



**ASX Announcement**

**31 October 2022**

## **QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 September 2022**

**Triton Minerals Limited** (ASX: TON) (“**Triton**” or “**the Company**”) provides its activity report for the quarter ending 30th September 2022 (“**the Quarter**”).

### **HIGHLIGHTS:**

- **A\$8.5M Two Tranche Capital Raising** - to accelerate development of Ancuabe, including **Cornerstone investment of A\$5M** by major Chinese listed commodities trading and resources company, **Shandong Yulong Gold** (subject to Shareholder approval and Australian and Chinese regulatory approvals).
- **A\$3.5M Tranche 1** - with institutional and sophisticated investors settled during the quarter.
- **Country Visit** – Key Directors and Management of Triton visited Mozambique for a number of high-level meetings with government officials including the Director General of INAMI (National Mining Institute) with respect to the development of the Ancuabe Graphite Project.
- **Progressed Stage 1 Scoping Study** – for development of mining and processing operation that will target processing 100 to 125k tpa of ore, producing 5 to 8 k tpa of graphite concentrate, including estimates for capex, opex and working capital, project benchmark exercise, financial modelling and basket price revision.
- **Laboratory Scale Pilot Plant** - continued works on the development of a laboratory scale Pilot Plant with Jinan Hi-Tech in Jinan, China.
- **Funding** – further to the A\$8.5M Capital Raising, made significant progress investigating funding options for Ancuabe development, including Western debt, equity and equipment supplier BOOT Arrangements.
- **Approvals** – completed community and government department consultations and submitted documentation for the approval of both the DUAT (land use agreement) and RAP (site land user relocation agreement).
- **Cash on hand** – as at *30 September 2022* - **A\$4.8M**, with commitments for a further **A\$5M** from Tranche Two of Capital Raising.

## ANCUABE PROJECT DEVELOPMENT

On the 10<sup>th</sup> of March 2022<sup>1</sup> the Company announced that it proposes to develop the Ancuabe Graphite Project in two stages as follows:

- **Stage 1** - development and construction of Commercial Pilot Plant (**CPP**) for a small-scale processing plant, capable of producing flake graphite concentrate on a commercial basis. Stage 1 Scoping Study it is planned to investigate the development a processing plant that will target processing 100 to 125k tpa of ore, producing 5 to 8 k tpa of graphite concentrate.
- **Stage 2** - expansion to a large-scale mine as envisioned in the 2017 DFS incorporating value-add enhancements identified in Stage 1.

The long term development objective for Ancuabe project stills remains for the development large-scale project as per the 2017 DFS, which 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) <sup>2</sup>.

### Ancuabe Project Development - Work completed during the September Quarter

The Company continues to make good progress on developing the Ancuabe Graphite Project with the following work completed or substantially progressed during the quarter:

- **Country Visit** – As announced on the 23<sup>rd</sup> of August 2022<sup>3</sup>, Key Directors and Management of Triton visited Mozambique for a number of high-level meetings with government officials including the Director General of INAMI (National Mining Institute). The Company reiterated its commitment to the development of the Ancuabe Graphite Project and expressed its gratitude to the Ministry of Mineral Resources & Energy and INAMI for their support and guidance.

As part of these meetings with the Government, discussions were held with respect to the potential reinstatement of Nicanda Hill and discussions continue in this regard.

Triton reports that recent actions carried out by the government of Mozambique and its regional and international partners are already seeing an improvement in the security status and stability in the Cabo Delgado province, which is evidenced by a return to operations in the district.

The Company also met with a number of other government departments and agencies including CFM Mozambique Ports and Railways the operator of Pemba Port, Environmental Ministry, Lands & Resettlement Departments and the state-owned energy company EDM, providing for progress on a range of matters related to the development of Ancuabe.

In addition, the Company was able to meet with a number of regional funders, contractors and potential offtake partners, from which encouraging progress was made in relation to the establishment of alternative funding mechanisms for the development of Ancuabe.

- **Progressed the Stage 1 Scoping Study** - Using the work completed by Process Design (CPC), continued refinement of initial pricing estimates for equipment, indirect project costs, site infrastructure costs and owner's costs, plus operating costs and sustaining capital.
- **Funding** – in addition to the A\$8.5M Capital Raising, continued investigating funding options for the CPP development which included Western debt, equity and equipment supplier BOOT Arrangements.
- **Service Contractors** - continued engaging with contractors who have had experience in both graphite and developments in Mozambique and Africa in general, for services such as mining, crushing and processing plant, services and logistics.

