

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 DECEMBER 2020

Triton Minerals Limited (ASX: TON) ("**Triton**" or "**the Company**") provides its activity report for the three-month period ending on the 31st December 2020 ("**the Quarter**").

During the quarter, the Company continued to progress its flagship Ancuabe Graphite Project ("**Ancuabe**" or "**the Project**") in north east Mozambique and the board remains focussed on completing financing and mobilisation to commence construction in 2021.

ANCUABE GRAPHITE PROJECT

Located within the established graphite region of Cabo Delgado in north eastern Mozambique, Ancuabe is closest to port of all East African graphite projects. The Ancuabe Project is the only large scale, large flake graphite project in the region and its high-purity, large flake graphite, commands a market price premium over smaller flake products.

Ancuabe graphite is suitable for all markets and ideally positioned to take advantage of the forecast rapid growth in electric vehicle production. Anode producers are reporting increased orders and prices responded in December 2020 with a 6.2 percent increase in the Benchmark Price Index, the largest increase since May 2018.



Figure 1. Location of TON's Graphite Portfolio

During the quarter, the Board reported progress on financing and mobilisation to commence construction at the Company's flagship Ancuabe Project. Representatives of Triton's largest shareholder, Jigao International Investment Development Co. Ltd (a subsidiary of Jinan Hi Tech) have engaged with a major Chinese state-owned construction company to assist Triton with discussions on mobilisation, bulk earthworks and financing.

Triton management were advised that the outcome of the meeting was that financing of mobilisation and bulk earthworks for the Ancuabe Project was at a very advanced stage, however, final approval remained subject to detailed terms being negotiated and further senior internal approvals in China.

Triton is aiming at becoming the next East African graphite producer, currently targeting production of 60,000 tonnes of high purity, large flake graphite concentrate per annum.

Late in 2019 a \$19.5 million investment by state-owned enterprise Jinan Hi Tech ("JHT") was completed to provide financing support for the early construction activities at Ancuabe. This investment brought JHT to become Triton's largest shareholder with a 34.01% interest.

The Company has signed binding offtake agreements with Tianshengda Graphite and Chenyang Graphite each for up to 16,000 tonnes of annual Ancuabe graphite concentration production, equating to over 50% of anticipated annual production from Ancuabe.

A Definitive Feasibility Study ("DFS") (ASX release 15 December 2017) completed by Triton confirms Ancuabe to be a high quality, long life, high margin graphite project and was underpinned by a Maiden JORC Compliant Ore Reserve of 24.9Mt at 6.2% TGC that supported the DFS evaluation period of 27 years.

MCC International Incorporation Limited has been awarded the Engineering, Procurement and Construction contract for the mineral processing facility and other infrastructure at Ancuabe.

CHANGE IN MANAGEMENT STRUCTURE

In December, Triton advised that Peter Canterbury will step down as Managing Director and Chief Executive Officer of Triton effective 31 January 2021, commencing a new senior executive role at the beginning of February 2021. Mr. Canterbury has agreed to continue as a Non-Executive Director to ensure a smooth transition as the Company looks to proceed into the construction phase of the Ancuabe Graphite Project in Mozambique.

Triton Chief Financial Officer, Mr. David Edwards, will assume the role of Interim Chief Executive Officer effective 1st February 2021.

Triton's Chairman Max Ji said:

"Peter has achieved significant milestones during his four years with Triton and has ideally positioned the Company reach the stage we are now at, to begin the construction of Ancuabe in 2021. The Board is pleased that Mr. Canterbury has agreed to continue as a Non-Executive Director of the Company, providing invaluable support as we transition into the next exciting chapter of the Ancuabe Project, with construction to commence in 2021."

CORPORATE INFORMATION

At 31 December 2020, the Company had 3,666 shareholders and 1,134,468,067 shares on issue. The top 20 shareholders held 58.7% of the issued ordinary shares.

At 31st December 2020, the Company had cash at bank of approximately \$2.3 million. The cash at bank excludes the cash backed construction guarantee of approximately \$2.6 million lodged with INAMI in November 2019.

EXPENDITURE

The pro-forma appendix 5B – statement of consolidated cash flows is attached to this 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 2019 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 31st December 2020, the Triton Group held an 100% economic interest in Grafex Limitada, the holder of the following interests in exploration tenements (all located in Mozambique):

Licence	Project	Prospect/ Deposit	Status	Change In Quarter	Note	Economic Interest
EL5966	Balama Nth	Nicanda Hill	Granted	No change		100%
EL5365	Balama Nth	Cobra Plains	Pending extension	No change	1	100%
EL5304	Balama Sth	-	Granted	No change		100%
EL5380	Ancuabe	T20	Granted	No change	2	100%
MC9132C	Ancuabe	T12, T16	Granted	Granted		
EL5305	Ancuabe	-	Granted	No change	3	100%
EL5934	Ancuabe	T10, T11	Pending grant	No change	4	100%

Notes - All applications are pending a response from the Mozambique mining authority, INAMI

1. Application for extension submitted in September 2017.
2. Application for extension and to modify and reduce the area submitted in November 2017.
3. Application to modify area submitted in November 2017.
4. Application to modify area submitted in November 2017.

Authorised for release by the Board of Directors. For further information please contact:

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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.

Appendix 5B

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

Name of entity

Triton Minerals Limited

ABN

99 126 042 215

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers	-	-	-
1.2 Payments for			
(a) exploration & evaluation	-	-	-
(b) development	(248)	(793)	
(c) production	-	-	-
(d) staff costs	(247)	(1,096)	
(e) administration and corporate costs	(255)	(863)	
1.3 Dividends received (see note 3)	-	-	-
1.4 Interest received	-	11	
1.5 Interest and other costs of finance paid	-	-	-
1.6 Income taxes paid	-	-	-
1.7 Government grants and tax incentives	-	-	-
1.8 Other (provide details if material)	-	-	-
1.9 Net cash used in operating activities	(750)	(2,741)	
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities	-	-	-
(b) tenements	-	-	-
(c) property, plant and equipment	-	-	-
(d) exploration & evaluation	-	-	-
(e) investments	-	-	-
(f) other non-current assets	-	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	327
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(25)	(100)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash used in financing activities	(25)	227
4.	Net decrease in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,109	4,855
4.2	Net cash used in operating activities (item 1.9 above)	(750)	(2,741)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	
4.4	Net cash (used in)/from financing activities (item 3.10 above)	(25)	227

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(13)	(20)
4.6	Cash and cash equivalents at end of period	2,321	2,321

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,321	3,109
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,321	3,109

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	135
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash used in operating activities (item 1.9)	750
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	750
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,321
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,321
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:28 January 2021.....

Authorised by:Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.