TRITON MINERALS LTD

ACN: 126 042 215

Annual Report

For the year ended 31 December 2016

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CORPORATE DIRECTORY

DIRECTORS

Mr Xingmin (Max) Ji	Non-Executive Chairman
Mr Patrick Burke	Non-Executive Deputy Chairman
Mr Peter Canterbury	Managing Director & Chief Executive Officer
Ms Paula Ferreira	Non-Executive Director
Mr Guanghui (Michael) Ji	Non-Executive Director

COMPANY SECRETARY

Mr David Edwards

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Telephone: 1300 750 505

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SOLICITORS

Gilbert + Tobin Lawyers
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West Perth WA 6005
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Dear Shareholders

On behalf of the Directors, I am pleased to present to you Triton Minerals Limited‘s (Triton or the Company) Annual Report to shareholders for the year ending 31 December 2016.

2016 was a year full of upheaval for the Company however, out of this turmoil has emerged the “New” Triton that is well funded with a very clear path to the commercialisation of its Ancuabe graphite project in Mozambique.

I am extremely proud to have been given the opportunity to lead the Company through its next stage of development and to realise the ambition to become a producer of high margin, premium flake size graphite concentrate while developing a pipeline of projects for supply into the global graphite market.

The mining life cycle comprises a number of stages of development: exploration, discovery & resource definition, development, production and rehabilitation. I am very excited to say that the Company, through its recapitalisation process and targeted exploration and testwork in late 2016, is now moving into the development stage of its Ancuabe graphite project.

The “New’ Triton is demonstrating its fiscal discipline and clear strategy to fast track the development of Ancuabe with a very experienced and committed new Board and Management Team.

I would like to acknowledge both Minjar Gold and Somers and Partners for their support in recapitalising the Company. The introduction of Minjar’s parent company, Shandong Tianye, as a cornerstone investor has enabled the fast tracking of development studies at Ancuabe. In addition, Shandong Tianye’s intention to develop graphite processing interests in China positions the Company extremely well going forward.

I would like to reflect on the milestones and achievements of the Company achieved during the year. Whilst early 2016 was a clearly painful and disturbing time for shareholders, the events of the second half of 2016 has resulted in a Company now positioned to realise its long-term strategy. These include the following:

- On 25 July 2016, a Deed of Company Arrangement (DOCA) was executed by the Company and Administrator, key aspects of the DOCA were:

• the Company make a placement to Minjar Gold or nominees of 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904;

• the Company transfer $5 million into the creditors trust to ensure all creditors are paid 100 cents in the dollar; and

• the Company raise not less than $7,893,634 via an underwritten non-renounceable pro-rata entitlements.

- Administrator appointed Xingmin (Max) Ji and Guanghui (Michael) Ji representing Minjar Gold Pty limited and Patrick Burke representing Somers & Partners as directors of the Company.

- Peter Canterbury commenced as an executive with the Company on 20 September and was appointed as Managing Director effective 3 October 2016.

- On 21 September 2016, the Company effectuated the DOCA and control of the Company reverted to the Board of Directors.

- Company commenced a drilling campaign on Ancuabe in October 2016 and undertook metallurgical testwork, which enabled the Company to be positioned to complete feasibility studies in 2017.

- During November 2016, the Company completed the underwritten non-renounceable pro-rata entitlements offer that raised $7,893,604.

- The Company was reinstated to official quotation on 6 December 2016 and subsequently announced that it had embarked on its revised strategy to focus on the rapid development of the Ancuabe graphite project in Mozambique's Northern Cabo Delgado province.

- Company appointed David Edwards as CFO and Company Secretary as part of the appointment of management team to support next phase of development.

All these actions enabled the transformation of Triton into a focussed Company ready to enter 2017 with a clear strategy to fast track the development of Ancuabe.

Finally, I would like to thank all shareholders for their support through what was a very difficult period in the Company's history. Your support and encouragement in the recapitalisation and relisting process is very much appreciated and has enable the Company to reform in a far stronger position.

I believe the future for Triton and its Ancuabe project is very exciting and I look forward to reporting rapid progress in 2017.

Once again, thank-you.

Sincerely,

Peter Canterbury
Managing Director

REVIEW OF OPERATIONS

OVERVIEW

The 2016 financial year was a year of contrasting halves for your Company. The technical reviews undertaken during the period of Voluntary Administration in the first half were transformed into a coherent and focussed strategy on developing the Ancuabe graphite project in the second half of the year. The significant operational milestones of the 2016 financial year were:

- Triton announced a maiden MRE for the Ancuabe T12 deposit on 17 May 2016. The resource comprised 14.9 Million Tonnes (Mt) grading 5.4% Total Graphitic Carbon (TGC), for 798,000 tonnes of contained graphite;
- Flotation testwork at T12, based on a standard graphite process flowsheet, showed that approximately 85% of the liberated flakes were larger than 150 micron and more than 50% of the liberated flakes were Jumbo or larger (>300 micron). The final overall concentrate grade was 98.6% Total Carbon (TC) and a recovery better than 90%;
- Triton announced a Mineral Resources Estimate for the Nicanda West deposit (also known as P66) on 17th May 2016, comprising 30Mt grading 6.6% Total TGC for 1.97Mt of contained graphite;
- Following a technical review by CSA Global, the Company announced on the 16 September 2016 a restated Nicanda Hill Mineral Resource of 1.43 Billion Tonnes (Bt) at 11.1% TGC;
- In October 2016, extension drilling began at Ancuabe aimed at improving confidence in the existing T12 Mineral Resource, expanding the T12 Mineral Resource and targeting primarily the T16 tenements in expansion drilling. Additionally, the Company’s objective was to obtain core samples to assist in metallurgical test-work programs during 2017;
- On 8 December 2016, the Company announced that visual logging on the T16 target of 13 diamond drill (DD) and reverse circulation (RC) holes indicated course-grained flake graphite in tonalitic gneiss from surface and extending to at least 90 metres (m) vertical depth below surface. This became the basis for the maiden T16 Mineral Resource announced on 10 April 2017;
- Following a review of previous VTEM anomalies over the broader Ancuabe project area, backed up by drilling on three target areas, the Company announced on 16 December 2016 the estimation of an Exploration Target of 25-40 million tonnes grading of approximately 5% to 8% TGC mainly to the east of T12, and excluding the T12 deposit; and
- On 19 December 2016, Triton announced that results from 5 metallurgical samples from the 2015 drilling program at T12 by IMO Project Services in Perth revealed 60 to 77% of graphite flakes > 150 micron (25 to 40% >300 micron) and overall concentrate grades between 97.2 and 98.4% TC.

GRAPHITE PROJECTS
MOZAMBIQUE Cabo Delgado Province

Triton, through its majority joint venture interest in Grafex Limitada, an entity registered in Mozambique, is the registered holder of eight exploration licenses, of which six have been granted and two are in application, in the Cabo Delgado Province of northern Mozambique. The licenses comprise three project areas, known as:

- Ancuabe Project
- Balama North Project
- Balama South Project

All three areas, which can be seen in Figure 1 below, are considered highly prospective for graphite.

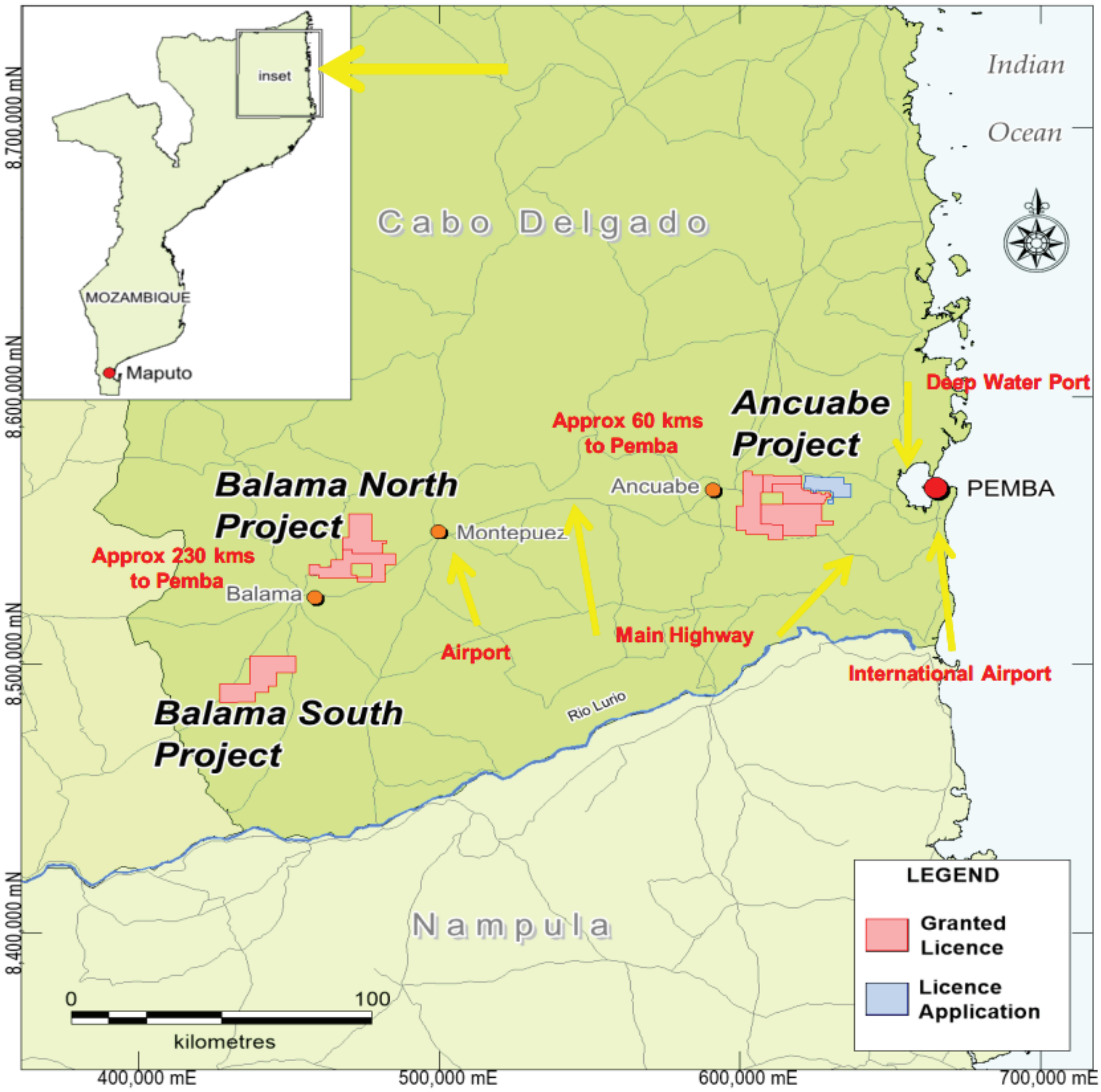

Figure 1: Overview of the Graphite Project Licenses in northern Mozambique

ANCUABE PROJECT

The Ancuabe Project is located approximately 45km due west from the northern Mozambique coastal port of Pemba on the Indian Ocean shoreline (Figure 1). The Ancuabe Project is located within tenements 5305, 5934, 5336, 5380 and 6357, which surround the historical AMG Graphit Kropfmühl (**GK**) Ancuabe Mine. Triton has identified several exploration targets on Ancuabe, of which 5 targets have now been drilled, which are all located in tenement 5336 about 10 km northeast of the GK mine.

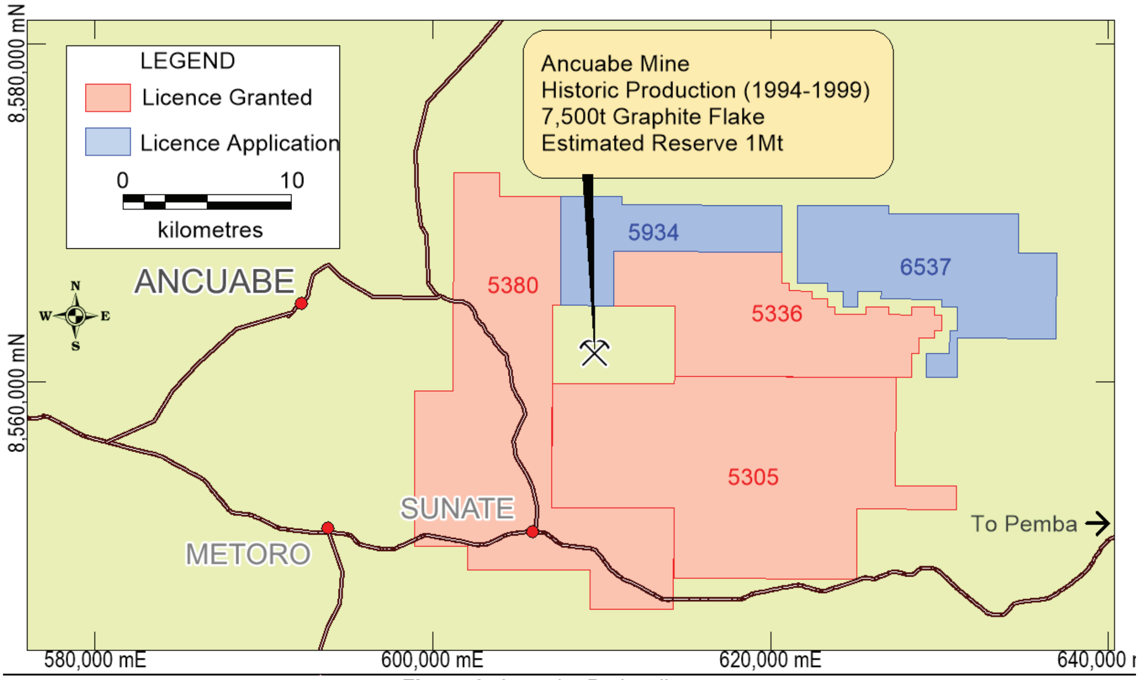

Figure 2. Ancuabe Project licenses

GEOLOGY

Exploration at Triton's Ancuabe targets has identified that flake graphite mineralisation is hosted within a sequence of gneissic rocks of amphibolite to granulite metamorphic grade. Gneisses are metamorphic rocks, often of granitic appearance, that form at high temperature (greater than about 500 °C) often by the deformation of original sedimentary rocks such as shale and sandstone. If the original sedimentary rock contained organic carbon the carbon may be transformed into graphite flakes with increasing temperature and pressure

EXPLORATION PROSPECTS

A program comprising over 1,800-line km of the helicopter-borne geophysical survey of VTEM Plus (Full-Waveform) and magnetic gradiometer (**VTEM Survey**) was completed over the Ancuabe project licenses late in 2014.

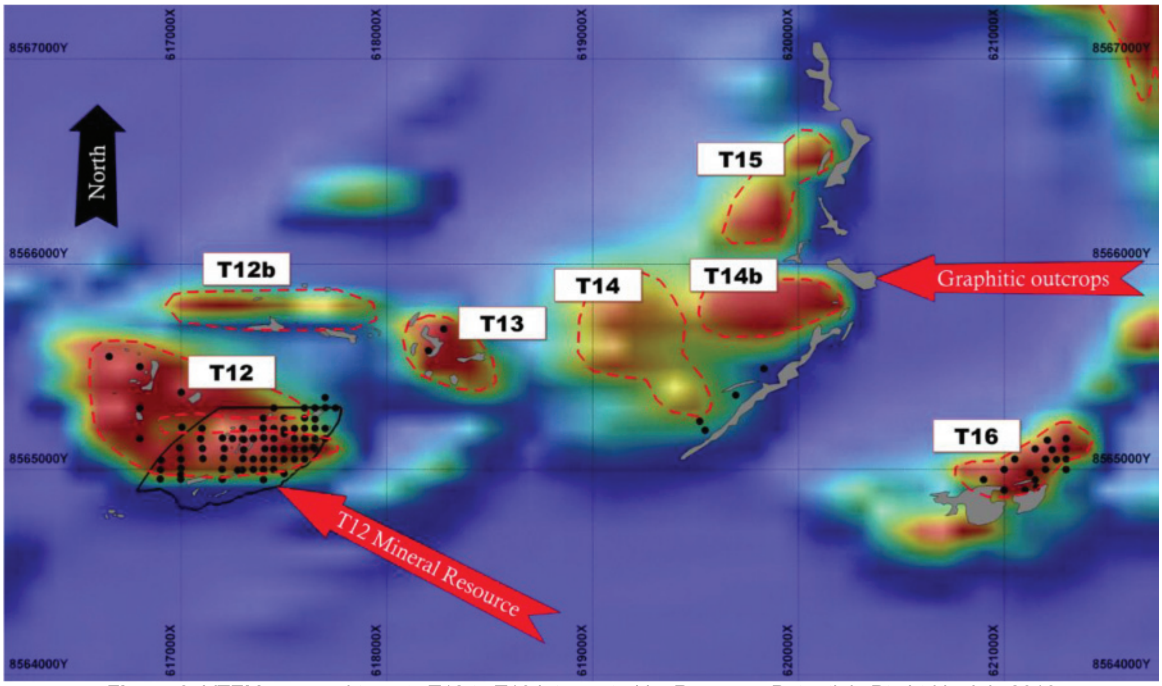

Figure 3: VTEM map and targets T12 to T16 interpreted by Resource Potentials Pty Ltd in July 2016

The Ancuabe prospect area is particularly significant as it appears to form a potential satellite mineralised body along strike north east from the historic Ancuabe graphite mine (Figure 3), which is currently held by GK. Further, this location is important given its close proximity to the small graphite processing plant at the Ancuabe graphite mine site which is being refurbished.

Resource Potentials Pty Ltd was engaged to review existing VTEM data. Based on a combination of VTEM, magnetic characteristics and geological mapping data, Targets 12b, 13, 14, 14a, 15 and 16 were prioritized for further exploration during 2016.

ANCUABE T12 MINERAL RESOURCE ESTIMATE

Triton announced a maiden MRE for the Ancuabe T12 deposit on 17 May 2016. The resource comprised of 14.9 million tonnes grading 5.4% Total Graphitic Carbon (TGC), for 798,000 tonnes of contained graphite.

EXPLORATION DRILLING

In the period October to December 2016 the Company completed a program of 68 holes for 5,265 m including 26 RC holes for 2,136 m and 42 DD holes for 3,129 m at Targets T12, T13, T14 and T16. The drilling included two pairs of twin RC and DD holes. A total of 42 holes was drilled at T12 (10 RC and 32 DD); 2 RC holes at T13; 4 RC holes at T14 and 20 holes at T16 (10 RC and 10 DD).

