



ACN: 126 042 215

Annual Report

For the year ended 31 December 2017



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Directors

Mr Xingmin (Max) Ji

Mr Patrick Burke

Mr Peter Canterbury

Ms Paula Ferreira

Mr Guanghui (Michael) Ji

Non-Executive Chairman

Non-Executive Deputy Chairman

Managing Director

Non-Executive Director

Non-Executive Director

COMPANY SECRETARY

Mr David Edwards

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Letter from the Managing Director

Dear Shareholders

As Managing Director of Triton Minerals Limited, I am pleased to present the Company's annual report for the twelve months ended 31 December 2017.

In last year's annual report, our strategic focus for 2017 was to fast track the development of Ancuabe through development studies to enable an investment decision on what we believe to be a world class high purity, large flake graphite deposit with excellent infrastructure and logistics in what is fast becoming the premier graphite region in the world.

I am extremely proud that we are able to report that the Company has met every single milestone in 2017 and we are on track for the commencement of early works for the project over the next six months.

These achievements are in no small part due to the support of our loyal shareholders who have been extremely supportive of our development activities especially in the light of the problematic events of 2016 which saw the Company both enter and exit voluntary administration. The achievements up to the date of this report include:

- Drilling and metallurgical results at T12 and T16 that demonstrated the potential of both deposits to support large flake high purity production through mechanical flotation.
- Completion of a scoping study that demonstrated Ancuabe is capable of producing a premium product with robust economics.
- Undertook a strategic placement to Shandong Tianye for \$1.23 million to enable the completion of the Definitive Feasibility Study (DFS).
- Signed non-binding offtake term sheets for around 50% of Ancuabe production.
- Undertook a fully underwritten non-renounceable entitlements offer that raised approximately \$6 million with an approximate 70% uptake from existing shareholders.
- Submitted a mining concession application for the Ancuabe Project to the Instituto Nacional de Minas (INAMI) that encompassed all aspects of the Ancuabe Project.
- Undertook EPC contract expression of interest with strong response.
- Upgrade of Minerals Resource at Ancuabe which supports long life development.
- Completion of the DFS and Maiden Ore Reserve which supports immediate development.
- Preliminary approval received from the Ministry of Lands, Environment and Rural Development (MITADER) for the Ancuabe Environmental Prefeasibility Scoping Study (EPDA).
- Submitted the Environmental, Social and Health Impact Assessment (ESHIA) which is the final stage of environmental licencing for the Ancuabe Project.

The clear strategy of the Company is to fast track the development of Ancuabe, look for opportunities to commercialise the other assets and build a portfolio of world class graphite assets to grow shareholder value.

During 2017, the Company has built a small but experienced management team in Perth and Pemba to support the rapid development objectives of the Company. I must mention Ms Lisa Park, who has driven with relentless vigour the metallurgical program and studies to ensure we not only deliver the strategic objectives but also ensure we design the facilities to maximise our competitive advantage in flake size distribution, purity and logistics.

The foundation set in 2017 positions the Company to be in a fantastic position to deliver on its fast track execution strategy in 2018.

Letter from the Managing Director

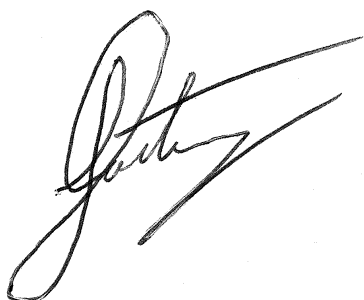
In summary, the 2018 objectives are:

- Converting non-binding offtake term sheets to binding offtake agreements for 50% of Ancuabe production.
- Appoint the Ancuabe Project Engineering, Procurement and Construction (EPC) contractor and owners' team consultant.
- Obtain the Ancuabe Mining Concession and Environmental certificate.
- Commence early works on raw water dam and Front-End Engineering Design (FEED) engineering.
- Sign debt funding term sheets and make the final investment decision.
- Commence full construction of Ancuabe with targeted production commencing in H2 2019.
- Accelerate the development of the Nicanda Hill Graphite Vanadium Project through a joint venture or partial sale.

I believe the future for Triton and its World Class pipeline of projects is very exciting and I look forward to reporting rapid progress in 2018.

Once again, thank-you.

Sincerely,



Peter Canterbury
Managing Director
21 March 2018

Directors' Report

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 2017.

Directors

The following persons were Directors of the Company and were in office during the financial year and up to the date of this report:

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.

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 and 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:

3,000,000 unlisted options granted on 11 January 2018

Peter Canterbury (Managing Director, 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

Directors' Report

Interest in securities:

337,500 ordinary shares
37,500 listed options
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 CETA, a Mozambican construction company. 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 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:

2,500,000 performance rights
2,000,000 unlisted options granted on 11 January 2018

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:

Meteoric Resources Limited (appointed 1 December 2017)
Tando Resources Limited (appointed 1 July 2017)
Bligh Resources Limited (appointed 5 December 2016)
Westwater Resources Limited (appointed 16 March 2016)
ATC Alloys Limited (appointed 8 September 2014)
Pan Pacific Petroleum NL (appointed 22 November 2016, resigned 13 November 2017)
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)

Special responsibilities:

Member of the Audit and Risk Committee and Remuneration and Nomination Committee.

Interest in securities:

2,500,000 unlisted options granted on 11 January 2018

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 started his career as a processing engineer with Shandong Gold in China in 1994 and has been involved in production management and international

Directors' Report

mining resource development for 20 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:

2,000,000 unlisted options granted on 11 January 2018

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 16 years of experience in financial and management accounting roles.

Principal Activity

The principal activity of the Group during the financial year was development of the Ancuabe Graphite Project in Mozambique.

Operating and Corporate Activities Review

Company Overview

Triton Minerals Limited is an ASX listed mining exploration and development company focussed on graphite projects. Triton, through its 100% owned subsidiaries domiciled in the United Arab Emirates, has, following its recent acquisition of the minority interest, a 100% economic interest in Grafex Limitada (Grafex) (an entity domiciled in Mozambique). Grafex is the registered holder of seven exploration licenses (four of which are subject to licence renewal and one is subject to a Mining Concession Application submitted in November 2017, details in the table below) in the Cabo Delgado Province of northern Mozambique. The licenses comprise three project areas; the Ancuabe Project, the Balama North Project and the Balama South Project.

Directors' Report

All three areas are considered highly prospective for graphite. The tenement information together with details of licences currently being renewed and/or converted to a mining concession are summarised below. All tenements are located in Mozambique.

| Licence | Project | Prospect/ deposit | Interest | Status | Note |
|---------|------------|-------------------|----------|-----------------------------|--------|
| EL5966 | Balama Nth | Nicanda Hill | 100% | Granted | - |
| EL5365 | Balama Nth | Cobra Plains | 100% | Granted | Note 1 |
| EL5304 | Balama Sth | - | 100% | Granted | - |
| EL5380 | Ancuabe | T20 | 100% | Granted | Note 2 |
| EL5336 | Ancuabe | T12, T16 | 100% | Granted | Note 3 |
| EL5305 | Ancuabe | - | 100% | Granted | Note 4 |
| EL6537 | Ancuabe | T18, T19 | 100% | Relinquished | Note 5 |
| EL5934 | Ancuabe | T10, T11 | 100% | Approved – Pending Grant | Note 6 |

Notes

All applications listed below are pending a response from the Mozambique mining authority, Instituto Nacional de Minas (INAMI)

1. Application to renew licence for a further two years submitted in September 2017.
2. Application to renew licence for a further two years submitted in August 2017. Application to modify and reduce the area submitted in November 2017.
3. Application to modify area submitted in September and further modifications submitted in November 2017. Application for a mining licence submitted in November 2017.
4. Application to modify area submitted in November 2017.
5. Addressed as a change to area in 5336 submitted in November 2017 in which part of area of EL6537 was added to EL5336. Application for remaining area of EL6537 was relinquished in November 2017.
6. Application to modify area of EL5934 submitted in November 2017.

The Ancuabe Project is located approximately 45km due west from the northern Mozambique coastal port of Pemba on the Indian Ocean shoreline. The Project is located within tenements 5380 (note 2 above), 5336 (note 3), 5305 (note 4), 6537 (note 5) and 5934 (note 6), which surround the historical AMG Graphit Kropfmühl (GK) Ancuabe Mine.

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 a vicinity of known graphite mineralisation. The Balama North Project currently contains one of the world's largest graphite and vanadium deposits at Nicanda Hill.

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.

Ancuabe Graphite Project

Consistent with the strategy announced in December 2016, the exploration and development activities during FY2017 were primarily focussed at the Company's flagship Ancuabe Graphite Project (Ancuabe or the Project) and several important milestones were achieved during the year.

Studies

In May 2017, Triton announced the results of the Ancuabe Scoping Study that demonstrated that the Project is technically and financially viable. Immediately following completion of the Scoping Study,

Directors' Report

the Board approved an immediate transition to a Definitive Feasibility Study (DFS) on an accelerated timeline.

The DFS was successfully completed in December 2017¹ and confirmed the Scoping Study results that Ancuabe is a high quality, long life, high margin graphite project. The DFS was accompanied by the announcement of a Maiden JORC Compliant Ore Reserve of 24.9Mt at 6.2% Total Graphitic Carbon (TGC)² at Ancuabe that supported the DFS evaluation period of 27 years at an annual production of approximately 60,000 Tonnes Per Annum (tpa) of graphite concentrate. The Company also announced in December that the total Indicated and Inferred Mineral Resource at the Ancuabe T12 and T16 deposits had increased to 46.1 Mt at an average grade of 6.6% TGC for 3.04 Mt of contained graphite.

The DFS was undertaken by independent experts with substantial experience in the graphite sector and resources projects in East Africa. The DFS was led by supervising engineer Lycopodium Minerals Pty Limited (Lycopodium), with the resources and mining studies undertaken by CSA Global Pty Limited (CSA), metallurgy by Independent Metallurgical Operations Pty Ltd (IMO), and water and tailings studies by Knight Piésold Pty Limited (Knight Piésold).

The DFS financial outcomes showed an unleveraged pre-tax net present value of US\$298m, unleveraged pre-tax internal rate of return 36.8% and a payback period of 3.8 years based on the annual production of approximately 60,000 Tonnes Per Annum (tpa) of graphite concentrate over the evaluation period of 27 years. The average annual Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) over the evaluation period was US\$43.6m based on a basket price of US\$1,435 per tonne of graphite concentrate and average operating costs over the evaluation period excluding royalty of US\$634 per tonne (FCA Port of Pemba)

Permitting and Approvals

In November 2017, Grafex submitted a Mining Concession Application (MCA) to INAMI for Ancuabe. The MCA encompasses all aspects of the project and once granted allows the extraction and processing of mineral resources for the first 25 years of the Project and is renewable for a further period of up to 25 years.

After the end of the financial year approval was received from the Ministry of Lands, Environment and Rural Development (MITADAR) for the Ancuabe Environmental Prefeasibility Scoping Study (EPDA). Grafex has now submitted to MITADAR the Environmental, Social and Health Impact Assessment (ESHIA). The ESHIA is the final stage in the environmental licencing for the Ancuabe Project.

The Resettlement Assessment Plan (RAP) public consultations commenced in December 2017 and will continue through the first quarter in 2018. The process to obtain a land licence permitting the licence holder to use government land (Direito de Uso e Aproveitamento de Terra or DUAT) is in progress and is pending the outcomes of the Mining Concession application.

Development and Construction

Sinosteel Equipment & Engineering Co. Ltd (Sinosteel) and MCC International Incorporated Limited (MCC) progressed to the final stages of due diligence for the tender of the Engineering, Procurement and Construction (EPC) contract for Ancuabe. Both parties have completed site visits and are expected to submit tenders. Tender award is anticipated in April 2018.

¹ See ASX announcement 15 December 2017 'Triton Delivers Robust Ancuabe Definitive Feasibility Study and Declares Maiden Ore Reserve'. Triton is not aware of any new information or data that materially affects the information included in the relevant market announcement, and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed

² See Competent Persons Statement page 81

Offtake Agreements

During the period up to the date of this report Triton has signed non-binding offtake term sheets with Qingdao Tianshengda Graphite Co. Ltd (Tianshengda) and Haida Graphite (Haida).

Tianshengda is a Chinese graphite producer, located in Laiki City, Shandong Province. Tianshengda produces a range of graphite products including expandable graphite, flake graphite and powder graphite. Haida is a major Chinese graphite company with extensive mining, processing and sales experience. Haida produces a range of graphite products, including graphite sheets, spherical graphite, high purity and expandable graphite for customers in China and international markets including Japan, Korea, the US and Western Europe.

The term sheets set the framework for a binding offtake agreement. The term sheets detail the initial offtake term, concentrate volume, pricing mechanism, payment and delivery terms and product specifications. The term sheets for Tianshengda and Haida are for an initial period of 5 years with option to extend for a further 5 years with delivery of up to 16,000 tonnes per annum of Ancuabe graphite concentrate with a minimum quarterly volume commitment of 2,500 tonnes. The specification is distributed across all Ancuabe flake sizes and price is to be set every 6 months at prevailing market graphite prices.

Nicanda Hill

Nicanda Hill is one of the world's largest graphite and vanadium deposits. The 2015 JORC Inferred and Indicated Mineral Resource of 1.44Bt at 11.1% TGC and 0.29% V₂O₅ for 160.3 million tonnes of contained graphite and 4.2 million tonnes of contained vanadium³ makes it one of the world's largest deposits and has strategic value given the growing electric vehicle and battery storage markets.

To better understand the vanadium potential at Nicanda Hill, Triton has appointed CSA Global to review available vanadium and multi-element chemistry in the drill data base, identify potential vanadium target areas (best grade zones) within the Nicanda Hill Indicated Mineral Resource and recommend a programme of work to improve confidence in the vanadium mineralisation model.

