



ASX Announcement

27th January 2012

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BrightStar Resources Limited
is listed on the ASX with the
symbol:
Shares "BUT".
Options "BUTO"

Quarterly Activities Report For the Period Ended 31 December 2011

Highlights

- **High Grade Gold Discovered at Miyabi**
 - Previously reported high grade intersection of **21m at 6.7g/t Au from 15m to end of hole** in wide spaced RAB drilling with >1km untested strike potential;
 - Follow-up planned for April 2012.
- **Illegal Miners Depart Kitongo Project**
 - Negotiations with government officials resulted in peaceful departure of illegal miners from the site;
 - Initial 3,000m RC drilling program planned for March.
 - Holes planned to extend the existing 370,000oz Resource
- **RC Program Completed at Miyabi**
 - 31 RC holes for 2,605m were completed as preliminary testing of Contact Zone anomalies and the N'Dagalu Prospect;
 - Results received for 17 holes;
 - Best results include:
 - 2m at 5.4g/t Au from 81m
 - 2m at 1.83g/t Au from 53m
 - 4m at 1.78g/t Au from 31m
 - Remaining results expected in early February.
- **Drilling Rig Contracted for 2012**
 - Contract signed with Ausdrill for new, multi-purpose drilling rig for 2012 for Miyabi and Kitongo;
 - Rig to be shared with two other Australian junior companies;
 - Expected commencement is late February.
- **Cash reserves of \$1.6 million**
 - Additional \$0.5M received on 20 January 2012 from sale of Challenger Project.

Subsequent to Quarter

- **Merger with Rift Valley Resources**
 - Heads of agreement signed for friendly, all scrip merger of BrightStar and Rift Valley;
 - Combined cash of \$12 million;
 - Gold resources of 760,000oz attributable;
 - Strengthened technical team

Refer to ASX release dated 23rd January 2012 for full details of the proposed merger.

Miyabi Gold Project (BrightStar earning 75%)

Overview

The Miyabi Project is located approximately 200km southwest of Mwanza in the Lake Victoria Goldfields of Tanzania. The current Indicated and Inferred Mineral Resource at the project is 12.4Mt at 1.3g/t Au for 520,000oz.

In April 2011, BrightStar entered into a joint venture with UK listed African Eagle Resources where BrightStar may earn a 75% interest in the project by sole funding exploration and completing a Bankable Feasibility Study.

BrightStar's RAB and RC drilling in 2011 has defined extensive gold mineralisation with compelling targets to be followed up in 2012. The deposits, main prospects and completed drilling are shown in Figure 1.

