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## QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 SEPTEMBER 2019

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- ✓ **Jinan Hi Tech's strategic partnership and \$19.5 million investment in Triton approved by shareholders**
  - ✓ **Regulatory approvals granted by FIRB and NDRC and remaining conditions precedent expected to be satisfied before 15 November 2019**
  - ✓ **Jinan Hi Tech facilitates an interim debt arrangement of \$2 million to provide working capital while conditions precedent to the subscription agreement are completed**
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**Triton Minerals Limited** (ASX: TON) (**Triton** or the **Company**) is pleased to present its activities report for the quarter ended 30 September 2019.

### SHAREHOLDERS AND REGULATORS APPROVE STRATEGIC PARTNERSHIP

#### Background to the Transaction

In June 2019 the board of Jinan Hi Tech (**JHT**), a major Shandong based State Owned Enterprise (**SOE**) approved an investment of \$19.5 million in Triton via:

- (a) 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
- (b) 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 Strategic Placement and the acquisition of STM's shareholding, will take JHT's shareholding in Triton to approximately 34.01%.

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 agreed to provide financing support for the EPC debt funding package and has undertaken significant work with the Chinese banks on this financing. Triton expects this funding to be provided on attractive terms and will progress this financing as soon as practical.

#### Approvals and Remaining Conditions Precedent

On 28 September 2019, shareholders voted resoundingly in favour of all resolutions in relation to the Strategic Placement and the acquisition by JHT of STM's 19.3% shareholding in Triton.

On 18 September 2019, Triton was notified that FIRB had advised JHT that there were no objections to the transaction contemplated in the Subscription Agreement. Triton was then notified on 3 October 2019 that the acquisition of a 34.01% stake in Triton was approved by the National Development and Reform Commission of China (**NDRC**).

This NDRC approval was a major endorsement of Jinan Hi-Tech's partnership with Triton to develop the world class Ancuabe Graphite Project and a key Chinese approval that effectively approves the transaction. Whilst further approvals from the Ministry of Finance (**MOFCOM**) for the transfer of funds from China are still required to satisfy the relevant condition precedent, the approval by NDRC of the transaction facilitates these further approvals.

Triton is working towards satisfying a number of other outstanding conditions precedent and will update the market if and when those conditions precedent are satisfied. It is anticipated that all conditions precedent will be satisfied before 15 November 2019.

### **INTERIM DEBT FACILITY**

In July 2019, JHT facilitated an interim debt arrangement of A\$2 million to provide working capital whilst conditions precedent to the subscription agreement are completed. 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 Company has drawn down A\$600,000 of the facility to 30 October 2019.

### **CORPORATE INFORMATION**

At 30 September 2019, the Company had 4,018 shareholders and 927,138,150 shares on issue. The top 20 shareholders held 48.71% of the issued ordinary shares.

At 30 September 2019, the Company had cash at bank of approximately \$120,063 with an interim debt funding facility remaining of \$1.4 million to fund working capital until subscription funds are received from JHT.

### **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 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 30 September 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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**Investor Enquiries**

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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.

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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.

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## 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 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	(248)	(1,045)
(c) production	-	-
(d) staff costs	(181)	(631)
(e) administration and corporate costs	(226)	(611)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	(39)
<b>1.9 Net cash used in operating activities</b>	<b>(656)</b>	<b>(2,321)</b>

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

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
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	-	-
<b>2.6</b>	<b>Net cash from investing activities</b>	<b>-</b>	<b>86</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	5	722
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)	(147)
3.5	Proceeds from borrowings	500	500
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)	(36)	(97)
<b>3.10</b>	<b>Net cash from financing activities</b>	<b>434</b>	<b>978</b>

<b>4.</b>	<b>Net decrease in cash and cash equivalents for the period</b>	<b>(222)</b>	<b>(1,257)</b>
4.1	Cash and cash equivalents at beginning of period	352	1,384
4.2	Net cash used in operating activities (item 1.9 above)	(656)	(2,321)
4.3	Net cash from investing activities (item 2.6 above)	-	86

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from financing activities (item 3.10 above)	434	978
4.5	Effect of movement in exchange rates on cash held	(9)	(6)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>121*</b>	<b>121*</b>

\*On 9 July 2019 Triton announced that Jinan Hi Tech had facilitated an interim debt funding arrangement of A\$2million. The interim loan provides Triton with working capital while shareholder and regulatory approvals are sought for Jinan Hi tech's cash investment of A\$8.5million directly into Triton.

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	121	121
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>121</b>	<b>121</b>

**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.

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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	-
9.2 Development	(2,810)
9.3 Production	-
9.4 Staff costs	(185)
9.5 Administration and corporate costs	(120)
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)	7,890
<b>9.7 Total estimated cash net inflows</b>	<b>4,775</b>

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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

- 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: 31 October 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.

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