



TRITON
MINERALS LTD

ACN: 126 042 215

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
30 JUNE 2015**

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

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**TRITON MINERALS LIMITED
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CORPORATE DIRECTORY

DIRECTORS

Mr Christopher Catlow
Mr Brad Boyle
Mr Alfred Gillman
Mr Alan Jenks
Ms Paula Ferreira

Non-Executive Chairman
Managing Director & Chief Executive Officer
Technical Director
Non-Executive Director
Non-Executive Director

COMPANY SECRETARY

Mr Michael Brady
Ms Paige Exley

REGISTERED OFFICE

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Claremont, WA 6010

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HOME BRANCH

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TRITON MINERALS LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT

The Directors present their interim financial report on the consolidated entity consisting of Triton Minerals Limited (“Triton” or “the Company”) and the entities it controlled at the end of, or during, the half year ended 30 June 2015 (“the Group”).

1. The Board of Directors

The following persons were Directors of Triton Minerals Ltd during the period and up to the date of this report unless otherwise stated:

Mr Christopher Catlow – Non-Executive Chairman	Appointed 05 June 2015
Mr Brad Boyle – Managing Director & CEO	Appointed 27 April 2012
Mr Alfred Gillman – Technical Director	Appointed 27 September 2012
Mr Alan Jenks – Non-Executive Director	Appointed 28 January 2014
Ms Paula Ferreira – Non-Executive Director	Appointed 24 August 2015

2. Company Secretary

Mr Michael Brady (Joint Company Secretary)

Mr Brady is Triton’s General Counsel and Joint Company Secretary. Mr Brady is a commercial lawyer admitted to the Supreme Court of Western Australia and the High Court of Australia. Mr Brady previously worked as a senior lawyer at an Australian top tier international law firm where he principally practised commercial and corporate law.

Mr Brady holds undergraduate degrees in Law and Psychology (Murdoch), a postgraduate qualification in Applied Finance (Kaplan) and is a graduate of the Australian Institute of Company Directors (AICD). Additionally, Michael is undertaking a Masters of Laws (Corporate, Energy & Resources) at the University of Melbourne.

Ms Paige Exley (Joint Company Secretary)

Ms Exley is Triton’s Chief Financial Officer and Joint Company Secretary. Ms Exley has over 15 years of experience in financial and management accounting roles with ASX listed companies and more recently has held company secretarial roles for ASX listed and unlisted companies.

Ms Exley holds a Bachelor of Commerce, with a double major in Accounting and Business Law from Curtin University and is a Chartered Secretary with a Post-Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

3. Principal Activity

The principal activity of the Group during the financial period was to acquire, explore and develop areas that are highly prospective for graphite, vanadium, gold, and other precious and base metals and minerals in Australia, Africa and elsewhere.

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4. Significant Changes in the State of Affairs

Long State Investments – Equity Placement Facility

On 27 January 2015, the Company announced that it had entered into a binding agreement with Long State Investments Limited (“LSI”), to provide the Company with an Equity Placement Facility for up to \$20 million, over two years on the terms and conditions summarised in the ASX announcement.

On 30 January 2015, the Company issued 541,125 fully paid ordinary shares at a deemed issue price of \$0.1848 as an implementation fee of \$100,000 to LSI for the establishment of the Equity Placement Facility.

On 23 February 2015, the Company issued 4,548,763 unlisted options exercisable at \$0.2748, expiring 23 January 2018 to LSI as consideration for entering into the Equity Placement Facility.

Acquisition of Mozambique Graphite project

On 27 January 2015, the Company also announced that following discussions with its joint venture partner Grafex Lda (“Grafex”), new terms had been agreed with the minority shareholders of Grafex to extend, for a further 12 months, the timeline for the second Tranche payment of US\$5 million in cash and US\$5 million equivalent in Triton shares, for Triton to acquire the remaining 20% equity interest in Grafex and all of the Mozambique graphite projects known as Balama North, Balama South and Ancuabe (“the Projects”).

Under the new terms, Triton has paid an extension fee of US\$200,000 to the minority shareholders of Grafex for the 12 month extension. During this 12 month extension period Triton has undertaken to pay a series of instalments of cash and shares to the minority shareholders of Grafex in full satisfaction of the second Tranche payment to obtain 100% equity interest in Grafex.

Triton is able to acquire a 90% equity interest in Grafex through the payment of US\$3 million in cash and US\$3 million equivalent in Triton shares to the minority shareholders of Grafex. Following this, Triton is able to acquire a 100% equity interest in Grafex through the payment of a further US\$2 million in cash and US\$2 million equivalent in Triton shares. Once an equity interest has been acquired, currently an 80% interest, Triton will maintain the earned equity interest even if it is unable to complete payment of the full second Tranche consideration. Triton earned an 80% interest in Grafex and the joint venture on 25 August 2014.

On 19 February 2015, the Company paid the extension fee of US\$200,000 to the minority shareholders of Grafex and issued 7,661,877 fully paid ordinary shares at a deemed issue price of \$0.1672 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

On 24 March 2015, the Company paid part consideration of US\$250,000 to the minority shareholders of Grafex and issued 1,671,009 fully paid ordinary shares at a deemed issue price of \$0.1924 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

On 28 April 2015, the Company paid part consideration of US\$250,000 to the minority shareholders of Grafex and issued 826,626 fully paid ordinary shares at a deemed issue price of \$0.3863 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

On 25 May 2015, the Company paid part consideration of US\$250,000 to the minority shareholders of Grafex and issued 917,692 fully paid ordinary shares at a deemed issue price of \$0.3485 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

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4. Significant Changes in the State of Affairs (continued)

On 23 June 2015, the Company paid part consideration of US\$500,000 to the minority shareholders of Grafex and issued 5,032,530 fully paid ordinary shares at a deemed issue price of \$0.32 as part consideration towards earning a 90% equity interest in the Projects.

Joint Venture - AMG Mining AG

On 31 March 2015, the Company announced that it had signed a binding agreement to form a strategic alliance with AMG Mining AG ("AMG"), through the AMG subsidiary of GK Ancuabe Graphite Mine, SA ("GK"). The strategic alliance is for an initial exclusive period of two years during which the Parties will collaborate on the exploration, identification and development of graphite occurrences in the Ancuabe district, within the Province of Cabo Delgado in Mozambique. GK's Mozambique assets include permitted mining concession 4C that encompasses a functional graphite producing plant (on care and maintenance) and associated mining and production infrastructure in the Ancuabe district. Triton's exploration tenure completely surrounds this mining concession.

Off-take Agreement - Yichang Xincheng Graphite Co., Ltd

On 1 April 2015, the Company announced the signing of a 20 year binding off-take agreement to supply 100,000 tonnes of graphitic concentrate per year at a minimum sale price of US\$1,000 per tonne, with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd ("YXGC") for Triton's Mozambique Graphite ("TMG") ("Agreement"). Triton has exclusive rights to supply graphite to YXGC from Mozambique, Madagascar, Malawi and Tanzania.