The purpose of drilling was to:

- Infill drill at T12 with the objective of improving confidence in geology, grade and graphite quality (the original drilling in 2015 was on lines spaced 100 m apart, with drilling at 50 m spacing along lines. The infill drilling was planned at 25 m spacing along lines 50 m apart)
- Extend the T12 Mineral Resource
- Test VTEM targets to the north and east of T12
- Generate sufficient drill core samples for metallurgical characterisation of the various graphite and weathering domains, optimisation of metallurgical process and to provide samples for prospective customers.

Following this drilling campaign assays were analysed in South Africa and additional metallurgical testwork was undertaken in Perth. This drilling formed the resource upgrade that was announced in 2017.

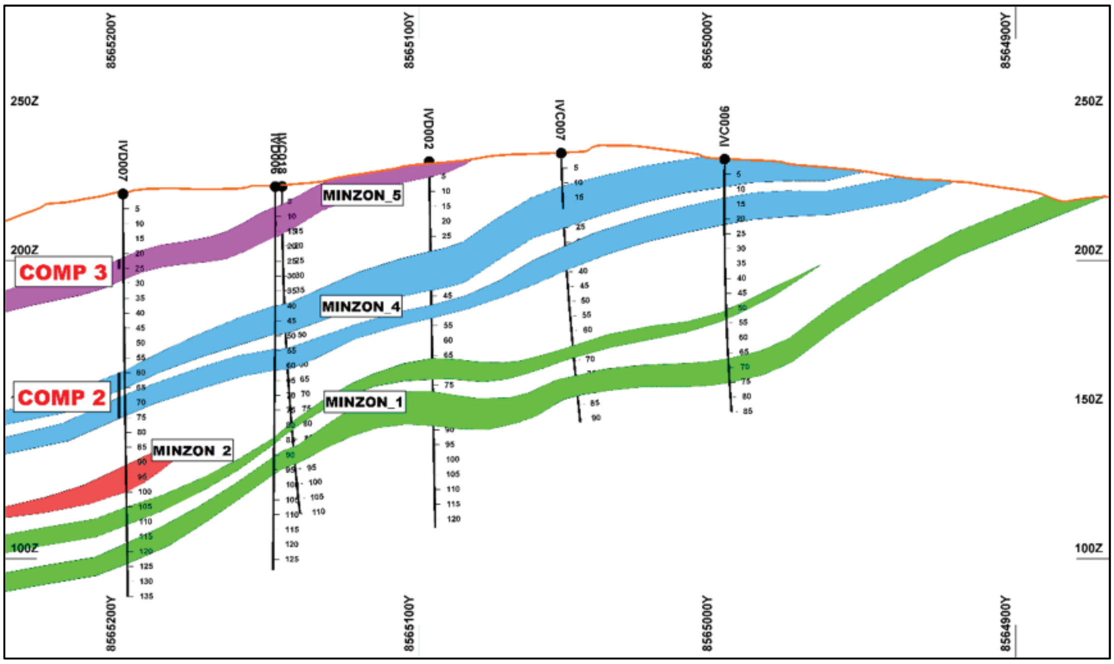

Figure 4: Cross section showing mineralisation zones as reported in May 2016 (Triton, 2016a) and positions of composites 2 and 3 in IVD007. Section line 617300 looking east. No vertical exaggeration

METALLURGY

Triton commissioned thin-section petrographic studies and preliminary flotation test work of five graphitic intersections from drill holes IVD007, IVD010 and IVD011 that were drilled in 2015. These metallurgical results were released by the Company on 19 December 2016.

The petrographic study by Townend Mineralogy demonstrated that the graphitic gneisses are medium to coarse grained and that the gangue minerals are predominantly quartz and feldspar, with minor amounts of mica, amphibole, pyroxene, calcite and sulphide minerals.

The gangue minerals are generally discrete and, apart from mica are not significantly intergrown with graphite, which has important implications for graphite liberation characteristics. The graphite flakes are often more than 1 mm in length (refer Figure 5).

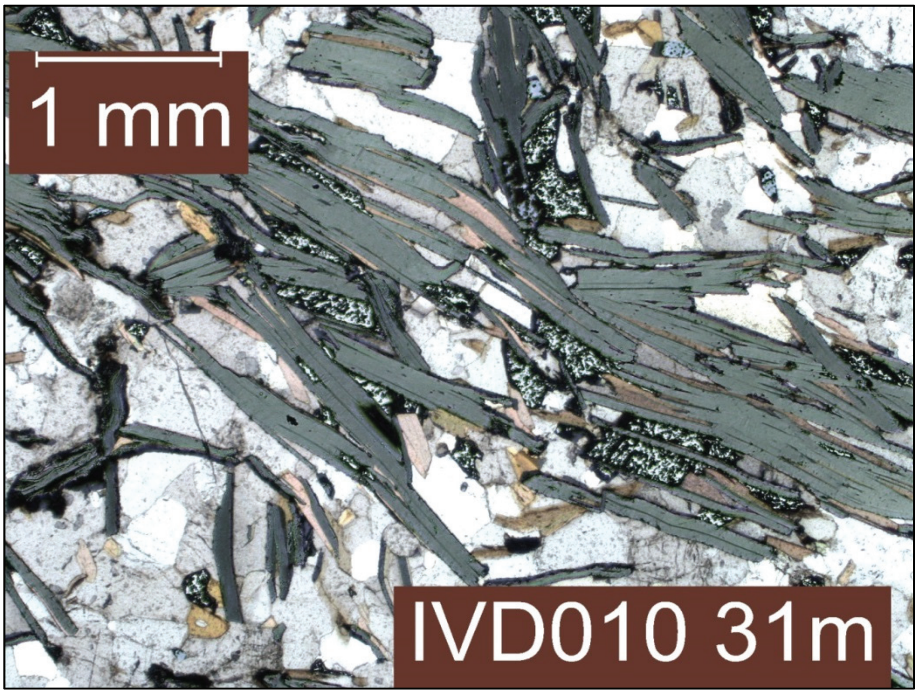

Figure 5: Photomicrograph of graphite (greenish grey) and biotite mica (brown) in a thin section

The flotation test work, based on a standard graphite process flowsheet developed by Independent Metallurgical Operations' (IMO) Perth Laboratory, demonstrated (and announced to the ASX on 19 December 2016) that a range of high purity graphite flakes can be extracted. The process flowsheet included rougher flotation, followed by several regrind and cleaner flotation stages.

Key metallurgical highlights include:

- Head grades of between 3.5 and 9.0 % TGC (between 3.65 and 9.1 % TC)
- ~60 to 77 % of graphite flakes >150 micron
- ~25 to 40 % of graphite flakes >300 micron
- Overall concentrate grades between 97.2 and 98.4 % TC
- Recoveries greater than 92% for four of the five composites tested
- No discernible difference in graphite purity from oxidised, transitional or fresh weathering domains.

It is noted that the process testing has not been optimised and that there is scope for coarser initial grind and preservation of large flakes. Flotation tests were all carried out under open circuit conditions with the above recoveries excluding graphite from intermediate tailings streams.

BALAMA NORTH PROJECTS

The Balama North Projects (Nicanda West Project, Nicanda Hill Project and Cobra Plains Project) are located approximately 230km west of Pemba, in northern Mozambique, in the vicinity of known graphite mineralisation. The Balama North Project currently contains the world's largest and fourth largest graphite resources, at Nicanda Hill and Cobra Plains respectively.

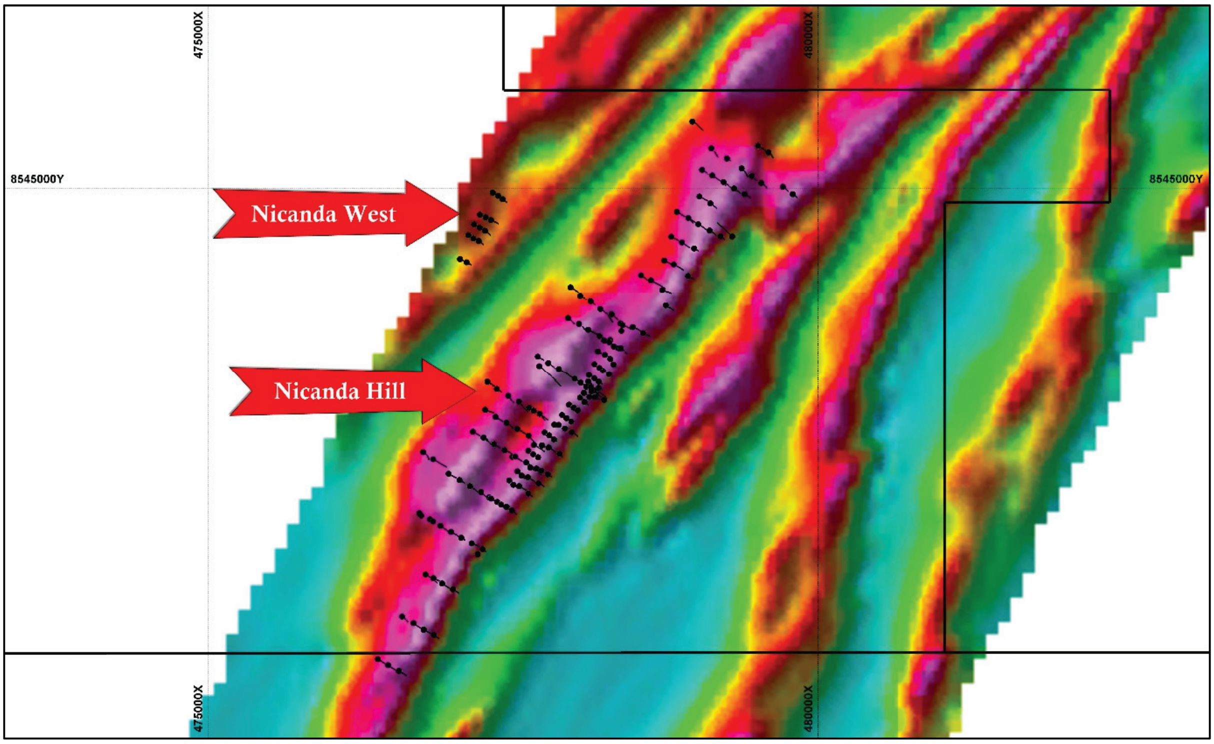

Figure 6: VTEM map of Balama North – Nicanda Hill and Nicanda West

Nicanda West Project

IDENTIFICATION

During August 2015, as a result of the DFS drilling program, the Company identified a new substantial jumbo flake graphite zone, known as Nicanda West (originally named P66), to the north-west of the existing MRE at Nicanda Hill. The Nicanda West Project is located within tenement 5966, which covers an area of 14,192 ha.

The diamond drill hole GBND0055 intersected strong graphitic mineralisation with extensive jumbo flake graphite present in the drill core. Triton subsequently completed additional drill holes both north and south of the original Nicanda West intersection, which confirmed the continuity of jumbo flake graphite mineralisation over a considerable distance.

Visual inspections of the drill core samples obtained from the Nicanda West Project zone show very large graphite flakes and coarse gneissic texture associated with higher metaphorica grade. The drilling program comprised of a total of eleven diamond and three RC drill holes. Assay results have been received for six of these drill holes.

Nicanda West is distinguished by the dominance of large (>150micron) and jumbo (>300 micron) flake graphite that forms the main mineral constituent of a gneissic host rock. Given the dominance of high-value flake sizes the minimum targeted average grade of this style of deposit range is 5%TGC. This is in contrast to the more typical deposits of the Balama North region, including Nicanda Hill, where the host rocks comprise graphite-amphibole schist with target average grades of 10%TGC comprising dominantly fine (<75 micron) to fine-medium (75-150 micron) flake sizes.

EXPLORATION DRILLING

Exploration drilling completed during 2015 included three RC and eleven diamond drill (DD) holes on five section lines over a strike length of just under 600 m. The lines are spaced between 100m and 200 m apart along strike, and drill spacing at 50m down dip.

METALLURGICAL RESULTS

Flotation testwork on two composites from drill holes GBND0056 and GBND0058, based on a standard graphite process flowsheet, showed that approximately 70% of the liberated flakes were larger than 150 micron and that more than 30% of the liberated flakes were Jumbo or larger (>300 micron). The final overall concentrate grades were over 97% Total Carbon (TC) at recoveries better than 90%. It must be noted that the process flowsheet was not optimised and that it was conducted on two composites of selected samples, which may not be representative of the entire mineralised zones.

MINERAL RESOURCE STATEMENT

Triton announced a Mineral Resources Estimate for the Nicanda West deposit (also known as P66) on 17th May 2016, comprising 30Mt grading 6.6% Total Graphitic Carbon (TGC) for 1.97Mt of contained graphite.

Table 1 - Inferred Mineral Resource estimate for Nicanda West deposit as at April 2016

Classification	Weathering State	Million Tonnes	TGC %	Contained Graphite ('000s t)
Inferred	Oxide	3.3	6.8	225
	Transitional	2.5	7.0	176
	Fresh	24.2	6.5	1,567
	Grand Total	30.0	6.6	1,968

Note: The Mineral Resource was estimated within constraining wireframe solids defined above a nominal 3% TGC cut-off. The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding.

The MRE was based upon data obtained from 14 drill holes which were completed in 2015, of which 12 intersected the interpreted mineralisation. Drill lines are spaced between 100 and 200m apart and intersections down dip are separated by approximately 50m.

Graphitic carbon was analysed using accepted graphite analytical techniques. The mineralisation wireframes were modelled using a nominal lower cut-off grade of 3 % TGC. The model was reported for all classified estimated blocks within the >3% TGC mineralisation domains. This cut-off is believed to be appropriate as it reflects a visually distinct occurrence of graphite reflecting a natural geological cut-off. There is possibly a high grade sub-population above an approximate 8.5% TGC cut-off within the interpreted mineralisation wireframes, however more data will be required to accurately delineate and estimate this population.

Nicanda Hill

MINERAL RESOURCE

The Company's largest resource is Nicanda Hill which is one of the largest graphite deposits in the world date, the original resource was estimated in October 2014.

CSA Global restated the Nicanda Hill Mineral Resource during August 2016 as 1.43Bt at 11.1% TGC (Table 2).

Table 2 - Nicanda Hill Mineral Resource Estimate (August 2016)

Classification	Tonnes (Mt)	TGC (%)	Contained Graphite (Tonnes)
Indicated	368.6	11.3	41.5
Inferred	1,061.6	11.1	117.3
Indicated + Inferred	1,430.1	11.1	158.9

Note: The Mineral Resource was estimated at 5% graphitic carbon cut-off grade from within interpreted mineralised envelopes defined at a nominal lower cut-off grade of 9% TGC. The Mineral Resource is reported from all blocks within these wireframe solids. Differences may occur due to rounding.

DEFINITIVE FEASIBILITY STUDY

In 2015 the previous management approved the undertaking of a Definitive Feasibility Study and an Environmental Management and Impact Assessment in relation to the Nicanda Hill project lead by DRA Global.

Due to financial constraints, and poor metallurgical results as part of this DFS, the Company decided to put on hold the DFS in August 2015. This hold remains in place.

METALLURGICAL RESULTS

Triton submitted Nicanda Hill samples to several laboratories for extractive metallurgical testing in 2014 and 2015 which provided conflicting metallurgical results. As part of the Technical Assessment review undertaken in 2016 by CSA Global a specialist mineral process plant design and construction consultancy evaluated a range of drill core samples across the deposit to identify spatial variation in processing characteristics. The results indicated that:

- Petrographic studies of drill hole TBMD0006 provided supporting data for the extractive metallurgy results, which demonstrated that fine grinding was required to liberate graphite.
- There is often more than one population of flake sizes in the Mutola Zone. Very small graphite flakes are contained within large grains of minerals, such as scapolite and mica. The small graphite flakes are difficult to liberate without very fine grinding.
- Nicanda Hill graphite concentrates for the Mutola Zone are likely to be Fine and Small size (less than 0.15 mm).

Cobra Plains Deposit

On 26 February 2014, the Company's announced its maiden Inferred Mineral Resource Estimate at the Cobra Plains at the Balama North project, as at 31 December 2016, the resources comprises 103 Million Tonnes (Mt) at an average grade of 5.2%TGC, containing 5.7Mt of graphitic carbon.

CSA Global conducted in 2016 a brief desktop review of the Optiro estimate, and is satisfied that work was completed to an acceptable standard to reflect the Inferred classification.

BALAMA SOUTH PROJECT

The Balama South project is located approximately 35 km south of the Balama township within the same north-east trending geological domain covered by the Balama North project which hosts the Cobra Plains deposit and the Nicanda Hill prospect.

Due the Company's current focus on the advancing the Balama North project, only limited exploration activities were completed on the Balama South project during 2016. The major activity being a VTEM Survey.

The Company believes that the Balama South project is prospective for graphitic mineralisation so further exploration programs will occur following any investment decision on the Ancuabe project.

Forward-Looking Statements:
This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Triton Minerals Limited's planned exploration program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate" "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Triton Minerals Limited believes that its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements

CORPORATE GOVERNANCE

The Board of Directors is responsible for the corporate governance of the Company. Corporate governance describes the framework of rules, relationships, systems and processes within a company and the way in which authority is exercised and controlled within an organisation. The Board guides and monitors the business and affairs of the company on behalf of security holders by whom they are elected and to whom they are accountable.

The Board has considered the eight principles of corporate governance as set out by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Principles and Recommendations"). The Principles and Recommendations are not mandatory and the statement below discloses the extent to which the Company has followed the Principles and Recommendations during the period to 31 December 2016. The Company's Corporate Governance Statement and Corporate Governance Plan have been approved by the Board and are available on the Company's website at www.tritonminerals.com.

PRINCIPLES AND RECOMMENDATIONS

The essential corporate governance principles are:

1 Lay solid foundations for management and oversight;
2 Structure the Board to add value;
3 Act ethically and responsibly;
4 Safeguard integrity in corporate reporting;
5 Make timely and balanced disclosure;
6 Respect the rights of security holders;
7 Recognise and manage risk;
8 Remunerate fairly and responsibly.

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT.

1.1: Companies should disclose the respective roles and responsibilities of its Board and management; and those matters expressly reserved to the Board and those delegated to management.

<u>Roles and Responsibilities:</u>

The roles and responsibilities of the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies, and ensure appropriate resources are available to meet objectives and monitor management performance;
- Assess and review risk exposure, including systems of risk management, internal compliance and control, codes of conduct;
- Monitor financial performance and approve major capital expenditure, capital management and significant acquisitions, divestitures and issue of new securities;
- Oversee compliance, corporate governance, and legal obligations;
- Approve the annual and half-year financial statements;
- Recommend to shareholders to appoint and remove the Company's Auditor;
- Approve significant changes to the organisational structure;
- Appoint and assess the performance of the Managing Director and senior executives and determine their terms and conditions including remuneration and termination;
- Promote ethical and responsible decision making; and
- Report to shareholders.

