

## 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



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

## MOZAMBIQUE PROJECTS UPDATE

### HIGHLIGHTS

#### NICANDA HILL

- **Development timeline on-track**
  - ESIA and EPDA on schedule
  - DFS progressing on schedule
  - Geotechnical and hydrological drill program completed
  - Metallurgical test work well advanced
  - DUAT applications ready for provincial approval
  - District approval for early-works road access

#### ANCUABE

- ESIA and EPDA on schedule
- Initial drill program to commence

#### BALAMA SOUTH

- Reconnaissance geological mapping & sampling program completed
- Metallurgical and mineralogical test work program underway

Triton Minerals Limited (ASX: TON, Triton or Company) is pleased to provide a Mozambique projects update of recent activities at the Nicanda Hill, Ancuabe and Balama South graphite projects.

Triton's Managing Director & CEO Brad Boyle said: "It has been an extremely busy period for Triton, with solid progress with the Nicanda Hill DFS which is on track for completion, together with the ESIA, by the end of the 2015.

Meanwhile, the Company has also initiated the preliminary exploration program and full ESIA at the Ancuabe graphite project together with an initial reconnaissance mapping and sampling program at the Balama South graphite project.

Triton is pleased with concurrent advancement of all the projects and we look forward to updating the market as the results from the various programs become available in the coming weeks and months ahead."

## **NICANDA HILL**

### **Environmental and Social Impact Assessment (ESIA)**

Triton confirms that Coastal and Environmental Services (Pty) Ltd (CES) has completed both the wet season and dry season baseline studies which are key components of the ESIA process.

The Ministry of Coordination of Environmental Affairs (MICOA) has completed their site visit at the Balama North project and the Environmental Pre-viability Report and Scope Definition (**EPDA**) and terms of reference disclosure documents will shortly be submitted to the Mozambique government.

Public consultations have been completed in the five surrounding villages with representatives from Triton, CES and the Government present.

CES are targeting to complete and submit their final ESIA report to the Mozambique Government by early December 2015. Once submitted, the report will be reviewed accordingly and is expected to be finalized and approved by early 2016.

### **DUAT**

Triton confirms that the DUAT applications (right to use and exploit land) in Mozambique are progressing well, as the public consultations with the surrounding villages around the Nicanda Hill graphite project have now been completed. Subsequently, the editals (reports) have been completed and submitted to the Governor of the Cabo Delgado Province for provincial approval. Following this the DUAT application will be submitted to the Council of Ministers for final approval. Triton is expecting that the DUAT will be approved by the end of 2015.

### **Nicanda Hill Definitive Feasibility Study (DFS)**

As previously announced on 26 February 2015, DRA Global (**DRA**) has been engaged by Triton as lead study manager of the DFS. Triton is targeting completion of the DFS by the end of 2015.

DRA's Perth-based study team, complemented by services from its Johannesburg office, are responsible for the completion and sign-off of the DFS report to a bankable standard. The DFS comprises a number of components including engineering and mineral process plant design, transportation and logistics, resource modelling, reserve classifications, pit design, tailings storage facility design, environmental and social impact, marketing and product distribution and financial modelling. The DFS program is currently is on time and within budget.

