

29 October 2024

Scarlette de Lavaine
Adviser, Listings Compliance
ASX Limited
Level 40 Central Park
152-158 St Georges Terrace
Perth WA 6000

By email: ListingsCompliancePerth@asx.com.au

Dear Scarlette

Brightstar Resources Limited (BTR or the Company)
Response to ASX Price & Volume Query

We refer to your letter dated 24 October 2024 regarding an ASX Price & Volume Query (**Letter**) and respond to your questions as follows:

1. **Is BTR aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**

Yes. As disclosed in the Company's ASX announcement of 6 May 2024, BTR commenced an approximately 30,000 metre reverse circulation and diamond drilling program across its portfolio targeting resource upgrades and extensions in conjunction with feasibility workstreams at Menzies and Laverton as well as the recently acquired Jasper Hills and Second Fortune projects. The Company disclosed in its ASX announcement of 1 October 2024 that there were assays from the drill program which were pending (**Pending Assays**) – *"...with assays still pending from various programs across the Brightstar portfolio including previously announced RC and Diamond drill program"*.

The drilling results reported today (28/10/2024) were from the previously announced infill drilling program completed at the Menzies Gold Project, which was conducted for the Company's Definitive Feasibility Study (**DFS**) underway.

Given the nature of the drilling (infill, not extensional), BTR notes that these drilling results are not expected to be material to the market trading for BTR securities as the results are unlikely to materially alter the overall Mineral Resource Estimate for the Lady Shenton deposit, but are important for geotechnical, metallurgical and geostatistical knowledge for the DFS.

As a consequence of the Letter, BTR subsequently fast tracked and completed its usual process regarding assessment of materiality, as well as its quality assurance and quality control (**QAQC**) processes, geological interpretation and assessment of the Pending Assay

results, and has prepared all necessary disclosures to the market in accordance with the ASX Listing Rules and the JORC Code (2012). BTR notes that a number of drilling assays, corresponding to the balance of drill holes from the Menzies program, were only received by BTR after the receipt of this Letter and the Company was already in a trading halt.

BTR has provided an update to the market regarding this information today by way of the ASX announcement of today (**Announcement**).

As also disclosed in the Announcement:

- the Company has issued a non-binding and indicative offer to Aurumin Limited in relation to entering into a joint venture in respect of Aurumin's Central Sandstone Project – situated immediately adjacent to Alto Metal Limited's Sandstone Gold Project. The terms for the potential joint venture have not yet been agreed, on a non-binding basis or otherwise. If an agreement is reached, the terms will be announced in accordance with the Company's disclosure obligations. BTR notes the continued assessment of accretive and synergistic M&A opportunities in the Eastern Goldfields is congruent with the Company's stated strategy of rational consolidation of gold resources and processing infrastructure with near-term development/production potential. No binding agreement has been reached with respect to the non-binding and indicative offer, but the parties are continuing discussions;
- the Company has been issued proposed terms from Ocean Partners USA, Inc. (**OP**) for a gold prepayment debt facility with key terms comprised of a up to US\$11,500,000 pre-sale gold facility with ~4,600 ounces contracted to be delivered to OP over CY25. The interest rate is proposed to be based on the 3-month term SOFR + 11.0% p.a. with security to be held over BTR's gold ore stockpiles;
- The proposed funding is for general working capital, with no restrictions regarding the use of funds. However, Brightstar intends to apply a portion of the funds to the development of the Fish UG Project. Accordingly, the proposed debt financing arrangement is expected to see BTR well-funded to commence mining operations in CY25 at the Fish UG Project (Jasper Hills) in addition to Company's other on-going exploration, development and mining operations. No binding agreement has been reached with respect to the facility, but the parties are continuing discussions; and
- BTR is having a number of advanced on-going negotiations with multiple parties in the Eastern Goldfields for processing its ore (by way of a Toll Milling Agreement or Ore Purchase Agreement) from the Company's Menzies and Laverton Gold Projects in CY25 and beyond. An agreement, if reached, is expected to enable BTR to meaningfully increase its gold production in CY25.

