



ASX Announcement

24 January 2020

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 DECEMBER 2019

- **\$19.5 million investment by Jinan Hi Tech (“JHT”) completed**
- **Funds of \$8.5 million received to commence early construction activities at the Ancuabe Graphite Project in Mozambique**
- **JHT now holds a 34.01% interest in Triton Minerals**
- **Triton and JHT are currently in positive discussions to finalise non-dilutive debt funding for Ancuabe and will update shareholders in the coming weeks**
- **Upon finalisation of funding, mobilisation of bulk earthworks and EPC contractors to site will occur**

Triton Minerals Limited (ASX: TON) (“Triton” or “the Company”) is pleased to present its activities report for the three month period ending 31st December 2019 (“the Quarter”).



Triton Minerals hosted by the Jinan Hi Tech Chairman and Senior Executives

INVESTMENT FROM JINAN HI TECH COMPLETED

The Company was extremely pleased to report in December that all conditions precedent to the subscription agreement between Jigao International Investment Development Co Ltd (“**Jigao**”), a subsidiary of JHT, and Triton were satisfied. Following which, the Company received subscription funds of \$8.5 million which allows it to proceed with early construction activities at the Ancuabe Graphite Project (“**Ancuabe**”) in Mozambique. Immediately following the receipt of funds, Triton issued 207,317,073 fully paid ordinary shares to Jigao at the price of 4.1 cents per share.

Concurrently, Jigao also completed the acquisition of Shandong Tianye Mining's ("STM") 19.3% shareholding in Triton for a total consideration of A\$11.0 million (6.2 cents per Share) resulting in Jigao now holding 34.01% of Triton on completion of both transactions.

The initial \$8.5 million placement will be used by Triton to commence early construction activities, in addition to detailed engineering and placement of long lead time orders for Ancuabe.

Alongside the investment of 34.01% in Triton, JHT has agreed to provide financing support for the EPC debt funding package and has already undertaken significant work with the Chinese banks on this financing. Triton's Managing Director Mr Peter Canterbury and JHT's senior executives have made positive steps forward over the past two months in China with progressive funding discussions and will continue to update shareholders on its progress finalising this facility over the coming weeks.

Interim Debt Funding

During the Quarter, JHT approved a second interim debt funding arrangement of \$2.7 million. This was in addition and on the same terms as the interim funding arrangement of \$2 million announced in July (ASX: TON Announcement 9th July 2019). The purpose of the second interim funding agreement is to provide the Company with funding to meet the financial guarantee requirements of the Mozambique mining regulations to commence construction of the Ancuabe Graphite Project.

Funds drawn down from both interim debt funding facilities were repaid from the subscription funds received.

About JHT

Jinan Hi-Tech Group, headquartered in Jinan, China, was established in 2005 and is a Shandong Provincial State-Owned Enterprise ("SOE") primarily involved in the building and infrastructure sectors. It is a multibillion-dollar group involved in the construction of industrial parks, public security facilities, roads and greening projects, and sewage networks and river projects; development of urban complexes, commercial and residential buildings, and other projects; investment and asset management activities; and operation of industrial parks.

BOARD CHANGES

A key term of the subscription agreement is that Jigao is entitled to equal board representation of Triton, with no right to a casting vote, provided Jigao's shareholding in the Company remains above 28%. As part of JHT's investment in Triton, Mr Chendong Wang joined the board as a non-executive director.

Mr Michael Ji and Ms Paula Ferreira resigned in December 2019, reducing the Triton board from five to four directors.

CORPORATE INFORMATION

At 31 December 2019, the Company had 3,971 shareholders and 1,134,455,223 shares on issue. The top 20 shareholders held 57.9% of the issued ordinary shares.

At 31 December 2019, the Company had cash at bank of approximately \$4,853,000 after the repayment of drawdowns of \$3,575,000 from the interim debt facilities to fund working capital and the financial guarantee.

EXPENDITURE

The pro-forma appendix 5B – statement of consolidated cash flows is attached to this report.

