



2022

Annual Report

For the Period Ended 31 December 2022

ABN 19 147 948 883

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Bastion Minerals Limited
Corporate directory
31 December 2022

Directors	Alan Ross Landles David Joseph Nolan Sam El-Rahim
Company secretary	Justin Clyne
Registered office	Level 6, 22 Pitt Street Sydney NSW 2000
Principal place of business	Level 6, 22 Pitt Street, Sydney, NSW 2000
Auditor	Ernst & Young 200 George Street Sydney NSW 2000
Solicitors	Addisons Level 12, 60 Carrington Street Sydney NSW 2000
Stock exchange listing	Bastion Minerals Limited's shares are listed on the Australian Securities Exchange (ASX code: BMO)
Website	www.bastionminerals.com
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of Bastion Minerals Limited in an ethical manner and in accordance with the highest standards of corporate governance. Bastion Minerals Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation across the 2022 financial year and identifies and explains any recommendations that have not been followed together with the Company's Appendix 4G, will be released to the ASX on the same day the Company releases its Annual Report to the ASX. The Corporate Governance Statement and corporate governance policies are set out on the Company's website at</p> <p>https://www.bastionminerals.com/corporate-governance/.</p>

Letter from the Chair

Dear Shareholders,

I am pleased to share with you our 2022 Annual Report, covering the second year of activities for Bastion Minerals Limited (**Bastion** or the **Company**) since listing on the Australian Securities Exchange (**ASX**) in March 2021.

It has been a transformational year for the Company as we aim to become a multi commodity explorer with exposure to copper and battery metals. We made significant progress with our Chilean projects, and we have started to shift our portfolio to incorporate further battery metals. I firmly believe that the future is electric, and this additional focus will enable Bastion to progress our strategy towards contributing to global decarbonisation.

We have a solid team based in Chile completing our exploration activities, and I thank them for all of their efforts. We completed our drilling campaign at the Capote Gold Project during the year.

The team drilled over 4,000 metres, which returned significant high-grade results confirming that surface mineralisation extends to depth and along strike. Details for those results and relevant JORC table information can be found in the Company's announcements released to the ASX. The confirmation of mineralisation now allows us to step back and assess the future resource potential for the project and potential for further drilling campaigns.

We were also extremely pleased to make progress at our Cometa Copper Project, where we were able to complete a campaign of surface geochemistry in our quest to discover IOCG style Cu/Au targets to further our decarbonisation strategy. We plan to progress this with geophysical surveys in 2023 and we are very excited about the potential prospectivity of this project.

I am delighted to have the opportunity to add Lithium projects to Bastion's portfolio. We are evaluating a number of properties in the lithium rich province of Ontario in Canada. The addition of a highly experienced lithium expert Consultant Geologist this year has been key for this transformation and I am looking forward to sharing our successes with you.

Shareholders

I would also like to recognise our shareholders and their commitment to the Company, we appreciate the patience and support they have provided us throughout the year and look forward to providing them with results that reward their interest in our business and its strategy.

Board and Management

I would like to also take the opportunity to thank the Board for their support and contribution during the year. I would like to thank, in particular, David Nolan in his role and the support he has provided me in driving the Company forward. As a board, we have worked closely during the year and made a number of changes to the way we manage our business to ensure the business is on a good footing for the years ahead.

In summary, we are very well positioned to take advantage of the current demand for copper. Our exploration efforts throughout the coming 12 months we hope will be rewarded with exceptional results and appreciation of our share price.

Bastion is committed to delivering value to our shareholders, and I am confident that these new opportunities will provide us with the platform to unlock that value. I am very proud of the progress made this year and the dedication of our team to get to where we are today, and I thank you for your ongoing support.

Ross Landles

Executive Chairman

Bastion Minerals Limited
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the '**Consolidated Entity**') consisting of Bastion Minerals Limited (referred to hereafter as the '**Company**', '**Bastion**' or '**Parent Entity**') and the entities it controlled at the end of, or during, the year ended 31 December 2022.

Directors

The following persons were directors of Bastion Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Alan Ross Landles
David Joseph Nolan
Andrew Lachlan Stewart (resigned 6 December 2022)
Sam El-Rahim

Principal activities

The principal activity of the Consolidated Entity is mining exploration and evaluation in Chile.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to \$3,917,945 (31 December 2021: \$3,078,815).

The following is a summary of the activities of Bastion Minerals during the financial year to 31 December 2022. During the year, the Company's primary focus was advancing exploration programs at its Capote Gold Project, Cometa Silver Project and Garin Silver Project located within the mineral-rich Atacama Region of Chile.

Capote Gold Project

The Capote Gold Project consists of approximately 88.5km² of granted mining and exploration tenements surrounding the historic San Juan Gold Mine, 20km northeast of Vallenar. Known mineralisation at Capote consists of high-grade gold occurring within quartz carbonate-sulphide (iron oxide at surface) veins associated with north to northwest trending structures cutting the host granite and metamorphic rocks.

Induced Polarisation (IP) / Audio-Magnetotellurics Survey (AMT)

Early in the year, Bastion completed a program of IP and AMT over recognised vein systems at Capote¹, including Yayito, San Juan, Resurgimiento and others. The objective of this work was to image the subsurface expression of mineralisation. Detailed 52-line-kilometres of 25m spaced dipole gradient array IP was acquired to identify areas of sulphide associated with mineralised veins and AMT to identify key shallow structures.

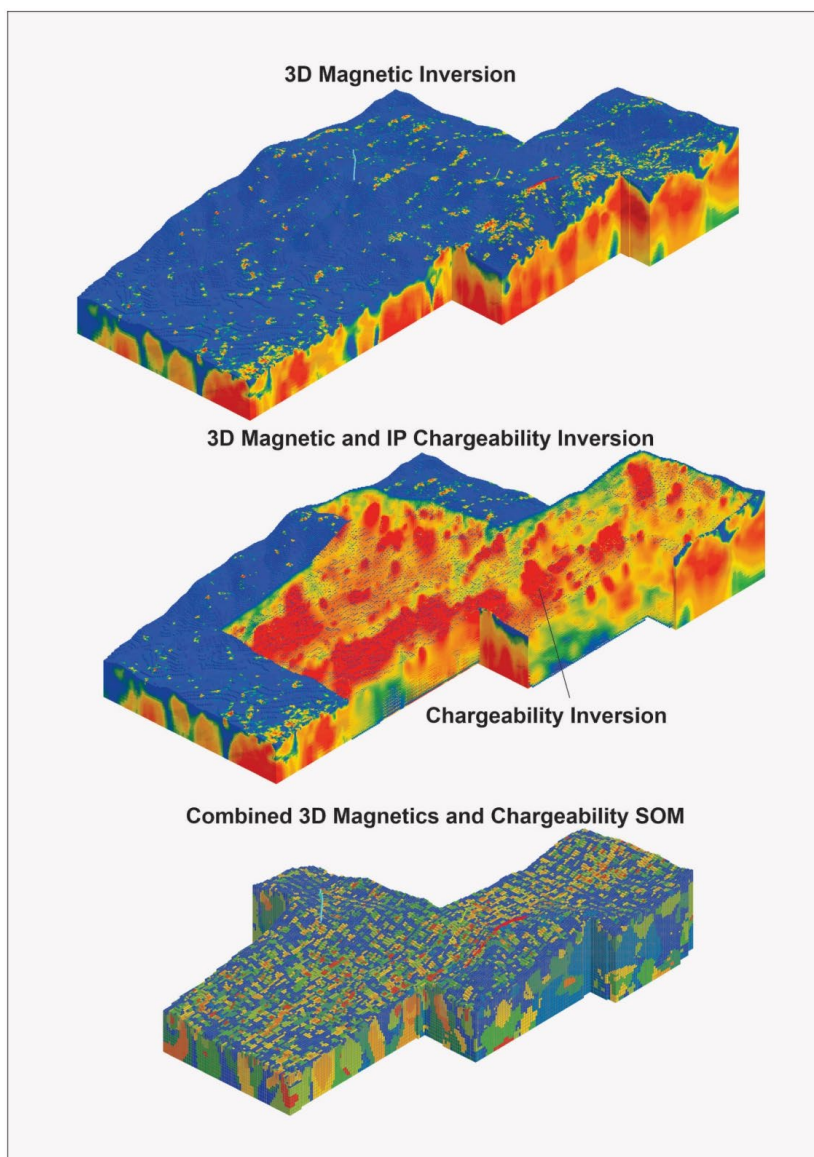


Figure 1: Detailed 3D magnetic and IP Chargeability models clearly demonstrate the sub-surface potential of the main vein systems at Capote.

¹ For full exploration results including relevant JORC table information, refer to the ASX Announcement of 28 February 2022 – “Capote Induced Polarisation.”

Capote Rock-Chip Campaigns

The Company followed up its geophysical exploration activities with two campaigns of surface geochemistry across the Capote Project.

An initial one-hundred and fifty-six (156) rock-chip samples were collected (Figures 2 and 3), which served to highlight the multicommodity potential of the Capote District, with potential for not only high-grade gold deposits, but Iron Oxide Copper-Gold (**IOCG**) deposits.

Results returned included: ^{2,3}

- Average gold grade of **2.34g/t Au** with a maximum of **22g/t Au**.
- Average silver value of **4.05g/t Ag** with a maximum of **124g/t Ag**.
- Average copper value of **0.3% Cu** with a maximum of **4.5% Cu**.



Geologist on site at Capote

² For full exploration results including relevant JORC table information, refer to the ASX Announcement of 28 February 2022 – “*Induced polarisation highlights sub-surface potential of high-grade gold at Capote*”.

³ For full exploration results including relevant JORC table information, refer to the ASX Announcement of 29 March 2022 – “*High-Grade Copper Gold Rock-Chips Capote*.”

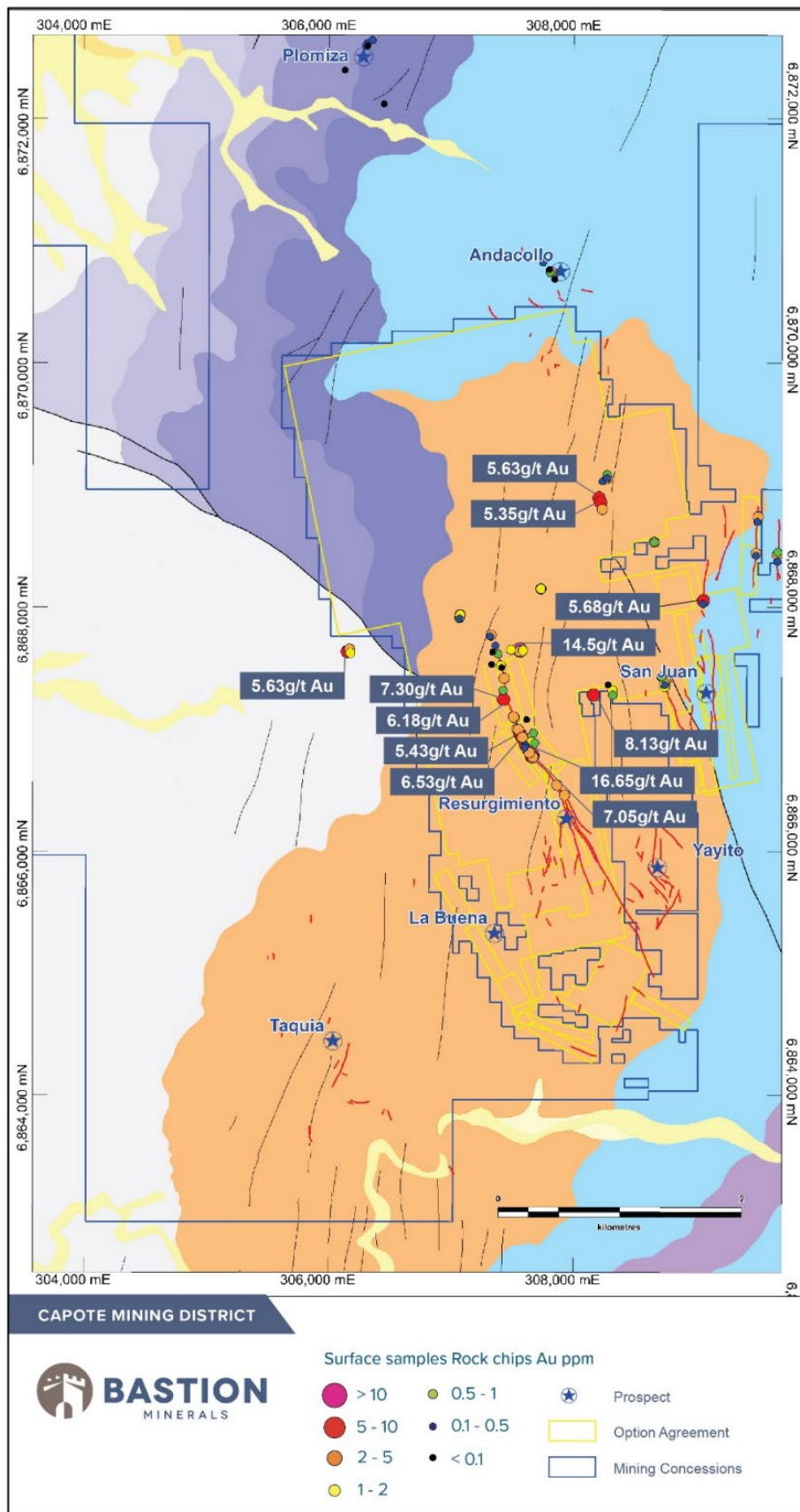


Figure 2: Capote Mining District showing geology, Bastion tenements (blue outline) and option agreement area (yellow tenement boundary) showing rock chip results (Au)

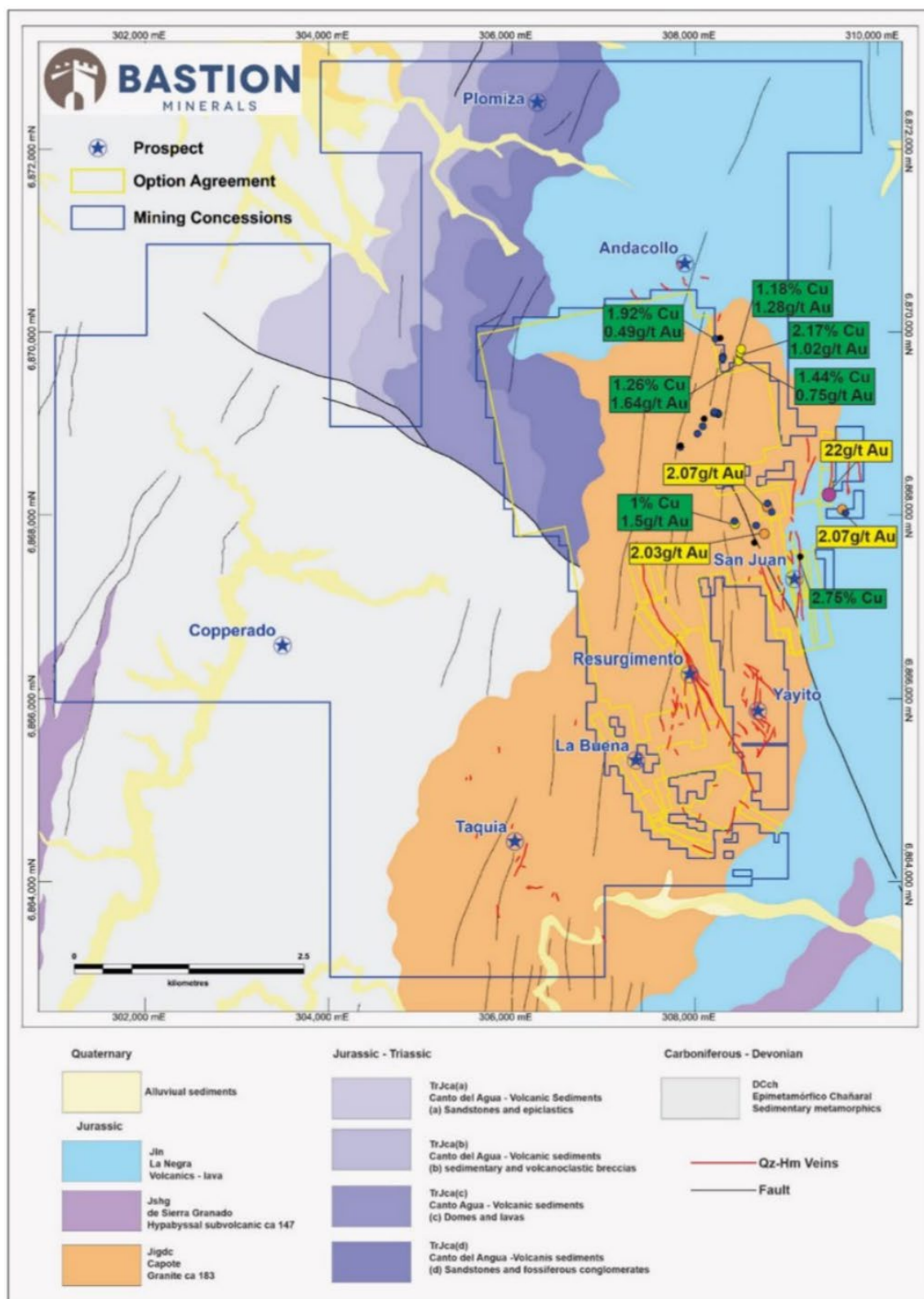


Figure 3: Capote Mining District showing geology, Bastion tenements (blue outline) and option agreement area (yellow tenement boundary) showing rock chip results (Au)

A further campaign was designed to assist in understanding grade variability across the mineralised structures at surface. Seventy-six (76) rock-chip channel samples were collected at key vein locations across the Capote Project⁴.

