TRITON MINERALS

ABN: 99 126 042 215

Financial Report

Half year ended

30 June 2017

Contents

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 2016 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 10 Outram Street, West Perth, Western Australia. Its shares are listed on the ASX.

Corporate Directory

Directors

Mr Xingmin (Max) Ji	Non-Executive Chairman
Mr Patrick Burke	Non-Executive Deputy Chairman
Mr Peter Canterbury	Managing Director
Ms Paula Ferreira	Non-Executive Director
Mr Guanghui (Michael) Ji	Non-Executive Director

Company Secretary

Mr David Edwards

Registered Office

10 Outram Street
West Perth
WA 6005

Telephone: (+61) 8 6489 2555
Facsimile: (+61) 8 9388 1252
Website: www.tritonminerals.com

Auditors

PricewaterhouseCoopers
Brookfield Place
125 St Georges Terrace
Perth, WA 6000

Share Registry

Computershare Investor Services Limited
Level 11, 172 St Georges Terrace
Perth, WA 6000
Telephone: (+61 8 9323 2000)
Facsimile: (+61 8 9323 2033)

ASX Code: TON

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 during or at the end of the half year ended 30 June 2017 (the Group).

Directors

The following persons were directors of Triton Minerals Ltd 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 Peter Canterbury	Managing Director
Ms Paula Ferreira	Non-Executive Director
Mr Guanghui (Michael) Ji	Non-Executive Director

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 subsidiary Triton United Ltd (domiciled in the United Arab Emirates) has an 80% equity interest in Grafex Limitada (Grafex) (an entity domiciled in Mozambique), the registered holder of eight exploration licenses, of which six have been granted and two remain under application. The licences are 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 (See ASX Announcement on 24 October 2016 'Entitlement Offer Prospectus' Annexure B, Mozambique Solicitor's Report on Tenements, paragraph 3.5.2 for further information).

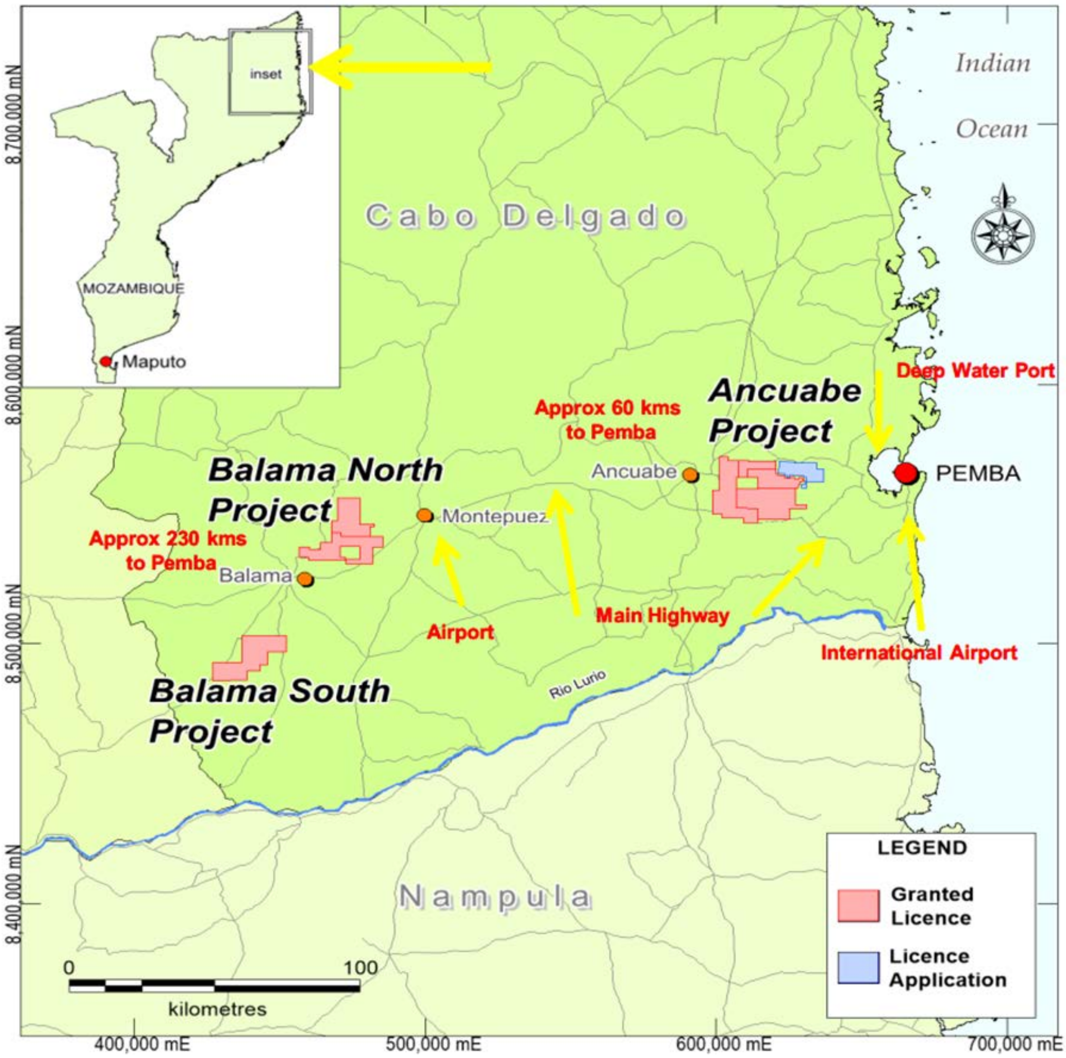
All three areas, shown in Figure 1 overleaf are considered highly prospective for graphite.

