

Triton Minerals Limited - LOI for Project Funding and Off-Take for Nicanda Hill

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Perth, Australia (ABN Newswire) - [Triton Minerals Ltd.](#) (ASX:TON) (Triton or Company) is pleased to announce 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 funding of up to US\$200 million (A\$255m) 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.

Key Highlights

- Proposed project funding package of 50:50 debt to equity; Up to US\$100 million direct equity investment in Triton and up to a US\$100 million debt facility.
- An off-take agreement with an initial term of 10 years at 200,000 tonnes of graphite concentrate per year for Triton's Mozambique Graphite (TMG) sourced from Nicanda Hill; and
- 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.

The successful finalisation of subsequent definitive agreements will secure full funding for the Nicanda Hill project, together with a 10 year 200,000 tonnes of graphite concentrate off-take per year of Nicanda Hill TMG concentrate.

The signing of this LOI demonstrates the strategic importance and growth potential of the graphite material supply market and of graphite-based technologies that Triton is well positioned to supply.

Triton's Managing Director & CEO, Brad Boyle said:

"This is yet another outstanding achievement for Triton as this Letter of Intent signifies an important step towards securing complete and comprehensive funding for the development of our flagship Nicanda Hill deposit. Shenzhen Qianhai Zhongjin Group Co., Ltd is a very large, reputable banking, equity and resource trading house.

We are delighted and privileged to be associated with SQZG who are looking to align themselves with Triton as a long term strategic partner, a cornerstone investor, financier and off-take partner."

SQZG's Managing Director, Mr Chen Shaogang said:

"As a result of our detailed analysis of the graphite supply business we have identified Triton as the premier future developer and producer. Considering various aspects such as resource quality, technical expertise, rapid and effective project progression, Board and management team determination and resolve, we view the Nicanda Hill deposit as a justifiably world class deposit and Triton as the industry leader.

As potentially the world's largest and lowest-cost producer, Triton holds a key asset in the graphite and vanadium world. We are delighted to align our Company with the Triton team in a strategic long term relationship and we look forward to working closely together through the due diligence process and hope to finalise a definitive agreement soon to formalise the terms of the LOI"

KEY TERMS OF THE LETTER OF INTENT

The LOI has a project funding component and an offtake component, of which the key terms of each are summarised below.

Project Funding Component

Amount: Up to US\$200 million.

Equity:

- Up to US\$100 million

- Subject to Triton's placement capacity, Triton will issue SQZG ordinary fully paid shares at the greater price of AUD\$0.50 or market price.

- The issue of the equity in Triton may be undertaken in three (3) or more separate tranches, ensure that SQZG do not hold at any one time more than 19.99% equity in Triton.

- The total value and the amount of equity issued in the each tranche to Triton from SQZG is it at the sole discretion of Triton.

Debt:

- Up to US\$100 million.

- Triton shall draw down the debt facility for the full construction of the mine at the Nicanda Hill project.

- The total amount of debt obtained by Triton will be at the sole discretion of Triton.

- Unless otherwise agreed in writing between the parties the term of the loan is for a maximum of five (5) years from the date of obtaining the funds from SQZG.

- Triton will repay the principle debt in full plus interest during the term of the loan.

- during the term of the loan and until the debt full is paid in full, Triton agrees to provide SQZG up to 200,000 tonnes of graphite concentrate at a fixed price US\$875 per tonne FOB of material for any shipment. Purity of the graphite concentrate not less than 90% and moisture content up to 1%.

Other terms: Full terms and conditions to be specified in a binding funding agreement.

Shareholder approval maybe required to authorise the funding agreement whether or not the debt component of the funding agreement will be, is envisaged to be or may be (following formal negotiation) secured.

Triton notes should the funding agreement be secured following the completion of the due diligence and formal negotiations with SQZG, the issue of any securities pursuant to the equity component of the funding agreement may require shareholder approval. Further, in the event that the debt component of the funding agreement is secured, then this part of the transaction may also require additional shareholder approval.

Off-Take Component

Term: Initial Term of 10 years.

Amount: 200,000 tonnes per year.

Commencement: Once the full debt specified above in Project Funding has been repaid by Triton to SQZG, the parties will then commence the long term graphite concentrate off-take agreement.

Price: Triton will sell Nicanda Hill graphite concentrate to SQZG at a discount (to be agreed) to global graphite market price, but no less than a floor price of US\$750 per tonne FOB for any shipment.

Purity: Not less than 90% and moisture content up to 1%.

