

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 31 DECEMBER 2017

A quarter of major achievements, highlights include:

- ✓ **Delivery of robust Definitive Feasibility Study (DFS) and Maiden Ore Reserve for Ancuabe¹**
- ✓ **Completion of A\$6m entitlement issue with a high-level of demand**
- ✓ **Major Mineral Resource upgrade of Ancuabe – Total Indicated and Inferred Mineral Resource of 46.1 million tonnes (Mt) at an average grade of 6.6% Total Graphitic Carbon (TGC)²**
- ✓ **Two potential EPC contractors, Sinosteel and MCC, have moved into the final stage of due diligence**
- ✓ **Offtake and marketing MOU with Haida Graphite, one of the world's largest graphite producers**
- ✓ **Pilot plant testing of approximately 8.5 tonnes of core from T12 and T16 commenced with results expected in the coming weeks**
- ✓ **Option to acquire prospective Lithium assets and royalties in a major hard rock lithium precinct – subject to due diligence and shareholder approval**
- ✓ **Ongoing discussions for JV opportunities for Nicanda Hill, one of the world's largest graphite and vanadium deposits**

Triton Minerals Ltd (ASX: TON) (**Triton** or the **Company**) is pleased to announce its Quarterly Activities Report for the period ended 31 December 2017 (the **Quarter**).

ANCUABE GRAPHITE PROJECT – MOZAMBIQUE

Key achievements in the Quarter:

- ✓ Delivery of DFS and Maiden JORC Compliant Ore Reserve of 24.9Mt at 6.2% TGC at Ancuabe, supports the evaluation period of 27 years³.
 - DFS based on annual production of approximately 60,000 Tonnes Per Annum (tpa) of graphite concentrate over the evaluation period of 27 years shows unleveraged pre-tax NPV of US\$298m, unleveraged pre-tax internal rate of return 36.8% and payback period of 3.8 years.
 - The DFS mine plan is based on the Ore Reserve and less than 5% of the production is sourced from

¹ See ASX announcement 15 December 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

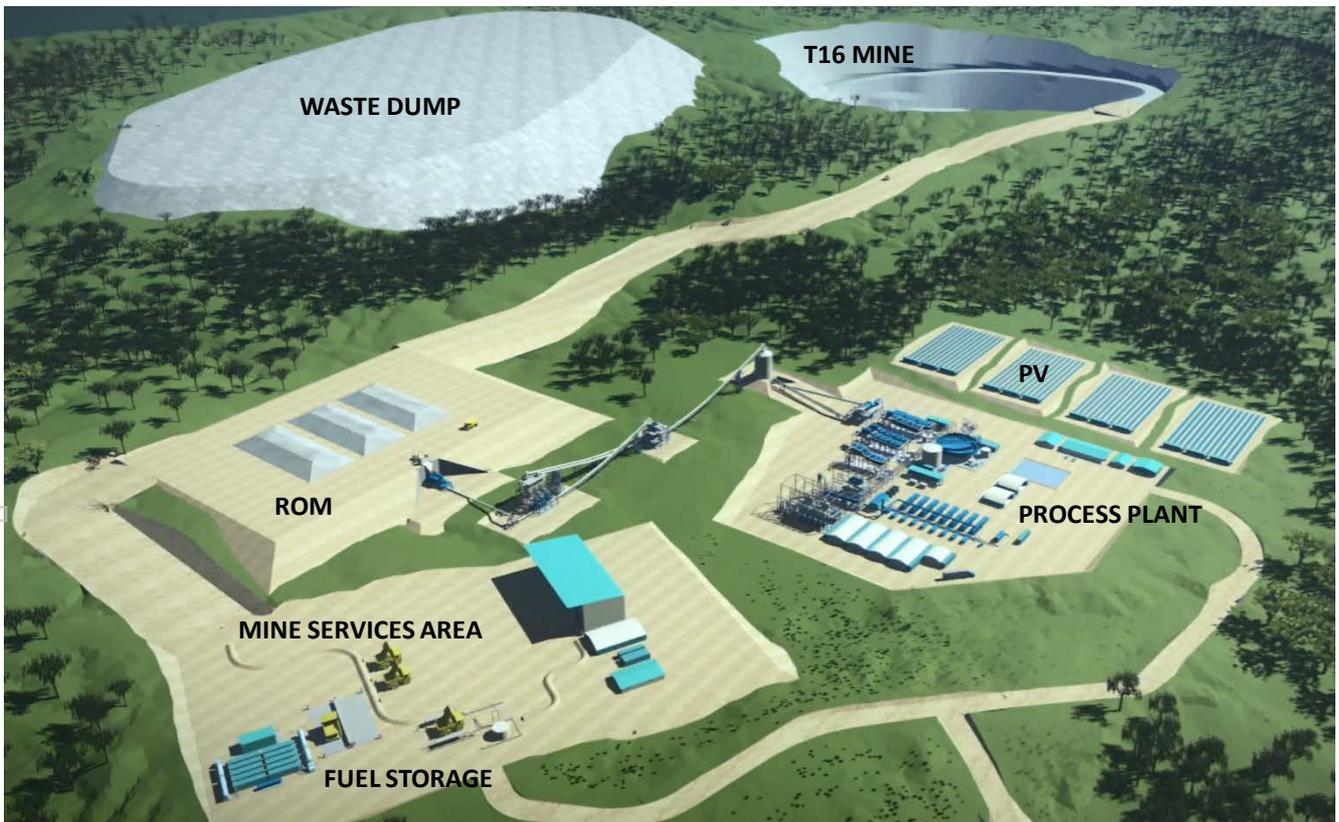
² See ASX announcement 14 December 2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

