality Board members for the benefit of the Company.

Refer to Schedule 3 for a summary of the terms and conditions of the Plan Options.

The Plan Options to be issued pursuant to Resolutions 8 to 11 (inclusive) will vest immediately.

The Company intends to issue the following number of Plan Options to the Directors (or their nominees):

(a) 4,000,000 Plan Options to Mr Greg Bittar pursuant to Resolution 8;

(b) 5,500,000 Plan Options to Mr Bradley Drabsch pursuant to Resolution 9;

(c) 4,000,000 Plan Options to Mr Michael Bowen pursuant to Resolution 10; and

(d) 3,500,000 Plan Options to Ms Sonja Neame pursuant to Resolution 11.

## 8.2 ASX Listing Rule 10.14

Resolutions 8 to 11 (inclusive) are being put to Shareholders to seek approval for the issue of the Plan Options to Directors pursuant to ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a Director, an associate of the Director, or a person whose relationship with the entity, Director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The Directors are of the view that none of the exceptions detailed in ASX Listing Rule 10.15B apply in the current circumstances. Accordingly, Shareholder approval is sought for the allotment and issue of Plan Options to the Directors (or their nominees).

Pursuant to ASX Listing Rule 7.2, exception 14, as Shareholder approval is sought under ASX Listing Rule 10.14, approval under ASX Listing Rule 7.1 is not required.

The effect of passing Resolutions 8 to 11 (inclusive) will be to allow the Company to issue a total of 17,000,000 Plan Options to the Directors (or their nominees) without using up the Company's 15% placement capacity under ASX Listing Rule 7.1.

## 8.3 Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the issue of Plan Options:

(a) Plan Options will be issued under the Plan to Directors (or their nominee(s));

(b) the maximum number of Plan Options to be issued to the Directors (or their nominee(s)) is 17,000,000 to be issued as follows:

  (i) up to 4,000,000 Plan Options to be issued to Mr Greg Bittar (or his nominee) pursuant to Resolution 8;

  (ii) up to 5,500,000 Plan Options to be issued to Mr Bradley Drabsch (or his nominee) pursuant to Resolution 9;

  (iii) up to 4,000,000 Plan Options to be issued to Mr Michael Bowen (or his nominee) pursuant to Resolution 10; and

  (iv) up to 3,500,000 Plan Options to be issued to Ms Sonja Neame (or her nominee) pursuant to Resolution 11;

(c) the Plan Options will be issued for nil cash consideration as they will be issued as part of the Directors' remuneration packages. The exercise price of the Plan Options will be nil;

(d) the terms and conditions of the Plan Options are outlined in Schedule 3 to this Notice;

(e) since adoption of the Plan on 30 December 2016 the Company has issued the following Options for nil cash consideration,

  (i) 14,000,000 Options to Mr Bradley Drabsch;

  (ii) 10,000,000 Options to Mr Greg Bittar;

(iii) 9,000,000 Options to Mr Michael Bowen; and

(iv) 6,000,000 Options to Ms Sonja Neame.

No other persons referred to in ASX Listing Rule 10.14 have received securities under the Plan since its adoption;

(f) the persons referred to in ASX Listing Rule 10.14 who are entitled to participate in the Plan are the Directors, being Mr Greg Bittar, Mr Bradley Drabsch, Ms Sonja Neame and Mr Michael Bowen;

(g) no loan has been provided to the Directors in relation to the issue of the Plan Options;

(h) the Plan Options will be issued no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules); and

(i) a voting exclusion statement is included in the Notice of Meeting.

The Chairman intends to vote all available undirected proxies in favour of Resolutions 8 to 11 (inclusive).

### 8.4 Directors' recommendation

None of the Directors consider it appropriate to make a recommendation to Shareholders about Resolutions 8 to 11 (inclusive) as each has an interest in the Resolutions.

## 9 RESOLUTION 12 – APPROVAL OF 10% PLACEMENT CAPACITY

### 9.1 General

ASX Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued capital through placements over a 12 month period after the annual general meeting ("**10% Placement Capacity**"). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of $300 million or less. The Company is an eligible entity.

The Company is seeking Shareholder approval by way of special resolution to have the ability to issue equity securities under the 10% Placement Capacity. The number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 9.2 below).

