

ASX ANNOUNCEMENT
31 March 2022



Financial Statements for the year ended 31 December 2021

31 March 2022

ASX Markets Announcement Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

Financial Statements for the year ended 31 December 2021

Please see attached for release to the market, Bastion Mineral Limited's (ASX:BMO) *Financial Statements for the year ended 31 December 2021*.

ENDS

This announcement was approved for release by the Executive Chairman of the Board of Bastion Minerals.

For more information contact

Ross Landles
Executive Chairman
E: Ross.Landles@bastionminerals.com
M: +61 438 959 144



Bastion Mineral Limited

ABN 19 147 948 883

**Financial Report
for the Year Ended 31 December 2021**

Bastion Minerals Limited
Corporate directory
31 December 2021

Directors	Alan Ross Landles David Joseph Nolan Andrew Lachlan Stewart Sam El-Rahim
Company secretary	Philip John Mackey
Registered office	C/O Company Matters Pty Limited Level 12, 680 George Street Sydney NSW 2000
Principal place of business	Level 6, 22 Pitt Street, Sydney, NSW 2000
Auditor	Ernst and Young 200 George Street Sydney NSW 2000
Solicitors	Addisons Level 12, 60 Carrington Street Sydney NSW 2000
Stock exchange listing	Bastion Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: BMO)
Website	www.bastionminerals.com
Corporate Governance Statement	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. The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation since the Company listed on ASX on 16 March 2021 (ASX Listing) and identifies and explains any recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement along with information about the Company's Corporate Governance practices is set out on the Company's website at https://www.bastionminerals.com/corporate-governance/.

Bastion Minerals Limited
Directors' report
For the year ended 31 December 2021

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** or **Bastion Minerals**) and the entities it controlled at the end of, or during, the year ended 31 December 2021.

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
Sam El-Rahim
Ralph Nicholas Stagg (resigned 2 September 2021)

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 \$3,078,815 (31 December 2020: \$1,058,784).

The following is a summary of the activities of Bastion Minerals during the financial year to 31 December 2021. In March, the company completed an IPO on the ASX raising \$5 million to fund Chilean gold, copper, and silver projects. 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. During the year, the Company issued 37,000,000 shares.

COMPANY PROJECTS - CHILE

Capote Gold Project

The Capote Project consists of a historical high-grade gold deposit (San Juan) and surrounding tenements. Bastion Mineral's objective at Capote is to define a low tonnage, high-grade gold deposit and assess the potential for high-grade copper gold deposits.

During the year, the Company entered into a Binding Framework Agreement for the execution of a Mining Purchase Option Contract with Sociedad Minera del Norte (**SMDN**) to enter into an Option to acquire 100% of the San Juan Gold Project and surrounding licences within the Capote Mining District in the Mineral-rich Atacama Region of Chile (**Figure 1**).

The San Juan Gold Project comprises a package of 18 Mining Licences, comprising approximately 11.5km². All newly acquired tenements are strategically located in within the Company's Capote Mining District and includes the high-grade San Juan, Resurgemento and Yayito veins systems.



Figure 1 - Capote Mining District

Work completed at Capote during the year consisted of foundational geological, geochemical, and geophysical data collection aimed at ensuring effective and efficient drill targeting.

Detailed geological mapping and rock chip sampling were undertaken in numerous campaigns. A total of 720 rock-chips and channel samples were collected throughout the year. These rock-chips highlighted extensive high-grade gold mineralisation throughout the lease and provided an insight into potential iron oxide copper-gold (IOCG) style mineralisation. The **average gold grade** of these 720 rock-chips was **1.47g/t Au with a maximum grade of 33.6g/t Au (Figure 2)**. The **average copper grade** of these 720 rock-chips was **0.12% Cu with a maximum of 5.53% Cu**.

To support this geological and geochemical data, detailed geophysical surveys have been completed during the reporting period. High resolution airborne and ground-based magnetics have been acquired. This data has been inverted into 3D models which allow the surface expression of mineralisation to be projected to depth. Induced polarisation and AMT data has also been collected over the San Juan, Resurgimiento and Yayito prospects. This data images the distribution of chargeable minerals such as sulphides, which often correlate with mineralisation. These datasets have been combined into detailed 3D geophysical models which assist in accurate drill targeting.

A drill program of approximately 5000m of diamond drilling has been planned for Capote, targeting extensions to existing high-grade gold vein and new unmined targets throughout the lease. Environmental approval processes are underway, and drilling is slated to commence in Q2, 2022.