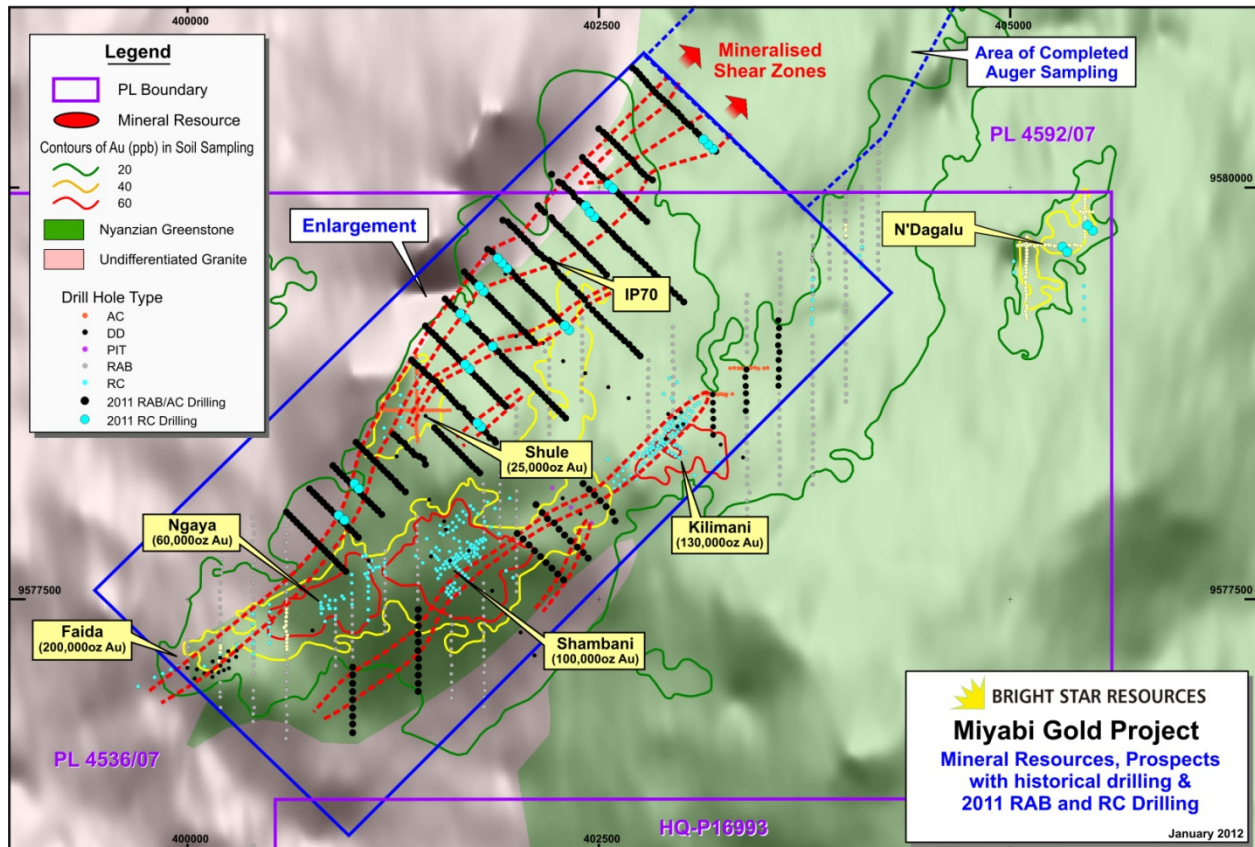


Figure 1: Miyabi Structural Corridor Deposits, Prospects and BrightStar Drilling

Miyabi December Quarter Activities

- Final results received from 2011 RAB drilling program included a broad, high grade intersection of **21m at 6.7g/t Au from 21m to end of hole** in a previously unknown structure southwest of the 130,000oz Kilimani deposit;
- RC drilling completed as first pass follow-up of extensive gold mineralised northern contact shear zones discovered in 2011 RAB drilling;
- Approximately 50% of RC results have been received confirming that the gold mineralisation is disseminated in broad structures paralleling the granite contact;
- Auger sampling program completed with results awaited;
- Water bore completed as part of an ongoing community assistance program.

Southern Targets

Results from RAB drilling in the southern part of the Miyabi Structural Corridor returned strong mineralisation in a 3km extension of the Kilimani structure and high grade mineralisation in a previously unknown structure. Hole locations and structures are shown in Figure 2.