The effect of Resolution 12 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 12 is a special resolution and therefore requires approval of 75% of votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

## 9.2 ASX Listing Rule 7.1A

The ability to issue Equity Securities under the 10% Placement Capacity is subject to Shareholder approval by way of special resolution at an annual general meeting.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: TKM).

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue, or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;

(b) plus the number of partly paid Shares that became fully paid in the previous 12 months;

(c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of Shares under the company's 15% placement capacity without Shareholder approval; and

(d) less the number of Shares cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4

## 9.3 Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 12.

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

(i) the date on which the price at which the Equity Securities are to be issued is agreed; or

(ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph 9.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

(i) 12 months after the date of this Meeting; and

(ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 12 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1 A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A.2) | Dilution | | | |
|---|---|---|---|---|
| | Issue Price (per Share) | A$0.009<br>50% decrease in Issue Price | A$0.018<br>Issue Price | A$0.036<br>100% increase in Issue Price |
| 438,254,890 (Current Variable A) | Shares issued - 10% voting dilution | 43,825,489 Shares | 43,825,489 Shares | 43,825,489 Shares |
| | Funds raised | A$ 394,429 | A$ 788,859 | A$ 1,577,718 |
| 657,382,335 (50% increase in Variable A) | Shares issued - 10% voting dilution | 65,738,233 Shares | 65,738,233 Shares | 65,738,233 Shares |
| | Funds raised | A$ 591,644 | A$ 1,183,288 | A$ 2,366,576 |
| 876,509,780 (100% increase in Variable A) | Shares issued - 10% voting dilution | 87,650,978 Shares | 87,650,978 Shares | 87,650,978 Shares |
| | Funds raised | A$ 788,859 | A$ 1,577,718 | A$ 3,155,435 |

The table above uses the following assumptions:

1. Current Variable A refers to current maximum issued capital after the Annual General Meeting and assumes all proposed issues of securities contemplated by the Resolutions in this Notice are made.

2. The issue price set out above is $0.018, being the closing price of the Shares on the ASX on 17 September 2018.

3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.

4. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

5. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

6. None of the Company's existing Options on issue are exercised.

Shareholders should note that there is a risk that:

(i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and

(ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue;

(d) Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

(i) as cash consideration in which case the Company intends to use funds raised for the continuation and acceleration of exploration on the Company's Kroussou Project in Gabon and general working capital; or

(ii) as non-cash consideration for the same purposes as above but in which circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.

(e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

(i) the purpose of the issue;

(ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;

(iii) the effect of the issue of the Equity Securities on the control of the Company;

(iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

(v) prevailing market conditions; and

(vi) advice from corporate, financial and broking advisers (if applicable).

(f) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of the Notice, the Company has on issue 322,870,250 Shares on issue. Assuming Resolution 5 is approved, the Company will have 438,254,890 Shares on issue and will have the capacity to issue:

(i) 65,738,233 Equity Securities under ASX Listing Rule 7.1; and

(ii) subject to Shareholder approval being obtained under this Resolution 12, 43,825,489 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 9.2).

In the 12 months preceding the date of the Meeting the Company issued a total of 157,534,285 Equity Securities which represent approximately 55% of the total number of Equity Securities on issue at 2 October 2017, being 12 months before the date of the Meeting. The Equity Securities issued in the preceding 12 months were as follows:

| Date of Issue | No. Issued | Class | Recipient of Security | Issue price and details of any discount to market price | Consideration and use of funds other than cash |
|---|---|---|---|---|---|
| Opening Balance 2.10.17 | 231,990,250 Fully paid ordinary shares<br><br>1,250,000 Unlisted options expiring 31/12/20 exercisable at $0.16<br>27,500,000 Unlisted options expiring 30/6/19 exercisable at $0.03<br>24,750,000 Unlisted options expiring 2/11/21 exercisable at $0.06 | | | | |
| 24.10.17 | 4,000,000 | Fully paid ordinary shares | Various sophisticated investors | $0.025 | $100,000 used for advancement of exploration activities at Kroussou Project, Aboriginal heritage negotiations for Lawnhill Project, evaluation of new project opportunities and general working capital. |
| 24.10.17 | 1,500,000 | Unlisted $0.06 options expiring 2/11/21 | Employees and Consultants pursuant to the Employee Share Option Scheme | Nil | N/A |
| 22.11.17 | 58,997,562 | Fully paid ordinary shares | Various sophisticated investors | $0.031 | $1,828,924 used for initial assessment of the Arunta Lithium-Cobalt Project, continuing advancement at the Kroussou Project, supporting ongoing exploration at the Lawnhill Project and working capital purposes |

