

Bastion Minerals Limited

ABN 19 147 948 883

Half-Year Financial Report - 30 June 2023

For personal use only

Bastion Minerals Limited
Corporate directory
30 June 2023

Directors

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

Share register

Boardroom Limited
Level 8, 210 George Street
Sydney NSW 2000

Auditor

Ernst & Young
Level 34, 200 George Street
Sydney NSW 2000

Solicitors

Addisons
Level 12, 60 Carrington Street
Sydney NSW 2000

Bankers

Commonwealth Bank of Australia
Martin Place
Sydney NSW 2000

Stock exchange listing

Bastion Minerals Limited shares are listed on the Australian Securities Exchange
(ASX code: BMO)

Website

www.bastionminerals.com

For personal use only

Bastion Minerals Limited
Directors' report
30 June 2023

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**' or '**Parent Entity**') and the entities it controlled at the end of or during, the half-year ended 30 June 2023.

Directors

The following persons were Directors of Bastion Minerals Limited during the whole of the financial half-year and up to the date of this report,

Ross Landles
David Joseph Nolan
Sam El-Rahim

Principal activities

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

Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to \$4,754,822 (30 June 2022: \$1,997,455).

The above loss includes an impairment expense of \$3,478,325 in relation to the consolidated entity's exploration assets, refer to note 5.

Refer to the review of operations that directly follows this directors' report.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

On 27 July 2023, the company announced that it had elected to exercise its option to acquire three lithium property packages in Ontario, Canada.

On 28 August 2023, the company announced that it had signed a binding letter of intent for an option to divest its holding in the Cometa exploration project. The option fee includes:-

- Non-refundable cash payment of US\$100,000 upon signing of option agreements (grant date);
- Non-refundable cash payment of US\$200,000 within 12 months of grants date.

The option can then be exercised by:-

- Paying US\$2,400,000 within 18 months of grant date; or
- Paying US\$3,000,000 within 30 months of grant date.

On 12 September 2023, the Company announced that it had completed a capital raising of a total of \$546,621 before costs with the shares under the raising to be issued on or around 15 September 2023.

No other matter or circumstance has arisen since 30 June 2023 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Bastion Minerals Limited
Directors' report
30 June 2023

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Ross Landles
Director

13 September 2023

For personal use only

The following is a summary of the activities of Bastion Minerals during the period 1 January 2023 to 30 June 2023. During the half year, the Company's primary focus was mineral exploration at its existing portfolio of assets, including the Cometa Copper Project in Chile. Outside of Chile, the Company entered into a Binding Heads of Agreement to acquire three highly prospective lithium properties located in Ontario Canada, a rapidly growing lithium province. During the half-year period, Bastion also announced that it had secured the Exploration Permit for a strategic land holding of 115km² of prospective Rare Earth Elements (REE) tenure in Southern Sweden.

COMPANY PROJECTS

Cometa Copper Project, Chile¹

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, **Hot Chili**) Cortadera Project and approximately 40km southeast of Vallenar.

Cometa is an early-stage exploration project with multiple high-grade copper targets identified from Bastion's previous rock-chip sampling program that identified samples higher than 4% Cu and 8g/t Au.

During the period Bastion continued with geological mapping and evaluation of the alteration systems associated with copper mineralisation, prioritising activities at the Company's Centauro and Venus prospects in the Cometa Copper Project. The planned IP surveys are aimed at defining sulphide copper mineralisation and drill targets in the prospects beneath extensive surface oxide copper mineralisation sampled across the prospects, with the surveys to be undertaken following completion of additional geological mapping.

Bastion also defined multiple drill targets at different prospects (see Figure 1) at the Cometa Copper Project. The targets were defined over a >7.5 km long trend through the Centauro and Venus prospects, centred on breccias and stockworks.

Subsequent to the period, Bastion signed a binding Letter of Intent (LOI) with ASX listed Hot Chili for an option for HCH to acquire the Cometa Copper Project in Chile for up to US\$3.3 million. Divestment will enable Bastion to realise near term value for shareholders from the Cometa Copper Project and focus on the highly prospective Canadian Lithium Projects and Swedish REE Project.