The Ancuabe Project is located approximately 45km due west from the northern Mozambique coastal port of Pemba on the Indian Ocean shoreline. The Project is located within tenements 5305, 5336, 5380, 5934 (under application) and 6357 (under application), which surround the historical AMG Graphit Kropfmühl (GK) Ancuabe Mine.

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 the world's largest graphite resource 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.

Directors' Report



Results of operations

The net loss of the Group for the half year to 30 June 2017 was $1,448,963 (2016: loss of $2,751,520). The loss for the year arises primarily from administrative expenses and corporate costs incurred to support the Company's exploration and development activities in Mozambique. Administrative expenses, professional and corporate costs and directors and employee benefits expense totalled $1,155,262 for the half year to 30 June 2017, compared to $3,141,547 incurred in the half year to 30 June 2016, a decrease of $1,986,285.

No dividends were proposed or paid during the period. At 30 June 2017, the Company had cash at bank of $3,404,980 (31 December 2016: $6,967,605).

Directors' Report

Review of operations

The exploration and development activities for the half year ended 30 June 2017 were primarily focussed at the Company's flagship Ancuabe Graphite Project.

Exploration

In late 2016, the Company completed a drilling program of 68 holes for 5,265 m including 26 Reverse Circulation (RC) holes for 2,136 m and 42 Diamond Drilling (DD) holes for 3,129 m at Ancuabe targets T12, T13, T14 and T16. The drilling included two pairs of twin RC and DD holes. A total of 42 holes was drilled at T12 (10 RC and 32 DD); 2 RC holes at T13; 4 RC holes at T14 and 20 holes at T16 (10 RC and 10 DD). These drilling results were released to the ASX on 25 January 2017 'Assays Return Highest Ever Grades at Ancuabe'[1], 1 February 2017 'Ancuabe Drilling Continues to Deliver High Grade Graphite'[1], 20 February 2017 'Ancuabe Development Potential Confirmed'[1], 8 March 2017 'Drill Results Extend T12 Deposit, Support Resource Upgrade'[1], 24 March 2017 'Further High Grade Results at Ancuabe'[1], 10 April 2017 'Major resource Upgrade at Ancuabe'[1] and 9 August 2017 'New High Grade Drilling Results at Ancuabe (Amended)'[1].

Assays from the drilling program were received in during the quarter to March 2017 and the results from the Ancuabe deposit showed that it extends further than previously identified on the Versatile Time Domain Electromagnetic (VTEM) surveys. Due to these extensions that demonstrated the limitations of VTEM for graphite, the Company contracted to undertake Fixed Loop Electro Magnetic (FLEM) surveys to define the mineralised zones on the T12 and T16 and to rank the additional targets. The results of the FLEM surveys were positive and were used to support the current drilling program undertaken as part of the Definitive Feasibility Study

The assay results were the basis of an updated Mineral Resource Estimate (MRE) which was released to the ASX on the 10 April 2017 ('Major Resource Upgrade at Ancuabe'[2]). Total Indicated + Inferred Mineral resource at Ancuabe is 27.9 Mt at an average grade of 6.0 % Total Graphite Carbon (TGC) for 1.7 million tonnes of contained graphite. This includes maiden T16 Indicated + Inferred resource of 8.4 Mt at average grade of 7.8 % TGC.