- **Approvals** - completed community and government department consultations and submitted documentation for the approval of the DUAT (land use agreement) and RAP (site land user relocation agreement).
- **Laboratory Scale Pilot Plant** - continued works on the development of a laboratory scale Pilot Plant with Jinan Hi-Tech in Jinan, China.

## CORPORATE INFORMATION

On the 23<sup>rd</sup> of August 2022<sup>3</sup> the Company announced the appointment of Peng (Rod) Zhang as a Non-Executive Director. Subsequent to the end of the quarter, on 11 November 2022, the Company announced the appointment of Mr Zhang by the Board as Non-Executive Chairman<sup>4</sup>. Mr Zhang replaces Mr Max Ji, who will remain as a Non-Executive Director.

On the 5<sup>th</sup> of September 2022, the Company announced a cornerstone investment of 178,571,429 fully paid ordinary shares (**Shares**) at an issue price of A\$0.028 per Share to raise a total of A\$5M, with a free-attaching option with an expiry date of 31 December 2025 and an exercise price of A\$0.04 (**Options**) (**Strategic Placement**), from Shanghai Stock Exchange Main Board Listed Shandong Yulong<sup>5</sup>. Funds raised from the Strategic Placement will be used towards the development of the Company's Ancuabe Project, including through the advancement of studies, approvals and the construction of a Commercial Pilot Plant and working capital purposes. The Strategic Placement is conditional shareholder approval and Australian and Chinese regulatory approvals.

Shandong Yulong Gold Co., Ltd., established in 1999 and registered in Jinan High-tech Zone, is a company listed on the main board of Shanghai Stock Exchange (stock abbreviation: Yulong Stock, stock code: 601028). Shandong Yulong, which has a market cap of ~\$4 billion, is primarily engaged in the trading of minerals, non ferrous metals, coal, chemicals and other bulk commodities. In addition, it is an active explorer across a range of minerals and is committed to becoming a high-growth international mining company with a global vision. Jinan Hi-tech Holding Group holds 29% of Shandong Yulong.

On the 7<sup>th</sup> of September 2022, the Company announced a further placement of A\$3.5M to institutional and sophisticated investors on the same terms as the Strategic Placement (**Placement**). The Placement settled on 15 September 2022 under the Company's Listing Rule 7.1 capacity<sup>6</sup>.

As of 30 September 2022, the Company held **A\$4.8M** in cash, plus the conditional Strategic Placement commitment of A\$5.0M. Payments to related parties (as set out in section 6 of the Appendix 5B) totalled \$105,000. The pro-forma appendix 5B – statement of consolidated cash flows is attached to this report.

## TENEMENTS

- **Ancuabe (MC913 2C)** - The Company holds a 100% beneficial interest in the Ancuabe Mining Concession.
- **Nicanda Hill (EL5966)** - As previously advised, the Company was advised that the area of the Nicanda Hill licence was reserved for public tender. This was notwithstanding the best efforts of the Company to have the Nicanda Hill licence renewed. Triton through its advisers in Mozambique has appealed to the Minister and other relevant authorities. Triton is making every effort to obtain a renewal of the licence and will keep the market updated in this regard.

- **EL5305, EL5380, EL5365 and EL5304** - In relation to these concession Triton's wholly owned subsidiary, Grafex Limitada, remains listed as the holder of these tenements on the Cadastre. However, given the time involved in the consideration of the various extension/modification applications lodged by Grafex in relation to these tenements, the Company has commenced with its advisors the process of making fresh applications over the areas the subject of these tenements, regarding this as the best way forward. The Company will continue to review these tenements going forward, in the context of its focus being firmly on the development of Ancuabe and securing the return of Nicanda Hill.