The binding off-take agreement is conditional upon the following conditions being met within 36 month of signing the Agreement:

- Triton receiving all relevant government approvals;
- Triton commissioning a processing plant or plants;
- Triton achieving commercial production of Material to the satisfaction of Triton; and
- Triton providing YXGC notice of its intention to commence deliveries of Material.

Project Funding - Shenzhen Qianhai Zhongjin Group Co., Ltd

On 27 April 2015, the Company announced 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 up to US\$100 million direct equity investment in Triton and up to a US\$100 million debt facility funding for a total of up to US\$200 million 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.

The debt facility will be for a maximum term of five years from the date of funding and during the term of the loan and until the debt full is paid in full, Triton agrees to provide SQZG with up to 200,000 tonnes of graphite concentrate at a fixed price US\$875 per tonne FOB of material for any shipment, subject to purity of the graphite concentrate of not less than 90% and moisture content of up to 1%.

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.

On 2 June 2015, the Company announced that SQZG had sought an extension to the LOI equity and debt funding due diligence deadline of 30 June 2015 which was announced by the Company on 27 April 2015, for up to six months to incorporate a formal review of the Ancuabe graphite project as well as the Nicanda Hill project.

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4. Significant Changes in the State of Affairs (continued)

Joint Venture Agreements - Yichang Xincheng Graphite Co., Ltd

On 14 May 2015, the Company announced the entry into two binding joint venture agreements with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd ("YXGC") to develop and produce graphite enhanced products in Mozambique and China. The joint venture companies will source Triton Mozambique Graphite ("TMG") concentrate exclusively from Triton to develop enhanced graphite products.

Triton will hold a 49% interest in the China joint venture ("China JV") of which YXGC will be the operator. The China JV is conditional upon on the following conditions being waived or satisfied by the relevant party from the date which is thirty six (36) months from the Commencement Date, 13 May 2015, whereby either party may terminate the Joint Venture:

- 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;
- 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");
- receiving all relevant Mozambique Government approvals; all relevant Chinese Government approvals or any other relevant Government approvals (including Australia);
- agreeing on an appropriate site for the Graphite Enhance Products Plant in China Hubei province of Xinshan;
- entry into a Shareholders Agreement between Triton & YXGC in relation to the JV Company which incorporates the terms and intent of the Joint Venture;
- agreeing on the Graphite Enhance Products Plant design, construction cost, timetable and size;
- agreeing to items/decisions of the Joint Venture that require unanimous approval of the Parties;
- agreeing to an initial Joint Venture budget and work program;
- agreeing on the initial cost and initial capital contributions ("Initial Contribution");
- undertaking the following items within six months from the Commencement Date;
- opening a Joint Venture bank account, with both Parties as co-signatories to the account;
- each Party depositing US\$1 million into the Joint Venture bank account; and
- establishing a joint venture management team.

Triton will hold a 70% interest in the Mozambique joint venture ("Mozambique JV") of which Triton will be the operator. The Mozambique JV is conditional upon on the following conditions being waived or satisfied by the relevant party, either Party may terminate the Joint Venture:

- 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;
- 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");
- receiving all relevant Mozambique Government approvals; all relevant Chinese Government approvals or any other relevant Government approvals (including Australia);

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4. Significant Changes in the State of Affairs (continued)

- agreeing on the appropriate site for the Graphite Enhance Products Plant in near Pemba or Nacala, Mozambique;
- entry into a Shareholders Agreement between Triton & YXGC in relation to the JV Company which incorporates the terms and intent of the Joint Venture;
- agreeing on the Graphite Enhance Products Plant design, construction cost, timetable and size;
- agreeing to items/decisions of the Joint Venture that require unanimous approval of the parties;
- Agreeing to an initial Joint Venture budget and work program;
- Agreeing on the initial cost and initial capital contributions ("Initial Contribution"); and
- Triton electing, at its sole discretion, how it will provide its Initial Contribution.

Mozambique Capital Gains Tax

On 1 January 2015, a Mozambique capital gains tax regime applicable to the mining sector came into force. According to this regime, the tax in relation to a capital gain on the transfer of mining rights located in the Mozambique territory by non-residents is payable by the seller. In relation to this payment, the seller, the buyer or the entity holding the mining rights have joint and several liability for the payment of the tax in Mozambique. For more information refer to note 13.

Other

On 19 January 2015, the Company raised \$31,964 through the exercise of unlisted options which were converted to 319,643 fully paid ordinary shares at \$0.10 per share.

On 26 February 2015, the Company announced the appointment of key consultants engaged to complete a Definitive Feasibility Study at Nicanda Hill.

On 16 March 2015, the Company issued 7,142,857 shares at an issue price of \$0.14 per share, with a free attaching unlisted option for every two shares issued being a total of 3,571,428 unlisted options exercisable at \$0.20, expiring 16 March 2017. Through the issue of shares and options the Company raised capital of \$1,000,000 excluding costs.

On 25 March 2015, the Company raised \$256,500 through the exercise of unlisted options by Directors, Alfred Gillman and Alan Jenks which were converted to 2,565,000 fully paid ordinary shares at \$0.10 per share.

On 26 March 2015, the Company raised \$10,000 through the exercise of unlisted options by Director Brad Boyle which were converted to 100,000 fully paid ordinary shares at \$0.10 per share. The Company raised a further \$12,014 through the exercise of unlisted options which were converted to 60,070 fully paid ordinary shares at \$0.20 per share.

On 26 March 2015, the Company issued 192,957 fully paid ordinary shares at a deemed issue price of \$0.1924 per share to a consultant for the provision of consulting services.

On 27 March 2015, the Company raised \$188,142 through the exercise of unlisted options which were converted to 940,710 fully paid ordinary shares at \$0.20 per share.

On 7 April 2015, the Company raised \$159,948 through the exercise of unlisted options which were converted to 799,738 fully paid ordinary shares at \$0.20 per share.

On 8 April 2015, the Company raised \$147,038 through the exercise of unlisted options which were converted to 735,192 fully paid ordinary shares at \$0.20 per share.

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4. Significant Changes in the State of Affairs (continued)

On 15 April 2015, the Company raised \$39,285 through the exercise of unlisted options which were converted to 196,427 fully paid ordinary shares at \$0.20 per share.

On 28 April 2015, the Company raised \$3,571 through the exercise of unlisted options which were converted to 17,857 fully paid ordinary shares at \$0.20 per share.

On 28 April 2015, the Company issued 1,000,000 fully paid ordinary shares at a deemed issue price of \$0.355 per share to a consultant, Oriental Link Holdings, for the provision of consulting services provided to secure a binding off-take agreement with Yichang Xincheng Graphite Co Ltd ("YXGC").