Six vein systems were targeted:

Colo Colo: Fourteen (14) channel samples collected with an average gold grade of **3.11g/t Au** and a maximum of **10.4g/t Au**.

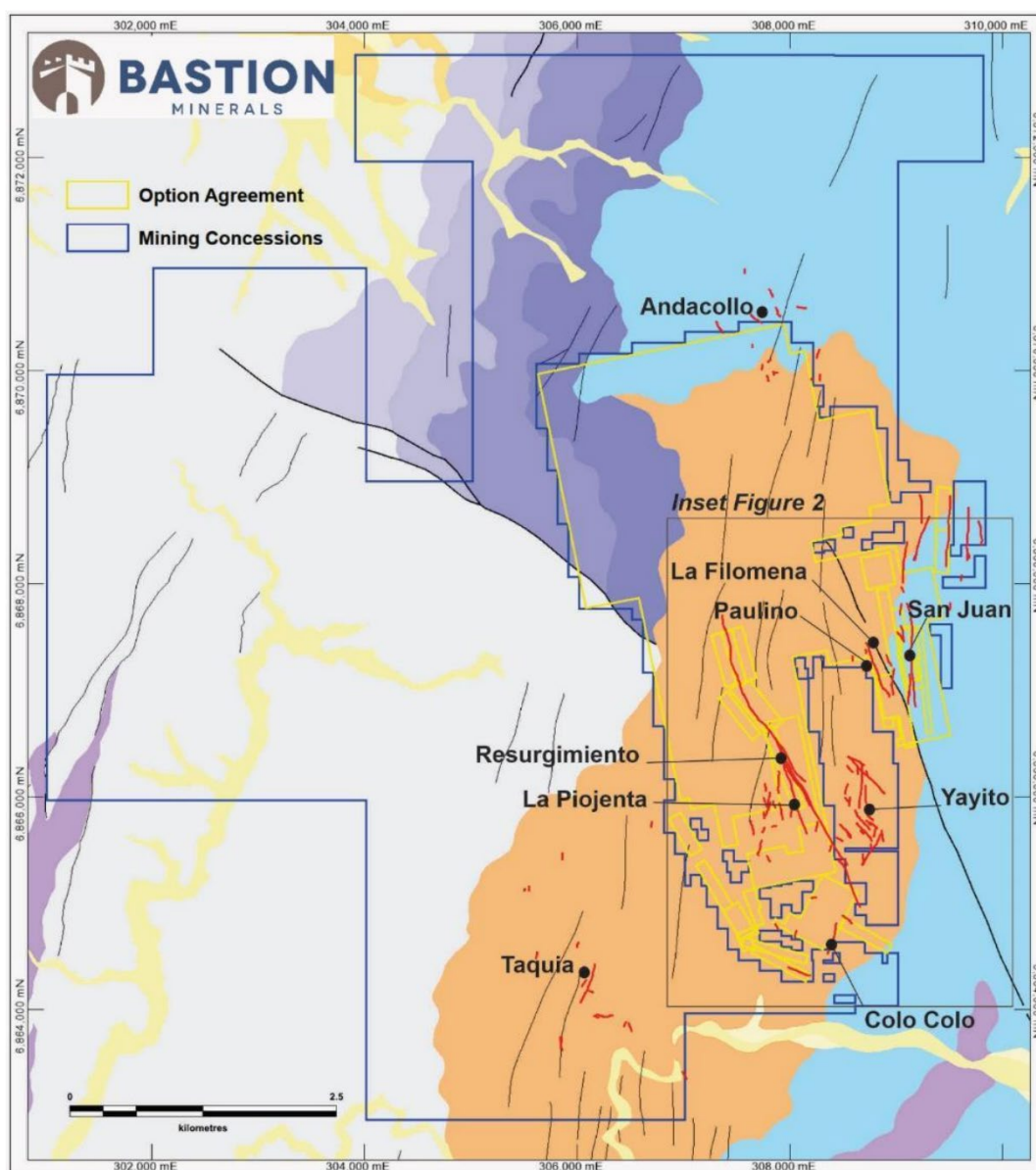
Resurgimiento: Thirty-one (31) channel samples collected with an average gold grade of **4.6g/t Au** and a maximum of **15.35g/t Au**.

La Piojenta: Seven (7) channel samples collected with an average gold grade of **1.64g/t Au** and a maximum of **5.09g/t Au**.

San Juan: Three (3) channel samples collected with an average gold grade of **3.78g/t Au** and a maximum of **6.23g/t Au**.

Paulino: Nine (9) channel samples collected from this location with an average gold grade of **2.17g/t Au** and a maximum of **15.5g/t Au**.

Yayito: Nine (9) channel samples collected in total with an average gold grade of **2.2g/t Au** and a maximum of **13.1g/t Au**.



⁴ For full exploration results including relevant JORC table information, refer to the ASX Announcement of 14 June 2022 – “Capote Produces High Grade Gold Channel Samples.”

Figure 4: Capote Mining District showing geology, Bastion tenements (blue outline) and option agreement area (yellow tenement boundary) showing sampled vein systems.

Capote Maiden Drill Program

Bastion was very pleased to commence its maiden drilling program at the Capote Gold Project in June 2022, for a total of 4,056 metres of diamond drilling. The focus of the program was to test shallow surface expressions of multiple vein systems, where high-grade gold had been returned from the completed rock-chip campaigns.

Significant high-grade results confirmed that surface mineralisation extends to depth and along strike.

Results received from diamond drilling at the Paulino, Filomena and Resurgimiento Prospects, included high-grade intercepts of:⁵

- **1.37m @ 13.15 g/t Au** from 32.2m from CPDH006 at the Paulino Prospect and;
- **5.5 m @ 2.37 g/t Au** from 53.5m from CPDH008 at the Resurgimiento Prospect.

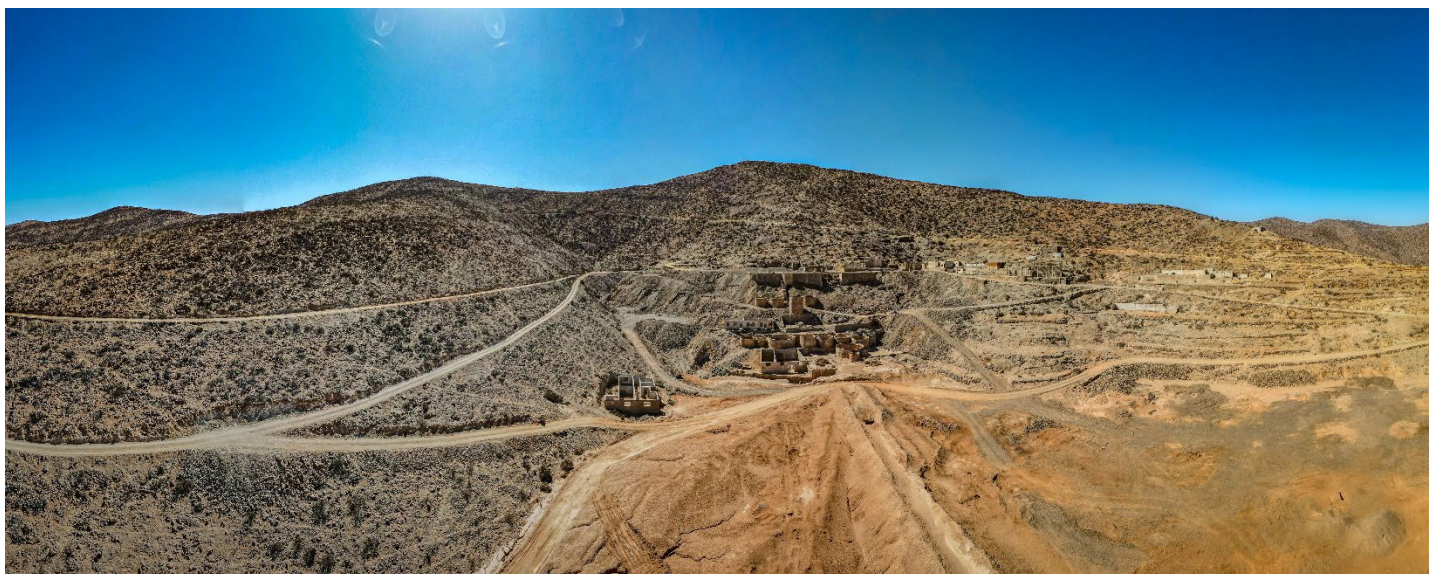
Significant high grade gold results were also received from Resurgimiento and Resurgimiento 2 Prospects which included:⁶

- **9.4m @ 2.52 g/t Au** from 42m in CPDH010;
- **1.05m @ 10.83 g/t Au** from 49m and **2.35m @ 5.00 g/t Au** from 49m in CPDH010 (included in the interval above);
- **1m @ 7.73 g/t Au** from 132m in CPDH010; and
- **4m @ 1.83 g/t Au** from 80m in CPDH012

After the reporting period, the Company also reported the below results from Resurgimiento 2 and Yayito Prospects:⁷

- **5m @ 2.06 g/t Au** from 42m in CPDH013 (incl **1.6m @ 5.6 g/t Au**);
- **1.5m @ 4.08 g/t Au** from 157.5m in CPDH012 (incl **0.6m @ 9.67 g/t Au**);
- **1.1m @ 2.99 g/t Au** from 52.9m in CPDH013;
- **0.6m @ 5.47 g/t Au** from 8.15m in CPDH015;
- **3.5m @ 0.98 g/t Au** from 20.5m in CPDH016;
- **0.5m @ 6.04 g/t Au** from 106.36m in CPDH016;
- **3m @ 2.28 g/t Au** from 47m in CPDH017 (incl **0.68m @ 8.24 g/t Au** from 47.32m);
- **2m @ 1.82 g/t Au** from 127m in CPDH017; and
- **1.6m @ 2.43 g/t Au** from 23.87m in CPDH018.

With the maiden drilling campaign now completed, the Company will now assess the future resource potential and sites for further drilling at Capote.



⁵ For full exploration results including relevant JORC table information, refer to the Company's ASX Announcement of 24 October 2022 – "Multiple Zones of Shallow Visible Gold Intercepted at Capote."

⁶ For full exploration results including relevant JORC table information, refer to the Company's ASX Announcement of 9 November 2022 – "Excellent Results from Capote High Grade Intercepts."

⁷ For full exploration results including relevant JORC table information, refer to the Company's ASX Announcement of 12 January 2023 – "Further High-Grade Gold Intercepts – Capote".

Capote Gold Project



Drilling underway at Capote Gold Project



Executive Chair Ross Landles onsite at the Capote Gold Project in Chile

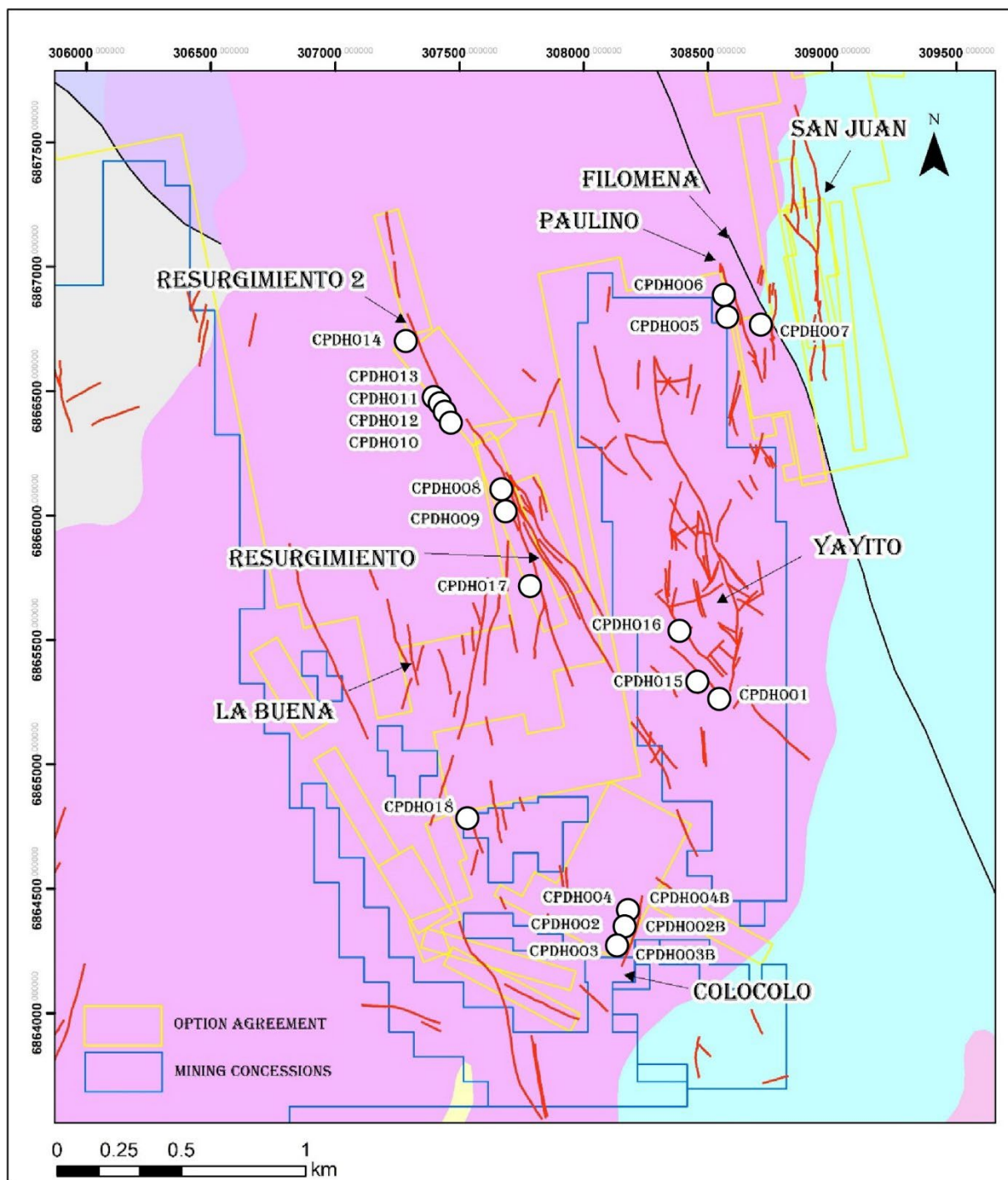


Figure 5: Drillhole Locations at Capote.

Cometa Copper Project

The Cometa Copper Project consists of approximately 56km² of granted mining and exploration tenements approximately 10km south of ASX-listed Hot Chili Limited's (ASX: HCH) Cortadera Project and approximately 40km southeast of Vallenar. Cometa is an early-stage exploration project with multiple high-grade copper targets identified from 851 rock chip samples collected on the property in 2021 and 2022⁸. Bastion will focus on bringing advanced exploration techniques to the Cometa Copper Project to discover large-scale, high-grade IOCG deposits.

