



Triton Gold Limited (ASX: TON)

Maintain Speculative Buy

Company Update

Current Price \$0.16

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Capital Summary

Issued Capital	83.54m ords 33.09m opts
Market Capitalisation (diluted)	\$18.66m
Share Price (18/11/10)	\$0.16
52 week low	\$0.085
52 week high	\$0.25
Cash (m) as at 30/9/2010	\$0.92

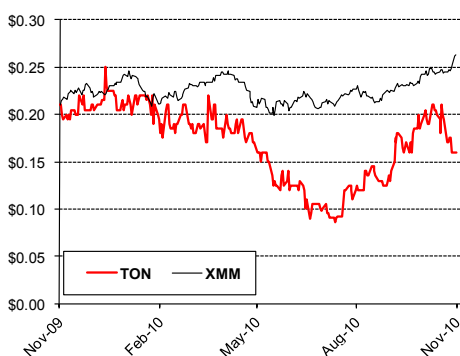
Directors

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

Key Personnel

Carl Young	Exploration Manager
Dr Scott Halley	Geochemical Consultant
Brad Boyle	Company Secretary

Share Price Graph (A\$)



Major Shareholders

Poseidon Nickel Ltd	9,000,000	10.77%
Subiaco Capital Pty Ltd	7,512,193	8.99%
JP Morgan Nominees	4,180,763	5.00%
Mr Don Evans	3,666,667	4.39%
Directors	1,548,349	1.85%

Key Points

- We maintain our **SPECULATIVE BUY** recommendation for Triton, given the quality management and projects, and innovative approach to exploration
- Top class technical and management team, with members having a history of discovery and project development
- The team includes former senior Placer Dome personnel, who formed Triton after the Barrick takeover of Placer
- The recent appointment of Mr Lance Govey as Managing Director brings a wealth of gold exploration and development experience to the Company
- Application of innovative exploration techniques to highly prospective gold projects
- These techniques include spectral mineral analysis, which can be used to vector into gold mineralisation through mapping alteration
- Projects include extensive landholdings in the Albany Fraser Province, which hosts Anglo/Independence Group's +5Moz Tropicana deposit
- Work to date has identified large scale gold in soil anomalies, with gold values and areal extent similar to or greater than those at the Tropicana deposit
- Drilling has intersected primary gold mineralisation and alteration indicative of gold mineralisation
- The Tushtena Project in Alaska is in the Tintina Gold Belt, which hosts the Pogo (5Moz) and Fort Knox (7Moz) intrusion related gold deposits
- Work at Tushtena has identified a 3km x 1km gold in soil anomaly, with rock chips up to 1,450g/t gold also being collected
- Drilling at Tushtena, although not intersecting high grade gold mineralisation, has intersected alteration zones
- Drilling to date has only tested a small part of the target areas in the Albany Fraser Province and at Tushtena