On 6 May 2015, the Company raised \$21,428 through the exercise of unlisted options which were converted to 107,142 fully paid ordinary shares at \$0.20 per share.

On 18 May 2015, the Company issued 34,301,382 shares to institutional and sophisticated investors at an issue price of \$0.35 per share to raise capital of \$12,005,484 excluding costs. The funds raised were used to progress the Feasibility Study at the Nicanda Hill project, commence an early works program at Nicanda Hill, undertake the initial drilling program at the Ancuabe Project and provide general working capital.

On 28 May 2015, the Company held its Annual General Meeting, where amongst other matters shareholders approved the re-election of Mr Alan Jenks as a director of the Company, the ratification of prior issues of shares and options as well as an additional 10% placement facility.

On 5 June 2015, the Company appointed Mr Christopher Catlow as Non-Executive Chairman and Mr Alan Jenks resigned as Chairman of the Company and became a Non-Executive Director.

On 18 June 2015, the Company raised \$30,000 through the exercise of unlisted options by Director Brad Boyle which were converted to 300,000 fully paid ordinary shares at \$0.10 per share.

On 18 June 2015, the Company issued 1,000,000 fully paid ordinary shares at a deemed issue price of \$0.315 per share to a consultant, Oriental Link Holdings, for the provision of consulting services provided to secure a binding joint venture agreement with YXGC to produce enhanced graphite products.

5. Review of Operations

A) Projects

Triton, through its majority 80% equity interest in Grafex Lda ("Grafex") is the registered holder of eight exploration licenses, of which six have been granted and two are in application, in the Cabo Delgado Province of northern Mozambique. The licenses comprise three project areas, known as:

- Balama North Project
- Balama South Project
- Ancuabe Project

All three areas are considered highly prospective for graphite.

Triton currently holds an 80% equity interest in Grafex and has entered into an arrangement with the minority shareholder of Grafex to purchase the remaining 20% interest in exchange for the payment of US\$5M in cash and US\$5M equivalent in Triton shares.

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5. Review of Operations (continued)

Balama North Project

The Balama North Project is located approximately 230km west of Pemba, in northern Mozambique, in the vicinity of known graphite mineralisation. Over the past 18 months the Balama North Project has been established as the Company's flagship project and currently contains the world's largest and fourth largest graphite Mineral Resources, at Nicanda Hill and Cobra Plains respectively.

In February 2014, the Company announced its maiden Inferred Mineral Resource Estimate comprising 103 Million Tonnes ("Mt") at an average grade of 5.2% graphitic carbon, containing 5.7Mt of graphitic carbon, at the Cobra Plain's deposit at the Balama North project. This resource is classified as Inferred in accordance with the guidelines of The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012).

Table 1: Mineral Resource Estimate Table – Cobra Plains:

Classification	Tonnes (Mt)	Grade (TGC%)	Contained Graphite (Mt)
Inferred	103	5.2	5.7

Competent Person's Statement

The information in this report that relates to Mineral Resource estimate at the Cobra Plains deposit on Balama North project is based on, and fairly represents, information and supporting documentation prepared by Mr Mark Drabble, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Drabble is not a full-time employee of the Company. Mr Drabble is employed as a Consultant from Optiro Pty. Ltd. Mr Drabble 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 Drabble has reviewed and approved for release this announcement as it relates to Mineral Resources and consents to the inclusion in this report the supporting information in the form and context as it appears.

One of the Company's most significant achievements to date is the announcement in October 2014 of the maiden Mineral Resource at Nicanda Hill. Triton achieved this milestone in only six months from the commencement of drilling at Nicanda Hill.

The maiden Mineral Resource estimate ranks Triton's Nicanda Hill deposit as the largest combined graphite and vanadium deposit in the world.

The total Mineral Resource estimate as at 31 December 2014 comprises 1,457 Million Tonnes ("Mt") at an average grade of 10.7%TGC and 3.93 Mt at an average grade of 0.27% of Vanadium Pentoxide ("V₂O₅") classified as either Inferred Mineral Resources or Indicated Mineral Resources in accordance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition) as reflected in Table 2 below. This Mineral Resource has been reported inside geological wireframes (defined on the basis of mineralised graphite intercepts) and equates to a nominal 8% TGC cut-off grade.

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5. Review of Operations (continued)

Table 2: Mineral Resource Estimate Table – Nicanda Hill:

Classification	Tonnes (Mt)	Grade (TGC%)	Contained Graphite (Mt)	Grade (V₂O₅%)	Contained V₂O₅ (Mt)
Indicated	328	11.0	36.1	0.26	0.85
Inferred	1,129	10.6	119.7	0.27	3.05
*Total	1,457	10.7	155.9	0.27	3.93

*Note that some of the numbers may not equate fully due to the effects of rounding.

Competent Person's Statement

The information in this report that relates to Mineral Resource estimate at the Nicanda Hill deposit on Balama North project is based on, and fairly represents, information and supporting documentation prepared by Mr Mark Drabble, who is a Member of the Australasian Institute of Mining & Metallurgy. Mr Drabble is not a full-time employee of the Company. Mr Drabble is employed as Managing Principal at Optiro Pty. Ltd. and 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 Drabble has reviewed and approved for release this announcement as it relates to Mineral Resources and consents to the inclusion in this report the supporting information in the form and context as it appears.

Following the announcement of the Mineral Resource at Nicanda Hill, Triton released a Scoping Study for Nicanda Hill, which was undertaken and prepared by independent geological and mining consultants Optiro Pty Ltd. Based upon positive drilling results and the results of the scoping study, Triton engaged a complete technical team of experts, who possess a high degree of experience in graphite, to assist Triton with the completion of Feasibility Studies and an Environmental Management and Impact Assessment ("EIA") in relation to Triton's Mozambique graphite project. Results of the feasibility studies and EIA are expected late 2015.

Balama South Project

The Balama South Project is located approximately 35 km south of the Balama township within the same north-east trending geological domain covered by the Balama North project which hosts the Cobra Plains deposit and the Nicanda Hill prospect.

To date, only limited exploration activities have been completed on the Balama South project. The major activity being a helicopter-borne geophysical survey of VTEM Plus (Full-Waveform) and magnetic gradiometer ("VTEM Survey").

The Company believes that the Balama South project is highly prospective for graphitic mineralisation so further exploration programs are planned for the Balama South project to test anomalies identified through the VTEM Survey. It is hoped that in the medium to long term the Balama South project will be able to be integrated into the Balama North and Ancuabe projects as identified by the integrated development concept plan.

Ancuabe Project

The Ancuabe project is located approximately 60km west from Pemba, in northern Mozambique. The Company tenement holding surrounds the historic Ancuabe Graphite Mine.

A program comprising over 1,800 line km of VTEM Survey was completed over the Ancuabe project licenses. As a result of the VTEM Survey, Triton confirmed that three new large and significant conductive responses (typical of high grade graphite mineralisation) have been identified within License 5336 of the project area.

