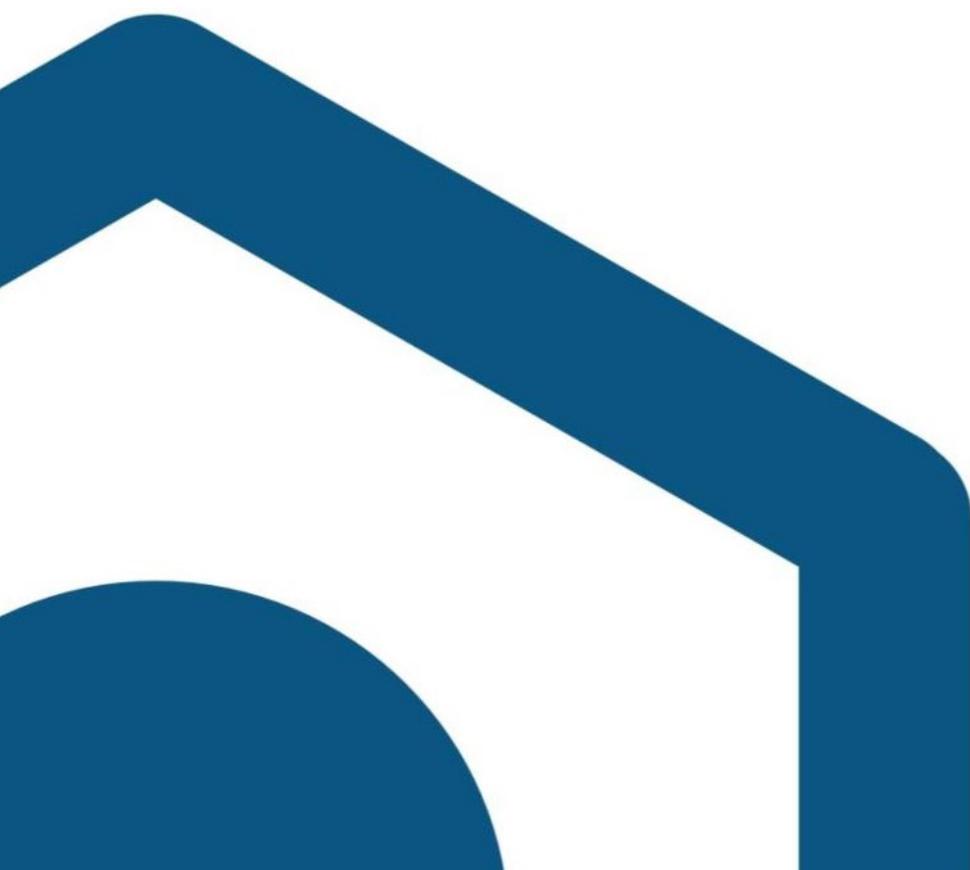




ACN: 126 042 215

Annual Report

For the year ended 31 December 2020



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DIRECTORS

Mr Xingmin (Max) Ji

Mr Patrick Burke

Mr Peter Canterbury

Mr Chengdong Wang

Non-Executive Chairman

Non-Executive Deputy Chairman

Non-Executive Director

Non-Executive Director

COMPANY SECRETARY

Mr David Edwards

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SOLICITORS

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Letter from the Chairman

Dear Shareholder

Welcome to Triton Minerals' 2020 Annual Report, as we reflect on progress at our flagship Ancuabe Graphite Project in Mozambique over the past 12 months.

Triton aims to be the next East African graphite producer and is targeting production of up to 60,000 tonnes of high purity, graphite concentrate per annum. Our Ancuabe Project is the only large scale, large flake graphite project in the region and its high-purity, large flake graphite, commands a market price premium over smaller flake products. A Definitive Feasibility Study Triton completed in late 2017 confirmed Ancuabe to be a high quality, long life, high margin graphite project and is underpinned by a JORC-compliant Ore Reserve of 24.9 million tonnes at 6.2% total graphite content (TGC) for an expected mine life of 27 years.

In September, we completed a fully underwritten placement of TONOE Options, which was heavily oversubscribed with strong support from eligible option holders. This raised \$340,000 before costs which contributed to our working capital and we thank our shareholders for their participation in this and for their ongoing support and belief in Triton as an emerging graphite producer.

In December, Triton advised that Peter Canterbury would step down as Managing Director and Chief Executive Officer of Triton effective 31 January 2021 but continuing as a Non-Executive Director to ensure a smooth transition as the Company proceeds into the construction phase at Ancuabe. We thank Peter for his efforts while in the role and his commitment to staying on the Board. Triton Chief Financial Officer David Edwards has assumed the role of Interim Chief Executive Officer

In addition to this, I would like to thank all staff and management, as well as my fellow Board members, for their support and efforts during the past year.

With progress at Ancuabe and an improved graphite outlook for 2021, we can be confident of a busy and productive year ahead and I look forward to keeping you updated on our progress at Ancuabe.

Sincerely,



Max Ji

Chairman

18 March 2021

Directors' Report

The Directors present their report on Triton Minerals Limited (the Company) and its controlled entities (Triton or the Group) for the financial year ended 31 December 2020 (FY2020).

Directors

The following persons were Directors of the Company and were in office during the financial year and up to the date of this report:

Xingmin (Max) Ji (Non-Executive Chairman, appointed 22 July 2016)

Mr Xingmin Ji has over 20 years of finance and investment experience and has worked in China, Hong Kong, USA, Singapore and Australia in the fields of resource project development, stock market investment, foreign currency, real estate and other investment projects.

Previously, Mr Ji has been the representative of the majority shareholder for more than 20 companies, including a company listed on the Shanghai Stock Exchange. He has also been Director and Chairman for numerous companies, some of which operated international joint ventures.

Mr Ji was the CEO of Minjar Gold between 2011 and 2014 and guided the company from exploration to production and was integral in the sale of Minjar Gold into Shanghai Stock Exchange listed Shandong Tianye.

Mr Ji is currently the CEO of Minjar Gold and is a nominee director of Jigao International Investment Development Co Ltd.

Current and former directorships of listed entities in last three years:

None

Special responsibilities:

Member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Interest in securities:

108,524 ordinary shares

Peter Canterbury (Non-Executive Director, appointed 3 October 2016)

Mr Canterbury is a highly regarded senior mining executive with significant knowledge of project development on operations in Australia and Africa. Mr Canterbury was previously the CEO of Bauxite Resources Limited for 2 years. Prior to this he was the CFO of Sundance Resources for six years. He played a lead role in negotiating the Mining and Development convention for Sundance in Cameroon for the US\$5 billion integrated iron ore mine, rail and port project. He was also critical in the rebuilding of Sundance as acting CEO following the tragic plane crash in June 2010, which claimed the lives of the CEO and the entire Board.

Between 2001 and 2007, Mr Canterbury was the Chief Financial Officer of Dadco Europe, which owns the Stade Alumina refinery in Germany and a share in the CBG bauxite mine in Guinea. He was responsible for the finance, commerce and logistics functions of the Company. Earlier in his career he held several senior positions with Alcoa World Alumina in the finance, marketing and projects areas in Australia and overseas.

On 31 January 2021, Mr Canterbury stepped down as Managing Director and Chief Executive Officer and commenced a new senior executive role with De Grey Mining Limited commencing the beginning of February 2021.

Current and former directorships of listed entities in last three years:

None

Special responsibilities:

None

Directors' Report

Interest in securities:

4,850,000 ordinary shares

Mr Patrick Burke (Non-Executive Deputy Chairman, appointed 22 July 2016)

Mr Burke holds a Bachelor of Law from the University of Western Australia. He has extensive legal and corporate advisory experience and over the last 15 years has acted as a Director for several ASX, NASDAQ and AIM listed resources companies. His legal expertise is in corporate commercial and securities law in particular capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.

Current and former directorships of listed entities in last three years:

Province Resources Limited (Appointed 9 November 2020)

Mandrake Resources Limited (Appointed 4 August 2019)

Meteoric Resources Limited (Appointed 1 December 2017)

Triton Minerals Limited (Appointed 22 July 2016)

Koppar Resources Limited (Appointed 5 February 2018: Resigned 31 December 2019)

Vanadium Resources Limited (Appointed 1 July 2017: Resigned 29 November 2019)

Transcendence Technologies Limited (Appointed 28 September 2018: Resigned 20 November 2019)

WestWater Resources, Inc. (Appointed 16 March 2016: Resigned 4 April 2019)

Bligh Resources Limited (Appointed 5 December 2016: Resigned 28 November 2018)

ATC Alloys Limited (Appointed 8 September 2014: Resigned 1 June 2018)

Special responsibilities:

Member of the Audit and Risk Committee and Remuneration and Nomination Committee.

Interest in securities:

Nil

Mr Chengdong Wang (Non-Executive Director, appointed 13 December 2019)

Mr Wang holds a Bachelor of Economics and a Master of Business Administration. He is a certified senior accountant in China and held numerous senior financial roles. He is currently the financial controller and assistant CEO of Jinan Hi Tech Holding Group and is a nominee director of Jigao International Investment Development Co Ltd.

Current and former directorships of listed entities in last three years:

None

Special responsibilities:

Member of the Audit and Risk Committee and Remuneration and Nomination Committee (appointed 20 February 2020)

Interest in securities:

Nil

Interim Chief Executive Officer, Chief Financial Officer and Company Secretary

Mr David Edwards (appointed 3 January 2017)

Mr Edwards is a chartered accountant with significant experience in corporate governance, strategy and business planning, debt and equity markets, investor relations, joint venture management and operations. He holds a Bachelor of Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales. On 1st February 2020, Mr Edwards was appointed as Interim Chief Executive Officer.

Principal Activity

The principal activity of the Group during the financial year was development of the Ancuabe Graphite Project in Mozambique.

Operating and Corporate Activities Review

Company Overview

Triton Minerals Limited is an ASX listed mining exploration and development company focussed on graphite projects. Triton, through its 100% owned subsidiaries domiciled in the United Arab Emirates, has a 100% economic interest in Grafex Limitada (Grafex) (an entity domiciled in Mozambique). Grafex is the registered holder of six exploration licenses (two of which are subject to licence renewal) and one mining concession (MC9132C) in the Cabo Delgado Province of northern Mozambique. The licenses comprise three project areas: the Ancuabe Project, the Balama North Project and the Balama South Project. All three areas are considered highly prospective for graphite and all tenements are located in Mozambique.

The Ancuabe Project is located approximately 45km due west from the northern Mozambique coastal port of Pemba on the Indian Ocean shoreline. A mining concession for the Project was granted in May 2019 that provides the necessary regulatory approval to progress the development of Ancuabe. The Project is adjacent the operational AMG Graphit Kropfmühl (GK) Ancuabe Mine.