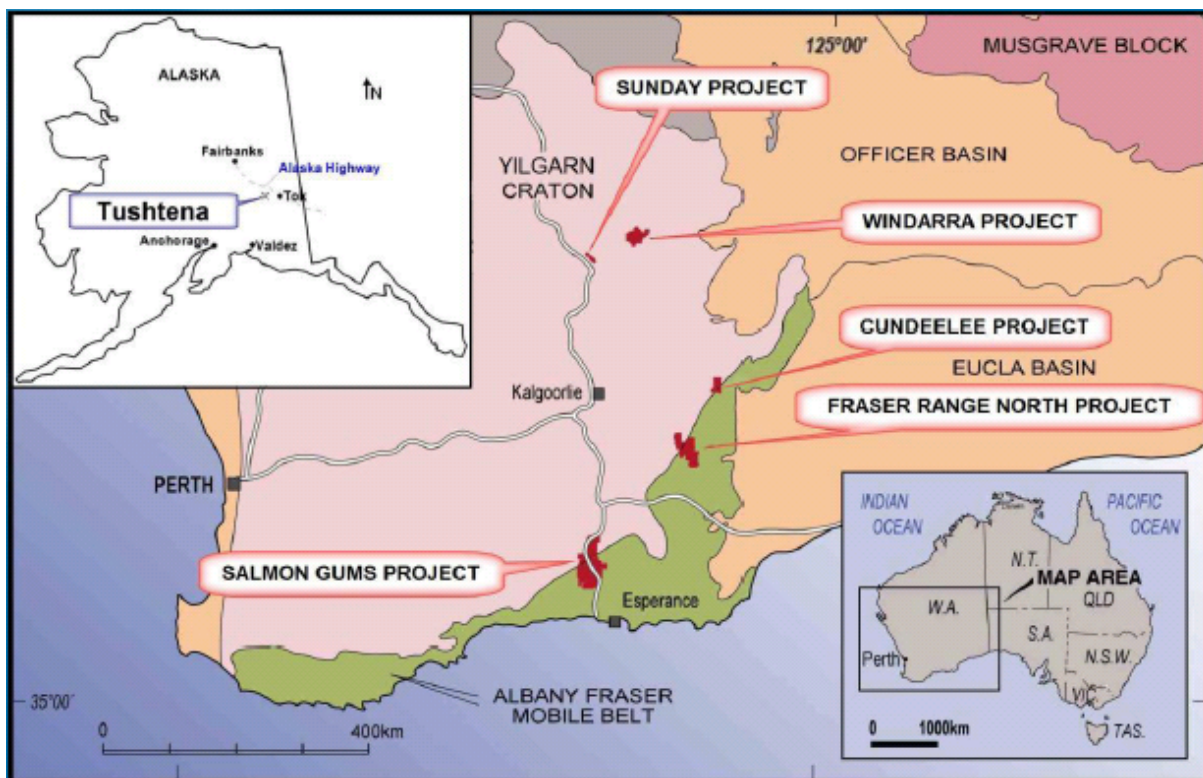
Overview

Since we initiated coverage in December 2009, Triton Gold Limited (“Triton” or “the Company”) has progressed the exploration programmes on its major projects (Figure 1).

Significant events and activities during the past 11 months have included:

- The appointment of Mr Lance Govey as Managing Director in May 2009, with Mr Greg Hall remaining on as a non-executive director
- Completion of the initial drilling programmes at Salmon Gums and Fraser Range North, in the Albany-Fraser Province of Western Australia
- The withdrawal of Teck Australia from two key tenements in the Albany-Fraser Projects, giving Triton flexibility in the operations on these tenements
- The entry of Panoramic Resources Limited (ASX: PAN) into the Tushtena Project in Alaska, which will bring the funding required to progress this exciting project
- Initial drilling programme at the Tushtena Project
- Initial gold exploration at the Windarra Project in Western Australia
- Resource drilling and resource estimation completed for the Windarra Tailings project
- Investigating other offshore opportunities, including Africa

Figure 1: Triton project areas (Source: Triton)



Mr Govey brings to Triton 35 years experience in mineral exploration and development, having most recently been the Technical Director for Red 5 Limited, largely responsible for the exploration and development studies at the million ounce Siana Gold Project in the Philippines. Mr Govey was also instrumental in the recent discovery of Red 5’s Mapawa porphyry system in the Philippines. Prior to Red 5, Mr Govey spent considerable time in gold exploration, largely within Western Australia with Aztec Mining and the Normandy Mining Group.

Mr Greg Hall, who was the interim CEO, continues in his original role as non-executive director.

One of the key strengths of the Company is the board and management. In addition to Mr Govey, the board and management are comprised largely of senior ex-Placer Dome personnel, including Mr Hall, Mr John Loney, Dr Scott Halley (Geochemical Consultant) and Mr Carl Young (Exploration Manager).

Work at the Albany Fraser and Tushtena Projects has provided encouraging results, intersecting alteration zones typical of those associated with gold mineralisation. Drilling at Salmon Gums in the Albany-Fraser Province also intersected narrow zones of primary gold mineralisation.

Although no spectacular mineralisation was intersected in these projects, it needs to be remembered that these are large scale projects, and the initial drilling programmes have only touched the tip of the iceberg in testing these very prospective areas.

The Company is now compiling and analysing the results of these work programmes, in order to plan work programmes for 2011. Part of the analysis will include **spectral mapping** of drill chips and core. A brief overview of this innovative exploration method is included at the end of this note.

Work programmes and newsflow over the coming period will include:

- Initial RAB drilling in the Windarra Project area
- Aircore drilling, electrical geophysics and follow-up reverse circulation drilling at Salmon Gums (Q1 2011 following a delayed crop harvest)
- Completion of the Windarra tailings assessment
- Planning for mid 2011 drilling at Tushtena

These activities are expected to provide a steady newsflow for the Company

Given the quality of personnel and projects we maintain our SPECULATIVE BUY rating for Triton.