The roles and responsibilities of management are to:

- Develop and recommend internal control and accountability systems for the Company;
- Implement and maintain mission systems, corporate strategy and performance objectives;
- Implement and maintain systems of risk management and internal compliance and controls, codes of conduct, legal compliance and any other regulatory compliance and if approved, ensure compliance with such systems;
- Monitor employees' performance, recommend appropriate resources and review and approve remuneration;

- Prepare all required financial reports, tax returns, budgets and any other appropriate financial reports, meet all statutory deadlines and monitor performance against budgets;
- Protect the assets of the Company and prepare recommendations on acquisitions and divestments of assets;
- Implement decisions of the Board of Directors on key standards of the Company covering such areas as ethical standards, reputation and culture of the Company and influence and provide guidance for employees on these areas; and
- Undertake best endeavours to add value to the Company in a professional, ethical and accountable manner.

The Company's Board charter is included in the Corporate Governance Plan which is available on the Company's website www.tritonminerals.com

1.2: Companies should undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director and provide security holders with all material information. Companies should also provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Company undertakes appropriate checks before appointing a new director or putting forward to security holders a candidate for election as a director. These checks include a review of the person's character, references, experience, education, qualifications, criminal record and/or bankruptcy record.

The Company provides all material information in its possession relevant to security holders to assist in their decision on whether or not to elect or re-elect a director. This information includes:
- biographical details; including relevant qualifications, skills and experience;
- details of any other material directorships or executive roles;
- any material adverse information revealed by background checks;
- positions, responsibilities or interests that might impact independent judgement;
- if the candidate is an independent director; and
- the term of the office currently served by the director.

This information will typically be provided in the relevant notice of meeting for a shareholders' meeting and also on the Company's website.

1.3: Companies should have a written agreement with each director and senior executive setting out the terms of their appointment

All directors and senior management are appointed through a written agreement that sets out the terms of appointment, including their duties, rights and responsibilities.

The directors receive a letter of appointment which includes the following matters:
- estimated time commitment for the role;
- indemnity and insurance arrangements;
- remuneration;
- the requirement to disclose director interests and any matters which affect director independence;
- rights to obtain independent professional advice;
- obligation not to divulge confidential information;
- consent to the use of electronic means to hold or call a directors meeting; and
- access to the company secretary.

Executive directors and senior executives receive an executive service agreement which includes the following matters:
- appointed role, title and reporting line;
- executive duties and use of company property
- remuneration and benefits;
- leave entitlements;
- insurance arrangements;

- intellectual property rights;
- obligation not to divulge confidential information; and
- terms of termination.

1.4: The Company Secretary should be accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.

The Board Charter makes provision that the Company Secretary is accountable to the Board through the Chairman and that each Director is able to communicate directly with the Company Secretary and vice versa. The Company Secretary is responsible for:
- advising the Board on corporate governance matters, the Company's constitution and ASX listing Rules and other applicable laws;
- managing the company secretarial function and facilitating the flow of information of the Board, between the Board and its committees and between senior executives and non-executive directors;
- to facilitate the induction of new directors and the implementation and maintain Board policies and procedures; and
- organise Board and Shareholder meetings, taking minutes and communicating with the ASX.

1.5: The Company should have a diversity policy which include requirements for the Board to set measureable objectives for achieving gender diversity and to assess annually both the objectives and progress in achieving them. The Company should disclose that policy or a summary of it and its progress towards achieving the objectives.

Diversity Policy
The Company is dedicated to managing diversity as a means of enhancing the Company's performance and organisational capabilities by recognising and utilising the contribution of diverse skills and attributes of all of its directors, officers and employees**.**

Diversity involves recognising and valuing the unique contribution people can make because of their individual background and different skills, experiences and perspectives. Diversity may result from a range of factors including age, gender, ethnicity, cultural background or other personal circumstance or attribute. The Company values the differences between its personnel and the valuable contribution that these differences can make to the Company.

The Company encourages diversity and fosters an environment within the Company that respects diversity in the work place and promotes equal opportunities for employment and a work environment that is free from harassment. The Company will not permit unwanted conduct based on an officer, employee or contractor's personal circumstances or characteristics.

The Company's Diversity policy is included in the Corporate Governance Plan which is available on the Company's website.

The Board has set measurable diversity objectives which include:
- recruiting from a diverse pool of candidates for all positions, including senior management and the Board;
- reviewing succession plans to ensure an appropriate focus on diversity;
- identifying specific factors to take account of in recruitment and selection processes to encourage diversity;
- developing programs to develop a broader pool of skilled and experienced senior management and Board candidates, including targeted training and development;
- developing a culture which takes account of domestic responsibilities of employees; and
- any other procedural or structural objectives; initiatives and programs and/or targets in respect of diversification of employees, management and supporting roles that are appropriate for the Company.

Senior executives undertake training and professional development programs to broaden their skill sets and encourage the development of technical knowledge to support them in their roles and in their career development.

The Company has a culture that strives to establish an appropriate work/life balance. All employees have access to flexible working arrangements which support employees and consider their domestic responsibilities.

During the year, the proportion of women on the Board at the reporting date was 20%.

1.6: Companies should disclose the process for periodically evaluating the performance of the Board, its committees and individual directors. The entity should disclose whether a performance evaluation was undertaken during the reporting period in accordance with that process.

The Board Charter that forms part of the Corporate Governance Plan requires that an annual performance evaluation be undertaken by the Board to ensure that the responsibilities of the Board are discharged in an appropriate manner. The Remuneration and Nomination Committee (Committee) will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively. The performance review is led by the Chairman of the Committee, who is a Non-Executive Director.

The performance evaluation process is detailed in the Corporate Governance Plan which is available on the Company's website and the review will include:
(i) comparing the performance of the Board with the requirements of its Charter;
(ii) examination of the Board's interaction with management;
(iii) the nature of information provided to the Board by management; and
(iv) management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each committee by the Board with the aim of assessing the performance of each committee and identifying areas where improvements can be made.

The performance of the Board has been reviewed and evaluated internally during the period by the Chairman through an informal peer review.

1.7: Companies should disclose the process for periodically evaluating the performance of its senior executives. The entity should disclose whether a performance evaluation was undertaken during the reporting period.

The annual review of senior executives' performance and remuneration are carried out by the Chief Executive Officer, in accordance with the terms and conditions of the executive's employment agreement. The Chief Executive Officer will make recommendations to the Committee. The Chairman of the Board will undertake the review of the Chief Executive Officer's performance and will make a recommendation to the full Board.

The Committee will meet at least annually or as required, usually on the anniversary date of each service agreement for the particular Director or Key Management Personnel. At these meetings, the particular Director declare his/her interest and not vote, and will depart from the meeting, so as not to be present whilst the matter in which they have an interest is being discussed.

As a result of the period of Voluntary Administration and appointment of a new Board of Directors, the evaluation of performance of senior executives did not formally take place during 2016 strictly in accordance with the process disclosed above.

2. STRUCTURE THE BOARD TO ADD VALUE.

2.1: The Board should establish a nomination committee. The nomination committee should be structured so that it:

- **has at least three members;**
- **consists of a majority of independent directors;**
- **is chaired by an independent director;**

- **disclose the charter and the members of the committee; and**
- **disclose the number of times the committee met throughout the period and the individual attendances.**

The Company has a formal charter for the Committee to assist the Committee to discharge its duties, which are included as a part of the Company's Corporate Governance Plan and is available on the Company's website.

In accordance with the charter, the Committee will periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:
(a) identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company;
(b) approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
(c) assess and consider the time required to be committed by a non-executive Director to properly fulfill their duty to the Company and advise the Board;
(d) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;
(e) review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
(f) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
(g) arrange an annual performance evaluation of the Board, its Committee and individual Directors;
(h) make recommendations to the Board on the appropriate size and composition of the Board; and
(i) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.

The members of the Committee during the period to December 2016 included Xingmin (Max) Ji, and Guanghui (Michael) Ji who are not independent directors. As a result of the period of Voluntary Administration the Committee did not meet during 2016. Looking forward, it is intended that the Committee shall meet once per year. Refer to the directors' report for details of the directors and committee meetings and attendees.

The Company did not comply with principle 2.1 as the majority of the Board of Directors were not independent and there were not sufficient independent directors to constitute a majority on the Committee.

2.2: The Board should disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership

The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. At the reporting date the Board consisted of five members: Non-Executive Chairman, three Non-Executive Directors and the Managing Director.

The Directors bring a range of knowledge and skills to the Board including geological, legal, finance, marketing, corporate governance and geographical knowledge.

The Board has a skills matrix and the skills and experience of the Directors are reviewed on a regular basis. The table below shows the skills and experience that the Board considers important for the Company and number of members that have the relevant skills and/or experience.

TRITON MINERALS LTD – BOARD SKILLS MATRIX	
31 DECEMBER 2015	
DIRECTOR EXPERIENCE, SKILLS & ATTRIBUTES	**BOARD MEMBERS**
Board Composition	5
EXPERIENCE	
Resources industry experience Experience in exploration phase of the mining industry	5
Board level experience Board member of other organisations	5
Geographical experience Africa	2
Capital market experience	5
Project development experience	2
SKILLS & ATTRIBUTES	
Strategic	5
Leadership	5
Corporate Governance	2
Risk management	5
Legal, accounting and tax	3

2.3: The Board should disclose the names of the directors considered by the Board to be independent directors and the length of service of each director

In making this assessment, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when assessing independence are whether a Director:

- is, or has been, employed in an executive capacity by the entity or any of its child entities and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the entity or any of its child entities;
- is, or has been within the last three years, in a material business relationship (eg as a supplier or customer) with the entity or any of its child entities, or an officer of, or otherwise associated with, someone with such a relationship;
- is a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- has a material contractual relationship with the entity or its child entities other than as a director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a director of the entity for such a period that his or her independence may have been compromised.

At the reporting date, Non-Executive Directors, Mr Patrick Burke and Ms Paula Ferreira were considered to be independent.

2.4: A majority of the Board of the Company should be independent directors.

At the reporting date, the Board was comprised of 2 independent directors, 3 directors that are not independent. During the year ended 31 December 2016, the Company did not comply with principle 2.4, as the majority of the Board were not independent directors.

The Company maintains a mix of directors from different backgrounds with complementary skills and experience, however is aware of the importance of having a Board with a majority of its directors being independent. As the Company moves towards production it intends to seek out and appoint independent directors to the Board when additional directors are required in order to meet the ASX recommendation of maintaining a majority of independent Non-Executive Directors.

2.5: The chair of the Board should be an independent director and should not be the same person as the CEO.

The Chairman was an independent director up to 22 July 2016. The role of Chair and Chief Executive Officer were not undertaken at any time by the same individual.

2.6: The Company should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain their skills and knowledge needed to perform their roles as directors effectively.

All new directors are appointed through a written agreement that sets out their duties, rights and responsibilities.

The Board encourages directors to continue their education and maintain the skills required to discharge their duties by providing professional development opportunities.

<u>Independent professional advice</u>
Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld. A copy of any such advice received is made available to all members of the Board.

3. ACT ETHICALLY AND RESPONSIBLY
3.1: Companies should establish a code of conduct for its Directors, senior executives and employees and disclose the code or a summary of the code.

The Company is committed to its Directors and employees maintaining high standards of integrity, and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member is made aware of the Company's Policies and Procedures at the commencement of their employment with the Company and regularly throughout their employment.

The Company's Corporate Code of Conduct is included in the Corporate Governance Plan which is available on the Company's website. All Directors, senior executive and employees are expected to:
- behave honestly and with integrity and report other employees who are behaving dishonestly;
- operate within the law at all times;
- follow the policies of the Company;
- act in the best interests of the Company;
- act in an appropriate business-like manner when representing the Company, and
- avoid conflicts of interest.

Unethical practices or inappropriate behaviour can be reported to the Chief Executive Officer, Chairman or company Secretary, or in relation to the Board, unethical practices may be reported to the Company's auditor.

4. Safeguard integrity in corporate reporting.
4.1: The Board should have an audit committee. The audit committee should be structured so that it:
- **has at least three members;**
- **consists only of Non-Executive Directors;**
- **consists of a majority of independent directors;**
- **is chaired by an independent chair, who is not chair of the Board;**
- **has a formal charter and disclose the charter of the committee;**
- **disclose the relevant qualifications and experience of the members of the committee; and**
- **the number of times the committee met throughout the period and the individual attendances.**

If the Company does not have an audit committee disclose the fact and the process it employs that independently verify and safeguard the integrity of its corporate reporting, including the process for appointment and removal of the external auditor and rotation of the engagement partner.

The Company has a formal charter for its Audit and Risk Committee, whose members at the date of this report include Patrick Burke, Xingmin (Max) Ji and Guanghui (Michael) Ji. At the reporting date, the Chairperson of the Audit Committee was Patrick Burke, who is not the Chairperson of the Board. The Company has determined that Mr Burke is the most suitable director to chair the Audit and Risk Committee due to his competency in leadership and corporate governance.

The Audit and Risk Committee's primary purpose is to assist the Board in fulfilling its statutory and fiduciary responsibilities and provides an active role in the following activities:

- Review the appropriateness of the Company's accounting policies;
- Review the content of financial statements;
- Review the scope of the external audit, its effectiveness, and independence of the external auditor;
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- Establish procedures for treatment of accounting complaints;
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- Present half and full year financial statements to the Board;
- Monitor the need for a formal internal audit function and its scope;
- Assess the performance and objectivity of any internal audit procedures that may be in place; and
- Identification and management of business risks.

The Company's Audit and Risk Committee charter is included in the Corporate Governance Plan which is available on the Company's website www.tritonminerals.com. Refer to the Directors' report for details of the relevant qualifications and experience of the Audit and Risk Committee members.

4.2: The Board should, before it meets to approve the entity's financial statements for a financial period, receive from its Chief Executive Officer and the Chief Financial Officer a declaration that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Prior to the Board's approval of its financial statements, the Company's Chief Executive Officer and Chief Financial Officer report in writing to the Board regarding the consolidated financial statements of the Company for the half and full financial year, that:

- the financial records have been properly maintained;
- the financial statements and notes comply with the accounting standards; and
- present a true and fair view, in all material respects, of the Company's financial position and performance during the period; and
- the financial statements have been prepared on a sound system of risk management and internal control which is operating effectively.

4.3: The company's external auditor should attend the annual general meeting (AGM) and must be available to answer questions from security holder relevant to the audit.

The Company's external auditor, Nexia Perth Audit Services Pty Ltd, attends each annual general meeting, and is available to answer questions from shareholders regarding:

- the conduct of the audit;
- the preparation and content of the auditor's report;

- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditors in relation to the conduct of the audit.

Shareholders can also provide written questions before the AGM. A list of these questions will be distributed at the meeting and the Chairman will allow reasonable opportunity for the auditor to respond to the questions.

5. MAKE TIMELY AND BALANCED DISCLOSURE
5.1: Companies should have a written policy for complying with its continuous disclosure obligations under the Listing Rules and disclose the policy or a summary of it.

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market in a timely and balanced manner of all information, required to be disclosed in accordance with the ASX Listing Rules, which the Board believes would have a material effect on the price of the Company's securities.

The Company has a Continuous Disclosure Policy which appoints the Company Secretary as the person responsible for communication with the ASX. This role includes responsibility for:
- ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules;
- overseeing and coordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public; and
- providing guidance to directors and employees on disclosure requirements and procedures.

Directors and senior executives have the responsibility to disclose to the Board and the Company Secretary of any matters or information that may have a material effect on the price of the Company's securities, including misinformation that may be in the public domain.

6. RESPECT THE RIGHTS OF SECURITY HOLDERS
6.1: The company should provide information about itself and its governance to investors via its website.

The Company’s website (www.tritonminerals.com) provides timely and equal access to security holders about the Company’s activities so that they can make informed decisions. The website has a dedicated Investors section which publishes all important Company information and relevant ASX announcements made to the market as soon as practicable after their release

The Company’s website has a Corporate Governance section that includes a Corporate Governance Plan, the Corporate Governance Statement, the Company Constitution and the Securities Trading Policy. The Company’s Corporate Governance Plan includes the Company’ key governance policies and charters.

The Company’s website also includes information regarding the Company’s directors and senior executives as well as various videos and company information to assist security holders and potential investors to understand the Company’s business.

6.2 Companies should design and implement an investor relations program to facilitate effective two-way communication with investors.

The Company is committed to keeping shareholders fully informed of significant developments involving the Company’s affairs. In addition to the Company’s ASX announcements of its financial statements, periodic reporting and Notices of Meeting, the Company also provides regular communication on significant operational matters.

The Company's external auditor, Nexia Perth Audit Services Pty Ltd, attends each annual general meeting, and is available to answer questions from shareholders. Shareholders can also provide written questions before the AGM. A list of these questions will be distributed at the meeting and the Chairman will allow reasonable opportunity for the auditor to respond to the questions.

Investor information is also released through the Company's website and directly to email subscribers. The Company has made available the relevant contact details (via the website) for security holders to make enquires and have also included contact details of the share registry in the Corporate Directory section.

6.3: Companies should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Company provides the opportunity for shareholders to question the Board and management about its activities at the Company's general and annual general meetings, including those that are not able to attend the meetings. The Company's meetings are accompanied by an investor presentation which contributes to greater shareholder engagement and has increased the number of attendees at meetings.

6.4: Companies should give security holders the option to receive communications from, and send communications to the entity and its security register electronically.

Security holders have the option to receive communication from the Company and the share register electronically. The Company provides the option on the website for all investors or interested to subscribe to e-mail alerts from the Company. The Company has provided the opportunity (via the website) for security holders to make electronic enquires to the company.

The electronic contact details for the share registry are included in the Corporate section of the website.

7. Recognise and manage risk
7.1 Companies should have a committee or committees to oversee risk each of which:

- **has at least three members a majority of whom are independent directors;**
- **is chaired by an independent director;**
- **disclose the charter of the committee;**
- **disclose the members of the committee; and**
- **disclose the number of times the committee met throughout the period and the individual attendances.**

If the Company does not have a risk committee or committees disclose the fact and the process it employs to oversee the entity's risk management framework.

The Company has a formal charter for its Audit and Risk Committee. At the reporting date, the Chairperson of the Audit Committee was Mr Patrick Burke, who is not the Chairperson of the Board. The Company has determined that Mr Burke is the most suitable director to chair the Audit and Risk committee due to her competency in accounting, leadership and corporate governance.

The Board oversees the Company's risk profile and identifies the material business risks. The financial position of the Company and matters of risk are considered by the Board on a regular basis, ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor, and manage risk are in place, being maintained and adhered to.

In accordance with the charter the Audit and Risk Committee's role is to:

(a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
(b) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company has adopted the risk management procedure disclosed in the Company's Corporate Governance Plan as a part of the Company's risk management framework.

The Chief Financial Officer and Chief Executive Officer have stated in writing to the Board that:

- The statement given in accordance with best practice recommendation 4.2 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

7.2: The Board or a committee of the Board should review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and disclose in relation to each reporting period whether such a review has taken place.

