

2 August 2024

Lion supports major Brightstar growth step

- **Lion has committed to invest \$4.3M in Brightstar fund raising.**
- **Brightstar has announced deals to consolidate the Sandstone-Gidgee region, with a scheme of arrangement to acquire Alto Metals, and separate agreement to purchase the Montague East Gold Project from Gateway Mining.**
- **Lion to become 5.1% shareholder in the enlarged Brightstar who will own a large, shallow gold inventory (3.0Moz), be well funded with a short-term pathway to production and strategy to fund growth from cash flows.**

Lion Selection Group Limited (**Lion, the Company**) is pleased to announce it has committed to invest \$4.3M as part of a \$24M equity fund raising announced by Brightstar Resources Limited (**Brightstar**, ASX:BTR). The fund raising is being conducted alongside a strategic consolidation of gold projects, whereby Brightstar has agreed to acquire Alto Metals (**Alto**, ASX:AME) via a scheme of arrangement¹ and purchase the Montague East Gold project from Gateway Mining (**Gateway**, ASX:GML)². Alto and Gateway's projects are located in the Sandstone-Gidgee region of Western Australia and contain large, close to surface established gold resources. Lion is already a shareholder of Brightstar and Alto and assuming both the acquisition deals are completed, following completion of the raising Lion will become a 5.1% shareholder in Brightstar.

Lion Chief Executive Officer Hedley Widdup said: *"Lion is very pleased to see these deals come together. We expect Alex and his team to be terrific custodians of gold assets, and we admire their strong vision. Brightstar is unique in the proximity of some of its existing Resources to established process facilities, and this enables them to potentially generate cash flow from toll treatment or ore sales, for minimal capital investment. On completion of the Alto scheme and Montague purchase, Brightstar will control a sizeable ground position with numerous shallow and open gold resources which creates a multi-million ounce gold company, that is well funded to aggressively expand resources. We think the use of cash flow to fund aggressive exploration and eventually contemplate development of a large new gold project in the Sandstone region has the potential to catapult Brightstar into the ranks of being a significant gold producer. This combination of people, strategy and assets makes Brightstar a wonderful cornerstone to Lion's portfolio."*



Brightstar Resources – short pathway to production, and strategy to apply cash flow to fund growth

Brightstar has established gold resources at Laverton and Menzies, which are the subject of a feasibility study at present and feature a combined Mineral Resource of 1.46Moz of gold grading 1.6g/t³. A scoping study released in September 2023⁴ contemplated gold production commencing via processing of Brightstar ores at regional process facilities, and the resultant cash flow enabling the rejuvenation of Brightstar's own process plant near Laverton.

Consolidation and acquisition of Sandstone project

The consolidation and acquisition of the Alto and Gateway projects at Sandstone introduces an additional established Resource position of 1.5Moz grading 1.5g/t¹. Brightstar intend to undertake an aggressive drilling effort at Sandstone where there is scope to materially increase the resource estimate with focussed exploration.

Result – large gold inventory with a strong growth pathway

The resultant Brightstar will have a pro-forma combined gold resource of 3.0Moz¹, between three key projects at Menzies, Laverton and Sandstone. The announced capital raising positions Brightstar to be strongly funded, and the strategy to commence production via ore sales or toll treatment is expected to generate cash flows that can support growth. The combination of this strategy and newly consolidated large mineral resource inventory presents the potential to become a large gold producer.

Lion portfolio - cornerstone holdings in two multi-million ounce gold developers Brightstar and Saturn

Following the completion of the transactions and fund raising, Lion will hold approximately 5.1% of Brightstar. Lion's portfolio also contains a cornerstone investment in Saturn Metals (**Saturn**, ASX:STN) which will be 17.58% following completion of the Saturn placement announced on 1 July 2024. Brightstar and Saturn are both companies that intend to develop multi-million ounce gold resources in Western Australia into production.