Projects

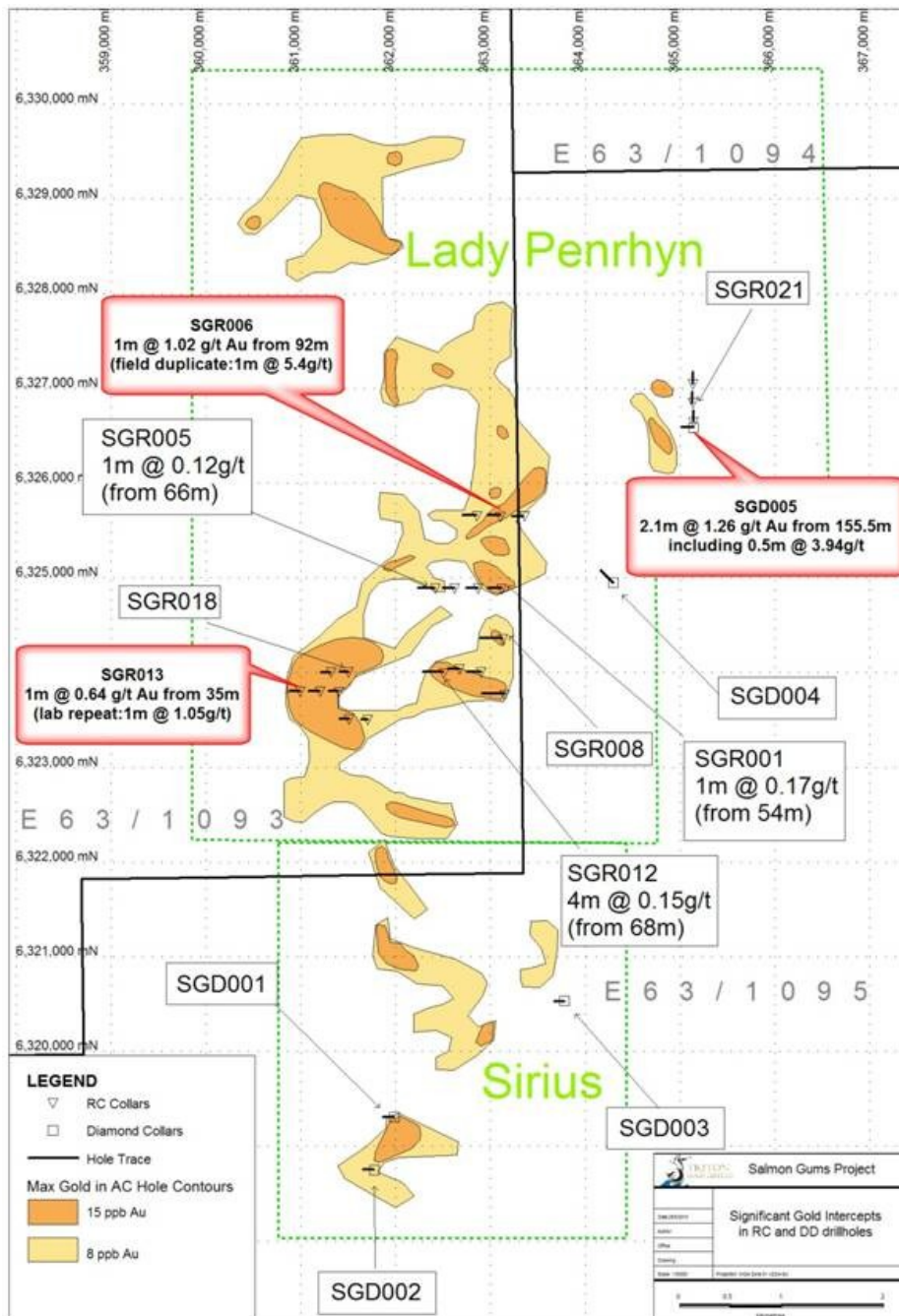
Albany Fraser

Triton is targetting **Tropicana-style mineralisation** in its **Albany Fraser projects**, which include the **Salmon Gums, Fraser Range North and Cundeelee Projects** (Figure 2). Previous work by the Company has included soil sampling and follow-up aircore drilling at Salmon Gums and Fraser Range North, with this work identifying a number of large gold anomalies.

