

BASTION MINERALS ANNOUNCES TRANSFORMATIONAL OPTION TO ACQUIRE EXTENSIVE CANADIAN (QUEBEC AND ONTARIO) LITHIUM ROYALTY & PROJECTS PORTFOLIO AND CAPITAL RAISING

Highlights:

- Bastion has entered into an Option Agreement to acquire a significant portfolio of lithium assets and royalties located in the proven lithium province of Ontario, Canada hosting projects such as Seymour, Separation Rapids, Root Bay, Mavis Lake, Allison Lake and Raleigh Lake.
- Bastion has the right to acquire 130 mining properties in Quebec and Ontario representing more than 11,200 mining cell claims across more than 2,250 square kilometres in numerous actively explored mining districts in Canada's Superior Geological Province, of which 88 mining tenements are currently under option to third parties.
- The 88 optioned claims consist of 53 lithium properties with Net Smelter Royalties (**NSR**) and contracted agreements located in all the major lithium camps in Ontario.
- Existing option agreements/sales/NSRs are in place with a number of major lithium investors including Green Technology Metals (ASX:GT1) and the Waratah Electrification and Decarbonisation (E & D) Fund managed by Waratah Capital and Tearleach Resources Inc (TSXV:TEA). NSRs cover lithium and other important electrification metals such as nickel and copper as well as gold, platinum and palladium.
- The average NSR across the optioned projects is 1.55%, of which an average of 0.63% of the **royalty can be purchased from Bastion for a combined total of up to C\$46,750,000.**
- Additionally, should Bastion exercise the Option, it is expected to **receive cash inflows from outstanding cash option payments** over the term of these contracted lithium sale agreements up to approximately C\$4,900,000 (~A\$5,400,000). These payments also have **associated value in tradeable shares in TSXV and ASX-listed companies.**
- Furthermore an additional 42 projects will be acquired within the portfolio to be owned 100% across commodities such as lithium, nickel, copper, gold, platinum and palladium.
- Bastion will review each of these projects and either look to conduct exploration or sell these properties to third parties to generate additional cash inflows along with additional NSRs that will be 100% owned by Bastion, further enhancing the potential returns on this acquisition.
- Some projects include known 43-101 compliant Mineral Resources and are located in extremely prolific areas such as Red Lake, Pickle Lake and Ring of Fire, which have attracted major players such as Agnico Eagle Inc/Kirkland Lake Inc (AEM.TO), Auteco Minerals Ltd (ASX:AUT) and Andrew Forrest-owned Wyloo Metals respectively.
- Cash inflows from outstanding cash option payments will enable Bastion to advance its exploration of its existing Chilean projects.
- Bastion has paid an Option fee under the Option Agreement of C\$50,000 for the exclusive right to complete the acquisition before 31 January 2023, during which time it will conduct any necessary due diligence. There is no obligation on Bastion to proceed with the Option Agreement following due diligence.
- Bastion also announces the successful completion of a placement and forthcoming rights issue.

Bastion Minerals Limited (ASX: **BMO**, **Bastion** or the **Company**) is pleased to announce it has entered into an Option Agreement to acquire a transformational portfolio of 130 properties located in Quebec and Ontario, Canada, covering more than 2,250 square kilometres including **53 lithium properties with NSRs and contracted agreements** located in all the major lithium camps in Ontario.

Executive Chairman, Mr Ross Landles, commented:

"This is a highly accretive and transformational acquisition for the Company and its shareholders that will provide annual cashflow over three years plus additional value in tradeable shares in TSXV and ASX-listed companies. Pending exploration success on optioned properties, potential sales of NSR royalties held will assist in funding continued exploration of the Company's Chilean assets as well as provide a platform to increase the Company's exposure to the battery metals sector via further acquisitions."

"This acquisition provides a compelling payback, and the significant upside expected to be achieved expands the investment proposition. This provides Bastion a unique blend of high-quality 100% owned projects and exposure to a stable of cash-flowing option agreements with potential future royalties on properties being explored by third parties."

"For Bastion to secure this significant portfolio, which is heavily weighted towards the lithium and battery metals sector, is truly transformational for the Company. The expected cashflows from the optioned properties is expected to exceed the purchase cost and following payback, Bastion will hold an extensive royalty portfolio at zero cost."

"An additional significant benefit to Bastion shareholders is the provision of no-cost exploration exposure in high-profile districts in the top tier Ontario jurisdictions with an extremely strong focus on the lithium sector."