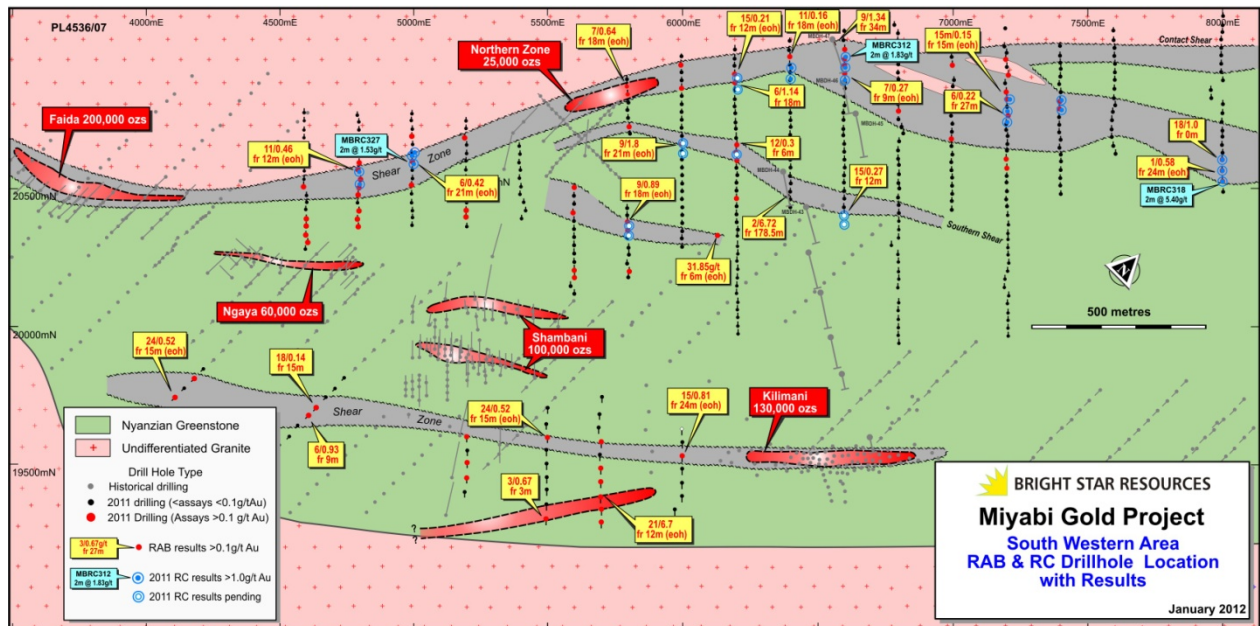


Figure 2 RAB Drilling Results and Interpreted Structures

The newly defined structure included the following results (previously reported):

- **MBRB838 33m @ 4.36g/t Au from 9m***
(including 21m @ 6.7g/t Au from 15m*)
which includes 3m at 22.6g.t Au from 33m)
- **MBRB827 3m @ 0.67g/t Au from 3m**
(* hole ended in mineralisation)

Holes MBRB838 and MBRB827 were on 200m spaced RAB sections in a previously undrilled area. The zone is strongly open to the southwest, with a strike potential of >1km. This high priority target will be tested with RC drilling early in the June Quarter.

The strike extension of the 130,000oz Kilimani deposit was also tested by RAB drilling. Previously reported results included:

- **MBRB833 24m @ 0.52g/t Au from 15m***
(including 6m at 1.61g/t from 24m)
- **MBRB850 15m @ 0.81g/t Au from 24m***
(including 3m @ 2.5g/t Au from 33m)

Results from hole MBRB838 and both mineralised structures are shown in Figure 3.

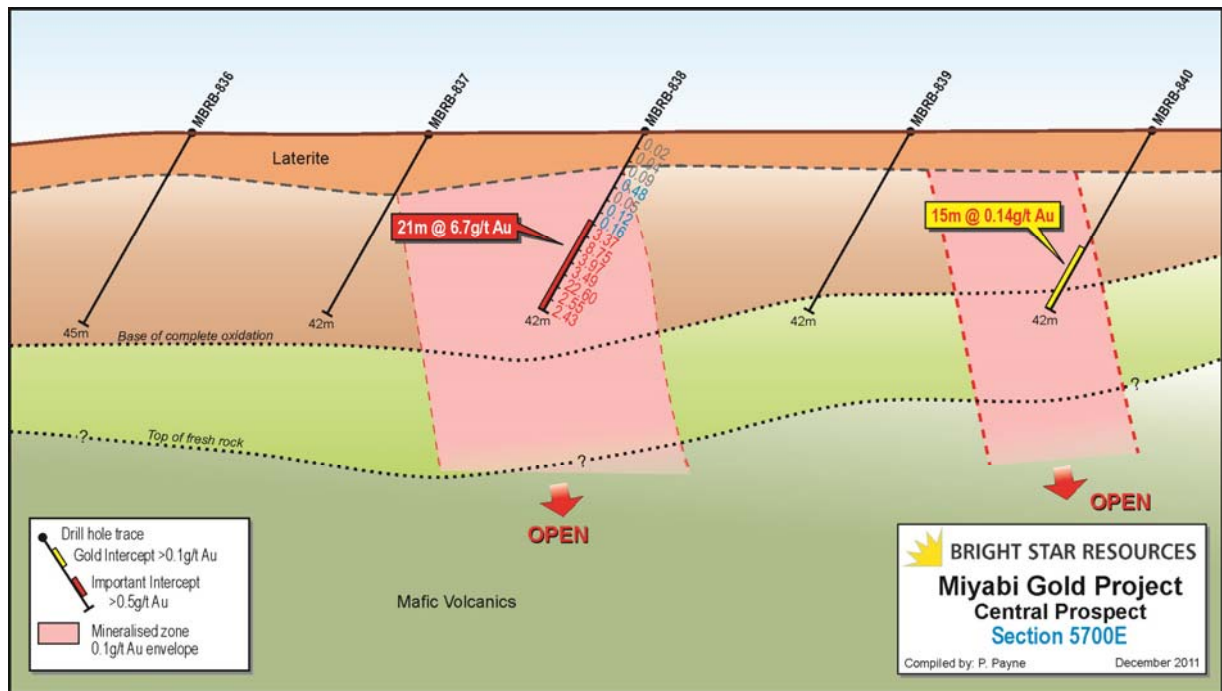


Figure 3 Cross Section 5700E

RC drilling of both structures is planned to commence immediately after the end of the wet season. This is expected to be in April 2012.