| Date of Issue | No. Issued | Class | Recipient of Security | Issue price and details of any discount to market price | Consideration and use of funds other than cash |
|---|---|---|---|---|---|
| 4.12.17 | 8,744,373<br><br>33,870,967 | Fully paid ordinary shares<br><br>Unlisted $0.06 options expiring 2/11/21 | Various sophisticated investors | $0.031<br><br>Nil | $271,075 used for initial assessment of the Arunta Lithium-Cobalt Project, continuing advancement at the Kroussou Project, supporting ongoing exploration at the Lawnhill Project and working capital purposes |
| 4.12.17 | 8,571,429 | Fully paid ordinary shares | Coolabah Group Pty Ltd | $0.035 Deemed issue price (Current value $154,286 valued at the closing price of the Shares on the ASX on 17 September 2018). | Deemed consideration of $300,000 for as consideration for the acquisition of ELM Resources Pty Ltd in accordance with a Share Sale Deed dated 13 November 2017 between the Company, ELM Resources Pty Ltd and Coolabah Group Pty Ltd |
| 4.12.17 | 21,000,000 | Unlisted $0.06 options expiring 2/11/21 | Directors and employees pursuant to the Employee Share Option Scheme as approved by shareholders on 4 December 2017 | Nil | N/A |

| Date of Issue | No. Issued | Class | Recipient of Security | Issue price and details of any discount to market price | Consideration and use of funds other than cash |
|---|---|---|---|---|---|
| 4.12.17 | 4,000,000 | Unlisted $0.06 options expiring 2/11/21 | PAC Partners Pty Ltd | Nil | N/A |
| 4.12.17 | 1,000,000 | Unlisted $0.06 options expiring 2/11/21 | Employees pursuant to the Employee Share Option Scheme | Nil | N/A |
| 27.4.18 | 10,566,636<br><br>5,283,318 | Fully paid ordinary shares<br><br>Unlisted $0.10 options expiring 27/4/21 | Battery Minerals Limited | Deemed Issue price $0.025 (Current value $190,199 valued at the closing price of the Shares on the ASX on 17 September 2018)<br><br>Nil (Current value $15,019 using Black & Scholes valuation as at 17 September 2018) | Deemed consideration of US$200,000 for the acquisition of Select Exploration in accordance with a Share Sale Deed dated 27 March 2018 between the Company and Battery Minerals Limited |

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

If the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

(i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4; and

(ii) the information required by ASX Listing Rule 3.10.5A for release to the market.

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 12.

The Chairman intends to vote all available undirected proxies in favour of Resolution 12.

### 9.4 Directors’ recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 12.

## 10 RESOLUTION 13 - INCREASE OF AUTHORISED SHARE CAPITAL

### 10.1 General

The Company is required to seek Shareholder approval in order to increase its authorised share capital. Currently, the Company has an authorised share capital of £3,950,000 (divided into 395,000,000 shares of 1 p each). In order for the Company to be capable of issuing that maximum number of Shares contemplated by Resolution 5, the exercise of allotted options currently on issue and contemplated in Resolutions 8 to 11 and to enable it to issue securities under its ASX Listing Rules 7.1 and 7.1A capacity, the Company is required to increase its authorised share capital to £7,500,000 divided into 750,000,000 shares by the creation of an additional 355,000,000 shares of 1p.

| Shares | Number | Authorised Share Capital |
|---|---|---|
| Authorised share capital as at 20 September 2018 | 395,000,000 | £3,950,000 |
| Additional number authorised to be issued | 355,000,000 | £3,550,000 |
| Total | 750,000,000 | £7,500,000 |

The Chairman intends to vote all available undirected proxies in favour of Resolution 13.

### 10.2 Directors’ recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 13.

## GLOSSARY OF TERMS

In this Explanatory Memorandum and Notice of Meeting, in addition to the terms defined in the body of the Explanatory Memorandum, the following expressions have the following meanings:

"10% Placement Capacity" has the meaning given to that term in section 9.1.

"AUD$" or "A$" means Australian dollars.