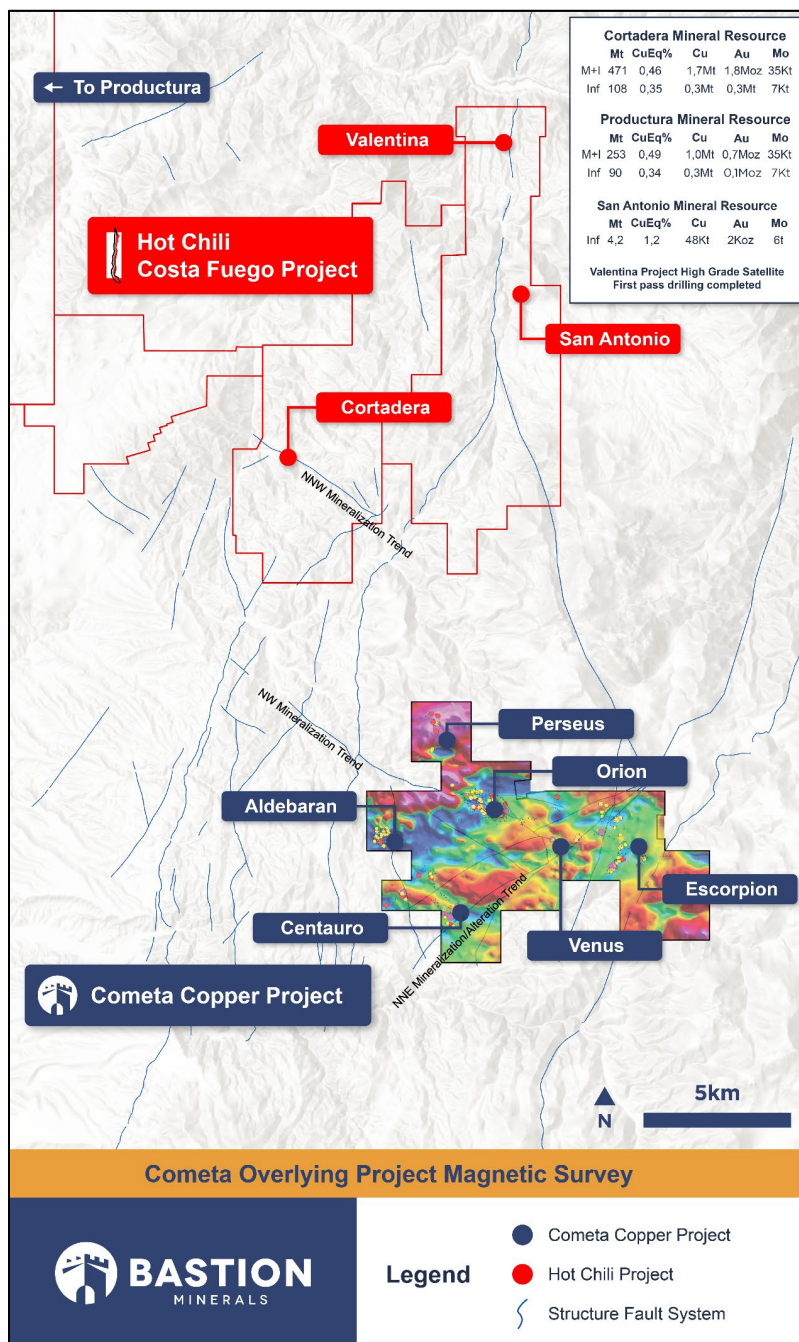


Figure 6: Prospects defined at the Cometa project⁹.

Note the northeast trend on which the Venus project is located and the interpreted intersecting NW mineralisation trend.

⁸ For full exploration results including relevant JORC table information, refer to the ASX Announcement of 2 March 2023 – “Cometa High-Grade Copper Gold Project Moves Forward.”

⁹ For full details on Hot Chili's Mineral Resources please refer to HCH ASX Announcement 31 January 2023 – “Quarterly Activities / Appendix 5B Cash Flow Report.”

Cometa Rock Chip Campaign

During the period, results were returned from exploration of the northeast trending structural corridor that links the Scorpion, Venus and Centauro Prospects.

Most recently, one-hundred and three (103) rock-chip samples¹⁰ were collected in the sampling campaign, returning:

- Average copper grade of **0.15% Cu** with a maximum of **4.1% Cu**.
- Average gold grade of **0.18g/t Au** with a maximum of **9.4g/t Au**.
- Average silver grade of **0.73g/t Ag** with a maximum of **30.7g/t Ag**.

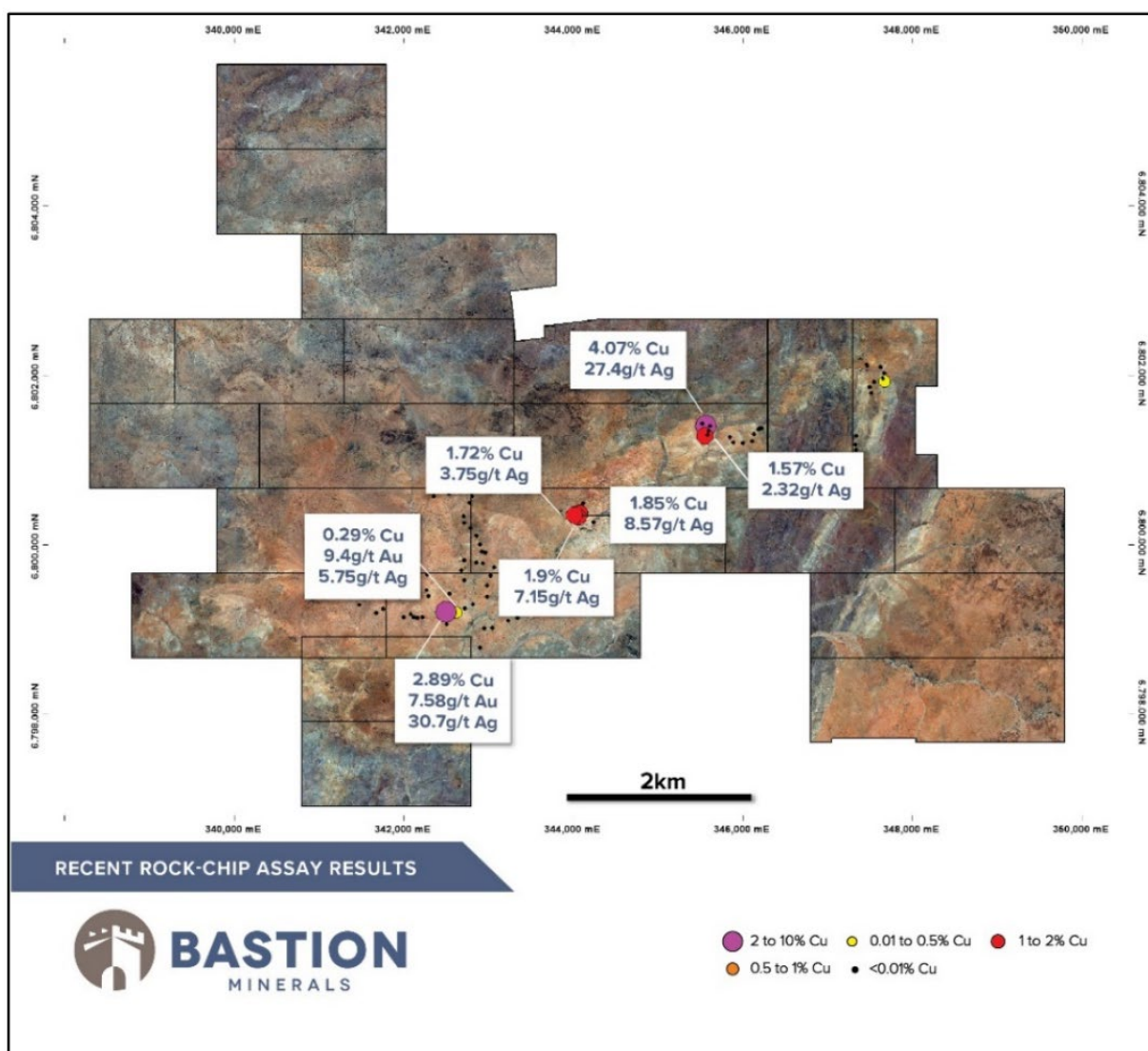


Figure 7: Rock-chip assay results from Cometa Copper Project.

Subsequent to the period, Bastion reported that it is currently undertaking an evaluation of the extensive rock chip geochemistry with a specialist Australian-based geochemist, to assess elemental and alteration zoning, fluid and mineralisation pathways. This information will be integrated with geological observations and later with geophysics. Some prospects have porphyry copper characteristics and others IOCG characteristics.

Bastion is planning IP and ground magnetic geophysical surveys over the prospects defined to date, with a consultant geophysicist hired to design and supervise the surveys and to interpret the data together with Bastion's field team. Quotations are awaited from geophysical contractors, with the aim of beginning the surveys in April 2023.

¹⁰ For full exploration results including relevant JORC table information, refer to the ASX Announcement of 11 April 2022 – "Exploration Update: Cometa Copper Project."

Garin Silver Project

The Garin Silver Project consists of 13km² of exploration licences situated 40km to the east of the major mining city of Copiapó. Historic exploration at Garin has been limited to basic rock chip sampling and geological mapping. Mineralisation at Garin is associated with high-grade gold-silver bearing epithermal veins, as large individual veins, and vein swarms. These epithermal systems will have been driven by a larger porphyry system and there is significant potential for this porphyry system to be near surface at Garin. No fieldwork was completed during the year.

Corporate

Appointment of Country Manager

During the reporting period, the Company appointed Alvaro Trujillo as Country Manager in Chile¹¹. Mr Trujillo has worked his entire career within the mining industry, where for the last 10 years he has been focused on the exploration industry, principally with BHP Billiton and the Israeli private equity group, Quantum Pacific Exploration. Mr Trujillo's main objective will be to drive the Company towards its maiden drill program within the Capote Mining District.

Appointment of Lithium Expert Consultant Geologist, and In-Country Consultant Geologist

During FY2022, Bastion also appointed Mr. Murray Brooker as Consultant Geologist and Mr Rosendo Puig as in-country (Chile) Consultant Geologist¹².

Mr Brooker is a geologist and hydrogeologist, with over 30 years' experience. He has worked extensively on mineral projects across Argentina, Chile, Australia, and other countries and is a lithium expert, having worked extensively on brine and hard rock lithium projects since 2010.

Mr. Brooker has worked across multiple commodities, and his broad experience includes all aspects of exploration program design including interpretation of geological, geochemical and geophysical data; and technical reporting for stock exchanges in Australia and Canada under the JORC and NI43- 101 codes.

At the same time, the Company announced the appointment of Mr Rosendo Puig as in-country (Chile) Consultant Geologist. Mr Puig has 40 years' experience exploring in Chile, Australia and other locations globally, primarily focused on exploration for copper and gold. Mr. Puig has Chilean and Australian citizenship and has previously worked on both the Capote Gold Project and Cometa Copper Project for other explorers.

¹¹ ASX Announcement 17 January 2022 – “Chile country manager appointed.”

¹² ASX Announcement 31 October 2022 – “Bastion Appoints Experienced Lithium Expert Geologist.”

Placement

The Company successfully completed two placements during the period, in September Bastion raised A\$1.5 million comprising a one-tranche placement. In December, the Company raised a further A\$500,000, totalling A\$2 million for the year before costs.^{13, 14}

Entitlement Issue

In addition to the Placements, the Company lodge a Prospectus with ASIC with the intention of raising up to A\$1,594,115 by conducting a non-renounceable Entitlement Issue of 2 new Ordinary shares for every 5 Ordinary shares held (at the Record Date) at an issue price of A\$0.035, with 1 new free attaching option (exercise price A\$0.09, expiring 3 years from issue) for every 2 new shares issued.¹⁵

Subsequent to the reporting period, Bastion issued shares in respect of 31 valid applications received for a total of \$94,388.03 comprising a total of 2,696,801 shares and 1,348,403 options. Following the closing of the Rights Issue offer period, the Company had a shortfall to be placed of 42,849,366 shares totalling \$1,499,727.81 together with 21,424,683 free attaching options exercisable at \$0.09 expiring 3 years from their date of issue, through its corporate adviser, GTT Ventures Pty Ltd. This shortfall was been placed in full and is important to note the demand for the shortfall was well in excess of the availability with the Board pleased with the outcome.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

New Lithium Project Acquisition (Canada)

Subsequent to the reporting period on 20 February 2023, the Company announced a Binding Heads of Agreement (**HOA**) with Austek Resources Pty Ltd (**Austek**) for the option to acquire three highly prospective groups of lithium properties located in Ontario, Canada¹⁶.

The three properties are located close to known pegmatites, where adjacent companies have intersected pegmatites in drilling and have defined and reported resources. The property groups are referred to as Pakwan East Lithium, Raleigh Lake Lithium, and McCombe North Lithium projects (Figure 8).

The Pakwan East project comprises 17km² and is located immediately adjacent to properties owned by Frontier Lithium Inc (TSXV: FL), who have the PAK lithium project which includes the Spark Lithium deposit. Review of government geological data¹⁷ has identified a series of mapped pegmatite clusters in the property, including two clusters measuring more than 1km² (Figure 9).

The McCombe North project comprises 33km² of tenure and immediately abuts the north of the Root Bay properties owned by Green Technology Metals (ASX: GT1), where they are drilling the Morrison and McCombe lithium deposits. The Raleigh Lake Lithium property is hosted within the Wabigoon Terrane, also host to the Mavis Li Deposits (Critical Resources Ltd ASX:CRR) and the Raleigh Lake Li-bearing pegmatites of International Lithium Corp (TSXV: ILC).

¹³ ASX Announcement 5 December 2022 – “Transformational Canadian Lithium Portfolio Royalties.”

¹⁴ ASX Announcement 29 September 2022 – “Placement to Continue Exploration on Assets in Chile.”

¹⁵ ASX Announcement 19 December 2022 – “Pro Rata Non-Renounceable Rights Issue Prospectus.”

¹⁶ ASX Announcement 20 February 2023 – “New Canadian Lithium Option & Royalty Portfolio Termination.”

¹⁷ ASX Announcement 28 February 2023 – “1.28km² Pegmatite Clusters Identified – Pakwan East Lithium.”

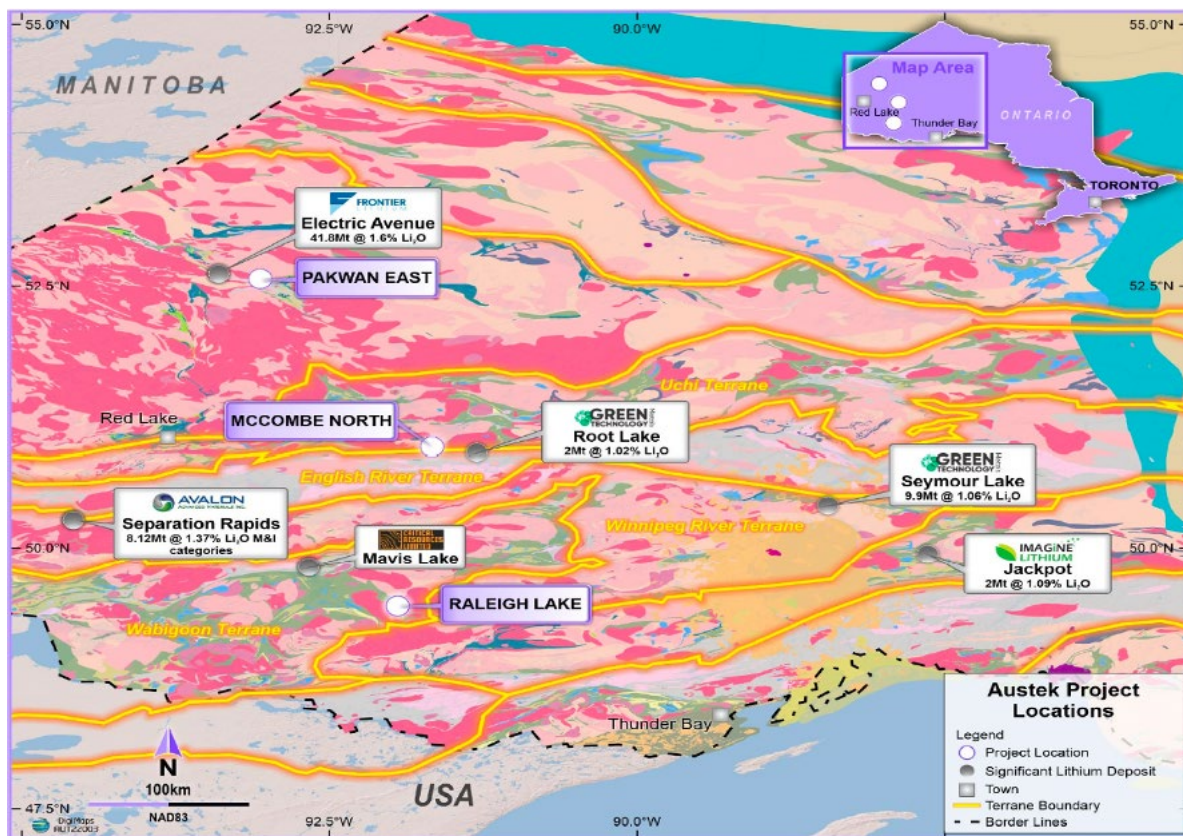


Figure 8: Austek Resources Project Locations (Ontario, Canada) and other major projects and companies¹⁸.