Contact Zone Targets

The drilling program in the northern Contact Zone area consisted of shallow RAB holes at 30m spacings along 200m spaced cross sections. Assay results and geological logging confirmed the presence of multiple mineralised shear zones ranging from 20m to 150m in width. **Several of the structures remain strongly open to the north east where the prospective greenstone rocks remain untested by drilling for a further 3km.**

An RC drilling program of 31 holes for 2,600m was completed to test the main targets defined by the RAB drilling. The holes intersected zones of brecciation, silicification and sulphide mineralisation developed in structures paralleling the steeply dipping granite contact.

Results have been received for 17 holes and have returned similar broad, low grade zones intersected in the RAB drilling. Some narrow zones of higher grade mineralisation were intersected, with better results including:

- MBRC318 2m at 5.40g/t Au from 81m
- MBRC312 2m at 1.83g/t Au from 53m

Remaining results are expected in early February.

N'Dagalu Prospect

The N'Dagalu Prospect was defined by African Eagle Resources based on a strong gold in soil anomaly and follow up aircore drilling. BrightStar completed four RC holes as preliminary testing of the prospect. The location of the Prospect and the 2011 drilling is shown in Figure 1.

Results have been received from only one hole. It included an encouraging intersection as follows:

- MBRC321 4m at 1.78g/t Au from 31m

Once all results have been received, interpretation will be completed and further exploration will be planned at the prospect.

Joint Venture Agreement

The key terms of the Miyabi joint venture are summarised as follows:

- BrightStar to spend US\$3.0 million by 24 October 2013 (30 months) to earn a 50% interest in the Miyabi Project (Phase 1 of the Earning Period). A minimum expenditure of US\$1.0 million is required by 24 April 2012.
- BrightStar may elect to earn a further 25% interest by completing a Feasibility Study for the Project (Phase 2 of the Earning Period).
- A royalty of 1.5% of gross revenue is payable to local Tanzanian interests which were the original holders of the Prospecting Licences.

Mineral Resources

A summary of the SRK Mineral Resource estimate at a 0.5g/t Au cut-off is shown below.

Miyabi Mineral Resource Estimate 0.5g/t Au Cut-off (SRK Estimate 2006)

| Deposit | Indicated | | | Inferred | | | Total Resource | | |
|----------------|------------------|------------|-------------|-----------------|------------|-------------|-----------------------|------------|-------------|
| | Mt | g/t | Moz | Mt | g/t | Moz | Mt | g/t | Moz |
| Faida | 3.5 | 1.5 | 0.17 | 1.0 | 0.9 | 0.03 | 4.4 | 1.4 | 0.20 |
| Ngaya | 0.2 | 1.0 | 0.01 | 1.5 | 1.1 | 0.05 | 1.7 | 1.1 | 0.06 |
| Shambani | 1.6 | 1.5 | 0.07 | 0.8 | 1.1 | 0.03 | 2.4 | 1.3 | 0.10 |
| Kilimani | 2.6 | 1.4 | 0.12 | 0.3 | 1.6 | 0.01 | 2.9 | 1.4 | 0.13 |
| Northern Zone | | | | 1.0 | 0.8 | 0.02 | 1.0 | 0.8 | 0.02 |
| Total | 7.9 | 1.5 | 0.37 | 4.5 | 1.0 | 0.15 | 12.4 | 1.3 | 0.52 |

*Rounding errors may occur

Kitongo Gold Project (100% BrightStar)

Overview

- 370,000oz gold resource with excellent potential for depth and strike extensions
- High grade prospects defined by RC and RAB drilling
- Exciting regional exploration opportunities
- Removal of illegal miners allows work programs to commence in March Quarter

The Kitongo Project is located in the Lake Victoria Goldfields region of Tanzania, 90km south of the mining service centre of Mwanza.

Previous work at the project had led to the delineation of a substantial Mineral Resource of 370,000oz (0.5g/t Au cut-off). The deposit remains open at depth and along strike.