Metallurgy

Metallurgical results were published on the ASX on 23 February 2017 ('Outstanding Ancuabe T16 Metallurgical Testwork Results'[1]) on six composite core samples from three diamond drill holes (DD) drilled during the drilling program. The flotation test work, based on a standard graphite process flowsheet developed by Independent Metallurgical Operations' (IMO) Perth Laboratory, demonstrated that a range of high purity graphite flakes can be extracted. Key metallurgical highlights included:

- Head grades of between 4.6 and 9.3% TGC

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[1] *The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.*
[2] *The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.*

Directors' Report

- Approximately 22 to 46% of graphite flakes mass > 300 micron (Jumbo Flake)
- Approximately 20 to 29% of graphite flake mass 180 to 300 micron (Large Flake)
- Overall concentrate grades between 97.5 and 99.2% purity (LOI1000 - Loss on Ignition at 1000°C)
- Minimal discernible difference in graphite purity from oxidised, transitional or fresh weathering domains

It was noted by IMO that the process testing was not optimised, with further scope for a coarser initial grind and preservation of large flakes. Flotation tests were performed under open circuit conditions with the recoveries detailed above excluding graphite from intermediate tailings streams. Recoveries could improve with the inclusion of recycling of intermediate tailings streams during locked cycle testing.

Scoping Study

On 10 May 2017, Triton announced to the ASX the results of the Scoping Study ('Ancuabe Scoping Study Results Highlight Premium Product'[3]), which demonstrated that the Ancuabe Graphite Project is technically and financially viable.

The Scoping Study was based on the updated Mineral Resource estimate (released to the ASX on 10 April 2017 'Major Resource Upgrade at Ancuabe'[4]) and considered multiple mine plan options, the results from a conservative mine plan based on processing all Indicated Mineral Resources prior to the processing of any Inferred Mineral Resources are highlighted below:

- Positive returns for all scenarios (Indicated Mineral Resource only and Indicated + Inferred Mineral Resource based mine plans).
- Annual production up to 60,000 tonnes per annum (tpa) graphite concentrate.
- Indicated resources for at least 9 years' operation, with a potential mine life of 17 years.
- Payback period based on various sensitivities of between 2.7 and 4.8 years.
- Net present value based on various sensitivities of between US$128m and US$246m.
- The Scoping Study outcomes exclude optimisation of mine plan, capital and operating costs, presenting potential upside efficiencies to be evaluated in the DFS.

The Scoping Study was led by supervising engineer BatteryLimits, with the resources and mining studies undertaken by CSA Global and water and tailings studies undertaken by Knight Piésold. All consulting groups have graphite and East African project experience.

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[3] *The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and all the material assumptions underpinning the production target included in this market announcement continue to apply and have not materially changed.*

[4] *The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.*

Directors' Report

Drilling recommenced at Ancuabe in April 2017 aimed at converting Inferred Mineral Resources to Indicated Mineral Resource category. It is the intention of the Company to process the T16 deposit first which, if successfully converted, would significantly increase the returns of the Ancuabe Graphite Project. However, there is no guarantee that the drilling programme will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resource.

Definitive Feasibility Study (DFS)

Immediately following completion of the Scoping Study, the Triton Board approved an immediate transition to DFS on an accelerated timeline. The DFS is scheduled to be completed in December 2017. Triton engaged a team of recognised expert consultants to assist with the DFS:

- Resource definition, sterilisation and geotech drilling – Major Drilling
- Metallurgy – IMO Perth and AL
- Geology & Mining – CSA Global
- Tailings, water and geotech – Knight Piésold
- Engineering – Lycopodium

A site visit by CSA Global, Lycopodium and Knight Piésold was completed in May 2017 with positive feedback from the project team on plant location and infrastructure.

Events since the end of the half year

On 15 August 2017, the Company signed a Memorandum of Understanding (MOU) with Sinoma Overseas Development Company Limited (Sinoma) pursuant to which the parties shall negotiate terms for:

- Offtake for up to 50% of the graphite concentrate production from Triton's Ancuabe Graphite Project.
- Engineering, Procurement and Construction (EPC) services for construction of the Ancuabe graphite concentrate plant.
- Debt financing arrangements for construction of the Ancuabe Graphite Project.
- Project level investment in the Ancuabe Graphite Project.