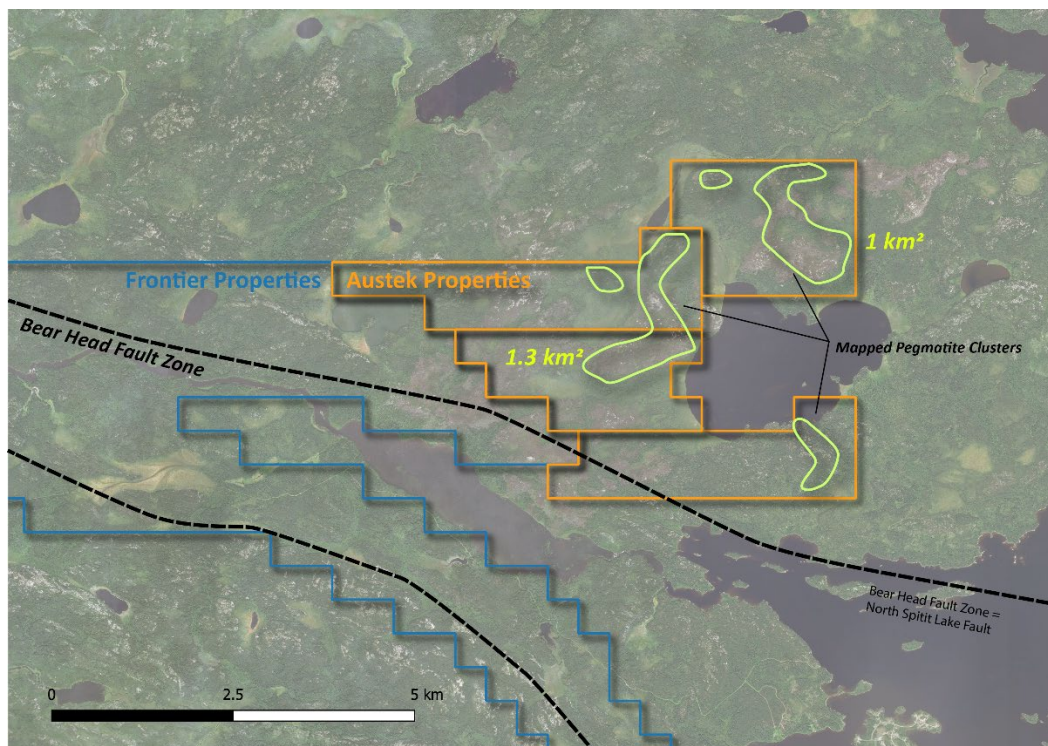


Figure 9: Location of government mapped pegmatites in the Austek Resources properties under the HOA.

¹⁸ For Mineral Resource Estimates, please refer to Frontier Lithium, Spark Deposit: TSX.V Release 28 Feb 2023; Green Technology Metals: ASX Release 23 June 2022; Avalon Advanced Materials, Separation Rapids: NI-43-101 Technical Report 26 September 2018; Imagine Lithium, Jackpot: TSX.V Announcement (Disclaimer) 15 February 2023

Bastion Minerals Limited
Directors' report
31 December 2022

Significant changes in the state of affairs

During the year, the Company issued 28,987,342 fully paid ordinary shares and 14,493,671 free attaching options raising \$2,000,000 before costs.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

On 31 January 2023, the company issued 42,849,366 fully paid shares valued at 3.5 cents per share with 21,424,683 free attaching options with an exercise price of 9 cents, raising \$1,500,000 before costs pursuant to a pro rata non-renounceable rights issue announced to the ASX on 19 December 2022.

On 20 February 2023, the Company announced that it had entered into a binding heads of agreement with Austek Resources Pty Ltd for an option to acquire three lithium properties in Ontario, Canada. The Company paid \$150,000 to secure an exclusive option over the properties.

On the same day, the Company announced that it had decided not to proceed with the option to acquire approximately 130 mining properties that was announced on 5 December 2022. The option fee paid in relation to this acquisition which did not proceed, have been recognised as an expense in the current year.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Consolidated Entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

Environmental regulation

The consolidated entity is subject to and compliant with all aspects of environmental regulation of its exploration and mining activities in Chile. The directors are not aware of any environmental law that is not being complied with.

Information on directors

Name:	Alan Ross Landles
Title:	Executive Chairman
Qualifications:	GradDipAppFin, CFP
Experience and expertise:	Mr Landles has more than 20 years' experience in leading high-performing banking teams across 9 countries and successfully developed and maintained C-suite relationships throughout Asia, Australia and the USA. Mr Landles held senior leadership roles, Director and Managing Director titles, over a 15 year period, with global financial institutions Rothschild Bank AG, Credit Suisse AG, UBS AG and Macquarie Bank Ltd.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	4,647,544 fully paid ordinary shares
Interests in options:	2,000,000 options over ordinary shares
Interests in rights:	5,500,000 performance rights

Bastion Minerals Limited
Directors' report
31 December 2022

Name: David Joseph Nolan
Title: Executive Director until 25 October 2021 and Company Secretary until 6 September 2021, and Non-Executive Director thereafter.
Qualifications: LL.B (Hon), BA Bond University
Experience and expertise: David has over 12 years' experience as Chairman and Non-Executive Director to ASX listed companies with responsibilities including legal, regulatory, governance and equity and debt financings. David has over 24 years' experience as a corporate lawyer. David was previously a partner at a number of leading Sydney law firms advising on IPOs and ASX listings, corporate finance, mergers and acquisitions, fundraisings, restructuring and regulatory and governance. David has guided and advised companies across a range of industries and has extensive experience as an adviser and Board member to companies in the mining & resources sector.
Other current directorships: None
Former directorships (last 3 years): Property Connect Holdings Limited (ASX:PCH - resigned 31 July 2021)
Interests in shares: 3,892,769 fully paid ordinary shares
Interests in options: 2,000,000 options over ordinary shares
Interests in rights: 2,500,000 performance rights

Name: Andrew Lachlan Stewart
Title: Non-Executive Director (resigned 6 December 2022)
Qualifications: BSc, PhD, MAIG, MSEG, MAICD
Experience and expertise: Dr Stewart is an exploration geologist with over 20 years' experience in mineral exploration, primarily focused on project generation, project evaluation and exploration strategy development throughout Asia and Eastern Europe. Dr Stewart has expertise in porphyry copper-gold and epithermal gold deposits but has worked across a diverse range of commodities. He holds a BSc (Hons) from Macquarie University and a PhD from the Centre of Ore Deposits and Exploration Studies at the University of Tasmania. During his time at Ivanhoe Mines and Vale, he held various technical and management positions in Mongolia and Indonesia and has been involved in several greenfields discoveries. After providing technical and program management for Vale in Indonesia and Mongolia, Dr Stewart is currently Vice President Exploration, Xanadu Mines (ASX:XAM).
Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: N/A
Interests in options: N/A
Interests in rights: N/A

Name: Sam El-Rahim
Title: Non-Executive Director
Experience and expertise: Mr El-Rahim is an experienced board member, managing director and venture capitalist who has an established career in identifying market opportunities, driving profitable growth, and leading high performance businesses and teams. Since incorporating his first company in 1982, he has achieved success in a range of industries and emerging markets with significant business, financial and property portfolio responsibilities across the Asia Pacific region. Qualified in Electrotechnology, Mr El-Rahim also forged government relations to provide turnkey systems and innovative software solutions.
Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 2,505,000 fully paid ordinary shares
Interests in options: 1,000,000 options over ordinary shares
Interests in rights: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

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Company secretary

Justin Clyne was appointed Company Secretary on 23 May 2022. Justin is a qualified Chartered Company Secretary and Member of the Australian Institute of Company Directors. Justin Clyne was admitted as a Solicitor of the Supreme Court of New South Wales and High Court of Australia in 1996 before gaining admission as a Barrister in 1998. He had 15 years of experience in the legal profession acting for a number of the country's largest corporations, initially in the areas of corporate and commercial law before dedicating himself full-time to the provision of corporate advisory and company secretarial services. Justin has been a director and/or secretary of a number of public listed and unlisted companies. He has significant experience and knowledge in international law, the Corporations Act, the ASX Listing Rules and corporate regulatory requirements generally.

Prior to 23 May 2022 Phillip Mackey was Company Secretary. He is an experienced company secretary and is secretary of a number of other listed entities.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the **Board**') and of each Board Committee held during the year ended 31 December 2022, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Alan Ross Landles	14	14	-	-	-	-
David Joseph Nolan	14	14	1	1	2	2
Andrew Lachlan Stewart	11	13	1	1	2	2
Sam El-Rahim	11	14	1	1	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**) and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The Remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the **Board**') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Company has a Nomination, Remuneration and Human Resources Committee (the **Committee**). Ross Landles is Chairman and Sam El-Rahim is a member. Prior to his resignation, Andrew Stewart was also a member of the Committee.

Bastion Minerals Limited
Directors' report
31 December 2022

The Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Committee. The Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

ASX Listing Rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. In accordance with clause 10.7(a) of the Company's Constitution, the total aggregate remuneration available to non-executive directors is \$500,000 per annum.

From time to time share options and performance rights may be awarded to newly appointed non-executive directors. Such share options or performance rights are issued to attract high calibre directors to the Board. The remuneration for the non-executive directors during the current and prior financial years is set out in 'Details of remuneration' below.

Executive remuneration

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation

The combination of these comprises the executive's total remuneration.

The Executive Chairman's total remuneration package is determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Executive Chairman is not present at any discussions relating to the determination of his own remuneration.

Consolidated entity performance and link to remuneration

Remuneration currently includes both options and performance rights which link remuneration to the performance of the company.

Use of remuneration consultants

Remuneration consultants have not been used during the current year.

Voting and comments made at the Company's 2021 Annual General Meeting ('AGM')

At the 23 May 2022 AGM, 99.85% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

Bastion Minerals Limited
Directors' report
31 December 2022

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	(Cash)	(Cash)	(Cash)	(Cash)	(Cash)	(Non-Cash)	
	Cash salary and fees	Cash bonus	Consulting fees	Super-annuation	Long service leave	Equity-settled	
2022	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Andrew Stewart *	41,250	-	25,500	-	-	152,826	219,576
David Nolan **	45,000	-	49,125	-	-	152,826	246,951
Sam El-Rahim	45,000	-	-	-	-	38,561	83,561
<i>Executive Directors:</i>							
Ross Landles ***	326,046	-	-	-	-	325,398	651,444
	<u>457,296</u>	<u>-</u>	<u>74,625</u>	<u>-</u>	<u>-</u>	<u>669,611</u>	<u>1,201,532</u>

* Resigned on 6 December 2022. Consulting fees of \$25,500 was received in relation to Geological services provided. This was charged at a rate \$1,500 per day. As at 31 December 2022, Andrew had retained all options and performance shares that had not met performance targets at resignation.

** Includes fees totalling \$49,125 for additional consulting work performed during the year. These have been charged at a rate of \$1,500 per day.

*** Ross Landles' service agreement was updated in March 2022 but backdated to 1 October 2021. For this reason back pay of \$24,818 has been included in current year remuneration.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	(Cash)	(Cash)	(Cash)	(Cash)	(Cash)	(Non-Cash)	
	Cash salary and fees	Cash bonus	Consulting fees	Super-annuation	Long service leave	Equity-settled	
2021	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Ralph Stagg **	30,000	-	-	-	-	-	30,000
Andrew Stewart ***	45,000	-	22,500	-	-	217,032	284,532
David Nolan *	7,500	-	-	-	-	-	7,500
Sam El-Rahim	30,000	-	-	-	-	55,270	85,270
<i>Executive Directors:</i>							
Ross Landles	263,100	-	-	-	-	217,032	480,132
David Nolan *	219,200	-	-	-	-	217,032	436,232
	<u>594,800</u>	<u>-</u>	<u>22,500</u>	<u>-</u>	<u>-</u>	<u>706,366</u>	<u>1,323,666</u>

* David Nolan was an executive director until 25 October 2021, after which he became a non-executive director.

** During the prior year, Ralph Stagg received 1,000,000 options over ordinary shares as approved by shareholders at the 31 May 2021 AGM. No expense has been recognised in relation to these options because the service condition has not been met due to his resignation as a director in September 2021.

*** A consulting fee of \$22,500 has been received in relation to Geological services provided. These have been charged at a rate \$1,500 per day.

Bastion Minerals Limited
Directors' report
31 December 2022

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration (Cash)		At risk - STI (Non Cash)		At risk - LTI (Non Cash)	
	2022	2021	2022	2021	2022	2021
<i>Non-Executive Directors:</i>						
Ralph Stagg	-	100%	-	-	-	-
Dr Andrew Stewart	30%	24%	-	-	70%	76%
David Nolan *	38%	100%	-	-	62%	-
Sam El-Rahim	54%	35%	-	-	46%	65%
<i>Executive Directors:</i>						
Ross Landles	50%	55%	-	-	50%	45%
David Nolan *	-	50%	-	-	-	50%

* David Nolan was an executive director until 25 October 2021, after which he became a non-executive director.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Ross Landles
Title: Executive Director and Chairman
Agreement commenced: 31 March 2022 (but backdated to 1 October 2021)
Term of agreement: The Company will pay the relevant corporate entity \$345,000 (inclusive of GST) per annum. The agreement may be terminated by either party at any time by providing the other party with prior written notice of not less than the notice period of 12 months. The agreement has no fixed term. He is also entitled to short and long term incentives.

Name: Dr Andrew Stewart
Title: Non-Executive Director (resigned 6 December 2022)
Agreement commenced: 25 January 2021
Term of agreement: Annual fees of \$45,000 plus GST are payable, plus a rate of \$1,500 per day for work done in excess of contracted hours. The agreement terminated in conjunction with his resignation.

Name: Sam El-Rahim
Title: Non-Executive Director
Agreement commenced: 25 January 2021
Term of agreement: Annual fees of \$45,000 plus GST are payable.

Name: David Nolan
Title: Non-Executive Director
Agreement commenced: 25 October 2021
Term of agreement: Annual fees of \$45,000 plus GST are payable, plus a rate of \$1,500 per day for work done in excess of contracted hours

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2022.

Bastion Minerals Limited
Directors' report
31 December 2022

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
David Nolan	2,000,000	19 January 2021	19 January 2023	19 January 2024	\$0.2500	\$0.0429
Ross Landles	2,000,000	19 January 2021	19 January 2023	19 January 2024	\$0.2500	\$0.0429
Andrew Stewart	2,000,000	19 January 2021	19 January 2023	19 January 2024	\$0.2500	\$0.0429
Sam El-Rahim	1,000,000	31 May 2021	31 May 2022	31 May 2024	\$0.3000	\$0.0938

Options granted carry no dividend or voting rights.