Over the past year Triton has completed initial reverse circulation and diamond core drilling over the **Salmon Gums Project**, and carried out additional soil sampling and aircore and RC drilling at the **Fraser Range North Project**. These projects both have significant soil gold anomalies over large areas. Native Title access is being negotiated at the Cundeelee Project.

At **Salmon Gums** first pass RC drilling, designed to test soil and aircore anomalies at the **Lady Penrhyn and Sirius prospects**, intersected **up to 5.4g/t gold** in narrow primary zones at **Lady Penrhyn**. This drilling was widely spaced and included 22 RC and five diamond holes. Hole locations and significant results are shown in Figure 2.

Figure 2: Salmon Gums, drillhole locations and results



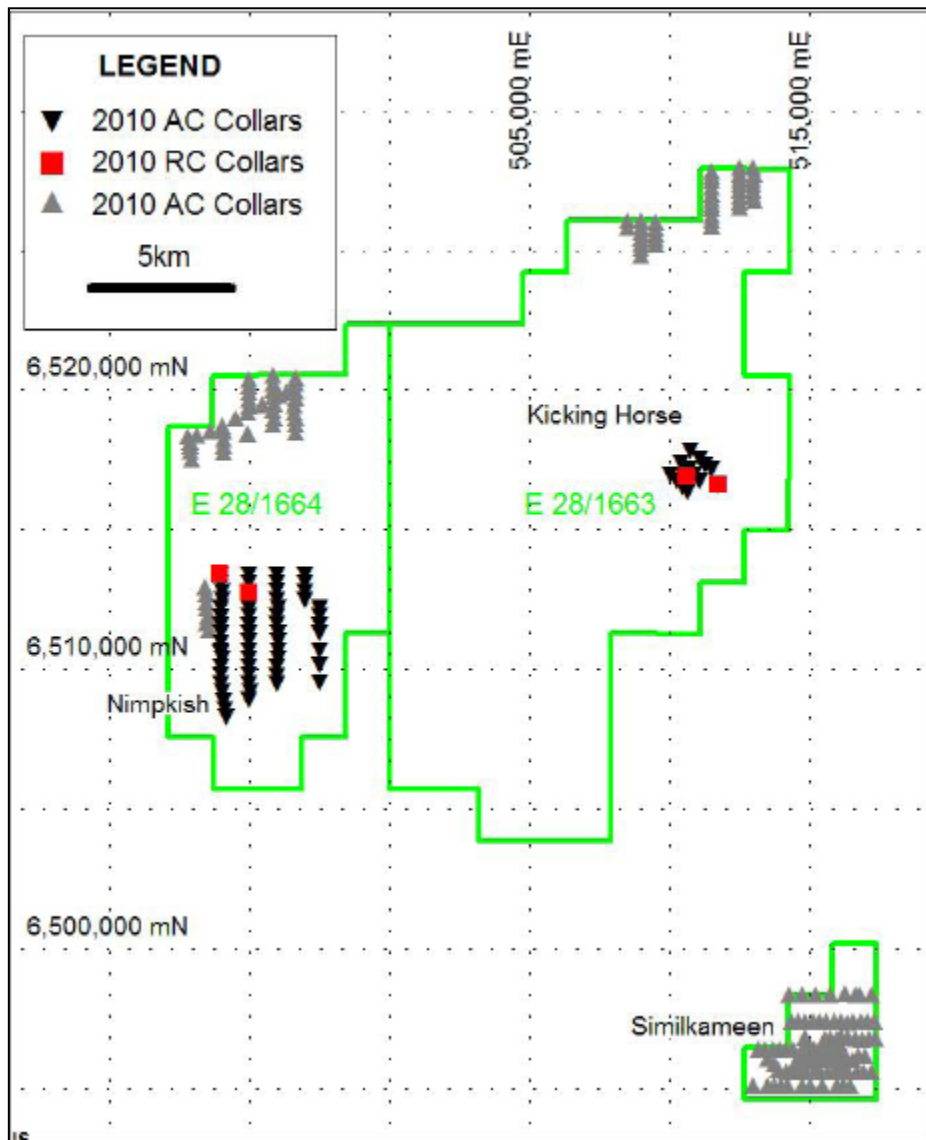
We consider these results to be very encouraging, demonstrating the presence of primary gold mineralisation in the project area. This drilling has only covered a small part of the aircore and soil gold anomalies.