A Definitive Feasibility Study¹ (DFS) was completed for the Ancuabe Graphite Project in December 2017 and confirmed that Ancuabe is a high quality, long life, high margin graphite project. The DFS was accompanied by the announcement of a Maiden JORC Compliant Ore Reserve of 24.9Mt at 6.2% Total Graphitic Carbon (TGC) at Ancuabe that supported the DFS evaluation period of 27 years at an annual production of approximately 60,000 Tonnes Per Annum (tpa) of graphite concentrate. The total Indicated and Inferred Mineral Resource at the Ancuabe T12 and T16 deposits is 46.1 Mt at an average grade of 6.6% TGC for 3.04 Mt of contained graphite².

The DFS financial outcomes showed an unleveraged pre-tax net present value of US\$298m (calculated using discount rate of 10%), unleveraged pre-tax internal rate of return 36.8% and a payback period of 3.8 years based on the annual production of approximately 60,000 tpa of graphite concentrate over the evaluation period of 27 years. The average annual Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) over the evaluation period was US\$43.6m based on a basket price of US\$1,435 per tonne of graphite concentrate and average operating costs over the evaluation period excluding royalty of US\$634 per tonne (FCA Port of Pemba).

The Balama North Projects (Nicanda West Project, Nicanda Hill Project and Cobra Plains Project) are located approximately 230km west of Pemba, in northern Mozambique, in a vicinity of known graphite mineralisation. The Balama North Project currently contains one of the world's largest graphite and vanadium deposits at Nicanda Hill.

The Balama South project is located approximately 35 km south of the Balama township within the same north-east trending geological domain covered by the Balama North project which hosts the Cobra Plains deposit and the Nicanda Hill prospect.

¹ See ASX announcement 15 December 2017 'Triton Delivers Robust Ancuabe Definitive Feasibility Study and Declares Maiden Ore Reserve'. Triton is not aware of any new information or data that materially affects the information included in the relevant market announcement, and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

² See ASX Announcement 14 December 2017 'Additional Mineral Resource Upgrade at Ancuabe Graphite Project'. Triton is not aware of any new information or data that materially affects the information included in the relevant market announcement, and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Tenement Schedule

As at 31 December 2020, the Group held an 100% economic interest in Grafex, the holder of the following interests in exploration tenements:

| Licence | Project | Prospect/ Deposit | Location | Status | Interest | Note |
|---------|------------|----------------------|------------|-------------------|----------|------|
| EL5966 | Balama Nth | Nicanda Hill | Mozambique | Granted | 100% | |
| EL5365 | Balama Nth | Cobra Plains | Mozambique | Pending extension | 100% | 1 |
| EL5304 | Balama Sth | - | Mozambique | Granted | 100% | |
| EL5380 | Ancuabe | T20 | Mozambique | Granted | 100% | 2 |
| MC9132C | Ancuabe | T12, T16 | Mozambique | Granted | 100% | |
| EL5305 | Ancuabe | - | Mozambique | Granted | 100% | 3 |

Notes - All applications are pending a response from the Mozambique mining authority, INAMI. All licences remain in force on the INAMI Cadastre while pending applications are being considered.

1. Application to renew licence for a further two years submitted in September 2017.
2. Application to renew licence for a further two years submitted in August 2017. Application to modify and reduce the area submitted in November 2017.
3. Application to modify area submitted in November 2017.

Ancuabe Graphite Project

The development activities during FY2020 were primarily focussed on introducing a strategic partner to facilitate funding for the Project to commence construction.

Corporate Activity

On 22 September 2020, Triton completed the placement of 162,820,190 TONOE Options at an issue price of \$0.002 per option to raise \$325,640 before costs of the placement, with each TONOE Option issued having an exercise price of \$0.10 and expiring on 25 September 2021. Proceeds from the capital raising are being applied to development activities including permitting, engineering and financing, offer costs and working capital. An additional 7,348,571 TONOE Options are subject to the receipt of shareholder approval at the Company's next general meeting, expected to be held in May 2021.

Included in the financial report for the year ended 31 December 2020 is an independent auditor's report which includes an Emphasis of Matter paragraph in regard to the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. For further information, refer to Note 2 to the financial statements, together with the auditor's report.

The Company has demonstrated a track record in raising capital and the directors are confident that the Group will be able to secure funding sufficient to meet the requirements to continue as a going concern.

Results of Operations

The net loss of the Group for the year ended 31 December 2020 was \$2,161,090 (2019: \$2,637,347). The loss reflects the development stage of the Group and arises primarily from directors and employee benefits expenses, corporate and administrative costs.

Directors' Report

Financial performance for the previous 5 years is as follows:

| | | 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2018 | 31 Dec 2017 | 31 Dec 2016 Restated |
|--|-----|----------------|----------------|----------------|----------------|----------------------------|
| Net Loss after Tax | \$ | 2,161,090 | 2,637,347 | \$4,029,587 | 3,417,506 | 31,125,010 |
| Basic Loss per share | Cps | (0.19) | (0.28) | (0.48) | (0.50) | (6.65) |
| Closing share price | \$ | \$0.051 | \$0.038 | \$0.042 | \$0.096 | \$0.064 |
| (Decrease)/Increase in closing share price | % | 34 | (10) | (56) | 51 | (27) |

Financial Position

The consolidated statement of cash flows shows a decrease in cash and cash equivalents for the year ended 31 December 2020 of \$2,525,231 (2019: \$3,499,241 increase). During the year, the Group raised \$326,967 (2019: \$9,221,858) before costs from the issue of share capital and options. At year end the Group had funds of \$2,317,461 (2019: \$4,854,545) available for future operational use and has no borrowings.

Business Strategies and Prospects for Future Financial Years

The strategic objectives of the Group are to create long term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits.

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's ordinary shares.

Funding Risk

The Company's ability to operate its business and effectively implement its business plan within the timeframe that it is aiming to achieve will depend in part on its ability to raise further funds by way of debt and equity. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Existing funds will not be sufficient for expenditure required for certain aspects of the Company's business plan, including the construction and commissioning of mining operations and processing facilities in Mozambique. Any additional equity financing may dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Exploration and Operating Risks

Mining exploration and production is inherently uncertain and speculative in nature. The operations of the Group may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, sovereign risk difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Environmental risks

The operations and proposed activities of the Group are subject to the laws and regulations of Australia and Mozambique concerning the environment. As with most mining projects and operations, the Group's activities are expected to have an impact on the environment, particularly if mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Graphite price risk

The demand for, and the price of, commodities are highly dependent on a variety of factors, including international supply and demand, the price and availability of substitutes, technological advances, actions taken by governments and global economic and political developments. Given the Company's main activities, which primarily involve exploration for and potentially the production of graphite, the Company's operational and financial performance, as well as the economic viability of its projects, is heavily reliant on the prevailing global price of these minerals, among other things. Volatility in commodity markets may therefore materially affect the profitability and financial performance of the Company and the price of its Shares.

Competition

Competition from international graphite producers, developers and explorers may affect the potential future cash flow and earnings which the Company may realise from its operations. For example, the introduction of new mining and processing facilities and any increase in competition and supply in the global graphite and vanadium markets could lower the price of these commodities. The Company may also encounter competition from other mining and exploration companies for the acquisition of new projects required to sustain or increase its potential future production levels.

Covid-19

The outbreak of the coronavirus disease (COVID-19) is having a material effect on global economic markets and the global economic outlook remains uncertain. This has and may continue to have a significant impact on capital markets, supply chains, international travel and trade. Any governmental measures taken in response to COVID-19 may adversely impact the Company's development activities and are likely to be beyond the control of the Company.

The Board continues to monitor the impact of COVID-19 closely and have considered the impact of COVID-19 on the Company's strategy. The situation is continually evolving and the consequences are uncertain.

Significant Changes in the State of Affairs

There were no other significant changes in the state of affairs of the Company other than those described within the operating and corporate activities review.

Dividends

No dividends were paid during the year (FY2019: \$Nil) and the Directors do not recommend the payment of a dividend for this financial year.

Directors' Report

Indemnification and Insurance

The Company has agreed to indemnify the Directors and officers of its controlled entities for all liabilities to another person, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company shall meet the full amount of any such liabilities, including costs and expenses. The Company has not indemnified the auditors.

Significant Events After the Balance Sheet Date

On 31 January 2021, Mr Canterbury stepped down as Managing Director and Chief Executive Officer and Mr David Edwards was appointed as interim Chief Executive Officer effective 1 February 2021.

Proceedings on Behalf of the Company

No person has applied for leave to the Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings.

Directors' Meetings

The number of Directors' meetings (including committees of Directors) held in the year and the number of meetings attended by each of the Directors of the Company during the financial year are:

| | Board | | Audit and Risk | | Remuneration and Nomination | |
|------------------|-------------------|-----------------------|-------------------|-----------------------|-----------------------------|-----------------------|
| | Held ¹ | Attended ² | Held ¹ | Attended ² | Held ¹ | Attended ² |
| Xingmin (Max) Ji | 7 | 7 | 2 | 2 | 1 | 1 |
| Peter Canterbury | 7 | 7 | N/A | N/A | N/A | N/A |
| Patrick Burke | 7 | 7 | 2 | 2 | 1 | 1 |
| Chengdong Wang | 7 | 5 | 2 | 2 | 1 | 0 |

1. Number of meetings held during the time the director held office or was a member of the committee during the year.

2. Number of meetings attended.

N/A: Not a member of this committee

Remuneration Report (Audited)

This report for the year ended 31 December 2020 outlines the remuneration arrangements for Key Management Personnel (KMP). This information has been audited in accordance with section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements of KMP who are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

Directors' Report

The KMP of Triton for the year ended 31 December 2020 are as follows:

| Director | Role | Appointment | Resigned |
|------------------|---|--------------------|-----------------|
| Xingmin Ji | Non-Executive Chairman | 22 Jul 2016 | N/a |
| Peter Canterbury | Managing Director | 3 Oct 2016 | N/a |
| Patrick Burke | Non-Executive Deputy Chairman | 22 Jul 2016 | N/a |
| Chengdong Wang | Non-Executive Director | 13 Dec 2019 | N/a |
| Executive | Role | Appointment | |
| David Edwards | Interim Chief Executive Officer | 1 Feb 2021 | N/a |
| | Chief Financial Officer & Company Secretary | 3 Jan 2017 | N/a |

Principles Used to Determine the Nature and Amount of Remuneration

Remuneration Policy

The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and a performance-based component comprising short-term and long-term incentives.

Executive Remuneration

The Company aims to reward Key Management Personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and are aligned with market practice. Employment contracts are reviewed annually by the Remuneration and Nomination Committee (Committee).

The KMP pay and reward framework comprises base remuneration and benefits, short-term incentives and long-term incentives.

Base Remuneration

Base remuneration consists of fixed contractual salary, legislated employer contributions to superannuation funds and other employee benefits (car parking).

At Risk Component: Short term incentives

Short term incentives such as cash incentives may be awarded and are determined based on performance targets established by the Remuneration and Nomination Committee and take into consideration performance metrics such as the Company's performance, an individual employee's performance and the individual employee's contribution to the Company's performance.

At Risk Component: Long term incentives

The Company has adopted an Employee Equity Incentive Plan designed to align employee incentives with shareholder interests, encourage employee share ownership and assist with employee attraction and retention.

