TRITON MINERALS

ACN: 126 042 215

Financial Report

Half year ended 30 June 2020

CONTENTS

This interim financial report does not include all the notes of the type normally found in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2019 and announcements to the Australian Stock Exchange (ASX) made by Triton Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Triton Minerals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Level 1, 34 Colin Street, West Perth, Western Australia. Its shares are listed on the Australian Securities Exchange (ASX Code: TON).

Directors

Mr Xingmin (Max) Ji	Non-Executive Chairman
Mr Patrick Burke	Non-Executive Deputy Chairman
Mr Peter Canterbury	Managing Director
Mr Chengdong Wang	Non-Executive Director

COMPANY SECRETARY

Mr David Edwards

REGISTERED OFFICE

Level 1, 34 Colin Street
West Perth WA 6005
Australia
Telephone: (+61) 8 6381 9050
www.tritonminerals.com

SHARE REGISTRY

Computershare Investor Services Limited
Level 11, 172 St Georges Terrace
Perth WA 6000
Australia
Telephone: 1300 750 505
Telephone: (+61) 8 9323 2000
Facsimile: (+61) 8 9323 2033
ASX Code: TON
www.computershare.com.au

AUDITORS

PricewaterhouseCoopers
Brookfield Place
125 St Georges Terrace
Perth, WA 6000
www.pwc.com.au

The directors present their report on the consolidated entity consisting of Triton Minerals Limited (Triton or the Company) and the entities it controlled (the Group) for the end of the half year ended 30 June 2020.

Directors

The following persons were directors of Triton Minerals Limited during the whole of the half year and up to the date of this report:

Mr Xingmin (Max) Ji	Non-Executive Chairman
Mr Patrick Burke	Non-Executive Deputy Chairman
Mr Peter Canterbury	Managing Director
Mr Chengdong Wang	Non-Executive Director

Review and Results of Operations

Company Overview

Triton Minerals Limited is an ASX listed mining exploration and development company focussed on graphite projects. Triton, through its 100% owned subsidiaries domiciled in the United Arab Emirates, has a 100% economic interest in Grafex Limitada (Grafex) (an entity domiciled in Mozambique). Grafex is the registered holder of six exploration licenses (one of which is subject to licence renewal) and one mining concession (MC9132C) in the Cabo Delgado Province of northern Mozambique. The licenses comprise three project areas: the Ancuabe Project, the Balama North Project and the Balama South Project. All three areas are considered highly prospective for graphite and all tenements are located in Mozambique.

The Ancuabe Project is located approximately 45km due west from the northern Mozambique coastal port of Pemba on the Indian Ocean shoreline. A mining concession for the Project was granted in May 2019 that provides the necessary regulatory approval to progress the development of Ancuabe. The Project is adjacent to the operational AMG Graphit Kropfmühl (GK) Ancuabe Mine.

The Definitive Feasibility Study[1] (DFS) completed for the Project in December 2017 confirmed that Ancuabe is a high quality, long life, high margin graphite project. The DFS was accompanied by the announcement of a Maiden JORC Compliant Ore Reserve of 24.9Mt at 6.2% Total Graphitic Carbon (TGC) at Ancuabe that supported the DFS evaluation period of 27 years at an annual production of approximately 60,000 Tonnes Per Annum (tpa) of graphite concentrate. The Company also announced in December 2017 that the total Indicated and Inferred Mineral Resource at the Ancuabe T12 and T16 deposits had increased to 46.1 Mt at an average grade of 6.6% TGC for 3.04 Mt of contained graphite[2].

The DFS financial outcomes showed an unleveraged pre-tax net present value of US$298m, unleveraged pre-tax internal rate of return 36.8% and a payback period of 3.8 years based on the annual production of approximately 60,000 tpa of graphite concentrate over the evaluation period of 27 years. The average annual Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) over the evaluation period was US$43.6m based on a basket price of US$1,435 per tonne of graphite

[1] See ASX announcement 15 December 2017 'Triton Delivers Robust Ancuabe Definitive Feasibility Study and Declares Maiden Ore Reserve'. 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 over the evaluation period adopted for the Definitive Feasibility Study.

[2] See ASX Announcement 14 December 2017 'Additional Mineral Resource Upgrade at Ancuabe Graphite Project'. 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.

concentrate and average operating costs over the evaluation period excluding royalty of US$634 per tonne (FCA Port of Pemba).

The Balama North Projects (Nicanda West Project, Nicanda Hill Project and Cobra Plains Project) are located approximately 230km west of Pemba, in northern Mozambique, in a vicinity of known graphite mineralisation. The Balama North Project currently contains one of the world's largest graphite and vanadium deposits at Nicanda Hill.

