



ASX Announcement

2 July 2024

Triton Agrees to Divest 70% of Mozambique Graphite Assets for A\$17 million cash

Triton Minerals Limited (ASX: TON) (“**Triton**” or “**the Company**”) is pleased to announce that it has executed a binding¹ memorandum of understanding to divest 70% of its interests in the entities that hold the Ancyabe Graphite Project, including 70% of its interest in the intellectual property and drill core assets relating to the Nicanda Hill and Nicanda West Projects and 70% of its interest in the Cobra Plains mining concession (together with the Ancyabe Graphite Project, the “**Mozambique Graphite Assets**”) to Shandong Yulong Gold Co., Ltd. (“**Shandong Yulong**”)’s designated subsidiary for cash consideration of A\$17 million, subject to certain terms and conditions outlined below (“**Transaction**”).

HIGHLIGHTS:

- **Triton expected to receive material, near term cash** – A\$17 million cash payment payable to Triton in staged payments.
- **Fastest development pathway** – the non-associated Directors of Triton deem the Transaction to be the fastest and most logical route to production for the flagship Ancyabe Graphite Project, given Shandong Yulong’s status as a Shanghai Stock Exchange listed entity with a market capitalisation of approximately RMB10 billion.²
- **Retains optionality to the graphite market** – Triton will initially retain a 30% joint venture interest in the Mozambique Graphite Assets, which provides Triton with continued exposure to the graphite market.
- **Well-funded for value accretive transactions** – Triton is expected to be well funded to assess value accretive acquisitions to generate Triton shareholder value.³

¹ The MOU is expressed as being binding but it is a condition precedent that the parties negotiate entry into and execution of binding formal agreements. There is no guarantee that the Company will enter into binding formal agreements on the proposed terms or at all.

² Shanghai Stock Exchange, 28 June 2024

³ It is anticipated that Triton will initially own a 30% ownership in the joint venture to develop and operate the Mozambique Graphite Assets, but will be subject to co-funding the joint venture for its relevant interest. The arrangements will be covered in the formal transaction documentation and joint venture agreement.

Memorandum of Understanding to divest 70% of Triton's Mozambique Graphite Assets

Triton and Shandong Yulong have entered into a binding¹ Memorandum of Understanding ("**MOU**") whereby Triton has agreed to divest 70% of the entities that hold the Mozambique Graphite Assets to Shandong Yulong.

Total proceeds of up to A\$17 million pursuant to the Transaction expected to be received by Triton in the following staged payments:

- A\$2.55 million - deposit² payable within 15 days after execution of the MOU;
- A\$5.95 million - upon satisfaction of the conditions precedent (set out in Annexure 1 to this announcement); and
- A\$8.5 million - by 28 February 2025.

The specific payment mechanics for the second two tranches will be subject to the formal documentation to be entered into to give effect to the MOU.

Triton expects to use the sale proceeds from the Transaction:

- to fund its contribution towards the proposed joint venture over the Mozambique Graphite Assets as an initial 30% joint venture holder, with the specific arrangements in relation to funding to be negotiated in the joint venture agreement and budget; and
- for working capital purposes, including the assessment of new value accretive acquisitions in the battery minerals and resource sector in Mozambique and Australia.

Triton's Executive Director, Mr Andrew Frazer said:

"The compelling offer submitted by Shandong Yulong represents a significant opportunity for Triton to realise value via expected cash payments totalling A\$17 million in the near term. These funds will provide Triton with the opportunity to diversify its portfolio via the assessment of value accretive acquisition opportunities.

Triton will initially retain a 30% ownership in the Mozambique Graphite Assets which provides Triton with exposure to upside in the graphite market.

Ultimately, we think this Transaction is the best way to generate value for shareholders in a timely manner, given Shandong Yulong's size, balance sheet and desire to develop and operate the Mozambique Graphite Assets. We look forward to working with Shandong Yulong in executing the Transaction and going forward as a joint venture partner."