Other terms: Full terms and conditions to be specified in a binding off-take agreement. Minimum Contract Revenue: US\$ 1.5 Billion

The LOI with SQZG is subject to SQZG completing a formal comprehensive due diligence, including a Mozambique project site visit. It is expected the due diligence will be completed by SQZG by no later than 30 June 2015. On the signing of binding agreements the first stage of equity funding to Triton would commence within 30 days of completion of the due diligence (Due Diligence).

Should SQZG determine at the end of the Due Diligence period not to proceed, neither Party will have any legal or financial liability to the other Party arising from the termination of the LOI.

The LOI creates binding legal obligations between Triton and SQZG in accordance with its terms and in the event that SQZG is satisfied with its Due Diligence and a formal agreement is not entered into, the LOI shall represent the definitive agreement between Triton and SQZG.

Triton will provide an update to the market in relation to the Due Diligence being conducted by SQZG together with the negotiation of formal funding and off-take agreements as further information comes to hand.

Should Triton be able to secure the formal off-take agreement with SQZG, this has a potential minimum contract value of at least US\$1.5 Billion over the ten year term, which would be in addition to the US\$2 Billion minimum contract value contained within the initial 20 year binding off-take agreement executed with Yichang Xincheng Graphite Co., Ltd (YXGC).

The Company's focus is to rapidly develop the TMG projects into production and maintain a secure revenue stream to create genuine long term value for Triton's shareholders, the execution of this LOI is another key milestone in achieving this goal.

ABOUT SHENZHEN QIANHAI ZHONGJIN GROUP CO., LTD

Key Points about SQZG:

- Established and substantial Chinese based resources trading and financial management and equity investment company, with in excess of \$10 billion RMB under management.
- Headquartered in Shenzhen and has approximately 35 branches and agency offices located in most of the major cities throughout China, with at least one office in each province. SQZG is aiming to establish 100 offices and branches within the next 3 years.
- Total number of staff is approximately 1,000.
- Recently listed (16 January 2015) on the Qianhai Stock Exchange (listing code number: 660333).
- Holds a valid minerals trading licence.
- Operates three key divisions in China which make up the SQZG Group of companies. The Core Operations are outlined below:

FINANCE

- Capital funding
- Wealth management
- Micro-lending
- Foreign currency trading
- Commodities exchange centre

RETAIL & COMMERCE

- yacht industry
- film industry
- culture base

E-COMMERCE

- internet marketing
- e-business
- internet finance

Additional information can be found at SQZG website (<http://www.zhongjin.com.cn>).

TRITON and SQZG

Triton, with the assistance of Nexia International (independent advisors) conducted due diligence on SQZG, concluding that SQZG has the financial resources, appropriate industry connections, institutional reputation and corporate and social responsibility profile to be a worthy and qualified strategic partner.

This finding is further supported by the understanding that SQZG is a public company, listed on the Qianhai

Stock Exchange and operating under the listing and compliance obligations of this exchange.

Both SQZG and Triton are pleased that SQZG will potentially become a cornerstone investor and strong strategic partner for Triton in the development of the Nicanda Hill graphite and vanadium deposit.

CONCLUSIONS

Successful finalisation of definitive agreements that may result from the LOI will secure full funding for the Nicanda Hill deposit, together with a 10 year 200,000 tonnes off-take of Nicanda Hill TMG concentrate. In such a case, Triton anticipates that many of the key development milestones at the Nicanda Hill will be expedited and the expected large-scale commercial graphite production may be achieved earlier than originally scheduled. This would allow Triton to establish and secure a substantial and expanding market presence ahead of many other peer companies in the graphite sector.

Triton is working towards establishing TMG as the global graphite-industry benchmark by aiming to offer the world's lowest cost and most diversified graphite product range, together with the longevity of a reliable supply of high quality flake graphite.

The signing of this LOI demonstrates the strategic importance of graphite-based technologies and global growth potential of the graphite material market into which Triton is well positioned to supply.

To view photographs, please visit:

<http://media.abnnewswire.net/media/en/docs/ASX-TON-716896.pdf>

About Triton Minerals Limited:

[Triton Minerals Ltd.](#) (ASX:TON) is an ASX listed, responsible mineral explorer and resource management company headquartered in Perth, Australia.

Led by a highly experienced management team, Triton Minerals' vision is to grow shareholder's value through discovery or development of base metal, gold and other precious metal deposits.

Triton has made excellent progress with its three Graphite projects located in the Cabo Delgado Province in Mozambique, with the program successfully identifying a number of graphitic exposures.

It is the Company's belief that the Mozambique, Balama North Project could host multiple and very substantial world class graphite deposits.

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