

## Triton Minerals Ltd

ASX: TON  
ABN: 99 126 042 215

Street address:  
278 Barker Road  
Subiaco  
Western Australia 6008

Postal address:  
PO Box 1518  
West Perth  
Western Australia 6872

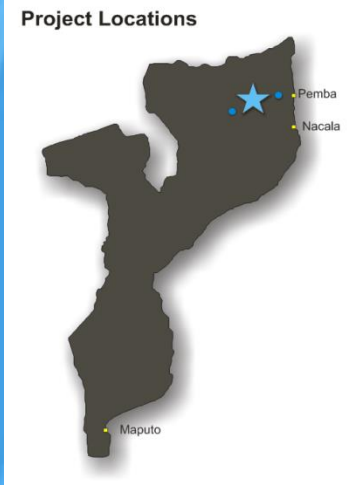
Tel: +61 8 6489 2555  
Fax: +61 8 9388 1252

Email:  
[info@tritonmineralsltd.com.au](mailto:info@tritonmineralsltd.com.au)

Web:  
[www.tritonmineralsltd.com.au](http://www.tritonmineralsltd.com.au)

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

### Project Locations



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

## LETTER OF INTENT FOR PROJECT FUNDING AND OFF-TAKE AGREEMENT FOR NICANDA HILL



Triton Minerals Ltd (ASX: TON, Triton or Company) is pleased to announce the formal signing of a letter of intent (LOI) with Chinese equity firm and resources trading house, Shenzhen Qianhai Zhongjin Group Co., Ltd (SQZG). Pursuant to the LOI, SQZG have agreed to provide funding of up to US\$200 million (A\$255m) to build and develop a graphite concentrate operation with initial capacity to produce up to 200,000 tonnes of graphite concentrate per year at Nicanda Hill.

### Key Highlights:

- Proposed project funding package of 50:50 debt to equity; Up to US\$100 million direct equity investment in Triton and up to a US\$100 million debt facility.
- An off-take agreement with an initial term of 10 years at 200,000 tonnes of graphite concentrate per year for Triton's Mozambique Graphite (TMG) sourced from Nicanda Hill; and
- Both the project funding agreement and the off-take agreement are conditional on the completion of a formal due diligence by SQZG, to be completed no later than 30 June 2015 and the execution of final binding agreements.

The successful finalisation of subsequent definitive agreements will secure full funding for the Nicanda Hill project, together with a 10 year 200,000 tonnes of graphite concentrate off-take per year of Nicanda Hill TMG concentrate.

The signing of this LOI demonstrates the strategic importance and growth potential of the graphite material supply market and of graphite-based technologies that Triton is well positioned to supply.

### Triton's Managing Director & CEO, Brad Boyle said:

*"This is yet another outstanding achievement for Triton as this Letter of Intent signifies an important step towards securing complete and comprehensive funding for the development of our flagship Nicanda Hill deposit. Shenzhen Qianhai Zhongjin Group Co., Ltd is a very large, reputable banking, equity and resource trading house."*

*We are delighted and privileged to be associated with SQZG who are looking to align themselves with Triton as a long term strategic partner, a cornerstone investor, financier and off-take partner.”*

**SQZG’s Managing Director, Mr Chen Shaogang** said:

*“As a result of our detailed analysis of the graphite supply business we have identified Triton as the premier future developer and producer. Considering various aspects such as resource quality, technical expertise, rapid and effective project progression, Board and management team determination and resolve, we view the Nicanda Hill deposit as a justifiably world class deposit and Triton as the industry leader.*

*As potentially the world’s largest and lowest-cost producer, Triton holds a key asset in the graphite and vanadium world. We are delighted to align our Company with the Triton team in a strategic long term relationship and we look forward to working closely together through the due diligence process and hope to finalise a definitive agreement soon to formalise the terms of the LOI”*



**Figure 1.** Mr Brad Boyle, CEO & MD Triton and Mr Chen Shaogang, MD SQZG at LOI signing ceremony, 22 April 2015, Shenzhen, China

## **KEY TERMS OF THE LETTER OF INTENT**

The LOI has a project funding component and an offtake component, of which the key terms of each are summarised below.