Triton has received interest from a number of parties with respect to the development of Nicanda Hill. Accordingly, Triton has appointed Argonaut Securities to lead the commercialisation process to accelerate the development of this valuable asset.

Other Exploration and Evaluation Activity

The Company's activities during the period to the date of this report were primarily focussed on the development of the Ancuabe Graphite Project and the commercialisation of Nicanda Hill. The Company continues to maintain its tenements comprising Cobra Plains and Nicanda West in good order.

Corporate Activity

The Company completed two capital raisings during the period and up to the date of this report:

- In September 2017, the Company completed a strategic placement of 25.625 million shares to raise \$1.23 million to the Shandong Tianye Mining Co. Ltd (STM) the Company's largest shareholder.
- On 11 December 2017, the Company completed a fully underwritten pro rata non-renounceable entitlements issue of one share for every 8 shares held at an issue price of \$0.07 per share with one free attaching option, exercisable at \$0.11 per share, for every share subscribed for. Existing

³ See Competent Persons Statement page 81

Directors' Report

shareholders applied for and were granted 61,634,322 new shares, representing 72% of the shares in the offer. The offer raised approximately \$5.98 million before costs.

On 16 March 2018, the Company announced an equity raising of approximately \$5.2 million comprising a placement to institutional and sophisticated investors to raise \$1.0 million (under Listing Rule 7.1 placement capacity) and a non-renounceable fully underwritten pro-rata entitlement offer to eligible shareholders to raise gross proceeds of approximately \$4.2 million.

During the year the Company received distributions of \$1.2 million from the Creditors Trust that was established during the period of Voluntary Administration in 2016.

Results of Operations

The net loss of the Group for the year ended 31 December 2017 was \$3,417,506 (2016 Restated: \$31,125,010). The loss reflects the pre-revenue development stage of the Group and arises primarily from directors and employee benefits expenses, corporate and administrative costs.

Financial performance for the previous 5 years is as follows:

| | 31 Dec 2017 | 31 Dec 2016 Restated | 31 Dec 2015 | 31 Dec 2014 | 31 Dec 2013 |
|--------------------|-------------|-------------------------|-------------|-------------|-------------|
| Net Loss after Tax | 3,417,506 | 31,125,010 | 12,748,684 | 4,997,855 | 1,843,860 |

Financial Position

The statement of cash flows shows a decrease in cash and cash equivalents for the year ended 31 December 2017 of \$1,189,171 (2016: \$6,569,650 increase). During the year, the Group raised \$7,210,371 (2016: \$18,208,808) before costs from the issue of share capital. At year end the Group had funds of \$5,690,723 (2016: \$6,967,605) 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 the timeframe that it is aiming to achieve, in particular the construction and commissioning of mining operations and processing facilities at the Ancuabe Graphite Project so as to commence production in 2H 2019, will depend in part on its ability to raise further funds by way of debt and equity. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Existing funds (including the funds raised under the Offer) will not be sufficient for expenditure required for certain aspects of the Company's business plan, including the construction and commissioning of mining operations and processing facilities in Mozambique. Any additional equity financing may dilute Shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

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:

- a) general economic outlook;
- b) introduction of tax reform or other new legislation;
- c) interest rates and inflation rates;
- d) changes in investor sentiment toward particular market sectors;
- e) the demand for and supply of capital; and
- f) 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 other 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 (FY2016: \$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 9 January 2018, Shareholders at a general meeting passed resolutions to issue unlisted options to non-executive directors (or their nominees) as follows: Xingmin (Max) Ji, 3,000,000 unlisted options, Patrick Burke, 2,500,000 unlisted options; Guanghui (Michael) Ji, 2,000,000 unlisted options; Paula Ferreira, 2,000,000 unlisted options. The options issued for no consideration have an exercise price of \$0.11, a vesting date of 9 January 2019 and an expiry date of 9 January 2020.

On 23 January 2018, 4,548,763 unlisted options with an exercise price of \$0.2748 expired.

On 13 February 2018, the Company announced that it had terminated an agreement in relation to an option to acquire certain lithium assets and royalties from Westgold Resources Limited.

On 21 February 2018, the Company made a payment of US\$1,500,000 (A\$1,911,253) to Gregory Sheffield (Sheffield) as consideration for Sheffield's consent to amend the Shareholders Agreement between Sheffield and the Group to make Sheffield's then carried interest a contributory interest and to effect the variation on an arm's length basis under the terms of the Deed of Variation.

On 23 February 2018, the Company issued 10,000,000 options to Sheffield with an exercise price of \$0.11 and expiry date of 30 November 2018 pursuant to a Cooperation Agreement whereby Sheffield agrees to assist the Company in relation to certain matters in Mozambique.

Directors' Report

On 13 March 2018, the Company announced that it had completed the acquisition of an economic interest in the remaining 20% of the shares of Grafex Limitada for US\$1,500,000 (A\$1,908,121). The Company will need to seek formal approval of the transfer of the interest under Mozambique legislation to complete the transfer of legal title; however, it will receive 100% of the economic benefit to the shares until formal approval is received.

On 16 March 2018, the Company announced an equity raising of approximately \$5.2 million comprising a placement to institutional and sophisticated investors to raise \$1.0 million (under Listing Rule 7.1 placement capacity) and a non-renounceable fully underwritten pro-rata entitlement offer to eligible shareholders to raise gross proceeds of approximately \$4.2 million.

The Company will need to continue to raise additional capital in order to fund development activities at the Ancuabe Project and accelerate the commercialisation of the Nicanda Hill graphite-vanadium deposit.

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 (including committees of Directors) held in the year and the number of meetings attended by each of the Directors of the Company during the financial year are:

| | Board | | Audit and Risk | | Remuneration and Nomination | |
|-----------------------|-------|----------|----------------|----------|-----------------------------|----------|
| | Held | Attended | Held | Attended | Held | Attended |
| Xingmin (Max) Ji | 8 | 8 | n/a | n/a | 1 | 1 |
| Peter Canterbury | 8 | 7 | n/a | n/a | n/a | n/a |
| Paula Ferreira | 8 | 7 | 2 | 2 | n/a | n/a |
| Patrick Burke | 8 | 8 | 2 | 2 | 1 | 1 |
| Guanghai (Michael) Ji | 8 | 7 | 2 | 2 | 1 | 1 |

n/a: Not a member of this committee

Remuneration Report (Audited)

This report for the year ended 31 December 2017 outlines the remuneration arrangements for Key Management Personnel (KMP). This information has been audited in accordance with section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements of 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.

Directors' Report

The KMP of Triton for the year ended 31 December 2017 are as follows:

| Director | Role | Appointment |
|-----------------------|---|--------------------|
| Xingmin (Max) Ji | Non-Executive Chairman | 22 Jul 2016 |
| Peter Canterbury | Managing Director | 3 Oct 2016 |
| Paula Ferreira | Non-Executive Director | 24 Aug 2015 |
| Patrick Burke | Non-Executive Deputy Chairman | 22 Jul 2016 |
| Guanghui (Michael) Ji | Non-Executive Director | 22 Jul 2016 |
| Executive | Role | Appointment |
| David Edwards | Chief Financial Officer and Company Secretary | 3 Jan 2017 |

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.

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 Remuneration and Nomination Committee.

The KMP pay and reward framework comprises: base remuneration and benefits, short-term incentives and long-term incentives.

Base Remuneration

Base remuneration consists of fixed contractual salary, legislated employer contributions to superannuation funds and other employee benefits (car parking).

At Risk Component: Short term incentives

Short term incentives such as cash incentives may be awarded and are determined based on performance targets established by the Remuneration and Nomination Committee and take into consideration performance metrics such as the Company's performance, an individual employee's performance and the individual employee's contribution to the Company's performance.

At Risk Component: Long term incentives

The Company has adopted an Employee Equity Incentive Plan designed to align employee incentives with shareholder interests, encourage employee share ownership and assist with employee attraction and retention.

For further information regarding the long-term incentives granted to 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 that they receive as compensation

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.

Directors' Report

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.

Remuneration Governance, Structure and Approvals

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

The Committee meets at least annually and reviews 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.

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.

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 of its projects. 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.

Voting and comments made at the Company's 2017 Annual General Meeting

The Company received more than 98% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2016 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Directors' Report

Remuneration of Key Management Personnel

Details of the nature and amount of each element of the remuneration of each of the KMP for the year ended 31 December 2017 and 31 December 2016 are as follows:

| Year 2017 | Short Term Benefits | | | Share-based Payment | Post-Employment Benefits | Long Term Benefits | Total |
|---------------------------|---------------------|---------------|----------------|---------------------|--------------------------|--------------------|------------------|
| | Base Salary/ Fees | Benefits | Incentive | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Director | | | | | | | |
| Xingmin (Max) Ji (i) | 60,000 | - | - | - | - | - | 60,000 |
| Peter Canterbury (ii) | 400,000 | 5,227 | 160,000 | 172,976 | 38,000 | 14,231 | 790,434 |
| Paula Ferreira (iii) | 60,000 | - | - | 129,037 | - | - | 189,037 |
| Patrick Burke (i) | 60,000 | - | - | - | - | - | 60,000 |
| Guanghui (Michael) Ji (i) | 60,000 | - | - | - | - | - | 60,000 |
| Executive | | | | | | | |
| David Edwards (iv), (v) | 224,135 | 5,227 | 56,250 | 50,489 | 21,293 | 14,387 | 371,781 |
| Total | 864,135 | 10,454 | 216,250 | 352,502 | 59,293 | 28,618 | 1,531,252 |

- Percentage of remuneration that is performance based is nil
- Percentage of remuneration that is performance based is 42%
- Percentage of remuneration that is performance based is 68%
- Appointed 3 January 2017
- Percentage of remuneration that is performance based is 29%
- Long term benefits relate to accrued annual leave

| Year 2016 (Restated) | Short Term Benefits | | Share-based Payment | Termination Payments | Post-Employment Benefits | Total |
|---------------------------------|---------------------|-----------|---------------------|----------------------|--------------------------|----------------|
| | Base Salary/ Fees | Incentive | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Director | | | | | | |
| Xingmin (Max) Ji (i), (ii) | 26,613 | - | - | - | - | 26,613 |
| Peter Canterbury (iii), (iv) | 113,637 | - | 4,613 | - | 10,795 | 129,045 |
| Paula Ferreira (v) | 33,727 | - | 201,649 | - | 633 | 236,009 |
| Patrick Burke (i), (ii) | 26,613 | - | - | - | - | 26,613 |
| Guanghui (Michael) Ji (i), (ii) | 26,613 | - | - | - | - | 26,613 |
| Chris Catlow (vi) | 13,909 | - | (52,060) | - | 1,318 | (36,833) |
| Alan Jenks (i), (vii) | 5,604 | - | (254,195) | - | 533 | (248,058) |
| Alfred Gillman (viii) | 118,687 | - | (254,195) | 328,125 | 10,925 | 203,542 |
| Garth Higgo (ix) | 312,134 | - | (13,876) | 31,591 | 28,417 | 358,266 |
| Rodney Baxter (x) | - | - | - | - | - | - |
| Total | 677,537 | - | (368,064) | 359,716 | 52,621 | 721,810 |

- Percentage of remuneration that is performance based is nil
- Appointed 22 July 2016
- Appointed 3 October 2016
- Percentage of remuneration that is performance based is 3.6%
- Appointed 24 August 2015. Percentage of remuneration that is performance based is 85%

Directors' Report

- vi. Appointed 5 June 2015, resigned 22 July 2016. Share based payment write back arises on lapse of performance rights. Percentage of remuneration that is performance based is nil.
- vii. Appointed 28 January 2014, resigned 10 February 2016. Share based payment write back arises on lapse of performance rights. Percentage of remuneration that is performance based is nil.
- viii. Appointed 27 September 2012, resigned 22 July 2016. Share based payment write back arises on lapse of performance rights. Percentage of remuneration that is performance based is nil.
- ix. Appointed 28 January 2016, resigned 3 October 2016. Share based payment write back arises on lapse of performance rights. Percentage of remuneration that is performance based is nil.
- x. Appointed 28 January 2016 and resigned 10 February 2016. No remuneration was paid given the short-term nature of the appointment.

During the year the Group discovered that certain information included in the 2016 Remuneration Report was incorrect in that it did not reflect all payments made to KMP. This has been corrected in the table above for the following individuals:

| Year 2016 (Restated) | Short Term Benefits | | Share-based Payment | Termination Payments | Post-Employment Benefits | Total |
|-----------------------------------|----------------------------|-----------|---------------------|----------------------|--------------------------|----------------|
| | Base Salary/ Fees Benefits | Incentive | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Director | | | | | | |
| Paula Ferreira | 33,727 | - | 39,647 | - | 633 | 74,007 |
| Adjustment | - | - | 162,002 | - | - | 162,002 |
| Restated Ms Paula Ferreira | 33,727 | - | 201,649 | - | 633 | 236,009 |

Transactions with other related parties

During the year, Patrick Burke, (Non-Executive Deputy Chairman) provided legal and consulting services to the Company totalling \$35,000 (FY2016: \$27,500).

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.

Chief Financial Officer and Company Secretary: David Edwards

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

- Fixed remuneration of \$225,000 per annum plus superannuation;
- The maximum short-term incentive opportunity is 30% of fixed remuneration; and
- Mr Edwards 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. An appointment shall cease

Directors' Report

automatically if the Director gives notice to the Board or if the Director is not re-elected as a Director by the shareholders of the Company. There are no termination entitlements or notice periods.