The MOU is not legally binding, however it is the intention of the parties to conduct further due diligence and complete legally binding documentation within four months, coinciding with the completion of the Definitive Feasibility Study for the Ancuabe Graphite Project. There is no guarantee binding agreements will be entered into on the terms envisioned by the MOU with Sinoma or at all.

Sinoma plans to conduct a site visit to Ancuabe and the Cabo Delgado Province of Mozambique in September 2017.

On 29 August 2017, the Company signed a Framework Offtake Agreement with Qingdao Tianshengda Graphite Co., Ltd (Tianshengda) for up to 15,000 tonnes per annum of graphite

Directors' Report

concentrate from the Ancuabe Graphite Project for an initial term of 5 years. Tianshengda is a Chinese graphite producer, located in Laiki City, Shandong Province. Tianshengda produces a range of graphite products including expandable graphite, flake graphite and powder graphite.

The offtake agreement provides a basis to undertake detailed customer acceptance testwork and negotiate final commercial terms. The Framework Offtake Agreement is not legally binding and is conditional upon the parties entering into a formal detailed agreement and completion of customer acceptance testwork by Tianshengda. There is no guarantee binding agreements will be entered into on the terms envisioned by the Framework Offtake Agreement or at all.

Schedule of tenements

As at 30 June 2017, the Group held an 80% interest in Grafex Limitada (an entity registered in Mozambique), the holder of the following interests in exploration tenements:

Tenement	Project	Held By	Location	Status	Interest
EL5966	Balama	Grafex	Mozambique	Granted	80%
EL5365	Balama	Grafex	Mozambique	Granted	80%
EL5304	Balama	Grafex	Mozambique	Granted	80%
EL5380	Ancuabe	Grafex	Mozambique	Granted	80%
EL5336	Ancuabe	Grafex	Mozambique	Granted	80%
EL5305	Ancuabe	Grafex	Mozambique	Granted	80%
EL6357	Ancuabe	Grafex	Mozambique	Application	80%
EL5934	Ancuabe	Grafex	Mozambique	Application	80%

Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 9 for the half year ended 30 June 2017 and forms part of this report.

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

Peter Canterbury
Managing Director

Perth
12 September 2017

pwc

Auditor's Independence Declaration

As lead auditor for the review of Triton Minerals Limited for the half-year ended 30 June 2017, 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.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
12 September 2017

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Consolidated statement of profit or loss and other comprehensive income

For the half Year ended 30 June 2017

	30 June 2017 $	30 June 2016 Restated $
Administration expenses	(251,387)	(265,282)
Professional services and corporate costs	(321,836)	(1,317,207)
Directors and employee benefits expense	(582,039)	(1,559,058)
Net share based payment (expenses)/reversal	(280,126)	502,990
Depreciation expense	(14,948)	(16,115)
Exploration expenditure written off	(46,618)	-
Impairment on investment in listed entity	-	(23,001)
Share of associate loss	-	(47,836)
Gain on disposal of assets	-	28,182
Foreign currency gain/(loss)	10,434	(71,065)
Results from operating activities	**(1,486,520)**	**(2,768,392)**
Financial income	37,557	16,872
Net financing income	**37,557**	**16,872**
Loss before income tax	**(1,448,963)**	**(2,751,520)**
Income tax expense	-	-
Net loss for the half year	**(1,448,963)**	**(2,751,520)**
Other comprehensive income		
Foreign currency translation	196,250	-
Movement in fair value of available-for-sale	-	77,226
Total comprehensive loss for the year	**(1,252,713)**	**(2,674,294)**
Net loss attributable to:		
Owners of Triton Minerals Limited	(1,417,199)	(2,751,520)
Non-Controlling Interest	(31,764)	-
	(1,448,963)	**(2,751,520)**
Total comprehensive loss attributable to:		
Owners of Triton Minerals Limited	(1,260,199)	(2,674,294)
Non-Controlling Interest	7,486	-
	(1,252,713)	**(2,674,294)**
	Cents	**Cents**
Loss per share attributable to ordinary equity holders – basic and diluted	(0.22)	(0.70)

