



TRITON MINERALS

ACN: 126 042 215

Financial Report **Half year ended 30 June 2021**



CONTENTS

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	14
Independent Auditor's Review Report	15

This interim financial report does not include all the notes of the type normally found in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2020 and announcements to the Australian Stock Exchange (ASX) made by Triton Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Triton Minerals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Level 1, 34 Colin Street, West Perth, Western Australia. Its shares are listed on the Australian Securities Exchange (ASX Code: TON).

Directors

Mr Xingmin (Max) Ji	Non-Executive Chairman
Mr Patrick Burke	Non-Executive Deputy Chairman
Mr Chengdong Wang	Non-Executive Director
Mr Peter Canterbury	Non-Executive Director (Resigned 25 May 2021)
Mr Andrew Frazer	Non-Executive Director (Appointed 28 June 2021)

COMPANY SECRETARY

Mr David Edwards

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AUDITORS

PricewaterhouseCoopers
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Perth, WA 6000
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Directors' Report

The directors present their report on the consolidated entity consisting of Triton Minerals Limited (Triton or the Company) and the entities it controlled (the Group) for the end of the half year ended 30 June 2021 .

Directors

The following persons were directors of Triton Minerals Limited during the whole of the half year and up to the date of this report:

Mr Xingmin (Max) Ji	Non-Executive Chairman
Mr Patrick Burke	Non-Executive Deputy Chairman
Mr Chengdong Wang	Non-Executive Director
Mr Peter Canterbury	Non-Executive Director (Resigned 25 May 2021)
Mr Andrew Frazer	Non-Executive Director (Appointed 28 June 2021)

Review and Results of Operations

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 (one of which is 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 to the operational AMG Graphit Kropfmühl (GK) Ancuabe Mine.

The Definitive Feasibility Study¹ (DFS) completed for the Project in December 2017 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 Company also announced in December 2017 that the total Indicated and Inferred Mineral Resource at the Ancuabe T12 and T16 deposits had increased to 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, 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

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 over the evaluation period adopted for the Definitive Feasibility Study.

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.

Directors' Report

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.

Results of operations

The net loss of the Group for the half year to 30 June 2021 was \$687,038 (2020: loss of \$935,846). The loss for the half year arises primarily from corporate and marketing costs, administrative expenses incurred to support the Company's site and exploration activities in Mozambique. Administrative expenses, corporate and marketing and directors and employee benefits expense totalled \$670,488 for the half year to 30 June 2021, compared to \$952,192 incurred in the half year to 30 June 2020, a decrease of \$281,704.

No dividends were proposed or paid during the period (2020: nil). At 30 June 2021, the Company had cash at bank of \$1,293,982 (31 December 2020: \$2,317,461).

Review of operations

The Company's activities for the half year ended 30 June 2021 were primarily focussed on the financing development of the flagship Ancuabe Graphite Project.

Corporate

At 30 June 2021, the Company had 3,521 shareholders and 1,134,468,067 shares on issue. The top 20 shareholders held 60 % of the issued ordinary shares.

JIGAO international investment development, as the largest shareholder, holding 34.01% company's shares.

Included in the financial report for the half year ended 30 June 2021 is an independent auditor's review 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 review report.

Events since the end of the half year

There were no significant events since the end of the half year.

Schedule of tenements

As at 30 June 2021, the Triton Group held an 100% economic interest in Grafex Limitada, the holder of the following interests in exploration tenements (all located in Mozambique):

Directors' Report

Licence	Project	Prospect/ Deposit	Status	Economic Interest
EL5966	Balama Nth	Nicanda Hill	Granted – Pending extension	100%
EL5365	Balama Nth	CobraPlains	Pending extension	100%
EL5304	Balama Sth	-	Granted	100%
EL5380	Ancuabe	T20	Granted - Application made for extension and to modify	100%
MC9132C	Ancuabe	T12, T16	Granted	100%
EL5305	Ancuabe	-	Granted - Application made to modify	100%
EL5934	Ancuabe	T10, T11	Relinquished	100%

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

Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 5 for the half year ended 30 June 2021 and forms part of this report.

This report is signed in accordance with a resolution of the Board of Directors.