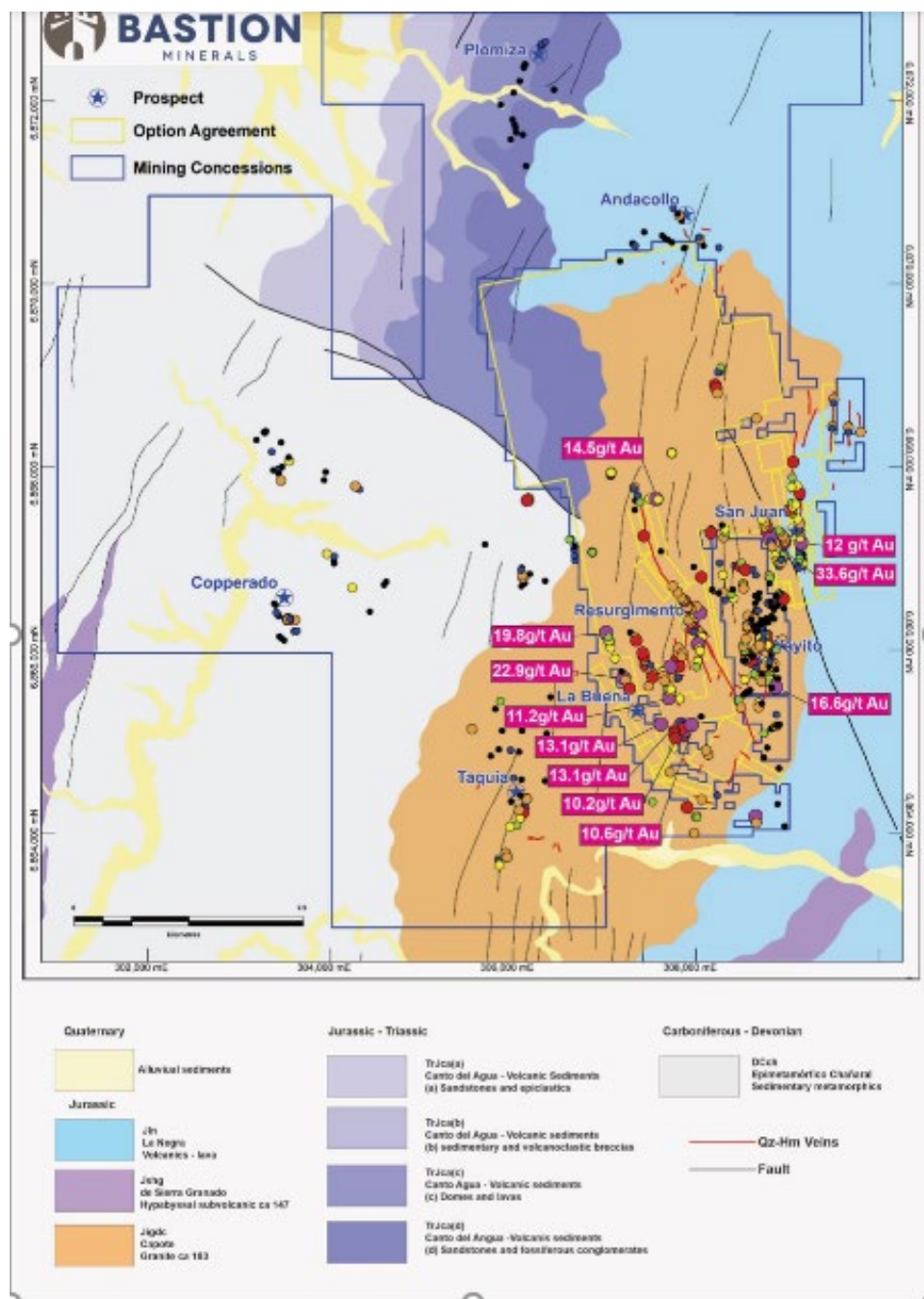


Figure 2 - Capote Mining District with Rock-Chip Sample Locations and selected high-grade samples labelled.

Cometa Copper Project

The Cometa Copper Project consists of approximately 56km² of granted mining and exploration tenements approximately 10km south of Hot Chili's Cortadera Project and approximately 40km southeast of Vallenar. Cometa is an early-stage exploration project with multiple high-grade copper targets identified from limited rock chip sampling. Bastion will focus on bringing advanced exploration techniques to the Cometa Copper Project to discover large-scale, high-grade iron-oxide copper gold deposits.

Work at Cometa has focused on foundational geological, geochemical, and geophysical data collection to allow for accurate drill targeting. The Company completed multiple mapping and rock-chip campaigns during the year. A total of 834 rock-chips and channel samples were collected identifying five new target areas across the lease (**Figure 3**). These targets have been named Aldebaran, Orion, Centauro, Scorpion and Perseus. The average copper grade of these 834 rock-chips was 0.2% Cu with a maximum of 4.42% Cu.

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During the year, a high-resolution magnetics survey was conducted across the Cometa Lease. This data has been inverted into a detailed 3D model which is providing significant information of sub-surface structures and potential extensions to mineralisation identified at surface.

These datasets are being combined into detailed 3D models and drilling is planned for Cometa in late 2022.

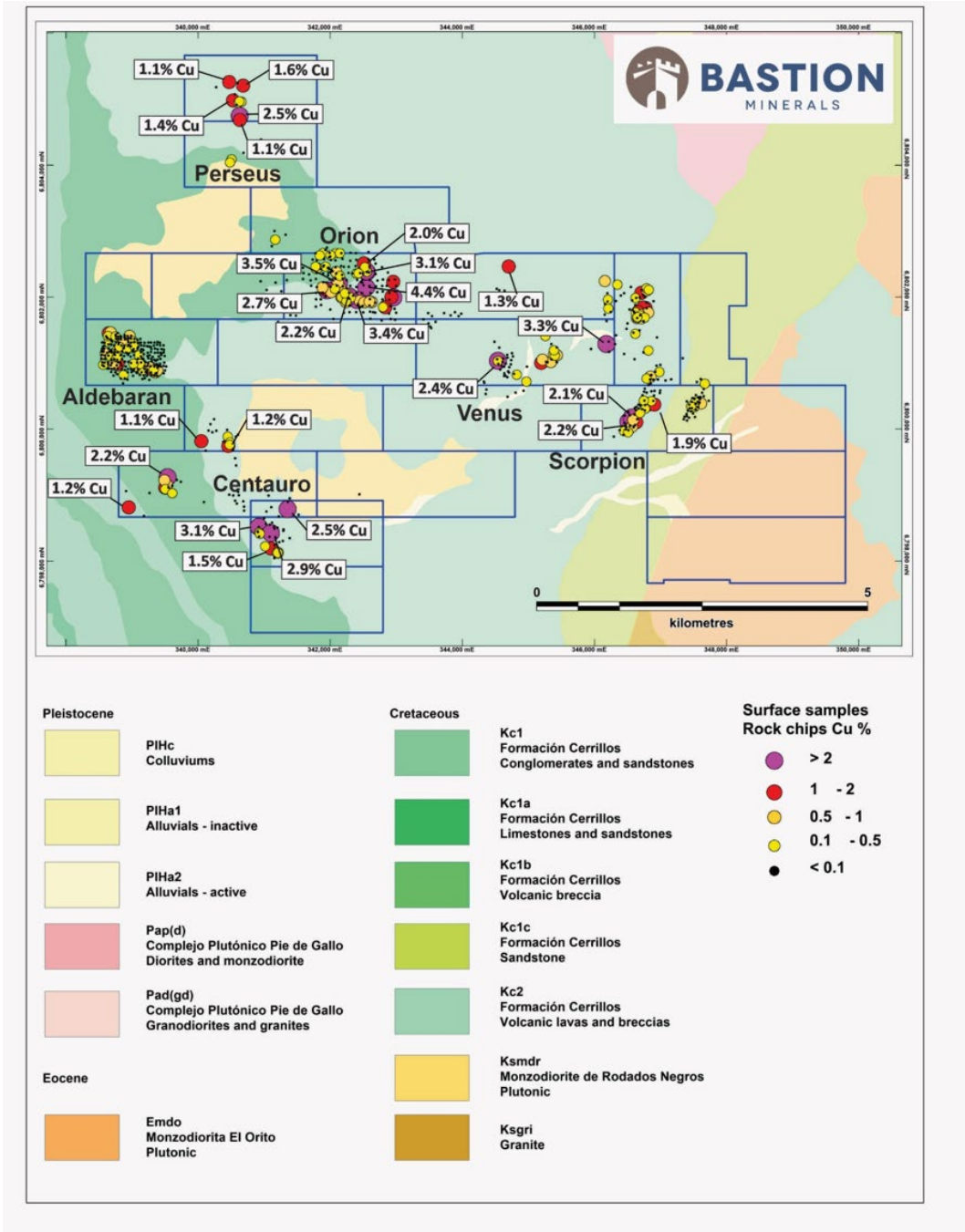


Figure 3 - The Cometa Copper Project with Copper Rock Chips-

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.