Options and Performance Rights Granted to Key Management Personnel

Unlisted Options

On 9 January 2018, Shareholders at a general meeting passed resolutions to issue unlisted options to non-executive directors (or their nominees) as follows: Xingmin (Max) Ji, 3,000,000 unlisted options, Patrick Burke, 2,500,000 unlisted options; Guanghui (Michael) Ji, 2,000,000 unlisted options; Paula Ferreira, 2,000,000 unlisted options. The options were issued for no consideration have an exercise price of \$0.11, a vesting date of 9 January 2019 and an expiry date of 9 January 2020.

Shares

During the 2017 financial year, no shares were granted to KMP as remuneration (2016: Nil).

Performance Rights

On 12 December 2016 the Company granted Mr David Edwards 3,000,000 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 1,500,000 performance rights to vest upon completion of a Definitive Feasibility Study and decision to mine and execution of offtake agreements for at least 50% of the production of Ancuabe before 2 March 2019.

Tranche B of 1,500,000 performance rights to vest upon commencing mining and processing of first ore by 2 December 2019.

Upon a milestone being satisfied, the Company shall issue to Mr Edwards 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 valuation of performance rights to Mr Edwards is \$144,000. During the year, \$50,489 was recognised as a share-based payment in relation to these options. Please refer to note 19 for more detail of the valuation of these performance rights.

Loans to Directors and Key Management Personnel

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

Directors' Report

Additional Disclosures Relating to Key Management Personnel

The movement during the financial year in the number of ordinary shares, options over ordinary shares and performance rights in the Company held directly, indirectly or beneficially by each KMP, including their related parties, is as follows:

c. Shareholdings of Key Management Personnel

| Name | 1 January 2017 | Purchased | 31 December 2017 |
|-----------------------|-------------------|----------------|---------------------|
| Xingmin (Max) Ji | - | - | - |
| Peter Canterbury | 200,000 | 137,500 | 337,500 |
| Ms Paula Ferreira | - | - | - |
| Patrick Burke | - | - | - |
| Guanghai (Michael) Ji | - | - | - |
| David Edwards (i) | - | 140,625 | 140,625 |
| | 200,000 | 278,125 | 478,125 |

i) Appointed 3 January 2017

d. Option holdings of Key Management Personnel

| Name | 1 January 2017 | Acquired | 31 December 2017 |
|-----------------------|-------------------|---------------|---------------------|
| Xingmin (Max) Ji | - | - | - |
| Peter Canterbury | - | 37,500 | 37,500 |
| Ms Paula Ferreira | - | - | - |
| Patrick Burke | - | - | - |
| Guanghai (Michael) Ji | - | - | - |
| David Edwards (i) | - | 15,625 | 15,625 |
| | - | 53,125 | 53,125 |

i) Appointed 3 January 2017

On 9 January 2018, Shareholders at a general meeting passed resolutions to issue unlisted options to non-executive directors (or their nominees) as follows: Xingmin (Max) Ji, 3,000,000 unlisted options, Patrick Burke, 2,500,000 unlisted options; Guanghai (Michael) Ji, 2,000,000 unlisted options; Paula Ferreira, 2,000,000 unlisted options. The options issued for no consideration have an exercise price of \$0.11, a vesting date of 9 January 2019 and an expiry date of 9 January 2020.

Directors' Report

e. Performance rights holdings of Key Management Personnel

| Name | 1 January 2017 | Granted | 31 December 2017 |
|-----------------------|-------------------|----------|---------------------|
| Xingmin (Max) Ji | - | - | - |
| Peter Canterbury | 12,000,000 | - | 12,000,000 |
| Ms Paula Ferreira | 2,500,000 | - | 2,500,000 |
| Patrick Burke | - | - | - |
| Guanghai (Michael) Ji | - | - | - |
| David Edwards (i) | 3,000,000 | - | 3,000,000 |
| | 17,500,000 | - | 17,500,000 |

i) Appointed 3 January 2017

This concludes the audited Remuneration Report.

Environmental Regulation

The Group holds various exploration licenses which regulate its exploration activities in Mozambique. These licenses include conditions and regulations with respect to the rehabilitation of areas disturbed during 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:

| | Exercise Price | Shares under option |
|--|-------------------|------------------------|
| Unlisted options expiry 30 June 2018 | \$0.10 | 50,000,000 |
| Listed options expiry 30 November 2018 | \$0.11 | 108,920,313 |
| | | 158,920,313 |

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 2017, 666 fully paid ordinary shares (2016: 1,800) were issued on exercise of options.

Appointment of Auditor

Nexia Perth Pty Ltd resigned as auditors on 30 May 2017 and PricewaterhouseCoopers were appointed effective on that date. Refer to Note 26 in relation to fees paid for audit and other services.

Non-Audit Services

There were no non-audit services provided by PricewaterhouseCoopers during the financial year or to the date of this report.

Directors' Report

Nexia Perth provided \$11,714 of accounting and taxation services for the year ended 31 December 2016. The Directors are satisfied that the provision of non-audit services during FY2016 is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Auditors' Independence Declaration

The auditor's independence declaration for the year ended 31 December 2017 has been received and can be found after the Directors' Declaration in the annual report.

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



Peter Canterbury

Managing Director

Dated at Perth this 21 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Note | 2017 \$ | 2016 Restated \$ |
|--|------|--------------------|---------------------------|
| Directors and employee benefits expense | | (1,533,542) | (2,101,978) |
| Net share-based payment (expenses)/reversal | 19 | (441,717) | 699,762 |
| Administration expenses | | (491,153) | (618,453) |
| Professional services and corporate costs | | (808,349) | (2,052,670) |
| Depreciation | 7 | (32,796) | (29,190) |
| Exploration and evaluation expenditure written off | 8 | (143,841) | (26,747,415) |
| Settlement of Creditor Trust | | (9,034) | - |
| Impairment on investment in listed entity | 6 | - | (27,778) |
| Share of associate loss | | - | (412,026) |
| Gain on disposal of assets | | - | 14,668 |
| Foreign currency (loss)/gain | | (6,628) | 145,293 |
| Results from operating activities | | (3,467,060) | (31,129,787) |
| Financial income | | 49,554 | 35,651 |
| Financial expense | | - | (30,874) |
| Net financing income | | 49,554 | 4,777 |
| Loss before income tax | | (3,417,506) | (31,125,010) |
| Income tax expense | 13 | - | - |
| Net loss for the year | | (3,417,506) | (31,125,010) |
| Other comprehensive income | | | |
| Foreign currency translation | | 245,802 | - |
| Movement in fair value of available-for-sale assets | | - | 51,082 |
| Total comprehensive loss for the year | | (3,171,704) | (31,073,928) |
| Net loss is attributable to: | | | |
| Owners of Triton Minerals Limited | | (3,336,873) | (31,270,198) |
| Non-Controlling Interest | | (80,633) | 145,188 |
| | | (3,417,506) | (31,125,010) |
| Total comprehensive loss is attributable to: | | | |
| Owners of Triton Minerals Limited | | (3,140,231) | (31,219,116) |
| Non-Controlling Interest | | (31,473) | 145,188 |
| | | (3,171,704) | (31,073,928) |
| | | 2017 | 2016 |
| | | Cents | Restated Cents |
| Loss per share attributable to ordinary equity holders – basic and diluted | 18 | (0.50) | (6.65) |

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 | 2017 \$ | 2016 Restated \$ | 2015 Restated \$ |
|---|------|-------------------|------------------------|------------------------|
| Current assets | | | | |
| Cash and cash equivalents | 4 | 5,690,723 | 6,967,605 | 343,938 |
| Current receivables | 5 | 553,714 | 1,319,037 | 544,592 |
| Prepayments | | 81,865 | 67,805 | 57,709 |
| Total current assets | | 6,326,302 | 8,354,447 | 946,239 |
| Non-current assets | | | | |
| Available for sale financial assets | 6 | 110,300 | 110,300 | 86,996 |
| Prepayments | | 51,123 | 61,700 | - |
| Property, plant and equipment | 7 | 146,759 | 76,080 | 94,726 |
| Exploration and evaluation assets | 8 | 14,093,032 | 7,579,945 | 16,522,452 |
| Equity accounted investees | | - | - | 16,418,866 |
| Total non-current assets | | 14,401,214 | 7,828,025 | 33,123,040 |
| Total assets | | 20,727,516 | 16,182,472 | 34,069,279 |
| Current liabilities | | | | |
| Trade and other payables | 9 | 1,267,535 | 623,940 | 3,589,127 |
| Provisions | 10 | 55,971 | 16,953 | 151,052 |
| Total current liabilities | | 1,323,506 | 640,893 | 3,740,179 |
| Non-current liabilities | | | | |
| Provisions | 10 | 60,001 | 138,945 | 137,024 |
| Total non-current liabilities | | 60,001 | 138,945 | 137,024 |
| Total liabilities | | 1,383,507 | 779,838 | 3,877,203 |
| Net assets | | 19,344,009 | 15,402,634 | 30,192,076 |
| Equity | | | | |
| Issued capital | 11 | 79,096,870 | 73,508,471 | 59,250,029 |
| Reserves | 12 | 8,625,784 | 6,904,462 | 6,184,425 |
| Accumulated losses | | (69,849,449) | (66,512,576) | (35,242,378) |
| Equity attributable to the owners of the parent entity | | 17,873,205 | 13,900,357 | 30,192,076 |
| Non-controlling interest | | 1,470,804 | 1,502,277 | - |
| Total equity | | 19,344,009 | 15,402,634 | 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

| | Ordinary Share Capital | Available- For-Sale Reserve | Foreign Currency Translation Reserve | Share- based Payment Reserve <i>Restated</i> | Retained Losses <i>Restated</i> | Non- Controlling Interest <i>Restated</i> | Total |
|---|------------------------------|-----------------------------------|---|--|---------------------------------------|--|---------------------|
| CONSOLIDATED | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 | - | - | - | - | (31,270,198) | 145,188 | (31,125,010) |
| 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 | - | - | (31,270,198) | 145,188 | (31,073,928) |
| Transactions with owners recorded directly in equity | | | | | | | |
| Non-controlling interest on acquisition of subsidiary | - | - | - | - | - | 1,357,089 | 1,357,089 |
| Cost of share-based payments | - | - | - | 206,262 | - | - | 206,262 |
| Write back of share-based payments | - | - | - | (906,024) | - | - | (906,024) |
| Issue of shares and free attaching options | 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 | - | 6,847,639 | (66,512,576) | 1,502,277 | 15,402,634 |
| Balance at 1 January 2017 | 73,508,471 | 56,823 | - | 6,847,639 | (66,512,576) | 1,502,277 | 15,402,634 |
| Comprehensive Income: | | | | | | | |
| Loss for the year | - | - | - | - | (3,336,873) | (80,633) | (3,417,506) |
| Other Comprehensive Income | | | | | | | |
| Gain on translation of foreign currency subsidiary | - | - | 196,642 | - | - | 49,160 | 245,802 |
| Total Comprehensive Income for the year | - | - | 196,642 | - | (3,336,873) | (31,473) | (3,171,704) |
| Transactions with owners recorded directly in equity | | | | | | | |
| Cost of share-based payments | - | - | - | 441,717 | - | - | 441,717 |
| Issue of shares and free attaching options | 6,152,182 | - | - | 1,058,189 | - | - | 7,210,371 |
| Share issue costs | (563,783) | - | - | 24,774 | - | - | (539,009) |
| Balance at 31 December 2017 | 79,096,870 | 56,823 | 196,642 | 8,372,319 | (69,849,449) | 1,470,804 | 19,344,009 |

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

Consolidated Statement of Cash Flows

| | Note | 2017 \$ | 2016 Restated \$ |
|---|------|--------------------|------------------------|
| Cash flows from operating activities | | | |
| Payments to suppliers and employees | | (2,324,831) | (5,790,298) |
| Creditors Trust Distribution | | 1,200,000 | (1,132,465) |
| Net cash outflow from operating activities | 20 | (1,124,831) | (6,922,763) |
| Cash flows from investing activities | | | |
| Proceeds for sale of fixed assets | | - | 29,179 |
| Payments for acquisition of plant and equipment | | (103,475) | (25,055) |
| Payments for exploration and evaluation expenditure | | (6,681,782) | (4,372,478) |
| Proceeds from R&D Tax concession | | - | 2,228,830 |
| Interest received | | 49,554 | 35,651 |
| Net cash outflow from investing activities | | (6,735,703) | (2,103,873) |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | | 7,210,371 | 18,208,808 |
| Payment of capital raising costs | | (539,008) | (2,581,648) |
| Interest and finance costs paid | | - | (30,874) |
| Net cash inflow from financing activities | | 6,671,363 | 15,596,286 |
| Net (decrease)/increase in cash and cash equivalents | | (1,189,171) | 6,569,650 |
| Cash and cash equivalents at the beginning of the financial year | | 6,967,605 | 343,938 |
| Net foreign exchange differences | | (87,711) | 54,017 |
| Cash and cash equivalents at the end of the financial year | 4 | 5,690,723 | 6,967,605 |

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

NOTE: 1. REPORTING ENTITY

These consolidated financial statements comprise Triton Minerals Limited (Company) and its controlled entities (the Group). Triton Minerals Limited is a company limited by shares, incorporated and domiciled in Australia.

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

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 interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on an historical costs basis except for by the measurement at fair value of financial assets.

The 31 December 2017 financial report has been prepared on a 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. Refer to note 27 for details of the acquisition of the 20% minority interest in Grafex Limitada and related capital raisings. The Company will need to continue to raise additional capital in order to fund development activities at the Ancuabe project and accelerate the commercialisation of the Nicanda Hill graphite-vanadium deposit.

The financial statements were authorised for issue by the Board of Directors on 21 March 2018.

