



ASX Announcement

29 October 2021

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 September 2021

Triton Minerals Limited (ASX: TON) (“Triton” or “the Company”) provides its activity report for the quarter ending 30 September 2021 (“the Quarter”).

HIGHLIGHTS:

Ancuabe Project

- The Company continues to work with representatives and nominee directors of its largest shareholder, Jigao International Investment Development Co., Limited (Jigao) on financing for its flagship Ancuabe Graphite Project in northeast Mozambique.
- The Company’s EPC contractor, MCC International, is conducting a review to determine equipment financing they may provide with the aim of reducing debt funding requirements.
- The Company has engaged leading Chinese independent traders and marketers of metals and minerals, Metal Challenge, to assist with advancing the Ancuabe Graphite Project, including sourcing new offtake agreements and potentially other initiatives such as debt funding.
- Subsequent to the end of the Quarter, the Company announced the commencement of a Strategic Review of the Ancuabe Graphite Project, focused on bringing the Company’s flagship project into production in the short term, at a small scale, on a commercially viable basis. The primary objective of the strategic review is to establish a Commercial Pilot Plant (CPP), which can be brought into production in the near term, to produce commercially viable quantities of concentrate to prove the viability of both the product and of the large-scale project (60ktpa) in the longer term.

New Executive and Management Team

- The Company appointed Mr Andrew Frazer as an Executive Director. Andrew has more than 30 years of capital markets experience and is the Founder and Managing Director of Lazarus Corporate Finance Pty Ltd. Andrew’s key roles including working alongside Jinan Hi Tech to secure finance to expedite development of the Ancuabe project and other initiatives to generate shareholder value.
- The Company also appointed a senior and experienced consultant to manage the Strategic Review and accelerate progress at Ancuabe.

Fund Raising

- On the 23 September 2021 the Company announced a Capital Raising for up to ~\$10m, comprising an up to ~\$9.79m Entitlement Offer and an up to ~\$320,000 Options Placement Offer.
- Subsequent to the end of the Quarter the Company announced the partial underwriting of the Entitlement Offer to \$1m.

ANCUABE DEVELOPMENT ACTIVITIES

The Company continues to work with representatives and nominee directors of its largest shareholder, Jigao, on financing for its flagship Ancuabe Graphite Project in northeast Mozambique. Jigao have confirmed their ambition of developing the Ancuabe Graphite Project to produce high purity large flake graphite for EV, storage and expandable graphite markets.

At the same time, the Company's EPC contractor, MCC, is conducting a review to determine the portion of the capital amount that may be financed via MCC which will ultimately reduce the balance of debt required to be sourced by Triton.

The Company has also engaged leading Chinese independent traders and marketers of metals and minerals, Metal Challenge, to assist with advancing the Ancuabe Graphite Project, including sourcing new offtake agreements and potentially other initiatives such as debt funding.

Metal Challenge have strong relationships with key participants in the global metals and minerals markets which Triton is keen to pursue for additional offtake arrangements for the Ancuabe Graphite Project.

On the 21st October 2021 the Company announced the commencement of a **Strategic Review** of the Ancuabe Graphite Project, focused on bringing the Company's flagship project into production in the short term, at a small scale, on a commercially viable basis.

The primary objective of the strategic review is to establish a Commercial Pilot Plant (**CPP**), which can be brought into production in the near term, aiming to produce commercially viable quantities of concentrate to prove the viability of both the product and of the large-scale project (60ktpa) in the medium-longer term.

As well as providing validation of the process for potential funding partners, product from the CPP will enable the Company to generate further interest from potential offtake partners. The Company notes that it has made considerable progress with additional potential offtake partners, to establish an offtake position that is covered by a number of buyers, across a number of industries and geographical locations.

In the DFS¹ for the Ancuabe Graphite Project, Triton established the project as a globally significant graphite development project with 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 (3.7 years).

The Strategic Review will focus on the Company investigating the potential for scaling the operations considered in the DFS, initially targeting production on a smaller scale, with the CPP proposed to be located at the Ancuabe site in Mozambique.

The Strategic Review will investigate and focus on the following areas:

¹ Triton refers to the Announcement titled 'Triton delivers robust Ancuabe Definitive Feasibility Study and declares maiden Ore Reserve' dated 15 December 2017 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.

- Assessing the near-term strategy for mining and production;
- Estimation of capital expenditure and operating costs for the CPP;
- High level financial modelling;
- Expression of interests from contractors – mining, crushing and processing plant;
- Scaling of non-process infrastructure and services requirements for a CPP;
- Alternative funding models funding options – contractors, BOOT and offtake;
- Establishment of offtake to a range of buyers across a number of industries and geographical locations;
- Review of applicability of current approvals for CPP;

The Company has appointed a senior and experienced consultant to manage the Strategic Review and has commenced engaging with EPCM contractors who have had experience in both graphite and developments in Mozambique and Africa in general.