Bastion Minerals Limited
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Work conducted at Garin during the year consisted of foundational geological, geochemical, and geophysical dataset collection.

Multiple geological mapping campaigns were conducted with rock-chipping during the year. A total of 257 rock chips were collected throughout the year (**Figure 4**). These rock-chips highlighted extensive high-grade silver and gold mineralisation throughout the lease and provided an insight into potential Copper-Gold porphyry style mineralisation. The **average silver grade** of these 257 rock-chips was **11.2g/t Ag** with a **maximum grade of 223g/t Ag**. The **average gold grade** of these 257 rock-chips was **0.66g/t Au** with a **maximum of 25.5g/t Au**. The **average copper grade** of these 257 rock-chips was **0.18% Cu** with a **maximum of 2.23% Cu**.

A helicopter borne magnetic and radiometric survey was completed over the entire Garin Project. The objective of this survey was to map the potential porphyry related alteration systems at Garin and expand these at depth.

The program identified multiple large-scale copper porphyry signatures at the Garin Project, and this data will be refined and continually reviewed to assist in providing a pipeline of additional targets for Bastion geologists to map and sample in the field.

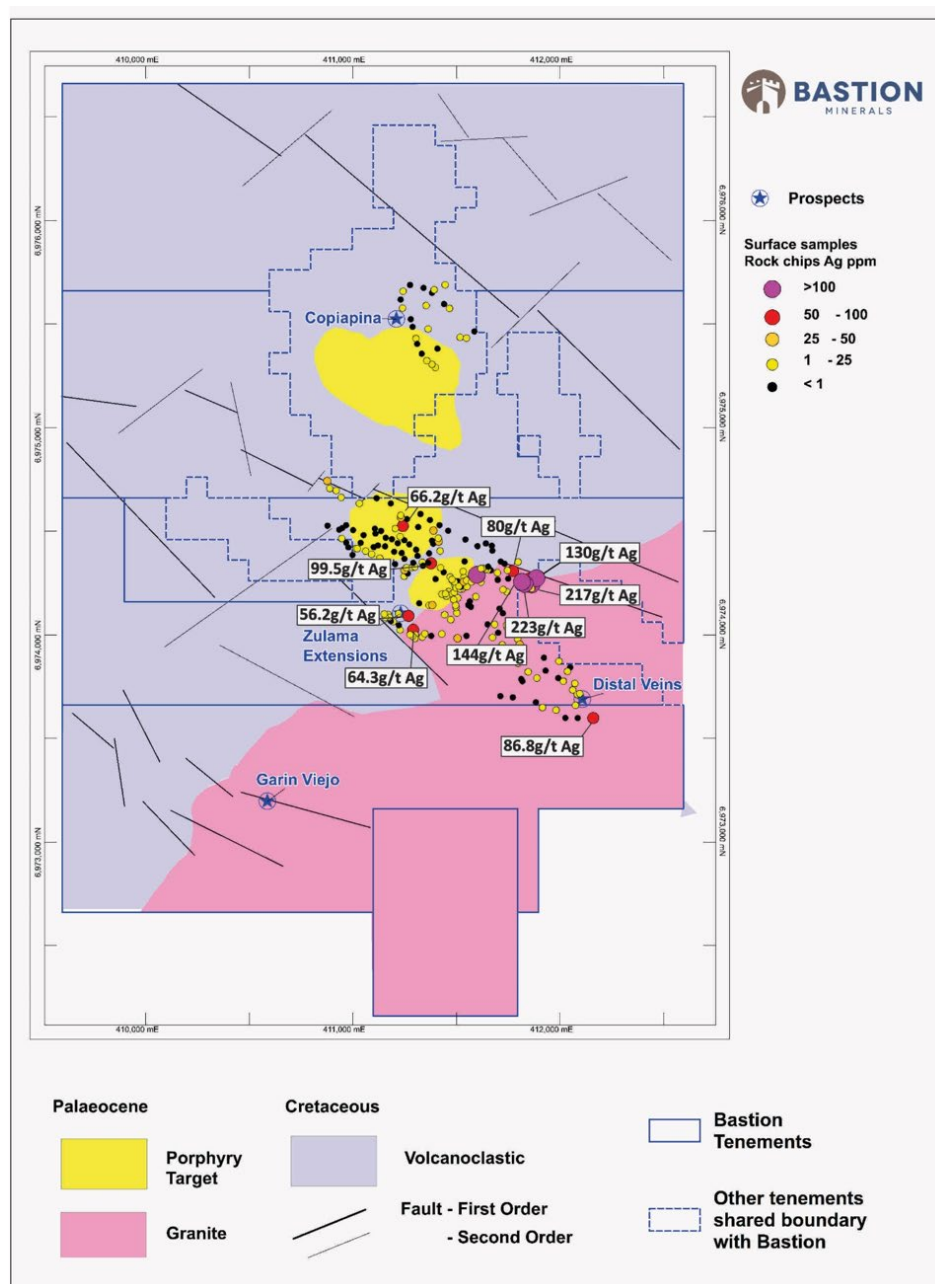


Figure 4 - The Garin Silver Project geology with reporting period rock chip silver results.

Bastion Minerals Limited
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Corporate

Bastion Minerals Limited was admitted to the Official List and commenced quotation on the ASX on 15 March 2021 after closing an initial public offer of the Company's shares (**IPO**) to raise \$5 million before costs.

On 13 September 2021, the Company announced it had completed a A\$2.2 million (before costs) strategic placement through the issue of 11,000,000 Ordinary shares at an issue price of \$0.20 per share.

On 6 September 2021, the Company appointed Mr Ross Landles as Executive Chairman of Bastion Minerals after the resignation of Mr Ralph Stagg as Non-Executive Chairman. Additionally, Mr Phil Mackey was appointed on 21 September 2021 as Company Secretary of Bastion Minerals, replacing Mr David Nolan who continues as Non- Executive Director.

Significant changes in the state of affairs

On 20 January 2021, the Company completed a capital raising of \$100,000 from sophisticated investors through the issue of 1,000,000 shares at \$0.10 per share.

The Company raised \$5,000,000 (before costs) through the issue of 25,000,000 ordinary shares at an issue price of \$0.20 per share upon completion to the Company's IPO. Official quotation of the Company's ordinary shares on the ASX commenced on 16 March 2021.