For further information regarding the long-term incentives granted to Key Management Personnel refer to the Share-based Compensation section of the Remuneration Report.

The Company has a policy preventing Directors hedging their exposure to risks associated with the Company's securities that they receive as compensation.

Non-Executive Director Remuneration

The Company's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Committee determines payments to Non-Executive Directors and reviews their remuneration regularly and at least annually.

Directors' Report

Non-Executive Directors may be paid fees for their services as directors of the Company, or other amounts as determined by the Committee where the director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

The maximum aggregate amount that can be paid to Non-Executive Directors is subject to approval by shareholders at a general meeting. The current aggregate Non-Executive Director remuneration pool is \$500,000 per year.

Remuneration Governance, Structure and Approvals

The Committee is responsible for determining and reviewing compensation arrangements for the Directors and Executives. The role of the Committee also includes responsibility for performance rights, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, liability insurance policies and other terms of employment.

The Committee meets at least annually and reviews remuneration having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels intended to attract and retain Key Management Personnel capable of managing the Company's activities. No remuneration consultants were employed during the financial year.

The practices of negotiation and annual review of KMP performance and remuneration are carried out by the Managing Director who makes recommendations to the Committee. The Chairman of the Board who makes recommendations to the full Board undertakes the review of the Managing Director's performance and remuneration.

Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

During the exploration and development phases of its business, the Board anticipates that the Company will retain cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

Similarly, the Company does not expect to be undertaking profitable operations until after the successful commercialisation of its projects. The Board does not therefore consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Fees paid to Non-Executive Directors accrue daily and are not linked to Group performance.

Voting and comments made at the Company's 2020 Annual General Meeting

The Company received more than 98.7% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Remuneration of Key Management Personnel

Details of the nature and amount of each element of the remuneration of each of the KMP for the year ended 31 December 2020 and 31 December 2019 are as follows:

Directors' Report

| Year 2020 | KMP Compensation | | | Post-Employment Benefits | Long Term Benefits | Total |
|-----------------------|-------------------|--------------|---------------|--------------------------|--------------------|----------------|
| | Base Salary/ Fees | Benefits | Incentive | | | |
| | \$ | \$ | \$ | | | |
| Director | | | | | | |
| Xingmin (Max) Ji (i) | 60,000 | - | - | - | - | 60,000 |
| Peter Canterbury (ii) | 400,000 | 3,250 | 40,000 | 38,000 | - | 481,250 |
| Patrick Burke (i) | 60,000 | - | - | - | - | 60,000 |
| Chengdong Wang (i) | 60,000 | - | - | - | - | 60,000 |
| Executive | | | | | | |
| David Edwards (iii) | 225,000 | 3,250 | 14,063 | 21,375 | 7,500 | 271,188 |
| Total | 805,000 | 6,500 | 54,063 | 59,375 | 7,500 | 932,438 |

- Percentage of remuneration that is performance based is 0%
- Percentage of remuneration that is performance based is 8%
- Percentage of remuneration that is performance based is 5%
- Short term benefits relate to car parking provided at the Company's head office and long term benefits relate to increases in accrued annual leave

| Year 2019 | KMP Compensation | | | Post-Employment Benefits | Long Term Benefits | Total |
|----------------------------|-------------------|--------------|----------------|--------------------------|--------------------|------------------|
| | Base Salary/ Fees | Benefits | Incentive | | | |
| | \$ | \$ | \$ | | | |
| Director | | | | | | |
| Xingmin (Max) Ji (i) | 60,000 | - | - | - | - | 60,000 |
| Peter Canterbury (ii) | 400,000 | 3,250 | 120,000 | 38,000 | 18,458 | 579,708 |
| Paula Ferreira (iii) | 56,452 | - | - | - | - | 56,452 |
| Patrick Burke (i) | 60,000 | - | - | - | - | 60,000 |
| Guanghui (Michael) Ji (iv) | 57,097 | - | - | - | - | 57,097 |
| Chengdong Wang (v) | 3,065 | - | - | - | - | 3,065 |
| Executive | | | | | | |
| David Edwards (vi) | 225,000 | 3,250 | 42,188 | 21,375 | 6,058 | 297,871 |
| Total | 861,614 | 6,500 | 162,188 | 59,375 | 24,516 | 1,114,193 |

- Percentage of remuneration that is performance based is 0%
- Percentage of remuneration that is performance based is 20%
- Percentage of remuneration that is performance based is 0%, resigned on 12 December 2019
- Percentage of remuneration that is performance based is 0%, resigned 13 December 2019
- Percentage of remuneration that is performance based is 0%, appointed 13 December 2019
- Percentage of remuneration that is performance based is 14%
- Short term benefits relate to car parking provided at the Company's head office and long term benefits relate to increases in accrued annual leave

Transactions with Key Management Personnel

There were no transactions with KMP during the year.

Key Management Personnel Employment Agreements

Remuneration arrangements for KMP are formalised in employment agreements.

Managing Director: Peter Canterbury

Mr Canterbury stepped down as Managing Director and Chief Executive Officer on 31 January 2021. Until this date, Mr Canterbury was employed under an open term contract with a three-month notice period that could have been terminated by either the Group or Mr Canterbury. The key terms of the contract were:

- Fixed remuneration of \$400,000 per annum plus superannuation;
- The maximum short-term incentive opportunity is 40% of fixed remuneration; and
- Mr Canterbury is eligible to participate in the Company's Employee Equity Incentive Plan.

From 1 February 2021, Mr Canterbury is remunerated as a Non-Executive Director and is paid fees of \$60,000 per annum.

Chief Financial Officer and Company Secretary: David Edwards

Mr Edwards is employed under an open term contract that may be terminated with two months' notice by either the Group or Mr Edwards. The key terms of the contract are:

- Fixed remuneration of \$225,000 per annum plus superannuation;
- The maximum short-term incentive opportunity is 25% of fixed remuneration; and
- Mr Edwards is eligible to participate in the Company's Employee Equity Incentive Plan.

As a result of assuming the position of Interim Chief Executive Officer David has been eligible for a temporary increase in annual fixed remuneration of \$100,000.

Non-Executive Directors

Non-executive directors are paid fees of \$60,000 per annum. There are no contractual termination benefits and contracts are conditional upon re-election by shareholders. An appointment shall cease automatically if the Director gives notice to the Board or if the Director is not re-elected as a Director by the shareholders of the Company. There are no termination entitlements or notice periods.

Options and Performance Rights Granted to Key Management Personnel

Unlisted Options

On 9 January 2018, Shareholders at a general meeting passed resolutions to issue unlisted options to non-executive directors (or their nominees) as follows: Xingmin (Max) Ji, 3,000,000 unlisted options, Patrick Burke, 2,500,000 unlisted options; Guanghui (Michael) Ji, 2,000,000 unlisted options; Paula Ferreira, 2,000,000 unlisted options. The options were issued for no consideration with an exercise price of \$0.11 and a vesting date of 9 January 2019. The options granted to Paula Ferreira and Guanghui (Michael) Ji expired on 12 December 2019 and 13 December 2019 respectively. The unlisted options issued to Xingmin (Max) Ji and Patrick Burke expired on 9 January 2020.

Shares and Performance Rights

During the 2020 financial year, no shares, options or performance rights were granted to KMP as remuneration.

Loans to Directors and Key Management Personnel

No loans have been made to KMP of the Group, including their related entities.

Additional Disclosures Relating to Key Management Personnel

The movement during the financial year in the number of ordinary shares, options over ordinary shares and performance rights in the Company held directly, indirectly or beneficially by each KMP, including their related parties, is as follows:

Directors' Report

Shareholdings of Key Management Personnel

| | 1 January 2020 | Purchased | Sold | 31 December 2020 |
|------------------|-------------------|----------------|--------------------|---------------------|
| Name | | | | |
| Xingmin (Max) Ji | 108,524 | - | - | 108,524 |
| Peter Canterbury | 6,728,571 | 121,429 | (2,000,000) | 4,850,000 |
| Patrick Burke | - | - | - | - |
| Chengdong Wang | - | - | - | - |
| David Edwards | 1,640,625 | - | (300,000) | 1,340,625 |
| | 8,477,720 | 121,429 | (2,300,000) | 6,299,149 |

Options of Key Management Personnel

| | 1 January 2020 | Expired | 31 December 2020 |
|------------------|-------------------|--------------------|---------------------|
| Name | | | |
| Xingmin (Max) Ji | 3,007,235 | (3,007,235) | - |
| Peter Canterbury | 48,571 | (48,571) | - |
| Patrick Burke | 2,500,000 | (2,500,000) | - |
| Chengdong Wang | - | - | - |
| David Edwards | - | - | - |
| | 5,555,806 | (5,555,806) | - |

This concludes the audited Remuneration Report.

Environmental Regulation

The Group holds various exploration licenses which regulate its exploration activities in Mozambique. These licenses include conditions and regulations with respect to the rehabilitation of areas disturbed during exploration activities. The Board believes that it has adequate systems in place for the management of its environmental requirements and is not aware of any breach of environmental requirements as they apply to the Group.

Shares under Option

Unissued ordinary shares of Triton Minerals Limited under option at the date of this report are as follows:

| | Exercise Price | Shares under option |
|---|-------------------|------------------------|
| Listed options expiry 25 September 2021 | \$0.10 | 162,820,190 |
| | | 162,820,190 |

No option holder has any right under the options to participate in any other share issue of the Company or of any other entities.

Directors' Report

Shares Issued on the Exercise of Options

During the financial year ended 31 December 2020, 12,844 fully paid ordinary shares (2019: 226) were issued on exercise of options.

Non-Audit Services

During the year there were no non-audit services provided by PricewaterhouseCoopers.

Auditors' Independence Declaration

The auditor's independence declaration for the year ended 31 December 2020 has been received and can be found on page 16.

Corporate Governance Statement

The Board of Directors of Triton Minerals Limited is responsible for the corporate governance of the Company. Corporate governance describes the framework of rules, relationships, systems and processes within a company and the way in which authority is exercised and controlled within an organisation. The Board guides and monitors the business and affairs of the Company on behalf of security holders by whom they are elected and to whom they are accountable.

The Company's Corporate Governance Statement have been approved by the Board and are available on the Company's website at www.tritonminerals.com.

Signed in accordance with a resolution of the Board of Directors.



Max Ji
Chairman
Dated at Perth this 19 March 2021



Auditor's Independence Declaration

As lead auditor for the audit of Triton Minerals Limited for the year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Triton Minerals Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Douglas Craig'.