The Company is reviewing its risk management framework in place to audit compliance with the principles of AS/NZS 31000:2009 and the ASX Corporate governance principles and recommendations.

7.3: Companies should disclose if it has an internal audit function, how the function is structured and what role it performs or if it does not have an internal audit function the fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company is not of a size at the moment that requires a separate internal audit function. The Company has a risk management framework and an Audit and Risk Committee charter in place that is reviewed by the Board on an annual basis and amended as required. The Company also has adequate policies in relation to risk management, compliance and internal control systems. The Company's has a risk register in place which is reviewed regularly and ensures that strategic, operational, legal, reputational and financial risks are identified, assessed effectively, efficiently managed and monitored to enable achievement of the Company's business objectives.

7.4 A company should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does how it manages or intends to manage those risks.

The Company is an ASX listed exploration company focussed on graphite. Due to the nature of its business the company is exposed to economic, environmental and social sustainability risks. The Company has a risk management framework in place and a risk register and polices to ensure compliance and sufficient internal control systems. The risk register is reviewed and assessed on a regular basis and embedded in the culture and practices of the company. Risk treatment plans are in place to identify how risk identified will be mitigated. For more information on the material risks of the Company refer to the Operating and Financial Review contained within the Directors' Report.

8. REMUNERATE FAIRLY AND RESPONSIBLY

8.1: The Board should establish a remuneration committee which:

- **has at least three members a majority of whom are independent directors;**
- **is chaired by an independent director;**
- **disclose the charter of the committee;**
- **disclose the members of the committee; and**
- **disclose the number of times the committee met throughout the period and the individual attendances**

If the Company does not have a remuneration committee disclose the fact and the process it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company has a formal charter for the Committee to assist the Committee to discharge its duties, which are included as a part of the Company's Corporate Governance Plan and is available on the Company's website.

In accordance with the charter, the primary purpose of the Remuneration Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

(i) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
(ii) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
(iii) recommending to the Board the remuneration of executive Directors;
(iv) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
(v) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
(vi) reviewing and approving the remuneration of Director reports to the Managing Director, and as appropriate other senior executives; and
(vii) reviewing and approving any equity based plans and other incentive schemes.

The Company did not comply with principle 8.1 during the financial year as the Committee did not meet and the membership was not comprised of independent directors.

8.2: The company should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice. The Committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance linked;
- Transparency; and
- Capital management.

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Refer to the audited remuneration report contained within the Directors' Report for more information regarding the remuneration practices and policies of non-executive directors, executive directors and other senior executives.

8.3: Companies which has an equity based remuneration scheme should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.

The Company has a policy to prohibit its directors and employees, who participate in an equity-based incentive plan of the Company, from entering into transactions which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities. Directors and employees are encouraged to take sufficient professional advice in relation to their individual financial position

The Directors present their report on Triton Minerals Limited (the Company) and its controlled entities (Triton or the Group) for the financial year ended 31 December 2016 (FY2016).

Directors

The following persons were Directors of the Company and were in office during the reporting period unless otherwise stated:

Xingmin (Max) Ji (Non-Executive Chairman, appointed 22 July 2016)

Mr Xingmin Ji has over 20 years of finance and investment experience and has worked in China, Hong Kong, USA, Singapore and Australia in the fields of resource project development, stock market investment, foreign currency, real estate and other investment projects.

Previously, Mr Ji has been the representative of the majority shareholder for more than 20 companies, including a company listed on the Shanghai Stock Exchange. He has also been Director and Chairman for numerous companies some of which operated international joint ventures in/with Hong Kong, USA, Russia and Australia.

Mr Ji was the CEO of Minjar Gold between 2011 and 2014 and guided the company from exploration to production and was integral in the sale of Minjar Gold into Shanghai Stock Exchange listed Shandong Tianye.

Mr Ji is currently the Chairman of Minjar Gold and the CEO of Shandong Tianye Australia Group, with a focus on strategy and development. Mr Ji led Shandong Tianye's investment in Triton Minerals Limited and Minjar Gold's recent acquisition of the Pajingo gold mine in Queensland. Mr Ji sits on the Board as a nominee of Shandong Tianye, a substantial shareholder of the Company.

Current and former directorships of listed entities in last three years:
None

Special responsibilities:
Member of the Remuneration and Nomination Committee.

Interest in securities at 31 December 2016:
Nil

Peter Canterbury (Managing Director and Chief Executive Officer, appointed 3 October 2016)

Mr Canterbury is a highly regarded senior mining executive with significant knowledge of project development on operations in Australia and Africa. Mr Canterbury was previously the CEO of Bauxite Resources Limited for 2 years. Prior to this he was the CFO of Sundance Resources for six years. He played a lead role in negotiating the Mining and Development convention for Sundance in Cameroon for the US$5 billion integrated iron ore mine rail and port project. He was also critical in the rebuilding of Sundance as acting CEO following the tragic plane crash in June 2010, which claimed the lives of the CEO and the entire Board.

Between 2001 and 2007, Mr Canterbury was the Chief Financial Officer of Dadco Europe, which owns the Stade Alumina refinery in Germany and a share in the CBG bauxite mine in Guinea. He was responsible for the finance, commerce and logistics functions of the Company. Earlier in his career he held several senior positions with Alcoa World Alumina in the finance, marketing and projects areas in Australia and overseas.

Current and former directorships of listed entities in last three years:
Bauxite Resources Limited (appointed 20 May 2013, resigned 21 October 2015)

Special responsibilities:
None

Interest in securities at 31 December 2016:
200,000 ordinary shares
12,000,000 performance rights

Ms Paula Ferreira (Non-Executive Director, Appointed 24 August 2015)

Ms Ferreira is resident in Mozambique and a Chartered Accountant with over 44 years of financial and commercial experience. Ms. Ferreira spent over 15 years of her early career in the construction industry as a Chief Financial Officer and senior executive and was one of the founders of the major Mozambican construction company CETA. Ms. Ferreira spent the next 27 years devoted to financial audit, consulting and advisory roles and was the managing director and a partner of Deloitte & Touche in Mozambique from 2000 to 2013.

Ms. Ferreira is currently a member of the Fiscal Council of Mozabanco, Fellow of Aspen Global Leadership Network and is engaged in entrepreneurial project development.

Current and former directorships of listed entities in last three years:
None

Special responsibilities:
Member of the Audit and Risk Committee

Interest in securities at 31 December 2016:
2,500,000 performance rights

Mr Patrick Burke (Non-Executive Deputy Chairman, appointed 22 July 2016)

Mr Burke holds a Bachelor of Law from the University of Western Australia. He has extensive legal and corporate advisory experience and over the last 10 years has acted as a Director for several ASX, NASDAQ and AIM listed resources companies. His legal expertise is in corporate commercial and securities law in particular capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.

Current and former directorships of listed entities in last three years:
Bligh Resources Limited (appointed 5 December 2016)
Pan Pacific Petroleum NL (appointed 22 November 2016)
Uranium Resources Inc (appointed 16 March 2016)
ATC Alloys Limited (appointed 8 September 2014)
Shareroot Limited (appointed 26 June 2009, resigned 12 January 2016)
Anatolia Energy Limited (appointed 21 July 2014, resigned 10 November 2015)
xTV Networks Limited (appointed 8 September 2014, resigned 2 February 2015)
Emergent Resources Limited (appointed 1 April 2013, resigned 31 May 2014)
Sirocco Energy Limited (appointed 23 July 2009, resigned 23 December 2013)
Minerals Corporation Limited (appointed 17 February 2011, resigned 2 December 2013)

Special responsibilities:
Member of the Audit and Risk Committee and Remuneration and Nomination Committee.

Interest in securities at 31 December 2016:
Nil

Guanghui (Michael) Ji (Non-Executive Director, appointed 22 July 2016)

Mr. Guanghui Ji is the CEO of Minjar Gold. Prior to this Mr. Ji worked for various leading mining companies throughout China and Mongolia. He has been involved in production management and international mining resource development for 16 years, mainly in the gold and non- ferrous metal mining and processing sector. Mr. Ji graduated from North China Electric Power University in 2000 with a Bachelor of Engineering in Management. Mr Ji sits on the Board as a nominee of Shandong Tianye, a substantial shareholder of the Company.

Current and former directorships of listed entities in last three years:
None

Special responsibilities:
Member of the Audit and Risk Committee and Remuneration and Nomination Committee.

Interest in securities at 31 December 2016:
Nil

Mr Christopher Catlow (Non-Executive Director, appointed 5 June 2015, resigned 22 July 2016)

Mr Catlow has over 25 years of international resources industry experience, having worked on the development and operations of oil and gas, hard rock and sand mining projects.

Current and former directorships of listed entities in last three years:
Admedus Limited (resigned 9 February 2016)
Sirius Minerals Plc (resigned 24 July 2015)

Special responsibilities:
Former Member of Audit and Governance Committee, Nomination and Remuneration Committees.

Interest in securities at 22 July 2016:
190,477 ordinary shares
23,810 listed options, exercisable at $0.15 that expired 16 March 2017

Mr Alan Jenks (Non-Executive Director, appointed 28 January 2014, resigned 10 February 2016)

Mr Jenks has over 20 years of experience in early stage investments in the junior resources sector, particularly companies with key projects in Australia and Africa.

Current and former directorships of listed entities in last three years:
None

Special responsibilities:
Former Member of Audit and Governance Committee, Nomination and Remuneration Committees.

Interest in securities at 10 February 2016:
34,879,780 ordinary shares
1,877,500 unlisted options, exercisable at $0.10 that expired 31 December 2016

Mr Alfred Gillman (Non-Executive Director, appointed 27 September 2012, resigned 22 July 2016)

Mr Gillman has over 30 years of experience as a geologist in gold, base metals and uranium. He has extensive experience in exploration and project development in various parts of the world including Australia and Africa.

Current and former directorships of listed entities in last three years:
Peninsula Energy Limited (Resigned 1 July 2015)

Special responsibilities:
Former Member of Audit and Governance Committee, Nomination and Remuneration Committees.

Interest in securities at 22 July 2016:
4,250,000 ordinary shares
75,000 listed options, exercisable at $0.15 that expired 16 March 2017

Mr Garth Higgo (Managing Director, appointed 28 January 2016, resigned 3 October 2016)

Mr Higgo is a mining professional with significant international resources experience, having worked on the development and operations of underground and opencast mining projects.

Current and former directorships of listed entities in last three years:
None

Special responsibilities:
None

Interest in securities at 3 October 2016:
Nil

Mr Rodney Baxter (Non-Executive Director, appointed 28 January 2016, resigned 10 February 2016)

Mr Baxter has 25 years of operational and executive leadership experience in the resources and engineering services sector.

Current and former directorships of listed entities in last three years:
None

Special responsibilities:
None

Interest in securities at 10 February 2016:
Nil

Company Secretary

Mr David Edwards (appointed 3 January 2017)

Mr Edwards is a chartered accountant with significant experience in corporate governance, strategy and business planning, debt and equity markets, investor relations, joint venture management and operations. He holds a Bachelor of Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Ms Paige Exley (appointed 11 July 2014, resigned 3 January 2017)

Ms Exley has over 15 years of experience in financial and management accounting roles.

She holds a Bachelor of Commerce and is a Chartered Secretary.

Principal Activity

The principal activity of the Group during the financial year was exploration and pre-development for graphite in Mozambique.

Operating and Corporate Activities Review

During 2015 Triton was a mineral exploration company operating in Australia and Mozambique. Its primary focus was to acquire, explore and develop areas highly prospective for graphite, vanadium, gold, and other precious and base metals and minerals. In September 2015, the Company relinquished its gold project in Fraser Range North in Western Australia to focus on developing its graphite projects in Mozambique's Northern Cabo Delgado province. These projects comprise eight exploration licences across three project areas, the Ancuabe project, Balama North (comprising the Nicanda Hill, Nicanda west and Cobra Plains deposits) and Balama South.

During January 2016, the Company completed a pro rata non-renounceable entitlement offer that raised $4,000,000.

Following a review of the Company's graphite projects and contractual commitments together with a shortfall from an entitlement offer the Board identified a potential funding shortfall that raised concerns on the future solvency of the Company. On 17 February 2016, the Board appointed Ferrier Hodgson as investigating accountants to complete a limited scope assessment of the Company's position. This review revealed that whilst the Company was solvent and may remain solvent at least until 4 May 2016, there were concerns relating to a potential contingent capital gains tax liability in Mozambique, potential claims from a joint venture partner and possible unrecorded liabilities.

The uncertainty on future events which may have impacted the Company's solvency coupled with the difficulty of obtaining further funding on terms that were acceptable to the Board, resulted in the Directors resolving to place the Company into voluntary administration and on 2 March 2016 the Company appointed Ferrier Hodgson as joint and several administrators (the Administrator). Trading in the Company's shares was suspended on 3 March 2016.

On 25 July 2016, a Deed of Company Arrangement (DOCA) was executed by the Company and Administrator, where the Company entered deed administration and the Administrators became the deed administrators of the Company. The key conditions required to complete and satisfy the DOCA were:

- Subject to shareholder approval (which was received on 19 September 2016) the Company issues to Minjar Gold Pty Ltd or nominees 105,248,400 fully paid ordinary shares at $0.06 per share to raise $6,314,904 together with 25,000,000 free options to acquire shares in the Company (Placement);
- A creditors' trust deed is executed and the Company transfers $5,000,000 into the creditors trust; and
- As soon as practicable after the completion of the placement and termination of the DOCA, the Company agrees to raise $7,893,634 via an underwritten non-renounceable pro-rata entitlements offer. Immediately following the execution of the DOCA, an underwriting agreement was executed by the Company and Somers & Partners on 25 July 2016.

Following the execution of the DOCA, the Administrator removed Christopher Catlow and Alfred Gillman as Directors and appointed Xingmin (Max) ji and Guanghui (Michael) Ji representing Minjar Gold Pty Ltd and Patrick Burke representing Somers & Partners as directors of the Company.

Peter Canterbury commenced as an executive with the Company on 20 September 2016 and was appointed as Managing Director effective 3 October 2016.

On 21 September 2016, the Company completed the Placement and execution of the creditors trust deed, the Company announced that the DOCA had been effectuated and control of the Company reverted to the Board of Directors.

During November 2016, the Company completed the underwritten non-renounceable pro-rata entitlements offer that raised $7,893,604. The Company was reinstated to official quotation on 6 December 2016 and subsequently announced that it had embarked on its revised strategy to focus on the rapid development of the Ancuabe graphite project in Mozambique's Northern Cabo Delgado province.

Results of Operations

The net loss of the Group for the year ended 31 December 2016 was $34,914,507 ($12,748,684). The loss arises from write down of the Company's Balama region exploration assets, corporate and administrative costs and non-recurring professional fees and employee termination costs arising from the voluntary administration. These costs were offset by the receipt of an AusIndustry research and development tax concession and a net write back of share based payment on cancellation of performance rights.

Financial performance for the previous 5 years is as follows:

	31 Dec 2016	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012
Net Loss after Tax	34,914,507	12,748,684	4,997,855	1,843,860	998,635

Financial Position

The statement of cash flows shows an increase in cash and cash equivalents for the year ended 31 December 2016 of $6,569,650 (2015: $1,269,144 decrease). During the year, the Group raised $18,208,808 (2015: $14,617,556) before costs from the issue of share capital. At year end the Group had funds of $6,967,605 (2015: $343,938) available for future operational use and has no borrowings.

Business Strategies and Prospects for future financial years

The strategic objectives of the Group are to create long term shareholder value through the discovery, development and acquisition of technically and economically viable mineral deposits.

There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Directors. The risks identified below, or other risk factors, may have a material impact on the future financial performance of the Group and the market price of the Company's ordinary shares.

Funding risk

The Company's ability to operate its business and effectively implement its business plan within a reasonable timeframe will depend in part on its ability to raise funds for exploration, feasibility studies, development and operations and to service, repay and refinance debts as they fall due. Existing funds will not be sufficient for expenditure required for certain aspects of the Company's strategic plan, including the potential purchase of all outstanding minority interests in Grafex Limitada, acquisitions, new or existing projects, further exploration and additional feasibility studies. The Company may need to procure additional funding in the short to medium term, and to the extent that this involves equity funding, it may result in dilution of shareholders' interests. Debt financing, if available, may involve restrictions on financing and operating activities. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its activities and programs. There is however no guarantee that the Group will be able to secure any additional funding or be able to secure funding on terms favourable to the Group.

Exploration and Operating Risks

Mining exploration and production is inherently uncertain and speculative in nature. The operations of the Group may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, sovereign risk difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Environmental risks

The operations and proposed activities of the Group are subject to the laws and regulations of Australia and Mozambique concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Group's operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;
(ii) introduction of tax reform or other new legislation;
(iii) interest rates and inflation rates;
(iv) changes in investor sentiment toward particular market sectors;
(v) the demand for and supply of capital; and
(vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Group or any return on an investment in the Company.

Graphite price risk

The demand for, and the price of, commodities are highly dependent on a variety of factors, including international supply and demand, the price and availability of substitutes, technological advances, actions taken by governments and global economic and political developments. Given the Company's main activities, which primarily involve exploration for and potentially the production of graphite, the Company's operational and financial performance, as well as the economic viability of its projects, is heavily reliant on the prevailing global price of these minerals, among other things. Volatility in commodity markets may therefore materially affect the profitability and financial performance of the Company and the price of its Shares.

Competition

Competition from international graphite producers, developers and explorers may affect the potential future cash flow and earnings which the Company may realise from its operations. For example, the introduction of new mining and processing facilities and any increase in competition and supply in the global graphite and vanadium markets could lower the price of these commodities. The Company may also encounter competition from other mining and exploration companies for the acquisition of new projects required to sustain or increase its potential future production levels.

Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Group or by investors in the Group. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Group and the value of the Group's shares. Mining exploration and production is inherently risky, uncertain and speculative in nature. Potential investors should consider that the investment in the Group is speculative and should consult their professional advisers before deciding whether to invest.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company other than those described within the operating and corporate activities review.

Dividends

No dividends were paid during the year (FY2015: $Nil) and the Directors do not recommend the payment of a dividend for this financial year.

Indemnification and Insurance

The Company has agreed to indemnify the Directors and officers of its controlled entities for all liabilities to another person, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company shall meet the full amount of any such liabilities, including costs and expenses. The Company has not indemnified the auditors.

Significant Events After the Balance Sheet Date

On 16 March 2017, 22,219,840 listed options exercisable at $0.15 each and 696,426 unlisted options exercisable at $0.20 each expired.

There were no other significant events after the balance sheet date.

Proceedings on Behalf of the Company

No person has applied for leave to the Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings.

