



ASX Announcement

20 April 2020

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 MARCH 2020

- Chinese contractors and strategic partners advise that their business appears to be returning to normal following the rapid Chinese response to COVID-19
 - Triton now able to resume discussions with potential Chinese financing institutions
 - The Chairman of Triton's largest shareholder reaffirms support for the Company and the Triton Board's targeted construction commencement in Q3 2020
 - Testwork undertaken on Ancuabe samples by a major Chinese producer of value-added graphite products demonstrates significant expansion results
 - Testwork again confirms the suitability of Ancuabe graphite for the premium priced graphite foil, refractory and flame-retardant markets
 - Discussions continuing regarding commercial opportunities that may include direct project investment in Ancuabe and potential value adding co-operation in China
-

Triton Minerals Limited (ASX: TON) ("**Triton**" or "**the Company**") is pleased to present its activities report for the three-month period ending 31st March 2020 ("**the Quarter**").

During the quarter, significant strides were made by the Company at its flagship Ancuabe Graphite Project in Northern Mozambique.

ANCUABE GRAPHITE PROJECT

The Ancuabe Project is located within the established graphite region of Cabo Delgado in north eastern Mozambique and is closest to port of all East African graphite projects.

The Ancuabe Project is the only large scale, large flake graphite project in the region and its high-purity, large flake graphite (suited to the premium priced expandable graphite markets), commands a market price premium over smaller flake products.

A Definitive Feasibility Study¹ ("**DFS**") (ASX December 2017) confirms Ancuabe is a high quality, long life, high margin graphite project and was underpinned by a Maiden JORC Compliant Ore Reserve of 24.9Mt at 6.2% TGC that supported the DFS evaluation period of 27 years.

Triton is aiming at becoming the next East African graphite producer, currently targeting production of up to 60,000 tonnes of high purity, large flake graphite concentrate per annum.

Binding offtake agreements have been signed with Tianshengda Graphite and Chenyang Graphite each for up to 16,000 tonnes of annual Ancuabe graphite concentration production. This equates to over 50% of annual

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.

production. MCC International Incorporation Limited has been awarded the Engineering, Procurement and Construction contract for the mineral processing facility and other infrastructure at Ancuabe.

Late in 2019 a \$19.5 million investment by Jigao International Investment Development Co Ltd ("**Jigao**") a subsidiary of state-owned enterprise Jinan Hi Tech ("**JHT**") was completed to provide financing support for the early construction activities at Ancuabe. This investment brought Jigao to become TON's major shareholder with a 34.01% interest



Figure 1. Location of TON's Graphite Portfolio

ANCUABE TESTWORK

In February, Triton announced that it had received positive feedback from completed expansion testwork undertaken on samples of Ancuabe's high purity, large flake graphite concentrate by major Chinese graphite producer, Xincheng Graphite Co. Ltd ("**XGC**").

Jigao facilitated the testwork with XGC, one of China's largest producers of value-added graphite products, specialising in expandable graphite products including graphite foils and flame retardant products.

The commencement of commercial discussions with XGC followed samples from Ancuabe being dispatched to China in December 2019 and expansion testwork undertaken in January 2020 by XGC on large flake (+180µ) samples from Ancuabe's T12 and T16 deposit.

XGC provided extremely positive feedback and confirmed favourable outcomes with expansion results far superior to existing suppliers in China. During the quarter on a trip to China, Triton's Managing Director Mr Peter Canterbury commenced positive discussions with Jigao on how it could assist XGC. Further discussions on potential co-operation will be undertaken subsequent to the March quarter with XGC regarding these value-adding opportunities in China.



Figures 2 & 3: Photos of the expansion testwork

EUROPEAN GRAPHITE MARKETING

Triton, through its German Marketing Consultant, was approached in February by existing industrial users of graphite to undertake further testwork on samples from the Ancuabe graphite project. According to Triton's consultant, there is an increase in demand for larger flake graphite with high purity levels, which is a characteristic of the graphite from the Ancuabe region. Graphit Kropfmühl has produced expandable graphite from its operations adjacent to Triton's Ancuabe Project.

Triton will be undertaking a further round of sample testwork subsequent to the reporting period, with these newly identified potential customers to further diversify its global customer network.

RESPONSE TO COVID-19

In March, Triton released an update to the market which detailed the Company had been informed by its various Chinese partners that their business in China was in the process of returning back to normal following the country's response to COVID-19.

The Triton Board is both encouraged and pleased by the ongoing support of its largest shareholder and their continued commitment to progressing work on financing and value engineering.

Given that China appears to be returning to business as usual, discussions with financing institutions will accelerate, working toward enabling construction to commence in the near-term.

RELEASE OF ANNUAL REPORT

In March, the Company announced the release of its 2019 Annual Report that demonstrates that the Company is well-funded following the placement to Jigao, its largest shareholder, and the resulting cash investment of A\$8.5 million in December 2019.

CORPORATE INFORMATION

At 31 March 2020, the Company had 3,873 shareholders and 1,134,458,438 shares on issue. The top 20 shareholders held 58.1% of the issued ordinary shares. At 31 March 2020, the Company had cash at bank of approximately \$4,113,000. This cash at bank excludes the cash backed construction guarantee of approximately

\$2.6 million lodged with INAMI in November 2019.

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, including the financial statements for the year ending 31 December 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 March 2020, 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 | Location | Status | Interest | Note |
|---------|------------|----------------------|------------|-------------------|----------|------|
| EL5966 | Balama Nth | Nicanda Hill | Mozambique | Granted | 100% | |
| EL5365 | Balama Nth | Cobra Plains | Mozambique | Pending extension | 100% | 1 |
| EL5304 | Balama Sth | - | Mozambique | Granted | 100% | |
| EL5380 | Ancuabe | T20 | Mozambique | Granted | 100% | 2 |
| MC9132C | Ancuabe | T12, T16 | Mozambique | Granted | 100% | |
| EL5305 | Ancuabe | - | Mozambique | Granted | 100% | 3 |

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

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

For further information please contact:

Investor Enquiries

Peter Canterbury
 Managing Director
info@tritonminerals.com
 +61 8 6381 9050

Victoria Humphries
 NWR Communications
victoria@nwrcommunications.com.au
 +61 (0) 431 151 676

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 or oil and gas exploration entity quarterly cash flow report

Name of entity

Triton Minerals Limited

ABN

99 126 042 215

Quarter ended ("current quarter")

31 MARCH 2020

| 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 (if expensed) | - | - |
| (b) development | (223) | (223) |
| (c) production | - | - |
| (d) staff costs | (383) | (383) |
| (e) administration and corporate costs | (154) | (154) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 6 | 6 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash used in operating activities | (754) | (754) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation (if capitalised) | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

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

| 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 from / (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 | 4,855 | 4,855 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (754) | (754) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | 12 | 12 |
| 4.6 | Cash and cash equivalents at end of period | 4,113 | 4,113 |

| 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 | 4,113 | 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) | 4,113 | 4,855 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|------------------------------------|
| 135 |
| - |

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

Payments of Directors fees and salaries

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

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <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> | | |
| 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) | 754 |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | - |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | 754 |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 4,113 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 4,113 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 5 |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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:

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:

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:

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.



20 April 2020

Date:

Authorised by: By the Board
(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.