Douglas Craig
Partner
PricewaterhouseCoopers

Perth
19 March 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Note | 2020 \$ | 2019 \$ |
|--|------|--------------------|--------------------|
| Directors and employee benefits expense | | (1,081,937) | (1,145,517) |
| Administration expenses | | (106,874) | (135,373) |
| Corporate and marketing costs | | (552,709) | (725,761) |
| Depreciation and amortisation expense | | (140,025) | (145,948) |
| Exploration and evaluation expenditure | | (134,042) | (175,054) |
| Other income | 4 | 29,060 | - |
| Increase in provision for foreign tax | 10 | - | (174,556) |
| Foreign currency loss | | (175,459) | (65,807) |
| Results from operating activities | | (2,161,986) | (2,568,016) |
| Finance income | | 48,201 | 13,861 |
| Finance expense | | (47,305) | (83,192) |
| Net financing income/(expense) | | 896 | (69,331) |
| Loss before income tax | | (2,161,090) | (2,637,347) |
| Net loss for the year | | (2,161,090) | (2,637,347) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | |
| Foreign currency translation | | (2,227,889) | 29,875 |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Changes in the fair value of equity investments at fair value through other comprehensive income | | - | 12,476 |
| Total comprehensive loss for the year | | (4,388,979) | (2,594,996) |
| | | | |
| | | 2020 | 2019 |
| | | Cents | Cents |
| Loss per share attributable to ordinary equity holders – basic and diluted | 17 | (0.19) | (0.28) |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

-

Consolidated Statement of Financial Position

| | Note | 2020 | 2019 |
|--------------------------------------|------|-------------------|-------------------|
| | | \$ | \$ |
| Current assets | | | |
| Cash and cash equivalents | 5 | 2,317,461 | 4,854,545 |
| Trade and other receivables | 6 | 211,786 | 183,904 |
| Prepayments | | 104,180 | 86,775 |
| Total current assets | | 2,633,427 | 5,125,224 |
| Non-current assets | | | |
| Other receivables | 7 | 2,361,475 | 2,582,413 |
| Prepayments | | 19,391 | 29,969 |
| Plant and equipment | | 50,524 | 80,445 |
| Exploration and evaluation assets | 9 | 18,850,797 | 20,356,649 |
| Right-of-use-assets | | 60,852 | 182,544 |
| Total non-current assets | | 21,343,039 | 23,232,020 |
| Total assets | | 23,976,466 | 28,357,244 |
| Current liabilities | | | |
| Trade and other payables | 8 | 390,990 | 456,985 |
| Lease liabilities | | 59,078 | 121,075 |
| Provisions | 10 | 735,394 | 779,405 |
| Total current liabilities | | 1,185,462 | 1,357,465 |
| Non-current liabilities | | | |
| Lease Liabilities | | - | 59,078 |
| Provisions | 10 | 60,001 | 60,001 |
| Total non-current liabilities | | 60,001 | 119,079 |
| Total liabilities | | 1,245,463 | 1,476,544 |
| Net assets | | 22,731,003 | 26,880,700 |
| Equity | | | |
| Issued capital | 11 | 95,322,971 | 95,325,360 |
| Reserves | 12 | 6,018,023 | 8,004,241 |
| Accumulated losses | | (78,609,991) | (76,448,901) |
| Total equity | | 22,731,003 | 26,880,700 |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

| | Ordinary Share Capital | Reserves | Accumulated Losses | Total |
|--|------------------------------|--------------------|-----------------------|--------------------|
| CONSOLIDATED | \$ | \$ | \$ | \$ |
| Balance at 1 January 2019 | 87,019,826 | 7,364,470 | (73,824,030) | 20,560,266 |
| Comprehensive Income: | | | | |
| Loss for the period | - | - | (2,637,347) | (2,637,347) |
| Gain on translation of foreign currency subsidiary | - | 29,875 | - | 29,875 |
| Unrealised gain on financial assets at fair value through other comprehensive income | - | 12,476 | - | 12,476 |
| Transfer of gain on disposal of equity investment | - | (12,476) | 12,476 | - |
| Total comprehensive Income for the period | - | 29,875 | (2,624,871) | (2,594,996) |
| Transactions with owners recorded directly in equity | | | | |
| Issue of shares and attaching options | 8,500,023 | 721,835 | - | 9,221,858 |
| Equity issue costs | (194,489) | (111,939) | - | (306,428) |
| Balance at 31 December 2019 | 95,325,360 | 8,004,241 | (76,448,901) | 26,880,700 |
| Balance at 1 January 2020 | 95,325,360 | 8,004,241 | (76,448,901) | 26,880,700 |
| Comprehensive Income: | | | | |
| Loss for the period | - | - | (2,161,090) | (2,161,090) |
| Loss on translation of foreign currency subsidiary | - | (2,227,889) | - | (2,227,889) |
| Total comprehensive Income for the period | - | (2,227,889) | (2,161,090) | (4,338,979) |
| Transactions with owners recorded directly in equity | | | | |
| Issue of shares/Listed options | 1,228 | 325,738 | - | 326,966 |
| Equity issue costs | (3,617) | (84,067) | - | (87,684) |
| Balance at 31 December 2020 | 95,322,971 | 6,018,023 | (78,609,991) | 22,731,003 |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

| | Note | 2020 \$ | 2019 \$ |
|---|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash receipts from Government | | 29,060 | - |
| Payments to suppliers and employees | | (1,955,854) | (1,447,069) |
| Payment to the Creditors Trust | | - | (38,833) |
| Interest Paid | | (27,474) | (3,329) |
| Interest received | | 11,460 | 8,192 |
| Net cash outflow from operating activities | 19 | (1,942,808) | (1,481,039) |
| Cash flows from investing activities | | | |
| Payments for exploration and evaluation expenditure | | (687,664) | (1,437,153) |
| Proceeds from sale of shares financial assets at fair value | | - | 167,678 |
| Proceeds from R&D Tax concession | | - | 66,978 |
| Net cash outflow from investing activities | | (687,664) | (1,202,497) |
| Cash flows from financing activities | | | |
| Proceeds from issues of shares/Listed Options | | 326,967 | 9,221,858 |
| Share and Listed options issue costs | | (91,184) | (302,968) |
| Proceeds from borrowings | | - | 3,575,000 |
| Repayment of borrowings | | - | (3,575,000) |
| Principal elements of lease payments | | (130,542) | (124,073) |
| Payment of bank guarantees | | - | (2,612,040) |
| Net cash inflow from financing activities | | 105,241 | 6,182,777 |
| Net (decrease)/increase in cash and cash equivalents | | (2,525,231) | 3,499,241 |
| Cash and cash equivalents at the beginning of the financial year | | 4,854,545 | 1,383,865 |
| Net foreign exchange differences | | (11,853) | (28,561) |
| Cash and cash equivalents at the end of the financial year | 5 | 2,317,461 | 4,854,545 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE: 1. REPORTING ENTITY

These consolidated financial statements comprise Triton Minerals Limited (Company) and its controlled entities (the Group). Triton Minerals Limited is a company limited by shares, incorporated and domiciled in Australia.

The Group is a for-profit entity and is primarily involved in mineral exploration, evaluation and development.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on an historical cost basis except for the measurement at certain financial assets and liabilities, assets held for sale and defined benefit pension plans.

Going Concern

The financial statements have been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 31 December 2020, the Group recorded a loss after tax of \$2,161,090 (2019: Loss of \$2,637,347) and had a net working capital surplus of \$1,447,965 (2019: surplus of \$3,767,759). Cash out flows from operational and investing activities were \$2,630,472 (2019: cash out flow of \$2,680,207) primarily reflecting corporate and Ancuabe development activities.

The Group has prepared a cash flow forecast for the construction and commissioning of the Ancuabe Graphite Project. The forecast demonstrates that there is a need for additional funding over and above the funds available at 31 December 2020. Without additional funds the Company would be required to significantly scale back planned Ancuabe activity, payroll costs and corporate overheads.

Whilst the Company has demonstrated a track record in raising capital and ongoing discussions with financiers indicate that development funding may be made available when required, there exists a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern for a period greater than 12 months from the date of this report without additional capital and therefore, whether it is able to realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The financial statements were authorised for issue by the Board of Directors on 19 March 2021.

Functional and Presentation Currency

The presentation currency for the Group is in Australian Dollars. The functional currency for entities in the Group is disclosed in Note 2(j).

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with AASBs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 2(p) – Exploration and Evaluation Assets

Note 9 – Provisions

b. New Standards, Interpretations and Amendments Adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia
- Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.

Summary of quantitative impacts

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Standards and Interpretations on issue not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

c. Principles of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an

Notes to the Consolidated Financial Statements

impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are carried at cost less impairment in the Company's separate financial statements.

d. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Tax Consolidation

Triton Minerals Limited and its Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Therefore, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Triton Minerals Limited.

Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the stand-alone taxpayer approach to allocation. Current tax liabilities and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax-consolidated group to apply from 1 July 2006. The tax-consolidated group has entered into a tax funding agreement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the Group's taxable income. Differences between

Notes to the Consolidated Financial Statements

the amounts of net tax assets and liabilities derecognised and the net amount recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to, the head entity.

e. Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

f. Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in the statement of comprehensive income. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

g. Depreciation

Property, plant and equipment are depreciated on a straight-line basis at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset.

| Class of Fixed Asset | Useful Life |
|-----------------------------|--------------------|
| Plant and Equipment | 2 – 20 years |

The assets' carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit and loss on disposal are determined by comparing proceeds with the carrying amount. These amounts are included in the consolidated statement of profit or loss and other comprehensive income.

h. Financial Assets

(i) Classification

The group's financial assets comprise loans and receivables and equity investments.

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value; and

Notes to the Consolidated Financial Statements

- those to be measured at amortised cost.

Triton has reclassified its financial assets as subsequently measured at amortised cost or fair value depending on the business model for those assets and the contractual cash flow characteristics. There was no change in the classification or measurement of financial liabilities.

The Group's financial assets of cash and cash equivalents and trade and other receivables are classified as 'financial assets at amortised cost'.

(ii) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

Assets classified as available-for-sale

If there was objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any

Notes to the Consolidated Financial Statements

impairment loss on that financial asset previously recognised in profit or loss – was removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss were not reversed through profit or loss in a subsequent period. If the fair value of a debt instrument classified as available-for-sale increased in a subsequent period and the increase could be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss was reversed through profit or loss.

(v) Income Recognition

Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method and recognised in the consolidated statement of profit or loss and other comprehensive income as part of other income.

(vi) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

i. Impairment of Non-Financial Assets

Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the

Notes to the Consolidated Financial Statements

extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j. Foreign Currency Translation

Foreign Operations

The consolidated financial statements are presented in Australian dollars which is the functional currency of the Company and its Australian, Hong Kong and United Arab Emirates registered subsidiaries. The functional currencies of Grafex Limitada and Kwe Kwe Graphite Limitada, Mozambican subsidiaries controlled by Triton, is Mozambique Meticals.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of consolidated profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

k. Employee Benefits

Short-Term Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long-Term Employee Benefits

The group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

l. Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

m. Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

n. Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including financial assets at fair value through other comprehensive income), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and

Notes to the Consolidated Financial Statements

gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

p. Exploration and Evaluation Assets

Expenditure on exploration and evaluation is incurred either to maintain an interest or in earning an interest and is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active significant operations in, or relating to, the area of interest are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the Directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

- Acquired exploration assets are not written down below acquisition cost until the acquisition cost is not expected to be recovered.
- When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

Notes to the Consolidated Financial Statements

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised development expenditure. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment. Costs related to the acquisition of properties that contain mineral resources are allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

q. Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

r. Share-based Payment Transactions

The grant-date fair value of share-based payment awards granted is recognised as an expense, with a corresponding increase in equity, over the period that the individual unconditionally becomes entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share based-payment awards with market-based conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

s. Segment Reporting

Determination and Presentation of Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expense that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Notes to the Consolidated Financial Statements

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

t. Earnings per Share (EPS)

Basic Earnings per Share

Basic earnings per share are calculated by dividing the net profit/(loss) attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE: 3. DETERMINATION OF FAIR VALUES

Equity Instruments

The fair value of financial assets at fair value through other comprehensive income is determined by reference to their quoted closing bid price at the reporting date.