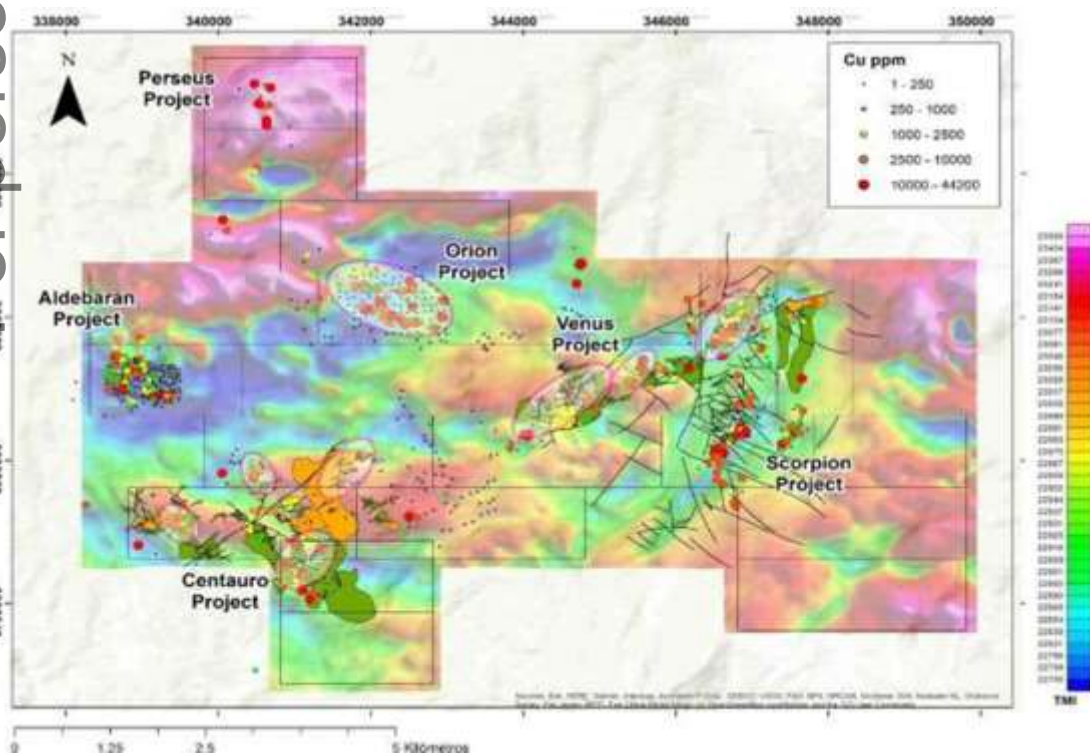


Figure 1. Prospects within the Cometa properties, with copper rock chips overlying a TMI magnetic base map. Geological mapping is shown in the Centauro and Venus prospects.

¹ For full details of exploration activities completed including relevant JORC table information and the LOI Option to divest the Cometa Copper Project during the period, please refer to ASX Announcements dated 2 March 2023; 4 April 2023; 4 July 2023 and 28 August 2023

Garin and Capote Projects, Chile

During the half year, a strategic decision was made to focus on exploration on the Company's assets in Canada and Sweden. Given the proposed divestment of Cometa as announced to the ASX on 28 August 2023, the Company is looking to wind back the balance of its operations in Chile consistent with this renewed focus on Canada and Sweden which will significantly reduce the Company's cost base there. Future exploration on Capote and Garin in Chile will be done only where third parties fund activities in exchange for interests in these projects, or alternatively the Board will look to recoup the value through sale of assets entirely.

Canadian Lithium Project²

On 20 February, Bastion announced that it had entered into a Binding Heads of Agreement (**HOA**) with Austek Resources Pty Ltd (**Austek**) for an option to acquire three highly prospective lithium properties located in Ontario Canada, a rapidly growing lithium province.

The Company believes the Austek properties sit in highly fertile areas, which cover 63.5 km² and are highly prospective for lithium pegmatites.

The property groups are referred to as Pakwan East Lithium, Raleigh Lake Lithium and McCombe North Lithium projects.

