



QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 MARCH 2023

Triton Minerals Limited (ASX: TON) (“**Triton**” or “**the Company**”) is pleased to provide its activity report for the quarter ending 31st March 2023 (“**the Quarter**”).

HIGHLIGHTS:

- **DFS Interim Update** – subsequent to quarter end, Triton released an updated upfront capital expenditure estimate of US\$99.1 million⁵ which is in-line with the 2017 DFS¹ estimate (US\$99.9 million), despite material cost inflation over the period since the 2017 DFS.
- **Front End Engineering Design (FEED) contract awarded** – subsequent to quarter end, Yantai Oriental Metallurgical Engineering Co., Ltd awarded the contract for FEED works for the processing plant and associated non-processing infrastructure for the Ancuabe Graphite Project⁴. FEED works to be completed in Q2 CY2023, with the aim of enhancing the design of the processing plant, thereby reducing risk and targeting a reduction in the associated capital expenditure.
- **Country Visit Recently Completed** – representatives of the Company, proposed cornerstone investor Shandong Yulong and a major Chinese mining contractor visited the site of the Ancuabe Graphite Project and the proposed port (Pemba). Trip was focussed on project execution planning and in-country establishment works, community and government engagement.
- **Cash on hand** – A\$2.5 million as at 31 March 2023 with conditional commitments for a further A\$5m from Tranche Two of the Capital Raising.

ANCUABE PROJECT DEVELOPMENT

Interim DFS Update

Subsequent to quarter end, the Company released an Interim DFS Update, following a review of the upfront capital expenditure for the Ancuabe Graphite Project conducted during the quarter.

The DFS Update is focused on refreshing the key financial inputs such as graphite basket pricing, upfront capital expenditure, operating expenditure and sustaining capital expenditure. The DFS Update does not include a review or additional works on the underlying assumptions such as geology (Resources and Reserves), mine planning, process metallurgy/process flow sheet or concentrate metallurgy.

The Interim DFS Update was solely focussed on updating the upfront capital expenditure estimate which has been updated to approximately US\$99.1 million, which is in-line with the 2017 DFS estimate of US\$99.1million, despite material cost inflation over the intervening period.

Upfront Capital Expenditure Estimate – Comparison of 2017 DFS compared with DFS Update

Ancuabe Graphite Project	2017 DFS Total	2023 DFS Update Total
	(Inc Cont)	(Inc Cont)
Process Plant and Infrastructure		
1 - Treatment Plant Costs	36,077,044	30,722,939
2 - Reagents & Plant Services	8,152,930	8,974,999
3 - Infrastructure	24,432,498	28,033,772
0 - Construction Distributable	10,006,092	11,666,471
5 - Management Costs	7,817,649	7,817,649
Total Process Plant and Infrastructure	86,486,212	87,215,830
Other Costs		
4 - Mining	4,970,836	5,010,466
6 - Owners Project Costs	7,895,410	6,894,483
Total Other Costs	12,866,245	11,904,949
Total Project	99,352,457	99,120,779

Note: estimate includes contingency of an average of 9% across cost elements for both 2017 DFS and the 2023 DFS Update.

As evidenced in the table above, there was a 12% reduction in costs for major capital items and indirect equipment such as steel, platework, pipe work and electrical. However, this was offset by increased in-country services and construction materials such as civil engineering, labour and construction materials costs, which have increased up to 30% due to industry inflationary pressures evident since 2017.

Major capital costs were sourced from experienced graphite mining equipment manufacturer – Yantai Jinpeng Mining Machinery Co. Ltd, (**Jinpeng**), associate company of Yantai Oriental Metallurgical Engineering Co., Ltd (**Yome**) whom Triton recently awarded the contract for FEED works for the process plant and associated non-processing infrastructure. Perth based engineering and procurement consultants Verum Projects and Engineering have been assisting Triton with the DFS Update with the support of inputs from Jinpeng.

As part of this DFS update process, the Company is undertaking an ECI process, allowing preferred contractor involvement in the design process, which can be more cost and time effective, increasing transparency and leading to a reduction in contract variations. As part of the ECI process, Triton's Chief Operating Officer, Adrian Costello completed a trip to China, to progress discussions with Shandong Yulong, Jinpeng and also mining, construction and civil contractors the Company may appoint formally in due course.

Front End Engineering and Design

Shortly after the end of the quarter, Yome were awarded a contract in relation to Front End Engineering Design (FEED) for the process plant and associated non-process infrastructure for the Ancuabe Graphite Project.

The appointment of YOME as FEED contractor followed an extensive process to procure a contractor with suitable experience and capabilities to complete the FEED process and included a site visit by associated company Jinpeng to the Ancuabe Graphite Project. As part of the site visit tour, Jinpeng invited members of the Triton operations team to the 1.5Mtpa Nipepe Graphite Project located in the Niassa Province of Northwest Mozambique, where Jinpeng is currently undertaking the supply and installation of the process plant equipment.

This site visit provided Triton with an elevated level of confidence in Jinpeng's/YOME's ability to operate successfully both in East Africa and in the graphite sector. YOME will undertake the FEED work this quarter with the aim of enhancing and improving the design and efficiencies in the processing plant, thereby reducing risk and targeting an improved EPC tender price for the construction of the processing plant and non-process infrastructure. This scope of work represents a key step in the Ancuabe Graphite Project's development and construction pathway. The FEED works will be undertaken with the support of Perth based Verum Projects and Engineering which will continue in its role as process consultants.

