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Projects: Mozambique
Balama North Graphite-Vanadium
Ancuabe Graphite
Balama South Graphite

Project Locations



Holder of the world's largest known combined graphite-vanadium resource.

TRITON AND YXGC ENTER INTO GRAPHITE ENHANCED-PRODUCT JOINT VENTURES IN MOZAMBIQUE AND CHINA



Triton Minerals Ltd (ASX: TON, Triton or Company) is pleased to announce that it has entered into **two** binding joint venture (JV) agreements with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd (**YXGC**) to develop and produce **graphite enhanced products** in Mozambique and China. The two JV companies, will source Triton Mozambique Graphite (**TMG**) graphite concentrate exclusively, to develop a wide range of high-value graphite enhanced products.

- **The 70% Triton owned, Mozambique JV has been established to produce high value expandable graphite, flexible graphite sheet, refined battery grade graphite and other enhanced graphite products.**
- **The 49% Triton owned, China JV has been established to focus initially on producing high strength graphite composite sheets.**

YXGC is a major producer of Graphite products and operates some of the most advanced graphite processing equipment in the world with professional management and superior production systems including graphite air-flow classification equipment, super-minute crushing equipment and flexible graphite sheets and rolls production line.

Triton Minerals' Managing Director & CEO Brad Boyle said:

"The execution of these joint venture arrangements with Yichang Xincheng Graphite Co., Ltd places Triton in a truly remarkable and unique market position. Not only is Triton positioning itself to become a producer of high quality graphite concentrate, through its TMG product, it is now planning to be directly involved in the production of very high value enhanced graphite products that will supply the electronics, technology and energy storage sectors, to name but a few, for future generations.

We are excited to be able to enter into these joint venture arrangements with YXGC and leverage off their significant experience in producing the highest quality enhanced graphite products used in components that are distributed worldwide to some of the world's premier technology companies, such as Apple and Samsung."

Chairman of Yichang Xincheng Graphite Co. Ltd. Mr Yue Bin said:

“Our Company, the largest private producer of high-value expanded graphite products in China, which supplies products to some of the world’s most celebrated technology companies, is extremely pleased to enter into these binding arrangements with Triton. The long term supply of high quality TMG afforded to the new joint venture companies will allow both Triton and YXGC to develop and prosper from competitively priced enhanced graphite products destined for the global markets.”



Figure 1. Mr Brad Boyle, CEO & MD Triton and Mr Yue Bin, Chairman YXGC at the JV signing ceremony, 13 May 2015, Gufu Town, Xingshan, Hubei, China. In attendance are Xingshan Government officials and a large contingent of media (banner reads: Xingshan Enhanced Graphite Joint Venture Signing Ceremony)

KEY TERMS OF JV ARRANGEMENTS

The agreement is titled *“Letter agreement” (Agreement)*, was executed by representatives of Triton and YXGC. The parties agree that the Agreement is legally binding upon them, gives rise to full legal rights and obligations and contains binding undertakings and representations regarding the full operation of the JV relationships.

The Agreement establishes two separate JV relationships, the first JV to be established relates to an enhanced product production facility in China (**China JV**), the second JV to be established relates to an enhanced product production facility in Mozambique (**Mozambique JV**).

‘Enhanced Graphite Product’ for the China JV means high strength graphite composite sheets and other enhanced graphite products as agreed by the JV and for the Mozambique JV, ‘Enhanced Graphite Product’ means expandable graphite, flexible graphite sheet, refined battery grade graphite and other enhanced graphite products as agreed by the JV.

Each JV contains a number of conditions, specified below (**Conditions**), which if not satisfied or waived by the relevant party within the specified timeframe, give rise to the other party being able to terminate the Agreement.

The JV relationships created under the Agreement are not interdependent. Accordingly, for example - if all the Conditions of the Mozambique JV are satisfied, that relationship will continue as a JV relationship even if the Conditions under the China JV are not satisfied and vice versa.

