

## ANCUABE GRAPHITE NICANDA HILL GRAPHITE–VANADIUM UPDATE

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### HIGHLIGHTS

- ✓ **Generational growth in electric vehicle and storage devices combined with the changing environment in flame retardant materials provides strong market backdrop for discussions on offtake, joint venture and funding options across multiple jurisdictions**
  - ✓ **Rapid progress on Ancuabe EPC selection and debt financing with Chinese EPC contractors and banks**
  - ✓ **Competitive terms being discussed on debt financing for Ancuabe project construction and also potential to defer part of the EPC contract sum that would significantly reduce the equity financing component**
  - ✓ **Interest from parties seeking to joint venture into the development of Nicanda Hill, one of the world's largest graphite and vanadium deposits has the potential to be value accretive and provide a non-dilutive source of funding for near term development of Ancuabe**
  - ✓ **Recent >190% increase in the vanadium price<sup>1</sup> increases the strategic value of Nicanda Hill**
  - ✓ **CSA Global appointed to advance the technical understanding and potential of the vanadium deposit**
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**Triton Minerals Limited** (ASX: TON) (**Triton** or the **Company**) is pleased to report continued progress on EPC selection, financing and offtake for the Ancuabe Graphite Project and the commercialisation of the Nicanda Hill Graphite-Vanadium Project.

### Ideally Positioned in the Graphite and Vanadium Markets

Triton's projects are located in Mozambique which has a long history of mining and a supportive government that provides a stable jurisdiction to finance and develop high quality projects. This, combined with the major increase in demand for battery minerals and the burgeoning flame-retardant market, has placed Triton, with its advanced world class Ancuabe Graphite Project and Nicanda Hill Graphite/Vanadium Project, in a unique position amongst graphite and vanadium developers.

### Ancuabe Graphite Project

#### EPC And Financing

Triton's senior management have recently completed a successful visit to China progressing engineering, procurement and construction (**EPC**) contracts, debt financing and binding offtake agreements. The Company remains on schedule to make a final investment decision in Q2 2018 with first production anticipated in 2019.

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<sup>1</sup> Source: Bloomberg

The EPC tender process is scheduled to close on 31 March 2018 and Sinosteel and MCC have both confirmed their intention to submit tenders. Technical discussions with both parties confirmed the site location and project design is straightforward and discussions also focussed on opportunities to lower capital cost through leveraging procurement relationships. It is anticipated the award of that tender would be announced in April 2018 to allow the successful contractor to commence work in May 2018.

The potential EPC contractors also coordinated discussions between Triton and leading Chinese financial institutions who reaffirmed the potential for debt financing of up to 85% of the EPC contract sum on competitive terms representing a significant discount to more traditional sources of debt financing. Further, both Sinosteel and MCC have proposed options to defer part of the EPC contract amount for a period of up to 3 years that would reduce the level of upfront financing required in 2018.

In addition, the commercialisation of the Nicanda Hill Graphite and Vanadium Project may provide the opportunity for non-dilutive funding for Ancuabe.

### Offtake Agreements

Triton also met with Qingdao Tianshengda Graphite (**Tianshengda**) and Qingdao Haida Graphite (**Haida**) to progress contractual arrangements to convert the existing non-binding offtake term sheets into binding agreements. Triton and its legal team is currently finalising the detailed terms of the proposed binding offtake agreements.

Tianshengda and Haida expressed their confidence in the Ancuabe Project and quality of the development and metallurgical studies undertaken. They indicated that their interest in Triton was due to its near-term development and product range of predominantly large flake and high purity graphite. These qualities make Ancuabe graphite ideally suited to the high value graphite products including the expandable graphite markets that is undergoing significant demand growth. Discussions in China also indicated that market price premiums for larger flake graphite over smaller flake is widening due to supply constraints of large flake graphite in China.

Fortunately for Triton Ancuabe is one of the very few projects outside Tanzania suitable for expandable graphite and is located in Mozambique with a very supportive government in what is the premier graphite region in the world.

Triton remains confident of finalising the binding offtake agreements within the next month.

### Nicanda Hill Graphite-Vanadium Project

Nicanda Hill is one of the world's largest graphite and vanadium deposits. The 2015 JORC Inferred and Indicated Mineral Resource of 1.44Bt at 11.1% TGC and 0.29% V<sub>2</sub>O<sub>5</sub> for 160.3 million tonnes of contained graphite and 4.2 million tonnes of contained vanadium<sup>2</sup> makes it one of the world's largest deposits and has strategic value given the growing electric vehicle and battery storage markets.

Metallurgical testwork results highlight that Nicanda Hill graphite would be ideally suited for use in lithium-ion batteries, in which natural flake graphite is a major non-substitutable component of the anode.

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<sup>2</sup> ASX Announcement, "Nicanda Hill Resource Upgrade", 30 October 2015. Triton is not aware of any new information or data that materially affects the information included in the relevant market announcement, and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

In addition to battery grade graphite, Nicanda Hill has significant vanadium resource potential. According to Metal Bulletin data, vanadium prices have risen more than 190%<sup>3</sup> since the beginning of 2017, reflecting the projected use of vanadium batteries in energy storage.

Nicanda Hill is one of the largest vanadium deposits globally and held by companies listed on the ASX and provides Triton with a significant opportunity to realise value for shareholders. To better understand the vanadium potential at Nicanda Hill, Triton has appointed CSA Global to review available vanadium and multi-element chemistry in the drill data base, identify potential vanadium target areas (best grade zones) within the Nicanda Hill Indicated Mineral Resource and recommend a programme of work to improve confidence in the vanadium mineralisation model.

Triton has received interest from a number of parties with respect to the development of Nicanda Hill. Triton has appointed Argonaut Securities to lead the commercialisation process to accelerate the development of this valuable asset. In addition, a joint venture or partial sale of Nicanda Hill could provide upfront capital for the development of Ancuabe thus potentially reducing the reliance on external equity funding.

**For further information visit [www.tritonminerals.com](http://www.tritonminerals.com) or please contact:**

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<sup>3</sup> Source: Bloomberg