



Kingwest Resources Limited

ACN 624 972 185

Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition of all your fully paid ordinary shares in Kingwest Resources Limited by Brightstar Resources Limited and related option scheme of arrangement

Your Kingwest Directors unanimously recommend¹ that, in the absence of a Superior Proposal, you

VOTE IN FAVOUR

of the Merger with

Brightstar Resources Limited

ACN 100 727 491

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Share Scheme is fair and reasonable and therefore in the best interests of Kingwest Shareholders and that the Option Scheme is fair and reasonable and therefore in the best interests of Kingwest Optionholders.

This is an important document and requires your prompt attention. You should read it in its entirety before you decide how to vote on the Schemes. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

Legal Adviser to Kingwest



Legal Adviser to Brightstar



¹ In respect of the recommendations of Mr Bittar, Mr Parekh and Mr Downes, Kingwest Securityholders should have regard to the fact that, if the Schemes are implemented, Mr Bittar, Mr Parekh and Mr Downes will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page v of this Scheme Booklet.

Important information

This Scheme Booklet contains important information

The purpose of this Scheme Booklet is to explain the terms of the Schemes, the manner in which the Schemes will be considered and implemented (if the Scheme Conditions are satisfied or waived), and to provide such information as is prescribed or otherwise material for Kingwest Securityholders when deciding whether or not to vote in favour of the Schemes. This document includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Schemes. You should read this document in its entirety before making a decision on whether or not to vote in favour of the Schemes.

Investment decisions

This Scheme Booklet is for Kingwest Securityholders collectively and does not take into account an individual's investment objectives, financial situation, taxation position or other particular needs.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Schemes, Kingwest securities or Brightstar securities. If you are in any doubt about what you should do, you should seek independent legal, financial or other professional advice before making any investment decision in relation to the Schemes.

Responsibility for information

The information concerning the Kingwest Group contained in this Scheme Booklet, including financial information and information as to the views and recommendations of the Kingwest Directors, has been provided by Kingwest and is the responsibility of Kingwest. Neither Brightstar, nor its advisers, nor the advisers of Kingwest assume any responsibility for the accuracy or completeness of that information.

The Brightstar Information has been provided by Brightstar and is the responsibility of Brightstar. Neither Kingwest, nor its advisers, nor the advisers of Brightstar assume any responsibility for the accuracy or completeness of that information.

BDO Corporate Finance (WA) Pty Ltd has prepared the Independent Expert's Report set out in Annexure A of this Scheme Booklet and takes responsibility for that report. Brightstar, Kingwest and their respective advisers do not assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

Role of ASIC, ASX, and the Court

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and lodged with, and registered by, ASIC under section 412(6) of the Corporations Act. Kingwest has requested ASIC provides statements, in accordance with section 411(17)(b) of the

Corporations Act, that ASIC has no objection to the Schemes. If ASIC provides those statements, they will be produced to the Court on the Second Court Date.

A copy of this Scheme Booklet has been lodged with ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

The Court is not responsible for the contents of this Scheme Booklet and, the fact that under section 411(1) of the Corporations Act the Court ordered on 5 April 2023 that meetings of Kingwest Securityholders be convened by Kingwest to consider and vote on the Schemes and has approved the Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Schemes or as to how Kingwest Securityholders should vote (on this matter, Kingwest Securityholders must reach their own decision); and
- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

Forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages expected to result from the Schemes are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Kingwest, Brightstar and/or the Combined Group to be materially different from future results, performance or achievements expressed or implied by such statements. The operations and financial performance of Kingwest, Brightstar and/or the Combined Group and the change of a Scheme Participant's ownership of Kingwest securities and Brightstar securities are subject to various risks that are summarised in Section 10 of this Scheme Booklet and that may be beyond the control of Kingwest, Brightstar and/or the Combined Group.

As a result, Kingwest's actual results of operations and earnings and those of Brightstar and the Combined Group following implementation of the Schemes, as well as the actual advantages and disadvantages of the Schemes, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet reflect views only as of the date of

this Scheme Booklet. None of Kingwest, Brightstar, the Kingwest Directors or the Brightstar Directors or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur and you are cautioned not to place undue reliance on such forward-looking statements.

All written and oral forward-looking statements attributable to Kingwest or Brightstar or any person acting on their behalf are qualified by this cautionary statement. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, neither Kingwest nor Brightstar give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

Notice to Kingwest Securityholders in Hong Kong

WARNING: The contents of this Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Schemes. If you are in any doubt about any of the contents of this Scheme Booklet, you should obtain independent professional advice.

This Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or cause to be issued this Scheme Booklet in Hong Kong, other than to persons who are “professional investors” (as defined in the Securities and Futures Ordinance and any rules made thereunder) or in other circumstances that do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue or have in its possession for the purposes of issue, this Scheme Booklet or any advertisement, invitation or document relating to these securities, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the

securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

Copies of this Scheme Booklet may be issued to a limited number of persons in Hong Kong in a manner that does not constitute any issue, circulation or distribution of this Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Scheme Booklet is for the exclusive use of Kingwest Securityholders in connection with the Schemes. No steps have been taken to register or seek authorisation for the issue of this Scheme Booklet in Hong Kong.

This Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Schemes by Kingwest Shareholders.

Notice to Kingwest Shareholders in New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of New Brightstar Shares under the Share Scheme is being made to existing shareholders of Kingwest in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law. It is a term of the offer of the New Brightstar Shares to New Zealand resident shareholders of Kingwest that such offer will comply with the laws of Australia and other requirements relating to the offer of the New Brightstar Shares applicable in Australia.

Notice to Kingwest Optionholders in New Zealand

This Scheme Booklet and the information contained in or accompanying this Scheme Booklet: (i) are not, and are under no circumstances to be construed as, an offer of New Brightstar Options to any person who requires disclosure under Part 3 of the Financial Markets Conduct Act 2013 (the **FMC Act**); and (ii) are not a product disclosure statement or disclosure document under the FMC Act and do not contain all the information that a product disclosure statement is required to contain under New Zealand law. This Scheme Booklet and the information contained in or accompanying this Scheme Booklet, or any other product disclosure statement, prospectus or similar offering or disclosure document, have not been registered, filed with or reviewed or approved by any

New Zealand regulatory authority or under or in accordance with the FMC Act.

Any offer or sale of any New Brightstar Options described in this Scheme Booklet and the information contained in or accompanying this Scheme Booklet in New Zealand will be made only in accordance with the FMC Act to a person who: (a) is an investment business as specified in clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large as defined in clause 39 of Schedule 1 of the FMC Act; (d) is a government agency as defined in clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor as defined in clause 41 of Schedule 1 of the FMC Act and has provided Brightstar with an eligible investor certificate in compliance with 41, 43 and 46 of Schedule 1 of the FMC Act.

Each person in New Zealand who receives this Scheme Document or acquires any New Brightstar Options under the Options Scheme represents and agrees that it: (a) meets the criteria set out in paragraphs (a), (b), (c) or (d) above, and it has provided a safe harbour certificate to Brightstar in compliance with clauses 44 and 46 of Schedule 1 of the FMC Act; or (b) meets the criteria set out in paragraph (e) above, and that it has provided an eligible investor certificate to Brightstar in compliance with clauses 41, 43 and 46 of Schedule 1 of the FMC Act; and (c) has not distributed and will not distribute, directly or indirectly, the Scheme Booklet, the information contained in or accompanying this Scheme Booklet or offering materials or advertisement in relation to any offer of New Brightstar Options.

Ineligible Foreign Shareholders

This Scheme Booklet has been prepared having regard to Australian disclosure requirements. Other countries may have different legislative and regulatory requirements.

Neither this Scheme Booklet nor the Schemes constitute, or are intended to constitute, an offer of securities in any place in which or to any person to whom, the making of such an offer would not be lawful under the laws of any jurisdiction outside Australia and its external territories. Kingwest Shareholders who are not residents of Australia and its external territories should refer to Sections 5.7 and 5.8 of this Scheme Booklet for further information.

No action has been taken to register or qualify the New Brightstar Shares and the New Brightstar Options or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to Kingwest, securityholders of Kingwest whose addresses are shown in the register on the record date for the Schemes as being in the following jurisdictions will be entitled to receive the Scheme Booklet and have New Brightstar Shares and New Brightstar Options issued to them under the Schemes subject to any

qualifications set out below in respect of that jurisdiction: Australia; Hong Kong; New Zealand, except with respect to the Option Scheme, only Kingwest Optionholders who complete and return the Investor Certificate documentation certifying they are “wholesale investors” may receive New Brightstar Options; and any other person or jurisdiction in respect of which Kingwest reasonably believes that it is not prohibited and not unduly onerous or impractical to issue New Brightstar Shares and New Brightstar Options to a Kingwest Securityholder with a registered address in such jurisdiction.

Nominees, custodians and other Kingwest Shareholders who hold Kingwest Shares on behalf of a beneficial owner resident outside Australia, Hong Kong and New Zealand may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of Kingwest.

Privacy and Entitlement to inspect Kingwest Registers

Personal information may be collected by Kingwest and Brightstar in the process of implementing the Schemes. This information may include the name, contact details, security holding details of Kingwest Securityholders, and the names of individuals appointed to act as proxy, attorney or corporate representative by a Kingwest Securityholder at the Share Scheme Meeting and Option Scheme Meeting. The primary purpose for collecting this personal information is to assist Kingwest and Brightstar to conduct the Share Scheme Meeting and Option Scheme Meeting and implement the Schemes.

Any personal information collected may be disclosed to Kingwest’s and Brightstar’s respective share registries, advisers, print and mail service providers and related bodies to the extent necessary to effect the Schemes. Kingwest Securityholders are entitled under section 173 of the Corporations Act to inspect and obtain copies of personal information collected. Kingwest Securityholders should contact Automic Pty Ltd (**Automic**) in the first instance if they wish to access their personal information.

Defined terms

Capitalised terms and certain other terms used in this Scheme Booklet are defined in the Glossary of defined terms in Section 15.

The Independent Expert’s Report set out in Annexure A has its own defined terms and those terms are sometimes different to the defined terms in the Glossary.

Currency

All references in this Scheme Booklet to “\$”, “AUD” or “dollar” are references to Australian currency unless otherwise indicated.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this

Scheme Booklet are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

Reference to time

All references in this document to time relate to the time in Perth, Western Australia, unless otherwise specified.

Date of this document

This document is dated 6 April 2023.

IMPORTANT INFORMATION REGARDING DIRECTOR'S RECOMMENDATIONS²

Kingwest notes that Mr Gregory Bittar (the Executive Chairman of Kingwest) has a Relevant Interest in 1,975,824 Kingwest Shares (being an interest of 0.70%), 2,250,000 unquoted Kingwest Options exercisable at \$0.15 expiring on 30 December 2023 and 230,769 unquoted Kingwest Options exercisable at \$0.10 on or before 29 February 2024, held indirectly through Gernie Invts Pty Ltd, of which Mr Bittar is a director and beneficiary. If the Schemes are approved by the Court on the Second Court Date, Mr Bittar will receive 5,199,537 New Brightstar Shares (being an interest of 0.33% in Brightstar) and 6,528,339 New Brightstar Options (which, if exercised, will result in a total interest of 0.74% in Brightstar) as well as the non-executive director fees set out below. The Kingwest Board (in the absence of Mr Bittar) and, separately, Mr Bittar, have determined that Mr Bittar can, and should, if he wishes to do so, make a recommendation on the Schemes notwithstanding the nature of the benefits which will be received by Mr Bittar by virtue of being a Kingwest Securityholder if the Schemes are implemented.

Kingwest notes that Mr Jonathan Downes (a Non-Executive Director of Kingwest) has a Relevant Interest in 3,425,180 Kingwest Shares (comprising 165,000 Kingwest Shares held directly, 413,846 Kingwest Shares held by JC Downes & K P Downes – J&K Downes Superfund A/C, 2,528,000 Kingwest Shares held indirectly by Kiandra Nominees Pty Ltd, of which Mr Downes is the sole shareholder and 318,334 held by Mr Downes' spouse, Ms Katrina Downes) (being an interest of 1.22%), 750,000 share appreciation rights with a strike price of \$0.28 expiring 7 October 2024 and 76,923 unquoted Kingwest Options exercisable at \$0.10 on or before 29 February 2024, held indirectly by Kiandra Nominees Pty Ltd. If the Schemes are approved by the Court on the Second Court Date, Mr Downes will receive 9,013,632 New Brightstar Shares (being an interest of 0.57% in Brightstar) and 2,176,113 New Brightstar Options (which, if exercised, will result in a total interest of 0.71% in Brightstar) as well as the non-executive director fees set out below. The Kingwest Board (in the absence of Mr Downes) and, separately, Mr Downes, have determined that Mr Downes can, and should, if he wishes to do so, make a recommendation on the Schemes notwithstanding the nature of the benefits which will be received by Mr Downes by virtue of being a Kingwest Securityholder if the Schemes are implemented.

Kingwest notes that Mr Ashok Parekh (a Non-Executive Director of Kingwest) has a Relevant Interest in 1,250,000 unquoted Kingwest Options exercisable at \$0.25 expiring on 28 April 2025. If the Schemes are approved by the Court on the Second Court Date, Mr Parekh will receive 3,289,474 New Brightstar Options (which, if exercised, will result in an interest of 0.21% in Brightstar). The Kingwest Board (in the absence of Mr Parekh) and, separately, Mr Parekh, have determined that Mr Parekh can, and should, if he wishes to do so, make a recommendation on the Schemes notwithstanding the nature of the benefits which will be received by Mr Parekh by virtue of being a Kingwest Securityholder if the Schemes are implemented.

On implementation of the Schemes, Brightstar intends to appoint Messrs Bittar and Downes as a non-executive director of the Combined Group. From the appointment date:

- (a) Mr Bittar will be paid a non-executive chairman's fee of \$75,000 plus statutory superannuation per annum; and
- (b) Mr Downes will be paid a non-executive directors fee of \$48,000 plus statutory superannuation per annum.

² The percentage interests in Kingwest are as at the date of this Scheme Booklet (unless noted otherwise), and the percentage interests in Brightstar are following implementation of the Schemes.

Contents

| | |
|---|-----|
| Reasons to vote in favour of or against the Schemes | 1 |
| Overview of this document | 2 |
| Important dates and times | 4 |
| Letter from Kingwest | 5 |
| Letter from Brightstar | 8 |
| Meeting details and how to vote..... | 9 |
| 1. Key reasons to vote in favour of the Schemes | 12 |
| 2. Reasons why you may choose to vote against the Schemes | 16 |
| 3. Implications if the Schemes are not implemented | 18 |
| 4. Frequently asked questions | 19 |
| 5. Overview of the Schemes | 26 |
| 6. Profile of Kingwest | 32 |
| 7. Profile of Brightstar | 46 |
| 8. Profile of the Combined Group..... | 67 |
| 9. Intentions of Brightstar and the Combined Group | 75 |
| 10. Potential risk factors | 78 |
| 11. Australian tax implications | 88 |
| 12. Implementing the Scheme | 94 |
| 13. Key terms of the Scheme Implementation Deed..... | 101 |
| 14. Additional information..... | 106 |
| 15. Glossary of defined terms..... | 121 |
| Annexure A – Independent Expert’s Report..... | 128 |
| Annexure B – Share Scheme of Arrangement | 300 |
| Annexure C – Option Scheme of Arrangement..... | 318 |
| Annexure D – Share Scheme Deed Poll..... | 338 |
| Annexure E – Option Scheme Deed Poll | 353 |
| Annexure F – Notice of Share Scheme Meeting | 367 |
| Annexure G – Notice of Option Scheme Meeting | 370 |

Reasons to vote in favour of or against the Schemes

Reasons to vote in favour of the Schemes

- **Strategically compelling transaction that rapidly advances both companies towards development.**
- **Significant improvement in corporate capability and development appeal.**
- **Complementary assets provide operational flexibility and opportunity.**
- **An immediate increase in the potential value of Kingwest and Brightstar's resources, particularly the near surface high grade mineralisation at Menzies, with the ability to access to Brightstar's processing infrastructure.**
- **Immediate value realisation event at a premium for Kingwest Securityholders.**
- **Exposure to potential improved market rating and enhanced liquidity of the Combined Group.**
- **The Kingwest Directors have unanimously recommended³ that Kingwest Securityholders vote in favour of the Schemes in the absence of a Superior Proposal.**

These reasons are discussed in more detail in Section 1.

Reasons why you may choose to vote against the Schemes

- **You may not agree with the unanimous recommendation of the Kingwest Directors and the Independent Expert's conclusion.**
- **The exposure of Kingwest Securityholders to Kingwest's assets is diluted in the Combined Group.**
- **The Schemes alter the risk profile for Kingwest Securityholders compared to Kingwest as a stand-alone entity.**
- **A Superior Proposal for Kingwest may emerge in the future, if Kingwest were to continue as a stand-alone entity. However, since announcement of the Schemes and up to the date of this Scheme Booklet, no other proposal has been received, nor are the Kingwest Directors aware of any such intention of a party to make such a proposal.**
- **The value of the Scheme Consideration upon implementation of the Schemes is not certain.**
- **The tax consequences of the Schemes being implemented may not suit your current financial position or tax circumstances.**

These reasons are discussed in more detail in Section 2.

³ In respect of the recommendations of Mr Bittar, Mr Parekh and Mr Downes, Kingwest Securityholders should have regard to the fact that, if the Schemes are implemented, Mr Bittar, Mr Parekh and Mr Downes will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page v of this Scheme Booklet.

Overview of this document

What is the proposal?

As jointly announced by Brightstar Resources Limited (**Brightstar**) and Kingwest Resources Limited (**Kingwest**) on 23 December 2022, the parties have entered into a binding Scheme Implementation Deed (as amended on 14 March 2023), under which the two companies will merge by way of a recommended court-approved scheme of arrangement between Kingwest and its Shareholders (**Share Scheme**). The parties have also agreed terms as to a separate scheme of arrangement pursuant to which the outstanding Kingwest Options will be cancelled in exchange for new options in Brightstar (**Option Scheme**). The Option Scheme and the Share Scheme (together, the **Schemes**) are inter-conditional.

The Schemes will be implemented via a Court-supervised process, under which Kingwest Securityholders have the opportunity to vote for or against the proposed Schemes.

If the Schemes are approved by Kingwest Securityholders and by the Court, subject to satisfaction or waiver of the Scheme Conditions:

- the Schemes will be binding on Kingwest and all Kingwest Securityholders;
- Brightstar will acquire all of the Kingwest Shares in exchange for the Share Scheme Consideration (being 1 New Brightstar Share for every 0.38 Kingwest Shares held) to be provided to the Scheme Shareholders;
- all of the Kingwest Options will be cancelled and extinguished in exchange for the Option Scheme Consideration (being 1 New Brightstar Option for every 0.38 Kingwest Options held) to be provided to the Scheme Optionholders; and
- Kingwest will become a wholly-owned subsidiary of Brightstar.

If the Schemes are not approved, the Merger will not proceed and Kingwest will continue to operate as a stand-alone entity, listed on the ASX.

What is this document for?

The Schemes are subject to the approval of Kingwest Securityholders. This Scheme Booklet contains information relevant to the decision of Kingwest Securityholders as to whether to vote for or against the Schemes.

The Share Scheme Meeting to consider the Share Scheme will be held at the Conference Room in the lobby of London House, 216 St George's Terrace, Perth WA 6000 at 10:30am (AWST) on 12 May 2023.

The Option Scheme Meeting to consider the Option Scheme will be held at the later of 11:00am (AWST) and the conclusion of the Share Scheme Meeting on 12 May 2023.

Why should you vote?

As a Kingwest Securityholder, you have a say in whether the Schemes are implemented or not – **this is your opportunity to play a role in deciding the future of the company in which you have a stake.**

Are the Schemes in the best interests of Kingwest Securityholders?

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Share Scheme is fair and reasonable and therefore in the best interests of Kingwest Shareholders and that the Option Scheme is fair and reasonable and therefore in the best interests of Kingwest Optionholders.

The Kingwest Directors unanimously recommend⁴ that, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that the Schemes are fair and reasonable and therefore in the best interests of Kingwest Securityholders, Kingwest Securityholders vote in favour of the Schemes.

Before making a decision about the Schemes, Kingwest Securityholders should read this Scheme Booklet in its entirety and if you are in doubt about what action you should take, contact your professional adviser. For further details regarding the recommendation of the Kingwest Directors, please refer to Section 5.4.

What you should do next:

Step 1: Read this document in full

You should read and carefully consider the information included in this Scheme Booklet in full to help you make an informed decision as to how to vote in relation to the Schemes. If you have any doubt as to what action you should take, please contact your financial, legal, taxation or other professional adviser immediately.

Step 2: Vote on the Schemes

As a Kingwest Securityholder, it is your right to vote on whether the Schemes should be approved, and therefore, whether the Schemes should proceed. You should note that the Schemes are subject to the Scheme Conditions. Even if Kingwest Securityholders approve the Schemes, it is possible that the Schemes will not be implemented if the other Scheme Conditions have not been satisfied.

You can vote in person at the Share Scheme Meeting scheduled for 10:30am (AWST) and the Option Scheme Meeting scheduled for the later of 11:00am (AWST) and the conclusion of the Share Scheme Meeting on 12 May 2023, or by returning a validly completed proxy voting form by not later than 10:30am (AWST) on 10 May 2023 for the Share Scheme Meeting or 11:00am (AWST) on 10 May 2023 for the Option Scheme Meeting. Full details of how to vote are set out in pages 8 to 11 of this document.

For further information

If you have any questions after reading this document, please call the Kingwest Scheme Information Line on International: +61 2 9068 1925 or Direct: 1300 103 392.

⁴ In respect of the recommendations of Mr Bittar, Mr Parekh and Mr Downes, Kingwest Securityholders should have regard to the fact that, if the Schemes are implemented, Mr Bittar, Mr Parekh and Mr Downes will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page v of this Scheme Booklet.

Important dates and times

Key events and the expected timing in relation to the approval and implementation of the Schemes are set out in the table below.

| Event | Date |
|--|---|
| Latest time and date for lodgement of completed proxy forms for the Scheme Meetings | |
| Share Scheme Meeting | 10:30am (AWST) on 10 May 2023 |
| Option Scheme Meeting | 11:00am (AWST) on 10 May 2023 |
| Time and date for determining eligibility to attend and vote at the Scheme Meetings | |
| Share Scheme Meeting | 5:00pm (AWST) on 10 May 2023 |
| Option Scheme Meeting | 5:00pm (AWST) on 10 May 2023 |
| Scheme Meetings to be held at the Conference Room in the lobby of London House, 216 St George's Terrace, Perth WA 6000 | |
| Share Scheme Meeting | 10:30am (AWST) on 12 May 2023 |
| Option Scheme Meeting | The later of 11:00am (AWST) and the conclusion of the Share Scheme Meeting on 12 May 2023 |
| If the Schemes are approved by the Requisite Majority of Kingwest Securityholders, the expected timetable for implementing the Schemes are: | |
| Second Court Date for approval of the Schemes | 18 May 2023 |
| Effective Date of the Schemes and last day of trading of Kingwest Shares on ASX | 19 May 2023 |
| Suspension of trading of Kingwest Shares on ASX | Close of trading on 19 May 2023 |
| Record Date for determining entitlements to the Scheme Consideration | 23 May 2023 |
| Implementation Date for the issue of Scheme Consideration to Scheme Participants | 26 May 2023 |
| Termination of official quotation of Kingwest Shares on ASX | 5:00pm (AWST) on 26 May 2023 (or as otherwise determined by ASX) |

The above dates and times are indicative only and, amongst other things, are subject to the time at which each Scheme Condition is satisfied and the dates on which all necessary Court and regulatory approvals are obtained. Kingwest has the right to vary any or all of these dates and times, subject to the approval of such variation by ASX, the Court and Brightstar, where required.

Any variation to the above dates and times will be announced to ASX (and accordingly, details of any variations will be available on ASX's website (www.asx.com.au)) and will be published on Kingwest's website (www.kingwestresources.com.au).

Letter from Kingwest

Dear Kingwest Securityholder

Introduction

I am pleased to provide you with this Scheme Booklet in relation to the proposal that was jointly announced on 23 December 2022 by Kingwest and Brightstar proposing that all the shares in Kingwest would be acquired by Brightstar for new shares in Brightstar under a members' scheme of arrangement between Kingwest and its Shareholders.

The parties have also agreed terms as to a separate scheme of arrangement pursuant to which the outstanding Kingwest Options will be cancelled in exchange for new options in Brightstar. The Option Scheme and the Share Scheme are inter-conditional.

Under the Schemes, Kingwest Shareholders will receive 0.38 New Brightstar Shares for each Kingwest Share held on the Record Date and 0.38 New Brightstar Options for each Kingwest Option held on the Record Date. If the Schemes are approved and implemented, Kingwest Securityholders will hold approximately 48.34% of the Combined Group (on a fully diluted basis) and approximately 47% of the Combined Group (on an undiluted basis).

This Scheme Booklet contains full details of the Schemes. The Kingwest Board encourages you to consider the information in this Scheme Booklet carefully to help you determine whether or not to vote in favour of the Schemes.

The decision of the Kingwest Board to proceed with the Schemes followed an extensive examination of growth options with a wide range of potential partners and corporate scenarios for Kingwest Securityholders conducted over a considerable period.

Like Kingwest, Brightstar is an emerging ASX-listed gold development company based in the Laverton region of Western Australia. Brightstar possesses a JORC 2012 compliant 460koz Au Mineral Resource located across three major projects, Cork Tree Well, Alpha, and Beta. Each of Brightstar's major projects is located less than 60km from Brightstar's 485ktpa Brightstar Plant, currently on care and maintenance, and incorporates a modern 60-person camp.

After considerable deliberation, the board from both companies believe that the combination of these two companies offers significant potential and provide a compelling strategic rationale for the proposed Schemes.

The Kingwest Board is also excited by the capital markets and technical expertise of the combined board and management team, to be led by Alex Rovira, that will provide strong awareness in assessing and advancing the Menzies and Laverton gold assets towards potential production.

Kingwest Board Recommendation

The Board unanimously recommends that Kingwest Securityholders vote in favour of the Schemes⁵, in the absence of a Superior Proposal, and the Independent Expert continuing to conclude that the Share Scheme is in the best interests of Kingwest Shareholders. Subject to these qualifications, each Kingwest Director intends to vote in favour of the Schemes in respect of their own holdings in Kingwest.

The reasons for the unanimous recommendation by the Board are set out in Section 1 of this Scheme Booklet.

⁵ In relation to the recommendation of the Directors in respect of the Schemes, Kingwest Securityholders should have regard to the interests of the Directors in the outcome of the Scheme votes which may differ from those of other Kingwest Securityholders, as further described in the Important Information Section on page v of this Scheme Booklet.

In summary, the Kingwest Board believes that the Schemes will provide Kingwest Securityholders with a number of benefits including:

- the creation of an ASX-listed west Australian gold company leveraging Brightstar's processing infrastructure (currently on care and maintenance) to unlock the development potential of the Menzies Gold Project and the combined portfolio of ~1Moz JORC 2012 Mineral Resources;
- increased scale, liquidity and capital markets profile, driving enhanced financial flexibility and the potential for further share price re-rating over time;
- the Combined Group will have a highly prospective growth pipeline, with an enhanced financial position to optimise and potentially accelerate development;
- potential inorganic growth upside available to the Combined Group in assessing future consolidation opportunities of fragmented Leonora-Laverton district; and
- the implied value of the Scheme Consideration represents a premium to the recent trading price of Kingwest Shares prior to announcement of the Schemes.

The Kingwest Board also notes a number of disadvantages associated with the Schemes as outlined in Section 2 of this Scheme Booklet, which include:

- you may not agree with the unanimous recommendation of the Kingwest Directors and the Independent Expert's conclusion;
- the exposure of Kingwest Securityholders to Kingwest's assets is diluted in the Combined Group;
- the Schemes alter the risk profile for Kingwest Securityholders compared to Kingwest as a stand-alone entity;
- a Superior Proposal for Kingwest may emerge in the future, if Kingwest were to continue as a stand-alone entity. However, since announcement of the Schemes and up to the date of this Scheme Booklet, no other proposal has been received, nor are the Kingwest Directors aware of any such intention of a party to make such a proposal;
- the value of the Scheme Consideration upon implementation of the Schemes are not certain; and
- the tax consequences of the Schemes being implemented may not suit your current financial position or tax circumstances.

Your Kingwest Board believes that the benefits of the Schemes significantly outweigh the potential disadvantages and risks associated with the Schemes.

Independent Expert

BDO Corporate Finance (WA) Pty Ltd, the Independent Expert, engaged by the Kingwest Board, has concluded that the Schemes are fair and reasonable and in the best interests of Kingwest Securityholders, in the absence of a Superior Proposal. The Kingwest Board encourages you to read and consider the Independent Expert's Report, which is contained in Appendix A to this Scheme Booklet.

Next steps

Your vote is important and I encourage you to vote either by attending the Share Scheme Meeting to be held at 10:30am (AWST) on 12 May 2023, followed by the Option Scheme Meeting to be held at the later of the conclusion of the Share Scheme Meeting and 11:00am (AWST), or by completing and returning the attached Proxy Form so that it is received at the address shown on the Proxy Form

by 10:30am (AWST) for the Share Scheme Meeting and by 11:00am (AWST) for the Option Scheme Meeting on 10 May 2023.

I encourage you to read this Scheme Booklet which contains important information in relation to the Schemes. If you have any questions in relation to the Schemes, please call the Kingwest Scheme Information Line on International: +61 2 9068 1925 or Direct: 1300 103 Monday to Friday between 8.30am and 5.00pm (AWST) or contact your legal, financial, taxation or other professional adviser.

On behalf of the Kingwest Board, I recommend the Schemes to you and would like to take this opportunity once again to thank you for your support of Kingwest.

Gregory Bittar
Executive Chairman

Letter from Brightstar

Dear Kingwest Securityholder

The Brightstar Board and management are pleased to provide you with the opportunity to participate in the Schemes which we believe will see the creation of a stronger, larger and more diversified company. We believe the Scheme Consideration, and the strategic rationale for the combination of Brightstar and Kingwest, is compelling to Kingwest Securityholders.

The Schemes has been unanimously recommended by the Kingwest Board and each Kingwest Director has also indicated that they intend to vote their Kingwest Shares in favour of the Share Scheme and, if applicable, their Kingwest Options in favour of the Option Scheme, in the absence of a Superior Proposal. The Independent Expert has also concluded that the Schemes are fair and reasonable to Kingwest Securityholders and therefore is in the best interests of Kingwest Securityholders, in the absence of a Superior Proposal.

By combining Brightstar and Kingwest, you, as a Kingwest Securityholder, now have the opportunity to gain exposure to Brightstar's assets, and as a securityholder in the Combined Group, will benefit from:

- a highly prospective landholding spanning approximately 300km² both north and south of the Laverton township within the world-class Laverton greenstone belt;
- leveraging Brightstar's already significant JORC 2012 compliant Mineral Resource estimate of 8.9Mt at 1.6 g/t Au for 460koz;
- access to a potential processing solution for Menzies high-grade ore through the 485ktpa Brightstar Plant currently on care and maintenance;
- strategic consolidation opportunity to grow both organically and inorganically within the prolific Leonora-Laverton district; and
- significant combined pipeline of advanced exploration targets, Mineral Resource growth opportunities and potential future production sources.

We are optimistic that the combination of Brightstar and Kingwest will add value and create benefits for shareholders, employees and communities engaged with the Combined Group.

This Scheme Booklet provides detailed information about the Schemes, including the reasons for Kingwest Securityholders to vote in favour of, or against, the Schemes, and the risks of holding Brightstar Securities (refer to Section 10 in particular).