It is a condition precedent to the Transaction that Triton and Shandong Yulong enter into a joint venture agreement to develop and operate the Mozambique Graphite Assets following completion of the Transaction, with initial equity ownership of 70% (Shandong Yulong) and 30% (Triton).

Shandong Yulong, together with its associates, is a substantial shareholder of Triton, with an aggregate holding of 564,378,502 fully paid ordinary shares ("**Shares**") (representing a disclosed voting power of 35.98% in Triton³). Shandong Yulong has two director nominees on the Board of Directors of Triton, being Mr Peng Zhang (Executive Chairman) and Mr Xingmin (Max) Ji (Non-Executive Director). Therefore, Triton established a working group consisting of Mr Andrew Frazer (Executive Director) and Mr Adrian Costello (Executive Director), being the two directors of Triton who are not nominees of Shandong Yulong, to assess the merits of the Transaction. Taking into

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² Refundable in certain circumstances detailed in Annexure 1 to this announcement.

³ As per the notice of initial substantial holder lodged by Shandong Yulong on 8 May 2023.

account range of factors including funding requirements and corporate structure, Mr Frazer and Mr Costello believe it is in the Company's best interests to enter into the Transaction. Triton will engage an independent expert to provide an opinion on whether or not the Transaction is fair and reasonable to unassociated shareholders and seek approval from unassociated shareholders pursuant to ASX Listing Rule 10.1. Triton will also seek shareholder approval for the purposes of ASX Listing Rule 11.2. Full details will be provided in documentation to be released to shareholders and on ASX in coming months.

The Transaction is subject to various terms and conditions which has been summarised in Annexure 1 to this announcement.

An indicative timetable for the Transaction is set out below:

Event	Date
Announcement of MOU	Tuesday, 2 July 2024
Formal Agreements executed	Mid September 2024
Notice of Meeting and Independent Expert's Report dispatched to shareholders	Late September 2024
Shareholder Meeting to approve Transaction	Late October 2024
Other conditions precedent satisfied or waived	January / February 2025
Completion of Transaction	February 2025

Note: Timetable is indicative only and subject to change. Triton reserves the right to alter the indicative dates at its discretion and without notice, subject to the Listing Rules, Corporations Act and other applicable laws.

If the current proposed Transaction structure exists at completion of the Transaction (expected at the end of February 2025), and no agreements for value accretive acquisitions have been entered into, such that Triton's only remaining asset is the 30% non-controlling interest in its Mozambique Graphite Assets, ASX has advised Triton that it would have concerns with Triton's level of operations pursuant to ASX Listing Rule 12.1 and Triton's ongoing suitability as a listed entity, such that Triton is highly likely to be suspended from quotation pursuant to Listing Rule 17.3. If the Transaction completes, any future acquisitions or other transactions proposed by Triton may require Triton to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

About Shandong Yulong:

Shandong Yulong Gold Co., Ltd., established in 1999 and registered in Jinan High-tech Zone, is a company listed on the main board of Shanghai Stock Exchange (stock abbreviation: Yulong Stock, stock code: 601028).

Shandong Yulong, which has a market cap of approximately RMB10 billion, is primarily engaged in the trading of minerals, nonferrous metals, coal, chemicals and other bulk commodities. In addition, it is an active explorer across a range of minerals and is committed to becoming a high-growth international mining company with a global vision.

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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.