Transaction Details

The Company has paid the vendors a C\$50,000 non-refundable fee to secure an exclusive Option to conduct due diligence over the Gravel Resources portfolio claims, contracts and agreements up until 31 January 2023.

BMO has the right to acquire 130 mining properties representing more than 11,200 mining claims across more than 2,250 square kilometres in numerous actively explored mining districts in Canada's Superior Geological Province, located in all major lithium camps such as Root Bay where Green Technology Metals Ltd (ASX:GT1) has a strong presence and extremely prolific areas such Red Lake, Pickle Lake and Ring of Fire which has attracted major players such as Agnico Eagle Inc/Kirkland Lake Inc (AEM.TO), Auteco Minerals Ltd (ASX:AUT) and Andrew Forrest-owned Wyloo Metals. (See **Figures 1-5**).

Of the 130 properties, 88 mining properties are currently under option to third parties and are expected to deliver cash flows to Bastion of approximately C\$4,800,000 (~A\$5,400,000) plus additional consideration in tradeable shares in TSXV and ASX-listed companies.

Properties Under Option to Third Parties		88
<i>Lithium Properties Under Option</i>	53	
Properties 100% owned and not under option		42
TOTAL PROPERTIES WITHIN OPTION AGREEMENT		130

Of the 88 mining properties under third party options:

- 53 lithium properties with NSRs and contracted agreements are located in all the major lithium camps in Ontario and have existing option agreements/sales/NSRs in place with a number of major lithium

investors, including Green Technology Metals (ASX:GT1), the Waratah Electrification and Decarbonisation (E&D) Fund.