Kingwest Securityholders are encouraged to read this Scheme Booklet carefully in order to understand the potential disadvantages of the Schemes being accepted, which are discussed in Section 2 in this Scheme Booklet. Disadvantages of the Scheme include dilution, where your percentage interest in the Combined Group will be less than your current interest in Kingwest, and the risk profile of the Combined Group being different to Kingwest's which you may consider to be disadvantageous to you relative to the risk profile of the current Kingwest business

It is our pleasure to invite you to participate in this opportunity and we look forward to your vote in favour of the Schemes at the Scheme Meetings either in person at the meetings or by proxy or representative. Assuming the Schemes are approved and successfully implemented, we also look forward to welcoming you as a securityholder of the Combined Group.

Yours sincerely,

Josh Hunt

Non-Executive Chairman

Brightstar Resources Limited

Meeting details and how to vote

Voting on the Schemes

For the Share Scheme to be implemented, it is necessary that the Requisite Majority of Kingwest Shareholders vote in favour of the resolution to approve the Share Scheme at the Share Scheme Meeting.

For the Option Scheme to be implemented, it is necessary that the Requisite Majority of Kingwest Optionholders vote in favour of the resolution to approve the Option Scheme at the Option Scheme Meeting.

Kingwest Securityholders may vote at the Scheme Meetings either in person, by proxy, attorney or, in the case of a corporation, by corporate representative.

Details on how to vote are set out briefly in the table below. Further details are set out in the Notice of Share Scheme Meeting (attached at Annexure F) and the Notice of Option Scheme Meeting (attached at Annexure G).

Brightstar excluded from voting

Brightstar is excluded from voting on the Schemes by reason of the fact that it is the proponent of the Schemes. As at the date of the Scheme Booklet, neither Brightstar nor any of its Associates hold any Kingwest Shares or Kingwest Options.

| Means | Voting instructions |
|------------------|--|
| In Person | <p>If you wish to vote in person, you must attend the relevant Scheme Meeting.</p> <p>All persons entitled to vote must register their attendance by disclosing their name at the point of entry to the relevant Scheme Meeting.</p> |
| By Proxy | <p>To appoint a proxy to vote on your behalf in respect of the Schemes, you can complete the enclosed personalised Proxy Form in accordance with the instructions and return it to Automic in the envelope enclosed. Alternatively, you can lodge your proxy online in accordance with the instructions on the Proxy Form.</p> <p>If your proxy is signed by an attorney, please also enclose the authority under which the proxy is signed (or a certified copy of the authority).</p> <p>Proxy Forms and powers of attorney must be received by Automic by no later than 10:30am (AWST) for the Share Scheme Meeting and 11:00am (AWST) for the Option Scheme Meeting on 10 May 2023 (or if the Scheme Meetings are adjourned, at least 48 hours before the resumption of the relevant Scheme Meeting). Proxy Forms and powers of attorney received after this time will not be valid. Accordingly, you should ensure that it is posted, delivered or lodged online in sufficient time for it to be received by Automic by that time.</p> <p>If you are entitled to cast two or more votes, you may appoint two proxies. You must specify the names and the proportion or the number of votes that each proxy is appointed to exercise. If numbers or proportions of votes are not specified, each proxy may exercise half of the votes you are entitled to cast. Fractions of votes will be disregarded.</p> <p>If you hold Kingwest Securities jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the Proxy Form.</p> <p>Appointing a proxy will not preclude you from attending the Scheme Meetings in person and voting at the Scheme Meetings instead of your proxy. In this scenario the appointment of your proxy is not revoked but your proxy must not speak or vote at the meeting while you are so present.</p> |

| Means | Voting instructions |
|---|---|
| By Power of Attorney | <p>Your vote may be cast by a duly authorised attorney. An attorney need not be a Kingwest Securityholder.</p> <p>If you intend to appoint an attorney to attend a Scheme Meeting and vote on your behalf, you may do so by providing a power of attorney duly executed by you in the presence of at least one witness, and specifying your name, the company (that is, Kingwest Resources Limited), and the attorney, and also specify the meeting at which the appointment may be used. The appointment may be a standing one.</p> <p>A certified copy of the power of attorney must be received by Automic by no later than 10:30am (AWST) in respect of the Share Scheme Meeting and 11:00am (WST) in respect of the Option Scheme Meeting on 10 May 2023.</p> <p>A certified copy of the power of attorney must be attached to the proxy form and delivered to the registry in accordance with the instructions set out in the proxy form.</p> <p>Your appointment of an attorney does not preclude you from attending in person and voting at the relevant Scheme Meeting. The appointment of your attorney is not revoked merely by your attendance and taking part in the relevant Scheme Meeting, but if you vote on a resolution, the attorney is not entitled to vote, and must not vote, as your attorney on that resolution.</p> |
| By Corporate Representative | <p>A Kingwest Securityholder that is a body corporate may appoint an individual to act as its representative at the relevant Scheme Meeting.</p> <p>To vote by corporate representative at a Scheme Meeting, a corporate Kingwest Shareholder should obtain an "Appointment of Corporate Representative" form from Automic and complete that form in accordance with its instructions.</p> <p>Corporate representative appointment forms should be provided to Automic by no later than 10:30am (AWST) in respect of the Share Scheme Meeting and 11:00am (AWST) in respect of the Option Scheme Meeting on 10 May 2023, or alternatively brought to the relevant Scheme Meeting.</p> |
| Kingwest Resources Limited Scheme Information Line | <p>For further information, you can call Automic on 1300 103 392 (within Australia) or +61 2 9068 1925 (outside Australia).</p> |

Address for return of voting forms

Kingwest Securityholders should mail or fax their proxy forms, power of attorney forms to Automic (Kingwest's share registry) at the following address or fax number:

By Mail: **Automic**
 GPO Box 5193
 Sydney NSW 2001

By Email: meetings@automicgroup.com.au

Online: <https://automicgroup.com.au/>

Fax: **+61 2 8583 3040**

Proxy forms, power of attorney forms and corporate representative forms must be received by 10:30am (AWST) in respect of the Share Scheme Meeting and 11:00am (AWST) in respect of the Option Scheme Meeting, on 10 May 2023.

Alternatively, Kingwest Securityholders can vote using one of the following methods by 10:30am (AWST) in respect of the Share Scheme Meeting and 11:00am (AWST) in respect of the Option Scheme Meeting, on 10 May 2023:

Online: Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/loginsah>

Questions on this Scheme Booklet

Kingwest Securityholders with any questions in relation to the Schemes, should call the Kingwest Scheme Information Line on International: +61 2 9068 1925 or Direct: 1300 103 392 between 9.00am and 5.00pm, Monday to Friday, or consult their legal, financial or other professional adviser.

1. Key reasons to vote in favour of the Schemes⁶

This Section summarises the key reasons why the Kingwest Directors recommend that Kingwest Securityholders vote in favour of the Schemes.

This Section should be read in conjunction with Sections 2, 3 and 10, which describe the disadvantages and risks associated with the Schemes; implications if the Schemes do not proceed; and risk factors associated with an investment in New Brightstar Shares and New Brightstar Options.

1.1 The Kingwest Directors unanimously recommend that Kingwest Securityholders vote in favour of the Schemes in the absence of a Superior Proposal

Before agreeing to implement the Schemes in accordance with the Scheme Implementation Deed between Brightstar and Kingwest, the Kingwest Directors considered:

- the strategic benefits of a consolidation;
- increased scale, liquidity and capital markets profile, driving enhanced financial flexibility for exploration and development and the potential for further share price re-rating over time;
- the advantages to Kingwest from gaining access to Brightstar's processing facility;
- the advantages to Kingwest Securityholders associated with a being part of a larger company with improved corporate capability, new management and a higher level of liquidity;
- a significantly larger exploration asset base broader opportunity within the region and scope for discovery;
- the ongoing review of possible corporate options to facilitate the development of gold operations; and
- the potential for alternative Superior Proposals to arise after the announcement of the Merger between Kingwest and Brightstar. No Superior Proposal has emerged as at the Date of this Scheme Booklet.

The Kingwest Directors consider that the reasons to vote in favour of the Schemes outweigh the potential disadvantages and reasons to vote against the Schemes. Therefore, the Kingwest Directors unanimously recommend that, in the absence of a Superior Proposal, Kingwest Securityholders vote in favour of the Schemes.

As per Kingwest's announcements dated 23 December 2022 and 15 March 2023, all Kingwest Directors intend to vote their respective Kingwest Shares and Kingwest Options (as applicable) in favour of the Schemes, in the absence of a Superior Proposal.

The decision of the Kingwest Directors to recommend the Merger follows an assessment of strategic options for Kingwest over the past 18 months in regard to various corporate, asset and financial options available to Kingwest to enhance value for Kingwest Securityholders. The Kingwest Directors consider that the Schemes will deliver greater benefits to Kingwest Securityholders than any other alternative currently available, including Kingwest continuing as a standalone entity.

⁶ In relation to the recommendation of the Directors in respect of the Schemes, Kingwest Securityholders should have regard to the interests of the Directors in the outcome of the Scheme votes which may differ from those of other Kingwest Securityholders, as further described in the Important Information Section on page v of this Scheme Booklet.

Now that the Independent Expert has concluded that the Schemes are fair and reasonable and therefore in the best interests of Kingwest Securityholders, each Kingwest Director intends, in the absence of a Superior Proposal, to vote to approve the Schemes in respect of any Kingwest Shares and Kingwest Options they own or control.

1.2 Strategically compelling transaction that rapidly advances both companies towards development

- Strategic consolidation of the gold assets of Brightstar and Kingwest immediately creates a company of scale that will attract investment from a wider audience.
- Pro-forma JORC 2012 Mineral Resources of ~1Moz, all located on granted Mining Leases, is a material step change for both companies and enables the Combined Group to quickly assess development scenarios.
- Brightstar's processing infrastructure (**Brightstar Plant**) currently on care and maintenance transforms the Combined Group into a potential near-term developer⁷.
- The combination of Kingwest's and Brightstar's existing JORC Resources delivers the Combined Group an aggregate Mineral Resource Estimate of 960,000oz Au. The Merger will therefore fast track the traditional pathway from 'explorer' to 'developer' by immediately delivering a critical mass of Mineral Resources to warrant increased expenditure on infill drilling and feasibility studies (and, subject to the outcome of such studies, eventual construction activities) that would otherwise likely have taken each of Kingwest and Brightstar a number of years to achieve (if at all), at a significant cost.

1.3 Significant improvement in corporate capability and development appeal

- Mitigation of single asset development risk and the Brightstar Plant sunk capital de-risks capital risks and financing requirements.
- Increased scale of JORC 2012 Minerals Resources fast-tracks potential development scenarios.
- Potential inorganic growth upside available to the Combined Group in assessing future consolidation opportunities of fragmented juniors in the Leonora-Laverton district.
- Incoming Board and management team members aligned to the success of the Combined Group.

1.4 Complimentary assets provide operational flexibility and opportunity

- Different ore sources in the Combined Group provides optionality and will be assessed on potential production through the Brightstar Plant or accessing third-party mills in the district. It is noted that the Brightstar Plant, when operational, only treated oxide material (as that was the available ore source to treat at the time), however it could also have treated fresh rock material if required. The Brightstar Plant, based on previous operational history, is suitable for the processing of the Menzies ore.
- Combination of Mineral Resources adds scale and delivers critical mass for assessing production re-start opportunities.
- Kingwest's Menzies deposits provide the potential for higher-grade ounces to blend with base load feed from Laverton, providing potential for stronger economics.

⁷ It is noted however that Como Engineers produced a report in 2021 that showed an estimated capital cost of \$5.5 million to refurbish and expand the Laverton Processing Plant. Therefore, whilst the implementation of the Schemes may provide Kingwest Shareholders with exposure to the Laverton Processing Plant, it may require significant cash to be spent to bring it back into service.

- Significant organic exploration upside to be assessed through targeted exploration programs to continue to grow the combined Mineral Resources of the Combined Group.

1.5 An immediate increase in the potential value of Kingwest and Brightstar's resources, particularly the near surface high grade mineralisation at Menzies, with the ability to access to Brightstar's processing infrastructure

- Access to the Brightstar Plant provides a potential development opportunity (potentially significant savings on processing infrastructure) and likely higher margins than toll treatment/third party processing options for Menzies ore and the ability to blend with base load from Brightstar's Laverton resources. The blending of ore grades and ore types will enable the Combined Group to optimise processing throughput rates and the grade profile, thereby maximising the economics of production.

The Merger should deliver a combination of Mineral Resources that adds scale and delivers critical mass for assessing production re-start opportunities, thereby significantly increasing the prospects of potential economic extraction of the combined Mineral Resources. The combination of the Mineral Resources of Kingwest and Brightstar reduces the hurdles to production, implying an increased likelihood of the inherent value of the Mineral Resources being realised through a production scenario.

1.6 Immediate value realisation event at a premium for Kingwest Securityholders

- Exchange ratio of 1 New Brightstar Share or New Brightstar Option (as applicable) per 0.38 Kingwest Shares or Kingwest Option (as applicable) represents an implied offer price of \$0.042 per Kingwest Share or Kingwest Option based on Brightstar's last close price on 21 December 2022, the last day prior to the Merger announcement.

1.7 Significant holding in an enlarged entity with material ongoing exposure to the Menzies Gold Project

- On completion of the Merger, Kingwest Shareholders will hold a significant pro forma shareholding of 47% in the Combined Group (with Kingwest Securityholders holding approximately 50% of the Combined Group on a fully diluted basis).
- The Merger strongly enhances the transition from an explorer to developer whilst retaining meaningful exposure to ongoing exploration success at the Menzies Gold Project.

1.8 Exposure to potential improved market rating and enhanced liquidity of the Combined Group

- Both sets of securityholders expected to benefit from increased scale of the market capitalisation and increased materiality in the ASX market for near term developers.

1.9 The Independent Expert has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and therefore in the best interests of Kingwest Securityholders

BDO Corporate Finance (WA) Pty Ltd, as Independent Expert, has considered the terms of the Schemes and has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and therefore in the best interests of Kingwest Securityholders.

The Independent Expert considers the Share Scheme to be fair because the value of 0.38 Kingwest Shares is greater than the value of 1 New Brightstar Share in the Combined Group,

on a like-for-like minority interest basis, at the low end of the valuation range (being \$0.017 and \$0.018 respectively)⁸.

The Independent Expert considers the Option Scheme to be fair because the value of the Option Scheme consideration is greater than the value of the Kingwest options under the low end of the valuation ranges.

The Schemes are considered reasonable by the Independent Expert because the position of Kingwest Securityholders if the Schemes are approved is more advantageous than the position if the Schemes are not approved.

The advantages and disadvantages of the Schemes (as identified by the Independent Expert) are summarised in Section 2.6 of the Independent Expert's Report and discussed in greater detail in Section 16 of the Independent Expert's Report.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Kingwest Directors recommend⁹ that Kingwest Securityholders read the Independent Expert's Report in full.

1.10 No Superior Proposal has emerged as at the Date of this Scheme Booklet

In deciding to recommend the Merger, the Kingwest Directors were cognisant of other potential alternatives to the Merger which remain open for Kingwest to consider if the Merger does not proceed. However, in exploring alternatives, no Superior Proposals have emerged. It therefore remains the view of the Kingwest Directors that it is unlikely that a Superior Proposal will transpire. However, any offer capable of acceptance will be considered and put to Kingwest Securityholders should it emerge.

1.11 Scheme Participants may be eligible for CGT rollover relief

If the Schemes are implemented, Scheme Participants may benefit from Australian CGT rollover relief, provided they qualify. Notwithstanding, you are urged to seek professional taxation advice in relation to your own personal circumstances.

For further detail regarding the general Australian tax consequences of the Schemes, please refer to Section 11 of this Scheme Booklet. Taxation laws in Australia are complex and you are encouraged to read Section 11 carefully and seek independent professional advice about your individual circumstances.

⁸ Although the value of a New Brightstar Share in the Combined Group is not greater than 0.38 Kingwest Shares at the preferred and high end of the valuation range, the Independent Expert still considers the Share Scheme to be fair.

⁹ In relation to the recommendation of the Directors in respect of the Schemes, Kingwest Securityholders should have regard to the interests of the Directors in the outcome of the Scheme votes which may differ from those of other Kingwest Securityholders, as further described in the Important Information Section on page v of this Scheme Booklet.

2. Reasons why you may choose to vote against the Schemes

This Section summarises the potential disadvantages and risks to Kingwest Securityholders if the Schemes becomes Effective and the Merger occurs.

The Kingwest Directors consider that these disadvantages and risks are out-weighed by the advantages of the Schemes (as set out in Section 1), and that the Schemes are in the best interests of Kingwest Securityholders.

Further details of the following potential disadvantages and risks, and other potential risks, are set out in Section 10.

2.1 You may disagree with the recommendation by the Independent Expert and the Kingwest Directors

Notwithstanding the unanimous recommendation¹⁰ by the Kingwest Directors, and the conclusion reached by the Independent Expert that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and therefore in the best interests of Kingwest Securityholders, you may believe that the Schemes are not in your best interests or believe that the Scheme Consideration is inadequate.

2.2 Your percentage interest in the Combined Group will be less than your current interest in Kingwest

Although the Merger is expected to provide advantages through the combination of the two businesses, given the proportional shareholding of Kingwest Shareholders in the Combined Group (47%)¹¹, the larger portion of this value will flow to current Brightstar Shareholders. However, while a larger share of the benefits will flow to existing Brightstar Shareholders, in the absence of the Merger, no value from potential benefits or advantages will arise for Kingwest Securityholders.

2.3 The risk profile of the Combined Group will be different to Kingwest's which you may consider to be disadvantageous to you relative to the risk profile of the current Kingwest business

The risk profile and risk of investment for Kingwest Securityholders will change and you may consider the risk profile and risk of investment of the Combined Group, which includes risks relating to both the Brightstar business and the Kingwest business, to be a disadvantage relative to that of Kingwest as a standalone entity.

The operations and financial performance of Kingwest, Brightstar and/or the Combined Group and the change of a Scheme Participant's ownership of Kingwest Shares and Kingwest Options into New Brightstar Shares and New Brightstar Options are subject to various risks that are summarised in Section 10 of this Scheme Booklet and that may be beyond the control of Kingwest, Brightstar and/or the Combined Group.

¹⁰ In relation to the recommendation of the Directors in respect of the Schemes, Kingwest Securityholders should have regard to the interests of the Directors in the outcome of the Scheme votes which may differ from those of other Kingwest Securityholders, as further described in the Important Information Section on page v of this Scheme Booklet.

¹¹ The figure assumes the Combined Group has a total of 1,574,015,186 Brightstar Shares on issue following implementation of the Schemes, that there are no Ineligible Foreign Shareholders and that Brightstar does not acquire any Kingwest Shares outside of the Schemes. On a combined basis (undiluted for options), Kingwest Securityholders will hold a 47% interest in the Combined Group. In addition, Brightstar has agreed to pay Longreach Capital Pty Ltd \$400,000 for corporate advisory services which may be settled in a combination of cash and Brightstar Shares (up to 75% of the total fees payable may be settled in Brightstar Shares), at Brightstar's election. Accordingly, the number of Brightstar Shares on issue following implementation of the Schemes may change between lodgement of this Scheme Booklet and implementation of the Schemes.

2.4 You may consider that there is the potential for a Superior Proposal to emerge for Kingwest in the foreseeable future

You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. The implementation of the Merger would mean that Kingwest Securityholders would not be able to obtain the benefit of any such Superior Proposal. However, since the Announcement Date and up to the date of this Scheme Booklet, no Superior Proposal has been received, nor are the Kingwest Directors aware of any such intention of a party to make such a proposal.

It is important to note that shareholders in the Combined Group will still have an opportunity to realise a control premium in the event of any future change of control transaction for the Combined Group.

2.5 The exact value of the Scheme Consideration upon implementation of the Schemes is not certain

The exact value of the Scheme Consideration that would be realised by individual Kingwest Securityholders upon implementation of the Schemes are not certain, as it will depend on the price at which the New Brightstar Shares trade on ASX.

The Share Scheme Consideration is fixed at a ratio of 1 New Brightstar Share for every 0.38 Kingwest Shares held and the Option Scheme Consideration is fixed at a ratio of 1 New Brightstar Option for every 0.38 Kingwest Options held. This exposes Kingwest Securityholders to the risk that the effective value they receive for their Kingwest Securities may move adversely from the market value of the Scheme Consideration on the date of the Scheme Meetings. Alternatively, if there is an increase in the relative price of Brightstar Shares then the effective value they receive for their Kingwest Securities may move favourably from the market value of the Scheme Consideration on the date of the Scheme Meetings.

In addition, under the Share Scheme, the Sale Agent will be issued the New Brightstar Shares that would otherwise be issued to Ineligible Foreign Shareholders and will sell them on market as soon as reasonably practicable after the Implementation Date (refer to Sections 5.7 to 5.8). Although the quantum of these sales is expected to be limited, it is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period.

2.6 The tax consequences of the Schemes may not suit your current financial position

If the Schemes are implemented, you may incur a tax liability on the transfer of your Kingwest Shares. Please refer to Section 11 for further information on the tax implications.

All Kingwest Securityholders are strongly advised to seek independent professional tax advice about their particular circumstances including, for foreign tax resident Kingwest Securityholders, the foreign tax consequences.

3. Implications if the Schemes are not implemented

This Section outlines potential implications for Kingwest and Kingwest Securityholders if the Schemes are not implemented.

Should the Schemes not be implemented, Kingwest Securityholders will not receive the benefits of any or all of the reasons to vote in favour of the Schemes as outlined in Section 1.

3.1 You will not receive the Scheme Consideration

Each Kingwest Securityholder will retain their Kingwest Shares and/or Kingwest Options and will not receive any New Brightstar Shares and/ or New Brightstar Options.

3.2 Future capital requirements to fund development of Kingwest's projects

If the Schemes are not implemented, then in order for Kingwest to develop or enhance its project portfolio, it would need to raise additional funds, which may include an equity issue. There can be no assurance that such funding will be available on satisfactory terms, or at all.

3.3 Kingwest will remain listed on ASX and continue to operate as a standalone entity

If the Schemes are not implemented, Kingwest will remain listed on ASX and will continue to run its business in the same manner in which it is currently operating. Kingwest Securityholders will therefore continue to be exposed to the risks and benefits of owning Kingwest Securities, including many of the risks set out in Section 10.

3.4 Transaction costs will be incurred

If the Schemes are not implemented, Kingwest's transaction costs of approximately \$335,000 will be borne by Kingwest and Kingwest may also be liable to pay the Reimbursement Fee.

4. Frequently asked questions

This Section provides summary answers to some basic questions that Kingwest Securityholders may have in relation to the Schemes. This Section should be read in conjunction with the whole Scheme Booklet.

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| What is a scheme of arrangement and why has this Scheme Booklet been made available to you? | <p>A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another.</p> <p>This Scheme Booklet has been made available to assist you in deciding how to vote (should you wish to) on the proposed Share Scheme and Option Scheme.</p> |
| What is the Share Scheme and Option Scheme? | <p>The Share Scheme is a scheme of arrangement pursuant to which Kingwest is asking the Kingwest Shareholders to consider and vote on a proposal that Brightstar will acquire all of the Kingwest Shares held by Kingwest Shareholders as at the Record Date in exchange for the Share Scheme Consideration.</p> <p>The Option Scheme is a scheme of arrangement pursuant to which Kingwest is asking the Kingwest Optionholders to consider and vote on a proposal that their Kingwest Options held by Kingwest Optionholders as at the Record Date will be cancelled in exchange for the Option Scheme Consideration.</p> <p>The Schemes will effect the Merger.</p> <p>If the Schemes are approved and implemented, Scheme Participants (other than Ineligible Foreign Shareholders) will receive the Scheme Consideration.</p> <p><i>Refer to Sections 5 and 12 for further information.</i></p> |
| What is the effect of the Schemes? | <p>If the Schemes become Effective:</p> <ul style="list-style-type: none"> • all Kingwest Shares will be transferred to Brightstar; • all Kingwest Options will be cancelled; • Kingwest will become a wholly-owned subsidiary of Brightstar and will be delisted from the ASX; • all Scheme Participants (other than Ineligible Foreign Shareholders) will receive the Scheme Consideration irrespective of whether they voted for or against the Schemes; and • Ineligible Foreign Shareholders will receive the Net Sale Proceeds instead of New Brightstar Shares as their Share Scheme Consideration, irrespective of whether they voted for or against the Share Scheme. <p><i>Refer to Sections 5.1 and 5.7 for further information.</i></p> |
| How will fractional elements be treated | <p>Any entitlements to a fraction of a New Brightstar Share or New Brightstar Option arising under the calculation of Scheme Consideration will be rounded to the nearest whole number.</p> |
| What does the Independent Expert say about the Schemes? | <p>The Independent Expert has considered the Share Scheme and Option Scheme and concluded that:</p> <ul style="list-style-type: none"> • the Share Scheme is fair and reasonable and in the best interests of Kingwest Shareholders; and • the Option Scheme is fair and reasonable and in the best interests of Kingwest Optionholders. <p><i>The Independent Expert's Report set out in Annexure A to this Scheme Booklet and you are encouraged to read it in full.</i></p> |

| | |
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| What do the Kingwest Directors recommend? | <p>The Kingwest Directors unanimously recommend¹² that, in the absence of a Superior Proposal, Kingwest Shareholders vote in favour of the Share Scheme and that Kingwest Optionholders vote in favour of the Option Scheme. Each Kingwest Director who hold or control Kingwest Shares and/or Kingwest Options intends to vote in favour of the Schemes, in the absence of a Superior Proposal.</p> <p><i>Refer to Sections 1 to 3 for further information on the reasons for the Kingwest Directors' recommendation.</i></p> |
| Who is entitled to participate in the Share Scheme? | <p>Kingwest Shareholders on the Kingwest Share Register as at 5.00pm (AWST) on the Record Date are entitled to participate in the Share Scheme. If the Share Scheme is approved and implemented, Scheme Shareholders (other than Ineligible Foreign Shareholders) will receive New Brightstar Shares as their Share Scheme Consideration, at the Transaction Ratio.</p> <p>Ineligible Foreign Shareholders will not receive New Brightstar Shares, but will instead receive the Net Sale Proceeds as their Scheme Consideration after their proportional share of brokerage and other costs are deducted from the proceeds of New Brightstar Shares sold under the Sale Facility.</p> <p>Brightstar is excluded from voting on the Share Scheme by reason of the fact that it is the proponent of the Schemes. As at the date of the Scheme Booklet, neither Brightstar nor any of its Associates hold any Kingwest Shares.</p> <p><i>Refer to Sections 5.2 and 5.7 for further information.</i></p> |
| Who is entitled to participate in the Option Scheme? | <p>Kingwest Optionholders on the Kingwest Option Register as at 5.00pm (AWST) on the Record Date are entitled to participate in the Option Scheme. If the Option Scheme is approved and implemented, Option Scheme Participants will receive New Brightstar Options as their Option Scheme Consideration, at the Transaction Ratio.</p> <p>Brightstar is excluded from voting on the Option Scheme by reason of the fact that it is the proponent of the Schemes. As at the date of the Scheme Booklet, neither Brightstar nor any of its Associates hold any Kingwest Options.</p> <p><i>Refer to Sections 5.2 and 5.7 for further information.</i></p> |
| Who is Brightstar? | <p>Brightstar Resources Limited (ASX:BTR) is an ASX listed gold exploration and development company, with its main focus on the exploration and development of its projects in the Laverton region of Western Australia.</p> <p>Brightstar possesses a JORC 2012 compliant 460koz Au Mineral Resource located across three major projects, Cork Tree Well, Alpha and Beta. Each of Brightstar's major projects is located within 60km from Brightstar's flagship 485ktpa processing plant (currently on care and maintenance) south of the town of Laverton.</p> <p><i>Refer to Section 7 for further information.</i></p> |
| Why has the Merger been structured as a scheme of arrangement? | <p>Effecting the transaction via the Schemes is believed to be the most efficient structure to implement the Merger and also reflects the co-operative nature of the Merger.</p> <p><i>Refer to Sections 1 and 2 for the key reasons to vote in favour of the Schemes and the reasons why you may choose to vote against the Schemes respectively.</i></p> |

¹² In respect of the recommendations of Mr Bittar, Mr Parekh and Mr Downes, Kingwest Securityholders should have regard to the fact that, if the Schemes are implemented, Mr Bittar, Mr Parekh and Mr Downes will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page v of this Scheme Booklet.