Functional and Presentation Currency

The presentation currency for the Group is in Australian Dollars. The functional currency for entities in the Group is disclosed in note 2(k).

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:

Notes to the Consolidated Financial Statements

Note 2(q) – Capitalisation of Exploration and Evaluation Assets

Note 16 – Contingent liabilities

Note 19 - Share-based payments

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 2017:

- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2017-2 Amendments to Australian Accounting Standards – Further annual improvements 2014-2016 cycle

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.

Standards and Interpretations on issue not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Group.

| 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 | 1 January 2019 | 31 December 2019 |
| AASB 9 Financial Instruments | 1 January 2018 | 31 December 2018 |
| AASB 15 Revenue from Contracts with Customers | 1 January 2018 | 31 December 2018 |

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards. A preliminary assessment of the new standards has been conducted and concluded that based on the current operations the adoption of these new standards will not result in a material quantitative impact to the Group.

c. Principles of Consolidation

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

Notes to the Consolidated Financial Statements

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.

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.

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 assumes 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. Therefore, 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

Notes to the Consolidated Financial Statements

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.

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. 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.

(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 because 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

Notes to the Consolidated Financial Statements

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.

(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 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

Notes to the Consolidated Financial Statements

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.

k. Foreign Currency Translation

Foreign Operations

The consolidated financial statements are presented in Australian dollars which is the functional currency of the Company and its Australian, Hong Kong and United Arab Emirates registered subsidiaries.

Effective 1 January 2017, the functional currency of Grafex Limitada, a Mozambican subsidiary controlled by Triton, changed from Australian Dollars to Mozambique Meticals. The change in functional currency resulted from the increased activity in exploration and development expenditure in Mozambique denominated in Mozambican Meticals. The new functional currency has been applied prospectively from 1 January 2017 in accordance with *AASB121 The Effects of Changes in Foreign Exchange Rates*.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign Currency Transactions

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.

Notes to the Consolidated Financial Statements

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 because 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) because 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.

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:

1. 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.
2. 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

Notes to the Consolidated Financial Statements

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 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.

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 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.

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.

Notes to the Consolidated Financial Statements

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.

NOTE: 4. CASH AND CASH EQUIVALENTS

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| Cash at bank and on hand | 2,643,104 | 6,876,287 |
| Short-term bank deposits | 3,047,619 | 91,318 |
| Total cash and cash equivalents | 5,690,723 | 6,967,605 |

NOTE: 5. CURRENT RECEIVABLES

| | 2017 | 2016 |
|----------------------------------|----------------|------------------|
| | \$ | \$ |
| Sales taxes receivable | 549,314 | 171,321 |
| Security deposits | - | 15,251 |
| Creditors trust receivable | - | 1,132,465 |
| Other receivables | 4,400 | - |
| Total current receivables | 553,714 | 1,319,037 |

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

NOTE: 6. AVAILABLE FOR SALE FINANCIAL ASSETS

| | 2017 | 2016 |
|--|----------------|----------------|
| | \$ | \$ |
| Balance at beginning of the year | 110,300 | 86,996 |
| Revaluation surplus through other comprehensive income | - | 51,082 |
| Impairment loss through profit or loss | - | (27,778) |
| Total available for sale financial assets | 110,300 | 110,300 |

Notes to the Consolidated Financial Statements

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.

NOTE: 7. PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

| | 2017 | 2016 |
|----------------------------------|----------------|---------------|
| | \$ | \$ |
| At cost | 285,566 | 183,664 |
| Less: Accumulated depreciation | (140,379) | (107,584) |
| Foreign exchange translation | 1,572 | - |
| Total plant and equipment | 146,759 | 76,080 |

Movements in carrying amounts

| | 2017 | 2016 |
|---------------------------------------|----------------|---------------|
| | \$ | \$ |
| Balance at beginning of year | 76,080 | 94,726 |
| Additions | 101,903 | 25,055 |
| Disposals | - | (14,511) |
| Depreciation expense | (32,796) | (29,190) |
| Foreign exchange translation | 1,572 | - |
| Carrying amount at end of year | 146,759 | 76,080 |

NOTE: 8. EXPLORATION & EVALUATION ASSETS

Exploration at cost

| | 2017 | 2016 |
|---|-------------------|------------------|
| | \$ | Restated \$ |
| Balance at the beginning of the year | 7,579,945 | 16,522,452 |
| Expenditure during the year | 6,175,978 | 2,290,598 |
| Research and development tax concession credit | - | (1,768,548) |
| Reclassification of equity accounted investee | - | 17,282,858 |
| Exploration and evaluation assets written off | - | (26,747,415) |
| Movement in rehabilitation provision | (56,786) | - |
| Foreign exchange translation | 393,895 | - |
| Balance at the end of the financial year | 14,093,032 | 7,579,945 |

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.

Notes to the Consolidated Financial Statements

NOTE: 9. CURRENT TRADE AND OTHER PAYABLES

| | 2017 | 2016 |
|---------------------------------------|------------------|----------------|
| | \$ | \$ |
| Trade payables | 708,514 | 475,288 |
| Other payables and accruals | 559,021 | 148,652 |
| Total trade and other payables | 1,267,535 | 623,940 |

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

NOTE: 10. PROVISIONS

| | 2017 | 2016 |
|---------------------------------------|----------------|----------------|
| | \$ | Restated \$ |
| Current | | |
| Provision for annual leave | 55,971 | 16,953 |
| Total current provisions | 55,971 | 16,953 |
| Non-current | | |
| Provision for rehabilitation | 60,001 | 138,945 |
| Total Non-Current Provisions | 60,001 | 138,945 |
| Movement in provisions | | |
| Opening balance | 155,898 | 288,076 |
| Provisions made during the year | 102,849 | 11,496 |
| Provisions used during the year | (44,924) | (143,674) |
| Reduction to rehabilitation provision | (98,945) | - |
| Foreign exchange translation | 1,094 | |
| Closing balance | 115,972 | 155,898 |

Notes to the Consolidated Financial Statements

NOTE: 11. ISSUED CAPITAL

a. Ordinary shares

| | Number of Shares | | \$ | \$ |
|--|------------------|-------------|------------|------------|
| | 2017 | 2016 | 2017 | 2016 |
| Ordinary shares, issued and fully paid | 768,864,149 | 657,804,633 | 79,096,870 | 73,508,471 |

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

b. Movements in ordinary shares issued

| 2017 | | Number | \$ |
|---------------------------------|---------------------------------|--------------------|-------------------|
| At 1 January 2017 | | 657,804,633 | 73,508,471 |
| 16 Mar 2017 | Exercise of options | 666 | 100 |
| 18 Sep 2017 | Placement | 25,629,500 | 1,230,216 |
| 11 Dec 2017 | Entitlement offer | 85,429,350 | 5,980,055 |
| 11 Dec 2017 | Issue of free attaching options | | (1,058,189) |
| | Transaction costs | | (563,783) |
| Balance 31 December 2017 | | 768,864,149 | 79,096,870 |

Shares were issued during the year to provide working capital to the Company.

| 2016 | | Number | \$ |
|---------------------------------|---------------------------------|--------------------|-------------------|
| At 1 January 2016 | | 376,549,422 | 59,250,029 |
| 20 Jan 2016 | Entitlement offer | 19,769,764 | 1,779,278 |
| 25 Jan 2016 | Entitlement offer | 21,894,680 | 1,970,521 |
| 27 Jan 2016 | Entitlement offer | 2,780,000 | 250,201 |
| 21 Sep 2016 | Placement | 105,248,400 | 6,314,904 |
| 31 Oct 2016 | Exercise of options | 1,800 | 270 |
| 28 Nov 2016 | Entitlement offer | 131,560,567 | 7,893,633 |
| 28 Nov 2016 | Issue of free attaching options | - | (333,334) |
| | Capital raising costs | - | (3,617,031) |
| Balance 31 December 2016 | | 657,804,633 | 73,508,471 |

Shares were issued during the year to provide working capital to the Company.

Notes to the Consolidated Financial Statements

c. Movements in listed options

| 2017 | | Number of Options | Exercise Price \$ | Expiry Date |
|---------------------------------|---|----------------------|----------------------|------------------|
| At 1 January 2017 | | 22,220,506 | | |
| 16 Mar 2017 | Expiry of options | (22,219,840) | 0.15 | 16 March 2017 |
| 16 Mar 2017 | Exercise of options | (666) | 0.15 | 16 March 2017 |
| 11 Dec 2017 | Entitlement offer | 85,429,350 | 0.11 | 30 November 2018 |
| 11 Dec 2017 | Entitlement offer: underwriters fees | 2,000,000 | 0.11 | 30 November 2018 |
| Balance 31 December 2017 | | 87,429,350 | | |

| 2016 | | Number of Options | Exercise Price \$ | Expiry Date |
|---------------------------------|---------------------|----------------------|----------------------|---------------|
| At 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) | | |
| Balance 31 December 2016 | | 22,220,506 | | |

Further detail on listed options is included in note 19: Share Based Payments

d. Movements in unlisted options

| 2017 | | Number of Options | Exercise Price \$ | Expiry Date |
|---------------------------------|-------------------|----------------------|----------------------|----------------|
| At 1 January 2017 | | 65,245,189 | | |
| 16 Mar 2017 | Expiry of options | (696,426) | 0.20 | 16 March 2017 |
| 21 July 2017 | Expiry of options | (5,000,000) | 1.00 | 21 July 2017 |
| 25 Aug 2017 | Expiry of options | (5,000,000) | 0.70 | 25 August 2017 |
| Balance 31 December 2017 | | 54,548,763 | | |
| 2016 | | Number of Options | Exercise Price \$ | Expiry Date |
| At 1 January 2016 | | 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 |
| Balance 31 December 2016 | | 65,245,189 | | |

Further detail on listed options is included in note 19 Share Based Payments

Notes to the Consolidated Financial Statements

e. Movement in performance rights

| 2017 | | Number of Performance Rights |
|---------------------------------|-----------------------------|---|
| At 1 January 2017 | | 14,500,000 |
| 16 Mar 2017 | Issue of performance rights | 5,500,000 |
| Balance 31 December 2017 | | 20,000,000 |

| 2016 | | Number of Performance Rights |
|---------------------------------|-----------------------------|---|
| At 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 |
| Balance 31 December 2016 | | 14,500,000 |

Further detail on performance rights is included in note 19: Share Based Payments.

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 2016 and 31 December 2017 were as follows:

| | 2017 | 2016 |
|---------------------------------|------------------|------------------|
| | \$ | \$ |
| Cash and cash equivalents | 5,690,723 | 6,967,605 |
| Trade and other receivables | 553,714 | 1,319,037 |
| Trade and other payables | (1,267,534) | (623,940) |
| Working capital position | 4,976,903 | 7,662,702 |

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

Notes to the Consolidated Financial Statements

NOTE: 12. RESERVES

| | 2017 | 2016 |
|--------------------------------------|------------------|------------------|
| | \$ | Restated \$ |
| Available for sale reserve | 56,823 | 56,823 |
| Foreign currency translation reserve | 196,642 | - |
| Share based payments reserve | 8,372,319 | 6,847,639 |
| Total reserves | 8,625,784 | 6,904,462 |

The share-based payment reserve comprises the cost of shares and options. Refer to Note 19.

NOTE: 13. INCOME TAX EXPENSE

Reconciliation between tax expense and pre-tax loss:

| | | |
|--|-------------|--------------|
| Accounting loss before income tax | (3,417,506) | (31,125,010) |
| At the domestic income tax rate of 27.5% (2016: 30%) | (939,814) | (9,337,503) |
| - Expenditure not allowed for income tax purposes | 295,224 | 8,011,405 |
| - Under/(over) provision in prior year | 217,172 | - |
| - Current year losses and temporary differences for which no deferred tax asset was recognised | 427,418 | 1,326,098 |
| Income tax expense reported in the statement of comprehensive income | - | - |

Unrecognised deferred tax assets at 31 December

| | | |
|--|------------------|------------------|
| Unused tax losses | 26,243,015 | 22,631,372 |
| Potential tax benefit @ 27.5% (2016: 30%) | 7,216,829 | 6,789,411 |
| Tax losses offset against deferred tax liabilities | (21,477) | - |
| Unrecognised tax benefit | 7,195,352 | 6,789,411 |

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.

Notes to the Consolidated Financial Statements

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

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

| | 2017 | 2016 |
|---|----------|------|
| | \$ | \$ |
| Deferred income tax | | |
| Statement of financial position | | |
| Deferred income tax relates to the following: | | |
| Deferred Tax Liabilities | | |
| Prepayments | 21,477 | - |
| Available-for-sale financial assets | - | - |
| Foreign exchange reserve | - | - |
| Deferred Tax Assets | | |
| Deferred tax assets used to offset deferred tax liabilities | (21,477) | - |
| | - | - |

NOTE: 14. CONTROLLED ENTITIES

The following table contains the particulars of all of the subsidiaries of the Company

| Name | Country of Incorporation | Percentage Owned (%) | |
|----------------------------------|--------------------------|----------------------|------|
| | | 2017 | 2016 |
| 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 | 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 21 February 2018 the Company announced that it had signed an agreement for the acquisition of the remaining 20% economic interest in Grafex Limitada.

NOTE: 15. OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess its performance. The segments during the year are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker, being the Managing Director. Comparative segment information has been reclassified to conform to the current presentation.

Notes to the Consolidated Financial Statements

The reportable segments are based on aggregated operating segments determined by the similarity of economic characteristics, the nature of the activities and the regulatory environment in which those segments operate.