The Company reiterates that no binding agreements have been reached, or terms agreed, in relation to any of the potential transactions described above. Although discussions are continuing for each of these potential transactions, there can be no certainty that any binding agreements will be reached or the timing of any such agreements.

The Company also wishes to note that it does not believe the information the subject of the Announcement explains the recent trading in its securities, including for reasons set out in the response to question 3.

2. **If the answer to question 1 is “yes”.**

- (a) **Is BTR relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in BTR’s securities would suggest to ASX that such information may have ceased to be confidential and therefore BTR may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.**

The Company was relying on Listing Rule 3.1A not to announce the information in the Announcement before today. At the time of ASX’s Letter, the information in the Announcement was confidential and incomplete and, to that end, the Company was not in a position to disclose that information immediately.

The Company has no reason to believe that confidentiality of the information in the Announcement was compromised. However, in light of the increased price and volume of trading of its shares, and to ensure a fully informed market, the Company requested a trading halt promptly after receipt of the price and volume query from ASX.

Furthermore, BTR does not consider that any such loss of confidentiality of the information in the Announcement was the reason for the recent trading in its securities. Rather, BTR considers the matters summarised in the response to question 3 below may explain the recent trading.

- (b) **Can an announcement be made immediately? Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).**

The Announcement has been made today.

- (c) **If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?**

The Announcement has been made today.

3. **If the answer to question 1 is “no”, is there any other explanation that BTR may have for the recent trading in its securities?**

Whilst the answer to question 1 was ‘yes’, BTR considers that a further explanation for the recent trading in BTR securities may be as a result of:

- **Increase in gold price and investor interest in gold equities:** The Australian dollar spot gold price has experienced a significant and sustained increase recently, reaching record high gold prices. This may explain the recent trading in BTR securities up to 24 October 2024 (being the date of ASX’s Letter).

The Company also notes that many of its ASX listed gold developer/explorer peers have experienced similar or greater share price and volume increases during this time, as renewed investor interest returns to junior gold equities. BTR is well positioned as small scale gold producer, developer and active exploration company with a considerable JORC Mineral Resource base across the Company’s portfolio, all located on granted mining leases in the Eastern Goldfields of Western Australia.

- **News article:** The Company has been made aware, after receiving the Letter and already in the trading halt, that 'Australian Small-Cap Investigator', a research service operated by Fat Tail Investment Research Pty Ltd (AFSL 323 988) published a non-commissioned, unauthorised research article without consulting BTR titled "The Coming M&A Gold Fever" on 23 October 2024, reporting that Brightstar is *"this month's Australian Small-Cap Investigator recommendation."*

The article provides overall assessment of the Company's assets and commentary on BTR's strategy of aggressive, accretive M&A and exploration that has seen the Company's Mineral Resource inventory grow substantially over the past two years. The article speculates that Brightstar itself is a likely candidate for being a potential M&A target in WA.

The article goes on to state that *"...Brightstar has already accumulated considerable ounces at a low cost compared to other buyouts occurring in the industry. Brightstar looks like a juicy potential target with this latent resource in hand."*

BTR considers that this media coverage may have potentially contributed to the recent trading in BTR securities and, at the time of receipt of this Letter, the Company was unaware of the existence of the article and only obtained a copy of the report on 25 October 2024 (once in a trading halt).

Other than as detailed in this letter, BTR is not aware of any other explanation for the recent trading in its securities.

4. **Please confirm that BTR is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. **Please confirm that BTR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of BTR with delegated authority from the board to respond to ASX on disclosure matters.**

The Company confirms the responses to the questions above and below have been authorised by appropriate officers with delegated authority from the Board.

ASX ADDITIONAL QUERIES

Further to and in addition to the above, the Company provides responses to ASX's additional queries, as follows:

6. **Please advise whether any samples from the exploration programme(s) that the Company has recently or is currently undertaking have been sent to the laboratory? If yes, please provide the exact date on which the drill cores were sent to the laboratories.**

Yes. BTR's drilling programs are ongoing and samples are regularly sent to the laboratories.