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| What is the timetable of the Merger? | <p>The Share Scheme Meeting is currently scheduled to be held at 10:30am (AWST) on 12 May 2023 and the Option Scheme Meeting is currently scheduled to be held at the later of 11:00am (AWST) and the conclusion of the Share Scheme Meeting on the same date. If Kingwest Securityholders approve the Schemes and Court approval is obtained, the Merger is expected to be implemented on 26 May 2023. This is based on the current scheduled timetable of key dates as set out on page 4 of this Scheme Booklet, which is subject to possible change.</p> <p><i>Refer to the important dates and times on page 5 of this Scheme Booklet for further information.</i></p> |
| Under what scenarios can Kingwest or Brightstar terminate the Merger? | <p>The Scheme Implementation Deed provides for situations where either Kingwest or Brightstar have the right to terminate it and the Merger. These include the Schemes not being approved by the Requisite Majority of Kingwest Securityholders, the Court refusing to approve the Schemes and if the remainder of the Scheme Conditions are not satisfied by the relevant time.</p> <p><i>Refer to Section 13.6 for further information.</i></p> |
| What happens if the Schemes are not approved? | <p>As the Schemes are interconditional, if either of the Schemes are not approved, the Merger will not proceed and Kingwest will continue to operate as a stand-alone entity, listed on ASX.</p> <p><i>Refer to Section 3 for further information.</i></p> |
| When and where will the Scheme Meetings be held? | <p>The Share Scheme Meeting will be held at the Conference Room in the lobby of London House, 216 St George's Terrace, Perth WA 6000 at 10:30am (AWST) on 12 May 2023.</p> <p>The Option Scheme Meeting will be held at the Conference Room in the lobby of London House, 216 St George's Terrace, Perth WA 6000 at the later of 11:00am (AWST) and the conclusion of the Share Scheme Meeting on 12 May 2023.</p> <p><i>Refer to the Notice of Share Scheme Meeting set out in Annexure F of this Scheme Booklet and Notice of Option Scheme Meeting set out in Annexure G of the Share Scheme Booklet for further information.</i></p> |
| Who is entitled to vote on the Share Scheme? | <p>Kingwest Shareholders who are recorded as the holder of Kingwest Shares on the Kingwest Share Register as at 5:00pm (AWST) on 10 May 2023, are entitled to vote at the Share Scheme Meeting.</p> <p><i>Refer to the meeting details and how to vote Section on page 10 of this Scheme Booklet for further information.</i></p> |
| Who is entitled to vote on the Option Scheme? | <p>Kingwest Optionholders who are recorded as the holder of Kingwest Options on the Kingwest Option Register as at 5:00pm (AWST) on 10 May 2023, are entitled to vote at the Option Scheme Meeting.</p> <p><i>Refer to the meeting details and how to vote Section on page 10 of this Scheme Booklet for further information.</i></p> |
| Is voting compulsory? | <p>Voting is not compulsory. However, your vote is important in deciding whether the Schemes are approved. Kingwest Securityholders are strongly encouraged to vote.</p> <p>Kingwest Securityholders who cannot attend the Scheme Meetings may complete and return the personalised proxy form (enclosed with this Scheme Booklet) or alternatively appoint a representative with a power of attorney.</p> <p><i>Refer to the meeting details and how to vote Section on page 10 of this Scheme Booklet for further information.</i></p> |
| How do I vote? | <p>Details of how to vote are set out on pages 10 and 11 of this Scheme Booklet and are also included in the Notice of Share Scheme Meeting set out in Annexure F and Notice of Option Scheme Meeting set out in Annexure G of this Scheme Booklet.</p> <p><i>Refer to the meeting details and how to vote Section on page 10 and 11 of this Scheme Booklet for further information.</i></p> |

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| <p>What voting majority is required to approve the Schemes?</p> | <p>For the Share Scheme to be approved by Kingwest Shareholders, votes in favour of the Share Scheme must be received from:</p> <ul style="list-style-type: none"> • a majority in number (more than 50%) of Kingwest Shareholders present and voting at the Share Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate Kingwest Shareholder, by corporate representative); and • Kingwest Shareholders who together hold at least 75% of the total number of votes cast on the Share Scheme Resolution. <p>For the Option Scheme to be approved by Kingwest Optionholders, votes in favour of the Option Scheme must be received from:</p> <ul style="list-style-type: none"> • a majority in number (more than 50%) of Kingwest Optionholders present and voting at the Option Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate Kingwest Optionholder, by corporate representative); and • Kingwest Optionholders who together hold at least 75% of the total number of votes cast on the Option Scheme Resolution. <p><i>Refer to the meeting details and how to vote Section on page 10 of this Scheme Booklet for further information.</i></p> |
| <p>What are the Scheme Conditions?</p> | <p>The Scheme Conditions that have not already been satisfied are described in Sections 12.2 and 13.1.</p> <p>The Schemes will only be implemented if, amongst other things:</p> <ul style="list-style-type: none"> • the Requisite Majority of Kingwest Securityholders approve the Schemes; • the Court approves the Schemes; and • the remainder of the Scheme Conditions are satisfied. <p>At the date of this Scheme Booklet the Kingwest Directors are not aware of any Scheme Condition that is likely to prevent the Schemes becoming Effective and the Merger progressing.</p> <p><i>Refer to Section 12.2 for further information.</i></p> |
| <p>Exclusivity and Reimbursement Fee</p> | <p>The Scheme Implementation Deed includes:</p> <ul style="list-style-type: none"> • exclusivity arrangements which apply from the date of the Scheme Implementation Deed until the earlier of 22 June 2023 or termination of the Scheme Implementation Deed; and • a liquidated amount (or break fee) of \$125,000 which may become payable by Kingwest or Brightstar to the other party in certain circumstances (the break fee is not payable if the Schemes do not proceed merely because Kingwest Securityholders do not vote in favour of the Schemes in sufficient numbers to meet the legal tests). <p><i>Further information in relation to the exclusivity arrangements and break fee is set out in Sections 13.2, 13.3 and 13.5.</i></p> |
| <p>What happens if one or more of the Scheme Conditions are not satisfied or waived?</p> | <p>The Schemes will not be implemented, and Kingwest and Brightstar will continue as separate entities, with each company bearing its own costs incurred as a result of the Merger.</p> <p><i>Refer to Section 3 for further information.</i></p> |
| <p>What if I am an Ineligible Foreign Shareholder?</p> | <p>New Brightstar Shares will not be issued to Ineligible Foreign Shareholders under the Share Scheme. New Brightstar Shares that would otherwise have been issued to Ineligible Foreign Shareholders will instead be issued to the Sale Agent who will then sell these shares on ASX, and Brightstar will pay the Ineligible Foreign Shareholders their proportion of the Net Sale Proceeds.</p> <p><i>Refer to Section 5.7 for further information.</i></p> |

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| <p>Am I required to give any assurances by participating in the Schemes?</p> | <p>If the Schemes are implemented, each Kingwest Securityholder is deemed to have warranted to Brightstar, and appointed and authorised Kingwest as its attorney and agent to warrant to Brightstar, that:</p> <ul style="list-style-type: none"> all their Kingwest Shares (including any rights and entitlements attaching to those Kingwest Shares) transferred to Brightstar under the Share Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind and that they have full power and capacity to sell and transfer their Kingwest Shares under the Share Scheme; and all of their Kingwest Options (including any rights and entitlements attaching to those Kingwest Options) which are cancelled and extinguished under the Option Scheme will, at the date of cancellation and extinguishment, be free from all mortgages, pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind and they have full power and capacity to agree to the cancellation and extinguishment of their Scheme Options under the Option Scheme. <p><i>Refer to Sections 5.11 and 12.7 for further information.</i></p> |
| <p>Will I have to pay brokerage fees or stamp duty?</p> | <p>Scheme Participants will not be required to pay brokerage or stamp duty on the transfer of their Kingwest Shares or the cancellation of their Kingwest Options including the subsequent issue of New Brightstar Shares and New Brightstar Options.</p> <p>Brokerage fees will however be incurred by Ineligible Foreign Shareholders whose attributable New Brightstar Shares will be issued to and sold by the Sale Agent, and the Net Sale Proceeds remitted to them.</p> <p><i>Refer to Section 5.8 for further information.</i></p> |
| <p>When will I receive my Scheme Consideration?</p> | <p>If the Schemes become Effective, New Brightstar Shares and New Brightstar Options will be issued on the Implementation Date, which is expected to be 26 May 2023.</p> <p>Ineligible Foreign Shareholders will receive the Net Sale Proceeds as soon as practicable after the Implementation Date.</p> <p><i>Refer to Section 5.2 for further information.</i></p> |
| <p>Can I sell my Kingwest Shares now?</p> | <p>Kingwest Shareholders may sell their Kingwest Shares at the prevailing market price, on-market at any time before the close of trading on ASX on the Effective Date, which is expected to be 2:00pm (AWST) on 19 May 2023.</p> <p>If Kingwest Shareholders sell their Kingwest Shares before the Effective Date (the last day of trading in Kingwest Shares before suspension) they will not receive New Brightstar Shares.</p> <p><i>Refer to the Share Scheme of Arrangement set out in Annexure B of this Scheme Booklet for further information.</i></p> |
| <p>Can I exercise my Kingwest Options now?</p> | <p>Kingwest Optionholders may elect to exercise their Options at any time prior to the Record Date, which is expected to be 5:00pm (AWST) on 23 May 2023.</p> <p>Any Kingwest Optionholders who exercise their Kingwest Options prior to the Record Date will, in accordance with the terms of the applicable Kingwest Options, be issued Kingwest Shares and will be eligible to participate in the Share Scheme (provided the relevant Kingwest Shares are still held at the Record Date).</p> <p><i>Refer to the Option Scheme of Arrangement set out in Annexure C of this Scheme Booklet for further information.</i></p> |

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| When can I start trading my New Brightstar Shares on ASX? | <p>Deferred settlement trading of the New Brightstar Shares is expected to be available from 22 May 2023.</p> <p>Trading on ASX of New Brightstar Shares is expected to commence on a normal settlement basis on market open on 30 May 2023.</p> <p><i>Refer to Section 12.8 for further information.</i></p> |
| Will the Schemes be a taxable transaction for Australian tax purposes? | <p>Section 11 provides a description of the general Australian tax consequences of the Schemes for certain Scheme Participants.</p> <p>You should consult with your own tax adviser regarding the consequences of disposing of Kingwest Shares and/ or Kingwest Options under the Schemes, in light of current tax laws and your particular personal circumstances.</p> <p><i>Refer to Section 11 for further information.</i></p> |
| What are the benefits of Brightstar acquiring Kingwest to form the Combined Group? | <p>The benefits of combining Kingwest and Brightstar to form the Combined Group include potential benefits or advantages at both a corporate and project level.</p> <p>These potential benefits include larger scale from and a combined JORC 2012 Mineral Resource, enhanced exploration potential, improved capability, asset diversification and potential for greater capital markets rating and liquidity.</p> <p><i>Refer to Section 1 for the reasons why Kingwest Directors recommend¹³ that you vote in favour of the Scheme and Section 8 for a profile of the Combined Group.</i></p> |
| What will be the strategy of the Combined Group? | <p>If the Schemes are implemented it is intended that the business of Kingwest will be integrated into Brightstar's existing business and will be continued substantially in the same manner as it is presently being conducted.</p> <p>The Combined Group will continue to review all aspects of the assets and operations to identify ways to maximise value for all shareholders. The key projects of the Combined Group are described in Section 8.</p> <p>The Merger will allow the two companies to capture the advantages of combining their neighbouring gold projects.</p> <p><i>Refer to Section 9 for further information.</i></p> |
| What will the Combined Group be called? | <p>The Combined Group will operate under the name of Brightstar Resources Limited and Kingwest will be a wholly owned subsidiary of Brightstar.</p> <p><i>Refer to Section 9.1 for further information.</i></p> |
| Who will be the Managing Director of the Combined Group? | <p>Mr Alex Rovira will be appointed as Managing Director of the Combined Group.</p> <p><i>Refer to Section 9.3 for further information.</i></p> |
| Who will be on the Combined Group Board? | <p>The Combined Group Board will comprise three existing directors of Brightstar, Messrs Alex Rovira (proposed Managing Director of the Combined Group), Tony Lau and Joshua Hunt and two of the three existing directors of Kingwest, Messrs Gregory Bittar (proposed Non-Executive Chairman of the Combined Group) and Jonathan Downes.</p> <p><i>Refer to Section 9.3 for further information.</i></p> |

¹³ In respect of the recommendations of Mr Bittar, Mr Parekh and Mr Downes, Kingwest Securityholders should have regard to the fact that, if the Schemes are implemented, Mr Bittar, Mr Parekh and Mr Downes will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page v of this Scheme Booklet.

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| <p>Are there expected to be any changes to staffing as a result of the Merger?</p> | <p>It is the present intention of Brightstar:</p> <ul style="list-style-type: none"> • to continue the business of Kingwest; • not to make any major changes to the business of Kingwest; • to continue existing exploration, feasibility study and development programs for the assets of Kingwest; and • to maintain the employment of the majority of Kingwest's existing employees. <p><i>Refer to Sections 9.3 and 9.5 for further information.</i></p> |
| <p>What will the dividend policy of the Combined Group be?</p> | <p>The Combined Group Board will review the amount of any future dividends to be paid to shareholders having regard to the Combined Group's profits, its financial position and the Board's assessment of the capital required to grow the Combined Group's business.</p> <p><i>Refer to Section 9.6 for further information.</i></p> |
| <p>What other information is available?</p> | <p>For further information, contact the Kingwest Resources Limited Scheme Information Line:</p> <p>International: +61 2 9068 1925 Direct: 1300 103 392</p> |

5. Overview of the Schemes

5.1 Summary of the proposed Schemes

A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Schemes are the mechanism by which Kingwest Securityholders may approve the Merger.

If implemented, the Share Scheme will have the following effect:

- (a) all Kingwest Shares will be transferred from existing Kingwest Shareholders to Brightstar in return for the Share Scheme Consideration;
- (b) Kingwest will become a wholly-owned subsidiary of Brightstar, and Kingwest will be de-listed from ASX;
- (c) Scheme Shareholders (other than Ineligible Foreign Shareholders) will become shareholders in Brightstar;
- (d) Ineligible Foreign Shareholders will receive the Net Sale Proceeds of the sale of the New Brightstar Shares that would otherwise be issued to them net of brokerage and other costs; and
- (e) the strategic direction for the development of Kingwest's existing projects will be determined by the newly appointed, post-Scheme Brightstar Board.

Kingwest is also undertaking a separate scheme of arrangement with the Kingwest Optionholders which, if implemented, will result in the cancellation of the Kingwest Options and the Scheme Optionholders becoming holders of New Brightstar Options.

Implementation of the Schemes are subject to the Scheme Conditions being satisfied, including the condition that the Schemes may only be implemented if Kingwest Securityholders vote in favour of the Schemes at the Scheme Meetings. A summary of the Scheme Conditions which have not already been satisfied and the steps necessary to implement the Scheme appears in Section 12.2.

5.2 Scheme Consideration

Share Scheme

If the Share Scheme becomes Effective, each Scheme Shareholder (other than Ineligible Foreign Shareholders), will receive 1 New Brightstar Share for every 0.38 Kingwest Shares they hold as at 5.00 pm (AWST) on the Record Date. The Share Scheme Consideration will be issued by Brightstar on the Implementation Date, which is expected to be 26 May 2023.

The New Brightstar Shares issued as Share Scheme Consideration will be fully paid and, from the date of their issue, will rank equally with existing Brightstar Shares. A summary of the rights attaching to New Brightstar Shares is set out in Section 14.5.

Ineligible Foreign Shareholders will not be issued with New Brightstar Shares. Instead, the New Brightstar Shares that would otherwise have been issued to them will be issued to the Sale Agent on their behalf and they will be sold on ASX. The proceeds of the sale of these New Brightstar Shares less brokerage and other costs, taxes and charges will then be paid to the Ineligible Foreign Shareholders.

Further details of the Scheme Consideration for Ineligible Foreign Shareholders are set out at Section 5.7.

Option Scheme

If the Option Scheme becomes Effective, each Scheme Optionholder will receive 1 New Brightstar Option for every 0.38 Kingwest Options they hold, as at 5.00 pm (AWST) on the Record Date. The Option Scheme Consideration of New Brightstar Options will be issued by Brightstar on the Implementation Date, which is expected to be 26 May 2023.

Each New Brightstar Option shall:

- (a) have an exercise period equal to the unexpired exercise period of the relevant Scheme Option it replaces;
- (b) have an exercise price equal to the exercise price of the Scheme Option it replaces, divided by the Transaction Ratio. For the avoidance of doubt, the Transaction Ratio of 1:0.38 when expressed as a whole number is 2.631578947;
- (c) be vested to the same extent and have the same terms as to vesting as the relevant Scheme Option it replaces, ignoring any deemed vesting which arises by reason of the Share Scheme; and
- (d) will otherwise be issued on the terms set out in Section 14.6.

By way of example, if a Scheme Optionholder held 1,000 Scheme Options at the Record Date that were exercisable at \$0.20 on or before 21 October 2024, on the Implementation Date, that Scheme Optionholder would receive 2,632 New Brightstar Options exercisable at \$0.076 on or before 21 October 2024 (and otherwise on the terms set out in Section 14.6).

The New Brightstar Options will be issued on terms that are equivalent (in all material respects) to the Kingwest Options they are replacing, or otherwise on terms that are no less favourable to Kingwest Optionholders.

5.3 Scheme Meetings

On 5 April 2023, the Court ordered that the Scheme Meetings be convened in accordance with the Notice of Share Scheme Meeting and Notice of Option Scheme Meeting.

The Share Scheme Meeting will be held at the Conference Room in the lobby of London House, 216 St George's Terrace, Perth WA 6000 at 10:30am on 12 May 2023 and the Option Scheme Meeting will be held at the later of 11:00am and the conclusion of the Share Scheme Meeting on 12 May 2023.

The fact that the Court has ordered that the Scheme Meetings to be convened is not an endorsement of, or expression of opinion on, the Schemes by the Court and is no indication that the Court has a view as to the merits of the Schemes or as to how Kingwest Securityholders should vote at the Scheme Meetings. On these matters, Kingwest Securityholders must make their own decision.

5.4 Unanimous recommendation of the Kingwest Directors¹⁴

The Kingwest Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert maintaining its conclusion that the Schemes are fair and reasonable and therefore in the best interests of Kingwest Shareholders, Kingwest Securityholders vote in favour of the Schemes at the Scheme Meetings.

¹⁴ In respect of the recommendations of Mr Bittar, Mr Parekh and Mr Downes, Kingwest Securityholders should have regard to the fact that, if the Schemes are implemented, Mr Bittar, Mr Parekh and Mr Downes will each receive various personal benefits as further detailed in the Section titled "Important Information Regarding Directors' Recommendation" on page v of this Scheme Booklet.

The Kingwest Directors believe that the reasons for Kingwest Securityholders to vote in favour of the Schemes outweigh the potential disadvantages and reasons to vote against the Schemes. Each Kingwest Director who holds Kingwest Securities or on whose behalf Kingwest Securities are held at the time of the Scheme Meetings intends, in the absence of a Superior Proposal, to vote in favour of the Schemes.

In making their recommendation and determining how to vote on the Schemes, the Kingwest Directors have considered:

- (a) the advantages and disadvantages of the Schemes, as summarised in Section 1 and Section 2 respectively;
- (b) the implications of the Schemes not being approved, as summarised in Section 3;
- (c) the opinion of the Independent Expert (refer to Section 5.5), that the Schemes are fair and reasonable to Kingwest Securityholders and therefore in the best interests of Kingwest Securityholders; and
- (d) the alternative arrangements to the Schemes that might have otherwise been available to Kingwest.

In addition, as per Kingwest's announcement dated 23 December 2022, all Kingwest Directors intend to vote their respective Kingwest Securities in favour of the Schemes, in the absence of a Superior Proposal.

5.5 Independent Expert's conclusion

Kingwest commissioned the Independent Expert, BDO Corporate Finance (WA) Pty Ltd, to prepare a report on whether the Schemes are in the best interests of Kingwest Securityholders.

It is noted that the Independent Expert issued a draft report to Kingwest on 8 March 2023 (**Draft Report**). The Draft Report was issued based on the original consideration ratio of one New Brightstar Share/Option for every 0.44 Kingwest Shares/Options. The Draft Report concluded that the Schemes were neither fair nor reasonable and therefore not in the best interests of Kingwest Securityholders. Subsequent to the issue of the Draft Report, following stakeholder engagement and feedback, Kingwest and Brightstar renegotiated the transaction per the announcement on 15 March 2023 to alter the exchange ratio to one New Brightstar Share/Option for every 0.38 Kingwest Shares/Options.

The Independent Expert has concluded that, in the absence of a Superior Proposal:

- (a) the Share Scheme is fair and reasonable to Kingwest Shareholders; and
- (b) the Option Scheme is fair and reasonable to Kingwest Optionholders.

The Independent Expert has concluded that the Schemes are therefore in the best interests of Kingwest Securityholders.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Kingwest Directors recommend that Kingwest Securityholders read the Independent Expert's Report in full.

5.6 Tax consequences of the Schemes and trading and holding New Brightstar Shares and New Brightstar Options for Australian resident Kingwest Securityholders

A general guide to the Australian tax consequences for the Schemes for certain Scheme Participants who are Australian tax residents is set out in Section 11. This guide is not intended to provide specific tax advice in respect of the individual circumstances of any

Scheme Participant. Accordingly, Scheme Participants should seek their own independent professional tax advice.

5.7 Ineligible Foreign Shareholders

Brightstar is not obliged to issue New Brightstar Shares as consideration to any foreign Scheme Shareholder (being a Scheme Shareholder whose address in the Kingwest Share Register is in a jurisdiction other than Australia or its external territories or New Zealand), unless Brightstar is satisfied that the laws of a particular foreign Scheme Shareholder's country of residence (as shown in the Kingwest Share Register) would permit the issue of New Brightstar Shares to that foreign Scheme Shareholder, either unconditionally or after compliance with conditions which Brightstar in its sole discretion regards as acceptable and not unduly onerous.

The New Brightstar Shares that would have been issued to these Ineligible Foreign Shareholders will be issued to the Sale Agent on the Implementation Date and dealt with in the manner described in Section 5.8.

Ineligible Foreign Shareholders will not receive New Brightstar Shares but will instead receive the Net Sale Proceeds as their Share Scheme Consideration.

This Scheme Booklet does not constitute an offer of Brightstar securities in any jurisdiction in which it would be unlawful. In particular, this Scheme Booklet may not be distributed to any person, and the Brightstar securities may not be offered or sold, in any country outside Australia and its external territories and New Zealand.

Kingwest Securityholders whose address is shown on the Kingwest Register is outside of the aforementioned jurisdictions should refer to the Important Information Section of this Scheme Booklet.

5.8 Sale Agent

As indicated in Section 5.7, Ineligible Foreign Shareholders will not receive New Brightstar Shares under the Share Scheme. Instead, the New Brightstar Shares that would otherwise have been issued to them will be issued to the Sale Agent (or to a nominee of the Sale Agent) on the Implementation Date.

Brightstar will:

- (a) procure that, as soon as reasonably practicable (and in any event not more than 30 Business Days on which Brightstar Shares are capable of being traded after the Implementation Date), the Sale Agent sells or procures the sale on ASX of all of the New Brightstar Shares issued to the Sale Agent (in relation to Ineligible Foreign Shareholders) in such manner, at such price and on such other terms as the Sale Agent determines in good faith; and
- (b) promptly pay to the Ineligible Foreign Shareholders their proportion of the Net Sale Proceeds, being the proceeds of the sale of the relevant New Brightstar Shares after deduction of a 0.5% brokerage fee (plus GST) and other applicable taxes and charges.

Under the Share Scheme, Ineligible Foreign Shareholders appoint Kingwest as their agent to receive any financial services guide or other notice given by the Sale Agent. Copies of any document Kingwest receives from the Sale Agent as agent for the Ineligible Foreign Shareholders can be obtained by contacting Kingwest's Company Secretary.

Kingwest, Brightstar and the Sale Agent give no assurance as to the price that will be achieved for the sale of New Brightstar Shares described above. The Net Sale Proceeds that Ineligible Foreign Shareholders will receive may be more or less than the current market

value of Brightstar Shares after deducting any applicable brokerage and other costs. Further details about the Sale Facility are set out below.

Ineligible Foreign Shareholders are not required to make an election to participate in the Sale Facility.

Further details regarding the Sale Facility are as follows:

- (a) Brightstar has appointed the Sale Agent (who holds an Australian Financial Services Licence);
- (b) the market price of Brightstar Shares is subject to change from time to time. Up-to-date information on the market price of Brightstar Shares is available from www.asx.com.au (using the code "BTR");
- (c) all New Brightstar Shares attributable to Ineligible Foreign Shareholders will be issued to the Sale Agent, who will pool those New Brightstar Shares and sell them on market (in one transaction or a number of transactions). All of the proceeds of those sales will be pooled and then (after deduction of brokerage and other costs) the Net Sale Proceeds will be divided by the total number of New Brightstar Shares issued to the Sale Agent. The resultant amount will be paid to each Ineligible Foreign Shareholder in respect of each New Brightstar Share to which they would otherwise have been entitled (subject to rounding); and
- (d) the amount of the Net Sale Proceeds received by Ineligible Foreign Shareholders may be less than the actual proceeds received by the Sale Agent (or the nominee of the Sale Agent) for that person's New Brightstar Shares.

5.9 Fractional entitlements

If, pursuant to the Schemes, a Scheme Participant becomes entitled to a fraction of a New Brightstar Share and/or New Brightstar Option, the number of New Brightstar Shares and/or New Brightstar Options issued (or, in the case of Ineligible Foreign Shareholders, the number of New Brightstar Shares the Sale Agent will receive for sale on their behalf) will be rounded to the nearest whole number.

5.10 Warning against Kingwest Share and Kingwest Option splitting

If Brightstar reasonably believes that a Scheme Participant has been a party to the splitting or division of a shareholding or optionholding in an attempt to obtain an advantage in relation to the rounding referred to in Section 5.9, then Brightstar reserves the right to round the entitlement of such holdings so as to provide only the number of New Brightstar Shares and/or New Brightstar Options that would have been received but for the splitting or division.

5.11 Warranties given by Kingwest Securityholders

If the Schemes are implemented, each Kingwest Securityholder is deemed to have warranted to Brightstar, and appointed and authorised Kingwest as its attorney and agent to warrant to Brightstar, that:

- (a) all their Kingwest Shares (including any rights and entitlements attaching to those Kingwest Shares) transferred to Brightstar under the Share Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind and that they have full power and capacity to sell and transfer their Kingwest Shares under the Share Scheme; and
- (b) all of their Kingwest Options (including any rights and entitlements attaching to those Kingwest Options) which are cancelled and extinguished under the Option Scheme will, at the date of cancellation and extinguishment, be free from all mortgages,

pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind and they have full power and capacity to agree to the cancellation and extinguishment of their Scheme Options under the Option Scheme.

5.12 If the Schemes do not proceed

If the Schemes do not proceed, Kingwest Securityholders will continue to hold Kingwest Shares and/or Kingwest Options. In the absence of any Superior Proposal to the Schemes, Kingwest will continue as a standalone entity. Kingwest Securityholders will be exposed to the risks relating to Kingwest's business set out in Section 6.11. Kingwest Securityholders may, in addition to the normal risks it faces, be exposed to the additional risks as described in Section 3.

Depending on the reasons why the Schemes do not proceed, Kingwest or Brightstar may be liable to pay the Reimbursement Fee of \$125,000 to the other party. The Reimbursement Fee is not payable if the Schemes do not proceed merely because Kingwest Securityholders do not vote in favour of the Schemes in sufficient numbers to meet the legal tests. Further information in relation to the Reimbursement Fee is set out in Section 13.5.

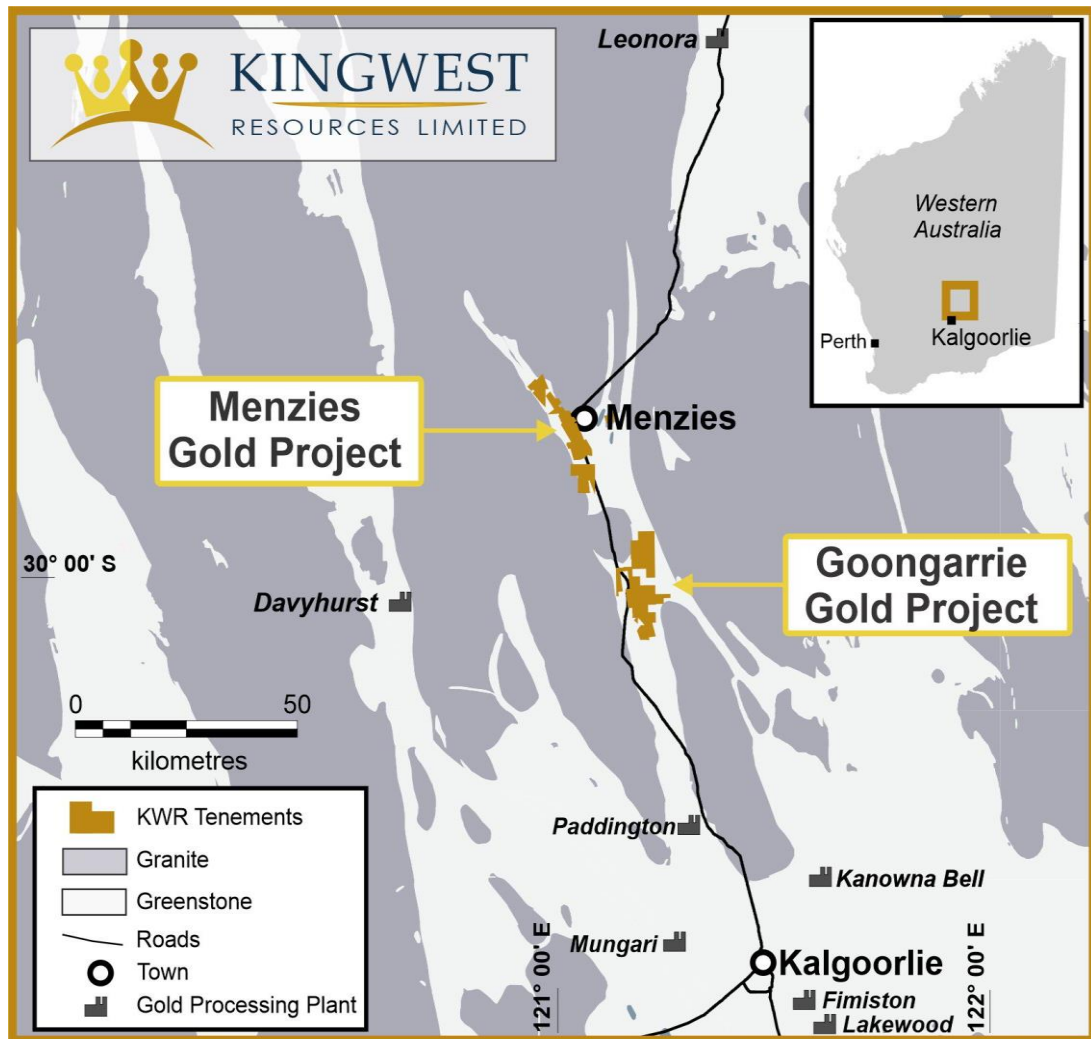
Kingwest will also be liable to pay certain transaction costs in relation to the Schemes, regardless of whether or not the Schemes are implemented. If the Schemes do proceed, additional costs will be incurred.

6. Profile of Kingwest

This Section of the Scheme Booklet contains information in relation to Kingwest as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

6.1 Introduction

Kingwest Resources Limited (ASX:KWR) is an ASX listed company incorporated in Western Australia on 13 March 2018 and was admitted to the official list of ASX on 24 August 2018. Kingwest is focused on advancing its gold projects into production as well as discovering new gold resources in its highly prospective projects located north of Kalgoorlie in the Eastern Goldfields region of Western Australia.



Kingwest owns 100% of the advanced Menzies Gold Project (**MGP**) and the greenfields Goongarrie Gold Project (**GGP**). The MGP covers an area of 36.5km² and is historically a high grade, significant scale Australian gold fields with historical production of approximately 800,000 oz Au @ 19g/t (as announced to the ASX on 9 July 2019).

The MGP contains a Mineral Resource of 505,100 oz @ 1.33 g/t Au using 0.5 g/t cut off (as announced to the ASX on 26 April 2022), is proximal to established processing and mining infrastructure and is on granted mining leases.

Further information can be found at www.kingwestresources.com.au and Kingwest's quarterly and annual reports released to the ASX.

6.2 Overview of Kingwest's operations

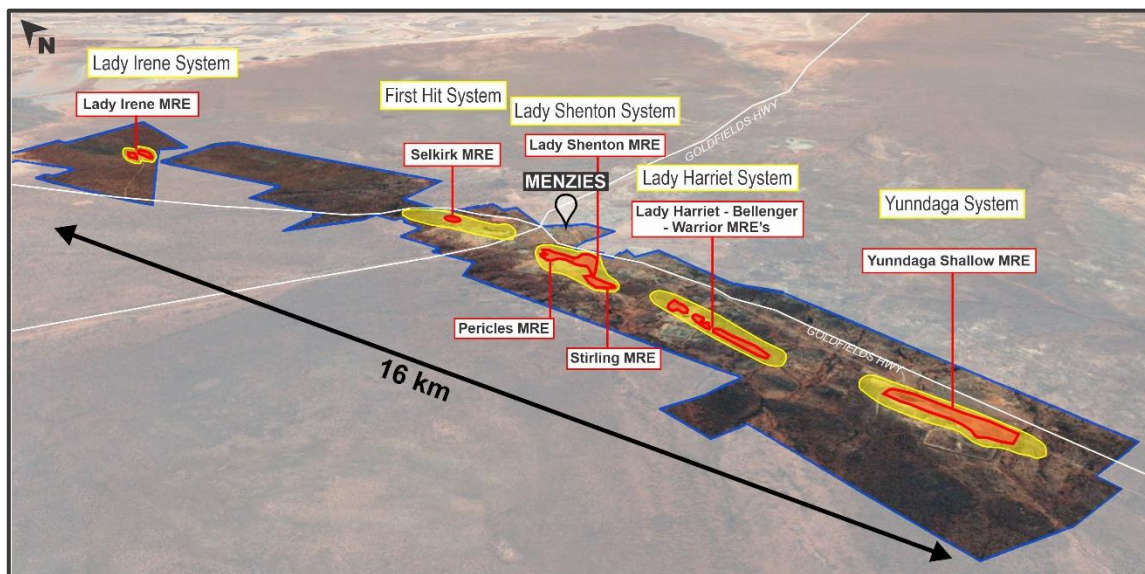
The MGP is one of Western Australia's major historic gold fields and was acquired by Kingwest in September 2019. Located 130km north of the globally significant gold deposits of Kalgoorlie on the Goldfields Highway, the MGP's deposits lie within granted mining leases which are 100% owned by Kingwest Resources. MGP has power and water and is within trucking distance of numerous Gold Processing Plants.