These prospects are located on the key tenements E63/1093 and E63/1095 which have reverted 100% to Triton, with Teck declining to exercise its option to farm into these tenements. This now gives Triton full control and flexibility to operate these tenements, which contain the majority of the soil gold anomalies in the Salmon Gums Project.

The Company plans to get back on the ground at Salmon Gums in early 2011, with an exploration programme including electrical geophysics and spectral mapping to target the next round of drilling. Electrical geophysics can be used to define areas of deeper weathering, which are often associated with alteration zones.

Work at **Fraser Range North** has included additional soil sampling, aircore and RC drilling. Soil sampling has identified a large (4.5km x 3km) gold-in-soil anomaly at the **Nimpkish prospect**, located over a major fault zone target.

Figure 3: Fraser Range North, drillhole locations (Source: Triton)



Initial wide spaced aircore drilling on 1km spaced lines returned modest gold values, up to 4m at 113ppb Au, with four RC holes not returning any significant values. **This work however did intersect Archaean greenstone rocks overprinted by a younger (Proterozoic?) deformation event, consistent with the Company’s exploration model for Tropicana style mineralisation in the Albany Fraser Province. Alteration consistent with types that could host gold mineralisation was also intersected in the drilling.**

The Company is currently carrying out an analysis of the multi-element assay data and spectral logging. The results of this work will be used to help target potential future drilling.

Tushtena, Alaska

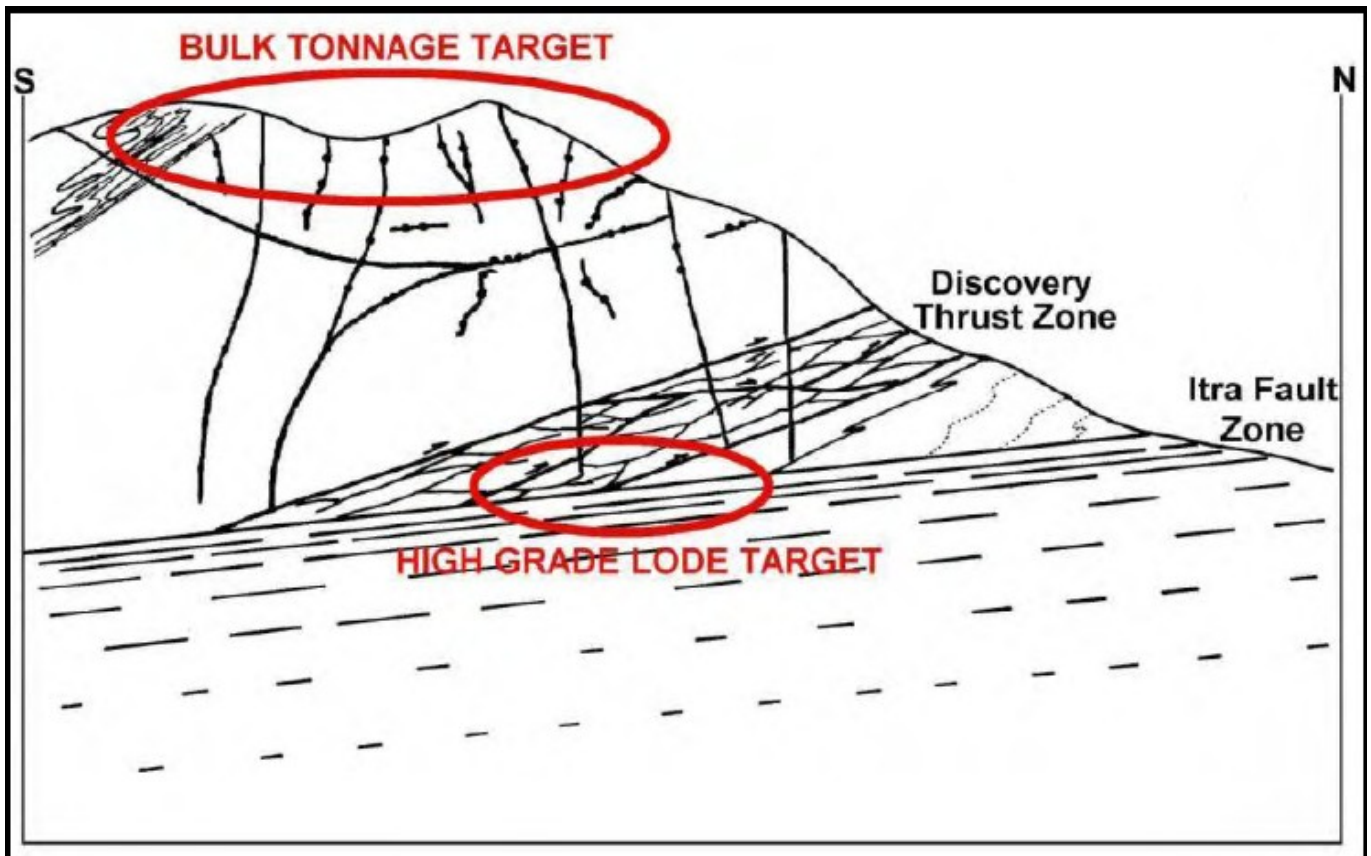
During the year Triton signed a farm-in agreement with Panoramic Resources to advance its Tushtena property in Alaska (Figure 1).