"Ashanti Capital" means Ashanti Capital Pty Ltd (ACN 614 939 981).

"ASX" means the ASX Limited ABN 98 008 624 691 and where the context permits the Australia Securities Exchange operated by ASX Limited.

"ASX Listing Rules" means the listing rules of the Australian Securities Exchange operated by ASX Limited ABN 98 008 624 691.

"Battery Options" has the meaning given to that term in section 4.2, the terms and conditions of which are set out in Schedule 1.

"Battery Securities" has the meaning given to that term in section 4.2.

"Battery Shares" has the meaning given to that term in section 4.2.

"Bittar Capital Raising Shares" has the meaning given to that term in section 6.2.

"Board" means the board of Directors.

"Business Day" means a day (not being a Saturday or Sunday) on which banks are open for general banking business in Perth, Western Australia.

"By-laws" means the by-laws of the Company.

"Capital Raising" has the meaning given to that term in section 5.1.

"Capital Raising Shares" has the meaning given to that term in section 5.1.

"Capital Raising Shares" means the Shares in the Company issued pursuant to the Capital Raising at an issue price of $0.013.

"CDI" means a CHESS Depository Interest representing a unit of beneficial ownership in a Share registered in the name of CHESS Depositary Nominees Pty Ltd.

"Chairman" means the person appointed to chair the Meeting of the company convened by the Notice.

"Company" or "Trek" or "TKM" means Trek Metals Limited ARBN 124 462 826.

"Companies Act" means the Bermuda Companies Act 1981, as amended.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"**Directors**" mean the directors of Trek.

"**Equity Securities**" has the same meaning as in the ASX Listing Rules.

"**Explanatory Memorandum**" means this Explanatory Memorandum.

"**Facilitator Options**" has the meaning given to that term in section 7.1, the terms and conditions of which are set out in Schedule 2.

"**Hartleys**" means Hartleys Limited A.B.N. 33 104 195 057.

"**Meeting**" means the annual general meeting of shareholders of Trek convened by the Notice.

"**Notice**" or "**Notice of Meeting**" means the notice of annual general meeting that accompanies this Explanatory Memorandum.

"**Option**" means an option to acquire a Share.

"**Optionholder**" means a holder of an Option.

"**Plan**" means the employee share option plan approved by Shareholders on 30 December 2016.

"**Plan Option**" has the meaning given to that term in section 8.1, the terms and conditions of which are set out in Schedule 3.

"**Proxy Form**" means the proxy form accompanying the Notice of Meeting.

"**Resolution**" means a resolution referred to in the Notice of Meeting.

"**Schedule**" means a schedule to this Notice.

"**Select Exploration**" means Select Exploration Company, a company incorporated in accordance with the laws of Gabon with company number 098614 C2/CGL.

"**Shareholder**" means a registered holder of Shares.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**VWAP**" means volume weighted average price.

"**WST**" means Western Standard Time as observed in Perth, Western Australia.

## Schedule 1 – Terms and conditions of Battery Options

1. **Entitlement**

Each Option entitles the holder Optionholder to subscribe for one Share in the Company upon exercise.

2. **Vesting**

Each Option will vest and be exercisable 12 months from the date of issue ("**Vesting Date**").

3. **Exercise Price and Expiry Date**

Each Option shall have an exercise price of A$0.10 ("**Exercise Price**") and shall expire 36 months from the date of issue ("**Expiry Date**").

4. **Exercise Period**

Each Option is exercisable at any time after the Vesting Date and before the Expiry Date ("**Exercise Period**").

5. **Notice of Exercise**

The Options may be exercised by notice in writing to the Company ("**Notice of Exercise**") and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

6. **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the existing Shares of the Company.

7. **Quotation of Shares on exercise**

Application will be made by the Company to ASX (or, if the Company is no longer listed on ASX, to the securities exchange on which the Company's shares are admitted for quotation) for official quotation of the Shares issued upon the exercise of the Options.