The MGP covers a contiguous land package over a strike length in excess of 15km. Within the MGP a series of structurally controlled high-grade gold deposits have been historically mined and display extensive exploration potential for high-grade extensions. Modern exploration since closure over 20 years ago has been limited.

The MGP is hosted along the Menzies Shear Zone hosting mostly narrow quartz vein hosted gold deposits distributed over a (NNW – SSE) strike length of approximately 16 kilometres. All deposits lie within granted Mining Leases and are 100% owned by KWR.

The MGP has recorded historical production of 643,200 oz @ 22.5g/t Au from underground (U/G) between 1895 and 1943 plus 145,000 oz @ 2.6g/t Au1 open cut between 1995 and 1999, for a total of 787,200 oz @ 18.9g/t Au.

MGP aerial view showing the main mineralised systems as well as the MRE locations



Kingwest has carried out numerous drilling programs across the resources from September 2019. Several resource updates were also completed incorporating the new successful drill data. The most recent independent resource update was completed in April 2022 by Cube Consulting Pty Ltd (**Cube**). Cube was engaged to update the Mineral Resource Estimate (**MRE**) for the Lady Shenton, Pericles and Stirling deposits based on additional drilling completed at the MGP by Kingwest since the previous MRE in March 2021.

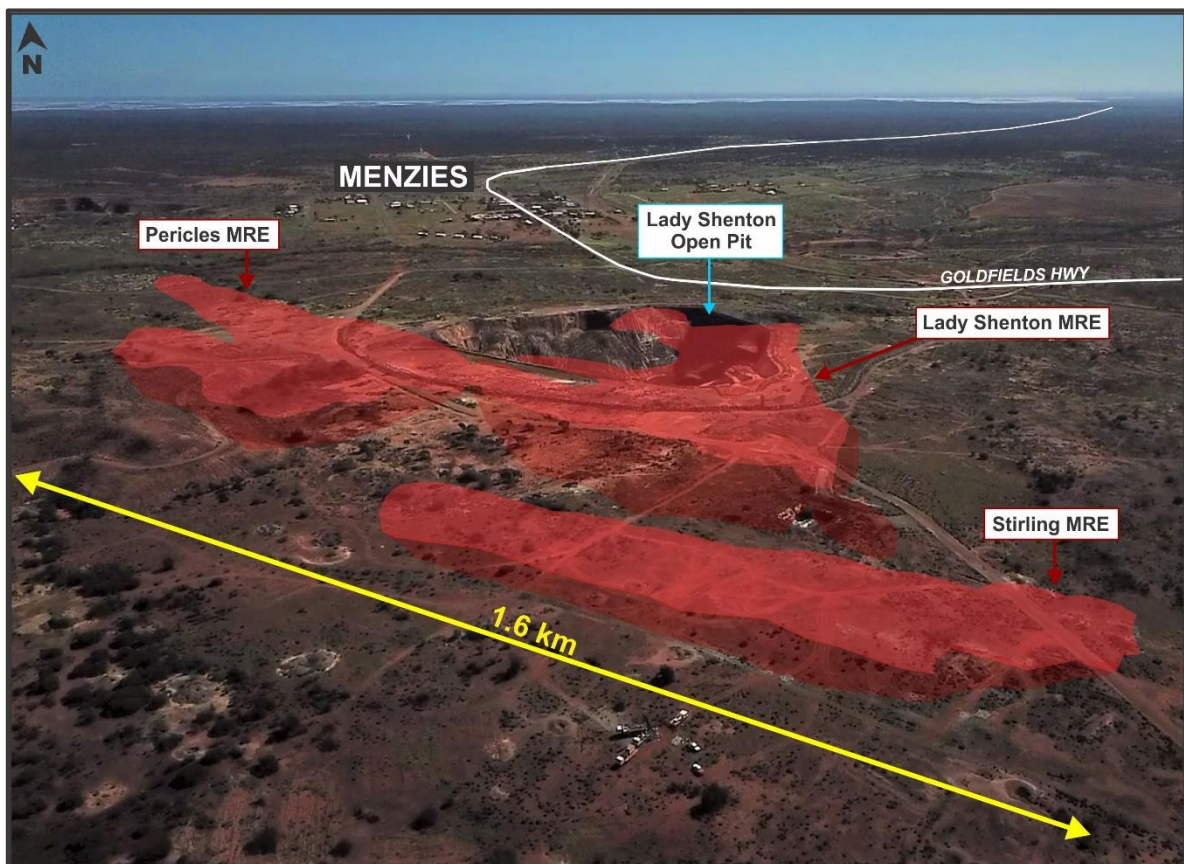
MGP Mineral Resource Estimates, April 2022

| Category | | Indicated | | | Inferred | | | Total | | |
|----------|------------|-----------|--------|--------|----------|--------|--------|-------|--------|---------|
| Deposit | Au Cut-off | Mt | Au g/t | Ounces | Mt | Au g/t | Ounces | Mt | Au g/t | Ounces |
| Pericles | 0.5 | 2.31 | 1.29 | 95,600 | 2.46 | 1.22 | 96,800 | 4.77 | 1.26 | 192,400 |

| | | | | | | | | | | |
|---------------------|-----|------|------|---------|------|------|---------|-------|------|---------|
| Lady Shenton | 0.5 | - | - | - | 1.04 | 1.45 | 48,400 | 1.04 | 1.45 | 48,400 |
| Stirling | 0.5 | 0.46 | 1.54 | 22,700 | 0.70 | 1.14 | 25,700 | 1.16 | 1.30 | 48,500 |
| Yunndaga | 0.5 | 1.27 | 1.31 | 53,500 | 2.05 | 1.37 | 90,000 | 3.31 | 1.35 | 143,500 |
| | 2.0 | - | - | - | 0.11 | 3.32 | 12,200 | 0.11 | 3.32 | 12,200 |
| Lady Harriet | 0.5 | 0.17 | 2.11 | 11,800 | 0.32 | 1.14 | 11,600 | 0.49 | 1.48 | 23,300 |
| Bellenger | 0.5 | 0.32 | 0.92 | 9,400 | 0.08 | 0.89 | 2,400 | 0.40 | 0.91 | 11,800 |
| Warrior | 0.5 | 0.03 | 1.37 | 1,200 | 0.19 | 1.11 | 6,700 | 0.22 | 1.15 | 8,000 |
| Selkirk | 0.5 | 0.03 | 6.25 | 6,200 | 0.14 | 1.21 | 5,300 | 0.17 | 2.15 | 11,500 |
| Lady Irene | 0.5 | | | | 0.10 | 1.73 | 5,600 | 0.10 | 1.73 | 5,600 |
| Total | | 4.6 | 1.36 | 200,400 | 7.18 | 1.32 | 304,700 | 11.77 | 1.33 | 505,100 |

Approximately 57% of the resources are within the Lady Shenton System comprising Lady Shenton, Pericles and Stirling deposits.

MGP Lady Shenton System



In July 2022, Kingwest announced it had entered into an agreement for open pit and underground mining with BML Ventures Pty Ltd (**BML**), targeting the Selkirk deposit within the Menzies Project. Under the agreement, BML would cover all capital costs and be responsible for mining and haulage, with profits from the operation to be split 50:50. Subsequently, the Selkirk Cutback open pit Mining Proposal and Mine Closure Plan was approved by WA's Department of Mines, Industry Regulation and Safety. All environmental approvals are now in place for mining.

BML Ventures continues to progress its drilling, testwork, mine and fleet planning, processing and return assessment ahead of BML making a final decision on whether to proceed with the Selkirk cutback. There remains uncertainty as whether BML will make a decision to proceed with the Selkirk Cutback open pit mining. Should BML decide to proceed, BML and KWR will seek to finalise key aspects of the operation including third party processing and overall project timetable.

Kingwest recently completed a 1,000 metre infill RC drilling programme at the Stirling and Pericles Deposits within the MGP.

Kingwest also owns the GGP, which is located 90km north of Kalgoorlie in the Archaean Kalgoorlie Terrain of Western Australia. The GGP tenements form a contiguous block of 135km² in area which covers part of the prolifically gold and nickel mineralised Kambalda-Menzies greenstone belt.

Kingwest has undertaken exploration at the GGP over the past 2.5 years up until September 2022. This work has included geological review, aeromagnetic survey, passive seismic, surface pitting, and aircore, RC, and diamond drilling.

Kingwest ceased exploration at the GGP due to a number of factors including conditions and weather. Any further exploration requires a significant increase in expenditure to test the extent and economic potential of gold and nickel mineralisation discovered. As such, Kingwest does not presently plan to conduct further exploration at the GGP.

The carry value of the GGP was fully impaired in Kingwest's interim financial position as at 31 December 2022.

Kingwest is pursuing potential third party interest in the GGP in order to support future exploration and/or realise value for Kingwest shareholders. The process to facilitate third party discussions commenced in this quarter with any potential outcome remaining highly uncertain.

6.3 Kingwest tenement overview

The following table summaries the details of each of the tenements in which Kingwest holds an interest as at the Last Practicable Date:

| Tenement Type | Tenement | Status | Location | Ownership |
|---------------|----------|--------|----------|--|
| Prospecting | 29/2450 | Live | WA | Menzies Operational and Mining Pty Ltd (MEOM) |
| Mining | 29/0014 | Live | WA | MEOM |
| Mining | 29/0088 | Live | WA | MEOM |
| Mining | 29/0153 | Live | WA | MEOM |
| Mining | 29/0154 | Live | WA | MEOM |
| Mining | 29/0184 | Live | WA | MEOM |
| Mining | 29/0212 | Live | WA | MEOM |

| Tenement Type | Tenement | Status | Location | Ownership |
|---------------|----------|--------|----------|---|
| Mining | 29/0410 | Live | WA | MEOM |
| Prospecting | 29/2346 | Live | WA | MEOM |
| Exploration | 29/0984 | Live | WA | MEOM |
| Prospecting | 29/2578 | Live | WA | MEOM |
| Prospecting | 29/2579 | Live | WA | MEOM |
| Prospecting | 29/2580 | Live | WA | MEOM |
| Prospecting | 29/2581 | Live | WA | MEOM |
| Prospecting | 29/2582 | Live | WA | MEOM |
| Prospecting | 29/2583 | Live | WA | MEOM |
| Prospecting | 29/2584 | Live | WA | MEOM |
| Prospecting | 29/2585 | Live | WA | MEOM |
| Prospecting | 29/2467 | Live | WA | Goongarrie Operational and Mining Pty Ltd (GOOM) |
| Prospecting | 29/2468 | Live | WA | GOOM |
| Prospecting | 29/2530 | Live | WA | GOOM |
| Prospecting | 29/2531 | Live | WA | GOOM |
| Prospecting | 29/2532 | Live | WA | GOOM |
| Prospecting | 29/2533 | Live | WA | GOOM |
| Exploration | 29/0966 | Live | WA | GOOM |
| Prospecting | 29/2380 | Live | WA | GOOM |
| Prospecting | 29/2381 | Live | WA | GOOM |
| Exploration | 29/0996 | Live | WA | GOOM |
| Prospecting | 29/2412 | Live | WA | GOOM |
| Prospecting | 29/2413 | Live | WA | GOOM |
| Exploration | 29/1062 | Live | WA | GOOM |
| Prospecting | 29/2588 | Live | WA | GOOM |
| Prospecting | 29/2450 | Live | WA | MEOM |
| Miscellaneous | L29/0042 | Live | WA | MEOM |
| Miscellaneous | L29/0043 | Live | WA | MEOM |
| Miscellaneous | L29/0044 | Live | WA | MEOM |

6.4 Directors of Kingwest

The directors of Kingwest as at the date of this Scheme Booklet are as follows:

Gregory Bittar
(Executive
Chairman)

BEC LLB MSc (Finance)

Mr Bittar has extensive experience in public and private markets mergers and acquisitions, capital markets and strategic advisory assignments across a range of sectors including general industries, metals and mining, mining services and energy. Mr Bittar has worked for Bankers Trust, Baring Brothers Burrows and with Morgan Stanley in London, Melbourne and Sydney.

Mr Bittar holds a Master of Finance from the London Business School, a Bachelor of Economics and a Bachelor of Laws (Hons) from the University of Sydney.

Mr Bittar was appointed to the Kingwest Board on 1 July 2021 and is currently a Non-Executive Director of Horizon Oil Limited.

During the past three years, Mr Bittar has previously held the position of Chairman for ASX listed mining companies Trek Metals Limited (resigned September 2020) and Millennium Minerals Limited (resigned August 2020).

Jonathan Downes
(Non-Executive
Director)

BSc Geol, MAIG

Mr Downes has over 25 years' experience in the minerals industry and has worked in various geological and corporate capacities. Experienced with nickel, gold and base metals, he has also been intimately involved with the exploration process through to production.

Mr Downes is on the board of several ASX-listed companies; he is currently the Managing Director of Kaiser Reef Limited and non-executive director of Cazaly Resources Limited and Corazon Mining Limited.

Mr Downes was appointed to the Kingwest Board on 26 November 2019.

During the past three years, Mr Downes was a founding director of Galena Mining Limited (resigned 29 October 2021).

Ashok Parekh
(Non-Executive
Director)

B.Bus, AIMM, CTA, FNTAA, FTIA, FCA

Mr Parekh is a chartered accountant, of over 40 years' experience, who owns a large accounting practice in Kalgoorlie, which he has operated for 35 years. He was awarded the Centenary Medal in 2003 by the Governor General of Australia and was recently awarded the Meritorious Service Award by the Institute of Chartered Accountants, the highest award granted by the institute in Australia. Mr Parekh has over 35 years' experience in providing advice to mining companies and service providers to the mining industry.

Mr Parekh has spent many years negotiating with public listed companies and prospectors on mining deals which have resulted in new IPOs and the commencement of new gold mining operations. He has also been involved in the management of gold mining and milling companies in the Kalgoorlie region and has been the Managing Director of some of these companies. He is well known in the West Australian mining industry and has a very successful background in the ownership of numerous businesses in the Goldfields.

Mr Parekh was appointed to the Kingwest Board on 2 May 2022 and is currently a Director of Horizon Minerals Limited. During the past three years, Mr Parekh has not held any other directorships of public companies, nor any other board/committee positions.

6.5 Financial information

The following information has been extracted from the audited consolidated financial statements of Kingwest for the financial years ended 30 June 2022, 2021 and 2020 and reviewed financial statements for the 6 month period ended 31 December 2022.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act. The financial information also complies with the recognition and measurement requirements of IFRS and interpretations issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 31 December 2022 and the date of this Scheme Booklet, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Kingwest, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years, other than as otherwise disclosed in the 31 December 2022 financial statements and subsequent filings on ASX.

Copies of Kingwest's financial statements for the financial years ended 30 June 2022, 2021 and 2020 and period ending 31 December 2022 are available on the on the Kingwest website (www.kingwestresources.com.au). Copies will also be provided by Kingwest, free of charge, to any Kingwest Securityholder who requests it before the Scheme Meeting.

(a) Consolidated statement of financial position

Set out below is Kingwest's consolidated statement of financial position as at 31 December 2022 30 June 2022, 2021 and 2020.

| | Consolidated | | | |
|--|------------------------|------------------|------------------|------------------|
| | December 2022 \$ | June 2022 \$ | June 2021 \$ | June 2020 \$ |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 2,221,606 | 1,797,157 | 3,012,020 | 2,781,402 |
| Trade and other receivables | 128,890 | 164,827 | 178,297 | 211,739 |
| Exploration and Evaluation assets held for sale | - | - | - | 636,692 |
| TOTAL CURRENT ASSETS | 2,350,496 | 1,961,984 | 3,190,317 | 3,629,833 |
| | | | | |
| NON-CURRENT ASSETS | | | | |

| | Consolidated | | | |
|--------------------------------------|------------------------|-------------------|-------------------|-------------------|
| | December 2022 \$ | June 2022 \$ | June 2021 \$ | June 2020 \$ |
| Exploration and evaluation assets | 17,025,588 | 21,516,834 | 17,362,712 | 14,060,951 |
| Plant and equipment | 190,248 | 214,770 | 45,219 | 54,785 |
| Right-of-use asset | | - | 21,621 | 58,685 |
| TOTAL NON-CURRENT ASSETS | 17,215,836 | 21,731,604 | 17,429,552 | 14,174,421 |
| TOTAL ASSETS | 19,566,332 | 23,693,588 | 20,619,869 | 17,804,254 |
| | | | | |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 359,895 | 470,146 | 739,436 | 4,635,292 |
| Lease liabilities | - | - | 19,549 | 36,764 |
| Provisions | 967 | 19,114 | 24,457 | 11,767 |
| TOTAL CURRENT LIABILITIES | 360,862 | 489,260 | 783,442 | 4,683,823 |
| | | | | |
| LIABILITIES | | | | |
| NON-CURRENT LIABILITIES | | | | |
| Lease liabilities | - | - | 3,314 | 22,863 |
| TOTAL NON-CURRENT LIABILITIES | - | - | 3,314 | 22,863 |
| TOTAL LIABILITIES | 360,862 | 489,260 | 786,756 | 4,706,686 |
| | | | | |
| NET ASSETS | 19,205,470 | 23,204,328 | 19,833,113 | 13,097,568 |
| | | | | |
| EQUITY | | | | |
| Issued capital | 33,129,883 | 30,749,005 | 26,307,557 | 17,925,197 |
| Share based payment reserve | 3,299,716 | 2,979,468 | 2,273,309 | 1,991,951 |
| Accumulated losses | (17,224,129) | (10,524,145) | (8,747,753) | (6,819,580) |
| TOTAL EQUITY | 19,205,470 | 23,204,328 | 19,833,113 | 13,097,568 |

(b) **Consolidated statement of comprehensive income**

Set out below is Kingwest's consolidated statement of comprehensive income for the 6 month period ended 31 December 2022 and financial years ended 30 June 2022, 2021 and 2020.

| | Consolidated | | | |
|----------------|---------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 6 months to December 2022 \$ | 12 months to June 2022 \$ | 12 months to June 2021 \$ | 12 months to June 2020 \$ |
| Revenue | | | | |

| | Consolidated | | | |
|---|---------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 6 months to December 2022 \$ | 12 months to June 2022 \$ | 12 months to June 2021 \$ | 12 months to June 2020 \$ |
| Interest | 13,295 | 11,772 | 9,676 | 11,930 |
| Gain on disposal of exploration tenements | - | - | 1,007,040 | - |
| Royalty income | 100,000 | - | - | - |
| Other Income | 14,740 | 28,934 | 26,640 | 18,558 |
| | | | | |
| Expenses | | | | |
| Accounting and audit fees | (73,036) | (160,684) | (140,669) | (166,312) |
| Compliance cost | (27,972) | (73,803) | (86,393) | (68,378) |
| Corporate advisory and consulting fees | (42,692) | (136,161) | (150,745) | (126,191) |
| Director & employee benefits expense | (260,730) | (282,723) | (289,983) | (266,649) |
| Legal expenses | (24,286) | (42,382) | (48,213) | (15,606) |
| Share based payments | (320,248) | (706,159) | (281,318) | (235,865) |
| Interest expense | - | (447) | (2,517) | (3,265) |
| Travel expenses | (23,839) | (47,398) | (13,591) | (31,932) |
| Depreciation | (23,178) | (47,514) | (51,593) | (29,094) |
| Impairment of exploration expenditure | (5,899,439) | - | (1,622,791) | (4,151,013) |
| Exploration & evaluation expenditure | (9,076) | (28,795) | - | - |
| Loss on disposal of exploration tenements | - | - | - | (5,939) |
| Other expenses | (123,523) | (291,032) | (283,716) | (193,261) |
| Loss before income tax expense | (6,699,984) | (1,776,392) | (1,928,173) | (5,263,017) |
| Income tax expense | - | - | - | - |
| Loss after income tax for the year | (6,699,984) | (1,776,392) | (1,928,173) | (5,263,017) |
| | | | | |
| Other comprehensive income net of income tax | | - | - | - |
| Total comprehensive loss for the year | (6,699,984) | (1,776,392) | (1,928,173) | (5,263,017) |
| | | | | |
| Loss Per Share | | | | |
| Basic and diluted loss per share (cents per share) | (2.44) | (0.77) | (1.27) | (5.34) |

(c) **Consolidated statement cash flows**

Set out below is Kingwest's consolidated statement of cash flows for the 6 month period ended 31 December 2022 and for the financial years ended 30 June 2022, 2021 and 2020.

| | Consolidated | | | |
|---|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 6 months to December 2022 \$ | 12 months to June 2022 \$ | 12 months to June 2021 \$ | 12 months to June 2020 \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Payments to suppliers and employees | (524,704) | (1,021,808) | (903,360) | (881,584) |
| Interest received | 13,295 | 11,772 | 9,791 | 15,131 |
| Interest paid | - | (447) | (2,517) | (3,265) |
| Net cash used in operating activities | (511,409) | (1,010,483) | (896,086) | (869,718) |
| | | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Receipts from royalties | 100,000 | - | - | - |
| Payment for exploration expenditure | (1,545,020) | (4,427,980) | (6,024,804) | (3,868,629) |
| Payment for exploration assets | - | - | (1,625,000) | (1,750,000) |
| Proceeds from disposal of exploration assets | - | - | 2,080,000 | 475,000 |
| Payment for property, plant and equipment | - | (194,985) | (4,963) | (29,447) |
| Net cash used in investing activities | (1,445,020) | (4,622,965) | (5,574,767) | (5,173,076) |
| | | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issue of shares (net of costs) | 2,380,878 | 4,441,448 | 6,738,235 | 6,979,534 |
| Lease repayments | - | (22,863) | (36,764) | (14,501) |
| Net cash provided by financing activities | 2,380,878 | 4,418,585 | 6,701,471 | 6,965,033 |
| | | | | |
| Net increase / (decrease) in cash and cash equivalents | 424,449 | (1,214,863) | 230,618 | 922,239 |
| Cash and cash equivalents at beginning of financial year | 1,797,157 | 3,012,020 | 2,781,402 | 1,859,163 |
| Cash and cash equivalents at end of financial year | 2,221,606 | 1,797,157 | 3,012,020 | 2,781,402 |
| | | | | |

Material changes to the financial position of Kingwest since 31 December 2022

The Kingwest Financial Report for the period ended 31 December 2022 was released to ASX on 13 March 2023. To the knowledge of the Kingwest Directors, the financial position of Kingwest has not materially changed since 31 December 2022, as reported in Kingwest's Financial Report for that period, other than:

- (a) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by Kingwest; and
- (b) in accordance with generally known market conditions.

An electronic copy of Kingwest's Financial Report for the year ended 30 June 2022 is available on the ASX's website www.asx.com.au under ASX code 'KWR' or on Kingwest's website at www.kingwestresources.com.au.

Forecast Financial Information

Kingwest has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Kingwest has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

6.6 Kingwest's issued securities

As at the date of this Scheme Booklet, Kingwest has the following securities on issue:

- (a) 281,726,818 Kingwest Shares;
- (b) 1,125,000 Share Appreciation Rights exercisable at \$0.18 each (unless cash settled) expiring 15 September 2023;
- (c) 2,970,000 Share Appreciation Rights exercisable at \$0.28 each (unless cash settled) expiring 7 October 2024;
- (d) 8,000,000 unquoted Options exercisable at \$0.20 each expiring 21 October 2024;
- (e) 6,250,000 unquoted Options exercisable at \$0.17 each expiring 15 September 2024;
- (f) 1,700,000 unquoted Options exercisable at \$0.285 each expiring 15 February 2025;
- (g) 22,512,500 unquoted Options exercisable at \$0.15 each expiring 30 December 2023;
- (h) 1,250,000 unquoted Options exercisable at \$0.25 each expiring 28 April 2025;
- (i) 19,376,834 unquoted Options exercisable at \$0.10 each expiring 29 February 2024;
- (j) 1,250,000 unquoted Options exercisable at \$0.06 each expiring 16 January 2026; and
- (k) 1,500,000 unquoted Options exercisable at \$0.10 each expiring 16 January 2026.

6.7 Kingwest's substantial shareholders

Based on information lodged with ASX or known to Kingwest, Kingwest does not have any shareholders that (together with their Associates) hold a relevant interest in Kingwest Shares greater than 5% as at the date of this Scheme Booklet.

6.8 Interests of Kingwest Directors and Brightstar Directors in Kingwest securities

The Kingwest Directors have Relevant Interests in the following Kingwest Securities.

| Director | Kingwest Shares | Kingwest Percentage Interest | Kingwest Options |
|--------------|------------------|------------------------------|------------------------|
| G Bittar | 1,975,824 | 0.70 | 2,480,769 ¹ |
| J Downes | 3,425,180 | 1.22 | 826,923 ² |
| A Parekh | Nil | Nil | 1,250,000 ³ |
| Total | 5,401,004 | 1.92 | 4,557,692 |

Notes:

1. Comprising:
 - a. 2,250,000 unlisted options exercisable at \$0.15 expiring on 30 December 2023; and
 - b. 230,769 unlisted options exercisable at \$0.10 on or before 29 February 2024.
2. Comprising:
 - a. 750,000 share appreciation rights with a strike price of \$0.28 expiring 7 October 2024; and
 - b. 76,923 unlisted options exercisable at \$0.10 on or before 29 February 2024.
3. Comprising 1,250,000 unlisted options exercisable at \$0.25 expiring on 28 April 2025.

No Brightstar Director has a Relevant Interest in any Kingwest Securities.

6.9 Kingwest Share trading history

The last recorded sale price of Kingwest Shares traded on ASX before the announcement of the Merger on 23 December 2022 was 3.2 cents (as at closing on 22 December 2022).

On the Last Practicable Date, the closing price of Kingwest Shares on ASX was \$0.036.

During the three month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of Kingwest Shares on ASX were, respectively, \$0.052 on 20 January 2023 and \$0.029 on 16 March 2023.

Set out below is the volume weighted average price (**VWAP**) of Kingwest Shares for various periods up to and including the Last Practicable Date:

| | 10 Days | 20 days | 30 days | 90 days |
|-------------|---------|---------|---------|---------|
| VWAP | \$0.032 | \$0.032 | \$0.032 | \$0.037 |

6.10 Kingwest announcements and reports

As a disclosing entity, Kingwest is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Kingwest is subject to the ASX Listing Rules which require continuous disclosure of any information Kingwest has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Kingwest announcements are available on its website (www.kingwestresources.com.au) as well as the ASX website (www.asx.com.au). Further announcements concerning developments at Kingwest may be made and placed on these websites after the date of this Scheme Booklet.

In addition, Kingwest is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to Kingwest may be obtained from, or inspected at, an ASIC office.

Kingwest will provide a copy of each of the following documents, free of charge, to anyone who asks for them before the Schemes are approved by the Court. The following documents can also be obtained from the ASX website (www.asx.com.au) or from the Kingwest website (www.kingwestresources.com.au):

- (a) the annual financial report of Kingwest for the year ended 30 June 2022 (being the annual financial report most recently lodged with ASIC by Kingwest before lodgement of a copy of this Scheme Booklet with ASIC for registration); and
- (b) any continuous disclosure announcements made by Kingwest after the date of the lodgement of the annual report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

The following table summarises material announcements made by Kingwest to ASX since 15 September 2022 (being the date of lodgement of the annual report referred to in paragraph (a)).

| Date Lodged | Description of Document (ASX announcement header) |
|------------------|--|
| 5 April 2023 | Court Orders Convening Scheme Meetings |
| 28 March 2023 | Toll Mining Agreement executed with St Barbara |
| 23 March 2023 | High Grade Gold Intercepts in Menzies RC Drilling |
| 15 March 2023 | BTR: Brightstar and Kingwest agree to revised Scheme terms |
| 15 March 2023 | Revised Scheme Consideration |
| 13 March 2023 | Half Year Accounts |
| 13 March 2023 | Trading Halt |
| 14 February 2023 | Drilling to recommence at the Menzies Gold Project |
| 30 January 2023 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 19 January 2023 | Change of Director's Interest Notice x 2 |
| 19 January 2023 | Ceasing to be a substantial holder from HRZ |
| 19 January 2023 | HRZ: Divestment of Kingwest Shares for \$1.3M Cash |
| 16 January 2023 | Notification regarding unquoted securities – KWR |
| 23 December 2022 | Scheme Implementation Deed |
| 23 December 2022 | Strategic Merger Presentation |
| 23 December 2022 | Brightstar and Kingwest Resources Agree Strategic Merger |
| 22 December 2022 | Trading Halt |
| 13 December 2022 | High grade results and resource estimation from Menzies |

| Date Lodged | Description of Document (ASX announcement header) |
|-------------------|---|
| 8 December 2022 | Dean Vallve Appointed COO |
| 25 November 2022 | Change of Director's Interest Notice x2 |
| 25 November 2022 | Notification regarding unquoted securities - KWR |
| 24 November 2022 | Results of Meeting |
| 24 November 2022 | Drilling commences at the Menzies Gold Project |
| 26 October 2022 | Appendix 5B Cash Flow Report - Replacement |
| 25 October 2022 | Quarterly Activities/Appendix 5B Cash Flow Report |
| 19 October 2022 | High-Grade Gold Intersections at Selkirk |
| 18 October 2022 | Cover Letter - Notice of AGM |
| 18 October 2022 | Notice of Annual General Meeting/Proxy Form |
| 5 October 2022 | Date of Annual General Meeting |
| 27 September 2022 | Mining Operations Proposal Submitted for Selkirk |
| 23 September 2022 | Notification of cessation of securities - KWR |
| 16 September 2022 | Change in substantial holding from HRZ |
| 15 September 2022 | Appendix 4G and Corporate Governance Statement |

6.11 Risk factors

Risk factors relating to Kingwest and its business are discussed in Section 10.

6.12 Material events since 31 December 2022

Within the knowledge of the Kingwest Directors and other than as disclosed in this Scheme Booklet, including the reviewed and audited consolidated financial statements contained in Section 6.5, there has not been any other material change in the financial position of Kingwest since 31 December 2022.

