



QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 JUNE 2018

Ancuabe Graphite Project approved for development, early works underway:

- ✓ **Approved development of the Ancuabe Graphite Project, a new high-value graphite mine for the battery (electric vehicle, storage) and expandable graphite markets**
- ✓ **Binding offtake agreements signed with two major Chinese graphite producers, underpinning forecast revenue from Ancuabe**
- ✓ **Provisional Environmental License granted**
- ✓ **MCC selected as Engineering, Procurement and Construction (EPC) contractor**
- ✓ **Expected 20-25% reduction in capital expenditure (compared to DFS¹ estimate)**
- ✓ **Early works commenced including site clearing, construction of access roads and camp infrastructure**
- ✓ **Project finance negotiations underway, benefiting from concessionary EPC financing and reduced capital expenditure estimate**

Nicanda Hill Project to be fast tracked following review of the globally significant vanadium resource

- ✓ **Independent review by CSA Global of Nicanda Hill vanadium**
- ✓ **Joint venture discussions underway**

Triton Minerals Limited (ASX: TON) (**Triton** or the **Company**) is pleased to announce its quarterly activities report for the quarter ended 30 June 2018 (the **Quarter**).

ANCUABE GRAPHITE PROJECT

Decision to Mine

During the Quarter, the Triton Board approved the development of the Ancuabe Graphite Project, Mozambique.

Ancuabe is a new high-value graphite mine with estimated annual production of approximately 60,000 tonnes per annum of graphite concentrate, over 27 years¹. Located 45km from the port of Pemba (80km via sealed road) Ancuabe is well positioned to access road and port infrastructure to export large flake, high purity graphite for international customers.

¹ Ancuabe Definitive Feasibility Study (DFS) – refer ASX announcement dated 15 December 2017.

The final investment decision followed the positive Definitive Feasibility Study in December 2017 (**DFS**) and development and commercialization activity completed in 2018 which confirmed the Board's confidence in the quality of the Ancuabe Project and projected economics.

Offtake Agreements

During the Quarter, Triton signed binding offtake agreements with two major Chinese graphite producers, underpinning forecast revenue from Ancuabe.

Significantly, the price of graphite concentrate will be determined by prevailing market prices in China, ensuring that Triton retains exposure to projected price increases for premium quality graphite.

- **Tianshengda:** based in Laixi City, Shandong Province, Qingdao Tianshengda Graphite (**Tianshengda**) is an integrated graphite processor and distributor across China, with an annual capacity of 30,000-40,000 tonnes of graphite products including expandable, flake and powders. The offtake agreement covers up to 16,000 tonnes a year of Ancuabe graphite concentrate for at least five years with a seller option for a further 5 years, with a minimum quantity of 10,000 tonnes per annum, across a range of graphite product specifications.
- **Chenyang:** based in the Qingdao area of Shandong Province, Qingdao Chenyang Graphite (**Chenyang**) produces advanced graphite products for customers in China, Japan and Korea. The binding offtake agreement with Chenyang covers up to 16,000 tonnes a year of Ancuabe graphite concentrate for at least five years, with a seller option for a further five years. The minimum quantity under the offtake agreement is 10,000 tonnes per annum, across a range of graphite products specifications.

Permitting

During the Quarter, Triton received the Provisional Environmental Licence from the Ministry of Lands, Environment and Rural Development (**MITADAR**) for the Ancuabe Graphite Project.

Receipt of the Provisional Environmental Licence is the precursor for the receipt of the final environmental licence that completes the environmental approvals process. As the review period for the Environmental, Social and Health Impact Assessment (**ESHIA**) application passed without any objections, there are no anticipated impediments to receiving the final environmental licence.

This approval is the enabler for all construction permits required for construction to be granted.

A mining concession application progressed during the Quarter with the regional technical review of the Mining Concession being completed in Cabo Delgado and this application has now been transferred to Maputo for final technical review and Ministerial approval by the National Institute of Mines (**INAMI**). The application process is underway in line with the normal processing times for mining concessions in Mozambique.

The DUAT process, which permits the use of government land, is in progress and pending the award of the Mining Concession.

EPC Award

During the Quarter, Triton selected MCC International (**MCC**) as engineering, procurement and construction (**EPC**) contractor for construction of the Ancuabe Graphite Project.

Selection of MCC as EPC contractor followed a competitive tender process.

Detailed technical and commercial evaluation undertaken through the tender process indicate that the pre-production capital expenditure for Ancuabe is expected to be reduced by 20-25% compared with the DFS estimate of US\$99.4m.