³ See footnote 1

Inferred Mineral Resources that is mined to access the Ore Reserve.

- High-margin project with average annual EBITDA over the evaluation period of US\$43.6m (including ramp up)³ based on a basket price of US\$1,435/t and average evaluation period operating costs excluding royalty of US\$634/t (FCA Port of Pemba)
- ✓ Board of Triton approved commencement of detailed engineering and early works subject to Mozambique Government approvals.
- ✓ Submission of Mining Concession Application to the Instituto Nacional de Minas (INAMI) for Ancuabe. This is a key step in the approval process for the development of the project
- ✓ Preliminary Environmental Assessment (EPDA) and terms of reference from Environmental Ministry (MITADER) received in December 2017
- ✓ Expressions of Interest (EOI) process completed for four major packages – Project Management Consultant (PMC), Camp, Tailings-Water-Roads, Mining Services and Bulk Earthworks
- ✓ Tenders in progress for three major packages - Project Management Consultant (PMC), Camp and Tailings-Water-Roads

Figure 1: Project layout



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Metallurgy

The Company shipped approximately 8.5 tonnes of core from the T12 and T16 deposits to ALS Metallurgy in Perth during the quarter for a pilot plant to produce graphite concentrate for customer acceptance testing and metallurgical testwork. The pilot plant was supervised by IMO Metallurgy, who conducted the DFS metallurgical studies.

Feasibility Study

The DFS was successfully completed by Lycopodium in December 2017, incorporating the work undertaken by CSA Global for the mineral resource updates, and maiden Ore Reserve; as well as the work undertaken by Knight Piésold for the tailings, water and site geotechnical investigations.

Permitting

The environmental permitting works continued this quarter with the completion of the specialist studies for the ESHIA, as well as approval of the EPDA and terms of reference by MITADER.

RAP public consultations commenced this quarter and further public consultations are scheduled for Q1 2018.

In November 2017 significant modifications were requested for the Ancuabe tenements in preparation for the Mining Concession application, which was also submitted at this time to INAMI.

The DUAT process is in progress and is pending the outcomes of the Mining Concession application.

A consulting company was appointed this quarter to assist with implementing the permitting, which will commence in Q1 2018.

Implementation

Planning and tendering for the early works commenced this quarter.

Offtake Marketing and Financing

During the Quarter, Triton executed a non-binding offtake, marketing and technical collaboration MOU with **Haida Graphite**, one of the world's largest graphite producers.

Triton is currently working to convert the conditional agreements with Haida and Tianshengda into binding agreements.

