

16 November, 2010

RECOMMENDATION:

Speculative BUY

12 MONTH PRICE TARGET:

NA

Capital Structure

ASX Code	TON
Current Share price	\$0.16
Mkt cap ¹	\$13.36m
Ordinary shares on issue	55.3m
Ordinary Shares in Escrow	28.2m
Listed Options (2013) ²	16.7m
Unlisted Options (various)	17.2m

¹ Undiluted
² Dec 2013, 25c

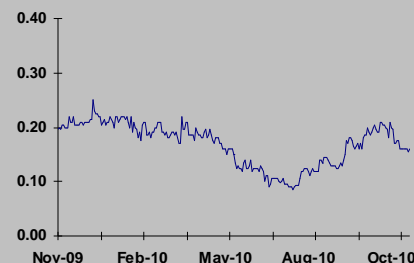
Directors

John Loney	Non-Exec Chairman
Lance Govey	Managing Director
Greg Hall	Non-Exec Director
David Singleton	Non-Exec Director
Trevor Osborne	Non-Exec Director

Top 5 Shareholders

Poseidon Nickel Ltd	10.9%
Directors/Founders	10.2%
Subiaco Capital	9.1%
JP Morgan nominees	5.0%
Mr D. Evans	4.4%

12 Month Price Performance



Source: IRESS

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Triton Gold Limited (TON)

Update Report

TON listed on the ASX in 2009 with a focus on West Australian gold exploration plays, particularly in the up and coming Albany-Fraser Belt, and a prospective gold project in the Alaskan gold belt. At Windarra, a potential cash generating opportunity is being considered. TON are embarking on their next phase of exploration at the Salmon Gums project in the Albany-Fraser Belt and in Alaska, where Panoramic Resources (ASX: PAN) entered into a farm-in agreement by funding US\$2.6m. TON are applying the results of a recently completed diamond drilling program into a conceptual structural target at depth, to plan their 2011 program. TON are also reviewing various opportunities in Africa, which we believe could be an additional drawcard for investors. We maintain our Speculative Buy recommendation on the 2011 exploration program.

Key Points

- The WA Projects, which include two projects with a mixture of early-mid stage exploration and a potential development project, namely the Windarra Tailings Project, acquired from Poseidon Nickel Ltd (ASX: POS) has now got a JORC resource of 113,000 ounces at 0.78g/t. TON are now considering their options with regard to exploitation and may bring in a JV partner to undertake development or look towards a trade sale.
- The Windarra Regional Project has potential for discovery of a gold deposit in ground previously owned by WMC Ltd when it was only interested in nickel exploration. Of the 2,055 previous drill holes into the Windarra tenement package, only 37 were ever assayed for gold. During 2011 TON will undertake a sampling and drilling campaign aimed at some of the higher priority target areas in the package, which lies in the prolifically endowed Laverton greenstone belt.
- During the September quarter TON announced results from their broad spaced RC and diamond drilling program at Salmon Gums. The results confirmed a local bedrock source for the gold and will be used to define the next stage of exploration which will involve alteration studies and surface geophysics before the next round of drilling.
- At Tushtena, two gold prospects have been identified and initial diamond drilling of the prospects, comprising 4 holes for 1,600 metres, were reported in October 2010. This was aimed at a structural intersection target in the Discovery Zone ranging from 194m to 610m in depth. The northern Discovery Zone and a second prospect, RS Zone remain to be drill tested at depth.
- Cash reserves at the end of the September quarter were \$0.92m.
- We maintain our Speculative Buy recommendation for investors with at least a 12 month investment horizon, giving time for the very capable technical team to work through the new data in the WA projects and plan and execute the 2011 program. We think any potential acquisition could add significant additional interest.

Project Portfolio

The West Australian Project portfolio is essentially divided into two groups:

- The **Windarra Regional Project**, which includes two projects with a mixture of early-mid stage exploration and a potential development project, namely the Windarra Tailings Project, acquired from Poseidon Nickel Ltd (ASX:POS)
- The **Albany Fraser Projects**, which include the grass roots Cundeelee, Fraser Range North and Salmon Gums Projects, all of which came from the original AMF project portfolio.