In May, Bastion engaged Orix consultants to undertake an evaluation of the three property packages. The exploration plan includes intensive mapping and sampling over the properties, concentrating on the greenstone units, to evaluate the potential extension of pegmatites from neighbouring properties into the western properties where the Option has been exercised by Bastion. Orix will also evaluate the interpreted northern greenstone unit shown on government mapping, located adjacent to granitic rocks, in a highly prospective setting for pegmatite formation

Subsequent to the half-year, Bastion announced that it had elected to exercise the Option pursuant to the HOA, on favourable revised terms as outlined in the Company's ASX Announcement of 27 July 2023.

The early exercise of the Option now allows Bastion to commence activities at the Pakwan East Project where exploration is expected to commence in the current quarter and will focus on a series of mapped pegmatite clusters, including two clusters measuring more than 1km.

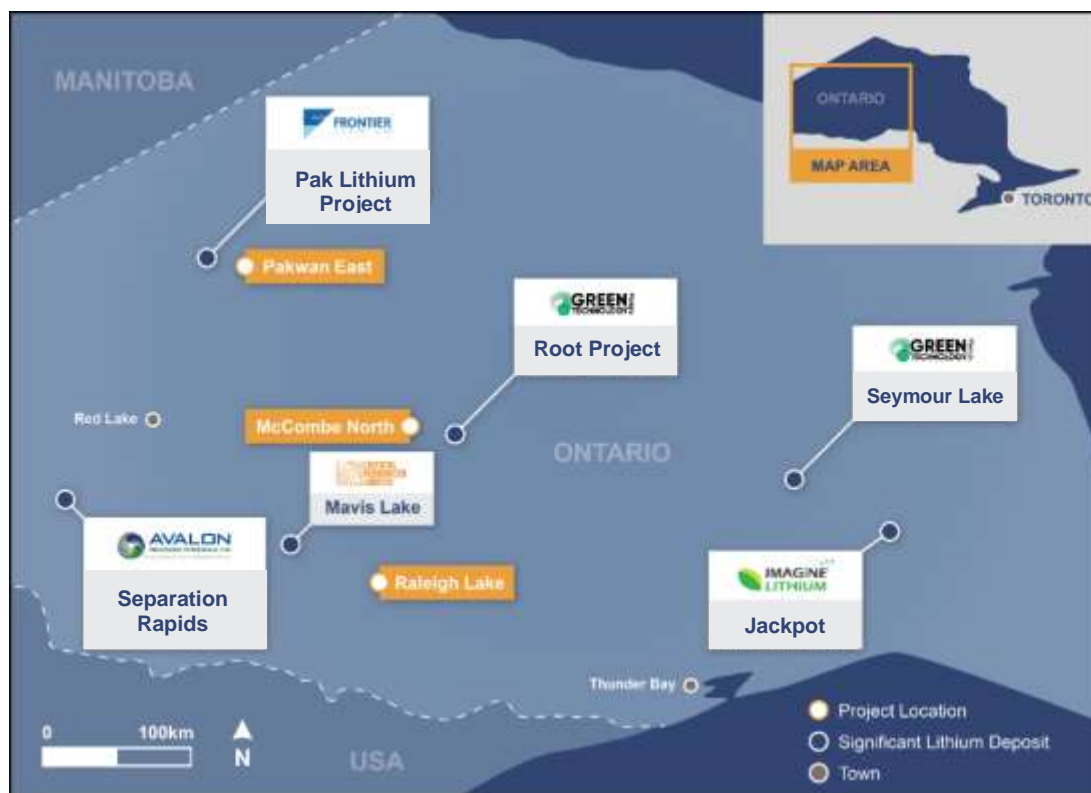


Figure 2: Bastion Minerals Project Locations (Ontario, Canada) and other major projects and companies.

² For full details of exploration activities completed at the Canadian Lithium Project during the period including relevant JORC table information, please refer to ASX Announcements dated 20 February 2023; 28 February 2023; 8 May 2023; 29 May 2023 and 27 July 2023.

Gyttorp REE Project, Sweden³

In June, Bastion staked and was granted, the Exploration Permit for a new strategic permit covering 115 km², which is highly prospective for high-grade REEs.