Prospect area 1 is particularly significant as it appears to form a potential satellite mineralised body along strike north east from the historic Ancuabe graphite mine, which is currently held by Graphite Kropfmuehl ("GK"), the operational graphite division of AMG Mining.

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5. Review of Operations (continued)

Further, this location is important given its close proximity to the small functioning graphite processing plant at the Ancuabe graphite mine site.

Reconnaissance mapping and sampling undertaken at Ancuabe, which was completed in the southern portion of prospect area 1, identified a substantial amount of graphitic outcropping in several locations, over a distance of approximately 3.5kms.

Visual inspections of the rock samples taken from License 5336, appear to show a high proportion of large, jumbo and super-jumbo graphite flake, that appears to readily separate on the outer surface of the rock chip samples

Very large flake graphite sourced from Ancuabe, may provide Triton the ability to produce a wide size range of high quality graphite concentrates in order to cater for a variety of end-user requirements. Further, the Ancuabe project could position Triton to take advantage of the expected future increase in demand for jumbo and large flake graphite.

These prospects, and positive rock chip sampling results, offer Triton the opportunity to test for additional near-surface high-grade, high purity and very large flake graphite to complement the Company's Nicanda Hill Project.

In addition to this work, Triton has signed a binding agreement to form a strategic alliance with AMG Mining AG ("AMG") through the AMG subsidiary of GK Ancuabe Graphite Mine, SA ("GK"). The strategic alliance between AMG and Triton is for an initial exclusive period of two years during which the Parties will collaborate on the exploration, identification and development of graphite occurrences in the Ancuabe district, within the Province of Cabo Delgado in Mozambique.

Exploration work continues at Ancuabe with the goal of defining a Maiden Mineral Resource within the near future.

B) Integrated Development Plan

The Company is reviewing a number of development options in which the Ancuabe Project may be incorporated into the Nicanda Hill operations, in order to provide a greater commercial flexibility by providing a varied range of high-purity graphite flake sizes for end users.

Triton is investigating whether the Ancuabe project could be developed as either a stand-alone operation in close proximity to Pemba port facilities or transporting the graphitic material for treatment to the proposed Nicanda Hill operation.

An option being reviewed by Triton is the creation of a Central Processing Plant ("CPP") facility at Nicanda Hill. Under this proposal, Triton could supplement the Nicanda Hill material with graphite ore from both Ancuabe and, in the longer term, Balama South.

Although, Ancuabe is located approximately 150kms East of Nicanda Hill and normally transporting ore over this distance to the processing plant would limit the potential economics of a project, Triton considers that the use of back-loading on return from the Port of Pemba to Nicanda Hill, may be a commercially attractive option.

The potential of the Ancuabe super jumbo flake operation is considered by Triton to be complimentary to the Nicanda Hill operation. An integrated Nicanda Hill-Ancuabe development plan offers Triton the option to provide a supplemental range of graphite flake sizes.

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5. Review of Operations (continued)

A more detailed study and analysis about the viability of the CPP will be completed by Triton and will be considered during the Nicanda Hill Feasibility Study process.

Should Triton be able to integrate the Ancuabe and Nicanda Hill projects, this would place the Company in a unique position with respect to the size of its resources (hence life of mine), low production costs, and the ability to provide the full range of graphite flake sizes from jumbo to fines.

C) Vertical Integration

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 developments are now fully integrated with a value adding production supply chain that compliments the raw materials supply chain.

One such strategic relationship is evidenced through the two binding joint venture ("JV") agreements entered into by Triton 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.

As a result, 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 through the Triton-YXGC JV's.

Fraser Range North Project

The Fraser Range North project covers the juncture of the Kurnalpi Terrane of the Yilgarn Craton within the Albany-Fraser Province in Western Australia. The Kurnalpi Terrane contains the large-scale Claypan and Pinjin Faults.

In September 2012 the Company executed a Joint Venture Agreement which granted Matsa Resources Limited ("Matsa") a farm-in 90% interest in the Fraser Range North licenses which are prospective for gold. The Company retains a 10% interest in the project.

During the period, Matsa advised Triton that it will relinquish the Fraser Range North Project, Triton has consented to the surrender of the tenements associated with the Fraser Range North Project as the parties determined that the likelihood of exploration success on the project was considered too low to warrant any further exploration activities. Accordingly, Matsa is undertaking the process of formally surrendering the exploration tenements that underpin the Fraser Range Project, which once completed will effectively terminate the Joint Venture Agreement with Matsa.

6. Dividends

No dividends were proposed or paid during the period.

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7. Significant events after the balance date

On 22 July 2015, the Company paid part consideration of US\$250,000 to the minority shareholders of Grafex as part consideration towards earning a 90% equity interest in the Mozambique graphite projects known as Balama North, Balama South and Ancuabe.

On 17 August 2015, the Company paid part consideration of US\$500,000 to the minority shareholders of Grafex as part consideration towards earning a 90% equity interest in the Mozambique graphite projects known as Balama North, Balama South and Ancuabe.

On 24 August 2015, Ms Paula Ferreira was appointed Non-Executive Director of the Company.

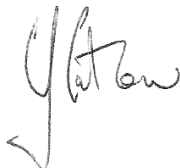
On 24 August 2015, the Company announced that its registered office and principal place of business had changed to Ground Floor, Unit 1, 256 Stirling Highway, Claremont WA 6010.

There were no other significant events after the end of the reporting date.

8. Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 32 for the half year ended 30 June 2015 and forms part of this report.

This report is signed in accordance with a resolution of the Board of Directors.



Christopher Catlow
Chairman

Dated at Perth this 11th day of September 2015

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the Half Year Ended 30 June 2015