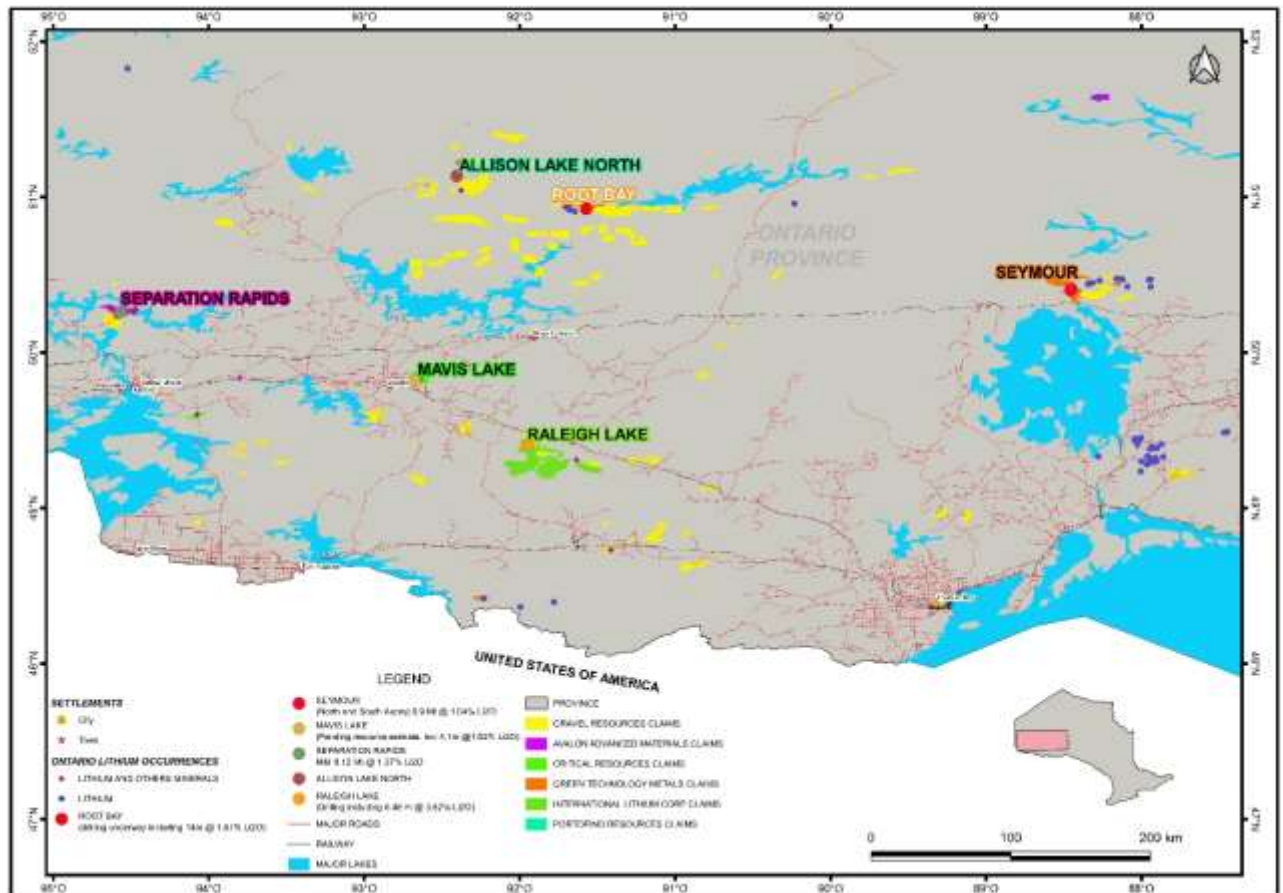


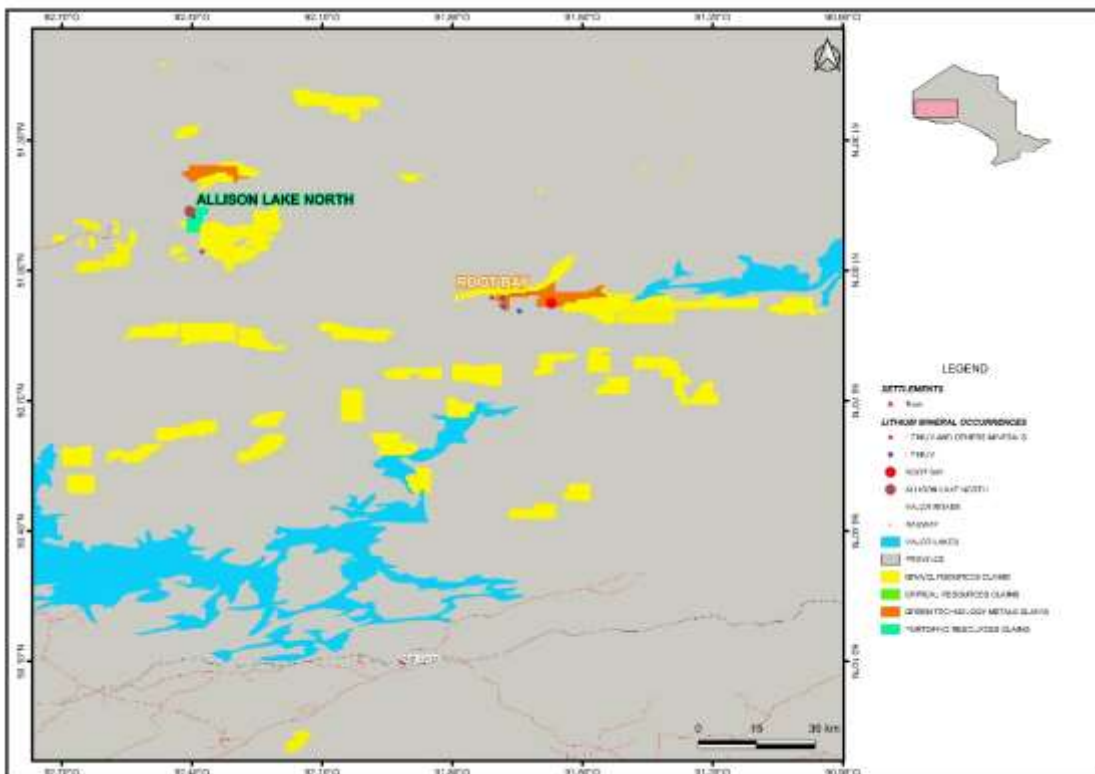
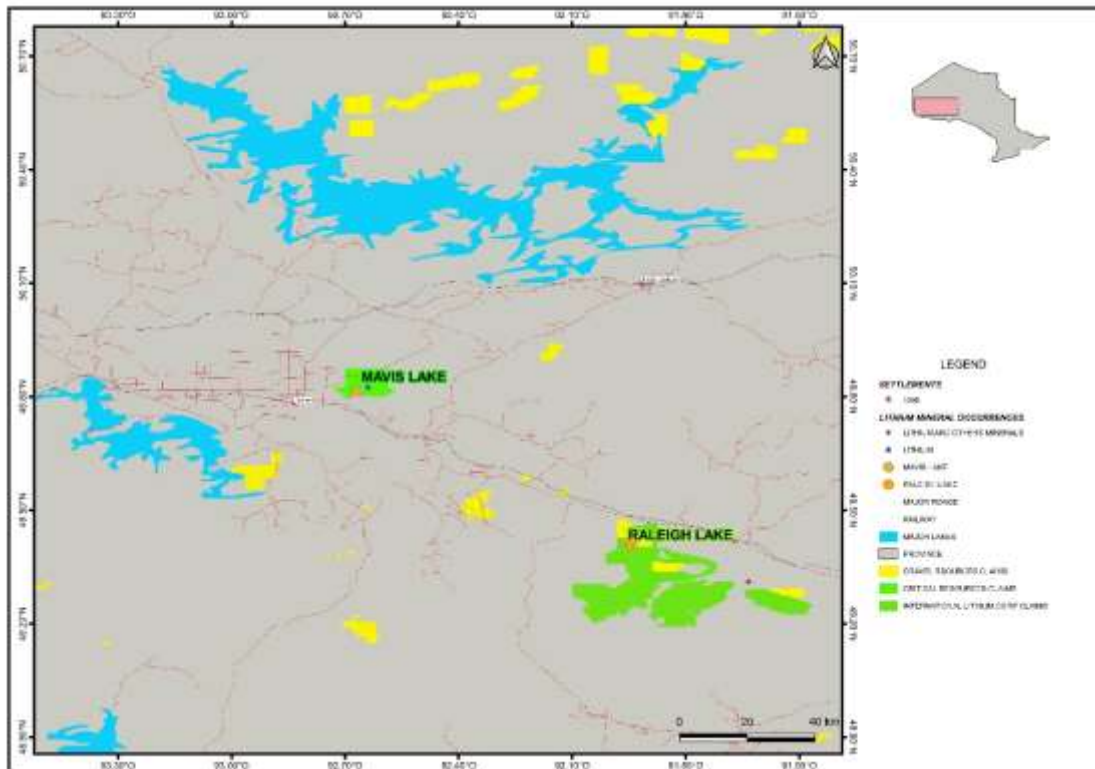
Figure 1: Overview of Lithium Assets and Royalties under Option Agreement Option Area Claims - yellow)