On 20 September 2021, the Company issued 11,000,000 fully paid ordinary shares, at an issue price of \$0.20, raising \$2,200,000 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 17 January 2022, the Company announced that it had appointed Alvaro Trujillo as Country Manager in Chile, in order to drive the consolidated entity towards its maiden drill program within the Capote Mining District and surrounding vein systems in the mineral rich Atacama Region of Chile.

No other matter or circumstance has arisen since 31 December 2021 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. During the financial year, no active exploration fieldwork took place on the consolidated entity's tenements. 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:	4,557,544 fully paid ordinary shares
Interests in options:	2,000,000 options over ordinary shares
Interests in rights:	2,500,000 performance rights

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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
Age:	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 greenfield discoveries. After providing technical and program management for Vale in Indonesia and Mongolia, Dr Stewart is currently Chief Executive Officer of Xanadu Mines.
Other current directorships:	Xanadu Mines Ltd (ASX:XAM)
Former directorships (last 3 years):	None
Interests in shares:	4,032,544 fully paid ordinary shares
Interests in options:	2,000,000 options over ordinary shares
Interests in rights:	2,500,000 performance rights
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:	6,305,000 fully paid ordinary shares
Interests in options:	1,000,000 options over ordinary shares
Interests in rights:	Nil

Bastion Minerals Limited
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Name: Ralph Nicholas Stagg
Title: Non-Executive Chairman (resigned on 2 September 2021)
Qualifications: BSc MSc DIC FAusIMM MIMMM CEng
Experience and expertise: Mr Stagg is a Geologist with more than forty years' experience in economic geology including project generation, exploration planning, managerial experience in listed and unlisted exploration, mining and engineering companies, and preparation of ore reserve estimations, valuations, experts' reports and technical studies in Australasia, Africa, and the Middle East. Mr Stagg has served on the boards of ASX listed companies for more than twenty years, including Broken Hill Prospecting Ltd, Citadel Resource Group, Celamin Ltd Heritage Gold NZ Ltd and Sirocco Resources NL. During the last 10 years Mr Stagg was a co-Founder of Citadel Resource Group (based in Saudi Arabia) and Celamin Ltd in North Africa. Citadel Resource Group was taken over by Equinox.

Other current directorships: N/A
Former directorships (last 3 years): N/A
Interests in shares: N/A
Interests in options: N/A

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.

Company secretary

Mr David Nolan is an experienced company secretary and occupied this role until 21 September 2021.

From this time the role, will was performed by Philip Mackey who is also an experienced company secretary and is currently 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 2021, and the number of meetings attended by each director were:

	Full Board		Nomination, Remuneration and Human Resources Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Alan Ross Landles	7	7	-	-	-	-
David Joseph Nolan	7	7	1	1	-	-
Andrew Lachlan Stewart	7	7	1	1	1	1
Sam El-Rahim	7	7	1	1	1	1
Ralph Stagg	4	4	-	-	1	1

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.

Bastion Minerals Limited
Directors' report
For the year ended 31 December 2021

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 Andrew Stewart, and Sam El-Rahim are members.

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. 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.

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.

Consolidated entity performance and link to remuneration

Given the scale and nature of the consolidated entity's operations, remuneration is not currently linked to consolidated entity's performance.

Bastion Minerals Limited
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Use of remuneration consultants

Remuneration consultants have not been used during the current year.

Voting and comments made at the Company's 2020 Annual General Meeting (AGM)

At the 31 May 2021 AGM, 86.1% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2020. 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.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	(Cash)	(Cash)	(Cash)	(Cash)	(Cash)	(Non-Cash)	
	Cash salary and fees	Cash bonus	Consulting fees	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
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
	594,800	-	22,500	-	-	706,366	1,323,666

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

** During the 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 it is not expected that the service condition will be met due to his resignation as a director in September 2021.

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

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	(Cash)	(Cash)	(Cash)	(Cash)	(Cash)	(Non-cash)	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	Total
	\$	\$	\$	\$	\$	\$	\$
2020							
<i>Non-Executive Directors:</i>							
Ralph Stagg	41,250	-	-	-	-	-	41,250
Dr Andrew Stewart	26,250	-	-	-	-	52,365	78,615
<i>Executive Directors:</i>							
Ross Landles	98,000	-	-	-	-	52,365	150,365
David Nolan	98,750	-	-	-	-	52,365	151,115
Patrick Treasure	4,064	-	-	-	-	-	4,064
	268,314	-	-	-	-	157,095	425,409

Bastion Minerals Limited
Directors' report
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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)	
	2021	2020	2021	2020	2021	2020
<i>Non-Executive Directors:</i>						
Ralph Stagg	100%	100%	-	-	-	-
Dr Andrew Stewart	24%	33%	-	-	76%	67%
David Nolan *	100%	65%	-	-	-	35%
Sam El-Rahim	35%	-	-	-	65%	-
<i>Executive Directors:</i>						
Ross Landles	55%	65%	-	-	45%	35%
David Nolan *	50%	65%	-	-	50%	35%
Patrick Treasure	-	100%	-	-	-	-

* 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: 15 January 2021
Term of agreement: The Company will pay the relevant corporate entity \$240,000 (exclusive of GST) per annum. The Company must also pay the relevant corporate entity an amount equal to any superannuation payable by that corporate entity to the Executive Director as a result of the engagement. 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.

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

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.

Name: David Nolan
Title: Executive Director
Agreement commenced: 15 January 2021 and ceased when became a non-executive director on 25 October 2021
Term of agreement: The Company will pay the relevant corporate entity \$240,000 (exclusive of GST) per annum. The Company must also pay the relevant corporate entity an amount equal to any superannuation payable by that corporate entity to the Executive Director as a result of the engagement. The agreement may be terminated by either party at any time by providing the other part with prior written notice of not less than the notice period of 12 months. The agreement has no fixed term.

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

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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 2021.

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
Ralph Stagg	1,000,000	31 May 2021	31 May 2022	31 May 2024	\$0.3000	\$0.0938
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.

For the above options to vest the director must remain a director 12 months after date of issue for the option to vest (**Service Condition**).

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. Details of the Directors Share Loans calculations are set out in note 32 .

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 2021 are set out below:

Name	Number of options granted during the year 2021	Number of options granted during the year 2020	Number of options vested during the year 2021	Number of options vested during the year 2020
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	-	-	-

Performance rights

There were 7,500,000 performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 December 2021.