Country Visit with delegation from Triton, Shandong Yulong and Yantai Jinpeng Mining Machinery Co., Ltd

During the quarter, a country visit was undertaken by representatives of both Triton and proposed cornerstone investor Shandong Yulong, focused on project execution planning and in-country establishment works for Ancuabe Graphite Project. The delegation also included representatives from YOME. The delegation visited the Ancuabe Graphite Project site and also the proposed port, the port of Pemba, which is located approximately 85km east, primarily via sealed highways.

Triton is pleased to advise that the Company has successfully re-established the project office and team in Pemba.

A community engagement event was held in Pemba, which included representatives from local government, contractors, suppliers and the local community. As part of early contractor engagement process, the delegation also engaged with contractors, suppliers and members of the local business community in both Pemba and Maputo. Also, a number of successful meetings were held with government officials and departments such as INAMI, Governor of the Cabo Delgado Province and the Ancuabe District Administrator.



Combined Triton, Shandong Yulong and Mozambique Team.



Triton Chairman Rod Zhang addressing the Community event.

The team completed the in-country planning which will allow the project execution plan to be completed, which is part of Triton's strategy to advance project workstreams in parallel with the completion of the DFS Update and the FEED process to ensure construction can commence as soon as possible.



Triton team with the Governor of the Cabo Delgado Province.



Triton Chairman Rod Zhang and Adrian Costello with the Ancuabe District Administrator.

Triton is once again pleased to report that further recent actions carried out by the government of Mozambique and its regional and international partners are continuing to see an improvement in the security status and stability in the Cabo Delgado province, which is evidenced by a return to operations in the district of a number of projects.

Project Funding

The Company continues to investigate funding options for the development of Ancuabe, including debt, equity and equipment supplier arrangements.

Triton's proposed cornerstone shareholder, Shandong Yulong, has also been selected as the Company's preferred Chinese debt arranger. Triton is engaging with Chinese investment funds and agencies which may be able to provide debt funding at competitive rates. Access to Shandong Yulong's resource integration advantage within China for potential funding, offtake and other development initiatives provides Triton with the potential of fast tracking the Ancuabe Project into development.

Project Approvals

Approval of the environmental license, which is the final approval required for production, is expected in the June 2023 Quarter.

CORPORATE INFORMATION

As of 31st March 2023, the Company held A\$2.5 million in cash, with conditional commitments for a further A\$5m from Tranche Two of the Capital Raising as announced on 5 September 2022.

Payments to related parties (as set out in section 6 of the Appendix 5B) totalled **\$105,000**, this relates to payments of directors' fees and consulting fees for the Quarter. The Appendix 5B – quarterly cash flow statement, follows this report.

TENEMENTS

- **Ancuabe (MC913 2C)** - The Company holds a 100% beneficial interest in the Ancuabe Mining Concession. In December the payment of \$824,000 in CGT associated with the purchase of the final 20% of the Ancuabe Licence was completed and registration of legal ownership of this final 20% has commenced and is expected in the June 2023 Quarter.
- **Nicanda Hill (EL5966)** - As previously advised, the Company was advised that the area of the Nicanda Hill licence was reserved for public tender. This was notwithstanding the best efforts of the Company to have the Nicanda Hill licence renewed. Triton through its advisers in Mozambique has appealed to the Minister and other relevant authorities. Triton is making every effort to obtain a renewal of the licence and will keep the market updated in this regard.

- **EL5305, EL5380, EL5365 and EL5304** - In relation to these concession Triton's wholly owned subsidiary, Grafex Limitada, remains listed as the holder of these tenements on the Cadastre. However, given the time involved in the consideration of the various extension/modification applications lodged by Grafex in relation to these tenements, the Company has commenced with its advisors the process of making fresh applications over the areas the subject of these tenements, regarding this as the best way forward. The Company will continue to review these tenements going forward, in the context of its focus being firmly on the development of Ancuabe and securing the return of Nicanda Hill.

FOOTNOTES

1. **ASX Announcement - 15 December 2017** - 'Triton delivers robust Ancuabe Definitive Feasibility Study and declares maiden Ore Reserve' and confirms that all of the material assumptions underpinning the production target, or the forecast financial information derived from the production target in the initial public report continue to apply and have not materially changed.
2. **ASX Announcement - 5 September 2022** - Investment of A\$5m by Cornerstone Investor
3. **ASX Announcement - 7 September 2022** - \$8.5m Capital Raising to Ancuabe Development
4. **ASX Announcement – 3 April 2023** - Ancuabe Front-End Engineering Design Contractor Appointed
5. **ASX Announcement – 5 April 2023** - Interim Definitive Feasibility Study Update for Ancuabe

The quarterly report was authorised for release by the Board of Directors.

For further information please contact:

Investor Enquiries

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Triton Minerals Limited	
ABN	Quarter ended ("current quarter")
99 126 042 215	31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(149)	(149)
(c) production	-	-
(d) staff costs	(185)	(185)
(e) administration and corporate costs	(199)	(199)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash used in operating activities	(533)	(533)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash used in financing activities	-	-
4.	Net decrease in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,028	3,028
4.2	Net cash used in operating activities (item 1.9 above)	(533)	(533)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash (used in)/from financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of period	2,497	2,497

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,497	3,028
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,497	3,028

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	105
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash used in operating activities (item 1.9)	533
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	533
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,497
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,497
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:28 April 2023.....

Authorised by:Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.