- 35 other properties' option agreements/sales/NSRs are also in place across commodities such as nickel, copper, gold, platinum and palladium.
- Royalties payable from the 88 properties currently under option to 3rd parties total C\$4,900,000, which will be paid to Bastion in various sums between 2023 and 2025, averaging C\$1.6m per year.
- Across 82 of these optioned properties, the average NSR across the optioned projects is 1.55% and of which an average of 0.63% of the royalty can be purchased back from BMO for a combined total of C\$46,750,000 and provide additional income to the Company should BMO decide not to monetise these earlier.

Bastion will also acquire an additional 42 projects in Quebec and Ontario within the portfolio to be 100% owned across commodities such as lithium, nickel, copper, gold, platinum and palladium and some projects include known 43-101 compliant Mineral Resources and are located in extremely prolific areas.

BMO will review each of these projects and either look to conduct exploration or sell these properties to third parties to generate additional cash inflows along with additional NSRs to be generated that will be 100% owned by BMO on closing, further enhancing the potential returns on this acquisition.

Additionally, the Vendors agree to grant the Company a first right of refusal on all future projects staked by the Vendors or their associated entities during a period of 6 months, providing Bastion with a first look and access to some exciting new properties in Quebec and Ontario for either direct exploration or sale.





Consideration

The transaction involves nominal cash and share payments payable by Bastion following the successful completion of due diligence and exercising the Option Agreement.

The Company has paid the vendors (1544230 Ontario Inc and Gravel Ridge Resources Inc) a C\$50,000 non-refundable fee to secure an exclusive Option to conduct due diligence over the portfolio claims, contracts and agreements up until 31 January 2023.

Should Bastion's due diligence be satisfied, and it elects to proceed with the acquisition, the C\$50,000 fee will be deducted from the purchase price and the Company agrees to make the payments detailed below to the Vendors (or its nominee/s).

Tranche 1 (Paid upon Option Exercise)

On the Settlement Date, the following consideration will be payable by BMO to the Vendors (Tranche 1 Settlement):

- C\$1,300,000 Cash Payment; and
- C\$200,000 in BMO Fully Paid Ordinary shares issued at the 7-day volume weighted average price (VWAP) prior to the date of Tranche 1 Settlement.