Max Ji
Chairman

Perth, 30 August 2021



Auditor's Independence Declaration

As lead auditor for the review of Triton Minerals Limited for the half-year ended 30 June 2021, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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
30 August 2021

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 30 June 2021**

	30 June 2021 \$	30 June 2020 \$
Directors and employee benefits expense	(388,765)	(532,212)
Administration expenses	(118,881)	(123,225)
Corporate and marketing costs	(232,161)	(262,418)
Depreciation expense	(7,574)	(9,448)
Exploration and evaluation expenditure	(7,415)	(124,507)
Other Income	45,940	-
Foreign currency gain/(loss)	38,368	99,618
Results from operating activities	(670,488)	(952,192)
Finance income	17,637	20,283
Finance expense	(34,187)	(3,937)
Net finance expense	(16,550)	16,346
Loss before income tax	(687,038)	(935,846)
Income tax expense	-	-
Net loss for the half year	(687,038)	(935,846)
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Foreign currency translation	1,537,833	(821,124)
<i>Items that will not be reclassified to profit or loss</i>		
Total comprehensive gain/loss for the half year	850,795	(1,756,970)
	Cents	Cents
Loss per share attributable to ordinary equity holders – basic and diluted	(0.06)	(0.08)

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
At 30 June 2021

	Note	30 June 2021	31 December 2020
		\$	\$
Current Assets			
Cash and cash equivalents		1,293,982	2,317,461
Trade and other receivables		382,172	211,786
Prepayments		73,584	104,180
Total Current Assets		1,749,738	2,633,427
Non-Current Assets			
Other receivables	3	2,417,997	2,361,475
Prepayments		14,103	19,391
Plant and equipment		50,079	50,524
Exploration and evaluation assets	4	20,527,740	18,850,797
Right-of-use assets		-	60,852
Total Non-Current Assets		23,009,919	21,343,039
Total Assets		24,759,657	23,976,466
Current Liabilities			
Trade and other payables		381,986	390,990
Lease liabilities		-	59,078
Provisions		735,870	735,394
Total Current Liabilities		1,117,856	1,185,462
Non-Current Liabilities			
Lease liabilities		-	-
Provisions		60,001	60,001
Total Non-Current Liabilities		60,001	60,001
Total Liabilities		1,177,857	1,245,463
Net Assets		23,581,800	22,731,003
Equity			
Issued capital	5	95,322,971	95,322,971
Reserves		7,555,856	6,018,023
Accumulated losses		(79,297,027)	(78,609,991)
Total Equity		23,581,800	22,731,003

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

**Consolidated Statement of Changes in Equity
For the half year ended 30 June 2021**

	Ordinary Share Capital	Reserves	Accumulated Losses	Total
CONSOLIDATED	\$	\$	\$	\$
Balance at 1 January 2020	95,325,360	8,004,241	(76,448,901)	26,880,700
Comprehensive Income:				
Loss for the period	-	-	(935,846)	(935,846)
Loss on translation of foreign currency subsidiary	-	(821,124)	-	(821,124)
Total comprehensive Income for the period	95,325,360	(821,124)	(935,846)	(1,756,970)
Transactions with owners recorded directly in equity				
Issue of listed options	323	-	-	323
Equity issue costs	(3,617)	-	-	(3,617)
Balance at 30 June 2020	95,322,066	7,183,117	(77,384,747)	25,120,436
Balance at 1 January 2021	95,322,971	6,018,023	(78,609,991)	22,731,003
Comprehensive Income:				
Loss for the period	-	-	(687,036)	(687,036)
Gain on translation of foreign currency subsidiary	-	1,537,833	-	1,537,833
Total comprehensive Income for the period	-	1,537,833	(687,036)	850,797
Transactions with owners recorded directly in equity				
Issue of listed options	-	-	-	-
Equity issue costs	-	-	-	-
Balance at 30 June 2021	95,322,971	7,555,856	(79,297,027)	23,581,800

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

Consolidated Statement of Cash Flows
For the half year ended 30 June 2021

	30 June 2021	30 June 2020
	\$	\$
Cash flows from operating activities		
Government cashflow boost	163,675	-
Payments to suppliers and employees	(840,065)	(937,951)
Interest received	39	7,052
Interest paid	(37,868)	(3,937)
Net cash outflow from operating activities	(714,219)	(934,836)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(290,995)	(484,890)
Net cash outflow from investing activities	(290,995)	(484,890)
Cash flows from financing activities		
Proceeds from issues of shares	-	323
Share issue costs	-	(3,617)
Principal elements of lease payments	-	(63,373)
Net cash outflow from financing activities	-	(66,671)
Net decrease in cash and cash equivalents	(1,005,214)	(1,486,397)
Cash and cash equivalents at the beginning of the period	2,317,461	4,854,545
Net foreign exchange differences	(18,265)	(4,610)
Cash and cash equivalents at the end of the period	1,293,982	3,363,538

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

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 for the purposes of preparing the financial statements 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.