The exploration tenure (refer Figure 3) is located near Gyttorp in the Bergslagen district of Sweden, 180 km west of Stockholm. Sweden is the home of Europe's largest REE discovery in the Kiruna area⁴. The Project is located on the southern end of a belt of iron and REE-enriched skarns, more than 100 kilometres long, known locally as the "REE-line".

Within Bastion's Gyttorp Project there are 50 samples, from historical rock chip sampling undertaken in 2017-2018, which have comprehensive REE analyses, and of those, nine returned highly anomalous grades of over 1000ppm Total Rare Earth Oxide (TREO). Rock chip samples of greater than 2.86% (28,600 ppm) and 3.64% (36,400 ppm) (TREO) are recorded in historic sampling with some samples exceeding detection limits, so the actual result is expected to be greater than these figures.

The Company plans to undertake systematic geochemical sampling of known mineral occurrences within the permit in conjunction with reconnaissance geological mapping. Existing airborne geophysical magnetic surveys will be used to help define prospective regions.

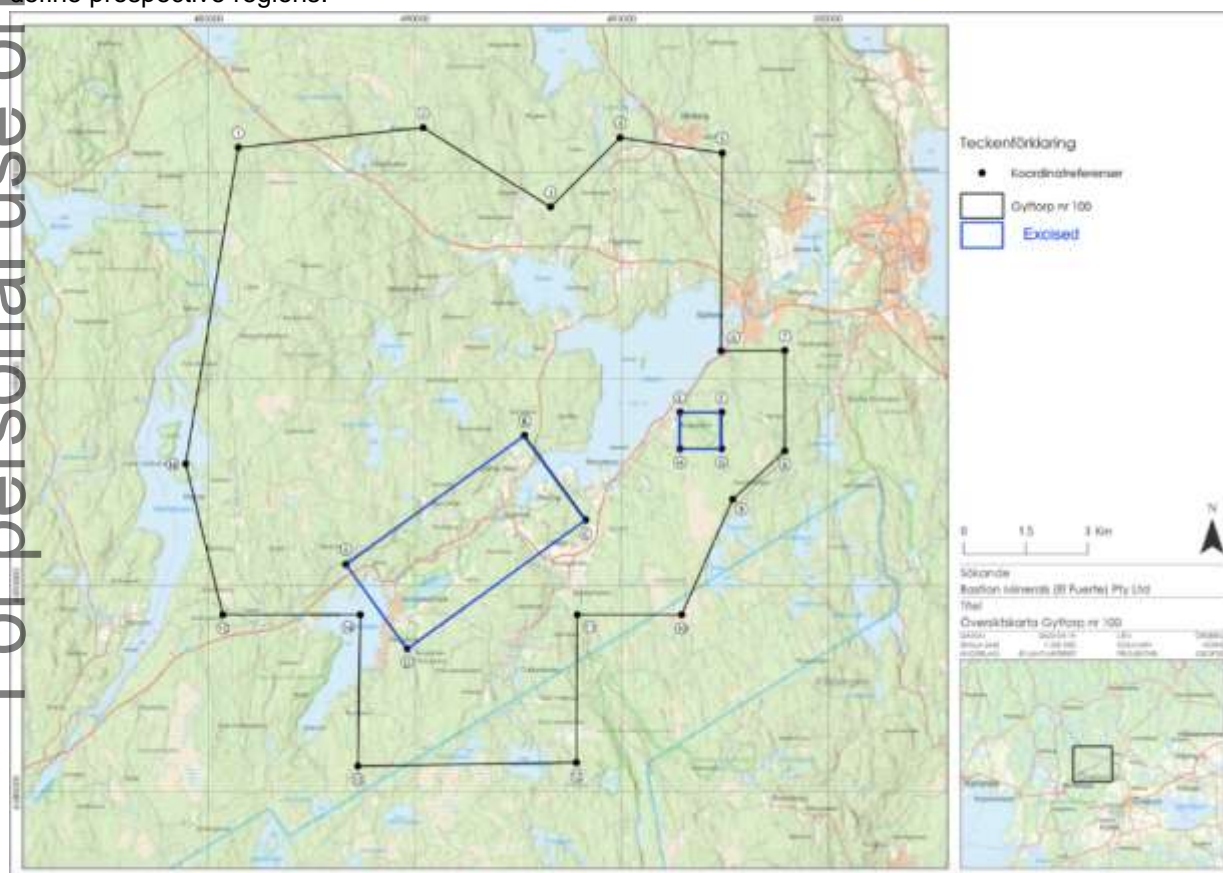


Figure 1. Location map of Gyttorp nr 100 high-grade REE project (Sweden).

