



QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 JUNE 2019

- ✓ **Ancuabe Mining Concession Granted by Mozambique Government for production of up to 60,000 tonnes per annum of high purity large flake graphite concentrate**
- ✓ **State Owned Enterprise Jinan Hi-Tech agrees to A\$19.5 million investment in Triton and to support the EPC debt funding package**

Triton Minerals Limited (ASX: TON) (**Triton** or the **Company**) is pleased to present its activities report for the quarter ended 30 June 2019 which was a transformational quarter for the Company.

ANCUABE GRAPHITE PROJECT

Mining Concession Granted

In May 2019, the Mozambique Minister of Energy and Natural Resources, His Excellency Ernesto Max Elias Tonela granted the Mining Concession for the Company's Ancuabe Graphite Project (**Ancuabe or the Project**) in the Cabo Delgado province in Northern Mozambique. Ministerial approval was the final step in the Mining Concession application process, with this Triton now has secured the necessary regulatory approvals to progress the development of Ancuabe.

The grant of the Mining Concession was also a critical milestone in terms of finalising funding negotiations for the Project, allowing Triton to accelerate discussions with sponsor banks of the Company's nominated engineering, procurement and construction (EPC) contractor. The grant of the Mining Concession was also instrumental to Jinan Hi-Tech (**JHT**) agreeing to invest A\$19.5 million in Triton, support the EPC debt funding package and arranging a A\$2 million working capital facility (further details below).

CORPORATE AND FINANCE OVERVIEW

Strategic Partner Introduced with Equity Financing and Debt Funding Support

In June 2019 the board of JHT, a major Shandong based State Owned Enterprise (**SOE**) approved, subject to Triton shareholder and Australian and Chinese regulatory approvals, an investment of \$19.5 million in Triton via:

- Subscription of \$8.5 million for 207.3 million fully paid ordinary shares (**Shares**) at 4.1 cents per Share, subject to Triton shareholder approval (**Strategic Placement**); and
- Acquisition of Shandong Tianye Mining's (**STM**) 19.3% shareholding in Triton for total consideration of A\$11.0 million (6.2 cents per Share), subject to Australian FIRB and Chinese regulatory approval. The acquisition is expected to complete in August 2019.

The acquisition by JHT of STM's 19.3% stake in Triton is subject to Australian FIRB and Chinese Regulatory Approvals and is now expected to complete in August 2019.

The Strategic Placement and the acquisition of STM's shareholding, will take JHT's shareholding in Triton to approximately 34.01%. As JHT will acquire a stake in Triton of greater than 20%, Triton will call a meeting of shareholders as soon as practical for shareholders to vote on the Strategic Placement. The notice of meeting to shareholders will include an Independent Expert Report that will opine on whether the independent expert considers the proposed Strategic Placement is fair & reasonable and in the best interests of Triton shareholders.

For personal use only

Key terms of the subscription agreement are:

- Subscription for 207.3 million ordinary shares at 4.1 cents per share to raise \$8.5 million;
- JHT to acquire STM's current 19.3% shareholding in the Company;
- JHT is entitled to equal board representation, with no right to a casting vote, provided JHT's shareholding in the Company remains above 28%; and
JHT have a participation right if the Company makes any future issues of equity to the extent to maintain its shareholding percentage. This right falls away should JHT's shareholding fall below 10%.

In addition to 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 expects this funding to be provided on attractive terms and looks forward to progressing this financing as soon as practical.

In July 2019, JHT facilitated an interim debt arrangement of A\$2 million to provide working capital whilst shareholder and regulatory approvals are sought. The interim debt funding arrangement is with Shandong Tianye Group Bid Co Pty Limited, an entity associated with JHT and STM. The loan is unsecured and will incur an annual interest rate of 11%, accrued monthly. The interest and principal will be repaid from proceeds of the Strategic Placement. The first drawdown of A\$300,000 was received on 11 July 2019.

In addition, following recent meetings in China with JHT, significant progress has been made with the financing structure to support the development of the Ancuabe project and in line with the financing support committed to by JHT as part of the subscription agreement.

Corporate Information

At 30 June 2019, the Company had 4,064 shareholders and 927,137,924 shares on issue. The top 20 shareholders held 50.13% of the issued ordinary shares.

At 30 June 2019, the Company had cash at bank of approximately \$351,737.

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 2018 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 30 June 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	Granted	No change	1	100%
EL5304	Balama Sth	-	Granted	No change		100%
EL5380	Ancuabe	T20	Granted	No change	2	100%
EL5336	Ancuabe	T12, T16	Lapsed	Lapsed	3	100%
MC9132C	Ancuabe	T12, T16	Granted	Granted	3	
EL5305	Ancuabe	-	Granted	No change	4	100%
EL6537	Ancuabe	T18, T19	Relinquished	No change	5	100%
EL5934	Ancuabe	T10, T11	Approved - Pending grant	No change	6	100%

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 for a mining licence submitted in November 2017 and granted May 2019. New number assigned by INAMI: 9132C. The granting of the Mining Concession results in the lapsing of the previous Exploration Licence EL5336
4. Application to modify area submitted in November 2017.
5. Addressed as a change to area in 5336 submitted in November 2017 in which part of area of EL6537 was added to EL5336. Application for remaining area of EL6537 was relinquished in November 2017.
6. Application to modify area of EL5934 submitted in November 2017.

For further information please contact:

Investor Enquiries

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

David Edwards
 Company Secretary/CFO
info@tritonminerals.com
 +61 8 6381 9050

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,

For personal use only

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.

For personal use only

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")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(201)	(797)
(c) production	-	-
(d) staff costs	(223)	(450)
(e) administration and corporate costs	(168)	(385)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	(39)
1.9 Net cash used in operating activities	(590)	(1,665)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

For personal use only

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	86
	(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	-	86

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	244	717
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	(35)	(112)
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	Principal element of lease payments (on adoption of AASB16)	(61)	(61)
3.10	Net cash from financing activities	148	544

4.	Net decrease in cash and cash equivalents for the period	(440)	(1,033)
4.1	Cash and cash equivalents at beginning of period	796	1,384
4.2	Net cash used in operating activities (item 1.9 above)	(590)	(1,665)
4.3	Net cash from investing activities (item 2.6 above)	-	86

+ See chapter 19 for defined terms.

For personal use only

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from financing activities (item 3.10 above)	148	544
4.5	Effect of movement in exchange rates on cash held	(2)	3
4.6	Cash and cash equivalents at end of period	352*	352*

*On 9 July 2019 Triton announced that Jinan Hi Tech had facilitated an interim debt funding arrangement of A\$2 million. The interim loan provides Triton with working capital while shareholder and regulatory approvals are sought for Jinan Hi Tech's investment in Triton.

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	352	352
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)	352	352

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**

(110)

-

Executive Director salary and superannuation.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
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	(200)
9.3 Production	-
9.4 Staff costs	(200)
9.5 Administration and corporate costs	(300)
9.6 Other (draw down of interim funding arrangement announced to the ASX on 9 July 2019)	2,000
9.7 Total estimated cash net inflows	1,300

For personal use only

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
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL5336 Ancuabe Project Mozambique	Licence lapsed and area of interest included in mining concession 9132C	100%	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	9132C Ancuabe Project Mozambique	Mining concession granted in May 2019	-	100%

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.



Sign here:
(Company Secretary)

Date: 30 July 2019

Print name: David Edwards

Notes

1. 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.
2. 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.