Prior to the new agreement, Triton Gold, through its Alaskan subsidiary Triton Gold (Alaska) Limited managed exploration at Tushtena under a Property Option Agreement with tenement holders Tushtena Resources Inc., an Alaskan subsidiary of unlisted, Vancouver based Tushtena Resources Limited. Under the Property Option Agreement Triton had the right to earn in to an 80% interest in the project for expenditure of CAD\$3 million prior to mid June 2013.

The new agreement between Panoramic Resources' wholly owned subsidiary Pindan (USA) Inc., Triton and Tushtena allows Panoramic the right to farm in to a 51% interest by funding the balance of approximately US\$2.6 million to satisfy a total of US\$3.0 million in exploration expenditure required before June 2013. Triton had spent US\$400,000 on the project and will manage exploration during the earn in phase by Panoramic. Thereafter the parties would contribute to a Joint Venture in proportion to their respective interests of Panoramic Resources 51% (as manager), Triton Gold 29% and Tushtena Resources 20%, subject to normal dilution provisions and minimum holding levels.

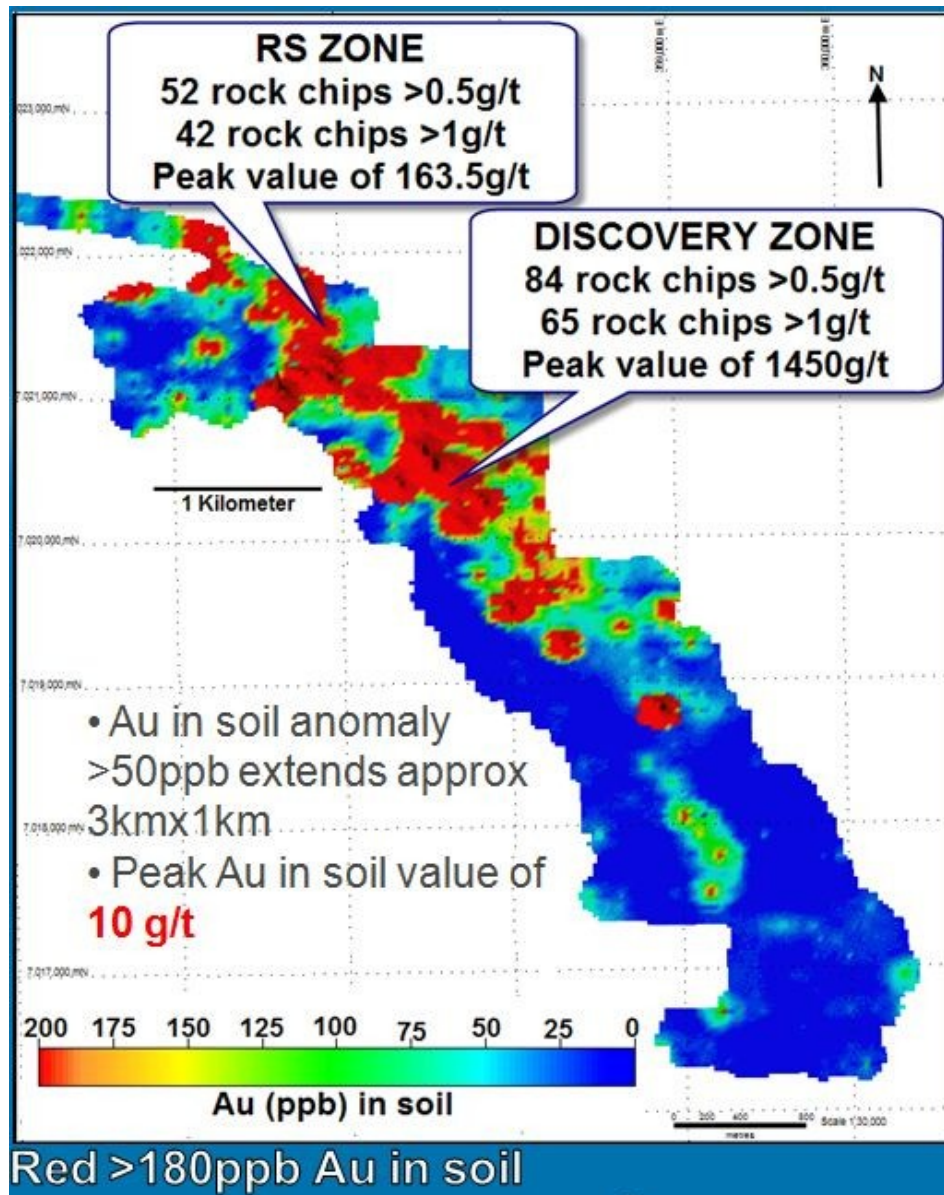
The project is located within the **Tintina Gold Belt**, a 1200km long metallogenic province that hosts world class deposits including **Fort Knox and Pogo**. Previous work at Tushtena has identified an approximately 3km x 1km gold in soil anomaly, with a number of **high grade rock chips up to 1450g/t Au and drill intercepts up to 2.9m @ 24.57g/t Au**. Triton believes that the project has the potential for two target models – a bulk tonnage target and a high grade lode target (Figure 4).