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

Consolidated balance sheet
At 30 June 2017

	Note	30 June 2017	31 December 2016 Restated
		$	$
Current Assets			
Cash and cash equivalents		3,404,980	6,967,605
Current receivables		1,411,051	1,319,037
Prepayments		54,515	67,805
Total Current Assets		**4,870,546**	**8,354,447**
Non-Current Assets			
Available for sale financial assets		110,300	110,300
Prepayments		56,411	61,700
Property, plant and equipment		139,248	76,080
Exploration and evaluation assets	**2**	9,761,342	7,579,945
Total Non-Current Assets		**10,067,301**	**7,828,025**
Total Assets		**14,937,847**	**16,182,472**
Current Liabilities			
Trade and other payables		427,242	623,940
Provisions	**3**	40,457	16,953
Total Current Liabilities		**467,699**	**640,893**
Non-Current Liabilities			
Provisions	**3**	40,001	138,945
Total Non-Current Liabilities		**40,001**	**138,945**
Total Liabilities		**507,700**	**779,838**
Net Assets		**14,430,147**	**15,402,634**
Equity			
Share capital	**4**	73,508,571	73,508,471
Reserves		7,341,588	6,904,462
Retained losses		(67,929,775)	(66,512,576)
Equity attributable to equity holders of the Company		**12,920,384**	**13,900,357**
Non-controlling interest		1,509,763	1,502,277
Total Equity		**14,430,147**	**15,402,634**

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 2017

CONSOLIDATED	Ordinary Share Capital $	Available for Sale Reserve $	Foreign Currency Translation Reserve $	Share-based Payment Reserve Restated $	Retained Losses Restated $	Non-Controlling Interest Restated $	Total $
Balance at 1 January 2016	**59,250,029**	**5,741**	**-**	**6,178,684**	**(35,242,378)**	**-**	**30,192,076**
Comprehensive Income:							
Loss for the period	-	-	-	-	(2,751,520)	-	(2,751,520)
Unrealised gain on available-for-sale financial assets, net of deferred tax liability	-	77,226	-	-	-	-	77,226
Total comprehensive Income for the period	**-**	**77,226**	**-**	**-**	**(2,751,520)**	**-**	**(2,674,294)**
Transactions with owners recorded directly in equity							
Net share based payments reversal	-	-	-	(502,990)	-	-	(502,990)
Issue of shares, net of costs	3,340,525	-	-	-	-	-	3,340,525
Options issued during the period	-	-	-	333,334	-	-	333,334
Balance at 30 June 2016	**62,590,554**	**82,967**	**-**	**6,009,028**	**(37,993,898)**	**-**	**30,688,651**
Balance at 1 January 2017	73,508,471	56,823	-	6,685,637	(70,156,885)	(107,996)	9,986,050
Impact of restatements (note 8)	-	-	-	162,002	3,644,309	1,610,273	5,416,584
Restated balance at 1 January 2017	**73,508,471**	**56,823**	**-**	**6,847,639**	**(66,512,576)**	**1,502,277**	**15,402,634**
Comprehensive Income:							
Loss for the period	-	-	-	-	(1,417,199)	(31,764)	(1,448,963)
Gain on translation of foreign currency subsidiary	-	-	157,000	-	-	39,250	196,250
Total comprehensive Income for the period	**-**	**-**	**157,000**	**-**	**(1,417,199)**	**7,486**	**(1,252,713)**
Transactions with owners recorded directly in equity							
Share based payment expense	-	-	-	280,126	-	-	280,126
Issue of shares	100	-	-	-	-	-	100
Balance at 30 June 2017	**73,508,571**	**56,823**	**157,000**	**7,127,765**	**(67,929,775)**	**1,509,763**	**14,430,147**

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 2017

	30 June 2017 $	30 June 2016 $
Cash flows from operating activities		
Payments to suppliers and employees	(1,178,075)	(1,546,297)
Receipts from customers	-	6,106
Net cash outflow from operating activities	**(1,178,075)**	**(1,540,191)**
Cash flows from investing activities		
Payments for acquisition of plant and equipment	(75,443)	(2,928)
Payments for exploration and evaluation expenditure	(2,279,890)	(1,628,929)
Payment for joint venture investment	-	(423,679)
Proceeds from R&D tax concession	-	460,283
Interest received	37,557	10,766
Net cash outflow from investing activities	**(2,317,776)**	**(1,584,487)**
Cash flows from financing activities		
Proceeds from issue of share capital net of costs	100	3,673,859
Net cash inflow from financing activities	**100**	**3,673,859**
Net (decrease)/increase in cash and cash equivalents	**(3,495,751)**	**549,181**
Cash and cash equivalents at the beginning of the period	6,967,605	343,938
Net foreign exchange differences	(66,874)	(71,065)
Cash and cash equivalents at the end of the period	**3,404,980**	**822,054**

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

Notes to the financial statements

1. Basis of Preparation

These condensed consolidated financial statements for the half year to 30 June 2017 comprise Triton Minerals Limited (Triton or the Company) and the entities it controlled at the end of the half year ended 30 June 2017 (the Group).