³ For full details of exploration activities completed at the Gyttorp REE Project in Sweden, please refer to ASX Announcements dated 19 June 2023; 28 June 2023 and 12 July 2023.

⁴ LKAB Press Release 12 June 2023 - Europe's largest deposit of rare earth elements now 25 percent larger.

Bastion Minerals Limited
Review of operations
30 June 2023

On the corporate front, in January the Company completed its capital raising first announced to the ASX on 5 December 2022, which comprised a placement which was completed prior to the commencement of the half-year period and also a non-renounceable entitlement issue of 1 new share for every 4 shares held at the Record Date of 19 December 2022 which included 1 new option for every 2 shares subscribed for, which was completed in January 2023.

During the period, the Company also held Extraordinary General Meetings on 28 April and 30 May and also its Annual General Meeting on 30 May with the re-election of Mr Sam El-Rahim as a director.

For personal use only



Building a better
working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Bastion Minerals Limited and controlled entities

As lead auditor for the review of the half-year financial report of Bastion Minerals Limited for the half-year ended 30 June 2023, 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Scott Nichols
Partner
Sydney
13 September 2023

Bastion Minerals Limited

Contents

30 June 2023

Consolidated statement of profit or loss and other comprehensive income	10
Consolidated statement of financial position	11
Consolidated statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the consolidated financial statements	14
Directors' declaration	20
Independent auditor's review report to the members of Bastion Minerals Limited	21

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 half-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 13 September 2023.

For personal use only

Bastion Minerals Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2023

	Note	Consolidated June 2023 \$	Consolidated June 2022 \$
Other income		80,975	58,271
Interest revenue calculated using the effective interest method		63	-
Expenses			
Administration expenses		(174,863)	(299,365)
Share based payment expense		(400,894)	(888,591)
Consultancy fee expense		(351,765)	(469,974)
Depreciation and amortisation expense		(102,999)	(117,791)
Impairment of receivables		(115,360)	-
Legal and professional fees		(116,066)	(132,581)
Impairment of exploration and evaluation assets	5	(3,478,325)	-
Other expenses		(47,590)	(100,475)
Finance costs		(47,998)	(46,949)
Loss before income tax expense		(4,754,822)	(1,997,455)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Bastion Minerals Limited		(4,754,822)	(1,997,455)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		389,458	(98,385)
Other comprehensive income for the half-year, net of tax		389,458	(98,385)
Total comprehensive income for the half-year attributable to the owners of Bastion Minerals Limited		<u>(4,365,364)</u>	<u>(2,095,840)</u>
		Cents	Cents
Basic earnings per share	13	(3.13)	(2.35)
Diluted earnings per share	13	(3.13)	(2.35)

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

Bastion Minerals Limited
Consolidated statement of financial position
As at 30 June 2023

		Consolidated	
	Note	June 2023	December 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	677,654	636,552
Trade and other receivables		123,246	149,564
Other		74,604	49,302
Total current assets		<u>875,504</u>	<u>835,418</u>
Non-current assets			
Property, plant and equipment		88,829	98,967
Right-of-use assets	4	786,733	879,290
Exploration and evaluation	5	3,511,257	5,470,619
Other		114,209	111,338
Total non-current assets		<u>4,501,028</u>	<u>6,560,214</u>
Total assets		<u>5,376,532</u>	<u>7,395,632</u>
Liabilities			
Current liabilities			
Trade and other payables	6	971,025	760,341
Borrowings		48,630	48,470
Lease liabilities		119,585	122,443
Employee benefits		47,361	52,308
Total current liabilities		<u>1,186,601</u>	<u>983,562</u>
Non-current liabilities			
Borrowings		187,000	187,000
Lease liabilities		752,747	804,239
Provisions		24,799	24,799
Total non-current liabilities		<u>964,546</u>	<u>1,016,038</u>
Total liabilities		<u>2,151,147</u>	<u>1,999,600</u>
Net assets		<u>3,225,385</u>	<u>5,396,032</u>
Equity			
Issued capital	7	16,346,878	14,806,653
Reserves	8	4,420,439	3,376,489
Accumulated losses		<u>(17,541,932)</u>	<u>(12,787,110)</u>
Total equity		<u>3,225,385</u>	<u>5,396,032</u>