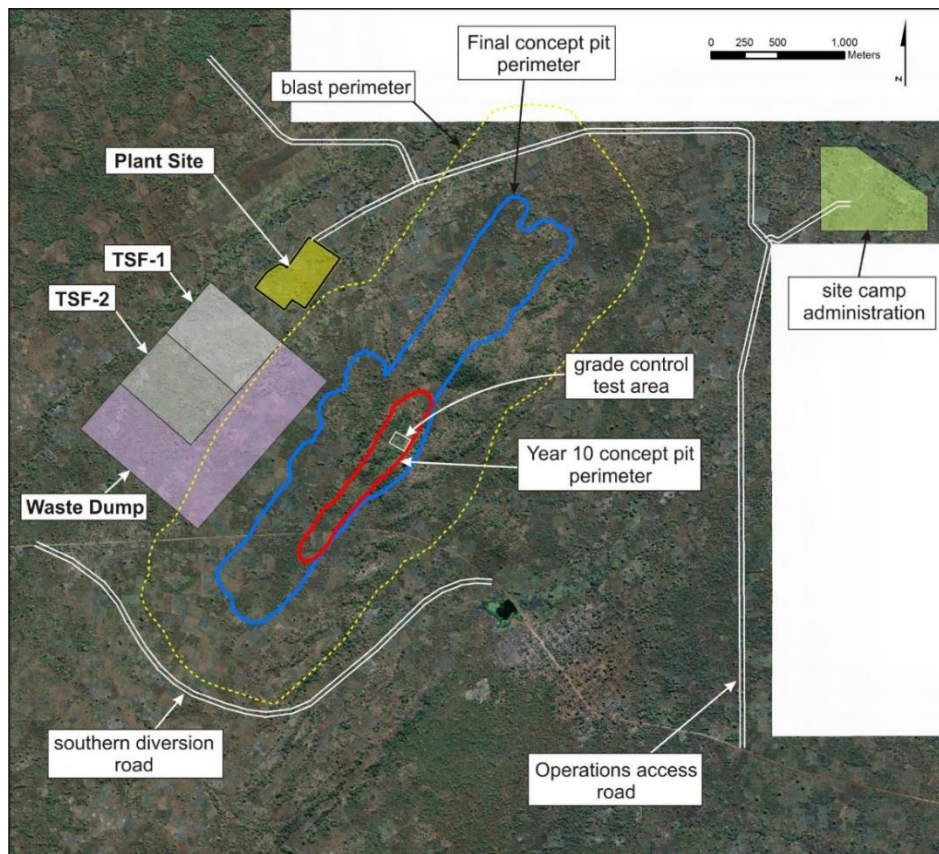
The DFS drilling program is well underway with the use of diamond and RC drilling rigs. A series of drilling programs have been undertaken at site as part of the DFS, including resource infill program within limits of the Year 10 pit perimeter, drilling of Piezometers, test pitting, pit geotechnical, pit hydrology, sterilisation and water supply.

As previously announced on 11 May 2015, the results from the resource infill drilling program will be used to confirm the current resource interpretation and to establish the optimum grade control pattern within the limits of the Years 1 to 10 design pit.

Another key objective of the additional drilling program is to provide sufficient information to underpin an upgrade in resource classification of material significance and thus form the basis of developing a substantial quantity of proven graphite reserves to both underpin the project economics and reduce the risk profile.

In conjunction with the drilling program a number of other assessments have been completed at site including packer testing, pump testing, magnetometer testing, down-hole orientation and geophysics which are essential in the development of the resource, pit design and tailings storage facility design.

Work is also well underway with the design for the graphite processing plant and site layout (refer to Figure 1).



**Figure 1.** Proposed Nicanda Hill Graphite Mine – preliminary site layout

### **METALLURGY**

Triton confirms that the metallurgical test work program is well advanced with a bulk sample being processed, assessed and refined at the SGS laboratories in Perth. The program is designed to refine and enhance the flow sheet design to optimise the established high recovery rates and high graphite concentrate grades of the flotation process and they are to be adopted at the Nicanda Hill processing plant. This will ensure the most cost effective and efficient graphite recovery process is used during the large scale commercial production of the high quality graphite concentrate.

Triton continues to look to expand the TMG product range and as such work is now being undertaken by Independent Metallurgical Operations (IMO) to understand a full range of the graphite concentrate physical characterisation properties, including electrical, thermal, density and laser sizing. Further, the Company is reviewing options to determine whether the Nicanda Hill graphite is suitable for the creation of Spherical graphite.

Should these advanced tests produce positive outcomes this will provide Triton with additional market avenues and creating an opportunity to become a leading supplier of high quality graphite products, to be used in the ever growing energy storage and electric vehicle markets.

Triton is also reviewing other metallurgical tests including whether TMG products will be suitable for creation of low cost Graphene Oxide and ultimately Graphene products, which would create additional applications and diversification of the TMG concentrate, helping to expand Triton's market presence as a vertically integrated graphite company.