In Alaska, there is one project:

- The **Tushtena Project**, from the original AMF portfolio, is an early to mid-stage project with limited diamond drilling and surface sampling, located within the Tintina Gold Belt, host to world class gold deposits such as Pogo (5Moz), and Fort Knox (7Moz).

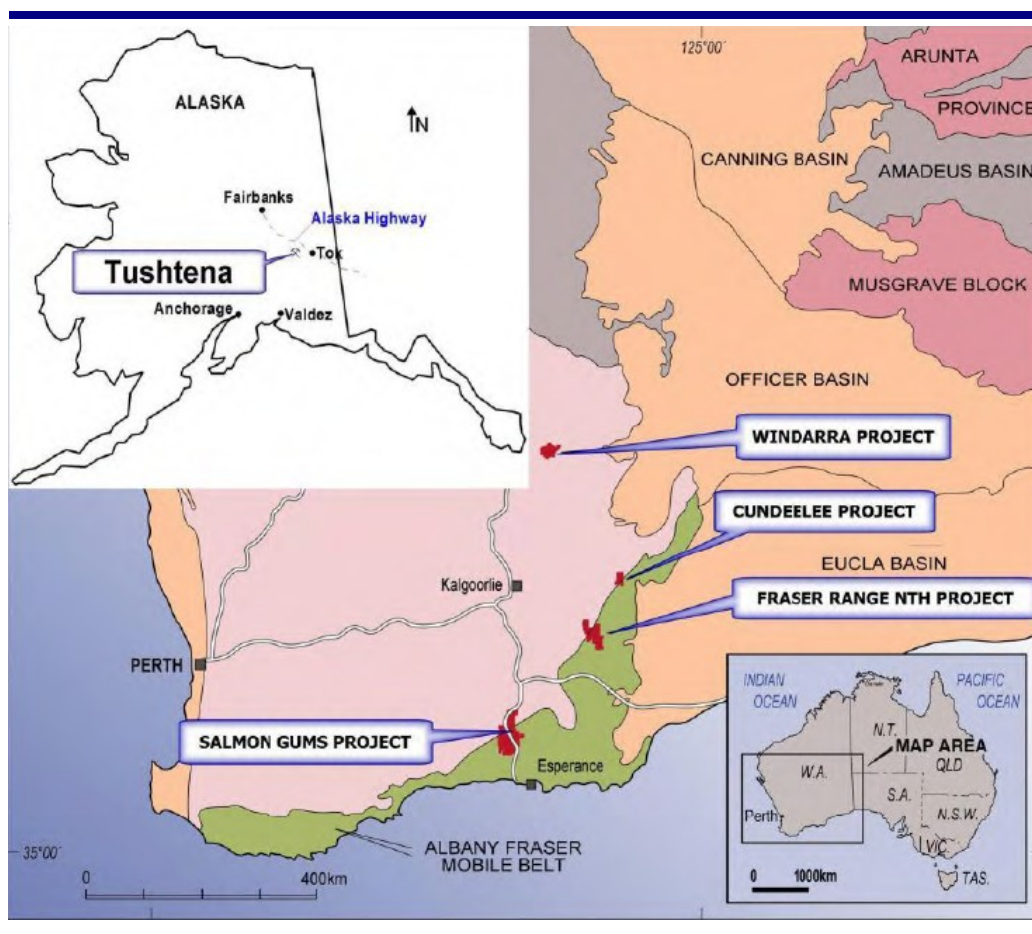


Figure 1. Project Location Map for TON

Source: TON

Developments in the Yilgarn Craton Projects

Since our last note the Sunday Project, located in the Yilgarn, was divested, leaving TON to focus on the Windarra Project.

Regional Windarra Project

On listing TON had acquired the gold exploration rights to POS Windarra nickel exploration ground. Whilst POS had a large database of nickel exploration data acquired from WMC, very little gold exploration had taken place. For example, of the 2,055 previous drill holes into the Windarra tenement package, only 37 were ever assayed for gold.

An exploration program was initiated by TON with the aim of identifying prospective gold targets for drilling in 2011. The initial soil sampling program targeting the historic exploration in an area north of the old Windarra Nickel Mine and an area north of the structural corridor that hosts the Lancefield and satellite gold deposits was completed in October with results pending.

