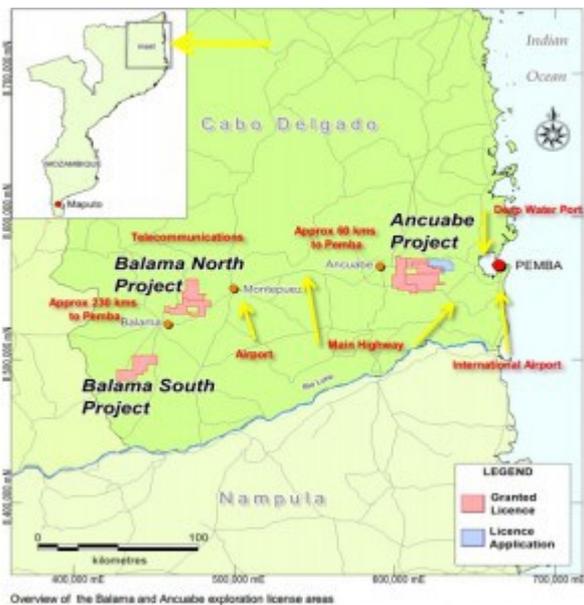


# Triton Minerals delivers impressive project economics at Nicanda Hill Graphite Project



In November, Australia's Triton Minerals ('Triton', ASX: TON) completed its 2014 drilling campaign at Nicanda Hill last month featuring drill core intercepts have been in excess of 15% graphitic carbon (GC) the

Nicanda Hill property, part of its Balama North Graphite project in Mozambique. Triton also published the Independent Scoping Study for Nicanda Hill, predicting a before tax net present value (NPV) of USD\$ 1,230 million and internal rate of return (IRR) of 137%. The project has also identified high grade (0.75%) vanadium pentoxide concentrate as well as a 7% zinc concentrate, derived from the graphite tailings through flotation. These results suggest even better economics than first predicted, highlighting the Project's commercial viability; indeed, Triton Minerals may have discovered the world's largest deposit of graphite after six months of operation in Nicanda zone, Balama district south of Cabo Delgado province. The site is said to contain more 115.9 million tonnes of ore and, a world-class potential, 3.93 million tons of vanadium oxide such that Triton has been shaping up to becoming a market leader thanks to low capital and operational costs, improved by the presence of vanadium.



Triton Minerals believes it has identified the world's largest deposit of graphite after six months of operation at the Nicanda Hill Project; laboratory tests have shown the graphite to deliver an impressive purity of 99.9%. Triton plans additional drilling to get a better understanding of the extent of the high grade graphite areas, warranting the preparation of a

feasibility study in order to develop the Project and launch production as early as in 2017. The scoping study suggests that Triton could sell a high quality graphite product at a ready to ship cost of USD\$ 315/ton, which promises an appealing profit margin, given the assumption of an average, and very conservative, graphite price of USD\$ 985/ton. And that accounts for the graphite alone, because there are also 3.9 million tons of vanadium oxide – the largest vanadium deposit in the world – and sufficient quantities of zinc to prompt a study of their commercial viability. Moreover the graphite mineral, rather than being interspersed with hard rock material intrusions like quartz or granite, is of a very soft composition, which will make it far easier and cheaper to process. The 'soft' mineralization suggests Triton will be able to save on energy costs, because arduous processing can make projects overly expensive and inefficient. The resource at Balama is rich in volume and it is of a consistently high grade, medium to coarse flake variety of graphite that should be readily upgraded to the kind of purity levels to address the fast rising number of battery and alternative energy applications, driving demand for flake graphite.

Triton is moving as fast as possible and considering the presence of an estimated 1.5 billion tons of mineral, the resource itself contains at least 10% of that amount at 156

million tons of pure graphite and nearly four million tons of vanadium pentoxide. The deposit is spread out across a long and wide area (6 km by 1 km), which gives Triton a wide number of potential drill zones from which to choose as the Project proceeds. Triton has been fortunate that the identified mineralization is consistent along the surface and at depth, which is a rare combination of features for any kind of mineral deposit. Triton's property provides an excellent example of 'closeology', being located right beside Syrah Resources, which had been the largest graphite resource in the world until Triton's breakthrough.

Triton also benefits from the availability of pre-existing infrastructure and of a large port – just 200 km. away – as well as to access to electricity and good roads. Moreover, in 2013, Australia and Mozambique signed a “minerals development partnership agreement” in order to develop the African country's mining sector in capacity and human capital. Under the agreement, Australian companies working in Mozambique are encouraged to help train Mozambicans in the more technical aspects of mining, such that this sector can become more sustainable, providing benefits for the local population. It was in the wake of this agreement that Triton launched the first phase of its Balama North graphite project as part of a joint venture with the Mozambican company Grafex Limitada. Even as Triton remains committed to the intent of the Australian-Mozambican mining partnership – which helps to mitigate sustainability related risks – the greater control, will enable the Company to proceed faster at Balama North, thus offering greater value to investors. The additional funding will allow Triton to maintain an ambitious drilling program at Nicanda Hill, which presents a number of high grade graphite mineralization targets.