Directors' Meetings

The number of Directors' meetings held in the year and the number of meetings attended by each of the Directors of the Company during the financial year are:

Name	Number attended	Number eligible to attend
Mr Xingmin (Max) Ji (i)	4	4
Mr Peter Canterbury (ii)	2	2
Ms Paula Ferreira	4	10
Mr Patrick Burke (i)	4	4
Mr Guanghui (Michael) Ji (i)	2	4
Mr Christopher Catlow (iii)	5	6
Mr Alan Jenks (iv)	1	2
Mr Rodney Baxter (v)	1	2
Mr Alfred Gillman (iii)	6	6
Mr Garth Higgo (vi)	7	7

(i) Appointed 22 July 2016
(ii) Appointed 3 October 2016
(iii) Resigned 22 July 2016
(iv) Resigned 10 February 2016
(v) Appointed 28 January 2016 and resigned 10 February 2016
(vi) Appointed 28 January 2016, resigned 3 October 2016

There were no separate meetings of the audit, remuneration and nomination committees during the year.

Remuneration Report (Audited)

This report for the year ended 31 December 2016 outlines the remuneration arrangements for Directors. This information has been audited in accordance with section 308(3C) of the Act.

The remuneration report details the remuneration arrangements of key management personnel (KMP) who are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company. There were no KMP identified other than the Directors as follows:

Director	Role	Appointment	Resignation
Mr Xingmin (Max) Ji	Chairman	22 Jul 2016	-
Mr Peter Canterbury	Managing Director	3 Oct 2016	-
Ms Paula Ferreira	Non-Executive Director	24 Aug 2015	-
Mr Patrick Burke	Non-Executive Deputy Chairman	22 Jul 2016	-
Mr Guanghui (Michael) Ji	Non-Executive Director	22 Jul 2016	-
Garth Higgo	Managing Director & Chief Executive Officer	28 Jan 2016	3 Oct 2016
Rodney Baxter	Non-Executive Director	28 Jan 2016	10 Feb 2016
Christopher Catlow	Non-Executive Chairman	5 Jun 2015	22 Jul 2016
Alfred Gillman	Technical Director	27 Sept 2012	22 Jul 2016
Bradley Boyle	Managing Director & Chief Executive Officer	27 April 2012	1 Dec 2015
Alan Jenks	Non-Executive Chairman Non-Executive Director	28 Jan 2014 5 Jun 2015	5 Jun 2015 10 Feb 2016

Principles Used to Determine the Nature and Amount of Remuneration

Remuneration Policy
The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and a performance based component comprising short-term and long-term incentives (see below).

Remuneration Governance, Structure and Approvals
The Nomination and Remuneration Committee (Committee) is responsible for determining and reviewing compensation arrangements for the Directors, KMP and Executives. The role of the Committee also includes responsibility for employee share, option, performance rights and bonus schemes, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, liability insurance policies and other terms of employment.

The Committee will meet at least annually and review remuneration having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels intended to attract and retain Key Management Personnel capable of managing the Company's activities. No remuneration consultants were employed during the financial year.

Remuneration Report (Audited)

The practices of negotiation and annual review of KMP performance and remuneration are carried out by the Managing Director who makes recommendations to the Committee. The Chairman of the Board who makes recommendations to the full Board undertakes the review of the Managing Director's performance and remuneration.

Non-Executive Director Remuneration
The Company's policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Committee determines payments to Non-Executive Directors and reviews their remuneration regularly and at least annually.

Non-Executive Directors may be paid fees for their services as directors of the Company, or other amounts as determined by the Committee where the director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The maximum aggregate amount that can be paid to Non-Executive Directors is subject to approval by shareholders at a general meeting. The current aggregate Non-Executive Director remuneration pool is $500,000 per year.

Executive Remuneration
The Company aims to reward Key Management Personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and are aligned with market practice. Employment contracts are reviewed annually by the Committee.

The KMP pay and reward framework has four components:
- base pay and benefits;
- short-term incentives;
- long-term incentives; and
- other remuneration such as superannuation.

Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

During the exploration and development phases of its business, the Board anticipates that the Company will retain cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

Similarly, the Company does not expect to be undertaking profitable operations until after the successful commercialisation, production and sales of graphite. The Board does not therefore consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Fees paid to Non-Executive Directors accrue daily and are not linked to Group performance.

Short term incentives
Short term incentives such as cash incentives may be awarded by the Committee from time to time and are determined by consideration of the Company's performance, an individual employee's performance and the individual employee's contribution to the Company's performance.

No short-term incentives were paid to Key Management Personnel during 2016 (2015: Nil).

Long term incentives
The Company has adopted an Employee Equity Incentive Plan designed to align employee incentives with shareholder interests, encourage broad-based share ownership by employees, and assist employee attraction and retention.

Remuneration Report (Audited)

For further information regarding the long-term incentives granted Key Management Personnel refer to the Share-based Compensation section of the Remuneration Report.

The Company does not currently have a policy pertaining to Directors hedging their exposure to risks associated with the Company's securities they receive as compensation

Voting and comments made at the Company's 2016 Annual General Meeting
The Company received more than 97% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Company and the consolidated Group for the year ended 31 December 2016 and 31 December 2015 are as follows:

Year 2016	Short-term benefits Cash Salary, Bonus and Fees	Post-employment benefits	Share-based Payment	Termination Payments	Total	Percent of Remuneration that is Performance Based
	$	$	$	$	$	%
Name						
Mr Xingmin (Max) Ji (i)	26,613	-	-	-	26,613	-
Mr Peter Canterbury (ii)	113,637	10,795	4,613	-	129,045	4
Ms Paula Ferreira	33,727	633	39,647	-	74,007	54
Mr Patrick Burke (i)	26,613	-	-	-	26,613	-
Mr Guanghui (Michael) Ji (i)	26,613	-	-	-	26,613	-
Mr Chris Catlow (iii)	13,909	1,318	(52,060)	-	(36,833)	-
Mr Alan Jenks (iv)	5,604	533	(254,195)	-	(248,058)	-
Mr Alfred Gillman (v)	118,687	10,925	(254,195)	328,125	203,542	-
Mr Garth Higgo (vi)	312,134	28,417	(13,876)	31,591	358,265	-
Mr Rodney Baxter (vii)	-	-	-	-	-	-
Total	677,537	52,620	(530,066)	359,716	559,807	-

(i) Appointed 22 July 2016
(ii) Appointed 3 October 2016
(iii) Appointed 5 June 2015, resigned 22 July 2016
(iv) Appointed 28 January 2014, resigned 10 February 2016
(v) Appointed 27 September 2012, resigned 22 July 2016
(vi) Appointed 28 January 2016, resigned 3 October 2016
(vii) Appointed 28 January 2016 and resigned 10 February 2016. No remuneration was paid given the short-term nature of the appointment.

Remuneration Report (Audited)

Year 2015	Short-term benefits Cash Salary, Bonus and Fees	Post-employment benefits	Share-based Payment	Termination Payments	Total	Percent of Remuneration that is Performance Based
	$	$	$	$	$	%
Name						
Ms Paula Ferreira	17,820	1,693	36,240	-	55,753	65
Mr Chris Catlow (i)	40,056	3,805	52,060	-	95,921	54
Mr Alan Jenks (ii)	50,379	7,505	187,756	-	245,640	76
Mr Alfred Gillman (iii)	326,250	30,994	187,756	-	545,000	34
Mr Garth Higgo (iv)	30,108	2,860	13,876	-	46,844	30
Mr Bradley Boyle (v)	411,029	20,821	-	503,700	935,550	-
Total	875,642	67,678	477,688	503,700	1,924,708	23

(i) Appointed 5 June 2015, resigned 22 July 2016
(ii) Appointed 28 January 2014, resigned 10 February 2016
(iii) Appointed 27 September 2012, resigned 22 July 2016
(iv) Appointed 28 January 2016, resigned 10 February 2016
(v) Appointed 27 April 2012, resigned 1 December 2015

Key Management Personnel Employment Agreements

Remuneration arrangements for KMP are formalised in employment agreements.

Managing Director: Peter Canterbury

Mr Canterbury is employed under an open term contract that may be terminated with three months' notice by either the Group or Mr Canterbury. The key terms of the contract are:

- Fixed remuneration of $400,000 per annum plus superannuation;
- The maximum short term incentive opportunity is 40% of fixed remuneration; and
- Mr Canterbury is eligible to participate in the company's Employee Equity Incentive Plan.

Non-Executive Directors

Non-executive directors are paid fees of $60,000 per annum. There are no contractual termination benefits and contracts are conditional upon re-election by shareholders. Appointment shall cease automatically if the Director gives notice to the Board or if the Director is not re-elected as a Director by the shareholders if the company. There are no termination entitlements or notice periods

Remuneration arrangements for KMP who resigned or were terminated during the reporting period were as follows:

Mr Garth Higgo was employed under and open term contract with three months' notice by Mr Higgo or the Group. The fixed remuneration was $400,000 plus superannuation with a short-term incentive of up to 50% of fixed remuneration. Mr Higgo was eligible to participate in the company's Employee Equity Incentive Plan.

Mr Alfred Gillman was employed under and open term contract with three months' notice by Mr Gillman or the Group. The fixed remuneration was $345,000 plus superannuation with a short-term incentive of up to 50% of fixed remuneration. Mr Gillman was eligible to participate in the company's long term incentive scheme.

Remuneration Report (Audited)

Mr Christopher Catlow was entitled to Non-Executive Director fees of $70,000 per annum plus superannuation.

Mr Alan Jenks was entitled to Non-Executive Director fees of $50,000 per annum plus superannuation.

Options and Performance Rights Granted to Key Management Personnel

Unlisted Options

During the 2016 financial year, no options were granted to KMP as remuneration (2015: Nil). On 20 January 2015, Mr Christopher Catlow and Mr Alfred Gilman were issued 23,810 and 75,000 free attaching unlisted options respectively exercisable at $0.15 expiring 16 March 2017, following his participation in a placement prior to his appointment as a Director of the Company. Mr Alan Jenks held 1,877,500 unlisted options, exercisable at $0.10 that expired on 31 December 2016.

Shares

During the 2016 financial year, no shares were granted to KMP as remuneration (2015: Nil).

Performance Rights

On 7 December 2016, the Company granted Mr Peter Canterbury 12 million performance rights. The performance rights, upon vesting, entitle the holder to acquire one fully paid ordinary share for nil consideration. The performance rights are subject to the following vesting conditions:

Tranche A of 6,000,000 performance rights will vest upon completion of definitive feasibility study and decision to mine and execution of offtake agreements for at least 50% of the production of Ancuabe within 27 months. These options if unvested will expire on 2 March 2019.

Tranche B of 6,000,000 performance rights will vest upon commencing mining and processing of first Ore within 36 months. These options if unvested will expire on 2 December 2019.

Upon a milestone being satisfied, the Company shall issue to the Mr Canterbury such number of ordinary shares as is equal to the number of performance rights attaching to that milestone.

In case of takeover, merger or change of control event any tranches not yet vested will vest or be paid out in equivalent funds if not able to issue the shares.

The issue of the performance rights has been approved by shareholders. The valuation of the grant of performance rights to Mr Canterbury is $144,000. Please refer to note 20 for more details of the valuation of these performance rights.

During the year 14 million performance rights lapsed on termination and resignation of KMP. This has resulted in a write back of share based payments expensed in prior financial years.

Remuneration Report (Audited)

Equity Instruments Issued on Exercise of Remuneration Options

There were no equity instruments issued on exercise of remuneration options in 2016. During the 2015 financial year, 2,965,000 fully paid ordinary shares were issued to Directors upon conversion of unlisted options, of which 2,400,000 had been granted to Directors during 2013 as remuneration.

Loans to Directors and Key Management Personnel

No loans have been made to KMP of the Group, including their personally-related entities.

This concludes the audited Remuneration Report.

Environmental Regulation

The Group holds various exploration licenses which regulate its exploration activities in Australia and Mozambique. These licenses include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of exploration activities. The Board believes that it has adequate systems in place for the management of its environmental requirements and is not aware of any breach of environmental requirements as they apply to the Group.

Shares under Option

Unissued ordinary shares of Triton Minerals Limited under option at the date of this report are as follows:

Expiry date	Exercise Price	Number under option
23/07/2017	$1.00	5,000,000
25/08/2017	$0.70	5,000,000
23/01/2018	$0.2748	4,548,763
30/6/2018	$0.10	50,000,000
		64,548,763

No option holder has any right under the options to participate in any other share issue of the Company or of any other entities.

Shares Issued on the Exercise of Options

During the financial year ended 31 December 2016, 1,800 fully paid ordinary shares (2015: 6,159,636) were issued on exercise of options.

Non-Audit Services

The Directors are satisfied that the provision of non-audit services during the financial year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Nexia Perth provided $11,714 (2015: $25,045) of accounting and taxation services for the year ended 31 December 2016.

Auditors' Independence Declaration

The auditor's independence declaration for the year ended 31 December 2016 has been received and can be found on page 71 of the annual report.

Signed in accordance with a resolution of the Board of Directors.

Peter Canterbury
Managing Director

Dated at Perth this 23 March 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2016 $	2015 $
Revenue		1,768,548	749
Administration expense		(82,266)	(159,592)
Directors and employee benefits expense		(2,101,978)	(2,159,369)
Share based payment expenses	**20**	861,764	(1,336,752)
Depreciation	**7**	(29,190)	(29,834)
Borrowing costs		-	(708,609)
Insurance		(48,796)	(56,292)
Occupancy expenses		(403,495)	(164,567)
Professional services		(1,912,791)	(690,019)
Public and investor relations expense		(139,879)	(279,534)
Travel expenses		(68,313)	(497,202)
Exploration and evaluation assets written down	**8**	(32,376,186)	(68,743)
Impairment on investment in listed entity	**6**	(27,778)	(27,778)
Investment in associate not capitalised	**9**	-	(6,732,662)
Share of associate loss		(412,026)	-
Gain on disposal of assets		14,668	3,880
Foreign currency gain		54,017	115,647
Other expenses		(15,583)	(9,689)
Results from operating activities		**(34,919,284)**	**(12,800,366)**
Financial income		35,651	51,682
Financial expense		(30,874)	-
Net financing income		4,777	51,682
Loss before income tax		(34,914,507)	(12,748,684)
Income tax expense	**14**	-	-
Net loss for the year		**(34,914,507)**	**(12,748,684)**
Other comprehensive income			
Movement in fair value of available-for-sale assets		51,082	(24,344)
Total comprehensive loss for the year		**(34,863,425)**	**(12,773,028)**
Net loss is attributable to:			
Owners of Triton Minerals Limited		(34,877,314)	(12,748,684)
Non-Controlling Interest		(37,193)	-
		(34,914,507)	**(12,748,684)**
Total Comprehensive loss is attributable to:			
Owners of Triton Minerals Limited		(34,826,232)	(12,773,028)
Non-Controlling Interest		(37,193)	-
		(34,863,425)	**(12,773,028)**
		Cents	**Cents**
Loss per share attributable to ordinary equity holders – basic and diluted	**19**	(7.60)	(3.59)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2016 $	2015 $
Current Assets			
Cash and cash equivalents	4	6,967,605	343,938
Current receivables	5	1,319,037	544,592
Prepayments		67,805	57,709
Total Current Assets		**8,354,447**	**946,239**
Non-Current Assets			
Available for sale financial assets	6	110,300	86,996
Prepayments		61,700	-
Property, plant and equipment	7	76,080	94,726
Exploration and evaluation assets	8	8,765,265	16,522,452
Equity-accounted investees	9	-	22,929,494
Total Non-Current Assets		**9,013,345**	**39,633,668**
TOTAL ASSETS		**17,367,792**	**40,579,907**
Current Liabilities			
Trade and other payables	10	623,940	3,589,127
Provisions	11	16,953	151,052
Total Current Liabilities		**640,893**	**3,740,179**
Non-Current Liabilities			
Provisions	11	6,740,849	6,647,652
Total Non-Current Liabilities		**6,740,849**	**6,647,652**
TOTAL LIABILITIES		**7,381,742**	**10,387,831**
NET ASSETS		**9,986,050**	**30,192,076**
EQUITY			
Issued capital	12	73,508,471	59,250,029
Reserves	13	6,742,460	6,184,425
Accumulated losses		(70,156,885)	(35,242,378)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT ENTITY		**10,094,046**	**30,192,076**
Non-Controlling Interest		(107,996)	**-**
TOTAL EQUITY		**9,986,050**	**30,192,076**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED	Ordinary Share Capital $	Available-For-Sale Reserve $	Share-based Payment Reserve $	Accumulated Losses $	Non-Controlling Interest $	Total $
Balance at 1 January 2016	**59,250,029**	**5,741**	**6,178,684**	**(35,242,378)**	**-**	**30,192,076**
Comprehensive Income:						
Loss for the year	-	-	-	(34,877,314)	(37,193)	(34,914,507)
Other Comprehensive Income						
Unrealised loss on available-for-sale financial assets, net of deferred tax liability	-	51,082	-	-	-	51,082
Total Comprehensive Income for the year	-	51,082	-	(34,877,314)	(37,193)	(34,863,425)
Transactions with owners recorded directly in equity						
Cost of share based payments	-	-	44,260	-	-	44,260
Write back of share based payments	-	-	(906,024)	-	-	(906,024)
Issue of shares	17,875,473	-	333,334	-	-	18,208,807
Share issue costs	(3,617,031)	-	1,035,383	-	-	(2,581,648)
Balance at 31 December 2016	**73,508,471**	**56,823**	**6,685,637**	**(70,119,692)**	**(37,193)**	**10,094,046**
Balance at 1 January 2015	**41,941,390**	**30,085**	**5,009,483**	**(22,897,131)**	**-**	**24,083,827**
Comprehensive Income:						
Loss for the year	-	-	-	(12,748,684)	-	(12,748,684)
Other Comprehensive Income						
Unrealised loss on available-for-sale financial assets, net of deferred tax liability	-	(24,344)	-	-	-	(24,344)
Total Comprehensive Income for the year	-	(24,344)	-	(12,748,684)	-	(12,773,028)
Transactions with owners recorded directly in equity						
Cost of share based payments	-	-	1,238,236	-	-	1,238,236
Issue of shares	18,233,789	-	-	-	-	18,233,789
Share issue costs	(925,150)	-	334,402	-	-	(590,748)
Options issued or converted during the year	-	-	(403,437)	403,437	-	-
Balance at 31 December 2015	**59,250,029**	**5,741**	**6,178,684**	**(35,242,378)**	**-**	**30,192,076**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(9,085,713)	(4,477,017)
Receipts from customers		2,228,830	749
Net Cash Outflow From Operating Activities	**21**	**(6,856,883)**	**(4,476,268)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds for sale of fixed assets		29,179	18,125
Payments for acquisition of plant and equipment		(25,055)	(47,129)
Payments for exploration and evaluation expenditure		(2,209,529)	(7,527,417)
Payments for financial assets held for sale		-	(100,000)
Payment for joint venture investment		-	(2,880,543)
Interest received		35,651	51,682
Net Cash Outflow From Investing Activities		**(2,169,754)**	**(10,485,282)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		18,208,808	14,617,556
Payment of capital raising costs		(2,581,648)	(925,150)
Interest and finance costs paid		(30,874)	-
Net Cash Inflow From Financing Activities		**15,596,286**	**13,692,406**
Net Increase/(Decrease) in Cash and Cash Equivalents		**6,569,650**	**(1,269,144)**
Cash and cash equivalents at the beginning of the financial year		343,938	1,497,435
Net foreign exchange differences		54,017	115,647
Cash and Cash Equivalents at the end of the financial year	**4**	**6,967,605**	**343,938**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 1. REPORTING ENTITY

The consolidated financial statements represent Triton Minerals Limited and its controlled entities (the "Consolidated Group" or "Group"). Triton Minerals Limited is a company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Triton Minerals Limited, have not been presented within this financial report, as permitted by the *Corporations Act 2001.*

The Group is a for-profit entity and is primarily involved in mineral exploration and evaluation.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001.*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Board of Directors on 23 March 2017.