The financial statements have been prepared in accordance the Corporations Act 2001 and the Australian Accounting Standard *AASB 134 Interim Financial Reporting*.

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 2016 except as described below.

Effective 1 January 2017, the functional currency of Grafex Limitada, a Mozambican subsidiary controlled by Triton, changed from Australian Dollars to Mozambique Meticals. The change in functional currency resulted from the increased activity in exploration and development expenditure in Mozambique denominated in Mozambican Meticals. The new functional currency has been applied prospectively from 1 January 2017 in accordance with *AASB121 The Effects of Changes in Foreign Exchange Rates.*

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 2017, the Group recorded a loss after tax of $1,448,963 (2016: $2,751,520) and had a net working capital surplus of $1,038,324 (31 December 2016: $762,902).

The Group is forecasting to fully fund its developments and ongoing corporate costs through strategic equity placements and other capital raises within the next 12 months.

Should the Group not be successful in raising additional as required, the directors expect that the Group would be able to reduce its corporate costs and still maintain its right to tenements within the limits of its current cash balance and committed strategic equity placements to meet its debt obligations as and when they fall due.

The financial statements were approved by the Board of Directors on 12 September 2017.

Notes to the financial statements

2. Exploration and Evaluation Assets

	30 June 2017 $	31 December 2016 Restated $
Balance at the beginning of the year	7,579,945	16,522,452
Additions	2,055,895	2,290,598
Research and development tax concession credit	-	(1,768,548)
Movement in the rehabilitation provision	(56,787)	-
Exploration and evaluation assets written off	-	(29,236,773)
Reclassification of equity accounted investee	-	19,772,216
Foreign exchange translation	182,289	-
Balance at the end of the period	**9,761,342**	**7,579,945**

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 reassess the carrying value of the Group's tenements at each half year, or at a period other than that should there be an indication of impairment.

At the date of signing this report, six of the eight licences included in the agreements with Grafex had been officially granted by the Mozambique government, with the two additional licences in application. Capitalised exploration and evaluation assets comprise costs capitalised in respect of the Ancuabe region licences only.

Notes to the financial statements

3. Provisions

	30 June 2017 $	31 December 2016 Restated $
Current		
Provision for annual leave	40,457	16,953
Total current provisions	**40,457**	**16,953**
Non-current		
Provision for rehabilitation	40,001	138,945
Total non-current provisions	**40,001**	**138,945**
Movement in provisions		
Opening balance	155,898	288,076
Provisions made during the period	23,504	11,496
Provisions used during the period	-	(143,674)
Movement in the rehabilitation provision	(98,944)	-
Closing balance	**80,458**	**155,898**

4. Issued Capital

a) Ordinary Shares

	30 June 2017 $	31 December 2016 $
Ordinary Shares, issued and fully paid	73,508,571	73,508,471

	30 June 2017 Number	31 December 2016 Number
Ordinary Shares, issued and fully paid	657,805,299	657,804,633

b) Movements in Listed Options

		Number of Options	Exercise price $
1 January 2017		**22,220,506**	
16 March 2017	Expiry of options	(22,219,840)	$0.15
16 March 2017	Exercise of options	(666)	$0.15
30 June 2017		**-**	

Notes to the financial statements

c) Movements in Unlisted Options

		Number of Options	Exercise price $
1 January 2017		**65,245,189**	
16 March 2017	Expiry of options	(696,426)	$0.20
30 June 2017		**64,548,763**	

d) Movements in Performance Rights

		Number of Performance Rights
1 January 2017		**14,500,000**
16 March 2017	Issue of performance rights	5,500,000
30 June 2017		**20,000,000**

On 12 December 2016 and 9 January 2017, 5,500,000 performance rights were granted to key management personnel of the Company. The performance rights upon vesting, entitle the holder to acquire one fully paid ordinary share for nil consideration.

The performance rights are subject to the following vesting conditions:

500,000 performance rights will vest upon completion of a Pre-Feasibility Study (PFS) or the decision of the Board to convert the PFS into a full Definitive Feasibility Study (DFS) prior to 31 December 2017.