### **EARLY WORKS PROGRAM (EWP)**

Triton's EWP allows for the implementation of project development activities prior to the formal granting of the mining licence. The EWP strategy is designed to accelerate the construction and commissioning phases of the mine and plant.

#### **ROAD ACCESS**

In order to improve vehicle access and safety during construction and operations, modifications to the project site access road are planned. The Department of Road and Infrastructure (DRI) has provided written approvals for this road construction work. The current turn-off to the Nicanda Hill project is located at the Mapapulo village and is fortunately located on a newly constructed sealed main road, thus signifying Triton will only have 10km of maintained gravel haul roads between the sealed main road and mine site.

The sealed road is considered to be critical by Triton, as a short distance to the west of the Mapapulo village, the main road reverts to a gravel road which is in poor condition and not suited to regular traffic, least of all heavy transport vehicles, heading towards either the Pemba or Nacala ports.

#### **PROCESS WATER SUPPLY**

As a result of the hydrological studies currently being undertaken and the completion of a Light Detection and Ranging (LIDAR) survey, a number of water sourcing and large-scale on-site water catchments and storage areas appear to present an optimum water solution which is now being investigated.

## **ANCUABE**

### **ESIA**

Triton confirms that Coastal and Environmental Services (Pty) Ltd (CES) have completed the dry season review which is the first key component of the study at the Ancuabe project. CES specialists are now completing further assessments of flora, fauna, natural resources and agriculture, water quality, fish, geohydrology, noise assessment, traffic and air quality.

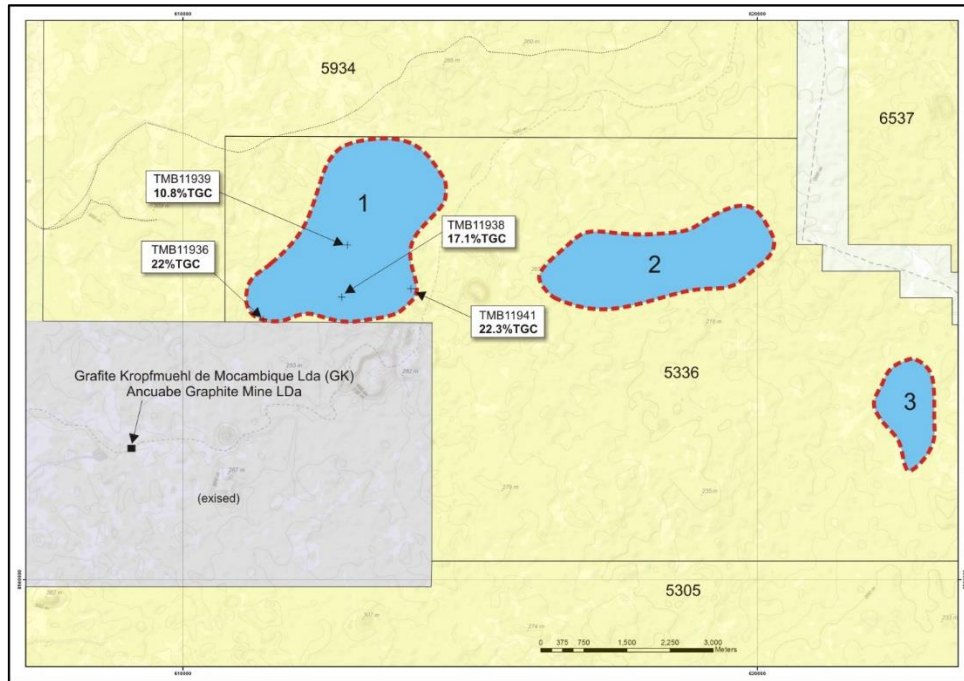
### **EXPLORATION PROGRAM**

The high grade and exceptional quality of the Ancuabe graphite has been proven in precursor exploratory work.

A total of 10 VTEM-based targets, located in Prospect Area 1 (Figure 2) will be tested in the first pass "proof of concept" drilling program. The key objective of the program is to confirm that graphite, and no other conductive material, is responsible for generating the larger VTEM responses.