Trade and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-Derivative Financial Liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The fair value of the provision for foreign tax was initially determined using management's estimate of the US dollar liability that may arise converted at the equivalent Australian dollar exchange rate at the date the provision was recognised. During 2019, the provision was increased to US\$480,000 to reflect that maximum capital gains tax that may be assessed on the acquisition.

The provision was subsequently revalued using the Australian dollar exchange rate at 31 December 2020.

Share-Based Payment Transactions

The fair value of the employees' shares is measured using an appropriate valuation model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

NOTE: 4. OTHER INCOME

| | 2020 | 2019 |
|----------------------------|---------------|----------|
| | \$ | \$ |
| Government cash flow boost | 29,060 | - |
| Other income | 29,060 | - |

Notes to the Consolidated Financial Statements

NOTE: 5. CASH AND CASH EQUIVALENTS

| | 2020 | 2019 |
|--|------------------|------------------|
| | \$ | \$ |
| Cash at bank and on hand | 2,302,461 | 4,839,545 |
| Short-term bank deposits | 15,000 | 15,000 |
| Total cash and cash equivalents | 2,317,461 | 4,854,545 |

NOTE: 6. TRADE AND OTHER RECEIVABLES

| | 2020 | 2019 |
|-----------------------------------|----------------|----------------|
| | \$ | \$ |
| Trade debtors | 2,127 | 2,078 |
| Goods and services tax receivable | 19,935 | 3,526 |
| Other receivables | 47,813 | 11,485 |
| Mozambique sales tax | 141,911 | 166,815 |
| Total current receivables | 211,786 | 183,904 |

During FY2019, the Mozambique tax authority refunded sales tax of 17,307,144 Mozambican Metical (Approximately \$400,000).

Due to the short-term nature of receivables, their carrying value is assumed to approximate their fair value.

NOTE: 7. NON-CURRENT ASSETS: OTHER RECEIVABLES

| | 2020 | 2019 |
|--------------------------------|------------------|------------------|
| | \$ | \$ |
| Bank guarantee | 2,361,475 | 2,582,413 |
| Total other receivables | 2,361,475 | 2,582,413 |

In 2019, Company paid a financial guarantee (Approximately USD\$1,778,716.63) to the Mozambique mining authority to meet the requirements of the Mozambique mining regulations to commence construction of the Ancuabe Graphite Project.

NOTE: 8. CURRENT TRADE AND OTHER PAYABLES

| | 2020 | 2019 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| Trade payables | 109,482 | 98,287 |
| Accruals | 215,125 | 304,845 |
| Other payables | 66,383 | 53,853 |
| Total trade and other payables | 390,990 | 456,985 |

Trade payables are non-interest bearing and usually settled within 45 days.

Notes to the Consolidated Financial Statements

NOTE: 9. EXPLORATION & EVALUATION ASSETS

Exploration at cost

| | 2020 | 2019 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Balance at the beginning of the year | 20,356,649 | 19,346,112 |
| Expenditure during the year | 665,954 | 1,144,130 |
| Exploration and evaluation assets written off | - | (87,298) |
| Research and development tax concession credit | - | (66,978) |
| Foreign exchange translation | (2,171,806) | 20,683 |
| Balance at the end of the financial year | 18,850,797 | 20,356,649 |

NOTE: 10. PROVISIONS

| | 2020 | 2019 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| Current | | |
| Provision for foreign tax | 623,215 | 682,788 |
| Provision for annual leave | 112,179 | 96,617 |
| Total current provisions | 735,394 | 779,405 |
| Non-current | | |
| Provision for rehabilitation | 60,001 | 60,001 |
| Total Non-Current Provisions | 60,001 | 60,001 |
| Movement in provisions | | |
| Opening balance | 839,406 | 673,844 |
| Provisions made during the year | 91,472 | 273,451 |
| Provisions used during the year | (74,150) | (102,442) |
| Foreign exchange translation | (61,333) | (5,447) |
| Closing balance | 795,395 | 839,406 |

On 21 February 2018, the Company announced it had entered into an agreement with the minority shareholder of Grafex under which the Company agreed to purchase the remaining minority interest. On completion of the purchase, Triton's economic interest in Grafex increased from 80% to 100%. The acquisition completed in March 2018. A provision for foreign tax of US\$480,000 has been recognised to reflect the maximum capital gains tax that may be assessed on the acquisition. The Company has commenced the process to undertake the self-assessment required to settle any liability that may arise.

Notes to the Consolidated Financial Statements

NOTE: 11. ISSUED CAPITAL

a. Ordinary shares

| | Number of Shares | | \$ | \$ |
|--|------------------|---------------|------------|------------|
| | 2020 | 2019 | 2020 | 2019 |
| Ordinary shares, issued and fully paid | 1,134,468,067 | 1,134,455,223 | 95,322,971 | 95,325,360 |

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

b. Movements in ordinary shares issued

| 2020 | | Number | \$ |
|---------------------------------|--|----------------------|-------------------|
| At 1 January 2020 | | 1,134,455,223 | 95,325,360 |
| 7 Feb 2020 | Exercise Option TONOD | 3,215 | 321 |
| 7 Feb 2020 | Additional Transaction cost for 2019 Placement | - | (3,617) |
| 17 Sep 2020 | Exercise of options | 4,349 | 380 |
| 24 Sep 2020 | Exercise of options | 3,138 | 314 |
| 6 Oct 2020 | Exercise of options | 2,142 | 214 |
| Balance 31 December 2020 | | 1,134,468,067 | 95,322,971 |

Shares were issued during the year to provide working capital to the Company.

| 2019 | | Number | \$ |
|---------------------------------|---------------------|----------------------|-------------------|
| At 1 January 2019 | | 927,137,924 | 87,019,826 |
| 2 Jul 2019 | Exercise of options | 226 | 23 |
| 10 Dec 2019 | Placement | 207,317,073 | 8,500,000 |
| | Transaction costs | | (194,489) |
| Balance 31 December 2019 | | 1,134,455,223 | 95,325,360 |

Shares were issued during the year to provide working capital to the Company.

Notes to the Consolidated Financial Statements

c. Movements in listed options

| 2020 | | Number of Options | Exercise Price \$ | Expiry Date |
|---------------------------------|---------------------|----------------------|----------------------|-------------------|
| At 1 January 2020 | | 204,049,657 | | |
| 7 Feb 2020 | Exercise of options | (3,215) | 0.10 | 30 September 2020 |
| 17 Sep 2020 | Exercise of options | (4,349) | 0.10 | 30 September 2020 |
| 24 Sep 2020 | Exercise of options | (3,138) | 0.10 | 30 September 2020 |
| 25 Sep 2020 | Issue of options | 162,820,190 | 0.10 | 25 September 2021 |
| 30 Sep 2020 | Expiry of options | (204,036,813) | 0.10 | 30 September 2020 |
| 30 Sep 2020 | Exercise of options | (2,142) | 0.10 | 30 September 2020 |
| Balance 31 December 2020 | | 162,820,190 | | |

On 22 September 2020, Triton completed the placement of 162,820,190 TONOE Options at an issue price of \$0.002 per option to raise \$325,640 before costs of the placement, with each TONOE Option issued having an exercise price of \$0.10 and expiring on 25 September 2021. Proceeds from the capital raising are being applied to development activities including permitting, engineering and financing, offer costs and working capital. An additional 7,348,571 TONOE Options are subject to the receipt of shareholder approval at the Company's next general meeting, expected to be held in May 2021.

| 2019 | | Number of Options | Exercise Price \$ | Expiry Date |
|---------------------------------|---------------------|----------------------|----------------------|-------------------|
| At 1 January 2019 | | 70,376,718 | | |
| 1 Feb 2019 | Issue of options | 133,673,165 | 0.10 | 30 September 2020 |
| 2 July 2019 | Exercise of options | (226) | 0.10 | 30 September 2020 |
| Balance 31 December 2019 | | 204,049,657 | | |

d. Movements in unlisted options

| 2020 | | Number of Options | Exercise Price \$ | Expiry Date |
|---------------------------------|-------------------|----------------------|----------------------|-------------|
| At 1 January 2020 | | 5,500,000 | | |
| 9 Jan 2020 | Expiry of options | (5,500,000) | 0.11 | 9 Jan 2020 |
| Balance 31 December 2020 | | - | | |

| 2019 | | Number of Options | Exercise Price \$ | Expiry Date |
|---------------------------------|-------------------|----------------------|----------------------|-------------|
| At 1 January 2019 | | 9,500,000 | | |
| 12 Dec 2019 | Expiry of options | (2,000,000) | 0.11 | 12 Dec 2019 |
| 13 Dec 2019 | Expiry of options | (2,000,000) | 0.11 | 13 Dec 2019 |
| Balance 31 December 2019 | | 5,500,000 | | |

Notes to the Consolidated Financial Statements

e. Capital Management

The Directors' objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital positions of the Group at 31 December 2020 and 31 December 2019 were as follows:

| | 2020 | 2019 |
|---------------------------------|------------------|------------------|
| | \$ | \$ |
| Cash and cash equivalents | 2,317,461 | 4,854,545 |
| Trade and other receivables | 211,786 | 183,904 |
| Trade and other payables | (390,990) | (456,985) |
| Working capital position | 2,138,257 | 4,581,464 |

The Group is not subject to any externally imposed capital requirements.

NOTE: 12. RESERVES

| | 2020 | 2019 |
|---|------------------|------------------|
| | \$ | \$ |
| Fair value reserve | 56,823 | 56,823 |
| Foreign currency translation reserve | 6,611,288 | 637,902 |
| Share based payments reserve | 2,396,396 | 9,716,202 |
| Transactions with non-controlling interests | (3,046,457) | (3,046,457) |
| Total reserves | 6,018,023 | 7,364,470 |

Notes to the Consolidated Financial Statements

NOTE: 13. INCOME TAX EXPENSE

| Reconciliation between tax expense and pre-tax loss: | 2020 | 2019 |
|--|-------------|-------------|
| | \$ | \$ |
| Accounting loss before income tax | (2,161,090) | (2,637,347) |
| At the domestic income tax rate of 30.0% (2019 30.0%) | (648,327) | (791,204) |
| - Expenditure not allowed for income tax purposes | 109,607 | 230,630 |
| - Under/(over) provision in prior year | (29,197) | (259,354) |
| - Current year losses and temporary differences for which no deferred tax asset was recognised | 567,917 | 819,928 |
| Income tax expense reported in the statement of comprehensive income | - | - |

| | 2020 | 2019 |
|--|-------------------|--------------------|
| | \$ | \$ |
| Unrecognised deferred tax assets at 31 December | | |
| Unused tax losses | 34,039,630 | 32,146,574 |
| Potential tax benefit @ 30.0% (2019: 30.0%) | 10,211,889 | 9,643,972 |
| Tax losses offset against deferred tax liabilities | - | (32,591) |
| Unrecognised tax benefit | 10,211,889 | (9,611,381) |

Potential deferred tax assets net of deferred tax liabilities attributable to tax losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable as at the date of this report.