The Agreement will continue in full force and effect unless: validly terminated; the condition to enter into a Shareholders Agreement for each of the China JV and Mozambique JV is waived by Triton; or a Shareholders Agreement for each of the China JV and Mozambique JV is agreed and signed by the parties in satisfaction of that Condition.

China JV -

Parties	Triton and YXGC or their nominated subsidiaries
Participating Interest	Triton 49% YXGC 51%
Commencement Date & Term	<ul style="list-style-type: none"> • Commencement Date is the date of execution of the Agreement • Term continues until mutually agreed by the parties to be at an end or otherwise validly terminated by a party
Conditions	<p>If the following Conditions are not waived or satisfied (by the stipulated Party or Parties in [square brackets]) from the date which is thirty six (36) months from the Commencement Date, either Party may terminate the JV:</p> <ul style="list-style-type: none"> • Triton commissioning to its sole satisfaction a processing plant or plants of a size and scale capable of satisfying the graphite concentrate demand to produce Enhanced Product [Triton] • incorporation of an entity/company of which the shareholders are Triton and YXGC each holding shares commensurate to their Participating Interest within 6 months of the Commencement Date (JV Company) [Triton] • receiving all relevant Mozambique Government approvals [Triton]; all relevant Chinese Government approvals [YXGC] or any other relevant Government approvals (including Australia) [Parties] • agreeing on appropriate site for the Graphite Enhance Products Plant in Xingshan in Hubei province of China [Parties]

	<ul style="list-style-type: none"> entry into a Shareholders Agreement between Triton & YXGC in relation to the JV Company which incorporates the terms and intent of the JV [Triton] subject to the completion of due diligence by Triton, agreeing on the Graphite Enhance Products Plant design, construction cost, timetable and size [Parties] agreeing to items/decisions of the JV that require unanimous approval of the Parties [Parties] subject to the completion of due diligence by Triton, agreeing to an initial JV budget and work program [Parties] undertaking the following items within six (6) months from the Commencement Date [Parties]: <ul style="list-style-type: none"> opening a JV bank account, with both Parties as co-signatories to the account each Party to depositing US\$1-2 million into the JV bank account establishing a JV management team
JV Property	All property held, acquired or created by or on behalf of the Parties or any of them for the purpose of the JV
Enhanced Graphite Products	<ul style="list-style-type: none"> High Strength Graphite Composite Sheets other graphite products as agreed
Graphite Enhanced Products Plant	Space to include ten graphite production lines to produce up to 100,000 tonnes per annum of high strength graphite composite sheets and other graphite products
JV Manager	YXGC
Cost allocations & Contributions	Unless otherwise agreed, in accordance with the parties Participating Interest
Restriction on independent activities	YXGC or its related bodies corporate are restricted from engaging in any activity within the scope and purpose of the JV on or in relation to Mozambique, Madagascar, Malawi or Tanzania, except in the capacity as a Party to the JV
Exclusivity of product supply	The JV will only source graphite concentrate from exclusively from Triton or its subsidiaries
Estimated Annual Revenue at Full Production	US\$200 Million (Estimate only, based upon YXGC market knowledge and experience)