Functional and Presentation Currency
The functional and presentation currency for the Group is in Australian Dollars.

Going Concern
The 31 December 2016 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 31 December 2016, the Group recorded a loss after tax of $34,914,507 (2015: $12,748,684) and has a net working capital surplus of $7,662,702 (31 December 2015: deficit of $2,700,597).

Critical Accounting Estimates and Judgments
The preparation of financial statements in conformity with AASBs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 8 – Capitalisation of Exploration and Evaluation Assets
Note 9 – Carrying value of equity-accounted investees
Note 11 – Provisions
Note 14 – Income Tax Expense

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New Accounting Standards

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2016:

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations:

AASB 2014-3 amends AASB 11 Joint Arrangements to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11 (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations This Standard also makes an editorial correction to AASB 11.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation:

AASB 116 Property Plant and Equipment and AASB 138 Intangible Assets both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

AASB 2015-1 Amendments to Australian Accounting Standards – Annual improvements to Australian Accounting Standards 2012 – 2014 cycle

The subjects of the principal amendments to the Standards are set out below:

AASB 5 Non-current Assets Held for Sale and Discontinued Operations:

Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or vice versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change.

AASB 7 Financial Instruments: Disclosures:

Servicing contracts – clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is ‘continuing involvement’ for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.

Applicability of the amendments to AASB 7 to condensed interim financial statements – clarify that the additional disclosure required by the amendments to AASB 7 Disclosure – Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New Accounting Standards (continued)

AASB 119 Employee Benefits:

Discount rate: regional market issue – clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further, it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.

AASB 134 Interim Financial Reporting:
Disclosure of information 'elsewhere in the interim financial report' – amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure initiative: Amendments to AASB 101.

The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

Summary of quantitative impacts

There is no quantitative impact arising from the changes to Group's accounting policies. The Group has adopted all the new and revised Standards issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STANDARDS AND INTERPRETATIONS ON ISSUE NOT YET ADOPTED

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial period/year ending
AASB 16 ‘Leases’ and the relevant amending standards	1 January 2019	-
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2018
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2018
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2018	30 June 2018
AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	1 January 2017	30 June 2017
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	30 June 2017
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions [AASB 2]	1 January 2018	30 June 2018
Annual Improvements to IFRS Standards 2014 – 2016 Cycle	1 January 2017	30 June 2017
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018	30 June 2018

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards, and has not assessed the full impact of these amendments at the date of this report.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Principles of Consolidation

Business Combinations
For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control over the other combining entities. An investor controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred from the acquirer.

Subsidiaries
Subsidiaries are all those entities (including special purpose entities) controlled by the Company.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Investments in subsidiaries are carried at cost less impairment in the Company's separate financial statements.

(d) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 9.

(e) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Income Tax (continued)

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax Consolidation

Triton Minerals Limited and its Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Triton Minerals Limited.

Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the stand-alone taxpayer approach to allocation. Current tax liabilities and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax-consolidated group to apply from 1 July 2006. The tax-consolidated group has entered into a tax funding agreement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the Group’s taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amount recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to, the head entity.

(f) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

(g) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Property, Plant and Equipment (continued)

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in the statement of comprehensive income. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

(h) Depreciation

Property, plant and equipment are depreciated on a straight-line basis at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset.

Class of Fixed Asset	**Useful Life**
Plant and Equipment	2 – 20 years

The assets' carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit and loss on disposal are determined by comparing proceeds with the carrying amount. These amounts are included in the statement of profit or loss and other comprehensive income.

(i) Financial Assets

(i) Classification

The group classifies its financial assets as loans and receivables and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Assets (continued)

(ii) Recognition & Derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

(iv) Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost
For loans and receivables, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Assets classified as available-for-sale
If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period. If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Income Recognition

Interest income
Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(vi) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

(j) Impairment of Non-Financial Assets

Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Foreign Currency Translation - Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(l) Employee Benefits

Short-Term Benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other Long-Term Employee Benefits
The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Contributions made to defined employee superannuation funds are charged as expenses when incurred.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(n) Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except:

(i) Where the amount of GST incurred is not recoverable from the relevant taxation authority, it is recognised as part of the cost of the acquisition of an asset or as part of an item of expenditure.

(ii) Receivables and payables are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Exploration and Evaluation Assets

Expenditure on exploration and evaluation is incurred either to maintain an interest or in earning an interest and is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active significant operations in, or relating to, the area of interest are continuing.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the Directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to in AASB 6 is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

- Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.
- When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Group's rights of tenure to that area of interest are current.

The recoverability of the carrying amount of the deferred exploration and evaluation expenditure is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised development expenditure. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment. Costs related to the acquisition of properties that contain mineral resources are allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

Impairment
The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

(r) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(s) Share-based Payment Transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share based-payment awards with market-based conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity

(t) Segment Reporting

Determination and Presentation of Operating Segments
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expense that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

(u) Earnings per Share (EPS)

Basic Earnings per Share
Basic earnings per share are calculated by dividing the net profit/(loss) attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements.

Diluted Earnings per Share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE: 3. DETERMINATION OF FAIR VALUES

Equity Instruments
The fair value of available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

Trade and Other Receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-Derivative Financial Liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Share-Based Payment Transactions
The fair value of the employees' shares is measured using an appropriate valuation model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2016 $	2015 $
NOTE: 4. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	6,876,287	202,966
Short-term bank deposits	91,318	140,972
Total Cash and Cash Equivalents	**6,967,605**	**343,938**
NOTE: 5. CURRENT RECEIVABLES		
Security deposits	15,251	-
GST receivable	171,321	81,874
Other receivables	1,132,465	462,718
Total Current Receivables	**1,319,037**	**544,592**

Due to the short-term nature of receivables, their carrying value is assumed to approximate their fair value.

	2016 $	2015 $
NOTE: 6. AVAILABLE FOR SALE FINANCIAL ASSETS		
Balance at beginning of the year	86,996	39,118
Additions	-	100,000
Revaluation surplus/(loss) through other comprehensive income	51,082	(24,344)
Impairment loss through profit or loss	(27,778)	(27,778)
Total Financial Assets	**110,300**	**86,996**

Available-for-sale investments comprise investments in ordinary shares with no fixed maturity date. The fair value is based on quoted prices in active markets

	2016 $	2015 $
NOTE: 7. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
At cost	183,664	183,707
Less: Accumulated depreciation	(107,584)	(88,981)
Total Plant and Equipment	**76,080**	**94,726**
Movements in carrying amounts		
Balance at beginning of year	94,726	91,676
Additions	25,055	47,129
Write offs/ Disposals	(14,511)	(14,245)
Depreciation expense	(29,190)	(29,834)
Carrying amount at end of year	**76,080**	**94,726**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 8. EXPLORATION & EVALUATION ASSETS

Exploration at cost:		
Balance at the beginning of the year	16,522,452	7,231,528
Reclassification of equity accounted investee (Note 9)	22,328,401	-
Expenditure during the year	2,290,598	9,359,667
Exploration and evaluation assets written down	(32,376,186)	(68,743)
Balance at the end of the financial year	**8,765,265**	**16,522,452**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the areas of interest. Management reassesses the carrying value of the Group's tenements at each half year, or at a period other than that, should there be any indication of impairment.

At the date of signing this report, six of the eight licences had been officially granted by the Mozambique government, with the two additional licences in application. In accordance with the Group's accounting policy, the exploration costs of the granted licences have been grouped into their respective areas of interest and capitalised.

On 6 December 2016, the Company announced that it had embarked on its revised strategy to focus on the rapid development of its Ancuabe graphite project in Mozambique. The focus on Ancuabe will result in minimal spend in the Balama region for the next 18 to 24 months. Further, Metallurgical test work at Nicanda Hill has indicated that whilst the area should be amenable to the production of moderate to high purity graphite of fine to small flake size the company has determined that due to construction underway of a similar type of orebody that it is not economic at this time to proceed with the development of this project. Accordingly, the Board has resolved that the Balama assets are to be fully written down, with an amount of $32,376,186.

NOTE: 9. EQUITY-ACCOUNTED INVESTEES

	2016 $	2015 $
Balance at the beginning of the year	22,929,494	15,823,331
Investment in joint venture during the year	-	13,242,722
Investment in joint venture not capitalised	-	(6,732,662)
Net (liabilities)/assets of Grafex	(601,093)	596,103
Balance transferred as asset acquisition (note 8)	(22,328,401)	-
Balance at the end of the year	**-**	**22,929,494**

At 31 December 2015, the Company owned 80% of the issued share capital of Grafex Lda (Grafex) via its 100% owned subsidiary, Triton United Ltd. Under the terms of the Shareholders' Agreement entered into by the shareholders of Grafex, even though Triton has the majority of the directors' voting rights, the Shareholders' Agreement required the minority shareholder's consent to all significant decisions and therefore Triton could not direct the relevant activities of Grafex unilaterally. Accordingly, the investment in Grafex had been equity accounted as a joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 9. EQUITY-ACCOUNTED INVESTEES (continued)

On 30 September 2016, the Company signed a deed of release with the minority shareholder of Grafex whereby the parties consent that Triton may incur up to $4,620,114 on exploration over a 24-month period and may in its absolute and sole discretion appoint or dismiss any employees consequential upon the expenditure of these funds, incur expenditure exceeding $150,000, tender submissions, execute contracts, acquire land, incur capital expenditure, lease property and enter into borrowing arrangements exceeding $20,000 in any financial year. As these activities predominantly comprise the relevant activities of Grafex, the deed of release allows the Company to control Grafex and the gain of control has been accounted for as an asset acquisition. There was no additional consideration paid.

NOTE: 10. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Current		
Creditors	475,288	2,446,403
Other payables and accruals	148,652	1,142,724
Total Trade and Other Payables	**623,940**	**3,589,127**

Trade payables are non-interest bearing and usually settled within 45 days.

NOTE: 11. PROVISIONS

	2016 $	2015 $
Current		
Provision for annual leave	16,953	151,052
Total Current Provisions	**16,953**	**151,052**
Non-current		
Provision for foreign tax	6,601,904	6,510,628
Provision for rehabilitation	138,945	137,024
Total Non-Current Provisions	**6,740,849**	**6,647,652**
Movement in provisions:		
Opening balance	**6,798,704**	**212,193**
Provisions made during the year	102,772	6,601,126
Provisions used during the year	(143,674)	(14,615)
Closing balance	**6,757,802**	**6,798,704**

The provision for foreign tax relates to a provision raised to meet a potential capital gains tax liability in the event that the joint and several liability crystallises on the transfer of mining assets, imposed by the Mozambique Government. The provision, an estimate recognised as at 31 December 2016, is US$4.75 million (AU$6,601,904). Refer to Note 17 for further details.

NOTE: 12. ISSUED CAPITAL

Ordinary shares

	Number of Shares		$	$
	2016	**2015**	**2016**	**2015**
Ordinary shares, issued and fully paid	657,804,633	376,549,422	73,508,471	59,250,029

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 12. ISSUED CAPITAL (continued)

(b) Movements in ordinary shares issued

		Note	Number of Shares	Issue Price $	Total $
Balance 1 January 2016			**376,549,422**		**59,250,029**
20 Jan 2016	Entitlement offer		19,769,764	0.09	1,779,278
25 Jan 2016	Entitlement offer		21,894,680	0.09	1,970,521
27 Jan 2016	Entitlement offer		2,780,000	0.09	250,201
21 Sep 2016	Private placement		105,248,400	0.06	6,314,904
31 Oct 2016	Exercise of options		1,800	0.15	270
28 Nov 2016	Entitlement offer		131,560,567	0.06	7,893,633
	Transfer to options reserve		-		(333,334)
	Capital raising costs		-		(3,617,031)
Balance 31 December 2016			**657,804,633**		**73,508,471**

		Note	Number of Shares	Issue Price $	Total $
Balance 1 January 2015			**310,101,731**		**41,941,390**
19 Jan 2015	Shares issued on exercise of options		319,643	0.10	31,964
30 Jan 2015	Shares issued on Equity Facility		541,125	0.185	100,000
19 Feb 2015	Issue of shares		7,661,877	0.167	1,281,066
16 Mar 2015	Private placement		7,142,857	0.14	665,598
24 Mar 2015	Issue of shares		1,671,009	0.192	321,502
25 Mar 2015	Issue of shares to Directors		2,565,000	0.10	256,500
26 Mar 2015	Issue of shares to Directors		100,000	0.10	10,000
26 Mar 2015	Shares issued on exercise of options		60,070	0.20	12,014
26 Mar 2015	Issue of shares to consultants		192,957	0.192	37,125
27 Mar 2015	Shares issued on exercise of options		940,710	0.20	188,142
7 Apr 2015	Shares issued on exercise of options		799,738	0.20	159,948
8 Apr 2015	Shares issued on exercise of options		735,192	0.20	147,038
15 Apr 2015	Shares issued on exercise of options		196,427	0.20	39,285
28 Apr 2015	Shares issued on exercise of options		17,857	0.20	3,571
28 Apr 2015	Issue of shares to consultants		1,000,000	0.355	355,000
28 Apr 2015	Issue of shares		826,626	0.386	319,326
6 May 2015	Shares issued on exercise of options		107,142	0.20	21,428
18 May 2015	Private placement		34,301,382	0.35	12,005,484
25 May 2015	Issue of shares		917,692	0.348	319,816
18 Jun 2015	Shares issued on exercise of options		17,857	0.20	3,571
18 Jun 2015	Issue of shares to Directors		300,000	0.10	30,000
18 Jun 2015	Issue of shares to consultants		1,000,000	0.315	315,000
23 Jun 2015	Issue of shares		5,032,530	0.32	1,610,410
	Capital raising costs		-		(925,149)
Balance 31 December 2015			**376,549,422**		**59,250,029**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 12. ISSUED CAPITAL (continued)

During the year, the Company raised funds as follows:
- $11,893,634 from entitlement offers and the issue of 176,005,011 fully paid shares;
- $6,314,904 from share placement of 105,248,400 fully paid shares; and
- Transaction costs amounted to $3,617,031.

(c) Movements in listed options

		Note	Number of Options	Exercise Price $	Expiry Date
Total 1 January 2016			-		
20 Jan 2016	Entitlement offer		9,884,964	0.15	16 March 2017
25 Jan 2016	Entitlement offer		10,947,342	1.00	16 March 2017
27 Jan 2016	Entitlement offer		1,390,000	0.70	16 March 2017
31 Oct 2016	Exercise of options		(1,800)		
Total 31 December 2016			**22,220,506**		

(d) Movements in unlisted options

		Note	Number of Options	Exercise Price $	Expiry Date
Total 1 January 2015			**21,203,600**		
23 Feb 2015	Issue of options – LSI		4,548,763	0.275	23 Jan 2018
16 Mar 2015	Issue of options – Free attaching		3,571,428	0.20	16 Mar 2017
Various	Conversion of options – Director		(2,400,000)	0.10	18 Jun 2015
Various	Conversion of options – Free attaching		(884,643)	0.10	13 Dec 2016
Various	Conversion of options – Free attaching		(2,875,002)	0.20	16 Mar 2017
Total 31 December 2015			**23,164,146**		
28 Nov 2016	Issue of options		50,000,000	0.10	30 Jun 2018
31 Dec 2016	Expiry of options		(7,918,957)	0.10	31 Dec 2016
Total 31 December 2016			**65,245,189**		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 12. ISSUED CAPITAL (continued)

(e) Movement in performance rights

		Number of Performance Rights
Total 1 January 2016		**20,500,000**
10 Feb 2016	Lapsed performance rights	(3,500,000)
30 Jun 2016	Lapsed performance rights	(4,000,000)
22 Jul 2016	Lapsed performance rights	(7,000,000)
3 Oct 2016	Lapsed performance rights	(3,500,000)
2 Dec 2016	Grant of performance rights	12,000,000
Total 31 December 2016		**14,500,000**

- During the year 18,000,000 performance rights previously issued to employees and Directors lapsed without being converted to ordinary shares.
- On 2 December 2016, 12 million performance rights were issued to the Peter Canterbury.

(f) Capital Management

The Directors' objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital positions of the Group at 31 December 2015 and 31 December 2016 were as follows:

	2016 $	2015 $
Cash and cash equivalents	6,967,605	343,938
Trade and other receivables	1,319,037	544,592
Trade and other payables	(623,940)	(3,589,127)
Working Capital Position	**7,662,702**	**(2,700,597)**

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2016 $	2015 $
NOTE: 13. RESERVES		
Available for sale reserve	56,823	5,742
Share based payments reserve	6,685,637	6,178,683
Total Reserves	**6,742,460**	**6,184,425**

The share based payment reserve comprises the cost of shares and options. Refer to Note 22.

NOTE: 14. INCOME TAX EXPENSE

	2016 $	2015 $
Income tax expense		
Current income tax expense	-	-
Under/(over) provision of prior year's tax	-	-
Deferred tax expense	-	-
Total income tax expense	**-**	**-**
Reconciliation between tax expense and pre-tax loss:		
Accounting loss before income tax	(34,914,507)	(12,748,684)
At the domestic income tax rate of 30%	(10,474,352)	(3,824,605)
- Expenditure not allowed for income tax purposes	9,148,254	2,148,572
- Change in unrecognised temporary differences	(167,187)	808,043
- Current year losses for which no deferred tax asset was recognised	1,493,285	867,990
Income tax expense reported in the statement of comprehensive income	**-**	**-**
Unrecognised deferred tax assets at 31 December		
Unused tax losses	22,631,372	17,610,571
Potential tax benefit @ 30%	6,789,411	5,283,171
Tax losses offset against tax liabilities	-	(1,302)
Unrecognised tax benefit	6,789,411	5,281,869

Potential deferred tax assets net of deferred tax liabilities attributable to tax losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable as at the date of this report.