### Project Funding Component

<b>Amount:</b>	Up to US\$200 million.
<b>Equity:</b>	<ul style="list-style-type: none"> <li>• Up to US\$100 million</li> <li>• Subject to Triton’s placement capacity, Triton will issue SQZG ordinary fully paid shares at the greater price of AUD\$0.50 or market price.</li> <li>• The issue of the equity in Triton may be undertaken in three (3) or more separate tranches, ensure that SQZG do not hold at any one time more than 19.99% equity in Triton.</li> <li>• The total value and the amount of equity issued in the each tranche to Triton from SQZG is it at the sole discretion of Triton.</li> </ul>
<b>Debt:</b>	<ul style="list-style-type: none"> <li>• Up to US\$100 million.</li> <li>• Triton shall draw down the debt facility for the full construction of the mine at the Nicanda Hill project.</li> <li>• The total amount of debt obtained by Triton will be at the sole discretion of Triton.</li> <li>• Unless otherwise agreed in writing between the parties the term of the loan is for a maximum of five (5) years from the date of obtaining the funds from SQZG.</li> <li>• Triton will repay the principle debt in full plus interest during the term of the loan.</li> <li>• during the term of the loan and until the debt full is paid in full, Triton agrees to provide SQZG up to 200,000 tonnes of graphite concentrate at a fixed price US\$875 per tonne FOB of material for any shipment. Purity of the graphite concentrate not less than 90% and moisture content up to 1%.</li> </ul>
	Full terms and conditions to be specified in a binding funding agreement.
<b>Other terms:</b>	Shareholder approval maybe required to authorise the funding agreement whether or not the debt component of the funding agreement will be, is envisaged to be or may be (following formal negotiation) secured.

Triton notes should the funding agreement be secured following the completion of the due diligence and formal negotiations with SQZG, the issue of any securities pursuant to the equity component of the funding agreement may require shareholder approval. Further, in the event that the debt component of the funding agreement is secured, then this part of the transaction may also require additional shareholder approval.

### Off-Take Component

<b>Term:</b>	Initial Term of 10 years.
<b>Amount:</b>	200,000 tonnes per year.
<b>Commencement:</b>	Once the full debt specified above in Project Funding has been repaid by Triton to SQZG, the parties will then commence the long term graphite concentrate off-take agreement.
<b>Price:</b>	Triton will sell Nicanda Hill graphite concentrate to SQZG at a discount (to be agreed) to global graphite market price, but no less than a floor price of US\$750 per tonne FOB for any shipment.
<b>Purity:</b>	Not less than 90% and moisture content up to 1%.
<b>Other terms:</b>	Full terms and conditions to be specified in a binding off-take agreement.
<b>Minimum Contract Revenue:</b>	US\$ 1.5 Billion

The LOI with SQZG is subject to SQZG completing a formal comprehensive due diligence, including a Mozambique project site visit. It is expected the due diligence will be completed by SQZG by no later than 30 June 2015. On the signing of binding agreements the first stage of equity funding to Triton would commence within 30 days of completion of the due diligence (**Due Diligence**).

Should SQZG determine at the end of the Due Diligence period not to proceed, neither Party will have any legal or financial liability to the other Party arising from the termination of the LOI.

The LOI creates binding legal obligations between Triton and SQZG in accordance with its terms and in the event that SQZG is satisfied with its Due Diligence and a formal agreement is not entered into, the LOI shall represent the definitive agreement between Triton and SQZG.

Triton will provide an update to the market in relation to the Due Diligence being conducted by SQZG together with the negotiation of formal funding and off-take agreements as further information comes to hand.

Should Triton be able to secure the formal off-take agreement with SQZG, this has a potential minimum contract value of at least US\$1.5 Billion over the ten year term, which would be in addition to the US\$2 Billion minimum contract value contained within the initial 20 year binding off-take agreement executed with Yichang Xincheng Graphite Co., Ltd (YXGC).

The Company's focus 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, the execution of this LOI is another key milestone in achieving this goal.

## **ABOUT SHENZHEN QIANHAI ZHONGJIN GROUP CO., LTD**

### Key Points about SQZG:

- Established and substantial Chinese based resources trading and financial management and equity investment company, with in excess of \$10 billion RMB under management.
- Headquartered in Shenzhen and has approximately 35 branches and agency offices located in most of the major cities throughout China, with at least one office in each province. SQZG is aiming to establish 100 offices and branches within the next 3 years.
- Total number of staff is approximately 1,000.
- Recently listed (16 January 2015) on the Qianhai Stock Exchange (listing code number: 660333).
- Holds a valid minerals trading licence.
- Operates three key divisions in China which make up the SQZG Group of companies. The Core Operations are outlined below:

#### **FINANCE**

- Capital funding
- Wealth management
- Micro-lending
- Foreign currency trading
- Commodities exchange centre

#### **RETAIL & COMMERCE**

- yacht industry
- film industry
- culture base

#### **E-COMMERCE**

- internet marketing
- e-business
- internet finance

Additional information can be found at SQZG website (<http://www.zhongjin.com.cn>).

## **TRITON and SQZG**

Triton, with the assistance of Nexia International (independent advisors) conducted due diligence on SQZG, concluding that SQZG has the financial resources, appropriate industry connections, institutional reputation and corporate and social responsibility profile to be a worthy and qualified strategic partner.

This finding is further supported by the understanding that SQZG is a public company, listed on the Qianhai Stock Exchange and operating under the listing and compliance obligations of this exchange.

Both SQZG and Triton are pleased that SQZG will potentially become a cornerstone investor and strong strategic partner for Triton in the development of the Nicanda Hill graphite and vanadium deposit.