Mozambique JV –

Parties	Triton and YXGC or their nominated subsidiaries
Participating Interest	Triton 70% YXGC 30%
Commencement & Term	<ul style="list-style-type: none"> • Commencement Date is the date of execution of the agreement • Term continues until mutually agreed by the parties to be at an end or otherwise validly terminated by a party
Conditions	<p>If the following Conditions are not waived or satisfied (by the stipulated Party or Parties in [square brackets]) from the date which is forty eight (48) months from the Commencement Date, either Party may terminate the JV:</p> <ul style="list-style-type: none"> • Triton commissioning to its sole satisfaction a processing plant or plants of a size and scale capable of satisfying the graphite concentrate demand to produce Enhanced Product [Triton] • incorporation of an entity/company of which the shareholders are Triton and YXGC each holding shares commensurate to their Participating Interest within 6 months of the Commencement Date (JV Company) [Triton] • receiving all relevant Mozambique Government approvals [Triton]; all relevant Chinese Government approvals [YXGC] or any other relevant Government approvals (including Australia) [Parties] • agreeing on appropriate site for the Graphite Enhance Products Plant in near Pemba or Nacala, Mozambique [Parties] • entry into a Shareholders Agreement between Triton & YXGC in relation to the JV Company which incorporates the terms and intent of the JV [Triton] • agreeing on the Graphite Enhance Products Plant design, construction cost, timetable and size [Parties] • agreeing to items/decisions of the JV that require unanimous approval of the Parties [Parties] • Agreeing to an initial JV budget and work program [Parties] • Agreeing on the initial cost and initial capital contributions (Initial Contribution) [Parties]
JV Property	All property held, acquired or created by or on behalf of the Parties or any of them for the purpose of the JV
Enhanced Graphite Products	<ul style="list-style-type: none"> • Expandable Graphite • Flexible Graphite Sheet • High purity refined battery grade graphite (above 99%)

	<ul style="list-style-type: none"> • Other graphite products as agreed
Graphite Enhanced Products Plant	Space to include two graphite production lines to produce up to 10,000 tonnes per annum of Enhanced Graphite Products. Which production lines and tonnage produced can be increased if Triton elects to add a third production line to refine TMG graphite concentrate (with initial specifications to be determined at Triton’s sole discretion) to a purity of not less than 99%
JV Manager	Triton
Cost allocations & Contributions	Unless otherwise agreed, in accordance with the parties Participating Interest
Restriction on independent activities	YXGC or its related bodies corporate are restricted from engaging in any activity within the scope and purpose of the JV on or in relation to Mozambique, Madagascar, Malawi or Tanzania, except in the capacity as a Party to the JV
Exclusivity of product supply	The JV will only source graphite concentrate from exclusively from Triton or its subsidiaries
Estimated Annual Revenue at Full Production	US\$30 Million (Estimate only, based upon YXGC market knowledge and experience)

REGIONAL GOVERNMENT SUPPORT FOR THE CHINA JV

The signing of the China JV (See Figure 1 above) is a historic event for the region, with Triton being one of the first foreign Companies to invest in the Xingshan Region (See Figure 2 above).

In an unprecedented confirmation of support, the signing of the joint venture document was witnessed and sealed by Mr Tan, the Government Secretary of the Xingshan Region.

In early and encouraging progress for the China JV, Triton can confirm that YXGC is already working towards satisfying Conditions by working with the Hubei Provincial Government (See Figure 3 below), who is actively encouraging investment in the region by providing the supporting infrastructure for development of the proposed production facility in Xingshan.

The Xingshan Regional Government is working closing with Triton and YXGC to progress the production plant operational as soon as possible and is in the position to provide generous financial concessions in order to facilitate development. The Xingshan Regional Government has advised that a nearby hydro power substation (See Figures 4 and 5 below) is available and that early work has already commenced providing an access road, with clearing and ground preparation of the proposed plant site almost complete.

The Xingshan Regional Government are also providing access to accommodation facilities located a short distance from the plant site, to house the expected 400-500 workers.



Figure 2. Location of Xingshan, Hubei Province of China where the joint venture production facility will be located



Figure 3. Representatives from the Xingshan Government and Yichang Xincheng Graphite Co. Ltd with Triton CEO at proposed Xingshan plant site. Including Mr Tan (Xingshan Government Secretary, second left) and Mr. Bin (Chairman of Yichang Xincheng Graphite Co. Ltd, centre)



Figure 4. Xingshan proposed plant site. Hydro-electric plant (right centre) and port loading facilities (centre)



Figure 5. Insert from Figure 4 above showing the Hydro-electric plant and port loading facilities at Xingshan.

INTEGRATED BUSINESS DEVELOPMENT PLAN

Triton is fast-tracking the development of its graphite mines in Mozambique with support from strategic partnerships, offtake agreements and potential funding partners. These potential development are now fully integrated with a value adding production supply chain that compliments the raw materials supply chain (Figures 6).