The Company is also engaged with a number of other interested parties and further samples will be sent to customers following the receipt of the concentrate from the recently completed pilot plant.

The December quarter also saw Sinosteel Equipment & Engineering Co. Ltd (Sinosteel) and MC International Incorporated Limited (MCC) progress to the final stages of due diligence for the tender of the Engineering, Procurement and Construction (EPC) contract for Ancuabe.

Sinosteel and MCC were identified on the basis of their significant track record in engineering, construction and procurement, along with their ability to provide debt financing on the basis of the EPC contract at very competitive rates.

CORPORATE AND FINANCE OVERVIEW

Entitlements Offer

Triton announced and completed a fully underwritten entitlement offer to eligible shareholders in the December quarter. The offer was a pro rata non-renounceable entitlements issue of one share for every 8 shares held at an issue price of \$0.07 per share with one free attaching option, exercisable at \$0.11 per share, for every share subscribed for. Existing shareholders applied for and were granted 61,634,322 new shares, representing 72% of the shares offer in the offer.

The offer raised approximately \$5.98 million before costs, and the funds raised will be used to fast track the development of Ancuabe including pilot plant, offtake and financing and early works.

Option Agreement

On 22 December 2017, the Company announced that it had entered into an Option Agreement with Westgold Resources to acquire a package of lithium assets (including potential royalty streams and rights to explore and potentially mine Lithium) (Lithium Assets) located in established lithium mining regions in Western Australia (Potential Acquisition). The Potential Acquisition aligns with the Board's longer-term strategy to build Triton into a commodity and geographically diversified mid-tier resources Company. In addition, the opportunity may provide access to cashflow from potential royalty streams and increase the Company's attraction to potential financing partners.

The Lithium Assets include:

- **Mt Marion Royalty.** Royalty over lithium production from a 30-hectare portion of Location 53, the Northern part of the Mt Marion Lithium Mine. Highlights of the Mt Marion Lithium Mine, located in the Eastern Goldfields of WA are as follows:
 - Globally relevant ownership: Jiangxi Ganfeng Lithium Co., Ltd 43.1% (China's largest and one of the world's largest lithium producers, market capitalisation circa A\$10 billion), Mineral Resources Limited (43.1%, operator, Australia's largest contract minerals processor, market capitalisation circa A\$3.9 billion) and Neometals Ltd 13.8% (market capitalisation circa A\$245 million)
 - Construction and commissioning of mine and plant completed in FY17.
 - Life of mine take-or-pay contract with Jiangxi Ganfeng Lithium Co, 43.1% project partner, which has publicly announced to the Shenzhen stock exchange that the Mt Marion spodumene concentrate is the best converting spodumene concentrate product it has processed to date through its downstream processing plants in China.
 - Further information on the Mt Marion Lithium Mine can be found on the Neometals Limited website and Neometals Ltd ASX announcements dated 24 November 2017 'Investor Presentation' and 31 October 2017 'Quarterly Activities Report'.
- **Lithium exploration assets.** The right to explore and mine lithium at the remainder of Location 53 and Location 59:
 - ASX announcements suggest that tonnage and grade of the Mt Marion Lithium Mine trends to the north of the deposit, potentially into the Location 53 area.
 - Westgold have developed an exploration program and has a number of exploration targets at Location 53 and Location 59. Subject to the Potential Acquisition proceeding and Triton Board approval, the Company plans commence exploration at these areas shortly after completion of the Potential Acquisition.

- Royalty over **Buldanía Lithium Project**, owed by Lioñtown Resources Limited (Lioñtown, market capitalisation circa A\$50 million):
 - The Buldanía Lithium Project is located in the Southern part of the Eastern Goldfields of WA which hosts the Mt Marion Lithium Project and Bold Hill Lithium and Tantalum Project, owned by Tawana Resources NL (50%, market capitalisation circa A\$260 million) and Alliance Mineral Assets Limited (50%, market capitalisation circa A\$188 million).
 - Initial 3,000-3,300m Reverse Circulation drill program planned by Lioñtown for early 2018, subject to receipt of statutory clearances.
 - Further information on the Buldanía Lithium Project can be found on the Lioñtown website and the Lioñtown ASX announcement dated 5 December 2017 'Mapping more than doubles area of spodumene-bearing pegmatite swarm at the Buldanía Lithium Project, WA'.