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.

Results of operations

The net loss of the Group for the half year to 30 June 2020 was $935,846 (2019: loss of $1,009,326). The loss for the half year arises primarily from corporate and marketing costs, administrative expenses incurred to support the Company's site and development activities in Mozambique. Administrative expenses, corporate and marketing and directors and employee benefits expense totalled $917,855 for the half year to 30 June 2020, compared to $934,857 incurred in the half year to 30 June 2019, a decrease of $17,002.

No dividends were proposed or paid during the period (2019: nil). At 30 June 2020, the Company had cash at bank of $3,363,538 (31 December 2019: $4,854,545).

Review of operations

The Company's activities for the half year ended 30 June 2020 were primarily focussed on the financing development of the flagship Ancuabe Graphite Project.

Financing

The Company has progressed financing for a bulk earthworks contract that will allow mobilisation to the Ancuabe site in September 2020 and targeting completion of the raw water dam prior to the commencement of the Mozambique wet season in December 2020. The Triton board acknowledges that the financing timeframe is beyond that previously anticipated and assures shareholders that completing financing as soon as possible remains its core focus. In parallel to financing, senior management have been working closely with its EPC Contractor, MCC International , and the team mobilised by the Chairman of its largest shareholder to identify further optimisation of costs within the Ancuabe Project capital expenditure.

Corporate

At 30 June 2020, the Company had 3,818 shareholders and 1,134,458,438 shares on issue. The top 20 shareholders held 57.53% of the issued ordinary shares.

Included in the financial report for the half year ended 30 June 2020 is an independent auditor's review report which includes an Emphasis of Matter paragraph in regard to the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern. For further information, refer to note 1 to the financial statements, together with the auditor's review report.

Events since the end of the half year

There were no significant events since the end of the half year.

Schedule of tenements

As at 30 June 2020, the Triton Group held an 100% economic interest in Grafex Limitada, the holder of the following interests in exploration tenements (all located in Mozambique):

Licence	Project	Prospect/ Deposit	Status	Note	Economic Interest
EL5966	Balama Nth	Nicanda Hill	Granted		100%
EL5365	Balama Nth	Cobra Plains	Granted		100%
EL5304	Balama Sth	-	Granted		100%
EL5380	Ancuabe	T20	Granted	1	100%
MC9132C	Ancuabe	T12, T16	Granted		100%
EL5305	Ancuabe	-	Granted	2	100%
EL5934	Ancuabe	T10, T11	Pending grant	3	100%

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

1. Application for extension and to modify and reduce the area submitted in November 2017.
2. Application to modify area submitted in November 2017.
3. Application to modify area submitted in November 2017.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 5 for the half year ended 30 June 2020 and forms part of this report.

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

Peter Canterbury
Managing Director
Perth, 20 August 2020

Auditor's Independence Declaration

As lead auditor for the review of Triton Minerals Limited for the half-year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Triton Minerals Limited and the entities it controlled during the period.

Douglas Craig

Douglas Craig
Partner
PricewaterhouseCoopers

Perth
20 August 2020

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
T: +61 8 9238 3000, F: +61 8 9238 3999, www.pwc.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 30 June 2020

	30 June 2020 $	30 June 2019 $
Directors and employee benefits expense	(532,212)	(498,218)
Administration expenses	(123,225)	(131,187)
Corporate and marketing costs	(262,418)	(305,452)
Depreciation expense	(9,448)	(12,270)
Exploration and evaluation expenditure	(124,507)	(59,709)
Foreign currency gain/(loss)	99,618	(7,426)
Results from operating activities	**(952,192)**	**(1,014,262)**
Financial income	20,283	5,825
Finance costs	(3,937)	(889)
Net financing income	**16,346**	**4,936**
Loss before income tax	(935,846)	(1,009,326)
Income tax expense	-	-
Net loss for the half year	**(935,846)**	**(1,009,326)**
Other comprehensive income		
Items that may be classified to profit or loss		
Foreign currency translation	(821,124)	(18,851)
Items that will not be reclassified to profit or loss		
Changes in the fair value of equity instruments at fair value through other comprehensive income	-	13,415
Total comprehensive loss for the half year	**(1,756,970)**	**(1,014,762)**
	Cents	**Cents**
Loss per share attributable to ordinary equity holders – basic and diluted	(0.08)	(0.11)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet
At 30 June 2020