Triton verifies that a diamond drill rig has been mobilised to site for the initial drill program. Subject to results, a second diamond and reverse circulation (RC) drill rig will also be mobilised to Ancuabe.

Triton will provide further updates as the results from the initial drill program become available.



**Figure 2.** Ancuabe prospect areas

## BALAMA SOUTH

### EXPLORATION PROGRAM

Triton has completed a small reconnaissance geological mapping and sampling program on the Balama South project. The program was designed to confirm the presence of graphitic mineralisation as identified by the VTEM survey completed last year. A number of rock chip samples were obtained from graphitic outcrops and have been sent to the Mintek laboratories in South Africa for analysis.

### METALLURGY & ANALYSIS

Triton confirms that metallurgical and mineralogical test work is being conducted by Mintek laboratories in South Africa to define the flow sheet for the graphite flotation and recovery process. The tests are focused on the effect of milling times in the circuits and the graphite flake preservation in the early stages of the flotation process.

Triton expects to receive preliminary assay results and the subsequent flotation results from Mintek in the coming weeks.

Triton will provide further updates regarding the Balama South graphite samples as results become available.

### MINING LAW AND FISCAL REGIME

Over the past few months Triton has monitored the flow-on effects from recent changes in the Mozambique mining legislation and the associated fiscal regime, and ultimately the potential implications for mining companies operating in Mozambique.

Triton has reviewed various reports and papers from internationally recognised legal and financial institutions and has had numerous discussions with Triton's Mozambique legal and financial advisors about the implications of the recent changes in the mining and associated tax legislation.

Triton confirms that during a recent site visit Triton executives were able to attend a number of meetings with the National Directorate of Mines in Maputo, Mozambique to discuss the recent changes to mining and taxation laws. The outcomes of these meetings were positive and supportive and dispelled any concerns of preferential dealing, as had been reported recently by various sources.

Triton is of the view that the recent changes to the legislation will in fact provide the Company with a greater degree of certainty moving forward. There are a number of sections within the new legislation that will need some additional clarity about how to apply some of the new provisions, which is quite normal when implementing these types of changes.

### **FISCAL REGIME**

On 23 September 2014, the Mozambique Government enacted the new Mining Tax Law, which introduces a new tax framework for the Mining sector which came into effect on 1 January 2015.

The new legislation contains the standard provisions for the Mining Production Tax, Surface Tax, Corporate Income Tax etc, as found in the previous legislation and the introduction of the a new Tax on Resource Rent.

During recent meetings, Mozambique Government officials confirmed that this fiscal regime will apply to all companies conducting mining activities within the Mozambique.

Triton notes that the new regime provides for mining companies to benefit from a number of tax incentives to encourage companies to develop industry in-country rather than sending the raw minerals and products overseas for further processing.

Thus the Mozambique Government is looking to encourage local involvement in the extraction and use of Mozambique's natural resources. The new regime clearly outlines the Mozambique Government's intention for the production of minerals are to be used by the local industry or to create value added products in-country.

The Mozambique Government has confirmed that these development incentives include substantial discounts on import and export taxes including exemptions from custom duties for a period of five years, particularly in relation to the importation of capital and goods. Furthermore the regime allows for a 50% reduction of the Mining Production Tax and provides tax stability for a period of up to 10 years of operation.

***Triton believes that the changes in the fiscal regime are particularly relevant and places the Company in a unique position to take advantage of these and other incentives, which will help Triton with the rapid development of mining operations of the world largest graphite deposit at Nicanda Hill and the creation of a whole new industry with the graphite enhanced products.***

These development incentives under the fiscal regime are extremely beneficial for Triton and making the Company a very attractive investment opportunity for groups seeking to be involved in a market leading vertically integrated graphite company.

## **MINING ACT**

On 18 August 2014, the Mozambique Government enacted legislation and the new Mining Law came into force. As per the previous regime, all mineral resources found in the soil and subsoil, inland water, territorial sea and continental shelf within Mozambique are the property of the State.