The benefits of these tax losses will only be obtained if:

- Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- The conditions for deductibility imposed by tax legislation continue to be complied with; and
- No changes in tax legislation adversely affect the Group in realising the benefit.

| Deferred income tax | 2020 | 2019 |
|---|-------------|-------------|
| Consolidated Statement of financial position | \$ | \$ |
| Deferred income tax relates to the following: | | |
| Deferred Tax Liabilities | | |
| Prepayments | 109,627 | 32,591 |
| Deferred Tax Assets | | |
| Deferred tax assets used to offset deferred tax liabilities | (109,627) | (32,591) |
| | - | - |

Notes to the Consolidated Financial Statements

NOTE: 14. CONTROLLED ENTITIES

The following table contains the particulars of all of the subsidiaries of the Company:

| Name | Country of Incorporation | Percentage Owned (%) | |
|----------------------------------|--------------------------|----------------------|------|
| | | 2020 | 2019 |
| Triton Gold (Operations) Pty Ltd | Australia | 100 | 100 |
| Triton Gold (Project A) Pty Ltd* | Australia | 100 | 100 |
| Triton Gold (Grenville) Pty Ltd* | Australia | 100 | 100 |
| Triton United Limited | United Arab Emirates | 100 | 100 |
| Triton Minerals Management FZE | United Arab Emirates | 100 | 100 |
| Grafex Limitada | Mozambique | 100 | 100 |
| Kwe Kwe Graphite, Limitada** | Mozambique | 100 | 100 |

*Triton Gold (Project A) Pty Ltd and Triton Gold (Grenville) Pty Ltd are subsidiaries of Triton Gold (Operations) Pty Ltd.

** Kwe Kwe Graphite, Limitada was incorporated on 22 February 2019

NOTE: 15. OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess its performance. The segments during the year are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker, being the Managing Director. Comparative segment information has been reclassified to conform to the current presentation.

The reportable segments are based on aggregated operating segments determined by the similarity of economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The consolidated entity has one reportable segment based on the Company's exploration and development activities in Mozambique. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segment.

| i) Segment Performance | 2020 | 2019 |
|----------------------------|--------------------|--------------------|
| | \$ | \$ |
| Segment result | (278,496) | (423,845) |
| Unallocated items | | |
| Other corporate income | 77,261 | 13,861 |
| Other corporate expenses | (1,959,844) | (2,227,363) |
| Net loss before tax | (2,161,090) | (2,637,347) |

Notes to the Consolidated Financial Statements

| ii) Segment Assets | 2020 | 2019 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Cash and cash equivalents | 20,591 | 338,395 |
| Exploration and evaluation expenditure | 18,850,797 | 20,356,649 |
| Other assets | 187,468 | 2,770,664 |
| Total segment assets | 19,058,856 | 23,465,708 |

Reconciliation of segment assets to group assets:

| | | |
|------------------------|-------------------|-------------------|
| Other corporate assets | 4,917,610 | 4,891,536 |
| Total assets | 23,976,466 | 28,357,244 |

| iii) Segment Liabilities | 2020 | 2019 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| Trade and other payables | 65,194 | 92,476 |
| Provisions | 9,644 | 7,493 |
| Total segment liabilities | 74,838 | 99,969 |

Reconciliation of segment liabilities to group liabilities:

| | | |
|-----------------------------|------------------|------------------|
| Other corporate liabilities | 1,170,625 | 1,376,575 |
| Total liabilities | 1,245,463 | 1,476,544 |

NOTE: 16. COMMITMENTS FOR EXPENDITURE

a. Minimum Operating Lease Commitments

The Group leases its head office under a non-cancellable operating lease expiring in June 2021. The Group may choose to renew the lease at this time. From 1 January 2019, the Group has recognised a right-of-use asset for this lease.

b. Exploration Expenditure Commitments

In order to maintain the current rights of tenure to mining tenements, the Company has the following exploration expenditure requirements up until the expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows:

| | 2020 | 2019 |
|--------------------------|----------------|----------------|
| | \$ | |
| Not longer than one year | 173,536 | 388,202 |
| Total | 173,356 | 388,202 |

If the Company decides to relinquish certain leases and/or does not meet the obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish the above obligations.

Notes to the Consolidated Financial Statements

NOTE: 17. EARNINGS PER SHARE (EPS)

a. Basic and Diluted loss per share

| | 2020 | 2019 |
|---|--------|--------|
| | Cents | Cents |
| Loss attributable to ordinary equity holders of the Group | (0.19) | (0.28) |

b. Reconciliation of earnings to loss

| | 2020 | 2019 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Net loss attributable to ordinary equity holders | (2,161,090) | (2,637,347) |
| Earnings used to calculate basic EPS | (2,161,090) | (2,637,347) |

c. Weighted average number of ordinary shares outstanding

| | 2020 | 2019 |
|--|---------------|-------------|
| Weighted average number of ordinary shares outstanding during the year used to calculate basic EPS | 1,134,460,746 | 939,065,868 |

NOTE: 18. SHARE-BASED PAYMENTS

a. Share-based payments

There were no share-based payments issued in 2019 and 2020.

b. Listed and Unlisted Options

The following table details the number, weighted average exercise prices (WAEP) and movements in share options issued as capital raising purposes, employment incentives or as payments to third parties for services during the year.

| | 2020 | 2020 | 2019 | 2019 |
|---|--------------------|---------------|--------------------|---------------|
| | Number | WAEP | Number | WAEP |
| Outstanding at the beginning of the year | 209,549,657 | \$0.10 | 79,876,718 | \$0.10 |
| Listed options granted during the year | 162,820,190 | \$0.10 | 133,673,165 | \$0.10 |
| Unlisted options granted during the year | - | - | - | - |
| Unlisted options lapsed during the year | (5,500,000) | \$0.11 | (4,000,000) | \$0.11 |
| Listed options lapsed during the year | (204,036,813) | \$0.10 | - | - |
| Exercised during the year | (12,844) | \$0.10 | (226) | \$0.10 |
| Outstanding at the end of the year | 162,820,190 | \$0.10 | 209,549,657 | \$0.10 |

c. Options exercisable at reporting date

| | 2020 | Exercise |
|---|--------------------|----------|
| | Number | price |
| Listed options expiring 25 September 2021 | 162,820,190 | \$0.10 |
| Exercisable at the end of the year | 162,820,190 | |

Notes to the Consolidated Financial Statements

d. Listed Options issued during 2020

The maximum terms of options granted during the year are as follows:

On 25 Sep 2020, Triton completed a placement of 162,820,190 TONOE Options at an issue price of \$0.002 per option to raise \$325,640 before costs of the placement, with each TONOE Option issued having an exercise price of \$0.10 and expiring on 25 September 2021. Proceeds from the capital raising were applied to development activities including permitting, engineering and financing, offer costs and working capital.

NOTE: 19. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES WITH LOSS AFTER INCOME TAX

| | 2020 | 2019 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Loss after income tax | (2,161,090) | (2,637,347) |
| Adjustments to add/(deduct) non-cash items: | | |
| Net loss on disposal of fixed assets | - | - |
| Depreciation | 149,492 | 145,948 |
| Exploration and evaluation expenditure | 134,042 | 175,054 |
| Loss on foreign exchange | 32,484 | 85,918 |
| Interest and guarantee fees relating to financing activity | - | 83,192 |
| Changes in assets and liabilities: | | |
| (Decrease)/Increase in payables and provisions | (16,249) | 227,351 |
| Increase /(Decrease) in receivables and current assets | (73,751) | 481,007 |
| Movements in Creditors Trust | (7,736) | (38,833) |
| Cash Flow from Operating Activities | (1,942,808) | (1,477,710) |

There were no non-cash investing or financing activities in 2020 (2019: nil).

NOTE: 20. RELATED PARTY TRANSACTIONS

a. Loans and investments in subsidiaries

Loans are made by the parent entity to wholly owned subsidiaries to fund exploration activities. Loans outstanding between the Company and its subsidiaries are non-interest bearing, unsecured, and are repayable upon notice having regard to the financial stability of the Company. The Company made the following provisions for non-recoverability of these loans and investments:

| | 2020 | 2019 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Investments in subsidiaries | 3,036 | 3,036 |
| Provision for loss on investments | (100) | (100) |
| Net recoverable investment | 2,936 | 2,936 |
| | | |
| Loans to subsidiaries | 38,374,453 | 37,718,250 |
| Provision for loss on intercompany loans | (19,383,749) | (15,824,019) |
| Net recoverable loan | 18,990,704 | 21,894,231 |

Notes to the Consolidated Financial Statements

The provisions for non-recovery of these loans and investments have been based on the subsidiaries' net asset positions, where applicable.

b. Loans from related parties

| | 2020 | 2019 |
|---|---------------|---------------|
| | \$ | \$ |
| Balance at the beginning of the year | 54,036 | - |
| Loans advanced | - | 3,575,000 |
| Loan repayments made | - | (3,575,000) |
| Interest charged | - | 54,036 |
| Balance at the end of the financial year | 54,036 | 54,036 |

In July 2019, JHT facilitated an interim debt arrangement of \$2 million to provide working capital whilst shareholder and regulatory approvals were sought. The interim debt funding arrangements were with Shandong Tianye Group Bid Co Pty Limited, an entity associated with JHT. The loans were unsecured with an annual interest rate of 11%, accrued monthly. Company paid the principal of \$3,575,000 in 2019 and accrued \$54,036 interest during the year.

c. Transactions with other related parties

There is no transaction with other related parties in 2020.