The option fee is \$10,000 and the option exercise date is 28th February 2018. The company has commenced due diligence on the assets included in the option agreement.

If the option is exercised it will be subject to a number of conditions precedent as previously announced (See ASX announcement dated 22 December 2017), shareholder approval and an Independent Expert Report will be prepared. If approved by shareholders the Company will issue Westgold 357 million new fully paid shares ordinary shares in Triton at a deemed issue price of \$0.085 per share for an implied valuation of approximately \$30 million. It is the intention of Westgold to, if approved by Triton shareholders, distribute the Triton consideration shares to Westgold shareholders by way of an in-specie distribution, meaning that a number of new institutional investors and resources funds will become shareholders of Triton.

Corporate Information

At 31 December 2017, the Company had 4,255 shareholders and 768,864,149 shares on issue. The top 20 shareholders held 49.47% of the issued ordinary shares.

At 31 December 2017, the Company had cash at bank of approximately \$5.7 million.

Expenditure

The pro-forma appendix 5B – statement of consolidated cash flows is provided in a separate report.

ASX Announcements

The Quarterly Report should be read in conjunction with all announcements made by the Company to the ASX, including the financial statements for the year ending 31 December 2016 and the half year ended 30 June 2017 which contain further details about material business risks. These announcements can be found on the following link:

<http://www.tritonminerals.com/investors/asx-announcements/>

Schedule of Tenements (ASX Listing Rule 5.3.3)

As at 31 December 2017, the Triton Group held an 80% interest in Grafex Limitada, the holder of the following interests in exploration tenements:

LICENCE	PROJECT	PROSPECT/ DEPOSIT	JV PARTNER	LOCATION	STATUS	CHANGE IN QTR	INTEREST
EL5966	Balama Nth	Nicanda Hill	Grafex Lda	Mozambique	Granted	No change	80%
EL5365	Balama Nth	Cobra Plains	Grafex Lda	Mozambique	Granted	Note 1	80%
EL5304	Balama Sth	-	Grafex Lda	Mozambique	Granted	No change	80%
EL5380	Ancuabe	T20	Grafex Lda	Mozambique	Granted	Note 2	80%
EL5336	Ancuabe	T12, T16	Grafex Lda	Mozambique	Granted	Note 3	80%
EL5305	Ancuabe	-	Grafex Lda	Mozambique	Granted	Note 4	80%
EL6537	Ancuabe	T18, T19	Grafex Lda	Mozambique	Relinquished	Note 5	80%
EL5934	Ancuabe	T10, T11	Grafex Lda	Mozambique	Approved - Pending grant	Note 6	80%

Notes - All applications are pending a response from the Mozambique mining authority, INAMI

1. Application to renew licence for a further two years submitted in September 2017.
2. Application to renew licence for a further two years submitted in August 2017. Application to modify and reduce the area submitted in November 2017.
3. Application to modify area submitted in September and further modifications submitted in November 2017. Application for a mining licence submitted in November 2017. New number assigned by INAMI: 9132C.
4. Application to modify area submitted in November 2017.
5. Addressed as a change to area in 5336 submitted in November 2017 in which part of area of EL6537 was added to EL5336. Application for remaining area of EL6537 was relinquished in November 2017.
6. Application to modify area of EL5934 submitted in November 2017.

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Forward-Looking Statements

This release may include forward-looking statements. These forward-looking statements are not historical facts but rather are based on Triton Minerals Limited's current expectations, estimates and assumptions about the industry in which Triton Minerals Limited operates, and beliefs and assumptions regarding Triton Minerals Limited's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only predictions and not guaranteed, and they are subject to known and unknown risks, uncertainties and assumptions, some of which are outside the control of Triton Minerals Limited. Actual values, results or events may be materially different to those expressed or implied in this release. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this release speak only at the date of issue of this release. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Triton Minerals Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this release or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Triton Minerals Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statements is based.

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