Figure 2. Mr Brad Boyle, CEO & MD Triton and executives of SQZG and consultants, 22 April 2015, Shenzhen, China

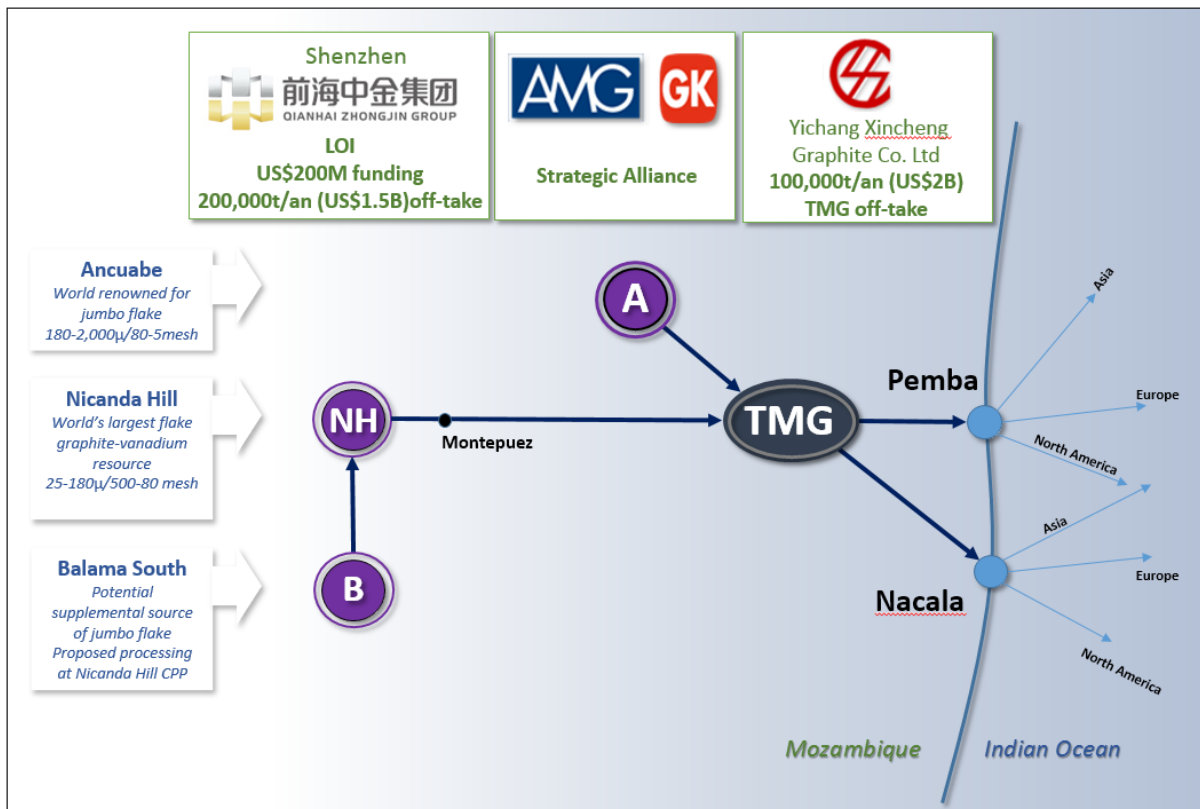


Figure 3: TMG Conceptual Integrated Development Business Model

## CONCLUSIONS

Successful finalisation of definitive agreements that may result from the LOI will secure full funding for the Nicanda Hill deposit, together with a 10 year 200,000 tonnes off-take of Nicanda Hill TMG concentrate. In such a case, Triton anticipates that many of the key development milestones at the Nicanda Hill will be expedited and the expected large-scale commercial graphite production may be achieved earlier than originally scheduled. This would allow Triton to establish and secure a substantial and expanding market presence ahead of many other peer companies in the graphite sector.

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.

The signing of this LOI demonstrates the strategic importance of graphite-based technologies and global growth potential of the graphite material market into which Triton is well positioned to supply.

**THIS ANNOUNCEMENT EFFECTIVELY CEASES THE TRADING HALT REQUESTED BY THE COMPANY ON 22 APRIL 2015. THE COMPANY IS NOT AWARE OF ANY REASON WHY THE ASX WOULD NOT ALLOW TRADING TO RECOMMENCE IMMEDIATELY.**

Regards



Brad Boyle  
CEO & Managing Director  
**Triton Minerals Ltd**

### For further information, please contact:

**Brad Boyle**  
CEO & Managing Director  
Tel: + 61 8 6489 2555  
Email: [bboyle@tritonmineralsltd.com.au](mailto:bboyle@tritonmineralsltd.com.au)

**Michael Brady**  
General Counsel & Company Secretary  
Tel: + 61 8 6489 2555  
Email: [mbrady@tritonmineralsltd.com.au](mailto:mbrady@tritonmineralsltd.com.au)

### 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.