	Note	Half Year 30 June 2015 \$	Half Year 30 June 2014 \$
Revenue	3	749	4,328
Administration expense		(89,711)	(32,754)
Director and employee benefits expense		(764,621)	(316,883)
Share-based payments expense	6	(1,137,295)	(938,250)
Depreciation		(13,676)	(21,138)
Business development expense		-	(52,519)
Insurance		(26,812)	(17,165)
Occupancy expenses		(42,864)	(29,257)
Professional services expense		(372,637)	(217,468)
Public and investor relations expense		(123,194)	(176,173)
Travel expenses		(242,392)	(100,430)
Impairment on exploration and evaluation assets	4	(68,743)	-
Other expenses		11,230	(18,238)
Results from operating activities		(2,869,966)	(1,915,947)
Financial income	3	23,849	26,861
Loss before income tax		(2,846,117)	(1,889,086)
Income tax expense		-	-
Net loss for the period		(2,846,117)	(1,889,086)
Other comprehensive income			
Movement in fair value of available for sale assets		(21,711)	41,950
Total other comprehensive income		(21,711)	41,950
Total comprehensive loss for the half year attributed to equity holders of Triton Minerals Limited		(2,867,828)	(1,847,136)
		Cents	Cents
Loss per share attributable to ordinary equity holders - basic and diluted		(0.85)	(0.80)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	30 June 2015 \$	31 December 2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		8,600,735	1,497,435
Trade and other receivables		129,180	50,762
Prepayments		53,980	29,312
TOTAL CURRENT ASSETS		8,783,895	1,577,509
NON-CURRENT ASSETS			
Financial assets		17,407	39,118
Property, plant and equipment		68,867	91,676
Exploration and evaluation assets	4	10,025,413	7,231,528
Equity-accounted investees	8	23,367,259	15,823,331
Other non-current assets	9	785,423	
TOTAL NON-CURRENT ASSETS		34,264,369	23,185,653
TOTAL ASSETS		43,048,264	24,763,162
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		785,899	467,142
Provisions	10	2,106,176	208,850
TOTAL CURRENT LIABILITIES		2,892,075	675,992
NON-CURRENT LIABILITIES			
Provisions	10	3,838	3,343
TOTAL NON-CURRENT LIABILITIES		3,838	3,343
TOTAL LIABILITIES		2,895,913	679,335
NET ASSETS		40,152,351	24,083,827
EQUITY			
Issued capital	5	59,370,840	41,941,390
Reserves		6,121,323	5,039,568
Accumulated losses		(25,339,812)	(22,897,131)
TOTAL EQUITY		40,152,351	24,083,827

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half Year Ended 30 June 2015

	Ordinary Share Capital	Accumulated Losses	Available for sale Reserve	Share- based Payments Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2014	21,035,012	(18,583,296)	-	772,452	3,224,168
Loss attributable to members	-	(1,889,086)	-	-	(1,889,086)
Share-based payment transactions	-	-	-	810,000	810,000
Unrealised gain on available-for-sale financial assets	-	-	41,950	-	41,950
Shares issued, net of costs	6,872,428	-	-	-	6,872,428
Options lapsed or converted during the period	-	572,610	-	(572,610)	-
Balance at 30 June 2014	27,907,440	(19,899,772)	41,950	1,009,842	9,059,460
Balance at 1 January 2015	41,941,390	(22,897,131)	30,085	5,009,483	24,083,827
Loss attributable to members	-	(2,846,117)	-	-	(2,846,117)
Share-based payment transactions	-	-	-	1,115,593	1,115,593
Unrealised gain on available-for-sale financial assets	-	-	(21,711)	-	(21,711)
Shares issued, net of costs	17,429,450	-	-	-	17,429,450
Options issued during the period	-	-	-	391,309	391,309
Options lapsed or converted during period	-	403,436	-	(403,436)	-
Balance at 30 June 2015	59,370,840	(25,339,812)	8,374	6,112,949	40,152,351

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half Year Ended 30 June 2015

	Half Year 30 June 2015 \$	Half Year 30 June 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	749	4,328
Interest received	23,849	26,861
Payments to suppliers and employees	(1,455,868)	(813,304)
Net cash outflow from operating activities	(1,431,270)	(782,115)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds for sale of plant and equipment	18,125	-
Payments for plant and equipment	(5,112)	(31,291)
Payments for exploration and evaluation assets	(2,754,829)	(957,619)
Payments for joint venture investment	(1,862,840)	(497,394)
Payments for security deposits	-	(1,438)
Net cash outflow from investing activities	(4,604,656)	(1,487,742)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares net of costs	13,124,390	5,080,879
Net cash inflow from financing activities	13,124,390	5,080,879
Net increase in cash and cash equivalents	7,088,464	2,811,022
Cash and cash equivalents at 1 January	1,497,435	1,645,610
Net foreign exchange differences	14,836	(6,585)
Cash and cash equivalents at 30 June	8,600,735	4,450,047

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Triton Minerals Limited (the "Company") is a company limited by shares, incorporated and domiciled in Australia. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 30 June 2015 comprise the Company and its controlled entities (the "Consolidated Group" or "Group").

The Group is a for-profit entity and is primarily involved in mineral exploration and evaluation.

2. BASIS OF PREPARATION

The half year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and the Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with IAS 34: *Interim Financial Reporting* issued by the International Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2014 and any public announcements made by the Company and its controlled entities during the half year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2014.

Comparative figures

Under AASB 134 *Interim Financial Reporting* the Group is required to disclose comparatives for the comparable interim periods of the immediately preceding annual reporting period, except for the statement of financial position which requires it to disclose comparatives as at the end of the immediately preceding annual reporting period.

Significant accounting judgements, estimates and assumptions

For the significant accounting judgements, estimates and assumptions in relation to the joint venture refer to note 8.

For the significant accounting judgements, estimates and assumptions in relation to share based payments refer to note 6.

For the significant accounting judgements, estimates and assumptions in relation to the Mozambique capital gains tax provision refer to note 10 and 13.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

3. REVENUE

	Half Year to 30 June 2015 \$	Half Year to 30 June 2014 \$
The following revenue items are relevant in explaining the financial performance for the half year:		
Other Income	749	4,328
Interest revenue	23,849	26,861

4. EXPLORATION AND EVALUATION ASSETS

	30 June 2015 \$	31 December 2014 \$
Balance at the beginning of the year	7,231,528	1,615,822
Expenditure incurred in the period	2,862,628	5,717,849
Expenditure not capitalised	-	(102,143)
Impairment of exploration and evaluation	(68,743)	-
Balance at the end of the period	<u>10,025,413</u>	<u>7,231,528</u>

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the areas of interest. Management reassesses the carrying value of the Group's tenements at each half year, or at a period other than that should there be an indication of impairment.

During the half year period to 30 June 2015, the gold exploration project, Frazer Range North, located in Western Australia with a carrying value of \$68,743 was written off as the Company does not intend to commit any further significant expenditure towards the project and the tenements are in the process of being surrendered.

At the date of signing this report, six of the eight licences included in the joint venture agreement with Grafex had been officially granted by the Mozambique government, with the two additional licences in application. In accordance with the Group's accounting policy, the costs of the licences have been grouped into their respective areas of interest and capitalised. The remaining expenditure incurred during the year was in relation to the Mozambique Graphite project.