Directors Share Loans

During the year ended 31 December 2020, Ross Landles and entities associated with David Nolan and Andrew Stewart have been provided with interest bearing, limited recourse loans (**Director Share Loans**) from the Company for the sole purpose of acquiring shares in the Company on the same terms as other investors in the Company at the time. The Director Share Loans are required to be recognised as share-based remuneration and Equity Settled under AASB2 *Share-Based Payment (AASB 2)* The Director Share Loans represent an "in substance option" arrangement and have been valued using option pricing models.

The number of options over ordinary shares granted to and vested by directors (as approved by shareholders at the 31 May 2021 AGM) as part of compensation during the year ended 31 December 2022 are set out below:

Name	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
David Nolan	-	2,000,000	-	-
Ross Landles	-	2,000,000	-	-
Andrew Stewart	-	2,000,000	-	-
Ralph Stagg	-	1,000,000	-	-
Sam El-Rahim	-	1,000,000	1,000,000	-

Performance rights

There were 8,000,000 performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 December 2022.

The number of performance rights over ordinary shares granted to and vested by directors (as approved by shareholders at the 31 May 2021 AGM and 23 May 2022 AGM) as part of compensation during the year ended 31 December 2022 are set out below:

Name	Number of rights granted during the year 2022	Number of rights granted during the year 2021	Number of rights vested during the year 2022 *	Number of rights vested during the year 2021
David Nolan	-	2,500,000	750,000	-
Ross Landles	3,000,000	2,500,000	750,000	-
Andrew Stewart	-	2,500,000	750,000	-

Bastion Minerals Limited
Directors' report
31 December 2022

- * During the current year, the Tranche 1 hurdle for the performance rights was achieved with 30% of those rights then vested but the shares have not yet been issued.

During the year 900,000 performance rights were granted to Ross Landles with the performance hurdle of two significant drill intercepts at the consolidated entity's projects.

A further 2,100,000 performance rights were granted to Ross Landles with following performance hurdles:-

- Defined pre JORC* gold resource of 250,000 ounces; or
- Defined pre JORC* copper resource of 100,000 tonnes; or
- The sale of 100% interest in one of the consolidated entity's projects; or
- The consolidated entity entering into a project farm in or joint venture, that funds up to 50% of the pre-feasibility costs in relation to one of the group projects; or
- The consolidated entity entering into a joint venture arrangement in relation to one of the consolidated entity's projects where the third party hold an interest of at least 30%.

* JORC means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the **JORC** Code'), a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves.

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Tranche	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility %	Dividend yield	Risk free rate %	Fair value at grant date
Tranche 1	31/05/2021	31/05/2024	\$0.1950	\$0.0000	95.00%	-	0.10%	\$0.1290
Tranche 2	31/05/2021	31/05/2024	\$0.1950	\$0.0000	95.00%	-	0.10%	\$0.1070
Tranche 3	31/03/2022	06/06/2025	\$0.1550	\$0.0000	95.00%	-	2.30%	\$0.1023
Tranche 4	31/03/2022	06/06/2025	\$0.1550	\$0.0000	95.00%	-	2.30%	\$0.0853

The performance rights have both a Service Condition and performance hurdles that both need to be met in order for them to be exercised. However, AASB2 requires these to be expensed over the period of the Service Condition i.e., over the 12-month period following grant, rather than over the assessment period i.e., a three-year period.

Additional information

The earnings of the Consolidated Entity for the three years to 31 December 2022 are summarised below:

	2022	2021	2020
	\$	\$	\$
Loss after income tax	(3,917,945)	(3,078,815)	(1,058,784)

The factors that are considered to affect total shareholders return ('**TSR**') are summarised below:

	2022	2021	2020 *
Share price at financial year end (\$)	0.03	0.24	-
Basic loss per share (cents per share)	(4.35)	(4.27)	(5.18)
Diluted loss per share (cents per share)	(4.35)	(4.27)	(5.18)

- * Official quotation of the Company's ordinary shares on the ASX commenced on 16 March 2021.

Bastion Minerals Limited
Directors' report
31 December 2022

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director, including their personally related parties and their associates in accordance with section 12(2)(c) of the Corporations Act and in which they have a relevant interest in accordance with section 608(1)(b) of the Corporations Act, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Ross Landles	4,557,544	-	90,000	-	4,647,544
David Nolan	3,892,769	-	-	-	3,892,769
Andrew Stewart *	4,032,544	-	-	(4,032,544)	-
Sam El-Rahim	2,505,000	-	-	-	2,505,000
	<u>14,987,857</u>	<u>-</u>	<u>90,000</u>	<u>(4,032,544)</u>	<u>11,045,313</u>

* Resigned 6 December 2022.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Ross Landles	2,000,000	-	-	-	2,000,000
David Nolan	2,000,000	-	-	-	2,000,000
Dr Andrew Stewart *	2,000,000	-	-	(2,000,000)	-
Sam El-Rahim	1,000,000	-	-	-	1,000,000
	<u>7,000,000</u>	<u>-</u>	<u>-</u>	<u>(2,000,000)</u>	<u>5,000,000</u>

* Resigned 6 December 2022.

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>				
David Nolan	2,500,000	-	-	2,500,000
Ross Landles	2,500,000	3,000,000	-	5,500,000
Andrew Stewart *	2,500,000	-	(2,500,000)	-
	<u>7,500,000</u>	<u>3,000,000</u>	<u>(2,500,000)</u>	<u>8,000,000</u>

* Resigned 6 December 2022.

This concludes the remuneration report, which has been audited.

Bastion Minerals Limited
Directors' report
31 December 2022

Shares under option

Unissued ordinary shares of Bastion Minerals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
19 January 2021	19 January 2024	\$0.2500	6,000,000
11 March 2021	11 March 2024	\$0.2500	1,477,562
31 May 2021	4 June 2024	\$0.3000	1,000,000
15 November 2021	15 November 2024	\$0.2500	5,000,000
19 May 2022	5 June 2025	\$0.2500	500,000
19 May 2022	5 June 2025	\$0.3000	500,000
5 December 2022	5 December 2025	\$0.1600	5,000,000
20 January 2023	20 January 2026	\$0.0900	22,773,086
			<u>42,250,648</u>

This table does not include 10,000,000 options which were considered granted for accounting purposes to brokers as part of the fees for current year capital raisings and 14,493,671 free attaching options which were considered granted for accounting purposes attached to current year capital raisings. These have not been formally issued at the date of signing.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Director share loans

During the year ended 31 December 2020, Ross Landles and entities associated with David Nolan and Andrew Stewart have been provided with interest bearing, limited recourse loans ('Director Share Loans') from the Company for the sole purpose of acquiring shares in the Company on the same terms as other investors in the Company at the time. The Director Share Loans are required to be recognised as share based remuneration and Equity Settled under AASB2. The Director Share Loans represent an "in substance option" arrangement and have been valued using option pricing models.

Shares under performance rights

The company has a total of 13,750,000 performance rights on issue at 31 December 2022.

Shares issued on the exercise of options

There were no ordinary shares of Bastion Minerals Limited issued on the exercise of options during the year ended 31 December 2022 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of Bastion Minerals Limited issued on the exercise of performance rights during the year ended 31 December 2022 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Bastion Minerals Limited
Directors' report
31 December 2022

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Ernst & Young

There are no officers of the Company who are former partners of Ernst & Young.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is set out immediately after this directors' report.

Auditor

Ernst & Young continues in office in accordance with section 327 of the Corporations Act.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act.

On behalf of the directors



Ross Landles

31 March 2023



**Building a better
working world**

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Auditor's independence declaration to the directors of Bastion Minerals Limited and its controlled entities

As lead auditor for the audit of Bastion Minerals Limited for the financial year ended 31 December 2022, I declare 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bastion Minerals Limited and the entities it controlled during the financial year.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Scott Nichols' in a cursive style.

Scott Nichols
Partner
Sydney
31 March 2023

Bastion Minerals Limited

Contents

31 December 2022

General information

The financial statements cover Bastion Minerals Limited as a Consolidated Entity consisting of Bastion Minerals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Bastion Minerals Limited's functional and presentation currency.

Bastion Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 6, 22 Pitt Street
Sydney NSW 2000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 March 2023. The directors have the power to amend and reissue the financial statements.

Bastion Minerals Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Note	Consolidated 2022 \$	2021 \$
Revenue			
Other income	4	135,226	40,500
Interest revenue calculated using the effective interest method		477	150
Expenses			
Consultancy fee expenses		(1,027,821)	(875,335)
Legal and professional fees		(549,345)	(543,372)
Administration expenses		(209,243)	(586,024)
Depreciation and amortisation expense	5	(205,579)	(67,942)
Travel and accommodation expense		(96,146)	(42,992)
Share based payment expense	30	(1,383,253)	(818,223)
Impairment of assets	12	-	(74,712)
Impairment of receivables	5	(373,933)	-
Other expenses		(107,710)	(38,633)
Finance costs	5	(100,618)	(72,232)
Loss before income tax expense		(3,917,945)	(3,078,815)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Bastion Minerals Limited		(3,917,945)	(3,078,815)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		109,674	(60,877)
Other comprehensive income/(loss) for the year, net of tax		109,674	(60,877)
Total comprehensive loss for the year attributable to the owners of Bastion Minerals Limited		(3,808,271)	(3,139,692)
		Cents	Cents
Basic loss per share	29	(4.35)	(4.27)
Diluted loss per share	29	(4.35)	(4.27)

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

Bastion Minerals Limited
Statement of financial position
As at 31 December 2022

		Consolidated	
	Note	2022	2021
		\$	Restated
			\$
Assets			
Current assets			
Cash and cash equivalents	7	636,552	3,480,421
Trade and other receivables	8	149,564	112,232
Other	10	49,302	72,449
Total current assets		<u>835,418</u>	<u>3,665,102</u>
Non-current assets			
Property, plant and equipment	11	98,967	98,805
Right-of-use assets	9	879,290	1,065,700
Exploration and evaluation	12	5,470,619	2,615,641
Other	10	111,338	104,275
Total non-current assets		<u>6,560,214</u>	<u>3,884,421</u>
Total assets		<u>7,395,632</u>	<u>7,549,523</u>
Liabilities			
Current liabilities			
Trade and other payables	13	760,341	207,338
Borrowings	14	48,470	48,370
Lease liabilities	15	122,443	98,478
Employee benefits		52,308	15,940
Total current liabilities		<u>983,562</u>	<u>370,126</u>
Non-current liabilities			
Borrowings	14	187,000	187,000
Lease liabilities	15	804,239	926,683
Provisions		24,799	24,799
Total non-current liabilities		<u>1,016,038</u>	<u>1,138,482</u>
Total liabilities		<u>1,999,600</u>	<u>1,508,608</u>
Net assets		<u>5,396,032</u>	<u>6,040,915</u>
Equity			
Issued capital	16	14,806,653	13,805,360
Reserves	17	3,376,489	1,104,720
Accumulated losses		<u>(12,787,110)</u>	<u>(8,869,165)</u>
Total equity		<u>5,396,032</u>	<u>6,040,915</u>

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

Bastion Minerals Limited
Statement of changes in equity
For the year ended 31 December 2022

Consolidated	Issued capital \$	Foreign currency reserve \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2021 - restated	7,207,917	(62,178)	157,095	(5,790,350)	1,512,484
Loss after income tax expense for the year	-	-	-	(3,078,815)	(3,078,815)
Other comprehensive loss for the year, net of tax	-	(60,877)	-	-	(60,877)
Total comprehensive loss for the year	-	(60,877)	-	(3,078,815)	(3,139,692)
Share-based payments (note 30)	-	-	1,070,680	-	1,070,680
Contributions of equity, (note 16)	7,300,000	-	-	-	7,300,000
Transactions cost (note 16)	(702,557)	-	-	-	(702,557)
Balance at 31 December 2021 -restated	<u>13,805,360</u>	<u>(123,055)</u>	<u>1,227,775</u>	<u>(8,869,165)</u>	<u>6,040,915</u>

Consolidated	Issued capital \$	Foreign currency reserve \$	Share based payment reserve \$	Option reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2022	13,805,360	(123,055)	1,227,775	-	(8,869,165)	6,040,915
Loss after income tax expense for the year	-	-	-	-	(3,917,945)	(3,917,945)
Other comprehensive income for the year, net of tax	-	109,674	-	-	-	109,674
Total comprehensive income/(loss) for the year	-	109,674	-	-	(3,917,945)	(3,808,271)
Share-based payments (note 30)	-	-	1,717,615	-	-	1,717,615
Contributions of equity, (note 16)	1,555,520	-	-	-	-	1,555,520
Transaction costs (note 16)	(554,227)	-	-	-	-	(554,227)
Free attaching options (note 17)	-	-	-	444,480	-	444,480
Balance at 31 December 2022	<u>14,806,653</u>	<u>(13,381)</u>	<u>2,945,390</u>	<u>444,480</u>	<u>(12,787,110)</u>	<u>5,396,032</u>

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

Bastion Minerals Limited
Statement of cash flows
For the year ended 31 December 2022

	Note	Consolidated 2022 \$	2021 \$
Cash flows from operating activities			
Royalty received		-	100,602
Payments to suppliers and employees (inclusive of GST)		(2,251,125)	(2,347,319)
Interest received		447	150
Other revenue		128,163	40,500
Interest and other finance costs paid		(100,618)	(72,232)
Payment for security deposits		-	(141,695)
		<u>-</u>	<u>(141,695)</u>
Net cash used in operating activities	27	<u>(2,223,133)</u>	<u>(2,419,994)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	11	(19,331)	(114,897)
Payments for exploration and evaluation		(2,341,824)	(1,471,332)
		<u>(2,361,155)</u>	<u>(1,586,229)</u>
Net cash used in investing activities		<u>(2,361,155)</u>	<u>(1,586,229)</u>
Cash flows from financing activities			
Proceeds from issue of shares and options	16	2,000,000	7,300,000
Share issue transaction costs		(168,319)	(472,626)
Repayment of borrowings		-	(102,103)
Repayment of lease liabilities		(98,479)	(23,302)
		<u>(98,479)</u>	<u>(23,302)</u>
Net cash from financing activities		<u>1,733,202</u>	<u>6,701,969</u>
Net increase/(decrease) in cash and cash equivalents		(2,851,086)	2,695,746
Cash and cash equivalents at the beginning of the financial year		3,478,801	794,527
Effects of exchange rate changes on cash and cash equivalents		7,117	(11,472)
		<u>7,117</u>	<u>(11,472)</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>634,832</u></u>	<u><u>3,478,801</u></u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The impact of their adoption has not been material.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities of \$3,917,945 for the year ended 31 December 2022 (2021: \$3,078,815), and had negative cash flows from operating activities of \$2,223,133 (2021: \$2,419,994).

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern due to the following factors:

- the Consolidated Entity continues to proactively manage operating and exploration costs and cash flow requirements in line with available resources;
- the Company has the ability to raise additional capital under its general placement capacity. The Board is confident that the Company will be able to raise additional capital as and when needed; and
- On 31 January 2023, the Company issued 42,849,366 fully paid shares valued at 3.5 cents per share with 21,424,683 free attaching options with an exercise price of 9 cents, raising \$1,500,000 before costs.

Accordingly, the directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. In the event that the Consolidated Entity is unsuccessful in implementing the above-stated initiatives, a material uncertainty exists, that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and its ability to recover assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the company not continue as a going concern.

Restatement of comparatives

As detailed in Note 14, a loan payable with Malema Pty Ltd existed at 31 December 2021. This has resulted in a restatement of 31 December 2021 balances with an impact of \$187,000 recognised as an increase to a non-current liability, \$46,750 as an increase to a current liability and a \$233,750 reduction of issued capital as the contribution by Malema Pty Ltd was originally recognised as an equity contribution.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the 'AASB and the Corporations Act', as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IASB**).