JIGAO international investment development, as the largest shareholder, holding 34.01% company's shares.

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

Basis of Preparation

These condensed consolidated financial statements for the half year to 30 June 2021 comprise Triton Minerals Limited (Triton or the Company) and the entities it controlled at the end of the half year ended 30 June 2021 (the Group).

The financial statements have been prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standard AASB 134 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements.

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 half year ended 30 June 2021, the Group recorded a loss after tax of \$687,038 (2020: Loss of \$935,846) and had a net working capital surplus of \$ 631,882 (31 December 2020: surplus of \$1,447,965). Cash out flows from operating and investing activities, were \$1,005,214(2020: cash out flow of \$1,419,726) primarily reflecting corporate, marketing and Ancuabe early works activities.

The Group has prepared a cash flow forecast for its ongoing corporate operations and 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 30 June 2021. 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, there exists a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern for at least 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 approved by the Board of Directors on 30 August 2021

Directors' Declaration

New Standards, Interpretations and Amendments Adopted by the Group

The accounting policies applied by the Group in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2020 .

3. OTHER RECEIVABLES

	30 June 2021	31 December 2020
	\$	\$
Bank guarantees	2,417,997	2,361,475
Other receivables	2,417,997	2,361,475

Bank Guarantees include a financial guarantee paid (Approximately US\$1,778,716,63 excluding bank fees) to the Mozambique mining authority to meet the requirements of the Mozambique mining regulations to commence construction of the Ancuabe Graphite Project.

4. EXPLORATION AND EVALUATION ASSETS

	30 June 2021	31 December 2020
	\$	\$
Balance at the beginning of the period	18,850,797	20,356,649
Expenditure during the period	185,683	665,954
Foreign exchange translation	1,491,260	(2,171,806)
Balance at the end of the period	20,527,740	18,850,797

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the areas of interest. Management reassesses the carrying value of the Group's tenements at each half year, or at a period other than that, should there be any indication of impairment.

5. ISSUED CAPITAL

a. Ordinary Shares

	Number of Shares		\$	\$
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Ordinary shares, issued and fully paid	1,134,468,067	1,134,468,067	95,322,971	95,322,971

Fully paid ordinary shares carry one vote per share and carry the rights to dividends. There were no movements in ordinary shares during the period.

6. SUBSEQUENT EVENTS

There were no significant events after the balance sheet date.

Directors' Declaration

7. SEGMENT REPORTING

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 in order to allocate resources to the segment and to assess its performance. The segments during the half 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	30 June 2021	30 June 2020
	\$	\$
Segment result	(63,044)	(183,590)
Unallocated items		
Other corporate income	63,577	20,283
Other corporate expenses	(687,571)	(772,539)
Net loss before tax	(687,038)	(935,846)
ii) Segment Assets	30 June 2021	31 December 2020
	\$	\$
Cash and cash equivalents	35,324	20,591
Exploration and evaluation expenditure	20,527,740	18,850,797
Other assets	347,041	187,468
Total segment assets	20,910,105	19,058,856
Reconciliation of segment assets to group assets:		
Other corporate assets	3,849,552	4,917,610
Total assets	24,759,657	23,976,466
iii) Segment Liabilities	30 June 2021	31 December 2020
	\$	\$
Trade and other payables	31,575	74,838
Total segment liabilities	31,575	74,838
Reconciliation of segment assets to group assets:		
Other corporate liabilities	1,146,282	1,170,625
Total liabilities	1,177,857	1,245,463

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes of the consolidated entity for the half year ended 30 June 2021 are in accordance with the *Corporations Act 2001*, including
 - (a) complying with Accounting Standards the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Max Ji
Chairman

Perth
30 August 2021



Independent auditor's review report to the members of Triton Minerals Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Triton Minerals Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Triton Minerals Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty relating to going concern

We draw attention to Note 2 in the half-year financial report, which indicates that the Group incurred a loss after tax of \$687,038 and cash outflows from operating and investing activities of \$1,005,214 during the half year ended 30 June 2021. As a result, the Group is dependent on raising additional funding in the next 12 months to enable it to continue its normal business activities, including progression of its exploration and project development activities. These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Douglas Craig

Douglas Craig
Partner

Perth
30 August 2021