5. ISSUED CAPITAL

(a) Ordinary shares

	Half Year to 30 June 2015 No.	Half Year to 30 June 2014 No.	Half Year to 30 June 2015 \$	Half Year to 30 June 2014 \$
Ordinary shares, issued and fully paid	376,549,422	271,127,597	59,762,149	27,907,440

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

5. ISSUED CAPITAL (continued)

(b) Movements in ordinary shares on issue

	Note	Number of Shares	Issue Price \$	Total \$
Opening Balance 31 December 2014		310,101,731		41,941,390
19 Jan 2015		319,643	0.100	31,964
30 Jan 2015	1	541,125	0.180	100,000
19 Feb 2015	2	7,661,877	0.170	1,281,066
16 Mar 2015		7,142,857	0.085	608,691
24 Mar 2015	3	1,671,009	0.190	321,502
25 Mar 2015		2,565,000	0.100	256,500
26 Mar 2015		100,000	0.100	10,000
26 Mar 2015		60,070	0.200	12,014
26 Mar 2015	4	192,957	0.190	37,125
27 Mar 2015		940,710	0.200	188,142
07 Apr 2015		799,738	0.200	159,948
08 Apr 2015		735,192	0.200	147,038
15 Apr 2015		196,427	0.200	39,285
28 Apr 2015		17,857	0.200	3,571
28 Apr 2015	5	1,000,000	0.350	355,000
28 Apr 2015	6	826,626	0.380	319,326
06 May 2015		107,142	0.200	21,428
18 May 2015	7	34,301,382	0.350	12,005,484
25 May 2015	8	917,692	0.350	319,816
18 Jun 2015		17,857	0.200	3,571
18 Jun 2015		300,000	0.100	30,000
18 Jun 2015	9	1,000,000	0.320	315,000
23 Jun 2015	10	5,032,530	0.320	1,610,410
				Capital Raising Costs
				(747,431)
Balance 30 June 2015		376,549,422		59,370,840

1. On 30 January 2015, the Company issued 541,125 fully paid ordinary shares at a deemed issue price of \$0.1848 as an implementation fee of \$100,000 to Long State Investments Ltd ("LSI") for the establishment of an Equity Placement Facility.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

5. ISSUED CAPITAL (continued)

(b) Movements in ordinary shares on issue (continued)

2. On 19 February 2015, the Company paid an extension fee of US\$200,000 to the minority shareholders of Grafex and issued 7,661,877 fully paid ordinary shares at a deemed issue price of \$0.1672 as part consideration towards earning a 90% equity interest in Grafex and the Mozambique graphite projects known as Balama North, Balama South and Ancuabe ("the Projects").
3. On 24 March 2015, the Company paid part consideration of US\$250,000 to the minority shareholders of Grafex and issued 1,671,009 fully paid ordinary shares at a deemed issue price of \$0.1924 as part consideration towards earning a 90% equity interest in Grafex and the Projects.
4. On 26 March 2015, the Company issued 192,957 fully paid ordinary shares at a deemed issue price of \$0.1924 per share to a consultant for the provision of consulting services.
5. On 28 April 2015, the Company issued 1,000,000 fully paid ordinary shares at a deemed issue price of \$0.355 per share to a consultant, Oriental Link Holdings, for the provision of consulting services provided to secure a binding off-take agreement with YXGC.
6. On 28 April 2015, the Company issued 826,626 fully paid ordinary shares at a deemed issue price of \$0.3863 as part consideration towards earning a 90% equity interest in Grafex and the Projects.
7. On 18 May 2015, the Company issued 34,301,382 shares to institutional and sophisticated investors at an issue price of \$0.35 per share to raise capital of \$12,005,484 excluding costs. The funds raised were used to progress the Feasibility Study at the Nicanda Hill project, commence an early works program at Nicanda Hill, undertake the initial drilling program at the Ancuabe Project and provide general working capital.
8. On 25 May 2015, the Company issued 917,692 fully paid ordinary shares at a deemed issue price of \$0.3485 as part consideration towards earning a 90% equity interest in Grafex and the Projects.
9. On 18 June 2015, the Company issued 1,000,000 fully paid ordinary shares at a deemed issue price of \$0.315 per share to a consultant, Oriental Link Holdings, for the provision of consulting services provided to secure a binding joint venture agreement with YXGC to produce enhanced graphite products.
10. On 23 June 2015, the Company issued 5,032,530 fully paid ordinary shares at a deemed issue price of \$0.32 as part consideration towards earning a 90% equity interest in Grafex and the Projects.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

5. ISSUED CAPITAL (continued)

(c) Movements in options	Note	Number of options	Exercise Price \$	Expiry Date
Opening Balance 31 December 2014		21,203,600		
23 Feb 2015 Issue of Options – Equity financing	1	4,548,763	0.2748	23 Jan 2018
16 Mar 2015 Issue of Options – Free attaching	2	3,571,428	0.20	16 Mar 2016
7 April 2015 Lapse of Options – Free attaching		(9)	0.20	16 Mar 2016
Various Conversion of options – Directors		(2,965,000)	0.10	18 Jun 2016
Various Conversion of options – Free attaching		(319,643)	0.10	13 Dec 2016
Various Conversion of options – Free attaching		<u>(2,874,993)</u>	0.20	16 Mar 2015
Total 30 June 2015		<u>23,164,146</u>		

1. 4,548,763 Unlisted options were granted to LSI as consideration to an Equity Placement Facility for up to \$20 Million. The unlisted options were issued on the 23 February 2015, expiring 23 January 2018, with an exercise price of \$0.2748 and no vesting conditions.
2. 3,571,428 Unlisted options were granted to participants in the share placement as a free attaching option for every two shares issued to participants. The unlisted options were issued on 16 March 2015 expiring 16 March 2016 with an exercise price of \$0.20 and no vesting conditions.

(d) Movements in performance rights	Number of Performance Rights	Expiry Date
Opening Balance 31 December 2014	15,000,000	20 Aug 2018
Movements during the period	<u>-</u>	
Total 30 June 2015	<u>15,000,000</u>	20 Aug 2018

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

6. SHARE BASED PAYMENTS

a) Share-based payments	Half Year to 30 June 2015 \$	Half Year to 30 June 2014 \$
Share-based payments expense	1,137,295	938,250
Share-based payments capitalised	4,637,542	150,000
Total share-based payments	5,774,837	1,088,250

Schedule of share-based payments

Shares

9 January 2014 – 2 million shares issued for an equity interest in Grafex	-	150,000
29 May 2014 – 6 million shares proposed to be issued to directors (Final issue occurred 1 September 2014)		810,000
4 June 2014 – 950,000 shares issued to employees & consultants	-	128,250
19 February 2015 – 7,661,877 shares issued for an equity interest in Grafex	1,281,066	-
30 January 2015 – 541,125 shares issued to LSI for equity financing	100,000	-
24 March 2015 – 1,671,009 shares issued for an equity interest in Grafex	321,502	-
26 March 2015 – 192,957 shares issued for consulting services	37,125	-
28 April 2015 – 1 million shares issued for consulting services	355,000	-
28 April 2015 – 826,626 shares issued for an equity interest in Grafex	319,325	-
25 May 2015 – 917,692 shares issued for an equity interest in Grafex	319,816	-
18 June 2015 – 1 million shares issued for consulting services	315,000	-
23 June 2015 – 5,032,530 shares issued for an equity interest in Grafex	1,610,410	-
Subtotal allocated to Issued Capital	4,659,244	1,088,250

Options

23 May 2015 – 4,548,763 unlisted options issued to LSI for equity financing	685,423	-
Subtotal allocated against Option Reserve	685,423	-

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

6. SHARE BASED PAYMENTS (continued)

(a) Share-based payments (continued)

	Half Year to 30 June 2015	Half Year to 30 June 2014
<u>Performance Rights</u>	\$	\$
Pro rata expense of 9 million performance rights issued to Directors as approved by shareholders on 20 August 2014 ¹	274,248	-
Pro rata expense of 6 million performance rights issued to employees pursuant to the Company's Incentive Plan ¹	155,922	-
Subtotal allocated against Share Based Payment Reserve	430,170	-
Closing Balance	5,774,837	1,088,250

1. The performance rights have a minimum vesting period of 36 months from grant date, being 20 August 2017 ("Minimum Vesting Period"). The valuation of the performance rights is amortised over the Minimum Vesting Period.