7. Profile of Brightstar

This Section of the Scheme Booklet contains information in relation to Brightstar as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

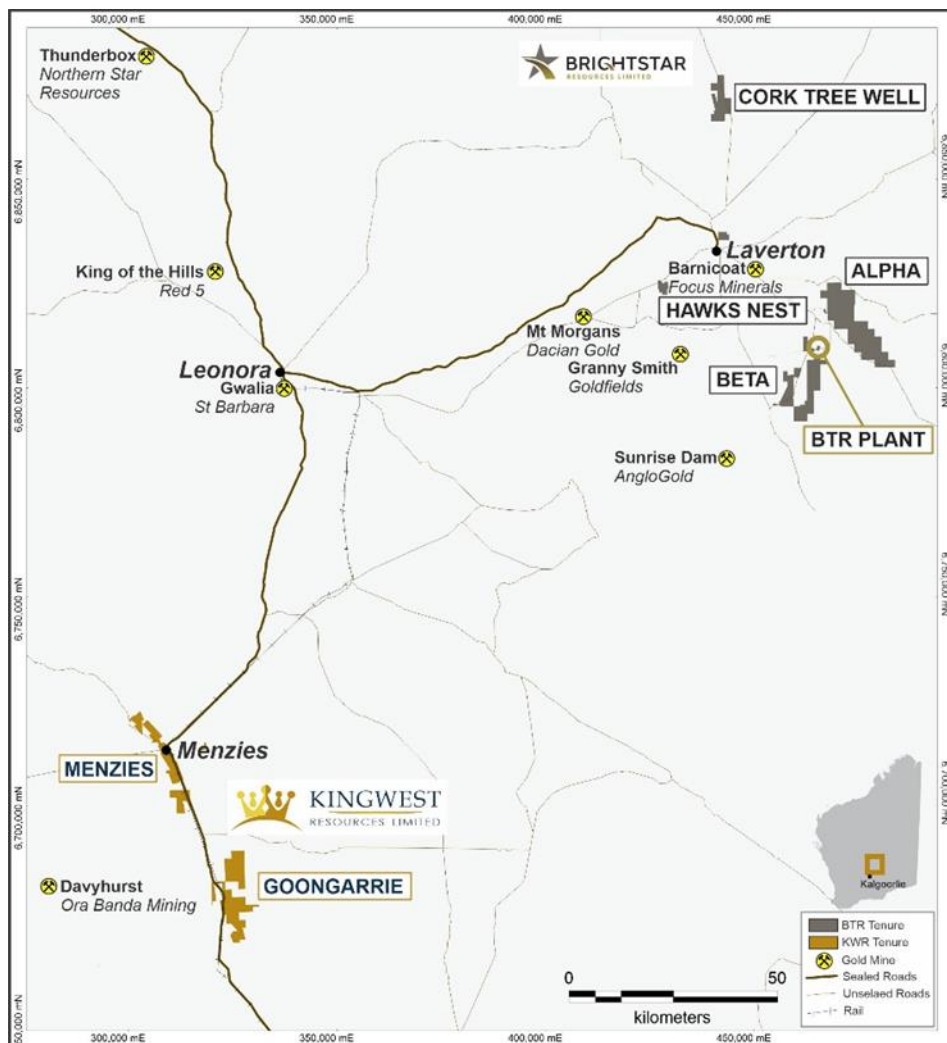
7.1 Introduction to Brightstar

Brightstar (ASX:BTR) is a public ASX listed gold mining company focused on the exploration and development of gold projects in Western Australia. Brightstar was incorporated on 29 May 2002 and listed on the ASX on 5 December 2003.

Brightstar's three major development projects are the Cork Tree Well Project, Beta Project and Alpha Project (**Brightstar Key Projects**). The Brightstar Key Projects host a total JORC 2012 compliant Mineral Resource estimate of 8.9Mt at 1.6 g/t Au for 460koz.

Brightstar also holds a portfolio of mining leases which are historically underexplored.

The figure below illustrates the location of Brightstar's Key Projects.



7.2 Overview of Brightstar's mineral exploration projects

Brightstar holds approximately 300km² of highly prospective tenure both north and south of the Laverton township in the world-class Laverton greenstone belt (**Laverton Gold Project**). This has been achieved through consistent review and taking opportunities to acquire high potential land packages when they become available.

Historical exploration at Laverton consisted primarily of minor drilling programs prior to Brightstar's most recent RC drilling campaigns in 2021 and 2022. Significant exploration upside exists, both adjacent to the current Mineral Resource estimate and regional/greenfields potential for further discoveries due to the underexplored history of the project areas.

Brightstar's Key Projects are located within 60km of its flagship 485ktpa processing plant, which is located adjacent to the Beta Project and is currently on care and maintenance (**Brightstar Plant**). Brightstar is looking to refurbish and expand the Brightstar Plant to commercial production and expand on its existing gold resources at each of its project sites.

Each of Brightstar's projects are further detailed below.

(a) **Cork Tree Well Project**

Brightstar owns a 100% interest in the tenements comprising the Cork Tree Well Project.

The Cork Tree Well Project is located approximately 35km north of Laverton, within the narrow greenstone belt linking the Laverton and Duketon greenstone belts, and 60km from the Brightstar Plant. Cork Tree Well was formerly an operating mine site that produced 46koz of gold, with previous operations closed in 1988.

In August 2022, Brightstar announced a 6% increase to the Mineral Resource estimate for Cork Tree Well following RC drilling undertaken in Q4 2021. The RC drilling program comprised 90 RC drillholes to confirm previous drill data and saw the Mineral Resource estimate expand to 5.61Mt @ 1.4g/t Au for 252,100oz, representing an increase of 15,100oz. The successful completion of this drilling program highlights the potential growth that still exists at the Cork Tree Well Project.

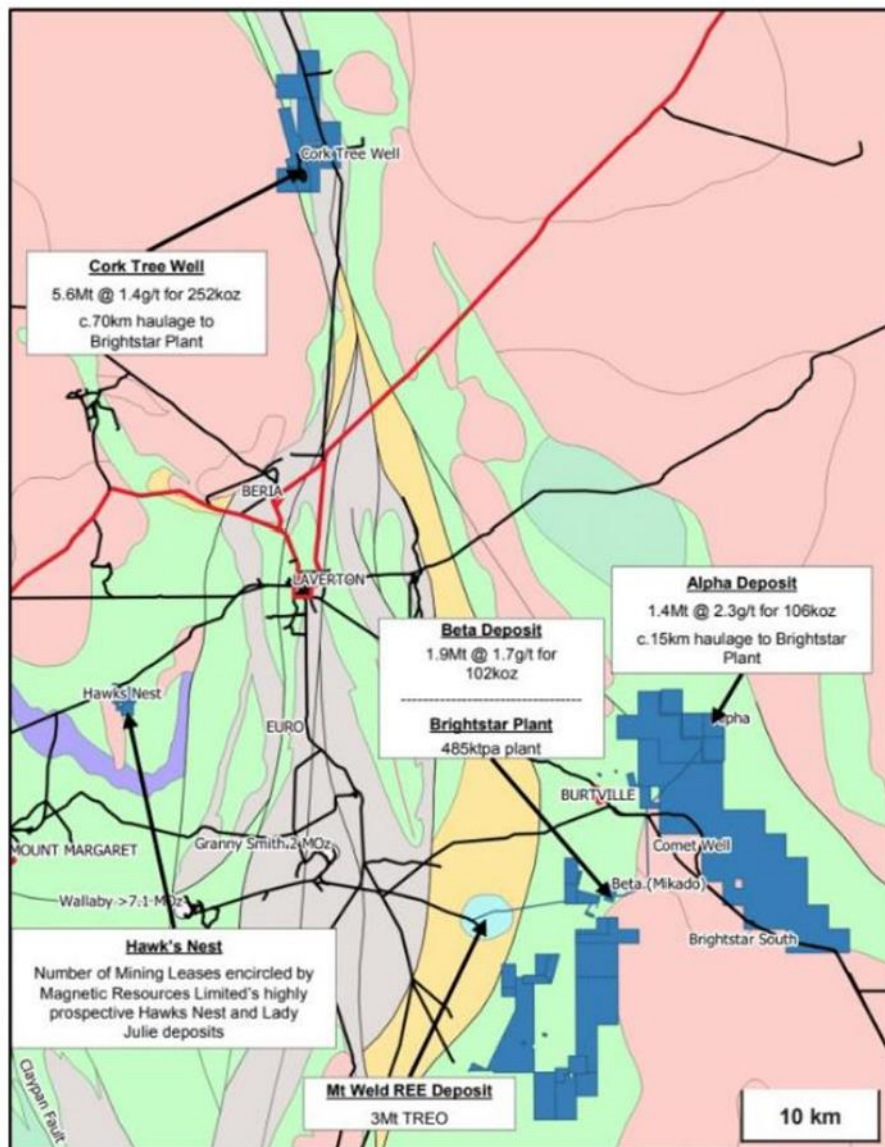
In October 2022, Brightstar announced the results of the follow-up RC drilling program completed in June 2022, consisting of 31 RC holes for approximately 4,750m.

Additional drilling, including diamond drilling, for the Cork Well Tree Project is likely to be proposed to aggressively try and grow the size of the known mineralised system. Drillholes are also planned to provide samples for metallurgical testing and geotechnical assessment. Upon receipt of analyses from these drillholes, Brightstar will look to commence a pre-feasibility study to determine the potential to progress the current Mineral Resources estimate to a JORC 2012 compliant Ore Reserve.

The current JORC 2012 Mineral Resource estimate for the Cork Tree Well Project is as follows:

| JORC 2012 Mineral Resource Estimate for Cork Tree Well (cut-off grade of 0.5g/t Au) | | | |
|---|-------------|----------------|----------------------|
| Classification | Tonnes (Mt) | Grade (g/t Au) | Contained gold (koz) |
| Measured | - | - | - |
| Indicated | 1.7 | 1.7 | 94 |
| Inferred | 3.9 | 1.3 | 158 |
| Total | 5.6 | 1.4 | 252 |

Note: Rounding discrepancies may occur.



(b) Beta Project

Brightstar owns a 100% interest in the tenements comprising the Beta Project.

The Beta Project is located 30km south of Laverton, and immediately adjacent to the Brightstar Plant. The Mineral Resource estimate is centred on the Burtville Shear that trends from near Sunrise Dam to Burtville. It hosts a combined JORC 2012 compliant Mineral Resource estimate of 1.9Mt @ 1.7g/t Au for 102,000oz.

Brightstar are assessing exploration programs for Beta, that will initially comprise of a detailed review of historical geological information and mining records. The Beta Project hosts historically mined open pits on the site immediately adjacent to the Brightstar Plant. Given the proximity of the Beta Mineral Resource estimate to the Brightstar Plant, it is logical that any exploration success at Beta will form part of feasibility assessments into the targeted economic extraction of gold at Brightstar's Key Projects.

The current JORC 2012 Mineral Resource estimate for the Beta Project is as follows:

| JORC 2012 Mineral Resource Estimate for Beta (cut-off grade of 0.5g/t Au) | | | |
|---|-------------|----------------|----------------------|
| Classification | Tonnes (Mt) | Grade (g/t Au) | Contained gold (koz) |
| Measured | 0.35 | 1.7 | 19 |
| Indicated | 0.58 | 1.6 | 29 |
| Inferred | 0.97 | 1.7 | 54 |
| Total | 1.9 | 1.7 | 102 |

Note: Rounding discrepancies may occur.

(c) Alpha Project

Brightstar owns a 100% interest in the tenements comprising the Alpha Project.

The Alpha Project is located 35km west of Laverton and 15km from the Brightstar Plant. It hosts a combined JORC 2012 compliant Mineral Resource estimate of 1.4Mt @ 2.3g/t Au for 106,000oz.

In June 2022, Brightstar completed a RC drilling program, comprising 12 RC holes drilled for 1,260m, located 500m north west of the main Alpha ore body (**Alpha West**). The results from the drilling program confirmed the existence of mineralisation in the fresh rock below the supergene halo in the regolith and significantly increases the potential for a sizeable mineralised position. Even where the intersections were not ore grade, there is still anomalous material showing the continuity of the mineralised structure that indicates exploration upside exists at Alpha.

The results from the drilling indicate the need for further drilling to determine if the opportunity for a small open pit exists as well as potential for a secondary access from surface for future potential underground positions. However, from initial interpretation it appears that the mineralisation is essentially similar to the main Alpha deposit.

Brightstar will be continuing its exploration activities at Alpha in 2023, targeting growth in the Mineral Resource estimate and an increase in the confidence category of the currently defined mineralisation.

The current JORC 2012 Mineral Resource estimate for the Alpha Project is as follows:

| JORC 2012 Mineral Resource Estimate for Alpha (cut-off grade of 0.5g/t Au) | | | |
|--|-------------|----------------|----------------------|
| Classification | Tonnes (Mt) | Grade (g/t Au) | Contained gold (koz) |
| Measured | 0.62 | 1.6 | 33 |
| Indicated | 0.38 | 2.1 | 25 |
| Inferred | 0.46 | 3.3 | 48 |
| Total | 1.4 | 2.3 | 106 |

Note: Rounding discrepancies may occur.

(d) **Comet Well Project**

Brightstar owns a 100% interest in the tenements comprising the Comet Well Project.

The Comet Well Project is a large area covering approximately 120km² located close to the Alpha and Beta project areas. The tenements have not undergone any significant recent exploration and the project does not have any JORC 2012 compliant Mineral Resources.

The Comet Well Project represents an early-stage, greenfields exploration opportunity for Brightstar given this tenure has been historically poorly explored. In conjunction with exploration activities at Brightstar's Key Projects, Brightstar will continue to work up exploration targets through systematic exploration methods including geophysical survey, soil surveys and drilling campaigns of auger, aircore and potentially RC drilling.

7.3 Brightstar tenement overview

The following table summaries the details of each of the tenements in which Brightstar holds an interest as at the Last Practicable Date:

| Tenement type | Tenement | Status | Location | Ownership |
|---------------|----------|--------|----------|------------------------------|
| Exploration | 38/2411 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/2452 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/2894 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3034 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3198 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3279 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3293 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3331 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3434 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3438 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3500 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3504 | Live | WA | Brightstar Resources Limited |
| Exploration | 38/3673 | Live | WA | Brightstar Resources Limited |
| Miscellaneous | 38/0100 | Live | WA | Brightstar Resources Limited |
| Miscellaneous | 38/0123 | Live | WA | Brightstar Resources Limited |

| Tenement type | Tenement | Status | Location | Ownership |
|---------------|----------|--------|----------|------------------------------|
| Miscellaneous | 38/0154 | Live | WA | Brightstar Resources Limited |
| Miscellaneous | 38/0168 | Live | WA | Brightstar Resources Limited |
| Miscellaneous | 38/0169 | Live | WA | Brightstar Resources Limited |
| Miscellaneous | 38/0171 | Live | WA | Brightstar Resources Limited |
| Miscellaneous | 38/0185 | Live | WA | Brightstar Resources Limited |
| Miscellaneous | 38/0188 | Live | WA | Brightstar Resources Limited |
| Miscellaneous | 38/0205 | Live | WA | Brightstar Resources Limited |
| Mining | 38/1056 | Live | WA | Brightstar Resources Limited |
| Mining | 38/1057 | Live | WA | Brightstar Resources Limited |
| Mining | 38/1058 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0241 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0314 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0346 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0381 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0549 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0009 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0917 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0918 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0094 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0095 | Live | WA | Brightstar Resources Limited |
| Mining | 38/0968 | Live | WA | Desert Exploration Pty Ltd |
| Mining | 38/0984 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4108 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4377 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4385 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4431 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4432 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4433 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4444 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4445 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4446 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4447 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4448 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4449 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4450 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4508 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4545 | Live | WA | Brightstar Resources Limited |
| Prospecting | 38/4546 | Live | WA | Brightstar Resources Limited |

7.4 Directors of Brightstar

The directors of Brightstar as at the date of this Scheme Booklet are as follows:

Tony Lau
Non-Executive Director

BA, FCPA, MSc (Investment Management)

Mr Lau is currently the Chief Financial Officer of Stone Group Holdings Limited based in Hong Kong. Mr Lau has worked in PricewaterhouseCoopers Hong Kong for 12 years after graduation. Over past two decades, Mr Lau has been advising numerous Chinese companies on IPOs and capital raising in the Hong Kong capital market and investing in the mining industry in Australia.

Mr Lau was the former joint company secretary of Brightstar until July 2021 and was appointed to the Brightstar Board on 13 February 2023.

Other than as stated above, Mr Lau has not served as a director of any other listed companies in the three years immediately before the end of the 2022 financial year.

Alex Rovira
Managing Director

BSc (Geology), BCom (Corporate Finance), Investment Banking), GradDipAppFin

Mr Rovira is an experienced investment banker having worked at a global financial services company focused on the metals and mining sector since 2013. Mr Rovira has experience in ASX equity capital markets activities, including initial public offerings, capital raisings and merger and acquisitions within the metals and mining sector.

Mr Rovira is a qualified geologist and was appointed to the Brightstar Board on 12 January 2023.

Other than as stated above, Mr Rovira has not served as a director of any other listed companies in the three years immediately before the end of the 2022 financial year.

Josh Hunt
Non-Executive Chairman

LLB, BCom (Finance, Management)

Mr Hunt is an experienced capital markets and mergers and acquisitions lawyer and has extensive experience in all aspects of mining and energy project acquisitions and disposals and general mining legislation compliance throughout Australia. He has advised on numerous IPOs, fundraisings, and acquisitions by both public and private companies on the ASX and internationally.

Mr Hunt is also a director of ASX listed I Synergy Group Limited (ASX:IS3).

Mr Hunt was appointed to the Brightstar Board on 18 November 2020.

Other than as stated above, Mr Hunt has not served as a director of any other listed companies in the three years immediately before the end of the 2022 financial year.

7.5 Material Contracts – Royalty Agreements

(a) Cork Tree Well Royalty

By assignment deed dated 19 June 2006 between Bronzewing Gold Limited, as assignor (deregistered) and Brightstar (formerly A1 Minerals Limited), as assignee, Brightstar agreed to assume the obligations to pay a royalty to BHP Billiton Royalty Investments Pty Ltd (formerly Western Mining Corporation Limited), in accordance with a royalty agreement dated 6 February 1990.

Pursuant to the royalty agreement, Brightstar is required to pay BHP Billiton Royalty Investments Pty Ltd a royalty of \$0.50 per tonne of gold bearing ore mined and treated from M38/346 (held by Brightstar).

(b) Golden Cross Royalty

By assignment deed dated 23 October 2003 between Brightstar (formerly A1 Minerals Limited), as assignee and Desert Exploration Pty Ltd (a wholly owned subsidiary of Brightstar), as assignor, Brightstar assumed the obligations to pay a royalty to Golden Cross Operations Pty Ltd, in accordance with a royalty deed dated 10 December 2001.

Pursuant to the royalty deed, Brightstar is required to pay Golden Cross Operations Pty Ltd a royalty of 2% of gross production on all refined gold or minerals produced from M38/968 (held by Desert Exploration Pty Ltd, a wholly owned subsidiary of Brightstar).

(c) Dixon Royalty

By letter agreement dated 29 July 2005 between Brightstar (formerly A1 Minerals Limited) and Trevor Dixon, Brightstar agreed to pay a 1% gross royalty on revenue from production from M38/241 to Trevor Dixon.

(d) Mt McKenna Royalty

By letter agreement dated 22 October 2004, as varied and incorporated by deed of transfer, royalty and buyback dated 12 August 2015, between Brightstar (formerly Stone Resources Australia Limited), Barrick (PD) Australia Limited (**Barrick PD**), Barrick (Granny Smith) Pty Limited and Barrick (GSM) Pty Limited, Brightstar and Barrick PD have agreed to pay each other royalties in certain circumstances.

The material terms of the royalties are as follows:

- (i) a 0.025% net smelter returns royalty on dore and any other gold bearing product derived from the tenement or ore mined from M38/1056, M38/1057 and M38/1058; and
- (ii) Brightstar grants Barrick PD (as assigned by Barrick (Granny Smith) Pty Limited) the right to explore for targets in a mutually agreed area, with any resultant resource discovery to be owned 100% by Barrick PD and Brightstar would be entitled to a 0.025% net smelter returns royalty on dore and any other gold bearing product derived from the tenement or ore mined from the resource.

Under the deed, Brightstar granted Barrick PD an option to purchase a 70% legal and beneficial interest in M38/1056, M38/1057 and M38/1058, exercisable on the identification of a 250,000 or more ounce mineral resource (as defined in the 2012 JORC Code) of gold on any one tenement or a continuous orebody on two or more tenements (**Resource Condition**). Barrick PD must exercise the option no later than 45 days after Brightstar provides Barrick PD with a bankable feasibility study with respect to the Resource Condition. If Barrick PD exercises the option, the parties will then negotiate the terms of a joint venture agreement to be held 70% by Barrick PD and 30% by Brightstar.

(e) **Regis Royalty**

By deed dated 2 September 2020, between Brightstar (formerly Stone Resources Australia Limited) and Regis Resources Limited, Regis Resources Limited agreed to pay the following royalty to Brightstar:

- (i) on and from the period on which certain conditions are satisfied under the deed, a 1% net smelter returns royalty of gold in any form and gold equivalent (being the gold equivalent of silver or other platinum group metals ounces) which has been extracted and recovered, processed and is capable of being sold or otherwise disposed of from M38/339, up to an aggregate sum of \$5,000,000 (being the **'First Period'**); and
- (ii) 0.0025% net smelter returns royalty of gold in any form and gold equivalent (being the gold equivalent of silver or other platinum group metals ounces) which has been extracted and recovered, processed and is capable of being sold or otherwise disposed of from M38/339, for a period of 4 years commencing upon the date following the end of the First Period.

The royalty deed is subject to a royalty cap of \$5,000,000. Regis Resources Limited's obligations to pay the royalty to Brightstar will cease at the time at which the total payments received by Brightstar under the royalty deed equals \$5,000,000.

On 28 May 2021, Brightstar, Regis Resources Limited and National Australia Bank Limited entered into a royalty side deed pursuant to which Regis Resources Limited granted a security interest over M38/339 (and its other property) in favour of National Australia Bank Limited.

Pursuant to a Revised Debt Equity Compromise Agreement (**DECA**) dated 11 August 2020 between Brightstar, Stone Resources Limited (a company incorporated in Bermuda) and Stone Resources (HK) Limited (a company incorporated in Hong Kong) (**SRHK**), Brightstar agreed to, amongst other things, assign the benefit of the Regis Royalty to SRHK, such that SRHK will receive the royalty payments under that royalty deed from Regis Resources Limited. The deed of assignment is yet to be signed, and in accordance with the terms of the DECA is not required to be signed until the 'royalty commencement date' under the First Stone HK Royalty Deed (dated 17 November 2020 between Brightstar, Desert Exploration Pty Ltd and SRHK, see paragraph 7.5(f) below), which is on the date that extraction and recovery of gold commences from the area of the tenements.

(f) **First Stone HK Royalty**

By royalty deed dated 17 November 2020 between Brightstar (formerly Stone Resources Australia Limited) and SRHK, Brightstar agreed to pay a royalty to SRHK.

Pursuant to the royalty deed, Brightstar will pay SRHK a 3% net smelter returns royalty of gold in any form which has been extracted and recovered, processed and which is capable of being sold or otherwise disposed of from E38/2411, E38/2452, E38/2894, E38/3034, E38/3198, E38/3293, E38/3331, L38/100, L38/123, L38/154,

L38/168, L38/169, L38/171, L38/185, L38/188, L38/205, L38/206, M38/1056, M38/1057, M38/1058, M38/241, M38/314, M38/346, M38/381, M38/549, M38/9, M38/917, M38/918, M38/94, M38/95, M38/984, P38/4108, P38/4377, P38/4385, P38/4431, P38/4432, P38/4433, P38/4444, P38/4445, P38/4446, P38/4447, P38/4448, P38/4449, P38/4450 and M38/968 (M38/968 is held by Brightstar's wholly owned subsidiary, Desert Exploration Pty Ltd).

(g) New Stone HK Royalty

By royalty deed dated 18 October 2022 between Brightstar and SRHK, Brightstar agreed to pay a 1.5% net smelter returns royalty of gold in any form which has been extracted and recovered, processed and which is capable of being sold or otherwise disposed of from E38/3279, E38/3434, E38/3438, E38/3500, E38/3504 and P38/4508, up to an aggregate sum of AUD\$16,200,000 to SRHK.

(h) Mining Equities Royalty

Pursuant to a tenement sale agreement dated 8 February 2021 between Brightstar and Mining Equities Pty Ltd, Brightstar agreed to pay a 1% net smelter returns royalty of any minerals sold from E38/3438 to Mining Equities Pty Ltd.

(i) Gianni Royalty

By sale and purchase agreement dated 6 April 2021 between Brightstar and Peter Gianni, Brightstar agreed to pay 1% net smelter returns royalty of any minerals sold from E38/3279 to Peter Gianni.

(j) Milford Royalty

By royalty deed dated on or around February 2023 between Brightstar, Heelmo Holdings Pty Ltd and Milford Resources Pty Ltd, Brightstar agreed to pay a royalty to each of Heelmo Holdings Pty Ltd and Milford Resources Pty Ltd.

Pursuant to the royalty deed, Brightstar will pay Heelmo Holdings Pty Ltd and Milford Resources Pty Ltd a 1% royalty (split 0.9% to Milford Resources Pty Ltd and 0.1% to Heelmo Holdings Pty Ltd) in respect of any ore, concentrates or other products extracted, sold, removed or otherwise disposed of from E38/3500 and E38/3504.

The royalty agreements contain various other provisions considered customary for agreements of this nature.

As detailed above, certain of Brightstar's tenements are subject to royalties, including historical royalties which have been identified by Brightstar through a due diligence exercise of its projects and tenements. Although Brightstar has attempted to identify all royalties applicable to its tenements, there is a risk that other royalties may exist or be alleged to exist over any one or more of Brightstar's tenements, or an area thereof, for which Brightstar is or becomes liable to pay in the future. Brightstar cautions Kingwest Securityholders that the identification of additional royalties may have an impact on the economics of progressing any proposed mining operations, as well as the financial performance of Brightstar. Moreover, the terms of any such royalties could have a material adverse effect on the business, results, operations and financial performance of Brightstar.

7.6 Historical financial information

The following information has been extracted from the audited consolidated financial statements of Brightstar and its controlled entities for the financial years ended 30 June 2022, 2021 and 2020 and reviewed consolidated financial statement for the 6 month period ended 31 December 2022. The financial information has been prepared in accordance with the recognition and measurement requirements of AASB Standards (including Australian

Accounting Interpretations) adopted by the AASB and the Corporations Act. The financial information also complies with the recognition and measurement requirements of International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 31 December 2022 and the date of this Scheme Booklet, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Brightstar, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

Copies of Brightstar's audited consolidated financial statements for the financial years ended 30 June 2022, 2021 and 2020 and period ending 31 December 2022 are available on Brightstar's website (www.brightstarresources.com.au). Copies will also be provided by Brightstar, free of charge, to any Kingwest Securityholder who requests it before the Scheme Meeting.

(a) **Consolidated statement of financial position**

Set out below is Brightstar's consolidated statement of financial position as at 31 December 2022, 30 June 2022, 2021 and 2020.

| | December 2022 | June 2022 | June 2021 | June 2020 |
|---|---------------|--------------|--------------|---------------|
| | \$ | \$ | \$ | \$ |
| Current Assets | | | | |
| Cash and cash equivalents | 406,129 | 1,601,324 | 985,036 | 50,032 |
| Trade and other receivables | 110 | 403 | 179 | 35,617 |
| Other financial assets | 25,000 | 25,000 | 25,000 | 25,000 |
| Assets held for sale | - | - | - | 11,172,169 |
| Other current assets | 80,687 | 26,142 | 23,051 | 16,358 |
| Total Current Assets | 511,926 | 1,652,869 | 1,033,266 | 11,299,176 |
| Non-Current Assets | | | | |
| Property, plant and equipment | 78,005 | 86,183 | 454,899 | 720,969 |
| Right-of-use asset | 5,963 | 14,908 | 13,574 | 32,018 |
| Deferred exploration and evaluation expenditure | 13,758,828 | 13,270,922 | 9,313,231 | 2,686,636 |
| Total Non-Current Assets | 13,842,796 | 13,372,013 | 9,781,704 | 3,439,623 |
| Total Assets | 14,354,722 | 15,024,882 | 10,814,970 | 14,738,799 |
| Current Liabilities | | | | |
| Trade and other payables | 334,104 | 2,040,334 | 962,968 | 21,134,121 |
| Unissued shares | 80,000 | - | - | - |
| Lease liabilities | 6,024 | 14,907 | 15,639 | 17,618 |
| Borrowings | - | - | 630,000 | 36,066,134 |
| Provisions | 150,332 | 145,225 | 112,740 | 111,249 |
| Liabilities held for sale | - | - | - | 3,733,200 |
| Total Current Liabilities | 570,460 | 2,200,466 | 1,721,347 | 61,062,322 |
| Non-Current Liabilities | | | | |
| Other payable and accruals | 771,495 | - | - | - |
| Lease liabilities | - | - | - | 15,756 |
| Borrowings | - | 628,736 | - | - |
| Provisions | 2,793,878 | 3,111,668 | 3,044,667 | 3,583,061 |
| Other financial liabilities | - | 4,434,667 | 3,715,060 | - |
| Total Non-Current Liabilities | 3,565,373 | 8,175,071 | 6,759,727 | 3,598,817 |
| Total Liabilities | 4,135,833 | 10,375,537 | 8,481,074 | 64,661,139 |
| Net Assets | 10,218,889 | 4,649,345 | 2,333,896 | (49,922,340) |
| Equity | | | | |
| Issued capital | 45,033,119 | 43,254,388 | 37,857,909 | 51,541,309 |
| Accumulated losses | (41,091,697) | (44,870,886) | (40,920,635) | (101,472,495) |
| Reserve | 6,277,467 | 6,265,842 | 5,396,622 | 8,846 |

| | December 2022 | June 2022 | June 2021 | June 2020 |
|---------------------|---------------|-----------|-----------|--------------|
| | \$ | \$ | \$ | \$ |
| Total Equity | 10,218,889 | 4,649,344 | 2,333,896 | (49,922,340) |

(b) **Consolidated statement of comprehensive income**

Set out below is Brightstar's consolidated statement of comprehensive income for the 6 month period ended 31 December 2022 and financial years ended 30 June 2022, 2021 and 2020.

| | 6 months to December 2022 | 12 months to June 2022 | 12 months to June 2021 | 12 months to June 2020 |
|---|---------------------------|------------------------|------------------------|------------------------|
| | \$ | \$ | \$ | \$ |
| Other income | 5,063,573 | 150,573 | 62,060,466 | 364,749 |
| Remeasurement of Rehabilitation Provision | 450,832 | - | 3,033,794 | - |
| Mine site expenses | (164,812) | (336,813) | (332,002) | (554,457) |
| Exploration expenditure | (109,734) | (673,934) | (222,722) | (1,079,134) |
| Depreciation and amortisation expense | (18,566) | (394,942) | (382,456) | (379,836) |
| Director fees | (99,235) | (255,707) | (151,367) | (130,517) |
| Impairment expenses | (20,927) | (47,828) | (32,084) | (1,075,812) |
| Finance costs | (152,210) | (957,128) | (1,622,983) | (3,035,368) |
| Administration expenses | (109,036) | (186,516) | (208,962) | (84,057) |
| Consulting expenses | (37,500) | (380,338) | (648,407) | (52,075) |
| Employee benefits expense | (904,655) | (651,924) | (702,641) | (334,340) |
| Other expenses | (118,541) | (215,693) | (238,776) | (257,048) |
| (Loss) / profit before income tax | 3,779,189 | (3,950,250) | 60,551,860 | (6,617,894) |
| Income tax | | - | - | - |
| Net (loss) / profit for the year | 3,779,189 | (3,950,250) | 60,551,860 | (6,617,894) |
| Other comprehensive income for the year, net of tax | | - | - | - |
| Total comprehensive loss for the year | 3,779,189 | (3,950,250) | 60,551,860 | (6,617,894) |
| | | | | |
| Total comprehensive (loss) / income for the year | 3,779,189 | (3,950,250) | 60,551,860 | (6,617,894) |
| | | | | |
| Basic (loss)/earnings per share per share (cents per share) | 0.56 | (0.73) | 10.25 | (0.80) |
| Diluted (loss)/earnings per share (cents per share) | 0.52 | (0.73) | 9.89 | (0.80) |

(c) **Consolidated statement cash flows**

| | 6 months to December 2022 | 12 months to June 2022 | 12 months to June 2021 | 12 months to June 2020 |
|---|---------------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ | \$ |
| Cash flows from operating activities | | | | |
| Receipts from customers | - | - | 131,289 | 291,219 |
| Payments to suppliers and employees | (652,005) | (1,391,789) | (1,129,956) | (844,997) |
| Dividends received | - | - | 105,867 | - |
| Interest received | 1,473 | 523 | 633 | 651 |
| Interest on lease liabilities | (229) | (392) | (1,969) | (2,075) |
| Government grants received | - | - | 50,000 | 50,000 |
| Net cash used in operating activities | (650,761) | (1,391,658) | (844,136) | (503,127) |
| | | | | |
| Cash flows from investing activities | | | | |
| Proceeds from sale of other financial assets | - | - | 4,628,618 | - |
| Proceeds from sale of property, plant and equipment | 764 | - | 8,000 | 2,000 |
| Proceeds from sale of exploration assets | - | 10,000 | 250,000 | - |
| Payments for property, plant and equipment | (1,498) | (27,559) | (161,907) | - |
| Payments for exploration and evaluation expenditure | (1,255,316) | (2,453,136) | (688,962) | (805,025) |
| Payments for acquisition of exploration assets | (2,000) | (60,000) | - | - |
| Net cash (used in)/provided by investing activities | (1,258,050) | (2,530,695) | 4,035,749 | (803,025) |
| | | | | |
| Cash flows from financing activities | | | | |
| Proceeds from borrowings | - | - | - | 1,273,700 |
| Repayment of lease liabilities | (8,883) | (17,838) | (16,746) | (18,224) |
| Payments for share buy-back | - | - | (2,239,864) | - |
| Proceeds from capital raising | 740,000 | 4,847,318 | - | - |
| Capital raising costs | (17,500) | (290,839) | - | - |
| Net cash (used in)/provided by financing activities | 713,617 | 4,538,641 | (2,256,610) | 1,255,476 |
| | | | | |
| Net increase/(decrease) in cash held | (1,195,194) | 616,288 | 935,003 | (50,676) |

| | 6 months to December 2022 | 12 months to June 2022 | 12 months to June 2021 | 12 months to June 2020 |
|---|---------------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ | \$ |
| Cash and cash equivalents at beginning of period | 1,601,323 | 985,035 | 50,032 | 100,708 |
| Cash and cash equivalents at end of period | 406,129 | 1,601,323 | 985,035 | 50,032 |

7.7 Material changes to the financial position of Brightstar since 31 December 2022

The Brightstar Interim Financial Report for the period ended 31 December 2022 was released to ASX on 15 March 2023. To the knowledge of the Brightstar Directors, the financial position of Brightstar has not materially changed since 31 December 2022, as reported in Brightstar's Interim Financial Report for that period, other than:

- (a) on 11 January 2023, Brightstar completed a Share Placement raising gross proceeds of \$1,600,000 (before costs) at an issue price of \$0.016 per share. 96,500,000 fully paid ordinary shares were issued to sophisticated investors. The remaining 3,500,000 shares were issued to Brightstar's officeholders;
- (b) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by Brightstar; and
- (c) in accordance with generally known market conditions.