NOTE: 21. KEY MANAGEMENT PERSONNEL DISCLOSURES

a. Directors

Names and positions held of parent entity Key Management Personnel in office at any time during the financial year are:

| Director | Role | Appointment | Resigned |
|------------------|---|-------------|----------|
| Xingmin Ji | Non-Executive Chairman | 22 Jul 2016 | N/a |
| Peter Canterbury | Managing Director | 3 Oct 2016 | N/a |
| Patrick Burke | Non-Executive Deputy Chairman | 22 Jul 2016 | N/a |
| Chengdong Wang | Non-Executive Director | 13 Dec 2019 | N/a |
| Executive | Role | Appointment | |
| David Edwards | Interim Chief Executive Officer | 1 Feb 2021 | N/a |
| | Chief Financial Officer & Company Secretary | 3 Jan 2017 | N/a |

Notes to the Consolidated Financial Statements

b. Key Management Personnel compensation

| | 2020 | 2019 |
|------------------------------|----------------|------------------|
| | \$ | \$ |
| Base Salary Fees | 748,065 | 861,614 |
| Short term employee benefits | 6,500 | 6500 |
| Incentives | 54,063 | 162,188 |
| Post-employment benefits | 59,375 | 24,516 |
| Long-term benefits | 7,500 | 87,418 |
| | 875,503 | 1,114,193 |

c. Shareholdings and Options of Key Management Personnel

Shareholdings of Key Management Personnel

| | 1 January 2020 | Purchased | Sold | 31 December 2020 |
|------------------|-------------------|----------------|--------------------|---------------------|
| Name | | | | |
| Xingmin (Max) Ji | 108,524 | - | - | 108,524 |
| Peter Canterbury | 6,728,571 | 121,429 | (2,000,000) | 4,850,000 |
| Patrick Burke | - | - | - | - |
| Chengdong Wang | - | - | - | - |
| David Edwards | 1,640,625 | - | (300,000) | 1,340,625 |
| | 8,477,720 | 121,429 | (2,300,000) | 6,299,149 |

Options of Key Management Personnel

| | 1 January 2020 | Expired | 31 December 2020 |
|------------------|-------------------|--------------------|---------------------|
| Name | | | |
| Xingmin (Max) Ji | 3,007,235 | (3,007,235) | - |
| Peter Canterbury | 48,571 | (48,571) | - |
| Patrick Burke | 2,500,000 | (2,500,000) | - |
| Chengdong Wang | - | - | - |
| David Edwards | - | - | - |
| | 5,555,806 | (5,555,806) | - |

NOTE: 22. FINANCIAL RISK MANAGEMENT

a. Accounting classifications and fair values

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term in nature and their carrying values equate to their fair values. Financial assets at fair value through other comprehensive income that comprise equity securities in listed entities are classified as level 1 in the fair value hierarchy and are carried at the quoted price of the equity securities at the period end date.

b. Financial Risk Management Policies

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including interest rate risk, equity price risk, commodity price risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation and does not currently sell products and derives only limited revenue from interest earned.

Risk management is carried out by the Board and the Company has adopted a formal risk management policy.

c. Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on floating interest rates on term deposits of cash and cash equivalents only. The Group has no debt arrangements and interest rate risk is not material.

(ii) Equity Price risk

The Group is currently exposed to equity securities by way of shares held in listed companies.

The price risk for listed securities is immaterial in terms of the possible impact on profit or loss or total equity as a result of a 10% increase or decrease in the price of traded securities.

(iii) Commodity Price risk

The Group is not exposed to commodity price risk.

(iv) Foreign currency risk

Exposure to foreign currency risk may result in the fair value of future cash flows of a financial instrument to fluctuate due to the movement in the foreign exchange rates of currencies in which the Group holds financial instruments which are other than Australian dollar.

With instruments being held by overseas operations, fluctuations in currencies may impact on the Group's financial results. Since the Group has not yet commenced mining operations, the exposure is limited to short-term liabilities for expenses which are payable in foreign currencies. The Group limits its foreign currency risk by limiting funds held in overseas bank accounts and paying its creditors promptly. The Board regularly reviews this exposure.

d. Credit risk

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from bank balances and

Notes to the Consolidated Financial Statements

trade and other receivables. The objective of the Group is to minimise the risk of loss from credit risk. The Group's exposure to bad debt risk is insignificant.

e. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration and development, the Group does not have ready access to credit facilities, with the primary source of funding being equity. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the consolidated statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

f. Capital risk management

Refer to Note 10 of this financial report for details regarding the Group's capital risk management.

Notes to the Consolidated Financial Statements

NOTE: 23. PARENT ENTITY DISCLOSURES

a. Financial Position of Triton Minerals Limited

| | 2020 | 2019 |
|--------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Current assets | | |
| Cash and cash equivalents | 2,276,661 | 4,514,950 |
| Trade and other receivables | 69,611 | 17,424 |
| Prepayments | 99,919 | 78,942 |
| Total current assets | 2,446,191 | 4,611,316 |
| Non-current assets | | |
| Other receivables | 2,361,475 | 2,582,413 |
| Prepayments | 19,391 | 29,969 |
| Loans to subsidiaries (b) | 18,990,704 | 21,894,231 |
| Investment in subsidiaries (b) | 2,936 | 2,936 |
| Property, plant and equipment | 15,019 | 18,994 |
| Right of use assets | 60,852 | 182,544 |
| Total non-current assets | 21,450,377 | 24,711,087 |
| Total assets | 23,896,568 | 29,322,403 |
| Current liabilities | | |
| Trade and other payables | 320,736 | 364,018 |
| Lease liabilities | 59,078 | 121,075 |
| Provisions | 683,216 | 771,912 |
| Total current liabilities | 1,063,030 | 1,257,005 |
| Non-current liabilities | | |
| Lease liabilities | - | 59,078 |
| Provisions | 102,535 | 60,001 |
| Total non-current liabilities | 102,535 | 119,079 |
| Total liabilities | 1,165,565 | 1,376,084 |
| Net assets | 22,731,003 | 27,946,319 |
| Equity | | |
| Issued capital | 95,322,969 | 95,325,358 |
| Reserves | 6,107,389 | 5,865,718 |
| Accumulated losses | (78,699,355) | (73,244,757) |
| Total equity | 22,731,003 | 27,946,319 |

The reported value of the net assets of the Company are the same as the Group.

b. Loans to Subsidiaries and Financial Assets

See note 20a.

Notes to the Consolidated Financial Statements

c. Guarantees entered into by Triton Minerals Ltd for the debts of its subsidiaries

There were no guarantees entered into by Triton Minerals Ltd for the debts of its subsidiaries as at 31 December 2020 (2019: Nil).

d. Commitments of Triton Minerals Ltd

The exploration expenditure commitments and operating lease commitments of the Group detailed in Note 16 are in the name of Triton Minerals Limited and its subsidiary Grafex Limitada.

NOTE: 24. AUDITOR'S REMUNERATION

Details of the amounts paid to the auditor of the Group, PricewaterhouseCoopers, and its related practices for audit and non-audit services provided during the year are set out below.

| | 2020 | 2019 |
|---|--------|--------|
| | \$ | \$ |
| Audit and review of financial reports: | | |
| PricewaterhouseCoopers (Australia) | 52,700 | 52,700 |
| PricewaterhouseCoopers (Mozambique) | 8,742 | 10,535 |
| Other Services | | |
| Accounting and taxation advice (PricewaterhouseCoopers) | - | - |

NOTE: 25. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

Directors' Declaration

In the opinion of the Directors of Triton Minerals Limited:

1. the consolidated financial statements and notes, and the Remuneration Report contained in the Directors' Report, are in accordance with the Corporations Act 2001, and:
 - a) give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the year ended on that date;
 - b) comply with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and
 - c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2020.
3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Max Ji
Chairman
Perth, 19 March 2021



Independent auditor's report

To the members of Triton Minerals Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Triton Minerals Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2020
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

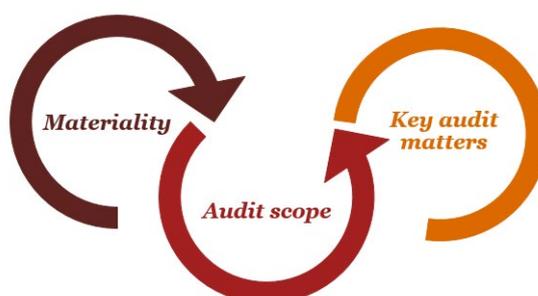
Material uncertainty related to going concern

We draw attention to Note 2(a) in the financial report, which indicates that the Group incurred a net loss of \$2,161,090 during the year ended 31 December 2020 and a net cash outflow from operating and investing activities of \$2,630,472. As a result the Group is dependent on raising additional funding to enable it to continue normal business activities, including progression of its exploration and project development activities. These conditions, along with other matters set forth in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of \$239,760, which represents approximately 1% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group total assets. In our view, it is the benchmark against which the performance of the Group is most commonly measured whilst in the exploration phase.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.



Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The accounting processes are structured around a Group finance function at its head office in Perth. We have performed our audit procedures primarily at the Group's Perth office.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>Impairment assessment for capitalised exploration and evaluation assets (Refer to note 9) \$18,850,797</p> <p>As at 31 December 2020, the Group held capitalised exploration and evaluation assets of \$18,850,797.</p> <p>Judgement was required by the Group to assess whether there were indicators of impairment of the capitalised exploration and evaluation assets due to the need to make estimates about future events and circumstances, such as whether the mineral resources may be economically viable.</p> <p>This was a key audit matter because of the size of the balance and the risk of impairment should the Group relinquish certain exploration or mining licences as it continues to assess future viability.</p> | <p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none">• Evaluated the Group's assessment that there had been no indicators of impairment for its capitalised exploration and evaluation assets, including inquiries with management and directors to develop an understanding of the current status and future intentions for the Group's Ancuabe project• Evaluated whether the Group retained right of tenure for all of its exploration licence areas by obtaining licence status records maintained by the relevant government authority in Mozambique. For those licences under application or where a modification has been applied for, obtained the application• Considered the consistency of information provided with other available information, such as ASX releases made by the Group |



- Assessed a sample of current year expenditure to source documents on exploration licence areas; and
- Obtained plans for future expenditure and compared these to contractual minimum licence expenditure requirements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material



if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 9 to 14 of the directors' report for the year ended 31 December 2020.

In our opinion, the remuneration report of Triton Minerals Limited for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'Douglas Craig'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Douglas Craig'.