References

1. Refer to ASX announcement by Brightstar Resources (ASX:BTR) on 1 August 2024 "BTR and AME strategic merger. BTR consolidates Sandstone".
2. Refer to ASX announcement by Gateway Mining (ASX:GML) on 1 August 2024 "GML sells gold rights at Montague East to BTR for \$14M".
3. Refer to ASX announcement by Brightstar Resources (ASX:BTR) on 1 August 2024 "BTR and AME Sandstone merger and acquisition presentation".
4. Refer to ASX announcement by Brightstar Resources (ASX:BTR) on 6 September 2023 "Menzies and Laverton Gold Project Mine Restart Study".

Appendix: Resource tables

This announcement refers to the established Mineral Resources that are quoted by Brightstar, Alto and Gateway. The relevant Mineral Resource Estimates, broken down by Resource category and project are shown below. These tables are extracted from the Presentation released to ASX by Brightstar Resources on 1 August 2024.

Table 1: Brightstar Resources Limited Mineral Resources

Location	Cut-off	Measured			Indicated			Inferred			Total		
	g/t Au	kt	g/t Au	koz	kt	g/t Au	koz	kt	g/t Au	koz	kt	g/t Au	koz
Alpha	0.50	623	1.6	33	374	2.1	25	455	3.3	48	1,452	2.3	106
Beta	0.50	345	1.7	19	576	1.6	29	961	1.7	54	1,882	1.7	102
Cork Tree Well	0.50	-	-	-	3,036	1.6	157	3,501	1.3	146	6,537	1.4	303
Jasper Hills	0.50	479	2.1	33	1,306	2.1	87	3,133	1.7	173	4,918	1.9	293
Second Fortune	2.50	17	16.9	9	78	8.2	21	71	12.3	28	166	10.9	58
Laverton Hub sub-total		1,464	2.0	94	5,370	1.8	319	8,121	1.7	449	14,955	1.8	862
Lady Shenton System (Pericles, Lady Shenton, Stirling)	0.50	-	-	-	2,770	1.3	119	4,200	1.3	171	6,970	1.2	287
Yundaga	0.50	-	-	-	1,270	1.3	53	2,050	1.4	90	3,320	1.3	144
Yundaga (UG)	2.00	-	-	-	-	-	-	110	3.3	12	110	3.3	12
Aspacia	0.50	-	-	-	137	1.7	7	1,238	1.6	62	1,375	1.6	70
Lady Harriet System (Warrior, Lady Harriet, Bellenger)	0.50	-	-	-	520	1.3	22	590	1.1	21	1,110	1.2	43
Link Zone	0.50	-	-	-	145	1.2	6	470	1.0	16	615	1.1	21
Selkirk	0.50	-	-	-	30	6.3	6	140	1.2	5	170	2.1	12
Lady Irene	0.50	-	-	-	-	-	-	100	1.7	6	100	1.7	6
Menzies Hub sub-total		-	-	-	4,872	1.4	213	8,898	1.3	383	13,770	1.3	595
Brightstar total		1,464	2.0	94	10,242	1.6	532	17,019	1.5	832	28,725	1.6	1,457

This announcement contains references to Brightstar's JORC Mineral Resources, extracted from the ASX announcements that were released by Brightstar titled "Maiden Link Zone Mineral Resource Estimate" dated 15 November 2023, "Cork Tree Mineral Resource Upgrade Delivers 1Moz Group MRE" dated 23 June 2023, "Brightstar makes Recommended Takeover Offer for Linden Gold Alliance Limited" and "Auralia Review" dated 10 September 2020, and ASX announcements for Kingwest Resources Limited titled, "High grade drilling results and high grade resource estimation from the Menzies Goldfield" dated 13 December 2022 and "Menzies JORC gold resources surpass 500,000 ounces" dated 26 April 2022.

Table 2: Sandstone Mineral Resources

Location	Cut-off	Measured			Indicated			Inferred			Total		
CONSTRAINED (April 2023)	g/t Au	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz
Lord Nelson	0.50	-	-	-	1.5	2.1	100	3.5	1.4	163	5.0	1.6	263
Lord Henry	0.50	-	-	-	1.6	1.5	77	0.3	1.2	13	1.9	1.4	90
Vanguard Camp	0.50	-	-	-	0.4	2.0	26	1.9	1.6	124	2.3	2	150
Havilah Camp	0.50	-	-	-	-	-	-	1.0	1.5	46	1.0	1.5	46
Indomitable Camp	0.50	-	-	-	0.8	0.9	23	4.6	1.1	187	5.4	1.2	210
Bull Oak	0.50	-	-	-	-	-	-	1.9	1.1	65	1.9	1.1	65
Ladybird	0.50	-	-	-	-	-	-	0.1	1.9	8	0.1	1.9	8
Total		-	-	-	4.3	1.6	226	13.3	1.3	606	17.6	1.5	832