8. **Timing of issue of Shares and quotation of Shares on exercise**

Within 5 business days after the later of the following:

(a) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and

(b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a Notice of Exercise as set out in clause 8(a) above,

the Company will:

(a) allot and issue the Shares pursuant to the exercise of the Options;

(b) as soon as reasonably practicable:

(i) and in any event within 5 business days after issuing the Shares, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; or

(ii) lodge a prospectus with ASIC that qualifies the Shares issued upon exercise of the Options for resale under section 708A(11) of the Corporations Act (which, if a notice is not lodged under paragraph (i) above, must be lodged with ASIC within 15 business days after issuing the Shares); and

(c) apply for, and use best endeavours to obtain, official quotation on ASX (or, if the Company is no longer listed on ASX, to the securities exchange on which the Company's shares are admitted for quotation) of Shares issued pursuant to the exercise of the Options,

provided that if the Company receives a Notice of Exercise within 2 weeks after the release of its annual financial statements or after the release of its half-year financial statements, it must take the actions set out in clauses (c) to (e) above within 5 business days after receiving the Notice of Exercise.

2. Participation in new issues

There are no participation rights or entitlements inherent in the Options and Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

3. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if Options held by the Holder had been exercised before the record date for the bonus issue; and

(b) no change will be made to the Exercise Price.

4. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

5. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Holders of Options may be varied to comply the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

6. Quotation of Options

No application for quotation of the Options will be made by the Company.

7. Options Transferable

The Options are not transferable.

8. Authorisation

The Company represents and warrants to the Holder that the Options are validly issued and create an obligation on the Company to issue Shares upon exercise of the Options.

9. Amendments

The terms and conditions of the Options may only be amended subject to compliance with the ASX Listing Rules (or the rules of the relevant securities exchange on which the Company's shares are admitted for quotation).

10. Lodgement Instructions

The Exercise Price may be paid by cheque or electronic funds transfer to an account nominated by the Company. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

# Schedule 2 – Terms and conditions of Facilitator Options

1. Entitlement

Each Option entitles the Optionholder to subscribe for one Share upon exercise.

2. Exercise Price and Expiry Date

The exercise price of each Option is $0.023 ("**Exercise Price**").

Each Option shall expire on 5.00pm WST three years from the date of issue ("**Expiry Date**").

3. Exercise Period

Each Option may be exercised at any time before the Expiry Date ("**Exercise Period**")

4. Quotation of Options

No application for quotation of the Options will be made by the Company.

5. Exercise Notice

A notice under the Clearing House Electronic Subregister System ("**CHESS**") instead of a certificate will be issued for the Options. On the reverse side of the notice there will be endorsed a statement of rights of the Optionholder and a notice of exercise of Option that is to be completed when exercising the Options ("**Exercise Notice**"). If there is more than one Option comprised in the notice and prior to the Expiry Date those Options are exercised in part the Company will issue another notice for the balance of the Options held and not yet exercised.

6. Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

7. Timing of the Issue of Shares on Exercise and Quotation

Within 5 Business Days after the later of the following:

(a) receipt of a Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised; and

(b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of an Exercise Notice as set out in clause 7(a) above,

the Company will:

(a) allot and issue the Shares pursuant to the exercise of the Options;

(b) as soon as reasonably practicable:

(i) and in any event within 5 Business Days after issuing the Shares, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; or

(ii) lodge a prospectus with ASIC that qualifies the Shares issued upon exercise of the Options for resale under section 708A(11) of the Corporations Act (which, if a notice is not lodged under paragraph (i) above, must be lodged with ASIC within 15 Business Days after issuing the Shares); and

(c) apply for, and use best endeavours to obtain, official quotation on ASX (or, if the Company is no longer listed on ASX, to the securities exchange on which the Company's shares are admitted for quotation) of Shares issued pursuant to the exercise of the Options,

provided that if the Company receives an Exercise Notice within 2 weeks after the release of its annual financial statements or after the release of its half-year financial statements, it must take the actions set out in clauses 7(c) to (e) above within 5 Business Days after receiving the Notice of Exercise.

## 2. Participation in New Issues

The Optionholder may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the ASX Listing Rules to the Optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.

## 3. Adjustment for Bonus Issues of Shares

There is no right to change the exercise price of an Option nor the number of underlying Shares over which the Option can be exercised, if the Company completes a bonus issue.

## 4. Adjustment for Entitlement Issue

(a) The Optionholder will be permitted to participate in any new pro-rata issue of securities of the Company on the prior exercise of the Options in which case, the Optionholder will be afforded the period of at least 5 Business Days prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise the Options.

(b) There is no right to change the exercise price of an Option nor the number of underlying Shares over which the Option can be exercised, if the Company completes a pro rata issue.