The new mining regime provides for a number of requirements to ensure that companies establish and maintain regular communication and consultation with the local communities affected by the mining activities which is in line with Triton's operational procedures.

Further, according to the new Mining Law, the Mozambique Government is required to create mechanisms which promote local investment in mining projects. The regime states that preference should be given to goods and services either purchased or obtained from Mozambican individuals or entities. This is consistent with Triton's philosophy, that where possible, local services will be used, such as highlighted by the recent engagement by Triton of the Mozambique service provider, PacMoz Lda.

The new regime provides that mining companies must be listed on the Mozambican Stock Exchange (Bolsa de Valores de Moçambique) within 5 years of commencing production. Triton considers this requirement to be a useful mechanism to obtain access to additional funding and encourage Mozambique investment into the development of the projects.

An additional benefit not previously available to companies is the protection of property rights and activities granted under any mining permits for mining companies from undue and unfair expropriation without fair compensation and the protection of the transfer of funds outside of Mozambique.

The Mozambique Government has confirmed that they wish to standardise the Mining Contracts, as the intent of the new regime is to ensure all mining companies are treated equally and fairly. The Mining Contract must contain clauses regarding; Government Participation (continued from the previous mining regime), local content, local employment and training, incentives in relation to increasing the value of the minerals to be extracted, corporate social responsibility, understanding between licence holder, the State and the community, dispute resolution mechanism and community involvement and benefit.

Triton sees that these modifications to the Mining Contract demonstrate that the Mozambique mining regime is maturing to equal international standards.

A further benefit of the new Mining Contract is the emphasis on tax and import/export incentives in relation to increasing the value of the minerals to be extracted. This supports Triton's current development strategy of building a factory in Mozambique to produce the enhanced graphite products.

***Triton's vertically integrated strategy was enthusiastically received during recent meetings with Mozambique Government officials.***

In summary the benefits for Triton with the new mining and fiscal regimes include:

- Fiscal regime to apply to all mining companies in Mozambique;
- Tax incentives to encourage companies to develop industry in-country;
- Mozambique engagement and support;
- Access to additional local funding;
- Property rights protection; and
- Development incentives for value add to minerals.

## CONCLUSIONS

Triton is pleased with the advancements being made at all the graphite projects. With the ESIA and DFS on schedule to be completed by the end of 2015, the Company will be well positioned to continue with the rapid development of the Nicanda Hill graphite deposit and remain on track to commence commercial graphite concentrate production in the near future.

Should Triton be able to demonstrate economic quantities of large and jumbo flake graphite at both the Ancuabe and Balama South graphite projects, it could complement the Triton Minerals Graphite (TMG) products range and provide the Company with the potential to produce large volumes of high grade (high value) graphite in the full range of flake sizes, thereby accommodating a wider range of end-user requirements.

Triton is rapidly working towards establishing TMG as a new 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**.

Regards



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

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

#### **Vision**

Led by a highly experienced Board and Management team, Triton's primary vision is to grow shareholders value through discovery and development of graphite, gold and other precious, base and industrial minerals deposits. Further, Triton will explore vertical integration opportunities to supplement its core business and to create valued revenue streams to ultimately benefit Triton's shareholders.

#### **TMG and beyond**

Triton hopes to establish Triton Mozambique graphite, produced from its Mozambique graphite projects (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 hopes to establish Triton Mozambique graphite, produced from its Mozambique graphite projects (TMG) as the global graphite-industry benchmark.*

Triton is also actively pursuing vertical integration opportunities to be involved in all aspects of the graphite supply chain, which Triton believes will add significant value to the Company and its shareholders in the long term.



**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)

**Competent Person's Statement**

The information in this report that relates to Exploration Results on the Balama North, Ancuabe and Balama South Projects is based on, and fairly represents, information and supporting documentation prepared by Mr. Alfred Gillman, who is a Fellow of Australian Institute of Mining and Metallurgy (CP Geol). Mr. Gillman is an Executive Director of the Company. Mr. Gillman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)'. Mr. Gillman consents to the inclusion in this report the exploration results and the supporting information in the form and context as it appears.