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Note 1. Significant accounting policies (continued)

Parent entity information

In accordance with the Corporations Act, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 24.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bastion Minerals Limited ('**Company**', '**Bastion**' or '**Parent Entity**') as at 31 December 2022 and the results of all subsidiaries for the year then ended. Bastion Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('**CODM**'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Bastion Minerals Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 1. Significant accounting policies (continued)

Revenue recognition

The Consolidated Entity recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Sub-lease revenue

Operating sub-lease revenue is accounted for as an operating lease and recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: (a) it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is expected to be realised within 12 months after the reporting period; or (d) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: (a) it is either expected to be settled in the consolidated entity's normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 1. Significant accounting policies (continued)

Derivative financial instruments

Hedges of a net investment

Hedges of a net investment in a foreign operation include monetary items that are considered part of the net investment. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity whilst gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	5 years
Leasehold improvements	6 years
Plant and equipment	6 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 1. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss. Where the consolidated entity renegotiates the terms of a financial liability with the result that it issues equity instruments to the creditor to extinguish all or part of the financial liability, if the creditor is a direct or indirect shareholder and acting in its capacity as a direct or indirect existing shareholder, the consolidated entity records the equity instruments issued at the carrying amount of the financial liability extinguished with no profit or loss recognised.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

The carrying amounts are remeasured if there is a change in the following: (a) future lease payments arising from a change in an index or a rate used; (b) residual guarantee; (c) lease term; and (d) certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 1. Significant accounting policies (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the *Binomial* or *Black-Scholes* option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Certain directors have been issued shares with interest bearing, limited recourse loans from the consolidated entity for the sole purpose of acquiring shares in the Company. Under AASB 2 *Share-Based Payments*, these shares and loans are treated as "in substance options" even where the equity instrument itself is not a share option.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Bastion Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 31 December 2022. The Consolidated Entity does believe that the impact of the new standards will be material.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

The company listed during the prior year. The volatility used in the option valuations was calculated with reference to similar listed junior exploration companies.

Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Consolidated Entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Consolidated Entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Consolidated Entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

At each reporting date management review exploration assets for indicators of impairment in line with AASB 6 *Exploration for and Evaluation of Mineral Resources*. Management have concluded that there were no indicators of impairment.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment, being the exploration and subsequent development of, gold, silver, and copper in Chile. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the CODM) in assessing performance and in determining the allocation of resources.

Note 4. Other income

	Consolidated	
	2022	2021
	\$	\$
Other income	<u>135,226</u>	<u>40,500</u>

Other income in both years predominantly relates to sub-lease income, refer to note 9.

Bastion Minerals Limited
Notes to the financial statements
31 December 2022

Note 5. Expenses

	Consolidated	
	2022	2021
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	19,169	22,960
Right-of-use assets	186,410	44,982
Total depreciation	<u>205,579</u>	<u>67,942</u>
<i>Impairment</i>		
Chilean VAT receivable	373,933	-
Exploration and evaluation	-	74,712
Total impairment	<u>373,933</u>	<u>74,712</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on loan with Malema Pty Ltd (an entity related to Ralph Stagg - refer to note 14)	46,651	43,426
Interest and finance charges paid/payable on leases	53,967	14,310
Interest on insurance premium finance	-	14,496
Finance costs expensed	<u>100,618</u>	<u>72,232</u>

Note 6. Income tax expense

	Consolidated	
	2022	2021
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,917,945)	(3,078,815)
Tax at the statutory tax rate of 30%	(1,175,384)	(923,645)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent and temporary differences	704,797	470,830
Current year tax benefit	(470,587)	(452,815)
Income tax expense	<u>-</u>	<u>-</u>
	Consolidated	
	2022	2021
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	5,668,901	4,100,275
Potential tax benefit @ 30%	<u>1,700,670</u>	<u>1,230,083</u>

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Bastion Minerals Limited
Notes to the financial statements
31 December 2022

Note 7. Cash and cash equivalents

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>636,552</u>	<u>3,480,421</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	636,552	3,480,421
Bank overdraft (note 14)	<u>(1,720)</u>	<u>(1,620)</u>
Balance as per statement of cash flows	<u><u>634,832</u></u>	<u><u>3,478,801</u></u>

Note 8. Trade and other receivables

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Other receivables	66,709	65,724
Business activity statement receivable	<u>82,855</u>	<u>46,508</u>
	<u><u>149,564</u></u>	<u><u>112,232</u></u>

The consolidated entity calculates its expected credit losses (ECL) based on the consolidated entity's historical credit loss experience, adjusted for forward-looking factors specific to its receivables and the economic environment.

During the year, an expected credit loss of \$373,933 was recognised relating to VAT receivable in Chile which was fully impaired.

Note 9. Right-of-use assets

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Right-of-use - land and buildings	1,110,682	1,110,682
Less: Accumulated depreciation	<u>(231,392)</u>	<u>(44,982)</u>
	<u><u>879,290</u></u>	<u><u>1,065,700</u></u>

During the year, \$127,130 (2021: \$40,500) of sub-lease income was received.

The consolidated entity's lease is of land and buildings for its office in Sydney, with a 3 year term and an option to extend for further three years.

Bastion Minerals Limited
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Note 9. Right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings \$
Balance at 1 January 2021	-
Additions	1,048,463
Discount on security deposits	37,420
Recognition of make good provision	24,799
Depreciation expense	<u>(44,982)</u>
Balance at 31 December 2021	1,065,700
Depreciation expense	<u>(186,410)</u>
Balance at 31 December 2022	<u><u>879,290</u></u>

Note 10. Other

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Prepayments	<u>49,302</u>	<u>72,449</u>
<i>Non-current assets</i>		
Security deposits	<u>111,338</u>	<u>104,275</u>

The security deposits are rental deposits on the company's Sydney office.

Note 11. Property, plant and equipment

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	100,415	83,552
Less: Accumulated depreciation	<u>(19,401)</u>	<u>(4,120)</u>
	81,014	79,432
Plant and equipment - at cost	18,166	17,109
Less: Accumulated depreciation	<u>(18,166)</u>	<u>(17,109)</u>
	-	-
Office equipment - at cost	23,734	21,266
Less: Accumulated depreciation	<u>(5,781)</u>	<u>(1,893)</u>
	17,953	19,373
	<u><u>98,967</u></u>	<u><u>98,805</u></u>

Bastion Minerals Limited
Notes to the financial statements
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Note 11. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Office equipment \$	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at 1 January 2021	-	-	6,868	6,868
Additions	21,266	83,552	10,079	114,897
Depreciation expense	(1,893)	(4,120)	(16,947)	(22,960)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	19,373	79,432	-	98,805
Additions	2,468	16,863	-	19,331
Depreciation expense	(3,888)	(15,281)	-	(19,169)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	<u>17,953</u>	<u>81,014</u>	<u>-</u>	<u>98,967</u>

Note 12. Exploration and evaluation

Consolidated	
2022	2021
\$	\$

Non-current assets

Exploration and evaluation - at cost	<u>5,470,619</u>	<u>2,615,641</u>
--------------------------------------	------------------	------------------

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration & Evaluation \$
Balance at 1 January 2021	1,136,585
Additions	1,684,874
Exchange differences	(131,106)
Impairment of assets	(74,712)
	<hr/>
Balance at 31 December 2021	2,615,641
Additions	2,735,509
Exchange differences	119,469
	<hr/>
Balance at 31 December 2022	<u>5,470,619</u>

The impairment expense in the prior year relates to the payment of an option over a tenement purchase that did not go ahead.

Bastion Minerals Limited
Notes to the financial statements
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Note 13. Trade and other payables

	Consolidated	2021
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	615,797	117,009
Other payables and accrued expenses	144,544	90,329
	<u>760,341</u>	<u>207,338</u>

Refer to note 19 for further information on financial instruments.

Note 14. Borrowings

	Consolidated	2021
	2022	Restated
	\$	\$
<i>Current liabilities</i>		
Bank overdraft	1,720	1,620
Loan payable to Malema Pty Ltd (an entity related to Ralph Stagg)	46,750	46,750
	<u>48,470</u>	<u>48,370</u>
<i>Non-current liabilities</i>		
Loan payable to Malema Pty Ltd (an entity related to Ralph Stagg)	187,000	187,000

Refer to note 19 for further information on financial instruments.

In June 2020, the Company entered into an agreement with Malema Pty Limited ("Malema", an entity controlled by Ralph Stagg, a Company Director and shareholder at the time) to settle loans previously made by Malema to the Company (the "Loan Deed").

When the original financial liability relating to loans made by Malema to the Company was de-recognised under the Loan Deed, the difference between the fair value of consideration given and the carrying value of the financial liability extinguished was recognised in equity with no profit or loss recognised. This was on the basis that the settlement was undertaken with a creditor of the Company acting in its capacity as a shareholder.

As part of the Loan Deed, one component of the consideration given in settlement of those loans was a principal amount of \$848,207, which would become repayable following the commencement of production of the Group's projects in Chile. Once production commences the Company will be required to make payments equal to 15% of all monies received from the sale of mined ore until this principal amount is repaid in full. Until the principal is repaid in full, interest at an annual rate of 5.5% is due and payable, in cash, on a monthly basis. This arrangement was initially considered to be similar to a royalty on future ore sales, the financial liability was measured on initial recognition at a fair value of nil. During the year, interest expense on this principal amount has been recognised as payments were made.

During the year it was determined that the Company's obligation to make interest payments on the outstanding amount extends into perpetuity (should the principal amount never be repaid). This obligation to pay interest in perpetuity represents a separate financial liability and should have been recognised and measured on initial recognition at its fair value at the time the Loan Deed was executed. The Company has estimated the fair value on initial recognition based on the present value of future interest payments (\$46,750 per annum) and the market interest rate that would have applied to a similar facility issued to the Company in June 2020 (estimated at 20%).

As a result of the above, current liabilities, non-current financial liabilities ('Borrowings') and equity ('Issued Capital') have been restated as at 1 January 2021 and 31 December 2021 to reflect increases and a decrease of \$46,750, \$187,000 and \$233,750, respectively. There is no impact on profit or loss or cash flows. There is also no impact on earnings per share.

Bastion Minerals Limited
Notes to the financial statements
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Note 15. Lease liabilities

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>122,443</u>	<u>98,478</u>
<i>Non-current liabilities</i>		
Lease liability	<u>804,239</u>	<u>926,683</u>

Refer to note 19 for further information on financial instruments.

	Consolidated	
	2022	2021
	\$	\$
<i>Reconciliations of the value of lease liabilities values at the beginning and end of the current and previous financial year are set out below:</i>		
Opening balances	1,025,161	-
Additions	-	1,048,463
Repayments	(152,446)	(37,612)
Interest expense	53,967	14,310
	<u>926,682</u>	<u>1,025,161</u>

Note 16. Issued capital

	Consolidated			
	2022	2021	2022	2021
	Shares	Shares	\$	Restated
				\$
Ordinary shares - fully paid	<u>113,865,418</u>	<u>84,878,076</u>	<u>14,806,653</u>	<u>13,805,360</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance (restated)	1 January 2021	47,878,076		7,207,917
Share issuance	20 January 2021	1,000,000	\$0.1000	100,000
Share issue - initial public offering	12 March 2021	25,000,000	\$0.2000	5,000,000
Share issuance	20 September 2021	11,000,000	\$0.2000	2,200,000
Transaction costs		-		(702,557)
Balance (restated)	31 December 2021	84,878,076		13,805,360
Share issuance	5 October 2022	18,987,342	\$0.0790	1,189,370
Share issuance	5 December 2022	10,000,000	\$0.0500	366,150
Transaction costs *		-		(554,227)
`Balance	31 December 2022	<u>113,865,418</u>		<u>14,806,653</u>

* Transaction costs in the current year include costs of \$385,885 relating to 11,000,000 options issued to brokers. Refer to note 30.

Bastion Minerals Limited
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Note 16. Issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. A total of 8,948,816 shares were subject to escrow at 31 December 2022 and have been released from escrow subsequent to the end of the financial year.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity has looked too and will continue to look to raise capital in order to fund its exploration program or when an opportunity to invest in a business or company is seen as value adding relative to the current Company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 31 December 2021 Annual Report.

Note 17. Reserves

	Consolidated	
	2022	2021
	\$	\$
Foreign currency reserve	(13,381)	(123,055)
Share-based payments reserve	2,945,390	1,227,775
Option reserve	444,480	-
	<u>3,376,489</u>	<u>1,104,720</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Option reserve

The reserve is used to recognise the value of equity instruments issued to shareholders. 9,493,671 and 5,000,000 free attaching options were issued to shareholders who participated in the capital raising on 5 October 2022 and 5 December 2022 respectively. They have an exercise price of \$0.16 and 3-year life. Formal issuance of these is subject to approval at the company's AGM to be held on 30 May 2023.

Bastion Minerals Limited
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Note 17. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Option reserve \$	Foreign currency \$	Share based payments \$	Total \$
Balance at 1 January 2021	-	(62,178)	157,095	94,917
Foreign currency translation	-	(60,877)	-	(60,877)
Share based payments	-	-	1,070,680	1,070,680
Balance at 31 December 2021	-	(123,055)	1,227,775	1,104,720
Net investment hedge	-	109,674	-	109,674
Share based payments	-	-	1,717,615	1,717,615
Free attaching options	444,480	-	-	444,480
Balance at 31 December 2022	<u>444,480</u>	<u>(13,381)</u>	<u>2,945,390</u>	<u>3,376,489</u>

Note 18. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 19. Financial instruments

Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity.

Risk management is carried out by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets		Liabilities	
	2022 \$	2021 \$	2022 \$	2021 \$
Chilean peso	<u>25,378</u>	<u>179,364</u>	<u>540,980</u>	<u>155,805</u>

Note 19. Financial instruments (continued)

Consolidated - 2022	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Chilean peso	10%	-	(51,560)	10%	-	51,560

Consolidated - 2021	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Chilean peso	10%	-	2,533	10%	-	(2,533)

Price risk

The Consolidated Entity is not exposed to any significant price risk.

Interest rate risk

The Consolidated Entity is not exposed to any significant interest rate risk.

Credit risk

The Consolidated Entity is not exposed to any significant credit risk, other than as described in note 8.

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2022	1 year or less	Between 1	Between 2	Over 5 years	Total
	\$	and 2 years	and 5 years	\$	\$
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables	760,341	-	-	-	760,341
<i>Interest-bearing - fixed rate</i>					
Bank overdraft	1,720	-	-	-	1,720
Lease liability	160,493	188,198	721,874	-	1,070,565
Malema loan *	46,651	46,651	139,953	-	233,255
Total non-derivatives	<u>969,205</u>	<u>234,849</u>	<u>861,827</u>	-	<u>2,065,881</u>

* Refer to note 14 for details of the terms of the Malema loan. Payments have been capped at 5 years for the purposes of this analysis of remaining contractual maturity for financial instrument liabilities.

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Note 19. Financial instruments (continued)

Consolidated - 2021	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total \$
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables	207,338	-	-	-	207,338
<i>Interest-bearing - fixed rate</i>					
Bank overdraft	1,620	-	-	-	1,620
Lease liability	152,444	160,492	707,019	203,053	1,223,008
Malema loan (restated) *	46,651	46,651	139,953	-	233,255
Total non-derivatives	<u>408,053</u>	<u>207,143</u>	<u>846,972</u>	<u>203,053</u>	<u>1,665,221</u>

* Refer to note 14 for details of the terms of the Malema loan. Payments have been capped at 5 years for the purposes of this analysis of remaining contractual maturity for financial instrument liabilities.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 20. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2022	2021
	\$	\$
Short-term employee benefits	531,921	617,300
Share-based payments	669,611	706,366
	<u>1,201,532</u>	<u>1,323,666</u>

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young Australia, the auditor of the Company, and its network firms:

	Consolidated	
	2022	2021
	\$	\$
<i>Audit services - Ernst & Young Australia</i>		
Audit or review of the financial statements	<u>85,000</u>	<u>77,000</u>
<i>Audit services - member firms of Ernst & Young Australia</i>		
Audit or review of the financial statements	<u>25,000</u>	<u>20,000</u>

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Note 22. Contingent liabilities

During the prior year, the Company agreed to issue 2,500,000 options to a consultant for services rendered. The Company subsequently communicated that the options will not be issued as a result of the level of services provided by the contractor. The matter has now been settled, via the issuance of 1,000,000 options, refer to note 30.