500,000 performance rights will vest upon completion of the DFS by 31 December 2018.

1,500,000 performance rights will vest upon completion of a DFS and decision to mine and execution of offtake agreements for at least 50% of the production of Ancuabe before 2 March 2019.

1,500,000 performance rights will vest upon a Board resolution to proceed to fund and construct the project by 31 March 2019

1,500,000 performance rights will vest upon commencing mining and processing of first ore by 2 December 2019.

The fair value of the performance rights granted are valued on the date of grant using a model taking into account the terms and conditions upon which the performance rights were granted.

Notes to the financial statements

The following table lists the inputs to the model used for the half year ended 30 June 2017.

	Performance Rights
Number of performance rights	5,500,000
Grant date	12 December 2016 and 9 January 2017
Expiry dates	31 December 2017, 31 December 2018, 2 March 2019, 31 March 2019 and 2 December 2019
Share price at grant date	Between $0.062 and $0.071
Fair value of performance right	Between $0.062 and $0.071
Expected volatility	100%
Risk-free interest rate	1.73%
Valuation	$368,000

5. Subsequent Events

EPC, Financing and Offtake Agreement

On 15 August 2017, the Company signed a Memorandum of Understanding (MOU) with Sinoma Overseas Development Company Limited (Sinoma) pursuant to which the parties shall negotiate terms for:

- Offtake for up to 50% of the graphite concentrate production from Triton's Ancuabe Graphite Project.
- EPC services for construction of the Ancuabe graphite concentrate plant.
- Debt financing arrangements for construction of the Ancuabe Graphite Project.
- Project level investment in the Ancuabe Graphite Project.

The MOU is not legally binding, however it is the intention of the parties to conduct further due diligence and complete legally binding documentation within four months, coinciding with the completion of the Definitive Feasibility Study for the Ancuabe Graphite Project. Sinoma plans to conduct a site visit to Ancuabe and the Cabo Delgado Province of Mozambique in September 2017.

On 29 August 2017, the Company signed a Framework Offtake Agreement with Qingdao Tianshengda Graphite Co., Ltd for up to 15,000 tonnes per annum of graphite concentrate from the Ancuabe Graphite Project for an initial term of 5 years.

6. 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.

Notes to the financial statements

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 2017**	**30 June 2016 Restated**
	$	**$**
Segment result	(158,819)	-
Unallocated items		
Other corporate income	37,557	16,872
Other corporate expenses	(1,327,701)	(2,768,392)
Net loss before tax	**(1,448,963)**	**(2,751,520)**

ii) Segment Assets	**30 June 2017**	**30 June 2016 Restated**
	$	**$**
Cash and cash equivalents	95,734	151,053
Exploration and evaluation expenditure	9,761,342	7,579,945
Other assets	259,187	62,053
Total segment assets	**10,116,263**	**7,793,051**
Reconciliation of segment assets to group assets:		
Other corporate assets	4,821,584	8,389,421
Total assets	**14,937,847**	**16,182,472**

iii) Segment Liabilities	**30 June 2017**	**30 June 2016 Restated**
	$	**$**
Trade and other payables	8,647	438,224
Provisions	10,650	9,575
Total segment liabilities	**19,297**	**447,799**
Reconciliation of segment assets to group assets:		
Other corporate liabilities	488,403	332,039
Total liabilities	**507,700**	**779,838**

Notes to the financial statements

7. Contingent Liability

The Company has a contingent liability in respect of capital gains tax that may be payable from Triton's acquisition of its interest in Grafex Limitada. The Company has sought professional advice on the potential capital gains tax payable, if any. The advice received has resulted in a range of possible of outcomes from no liability to the Company on the basis that the vendor is liable for the amount in full to a possible future liability of up to US$1.4 million.