The Windarra tenement package is a classic example where ground that had been well explored for nickel is still relatively poorly explored for gold

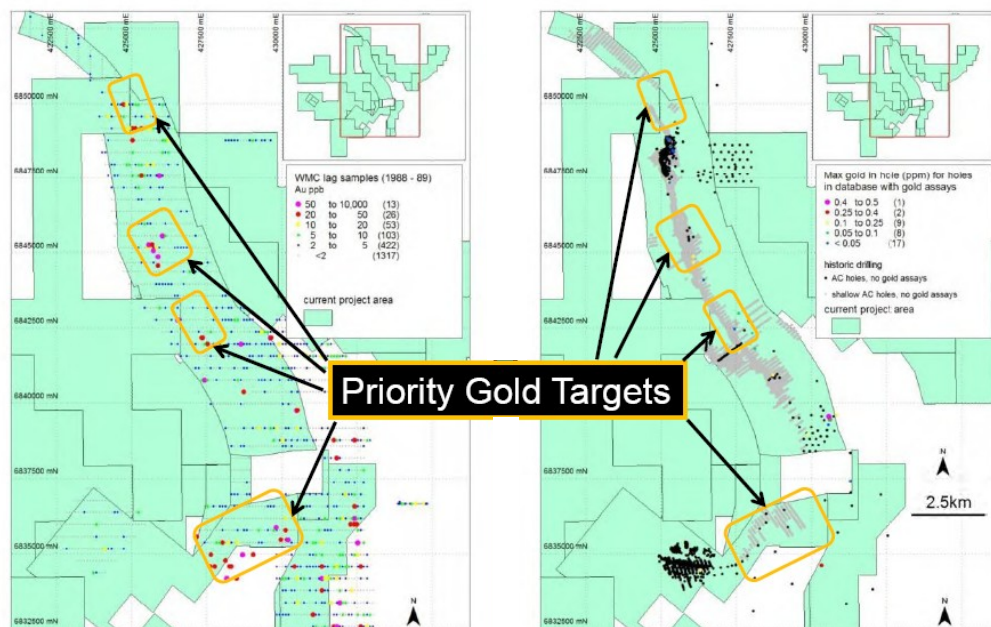


Figure 2. Windarra Regional Gold Targets

Source: TON

The Laverton Greenstone Belt is extremely well endowed with gold deposits and includes Lancefield, Emu, Granny Smith, Wallaby and Sunrise Dam gold deposits which contribute to the +20 million ounces so far found in the Belt. We take the view that TON have a good chance of discovering a number of gold targets from this tenement package.

Windarra Tails Dam Project

TON established an Indicated Resource of 4.5 million tonnes at 0.78 g/t gold for a total of 113,300 contained ounces vs our estimate of 96,000 ozs. The initial metallurgical testwork indicates recoveries of between 50% and 70%. TON are currently evaluating how to maximise shareholder value from this resource and may consider a direct sale or de-risking of the project through an operating partner.

The project offers TON a potential cash flow generating project that could be useful in helping to fund exploration in the Albany-Fraser Belt.