The consolidated entity has one reportable segment based on the Company's exploration and development activities in Mozambique. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segment.

| i) Segment Performance | 2017 | 2016 |
|-------------------------------|--------------------|------------------------|
| | \$ | Restated \$ |
| Segment result | (400,602) | (26,561,451) |
| Unallocated items | | |
| Other corporate income | 49,554 | 35,651 |
| Other corporate expenses | (3,066,458) | (4,599,210) |
| Net loss before tax | (3,417,506) | (31,125,010) |

| ii) Segment Assets | 2017 | 2016 |
|--|-------------------|------------------------|
| | \$ | Restated \$ |
| Cash and cash equivalents | 133,751 | 151,053 |
| Exploration and evaluation expenditure | 14,093,032 | 7,579,945 |
| Other assets | 554,742 | 62,053 |
| Total segment assets | 14,781,525 | 7,793,051 |

Reconciliation of segment assets to group assets:

| | | |
|------------------------|-------------------|-------------------|
| Other corporate assets | 5,945,991 | 8,389,421 |
| Total assets | 20,727,516 | 16,182,472 |

| iii) Segment Liabilities | 2017 | 2016 |
|----------------------------------|----------------|------------------------|
| | \$ | Restated \$ |
| Trade and other payables | 151,700 | 438,224 |
| Provisions | 8,507 | 9,575 |
| Total segment liabilities | 160,207 | 447,799 |

Reconciliation of segment assets to group assets:

| | | |
|-----------------------------|------------------|----------------|
| Other corporate liabilities | 1,223,300 | 332,039 |
| Total liabilities | 1,383,507 | 779,838 |

Notes to the Consolidated Financial Statements

NOTE: 16. CONTINGENT LIABILITY

The Company has a contingent liability in respect of capital gains tax that may be payable from Triton's acquisition of its interest 80% in Grafex Limitada. The Company has sought professional advice on the potential capital gains tax payable, if any. The advice received has resulted in a range of possible of outcomes from no liability to the Company on the basis that the vendor is liable for the amount in full to a possible future liability of up to US\$1.4 million should the vendor not remit the required taxes.

NOTE: 17. COMMITMENTS FOR EXPENDITURE

a. Minimum Operating Lease Commitments

| | 2017 | 2016 |
|--|---------------|----------------|
| | \$ | \$ |
| Not longer than one year | 58,798 | 79,758 |
| Longer than one year, but not longer than five years | 8,571 | 24,496 |
| Total | 67,369 | 104,254 |

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.

| | 2017 | 2016 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Not longer than one year | 173,154 | 165,706 |
| Total | 173,154 | 165,706 |

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: 18. EARNINGS PER SHARE (EPS)

a. Basic and Diluted loss per share

| | 2017 | 2016 |
|---|--------|-------------------|
| | Cents | Restated Cents |
| Loss attributable to ordinary equity holders of the Group | (0.50) | (6.65) |

Notes to the Consolidated Financial Statements

b. Reconciliation of earnings to loss

| | 2017 | 2016 Restated |
|--|--------------------|---------------------|
| | \$ | \$ |
| Net loss attributable to ordinary equity holders | (3,417,506) | (31,125,010) |
| Earnings used to calculate basic EPS | (3,417,506) | (31,125,010) |

c. Weighted average number of ordinary shares outstanding

| | 2017 | 2016 |
|--|-------------|-------------|
| Weighted average number of ordinary shares outstanding during the year used to calculate basic EPS | 683,142,530 | 468,337,274 |

NOTE: 19. SHARE-BASED PAYMENTS

a. Share-based payments

| | 2017 | 2016 Restated |
|---|----------------|------------------|
| | \$ | \$ |
| Expense arising from issue of performance rights | 441,717 | 206,262 |
| Write back arising from lapse of performance rights | - | (906,024) |
| Total share-based payments | 441,717 | (699,762) |

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.

| | 2017 Number | 2017 WAEP | 2016 Number | 2016 WAEP |
|---|--------------------|---------------|-------------------|---------------|
| Outstanding at the beginning of the year | 87,465,695 | \$0.21 | 23,164,146 | \$0.45 |
| Listed options granted during the year | 87,429,350 | \$0.11 | 22,220,306 | \$0.15 |
| Unlisted options granted during the year | - | - | 50,000,000 | \$0.10 |
| Options lapsed during the year | (32,916,266) | \$0.36 | (7,916,957) | \$0.10 |
| Exercised during the year | (666) | \$0.15 | (1,800) | \$0.15 |
| Outstanding at the end of the year | 141,978,113 | \$0.11 | 87,465,695 | \$0.21 |

Notes to the Consolidated Financial Statements

c. Options exercisable at reporting date

| | 2017 Number | Exercise price |
|---|--------------------|-------------------|
| Unlisted options expired 23 January 2018 | 4,548,763 | \$0.28 |
| Unlisted options expired 30 June 2018 | 50,000,000 | \$0.10 |
| Listed options expiring 30 November 2018 | 87,429,350 | \$0.11 |
| Exercisable at the end of the year | 141,978,113 | |

d. Options issued during 2017

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

- 85,429,350 listed options issued to eligible shareholders on the basis of one free attaching option for every share issued as part of a non-renounceable entitlement offer of 85,429,350 shares at an issue price of \$0.07 per share on the basis of 1 share for every 8 shares held. Each option has an exercise price of \$0.11 and expire on 30 November 2018 (Shareholder Options).
- 2,000,000 listed options issued granted to the underwriter pursuant to the underwriting agreement for the non-renounceable entitlement offer of 85,429,350 shares at an issue price of \$0.07 per share on the basis of 1 share for every 8 shares held. Each option has an exercise price of \$0.11 and expire on 30 November 2018 (Underwriter Options).

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

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 issued on 11 December 2017. The following table lists the inputs to the model used for the year ended 31 December 2017.

| | Listed Options Shareholder | Listed Options Underwriter |
|---------------------------|----------------------------------|----------------------------------|
| Number of options | 85,429,350 | 2,000,000 |
| Issue date | 11 December 2017 | 11 December 2017 |
| Expiry Date | 30 November 2018 | 30 November 2018 |
| Exercise price | \$0.11 | \$0.11 |
| Expected volatility | 80% | 80% |
| Risk-free interest rate | 1.50% | 1.50% |
| Fair value of each option | \$0.0124 | \$0.0124 |
| Valuation | \$1,058,190 | \$24,773 |

Notes to the Consolidated Financial Statements

e. Performance rights

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

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | Number | Number |
| Outstanding at the beginning of the year | 14,500,000 | 20,500,000 |
| Granted during the year | 5,500,000 | 12,000,000 |
| Expired during the year | - | (18,000,000) |
| Outstanding at the end of the year | 20,000,000 | 14,500,000 |

On 12 December 2016 and 9 January 2017, 5,500,000 performance rights were granted to personnel of the Company. 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:

500,000 performance rights to vest upon completion of a Pre-Feasibility Study (PFS) or the decision of the Board to convert the PFS into a full Definitive Feasibility Study (DFS) prior to 31 December 2017.

500,000 performance rights to vest upon completion of the DFS by 31 December 2018.

1,500,000 performance rights to vest upon completion of a DFS and decision to mine and execution of offtake agreements for at least 50% of the production of Ancuabe before 2 March 2019.

1,500,000 performance rights to vest upon a Board resolution to proceed to fund and construct the project by 31 March 2019

1,500,000 performance rights to vest upon commencing mining and processing of first ore by 2 December 2019.

The fair value of the 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 2017.

| | Tranche A | Tranche B | Tranche C | Tranche D | Tranche E |
|-------------------------|------------------|------------------|------------------|------------------|------------------|
| Number | 1,500,000 | 1,500,000 | 500,000 | 500,000 | 1,500,000 |
| Grant date | 12 Dec 2016 | 12 Dec 2016 | 9 Jan 2017 | 9 Jan 2017 | 9 Jan 2017 |
| Issue Date | 17 Mar 2017 | 17 Mar 2017 | 17 Mar 2017 | 17 Mar 2017 | 17 Mar 2017 |
| Expiry dates | 2 Mar 2019 | 2 Dec 2019 | 31 Dec 2017 | 31 Dec 2018 | 31 Dec 2018 |
| Share price at grant | \$0.071 | \$0.071 | \$0.062 | \$0.062 | \$0.062 |
| Fair value | \$0.071 | \$0.071 | \$0.062 | \$0.062 | \$0.062 |
| Expected volatility | 100% | 100% | 100% | 100% | 100% |
| Risk-free interest rate | 1.73% | 1.73% | 1.73% | 1.73% | 1.73% |
| Valuation | \$106,500 | \$106,500 | \$31,000 | \$31,000 | \$93,000 |

Notes to the Consolidated Financial Statements

During the year \$139,705 was recognised as a share-based payment in relation to these performance rights.

On 11 January 2018, 1,000,000 performance rights vested and were converted to fully paid ordinary shares in the Company.

On 2 December 2016, 12 million performance rights were issued to Peter Canterbury in accordance with the terms and conditions approved by the shareholders at the annual general meeting held on 2 December 2016. 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:

6,000,000 performance rights to vest upon completion of a DFS and decision to mine and execution of offtake agreements for at least 50% of the production of Ancuabe before 2 March 2019.

6,000,000 performance rights to vest upon commencing mining and processing of first ore by 2 December 2019.

The fair value of the 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.

| | Performance Rights |
|---------------------------------|----------------------------------|
| Number of performance rights | 12,000,000 |
| Grant date | 2 December 2016 |
| Expiry dates | 2 March 2019 and 2 December 2019 |
| Share price at grant date | \$0.06 |
| Fair value of performance right | \$0.06 |
| Expected volatility | 100% |
| Risk-free interest rate | 1.73% |
| Valuation | \$720,000 |

During the year \$172,976 was recognised as a share-based payment in relation to these options.

During the financial year to 31 December 2016, 18,000,000 performance rights previously issued to employees and Directors lapsed without being converted to ordinary shares.

Notes to the Consolidated Financial Statements

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) | | | | |

NOTE: 20. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES WITH LOSS AFTER INCOME TAX

| | 2017 | 2016 |
|--|--------------------|--------------------|
| | \$ | Restated \$ |
| Loss after income tax | (3,417,506) | (31,125,010) |
| Adjustments to add/(deduct) non-cash items: | | |
| Net loss on disposal of fixed assets | - | (14,668) |
| Revaluation of investment in listed entity | - | 27,778 |
| Depreciation | 32,796 | 29,190 |
| Net Share based payments expense/(reversal) | 441,717 | (699,762) |
| Exploration and evaluation expenditure written down | 143,841 | 26,747,415 |
| (Loss)/gain on foreign exchange | 95,527 | (54,017) |
| Investment in associate expensed | - | 412,026 |
| Add: interest expense relating to financing activity | - | 30,874 |
| Less: interest income relating to investing activities | (49,554) | (35,651) |
| Changes in assets and liabilities: | | |
| Increase/(decrease) in payables and provisions | 419,314 | (1,108,473) |
| Decrease/(increase) in Creditors Trust | 1,209,034 | (1,132,465) |
| Cash Flow from Operating Activities | (1,124,831) | (6,922,763) |

There were no non-cash investing or financing activities in 2017 (2016: nil)

Notes to the Consolidated Financial Statements

NOTE: 21. 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:

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| Investments in subsidiaries | 3,220 | 3,220 |
| Provision for loss on investments | (100) | (100) |
| Net recoverable investment | 3,120 | 3,120 |
| Loans to subsidiaries | 22,149,581 | 17,794,577 |
| Provision for loss on intercompany loans | (15,741,978) | (15,741,978) |
| Net recoverable loan | 6,407,603 | 2,052,599 |

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

b. Transactions with other related parties

| | 2017 | 2016 |
|-------------------------------|---------------|---------------|
| | \$ | \$ |
| Legal and consulting services | 35,000 | 27,500 |
| | 35,000 | 27,500 |

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

NOTE: 22. KEY MANAGEMENT PERSONNEL DISCLOSURES

a. Directors

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

| Director | Role | Appointment |
|-----------------------|---|----------------|
| Xingmin (Max) Ji | Non-Executive Chairman | 22 July 2016 |
| Peter Canterbury | Managing Director | 3 October 2016 |
| Paula Ferreira | Non-Executive Director | 24 August 2015 |
| Patrick Burke | Non-Executive Deputy Chairman | 22 July 2016 |
| Guanghai (Michael) Ji | Non-Executive Director | 22 July 2016 |
| David Edwards | Chief Financial Officer and Company Secretary | 3 January 2017 |

Notes to the Consolidated Financial Statements

b. Key Management Personnel compensation

| | 2017 | 2016 |
|------------------------------|------------------|----------------|
| | \$ | \$ |
| Short term employee benefits | 864,135 | 677,537 |
| Incentives | 216,250 | - |
| Share-based payments | 352,502 | (530,066) |
| Termination payments | - | 359,716 |
| Post-employment benefits | 59,293 | 52,620 |
| Long-term benefits | 28,618 | |
| Other | 10,454 | - |
| | 1,531,252 | 559,807 |

c. Shareholdings of Key Management Personnel

| | 1 January 2017 | Purchased | 31 December 2017 |
|-----------------------|---------------------------|------------------|-----------------------------|
| Name | | | |
| Xingmin (Max) Ji | - | - | - |
| Peter Canterbury | 200,000 | 137,500 | 337,500 |
| Ms Paula Ferreira | - | - | - |
| Patrick Burke | - | - | - |
| Guanghui (Michael) Ji | - | - | - |
| David Edwards (i) | - | 140,625 | 140,625 |
| | 200,000 | 278,125 | 478,125 |

i) Appointed 3 January 2017

d. Option holdings of Key Management Personnel

| | 1 January 2017 | Acquired | 31 December 2017 |
|-----------------------|---------------------------|-----------------|-----------------------------|
| Name | | | |
| Xingmin (Max) Ji | - | - | - |
| Peter Canterbury | - | 37,500 | 37,500 |
| Ms Paula Ferreira | - | - | - |
| Patrick Burke | - | - | - |
| Guanghui (Michael) Ji | - | - | - |
| David Edwards (i) | - | 15,625 | 15,625 |
| | - | 53,125 | 53,125 |

i) Appointed 3 January 2017

On 9 January 2018, Shareholders at a general meeting passed resolutions to issue unlisted options to non-executive directors (or their nominees) as follows: Xingmin (Max) Ji, 3,000,000 unlisted options,

Notes to the Consolidated Financial Statements

Patrick Burke, 2,500,000 unlisted options; Guanghui (Michael) Ji, 2,000,000 unlisted options; Paula Ferreira, 2,000,000 unlisted options. The options issued for no consideration have an exercise price of \$0.11, a vesting date of 9 January 2019 and an expiry date of 9 January 2020.

e. Performance rights holdings of Key Management Personnel

| Name | 1 January 2017 | Granted | 31 December 2017 |
|-----------------------|-------------------|---------|---------------------|
| Xingmin (Max) Ji | - | - | - |
| Peter Canterbury | 12,000,000 | - | 12,000,000 |
| Paula Ferreira | 2,500,000 | - | 2,500,000 |
| Patrick Burke | - | - | - |
| Guanghui (Michael) Ji | - | - | - |
| David Edwards | 3,000,000 | - | 3,000,000 |
| | 17,500,000 | - | 17,500,000 |

NOTE: 23. 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 exposure.