Compelling drill targets have been identified at the project including the partially tested extensions to the 370,000 ounce Main Zone deposit. The geology, prospects and drilling at the deposit are shown in Figure 2.

Illegal Mining Operations Ended

The outcropping nature of the deposit attracted a substantial number of illegal, small scale miners to the site. Illegal mining operations had been carried out at the Kitongo project for several years and this had prevented the company from conducting any exploration work at the Project.

After many months of negotiation by BrightStar, the Tanzanian Government authorities intervened to close down the illegal operations. As of Monday 16 January, company personnel were able to access the site to determine what is required to begin the process of rehabilitation and to assess the physical and environmental damage caused by the illegal operations.

Exploration Targets and Planning

The Main Zone deposit has been tested with 226 RC holes and 13 diamond holes. These have defined two main mineralised structures which link to form an arcuate gold deposit with an overall length of approximately 1km as shown in Figure 4. A cross section through the deposit is shown in Figure 5. Excellent potential remains to expand the resource in three key areas as outlined below.

Drilling is expected to commence during March 2011.

(Note - All historic drilling intersections shown below represent down hole widths. The majority of these also reflect the true width of the structures).

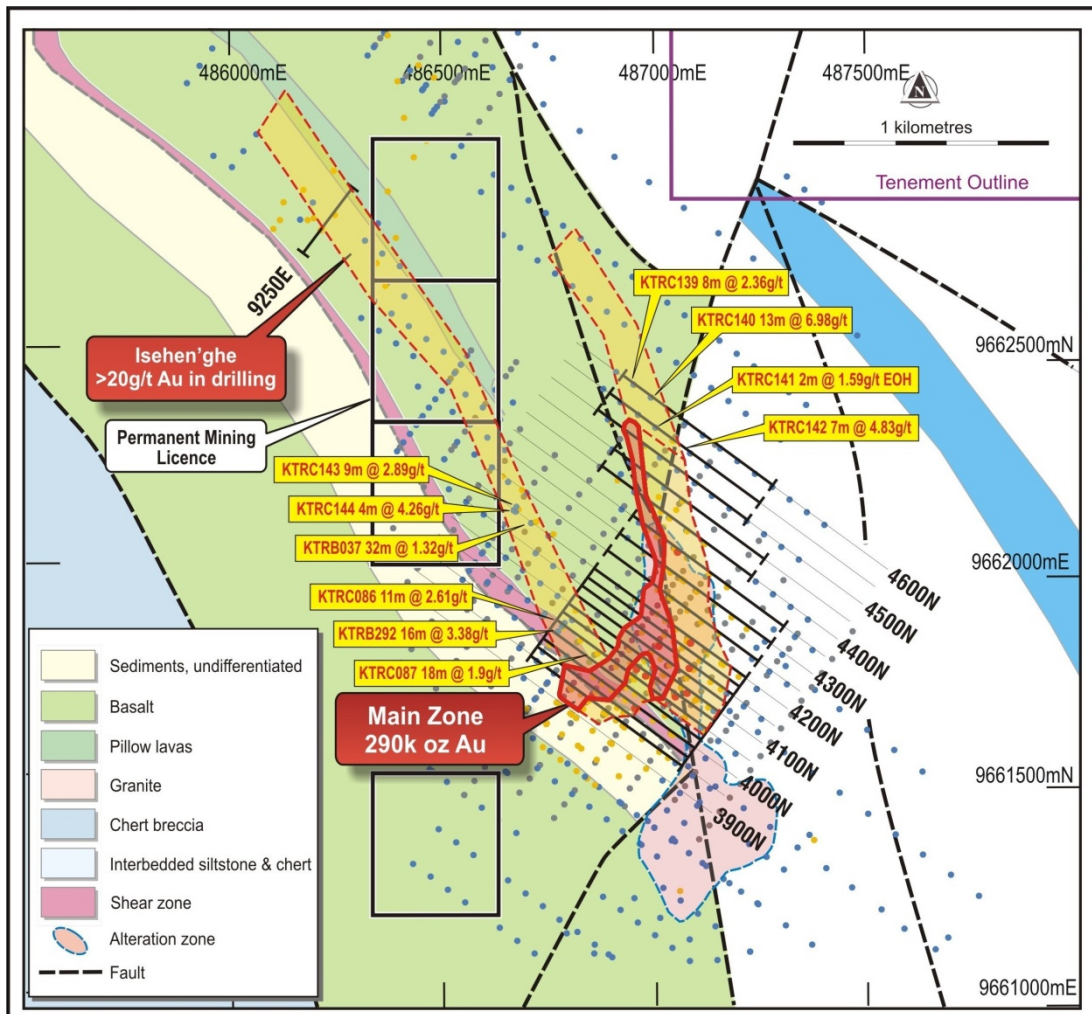


Figure 4: Kitongo Main Zone and Prospects

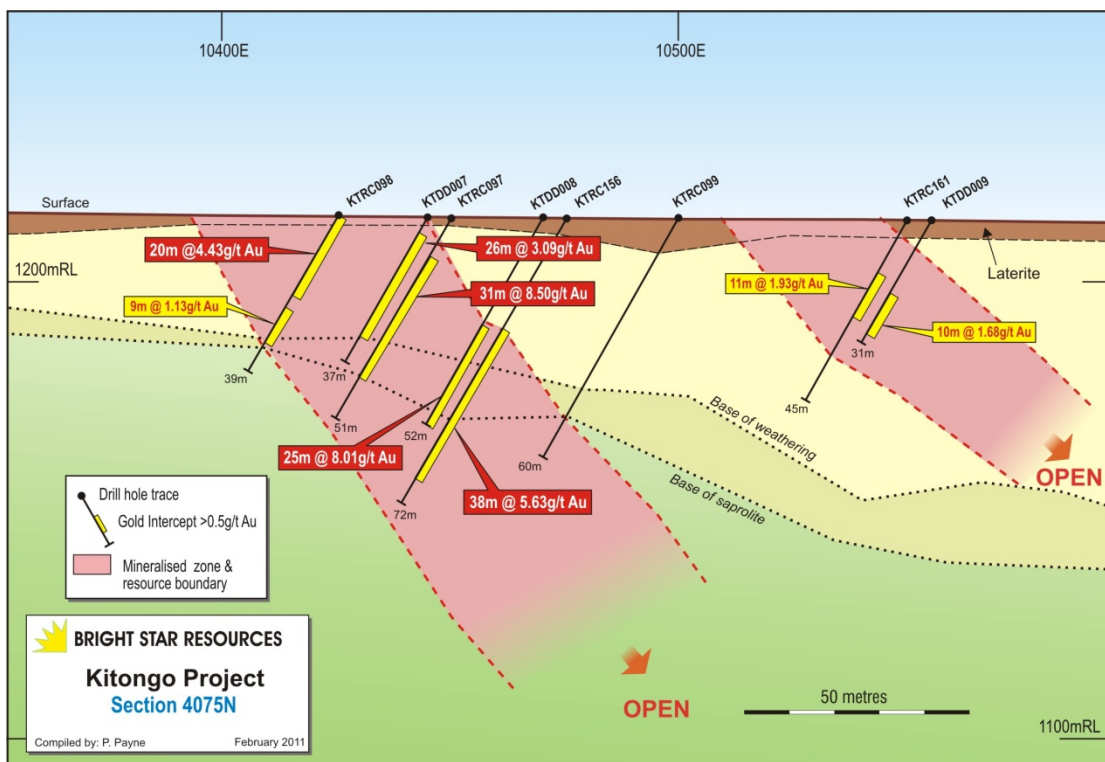


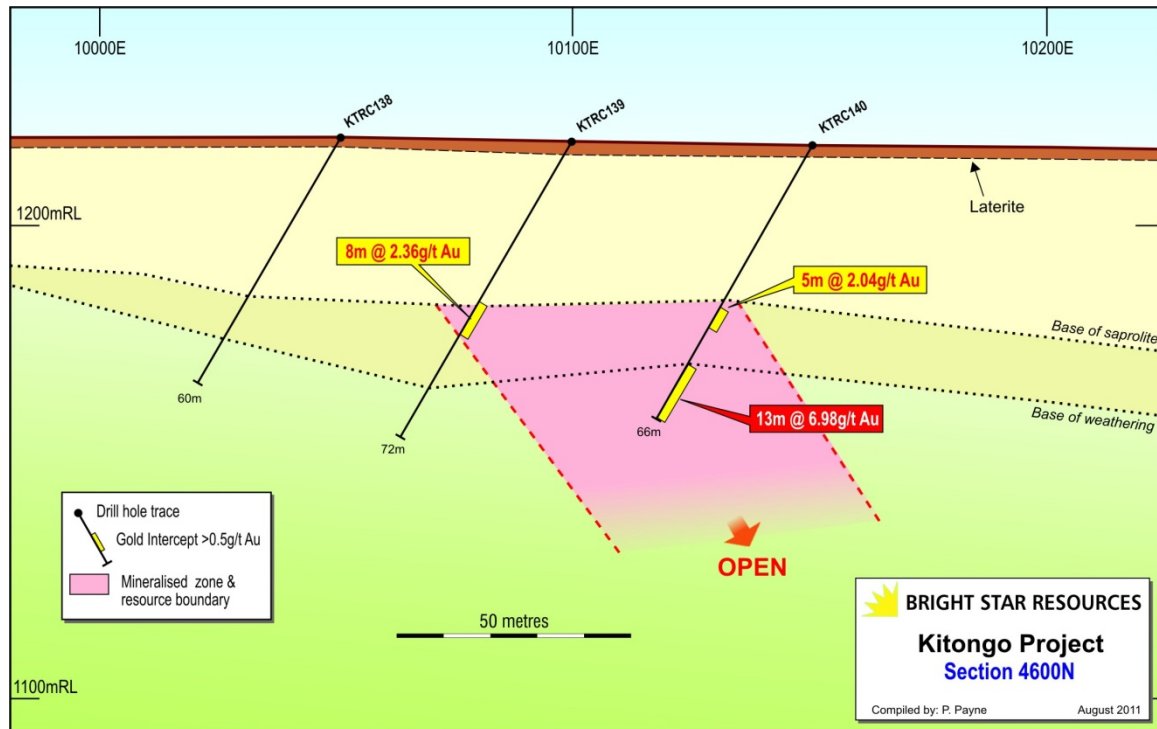
Figure 5: Kitongo Main Zone Section 4075N

Northern Extension

The northernmost section of historic RC drilling included the following holes:

- KTRC140, 13m at 6.98g/t Au from 53m to end of hole
- KTRC139, 8m at 2.36g/t Au from 39m

These intersections (as shown in Figure 6) define an immediate extension the Northern Shear but were outside the previous resource. The structure remains open to the north of these holes with clear potential to expand the resource in this area.



Southern Limb

The Southern Limb has been tested with RAB and RC holes including:

- KTRB292, 16m at 3.38g/t Au from 20m
- KTRC086, 11m at 2.61g/t Au from 14m
- KTRC143, 9m at 2.89g/t Au from 36m
- KTRC144, 4m at 4.26g/t Au from 33m

BrightStar considers that many of the historic holes were drilled down-dip and there is good potential to define substantial oxide mineralisation within the previously drilled area.

Down Dip on Northern Shear

The northern shear is a strongly mineralised zone with resource grade intersections in every hole along 800m of strike. The structure has been drilled to a typical depth of 60m vertical, and a maximum depth of 90m vertical. The entire structure remains open at depth. Some of the intersections remaining open at depth include:

- KTRC107, 31m at 2.23g/t Au from 63m
- KTRC109, 7m at 3.46g/t Au from 95m to end of hole
- KTRC111, 5m at 2.74g/t Au from 65m
- KTRC116, 16m at 1.58g/t Au from 33m

A number of holes are planned to test below the strongest mineralisation with the expectation of extending the resource.

Mineral Resources

A summary of the 2006 Hellman and Schofield Mineral Resource estimate at a 1.0g/t Au cut-off is shown below.

Kitongo Gold Project 2006 Inferred Mineral Resource

| Type | 1.0g/t Au Cut-off | | | 0.5g/t Au Cut-off | | |
|---------------|--------------------------|------------|-------------|--------------------------|------------|-------------|
| | Mt | g/t | Moz | Mt | g/t | Moz |
| Laterite | 0.4 | 2.1 | 0.03 | 0.8 | 1.3 | 0.04 |
| Highly Ox | 2.4 | 2.2 | 0.17 | 3.8 | 1.7 | 0.21 |
| Moderately Ox | 0.4 | 2.0 | 0.03 | 0.7 | 1.5 | 0.04 |
| Fresh | 1.2 | 1.7 | 0.07 | 2.5 | 1.2 | 0.09 |
| Total | 4.4 | 2.0 | 0.29 | 7.8 | 1.5 | 0.37 |

*Rounding errors may occur

Ausdrill Rig Contracted for 2012

BrightStar has formed an alliance with two other ASX listed junior exploration companies to contract the services of two new, multi-purpose drilling rigs to be provided by Ausdrill Tanzania Limited. This ensures that the Company has substantial drilling capacity from a very well respected contractor for the planned exploration programs throughout 2012.