Tranche 2 (Payment four (4) months after Option Exercise payment)

On the day which is four (4) months after the date of Tranche 1 Settlement, the following consideration will be payable by BMO to the Vendors (Tranche 2 Settlement):

- C\$1,300,000 Cash Payment; and
- C\$200,000 in BMO Fully Paid Ordinary shares issued at the 7-day VWAP prior to the date of Tranche 2 Settlement.

Tranche 3 (Closing Payment Paid eight (8) months after Option Exercise payment)

On the day which is four (4) months after the date of Tranche 2 Settlement, the following consideration will be payable by BMO to the Vendors (Tranche 3 Settlement):

- C\$1,300,000 Cash Payment; and
- C\$200,000 in BMO Fully Paid Ordinary shares issued at the 7-day VWAP prior to date of Tranche 3 Settlement.

Settlement under tranches 1, 2 and 3 will require shareholder approval as the Company does not currently have sufficient capacity under Listing Rule 7.1 following the Placement. Should Bastion proceed with the Option Agreement following due diligence, full terms of any additional long form documentation will be announced to the ASX at the time.

Capital Raising

The Company is also pleased to advise the successful completion of a Placement to raise up to A\$500,000 before costs, via the issue of 10,000,000 shares at an issue price of A\$0.05 per share with a free attaching 3-year option which will be exercisable at A\$0.16 each (**Free Attaching Options**).

The Placement will be conducted at a price of A\$0.05 per share representing a:

- 20% discount to the last traded price of A\$0.063;
- 20% discount to the 5-day Volume Weighted Average Price (VWAP) of A\$0.063; and
- 29% discount to the 15-day VWAP of A\$0.0618.

Shareholder approval is not required for the shares and options to be issued under the Placement, which is

being conducted within the Company's existing capacity pursuant to ASX Listing Rules ('LR') 7.1.

All new shares issued under the Placement (and any options exercised) will rank pari passu with the existing Ordinary shares on issue in the capital of the Company.

In addition to the Placement, the Company intends to raise up to A\$1,423,317.73 by conducting a non-renounceable Entitlement Issue of 1 new Ordinary share for every 4 Ordinary shares held (at the Record Date) at an issue price of A\$0.05, with 1 new option (exercise price A\$0.16, expiring 3 years from issue) for every 2 new share issued.

The Company intends to have these all the options issued in the Placement and Entitlement Issue listed and quoted on the Australian Securities Exchange.

The Entitlement Issue will not be underwritten. GTT Ventures has agreed to place any shortfall under the Entitlement Issue.

Use of Funds

The funds from the Placement and Entitlement Issue will be used for the payment of the Option fee, extensive due diligence required before 31 January 2023 to determine whether to exercise the Option, provide capital in the event the Option is exercised and continuing exploration activities on the Company's Chilean projects.

Timetable

The indicative timetable for the Placement Issue is as follows:

Event	Date
Announcement of completion of Placement and Trading Halt lifted	Monday, 5 December 2022
Settlement of Placement	Monday, 5 December 2022
Allotment of new ordinary shares issued under the Placement	Monday, 5 December 2022

Note: The Company reserves the sole right to alter the indicative timetable in its discretion in accordance with the ASX Listing Rules.

The indicative timetable for the Entitlement Issue is as follows:

Event	Date
Announcement of Offer	Wednesday, 14 December 2022
Despatch of notices to Optionholders informing them of the Offer	Wednesday, 14 December 2022
Lodgement of Appendix 3B and Prospectus with ASX	Wednesday, 14 December 2022
Shares quoted on ex-entitlement basis	Friday, 16 December 2022
Record Date for determining Entitlements	7pm, Monday, 19 December 2022
Offer opens – despatch of Prospectus and Acceptance Form	Tuesday, 20 December 2022
Last date to extend the Closing Date	Tuesday, 3 January 2023
Closing Date	Friday, 6 January 2023
Shares quoted on deferred settlement basis	Monday, 9 January 2023
Allotment and issue of New Shares and New Options and lodgement of Appendix 2A with ASX	Before 12pm, Tuesday, 10 January 2023
Trading of New Shares on ASX expected to commence	Wednesday, 11 January 2023
Despatch of holding statements	Thursday, 12 January 2023

Note: The Company reserves the sole right to alter the indicative timetable in its discretion in accordance with the ASX Listing Rules.

GTT Ventures will be paid 6% on the amount raised under the Entitlement Issue and Placement and issued 5,000,000 options with the same terms as the Free Attaching Options, with the options subject to shareholder approval.

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

For more information contact:

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