(b) Options

The following table details the number and movements in share options issued as capital raising purposes, employment incentives or as payments to third parties for services during the year.

	2015 Number	2014 Number
Outstanding at the beginning of the period 31 December	21,203,600	20,000,000
Issued during the period	8,120,191	14,285,713
Converted/lapsed during the period	(6,159,645)	(18,071,471)
Outstanding at the end of the period 30 June	23,164,146	16,214,242

(c) Options issued during the period

	Half Year to 30 June 2015	Half Year to 30 June 2014
Issue of Unlisted Options	\$	\$
Opening Balance at 31 December	4,696,846	772,452
23 February 2015 – 4,548,763 unlisted options granted as consideration to LSI for entering into an Equity Placement Facility	685,423	-
16 March 2015 – 3,571,428 unlisted options granted to participants who were entitled to one free attaching option for every shares acquired in a placement	391,309	-
Exercise of Unlisted Options during the period to 30 June	(403,436)	(572,610)
Total allocated Option Reserve	5,370,142	199,842

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

6. SHARE BASED PAYMENTS (continued)

(c) Options issued during the period (continued)

The maximum terms of options granted during the period are as follows:

1. 4,548,763 Unlisted options were granted to LSI as consideration to an Equity Placement Facility for up to \$20 Million. The unlisted options were issued on the 23 February 2015, expiring 23 January 2018, with an exercise price of \$0.2748 and no vesting conditions.
2. 3,571,428 Unlisted options were granted to participants in the share placement as a free attaching option for every two shares issued to participants. The unlisted options were issued on 16 March 2015 expiring 16 March 2016 with an exercise price of \$0.20 and no vesting conditions.

Unlisted Options

The fair value of the 8,120,191 equity settled share options granted is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the period ended 30 June 2015.

	LSI Options	Free attaching Options
Fair value at grant date	\$0.1507	\$0.1096
Share price at grant date	\$0.175	\$0.14
Exercise price	\$0.2748	\$0.20
Expected volatility	182%	187%
Expected life	3 years	2 years
Expected dividends	Nil	Nil
Risk-free interest rate	2.08%	1.83%
Number of options issued	4,548,763	3,571,428
Valuation	\$685,423	\$391,309
Grant date	26 January 2015	16 March 2015

Listed Options

No listed options were issued during the period ended 30 June 2015.

(d) Options lapsed during the period

During the period, nine unlisted options expiring 16 March 2017 with an exercise price of \$0.20 lapsed.

(e) Performance rights

No performance rights were issued during the period.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

7. CONTROLLED ENTITIES

Subsidiaries of Triton Minerals Limited:	Country of Incorporation	Percentage Owned (%)	
		2015	2014
Triton Gold (Operations) Pty Ltd	Australia	100	100
Triton Gold (Project A) Pty Ltd*	Australia	100	100
Triton Gold (Grenville) Pty Ltd*	Australia	100	100
Triton United Limited	United Arab Emirates	100	-

*Triton Gold (Project A) Pty Ltd and Triton Gold (Grenville) Pty Ltd are subsidiaries of Triton Gold (Operations) Pty Ltd.

8. EQUITY-ACCOUNTED INVESTEEES

	30 June 2015	31 December 2014
	\$	\$
Balance at the beginning of the period:	15,823,331	1,617,155
Investment in joint venture during the period:	<u>7,543,928</u>	<u>14,206,176</u>
Balance at the end of the period	<u>23,367,259</u>	<u>15,823,331</u>

Joint Venture

At 30 June 2015 Triton Mineral Limited owned 80% of the issued share capital of Grafex. Under the terms of the Shareholders' Agreement entered into by the shareholders of Grafex, even though Triton has the majority of the directors' voting rights, the Shareholders' Agreement requires the minority shareholder's consent to all significant decisions and therefore Triton cannot direct the relevant activities of Grafex unilaterally.

Accordingly the investment in Grafex has been treated as a joint arrangement. As the joint arrangement is structured through a separate company, Grafex, and the Shareholders' Agreement gives the companies rights to the net profit rather than rights to Grafex's assets and obligations for its liabilities, the joint arrangement has been treated as a joint venture and equity accounted for.

In the period ended 30 June 2015, Triton paid US\$1.25 million in cash and issued US\$3 million worth of shares in part payment for a further 10% interest in Grafex. The remaining balance required to complete the acquisition of the 10% comprised US\$1.75 million in cash. Subsequent to 30 June 2015, Triton paid US\$0.75 million of this balance.

Under the Shareholders' Agreement, Triton can increase its interest from 90% to 100% by paying a further US\$2 million in cash and US\$2 million in shares by February 2016. When, the Project moves into the development and production phases, Triton will consider the exercise of its rights under the Shareholders' Agreements and its implications on control if it has not acquired the remaining minority interest by that time.

As at 30 June 2015, the investment in Grafex largely comprised the cost of acquiring shares in Grafex. Included in the investment is an amount for Mozambique capital gains tax on the investment made during the period. Please refer to note 10 for further details.

The Company will regularly assess the control of Grafex as the facts, circumstances and arrangements change.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER NON-CURRENT ASSETS

	30 June 2015	31 December 2014
	\$	\$
Equity Placement Facility Fee	785,423	-
	<u>785,423</u>	<u>-</u>

On 30 January 2015, the Company issued 541,125 fully paid ordinary shares at a deemed issue price of \$0.1848 as an implementation fee of \$100,000 to LSI for the establishment of an Equity Placement Facility for up to \$20 million.

On 23 February 2015, the Company issued 4,548,763 unlisted options exercisable at \$0.2748, expiring 23 January 2018 to LSI as consideration for entering into the Equity Placement Facility of up to \$20 million, over the next two years. The unlisted options have a valuation of \$685,423.