The rigs are currently in transit from Perth to Mwanza and it is anticipated that they will be operational by late February.

Miclere Gold Project, Queensland (100% BrightStar)

The Miclere Project is located approximately 30km northwest of Clermont in Central Queensland. It is centred on the historic Miclere, Black Ridge and Springs Goldfields from which some 100,000 ounces of gold has been previously mined. The Miclere Project consists of 17 granted Mining Leases (ML) and two Exploration Permits for Minerals (EPM).

There is demonstrated potential for large scale placer type gold mineralisation at the project. The Project is also considered prospective for hard rock gold and base metal mineralisation. BrightStar plans to divest the project to concentrate on its more advanced gold projects in Tanzania.

A review and compilation of available data is underway as the first stage of the project evaluation.

Competent Person Statement

The information in this report that relates to Mineral Resources and exploration results is based on information compiled by Mr Paul Payne, a director and full time employee of BrightStar and a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table 1: List of All RC Intersections > 0.5g/t Au

| Collar Location and Orientation (local grid) | | | | | | | | Intersection > 0.5ppm Au | | | |
|--|------|-------|--------|-------|-------------|-----|---------|--------------------------|--------|------------|----------|
| Hole | Type | X | Y | Z | Total Depth | Dip | Azimuth | From (m) | To (m) | Length (m) | Au (ppm) |
| MBRC312 | RC | 6,601 | 21,000 | 1,190 | 76 | -55 | 0 | 53 | 55 | 2 | 1.83 |
| MBRC314 | RC | 7,199 | 20,800 | 1,172 | 84 | -55 | 0 | 51 | 54 | 3 | 0.68 |
| MBRC316 | RC | 7,401 | 20,837 | 1,168 | 80 | -55 | 0 | 25 | 27 | 2 | 1.40 |
| MBRC318 | RC | 8,001 | 20,538 | 1,165 | 94 | -55 | 0 | 81 | 83 | 2 | 5.40 |
| MBRC319 | RC | 7,999 | 20,579 | 1,165 | 81 | -55 | 0 | 71 | 72 | 1 | 1.12 |
| MBRC-32 | RC | 6,661 | 19,468 | 1,224 | 78 | -55 | 0 | 15 | 54 | 39 | 1.53 |
| MBRC321 | RC | 9,099 | 18,600 | 1,190 | 80 | -55 | 0 | 3 | 4 | 1 | 1.19 |
| MBRC321 | RC | 9,099 | 18,600 | 1,190 | 80 | -55 | 0 | 31 | 35 | 4 | 1.78 |
| MBRC326 | RC | 5,005 | 20,644 | 1,215 | 80 | -55 | 0 | 65 | 66 | 1 | 3.96 |
| MBRC326 | RC | 5,005 | 20,644 | 1,215 | 80 | -55 | 0 | 20 | 21 | 1 | 1.73 |
| MBRC327 | RC | 5,000 | 20,603 | 1,215 | 90 | -55 | 0 | 44 | 46 | 2 | 1.54 |
| MBRC327 | RC | 5,000 | 20,603 | 1,215 | 90 | -55 | 0 | 64 | 65 | 1 | 1.22 |
| MBRC328 | RC | 4,799 | 20,576 | 1,207 | 82 | -55 | 0 | 41 | 44 | 3 | 0.99 |
| MBRC328 | RC | 4,799 | 20,576 | 1,207 | 82 | -55 | 0 | 31 | 35 | 4 | 0.88 |
| MBRC329 | RC | 4,802 | 20,530 | 1,207 | 103 | -55 | 0 | 66 | 69 | 3 | 0.97 |

- All RC samples analysed in 1m samples
- Sampling carried out using a cyclone and riffle splitter at 1m intervals
- Sample preparation at ALS Global in Mwanza, Tanzania
- Gold analysis using 50g Fire Assay (RC) carried out by OMAC Laboratories in Ireland
- QAQC samples submitted routinely with excellent results
- Holes located by GPS then transformed to local grid coordinates
- Intersections are generally interpreted to represent true width.