



Power Solution MoU for Ancuabe Project

Execution of a Memorandum of Understanding (MoU) with HIMOINSA Southern Africa for the development of a modular, cost effective and sustainable power solution for the Ancuabe Project

Highlights:

- **Project Initiator** - The MoU provides for HIMOINSA Southern Africa PTY (LTD) (HIMOINSA) to develop power solutions for the Ancuabe Project, in an energy provider partnership that will be aligned with the plant's finance, construction and operations objectives.
- **Partnership Style Agreement** - To develop a modular, cost effective and sustainable power solution for the mine operations for Stages 1 and 2, using either power generated onsite via diesel and hybrid solar or combined with power supply from the local grid.
- **MoU covers Stages 1 and 2 of the Ancuabe Staged Development Strategic Plan:**
 - ✓ **Stage 1 Initial Small Scale Start Up** - This will provide power for a processing plant with an estimated processing capacity range of 100 to 125k tpa of ore, producing 5 to 8 k tpa of graphite concentrate under which HIMOINSA will supply 1.5MW of diesel-powered electrical generation and potentially a solar/battery hybrid energy solution. Intended to be operational in Q3 2023.
 - ✓ **Stage 2 Expansion to Full Capacity** - The Stage 2 Expansion will scale up the supply of energy to approximately 5-6MW with the addition of both a diesel and solar/battery hybrid energy solution and potentially backed by connection to the grid (if required). The solution is designed to fit with modular processing plant design.
- **BOOT** - It is planned the Power Supply Agreement will be on a BOOT (Build Own Operate Transfer) style arrangement on a fixed and variable basis, to cover both initial capital/setup costs and also operating costs for the ongoing supply of power. HIMOINSA will provide the full capital requirement for the establishment of the power generation facilities and be responsible for its operation and maintenance.
- **Use of Modular Plant** - The solution proposed by HIMOINSA is well-established and is a proven development methodology, used widely in the mineral resources industry, ideal for African developments and projects in today's tight market conditions.
- **Power Supply Optionality for the Project** – The MoU provides for the addition of both diesel and solar/battery hybrid energy solutions and is potentially backed by connection to the grid (if required) for incorporation and other new generation technology solutions.
- **De-risking** - The BOOT arrangement reduces the initial project funding requirements and de-risks the Ancuabe Project. In addition, staged approach reduces risk associated with the execution, financing and technology for power supply.

Triton is pleased to announce the execution of an MoU with HIMOINSA for the development of a modular, scalable, cost effective and sustainable power solution for the Ancuabe Project. Under the MoU HIMOINSA will develop, build, own, operate and maintain the power generation facilities for the Project. This is yet another important step in the Company's development of its flagship Ancuabe Project.

Triton's Executive Director, Mr Andrew Frazer said:

"This MoU marks an important step in our CPP development at our flagship Ancuabe Project.

We are very excited to be working with the highly credentialed HIMOINSA group. The supply of power is crucial to the success of a mining project and particularly at the early stages of the project development, the HIMOINSA solutions will provide the Ancuabe Project with flexibility and reliability.

I would like to express my thanks to both Adrian Costello, Triton Chief Operating Officer and Matthew Bell from HIMOINSA, for achieving this MoU".

HIMOINSA Southern Africa's Director, Mr. Matthew Bell said:

"We are delighted to have concluded this MoU with Triton Minerals and continue to work in partnership with their team to develop a cost effective, reliable and modular solution that is aligned with the objectives of the exciting Ancuabe Project.

HIMOINSA's focus on developing hybrid solutions, in which the thermal generation is effectively integrated with other generation sources, is well suited to the mining sector. By designing the main infrastructure at Ancuabe where solar / BESS technologies can be effectively incorporated immediately or in the future, ensures the power solution is future proofed for the mine's increased and long-term load requirements.

HIMOINSA Southern Africa's extensive experience in Southern African, Mozambique and knowledge of the local market means that we are ideally placed to provide a solution which meets the specific needs of Ancuabe and deliver a reliable power supply for this Project."

The MoU will provide for HIMOINSA to undertake the role of Project Initiator for developing power solutions for the Ancuabe Project, in an energy provider partnership that will be aligned with the Project's finance, construction and operations objectives.

The MoU is a partnership style agreement that covers the development power requirements for the Ancuabe Project, with a view to developing a modular, cost effective and sustainable power solution for the mine operations for both Stages 1 and 2, using either power generated onsite via diesel or hybrid solar or connection to the local grid.

Under the MoU HIMOINSA and Triton will work together to develop the best technical and commercial solution for both Stages, to effectively plan a longer-term solution for both the Stage 1 and Stage 2 power requirements.

The MoU is broken into two sections, which covers Stages 1 and 2 of the Ancuabe Staged Development Strategic Plan as follows:

Stage 1 Initial Small Scale Start Up

- This will provide power for a processing plant with an estimated processing capacity of range 100 to 125k tpa of ore, producing 5 to 8 k tpa of graphite concentrate.
- HIMOINSA will supply 1.5MW of diesel-powered electrical generation and potentially combined with a solar/battery hybrid energy solution.
- Intended to be operational in Q3 2023.

Stage 2 Expansion to Full Capacity

- It is estimated that the Stage 2 will commence in 2025, which will see expansion to a large-scale operation as planned in the 2017 DFS₁.
- The final Stage 2 expansion plan will be based upon the performance of the process plant in Stage 1, incorporating value-add enhancements identified in Stage 1 and also the market demand for flake graphite prevailing at the time.
- The Stage 2 Expansion will scale up the supply of energy to approximately 5-6 MW with the addition of both diesel and solar/battery hybrid energy solution, potentially backed by connection to the grid (if required).
- The solution will be designed to fit with a modular processing plant design.

BOOT

The Power Supply Agreement will be on a BOOT (Build Own Operate Transfer) style arrangement on fixed and variable basis, to cover both initial capital/setup costs and also operating costs for the ongoing supply of power.

HIMOINSA will provide the full capital requirement for the establishment of the power generation facilities and be responsible for its operation and maintenance.

The BOOT style arrangement reduces initial project funding requirements and reduces risk associated with execution, financing and technology for power supply.

Use of Modular Plant

The solution proposed by HIMOINSA under the MoU is a well-established and proven development methodology, used widely in the mineral resources industries such as mining, oil & gas and chemical industries, which is ideal for African developments and projects in today's tight projects market, with potential to realise significant savings in both construction time and capital costs.

A modular plant has shorter lead-times as bespoke equipment manufacturing can be expedited and de-risks our development schedule. The equipment can therefore be mobilised and the installed generation capacity increased at short notice, as required during the development and operations of the Ancuabe Project.

About HIMOINSA

HIMOINSA Southern Africa PTY (LTD) is a subsidiary company of the global generator manufacturing group, Himoinsa Spain Limited. HSA is engaged in the business of sales, service and rental of power generation equipment in Southern and East Africa.

HIMOINSA Southern Africa has an OEM qualified service team with an existing rental fleet of generators and balance of plant. HIMOINSA Southern Africa has established partnerships with leading renewable companies that have good experience of operating in Africa, operating a portfolio of solar and microgrid projects as well as providing services and solutions such as engineering, procurement and construction (EPC) capabilities, solar financing and other technical development support to commercialise solar projects.

For more information, please visit the website: www.himoinsa.co.za

End Note

1. See 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 apply and have not materially changed.

This ASX release was authorised by the Board of Directors.

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