Triton is now one of the few graphite-focused companies in the world that **will be actively involved in all aspects of graphite supply chain** – from exploration, mining and potentially production of graphite concentrates through to indirectly supplying major technology companies such as Apple and Samsung through the Triton-YXGC JV's and with a product range that can demand prices of up to US\$500,000 per tonne (Figure 7).

China is the world's largest user of flake graphite and is also the largest producer of high value graphite products. YXGC's rapidly increasing market share, affords Triton with the opportunity to align with one of China's largest manufacturer of high value graphite products, in an exceptionally lucrative and unique long term high-value-add business arrangement.

The off take agreement that is currently in place with YXGC comprising 100,000t per annum is sufficient to meet their current production and sales requirements. **With the commissioning of the new China JV plant, YXGC estimates that they will require an additional 160,000t per annum to meet their projected production and sales commitments.**

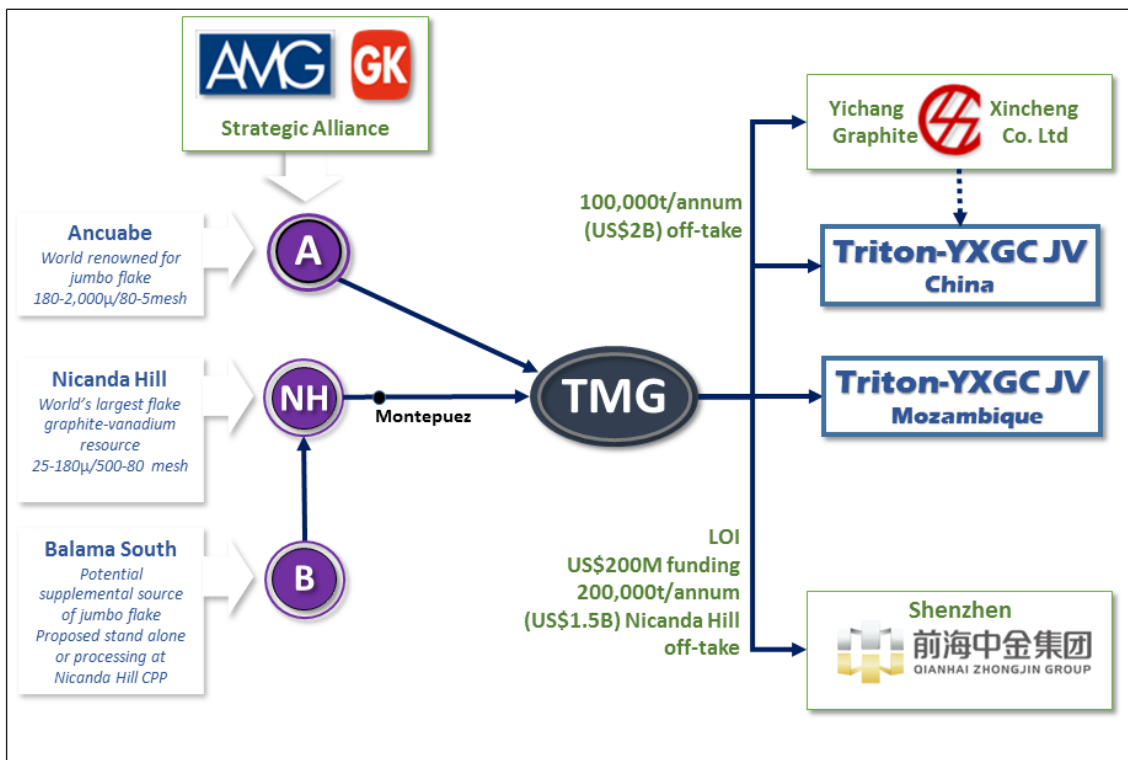


Figure 6. TMG Integrated Development Business Model (as at May, 2015)