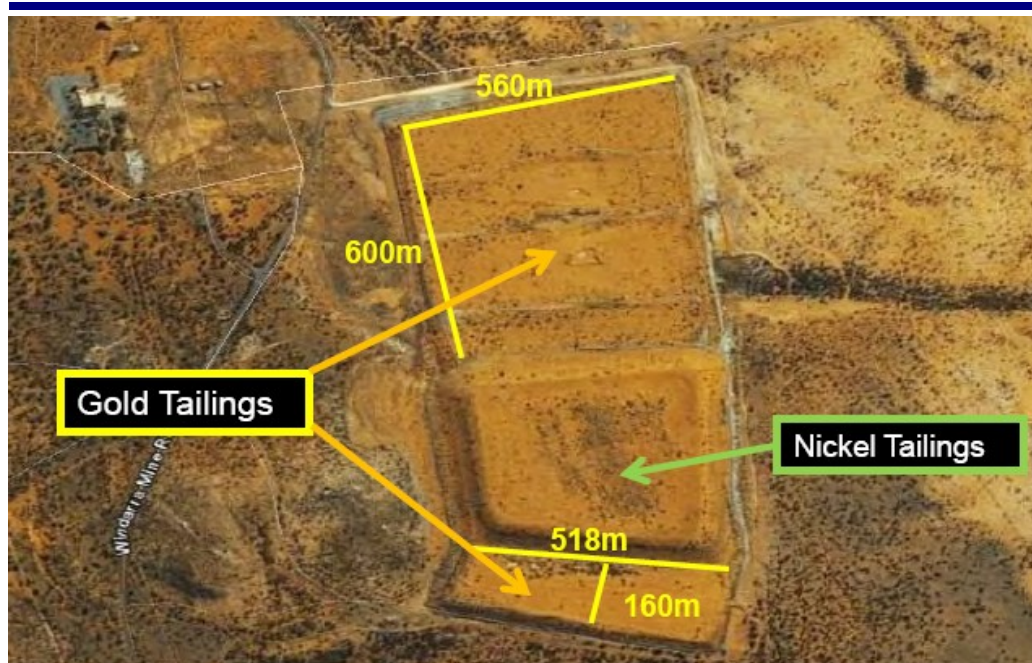


Figure 3. Tails Dams containing gold resource of 113,300ozs

Source:TON

Albany-Fraser Projects

The Albany-Fraser Projects consist of the large, southern most Salmon Gums Project, the Fraser Range Project and the Cundeelee Project. The focus for TON has been on the Salmon Gums and Fraser Range Projects.

Salmon Gums

The Salmon Gums Project was a Joint Venture with Teck Australia Pty Ltd, a 100% subsidiary of Teck Resources Limited. During the September quarter Teck was called upon to elect to exercise its option to earn 70% equity in two tenements on the Salmon Gums Project, as per the Tropicana Alliance Agreement between TON and Teck, triggered by the completion of the recent RC and diamond drilling program (see below). Teck decided not to take up their rights and therefore 100% control of those tenements reverted to TON.

Although Teck declined on these, they are still in JV with TON on three peripheral tenements at Salmon Gums, the Fraser Range tenements and the Cundeelee Project under the Tropicana Alliance Agreement, which is valid until December 2011.

During the September quarter TON announced results from their broad spaced RC and diamond drilling program at Salmon Gums. The aim of the program was to confirm TON's structural model, which forms the basis for their exploration approach at the project, at the Lady Penrhyn and Sirius prospects. The program was following initial promising surface soil gold anomalism and gold in the underlying weathered profile.

The results confirmed a local bedrock source for the gold and will be used to define the next stage of exploration which will involve alteration studies and surface geophysics before the next round of drilling.

The holes were sited at 250m intervals along lines spaced between 0.25km and 1.0km apart. The intersected geology consisted of gneissic or amphibolitic bedrock drilled to depths ranging from between 30m and 230m below surface. At Lady Penrhyn, best results included 3.9g/t over a 0.5m interval from 155.5m within a 2.1m (1.2 g/t) zone of altered (chlorite-silica) mafic gneiss with disseminated pyrite and traces of chalcopyrite. The results were located 0.5km from early aircore bedrock geochemistry recording 1.1 g/t Au in shallow weathered saprolite.