Annexure 1 – Summary of the MOU

Transaction Proposal	<ul style="list-style-type: none"> Shandong Yulong intends to acquire, through a designated subsidiary, not less than 70% equity of each of the ownership subsidiary companies, being Triton Minerals Management FZE and Triton United Limited (together, the Project Companies), who prior completion of the Transaction will own Grafex Limited (Graphex) and Kwe Kwe Graphite Limited (Kwe Kwe), on the terms and conditions in the MOU, which are to be formalised in a share purchase agreement (SPA). The parties will own, develop and operate the Mozambique Graphite Assets under a joint venture agreement to be agreed between the parties (JV Agreement), with initial equity ownership of 70% (Shandong Yulong) and 30% (Triton). The SPA and JV Agreement together comprise the Formal Agreements, which the parties agree to enter into within three (3) months following execution of this MOU. The Formal Agreements will include other terms and conditions considered standard for a transaction of this nature. The acquisition price for the 70% equity in the Project Companies will be A\$17 million to be paid as follows: <ul style="list-style-type: none"> A\$2.55 million - deposit payable within 15 days after execution of the MOU (Deposit); A\$5.95 million - upon satisfaction of the conditions precedent (set out below) and execution of the Formal Agreements; and A\$8.5 million - by 28 February 2025. The Deposit will be paid to a separate bank account to be established by Triton and is to be used solely for working capital and project works in Mozambique, including Triton's corporate costs such as salaries, director fees, listed company costs and administration costs and Mozambique country costs such as salaries and administration costs. On completion, Triton will be entitled to transfer the remaining Deposit funds (if applicable) from the designated account to its operating account by way of formal cash call and will be approved by a designated Yulong representative, which cannot be unreasonably withheld. The specific transaction price and payment time shall be subject to the SPA.
Deposit	<ul style="list-style-type: none"> The Deposit shall only be refundable in the following events: <ul style="list-style-type: none"> Shandong Yulong and Triton fail to reach an agreement on the Transaction and have the formal SPA signed by the designated parties respectively within three (3) months after the signing of the MOU; NDRC and Commerce Department fail to approve the Transaction within one (1) year from the date of signing of the binding SPA. The Foreign Investment Review Board (FIRB) has not approved the Transaction within one (1) year from the date of signing of the binding SPA.

	<ul style="list-style-type: none"> If one of the above events occur, Triton shall return the Deposit to Shandong Yulong within 5 days after the expiration of the relevant above-mentioned period and pay Shandong Yulong the interest on the Deposit at an annualised rate of 3.45%.
Conditions Precedent	<p>The Transaction is subject to the following conditions precedent:</p> <ul style="list-style-type: none"> the Transaction hereunder complies with the relevant laws, regulations and industry policies of the relevant jurisdiction has completed the pre-approval or filing procedures of the relevant competent authorities, and has no circumstances prohibited by laws and regulations or any policy restrictions; Shandong Yulong has performed the necessary internal decision-making and approval procedures or registration, filing, administrative licensing and other procedures required by laws and regulations for the equity transfer of the Project Companies; the transaction proposal and related agreements set forth in the MOU and the subsequent Formal Agreements have been reviewed and approved by the internal competent decision-making bodies of each party; the equity and assets of the Project Companies are not subject to any rights restrictions such as being pledged, sealed up, or frozen; approval by FIRB; approval by Shandong Yulong and Triton's shareholders (to the extent applicable, including pursuant to Listing Rule 10.1 and Listing Rule 11.2 for Triton); approval by the Australian Securities Exchange (to the extent applicable); Triton completing the acquisition of the 20% shareholding in Kwe Kwe to ensure that the Project Companies have 100% ownership of the Mozambique Graphite Assets. Triton completes all Mozambique government approvals; the parties to the Transaction have fulfilled their respective tax payment obligations as stipulated under the MOU and in the Formal Agreements; Completion of independent valuation of the assets the subject of the Transaction and a corresponding independent expert report for the purpose of obtaining Triton shareholder approval pursuant to Listing Rule 10.1, which is to be undertaken by an independent expert who must be endorsed by both parties; and completion and execution of the JV Agreement.
Operation Management	<ul style="list-style-type: none"> Both parties agree that Shandong Yulong will hold a majority in the board of directors of the Project Companies and that after completion of the SPA, the Project Companies will be led by Shandong Yulong, and Shandong Yulong will be responsible for the daily production and operation management of the Project Companies. The equity will be owned and managed via an incorporated joint venture under

	the JV Agreement, which will be based upon a standard template such as the AMPLA Model for Joint Venture Agreements and Associated Documents.
Other	The MOU is otherwise on terms and conditions considered standard for an agreement of this nature, including representations and warranties.