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The number of performance rights 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 2021 are set out below:

Name	Number of rights granted during the year 2021	Number of rights granted during the year 2020	Number of rights vested during the year 2021	Number of rights vested during the year 2020
David Nolan	2,500,000	-	-	-
Ross Landles	2,500,000	-	-	-
Andrew Stewart	2,500,000	-	-	-

The values of performance rights over ordinary shares granted, vested, and lapsed for directors as part of compensation during the year ended 31 December 2021 are set out below:

Name	Value of rights granted during the year \$	Value of rights vested during the year \$	Value of rights lapsed during the year \$	Remuneration consisting of rights for the year %
David Nolan	176,383	-	-	40%
Ross Landles	176,383	-	-	37%
Andrew Stewart	176,383	-	-	62%

During the current year 2,250,000 performance rights were granted to directors with the performance hurdle of two significant drill intercepts at the consolidated entity's projects.

A further 5,250,000 performance rights were granted to directors 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 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%.

* **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

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 vesting period i.e., a three-year period.

Bastion Minerals Limited
Directors' report
For the year ended 31 December 2021

Additional information

The earnings of the consolidated entity for the two years to 31 December 2021 are summarised below:

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

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

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

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

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>					
Ralph Stagg *	3,455,187	-	-	(3,455,187)	-
Ross Landles	4,297,544	-	260,000	-	4,557,544
David Nolan	3,750,000	-	142,769	-	3,892,769
Andrew Stewart	3,837,544	-	195,000	-	4,032,544
Sam El-Rahim	4,240,000	-	2,065,000	-	6,305,000
	19,580,275	-	2,662,769	(3,455,187)	18,787,857

* Resigned 2 September 2021.

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>					
Ralph Stagg *	-	1,000,000	-	(1,000,000)	-
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
	-	8,000,000	-	(1,000,000)	7,000,000

* Resigned 2 September 2021.

Bastion Minerals Limited
Directors' report
For the year ended 31 December 2021

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	Vested	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	-	-	2,500,000
Andrew Stewart	-	2,500,000	-	-	2,500,000
	-	<u>7,500,000</u>	-	-	<u>7,500,000</u>

This concludes the remuneration report, which has been audited.

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 *	31 May 2024	\$0.3000	2,000,000
15 November 2021	15 November 2024	\$0.2500	<u>5,000,000</u>
			<u><u>14,477,562</u></u>

* Includes 1,000,000 options which are still legally in existence but have been treated as forfeited for accounting purposes.

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. Details of the Directors Share Loans calculations are set out in note 32

Shares under performance rights

The company has a total of 7,500,00 performance rights on issue to directors only at 31 December 2021.

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 2021 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 2021 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.

Bastion Minerals Limited
Directors' report
For the year ended 31 December 2021

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

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

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

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing, or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

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

There are no officers of the Company who are former partners of Ernst and 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 and 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 2022

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 2021, 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.



Ernst & Young



Scott Nichols
Partner
Sydney
31 March 2022

Bastion Minerals Limited
Financial Statements for the year ended 31 December 2021
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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 are:

Registered office

C/- Company Matters Pty Limited
Level 2, 680 George Street
Sydney NSW 2000

Principal place of business

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 2021. 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 2021

	Note	Consolidated 2021 \$	2020 \$
Revenue			
Other income	5	40,500	405,756
Interest revenue calculated using the effective interest method		150	46
Expenses			
Consultancy fee expenses		(875,335)	(408,712)
Legal and professional fees		(543,372)	(486,856)
Administration expenses		(586,024)	(216,536)
Depreciation and amortisation expense	6	(67,942)	(162)
Travel and accommodation expense		(42,992)	-
Share based payment expense	32	(818,223)	(157,095)
Impairment expenses	13	(74,712)	(132,419)
Other expenses		(38,633)	(16,251)
Finance costs	6	(72,232)	(46,555)
Loss before income tax expense		(3,078,815)	(1,058,784)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Bastion Minerals Limited		(3,078,815)	(1,058,784)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(60,877)	(104,547)
Other comprehensive loss for the year, net of tax		(60,877)	(104,547)
Total comprehensive loss for the year attributable to the owners of Bastion Minerals Limited		(3,139,692)	(1,163,331)
		Cents	Cents
Basic loss per share	31	(4.27)	(5.18)
Diluted loss per share	31	(4.27)	(5.18)

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 2021

	Note	Consolidated 2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	8	3,480,421	796,360
Trade and other receivables	9	112,232	178,227
Other	11	72,449	129,971
Total current assets		<u>3,665,102</u>	<u>1,104,558</u>
Non-current assets			
Property, plant, and equipment	12	98,805	6,868
Right-of-use assets	10	1,065,700	-
Exploration and evaluation	13	2,615,641	1,136,585
Other	11	104,275	-
Total non-current assets		<u>3,884,421</u>	<u>1,143,453</u>
Total assets		<u>7,549,523</u>	<u>2,248,011</u>
Liabilities			
Current liabilities			
Trade and other payables	14	207,338	397,841
Borrowings	15	1,620	103,936
Lease liabilities	16	98,478	-
Employee benefits		15,940	-
Total current liabilities		<u>323,376</u>	<u>501,777</u>
Non-current liabilities			
Lease liabilities	16	926,683	-
Provisions	17	24,799	-
Total non-current liabilities		<u>951,482</u>	<u>-</u>
Total liabilities		<u>1,274,858</u>	<u>501,777</u>
Net assets		<u>6,274,665</u>	<u>1,746,234</u>
Equity			
Issued capital	18	14,039,110	7,441,667
Reserves	19	1,104,720	94,917
Accumulated losses		<u>(8,869,165)</u>	<u>(5,790,350)</u>
Total equity		<u>6,274,665</u>	<u>1,746,234</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 2021

Consolidated	Issued capital \$	Foreign currency reserve \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2020	4,337,883	42,369	-	(4,731,566)	(351,314)
Loss after income tax expense for the year	-	-	-	(1,058,784)	(1,058,784)
Other comprehensive loss for the year, net of tax	-	(104,547)	-	-	(104,547)
Total comprehensive loss for the year	-	(104,547)	-	(1,058,784)	(1,163,331)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 32)	-	-	157,095	-	157,095
Contributions of equity (note 18)	3,251,093	-	-	-	3,251,093
Transaction costs (note 18)	(147,309)	-	-	-	(147,309)
Balance at 31 December 2020	<u>7,441,667</u>	<u>(62,178)</u>	<u>157,095</u>	<u>(5,790,350)</u>	<u>1,746,234</u>
Consolidated	Issued capital \$	Foreign currency reserve \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2021	7,441,667	(62,178)	157,095	(5,790,350)	1,746,234
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)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 32)	-	-	1,070,680	-	1,070,680
Contributions of equity, (note 18)	7,300,000	-	-	-	7,300,000
Transactions costs (note 18)	(702,557)	-	-	-	(702,557)
Balance at 31 December 2021	<u>14,039,110</u>	<u>(123,055)</u>	<u>1,227,775</u>	<u>(8,869,165)</u>	<u>6,274,665</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 2021