As described in Note 14, the Company has an obligation to pay a principal amount of \$848,207 contingent on the commencement of production of the Group's projects in Chile. Until this principal amount is settled in full, the Company has an obligation for interest payments, which has been recognised as a financial liability. Once production commences the Company will be required to make payments equal to 15% of all monies received from the sale of mined ore until the principal amount is repaid in full.

The Consolidated Entity had no other contingent liabilities as at 31 December 2022 and 31 December 2021.

Note 23. Related party transactions

Parent entity

Bastion Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2022	2021
	\$	\$
Payment for other expenses:		
Interest paid to Malema Pty Ltd (an entity related to Ralph Stagg) *	-	27,002

* Ralph Stagg resigned as a director in the prior year, and therefore Malema Pty Ltd is no longer a related party. See note 14 for borrowings with Malema Pty Ltd.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2022	2021
	\$	\$
Current receivables:		
Current receivable from a director	51,204	-
Rent receivable from Magnes Minerals Limited (an entity related to David Nolan)	3,300	-
Current payables:		
Trade payable to AL Stewart Family Pty Ltd (an entity related to Andrew Stewart)	-	11,175
Accrued fees payable to Burlington Enterprises (an entity related to Sam El-Rahim)	18,750	-

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Note 23. Related party transactions (continued)

Loans to/from related parties

During the year ended 31 December 2020, Ross Landles and entities associated with David Nolan and Andrew Stewart have been provided with interest bearing, limited recourse loans ('Director Share Loans') from the Company for the sole purpose of acquiring shares in the Company on the same terms as other investors who invested in the Company at the time. The Director Share Loans were required to be recognized as share based remuneration and Equity Settled under AASB2. The Director Share Loans represent an "in substance option" arrangement and have been valued using option pricing models. Details of the Directors Share Loans calculations are set out in note 30.

Note 24. Parent entity information

Set out below is the supplementary information about the Parent Entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$	Restated
		\$
Loss after income tax	(6,720,443)	(3,139,692)
Total comprehensive loss	(6,720,443)	(3,139,692)

Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	779,913	3,454,921
Total assets	3,880,003	7,482,674
Total current liabilities	380,105	303,277
Total liabilities	1,396,143	1,441,759
Equity		
Issued capital	14,806,653	13,805,360
Share-based payments reserve	2,945,390	1,227,775
Option reserve	444,480	-
Accumulated losses	(15,712,663)	(8,992,220)
Total equity	<u>2,483,860</u>	<u>6,040,915</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The Parent Entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2022 and 31 December 2021.

Contingent liabilities

The Parent Entity had no contingent liabilities as at 31 December 2022 and 31 December 2021.

Capital commitments - Property, plant and equipment

The Parent Entity had no capital commitments for property, plant and equipment as at 31 December 2022 and 31 December 2021.

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Note 24. Parent entity information (continued)

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
SCM Comet Constelación	Chile	99.99%	99.99%
Bastion Minerals (El Fuerte) Pty Ltd	Australia	100.00%	100.00%

Note 26. Events after the reporting period

On 31 January 2023, the company issued 42,849,366 fully paid shares valued at 3.5 cents per share with 21,424,683 free attaching options with an exercise price of 9 cents, raising \$1,500,000 before costs pursuant to a pro rata non-renounceable rights issue announced to the ASX on 19 December 2022.

On 20 February 2023, the Company announced that it had entered into a binding heads of agreement with Austek Resources Pty Ltd for an option to acquire three lithium properties in Ontario, Canada. The Company paid \$150,000 to secure an exclusive option over the properties.

On the same day, the Company announced that it had decided not to proceed with the option to acquire approximately 130 mining properties that was announced on 5 December 2022. The option fee paid in relation to this acquisition which did not proceed, have been recognised as an expense in the current year.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 27. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2022 \$	2021 \$
Loss after income tax expense for the year	(3,917,945)	(3,078,815)
Adjustments for:		
Depreciation and amortisation	205,579	67,942
Share-based payments	1,383,253	818,223
Impairment of exploration	-	74,712
Non cash income	(7,063)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(37,332)	65,995
Decrease/(increase) in other operating assets	23,147	(153,457)
Increase/(decrease) in trade and other payables	90,860	(230,534)
Increase in employee benefits	36,368	15,940
Net cash used in operating activities	<u>(2,223,133)</u>	<u>(2,419,994)</u>

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Note 28. Changes in liabilities arising from financing activities

	Borrowings	Leases	Total
Consolidated	\$	\$	\$
Balance at 1 January 2021	102,103	-	102,103
Net cash used in financing activities	(102,103)	(23,302)	(125,405)
Acquisition of leases	-	1,048,463	1,048,463
Balance at 31 December 2021	-	1,025,161	1,025,161
Net cash used in financing activities	-	(98,479)	(98,479)
Balance at 31 December 2022	-	926,682	926,682

Note 29. Earnings per share

	Consolidated	
	2022	2021
	\$	\$
Loss after income tax attributable to the owners of Bastion Minerals Limited	(3,917,945)	(3,078,815)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	90,116,154	72,034,240
Weighted average number of ordinary shares used in calculating diluted earnings per share	90,116,154	72,034,240
	Cents	Cents
Basic loss per share	(4.35)	(4.27)
Diluted loss per share	(4.35)	(4.27)

Options that could potentially dilute basic earnings per share in the future, were not included in the calculation of diluted earnings per share because they are antidilutive.

Note 30. Share-based payments

Options

During the current year the Company issued options to directors, employees and consultants as part of their remuneration. Set out below are summaries of options granted under the plan:

	Number of options 2022	Weighted average exercise price 2022	Number of options 2021	Weighted average exercise price 2021
Outstanding at the beginning of the financial year	13,477,562	\$0.2537	-	\$0.0000
Granted	11,000,000	\$0.1705	14,477,562	\$0.2569
Forfeited	-	\$0.0000	(1,000,000)	\$0.3000
Outstanding at the end of the financial year	<u>24,477,562</u>	\$0.2163	<u>13,477,562</u>	\$0.2537
Exercisable at the end of the financial year	<u>2,477,562</u>	\$0.2601	<u>1,477,562</u>	\$0.2500

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Notes to the financial statements
31 December 2022

Note 30. Share-based payments (continued)

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
19/01/2021	19/01/2024	\$0.2500	6,000,000	-	-	-	6,000,000
11/03/2021	11/03/2024	\$0.2500	1,477,562	-	-	-	1,477,562
31/05/2021	04/06/2024	\$0.3000	1,000,000	-	-	-	1,000,000
15/11/2021	15/11/2024	\$0.2500	5,000,000	-	-	-	5,000,000
19/05/2022	05/06/2025	\$0.2500	-	500,000	-	-	500,000
19/05/2022	06/06/2025	\$0.3000	-	500,000	-	-	500,000
05/10/2022	20/01/2026	\$0.1600	-	5,000,000	-	-	5,000,000
05/12/2022	20/01/2026	\$0.1600	-	5,000,000	-	-	5,000,000
			13,477,562	11,000,000	-	-	24,477,562

During the year 1,000,000 options were issued to brokers in order to settle fees from the prior year, refer to note 22. In addition, a further 10,000,000 options were granted for accounting purposes to brokers as part of the fees for current year capital raisings. Formal issuance of these is subject to approval at the company's AGM to be held on 30 May 2023.

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
19/01/2021	19/01/2024	\$0.2500	-	6,000,000	-	-	6,000,000
11/03/2021	11/03/2024	\$0.2500	-	1,477,562	-	-	1,477,562
31/05/2021	04/06/2024	\$0.3000	-	2,000,000	-	(1,000,000)	1,000,000
15/11/2021	15/11/2024	\$0.2500	-	5,000,000	-	-	5,000,000
			-	14,477,562	-	(1,000,000)	13,477,562

The 1,477,562 options over ordinary shares granted on 11 March 2021 were granted to the lead manager for the IPO. An additional 5,000,000 options were granted to a consultant on 15 November 2021, as remuneration for consulting services provided.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.29 years (2021: 2.40 years).

Performance rights

During the current year 900,000 (2021: 2,700,000) performance rights were granted with the performance hurdle of two significant drill intercepts at the consolidated entity's projects. The performance hurdle in relation to these rights was met during the current year.

A total of 2,100,000 (2021: 6,300,000) performance rights were issued with the five following performance hurdles, and a further nil (2021: 1,050,000) were granted which only have the first two performance hurdles :-

- Defined pre JORC gold resource of 250,000 ounces; or
- Defined pre JORC copper resource of 100,000 tonnes; or
- The sale of 100% interest in one of the consolidated entity's projects; or
- The consolidated entity entering into a project farm in or joint venture, that funds up to 50% of the pre-feasibility costs in relation to one of the group the projects; or
- The consolidated entity entering into a joint venture arrangement in relation to one of the consolidated entity's projects where the third party hold an interest of at least 30%.

A further 2,000,000 (2021: 1,250,000) performance rights have been granted with the below hurdles:-

- Defined pre JORC gold resource of 1,000,000 ounces; or
- Defined pre JORC copper resource of 20,000,000 tonnes.

Bastion Minerals Limited
Notes to the financial statements
31 December 2022

Note 30. Share-based payments (continued)

The Directors best estimate of the recipient's ability to achieve the performance targets referred to above have been incorporated directly into the estimate of fair value of each tranche of performance rights.

Set out below are summaries of performance rights granted during year:

2022							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/04/2021	28/04/2024	\$0.0000	1,500,000	-	-	(1,500,000)	-
01/05/2021	01/05/2024	\$0.0000	1,000,000	-	-	-	1,000,000
25/05/2021	25/05/2024	\$0.0000	250,000	-	-	-	250,000
31/05/2021	28/04/2024	\$0.0000	7,500,000	-	-	-	7,500,000
28/03/2022	04/06/2024	\$0.0000	-	2,000,000	-	-	2,000,000
31/03/2022	06/06/2025	\$0.0000	-	3,000,000	-	-	3,000,000
			<u>10,250,000</u>	<u>5,000,000</u>	<u>-</u>	<u>(1,500,000)</u>	<u>13,750,000</u>
2021							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted *	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/04/2021	28/04/2024	\$0.0000	-	1,500,000	-	-	1,500,000
01/05/2021	01/05/2024	\$0.0000	-	1,000,000	-	-	1,000,000
25/05/2021	25/05/2024	\$0.0000	-	250,000	-	-	250,000
31/05/2021	28/04/2024	\$0.0000	-	7,500,000	-	-	7,500,000
			<u>-</u>	<u>10,250,000</u>	<u>-</u>	<u>-</u>	<u>10,250,000</u>

* AASB 2 defines grant date as the date at which the entity and the employee (or other party providing similar services) agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. However, 2,750,000 of these rights have not actually been issued as at 31 December 2021, and approval for their issue was obtained from shareholders at the AGM held on 25 May 2022. Share based payments expense for the period of service was recognised based on estimated fair values which was subsequently remeasured on the date of shareholders' approval.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.56 years (2021: 2.33 years).

Bastion Minerals Limited
Notes to the financial statements
31 December 2022

Note 30. Share-based payments (continued)

Valuation model inputs

For the options granted during the current and prior financial years, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
19/01/2021	19/01/2024	\$0.1000	\$0.2500	100.00%	-	0.10%	\$0.0429
12/03/2021	11/03/2024	\$0.2000	\$0.2500	95.00%	-	0.10%	\$0.1087
31/05/2021	04/06/2024	\$0.1900	\$0.3000	95.00%	-	0.11%	\$0.0938
11/11/2021	15/11/2024	\$0.2700	\$0.2500	95.00%	-	1.10%	\$0.1651
19/05/2022	05/06/2025	\$0.1700	\$0.2500	95.00%	-	2.86%	\$0.0895
19/05/2022	05/06/2025	\$0.1700	\$0.3000	95.00%	-	2.86%	\$0.0829
05/10/2022	20/01/2026	\$0.0710	\$0.1600	95.00%	-	3.22%	\$0.3320
05/12/2022	20/01/2026	\$0.0630	\$0.1600	95.00%	-	3.01%	\$0.0268

For the performance rights granted during the current and prior financial year, the valuation model inputs used to determine the fair value at the grant date include the performance hurdles as discussed above and the below assumptions:

Grant date	Expiry date	Number granted	Share price at grant date	Exercise price	Dividend yield %	Risk-free interest rate %	Fair value at grant date
28/04/2021	28/04/2024	450,000	\$0.1950	\$0.0000	95.00%	0.10%	\$0.1290
28/04/2021	28/04/2024	1,050,000	\$0.1950	\$0.0000	95.00%	0.10%	\$0.0490
01/05/2021	01/05/2024	1,000,000	\$0.2250	\$0.0000	95.00%	0.10%	\$0.0230
25/05/2021	25/05/2024	250,000	\$0.1950	\$0.0000	95.00%	0.10%	\$0.0200
31/05/2021	31/05/2024	2,250,000	\$0.1950	\$0.0000	95.00%	0.10%	\$0.1290
31/05/2021	31/05/2024	5,250,000	\$0.1950	\$0.0000	95.00%	0.10%	\$0.1070
28/03/2022	04/06/2024	2,000,000	\$0.1450	\$0.0000	95.00%	2.37%	\$0.0145
31/03/2022	04/06/2025	900,000	\$0.1550	\$0.0000	95.00%	2.83%	\$0.1023
31/03/2022	04/06/2025	2,100,000	\$0.1550	\$0.0000	95.00%	2.83%	\$0.0853

Directors Share Loans

During the year ended 31 December 2020, certain directors were provided loan shares with interest bearing, limited recourse loans ('Director Share Loans') from the Company for the sole purpose of acquiring shares in the Company. The Director Share Loans were recognised as an equity-settled share based payment under AASB2. The Director Share Loans represent an "in substance option" arrangement and have been valued using option pricing models. 1,793,722 shares issued (after share consolidation on 14 December 2020) are restricted from trading for a 2-year period from ASX listing date.

Key Executives Receiving Share Based Payment

Participant	Number issued	Grant Date	Share price at date of issue	Loan per share	Fair value per share
Ross Landles *	7,175,087	17/11/2020	\$0.05	\$0.05	\$0.007
David Nolan *	7,175,087	17/11/2020	\$0.05	\$0.05	\$0.007
Dr Andrew Stewart *	7,175,087	17/11/2020	\$0.05	\$0.05	\$0.007

* Subsequent to the share consolidation on 14 December 2020, the number of shares for each director are 3,587,544 and the loan per share of \$0.10, equating to a Loan Amount of \$358,754.35 per director.

As the shares have vested, for the period ended 31 December 2020, \$157,095 was recognised in the consolidated statement of profit and loss and other comprehensive income being the total value determined for the Director Share Loans.

Note 30. Share-based payments (continued)

Director Share Loans conditions

The key terms of the Director Share Loans are as follows:

- The interest rate attributable to the loan is accordance with Division 7A of the Tax Act;
- The loan shall be applied by the Company directly toward payment of the issue price of the Shares;
- The loan term is 7 years from the date of issue of the Shares;
- A borrower must make minimum yearly repayments in line with the loan agreement over the life of the loan, but may elect to repay the loan amount prior to the loan repayment date;
- The Company shall have a lien over the Shares in respect of which a loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the loan agreement;
- The loan will be non-recourse in that the Company may only access the Shares to which the loan relates held by the borrower in the event under the loan agreement default; and
- The total loan will be \$0.10 per Share which shall be deemed to have been drawn down at settlement upon issue of the Shares.

Bastion Minerals Limited
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ross Landles

31 March 2023

Independent auditor's report to the members of Bastion Minerals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Bastion Minerals Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 of the consolidated financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our report is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of capitalised exploration and evaluation assets

Why significant

At 31 December 2022 the Group held capitalised exploration and evaluation assets of \$5.47 million.

The carrying value of exploration and evaluation expenditure is assessed for impairment when facts and circumstances indicate the capitalised exploration and evaluation expenditure may exceed its recoverable amount.

The determination as to whether there are any indicators to require the Group's exploration projects to be tested for impairment involves judgment, including:

- ▶ whether the Group's exploration licenses are current;
- ▶ the Group's ability and intention to continue to evaluate and develop the projects; and
- ▶ whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the project.