10. PROVISIONS

Current

Provision for annual leave	103,788	72,352
Provision for foreign employment tax	73,419	36,498
Provision for rehabilitation	100,000	100,000
Provision for Mozambique capital gains tax liability	1,828,969	-
Total Current Provisions	<u>2,106,176</u>	<u>208,850</u>

Non-current

Provision for long service leave	3,838	3,343
Total Provisions	<u>2,110,014</u>	<u>212,193</u>

On 1 January 2015, a Mozambique capital gains tax regime applicable to the mining sector came into force. According to this regime, the tax in relation to a capital gain on the transfer of mining rights located in the Mozambique territory by non-residents is payable by the seller. In relation to this payment the seller, the buyer or the entity holding the mining rights have joint and several liability for the payment of the tax in Mozambique. Accordingly a tax provision of \$1,828,969 has been recognised at 30 June 2015 for the part consideration paid during the period to 30 June 2015 in relation to the Mozambique Graphite project. The primary obligation to pay the capital gains tax is the seller's, accordingly, any capital gains tax paid by the minority shareholders of Grafex Lda (seller/s) will reduce the joint and several capital gains tax liability.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

11. SEGMENT REPORTING

Triton has identified its operating segments based on the internal reports that are used by the chief operating decision maker (“CODM”) in order to allocate resources to the segment and to assess its performance. The CODM of the Group is the Board of Directors. The Group has identified its operating segments based on internal reports that are provided to the CODM on a regular basis.

Triton currently operates in one principal location, Africa, which is the operating segment of the Group. During the half year ended 30 June 2015 the gold exploration project, Fraser Range North, located in Western Australia was written off. The Africa operating segment contains the graphite projects which are located in Mozambique, Africa.

Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

	Australia	Africa	Treasury	Total
	\$	\$	\$	\$
Six months ended 30 June 2015				
Reconciliation of segment revenue to total revenue:				
Interest revenue	-	-	23,849	23,849
Other revenue	-	-	749	749
Segment revenue	-	-	24,598	24,598
Total Revenue per Statement of Comprehensive Income				24,598
Reconciliation of segment loss to net loss before tax:				
Segment result	-	-	24,598	24,598
Depreciation expense	-	-	-	(13,676)
Corporate expense	-	-	-	(2,857,039)
Net Loss before Tax from Continuing Operations				(2,846,117)

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

11. SEGMENT REPORTING (continued)

	Australia \$	Africa \$	Treasury \$	Total \$
Six months ended 30 June 2014				
Reconciliation of segment revenue to total revenue:				
Interest revenue	-	-	26,861	26,861
Other revenue	-	-	4,328	4,328
Segment revenue	-	-	31,189	31,189
Total Revenue per Statement of Comprehensive Income				31,189
Reconciliation of segment loss to net loss before tax:				
Segment result	-	-	31,189	31,189
Depreciation expense	-	-	-	(21,138)
Corporate expense	-	-	-	(1,899,137)
Net Loss before Tax from Continuing Operations				(1,889,086)
	Australia \$	Africa \$	Treasury \$	Total \$
Total segment assets & liabilities at 30 June 2015				
Segment assets	-	33,406,759	9,641,505	43,048,264
Total group assets				43,048,264
Segment liabilities	-	2,412,595	483,319	2,895,914
Total group liabilities				2,895,914
Total segment assets & liabilities at 30 June 2014				
Segment assets	138,231	4,610,496	4,581,755	9,330,482
Total group assets				9,330,482
Segment liabilities	-	1,360	269,662	271,022
Total group liabilities				271,022

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

NOTES TO THE FINANCIAL STATEMENTS

12. EVENTS SUBSEQUENT TO REPORTING DATE

On 22 July 2015, the Company paid part consideration of US\$250,000 to the minority shareholders of Grafex as part consideration towards earning a 90% equity interest in the Mozambique graphite projects known as Balama North, Balama South and Ancuabe.

On 17 August 2015, the Company paid part consideration of US\$500,000 to the minority shareholders of Grafex as part consideration towards earning a 90% equity interest in the Mozambique graphite projects known as Balama North, Balama South and Ancuabe.

On 24 August 2015, Ms Paula Ferreira was appointed Non-Executive Director of the Company.

On 24 August 2015, the Company announced that its registered office and principal place of business had changed to Ground Floor, Unit 1, 256 Stirling Highway, Claremont WA 6010.

There were no other significant events after the end of the reporting date.

13. CONTINGENT LIABILITIES

On 1 January 2015, a Mozambique capital gains tax regime applicable to the mining sector came into force. According to this regime, the tax in relation to a capital gain on the transfer of mining rights located in the Mozambique territory by non-residents is payable by the seller. In relation to this payment, the seller, the buyer or the entity holding the mining rights have joint and several liability for the payment of the tax in Mozambique. Accordingly a tax provision of \$1.8 million has been recognised at 30 June 2015 for the part consideration paid during the period to 30 June 2015 in relation to the Mozambique Graphite project.

There is some uncertainty as to whether the capital gains tax regime is applicable prior to 1 January 2015. Management are working with the Mozambique government, tax and legal advisers to determine the extent of the joint and several liability in relation to consideration paid for an interest in the Mozambique Graphite project prior to 2015. Due to the uncertainty of the amount payable a tax provision has not been recognised for a liability which may be as high as approximately \$5.5 million, if unpaid by the seller. The primary obligation to pay the capital gains tax is the seller's, accordingly any capital gains tax paid by the minority shareholders of Grafex Lda (seller/s) will reduce the joint and several capital gains tax liability.

14. COMMITMENTS

The Group has annual minimum exploration expenditure obligations in relation to maintaining its granted tenements in good standing.

The Group has a commitment to open and deposit US\$1 million into a joint venture bank account by 13 November 2015 pursuant to the binding joint venture agreement with Chinese graphite products specialist Yichang Xincheng Graphite Co., Ltd (YXGC) to develop and produce graphite enhanced products in China, as announced on 14 May 2015.

**TRITON MINERALS LIMITED
AND CONTROLLED ENTITIES**

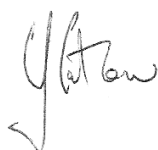
INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2015

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes of the consolidated entity for the half year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, including
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*; and
 - (b) giving a true and fair view of the Group's financial position as at 30 June 2015 and its performance for the half year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Christopher Catlow
Chairman

Dated at Perth this 11th day of September 2015.

Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Triton Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 30 June 2015 there have been:

- (i) no contraventions of the auditors independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

**Amar Nathwani B.Eng, CA
Director**

Perth
11 September 2015

Independent Auditor's Review Report to the members of Triton Minerals Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Triton Minerals Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2015, the condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period ended on that date, notes comprising a summary of accounting policies, other explanatory notes, and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the interim period.

Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such controls as the directors determine are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Triton Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Triton Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Nexia Perth Audit Services Pty Ltd

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Triton Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the period ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and *Corporations Regulations 2001*.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

**Amar Nathwani B.Eng, CA
Director**

Perth
11 September 2015