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

Bastion Minerals Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2023

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2022	14,039,110	1,104,720	(8,869,165)	6,274,665
Loss after income tax expense for the half-year	-	-	(1,997,455)	(1,997,455)
Other comprehensive income for the half-year, net of tax	-	(98,385)	-	(98,385)
Total comprehensive income for the half-year	-	(98,385)	(1,997,455)	(2,095,840)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	965,110	-	965,110
Transactions costs relating to prior period raise	(86,222)	-	-	(86,222)
Balance at 30 June 2022	<u>13,952,888</u>	<u>1,971,445</u>	<u>(10,866,620)</u>	<u>5,057,713</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2023	14,806,653	3,376,489	(12,787,110)	5,396,032
Loss after income tax expense for the half-year	-	-	(4,754,822)	(4,754,822)
Other comprehensive income for the half-year, net of tax	-	389,458	-	389,458
Total comprehensive income for the half-year	-	389,458	(4,754,822)	(4,365,364)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 7)	1,158,580	-	-	1,158,580
Share-based payments	-	450,127	-	450,127
Free attaching options	-	586,010	-	586,010
Transfer upon conversion of performance right	381,645	(381,645)	-	-
Balance at 30 June 2023	<u>16,346,878</u>	<u>4,420,439</u>	<u>(17,541,932)</u>	<u>3,225,385</u>

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

For personal use only

Bastion Minerals Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2023

	Consolidated	
	June 2023	June 2022
	\$	\$
Cash flows from operating activities		
Interest received	63	-
Other income	78,104	54,004
Interest and other finance costs paid	(47,998)	(46,949)
Payments to suppliers and employees	(768,557)	(992,736)
	<u>(738,388)</u>	<u>(985,681)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	-	(16,748)
Payments for intangibles	-	(4,782)
Payments for exploration and evaluation	(972,325)	(826,567)
	<u>(972,325)</u>	<u>(848,097)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from issue of shares and options	1,594,116	-
Share issue transaction costs	(118,592)	-
Repayment of lease liabilities	(54,350)	(47,576)
Other financing cash flows (note 6)	60,000	-
Proceeds from settlement of director loans recognised in equity	269,066	-
	<u>1,750,240</u>	<u>(47,576)</u>
Net cash from/(used in) financing activities		
Net increase/(decrease) in cash and cash equivalents	39,527	(1,881,354)
Cash and cash equivalents at the beginning of the financial half-year	634,832	3,478,801
Effects of exchange rate changes on cash and cash equivalents	1,415	(2,847)
	<u>675,774</u>	<u>1,594,600</u>
Cash and cash equivalents at the end of the financial half-year		

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

For personal use only

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

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 \$4,754,822 for the half year ended 30 June 2023, and had negative cash flows from operating activities of \$738,388.

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 and the Consolidated Entity's ability to implement the following potential actions:

- On 12 September 2023, the Company announced that it had completed a capital raising of a total of \$546,621 before costs with the shares under the raising to be issued on or around 15 September 2023;
- On 28 August 2023, the company announced that it had signed a binding letter of intent for an option to divest of it Cometa project. This could see the company receive up to \$US3.3 million, refer to note 12;
- entering into farm-out, sell down or joint venture agreements at the Capote and Garin Project in order to continue to advance the project through further exploration work without cost to the company;
- the loss for the year includes a non-cash impairment expense of \$3,478,325 relating to exploration and evaluation assets;
- deferral of discretionary operating and capital expenditures;
- During the half year, a strategic decision was made to focus on exploration on the Company's assets in Canada and Sweden. Given the proposed divestment of Cometa as mentioned above, the Company is looking to wind back the balance of its operations in Chile consistent with this renewed focus on Canada and Sweden which will significantly reduce the Company's cost base there. Future exploration on Capote and Garin in Chile will be done only where third parties fund activities in exchange for interests in these projects, or alternatively the Board will look to recoup the value through sale of assets entirely; and
- the board are currently seeking to raise additional capital to finance further exploration programs in Canada and Sweden.