	Note	30 June 2020	31 December 2019
		$	$
Current Assets			
Cash and cash equivalents		3,363,538	4,854,545
Trade and other receivables		190,187	183,904
Prepayments		49,750	86,775
Total Current Assets		**3,603,475**	**5,125,224**
Non-Current Assets			
Other receivables	**3**	2,643,801	2,582,413
Prepayments		24,680	29,969
Plant and equipment		65,909	80,445
Exploration and evaluation assets	**4**	19,879,009	20,356,649
Right-of-use assets		121,698	182,544
Total Non-Current Assets		**22,735,097**	**23,232,020**
Total Assets		**26,338,572**	**28,357,244**
Current Liabilities			
Trade and other payables		275,247	456,985
Lease liabilities		118,024	121,075
Provisions		764,864	779,405
Total Current Liabilities		**1,158,135**	**1,357,465**
Non-Current Liabilities			
Lease liabilities		-	59,078
Provisions		60,001	60,001
Total Non-Current Liabilities		**60,001**	**119,079**
Total Liabilities		**1,218,136**	**1,476,544**
Net Assets		**25,120,436**	**26,880,700**
Equity			
Issued capital	**5**	95,322,066	95,325,360
Reserves		7,183,117	8,004,241
Accumulated losses		(77,384,747)	(76,448,901)
Total Equity		**25,120,436**	**26,880,700**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the half year ended 30 June 2020

	Ordinary Share Capital	Reserves	Accumulated Losses	Total
CONSOLIDATED	**$**	**$**	**$**	**$**
Balance at 1 January 2019	87,019,826	7,364,470	(73,824,030)	20,560,266
Comprehensive Income:				
Loss for the period	-	-	(1,009,326)	(1,009,326)
Loss on translation of foreign currency subsidiary	-	(18,851)	-	(18,851)
Unrealised gain on financial assets at fair value through other comprehensive income	-	13,415	-	13,415
Transfer of gain on disposal of equity investment	-	(13,415)	13,415	-
Total comprehensive Income for the period	**-**	**(18,851)**	**(995,911)**	**(1,014,762)**
Transactions with owners recorded directly in equity				
Issue of listed options	-	721,835	-	721,835
Equity issue costs	-	(111,939)	-	(111,939)
Balance at 30 June 2019	**87,019,826**	**7,955,515**	**(74,819,941)**	**20,155,400**
Balance at 1 January 2020	95,325,360	8,004,241	(76,448,901)	26,880,700
Comprehensive Income:				
Loss for the period	-	-	(935,846)	(935,846)
Loss on translation of foreign currency subsidiary	-	(821,124)	-	(821,124)
Total comprehensive Income for the period	**-**	**7,183,117**	**(935,846)**	**(1,756,970)**
Transactions with owners recorded directly in equity				
Issue of listed options	323	-	-	323
Equity issue costs	(3,617)	-	-	(3,617)
Balance at 30 June 2020	**95,322,066**	**7,183,117**	**(77,384,747)**	**25,120,436**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	30 June 2020 $	30 June 2019 $
Cash flows from operating activities		
Payments to suppliers and employees	(937,951)	(833,227)
Payments to the Creditors Trust	-	(38,833)
Interest received	7,052	5,825
Interest paid	(3,937)	(889)
Net cash outflow from operating activities	**(934,836)**	**(867,124)**
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(484,890)	(864,414)
Proceeds from the R&D tax concession	-	66,978
Proceeds from the sale of financial assets at fair value through other comprehensive income	-	85,637
Net cash outflow from investing activities	**(484,890)**	**(711,799)**
Cash flows from financing activities		
Proceeds from issues of shares	323	-
Share issue costs	(3,617)	-
Proceeds from the issue of other equity net of costs	-	604,856
Principal elements of lease payments	(63,373)	(61,029)
Net cash inflow from financing activities	**(66,671)**	**543,827**
Net decrease in cash and cash equivalents	**(1,486,397)**	**(1,035,096)**
Cash and cash equivalents at the beginning of the period	4,854,545	1,383,865
Net foreign exchange differences	(4,610)	2,968
Cash and cash equivalents at the end of the period	**3,363,538**	**351,737**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. REPORTING ENTITY

These consolidated financial statements comprise Triton Minerals Limited (Company) and its controlled entities (the Group). Triton Minerals Limited is a company limited by shares, incorporated and domiciled in Australia.

The Group is a for-profit entity for the purposes of preparing the financial statements and is primarily involved in mineral exploration, evaluation and development.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

Basis of Preparation

These condensed consolidated financial statements for the half year to 30 June 2020 comprise Triton Minerals Limited (Triton or the Company) and the entities it controlled at the end of the half year ended 30 June 2020 (the Group).

The financial statements have been prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standard AASB 134 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements.