	Note	Consolidated 2021 \$	2020 \$
Cash flows from operating activities			
Royalty received		100,602	119,733
Payments to suppliers and employees (inclusive of GST)		(2,347,319)	(889,761)
Interest received		150	45
Other revenue		40,500	-
Interest and other finance costs paid		(72,232)	-
Payment for security deposits		(141,695)	-
Net cash used in operating activities	29	<u>(2,419,994)</u>	<u>(769,983)</u>
Cash flows from investing activities			
Payments for property, plant, and equipment	12	(114,897)	(7,030)
Payments for exploration and evaluation		<u>(1,471,332)</u>	<u>(94,050)</u>
Net cash used in investing activities		<u>(1,586,229)</u>	<u>(101,080)</u>
Cash flows from financing activities			
Proceeds from issue of shares	18	7,300,000	1,762,500
Share issue transaction costs		(472,626)	(123,309)
Repayment of borrowings		(102,103)	(50,446)
Repayment of lease liabilities		<u>(23,302)</u>	<u>-</u>
Net cash from financing activities		<u>6,701,969</u>	<u>1,588,745</u>
Net increase in cash and cash equivalents		2,695,746	717,682
Cash and cash equivalents at the beginning of the financial year		794,527	76,845
Effects of exchange rate changes on cash and cash equivalents		<u>(11,472)</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>3,478,801</u></u>	<u><u>794,527</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 \$3,078,815 for the year ended 31 December 2021 (2020: \$1,058,784) and had negative cash flows from operating activities of \$2,419,994 (2020: \$769,983).

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; and
- 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.

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.

Comparatives

When required, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

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.

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 26.

Note 1. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bastion Minerals Limited (**Company or parent entity**) as at 31 December 2021 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.

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

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.

Note 1. Significant accounting policies (continued)

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 include 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.

Property, plant, and equipment

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

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 1. Significant accounting policies (continued)

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.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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.

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.

Note 1. Significant accounting policies (continued)

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.

The cost of equity-settled transactions is 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 is 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.

Note 1. Significant accounting policies (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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.

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.

Note 1. Significant accounting policies (continued)

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 2021. 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 current 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 and finite life intangible assets. 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 economical 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)

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

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.

Note 3. Impact of COVID 19 pandemic

The World Health Organisation declared the outbreak of COVID-19 a pandemic in March 2020. However, the impact of the pandemic is ongoing, and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, lockdowns, quarantines, travel restrictions, the rollout of vaccines and any economic stimulus that may be provided.

The financial statements have been prepared based upon conditions existing at 31 December 2021 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period.

Note 4. 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 5. Other income

	Consolidated	
	2021	2020
	\$	\$
Net foreign exchange gain	-	5,750
Net fair value gain on investments	-	178,719
Other income	40,500	221,287
	<u>40,500</u>	<u>221,287</u>
Other income	<u>40,500</u>	<u>405,756</u>

Other income in current year relates to sub-lease income, refer to note 10.

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 6. Expenses

	Consolidated	
	2021	2020
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	(22,960)	(162)
Buildings right-of-use assets	(44,982)	-
	<u>(67,942)</u>	<u>(162)</u>
Total depreciation		
<i>Finance costs</i>		
Interest and finance charges paid/payable on loan with Malema Pty Ltd (an entity related to Ralph Stagg)	43,426	46,555
Interest and finance charges paid/payable on leases	14,310	-
Interest on insurance premium finance	14,496	-
	<u>72,232</u>	<u>46,555</u>
Finance costs expensed		

Note 7. Income tax expense

	Consolidated	
	2021	2020
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,078,815)	(1,058,784)
Tax at the statutory tax rate of 30%	(923,645)	(317,635)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent and temporary differences	470,830	268,970
	(452,815)	(48,665)
Current year tax losses not recognised	452,815	48,665
Income tax expense	<u>-</u>	<u>-</u>
	Consolidated	
	2021	2020
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	4,100,275	2,590,890
Potential tax benefit @ 30%	1,230,083	777,267

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
For the year ended 31 December 2021

Note 8. Cash and cash equivalents

	Consolidated	
	2021	2020
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>3,480,421</u>	<u>796,360</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	3,480,421	796,360
Bank overdraft (note 15)	<u>(1,620)</u>	<u>(1,833)</u>
Balance as per statement of cash flows	<u>3,478,801</u>	<u>794,527</u>

Note 9. Trade and other receivables

	Consolidated	
	2021	2020
	\$	\$
<i>Current assets</i>		
Other receivables	65,724	103,504
BAS receivable	<u>46,508</u>	<u>74,723</u>
	<u>112,232</u>	<u>178,227</u>

Note 10. Right-of-use assets

	Consolidated	
	2021	2020
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	1,110,682	-
Less: Accumulated depreciation	<u>(44,982)</u>	<u>-</u>
	<u>1,065,700</u>	<u>-</u>

During the year, \$40,500 of sub-lease income was received during the year ending 31 December 2021. The company entered into subleases from 1 October 2021 with a 3-year term with monthly payments of \$9,000.

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
Notes to the financial statements
For the year ended 31 December 2021

Note 10. 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 2020	-
Balance at 31 December 2020	-
Additions	1,048,463
Discount on security deposits	37,420
Recognition of make good provision	24,799
Depreciation expense	(44,982)
Balance at 31 December 2021	<u>1,065,700</u>

Note 11. Other

	Consolidated 2021 \$	2020 \$
<i>Current assets</i>		
Prepayments	72,449	122,051
Other current assets	-	7,920
	<u>72,449</u>	<u>129,971</u>
<i>Non-current assets</i>		
Security deposits	<u>104,275</u>	<u>-</u>

Note 12. Property, plant, and equipment

	Consolidated 2021 \$	2020 \$
<i>Non-current assets</i>		
Leasehold improvements - at cost	83,552	-
Less: Accumulated depreciation	(4,120)	-
	<u>79,432</u>	<u>-</u>
Plant and equipment - at cost	17,109	7,030
Less: Accumulated depreciation	(17,109)	(162)
	<u>-</u>	<u>6,868</u>
Office equipment - at cost	21,266	-
Less: Accumulated depreciation	(1,893)	-
	<u>19,373</u>	<u>-</u>
	<u>98,805</u>	<u>6,868</u>