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 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.

Bastion Minerals Limited
Notes to the consolidated financial statements
30 June 2023

Note 2. Operating segments

Identification of reportable operating segments

The Consolidated Entity is organised into one operating segment, being exploration and evaluation. 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 3. Current assets - cash and cash equivalents

	Consolidated	December
	June 2023	2022
	\$	\$
Cash at bank	677,654	636,552

Below is a table reconciling the cash balance to the consolidated statement of cash flows

	Consolidated	June 2022
	June 2023	June 2022
	\$	\$
Cash at bank	677,654	1,596,180
Overdraft	(1,880)	(1,580)
	<u>675,774</u>	<u>1,594,600</u>

Note 4. Non-current assets - right-of-use assets

	Consolidated	December
	June 2023	2022
	\$	\$
Land and buildings - right-of-use	1,110,682	1,110,682
Less: Accumulated depreciation	(323,949)	(231,392)
	<u>786,733</u>	<u>879,290</u>

Reconciliations

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

Consolidated	Land and buildings \$	Total \$
Balance at 1 January 2023	879,290	879,290
Depreciation expense	(92,557)	(92,557)
Balance at 30 June 2023	<u>786,733</u>	<u>786,733</u>

Bastion Minerals Limited
Notes to the consolidated financial statements
30 June 2023

Note 5. Non-current assets - exploration and evaluation

	Consolidated	
	June 2023	December 2022
	\$	\$
Exploration and evaluation - at cost	6,989,582	5,470,619
Less: Impairment	<u>(3,478,325)</u>	<u>-</u>
	<u><u>3,511,257</u></u>	<u><u>5,470,619</u></u>

Reconciliations

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

Consolidated	Exploration & evaluation \$
Balance at 1 January 2023	5,470,619
Additions	1,089,878
Exchange differences	429,085
Impairment of assets	<u>(3,478,325)</u>
Balance at 30 June 2023	<u><u>3,511,257</u></u>

The Group's exploration assets have been assessed for indicators of impairment at 30 June 2023. A deficiency between the Group's market capitalisation and the pre-impairment carrying value of its net assets, combined with a change in strategy to shift focus from the Group's Chilean projects to its Canadian and Swedish projects, were identified as indicators of impairment for the Capote and Garin projects. The recoverable amounts of these projects were estimated with reference to the value per square kilometre of exploration area implied by a recent arm's length transaction in a similar stage gold-silver exploration project in Chile. As a result of this analysis, an impairment charge of \$3,478,325, has been recognised in relation to the Capote project. No impairment was required in relation to Garin.

Note 6. Current liabilities - trade and other payables

	Consolidated	
	June 2023	December 2022
	\$	\$
Trade payables	817,358	615,797
Share sales proceeds to be refunded	60,000	-
Other payables	<u>93,667</u>	<u>144,544</u>
	<u><u>971,025</u></u>	<u><u>760,341</u></u>

In June 2023, Ross Landles and David Nolan sold shares in the company and received a total of \$60,000. This amount was paid into the company's bank account, and then subsequently transferred to them on 6 July 2023.

Note 7. Equity - issued capital

	Consolidated			
	June 2023	December 2022	June 2023	December 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>173,324,217</u>	<u>113,865,418</u>	<u>16,346,878</u>	<u>14,806,653</u>

Bastion Minerals Limited
Notes to the consolidated financial statements
30 June 2023

Note 7. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2023	113,865,418		14,806,653
Share issue	31 January 2023	45,546,167	\$0.022	1,008,106
Settlement of directors loans recognised in equity (note 11)	28 June 2023	-	\$0.000	269,066
Shares issued for new directors loans (note 11)	28 June 2023	10,762,632	\$0.000	-
Shares issued upon conversion of performance rights (note 8)	28 June 2023	3,150,000	\$0.121	381,645
Less cost of capital		-	\$0.000	(118,592)
Balance	30 June 2023	<u>173,324,217</u>		<u>16,346,878</u>

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.