APPOINTMENT OF EXECUTIVE DIRECTOR AND MANAGEMENT TEAM

During the quarter saw the establishment of a new executive and management team.

On the 23 September 2021 the Company appointed Mr Andrew Frazer as an Executive Director. Andrew has more than 30 years of capital markets experience and is the founder and Managing Director of Lazarus Corporate Finance Pty Ltd. He formerly held senior roles at Morgan Stanley, Patersons Securities, Hartleys and Azure Capital, focused on equity capital market transactions with clients locally and internationally.

Andrew's key roles including working alongside Jinan Hi Tech to secure finance to expedite development of the Ancuabe project and other initiatives to generate shareholder value.

The Company has appointed a senior and experienced consultant to manage the Strategic Review and accelerate progress at Ancuabe.

Mr Lloyd Flint has been appointed Company Secretary with effect from 1 October 2021.

CORPORATE INFORMATION

Payments to related parties (as set out in section 6 of the Appendix 5B) totalled \$45,000 consisting of Executive and Non-executive fees and salaries and superannuation payments.

The pro-forma appendix 5B – statement of consolidated cash flows is attached to this report.

FUNDING

On the 23 September 2021 the Company announced a Capital Raising for up to ~\$10m, comprising up to ~\$9.79m Entitlement Offer and up to ~\$320,000 Options Placement Offer.

Subsequent to the end of the Quarter the Company announced the partial underwriting of the Entitlement Offer to \$1m.

The Company now has the renewed support and commitment of all major stakeholders, and with a successful capital raising, Triton will be in a position to finally expedite the development of the Ancuabe Graphite Project in a very strong commodities market where there is an expectation of strong graphite demand and pricing for years to come.

SCHEDULE OF TENEMENTS (ASX LISTING RULE 5.3.3)

As at 30 September 2021, 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	Economic Interest
EL5365	Balama Nth	Cobra Plains	Pending extension	No change	100%
EL5304	Balama Sth	-	Granted	No change	100%
EL5380	Ancuabe	T20	Granted – Application made for extension and to modify	No change	100%
MC913 2C	Ancuabe	T12, T16	Granted	No Change	100%
EL5305	Ancuabe	-	Granted - Application made to modify	No change	100%

Note - All applications for extension or modification are pending a response from the Mozambique mining authority, INAMI

NICANDA HILL (EL5966)

Whilst the Company's primary and near term focus has been the Ancuabe Graphite Project, the Company has for some time sought the support of the Mozambique authorities for it to maintain its interest in the Nicanda Hill project in the hope of also developing the Nicanda Hill project over the longer term.

The Company has been advised that the Cadastre states the area is marked as reserved for public tender. Notwithstanding the best efforts of the Company to have the Nicanda Hill licence renewed, it has not been renewed. Triton is very disappointed by this outcome. The failure to renew the Nicanda Hill Tenement adversely affects assets, operations and prospects.

Triton has instructed its advisers in Mozambique to appeal to the Minister and other relevant authorities. Triton will make every effort to obtain a renewal of the licence and keep the market updated in this regard.

The quarterly report was authorised for release by the Board of Directors.

For further information please contact:

Investor Enquiries

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www.tritonminerals.com | **ASX:** TON

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")

30 September 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(139)	(430)
	(c) production	-	-
	(d) staff costs	(211)	(756)
	(e) administration and corporate costs	(310)	(605)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(38)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (The Company received a refund from the ATO of \$163,675 in relation to the Cashflow boost payments and other payments of employment taxes. The Company is reviewing the refund and expects that \$117,735 will be repaid to the ATO in the net quarter).	-	164
1.9	Net cash used in operating activities	(660)	(1,665)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-

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 (9 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
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	(52)	(52)
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 used in financing activities	(52)	(52)

4.	Net decrease in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,294	2,317
4.2	Net cash used in operating activities (item 1.9 above)	(660)	(1,665)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash (used in)/from financing activities (item 3.10 above)	-	-

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	9	(9)
4.6	Cash and cash equivalents at end of period	591	591

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	591	1,294
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)	591	1,294

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	45
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	660
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	660
8.4 Cash and cash equivalents at quarter end (item 4.6)	591
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	591
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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: Yes.	
8.8.2 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: On the 23 September 2021 the Company announced a Capital Raising for up to ~\$10m, comprising an up to ~\$9.79m Entitlement Offer and an up to ~\$320,000 Options Placement Offer. Subsequent to the end of the Quarter the Company announced the partial underwriting of the Entitlement Offer to \$1m. Whilst it cannot be guaranteed, the Company believes the Capital Raising will be successful.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The partial underwriting of the Entitlement Offer to \$1m will ensure continuity of operations and enable the Company to meet its business objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date:29 October 2021.....

Authorised by:Board of Directors.....
(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.