

## **BINDING LETTER OF INTENT SIGNED FOR GRANT OF OPTION TO HOT CHILI TO ACQUIRE COMETA PROJECT FOR UP TO US\$3.3M**

**Bastion Minerals Limited** (ASX: BMO) (**Bastion** or the **Company**) is a multi-commodity company, exposed to copper and the battery metals thematic. Bastion is pleased to provide an update on the rationalisation of its Project portfolio.

### **Highlights**

- Bastion has signed a binding Letter of Intent (**LOI**) with ASX listed Hot Chili Ltd (**ASX:HCH**) (**HCH** or **Hot Chili**) for an option for HCH to acquire the Cometa Copper Project in Chile for up to US\$3.3 million in cash.
- Divestment will enable Bastion to realise near term value for shareholders from the Cometa Copper Project and focus on the highly prospective Canadian Lithium Project and Swedish Rare Earth Element (**REE**) Project.
- Confirmation received from the ASX that shareholder approval is not required for the divestment of the Cometa Copper Project.
- Lithium exploration results due in Q3, with well-regarded Canadian geological consultancy Orix Geoscience Inc onsite at the McCombe North and Raleigh Lake Lithium Projects in Ontario, Canada.
- On ground exploration is expected to commence in Q3 2023 at the Gyttrorp REE Project in Sweden. Exploration activities will include systematic geochemical sampling of known mineral occurrences within the project permit.

### **Executive Chairman, Mr Ross Landles, commented:**

*“The Bastion Board is thrilled with the outcome for the divestment of the Cometa Copper asset to our neighbours in Chile, should the option be exercised. Hot Chili Ltd has a strong track record of consolidating tenure around its Costa Fuego Project and has already undertaken significant due diligence on Cometa.*

*“The option over Cometa has the potential to create significant near term value for shareholders. This is the right buyer at the right time for Bastion. In the event that the Option is exercised, the funds received will be directed towards exploration in Canada and Sweden.*

*“We will now be able to concentrate our focus towards our lithium and REE assets based in Canada and Sweden respectively.”*

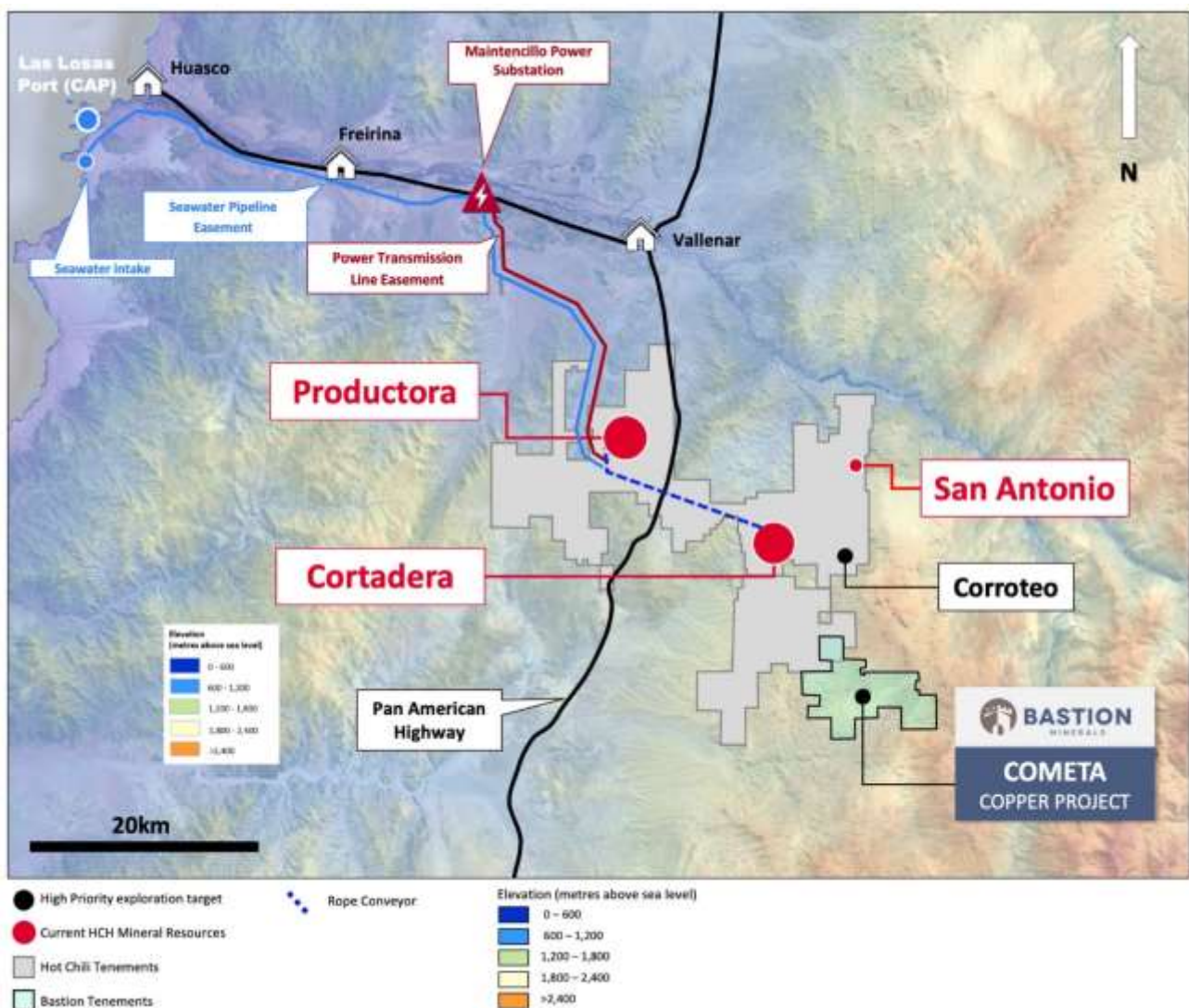
## Bastion to Divest Cometa Copper Project