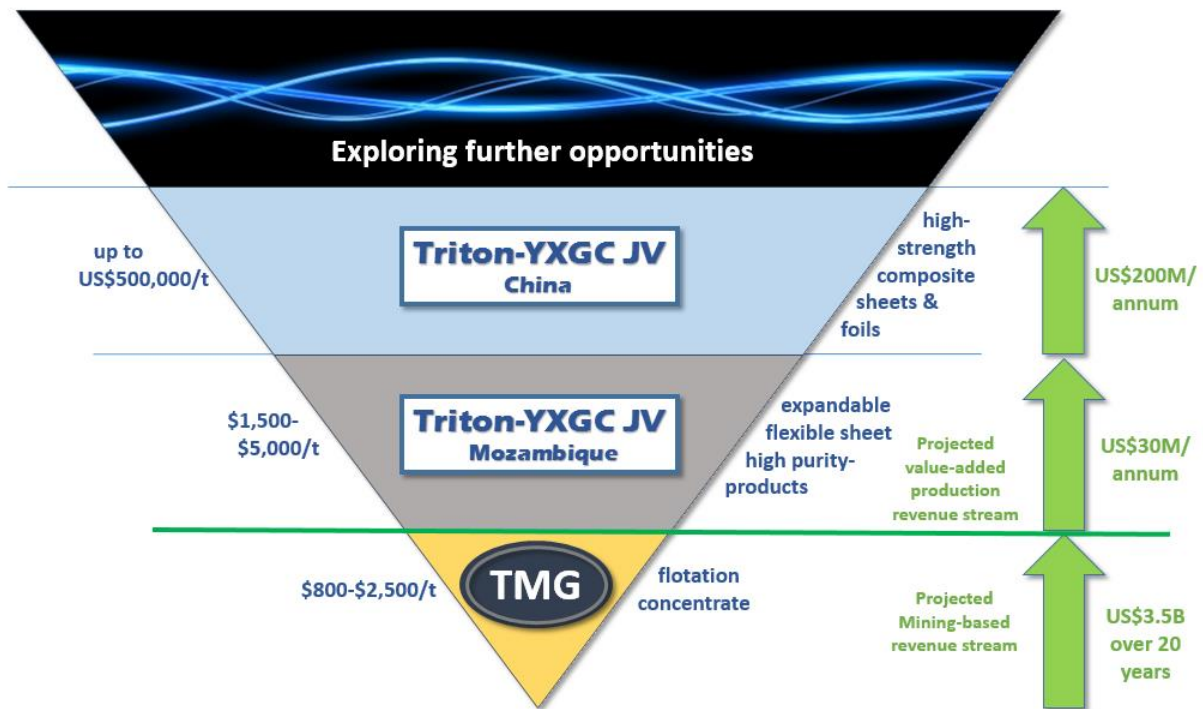


Figure 7. Triton Business Growth Strategy

GRAPHITE ENHANCED PRODUCT USES AND DEMAND

Expandable graphite (Figure 8 & 9) has the ability to increase hundreds of times in volume after treatment with dilute acid and heating. After treatment, expandable graphite is pressed into sheets to form foil which is then cut into various shapes as required by the customer.

Currently, China produces approximately 16,000 different types of expandable graphite products. The main markets for expandable graphite include graphite foils, sheets, flame retardants, thermal conductivity additives, electrical conductivity additives, sealing materials in critical applications of high pressure environments and, by far, the most significant – **the fuel cell market**. Fuel cell powered vehicles are expected by some observers to literally overtake electric vehicles in popularity.



Figure 8. Examples of Flexible Graphite Sheet and Rolls, Expanded Graphite Cloth and Flexible Graphite Yarn produced by YXGC.