Given the value of the assets and the judgmental nature of the impairment indicator assessment associated with the exploration and evaluation assets, we considered this to be a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ Considered the Group's right to explore in the relevant exploration areas which included obtaining and assessing relevant documentation.
- ▶ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration areas which included assessment of the Group's cash flow forecast models and discussions with the Directors as to the intentions and strategy of the Group.
- ▶ Assessed whether any evidence exists that would indicate that the carrying value of capitalised exploration and evaluation expenditure is unlikely to be recovered through development or sale.
- ▶ Considered the adequacy of disclosures included within the notes of the financial report including those made with respect to judgements and estimates.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Bastion Minerals Limited for the year ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Scott Nichols'.

Scott Nichols
Partner
Sydney
31 March 2023

Bastion Minerals Limited
Shareholder Information

Corporate Governance

The Company's Corporate Governance Statement for the financial year ended 31 December 2022 can be found at:
<https://www.bastionminerals.com/corporate-governance/>

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in the Report is set out below. The information is current as of 27 March 2023.

a) The distribution of holders of quoted securities (fully paid ordinary shares)

Range	Securities	%	No. of holders	%
1 to 1,000	1,428	0.000	14	2.422
1,001 to 5,000	122,338	0.080	37	6.401
5,001 to 10,000	361,358	0.230	43	7.439
10,001 to 100,000	12,082,343	7.580	264	45.674
100,001 and over	146,844,118	92.120	220	38.064
Total	159,411,585	100.00	578	100.000

b) The distribution of holders of quoted securities (options exercisable at \$0.09 expiring 20 January 2026)

Range	Securities	%	No. of holders	%
1 to 1,000	4,117	0.020	9	10.714
1,001 to 5,000	18,098	0.080	7	8.333
5,001 to 10,000	36,000	0.160	4	4.761
10,001 to 100,000	918,957	4.040	15	17.857
100,001 and over	21,795,914	95.710	49	58.335
Total	22,773,086	100.00	84	100.000

c) The distribution of holders of unquoted securities (performance rights)

Range	Securities	%	No. of holders	%
1 to 1,000	0	0	0	0
1,001 to 5,000	0	0	0	0
5,001 to 10,000	0	0	0	0
10,001 to 100,000	0	0	0	0
100,001 and over	13,750,000	100.000	6	100.000
Total	13,750,000	100.000	6	100.000

d) The distribution of holders of unquoted securities (options)

Range	Securities	%	No. of holders	%
1 to 1,000	0	0	0	0
1,001 to 5,000	0	0	0	0
5,001 to 10,000	0	0	0	0
10,001 to 100,000	0	0	0	0
100,001 and over	13,477,562	100.000	6	100.000
Total	13,477,562	100.000	6	100.000

e) Unmarketable Parcel of Shares

Bastion Minerals Limited Shareholder Information

The number of shareholders holding less than a marketable parcel of ordinary shares is 129 who have a balance of 17,857 shares or less, based on the Company's share price of \$0.028 on 24 March 2023 for a total of 99,574 shares comprising 0.62516% of all shares on issue.

f) Substantial Shareholders

The names of substantial shareholders in Bastion Minerals Limited and the number of equity securities to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholder notices given to the Company, are set out below.

Name	Date	Number of shares	% of total shares issued
NASDAQ SECURITIES AUSTRALIA PTY LTD	21.12.2022	10,643,600	9.34

g) Number of Holders of Each Class of Equity Securities

Category

Fully Paid Ordinary Shares	578
Quoted Options	84
Unquoted Options	6
Performance Rights	6

h) Stock Exchanges

The Company's ordinary fully paid shares are listed on the Australian Securities Exchange (**ASX**).

i) Voting Rights

On a show of hands, each Shareholder present in person and each other person present as a proxy, attorney or Corporate Representative of a Shareholder shall have one vote in accordance with paragraph 9.19 of the Company's Constitution. Partly paid Shares have the right to vote on a poll only in accordance with paragraph 9.20 of the Company's Constitution.

j) 20 largest holders of quoted securities (fully paid ordinary shares)

Rank	Name	Number of shares	% of total shares issued
1	NASDAQ SECURITIES AUSTRALIA PTY LTD <NASDAQ SECURITIES AUST A/C>	10,643,600	6.677%
2	MR GREGORY JOHN HOWE & MS TRACIE LEE VELLA <TAG SUPER FUND A/C>	7,500,000	4.705%
3	SYRACUSE CAPITAL PTY LTD <TENACITY A/C>	4,992,223	3.132%
4	MURDOCH CAPITAL PTY LTD <GLOVAC SUPERFUND A/C>	4,750,000	2.980%
5	A L STEWART FAMILY PTY LTD <STEWART FAMILY A/C>	3,837,544	2.407%
6	ALISSA BELLA PTY LTD <THE C&A TASSONE SF NO2 A/C>	3,750,000	2.352%
7	MR PATRICK ROMAN GALICKI	3,700,000	2.321%
8	WHITEOAKS CORPORATE PTY LTD <WHITEOAKS FAMILY A/C>	3,650,044	2.290%
9	SYRACUSE CAPITAL PTY LTD <THE ROCCO TASSONE S/F A/C>	3,100,000	1.945%
10	ALISSA BELLA PTY LTD <THE C&A TASSONE SUPER A/C>	3,000,000	1.882%
11	MR ALAN ROSS LANDLES	2,912,544	1.827%
12	BELLARINE GOLD PTY LTD <RIBBLESDALE SUPER FUND A/C>	2,732,712	1.714%
13	DAY LIVIN PTY LTD	2,500,000	1.568%
14	BLAIKIE PTY LTD <BLAIKIE SUPER FUND A/C>	2,365,962	1.484%
15	RAHIM ENTERPRISES PTY LTD <THE RAHIM SUPER FUND A/C>	2,240,000	1.405%

Bastion Minerals Limited
Shareholder Information

16	MR HARPREET SINGH	1,637,156	1.027%
17	RNAJ PTY LTD <RNAJ STAGG SUPER FUND A/C>	1,622,250	1.018%
18	DULCIS INVESTMENTS PTY LTD <DULCIS A/C>	1,600,000	1.004%
19	MR MICHAEL LEE AIREY <MLA A/C>	1,597,466	1.002%
20	MR BRADLEY PETER WILTON	1,547,038	0.970%
Total Top 20		69,678,539	43.710%
Balance of Register		89,733,046	56.290%
Total fully paid ordinary shares on issue		159,411,585	100.00

k) 20 largest holders of quoted securities (options exercisable at \$0.09 expiring 20 January 2026)

Rank	Name	Number of shares	% of total shares issued
1	ALISSA BELLA PTY LTD <THE C&A TASSONE SF NO2 A/C>	2,000,000	8.782%
2	SYRACUSE CAPITAL PTY LTD <TENACITY A/C>	1,996,112	8.765%
3	TRIBECA NOMINEES PTY LTD	1,285,714	5.646%
4	PRINCIPAL GLOBAL INVESTMENTS PTY LTD <PRINCIPAL GLOBAL SF A/C>	1,050,000	4.611%
5	HARNAT NOMINEES PTY LTD	1,050,000	4.611%
6	SYRACUSE CAPITAL PTY LTD <THE ROCCO TASSONE S/F A/C>	1,050,000	4.611%
7	MURDOCH CAPITAL PTY LTD <GLOVAC SUPERFUND A/C>	1,000,000	4.391%
8	MURDOCH CAPITAL PTY LTD <THE GLOVAC SUPERFUND A/C>	1,000,000	4.391%
9	ALISSA BELLA PTY LTD <THE C&A TASSONE SUPER A/C>	700,000	3.074%
10	MOUNTS BAY INVESTMENTS PTY LTD <CT SUPER FUND A/C>	678,572	2.980%
11	GAZUMP RESOURCES PTY LTD	600,000	2.635%
12	RIYA INVESTMENTS PTY LTD	555,000	2.437%
13	MR ALEXANDER LEWIT	550,000	2.415%
14	ROMAN HOLIDAY INVESTMENTS PTY LTD <MT SUPER FUND A/C>	428,571	1.882%
15	MR IAN THOMPSON & MR PETER RANDAL THOMPSON <THOMPSON FAMILY S/F A/C>	400,000	1.756%
16	MR MICHAEL JOHN BARTLEY	400,000	1.756%
17	RIYA INVESTMENTS PTY LTD	400,000	1.756%
18	MR YONGLU YU	400,000	1.756%
19	HUSTLER INVESTMENTS PTY LTD	357,143	1.568%
20	PERSEVERANT INVESTMENTS PTY LTD <THE GOOD LIFE CAPITAL A/C>	357,143	1.568%
Total Top 20		16,258,255	71.392%
Balance of Register		6,514,831	28.608%
Total fully paid ordinary shares on issue		22,773,086	100.00

l) On-market buy-back

There is no current on-market buy-back.

m) Securities purchased on-market during the reporting period

No securities were purchased on-market during the period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

n) Section 611 (7) Corporations Act 2011 (Cth.)

As at 27 March 2023, there are no issues of securities approved for the purposes of Item 7 of section 611 of the *Corporations Act 2001 (Cth.)* which have not yet been completed.

o) Escrow

There are no securities subject to escrow.

Bastion Minerals Limited
Shareholder Information

Tenement Schedule

In accordance with ASX Listing Rule 5.20, Bastion Minerals advises that it holds the following tenements, each which is 100% owned by the Company's wholly owned subsidiary, SCM Constelacion.

No.	Concession name	Registered owner	Type of concession	Status	Size	Project
1	FENIX 2A	SCM Constelación	Exploration	Granted	300	Capote
2	FENIX 2B	SCM Constelación	Exploration	Granted	300	Capote
3	FENIX 2C	SCM Constelación	Exploration	Granted	300	Capote
4	FENIX 2D	SCM Constelación	Exploration	Granted	300	Capote
5	FENIX 2E	SCM Constelación	Exploration	Granted	200	Capote
6	FENIX 2F	SCM Constelación	Exploration	Granted	200	Capote
7	FENIX 2G	SCM Constelación	Exploration	Granted	100	Capote
8	RESGUARDO II	SCM Constelación	Exploration	Granted	100	Capote
9	KAREN SEIS	SCM Constelación	Exploration	Granted	300	Capote
10	KAREN OCHO	SCM Constelación	Exploration	Granted	300	Capote
11	KAREN ONCE	SCM Constelación	Exploration	Granted	200	Capote
12	COMETA SUR 2 B	SCM Constelación	Exploration	Granted	200	Cometa
13	DAVID IC	SCM Constelación	Exploration	Granted	100	Garin
14	DAVID IIC	SCM Constelación	Exploration	Granted	300	Garin
15	KAREN 15 OESTE	SCM Constelación	Exploration	Granted	200	Capote
16	VALENTIN 5B	SCM Constelación	Exploration	Granted	200	Capote
17	VALENTIN 6B	SCM Constelación	Exploration	Granted	200	Capote
18	COMETA ESTE 1A	SCM Constelación	Exploration	Granted	200	Cometa
19	COMETA ESTE 2A	SCM Constelación	Exploration	Granted	200	Cometa
20	COMETA ESTE 3A	SCM Constelación	Exploration	Granted	300	Cometa
21	COMETA ESTE 4A	SCM Constelación	Exploration	Granted	200	Cometa
22	COMETA 3A	SCM Constelación	Exploration	Granted	300	Cometa
23	COMETA 3B	SCM Constelación	Exploration	Granted	200	Cometa
24	ESTRELLA I B	SCM Constelación	Exploration	Granted	300	Capote
25	ESTRELLA II B	SCM Constelación	Exploration	Granted	300	Capote
26	ESTRELLA III B	SCM Constelación	Exploration	Granted	300	Capote
27	ESTRELLA IV B	SCM Constelación	Exploration	Granted	300	Capote
28	ESTRELLA V B	SCM Constelación	Exploration	Granted	300	Capote
29	ESTRELLA VI B	SCM Constelación	Exploration	Granted	300	Capote
30	ESTRELLA VII B	SCM Constelación	Exploration	Granted	300	Capote
31	ESTRELLA VIII B	SCM Constelación	Exploration	Granted	200	Capote
32	ESTRELLA IX B	SCM Constelación	Exploration	Granted	100	Capote
33	KAREN SIETE B	SCM Constelación	Exploration	Granted	300	Capote
34	COMETA 3C	SCM Constelación	Exploration	Granted	200	Cometa
35	COMETA IV C	SCM Constelación	Exploration	Granted	300	Cometa
36	COMETA V C	SCM Constelación	Exploration	Granted	300	Cometa
37	COMETA VI C	SCM Constelación	Exploration	Granted	300	Cometa
38	COMETA SUR 1 C	SCM Constelación	Exploration	Granted	200	Cometa
39	COMETA OESTE I C	SCM Constelación	Exploration	Granted	200	Cometa
40	COMETA OESTE II C	SCM Constelación	Exploration	Granted	200	Cometa
41	COMETA NORTE 1 C	SCM Constelación	Exploration	Granted	200	Cometa
42	COMETA NORTE 2 C	SCM Constelación	Exploration	Granted	200	Cometa

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43	COMETA NORTE 3 C	SCM Constelación	Exploration	Granted	300	Cometa
44	COMETA NORTE 4 C	SCM Constelación	Exploration	Granted	200	Cometa
45	COMETA NORTE 5 C	SCM Constelación	Exploration	Granted	200	Cometa
46	COMETA 1 1/60	SCM Constelación	Exploitation	Granted	300	Cometa
47	COMETA 2 1/60	SCM Constelación	Exploitation	Granted	300	Cometa
48	COMETA 3 1/60	SCM Constelación	Exploitation	Granted	300	Cometa
49	YANET 1/9	SCM Constelación	Exploitation	Granted	81	Cometa
50	ALEC ½	SCM Constelación	Exploitation	Granted	4	Capote
51	ALFA IX 1/12	SCM Constelación	Exploitation	Granted	40	Capote
52	ALFA VII 1/8	SCM Constelación	Exploitation	Granted	27	Capote
53	DELTA I 1/7	SCM Constelación	Exploitation	Granted	31	Capote
54	DELTA II 1	SCM Constelación	Exploitation	Granted	1	Capote
55	DELTA VI 1/7	SCM Constelación	Exploitation	Granted	28	Capote
56	EL DORADO 1/36	SCM Constelación	Exploitation	Granted	110	Capote
57	GOLD 1, 1/60	SCM Constelación	Exploitation	Granted	300	Capote
58	GOLD 2, 1/60	SCM Constelación	Exploitation	Granted	300	Capote
59	GOLD 3, 1/60	SCM Constelación	Exploitation	Granted	292	Capote
60	GOLD 4, 1/60	SCM Constelación	Exploitation	Granted	300	Capote
61	GOLD 5, 1/60	SCM Constelación	Exploitation	Granted	287	Capote
62	GOLD 7, 1/40	SCM Constelación	Exploitation	Granted	162	Capote
63	GOLD 8, 1/35	SCM Constelación	Exploitation	Granted	130	Capote
64	GOLD 9, 1/40	SCM Constelación	Exploitation	Granted	194	Capote
65	GOLD 10, 1/60	SCM Constelación	Exploitation	Granted	300	Capote
66	KAREN 15 1/10	SCM Constelación	Exploitation	Granted	100	Capote
67	TONY 1/60	SCM Constelación	Exploitation	Granted	300	Capote
68	PLOMIZA ESTE 1/56	SCM Constelación	Exploitation	Granted	280	Capote
69	PLOMIZA OESTE ½	SCM Constelación	Exploitation	Granted	10	Capote
70	GALENA ¼	SCM Constelación	Exploitation	Granted	4	Garin
71	GARIN 1/10	SCM Constelación	Exploitation	Granted	70	Garin
72	SILVER I 1/52	SCM Constelación	Exploitation	Granted	220	Garin
73	SILVER I A 1/7	SCM Constelación	Exploitation	Granted	26	Garin
74	SILVER II A 1/26	SCM Constelación	Exploitation	Granted	115	Garin
75	SILVER II B 1/27	SCM Constelación	Exploitation	Granted	92	Garin
76	SILVER III 1/58	SCM Constelación	Exploitation	Granted	262	Garin
77	SILVER IV 1/46	SCM Constelación	Exploitation	Granted	230	Garin
78	SILVER V 1	SCM Constelación	Exploitation	Granted	1	Garin
79	GOLD 6 1/35	SCM Constelación	Exploitation	Granted	128	Capote