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.

Note 8. Equity - reserves

	Consolidated	
	June 2023	December 2022
	\$	\$
Foreign currency reserve	376,077	(13,381)
Share-based payments reserve	3,013,872	2,945,390
Option reserve	1,030,490	444,480
	<u>4,420,439</u>	<u>3,376,489</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. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

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 as free attaching options who participate in capital raisings.

Bastion Minerals Limited
Notes to the consolidated financial statements
30 June 2023

Note 8. Equity - reserves (continued)

Movements in reserves

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

Consolidated	Option reserve \$	Share based payment \$	Foreign currency \$	Total \$
Balance at 1 January 2023	444,480	2,945,390	(13,381)	3,376,489
Foreign currency translation	-	-	389,458	389,458
Share based payments	-	450,127	-	450,127
Free attaching options	586,010	-	-	586,010
Transfer to issued capital upon conversion of performance rights (note 7)	-	(381,645)	-	(381,645)
Balance at 30 June 2023	<u>1,030,490</u>	<u>3,013,872</u>	<u>376,077</u>	<u>4,420,439</u>

Note 9. Equity - dividends

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

Note 10. Contingent liabilities

There were no contingent liabilities as at 30 June 2023 and 31 December 2022.

Note 11. Related party transactions

Parent entity

Bastion Minerals Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated June 2023 \$	June 2022 \$
Sale of goods and services:		
Sub-lease income from a director related entity	18,000	-

Receivable from and payable to related parties

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

	Consolidated June 2023 \$	December 2022 \$
Current receivables:		
Current receivable from a director	51,204	51,204
Rent receivable from a director related entity	3,300	3,300
Current payables:		
Accrued fees payable to Burlington Enterprises (an entity related to Sam El-Rahim)	30,938	18,750
Share sale proceeds to be refunded to directors *	60,000	-

* In June 2023, Ross Landles and David Nolan sold shares in the company and received a total of \$60,000. This amount was paid into the company's bank account, and then subsequently transferred to them on 6 July 2023.

Bastion Minerals Limited
Notes to the consolidated financial statements
30 June 2023

Note 11. 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.

During the current half-year, the shares that were acquired via finance from above loans were sold and the loans were settled in full. Amount of \$269,066 has been recognised in equity (note 7).

During the current -half year, Ross Landles and David Nolan have again been provided with interest bearing, limited recourse loans ('Director Share Loans') from the Company for the sole purpose of each director acquiring 5,381,316 shares in the Company. 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. A total expense of \$136,794 has been recognised in relation to each director's loan

Note 12. Events after the reporting period

On 27 July 2023, the company announced that it had elected to exercise its option to acquire three lithium property packages in Ontario, Canada.

On 28 August 2023, the company announced that it had signed a binding letter of intent for an option to divest its holding in the Cometa exploration project. The option fee includes:-

- Non-refundable cash payment of US\$100,000 upon signing of option agreements (grant date);
- Non-refundable cash payment of US\$200,000 within 12 months of grants date.

The option can then be exercised by:-

- Paying US\$2,400,000 within 18 months of grant date; or
- Paying US\$3,000,000 within 30 months of grant date.

On 12 September 2023, the Company announced that it had completed a capital raising of a total of \$546,621 before costs with the shares under the raising to be issued on or around 15 September 2023.

No other matter or circumstance has arisen since 30 June 2023 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 13. Earnings per share

	Consolidated	
	June 2023	June 2022
	\$	\$
Loss after income tax attributable to the owners of Bastion Minerals Limited	<u>(4,754,822)</u>	<u>(1,997,455)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>151,764,591</u>	<u>84,878,076</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>151,764,591</u>	<u>84,878,076</u>
	Cents	Cents
Basic earnings per share	(3.13)	(2.35)
Diluted earnings per share	(3.13)	(2.35)

Bastion Minerals Limited
Directors' declaration
30 June 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the financial half-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.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Ross Landles
Director

13 September 2023

For personal use only



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

Conclusion

We have reviewed the accompanying half-year financial report of Bastion Minerals Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the 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.

Directors' responsibilities for the half-year financial report

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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us



believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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
13 September 2023

For personal use only