The information in this announcement that relates to Exploration Results on the Balama North Project is extracted from the reports entitled ASX Release "Mozambique Projects Update", created 26 February 2015, ASX Release "Triton Mozambique Graphite Projects Update", dated 11 May 2015 and is available to view on [www.tritonmineralsltd.com.au](http://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.

The information in this announcement that relates to Exploration Results on the Ancuabe Project is extracted from the reports entitled ASX Release "Market Leading Flotation Results Ancuabe Project - Mozambique", created 18 May 2015 and is available to view on [www.tritonmineralsltd.com.au](http://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.

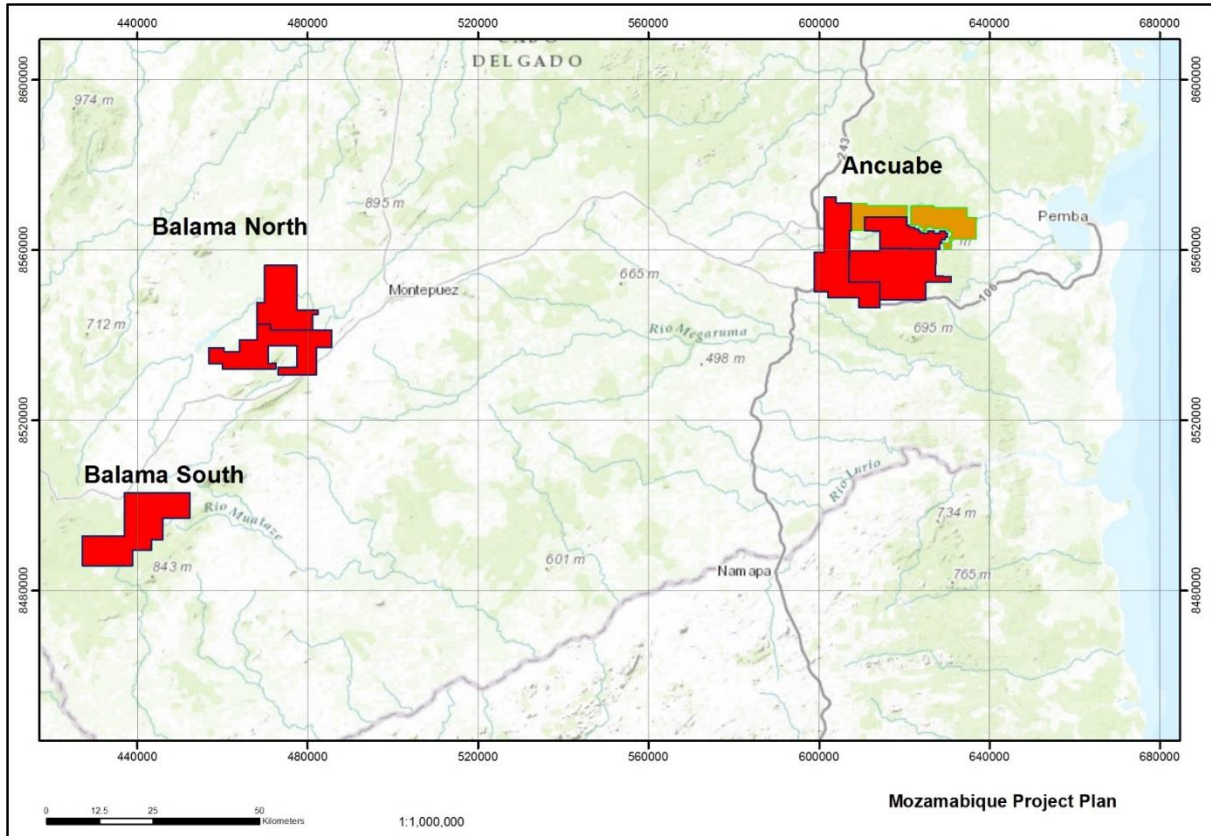


Figure 3: Overview of Triton’s graphite projects located in the Cabo Delgado Province of Mozambique