Location	Cut-off	Measured			Indicated			Inferred			Total		
UNCONSTRAINED (April 2023)	g/t Au	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz
Lord Nelson	0.50	-	-	-	1.5	2.1	100	4.1	1.4	191	5.6	1.6	291
Lord Henry	0.50	-	-	-	1.6	1.5	78	0.6	1.1	20	2.2	1.4	98
Vanguard Camp	0.50				0.4	2.0	26	3.4	1.4	191	3.8	1.5	217
Havilah Camp	0.50	-	-	-	-	-	-	1.2	1.3	54	1.2	1.3	54
Indomitable Camp	0.50	-	-	-	0.8	0.9	23	7.3	0.9	265	8.1	0.9	288
Bull Oak	0.50	-	-	-	-	-	-	2.5	1.1	90	2.5	1.1	90
Ladybird	0.50	-	-	-	-	-	-	0.1	1.9	8	0.1	1.9	8
Total		-	-	-	4.3	1.6	227	19.2	1.3	819	23.5	1.4	1,046

Mineral Resources reported at a cut-off grade of 0.5 g/t gold and are constrained within a A\$2,500/oz optimised pit shells based on mining parameters and operating costs typical for Australian open pit extraction deposits of a similar scale and geology. Mineral Resources for Lord Henry, Vanguard Camp, Havilah Camp, Piper, Tiger Moth and Ladybird deposits have not been updated. Minor discrepancies may occur due to rounding of appropriate significant figures.

The references in this announcement to Mineral Resource estimates for the Sandstone Gold Project were reported in accordance with Listing Rule 5.8 in the following announcements: (a): Lord Nelson, Indomitable Camp, Bull Oak: announcement titled: "Significant increase in shallow gold resources at Sandstone Gold Project" 3 Apr 2023; (b): Indomitable & Vanguard Camp: announcement titled: "Maiden Gold Resource at Indomitable & Vanguard Camps, Sandstone WA" 25 Sep 2018; (c): Havilah & Ladybird: announcement titled: "Alto increases Total Mineral Resource Estimate to 290,000oz, Sandstone Gold Project" 11 June 2019; and (d): Lord Henry, Lord Nelson, Vanguard Camp & Havilah Camp: announcement titled: "Sandstone Mineral Resource increased to 635,000oz of gold" 23 March 2022. Alto confirms that the material assumptions and technical parameters disclosed in the announcement continue to apply and have not materially changed. Alto confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Table 3: Montague Gold Project Mineral Resources

Location	Cut-off	Measured			Indicated			Inferred			Total		
	g/t Au	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz
Montague-Boulder	0.60	-	-	-	0.5	4.0	67	2.6	1.2	96	3.1	1.6	163
Whistler	0.50	-	-	-	-	-	-	1.7	2.2	120	1.7	2.2	120
Evermore	0.60	-	-	-	-	-	-	1.3	1.6	67	1.3	1.6	67
Achilles Nth/Airport	0.60	-	-	-	0.2	2.0	14	1.8	1.4	85	2.1	1.5	99
Julias (75% attributable basis)	0.60	-	-	-	1.1	1.4	46	0.4	1.0	12	1.4	1.3	58
Total		-	-	-	1.8	2.2	127	7.8	1.5	380	9.6	1.6	507

This announcement contains references to JORC (2012) Mineral Resources, as reported by Alto and Brightstar in their joint announcement released on 1 August 2024 titled "Brightstar and Alto enter into Scheme Implementation Deed; Brightstar acquires gold rights to Montague Gold Project from Gateway; Brightstar Placement to raise \$24 million".

Brightstar confirms that the material assumptions and technical parameters disclosed in the announcement continue to apply and have not materially changed. Brightstar confirms that it is not aware of any new information or data that materially affects the information included in the previous market announcements and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.