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 11(f) of this financial report for details regarding the Group's capital risk management.

NOTE: 24. CORRECTION OF PRIOR PERIOD ERRORS

During the year to 31 December 2017, errors were identified for items (i) to (iv) below that require restatement of the prior year financial information.

i) Revenue

An error has been identified in the accounting treatment of a research and development tax concession credit received in the financial year ended 31 December 2016. The amount of \$1,768,548 related to concessions received in relation to capitalised exploration expenditure and as such the tax credit received should have been credited to both the exploration and evaluation asset (\$197,091) and the impairment of the Balama region exploration assets (\$1,571,457) and not recognised as Revenue

Notes to the Consolidated Financial Statements

during the year ended 31 December 2016. The associated cash inflows from the research and development tax concession credit have been reclassified from operating to investing cashflows.

ii) Performance Rights

In October 2015, performance rights were issued to a non-executive director and in December 2016 performance rights were issued to the Managing Director. An error has been identified in the calculation of fair value of the performance rights in the financial year to 31 December 2015 and the financial year to 31 December 2016. This resulted in a reduction to the share-based payment reversal by \$162,002 for the financial year to 31 December 2016.

iii) Provision for Foreign Tax

In the financial year ended 31 December 2015, a provision of US\$4.75m was recognised for a contingent capital gains tax liability arising from Triton's acquisition of its interest in Grafex Limitada. The Company has sought professional advice on the potential contingent capital gains tax liability payable and the advice received has resulted in a range of possible outcomes from no liability to the Company to a possible future liability. Given this inherent uncertainty across a range of outcomes and the Company having no present obligation, the provision should not have been recognised, but instead disclosed as a contingent liability (Note 7). Accordingly, the provision of \$6,510,628 recognised in the financial year ended 31 December 2015 has been derecognised together with a corresponding decrease to both the exploration and evaluation assets (\$988,229) and the impairment of the Balama region exploration assets (\$5,522,399) and a foreign exchange loss of \$91,276 that arose from the revaluation of the provision during the year ended 31 December 2016. As the related exploration and expenditure assets were impaired in second half of 2016, an additional adjustment was made to reverse impairment charges on the adjusted exploration and evaluation assets by \$5,522,399 in the second half of the year ended 31 December 2016.

iv) Non-Controlling Interest

An error has been identified in the calculation of the fair value of the non-controlling interest in the asset acquisition of Grafex Limitada on 30 September 2016. A non-controlling interest of \$1,465,085 has now been recognised on the basis of the proportionate share of the non-controlling interest in Grafex Limitada.

These errors have been corrected by restating each of the affected financial statement line items for the prior period as follows:

| Consolidated statement of profit or loss (extract) | 31 December 2016 | Increase/ (Decrease) | 31 December 2016 Restated |
|---|-------------------------|-----------------------------|----------------------------------|
| | \$ | \$ | \$ |
| Revenue (i) | 1,768,548 | (1,768,548) | - |
| Share based payments reversal (ii) | 861,764 | (162,002) | 699,762 |
| Exploration expenditure written off (iii), (iv) | (32,376,186) | 5,628,771 | (26,747,415) |
| Foreign currency gain (iii) | 54,017 | 91,276 | 145,293 |
| Net loss for the year | (34,914,507) | 3,789,497 | (31,125,010) |

Notes to the Consolidated Financial Statements

| Consolidated balance sheet (extract) | 1 January 2016 | Increase/ (Decrease) | 1 January 2016 Restated |
|---|---------------------------|---------------------------------|--|
| | \$ | \$ | \$ |
| Equity accounted investees (iii) | 22,929,494 | (6,510,628) | 16,418,866 |
| Non-current provisions (iii) | (6,647,652) | 6,510,628 | (137,024) |
| Net Assets | 30,192,076 | - | 30,192,076 |

| Consolidated balance sheet (extract) | 31 December 2016 | Increase/ (Decrease) | 31 December 2016 Restated |
|--|-----------------------------|---------------------------------|--|
| | \$ | \$ | \$ |
| Exploration and evaluation assets (i), (iii) | 8,765,265 | (1,185,320) | 7,579,945 |
| Non-current provisions (iii) | (6,740,849) | 6,601,904 | (138,945) |
| Net Assets | 9,986,050 | 5,416,584 | 15,402,634 |
| Reserves (i) | 6,742,460 | 162,002 | 6,904,462 |
| Retained losses | (70,156,885) | 3,644,309 | (66,512,576) |
| Non-controlling interest (iv) | (107,996) | 1,610,273 | 1,502,277 |
| Total Equity | 9,986,050 | 5,416,584 | 15,402,634 |

| Loss per share attributable to ordinary equity holders – basic and diluted | 31 December 2016 | Increase/ (Decrease) | 31 December 2016 Restated |
|---|-----------------------------|---------------------------------|--|
| | Cents | Cents | Cents |
| Loss per share (i), (ii), (iii) | (7.60) | 0.95 | (6.65) |

Notes to the Consolidated Financial Statements

NOTE: 25. PARENT ENTITY DISCLOSURES

a. Financial Position of Triton Minerals Limited

| | 2017 | 2016 |
|--------------------------------------|-------------------|-------------------|
| | \$ | Restated \$ |
| Current assets | | |
| Cash and cash equivalents | 5,555,380 | 6,811,809 |
| Trade and other receivables | 111,154 | 1,287,297 |
| Prepayments | 78,097 | 59,333 |
| Total current assets | 5,744,631 | 8,158,439 |
| Non-current assets | | |
| Financial assets | 44,444 | 44,444 |
| Prepayments | 51,123 | 61,700 |
| Loans to subsidiaries (b) | 6,407,603 | 2,052,599 |
| Investment in subsidiaries (b) | 3,120 | 3,120 |
| Property, plant and equipment | 43,335 | 54,021 |
| Exploration and evaluation assets | 9,265,664 | 6,191,970 |
| Total non-current assets | 15,815,289 | 8,407,854 |
| Total assets | 21,559,920 | 16,566,293 |
| Current liabilities | | |
| Trade and other payables | 1,115,834 | 185,716 |
| Provisions | 47,464 | 146,321 |
| Total current liabilities | 1,163,298 | 332,037 |
| Non-current liabilities | | |
| Provisions | 60,001 | - |
| Total non-current liabilities | 60,001 | - |
| Total liabilities | 1,223,299 | 332,037 |
| Net assets | 20,336,621 | 16,234,256 |
| Equity | | |
| Issued capital | 79,096,870 | 73,508,471 |
| Reserves | 8,372,319 | 6,847,639 |
| Accumulated losses | (67,132,568) | (64,121,854) |
| Total equity | 20,336,621 | 16,234,256 |

The reported value of the net assets of the Company exceed those of the Group by \$992,612.

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.

Notes to the Consolidated Financial Statements

Investments in subsidiaries are accounted for at cost.

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| Loans to subsidiaries and associates | 22,149,581 | 17,794,577 |
| Provision for loss on intercompany loans | (15,741,978) | (15,741,978) |
| Net loans to subsidiaries | 6,407,603 | 2,052,599 |
| 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.

c. Financial Performance of Triton Minerals Ltd

| | 2017 | 2016 |
|-----------------------------------|--------------------|---------------------|
| | \$ | Restated \$ |
| Loss for the year | (3,010,714) | (28,909,094) |
| Other comprehensive income | - | 51,082 |
| Total Comprehensive Income | (3,010,714) | (28,858,012) |

d. 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 2017 (2016: Nil).

e. Contingent liabilities of Triton Minerals Ltd

The contingent liabilities of the Group detailed in Note 16 are in the name of Triton Minerals Limited.

f. Commitments of Triton Minerals Ltd

The exploration expenditure commitments and operating lease commitments of the Group detailed in Note 17 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.

| | 2017 | 2016 |
|--|--------|--------|
| | \$ | \$ |
| Audit and review of financial reports: | | |
| PricewaterhouseCoopers | 57,310 | - |
| Nexia Perth Audit Services Pty Ltd | 12,688 | 58,799 |
| Other Services | | |
| Audit of Grafex Limitada (Ernst and Young) | 7,550 | - |
| Accounting and taxation advice (Nexia Perth Pty Ltd) | - | 11,714 |

NOTE: 27. EVENTS AFTER THE BALANCE SHEET DATE

On 9 January 2018, Shareholders at a general meeting passed resolutions to issue unlisted options to non-executive directors (or their nominees) as follows: Xingmin (Max) Ji, 3,000,000 unlisted options, Patrick Burke, 2,500,000 unlisted options; Guanghui (Michael) Ji, 2,000,000 unlisted options; Paula Ferreira, 2,000,000 unlisted options. The options issued for no consideration have an exercise price of \$0.11, a vesting date of 9 January 2019 and an expiry date of 9 January 2020.

On 23 January 2018, 4,548,763 unlisted options with an exercise price of \$0.2748 expired.

On 13 February 2018, the Company announced that it had terminated an agreement in relation to an option to acquire certain lithium assets and royalties from Westgold Resources Limited.

On 21 February 2018, the Company made a payment of US\$1,500,000 (A\$1,911,253) to Gregory Sheffield (Sheffield) as consideration for Sheffield's consent to amend the Shareholders Agreement between Sheffield and the Group to make Sheffield's then carried interest a contributory interest and to effect the variation on an arm's length basis under the terms of the Deed of Variation.

On 23 February 2018, the Company issued 10,000,000 options to Sheffield with an exercise price of \$0.11 and expiry date of 30 November 2018 pursuant to a Cooperation Agreement whereby Sheffield agrees to assist the Company in relation to certain matters in Mozambique.

On 13 March 2018, the Company announced that it had completed the acquisition of an economic interest in the remaining 20% of the shares of Grafex Limitada for US\$1,500,000 (A\$1,908,121). The Company will need to seek formal approval of the transfer of the interest under Mozambique legislation to complete the transfer of legal title; however, it will receive 100% of the economic benefit to the shares until formal approval is received.

On 16 March 2018, the Company announced an equity raising of approximately \$5.2 million comprising a placement to institutional and sophisticated investors to raise \$1.0 million (under Listing Rule 7.1 placement capacity) and a non-renounceable fully underwritten pro-rata entitlement offer to eligible shareholders to raise gross proceeds of approximately \$4.2 million.

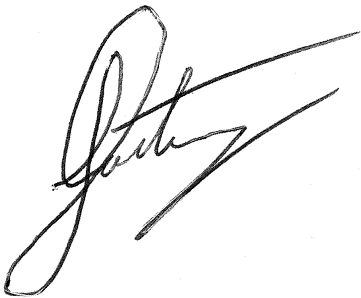
There were no other significant events after the balance sheet date.

Directors' Declaration

In the opinion of the Directors of Triton Minerals Limited:

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:
 - a) give a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the year ended on that date;
 - b) comply with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and
 - c) 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 2017.
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

Perth, 21 March 2018



Auditor's Independence Declaration

As lead auditor for the audit of Triton Minerals Limited for the year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Triton Minerals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ben Gargett'.

Ben Gargett
Partner
PricewaterhouseCoopers

Perth
21 March 2018



Independent auditor's report

To the members of Triton Minerals Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Triton Minerals Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2017
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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 responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of 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.

PricewaterhouseCoopers, ABN 52 780 433 757

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates. The Group is a graphite explorer with a development project in Mozambique.



Materiality

- For the purpose of our audit we used overall Group materiality of \$207,000, which represents approximately 1% of the Group's total assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group total assets because, in our view, it is the benchmark against which the performance of the Group is most commonly measured whilst in the exploration phase.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The accounting processes are structured around a group finance function at its head office in Perth. We have performed our audit procedures primarily at the Group's Perth office.