Lady Shenton RC samples, the results of which are contained in today's Announcement, were despatched to the lab between 2/9/2024 and 17/10/24.

The latest diamond drill samples from the Fish drilling program (not the subject of today's Announcement), were submitted to the laboratory between 15/10/2024 and 26/10/2024, with all assays for these samples still outstanding. The diamond drill core from the recent Lord Byron drilling program is still currently being logged and processed, with no samples submitted to the laboratory yet.

7. **Please advise whether the Company is expecting any results from the laboratories in relation to its exploration programme and if yes, please advise when the results are expected to be provided to the Company. Please provide detailed information in relation to the timing of these results.**

BTR is expecting the first results from the Fish diamond core samples which were sent to the laboratory on 15/10/2024 to be returned in early November. It is not possible to provide definitive timing on the expected receipt of these results and it will depend on laboratory scheduling and the volume of samples at the laboratory from other companies, amongst other factors.

As noted in response to Question 1 above, BTR has undertaken a large multi-rig drilling campaign of +30,000m of RC and diamond drilling across the Company's project portfolio over the recent months. Accordingly, samples from drilling have been and will be sent to the laboratory and released to the ASX on a regular and ongoing basis during the drill program.

A definitive timeline is not predictable, but results are expected to be delivered on a regular basis over the next two months.

8. **Please advise when the exploration was completed and when the samples were sent to the laboratories.**

The drill program at the Menzies and Jasper Hills Gold Projects was completed in October 2024. Samples have been progressively submitted to the laboratory for testing as they have been processed and batched for submission. Diamond core from a number of infill drill holes at the Lord Byron Deposit (Jasper Hills) are still yet to be processed (logged, core cut) and submitted, with this drill core expected to be submitted to the assay laboratory over the coming weeks and reported to the ASX once received, analysed and verified.

Diamond core samples from the Fish deposit (Jasper Hills) were recently processed and submitted to the lab between the dates of 15/10/24 and 26/10/24.

Samples from phase 2 RC infill drilling at the Lady Shenton deposit (Menzies) were submitted to the laboratory between 2/9/24 and 17/10/24. All assays results have now been received and released to the ASX on 28/10/24 in the Announcement.

9. **Please advise what arrangements (if any) the Company has in place to maintain confidentiality of its assay results? Please provide detailed information.**

The Company has confidentiality protocols in place with its laboratories, and protocols with its external consultants and internally, including using a secure server with limited access by Brightstar personnel and external database managers, to ensure all data, including assay results, remain confidential.

Yours sincerely



Alex Rovira
Managing Director
Brightstar Resources Limited



24 October 2024

Reference: 102180

Mr Ben Smith
Company Secretary
Brightstar Resources Limited

By email

Dear Mr Smith

Brightstar Resources Limited ('BTR'): Price - Query

ASX refers to the following:

- A. The change in the price of BTR's securities from an opening low of \$0.018 on Monday, 21 October 2024, to an intraday high of \$0.0225 today.
- B. The significant increase in the volume of BTR's securities traded from Monday, 21 October 2024 to today.

Request for information

In light of this, ASX asks BTR to respond separately to each of the following questions and requests for information:

- 1. Is BTR aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
- 2. If the answer to question 1 is "yes".
 - (a) Is BTR relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in BTR's securities would suggest to ASX that such information may have ceased to be confidential and therefore BTR may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 3. If the answer to question 1 is "no", is there any other explanation that BTR may have for the recent trading in its securities?
- 4. Please confirm that BTR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that BTR's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of BTR with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12:15 PMAWST Thursday, 24 October 2024**. You should note that if the information

requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BTR's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require BTR to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in BTR's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in BTR's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BTR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that BTR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance

CC: Alex Rovira, Brightstar Resources Limited