## 5. Adjustment for Reorganisation

In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Optionholder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

## 6. Transferability

The Options are not transferrable.

## 7. Dividend Policy

The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.

## 8. Amendments

The terms and conditions of the Options may only be amended subject to compliance with the ASX Listing Rules (or the rules of the relevant securities exchange on which the Company's shares are admitted for quotation).

## Schedule 3 – Terms and conditions of Plan Options

1. **Entitlement**

Each Plan Option ("**Options**") entitles the Holder to subscribe for one Share upon exercise.

2. **Plan**

(a) The Options are issued under the Plan.

(b) In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

3. **Exercise Price and Expiry Date**

(a) The exercise price of each Option is \$0.023 ("**Exercise Price**").

(b) The expiry date of each Option ("**Expiry Date**") is the earlier to occur of:

(i) 5.00pm WST three years from the date of issue; and

(ii) the Options lapsing and being forfeited under the Plan or these terms and conditions.

4. **Shares Issued on Exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

5. **Vesting Conditions**

The Plan Options will vest immediately.

6. **Exercise Period**

Each vested Option is exercisable at any time prior to the Expiry Date ("**Exercise Period**").

7. **Exercise Notice and payment of Exercise Price**

(a) The Options may be exercised during the Exercise Period by notice in writing to the Company ("**Exercise Notice**") and payment (by cash, cheque, Share transfers, or any other legal means accepted by the Company) of the Exercise Price for each Option being exercised. Any Exercise Notice of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(b) The Holder may apply to the Board to pay the Exercise Price for an Option by using the cashless exercise facility as detailed in the Plan ("**Cashless Exercise Facility**").

(c) If the Board approves the Holder's application to use the Cashless Exercise Facility, the Holder will only be issued that number of Shares (rounded down to the nearest whole number) as is equal in value to the difference between the total Exercise Price otherwise payable for the Options being exercised and the then market value of the Shares at the date of exercise ("**Market Value**"), calculated in accordance with the following formula:

$$S = \frac{O \times (MSP - EP)}{MSP}$$

Where:

S = number of Shares to be issued on exercise of the Options

| | | |
|---|---|---|
| O | = | number of Options |
| MSP | = | market value of the shares calculated using the volume weighted average market price for Shares calculated over the last 5 days on which sales in the Shares were recorded immediately preceding the date of exercise |
| EP | = | Exercise Price |

(d) If the difference between the total Exercise Price otherwise payable for the Options being exercised and then then Market Value of the Shares at the time of exercise is negative or zero, then the Holder will not be entitled to use the Cashless Exercise Facility.

## 8. Timing of issue of Shares and quotation of Shares on exercise

Within 10 Business Days of delivery of an Exercise Notice given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised the Company will:

(a) issue the Shares pursuant to the exercise of the Options together with any additional Shares an entitlement to which has arisen under the Plan in consequence of the exercise of the Options;

(b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for the sale of the Shares does not require disclosure to investors; and

(c) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX by no later than 5 Business Days after the date of exercise of the Option.

## 9. Participation in New Issues

(a) There are no participating rights or entitlements inherent in the Options and Holders will not be entitled to participate in new issues of capital which may be offered to Shareholders from time to time prior to the Expiry Date without exercising the Options.

(b) The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

## 10. Adjustment for Bonus Issues of Shares

In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

## 11. Adjustment for Entitlement Issue

If the Company makes a pro rata issue of securities (except a bonus issue) to the Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price shall be reduced as determined by the Board in its sole discretion and in accordance with the ASX Listing Rules.

## 12. Adjustment for Reorganisation

If at any time the capital of the Company is reorganised (including by way of a return of capital, consolidation, subdivision, reduction or cancellation), the terms of the Options will be changed in a manner consistent with the ASX Listing Rules at the time of the reorganisation.

## 13. Transferability

(a) Subject to the ASX Listing Rules and the Corporations Act, an Option granted under the Plan is only transferable, assignable or able to be otherwise disposed or encumbered:

(i) with the consent of the Board (which may be withheld in its absolute discretion); or

(ii) by force of law upon death to the Holder's legal personal representative or upon bankruptcy to the Holder's trustee in bankruptcy.

(b) A Holder must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to Options granted to them under the Plan.