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# Graphite investors very confident in Triton Minerals ultimate success



Triton Minerals (ASX: TON) published exceptional results from the Nicanda Hill prospect at its Balama North graphite project in Mozambique last May. Triton's property sits adjacent to Syrah Resources' Balama graphite deposit, which is said to be the world's largest.

One of the highlights is a 220 meters long continuous mineralization, which promise even larger exploration targets than at first thought. Triton's potential, therefore, is far greater than expected and 2014 could be a very exciting year. Investors, including institutional ones, have taken notice such that Triton has managed to obtain a 'single tranche' 17 million placement of fully paid ordinary shares at AUD\$0.50 raising AUD\$ 8.5 million – effective July 24. The Placement suggests that investors are very confident in Triton's ultimate success because it will be made in a single tranche despite the overall worldwide 'lukewarm' resource investment climate.

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Triton, has now announced that it will acquire a remaining 40% interest (at the cost of AUD\$ 20 million) from 'Grafex Limitada; in all its Mozambique graphite projects including Balama North, Balama South and Ancuabe. Evidently, the placement has attracted new and international investors thanks to which, Triton will be able to speed up exploration at Balama North. Accordingly, Triton expects to delineate an Inferred Resource for the Nicanda Hill prospect before the end of 2014. Triton also expects to publish the results of the scoping study that, last May, was also extended to cover exploration results from Nicanda Hill upon the delineation of the Indicated Resource.

Triton issued encouraging data from the Nicanda Hill, Black Hills and Charmers prospects, including graphitic carbon assays ranging from 15.1% to 18.9%, suggesting that Triton is sitting on a significant deposit. There is also a Balama South zone, which Triton has yet to explore properly, but which could prove equally as favorable as Balama North – which remains for now, at the Cobra Plains prospect, the main focus of the project with its maiden resource of 103 million tons, making it “the fourth largest deposit in the world.” Triton believes it has gathered sufficient data to prepare a JORC resource estimate for Cobra Plains, as it proceeds with the exploration and drilling of the other identified targets. The Nicanda Hill target – the results of which are cited above – is connected to Cobra Plains. To clarify, the four prospects

of Nicanda Hill, Cobra Plains, Black Hills and Charmers make up the Balama North property. So far, the graphite mineral, rather than being interspersed with hard rock material intrusions like quartz or granite, is of a very soft composition, which will make it far easier and cheaper to process. Indeed, the 'soft' mineralization suggests Triton will be able to save on energy costs, because arduous processing can make projects overly expensive and inefficient. Syrah Resources has already proven this: its prospect is running one of the lowest cost graphite projects in the world at some USD\$ 500/ton – consider that flake graphite can cost anywhere from USD\$ 1,800 to USD\$ 3,000 per ton. The resource at Balama is rich in volume and it is of a consistently high grade, medium to coarse flake variety of graphite that should be readily upgraded to the kind of purity levels to address the fast rising number of battery and alternative energy applications, driving demand for flake graphite.

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## **Triton's Mozambique project yields far more high grade graphite than expected**



It was only two weeks ago that Triton Minerals (ASX: TON) announced that, even at its initial stage, reverse circulation drilling at the Company's Nicanda Hill prospect, part of the Balama North graphite project intercepted 220 meters of continuous graphite mineralization in a single bore hole. Drilling has continued

since then and Triton continues to reveal its tremendous potential having now reached 316 meters of cumulative width of graphite mineralization in a single diamond hole at the Nicanda Hill prospect. The Nicanda Hill prospect alone may host as much as 480 million tons of graphite mineralization. In total, Triton has intersected – holes and trenches – a strike length of some 1,750 meters at Nicanda Hill.

This is a very impressive start to the program, considering that significant graphite mineralization has been identified in all holes drilled to date. By all means the 220 meters in a single borehole announced on May 19 was a great success; to have 316 meters is a great and encouraging surprise. Triton Minerals is estimated to hold between 730 million and 1.2 billion tons of graphite mineralization at the three prospects that constitute the North Balama project. The rapid upgrades emerging from the drilling, however, suggest those already favorable estimates may have to be revised upward. Managing Director, Brad Boyle, believes that the total may amount to be double the size of the original exploration targets. The resource at Balama is rich in volume and it is of a consistently high grade, medium to coarse flake variety of graphite that should be readily upgraded to the kind of purity levels to address the fast rising number of battery and alternative energy applications, driving demand for flake graphite.

Triton's promise of being the fourth largest graphite deposit in the world (by tonnage) following the evaluation of resources in its concession Cobra Plains North Balama project may well prove to be true. That initial evaluation was published on 26 February based on an inferred resource of 103 million tons at an average grade of 5.52 % graphitic carbon with 5.7 Mt of graphitic carbon content from the Cobra Plains prospect at Balama North. Considering this was a mere "subsidiary" goal, it stands as an impressive result. The real potential, nevertheless, is emerging from the high-grade

Nicanda Hill prospect, which has become the focus of drill testing, which has so far supported the idea that the project contains several large deposits of world class graphite.