Figure 4: Tushtena Project – diagrammatic target model (Source: Triton)



Four diamond drillholes, totalling 1,600m, were completed during the year at the southern end of the Discovery Zone (Figure 5), one of a number of prospects within the project area. Although the drilling did not intersect any significant gold, **it did intersect zones of alteration**. The Company is currently interpreting the results of this work, including spectral analysis, to plan further drill targets. Given the short 2-3 month Alaskan field season no field work will be carried out until mid-2011.

Figure 5: Tushtena Project – prospects and soil anomaly (Source: Triton)



Windarra, Western Australia

Triton has two targets at Windarra – the Windarra Tailings Project and regional gold exploration. The Company signed an agreement with Poseidon Nickel Limited and Mining Force Pty Ltd to acquire 100% of the gold rights over the project.

During the year Triton completed resource drilling and estimation on the Windarra Tailings, resulting with an Indicated Resource of:

4.5 million tonnes @ 0.78g/t Au, for 113,300 contained ounces

Metallurgical testwork has indicated a potential recovery of 50% to 70%, which results in a potential upper limit of 80,000oz of recoverable gold.

Triton is looking at ways to maximise shareholder value, with options including a direct sale or bringing in an operating partner to minimise the risk to Triton.

The Company believes the regional potential for gold mineralisation is very high in this traditional nickel belt. Of the 2055 holes (including RAB and aircore) that have been drilled in the past, only 37 were assayed for gold. **To date Triton has carried out soil sampling over areas of the greenstone belt, and has identified a number of gold targets.**

Planned work includes a RAB drilling programme in December, followed by more intensive drilling programmes in 2011.

Other Opportunities

The Company is currently investigating a number of other opportunities in Australia and abroad, particularly in Africa.