An electronic copy of Brightstar's Interim Financial Report for the period ended 31 December 2022 is available on the ASX's website www.asx.com.au under ASX code 'BTR' or on Brightstar's website at www.brightstarresources.com.au.

7.8 Forecast financial information

Brightstar has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Brightstar has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

7.9 Brightstar's corporate structure

Brightstar has one subsidiary as at the date of this Scheme Booklet, which upon the Schemes being implemented will remain a subsidiary of Brightstar:

| Subsidiary | Place of incorporation | Date of incorporation | Percentage equity interest |
|----------------------------|---------------------------|--------------------------|-------------------------------|
| Desert Exploration Pty Ltd | Australia | 10 June 1994 | 100% |

7.10 Brightstar's issued securities

(a) Capital structure

As at the date of this Scheme Booklet, Brightstar has the following securities on issue:

| Security | Total on issue |
|----------|----------------|
| Shares | 832,628,823 |

| Security | Total on issue |
|--------------------|----------------|
| Options | 65,200,000 |
| Performance Rights | 80,000,000 |

Note:

- The rights and liabilities attaching to Brightstar Shares are described in Section 14.5.

(b) Brightstar Options

The Brightstar Options are comprised of the following:

| Number of Options | Exercise Price | Expiry Date |
|-------------------|----------------|-------------|
| 15,000,000 | \$0.01 | 09/04/2023 |
| 5,000,000 | \$0.045 | 22/06/2024 |
| 4,000,000 | \$0.10 | 31/12/2023 |
| 4,000,000 | \$0.06 | 31/12/2023 |
| 4,000,000 | \$0.08 | 31/12/2023 |
| 2,200,000 | \$0.05 | 01/12/2024 |
| 1,000,000 | \$0.10 | 12/02/2024 |
| 20,000,000 | \$0.05 | 31/12/2024 |
| 10,000,000 | Nil | 30/11/2026 |

(c) Brightstar Performance Rights

The Brightstar Performance Rights were granted to Alex Rovira in connection with his appointment as Managing Director of Brightstar under Brightstar's employee securities incentive plan (**Brightstar Plan**). The Brightstar Plan was re-approved by Brightstar Shareholders at its 2022 annual general meeting held on 29 November 2022.

The Brightstar Plan was established in order to provide incentive compensation to eligible employees, consultants or contractors of Brightstar and its subsidiaries as well as to assist Brightstar and its subsidiaries attract, motivate and retain qualified management personnel, employees and consultants.

The Brightstar Performance Rights were issued for nil consideration and each Brightstar Performance Right will convert to one Brightstar Share upon satisfaction of the applicable vesting criteria and otherwise subject to the Brightstar Plan. The Brightstar Performance Rights are subject to the following performance hurdles:

| Tranche | Number of Performance Rights | Vesting Condition | Expiry Date |
|-----------|------------------------------|--|--------------------------------|
| Tranche 1 | 20,000,000 | The Executive remaining continuously employed or otherwise engaged by the Company (or any other Group member) for a period of 24 months from the Commencement Date | 3 years from the date of issue |
| Tranche 2 | 10,000,000 | Announcement by the Company of the delineation of a Mineral Resource Estimate of at least 1.25Moz Au above 1.3g/t Au | 3 years from the date of issue |
| Tranche 3 | 20,000,000 | Announcement by the Company of the | 3 years from |

| Tranche | Number of Performance Rights | Vesting Condition | Expiry Date |
|-----------|------------------------------|--|--------------------------------|
| | | commencement of commercial production at the Company's Brightstar Gold processing plant of at least 10,000oz | the date of issue |
| Tranche 4 | 10,000,000 | Announcement by the Company of gold production of 100koz or greater of contained gold metal | 3 years from the date of issue |
| Tranche 5 | 10,000,000 | The Company achieving either: (i) a Market Capitalisation of greater than \$50,000,000; or (ii) a 20-Day VWAP of greater than \$0.04 | 3 years from the date of issue |
| Tranche 6 | 10,000,000 | The Company achieving either: (i) a Market Capitalisation of greater than \$75,000,000; or (ii) a 20-Day VWAP of greater than \$0.06 | 3 years from the date of issue |

(d) **Additional securities if Schemes become effective**

On the assumption that:

- the Schemes become Effective;
- all Kingwest Options are either cancelled or vest, are exercised and the underlying Kingwest Shares are issued prior to the Record Date; and
- no other Kingwest Shares or Brightstar Shares are issued,

then Brightstar will have approximately a further 741,386,363 Brightstar Shares on issue following the Share Scheme being implemented and 173,511,405 Brightstar Options on issue following the Option Scheme being implemented.

7.11 Brightstar's substantial shareholders

Based on information lodged with ASX or known to Brightstar, Brightstar had the following substantial shareholders as at the date of this Scheme Booklet:

| Brightstar Shareholder | Number of Brightstar Shares held | Percentage of issued Brightstar Shares |
|------------------------|----------------------------------|--|
| Sandra Wheeler | 75,265,010 | 9.04% |
| Yongji Duan | 66,680,216 | 8.01% |
| Michael Ruane | 41,940,050 | 5.04% |

The shareholdings listed in this section are as disclosed to Brightstar by Brightstar Shareholders in substantial holding notices or are otherwise known to Brightstar as at the date of this Scheme Booklet. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to Brightstar, or in respect of

which the relevant announcement is not available on the ASX's website (www.asx.com.au), is not included above.

7.12 Interests of Brightstar Directors and Kingwest Directors in Brightstar's securities

The Brightstar and Kingwest Directors have a Relevant Interest in the following Brightstar securities.

| Director | Brightstar Shares | Percentage of issued Brightstar Shares ¹ | Brightstar Options | Brightstar Performance Rights |
|-------------|-------------------|---|--------------------|-------------------------------|
| Tony Lau | 15,172,414 | 1.82% | Nil | Nil |
| Alex Rovira | 28,500,000 | 3.42% | Nil | 80,000,000 |
| Josh Hunt | 4,607,999 | 0.55% | Nil | Nil |

Notes:

1. Assumes that 832,628,823 Brightstar Shares are on issue as at the date of this Scheme Booklet and that no other Brightstar Shares are issued.

No Kingwest Director has a Relevant Interest in any Brightstar securities.

7.13 Brightstar Share trading history

The closing price for Brightstar Shares on ASX on 22 December 2022 (being the last trading day prior to the Announcement Date) was \$0.016.

On the Last Practicable Date, the closing price of Brightstar Shares on ASX was \$0.014.

During the three-month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of Brightstar Shares on ASX were, respectively, \$0.028 on 20 January 2023 and \$0.013 on 16 March 2023.

Set out below is the volume weighted average price (**VWAP**) of Brightstar Shares for various periods up to and including the Last Practicable Date:

| | 10 Days | 20 days | 30 days | 90 days |
|-------------|---------|---------|---------|---------|
| VWAP | \$0.016 | \$0.015 | \$0.016 | \$0.019 |

The Brightstar Share prices given above should not be taken as necessarily being an indication of the likely Brightstar Share price following implementation of the Schemes.

The current price of Brightstar Shares on ASX can be obtained from the ASX website (www.asx.com.au).

7.14 Rights attaching to Brightstar Shares

The rights and liabilities attaching to Brightstar Shares (and New Brightstar Shares that form part of the Scheme Consideration) are described in Section 14.5.

7.15 Brightstar's announcements and reports

As a disclosing entity, Brightstar is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Brightstar is subject to the ASX Listing Rules which require continuous disclosure of any information Brightstar has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Brightstar announcements are available on its website (<http://www.brightstarresources.com.au/>) as well as ASX's website (www.asx.com.au). Further announcements concerning developments at Brightstar may be made and placed on these websites after the date of this Scheme Booklet.

In addition, Brightstar is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to Brightstar may be obtained from, or inspected at, an ASIC office.

Brightstar will provide a copy of each of the following documents, free of charge, to any person on request prior to the Scheme Meeting. Alternatively, these documents can be obtained from ASX's website (www.asx.com.au) or from the Brightstar website (www.brightstarresources.com.au):

- (a) the annual financial report of Brightstar for the year ended 30 June 2022 (being the annual financial report most recently lodged with ASIC by Brightstar before the Last Practicable Date); and
- (b) any continuous disclosure announcements made by Brightstar after the date of the lodgement of the annual financial report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

The following table summarises material announcements made by Brightstar to ASX since 27 October 2022 (being the date of lodgement of the annual financial report referred to in paragraph (a)).

| Date Lodged | Description of Document (ASX announcement header) |
|------------------|---|
| 5 April 2023 | KWR: Court Orders Convening Scheme Meetings |
| 31 March 2023 | Change in substantial holding |
| 31 March 2023 | Change of Director's Interest Notice |
| 31 March 2023 | Change of Director's Interest Notice |
| 31 March 2023 | Cleansing Notice |
| 31 March 2023 | Notification regarding unquoted securities- BTR |
| 31 March 2023 | Application for quotation of securities - BTR |
| 29 March 2023 | Results of Meeting |
| 22 March 2023 | Change of Director's Interest Notice |
| 15 March 2023 | Half Year Accounts |
| 15 March 2023 | Proposed issue of securities – BTR |
| 15 March 2023 | Cancel – Proposed issue of securities - BTR |
| 15 March 2023 | Brightstar and Kingwest agree to revised Scheme terms |
| 15 March 2023 | Revised Scheme Consideration |
| 13 March 2023 | Trading Halt |
| 28 February 2023 | Change of Director's Interest Notice |
| 23 February 2023 | Notice of General Meeting/Proxy Form |
| 23 February 2023 | Historical Non-Executive Director Fee Update |
| 16 February 2023 | Change of Director's Interest Notice |

| Date Lodged | Description of Document (ASX announcement header) |
|------------------|--|
| 15 February 2023 | Brightstar Investor Webinars |
| 14 February 2023 | RIU Explorers Conference Presentation |
| 13 February 2023 | Initial Director's Interest Notice |
| 13 February 2023 | Final Director's Interest Notice |
| 13 February 2023 | Brightstar Implements Board Changes |
| 2 February 2023 | Drilling to Commence at Cork Tree Well |
| 31 January 2023 | Quarterly Activities Report |
| 31 January 2023 | Quarterly Cashflow Report |
| 20 January 2023 | Change of Director's Interest Notice |
| 12 January 2023 | Initial Director's Interest Notice |
| 12 January 2023 | Final Director's Interest Notice |
| 11 January 2023 | Cleansing Notice |
| 11 January 2023 | Application for quotation of securities - BTR |
| 23 December 2022 | Proposed issue of securities - BTR |
| 23 December 2022 | Proposed issue of securities - BTR |
| 23 December 2022 | Scheme Implementation Deed |
| 23 December 2022 | Strategic Merger Presentation |
| 23 December 2022 | KWR:BRIGHTSTAR AND KINGWEST RESOURCES AGREE STRATEGIC MERGER |
| 23 December 2022 | BRIGHTSTAR AND KINGWEST RESOURCES AGREE STRATEGIC MERGER |
| 22 December 2022 | Trading Halt |
| 20 December 2022 | Zone 1 Gold Shoot Extension Confirmed at Cork Tree Well |
| 1 December 2022 | Change in substantial holding |
| 1 December 2022 | Change in substantial holding |
| 1 December 2022 | Change of Director's Interest Notice |
| 30 November 2022 | Change of Director's Interest Notice |
| 30 November 2022 | Change of Director's Interest Notice |
| 30 November 2022 | Cleansing Notice |
| 30 November 2022 | Notification regarding unquoted securities – BTR |
| 30 November 2022 | Application for quotation of securities – BTR |
| 29 November 2022 | Results of Meeting |
| 21 November 2022 | Brightstar Resources Investor Presentation |
| 18 November 2022 | Release of Shares from Voluntary Escrow |
| 4 November 2022 | Cleansing Notice |
| 4 November 2022 | Application for quotation of securities - BTR |
| 31 October 2022 | Proposed issue of securities – BTR |
| 31 October 2022 | Placement Completed to Advance Laverton Gold Projects |
| 28 October 2022 | Notice of Annual General Meeting/Proxy Form |

7.16 Risk factors

Risk factors relating to Brightstar and its business are discussed in Section 10.

7.17 Material events since 31 December 2022

Except as disclosed elsewhere in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Schemes, being information that is within the knowledge of any Brightstar Directors, at the date of this Scheme Booklet which has not previously been disclosed to Kingwest Securityholders.

8. Profile of the Combined Group

This Section of the Scheme Booklet contains information in relation to Brightstar if the Schemes are implemented.

The Merger will create an ASX-listed Australian gold exploration company with exposure to a large and diversified gold exploration and development project portfolio in Western Australia, with a significant JORC 2012 compliant Mineral Resource and considerable exploration upside.

Following implementation of the Schemes, the Combined Group will have the key operations/projects outlined below.

8.1 Brightstar's Laverton Gold Project

Brightstar's Key Projects comprise of three major projects, Cork Tree Well, Alpha and Beta Project. The Brightstar Key Projects are all located within 40km of Laverton, and within a 60km radius of the Brightstar Plant currently on care and maintenance, approximately 750km north-east of Perth in Western Australia.

Brightstar holds approximately 300km² of highly prospective tenure both north and south of the Laverton township in the world-class Laverton greenstone belt which is host to numerous multi-million ounce gold mines.

8.2 Kingwest's Menzies Gold Project

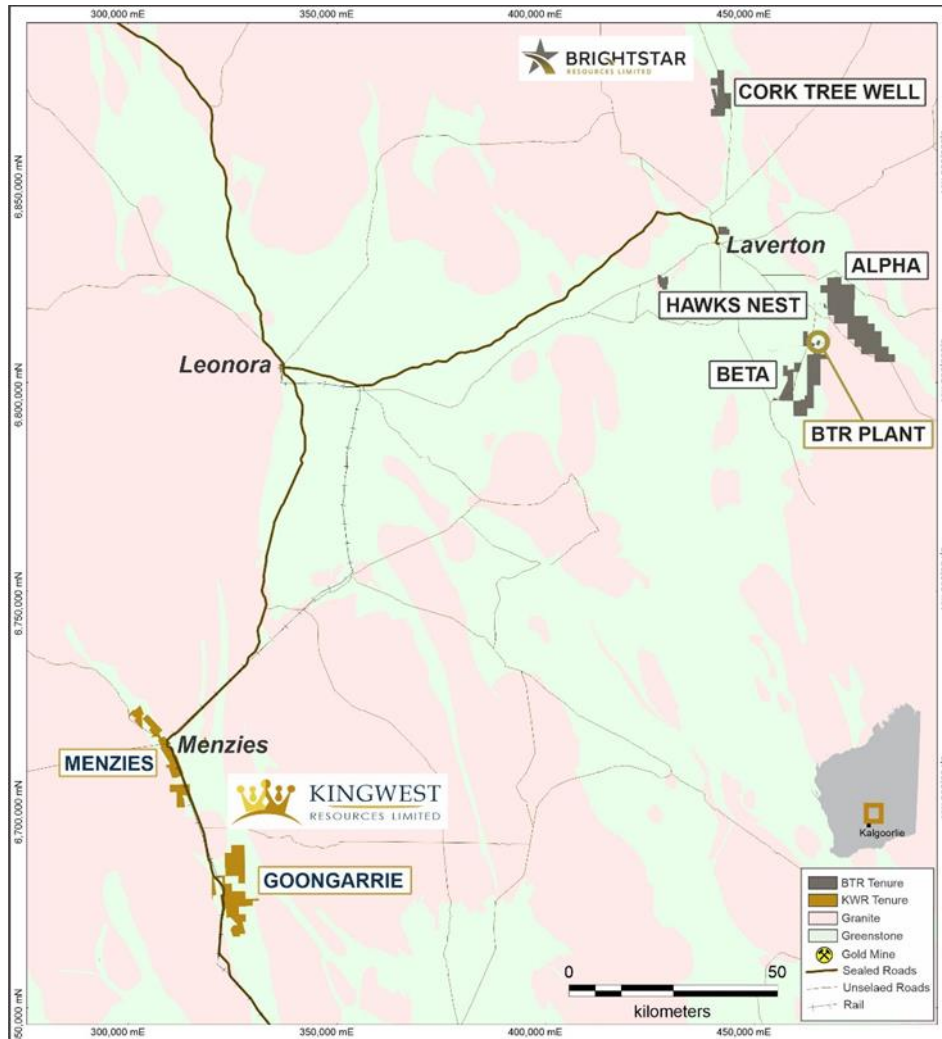
Kingwest owns 100% of the advanced Menzies Gold Project and the greenfields Goongarrie Gold Project (**GGP**). The main asset of Kingwest that will be advanced in the Combined Group is the Menzies Gold Project, which will be the focus of exploration and feasibility study activities.

The MGP covers an area of 36.5km² and is historically a high grade, significant scale Australian gold fields with historical production of approximately 800,000 oz Au @ 19g/t (as announced to the ASX on 9 July 2019).

The MGP contains a Mineral Resource of 505,100 oz @ 1.33 g/t Au using 0.5 g/t cut off (as announced to the ASX on 26 April 2022), is proximal to established processing and mining infrastructure and is on granted mining leases.

The combination of Kingwest's Menzies Gold Project and Brightstar's Laverton Gold Project gives the Combined Group the opportunity to leverage its increase scale to advance towards production opportunities.

The Kingwest Directors believe that the Combined Group will benefit from an improved risk profile resulting from the increased breadth of the asset portfolio with greater operational and geographic diversification.



8.3 Capital structure

Brightstar's capital structure is described in Section 7.10. If the Schemes become Effective:

- approximately 741,386,363 Brightstar Shares will be issued as Share Scheme Consideration in respect of the Kingwest Shares to be acquired under the Scheme (ignoring the effects of rounding and assuming that no further Kingwest Shares are issued before the Record Date); and
- approximately 173,511,405 New Brightstar Options will be issued as Option Scheme Consideration in respect of the Kingwest Options to be acquired under the Option (ignoring the effects of rounding and assuming that no further Kingwest Options are issued before the Record Date).

Brightstar will have approximately 1,574,015,186 Brightstar Shares on issue following implementation of the Scheme (assuming no further Brightstar Shares are issued).¹⁵

The New Brightstar Shares to be issued as Scheme Consideration will, accordingly, represent approximately 47.10% of the total number of Brightstar Shares on issue following implementation of the Schemes. On a fully diluted basis (i.e. assuming exercise of all options and conversion of all performance rights on issue in Brightstar), the New Brightstar Shares

¹⁵ In addition, Brightstar has agreed to pay Longreach Capital Pty Ltd \$400,000 for corporate advisory services which may be settled in a combination of cash and Brightstar Shares (up to 75% of the total fees payable may be settled in Brightstar Shares), at Brightstar's election. Accordingly, the number of Brightstar Shares on issue following implementation of the Schemes may change between lodgement of this Scheme Booklet and implementation of the Schemes.

and New Brightstar Options would together represent approximately 48.34% of the total number of Brightstar Shares on issue.

8.4 Substantial shareholdings

Based on information lodged with ASX or known to Brightstar (in respect of Brightstar substantial shareholders) or set out in Section 6.7 (in respect of Kingwest substantial shareholders), and assuming that:

- (a) the substantial shareholders of Brightstar as at the date of this Scheme Booklet continue to hold their existing holdings in Brightstar and Kingwest (respectively);
- (b) none of those substantial shareholders hold shares in both Brightstar and Kingwest; and
- (c) no further Brightstar Shares or Kingwest Shares are issued except pursuant to the Schemes,

there will be no substantial shareholders in Brightstar following implementation of the Schemes.

8.5 Acquisitions and divestments

Brightstar regularly examines new acquisition opportunities which may relate to existing or new areas of operation for Brightstar. This may lead to changes in the source of Brightstar's operating results over time. From time to time, Brightstar may receive unsolicited approaches from interested buyers for assets or businesses operated by Brightstar. These approaches are evaluated on their merits. Other than in respect of the Merger or as otherwise disclosed in this Scheme Booklet, there are no discussions presently being undertaken in relation to acquisitions or divestments that are sufficiently advanced or sufficiently material to Brightstar's earnings that Brightstar considers warrant disclosure in this Scheme Booklet.

8.6 Quotation of New Brightstar Shares

Brightstar will use its best endeavours to procure that the New Brightstar Shares to be issued as Share Scheme Consideration are quoted on the ASX with effect from the Business Day following the Implementation Date. Brightstar will issue holding statements to holders of the New Brightstar Shares as soon as possible following the Implementation Date.

8.7 Rights attaching to New Brightstar Shares and New Brightstar Options

The rights and liabilities attaching to the New Brightstar Shares that form part of the Share Scheme Consideration are the same as the existing Brightstar Shares issued to Brightstar Securityholders. Further information is set out in Section 14.5.

The rights and liabilities attaching to the New Brightstar Options that form part of the Option Scheme Consideration are set out in Section 14.6.

8.8 Financial overview of the Combined Group

The Combined Group pro forma historical financial information provided in this Scheme Booklet comprises a pro forma consolidated reviewed Statement of Financial Position as at 31 December 2022 which is based on:

- (a) Brightstar's reviewed consolidated Statement of Financial Position as at 31 December 2022; and
- (b) Kingwest's reviewed consolidated Statement of Financial Position as at 31 December 2022.

The pro forma historical financial information is provided for illustrative purposes and is prepared on the assumption that the Scheme had been implemented on 31 December 2022 and Kingwest becomes a wholly owned subsidiary of Brightstar.

The Combined Group pro forma historical financial information has been prepared by the management of Brightstar with input from the management of Kingwest. The information is based on Brightstar's and Kingwest's reviewed financial statements as at 31 December 2022. The pro forma historical financial information has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards and in accordance with Brightstar's accounting policies, as set out in Brightstar's annual report for the financial year ended 30 June 2022.

The Combined Group pro forma historical financial information is presented in an abbreviated form and does not contain all the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. In particular, it does not include the notes to and forming part of the financial statements of Brightstar and Kingwest.

The information provided in this Section is presented on a pro forma basis only and, as a result, it is likely that this information will differ from the actual financial information of the Combined Group.

Acquisition Accounting

Australian Accounting Standards require the Merger to be accounted for as an in-substance acquisition, with Brightstar deemed to be the acquirer. The pro forma Merger has been accounted for as an asset acquisition.

The value of the consideration for the acquisition of the Kingwest Shares under the Schemes will be measured based upon the value of the Brightstar Shares at close of trading on the Implementation Date. For the purposes of the Combined Group pro forma historical financial information, a value of \$0.016 per New Brightstar Share has been assumed, being the ASX closing price of Brightstar Shares on 22 December 2022 (the last trading day before the Announcement Date). Consequently, the value of the purchase consideration for accounting purposes may differ from the amount assumed in the Combined Group pro forma historical financial information due to future changes in the market price of Brightstar Shares.

Combined Group pro forma statement of financial position – 31 December 2022

The following pro forma adjustments to the historical financial information have been made in order to present the Combined Group pro forma historical financial information:

| | Historical Consolidated Statement of Financial Position of BTR | Historical Consolidated Statement of Financial Position of KWR | Pro Forma Adjustments and Material Subsequent Events | Notes | Pro Forma Historical Consolidated Statement of Financial Position |
|-----------------------------|--|--|--|-------|---|
| | \$ | \$ | \$ | | \$ |
| Current Assets | | | | | |
| Cash and cash equivalents | 406,129 | 2,221,606 | 1,455,020 | (e) | 4,082,755 |
| Trade and other receivables | 110 | 128,890 | - | | 129,000 |
| Other financial assets | 25,000 | - | - | | 25,000 |
| Other current assets | 80,687 | - | - | | 80,687 |
| Total Current Assets | 511,926 | 2,350,496 | 1,455,020 | | 4,317,442 |
| | | | | | |
| Non-Current Assets | | | | | |

| | Historical Consolidated Statement of Financial Position of BTR | Historical Consolidated Statement of Financial Position of KWR | Pro Forma Adjustments and Material Subsequent Events | Notes | Pro Forma Historical Consolidated Statement of Financial Position |
|---|--|--|--|-----------|---|
| | \$ | \$ | \$ | | \$ |
| Property, plant and equipment | 78,005 | 190,248 | - | | 268,253 |
| Right-of-use asset | 5,963 | - | - | | 5,963 |
| Investments | - | - | - | | - |
| Deferred exploration and evaluation expenditure | 13,758,828 | 17,025,588 | - | | 30,784,416 |
| Total Non-Current Assets | 13,842,796 | 17,215,836 | - | | 31,058,632 |
| | | | | | |
| Total Assets | 14,354,722 | 19,566,332 | 1,455,020 | | 35,376,074 |
| | | | | | |
| Current Liabilities | | | | | |
| Trade and other payables | 334,105 | 359,895 | 850,000 | (b) | 1,544,000 |
| Unissued shares | 80,000 | - | (80,000) | (e) | - |
| Lease liabilities | 6,024 | - | - | | 6,024 |
| Provisions | 150,332 | 967 | - | | 151,299 |
| Liabilities held for sale | - | - | - | | - |
| Total Current Liabilities | 570,461 | 360,862 | 770,000 | | 1,701,323 |
| | | | | | |
| Non-Current Liabilities | | | | | |
| Other payables and accruals | 771,495 | - | - | | 771,495 |
| Borrowings | - | - | - | | - |
| Provisions | 2,793,878 | - | - | | 2,793,878 |
| Other financial liabilities | - | - | - | | - |
| Total Non-Current Liabilities | 3,565,373 | - | - | | 3,565,373 |
| | | | | | |
| Total Liabilities | 4,135,834 | 360,862 | 770,000 | | 5,266,696 |
| | | | | | |
| Net Assets | 10,218,888 | 19,205,470 | 685,020 | | 30,109,378 |
| Equity | | | | | |
| Issued capital | 45,033,119 | 33,129,883 | (19,732,681) | (a)(d)(e) | 58,430,321 |
| Accumulated losses | (41,091,697) | (17,224,129) | 22,909,766 | (b)(c)(d) | (35,406,060) |
| Reserve | 6,277,467 | 3,299,716 | (2,492,065) | (a)(d) | 7,085,118 |
| Total Equity | 10,218,888 | 19,205,470 | 685,020 | | 30,109,379 |

Notes to pro-forma Consolidated Statement of Financial Position

- (a) Accounting entries arising from the transaction, in accordance with the Scheme Implementation Deed

This pro forma Consolidated Statement of Financial Position reflects the acquisition of Kingwest by Brightstar in accordance with the Scheme Implementation Deed. For the purposes of preparing the pro forma historical financial information, the transaction has been accounted for as an asset acquisition. For the purposes of the pro forma historical financial information, the transaction has been measured with reference to the estimated fair value of the Scheme Consideration.

The total fair value of the estimated consideration has been calculated at \$12,669,833 and is recognised as additional contributed equity and reserves. Assumptions regarding the capital structure and purchase consideration are set out in (i) below. Assumptions regarding the fair value of the net assets acquired are set out in (ii) below.

- (i) On 22 December 2022, Brightstar and Kingwest entered into a Scheme Implementation Deed pursuant to which Brightstar will acquire all of the Kingwest Shares in exchange for the Share Scheme Consideration to be provided to the Scheme Shareholders and all of the Kingwest Options will be cancelled and extinguished in exchange for the Option Scheme Consideration to be provided to the Scheme Optionholders. On 15 March 2023, Brightstar and Kingwest announced that they agreed to alter the exchange ratio to one New Brightstar Share/Option for every 0.38 Kingwest Shares/Options.

For the purposes of the pro forma historical financial information, the fair value on the acquisition date of the Share Scheme Consideration, is estimated to be approximately \$11,862,182 as set out below. This is based on the closing Brightstar share price on 22 December 2022 (the last trading price of Brightstar Shares before the Scheme Implementation Deed was signed and announced).

It was assumed that all Kingwest Options will convert into New Brightstar Options as agreed under the Scheme Implementation Deed. The fair value attributed to the New Brightstar Options to be issued to replace the existing Kingwest Options is estimated at \$807,651, being the preferred value indicated in the Independent Expert Report, and is recognised as part of the deemed consideration transferred.

Pro forma fair value of the deemed consideration

| | |
|---|--------------|
| Total number of Kingwest Shares expected to be on issue immediately prior to the Implementation Date | 281,726,818 |
| Transaction Ratio | 1:0.38 |
| Number of New Brightstar Shares to be issued under the Share Scheme | 741,386,363 |
| Closing Brightstar Share price on 22 December 2022 | \$0.016 |
| Pro forma fair value of New Brightstar Shares | \$11,862,182 |
| Pro forma fair value of New Brightstar Options | \$807,651 |
| Pro forma fair value consideration | \$12,669,833 |

- (ii) The actual measurement date of the deemed consideration will occur on the acquisition date which is generally taken to be the date the Scheme is implemented. Consequently, the fair value of the consideration transferred will differ from the amount assumed in the pro forma historical financial information due to any further changes in the market price of Brightstar Shares or in the number of Kingwest securities on issue and outstanding.