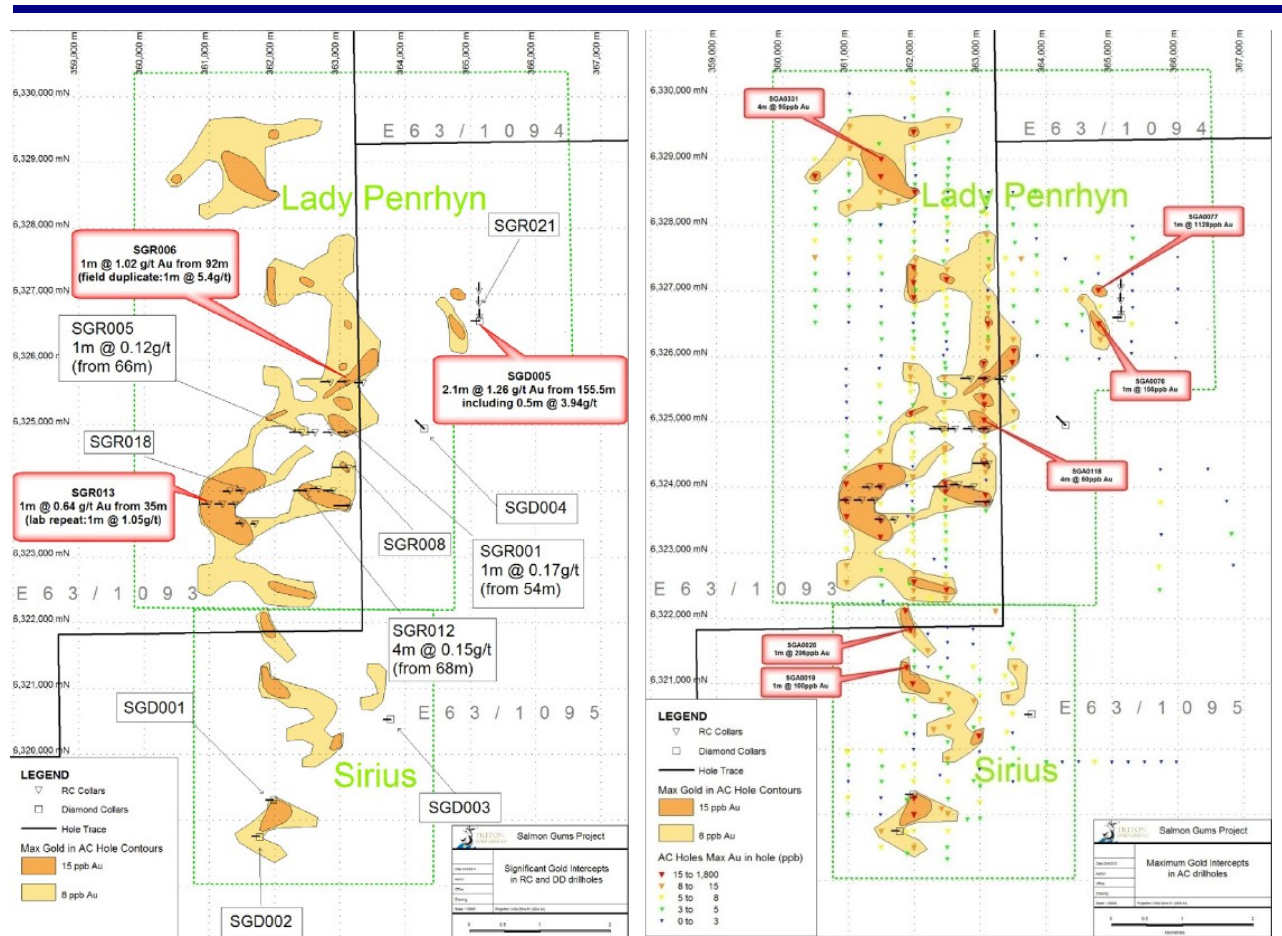


Figure 4. RC and diamond results (left) vs original aircore results

Source: TON

The second area of results at Lady Penrhyn, is located 2.5km to the south west, where there were anomalous gold results in weathered saprolite in earlier aircore drilling. Also hosted by mafic gneiss, the original and field duplicate gold results returned values ranging from 1.0 g/t to 5.4 g/t over 1.0m from 92m, providing evidence for the coarse grained nature of the gold mineralisation.

Fraser Range North

Three prospective areas are under investigation at Fraser Range North (FRN) – Similkameen, Kicking Horse and Nimpkish. The last exploration programs in the area consisted of infill and extension to the subtle Nimpkish gold in soil anomaly (250m by 250m) and aircore and RC drilling at Kicking Horse and Nimpkish.

At Nimpkish, the anomaly extends over an area measuring 5km by 5km along the interpreted Cundelee Fault. The latest sampling defined a more coherent anomaly over an area measuring 4.5km by 3.0km. A follow up, broad spaced aircore program was then completed along 1km spaced north-south lines and to the east at Kicking Horse.

Finally, four RC holes were drilled at Nimpkish and Kicking Horse to test the major structures deeper within the basement rocks.

The aircore drilling encountered Archaean greenstone rocks over printed by a later (Proterozoic) deformation event, consistent with the Tropicana exploration model employed by TON. Alteration was logged in felsic porphyries. Best results from the Aircore program returned values up to 376 ppb (0.37 g/t Au) whilst the RC holes failed to intersect significant mineralisation.