Douglas Craig
Partner

Perth
19 March 2021

1. Top 20 Ordinary Shareholders at 15 March 2021

| | | Ordinary Shares | % Ordinary Shares |
|-----------------------|---|--------------------|-------------------------|
| 1 | JIGAO INTERNATIONAL INVESTMENT DEVELOPMENT CO LTD | 385,807,073 | 34.01 |
| 2 | CITICORP NOMINEES PTY LTD | 99,921,138 | 8.81 |
| 3 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 59,091,369 | 5.21 |
| 4 | MR ANTOINE HALDEZOS | 11,989,366 | 1.06 |
| 5 | BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C> | 11,833,515 | 1.04 |
| 6 | MR ADAM STEWART ROBERT TURNBULL | 9,600,000 | 0.85 |
| 7 | GOLDFIRE ENTERPRISES PTY LTD | 9,336,461 | 0.82 |
| 8 | MR TONY ALLAN BROWN | 9,125,890 | 0.8 |
| 9 | MR KINGSLEY BRYAN BARTHOLOMEW | 8,474,828 | 0.75 |
| 10 | MR SALEM SEOUD | 8,131,407 | 0.72 |
| 11 | MR CHRISTOPHER JOHN FONE | 7,870,099 | 0.69 |
| 12 | DOMAEVO PTY LTD <THE JCS A/C NO2> | 7,765,539 | 0.68 |
| 13 | AJAVA HOLDINGS PTY LTD | 7,391,367 | 0.65 |
| 14 | T & N ARGYRIDES INVESTMENTS PTY LTD | 6,873,970 | 0.61 |
| 15 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 6,544,847 | 0.58 |
| 16 | MR ZORAN JUGOVIC | 5,865,173 | 0.52 |
| 17 | E EQUITIES PTY LTD | 5,000,000 | 0.44 |
| 18 | MR DEAN ANDREW KENT <WATTLE A/C> | 5,000,000 | 0.44 |
| 19 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 4,873,086 | 0.43 |
| 20 | T & N ARGYRIDES INVESTMENTS PTY LTD | 4,860,727 | 0.40 |
| Top 20 holders | | 675,355,855 | 59.53 |

2. Shareholdings at 15 March 2021

| Range | Total Holders | Units | % Ordinary Shares |
|------------------|---------------|----------------------|-------------------|
| 1 - 1,000 | 294 | 44,644 | 0.00 |
| 1,001 - 5,000 | 556 | 1,647,497 | 0.15 |
| 5,001 - 10,000 | 477 | 3,877,815 | 0.34 |
| 10,001 - 100,000 | 1,557 | 60,624,595 | 5.34 |
| 100,001 Over | 760 | 1,068,273,516 | 94.17 |
| Total | 3,644 | 1,134,468,067 | 100.00 |

3. Names of Substantial Shareholders at 15 March 2021

The names of substantial shareholders who have notified the company in accordance with section 617B of the Corporation Act 2001 are:

| Name | Securities | % Ordinary Shares |
|---|-------------|-------------------|
| Jigao International Investment Development Co Ltd | 385,807,073 | 34.01 |
| SG Hiscock & Company | 59453,835 | 5.24 |

4. Holders of Non-Marketable Parcels of Ordinary Shares at 15 March 2021

| | Holders | Ordinary Shares |
|---|---------|-----------------|
| Minimum \$500 parcel at \$0.0500 per unit | 1,181 | 4,109,956 |

5. Voting Rights

Voting rights attached to ordinary shares are as follows:

1. each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;
2. on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
3. on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

All other securities have no voting rights.

6. Top 20 Quoted Optionholders at 15 March 2021

| | | Options | % Options |
|----|---|--------------------|--------------|
| 1 | AJAVA HOLDINGS PTY LTD | 50,000,000 | 30.71 |
| 2 | MASTERMIND DEVELOPMENTS PTY LTD <ALAN J SULLIVAN S/F A/C> | 10,000,000 | 6.14 |
| 3 | TONGAAT PTY LTD <BLUE SEAS A/C> | 6,250,000 | 3.84 |
| 4 | DOMAEVO PTY LTD <THE JCS A/C NO2> | 5,718,665 | 3.51 |
| 5 | MR ZORAN JUGOVIC | 4,246,904 | 2.61 |
| 6 | MR ADAM STEWART ROBERT TURNBULL | 4,000,000 | 2.46 |
| 7 | MR ANTOINE HALDEZOS | 3,988,060 | 2.45 |
| 8 | MR ANTHONY MICHAEL RYAN + DR MAARIA NASEER HAQUE | 3,478,456 | 2.14 |
| 9 | BRADNEY S SMSF PTY LTD <BRADNEY S SMSF A/C> | 3,132,713 | 1.92 |
| 10 | M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C> | 3,000,000 | 1.84 |
| 11 | RIVERVIEW CORPORATION PTY LTD | 2,918,898 | 1.79 |
| 12 | MR DAVID JAMES RUTHERFORD | 2,335,118 | 1.43 |
| 13 | MRS MARIE HEMMINGS | 2,271,862 | 1.4 |
| 14 | FRANDY1 PTY LTD | 2,229,955 | 1.37 |
| 15 | ARAWHERO PTY LTD <ARAWHERO SUPER FUND A/C> | 2,197,942 | 1.35 |
| 16 | MR MICHAEL PAUL DIMECH | 2,065,865 | 1.27 |
| 17 | MR KEVIN WILLIAM DOIG | 2,000,000 | 1.23 |
| 17 | MR DEAN ANDREW KENT <WATTLE A/C> | 2,000,000 | 1.23 |
| 19 | MIDCORP PTY LTD | 1,705,769 | 1.05 |
| 20 | MR GLEN ROBIN DAVEY | 1,632,750 | 1.00 |
| | Top 20 holders | 115,172,957 | 70.74 |

7. Quoted Optionholders at 15 March 2021

| Range | Total Holders | Units | % Quoted Options |
|------------------|---------------|--------------------|------------------|
| 1 - 1,000 | 12 | 4,573 | 0.00 |
| 1,001 - 5,000 | 6 | 22,011 | 0.01 |
| 5,001 - 10,000 | 9 | 65,872 | 0.04 |
| 10,001 - 100,000 | 48 | 2,369,726 | 1.46 |
| 100,001 Over | 103 | 160,358,008 | 98.49 |
| Total | 178 | 162,820,190 | 100.00 |

8. Holders of Non-Marketable Parcels of Quoted Options at 15 March 2021

| | Holdings | Quoted Options |
|---|----------|----------------|
| Minimum \$500 parcel at \$0.0110 per option | 49 | 552,241 |

9. Unquoted Options at 15 March 2021

There are no unquoted options on issue at 15 March 2021.

10. Performance Rights at 15 March 2021

There are no performance rights on issue at 15 March 2021.

11. Restricted Securities

At the date of this report there were no restricted securities.

12. On Market Buy-back

At the date of this report, there was no current on market buy back.

13. Tenement Schedule

As at 31 December 2020, the Group held an 100% economic interest in Grafex, the holder of the following interests in exploration tenements:

| Licence | Project | Prospect/ Deposit | Location | Status | Interest | Note |
|---------|------------|----------------------|------------|-------------------|----------|------|
| EL5966 | Balama Nth | Nicanda Hill | Mozambique | Granted | 100% | |
| EL5365 | Balama Nth | Cobra Plains | Mozambique | Pending extension | 100% | 1 |
| EL5304 | Balama Sth | - | Mozambique | Granted | 100% | |
| EL5380 | Ancuabe | T20 | Mozambique | Granted | 100% | 2 |
| MC9132C | Ancuabe | T12, T16 | Mozambique | Granted | 100% | |
| EL5305 | Ancuabe | - | Mozambique | Granted | 100% | 3 |

Notes - All applications are pending a response from the Mozambique mining authority, INAMI.

1. Application to renew licence for a further two years submitted in September 2017.
2. Application to renew licence for a further two years submitted in August 2017. Application to modify and reduce the area submitted in November 2017.
3. Application to modify area submitted in November 2017.

14. Mineral Reserves and Resources

The following information is relevant in relation to the Company's Mineral Resources and Ore Reserves as at 31 December 2020 and 31 December 2019.

Ancuabe Graphite Project

Mineral Resource Estimate

Mineral Resource Estimate at 31 December 2020 and 31 December 2019.

At 31 December 2020 and 31 December 2019

| Deposit | Classification | Tonnes (Mt) | Grade: Total Graphitic Carbon (TGC) (%) | Contained Graphite ('000s t) |
|------------------|-----------------------------|-------------|---|------------------------------|
| T12 | Indicated | 15.4 | 5.8 | 900 |
| T16 | | 15.7 | 7.9 | 1,250 |
| T12 + T16 | Indicated Total | 31.1 | 6.9 | 2,150 |
| T12 | Inferred | 9.9 | 5.0 | 500 |
| T16 | | 5.1 | 7.9 | 400 |
| T12 + T16 | Inferred Total | 15.0 | 6.0 | 900 |
| T12 + T16 | Indicated + Inferred | 46.1 | 6.6 | 3,050 |

Note: The Mineral Resources were estimated within constraining wireframe solids defined above a nominal 3% TGC cut-off at T12 and a nominal 4% cut-off at T16. The Mineral Resources are reported from all blocks within these wireframe solids. Differences may occur due to rounding.

Abbreviations: Million Tonnes (Mt); Hundred thousand tonnes ('000s t).

Ore Reserve Estimate

At 31 December 2020 and 31 December 2019

| Deposit | Tonnes (Mt) | Grade TGC (%) | Contained Graphite ('000s t) |
|---------------------------|-------------|---------------|------------------------------|
| Proved | - | - | - |
| Probable | 24.9 | 6.2 | 1,544 |
| Ore Reserves Total | 24.9 | 6.2 | 1,544 |

Note: The Probable Ore Reserve estimate is based on Mineral Resources classified as Indicated. No Inferred Mineral Resources have been included in the Ore Reserve. The Ore Reserve Estimate for the Ancuabe Graphite Project was initially estimated in December 2017 and is published here unchanged.

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Nicanda Hill

Mineral Resource Estimate

At 31 December 2020 and 31 December 2019

| Classification | Tonnes (Mt) | Grade TGC (%) | Contained Graphite ('000s t) |
|-----------------------------|----------------|------------------|------------------------------------|
| Indicated | 368.6 | 11.3 | 41.5 |
| Inferred | 1,061.6 | 11.1 | 117.3 |
| Indicated + Inferred | 1,430.2 | 11.1 | 158.8 |

Note: The Mineral Resource was estimated within constraining wireframe solids defined above a nominal 3% TGC cut-off. The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding.

Nicanda West

Mineral Resource Estimate

At 31 December 2020 and 31 December 2019

| Classification | Tonnes (Mt) | Grade TGC (%) | Contained Graphite ('000s t) |
|-----------------------------|----------------|------------------|------------------------------------|
| Indicated | - | - | - |
| Inferred | 30.0 | 6.6 | 1,968 |
| Indicated + Inferred | 30.0 | 6.6 | 1,968 |

Note: The Mineral Resource was estimated within constraining wireframe solids defined above a nominal 3% TGC cut-off. The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding.

15. Competent Persons Statement

Mineral Resource Estimate

The information in this report that relates to in situ Mineral Resources for Nicanda Hill, Nicanda West and Ancuabe T12 and T16 is based on and fairly represents information compiled by Mr. Grant Louw under the direction and supervision of Dr Andrew Scogings, who were both full-time employees of CSA Global Pty Ltd at the time of the Mineral Resource estimations. Dr Scogings takes overall responsibility for the report. Dr Scogings is a Member of both the Australian Institute of Geoscientists (MAIG) and Australasian Institute of Mining and Metallurgy (MausIMM) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012). Dr Scogings consents to the inclusion of such information in this report in the form and context in which it appears.

Ore Reserve

The information in this report that relates to Ore Reserves for the Ancuabe T12 and T16 Deposits is based on information compiled by Mr Daniel Grosso under the direction and supervision of Mr Karl van Olden, who is a full-time employee of CSA Global Pty Ltd. Mr van Olden takes overall responsibility

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for the Ore Reserve estimate. Mr van Olden is a Fellow of Australasian Institute of Mining and Metallurgy, and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves' (JORC Code 2012). Mr van Olden consents to the inclusion of such information in this report in the form and context in which it appears.