In accounting for the asset acquisition, the total cost of the acquisition will be allocated over the identifiable assets and liabilities acquired, on the basis of their relative fair values at the acquisition date. The estimated total cost of the acquisition has been allocated to the net assets as follows:

| | \$ |
|---|-------------------|
| Pro forma total fair value of consideration | |
| - Brightstar shares to be issued | 11,862,182 |
| - Brightstar options to be issued | 807,651 |
| - Transaction costs | 850,000 |
| Total proforma consideration and costs | 13,519,833 |
| Estimated fair value of the net assets acquired | |
| - Assets and liabilities (including cash) | 19,205,470 |
| Total net assets | 19,205,470 |

- (iii) The acquisition accounting for the net assets acquired has been determined on a provisional basis. For the purposes of preparing the pro forma historical financial information, it is assumed that all assets and liabilities in the historical consolidated statement of financial position of Kingwest as at 31 December 2022 have a fair value equivalent to their carrying value.

The actual fair value of the net assets of Kingwest acquired by Brightstar will ultimately be determined after implementation of the Schemes.

- (b) Transaction costs

Accrual of \$850,000 for the estimated transaction costs relating to the Schemes. As the basis of the pro forma historical financial information is an asset acquisition, these costs have been added to the estimated Scheme Consideration to determine the total cost of the acquisition.

- (c) Gain on a bargain purchase

The amount that the fair value of the Kingwest pre-acquisition equity exceeds the total consideration and costs will be recognised as a gain on a bargain purchase in profit or loss on the acquisition date.

- (d) Elimination of Kingwest pre-acquisition equity on consolidation

This consolidation adjustment eliminates Kingwest's pre-acquisition equity, reserves and accumulated losses at 31 December 2022.

- (e) Subsequent to 31 December 2022 - Brightstar capital raising

On 11 January 2023, Brightstar completed a share placement raising gross proceeds of \$1,600,000 (before costs) at an issue price of \$0.016 per share. 96,500,000 fully paid ordinary shares were issued to sophisticated investors. The remaining 3,500,000 shares were issued to Brightstar's officeholders.

- (f) Transactions not included in the pro forma adjustments

Since the date of the pro forma consolidated statement of financial position, both Brightstar and Kingwest have incurred costs in relation to this transaction and continued to invest in exploration and corporate overheads. These activities will impact the future pro forma consolidated financial position.

Brightstar and Kingwest have given careful consideration to whether forecast financial statements (including any internally created valuation models) can and should be included in the Scheme Booklet in respect of the Combined Group. In particular, Brightstar and Kingwest have considered whether there is a reasonable basis for the preparation and disclosure in the Scheme Booklet of reliable and useful forecast financial statements in this regard. Brightstar and Kingwest have concluded that forecast financial statements for the Combined Group cannot be provided in the Scheme Booklet as they do not have a reasonable basis for such forecasts as required by applicable law and practice, and therefore the forecasts would not be meaningful or material to Kingwest Securityholders.

Kingwest Securityholders should refer to the Independent Expert's Report set out in Annexure A for the expert's conclusions regarding valuations of Brightstar and Kingwest.

Following completion of the Merger, the Combined Group Board will determine the optimal financing for, and amounts to be made available for, the activities of the Combined Group. The Combined Group Board will consider the best way forward for ensuring that adequate capital is available to maintain appropriate levels of exploration and production.

8.9 Risks associated with the Combined Group

There are a number of risks associated with the Combined Group. These are summarised in Section 10.

8.10 Combined Group's register of securityholders

In accordance with Australian law, Brightstar's register of shareholders and optionholders will be maintained in Australia by its Australian registry, being:

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000

9. Intentions of Brightstar and the Combined Group

9.1 Overview

This Section sets out the intentions in relation to Brightstar and the Combined Group, assuming the Schemes are implemented. The statements set out in this Section are formed on the basis of publicly available information as at the date of this Scheme Booklet as well as information made available in the course of due diligence carried out by Kingwest on the business of Brightstar.

The statements set out in this Section are statements of current intention only, which may change as new information becomes available, as circumstances change or as the Combined Group further develops its strategic focus and outlook.

9.2 Conduct of business

If the Schemes are implemented and subject to the matters set out below, it is intended that the business of Kingwest will be integrated into Brightstar's existing business and will be continued substantially in the same manner as it is presently being conducted.

The Combined Group will continue to review all aspects of the assets and operations to identify ways to maximise value for all shareholders. The key projects of the Combined Group are described in Sections 8.1 and 8.2.

The Merger will allow the two companies to potentially realise advantages and benefits from the combination of their Western Australian gold projects.

The potential advantages and benefits primarily relate to the opportunity to diversify future potential production opportunities at the Brightstar Plant via the potential to source material from a number of Menzies deposits (subject to mining studies and approvals) for processing at the Brightstar Plant, thereby creating operating flexibility and potentially reducing risk of a single source development and operation. The Merger will also serve to reduce infrastructure capital investment required to develop the Menzies deposits. The Combined Group will undertake further exploration and study, so as to build up the feasibility of Kingwest's deposits as the basis of a second potential mining centre in addition to the Laverton Gold Projects.

The Combined Group will have the opportunity to enhance the production profile (subject to mining studies and necessary approvals), given the presence of high-grade shallow oxide mineralisation and high-grade underground opportunities at Menzies. In addition, there is potential:

- (a) to increase life of mine material processed at the Brightstar Plant via the possible addition of material from the Menzies Gold Project, subject to completion of studies and approvals and to realise the full potential of the Combined Group's Mineral Resource base of 20.7Mt @ 1.5g/t for 0.96Moz¹⁶;
- (b) to optimise the Menzies Gold Project's grade profile, highlighted by the recent high-grade Mineral Resource at the Stirling and Pericles Deposits, being 267,000t @ 5.2g/t for 45,000oz Au within 100m of surface (announced 13 December 2022); and
- (c) to significantly reduce both infrastructure capital costs thereby increasing the likelihood of development of all projects.

¹⁶ Combination of JORC 2012 Mineral Resources Estimates for Brightstar (see Section 7.2) and Kingwest (see Section 6.2), which reflect the companies' latest reported JORC 2012 Measured + Indicated + Inferred Mineral Resource Estimates.

Brightstar's immediate focus following implementation of the Schemes will be on the near-term development of the high-grade, shallow oxide mineralisation within the Menzies Gold Project such as the Stirling and Pericles deposits. In particular, Brightstar's intentions include:

(a) **Stirling deposit**

- (i) depth extensional drilling with a view to increasing the resource and upgrading the resource classification; and
- (ii) advancing mining optimisation studies.

(b) **Pericles deposit**

- (i) depth extensional drilling with a view to increasing the resource and upgrading the resource classification; and
- (ii) advancing mining optimisation studies.

(c) **Yunndaga deposit**

- (i) depth extensional and infill drilling with a view to increasing and upgrading the resource classification by focusing on the areas with potential for high-grades; and
- (ii) advancing mining optimisation studies.

Amongst the other deposits within the Menzies Gold Project, Brightstar's intention is to undertake a thorough review and prioritise the deposits for integration into the potential pipeline of the Combined Group and undertake further resource definition drilling.

This near-term development strategy is intended to occur over a 24 month timeline following implementation of the Schemes. Brightstar cautions that the anticipated timeline for development remains subject to the usual risks applicable to exploration and development activities. Refer to Section 10 for a summary of the key risks applicable to an investment in the Combined Group, including exploration and development risks.

The potential increase in scale of the Combined Group's operations in the Leonora-Laverton District, and the opportunity to pursue a near-term development strategy, may support further value unlocking opportunities in the region for the Combined Group. These opportunities may include the ability for the Combined Group to approach future regional consolidation opportunities from an improved market positioning that leverages the Combined Group's infrastructure and increased scale advantage in the region.

In relation to Kingwest's GGP there are no plans to resume exploration activities and Kingwest's current process to determine any potential third-party interest in the GGP in order to support future exploration and/or realise value for shareholders will continue. As stated in section 6.2, this process involving third party discussions commenced in the March quarter this year and any outcome remains highly uncertain.

Given the anticipated capital investment required to advance Kingwest's projects, Brightstar's present intention is to fund the near-term development strategy from its existing funds and potential future capital raising initiatives. Investors are cautioned however that as with any statement of intention, intervening events and new circumstances have the potential to affect this position and the Brightstar Board reserves the right to adjust its plans to respond to such events and circumstances.

9.3 Directors, management and employees of the Combined Group

Following the implementation of the Schemes, Brightstar will be led by newly appointed Managing Director, Alex Rovira. The balance of the Brightstar board shall comprise existing Brightstar directors, Tony Lau and Joshua Hunt, together with existing Kingwest directors Gregory Bittar (proposed Non-Executive Chairman of the Combined Group) and Jonathan Downes. Existing Kingwest Director, Ashok Parekh, proposes to resign on implementation of the Schemes.

It is the present intention of Brightstar to continue with the employment of the majority, if not all, of Kingwest's existing employees.

9.4 Corporate matters in relation to Kingwest

Following implementation of the Schemes, it is intended that:

- (a) Kingwest be removed from the official list of ASX; and
- (b) as Kingwest will be a wholly owned subsidiary of Brightstar, the Kingwest Board will be reconstituted so that it comprises persons nominated by the Brightstar Board.

9.5 Business, assets and employees

Other than as set out in this Section 9 and elsewhere in this Scheme Booklet, it is the present intention of Brightstar:

- (a) to continue the business of Kingwest;
- (b) not to make any major changes to the business of Kingwest;
- (c) to continue existing study and development projects of Kingwest; and
- (d) to maintain the employment of the majority of Kingwest's existing employees.

9.6 Dividend policy

The Combined Group Board will review the amount of any future dividends to be paid to shareholders having regard to the Combined Group's profits, its financial position and the Board's assessment of the capital required to grow the Combined Group's business.

10. Potential risk factors

10.1 Overview

Under the Schemes, Scheme Participants (other than Ineligible Foreign Shareholders) will acquire New Brightstar Shares and/or New Brightstar Options and consequently there will be a change to their overall investment risk profile. This Section outlines a number of the risks that may affect the performance of the Combined Group and the value of its securities. These risks include:

- (a) risks relating to the Combined Group;
- (b) risks to Kingwest Securityholders if the Schemes do not proceed;
- (c) general risks that are common to the existing Kingwest and Brightstar businesses; and
- (d) risks affecting the general economy and stock market.

The outline of risks in this Section 10 is a summary only and should not be considered exhaustive. No assurances or guarantees are given in relation to the future performance of, profitability of, or payment of dividends by Kingwest, Brightstar or the Combined Group.

10.2 Specific risks of the Combined Group

The following risks have been identified as being key risks specific to an investment in the Combined Group. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

Mining Risk and Mineral Resource Estimates

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. This is particularly so where new technologies are employed. Each orebody is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted.

The Mineral Resource estimates contained in this Scheme Booklet are estimates only and no assurance can be given that any particular level of recovery of gold or other minerals will in fact be realised or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited.

Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation of samples from drilling, which even at close drill hole spacing, represent a very small sample of the entire orebody. Mineral Resource estimates are therefore expressions of judgement based on knowledge, experience and industry practice. Though the estimates may be accurate global approximations of gold content, localised grade variability may exist, which could result in short term deviations from production expectations.

By their very nature, Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Reported estimates, which were valid when originally estimated, may alter significantly when new information or techniques become available. As the Combined Group obtains new information through additional drilling and analysis, Mineral Resource estimates are likely to change. This may result in alterations to the Combined Group's exploration, development and production plans which may, in turn, positively or negatively affect the Combined Group's operations and financial position.

Operational Risk

The Combined Group's exploration and development activities will be subject to numerous operational risks, many of which are beyond the Combined Group's control. The Combined Group's operations may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages in or increases in the costs of consumables, spare parts, plant and equipment, external services failure (such including energy and water supply), industrial disputes and action, difficulties in commissioning and operating plant and equipment, IT system failures, mechanical failure or plant breakdown, and compliance with governmental requirements.

Hazards incidental to the mining, exploration and development of mineral properties such as unusual or unexpected geological formations may be encountered by the Combined Group. Industrial and environmental accidents could lead to substantial claims against the Combined Group for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, clean up responsibilities, penalties and the suspension of operations.

The Combined Group will endeavour to take appropriate action to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on the Combined Group's performance and the value of its assets.

Future capital requirements

The Combined Group will require further financing to continue its exploration and development activities. Any additional equity financing that the Combined Group may undertake in the future may dilute existing shareholdings. Debt financing, if available, may involve restrictions on financing and operation activities.

There can be no assurance that the Combined Group will be able to obtain additional financing when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to the Combined Group. This may have an adverse effect on the Combined Group's financial position and prospects.

Further, as noted in section 16.6 of the Independent Expert's Report, Como Engineers produced a report in 2021 that showed an estimated capital cost of \$5.5 million to refurbish Brightstar's Laverton Processing Plant at the time. Therefore, whilst the implementation of the Schemes may provide Shareholders with exposure to the Laverton Processing Plant, it may require a significant and uncertain amount to be spent to bring it back into service. The Laverton Processing Plant has been on care and maintenance since 2014.

COVID-19 and associated market risk

The global economic outlook continues to face uncertainty due to COVID-19, which has been having, and is likely to continue to have, an impact on global capital markets, supply chains, staffing and foreign exchange rates.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may adversely impact the Combined Group's operations, financial position and prospects.

10.3 Risks to Kingwest Securityholders if the Schemes do not proceed

Kingwest Securityholders should be aware that if the Schemes do not proceed, Kingwest Securityholders will retain their Kingwest Securities and will not receive any form of Scheme Consideration. Kingwest Securityholders may, in addition to the normal risks it faces, be exposed to the additional risks as described in Section 3.

If the Merger does not proceed, and no Superior Proposal for Kingwest is received, the Kingwest Directors will consider a number of alternative strategies for the operation and ownership of Kingwest's assets, as well as other growth initiatives. These alternatives would take time to implement.

If the Merger does not proceed, Kingwest will continue to operate its current businesses as a stand-alone entity. Kingwest will still incur a relative proportion of the transaction and other costs of the Merger. In those circumstances, it is likely that Kingwest's management would seek to continue to progress activities on the Kingwest's projects and continue to maximise value for Kingwest Securityholders. Kingwest Shares may trade below their current market price (or the value attributed by the Independent Expert) if the Merger is not implemented. This may occur if, for example, investors consider that Kingwest's growth prospects are lower in the absence of the Merger.

10.4 General risks common to an investment in Kingwest, Brightstar and the Combined Group

The operating and financial performance of Kingwest, Brightstar and the Combined Group is (or will be) influenced by the general business and economic variables that impact upon all entities listed on a stock exchange including changes in business and economic factors, such as interest rates, exchange rates, inflation, changes in national demographics, changes in governmental policy and changes to accounting or reporting standards.

The price at which Kingwest Shares and Brightstar Shares will trade on ASX can be affected by a range of external factors over which neither Kingwest, nor Brightstar, have any control. Key risks are discussed below.

Exploration and development

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. The Combined Group's exploration activities would be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

There can be no assurance that any exploration or development activity in regard to the Combined Group's properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

The success of the Combined Group depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of mineral commodities, securing and maintaining title to the Combined Group's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Even if an apparently viable resource is identified, there is no certainty that it can be economically exploited.

Mineral exploration, development and mining/extraction may be hampered by circumstances beyond the control of the Combined Group.

Operational and technical risks

The operations of the Combined Group may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades and/or resources in exploration and mining, operational and technical difficulties encountered in mining and extraction, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect

extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Mine development

Possible future development of a mining operation at any of the Combined Group's projects would be dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Combined Group commenced production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Combined Group would achieve commercial viability through the development or mining of its projects and treatment of ore.

Commodity price fluctuations

In the event of exploration and development success, any future revenue derived through any future sales of valuable minerals exposes the potential income of the Combined Group to commodity price risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Combined Group. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

Environmental risks

The operations and activities of the Combined Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Combined Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, if there are environmental rehabilitation conditions attaching to the mining tenements of the Combined Group, failure to meet such conditions could lead to forfeiture of these tenements.

Tenure risks

The Combined Group cannot guarantee additional applications for tenements made by the Combined Group will ultimately be granted, in whole or in part. Further the Combined Group cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all.

Native title and Aboriginal Heritage risks

It is possible that there may be areas over which legitimate common law native title rights of Aboriginal Australians exist in relation to the tenements that the Combined Group has, or may acquire, an interest in. Where native title exists, the ability of the Combined Group to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

It is possible that there will exist on the Combined Group's Australian mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the relevant legislation, or areas subject to the *Native Title Act 1993* (Cth) in Australia. The existence of Aboriginal heritage and cultural sites within the tenements may lead to restrictions on the areas that the Combined Group will be able to explore and mine.

Joint venture partners and contractors

The Combined Group would rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. The Combined Group would also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed and the Combined Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

Royalty risk

Although Brightstar has attempted to identify all royalties applicable to its tenements, there is a risk that other royalties may exist or be alleged to exist over any one or more of Brightstar's tenements, or an area thereof, for which Brightstar is or becomes liable to pay in the future. Brightstar cautions Kingwest Securityholders that the identification of additional royalties may have an impact on the economics of progressing any proposed mining operations, as well as the financial performance of Brightstar. Moreover, the terms of any such royalties could have a material adverse effect on the business, results, operations and financial performance of Brightstar.

Key personnel

Kingwest and Brightstar are reliant on a number of key senior management staff. Loss of such personnel may have an adverse impact on performance. However, this risk is mitigated by the fact that the gold sector is international in nature and has a significant depth of suitably qualified alternative personnel. Notwithstanding this, there may be periods of time where a particular position remains vacant while a suitable replacement is identified and appointed.

Litigation risks

The Combined Group is exposed to possible litigation risks including contractual disputes and employee claims. Further, the Combined Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven may impact adversely on the Combined Group's operations, financial performance and financial position.

As at the date of this Scheme Booklet, neither Kingwest nor Brightstar are aware of any current, impending or threatened litigation that may have a material impact on the Combined Group.

Equity market conditions

Securities listed on the stock market, and in particular securities of gold producing companies, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of

companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

Changes in government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Combined Group, and consequent returns to investors. The activities of the Combined Group will be subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

Regulatory risks

The Combined Group's research and development activities would be subject to extensive laws and regulations relating to numerous matters including taxation, employee relations, health and worker safety, waste disposal, protection of the environment and other matters. The Combined Group would require permits from regulatory authorities to authorise the Combined Group's operations.

Obtaining necessary permits can be a time consuming process and there is a risk that Combined Group would not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Combined Group from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Combined Group's activities or forfeiture of one or more of its tenements.

Going Concern

Brightstar's auditor included an emphasis of matter relating to a material uncertainty for Brightstar to continue as a going concern, in its audit reports for the years ended 30 June 2021 and 30 June 2022, and in its review report for the half year ended 31 December 2022.

On 11 January 2023, Brightstar completed a share placement raising gross proceeds of \$1,600,000 (before costs) at an issue price of \$0.016 per share. 96,500,000 fully paid ordinary shares were issued to sophisticated investors. The remaining 3,500,000 shares were issued to Brightstar's officeholders.

Further, as noted in the pro-forma statement of financial position at Section 8.8, upon implementation of the Schemes, the Combined Group is expected to have approximately \$4.082 million in cash and cash equivalents.

With respect to the Combined Group's ongoing capital requirements, please refer to the risk factor titled "Future capital requirements" in Section 10.2 above. In the event the Combined Group is unable to raise additional working capital to meet the Combined Group's ongoing operational and exploration commitments as and when required, this may have an adverse effect on the Combined Group's financial position and prospects and cast doubt over the ability of the Combined Group to continue as a going concern.

Climate Change

There are a number of climate-related factors that may affect the operations and proposed activities of the Combined Group. The climate change risks particularly attributable to the Combined Group include:

- (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation.

The Combined Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Combined Group and its business viability. While the Combined Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Combined Group will not be impacted by these occurrences; and

- (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Combined Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Combined Group operates.

Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Combined Group.

10.5 Scheme and Merger implementation specific risks

The following risks have been identified as being key risks specific to an investment in the Combined Group. These risks have the potential to have a significant adverse impact on the Combined Group and may affect the Combined Group's financial position, prospects and price of its listed securities.

Integration risk

The long term success of the Combined Group will depend, amongst other things, on the success of management in integrating the respective businesses and the strength of management of the Combined Group. There is no guarantee that the businesses of the Combined Group will be able to be integrated successfully within a reasonable period of time. There are risks that any integration of the businesses of Kingwest and Brightstar may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

Any failure by the Combined Group to ensure implementation costs remain below those anticipated may have a material adverse effect on the financial performance and position, and prospects, of the Combined Group.

Change in risk profile and risks of investment in the Combined Group

If the Merger is implemented, there will be a change in the risk profile to which Kingwest Securityholders are exposed. Kingwest Securityholders are currently exposed to various risks as a result of their investment in Kingwest. If the Schemes are approved, Kingwest will become a wholly owned subsidiary of Brightstar and Kingwest Securityholders will receive New Brightstar Shares.

As a consequence, Kingwest Securityholders will be exposed to risk factors relating to Brightstar, and to certain additional risks relating to the Combined Group and the integration of the two companies. In many cases, those risks are different from or additional to those

currently faced by Kingwest Securityholders. The change in risk profile may be seen to be a disadvantage by some Kingwest Securityholders.

Satisfaction or waiver of conditions precedent

Completion of the Schemes are subject to a number of conditions precedent. There can be no certainty, nor can Kingwest provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. In addition, there are a number of conditions precedent to the Scheme which are outside the control of Kingwest, including, but not limited to, approval of the Scheme by the Requisite Majority of Kingwest Securityholders and required regulatory and third party approvals and consents (refer to Section 12.2).

If for any reason the conditions to the Scheme are not satisfied or waived (where applicable) and the Schemes are not completed, the market price of Kingwest Shares may be adversely affected.

Termination rights

Kingwest and Brightstar each have the right to terminate the Scheme Implementation Deed in the circumstances described in Section 13.6 of this Scheme Booklet. As such, there is no certainty that the Scheme Implementation Deed will not be terminated before the Schemes are implemented.

If the Scheme Implementation Deed is terminated, Kingwest can provide no assurances that another party would be willing to offer the same or greater price for Kingwest Shares than that which is offered under the Scheme Implementation Deed and the Schemes.

Issue of New Brightstar Shares

If the Schemes are implemented, a significant number of New Brightstar Shares will be available for trading in the public market. The increase in the number of Brightstar Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market price of Brightstar Shares.

The exact value of the Scheme Consideration is not certain

Under the terms of Schemes, Kingwest Shareholders will receive one New Brightstar Share for every 0.38 Kingwest Shares they hold and Kingwest Optionholders will receive one New Brightstar Option for every 0.38 Kingwest Options they hold an at the Record Date. The exact value of this Scheme Consideration that would be realised by individual Kingwest Securityholders will be dependent on the price at which the New Brightstar Shares trade on ASX after the Implementation Date.

In addition, the Sale Agent (and/or a nominee of the Sale Agent) will be issued New Brightstar Shares attributable to certain Ineligible Foreign Shareholders and will sell them on market as soon as reasonably practicable after the Implementation Date. It is possible that such sales may exert downward pressure on the Combined Group's share price during the applicable period. In any event, there is no guarantee regarding the prices that will be realised by the Sale Agent or the future market price of the New Brightstar Shares. Future market prices may be either above or below current or historical market prices.

Risks of trading during deferred settlement trading period

Scheme Participants will not necessarily know the exact number of New Brightstar Shares (due to rounding) that they will receive (if any) as Scheme Consideration until a number of days after those shares can be traded on the ASX on a deferred settlement basis. Kingwest Securityholders who trade New Brightstar Shares on a deferred settlement basis, without knowing the number of New Brightstar Shares they will receive as Scheme Consideration

may risk adverse financial consequences if they purport to sell more New Brightstar Shares than they receive.

Transaction and other costs

Transaction and other costs incurred (or which are expected to be incurred) in relation to the successful implementation of the Merger are currently estimated at approximately \$335,000 (exclusive of GST) (see Section 14.23 for further details), comprising adviser, legal, accounting, expert fees, planned redundancy costs and various other costs.

Contract risk

The Share Scheme may be deemed under contracts to which Kingwest or Brightstar or their Subsidiaries are a party, to result in a change of share ownership event in respect of Kingwest or Brightstar that allows the counterparty to review or terminate the contract as a result of the change or the issue of shares by Brightstar, upon implementation of the Schemes. If the counterparty to any such contract were to validly seek to renegotiate or terminate the contract on that basis, this may have a material adverse effect on the financial performance of the Combined Group, depending on the relevant contracts.

Accounting risk

In accounting for the Merger, the Combined Group will need to perform a fair value assessment of all Kingwest's assets, liabilities and contingent liabilities. The Combined Group will also be subject to the usual business risk that there may be changes in accounting policies which have an adverse impact on the Combined Group.

A Superior Proposal for Kingwest may yet emerge

It is possible that a Superior Proposal for Kingwest, which is more attractive for Kingwest Securityholders than the Merger, may materialise in the future. The implementation of the Merger would mean that Kingwest Securityholders would not obtain the benefit of any such proposal.

The Kingwest Board is not currently aware of any such proposal and notes that since Kingwest and Brightstar announced the Merger, there has been a significant period of time and ample opportunity for an alternative proposal for Kingwest which provides a different outcome for Kingwest Securityholders to emerge.

Since the Announcement Date, no alternative proposal has emerged and the Kingwest Directors have decided that the Merger is the best option available at the date of this Scheme Booklet. In addition, shareholders in the Combined Group will still have an opportunity to realise a full premium in the event of any future change of control transaction for the Combined Group.

Tax consequences for Scheme Participants

If the Merger proceeds, there may be tax consequences for Scheme Participants which may include tax payable on any gain on the disposal of Scheme Shares. However, Scheme Participants should seek their own professional advice regarding the individual tax consequences applicable to them. Refer to Section 11 for a summary of potential taxation implications.

Rights, obligations and break fee under Scheme Implementation Deed

Under the Scheme Implementation Deed entered into between Kingwest and Brightstar, a liquidated amount (or break fee) of \$125,000 may become payable by one party to the other in certain circumstances (refer to Section 13.5 for further details). The Scheme

Implementation Deed also sets out various other rights and obligations of Kingwest and Brightstar in relation to the Merger.

Other risks

Additional risks and uncertainties not currently known to Kingwest or Brightstar may also have a material adverse effect on Kingwest or Brightstar's business and that of the Combined Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks of Kingwest, Brightstar or the Combined Group.

11. Australian tax implications

The following section addresses the income tax consequences of the proposed Scheme to Kingwest Securityholders and has been prepared by RSM Australia Pty Ltd.

INCOME TAX

11.1 Introduction

The following is a general summary of the Australian income tax consequences of the proposed Scheme for a Kingwest Securityholder.

This tax summary is based on Australian tax law and relevant regulations, rulings or judicial or administrative interpretations of such tax laws as at the date of this Scheme Booklet. It is general in nature and is not intended to be an authoritative or complete statement of the tax laws applicable to the personal circumstances of any Kingwest Securityholder. It does not constitute tax advice and should not be relied upon in any way. Kingwest Securityholders are advised to seek their own independent professional tax advice in relation to their own particular circumstances.

The comments set out below are relevant only to those Kingwest Securityholders who hold their Kingwest Shares or Options on capital account as Capital Gains Tax (**CGT**) assets and does not address the Australian income tax consequences for Kingwest Securityholders who:

- (a) acquired their Kingwest Shares or Options before 20 September 1985;
- (b) hold their Kingwest Shares or Options as revenue assets, for example with a profit-making intention (e.g. speculative shares) or as trading stock in a share trading business;
- (c) hold their Kingwest Shares or Options pursuant to an employee share, option or rights plan of Kingwest;
- (d) have a functional currency for Australian tax purposes other than an Australian functional currency or are subject to the taxation of financial arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (**ITAA 1997**) in relation to gains and losses on their Kingwest Shares or Options;
- (e) may be subject to special tax rules, such as partnerships, tax exempt organisations, insurance companies or dealers in securities; or
- (f) are temporary residents of Australia or who have changed their tax residency while holding their Kingwest Shares or Options or are non-residents of Australia who hold their Kingwest Shares or Options in carrying on a business at or through a permanent establishment in Australia.

Kingwest Securityholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Scheme under the laws of their country of residence, as well as under Australian law. These comments below relate to Australian income tax law only.

11.2 Australian Tax Resident Scheme Participants

If the Schemes are implemented, Brightstar will acquire all the Kingwest Shares from Kingwest Shareholders and the Kingwest Options held by Kingwest Optionholders will be cancelled. Kingwest Securityholders will receive the Scheme Consideration at the

Transaction Ratio of one New Brightstar Share for every 0.38 Kingwest Shares or one New Brightstar Option for every 0.38 Kingwest Options on the Implementation Date.

(a) **Calculation of Capital Gain or Loss**

As discussed in more detail below, the disposal of Kingwest Shares or Options under the Schemes will give rise to a CGT event A1 or CGT event C2 (as appropriate) for Kingwest Securityholders when the scheme contract is entered into. Kingwest Securityholders will either:

- (i) make a capital gain if the Scheme Consideration (i.e. market value of New Brightstar Shares or Options) provided to Kingwest Securityholders on the exchange of their Kingwest Shares or Options is greater than the cost base of their Kingwest Shares or Options; or
- (ii) make a capital loss if the Scheme Consideration (i.e. market value of New Brightstar Shares or Options) provided to Kingwest Securityholders on the exchange of their Kingwest Shares or Options is less than the reduced cost base of their Kingwest Shares or Options.

(b) **Cost Base of Kingwest Shares or Options**

The calculation of cost base and reduced cost base will be different for each Kingwest Securityholder depending upon their individual circumstances. The calculation of cost base will generally include the amount paid, and the market value of any property given, to acquire the Kingwest Shares or Options, plus certain incidental costs of acquisition and disposal (e.g. brokerage fees and stamp duty) that are not otherwise deductible to the Kingwest Securityholder. It also includes cost of owning the Shares or Options (e.g. interest on money borrowed to acquire the shares or option) the extent that such costs are not otherwise deductible to the Kingwest Securityholder. The reduced cost base of the Kingwest Shares or Options of a Kingwest Securityholder will be similarly determined, excluding costs of owning the Shares or Options.

(c) **Capital Proceeds**

The capital proceeds for the disposal of the Kingwest Shares or Options of a Kingwest Securityholder will be the Scheme Consideration. The amount of the capital proceeds should be the market value of the New Brightstar Shares or Options received by a Kingwest Securityholder under the Scheme on the Implementation Date.

(d) **CGT Discount**

Individuals, complying superannuation entities or trustees that have held their Kingwest Shares or Options for at least 12 months before the Implementation Date may be entitled to benefit from the CGT discount to reduce the amount of any capital gain (after application of capital losses) from the disposal of their Kingwest Shares or Options by:

- (i) 50% in the case of individuals and trusts (for trustees, the ultimate availability of the discount for the beneficiaries of a trust will depend on the particular circumstances of the beneficiaries); or
- (ii) 33.33% for complying superannuation entities.

The CGT discount will not be available to a Kingwest Securityholder that is a company.

11.3 Availability of Scrip for Scrip Roll-Over Relief

A Kingwest Securityholder who disposes of their Kingwest Shares or Options in exchange for New Brightstar Shares or Options respectively, and who would otherwise make a capital gain in respect of the disposal of their Kingwest Shares or Options, may be able to obtain CGT scrip for scrip roll-over relief under subdivision 124-M of the ITAA 1997.