8. Correction of Prior Period Errors

During the half year to 30 June 2017, errors were identified for items (i) to (iv) below that require restatement of the prior year financial information.

i) Revenue

An error has been identified in the accounting treatment of a research and development tax concession credit received in the financial year ended 31 December 2016. The amount of $1,774,654 related to concessions received in relation to capitalised exploration expenditure and as such the tax credit received should have been credited to the exploration and evaluation asset and not recognised as Revenue during the half year ended 30 June 2016. As the related exploration and expenditure assets were impaired in second half of 2016, an additional adjustment was made to reverse impairment charges on the adjusted exploration and evaluation assets by $1,571,457 in the second half of the year ended 31 December 2016.

ii) Performance Rights

In October 2015, performance rights were issued to a non-executive director. An error has been identified in the calculation of fair value of the performance rights in the financial year to 31 December 2015. This resulted in a reduction to the share based payment reversal by $82,348 for the half year to 30 June 2016 and $162,002 for the financial year to 31 December 2016.

iii) Provision for Foreign Tax

In the financial year ended 31 December 2015, a provision of US$4.75m was recognised for a contingent capital gains tax liability arising from Triton's acquisition of its interest in Grafex Limitada. The Company has sought professional advice on the potential contingent capital gains tax liability payable and the advice received has resulted in a range of possible of outcomes from no liability to the Company to a possible future liability. Given this inherent uncertainty across a range of outcomes and the Company having no present obligation, the provision should not have been recognised, but instead disclosed as a contingent liability (Note 7). Accordingly, the provision of $6,510,628 recognised in the financial year ended 31 December 2015 has been derecognised together with a corresponding decrease in exploration and evaluation assets and a foreign exchange loss of $91,276 that arose from the revaluation of the provision during the year ended 31 December 2016. As the related exploration and expenditure assets were impaired in second half of 2016, an additional adjustment was made to reverse impairment charges on the adjusted exploration and evaluation assets by $5,522,399 in the second half of the year ended 31 December 2016.

iv) Non-Controlling Interest

An error has been identified in the calculation of the fair value of the non-controlling interest in the asset acquisition of Grafex Limitada on 30 September 2016. A non-controlling interest of $1,465,085

Notes to the financial statements

has now been recognised on the basis of the proportionate share of the non-controlling interest in Grafex Limitada.

These errors have been corrected by restating each of the affected financial statement line items for the prior period as follows:

Consolidated statement of profit or loss (extract)	**30 June 2016**	**Increase/ (Decrease)**	**30 June 2016 Restated**
	$	**$**	**$**
Revenue (i)	1,774,654	(1,774,654)	-
Financial Income	10,766	6,106	16,872
Share based payments reversal (ii)	585,338	(82,348)	502,990
Net loss for the half year	(900,624)	(1,850,896)	(2,751,520)

Consolidated balance sheet (extract)	**1 January 2016**	**Increase/ (Decrease)**	**1 January 2016 Restated**
	$	**$**	**$**
Equity accounted investees (iii)	22,929,494	(6,510,628)	16,418,866
Non-current provisions (iii)	(6,647,652)	6,510,628	137,024
Net Assets	30,192,076	-	30,192,076

Consolidated balance sheet (extract)	**31 December 2016**	**Increase/ (Decrease)**	**31 December 2016 Restated**
	$	**$**	**$**
Exploration and evaluation assets (i), (iii)	8,765,265	(1,185,320)	7,579,945
Non-current provisions (iii)	(6,740,849)	6,601,904	(138,945)
Net Assets	9,986,050	5,416,584	15,402,634
Reserves (i)	6,742,460	162,002	6,904,462
Retained losses	(70,156,885)	3,644,309	(66,512,576)
Non-controlling interest (iv)	(107,996)	1,610,273	1,502,277
Total Equity	9,986,050	5,416,584	15,402,634

Loss per share attributable to ordinary equity holders – basic and diluted	**30 June 2016**	**Increase/ (Decrease)**	**30 June 2016 Restated**
	$	**$**	**$**
Loss per share (i), (ii), (iii)	(0.23)	(0.47)	(0.70)

The corrected errors did not have any impact on the cash flow statement in the prior year.

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 2017 are in accordance with the *Corporations Act 2001*, including

   (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001; and

   (b) giving a true and fair view of the Group's financial position as at 30 June 2017 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.

Peter Canterbury
Managing Director

Perth
12 September 2017

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Triton Minerals Limited (the Company), which comprises the consolidated balance sheet as at 30 June 2017, 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, selected explanatory notes and the directors' declaration for the Triton Minerals Group (the consolidated entity). The consolidated entity comprises the Company and the entities it controlled during that half-year.

Directors' responsibility 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 is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 30 June 2017 and 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*. As the auditor of Triton Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Independent auditor's review report to the shareholders of Triton Minerals Limited (continued)

Conclusion

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

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 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.*

PricewaterhouseCoopers

PricewaterhouseCoopers

Ben Gargett
Partner

Perth
12 September 2017