ASX ANNOUNCEMENTS

The Quarterly Report should be read in conjunction with all announcements made by the Company to the ASX, www.tritonminerals.com | ASX: TON

including the financial statements for the year ending 31 December 2018 and half year ended 30 June 2019 which contain further details about material business risks. These announcements can be found on the following link:

<http://www.tritonminerals.com/investors/asx-announcements/>

Schedule of Tenements (ASX Listing Rule 5.3.3)

As at 31 December 2019, the Triton Group held an 100% economic interest in Grafex Limitada, the holder of the following interests in exploration tenements (all located in Mozambique):

Licence	Project	Prospect/Deposit	Status	Change In Quarter	Note	Economic Interest
EL5966	Balama Nth	Nicanda Hill	Granted	No change		100%
EL5365	Balama Nth	Cobra Plains	Pending extension	No change	1	100%
EL5304	Balama Sth	-	Granted	No change		100%
EL5380	Ancuabe	T20	Granted	No change	2	100%
MC9132C	Ancuabe	T12, T16	Granted	Granted		
EL5305	Ancuabe	-	Granted	No change	3	100%
EL5934	Ancuabe	T10, T11	Pending grant	No change	4	100%

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

1. Application for extension submitted in September 2017.
2. Application for extension and to modify and reduce the area submitted in November 2017.
3. Application to modify area submitted in November 2017.
4. Application to modify area submitted in November 2017.

For further information please contact:

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Forward-Looking Statements

This release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Triton Minerals Limited's current expectations, estimates and assumptions about the industry in which Triton Minerals Limited operates, and beliefs and assumptions regarding Triton Minerals Limited's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control

of Triton Minerals Limited. Actual values, results or events may be materially different to those expressed or implied in this release. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this release speak only at the date of issue of this release. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Triton Minerals Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this release or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Triton Minerals Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statements is based.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

Triton Minerals Ltd

ABN

99 126 042 215

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(214)	(1,259)
(c) production	-	-
(d) staff costs (see note below)	(559)	(1,190)
(e) administration and corporate costs	(149)	(760)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	8
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (During the quarter, the company received a refund of Mozambique sales tax of \$400,000)	400	361
1.9 Net cash used in operating activities	(521)	(2,842)

Note: Staff costs during the quarter include the payment of fees and other staff costs that were accrued for the previous 12 months pending funding

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	82	168
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from investing activities	82	168

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares (and listed options)	8,500	9,222
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(156)	(303)
3.5 Proceeds from borrowings	3,075	3,575
3.6 Repayment of borrowings	(3,575)	(3,575)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other		
- Refundable bank guarantee required for the start of construction at Ancuabe	(2,612)	(2,612)
- Principal element lease payments	(36)	(133)
3.10 Net cash from financing activities	5,196	6,174

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase in cash and cash equivalents for the period	4,757	3,500
4.1	Cash and cash equivalents at beginning of period	121	1,384
4.2	Net cash used in operating activities (item 1.9 above)	(521)	(2,842)
4.3	Net cash from investing activities (item 2.6 above)	82	168
4.4	Net cash from financing activities (item 3.10 above)	5,196	6,174
4.5	Effect of movement in exchange rates on cash held	(23)	(29)
4.6	Cash and cash equivalents at end of period	4,855	4,855

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	4,855	4,855
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)	4,855	4,855

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(416)
-

During the quarter and following receipt of subscription funds, the company settled fees that were accrued for the previous 12 months pending funding.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available
Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	-
9.2 Development	(397)
9.3 Production	-
9.4 Staff costs	(268)
9.5 Administration and corporate costs	(258)
9.6 Other (Subscription funds from strategic placement announced on 28 June 2019 less repayment of proceeds and interest from the interim funding arrangement announced to the ASX on 9 July 2019)	-
9.7 Total estimated cash net inflows	(923)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter

Compliance statement

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



Sign here:
(Company Secretary)

Date: 24 January 2020

Print name: David Edwards

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly 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 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.