Early Works

In early June 2018 mobilisation to site commenced with the bulk earthworks, camp, and medical services contractors. Initial works on site during the Quarter included preparation of the construction camp and road works to prepare access to the camp and raw water dam areas.



Project Finance

Triton is in discussions with various parties in relation to project finance for Ancuabe, including EPC linked concessionary funding and specialist mining funds.

MCC as part of their EPC proposal submitted a non-binding letter of intent with a major Chinese bank at concessional interest rates. The bank has reaffirmed the potential for debt financing of up to 85% of the EPC contract value.

NICANDA HILL GRAPHITE-VANADIUM PROJECT

Vanadium Studies Underway – Globally Significant Vanadium Deposit

During the Quarter, Triton announced it would fast track studies on the vanadium mineralisation at Nicanda Hill, a globally significant vanadium deposit with a JORC Resource of 1.44 billion tonnes at a grade of 0.29% V₂O₅ (refer to Triton ASX announcement dated 30 October 2015²).

The decision to advance Nicanda Hill followed an independent review by CSA Global.

Further targeted testwork and metallurgical studies are underway to define the most prospective areas of the deposit.

Joint Venture Discussions

Following significant inbound interest, Triton has held discussions with interested parties in relation to a potential joint venture for Nicanda Hill.

Strong interest has been received due to the world class scale of Nicanda Hill and potential to supply battery grade graphite and vanadium.

A joint venture for Nicanda Hill has the potential to realise up-front equity value for the project financing of Ancuabe.

CORPORATE AND FINANCE OVERVIEW

Capital Raising

During the Quarter, Triton completed a 1-for-15 non-renounceable entitlement issue raising approximately \$4.2 million.

Corporate Information

At 30 June 2018, the Company had 4,322 shareholders and 834,544,284 shares on issue. The top 20 shareholders held 49.3% of the issued ordinary shares.

At 30 June 2018, the Company had cash at bank of approximately \$1.3 million. In addition, the Company has been advised it will receive an R&D tax refund of approximately \$0.7 million this week.

² ASX Announcement, "Nicanda Hill Resource Upgrade", 30 October 2015. Triton is not aware of any new information or data that material effects the information included in the relevant market announcement, and all material assumptions and technical parameters underpinning the estimate in the relevant announcement continue to apply and have not materially changed.

Expenditure

The pro-forma appendix 5B – statement of consolidated cash flows is provided in a separate report.

ASX Announcements

The Quarterly Report should be read in conjunction with all announcements made by the Company to the ASX, including the financial statements for the year ending 31 December 2017 which contain further details about material business risks. These announcements can be found on the following link:

<http://www.tritonminerals.com/investors/asx-announcements/>

Schedule of Tenements (ASX Listing Rule 5.3.3)

As at 30 June 2018, the Triton Group held an 100% economic interest in Grafex Limitada, the holder of the following interests in exploration tenements:

LICENCE	PROJECT	PROSPECT/ DEPOSIT	JV PARTNER	LOCATION	STATUS	CHANGE IN QTR	INTEREST
EL5966	Balama Nth	Nicanda Hill	Grafex Lda	Mozambique	Granted	No change	80%
EL5365	Balama Nth	Cobra Plains	Grafex Lda	Mozambique	Granted	Note 1	80%
EL5304	Balama Sth	-	Grafex Lda	Mozambique	Granted	No change	80%
EL5380	Ancuabe	T20	Grafex Lda	Mozambique	Granted	Note 2	80%
EL5336	Ancuabe	T12, T16	Grafex Lda	Mozambique	Granted	Note 3	80%
EL5305	Ancuabe	-	Grafex Lda	Mozambique	Granted	Note 4	80%
EL6537	Ancuabe	T18, T19	Grafex Lda	Mozambique	Relinquished	Note 5	80%
EL5934	Ancuabe	T10, T11	Grafex Lda	Mozambique	Approved - Pending grant	Note 6	80%

Notes - All applications are pending a response from the Mozambique mining authority, 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. New number assigned by INAMI: 9132C.
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.

For further information please contact:

Peter Canterbury

Managing Director

Tel: +61 8 6489 2555

Email: pcanterbury@tritonminerals.com

Forward-Looking Statements

This release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Triton Minerals Limited's current expectations, estimates and assumptions about the industry in which Triton Minerals Limited operates, and beliefs and assumptions regarding Triton Minerals Limited's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Triton Minerals Limited. Actual values, results or events may be materially different to those expressed or implied in this release. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this release speak only at the date of issue of this release. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Triton Minerals Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this release or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Triton Minerals Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statements is based.