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 12. 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 2020	-	-	-	-
Additions	-	-	7,030	7,030
Depreciation expense	-	-	(162)	(162)
Balance at 31 December 2020	-	-	6,868	6,868
Additions	21,266	83,552	10,079	114,897
Depreciation expense	(1,893)	(4,120)	(16,947)	(22,960)
Balance at 31 December 2021	<u>19,373</u>	<u>79,432</u>	<u>-</u>	<u>98,805</u>

Note 13. Exploration and evaluation

Consolidated
2021 **2020**
\$ **\$**

Non-current assets

Exploration and evaluation - at cost	<u>2,615,641</u>	<u>1,136,585</u>
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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 2020	1,209,901
Additions	94,050
Exchange differences	(34,947)
Impairment of assets	(132,419)
Balance at 31 December 2020	1,136,585
Additions	1,684,874
Exchange differences	(131,106)
Impairment of assets	(74,712)
Balance at 31 December 2021	<u>2,615,641</u>

During the year, the consolidated entity entered into a Binding Framework Agreement for the execution of a Mining Purchase Option Contract with Sociedad Minera del Norte (**SMDN**) to enter into an Option to acquire 100% of the San Juan Gold Project and surrounding licences within the Capote Mining District in the Mineral-rich Atacama Region of Chile.

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

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 14. Trade and other payables

	Consolidated	
	2021	2020
	\$	\$
<i>Current liabilities</i>		
Trade payables	117,009	216,528
Other payables and accrued expenses	90,329	181,313
	<u>207,338</u>	<u>397,841</u>

Refer to note 21 for further information on financial instruments.

Note 15. Borrowings

	Consolidated	
	2021	2020
	\$	\$
<i>Current liabilities</i>		
Bank overdraft	1,620	1,833
Loan - cash settlements	-	102,103
	<u>1,620</u>	<u>103,936</u>

Refer to note 21 for further information on financial instruments.

The loan - cash settlements represented the total royalty payments of CAD 100,000 outstanding under the Malema Loan Deed at the end of the financial year and the date of this report. This was repaid in full during the current financial year.

Note 16. Lease liabilities

	Consolidated	
	2021	2020
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>98,478</u>	<u>-</u>
<i>Non-current liabilities</i>		
Lease liability	<u>926,683</u>	<u>-</u>

Refer to note 21 for further information on financial instruments.

	Consolidated	
	2021	2020
	\$	\$
<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>		
Additions	1,048,463	-
Repayments	(37,612)	-
Interest expense	14,310	-
	<u>1,025,161</u>	<u>-</u>

Bastion Minerals Limited
Notes to the financial statements
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Note 17. Provisions

	Consolidated 2021 \$	2020 \$
<i>Non-current liabilities</i>		
Lease make good	24,799	-

Note 18. Issued capital

	2021 Shares	Consolidated 2020 Shares	2021 \$	2020 \$
Ordinary shares - fully paid	84,878,076	47,878,076	14,039,110	7,441,667

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2020	68,522,865		4,337,883
Share settlement with Karton	3 June 2020	928,125	\$0.0800	57,578
Share settlement with Malema	30 June 2020	3,550,747	\$0.1000	355,075
Balance of Malema Loan extinguished	30 June 2020	-	\$0.0000	951,940
Consolidation 2:1	28 September 2020	(36,500,863)	\$0.0000	-
Share issue	17 November 2020	23,250,000	\$0.0500	1,162,500
Share issue in lieu of fees	17 November 2020	2,480,000	\$0.0500	124,000
Share Issue	17 November 2020	21,525,261	\$0.0500	-
Consolidation 2:1	14 December 2020	(41,878,059)	\$0.0000	-
Share Issue	31 December 2020	6,000,000	\$0.1000	600,000
Less cost of capital		-	\$0.0000	(147,309)
Balance	31 December 2020	47,878,076		7,441,667
Share issue	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 issue	20 September 2021	11,000,000	\$0.2000	2,200,000
Less cost of capital		-	\$0.0000	(702,557)
Balance	31 December 2021	84,878,076		14,039,110

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.

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.

Bastion Minerals Limited
Notes to the financial statements
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Note 18. Issued capital (continued)

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 would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 31 December 2020 Annual Report.

Note 19. Reserves

	Consolidated	
	2021	2020
	\$	\$
Foreign currency reserve	(123,055)	(62,178)
Share-based payments reserve	1,227,775	157,095
	<u>1,104,720</u>	<u>94,917</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.

Movements in reserves

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

Consolidated	Foreign currency \$	Share based payments \$	Total \$
Balance at 1 January 2020	-	-	-
Foreign currency translation	(62,178)	-	(62,178)
Share based payments	-	157,095	157,095
Balance at 31 December 2020	(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	<u>(123,055)</u>	<u>1,227,775</u>	<u>1,104,720</u>

Note 20. Dividends

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

Note 21. 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:

	Assets		Liabilities	
	2021	2020	2021	2020
Consolidated	\$	\$	\$	\$
Canadian dollars	-	-	-	102,103
Chilean peso	179,364	94,894	155,805	34,286
	<u>179,364</u>	<u>94,894</u>	<u>155,805</u>	<u>136,389</u>

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

Consolidated - 2020	% change	AUD strengthened	Effect on	% change	AUD weakened	Effect on
		Effect on	equity		Effect on	equity
		profit before			profit before	
		tax			tax	
Chilean peso	10%	-	(6,060)	10%	-	6,060
Canadian dollars	10%	-	(10,210)	10%	-	10,210
		<u>-</u>	<u>(16,270)</u>		<u>-</u>	<u>16,270</u>

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.

Note 21. Financial instruments (continued)

Credit risk

The consolidated entity is not exposed to any significant credit risk.

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.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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 - 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
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	5.50%	152,444	160,492	707,019	203,053	1,223,008
Total non-derivatives		361,402	160,492	707,019	203,053	1,431,966
Consolidated - 2020						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade other payables	-	397,841	-	-	-	397,841
<i>Interest-bearing - fixed rate</i>						
Bank overdraft	-	1,833	-	-	-	1,833
Loan cash settlement	5.50%	102,103	-	-	-	102,103
Total non-derivatives		501,777	-	-	-	501,777

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.

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 22. 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	
	2021	2020
	\$	\$
Short-term employee benefits	617,300	268,314
Share-based payments	706,366	157,095
	<u>1,323,666</u>	<u>425,409</u>

Note 23. Remuneration of auditors

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

	Consolidated	
	2021	2020
	\$	\$
<i>Audit services - Ernst and Young Australia</i>		
Audit or review of the financial statements	77,000	73,600
<i>Other services - Ernst and Young Australia</i>		
Investigating accountant's report	-	60,000
	<u>77,000</u>	<u>133,600</u>
<i>Audit services - member firms of Ernst and Young Australia</i>		
Audit or review of the financial statements	20,000	21,400

Note 24. Contingent liabilities

During the 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 consolidated entity had no other contingent liabilities as at 31 December 2021 and 31 December 2020.