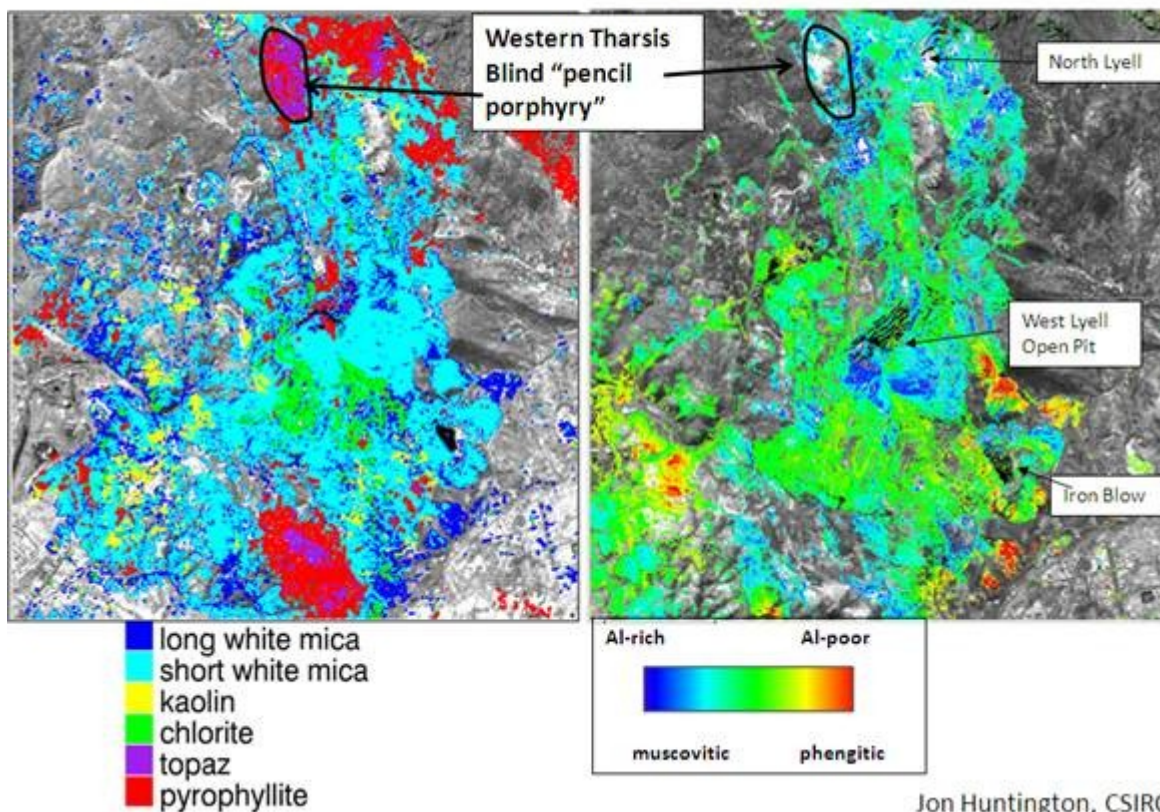
Spectral Mapping

Spectral mapping is a cost-effective method for exploring for ore bodies. Spectral data can be used to quantitatively map hydrothermal alteration systems that can be 10 to 1000 times the areal extent of the related ore body. These alteration systems are the result of the passage of ore-bearing fluids through large volumes of rock that cause changes to the chemistry of the minerals in the rock.

Large areas can be rapidly assessed either through the use of airborne spectral tools, such as in the example shown below, or in terrains with extensive overburden using the ASD Terraspec to analyse samples collected from wide-spaced drilling. Not only does spectral data define the extent of hydrothermal alteration systems, but it can map zonation patterns within them, providing a mechanism to locate the enclosed ore body with more focussed drilling. In some cases, the identification of ore-related alteration (i.e. a 'near miss') in the spectral data could prevent an ore body going undetected.

Figure 6. An example of spectral mapping using an airborne scanner (Hymapper) over the copper-gold porphyry district of Queenstown, Tasmania (SWIR = Short Wave Infra-Red)

Airborne SWIR; mineralogy and mica compositions over a porphyry system.



Conclusions and Recommendations

Triton Gold holds a portfolio of prospective gold projects in known mineralised terrains, including the Albany Fraser Belt in Western Australia and the Tintina Belt in Alaska. The quality projects are managed and operated by a very strong and experienced board and management team, one of the key parameters to be considered when assessing any exploration company.

The Company has made significant progress on the Albany Fraser and Tushtena Projects since we initiated coverage in late 2009, and although no spectacular gold mineralisation has been intersected, the work has confirmed the prospectivity of these large systems to host significant gold mineralisation. These results include the intersection of alteration zones at both projects, and of narrow zones of primary gold (up to 5.4g/t) at Salmon Gums in the Albany Fraser Project.

These projects contain large surface gold in soil anomalies, and the drilling carried out to date has only tested a small portion of these anomalous zones. The Company is applying innovative exploration techniques to target further drilling, and we believe that the Company has the personnel and projects to maximise the chances of success.

As such we maintain our SPECULATIVE BUY rating for Triton Gold.

As for any junior explorer we see the most significant risk as being exploration risk; however this is mitigated by the quality of the personnel and projects.

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