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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

| <i>Key audit matter</i> | <i>How our audit addressed the key audit matter</i> |
|--|---|
| <p><i>Impairment assessment for capitalised exploration and evaluation assets</i> <i>(Refer to note 8) \$14,093,032</i></p> <p>As at 31 December 2017, the Group held capitalised exploration and evaluation assets of \$14,093,032.</p> <p>Judgement was required by the Group to assess whether there were indicators of impairment of the capitalised exploration and evaluation assets due to the need to make estimates about future events and circumstances, such as whether the mineral resources may be economically viable to mine in the future.</p> <p>This was a key audit matter because of the size of the balance and the risk of impairment should the Group relinquish certain exploration or mining licences as it continues to assess future viability.</p> | <p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none">• Evaluated the Group's assessment that there had been no indicators of impairment for its capitalised exploration and evaluation assets, including inquiries with management and directors to develop an undertaking of the current status and future intentions for the Group's project.• Tested on a sample basis whether the Group retained right of tenure for its exploration licence areas by obtaining licence status records maintained by the relevant government authority in Mozambique.• Considered the consistency of information provided with internal and external reports prepared in relation to exploration licence areas, which included the results of exploration drilling and other activities including the results of the Definite Feasibility Study, and management's assessment of the likely prospectivity of material licence areas.• Considered the consistency of information provided with other available information, such as press releases made by the Company about the results of the exploration drilling campaign and other project development activities.• Tested a sample of current year expenditure to source documents on exploration licence areas; and• Obtained plans for future expenditure and compared these to contractual minimum licence expenditure requirements. |



Key audit matter

Disclosure of contingent capital gains tax liability

(Refer to note 16) US\$1,400,000

As at 31 December 2017, the Group disclosed a contingent capital gains tax liability of US\$1,400,000.

The determination of whether the Group has a present obligation to pay foreign capital gains tax on its acquisition of an 80% interest in Grafex Limitada in 2014 required significant judgement. The Group determined that a possible obligation may arise to it for capital gains tax should the vendor of the Grafex Limitada interest not remit taxes payable to the Autoridade Tributária de Moçambique.

This was a key audit matter due to the judgements involved in determining whether a present obligation exists, the magnitude of the obligation, and nature of the disclosures in the financial report.

How our audit addressed the key audit matter

In order to determine whether the Group had a present obligation for foreign capital gains taxes or if these taxes were contingent on future events, we performed the following audit procedures, amongst others:

- Obtained and evaluated the advice received by the Group from third party experts with respect to whether the Group has a current obligation for a capital gains tax liability in Mozambique in relation to its acquisition of 80% of the issued capital in Grafex Limitada, in light of our understanding of the transaction and our assessment of the objectivity and competence of the experts utilised by the Group.
- Assessed the competence, capabilities and objectivity of experts used by management to assist in determining the quantum of the capital gains tax contingent liability.
- Assessed the completeness and accuracy of the disclosures in the financial report by comparing these disclosures to our understanding of the matters which give rise to the liabilities and the requirements of Australian Accounting Standards.

For the restatement to reduce tax related liabilities by \$6.5 million in note 24, we performed the following audit procedures:

- Tested the calculation of the impact of the error on each of the years ending 31 December 2017, 31 December 2016 and 31 December 2015 by considering the present obligation for tax liabilities as at each year end.
- Assessed the adequacy of the disclosures related to the restatement of tax related liability at 31 December 2016 and 31 December 2015 in light of the requirements of Australian Accounting Standards.



Key audit matter

Availability of funding for further development activities

(Refer to note 2(a) and note 27)

The Group is in the exploration and evaluation phase and therefore does not generate revenue from its operations and relies on funding from its shareholders or other sources to continue as a going concern. These funds are used to meet expenditure requirements to maintain the good standing of the Group's tenements, progress project feasibility studies, and to cover corporate overheads.

In determining the appropriateness of their going concern basis of preparation of the financial report, the Group made a number of judgements, including expenditure required to progress the Group's projects, expected funding receipts from capital raisings and strategic partners and the minimum corporate overhead expenditure required to continue operations.

Assessing the appropriateness of the Group's basis of preparation for the financial report was a key audit matter due to its importance to the financial report and the level of judgement involved in forecasting future cash flows for a period of at least 12 months from the date of the financial report.

How our audit addressed the key audit matter

In considering the appropriateness of the going concern assumption used in preparing the financial report, we:

- Evaluated the appropriateness of the Group's assessment of its ability to continue as a going concern, including whether the period covered is at least 12 months from the date of the financial report and that relevant information of which we are aware from the audit was included.
- Inquired of management and the directors whether they were aware of any events or conditions, including beyond the period of assessment, that may cast significant doubt on the Group's ability to continue as a going concern.
- Evaluated the Group's plans for future actions, including reading underwriting agreements for capital raisings, and determining whether the outcome was likely to improve the cash position and whether they were feasible in the circumstances.
- Compared the key underlying data and assumptions in the Group's cash flow forecast to approved budgets, internal reporting and historical cash outflows.
- Developed an understanding of the key forecast expenditure items, including the amounts that are contractually committed and required to be paid to maintain the good standing of the Group's tenements.
- Evaluated the adequacy of the disclosures made in the financial report, including the basis for the directors' conclusion that the Group is a going concern in light of the requirements of Australian Accounting Standards.



| <i>Key audit matter</i> | <i>How our audit addressed the key audit matter</i> |
|---|---|
| <p><i>Correction of prior period restatements</i> <i>(Refer note 24)</i></p> <p>The following restatements of the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and the Consolidated Statement of Changes in Equity have been made in relation to prior periods:</p> <ul style="list-style-type: none">• Recognition of R&D concession credits as revenue,• Measurement of performance rights issues,• Recognition of provision for foreign capital gains tax; and,• Measurement of the non-controlling interest arising on the acquisition of Grafex Limitada. <p>These matters and their financial impacts are explained in detail in the referenced note to the financial statements.</p> <p>We focussed on these matters due to the magnitude of the adjustments and judgement and analysis applied by the Group in identifying and calculating the adjustments as well as in determining the appropriate periods in which the restatements were to be reflected.</p> | <p>In assessing the nature, quantum and timing of the restatements we performed procedures including, amongst others:</p> <ul style="list-style-type: none">• We assessed the Group's accounting position papers and supporting documentation as well as researching the appropriate authoritative guidance to determine the nature of the change in policy and accounting errors identified;• We obtained the key supporting documentation and calculations prepared by the Group to determine the appropriateness and quantum of each adjustment;• We tested the calculation and appropriateness of the associated impacts on each of the financial statements for the years ended 31 December 2017, 31 December 2016 and 31 December 2015 by considering the relevant balance sheet positions of each year; and• We assessed the adequacy of the disclosures related to the restatements in light of the requirements of Australian Accounting Standards. |

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 31 December 2017, including the Corporate Directory, Letter from the Managing Director, Directors' Report, Corporate Governance Statement and Additional ASX Information, but does not include the financial report and our auditor's report thereon.

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



In connection with our audit of the financial report, our responsibility is to read the other information identified above 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *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 financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 13 to 20 of the directors' report for the year ended 31 December 2017.

In our opinion, the remuneration report of Triton Minerals Limited for the year ended 31 December 2017 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.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Ben Gargett'.

Ben Gargett
Partner

Perth
21 March 2018

Corporate Governance Statement

The Board of Directors of Triton Minerals Limited 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.

This statement sets out the main corporate governance practices in place throughout the financial year in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Principles and Recommendations).

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.

The Statement was approved by the Board of Directors and is current at 21 March 2018.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

ASX Recommendation 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.

The Company has complied with this recommendation. The Board has adopted a formal charter that details the respective Board and management functions and responsibilities. A copy of this charter is included within the Corporate Governance Plan available on the Company's website www.tritonminerals.com.

ASX Recommendation 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 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

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

The Company has complied with this recommendation. All directors and senior management are appointed through a written agreement that sets out the terms of appointment, including their duties, rights and responsibilities.

ASX Recommendation 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 can communicate directly with the Company Secretary and vice versa.

ASX Recommendation 1.5: The Company should have a diversity policy which include requirements for the board to set measurable 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.

The Company partly complies with this recommendation. The Company has adopted a Diversity Policy that is included within the Corporate Governance Plan available on the Company's website www.tritonminerals.com. Given the stage of development of the Company and its resulting low headcount the Board has not yet set measurable objectives to achieve gender diversity. There is

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currently one woman on the board, representing 20% of the total and two women in senior management representing 66% of the total.

ASX Recommendation 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 Company has complied with this recommendation. The Board has adopted an evaluation process to measure its performance. The performance review is led by the Chairman of the Remuneration and Nomination Committee, who is a Non-Executive Director. A board evaluation was undertaken during the evaluation period.

ASX Recommendation 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 Company has complied with this recommendation. The annual review of senior executives' performance and remuneration is carried out by the Managing Director, in accordance with the terms and conditions of the executive's employment agreement. The Chairman of the Board will undertake the review of the Managing Director's performance and will make recommendations on remuneration and retention to the full Board.

PRINCIPLE 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 partly complied with this recommendation. The members of the Remuneration and Nomination Committee during the period to December 2017 were Patrick Burke (Chairman of the Committee), Xingmin (Max) Ji and Guanghui (Michael) Ji. Mr Burke is an independent director however Xingmin (Max) Ji and Guanghui (Michael) Ji are not independent and the Committee does not therefore consist of a majority of independent directors. The charter is included within the Corporate Governance Plan available on the Company's website www.tritonminerals.com and the number of meetings attended is included within the Directors Report.

ASX Recommendation 2.2: The board should have and 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 Company has complied with this recommendation. The Board has established a skills matrix and the skills and experience of the Directors are reviewed on a regular basis. The skills and experience that the Board possess on a collective basis is as follows: resources industry knowledge across exploration, development and operations; knowledge of operating within Africa; capital market experience; corporate governance and risk management; strategic expertise; leadership; legal and accounting.

ASX Recommendation 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

The deputy chairman, Patrick Burke and Paula Ferreira are independent directors. The appointment date of current directors is set out in the Directors Report.

ASX Recommendation 2.4: A majority of the board of the Company should be independent directors.

The Company has not complied with this recommendation. At the reporting date, the Board was comprised of two independent directors and three directors that are not independent. The Company is aware of the importance of having a Board with most 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 to meet the ASX recommendation of maintaining a majority of independent Non-Executive Directors.

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

The Company has partly complied with this recommendation. The Chairman is not an independent director. The role of Chair and Chief Executive Officer were not undertaken at any time by the same individual.

ASX Recommendation 2.6: a listed entity should have a program for inducting new directors and provide appropriate professional development activities.

The Company is not of the size to provide a program of professional development for directors, however, the Company is aware of professional development undertaken by directors.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

ASX Recommendation 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 has complied with this recommendation. The Company has established a code of conduct that is included within the Corporate Governance Plan available on the Company's website www.tritonminerals.com.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING.

ASX Recommendation 4.1: The board should have an audit committee. The audit committee should be structured so that it:

- has at least three members all of whom are Non-Executive Directors and a majority of which are independent directors;
- is chaired by an independent chair, who is not chair of the board;
- disclose the charter of the committee, 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.

The Company has complied with this recommendation. The Company has a formal charter for its Audit and Risk Committee that is included within the Corporate Governance Plan available on the Company's website www.tritonminerals.com. The members at the date of this report are Patrick Burke (Chairman of the Audit and Risk Committee at the date of this report), Paula Ferreira and Guanghui (Michael) Ji. The majority of the committee comprises independent non-executive directors and the Board has determined that Mr Burke is the most suitable director to chair the Audit and Risk Committee due to his competency in legal, finance and corporate governance.

ASX Recommendation 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.

The Company has complied with this recommendation.

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

The Company has complied with this recommendation. The external auditor attends the annual general meeting and is available to answer questions from shareholders relevant to the audit and financial statements.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

ASX Recommendation 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.

The Company has complied with this recommendation. The continuous disclosure policy is included within the Corporate Governance Plan available on the Company's website www.tritonminerals.com. The Board has designated the Company Secretary as the person responsible for communication with the ASX.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

ASX Recommendation 6.1: The company should provide information about itself and its governance to investors via its website.

The Company has complied with this recommendation. The Company's website (www.tritonminerals.com) provides timely and equal access to security holders to information about the Company's activities, announcements, Board and senior management team. The 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's key governance policies and charters.

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

The Company has complied with this recommendation. The Company's Managing Director is the main point of contact for investors and potential investors and makes himself available to discuss the Company's activities when requested. The Company has engaged the services of an Investor Relations advisory firm to assist the Company with its investor relations program. The Company's website includes an email address to contact the Company and the Company offers a news subscription program.

ASX Recommendation 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 has complied with this recommendation. 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.

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

The Company has complied with this recommendation. 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 parties to subscribe to e-mail alerts from the

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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 shareholder services section of the website.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

ASX Recommendation 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 and 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.**

The Company has complied with this recommendation. The members of the Audit and Risk Committee during the period to December 2017 were Patrick Burke (Chairman of the Committee), Paula Ferreira and Guanghui (Michael) Ji. Mr Burke and Ms Ferreira are independent directors and the Committee therefore consists of a majority of independent directors. The charter is included within the Corporate Governance Plan available on the Company's website www.tritonminerals.com and the number of meetings attended is included within the Directors Report.

ASX Recommendation 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 has complied with this recommendation. A review of the risk management framework was undertaken during the reporting period.

ASX Recommendation 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 has complied with this recommendation. The Company does not have an internal audit function. The Board is responsible for the oversight of the Company's risk management and control framework.

ASX Recommendation 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 has complied with this recommendation. There are specific risks associated with the activities of the Group and general risks which are largely beyond the control of the Directors are disclosed within the directors' report.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

ASX Recommendation 8.1: The Board should establish a remuneration committee which:

- **has at least three members a majority of whom are independent directors and 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**

The Company has partly complied with this recommendation. The members of the Remuneration and Nomination Committee during the period to December 2017 were Patrick Burke (Chairman of the

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Committee), Xingmin (Max) Ji and Guanghui (Michael) Ji. Mr Burke is an independent director however Xingmin (Max) Ji and Guanghui (Michael) Ji are not independent and the Committee does not therefore consist of a majority of independent directors. The charter is included within the Corporate Governance Plan available on the Company's website www.tritonminerals.com and the number of meetings attended is included within the Directors Report.