(c) Where the Holder purports to transfer, assign, mortgage, charge or otherwise dispose or encumber an Option granted under the Plan, other than in accordance with Rule 13.8(a), or hedge an Option contrary to Rule 13.8(b), the Option immediately expires.

## 14. Dividend Policy

Options will not confer upon the Holder the right to dividends or to notice of, or to vote and attend at, meetings of Shareholders unless and until any Option has been exercised and Shares have been issued to the Holder.

# PROXY FORM

The Company Secretary
Trek Metals Limited

| *By delivery:* | *By post:* | *By email:* |
|---|---|---|
| Suite 5, 56 Kings Park Road | PO Box 1796 | info@trekmetals.com.au |
| West Perth WA 6005 | West Perth WA 6872 | |

*Step 1 – CHESS Depositary Nominees Pty Ltd will vote as directed*

I/We[1]______________________________________________________________________

of _______________________________________________________________________

## Voting Instructions to CHESS Depositary Nominees Pty Ltd

I/We being a holder of CHESS Depositary Interests of Trek Metals Limited hereby direct CHESS Depositary Nominees Pty Ltd to vote the shares underlying my/our holding at the Annual General Meeting of Trek Metals Limited to be held at The Boardroom, Bentleys (WA) Pty Ltd, Level 3, 216 St Georges Terrace, Perth, Western Australia on Wednesday, 3 October 2018 at 11:00 am Perth WST / (12:00 pm Bermuda ADT (Atlantic Daylight Time) previous day). and at any adjournment or postponement of that meeting.

By execution of this CDI Voting Form the undersigned hereby authorises CHESS Depositary Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

Voting Instructions will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

*Step 2 – Instructions as to Voting on Resolutions*

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

| | | For | Against | Abstain |
|---|---|---|---|---|
| Resolution 1 | Appointment of Auditor | ☐ | ☐ | ☐ |
| Resolution 2 | Re-election of Director – Mr Bradley Drabsch | ☐ | ☐ | ☐ |
| Resolution 3 | Re-election of Director – Mr Gregory Bittar | ☐ | ☐ | ☐ |
| Resolution 4 | Subsequent Approval under ASX Listing Rue 7.4 | ☐ | ☐ | ☐ |
| Resolution 5 | Approval of Issue of Capital Raising Securities | ☐ | ☐ | ☐ |
| Resolution 6 | Participation in Capital Raising by Gregory Bittar | ☐ | ☐ | ☐ |
| Resolution 7 | Approval of Issue of Facilitator Options | ☐ | ☐ | ☐ |
| Resolution 8 | Approval of Issue of Plan Options to Gregory Bittar | ☐ | ☐ | ☐ |
| Resolution 9 | Approval of Issue of Plan Options to Bradley Drabsch | ☐ | ☐ | ☐ |
| Resolution 10 | Approval of Issue of Plan Options to Michael Bowen | ☐ | ☐ | ☐ |
| Resolution 11 | Approval of Issue of Plan Options to Sonja Neame | ☐ | ☐ | ☐ |
| Resolution 12 | Approval of 10% Placement Facility | ☐ | ☐ | ☐ |
| Resolution 13 | Increase of Authorised Share Capital | ☐ | ☐ | ☐ |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Authorised signature/s

This section *must* be signed in accordance with the instructions below to enable your voting instructions to be implemented.

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

| Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
|---|---|---|
| | | |
| Sole Director and Sole Company Secretary | Director | Director/Company Secretary |

Contact Name ______ Contact Daytime Telephone ______ Date ______

[1]Insert name and address of Shareholder

Voting Instruction Notes:

Each CHESS Depositary Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI registered in your name at 1 October 2018 entitles you to one vote. You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depositary Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depositary Nominees Pty Ltd enough time to tabulate all CHESS Depositary Interest votes and to vote on the underlying shares.

You must sign this form as follows in the spaces provided:

| | |
|---|---|
| Joint Holding: | where the holding is in more than one name all of the holders must sign. |
| Power of Attorney: | if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it. |
| Companies: | a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space. |

Voting Instruction forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Voting Instruction form (and the power of attorney or other authority) must be deposited at or received by email at the address below no later than 72 hours prior to the time of commencement of the Annual General Meeting (WST).

Hand deliveries: Suite 5, 56 Kings Park Road, West Perth WA 6005

Postal address: PO Box 1796, West Perth WA 6872

Email: info@trekmetals.com.au