



ANCUABE GRAPHITE PROJECT UPDATE

DFS Update progressing, Commencement of Project Execution Planning and Early Contractor Involvement, March site-visit with Shandong Yulong

HIGHLIGHTS:

- Update of the December 2017 Definitive Feasibility Study (DFS) for the Ancuabe Graphite Project expected to be released in March Quarter.
- DFS Update is focused on refreshing the key financial inputs such as graphite basket pricing, upfront capital expenditure, operating expenditure and sustaining capital expenditure.
- Triton notes the strong graphite price appreciation and outlook since the 2017 DFS⁴.
- Perth based engineering and procurement consultants have been engaged to assist with the DFS Update.
- Commenced Early Contractor Involvement (ECI) in collaboration with a major Chinese equipment supplier as well as mining and civil contractors.
- Project execution planning process underway, led by experienced Chairman Rod Zhang and Chief Operating Officer Adrian Costello.
- March site-visit to commence the in-country planning and establishment works with both Triton and Shandong Yulong representatives.

Triton Minerals Limited (ASX: TON, Triton or Company) is pleased to advise in relation to its update of the December 2017 Definitive Feasibility Study (DFS) (DFS Update) for the Ancuabe Graphite Project.

This follows the recent announcement that the Company has re-committed to the large-scale development of the Ancuabe Project as per the 2017 DFS^{1,2,3}. The Board of Triton have based its decision to move straight to the large-scale development on **strong and increasing demand for graphite from both battery and industrial applications**, as well as the strong support of its proposed cornerstone shareholder, Shandong Yulong.

Definitive Feasibility Study Update and Early Contractor Involvement Process

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 and concentrate metallurgy, which will expedite the DFS Update process.

The graphite basket price update will draw upon pricing forecasts from leading graphite market experts, Benchmark Mineral Intelligence. Triton notes that the Ancuabe Graphite Project concentrate product distribution consists of 55% Expandable, 20% Battery and 25% Refractory projects, which is currently expected to attract a higher average basket price than battery product alone.

Triton notes that the outlook for the graphite market is for supply shortages forecast around 2025 for both expandable and battery concentrates. These markets have already seen a steady increase over the course of the past 12 months. The Company is excited by the outlook for the graphite price over the coming decade which aligns well with the scheduled progression of the Ancuabe Graphite Project towards production.

The Company has engaged Perth based engineering and procurement consultants to assist in the DFS Update. As part of this process, the Company is undertaking an Early Contractor Involvement (**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.

Triton's Chief Operating Officer, Adrian Costello is currently in China as part of the ECI process, to progress discussions with a major Chinese equipment supplier and also mining, construction and civil contractors.

The results of the DFS Update are expected this month, from which if the outcome is favourable, a decision to proceed to a Front End Engineering and Design (**FEED**) process will be completed followed by progression of the Engineering, Procurement and Construction (**EPC**) contract.

Commencement of Project Execution Planning

Project Execution Planning (**PEP**) has commenced, which is part of Triton's strategy to advance project execution workstreams in parallel with the completion of the DFS Update and FEED process.

PEP outlines how Triton will successfully complete the Ancuabe Graphite Project on-time and on-budget, and will specify approach, tasks and schedule. The project will be designed and constructed to industry and regulatory standards, with emphasis on addressing all safety, environmental and community issues. Triton, its consultants and its contractors will utilize local resources, including human, natural, technical and commercial. In particular the project will be executed with full awareness of community and cultural issues and appropriate use of local content.

The PEP will entail the following items:

- **Project Management Team** - The owners team will, with the support of the contractor(s), ensure that checks, balances, progress monitoring, regulatory guidance and quality assurance to ensure it has the information to act effectively are implemented

- **Project Execution Strategy** - the project work will be carried out by a primary contractor with appropriate sub-contracting support. The primary contractor's contract will be in the form of a EPC or a Fixed Price Turnkey structure and be managed by the owners teams.
- **Management Plans** - PEP will contain a number project management plans for key aspects such as project controls and reporting, safety, environmental, community, procurement, logistics, labour relations, construction management, quality assurance/control system and business readiness.
- **Project Scheduling** - Overall master project scheduling from FEED to Construction and Commissioning.

A visit to Pemba and the Ancuabe project site by a team from both Triton and the proposed cornerstone shareholder, Shandong Yulong, is planned for March to commence the in-country planning and establishment works such as the re-establishment of Pemba offices, accommodation and services/infrastructure and establishment of long-term project offices.

Over the coming months Triton will be recruiting an in-country project team and which will see these key project members relocating to Pemba in the Cabo Delgado region of Northern Mozambique, to undertake FEED and project execution.

END NOTE

1. ASX Announcement - 15 December 2017 - 'Triton delivers robust Ancuabe Definitive Feasibility Study and declares maiden Ore Reserve'
Triton 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.
Triton also confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of the estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.
2. ASX Announcement – 30 November - Triton Re-Commits to Large Scale Development of Ancuabe Project
3. ASX Announcement – 30 November - Triton Re-Commits to Large Scale Development of Ancuabe Project Amended
4. Benchmark Mineral Intelligence - Flake Graphite Price Assessment- December 2022

This ASX release was authorised by the Board of Directors.

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Appendix 1 – Ancuabe 2017 DFS

The 2017 Definitive Feasibility Study (DFS) established the project as a globally significant graphite development project, boasting strong returns (US\$298m, IRR 37%), targeting production of 60ktpa of high purity large flake graphite concentrate over a long mine life (27 years), with short payback period (3.8 years), which is based upon mining and processing of 1 million tonnes of ore and the production of 60,000 tpa of high quality and high margin graphite concentrate.

Summary of 2017 DFS Outcomes

Key Parameter	DFS Result
Mine Life	27 Years
Ore Processed	Approximately 1 M tpa
Concentrate	Approximately 60,000 tpa graphite concentrate
Initial Capital cost	US\$99.4M including contingency of US\$9.3M
Graphite price	US\$1,435/t graphite basket Price concentrate (FCA Pemba)
EBITDA	US\$1,178M
Operating cost ex royalty	US\$634/t graphite concentrate (FCA Pemba)
Unleveraged pre-tax NPV	US\$298M
Unleveraged pre-tax IRR	36.80%
Payback period ⁶	3.8 years from first production
Project free cash flow	US\$1,032M pre-tax and US\$753M post-tax

The Ancuabe Graphite Project is based on developing and mining two graphite mineral deposits T12 and T16 and the DFS has been used as the basis from which to estimate Ore Reserves for the project. The Ore Reserve and Resources for the Ancuabe project is reported in accordance with the JORC Code 2012.

Statement of Ore Reserve and Resources

Reserve Category	Tonnes (m)	Grade (TGC%)	Contained Graphite Tonnes (m)
Proven	-	-	-
Probable	24.9	6.20%	1.54
Indicated + Inferred Resource Category	Tonnes (m)	Grade (TGC%)	Contained Graphite Tonnes (m)
Indicated	31.1	6.90%	2.15
Inferred	15	6.00%	0.89
Total	46.1	6.60%	3.04