Note 25. Related party transactions

Parent entity

Bastion Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 25. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2021	2020
	\$	\$
Payment for other expenses:		
Interest paid to Malema Pty Ltd (an entity related to Ralph Stagg)	27,002	46,555

Receivable from and payable to related parties

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

	Consolidated	
	2021	2020
	\$	\$
Current payables:		
Trade payable to Project Gioscience Pty Ltd (an entity related to Ralph Stagg)	-	4,125
Trade payable to Project Asyana Pty Ltd (an entity related to David Nolan)	-	875
Trade payable to AL Stewart Family Pty Ltd (an entity related to Andrew Stewart)	11,175	-

Loans to/from related parties

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

	Consolidated	
	2021	2020
	\$	\$
Current borrowings:		
Cash payment loan from Malema Pty Ltd (an entity related to Ralph Stagg). Refer to note 15.	-	102,103

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 are 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 32.

Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2021	2020
	\$	\$
Loss after income tax	(3,139,692)	(1,163,331)
Total comprehensive loss	(3,139,692)	(1,163,331)

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 26. Parent entity information (continued)

Statement of financial position

	Parent	
	2021	2020
	\$	\$
Total current assets	3,454,921	956,898
Total assets	7,482,674	2,213,725
Total current liabilities	256,527	467,792
Total liabilities	1,208,009	467,792
Equity		
Issued capital	14,039,110	7,441,667
Share-based payments reserve	1,227,775	157,095
Accumulated losses	(8,992,220)	(5,852,829)
Total equity	6,274,665	1,745,933

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 2021 and 31 December 2020.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2021 and 31 December 2020.

Capital commitments - Property, plant, and equipment

The parent entity had no capital commitments for property, plant, and equipment as at 31 December 2021 and 31 December 2020.

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 27. 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	
		2021	2020
		%	%
SCM Comet Constelación	Chile	99.99%	99.99%
Bastion Minerals (El Fuerte) Pty Ltd	Australia	100.00%	-

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 28. Events after the reporting period

On 17 January 2022, the Company announced that it had appointed Alvaro Trujillo as Country Manager in Chile, in order to drive the consolidated entity towards its maiden drill program within the Capote Mining District and surrounding vein systems in the mineral rich Atacama Region of Chile.

No other matter or circumstance has arisen since 31 December 2021 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 29. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2021	2020
	\$	\$
Loss after income tax expense for the year	(3,078,815)	(1,058,784)
Adjustments for:		
Depreciation and amortisation	67,942	162
Share-based payments	818,223	157,095
Impairment of exploration	74,712	132,419
Change in operating assets and liabilities:		
Decrease in trade and other receivables	65,995	144,708
Increase in other operating assets	(153,457)	(195,299)
Increase/(decrease) in trade and other payables	(230,534)	49,716
Increase in employee benefits	15,940	-
Net cash used in operating activities	<u>(2,419,994)</u>	<u>(769,983)</u>

Note 30. Changes in liabilities arising from financing activities

	Related party loan \$	Convertible note \$	Cash payment \$	Leases \$	Total \$
Consolidated					
Balance at 1 January 2020	1,212,806	764,860	-	-	1,977,666
Net cash used in financing activities	(50,446)	-	-	-	(50,446)
Other changes	(1,162,360)	(764,860)	102,103	-	(1,825,117)
Balance at 31 December 2020	-	-	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	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,025,161</u>	<u>1,025,161</u>

Note 31. Earnings per share

	Consolidated	
	2021	2020
	\$	\$
Loss after income tax attributable to the owners of Bastion Minerals Limited	<u>(3,078,815)</u>	<u>(1,058,784)</u>

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 31. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	72,034,240	20,427,756
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>72,034,240</u>	<u>20,427,756</u>
	Cents	Cents
Basic loss per share	(4.27)	(5.18)
Diluted loss per share	(4.27)	(5.18)

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 32. 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 2021	Weighted average exercise price 2021	Number of options 2020	Weighted average exercise price 2020
Outstanding at the beginning of the financial year	-	\$0.0000	-	\$0.0000
Granted	14,477,562	\$0.2569	-	\$0.0000
Forfeited	<u>(1,000,000)</u>	\$0.3000	-	\$0.0000
Outstanding at the end of the financial year	<u>13,477,562</u>	\$0.2537	<u>-</u>	\$0.0000
Exercisable at the end of the financial year	<u>1,477,562</u>	\$0.2500	<u>-</u>	\$0.0000

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	31/05/2024	\$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
			<u>-</u>	<u>14,477,562</u>	<u>-</u>	<u>(1,000,000)</u>	<u>13,477,562</u>
Weighted average exercise price			\$0.0000	\$0.2596	\$0.0000	\$0.3000	\$0.2537

The 1,477,562 options over ordinary shares were 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 2.40 years.

Performance rights

During the current year 2,700,000 performance rights were granted with the performance hurdle of two significant drill intercepts at the consolidated entity's projects.

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 32. Share-based payments (continued)

A total of 5,250,000 performance rights were issued with the five following performance hurdles, and a further 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 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.

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

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

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
			-	10,250,000	-	-	10,250,000

* 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 is to be sought from shareholders at the AGM to be held on 25 May 2022.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 2.33 years

Valuation model inputs

For the options granted during the current financial year, 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	31/05/2024	\$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

For the performance rights granted during the current 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:

Bastion Minerals Limited
Notes to the financial statements
For the year ended 31 December 2021

Note 32. Share-based payments (continued)

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

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 are 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.

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
For the year ended 31 December 2021

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 2021 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 2022

Independent auditor's report to the members 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 2021, 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 2021 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 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.

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. 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	How our audit addressed the key audit matter
At 31 December 2021 the Group held capitalised exploration and evaluation assets of \$2.6 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 assessed 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 asset and the judgmental nature of impairment indicator assessments associated with exploration and evaluation assets, we considered this to be a key audit matter.	Our audit procedures included the following: ▶ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing relevant documentation. ▶ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area 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 Company's 2021 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will 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 on the other information obtained prior to the date of this auditor's report, 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 2021.

In our opinion, the Remuneration Report of Bastion Minerals Limited for the year ended 31 December 2021, 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.



Ernst & Young



Scott Nichols
Partner
Sydney
31 March 2022