Further work is required on spectral analysis and geochemistry over altered zones and further drilling is contemplated in the future.

Alaska Project – Tushtena

In July 2010, TON entered into a Farm-out Agreement with Panoramic Resources Ltd (ASX: PAN) on its Alaskan Tushtena Project. Under the terms of the agreement, PAN, through its Alaskan subsidiary, Pindan (USA) Inc. would provide US\$2.6m of medium term drilling funding and reimburse TON US\$0.3m of previously committed funds. In return, PAN would earn 51% of the project, leaving the final ownership structure at PAN 51%, TON 29% and the Tenement holder, Tushtena Resources Inc, the remaining 20%.

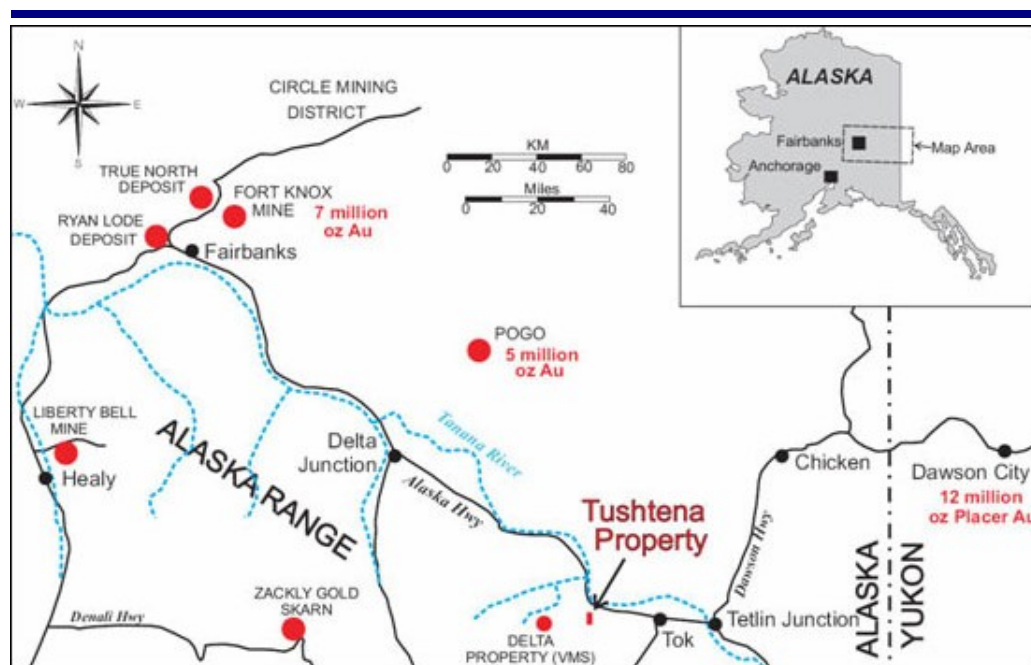


Figure 5. Location Map of Tushtena in Alaska

Source: TON

The gold anomaly at surface measures 3km by 1km and contained surface gold grades up to 10 g/t and rock chip assays measuring up to 1,450 g/t gold. Two gold prospects have been identified and initial diamond drilling of the prospects, comprising 4 holes for 1,600 metres, was completed in August 2010. This was aimed at a structural intersection target in the Discovery Zone ranging from 194m to 610m in depth. The northern Discovery Zone and a second prospect, RS Zone remain to be drill tested at depth.