ASX Recommendation 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 Company has complied with this recommendation. The Company's policies regarding remuneration are disclosed in the Remuneration Report.

ASX Recommendation 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 complied with this recommendation. 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.

1. Top 20 Ordinary Shareholders at 16 March 2018

| | Shareholder | Securities | % Ordinary Shares |
|----|--|--------------------|-------------------------|
| 1 | SHANDONG TIANYE MINING CO LTD | 131,560,500 | 17.09 |
| 2 | CITICORP NOMINEES PTY LTD | 88,204,224 | 11.46 |
| 3 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 41,011,933 | 5.33 |
| 4 | OZ CHINA MINING PTY LIMITED | 25,629,500 | 3.33 |
| 5 | NERO RESOURCE FUND PTY LTD | 19,260,557 | 2.50 |
| 6 | J P MORGAN NOMINEES AUSTRALIA LIMITED | 12,632,376 | 1.64 |
| 7 | MR ANTOINE HALDEZOS | 9,946,136 | 1.29 |
| 8 | MR CHRISTOPHER JOHN FONE | 7,622,550 | 0.99 |
| 9 | WOODROFFE INVESTMENTS (VIC) PTY LTD | 5,071,097 | 0.66 |
| 10 | LITTLE NELL INVESTMENTS PTY LTD | 4,468,054 | 0.58 |
| 11 | DOMAEVO PTY LTD <THE JCS A/C NO 2> | 4,357,146 | 0.57 |
| 12 | T & N ARGYRIDES INVESTMENTS PTY LTD | 4,262,006 | 0.55 |
| 13 | MR PETER CARMINE SACCHETTI | 4,033,963 | 0.52 |
| 14 | MR CRAIG ANDREW STUBBS | 3,834,545 | 0.50 |
| 15 | TONGAAT PTY LTD <BLUE SEAS A/C> | 3,800,000 | 0.49 |
| 16 | BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP> | 3,380,000 | 0.44 |
| 17 | RIVERVIEW CORPORATION PTY LTD | 3,369,632 | 0.44 |
| 18 | BLAIR METALS LTD | 3,341,191 | 0.43 |
| 19 | MRS MARIA ELIZABETH GILLMAN + MR ALFRED JOHN GILLMAN | 3,250,000 | 0.42 |
| 20 | MR RAM SHANKER KANGATHARAN | 3,200,000 | 0.42 |
| | Total | 382,235,410 | 49.65 |

2. Shareholdings at 16 March 2018

| Range | Total Holders | Units | % Ordinary Shares |
|------------------|---------------|--------------------|-------------------|
| 1 - 1,000 | 272 | 48,959 | 0.01 |
| 1,001 - 5,000 | 703 | 2,130,021 | 0.28 |
| 5,001 - 10,000 | 647 | 5,238,456 | 0.68 |
| 10,001 - 100,000 | 1,891 | 72,114,303 | 9.37 |
| 100,001 Over | 816 | 690,341,447 | 89.67 |
| Total | 4,329 | 769,873,186 | 100.00 |

3. Names of Substantial Shareholders at 16 March 2018

| Name | Securities | % Ordinary Shares |
|--|-------------|-------------------|
| Shandong Tianye Mining Co Ltd and Shandong Group Entities* | 157,190,000 | 20.42 |

* Oz China Mining Pty Limited

4. Holders of Non-Marketable Parcels of Ordinary Shares at 16 March 2018

| | Holders | Ordinary Shares |
|---|---------|-----------------|
| Minimum \$500 parcel at \$0.082 per share | 1,098 | 2,875,622 |

5. Voting Rights

Voting rights attached to ordinary shares are as follows:

- 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.

All other securities have no voting rights.

6. Top 20 Quoted Optionholders at 16 March 2018

| | Option Holders | Options | % Quoted Options |
|----|--|-------------------|---------------------|
| 1 | MR GREGORY JAMES SHEFFIELD | 9,859,605 | 9.92 |
| 2 | NERO RESOURCE FUND PTY LTD | 8,340,557 | 8.39 |
| 3 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 4,021,303 | 4.04 |
| 4 | J P MORGAN NOMINEES AUSTRALIA LIMITED | 2,651,221 | 2.67 |
| 5 | MASTERMIND DEVELOPMENTS PTY LTD | 2,500,000 | 2.51 |
| 6 | CITICORP NOMINEES PTY LTD | 2,484,865 | 2.50 |
| 7 | T & N ARGYRIDES INVESTMENTS PTY LTD | 2,262,006 | 2.28 |
| 8 | DEUTSCHE GESELLSCHAFT FUR WERTPAPIERAMALYSE GMBH\C | 2,000,000 | 2.01 |
| 9 | MS FE RIVERA SUBIDO | 2,000,000 | 2.01 |
| 10 | RAMCO INVESTMENTS PTY LTD <RAMCO FAMILY A/C> | 1,550,000 | 1.56 |
| 11 | MR RAM SHANKER KANGATHARAN | 1,500,000 | 1.51 |
| 12 | MR ANTOINE HALDEZOS | 1,105,127 | 1.11 |
| 13 | M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C> | 1,050,000 | 1.06 |
| 14 | MR COLIN KAPELERIS + MRS ANNA KAPELERIS | 1,041,113 | 1.05 |
| 15 | ALWAYS HOLDINGS PTY LTD <BUHAGIAR SUPER FUND A/C> | 1,000,000 | 1.01 |
| 16 | CENTAUR 71 PTY LTD <CENTAUR 71 SUPER FUND A/C> | 1,000,000 | 1.01 |
| 17 | MR ALEXANDER JUDZEWITSCH + MS PATRICIA ANN FELSTEAD | 1,000,000 | 1.01 |
| 18 | MR PARMJIT SINGH | 930,000 | 0.94 |
| 19 | RIVERVIEW CORPORATION PTY LTD | 906,156 | 0.91 |
| 20 | MEJORITY CAPITAL LTD | 880,517 | 0.89 |
| | Total | 48,082,470 | 48.36 |

7. Quoted Optionholders at 16 March 2018

| Range | Total Holders | Units | % Quoted Options |
|------------------|---------------|-------------------|------------------|
| 1 - 1,000 | 82 | 39,155 | 0.04 |
| 1,001 - 5,000 | 197 | 531,556 | 0.53 |
| 5,001 - 10,000 | 103 | 769,870 | 0.77 |
| 10,001 - 100,000 | 337 | 12,964,489 | 13.04 |
| 100,001 Over | 143 | 85,115,243 | 85.61 |
| Total | 862 | 99,420,313 | 100.00 |

8. Holders of Non-Marketable Parcels of Quoted Options at 16 March 2018

| | Holdings | Quoted Options |
|--|----------|----------------|
| Minimum \$500 parcel at \$0.022 per option | 516 | 3,407,933 |

9. Unquoted Options at 21 March 2018

| Class | Expiry Date | Exercise Price | Units | Number of Holders |
|------------------|----------------|----------------|------------|-------------------|
| Unquoted options | 30 June 2018 | \$0.10 | 50,000,000 | 4 |
| Unquoted options | 9 January 2020 | \$0.11 | 9,500,000 | 4 |

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

| Holder | Expiry Date | Exercise Price | Units |
|--------------------------------|----------------|----------------|------------|
| Shandong Tianye Mining Co. Ltd | 30 June 2018 | \$0.10 | 25,000,000 |
| Somers and Partners Pty Ltd | 30 June 2018 | \$0.10 | 20,000,000 |
| Xingmin (Max) Ji | 9 January 2020 | \$0.11 | 3,000,000 |
| Patrick Burke | 9 January 2020 | \$0.11 | 2,500,000 |
| Guanghui (Michael) Ji | 9 January 2020 | \$0.11 | 2,000,000 |
| Paula Ferreira | 9 January 2020 | \$0.11 | 2,000,000 |

10. Performance Rights at 21 March 2018

The Company has 19,000,000 performance rights on issue to four individuals. Details of holders with more than 20% of performance rights on issue and the terms of the performance rights are included in the directors' report.

11. Restricted Securities

At the date of this report there were no restricted securities.

12. On Market Buy-back

At the date of this report, there was no current on market buy back.

13. Tenement Schedule

All tenements are located in Mozambique.

| Licence | Project | Prospect/ deposit | Interest | Status | Note |
|---------|------------|-------------------|----------|-----------------------------|--------|
| EL5966 | Balama Nth | Nicanda Hill | 100% | Granted | - |
| EL5365 | Balama Nth | Cobra Plains | 100% | Granted | Note 1 |
| EL5304 | Balama Sth | - | 100% | Granted | - |
| EL5380 | Ancuabe | T20 | 100% | Granted | Note 2 |
| EL5336 | Ancuabe | T12, T16 | 100% | Granted | Note 3 |
| EL5305 | Ancuabe | - | 100% | Granted | Note 4 |
| EL6537 | Ancuabe | T18, T19 | 100% | Relinquished | Note 5 |
| EL5934 | Ancuabe | T10, T11 | 100% | Approved – Pending Grant | Note 6 |

Notes

All applications listed below are pending a response from the Mozambique mining authority, Instituto Nacional de Minas (INAMI)

1. Application to renew licence for a further two years submitted in September 2017.
2. Application to renew licence for a further two years submitted in August 2017. Application to modify and reduce the area submitted in November 2017.
3. Application to modify area submitted in September and further modifications submitted in November 2017. Application for a mining licence submitted in November 2017.
4. Application to modify area submitted in November 2017.
5. Addressed as a change to area in 5336 submitted in November 2017 in which part of area of EL6537 was added to EL5336. Application for remaining area of EL6537 was relinquished in November 2017.
6. Application to modify area of EL5934 submitted in November 2017.

14. Mineral Reserves and Resources

The following information is relevant in relation to the Company's Mineral Resources and Ore Reserves as at 31 December 2017 and 31 December 2016.

Ancuabe Graphite Project

Mineral Resource Estimate

Mineral Resource Estimate at 31 December 2017 and 31 December 2016.

At 31 December 2017

| Deposit | Classification | Tonnes (Mt) | Grade: Total Graphitic Carbon (TGC) (%) | Contained Graphite ('000s t) |
|------------------|-----------------------------|-------------|---|------------------------------|
| T12 | Indicated | 15.4 | 5.8 | 900 |
| T16 | | 15.7 | 7.9 | 1,250 |
| T12 + T16 | Indicated Total | 31.1 | 6.9 | 2,150 |
| T12 | Inferred | 9.9 | 5.0 | 500 |
| T16 | | 5.1 | 7.9 | 400 |
| T12 + T16 | Inferred Total | 15.0 | 6.0 | 890 |
| T12 + T16 | Indicated + Inferred | 46.1 | 6.6 | 3,040 |

Note: The Mineral Resources were estimated within constraining wireframe solids defined above a nominal 3% TGC cut-off at T12 and a nominal 4% cut-off at T16. The Mineral Resources are reported from all blocks within these wireframe solids. Differences may occur due to rounding.

Abbreviations: Million Tonnes (Mt); Hundred thousand tonnes ('000s t)

At 31 December 2016

| Deposit | Classification | Tonnes (Mt) | Grade TGC (%) | Contained Graphite ('000s t) |
|---------|----------------|-------------|---------------|------------------------------|
| T12 | Indicated | - | - | - |
| T12 | Inferred | 14.9 | 5.4 | 798 |

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.

Ore Reserve Estimate

At 31 December 2017

| Deposit | Tonnes (Mt) | Grade TGC (%) | Contained Graphite ('000s t) |
|---------------------------|-------------|---------------|------------------------------|
| Proved | - | - | - |
| Probable | 24.9 | 6.2 | 1,544 |
| Ore Reserves Total | 24.9 | 6.2 | 1,544 |

Note: The Probable Ore Reserve estimate is based on Mineral Resources classified as Indicated. No Inferred Mineral Resources have been included in the Ore Reserve.

Nicanda Hill

Mineral Resource Estimate

At 31 December 2017 and 31 December 2016

| Classification | Tonnes (Mt) | Grade TGC (%) | Contained Graphite (Mt) |
|-----------------------------|----------------|---------------|-------------------------|
| 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 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.

Nicanda West

Mineral Resource Estimate

At 31 December 2017 and 31 December 2016

| Classification | Tonnes (Mt) | Grade TGC (%) | Contained Graphite ('000s t) |
|-----------------------------|-------------|---------------|------------------------------|
| Indicated | - | - | - |
| Inferred | 30.0 | 6.6 | 1,968 |
| Indicated + Inferred | 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.

15. Competent Persons Statement

Mineral Resource Estimate

The information in this report that relates to in situ Mineral Resources for Nicanda Hill, Nicanda West and Ancuabe T12 and T16 is based on and fairly represents information compiled by Mr. Grant Louw under the direction and supervision of Dr Andrew Scogings, who are both full-time employees of CSA Global Pty Ltd. Dr Scogings takes overall responsibility for the report. Dr Scogings is a Member of both the Australian Institute of Geoscientists (MAIG) and Australasian Institute of Mining and Metallurgy (MausIMM) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2012). Dr Scogings consents to the inclusion of such information in this report in the form and context in which it appears.

Ore Reserve

The information in this report that relates to Ore Reserves for the Ancuabe T12 and T16 Deposits is based on information compiled by Mr Daniel Grosso under the direction and supervision of Mr Karl van Olden, who is a full-time employee of CSA Global Pty Ltd. Mr van Olden takes overall responsibility for the Ore Reserve estimate. Mr van Olden is a Fellow of Australasian Institute of Mining and Metallurgy, and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore

ASX Additional Information

Reserves' (JORC Code 2012). Mr van Olden consents to the inclusion of such information in this report in the form and context in which it appears.