Triton's project, Balama North, presents significant 'closeology' advantages; this means it benefits from its proximity – 3.5 km northeast – to well known world-class properties such as Syrah Resources, which has a potential of 1.1 billion tons. Not surprisingly, Triton has found significant mineralization over a 10km long stretch featuring high grade flake graphite. Triton has certainly found a very similar style of mineralization, which is very soft and, therefore, faster and cheaper to process – and it is much more energy efficient. This adds to the Balama Project's appeal. Indeed, Syrah Resources, which owns the prospect adjacent to Balama is running one of the lowest cost graphite projects in the world at some USD\$ 500/ton – consider that flake graphite can cost anywhere from USD\$ 1,800 to USD\$ 3,000 per ton. The proximity to Syrah's deposit has, clearly, already started to produce benefits and help Triton fast track into production.

The benefits of Triton's closeology also extend to infrastructure. In fact, Triton's property enjoys direct access to the main highway. This is actually better than Syrah Resources, where access involves having to deal with two rivers. Triton has unimpeded access in and out of the project, which means it can save a lot of money by not having to build any additional infrastructure. Triton has completed various phases of exploration programs in 2013 and in all cases, the Company reported that it obtained high grade of graphite. Much of the Balama graphite deposit is largely visible as it rises above ground, reducing the need for costly drilling. Mozambique is rich in resources such as coal and has a long coastline on the Indian Ocean marked by good ports such as Nacala and Beira which facilitate export.

InvestorIntel Video Interview Posted June 3, 2014: Triton may have "double" the original estimation for the graphite

# **Triton Minerals announces very encouraging drilling results from its Balama North Graphite Project**

✘ Mozambique has attracted significant investment from such mining giants as Vale and Rio Tinto as well as smaller players exploring for gold, rare metals and now graphite as well. Australia's Triton Minerals ('Triton') is one of the companies sharing in the optimism promoted by Mozambique and by the prospects for graphite. Triton (ASX: TON) is developing what is increasingly appearing to be a world class graphite deposit at its Balama North Graphite Project in Mozambique. The resource at Balama is rich in volume and it is of a consistently high grade, medium to coarse flake variety of graphite that should be readily upgraded to the kind of purity levels to address the fast rising number of battery and alternative energy applications, driving demand for flake graphite. Triton has completed various phases of exploration programs in 2013 and in all cases, the Company reported that it obtained high grade of graphite. Much of the Balama graphite deposit is largely visible as it rises above ground, reducing the need for costly drilling.

The identified graphitic zones show significant width in many cases with concentrations as high as 28.6% of graphitic carbon (gc) near the surface. Triton also observed high grade graphite mineralization extending over the adjacent Nicanda

Hill prospect, including gc grades ranging from a low of 8.19% to 18.7%. Triton says it is very encouraged by the results and confident about the being able to delineate “a significant resource” at both the Nicanda Hill and Cobra Plains prospects, including large flake graphitic zones. Triton also performed reconnaissance rock chip sampling in some areas of the Charmers and Black Hills prospects, which have also yielded favorable results including graphitic carbon assays ranging from 15.1% to 18.9%; in addition, the samples demonstrated many similarities to rock chips from the Nicanda Hill project, which has shown graphitic carbon grades of up to 28.6%. The combination of results from the various exploration targets at Nicanda Hill, Cobra Plains and Charmers suggest that Triton is sitting on a significant deposit. Triton believes it has gathered sufficient data to prepare a JORC resource estimate for the Cobra Plains part of the project, while proceeding with the exploration and drilling of the other identified targets. Overall, as noted by CEO Brad Boyle, Balama North has the potential to host a series of world class graphite deposits.

Graphite is finding an ever growing number of applications and this commodity will not only continue to generate demand in refractory materials but also in the development of batteries, where the material holds a dominant position. This has raised an exciting and dynamic market prospect for graphite in the coming years. Graphite is not always available in the desired quality and quantity just anywhere and as Chinese authorities has become more sensitive to environmental problems – China currently supplying 70% of flake graphite – supplies will need to increase in the coming years to meet increased demand. Therefore consumers will ever more beyond China for new supplies.

Mozambique is proving to be one of the most important new sources of graphite supply. The fact that the German multinational Graphit Kropfmuhl has revived its Ancuabe

graphite mine in northern Mozambique – it had been closed in 1999 due to a combination of falling graphite prices (from \$1,300/ton to \$450/ton) and rising costs of electricity generation costs – testifies to Mozambique's graphite potential. Mozambique is one of Africa's main mining destinations and graphite is quickly emerging as one of its most coveted resources. There is still a way to go to fully develop Mozambique's graphite industry; however, infrastructure and manpower are improving thanks to foreign investment in the mining sector in general. The government of Mozambique has started to offer fiscal incentives to attract more mining companies, looking to sector as a vehicle, or an opportunity, to lead the country's economic development efforts. Last year, the Mozambican parliament passed a new and ambitious anti-corruption law to ensure continuity in development aid from foreign donors and to make investment rules more transparent. The country is rich in resources such as coal and has a long coastline on the Indian Ocean marked by good ports such as Nacala and Beira which facilitate export.