The benefits of these tax losses will only be obtained if:

(i) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(ii) The conditions for deductibility imposed by tax legislation continue to be complied with; and
(iii) No changes in tax legislation adversely affect the Group in realising the benefit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 14. INCOME TAX EXPENSE (continued)

	2016 $	2015 $
Deferred income tax		
Statement of financial position		
Deferred income tax relates to the following:		
Deferred Tax Liabilities		
Prepayments	-	1,302
Available-for-sale financial assets	-	-
Foreign exchange reserve	-	-
Deferred Tax Assets		
Deferred tax assets used to offset deferred tax liabilities	-	(1,302)
	-	-

NOTE: 15. CONTROLLED ENTITIES

Subsidiaries of Triton Minerals Limited:	Country of Incorporation	Percentage Owned (%)	
		2016	2015
Triton Gold (Operations) Pty Ltd	Australia	100	100
Triton Gold (Project A) Pty Ltd*	Australia	100	100
Triton Gold (Grenville) Pty Ltd*	Australia	100	100
Triton United Limited	United Arab Emirates	100	100
Triton Asia Pte LTD	Hong Kong	100	-
Grafex Limitada	Mozambique	80	80

*Triton Gold (Project A) Pty Ltd and Triton Gold (Grenville) Pty Ltd are subsidiaries of Triton Gold (Operations) Pty Ltd.

On 30 September 2016, the Company signed a deed of release with the minority shareholder of Grafex whereby the parties consent that Triton may incur up to $4,620,114 on exploration over a 24-month period and may in its absolute and sole discretion appoint or dismiss any employees consequential upon the expenditure of these funds. As these activities predominantly comprise the relevant activities of Grafex, the deed of release allows the Company to control Grafex and the gain of control has been accounted for as an asset acquisition. There was no additional consideration paid.

NOTE: 16. OPERATING SEGMENTS

Triton has identified its operating segments based on the internal reports that are used by the chief operating decision maker (CODM) in order to allocate resources to the segment and to assess its performance. The CODM of the Group is the Board of Directors. The Group has identified its operating segments based on internal reports that are provided to the CODM on a regular basis.

Triton now operates in one principal location, Africa. Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

	Australia	Africa	Corporate	Total
31 December 2016	**$**	**$**	**$**	**$**
Reconciliation of segment revenue to total revenue:				
Interest revenue	-	-	35,651	35,651
Other revenue	-	-	1,768,548	1,768,548
Segment Revenue	-	-	1,804,199	1,804,199
Total Revenue per Statement of Comprehensive Income				**1,804,199**
Reconciliation of segment loss to net loss before tax:				
Segment result	-	(597,990)	1,804,199	1,206,209
Exploration and evaluation assets written down				(32,376,186)
Corporate charges				(3,715,340)
Depreciation				(29,190)
Net Loss before Tax from Continuing Operations				(34,914,507)
Segment assets	-	94,352	17,273,440	17,367,792
Total group assets				17,367,792
Segment liabilities	-	(447,799)	(6,933,943)	(7,381,742)
Total group liabilities				(7,381,742)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 16. OPERATING SEGMENTS (continued)

31 December 2015	Australia $	Africa $	Corporate $	Total $
Reconciliation of segment revenue to total revenue:				
Interest revenue	-	-	51,682	51,682
Other revenue	-	2,538	749	3,287
Segment Revenue	-	2,538	52,431	54,969
Total Revenue per Statement of Comprehensive Income				54,969
Reconciliation of segment loss to net loss before tax:				
Segment result	(68,743)	(24,948)	52,431	(41,261)
Corporate charges				(12,677,589)
Depreciation				(29,834)
Net Loss before Tax from Continuing Operations				(12,748,684)
Segment assets	-	39,492,626	1,087,280	40,579,907
Total group assets				40,579,907
Segment liabilities	-	9,190,671	1,197,160	10,387,831
Total group liabilities				10,387,831

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 17. CONTINGENT ASSETS AND LIABILITIES

Mozambique Capital Gains Tax Contingent Liability
On 1 January 2015, a Mozambique capital gains tax regime applicable to the mining sector came into force. According to this regime, the tax in relation to a capital gain on the transfer of mining rights located in the Mozambique territory by non-residents is payable by the seller. In relation to this payment, the seller, the buyer or the entity holding the mining rights have joint and several liability for the payment of the tax in Mozambique.

There is some uncertainty as to whether the capital gains tax regime is applicable prior to 1 January 2015 and whether the buyer is joint and severally liable where the seller is an individual rather than a legal entity. Management are working with the Mozambique government, tax and legal advisers to determine the extent of the joint and several liability in relation to consideration paid for an interest in the Mozambique Graphite project prior to 2015.

The Company has sought professional tax advice on the potential capital gains tax liability payable. The advice received has resulted in a range of potential outcomes from no liability to the Company to a liability of between US$1 million and US$4.75 million depending on ultimate interpretation of the capital gains tax regime. The annual report reflects the upper estimate of potential liability however given the range of outcomes the ultimate liability remains uncertain."

The vendor has the primary obligation to pay the capital gains tax, accordingly any capital gains tax paid by the minority shareholders of Grafex Lda will reduce the potential joint and several capital gains tax liability.

	2016 $	2015 $
NOTE: 18. COMMITMENTS FOR EXPENDITURE		
(a) Operating Lease Commitments		
Payable – minimum lease payments:		
Not longer than one year	79,758	166,417
Longer than one year, but not longer than five years	24,496	186,319
Longer than five years	-	-
Total	**104,254**	**352,736**

NOTE: 18. COMMITMENTS FOR EXPENDITURE (Continued)

(b) Exploration Expenditure Commitments

In order to maintain the current rights of tenure to mining tenements, the Company has the following exploration expenditure requirements up until the expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows.

	2016 $	2015 $
Not longer than one year	165,706	-
Longer than one year, but not longer than five years (i)	-	363,667
Longer than five years	-	-
Total	**165,706**	**363,667**

If the Company decides to relinquish certain leases and/or does not meet the obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish the above obligations.

NOTE: 19. EARNINGS PER SHARE (EPS)

Basic and Diluted loss per share	2016 Cents	2015 Cents
Loss attributable to ordinary equity holders of the Group	(7.60)	(3.59)

Reconciliation of earnings to loss	2016 $	2015 $
Net loss attributable to ordinary equity holders	(34,914,507)	(12,748,684)
Earnings used to calculate basic EPS	**(34,914,507)**	**(12,748,684)**

	2016	2015
Weighted average number of ordinary shares outstanding during the year used to calculate basic EPS	**459,119,207**	**355,254,604**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 20. SHARE-BASED PAYMENTS

(a) Share-based payments

	2016 $	2015 $
Expense arising from issue of performance rights	44,260	1,336,752
Write back arising from lapse of performance rights	(906,024)	-
Share-based payments capitalised	-	2,950,316
Total share-based payments	**(861,764)**	**4,287,068**

Schedule of share-based payments
Shares

30 Jan 2015 – 541,125 shares issued as part consideration to Long State Investments Ltd in consideration for Equity placement facility	-	100,000
19 Feb 2015 – 7,661,877 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	-	1,281,065
24 Mar 2015 – 1,671,009 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	-	321,502
26 Mar 2015 – 100,000 shares issued to a consultant for services	-	37,125
28 Apr 2015 – 1,000,000 shares issued to a consultant for services	-	355,000
28 Apr 2015 – 826,626 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	-	319,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 20. SHARE-BASED PAYMENTS (continued)

	2016 $	2015 $
25 May 2015 – 917,692 shares issued as part consideration of acquisition costs in accordance with joint venture agreement with Grafex Limitada	-	319,825
18 Jun 2015 – 1,000,000 shares issued to a consultant for services	-	315,000
Total allocated against Issued Capital	**-**	**3,048,832**
Options		
23 Feb 2015 – 4,548,763 options issued to Long State Investments Ltd as consideration for Equity placement facility.	-	608,609
Subtotal allocated against Share Based Payment Reserve	**-**	**608,609**
Performance Rights		
1 Sep 2014 – 9 million performance rights issued to Directors as approved by shareholders on 20 August 2014	(497,544)	298,227
1 Sep 2014 – 6 million performance rights issued to employees pursuant to the Company's Incentive Plan	(331,698)	218,378
22 Oct 2015 – 7.5 million performance rights issued to Directors as approved by shareholders on 22 October 2015	(23,259)	99,146
3 Dec 2015 – 3.5 million performance rights issued to CEO on appointment	(13,876)	13,876
2 Dec 2016 – 12 million performance rights issued to CEO on appointment	4,613	-
Subtotal allocated against Share Based Payment Reserve	**(861,764)**	**629,627**
Closing balance	**(861,764)**	**4,287,068**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 20. SHARE-BASED PAYMENTS (continued)

(b) Listed and Unlisted Options

The following table details the number, weighted average exercise prices (WAEP) and movements in share options issued as capital raising purposes, employment incentives or as payments to third parties for services during the year.

	2016 Number	2016 WAEP
Outstanding at the beginning of the year	23,164,146	$0.45
Listed options granted during the year	22,220,306	$0.15
Unlisted options granted during the year	50,000,000	$0.10
Options lapsed during the year	(7,198,957)	$0.10
Exercised during the year	(1,800)	$0.15
Outstanding at the end of the year	87,465,695	$0.21

(c) Options exercisable at reporting date

	2016 Number	Exercise price
Unlisted options expiring 23 July 2017	5,000,000	$1.00
Unlisted options expiring 25 August 2017	5,000,000	$0.70
Unlisted options expiring 23 January 2018	4,548,763	$0.28
Unlisted options expired 16 March 2017	696,426	$0.20
Listed options expired 16 March 2017	22,220,506	$0.15
Unlisted options expiring 30 June 2018	50,000,000	$0.10
Exercisable at reporting date	87,465,695	

(d) Options issued during 2016

The maximum terms of options granted for during the year are as follows:

- 22,222,306 listed options granted to participants who were entitled to one option for every two shares issued as part of an entitlement offer during January 2016. The remaining unexercised options expired on 16 March 2017 and were exercisable at $0.15 with no vesting conditions.

- 50,000,000 unlisted options granted as consideration for entering the equity placement in November 2016. The options were issued during November 2016 and expire on 30 June 2018. The options are exercisable at $0.10 and no vesting conditions.

The options must be exercised on or before the expiry date in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 20. SHARE-BASED PAYMENTS (continued)

Unlisted Options
The fair value of the options granted is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The listed options were issues in three tranches on 20 January 2016, 25 January 2016 and 27 January 2016. The following table lists the inputs to the model used for the year ended 31 December 2016.

	Unlisted Options	**Listed Options**
Fair value at grant date	$0.0207	$0.0288 to $0.0346
Share price at grant date	$0.0600	$0.0800 to $0.0900
Exercise price	$0.1000	$0.1500
Expected volatility	100%	128%
Expected life	18 Months	14 Months
Expected dividends	Nil	Nil
Risk-free interest rate	1.73%	1.900% to 1.950%
Number of options issued	50,000,000	22,222,306
Valuation	$1,035,440	$711,490

The total value of these options was $1,746,930 at the date that they were granted.

(e) Performance rights

The following table details the number and movements of performance rights issued as employment incentives during the year.

	2016 Number	**2015 Number**
Outstanding at the beginning of the year	20,500,000	15,000,000
Granted during the year	12,000,000	11,000,000
Converted/expired during the year	(18,000,000)	(5,500,000)
Outstanding at the end of the year	**14,500,000**	**20,500,000**

On 2 December 2016, the Company granted Mr Peter Canterbury 12 million performance rights. The performance rights, upon vesting, entitle the holder to acquire one fully paid ordinary share for nil consideration.

The performance rights are subject to the following vesting conditions;

Tranche A of 6,000,000 performance rights will vest upon completion of definitive feasibility study and decision to mine and execution of offtake agreements for at least 50% of the production of Ancuabe within 27 months. These options if unvested will expire on 2 March 2019.

Tranche B of 6,000,000 performance rights will vest upon commencing mining and processing of first Ore within 36 months. These options if unvested will expire on 2 December 2019.

During 2016, 18 million performance rights lapsed due to cessation of employment with the Company.

The fair value of the 12,000,000 performance rights granted are valued on the date of grant using a model taking into account the terms and conditions upon which the performance rights were granted.

The following table lists the inputs to the model used for the year ended 31 December 2016.

NOTE: 20. SHARE-BASED PAYMENTS (continued)

	Performance Rights
Number of performance rights	12,000,000
Grant date	2 December 2016
Issue date	9 December 2016
Expiry dates	2 March 2019 and 2 December 2019
Amortisation dates	2 March 2019 and 2 December 2019
Share price at grant date	$0.06
Number of performance rights	12,000,000
Fair value of performance right	Between $0.009 and $0.015
Valuation	$144,000
Share based payment in 2016	$4,613
Share based payment carried forward	$139,387

The categories of the lapsed performance rights were as follows:

	Performance Rights Lapsed	**Grant Date**	**Issue Date**	**Amortisation Date**	**Expiry Date**
Lapsed performance rights	(10,000,000)	20 Aug 2014	1 Sep 2014	20 Aug 2017	20 Aug 2018
Lapsed performance rights	(4,500,000)	22 Oct 2015	1 Nov 2015	20 Aug 2017	20 Aug 2018
Lapsed performance rights	(3,500,000)	3 Dec 2015	13 Jan 2016	3 Dec 2017	20 Aug 2018
Total	**(18,000,000)**				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 20. SHARE-BASED PAYMENTS (continued)

The following table lists the inputs to the model used for the year ended 31 December 2015 and the category of the lapsed Performance rights.

Key Management Personnel	Performance Rights Granted	Grant Date	Issue Date	Amortisation Date	Expiry Date	Share Price at Grant Date	Vesting Condition 5 Day VWAP	Fair Value per Performance Right	Total value of Performance Rights	Share-Based Payments		Vested Number of Rights	% Rights Vested
										During the year	Not yet recognised		
Director Rights – Tranche A	1,600,000	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.40	$0.1746	$279,376	$29,275	$250,101	-	0%
Director Rights Tranche B	1,700,000	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.60	$0.1441	$245,004	$25,674	$219,330	-	0%
Director Rights – Tranche C	1,700,000	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$0.75	$0.1263	$214,761	$22,505	$192,256	-	0%
Director Rights Tranche D	2,500,000	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$1.00	$0.1035	$207,020	$21,692	$185,328	-	0%
Employee Rights Tranche A	1,000,000	3-Dec-15	13-Jan-16	03-Dec-17	20-Aug-18	$0.088	$0.20	$0.1248	$124,800	$4,780	$120,020	-	0%
Employee Rights Tranche B	1,000,000	3-Dec-15	13-Jan-16	03-Dec-17	20-Aug-18	$0.088	$0.30	$0.1063	$106,300	$4,072	$102,228	-	0%
Employee Rights Tranche C	1,000,000	3-Dec-15	13-Jan-16	03-Dec-17	20-Aug-18	$0.088	$0.40	$0.0914	$91,400	$3,501	$87,899	-	0%
Employee Rights Tranche D	500,000	3-Dec-15	13-Jan-16	03-Dec-17	20-Aug-18	$0.088	$0.50	$0.0795	$39,750	$1,523	$38,227	-	0%
Lapsed Director Rights 2014	(3,000,000)	20-Aug-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.365	-	-	-	-	-	-	0%
Lapsed Employee Rights 2014	(2,000,000)	29-May-14	01-Sep-14	20-Aug-17	20-Aug-18	$0.135	-	-	-	-	-	-	0%
Lapsed Director Rights Tranche D	(500,000)	22-Oct-15	1-Nov-15	20-Aug-17	20-Aug-18	$0.185	$1.00	-	-	-	-	-	0%
Total	**5,500,000**								**$1,308,411**	**$113,022**	**$1,195,389**	**-**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 21. CASH FLOW INFORMATION

	2016 $	2015 $
Reconciliation of Cash Flow from Operating Activities with Loss after Income Tax		
Loss after income tax	(34,914,507)	(12,748,684)
Adjustments to add/deduct non-cash items:		
Net loss on disposal of fixed assets	(14,668)	(3,880)
Revaluation of investment in listed entity	27,778	75,656
Depreciation	29,190	29,834
Share based payments expense	(861,764)	1,336,752
Reclassification of cash flows from investing activities	-	(460,283)
Exploration and evaluation expenditure written down	32,376,186	68,743
Gain on foreign exchange	(54,017)	(115,657)
Investment in associate expensed	412,026	6,732,662
Add interest expense relating to financing activity	30,874	-
Less interest income relating to investing activities	(35,651)	(51,682)
Changes in assets and liabilities:		
Decrease/(Increase) in trade and other receivables	460,282	(531,180)
(Decrease)/increase in payables and provisions	(4,312,612)	1,191,451
Cash Flow from Operating Activities	**(6,856,883)**	**(4,476,268)**

NOTE: 22. RELATED PARTY TRANSACTIONS

(a) Loans and investments in subsidiaries

Loans are made by the parent entity to wholly owned subsidiaries to fund exploration activities. Loans outstanding between the Company and its subsidiaries are non-interest bearing, unsecured, and are repayable upon notice having regard to the financial stability of the Company. The Company made the following provisions for non-recoverability of these loans and investments:

	2016 $	2015 $
Investments in subsidiaries	3,220	3,220
Provision for loss on investments	(100)	(100)
Net recoverable investment	**3,120**	**3,120**
Loans to subsidiaries	17,794,577	16,378,382
Provision for loss on intercompany loans	(15,741,978)	(15,741,978)
Net recoverable loan	**2,052,599**	**636,404**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 22. RELATED PARTY TRANSACTIONS (Continued)

The provisions for non-recovery of these loans and investments have been based on the subsidiaries' net asset positions, where applicable.

Transactions with other related parties	**2016 $**	**2015 $**
Legal and consulting services	27,500	-
	27,500	**-**

During the year, Mr Patrick Burke, (Non-Executive Deputy Chairman) provided legal and consulting services to the Company from the date of appointment to the reporting date.