Bastion is pleased to announce that it has signed a binding LOI with ASX listed Hot Chili for the grant of an option to Hot Chili to acquire the Cometa Copper Project located 40km southeast of Vallenar in Chile. (“**Option Agreement**”).

Cometa consists of exploration and mining licenses covering approximately 56km<sup>2</sup> of granted mining and exploration tenements.

Hot Chili has a history of transactions over the past decade to consolidate its position in the region, more recently executing an option agreement with Antofagasta Minerals S.A. in November 2022.<sup>1</sup>

HCH has been in discussions with Bastion over recent months, and has already commenced technical due diligence on the Cometa Project. The HCH team is well-positioned to explore Cometa from its existing exploration base to the north, with a highly experienced team and an active drill program aimed at expanding the scale of its Costa Fuego copper development.



*Figure 1: The Cometa Copper Project in comparison to Hot Chili's neighbouring Costa Fuego Project.*

<sup>1</sup> HCH ASX Announcement 30 November 2022 – Further Consolidation at Cortadera.

## The material terms of the LOI are as follows:

### Exclusivity

- Exclusivity period of 60 days for Hot Chili to complete due diligence and enter into Option Agreement to acquire 100% of the Cometa Project.

### Option

- Non-refundable cash payment of US\$100,000 to Bastion upon signing the Option Agreement (**Grant Date**).
- Non-refundable cash payment of US\$200,000 within a 12 month period of the Grant Date to continue with the Option.

### Exercise of Option and Purchase Price

- Consideration of US\$2,400,000 to Bastion if the Option is exercised by Hot Chili within 18 months of the Grant Date; or
- Consideration of US\$3,000,000 to Bastion if the Option is exercised by Hot Chili within 30 months of the Grant Date.

### Payment of Purchase Price

Hot Chili may elect to satisfy payment by either:

- paying the Purchase Price in cash in full; or
- paying 50% of the Purchase Price in cash and Hot Chili issuing to Bastion, or its nominee, such number of fully paid ordinary shares in Hot Chili (HCH Shares) calculated as follows:

$(\text{Purchase Price} \times 0.5) / \text{VWAP}$

Where "VWAP" is the volume weighted average price of HCH Shares traded on the Australian Securities Exchange (**ASX**) over the 15 trading days on which HCH Shares are traded on ASX immediately prior to the date of the Exercise Notice.

### Expiry

- If the Option is not exercised within the 30 month Option Period, the Option will expire and the Option Agreement will terminate.

### Parties

- SCM Cornet Constelacion (**Constelación**), a subsidiary of Bastion incorporated in Chile, and holder of the concessions comprising the Cometa Project, will enter into the Option Agreement and grant the Option to Sociedad Minera La Frontera SpA (**Frontera**), a subsidiary of Hot Chili incorporated in Chile.
- Bastion and Hot Chili will guarantee the obligations of Constelacion and Frontera respectively under the Option Agreement.

## Next Steps

Bastion will continue to progress exploration across its Canadian Lithium Project, with exploration results due in Q3, with well-regarded Canadian geological consultancy Orix Geoscience Inc onsite at the McCombe North and Raleigh Lake Lithium Projects in Ontario, Canada.

On ground exploration is expected to commence in Q3 2023 at the Gyttop REE Project in Sweden. Exploration activities will include systematic geochemical sampling of known mineral occurrences within the project permit.

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

For more information contact:

Ross Landles, Executive Chairman, Bastion Minerals

[ross.landles@bastionminerals.com](mailto:ross.landles@bastionminerals.com)

0438 959 144

## About Bastion Minerals

Bastion Minerals (ASX:**BMO**) is an Australian-listed early stage exploration company focused on Copper, Lithium & Green metals.

The Company owns an earn in agreement to acquire three highly prospective lithium properties located in Ontario Canada, a rapidly growing lithium province. The three properties are located close to known pegmatites, where adjacent companies have intersected pegmatites in drilling and have defined and reported resources. The property groups are referred to as Pakwan East Lithium, Raleigh Lake Lithium, and McCombe North Lithium projects.

Bastion also owns a district scale high grade Rare-Earth, Copper, Gallium and Germanium exploration project in Sweden, called Gyttop nr 100.

Bastion has a strategy of exploration, discovery & acquisition, leveraged to decarbonisation. Bastion will continue to identify new assets with a focus on the Company's decarbonisation strategy, targeting Lithium, Copper, REE, Graphite and Nickel.

For further information please visit the Bastion Minerals website at [www.bastionminerals.com](http://www.bastionminerals.com)