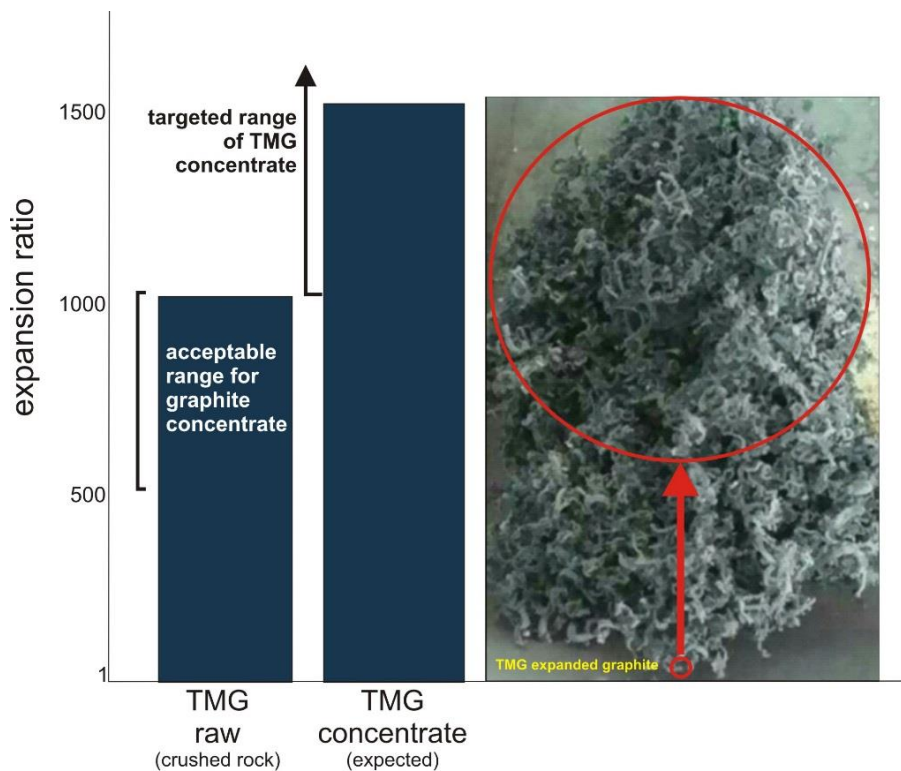


Figure 9. Expanded graphite performance on **TMG raw unprocessed material** (ie. not flotation concentrate) showing, diagrammatically, relative expansion size differential (in red)

In addition to the above and due to the thermal and fire retardant properties of graphite, the Chinese Government is reportedly planning to mandate that all building insulation use expanded polystyrene in construction of new buildings that must contain 10-15% of expanded graphite. If this occurs, then the potential market size is significant as it would likely be implemented across the entire population base of the country.

High Strength Graphite Composite Sheets (Figure 8) are formed by mechanically or sticking flexible graphite sheets together with metal plate. It has excellent compressibility and resilience, excellent sealing property for microscopic surface irregularities and a long working life. It is mainly used for making cylinder gaskets of engines and punching into all kinds of sealing also used for many high-pressure industrial applications.

Flexible graphite sheet & roll, namely expanded graphite sheet & roll, is made from flake graphite with high carbon content which is gone through chemical treatment, expanding under high temperature and then rolling. It has the characteristics of high temperature resistance, corrosion resistance and good elasticity, and is the basic material for making all kinds of reinforced graphite sheets, graphite tapes, packing and sealing gaskets, which are used in a multitude of applications including becoming heat sinks for laptop computers and mobile phones and other electronic devices which keeps them cool while saving weight.

ABOUT YICHANG XINCHENG GRAPHITE CO., LTD

YXGC is located in Wangdian Town, Dang Yang City, within the Yichang region of China (Figure 10). This region of China is famous for being the hydroelectric capital of the world and is one of the biggest enterprises area from the whole of China for mineral processing and products.

YXGC operates some of the most advanced graphite processing equipment in the world with professional management and superior production systems including graphite air-flow classification equipment, super-minute crushing equipment and flexible graphite sheets and rolls production line.

The main graphite products produced by YXGC included: micro-powder graphite, high-purity graphite, natural flake graphite, expandable graphite, amorphous graphite, flexible graphite sheet and roll, flexible graphite tape, flexible graphite ribbon tape, reinforced expanded graphite sheet, flexible graphite yarn, flexible graphite braided packing, die-formed graphite ring, graphite gasket, spiral wound gasket, exhaust manifold gasket, expandable graphite fireproofing strips, expanded graphite knitted tape, expanded graphite cloth, graphite crucible and high purified graphite products.