## FOOTNOTES

1. **ASX Announcement - 10 March 2022** - Ancuabe Project Strategic Review & Desktop Study Completed
2. **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.
3. **ASX Announcement – 23 August** - Company Update
4. **ASX Announcement – 11 October 2022** - Appointment of Chairman
5. **ASX Announcement – 5 September** - Investment of A\$5m from Shanghai Listed Shandong Yulong
6. **ASX Announcement – 7 September 2022** - \$8.5m Capital Raising to Accelerate Development of Ancuabe

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

**For further information please contact:**

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### Investor Enquiries

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## 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 2022

| Consolidated statement of cash flows             | Current quarter<br>\$A'000 | Year to date (9<br>months)<br>\$A'000 |
|--|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>   |                            |                                       |
| 1.1 Receipts from customers                      | -                          | -                                     |
| 1.2 Payments for                                 |                            |                                       |
| (a) exploration & evaluation                     | -                          | -                                     |
| (b) development                                  | (275)                      | (1,228)                               |
| (c) production                                   | -                          | -                                     |
| (d) staff costs                                  | (239)                      | (657)                                 |
| (e) administration and corporate costs           | (352)                      | (907)                                 |
| 1.3 Dividends received (see note 3)              | -                          | -                                     |
| 1.4 Interest received                            | -                          | -                                     |
| 1.5 Interest and other costs of finance paid     | -                          | (21)                                  |
| 1.6 Income taxes paid                            | -                          | -                                     |
| 1.7 Government grants and tax incentives         | -                          | -                                     |
| 1.8 Other  | -                          | -                                     |
| <b>1.9 Net cash used in operating activities</b> | <b>(866)</b>               | <b>(2,815)</b>                        |
| <b>2. Cash flows from investing activities</b>   |                            |                                       |
| 2.1 Payments to acquire or for:                  |                            |                                       |
| (a) entities                                     | -                          | -                                     |
| (b) tenements                                    | -                          | -                                     |
| (c) property, plant and equipment                | -                          | -                                     |
| (d) exploration & evaluation                     | -                          | -                                     |
| (e) investments                                  | -                          | -                                     |
| (f) other non-current assets                     | -                          | -                                     |

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

|             |   |              |              |
|-------------|---|--------------|--------------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>   |              |              |
| 3.1         | Proceeds from issues of equity securities (excluding convertible debt securities)       | 3,473        | 3,937        |
| 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 | (229)        | (300)        |
| 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)   | -            | -            |
| <b>3.10</b> | <b>Net cash used in financing activities</b>  | <b>3,244</b> | <b>3,637</b> |

|            |   |              |              |
|------------|---|--------------|--------------|
| <b>4.</b>  | <b>Net decrease in cash and cash equivalents for the period</b> |              |              |
| 4.1        | Cash and cash equivalents at beginning of period                | 2,407        | 3,956        |
| 4.2        | Net cash used in operating activities (item 1.9 above)          | (866)        | (2,815)      |
| 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)  | 3,244        | 3,637        |
| 4.5        | Effect of movement in exchange rates on cash held               | 2            | 9            |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>               | <b>4,787</b> | <b>4,787</b> |

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

| 5. <b>Reconciliation of cash and cash equivalents</b><br>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<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances  | 4,787                              | 2,407                               |
| 5.2 Call deposits  | -                                  | -                                   |
| 5.3 Bank overdrafts  | -                                  | -                                   |
| 5.4 Other (provide details)  | -                                  | -                                   |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>4,787</b>                       | <b>2,407</b>                        |

| 6. <b>Payments to related parties of the entity and their associates</b>                    | <b>Current quarter<br/>\$A'000</b> |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 105                                |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | -                                  |

*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.*

| 7. <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter<br/>end<br/>\$A'000</b> |
|---|---|--|
| 7.1 Loan facilities   | -   | -  |
| 7.2 Credit standby arrangements   | -   | -  |
| 7.3 Other (please specify)  | -   | -  |
| <b>7.4 Total financing facilities</b>   | <b>-</b>  | <b>-</b>   |
| <b>7.5 Unused financing facilities available at quarter end</b>   |   | <b>-</b>   |
| 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. |   |  |

| <b>8. Estimated cash available for future operating activities</b>  | <b>\$A'000</b> |
|---|----------------|
| 8.1 Net cash used in operating activities (item 1.9)  | (866)          |
| 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)  | (866)          |
| 8.4 Cash and cash equivalents at quarter end (item 4.6)   | 4,787          |
| 8.5 Unused finance facilities available at quarter end (item 7.5)   | -              |
| 8.6 Total available funding (item 8.4 + item 8.5)   | 4,787          |
| <b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>   | <b>5.5</b>     |
| <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:   |                |
| 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:   |                |
| 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:   |                |
| <i>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.</i>  |                |



**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: .....31 October .2022.....

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.