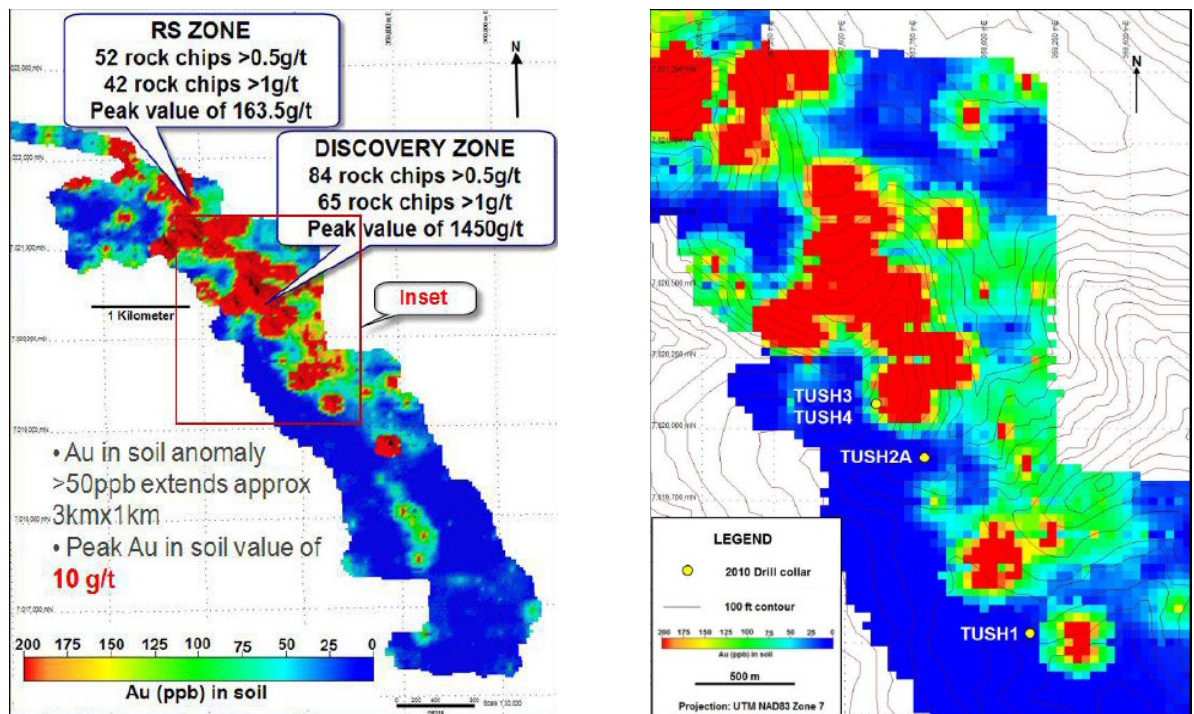


Figure 6. Gold in soils results for Tushtena, Alaska

Source: TON

The best results from the program were hosted in quartz-carbonate-pyrite ± arsenopyrite mineralisation within a package of muscovite-dominated schists and graphitic fault breccias containing arsenopyrite and pyrite. Although the alteration assemblages were encouraging, the widths were constricted and only 2 gold values reported over 1.00 g/t.

However, the diamond drilling did yield a wealth of structural information that will be used to determine the drill locations for the 2011 program.

We still believe Tushtena represents an exciting exploration opportunity. The large surface anomaly and its high grade still provides in our view some excellent prospectivity and we look forward to seeing the new targets generated from the recent work.

African Opportunities

TON stated in their recent Company Presentation that they were looking at acquisition opportunities in Africa. Although we believe the Salmon Gums and Tushtena projects still have the potential to yield significant deposits, we are aware that investor interest and therefore the market, has been intensely interested in African gold plays, particularly those in West Africa.

We believe that an acquisition in Africa would be value adding for shareholders and provide an additional working front where the company can apply its considerable technical talent.

We maintain our Speculative Buy recommendation for investors with at least a 12 month investment horizon, giving time for the very capable technical team to work through the new data in the WA projects and plan and execute the 2011 program. We think any potential acquisition could add significant additional interest.

This Research report, accurately expresses the personal view of the Author.

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Recommendation Definitions

SPECULATIVE BUY – 10% out-performance, but high risk

BUY – 10% or more outperformance

ACCUMULATE - 10% or more is contingent on entry price and suggests exploiting any share price weakness

HOLD – 10% underperformance to 10% over performance

SELL – 10% or more underperformance

Period: During the forthcoming 12 months, at any time during that period and not necessarily just at the end of those 12 months.

Stocks included in this report have their expected performance measured relative to the ASX All Ordinaries index. DJ Carmichael Pty Limited's recommendation is made on the basis of absolute performance. Recommendations are adjusted accordingly as and when the index changes.

The risk ranking is based on the following percentages:

1 = best 10%

2 = next 20%

3 = middle 40%

4 = next 20%

5 = bottom 10%

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