YXGC products are widely used in the fields of petroleum and chemical industry, steel refining, electric power, metallurgy, machinery, automobile, shipping building, pharmacy, aerospace industry, nuclear industry and, most significantly, a number of *distinguished global electronic and technology companies*.

YXGC products are distributed throughout China and exported to more than 20 countries around the world.



Figure 10. YXGC refractory material factory Wangdian Town, Dang Yang City.

Additional information about YXGC includes:

- Globally renowned as a supplier of a diverse range of high quality, high-tech expanded graphite products.
- Largest producer of flexible graphite in China.
- Provide flexible graphite products, deep processing production-line equipment manufacturing and technical services.
- Established graphite factories in China and Europe.
- Employs approx. 470 people.
- Current Production capacity of 100,000 tonnes per year.
- YXGC holds one invention patent and seven utility model patents.
- YXGC produces an internationally renowned, high-expansion-ratio graphite to produce high purity thermal conductive materials.
- Ultra-thin graphite thermal conductive (board) material. High temperature expansion graphite, to achieved uniform paving rolling to 0.01mm--0.05mm. The products are widely used in electronics. The ultra-thin thermal conductive (0.01mm) foil product price up to RMB1.8~3.2 million (**A\$645,000**) per tonne.
- Composite multi-layered materials priced at up to RMB22,000 (**A\$4,430**) per tonne.
- Branch sales and import and export company in Zhejiang Cixi, sealing parts production and sales.
- YXGC operates a graphite mine in Yichang County of Xingshan City, the East River.

Additional information in relation to YXGC can be found at the company's website: <http://www.xc-graphite.com/>



Figure 11. Examples of the graphite products produced by YXGC.



Figure 12. Examples of the graphite products produced by YXGC, including Graphite foil.

TRITON ACHIEVEMENTS

At this time last year Triton had just commenced the exploration drilling program at Nicanda Hill. Since then and within a short timeframe, Triton has not only achieved its initial objective of a proof of concept exploration program, but has reported the world's largest known flake graphite and vanadium JORC 2012 resource. In addition, Triton has completed a scoping study, commenced environmental and permitting activities, commenced a definitive feasibility study, sourced project funding, entered into off-take arrangements as well as strategic relationships with leaders within the graphite industry.

The Company's intent is to rapidly develop the TMG projects into production and maintain a secure revenue stream to create genuine long term value for Triton's shareholders. Now, with the entry into these JV arrangements with YXGC, Triton hopes to further increase value to its shareholders by being a participant in the highly lucrative graphite enhanced products market.

CONCLUSIONS

Triton is working towards establishing **TMG as the global graphite-industry benchmark** by aiming to offer the world's lowest cost and most diversified graphite product range, together with the longevity of a reliable supply of high quality flake graphite.

Triton considers the JV arrangements entered into with YXGC, is a significant achievement for the Company and sets Triton apart within the sector as it will be actively involved in all aspects of the graphite supply chain.

The implementation of these arrangements further demonstrates the strategic importance of the TMG projects and the growth potential of graphite-based technologies.

Triton is continuing to pursue further strategic relationship opportunities around the world.

THIS ANNOUNCEMENT EFFECTIVELY CEASES THE TRADING HALT REQUESTED BY THE COMPANY ON 11 MAY 2015. THE COMPANY IS NOT AWARE OF ANY REASON WHY THE ASX WOULD NOT ALLOW TRADING TO RECOMMENCE IMMEDIATELY.

Regards



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Competent Person's Statement

The information in this announcement that relates to Exploration Results on the Balama North Project is extracted from the reports entitled ASX Release "Nicanda Hill Maiden JORC Resource – 1.457 Billion Tonnes at 10.7%TGC and 0.27% V₂O₅", created 21 October 2014 and is available to view on www.tritonmineralsLtd.com.au. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward-Looking Statements

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