Going Concern

The financial statements have been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the half year ended 30 June 2020, the Group recorded a loss after tax of $935,846 (2019: Loss of $1,009,326) and had a net working capital surplus of $3,328,228 (31 December 2019: surplus of $4,668,239). Cash out flows from operating and investing activities, were $1,419,726 (2019: cash out flow of $1,578,923) primarily reflecting corporate, marketing and Ancuabe early works activities.

The Group has prepared a cash flow forecast for the construction and commissioning of the Ancuabe Graphite Project. The forecast demonstrates that there is a need for additional funding over and above the funds available at 30 June 2020. Without additional funds the Company would be required to significantly scale back planned Ancuabe activity, payroll costs and corporate overheads.

Whilst the Company has demonstrated a track record in raising capital and ongoing discussions with financiers and its largest shareholder, Jigao International Investment Development Co Ltd indicate that development funding may be made available when required, there exists a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern for at least 12 months from the date of this report without additional capital and therefore, whether it is able to realise its assets and discharge its liabilities in the normal course of business

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The financial statements were approved by the Board of Directors on 20 August 2020.

New Standards, Interpretations and Amendments Adopted by the Group

The accounting policies applied by the Group 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 2019.

3. OTHER RECEIVABLES

	30 June 2020 $	31 December 2019 $
Bank guarantees	2,643,801	2,582,413
Other receivables	**2,643, 801**	**2,582,413**

Bank Guarantees include a financial guarantee paid (Approximately US$1,778,716,63 excluding bank fees) to the Mozambique mining authority to meet the requirements of the Mozambique mining regulations to commence construction of the Ancuabe Graphite Project.

4. EXPLORATION AND EVALUATION ASSETS

	30 June 2020 $	31 December 2019 $
Balance at the beginning of the period	20,356,649	19,346,112
Expenditure during the year	330,690	1,144,130
Exploration and evaluation assets written off	-	(87,298)
Research and development tax concession credit	-	(66,978)
Foreign exchange translation	(808,330)	20,683
Balance at the end of the period	**19,879,009**	**20,356,649**

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 any indication of impairment.

5. ISSUED CAPITAL

a. Ordinary Shares

	Number of Shares		$	$
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Ordinary shares, issued and fully paid	1,134,458,438	1,134,455,223	95,322,066	95,325,360

Fully paid ordinary shares carry one vote per share and carry the rights to dividends. There were no movements in ordinary shares during the period.

6. SUBSEQUENT EVENTS

There were no significant events after the balance sheet date.

7. SEGMENT REPORTING

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The segments during the half year are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker, being the Managing Director. Comparative segment information has been reclassified to conform to the current presentation.

The reportable segments are based on aggregated operating segments determined by the similarity of economic characteristics, the nature of the activities and the regulatory environment in which those segments operate. The consolidated entity has one reportable segment based on the Company's exploration and development activities in Mozambique. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segment.

i) Segment Performance	**30 June 2020**	**30 June 2019**
	$	**$**
Segment result	(183,590)	(154,440)
Unallocated items		
Other corporate income	20,283	5,825
Other corporate expenses	(772,539)	(860,711)
Net loss before tax	**(935,846)**	**(1,009,326)**

ii) Segment Assets	**30 June 2020**	**31 December 2019**
	$	**$**
Cash and cash equivalents	64,227	338,395
Exploration and evaluation expenditure	19,879,009	20,346,112
Other assets	221,464	2,770,664
Total segment assets	**20,164,700**	**23,465,708**
Reconciliation of segment assets to group assets:		
Other corporate assets	6,173,872	4,891,536
Total assets	**26,338,572**	**28,357,244**

iii) Segment Liabilities	30 June 2020	31 December 2019
	$	$
Trade and other payables	36,317	92,476
Provisions	-	7,493
Total segment liabilities	**36,317**	**99,969**

Reconciliation of segment assets to group assets:		
Other corporate liabilities	1,181,819	1,376,575
Total liabilities	**1,218,136**	**1,476,544**

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 2020 are in accordance with the *Corporations Act 2001*, including
   (a) complying with Accounting Standards the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) giving a true and fair view of the Group's financial position as at 30 June 2020 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.

Peter Canterbury
Managing Director

Perth
20 August 2020

Independent auditor's review report to the members of Triton Minerals Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Triton Minerals Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 30 June 2020, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected other explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian 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 half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half-year 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 a half-year 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 review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

1. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates that the Group incurred a net loss after tax of $935,846 and a net cash outflow from operating and investing activities of $1,419,726. As a result, the Group is dependent on raising additional capital in the next 12 months to enable it to continue its normal business activities, including progression of its exploration and project development activities. These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PricewaterhouseCoopers

PricewaterhouseCoopers

Douglas Craig

Douglas Craig
Partner

20 August 2020