NOTE: 23. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

Names and positions held of parent entity Directors in office at any time during the financial year are:

Director	Role	Appointment	Resignation
Mr Xingmin (Max) Ji	Chairman	22 Jul 2016	-
Mr Peter Canterbury	Managing Director	3 Oct 2016	-
Ms Paula Ferreira	Non-Executive Director	24 Aug 2015	-
Mr Patrick Burke	Non-Executive Chairman	22 Jul 2016	-
Mr Guanghui (Michael) Ji	Non-Executive Director	22 Jul 2016	-
Garth Higgo	Managing Director & Chief Executive Officer	28 Jan 2016	3 Oct 2016
Rodney Baxter	Non-Executive Director	28 Jan 2016	10 Feb 2016
Christopher Catlow	Non-Executive Chairman	5 Jun 2015	22 Jul 2016
Alfred Gillman	Technical Director	27 Sept 2012	22 Jul 2016
Bradley Boyle	Managing Director & Chief Executive Officer	27 April 2012	1 Dec 2015
Alan Jenks	Non-Executive Chairman Non-Executive Director	28 Jan 2014 5 Jun 2015	5 Jun 2015 10 Feb 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 23. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(b) Key Management Personnel compensation

	2016 $	2015 $
Short term employee benefits	677,537	875,642
Share-based payments	(530,066)	477,688
Termination payments	359,716	503,700
Post-employment benefits	52,620	67,678
	559,807	**1,924,708**

(c) Shareholdings of Key Management Personnel

Name	Balance at Start of Year	Purchased	Balance at End of Year*
Mr Xingmin (Max) Ji (i)	-	-	-
Mr Peter Canterbury (ii)	-	200,000	200,000
Ms Paula Ferreira	-	-	-
Mr Patrick Burke (i)	-	-	-
Mr Guanghui (Michael) Ji (i)	-	-	-
Mr Chris Catlow (iii)	190,477	-	190,477
Mr Alan Jenks (iv)	34,879,780	-	34,879,780
Mr Alfred Gillman (v)	4,250,000	-	4,250,000
Mr Garth Higgo (vi)	-	-	-
Mr Rodney Baxter (vii)	-	-	-

* Balance at end of year or date of resignation

(i) Appointed 22 July 2016
(ii) Appointed 3 October 2016
(iii) Appointed 5 June 2015, resigned 22 July 2016
(iv) Appointed 28 January 2014, resigned 10 February 2016
(v) Appointed 27 September 2012, resigned 22 July 2016
(vi) Appointed 28 January 2016, resigned 3 October 2016
(vii) Appointed 28 January 2016 and resigned 10 February 2016

(d) Option holdings of Key Management Personnel

Name	Balance at Start of Year	Exercised	Expired	Balance at End of Year*
Mr Xingmin (Max) Ji	-	-	-	-
Mr Peter Canterbury	-	-	-	-
Ms Paula Ferreira	-	-	-	-
Mr Patrick Burke	-	-	-	-
Mr Guanghui (Michael) Ji	-	-	-	-
Mr Chris Catlow (i)	23,810	-	-	23,810
Mr Alan Jenks	1,877,500	-	(1,877,500)	-
Mr Alfred Gillman (i)	75,000	-	-	75,000
Mr Garth Higgo	-	-	-	-
Mr Rodney Baxter	-	-	-	-

* Balance at end of year or date of resignation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 23. KEY MANAGEMENT PERSONNEL DISCLOSURES (Continued)

(i) Expired 16 March 2017

(e) Performance rights holdings of Key Management Personnel

Name	Balance at Start of Year	Granted	Lapsed	Balance at End of Year*
Mr Xingmin (Max) Ji	-	-	-	-
Mr Peter Canterbury	-	12,000,000	-	12,000,000
Ms Paula Ferreira	2,500,000	-	-	2,500,000
Mr Patrick Burke	-	-	-	-
Mr Guanghui (Michael) Ji	-	-	-	-
Mr Chris Catlow	3,500,000	-	(3,500,000)	-
Mr Alan Jenks	3,500,000	-	(3,500,000)	-
Mr Alfred Gillman	3,500,000	-	(3,500,000)	-
Mr Garth Higgo	3,500,000	-	(3,500,000)	-
Mr Rodney Baxter	-	-	-	-
	16,500,000	12,000,000	(14,000,000)	14,500,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 24. FINANCIAL RISK MANAGEMENT

(a) Accounting classifications and fair values

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term in nature and their carrying values equate to their fair values. Available for sale financial assets that comprise equity securities in listed entities are classified as level 1 in the fair value hierarchy and are carried at the quoted price of the equity securities at the period end date.

(b) Financial Risk Management Policies

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including interest rate risk, equity price risk, commodity price risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell products and derives only limited revenue from interest earned.

Risk management is carried out by the Board and the Company has adopted a formal risk management policy.

(c) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on floating interest rates on term deposits of cash and cash equivalents only. The Group has no debt arrangements and interest rate risk is not material.

(ii) Equity Price risk

The Group is currently exposed to equity securities by way of shares held in listed companies.

The price risk for listed securities is immaterial in terms of the possible impact on profit or loss or total equity as a result of a 10% increase or decrease in the price of traded securities.

(iii) Commodity Price risk

The Group is not exposed to commodity price risk.

(iv) Foreign currency risk

Exposure to foreign currency risk may result in the fair value of future cash flows of a financial instrument to fluctuate due to the movement in the foreign exchange rates of currencies in which the Group holds financial instruments which are other than Australian dollar.

With instruments being held by overseas operations, fluctuations in currencies may impact on the Group’s financial results. Since the Group has not yet commenced mining operations, the exposure is limited to short-term liabilities for expenses which are payable in foreign currencies. The Group limits its foreign currency risk by limiting funds held in overseas bank accounts and paying its creditors promptly. The Board regularly reviews this this exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 24 FINANCIAL RISK MANAGEMENT (continued)

(d) Credit risk

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from bank balances and trade and other receivables. The objective of the Group is to minimise the risk of loss from credit risk. The Group's exposure to bad debt risk is insignificant.

(e) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration and development, the Group does not have ready access to credit facilities, with the primary source of funding being equity. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. Any surplus funds are invested with major financial institutions.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

(f) Capital risk management

Refer to Note 12(f) of this financial report for details regarding the Group's capital risk management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 25. PARENT ENTITY DISCLOSURES

(a) Financial Position of Triton Minerals Limited		2016 $	2015 $
ASSETS			
Current Assets			
Cash and cash equivalents		6,811,809	343,458
Trade and other receivables		1,287,297	462,719
Prepayments		59,333	57,709
Total Current Assets		**8,158,439**	**863,886**
Non-Current Assets			
Financial assets		44,444	72,222
Prepayments		61,700	-
Loans to subsidiaries	(b)	2,052,599	636,404
Investment in subsidiaries	(b)	3,120	3,120
Property, plant and equipment		54,021	90,436
Exploration and evaluation assets		7,377,291	16,522,451
Equity-accounted investees		-	22,333,391
Total Non-Current Assets		**9,593,174**	**39,658,024**
TOTAL ASSETS		**17,751,613**	**40,521,910**
LIABILITIES			
Current Liabilities			
Trade and other payables		185,716	3,507,254
Provisions		146,323	6,798,704
Total Current Liabilities		**332,039**	**10,305,958**
Non-Current Liabilities			
Provisions		6,601,904	-
Total Non-Current Liabilities		**6,601,904**	**-**
TOTAL LIABILITIES		**6,933,943**	**10,305,958**
NET ASSETS		**10,817,670**	**30,215,952**
EQUITY			
Issued capital		73,508,471	59,250,029
Reserves		6,685,637	6,178,683
Accumulated losses		(69,376,438)	(35,212,760)
TOTAL EQUITY		**10,817,670**	**30,215,952**

The reported value of the net assets of the Company exceed those of the Group by $769,921.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 25. PARENT ENTITY DISCLOSURES (continued)

(b) Loans to Subsidiaries and Financial Assets

Loans are made by the parent entity to its wholly-owned subsidiaries to fund exploration activities. Loans outstanding between the Company and its subsidiaries are non-interest bearing, unsecured, and are repayable upon notice having regard to the financial stability of the Company.

Investments in subsidiaries are accounted for at cost.

	2016 $	2015 $
Loans to subsidiaries and associates	17,794,577	16,378,382
Provision for loss on intercompany loans	(15,741,978)	(15,741,978)
Net loans to subsidiaries	2,052,599	636,404
Investments in subsidiaries and associates	3,220	3,220
Provision for loss on investments	(100)	(100)
Financial assets	3,120	3,120

The provisions have been based on the subsidiaries' net asset positions and reflect the recoverability of the investments and/or loans.

	2016 $	2015 $
Financial Performance of Triton Minerals Ltd		
Loss for the year	(34,163,678)	(12,738,906)
Other comprehensive income	51,082	(24,344)
Total Comprehensive Income	(34,122,596)	(12,763,250)

(c) Guarantees entered into by Triton Minerals Ltd for the debts of its subsidiaries

There were no guarantees entered into by Triton Minerals Ltd for the debts of its subsidiaries as at 31 December 2016 (2015: Nil).

(d) Contingent liabilities of Triton Minerals Ltd

The contingent liabilities of the Group detailed in Note 17 are in the name of Triton Minerals Limited.

(e) Commitments of Triton Minerals Ltd

The exploration expenditure commitments and operating lease commitments of the Group detailed in Note 218 are in the name of Triton Minerals Limited and its subsidiary Grafex Limitada.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE: 26. AUDITOR'S REMUNERATION

Details of the amounts paid to the auditor of the Group, Nexia Perth Audit Services Pty Ltd, and its related practices for audit and non-audit services provided during the year are set out below.

	2016 $	2015 $
Audit Services		
Audit and review of financial reports (Nexia Perth Audit Services Pty Ltd)	58,799	35,529
Other Services		
Accounting and taxation advice (Nexia Perth Pty Ltd)	11,714	25,045
Other Services		
Accounting and taxation advice Overseas Practices of Nexia (Nexia TS Advisory Pte Ltd)	-	19,147

NOTE: 27. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year, the Directors are not aware of any other matter of circumstance not otherwise dealt with in this report or financial statements that has significantly or may significantly affect the operations of the consolidated Group, the results of those operations, or the state of affairs of the Group, in future financial years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the consolidated financial statements and notes, and the Remuneration Report contained in the Directors' Report, are in accordance with the *Corporations Act 2001*, and:

(i) give a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the year ended on that date;

(ii) comply with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements; and

(iii) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2016.

3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Peter Canterbury
Managing Director and Chief Executive Officer

Perth, 23 March 2017

AUDITOR'S INDEPENDENCE DECLARATION

Lead auditor's independence declaration under section 307C of the *Corporations Act 2001*

To the directors of Triton Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2016 there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Nexia Perth Audit Services Pty Ltd

TJ SPOONER FCA, FCA(UK), ACIS, AGIA
Director

Perth
23 March 2017

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INDEPENDENT AUDIT REPORT

Nexia Australia

Independent Audit Report to the Members of Triton Minerals Limited

Report on the financial report

Opinion

We have audited the accompanying financial report of Triton Minerals Limited ("the Company"), including its subsidiaries ("the Group") which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibility for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibility for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial report.

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INDEPENDENT AUDIT REPORT

Key audit matter	How our audit addressed the key audit matter
Investment in Grafex Limitada ("Grafex") ***Refer to Note 9 (Equity-Accounted investees)*** During the year, a Variation Deed ("Deed") was entered into with the minority shareholder of Grafex. The Deed allows Triton to incur expenditure of up to $4.6 million (equivalent to two years investment at that date) and the appointment and dismissal of employees. The investment in Grafex ($22.3 million) was reclassified from a joint venture to a controlled entity during the year ended 31 December 2016. This was a key audit matter due the significance of the balance on the Statement of Financial position and due to the complexities and significant judgement involved in determining whether: • Triton controlled Grafex as a result of the Deed; and • the transaction represents a business combination in accordance with AASB 3 *Business Combinations.*	Our procedures included, amongst others: • reading the Variation Deed to understand the key terms and conditions • independently evaluating management's assumptions against the requirements of relevant Australian Accounting Standards, which support the basis of the transaction in determining whether: - Triton is controlling the relevant activities of Grafex as a result of the Deed; and - the transaction comprises an acquisition of an asset as opposed to a business acquisition under AASB 3. • assessing the adequacy of the disclosure of the investment in Grafex (Note 9) and its reclassification to Exploration and evaluation assets (Note 8) in accordance with the relevant accounting standards.
Capitalisation of Exploration and evaluation assets ***Refer to Note 8 (Exploration and evaluation assets)*** As at 31 December 2016 the carrying value of Exploration and evaluation assets was $8,765,265 (2015: $16,522,452). The Group's accounting policy in respect of exploration and evaluation assets is outlined in Note 2 (q). Management's strategic focus shifted from developing the Balama Region to the Ancuabe Region which resulted in the Exploration and Evaluation Assets being written down by $32.4 million. This is a key audit matter due to the fact that significant judgement is applied in determining whether: • the capitalised Exploration and evaluation assets meet the recognition criteria in terms of AASB 6 *Exploration*	Our procedures focussed on evaluating management's assessment of the capitalised Exploration and evaluation assets' carrying value. These procedures included, amongst others: • confirming whether the rights to tenure of the areas of interest remained current at balance date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future; • obtaining evidence of the future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes; and • obtaining an understanding of the status of ongoing exploration programmes, for the areas of interest. We audited management's support and calculations for the written down expense of $32.4 million by performing the following: • checked the allocation of the Expenditure across the relevant tenements;

for and Evaluation of Mineral Resources; and • facts and circumstances exist that suggest that the carrying amount of the Exploration and evaluation assets may exceed its recoverable amount in accordance with AASB 6.	• checked the mathematical accuracy of amount written down; and • checked that the amounts written down related to the Balama Region tenements. We assessed the appropriateness of the accounting treatment and disclosure in terms of AASB 6.
Capital Gains Tax ("CGT") Provision ***Refer to Note 11 (Provisions) and Note 17 (Contingent assets and liabilities)*** As at 31 December 2016, a CGT Provision of \$6,601,904 (2015: \$6,510,628) was accounted for in relation to a capital gain on the transfer of mining rights located in Mozambique by non-residents which is payable by the seller. The Company has sought professional tax advice on the potential capital gains tax liability payable. The advice received has resulted in a range of potential outcomes from no liability to the Company to a possible liability of between US\$1 million and US\$4.75 million depending on ultimate interpretation of the capital gains tax regime. This was a key area of audit focus due to the size and nature of the estimate as well as the significant level of judgement and uncertainty involved.	We obtained the reports from management's experts regarding the company's liability for CGT on the transaction. We assessed the competence, capabilities and objectivity of experts used by management to assist in determining the quantum of the CGT provision. We held discussions, where possible, with the relevant experts involved in determining the provision to gain an understanding of the work of the experts. We considered whether the key assumptions and judgements used in management's estimates were consistently applied in measuring the CGT provision.

Other information

The directors are responsible for the other information. The other information comprises the information in Triton Mineral Limited's annual report for the year ended 31 December 2016, but does not include the consolidated financial report and the auditor's report thereon.

Our opinion on the consolidated financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDIT REPORT

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the consolidated financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 18 of the Directors' Report for the year ended 31 December 2016.

In our opinion, the Remuneration Report of Triton Minerals Limited for the year ended 31 December 2016, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia Perth Audit Services Pty Ltd

TJ SPOONER FCA, FCA(UK), ACIS, AGIA
Director
Perth
23 March 2017

SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 18 April 2017.

1. Distribution of fully paid ordinary shareholders is as follows:

Spread of Holdings	Holders	Securities	% of Issued Capital
1-1000	271	54,613	0.01
1,001-5,000	820	2,476,433	0.38
5,001-10,000	650	5,305,467	0.81
10,001-100,000	1,878	71,343,285	10.85
100,001-9,999,999,999	693	578,625,501	87.95
Total	**4,312**	**657,805,299**	**100.0**

2. Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those were the shareholding is valued at less than $500.

- There are 1,327 shareholders who hold less than a marketable parcel of shares.
- The number of fully paid ordinary shares held in less than marketable parcels is 4,002,402.

3. Substantial shareholders of ordinary fully paid ordinary shares

The Substantial shareholders of the Company are:

Rank	Holder Name	Securities	% of Issued Capital
1	Shandong Tianye Mining Co Ltd	131,560,500	20.00

4. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

SHAREHOLDER INFORMATION

5. Top 20 shareholders of fully paid ordinary shares

At 18 April 2017, the top 20 largest fully paid ordinary shareholders together held 54.00% of the securities in this class and are listed below:

Rank	Holder Name	Securities	%
1.	SHANDONG TIANYE MINING CO LTD	131,560,500	20.00
2.	CITICORP NOMINEES PTY LTD	81,300,905	12.36
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	32,484,381	4.94
4.	CORREZE PTY LTD	21,416,999	3.26
5.	SOMERS AND PARTNERS PTY LTD <FACILITATION TRADING A/C>	15,201,990	2.31
6.	J P MORGAN NOMINEES AUSTRALIA LIMITED	11,840,869	1.80
7.	INTERSTATE INVESTMENTS PTY LTD	7,295,172	1.11
8.	WOODROFFE INVESTMENTS (VIC) PTY LTD <WOODROFFE INVESTMENT A/C>	6,729,267	1.02
9.	MR CHRISTOPHER JOHN FONE	6,288,985	0.96
10.	LEE MILLER INVESTMENTS PTY LTD <D M & L INVESTMENTS A/C>	5,586,490	0.85
11.	MR ANTOINE HALDEZOS	5,058,984	0.77
12.	MRS MARIA GILLMAN + MR ALFRED GILLMAN <GILLMAN FAMILY A/C>	4,150,000	0.63
13.	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	4,000,000	0.61
14.	MR PETER CARMINE SACCHETTI	3,983,963	0.61
15.	MR CRAIG ANDREW STUBBS	3,834,545	0.58
16.	BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	3,380,000	0.51
17.	BLAIR METALS LTD	3,341,191	0.51
18.	RAMCO INVESTMENTS PTY LTD <RAMCO FAMILY A/C>	2,700,000	0.41
19.	MR MALCOLM JOHN STUART	2,560,000	0.39
20.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,521,771	0.38
		355,236,012	**54.00**

SHAREHOLDER INFORMATION

6. Options

The following options over unissued ordinary shares are on issue:

Class	Date of Expiry	Exercise Price	Number of Options	Holders
Unlisted Options	23 July 2017	$1.00	5,000,000	1
Unlisted Options	25 August 2017	$0.70	5,000,000	2
Unlisted Options	23 January 2018	$0.2748	4,548,763	1
Unlisted Options	30 June 2018	$0.10	50,000,000	2
		Total	64,548,863	

The option holders that hold 20% or more of the options in an unquoted class:

Holder Name	Date of Expiry	Exercise Price	Number of Options	% of Class
GMP Securities	23 July 2017	$1.00	5,000,000	100%
Mr Greg Sheffield	25 August 2017	$0.70	3,225,000	64.5%
IPS Nominees Limited	25 August 2017	$0.70	1,775,000	35.5%
LS Whitehall Group Inc	23 January 2018	$0.2748	4,548,763	100%
Shandong Tianye Mining Co Ltd	30 June 2018	$0.10	25,000,000	50.0%
Somers and Partners Pty Ltd	30 June 2018	$0.10	25,000,000	50.0%