CGT scrip for scrip roll-over relief under subdivision 124-M of the ITAA 1997 should generally be available where the following relevant requirements are satisfied:

- (a) a Kingwest Securityholder exchanges a share or option (original interest) in a company (target) for a share or option (replacement interest) in another company;
- (b) the exchange is in consequence of a single arrangement;
- (c) the arrangement must result in:
 - (i) a company (acquiring entity) that is not a member of a wholly-owned group becoming the owner of 80% or more of the voting rights in the original entity; or
 - (ii) a company (also an acquiring entity) that is a member of such a group increasing the percentage of voting rights that it owns in the original entity, and that company or members of the group becoming the owner of 80% or more of those rights;
- (d) the arrangement must allow for the participation of all owners of voting interests in the original entity and on substantially the same terms;
- (e) the arrangement must be part of or include either a takeover bid or arrangement under the Corporations Act 2001;
- (f) the replacement interest must be shares or options in the acquiring entity if it is not a member of a wholly-owned group or shares or options in the ultimate holding company of a wholly-owned group;
- (g) the original interest holder must choose to obtain roll-over relief;
- (h) Where the exchanging entities do not deal with each other at arm's length and neither is widely held, or where the original interest holder, original entity and replacement entity were all members of the same "linked group" just before the arrangement, the replacement interest must confer the same rights and obligations as the original interest and the market value of the original interest holder's capital proceeds for the exchange is at least substantially the same as the market value of its original interest; and
- (i) Where a foreign resident is an original interest holder, roll-over relief is only available if, just after the replacement interest is acquired, the replacement interest is taxable Australian property as defined in Division 855 of the ITAA 1997.

Other requirements for roll-over relief may apply if neither the exchanging nor acquiring entity have 300 shareholders just before the arrangement started. Please note, a concentration test can apply to treat the exchanging or acquiring entity as if it did not have at least 300 shareholders if, broadly, up to 20 individuals (together with their associates, as defined in section 318 of the ITAA 1936) own between them, directly or indirectly, at least 75% of the relevant company's voting, dividend or capital rights.

(a) Choosing Scrip for Scrip Roll-Over Relief

Kingwest Securityholders who make a capital gain on disposal of their Kingwest Shares or Options under the Scheme may choose to apply scrip for scrip roll-over relief. If scrip for scrip roll-over relief is available and chosen by a Kingwest Securityholder, the capital gain that would otherwise arise will be disregarded. Further, Brightstar will not make a choice under section 124-795(4) of the ITAA 1997 to deny scrip for scrip roll-over relief.

A Kingwest Securityholder will evidence their choice of having chosen scrip for scrip roll-over relief by the way they prepare their income tax return (i.e. by excluding the disregarded capital gain from assessable income) for the income year in which the Implementation Date occurs. There is no need to lodge a separate notice with the ATO.

(b) Implications of Choosing Scrip for Scrip Roll-Over Relief

Where a Kingwest Securityholder has chosen scrip for scrip roll-over relief:

- (i) a capital gain that the Kingwest Securityholder makes from the disposal of their Kingwest Shares or Options under the Schemes should be disregarded and deferred until a subsequent taxable event occurs in respect of their New Brightstar Shares or Options;
- (ii) the first element of the cost base of the New Brightstar Shares or Options received as Scheme Consideration by the Kingwest Securityholder should be equal to the cost base of their original Kingwest Shares or Options; and
- (iii) the New Brightstar Shares or Options will be taken to be acquired at the time their Kingwest Shares or Options were originally acquired, for the purpose of any subsequent disposal of the New Brightstar Shares or Options and the application of the CGT discount.

The benefit of choosing scrip for scrip roll-over relief will depend upon the individual circumstances of each Kingwest Securityholder who should obtain independent tax advice confirming the availability of CGT scrip for scrip roll-over relief.

11.4 Not Choosing Scrip for Scrip Roll-Over or Relief Not Available

CGT scrip for scrip roll-over relief is not available if:

- (a) a Kingwest Securityholder would otherwise realise a capital loss on the disposal of their Kingwest Shares or Options;
- (b) any capital gain a Kingwest Securityholder makes would be disregarded (except because of a roll-over);
- (c) another rollover could have been chosen (such as a roll-over for disposal of assets to a wholly owned company or a business restructure roll-over); or
- (d) Brightstar makes a choice for no roll-over to apply under subsection 124-795(4) of the ITAA 1997 and the Kingwest Securityholder is notified of that choice in writing by Kingwest or Brightstar before the exchange.

Where scrip for scrip roll-over relief is not available or not chosen in relation to a Kingwest Securityholder's disposal of Kingwest Shares or Options under the Scheme:

- (a) the capital gain or capital loss from the disposal of the Kingwest Securityholder's Kingwest Shares or Options will be taken into account in calculating the Kingwest

Securityholder's net capital gain for the income year in which the Implementation Date occurs; and

- (b) the first element of the cost base of each New Brightstar Shares or Options (i.e. the Scheme Consideration) received should be an amount equal to the market value of the Kingwest Shares or Options given in respect of acquiring the New Brightstar Shares or Options, determined on the Implementation Date.

The acquisition date of the New Brightstar Shares or Options will be the Implementation Date. This date will be relevant for any future application of the CGT discount with respect to CGT events occurring in respect of the New Brightstar Shares or Options.

11.5 Non-Resident Scheme Participants

For a Kingwest Securityholder that is a foreign tax resident, or the trustee of a foreign tax resident trust for CGT purposes and has not used their Kingwest Shares or Options at any time in carrying on a business at or through a permanent establishment in Australia, the disposal of their Kingwest Shares or Options will generally only be subject to CGT if their Kingwest Shares or Options are characterised as indirect Australian real property interests.

Kingwest Shares or Options may be treated as indirect Australian real property interests if both of the following requirements are satisfied:

- (a) the Kingwest Securityholder, together with its associates (as defined in section 318 of the ITAA 1936), held a combined interest of 10% or more in Kingwest at the time of disposal or for a 12-month period within two years preceding the disposal; and
- (b) more than 50% of the value of Kingwest's assets is attributed to direct or indirect interests in Australian real property, which is defined to include Australian mining and exploration leases and licences.

Where both the above requirements are satisfied, non-resident Kingwest Securityholders may be subject to CGT on the disposal of their Kingwest Shares or Options and be required to report the CGT outcome in an Australian income tax return. CGT scrip for scrip roll-over relief may be available for non-residents if their New Brightstar Shares or Options are "taxable Australian property" as defined within Division 855 of the ITAA 1997.

Non-resident Securityholders will generally not be entitled to access the 50% CGT discount on capital gains made where such shares were acquired after 8 May 2012.

Kingwest Securityholders who are non-residents for Australian tax purposes should seek their own independent tax advice as to the tax implications of the Schemes, including in their country of residence.

OTHER TAXES

11.6 Duty

Kingwest Securityholders should not be liable for duty in relation to the disposal of their Kingwest Shares to Brightstar or cancellation of their Kingwest Options under the Schemes.

11.7 Goods and Services Tax

Kingwest Securityholders should not be liable for Goods and Services Tax (**GST**) in respect of a disposal of their Kingwest Shares to Brightstar or cancellation of their Kingwest Options under the Schemes.

Kingwest Securityholders may be charged GST on costs that relate to the Schemes such as adviser fees relating to their participation in the Schemes. Kingwest Securityholders may be

entitled to input tax credits for such costs but should seek independent professional tax advice in relation to their individual circumstances.

12. Implementing the Scheme

This Section provides an overview of the Scheme Conditions, the Scheme Meeting, and other steps required to implement the Schemes.

12.1 Actions already undertaken by Kingwest and Brightstar

Kingwest and Brightstar entered into the Scheme Implementation Deed on 23 December 2022 in which they agreed (among other things) their respective obligations in implementing the Schemes. The key terms of the Scheme Implementation Deed not otherwise addressed in this Section, are summarised in Section 13. A full copy of the Scheme Implementation Deed was released on ASX on 23 December 2022 and is available on Kingwest's website (www.kingwestresources.com.au). Since signing the Scheme Implementation Deed, Kingwest and Brightstar have undertaken the following activities to progress the implementation of the Schemes.

(a) Appointment of Independent Expert

Kingwest commissioned the Independent Expert, BDO Corporate Finance (WA) Pty Ltd, to prepare a report on whether the Schemes are in the best interest of Kingwest Securityholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and therefore in the best interests of Kingwest Securityholders.

The Independent Expert's Report is set out in Annexure A of this Scheme Booklet.

(b) Execution of Deed Polls by Brightstar

On 31 March 2023, Brightstar executed the Share Scheme Deed Poll in favour of each Kingwest Shareholder and Option Scheme Deed Poll in favour of each Kingwest Optionholder, pursuant to which Brightstar covenants to perform its obligations under the Scheme Implementation Deed and the Schemes. The key obligation of Brightstar under the Schemes is to issue the Scheme Consideration to each Scheme Participant, subject to satisfaction of the Scheme Conditions.

The Deed Polls may be relied upon by a Kingwest Securityholder, despite the fact that they are not a party to it, and each Kingwest Securityholder appoints Kingwest as its agent to enforce their rights under the respective Deed Polls against Brightstar.

The Deed Polls are governed by the laws of Western Australia.

A copy of the Deed Polls are set out in full at Annexures D and E of this Scheme Booklet.

(c) Lodgement of draft Scheme Booklet with ASIC

On 17 March 2023, Kingwest lodged a draft of this Scheme Booklet with ASIC pursuant to section 411(2)(b) of the Corporations Act. On 6 April 2023, ASIC registered the Scheme Booklet for the purposes of section 412(6) of the Corporations Act.

Kingwest has requested ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Schemes. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing.

Kingwest has also lodged a copy of this Scheme Booklet with ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

(d) First Court Hearing

On 5 April 2023, the Supreme Court of Western Australia ordered Kingwest to convene a meeting of Kingwest Shareholders to consider and vote on the Share Scheme and a meeting of Kingwest Optionholders to consider and vote on the Option Scheme.

The Share Scheme Meeting to consider the Share Scheme will be held at the Conference Room in the lobby of London House, 216 St George's Terrace, Perth WA 6000 on 12 May 2023. The Share Scheme Meeting will commence at 10:30am.

The Option Scheme Meeting to consider the Option Scheme will be held at the Conference Room in the lobby of London House, 216 St George's Terrace, Perth WA 6000 on 12 May 2023. The Option Scheme Meeting will commence at the later of 11:00am and the conclusion of the Share Scheme Meeting.

For the Share Scheme to proceed, the Share Scheme Resolution must be passed at the Share Scheme Meeting in the Requisite Majority.

For the Option Scheme to proceed, the Option Scheme Resolution must be passed at the Option Scheme Meeting in the Requisite Majority.

Details of how to vote at the Scheme Meetings are set out at the beginning of this Scheme Booklet in the Section entitled "Meeting details and how to vote".

A copy of the Notice of Share Scheme Meeting is set out in Annexure F of this Scheme Booklet.

A copy of the Notice of Option Scheme Meeting is set out in Annexure G of this Scheme Booklet.

The fact that under section 411(1) of the Corporations Act the Court ordered on 5 April 2023 that meetings of Kingwest Securityholders be convened by Kingwest to consider and vote on the Schemes and has approved the Scheme Booklet does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Schemes or as to how Kingwest Securityholders should vote (on this matter, Kingwest Securityholders must reach their own decision); and
- (ii) has prepared, or is responsible for, the content of this Scheme Booklet.

12.2 Scheme Conditions

Implementation of the Schemes are subject to satisfaction of the applicable Scheme Conditions. The Scheme Conditions are set out in clause 2.1 of the Scheme Implementation Deed.

Certain of the Scheme Conditions set out in the Scheme and the Scheme Implementation Deed have already been satisfied. The Scheme Conditions that remain outstanding as at the date of this Scheme Booklet are set out in the table below.

| Scheme Condition | |
|---|--|
| 1. ASIC and ASX approvals | Before 8:00am on the Second Court Date, ASIC and ASX issue or provide such consents, approvals, modifications or waivers as are necessary or which Brightstar and Kingwest agree are desirable to implement the Schemes, either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably), and such consent, approval or other act has not been withdrawn, cancelled or revoked as at 8.00am on the Second Court Date. |
| 2. Other approvals | Before 8:00am on the Second Court Date all Regulatory Approvals other than those referred to above which are necessary, or which the parties agree are desirable, to implement the Schemes have been issued or received (as applicable) either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably) and such Regulatory Approvals remain in full force and effect in all respects and have not been withdrawn, cancelled or revoked as at 8.00am on the Second Court Date. |
| 3. No restraints | No judgment, order, decree, statute, law, ordinance, rule of regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Government Agency of competent jurisdiction remains in effect as at 8.00am on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion of the Schemes. |
| 4. Kingwest Shareholder approval | Kingwest Shareholders (other than Excluded Shareholders) agree to the Share Scheme at the Share Scheme Meeting by the requisite majorities under the Corporations Act. |
| 5. Kingwest Optionholder approval | Kingwest Optionholders (other than Excluded Optionholders) agree to the Option Scheme at the Option Scheme Meeting by the requisite majorities under the Corporations Act. |
| 6. Independent Expert | The Independent Expert's Report concludes that the Share Scheme is in the best interests of Kingwest Shareholders and, upon consideration of all available relevant information from time to time, the Independent Expert does not change that conclusion or withdraw its report prior to 8.00am on the Second Court Date. |
| 7. Court approval of the Share Scheme | The Court makes orders under section 411(4)(b) of the Corporations Act approving the Share Scheme and any conditions imposed by the Court under section 411(6) of the Corporations Act are acceptable to Brightstar and Kingwest acting reasonably. |
| 8. Court approval of the Option Scheme | The Court makes orders under section 411(4)(b) of the Corporations Act approving the Option Scheme and any conditions imposed by the Court under section 411(6) of the Corporations Act are acceptable to Brightstar and Kingwest acting reasonably. |
| 9. No Kingwest Prescribed Event | No Kingwest Prescribed Event occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date. |
| 10. No Brightstar Prescribed Event | No Brightstar Prescribed Event occurs between the date of Scheme Implementation Deed and 8.00am on the Second Court Date. |

| Scheme Condition | |
|---|---|
| 11. No Kingwest Material Adverse Change | No Kingwest Material Adverse Change in relation to Kingwest occurs or becomes apparent between the date of Scheme Implementation Deed and 8:00am on the Second Court Date. |
| 12. No Brightstar Material Adverse Change | No Brightstar Material Adverse Change in relation to Brightstar occurs or becomes apparent between the date of Scheme Implementation Deed and 8:00am on the Second Court Date. |
| 13. No breach of Kingwest representations and warranties | Kingwest's representations and warranties set out in Schedule 3 to the Scheme Implementation Deed are true and correct in all material respects as at the date of Scheme Implementation Deed and as at 8:00am on the Second Court Date. |
| 14. No breach of Brightstar representations and warranties | Brightstar's representations and warranties set out in Schedule 4 to the Scheme Implementation Deed are true and correct in all material respects as at the date of Scheme Implementation Deed and as at 8:00am on the Second Court Date. |

For the Schemes to be implemented, each Scheme Condition must be satisfied by the due date (if any) fixed for its satisfaction as set out in the above table (or otherwise waived to the extent it is capable of waiver).

As at the date of this Scheme Booklet, Kingwest is not aware of any circumstances that would cause the Scheme Conditions to not be satisfied. Kingwest Securityholders will receive an update on the status of the Scheme Conditions at the Scheme Meetings.

Kingwest will also announce to ASX any relevant matter that affects the Scheme or the likelihood of a Scheme Condition being satisfied or not being satisfied, in accordance with Kingwest's continuous disclosure obligations. These details will be published on ASX's website (www.asx.com.au) and will also appear on Kingwest's website (www.kingwestresources.com.au).

12.3 Court approval

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Schemes (with or without modification) must be approved by an order of the Court. If the Schemes are approved at the Scheme Meetings, Kingwest intends to apply to the Court on the Second Court Date (expected to be 18 May 2023) for the necessary orders to give effect to the Schemes.

The Court may refuse to grant the orders referred to above even if the Schemes are approved by the Requisite Majority of Kingwest Securityholders.

Each Kingwest Shareholder or Kingwest Optionholder (as applicable) has the right to appear at Court at the hearing of the application by Kingwest for orders approving the Share Scheme or Option Scheme (as applicable). Any Kingwest Securityholder who wishes to object to a Scheme at that Court hearing or make a complaint to ASIC about a Scheme should note that the Court hearing for approval of the Schemes is expected to be held on 18 May 2023. The Court has an overriding discretion regarding whether or not to approve the Schemes, even if the Schemes are approved by the Requisite Majority of Kingwest Securityholders at the Scheme Meeting.

12.4 Scheme Meetings

The Court has ordered that Kingwest convene the Scheme Meetings for the purposes of the Kingwest Securityholders voting on the Schemes. The order of the Court to convene the Scheme Meetings is not, and should not be treated as, an endorsement by the Court of (or any other expression of opinion by the Court on) the Schemes.

For the Share Scheme to proceed, the Share Scheme Resolution must be passed at the Share Scheme Meeting in the Requisite Majority.

For the Option Scheme to proceed, the Option Scheme Resolution must be passed at the Option Scheme Meeting in the Requisite Majority.

12.5 Steps after approval of the Schemes by Kingwest Securityholders at the Scheme Meetings but before the Second Court Date

If the Requisite Majority of Kingwest Securityholders approve the Schemes at the Scheme Meetings, Kingwest will, as soon as possible after the Scheme Meetings are held, announce the results of the Kingwest Securityholders' votes to ASX and will publish the results on Kingwest's website (www.kingwestresources.com.au).

12.6 Steps after Court approval at the Second Court Hearing

Kingwest and Brightstar have agreed that, if the Court makes orders approving the Schemes, Kingwest and Brightstar will take or procure the taking of the steps required for the Schemes to proceed, including:

(a) Record Date

Kingwest Securityholders will be entitled to receive the Scheme Consideration under the Schemes if they are registered as holders of Kingwest Shares and/or Kingwest Options at 5.00pm (AWST) on the Record Date. The Record Date is expected to be 23 May 2023.

As from the Record Date (and other than for Brightstar following the Implementation Date), the Kingwest Share Register will close for transfers and all certificates and holding statements for Kingwest Shares and Kingwest Options will cease to have effect as documents of title. Each entry on the Kingwest Share Register and Kingwest Option Register at 5.00pm (AWST) on the Record Date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

(b) Effective Date

If the Court approves the Schemes, Kingwest will (pursuant to section 411(10) of the Corporations Act) lodge with ASIC the office copy of the Court orders approving the Schemes. Kingwest intends to lodge the office copy of the Court orders with ASIC on the Effective Date, which is expected to be 19 May 2023.

If the Scheme Conditions are satisfied or waived, the Schemes will legally come into effect on the Effective Date.

If a Scheme has not become Effective or the relevant Scheme Conditions have not been satisfied or waived by 22 June 2023, or such later date as Kingwest and Brightstar agree in writing, the Schemes will lapse and be of no further force or effect.

(c) Suspension of trading of Kingwest Shares

Kingwest will apply to ASX for suspension of trading of Kingwest Shares on ASX after the close of trading on ASX on the Effective Date. It is expected that the suspension

will commence on the first Business Day after the day on which Kingwest notifies ASX of the Schemes becoming Effective.

(d) Transfer of Kingwest Shares and cancellation of Kingwest Options

If the Schemes become Effective, on the Implementation Date:

- (i) all Kingwest Shares held by Scheme Participants will be transferred to Brightstar and all Kingwest Options will be cancelled, without any further action required by Scheme Participants;
- (ii) Kingwest will enter the name of Brightstar into the Kingwest Share Register in respect of the Kingwest Shares; and
- (iii) Kingwest will become a wholly-owned subsidiary of Brightstar and the Kingwest Board will be reconstituted so that it comprises persons nominated by the Brightstar Board.

(e) Issue of New Brightstar Shares

If the Schemes become Effective, on the Implementation Date the New Brightstar Shares to which Scheme Shareholders are entitled under the Share Scheme will be issued to Scheme Shareholders (other than Ineligible Foreign Shareholders). It is expected that:

- (i) holding statements and CHESS confirmation advices for Scheme Shareholders' entitlements to New Brightstar Shares will be despatched to Scheme Shareholders by not later than 10 Business Days after the Implementation Date;
- (ii) Brightstar will enter the name and address of the Scheme Shareholder into Brightstar's Register as the holder of New Brightstar Shares; and
- (iii) New Brightstar Shares will commence trading on ASX initially on a deferred settlement basis from 22 May 2023 and thereafter on a normal settlement basis from market open on 30 May 2023.

For further information regarding the Brightstar securities to be issued as Scheme Consideration, refer to Sections 12.8 and 14.5. No securities will be issued on the basis of this Scheme Booklet after the date which is 13 months after the date of this Scheme Booklet, being the expiry date of this Scheme Booklet.

(f) Grant of New Brightstar Options

If the Schemes become Effective, on the Implementation Date, the New Brightstar Options will be granted to the Scheme Optionholders and the existing Kingwest Options will be cancelled. It is expected that:

- (i) holding statements and CHESS confirmation advices for Scheme Optionholders' entitlements to New Brightstar Options will be despatched to Scheme Optionholders by not later than 10 Business Days after the Implementation Date; and
- (ii) Brightstar will enter the name and address of the Scheme Optionholder into Brightstar's Register as the holder of New Brightstar Options.

Brightstar will not apply to ASX for official quotation of the New Brightstar Options.

(g) **De-listing of Kingwest**

After the Implementation Date, Kingwest will apply for termination of the official quotation of Kingwest Shares and have itself removed from the official list of ASX.

(h) **Payments to Ineligible Foreign Shareholders**

New Brightstar Shares to which the Ineligible Foreign Shareholders would otherwise be entitled will be sold by the Sale Agent as soon as practicable (and in any event not more than 30 Business Days after the Implementation Date on which Brightstar Shares are capable of being traded on ASX) and the proceeds of the sale shall be promptly remitted back to the relevant Ineligible Foreign Shareholders.

For more information refer to Section 5.7.

12.7 Warranties by Scheme Participants under the Schemes

The effect of the Share Scheme is that all Scheme Shareholders, including those who vote against the Share Scheme and those who do not vote, will be deemed to have warranted to Kingwest, both in its own right and for the benefit of Brightstar, that their Kingwest Shares are fully paid and not subject to any of the encumbrances specified in the Share Scheme. The terms of the warranty are set out in clause 6.5 of the Share Scheme. The Share Scheme of Arrangement is set out in Annexure B.

The effect of the Option Scheme is that all Scheme Optionholders, including those who vote against the Option Scheme and those who do not vote, will be deemed to have warranted to Kingwest, both in its own right and for the benefit of Brightstar, that their Kingwest Options are not subject to any of the encumbrances specified in the Option Scheme. The terms of the warranty are set out in clause 6.5 of the Option Scheme. The Option Scheme of Arrangement is set out in Annexure C.

12.8 New Brightstar Shares

A summary of the rights attaching to New Brightstar Shares is set out in Section 14.5.

It is expected that:

- (a) all Scheme Participants who receive New Brightstar Shares will have their names entered on the Brightstar Register on the Implementation Date;
- (b) holding statements for Scheme Participants' entitlements to New Brightstar Shares will be despatched to Scheme Participants by not later than 10 Business Days after the Implementation Date; those holding statements will be sent by prepaid post to the Scheme Participants' addresses in the Kingwest Share Register as at 5.00pm (AWST) on the Record Date; and
- (c) New Brightstar Shares are expected to commence trading on ASX initially on a deferred settlement basis from 22 May 2023 and thereafter on a normal settlement basis from market open on 30 May 2023.

Each holder of New Brightstar Shares is responsible for confirming their holding before selling their New Brightstar Shares on a deferred settlement basis. Any sale of New Brightstar Shares before receipt of a holding statement is at the risk of the holder of those securities. To the extent permitted by law, Kingwest, Brightstar and Automic disclaim all liability, whether in negligence or otherwise, to persons who sell their New Brightstar Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by Kingwest, Brightstar, Automic, a broker or otherwise.

13. Key terms of the Scheme Implementation Deed

Kingwest and Brightstar entered into the Scheme Implementation Deed on 22 December 2022 (as amended on 14 March 2023).

The Scheme Implementation Deed sets out the obligations of Kingwest and Brightstar in relation to the Schemes.

The Kingwest Directors consider that the Scheme Implementation Deed was entered into on arm's length commercial terms having regard to the fact that Kingwest undertook an assessment of any alternative strategic options available to it.

In making the above statement, the Kingwest Directors note that Kingwest Securityholders are being given the opportunity to consider and vote on whether the Merger is implemented at the Scheme Meeting.

This Section sets out a summary of the key terms and conditions of the Scheme Implementation Deed that are not otherwise addressed in this Scheme Booklet.

13.1 Scheme Conditions under the Scheme Implementation Deed

The Schemes are subject to the fulfilment or, in certain cases, waiver of the Scheme Conditions. Refer to Section 12.2 for further details.

13.2 No-shop restriction

The Scheme Implementation Deed includes exclusivity arrangements which apply from the date of the Scheme Implementation Deed until the earlier of 22 June 2023 or termination of the Scheme Implementation Deed (**Exclusivity Period**).

During the Exclusivity Period, each of Kingwest and Brightstar must not, and must procure that each of its respective Representatives do not, directly or indirectly:

- (a) solicit, invite, encourage or initiate any Competing Proposal or potential Competing Proposal with any third party; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in section 13.2(a) above on its behalf.

13.3 No-talk restriction

During the Exclusivity Period, each of Kingwest and Brightstar must not, and must procure that each of its respective Representatives do not, directly or indirectly:

- (a) enter into or continue negotiations or discussions with any third party in relation to a Competing Proposal or any potential Competing Proposal, or that may reasonably be expected to encourage or lead to a Competing Proposal or potential Competing Proposal;
- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal or potential Competing Proposal;
- (c) communicate to any person an intention to do anything referred to in this section; or
- (d) assist, encourage, procure or induce any person to do any of the things referred to in this section on its behalf,

even if the Competing Proposal or potential Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Kingwest or Brightstar or any of its representatives or has been publicly announced.

13.4 Competing Proposal and Counter Proposal

During the Exclusivity Period, each of Kingwest and Brightstar must not enter into any legally binding agreement to undertake a Competing Proposal and must use its reasonable endeavours to procure that none of its respective directors publicly recommend a Competing Proposal unless:

- (a) the Competing Proposal is bona fide and is made by or on behalf of a person that the directors of the receiving party consider is of sufficient commercial standing to implement the Competing Proposal;
- (b) the receiving party acting in good faith after consultation with its external legal and (if applicable) financial advisors determines that:
 - (i) the Competing Proposal is or may be expected to lead to a Superior Proposal; or
 - (ii) failing to take the action or refusing to take the action (as the case may be) with respect to the Competing Proposal would be likely to constitute a breach of the fiduciary or statutory obligations of any director of the receiving party;
- (c) it has provided the other party with:
 - (i) written notice of the proposal to enter into any legally binding agreement to undertake a Competing Proposal; and
 - (ii) the material terms and conditions of the Competing Proposal (including price, conditions precedent, timetable and break free (if any) and the identity of the person that has proposed the Competing Proposal);
- (d) if Kingwest gives Brightstar notification under paragraph (c) above, Brightstar will have the right, but not the obligation, within 3 Business Days of the notification under paragraph (c) above, to propose to amend the terms of the Merger including by increasing the amount of consideration offered under the Merger (**Revised Proposal**); and
- (e) Brightstar has not submitted a Revised Proposal under paragraph (d) above.

If Brightstar provides a Revised Proposal to Kingwest, the Kingwest Board must consider the Revised Proposal and if it is determined, acting in good faith, that the Revised Proposal would be favourable, or at least no less favourable to Kingwest Securityholders than the Competing Proposal (having regard to the matters in paragraph (b) above), Kingwest and Brightstar must, use their best endeavours to:

- (a) agree any amendments to the Scheme Implementation Deed, the contents of this Scheme Booklet (if applicable), which are reasonably necessary to reflect the Revised Proposal;
- (b) enter into an amended Scheme Implementation Deed to give effect to those amendments; and
- (c) implement the Revised Proposal.

Kingwest must recommend the Revised Proposal to the Kingwest Securityholders and must not recommend the applicable Competing Proposal.

Any amendment or modification of a Competing Proposal proposed by a third party that results in the Kingwest Board determining that the amended or modified Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal will be deemed to be a new Competing Proposal with the effect that the provisions regarding a Competing Proposal in Scheme Implementation Deed will apply.

13.5 Reimbursement fee

Kingwest has agreed to pay Brightstar a Reimbursement Fee of \$125,000 as compensation for costs and expenses incurred by Brightstar if:

- (a) prior to the earlier of the Effective Date or the End Date, any member of the Kingwest Board withdraws or adversely modifies his or her support of the Schemes or his or her recommendation that Kingwest Securityholders vote in favour of the Schemes, or makes a public statement indicating that they no longer support the Merger or that they support a Competing Proposal, other than as a result of;
 - (i) any matter giving Kingwest the right to terminate the Scheme Implementation Deed, resulting from Brightstar's material breach;
 - (ii) failure of a Scheme Condition which is for the benefit of Kingwest or both Kingwest and Brightstar, other than as a result of a breach by Kingwest; or
 - (iii) the Independent Expert provides a report to Kingwest (either initially or in any updated report) which concludes that the Share Scheme is not in the best interests of Kingwest Shareholders other than because of a Competing Proposal;
- (b) during the Exclusivity Period, Kingwest or any of its Representatives, directly or indirectly, was aware of, becomes aware of or receives from a third party an approach in relation to an actual, proposed or potential Competing Proposal and that Competing Proposal (or any related Competing Proposal or Competing Proposal arising out of that Competing Proposal) is completed at any time prior to the first anniversary of the date of the public announcement of such Competing Proposal; or
- (c) Brightstar is entitled to terminate the Scheme Implementation Deed, resulting from Kingwest's material breach, and has provided appropriate notice.

In addition, Brightstar has also agreed to pay Kingwest a Reimbursement Fee of \$125,000 as compensation for costs and expenses incurred by Kingwest if:

- (d) all of the following circumstances arise:
 - (i) a Competing Proposal for Brightstar is received or announced by a third party before the Second Court Date;
 - (ii) the Brightstar directors conclude that that Competing Proposal is a Superior Proposal; and
 - (iii) a majority of the Brightstar directors make a public statement to the effect that they no longer support the Merger or that they support, endorse or otherwise wish to pursue the Superior Proposal;
- (e) during the Exclusivity Period, Brightstar or any of its representatives, directly or indirectly, was aware of, becomes aware of or receives from a third party an approach in relation to an actual, proposed or potential Competing Proposal and that Competing Proposal (or any related Competing Proposal or Competing Proposal arising out of that Competing Proposal) is completed at any time prior to the first anniversary of the date of the public announcement of such Competing Proposal; or

- (f) Kingwest is entitled to terminate the Scheme Implementation Deed, resulting from Brightstar's material breach, and has provided appropriate notice.

Brightstar or Kingwest (as applicable) must pay the Reimbursement Fee to the other within 10 business days after receiving a written demand for payment of the Reimbursement Fee following the occurrence of an event described above in paragraph 13.5.

13.6 Termination

The Scheme Implementation Deed (and hence the Schemes) may be terminated:

- (a) by either Kingwest or Brightstar, if, before the date or time specified in the Scheme Implementation Deed for or, if no date or time is specified, 8:00am on the Second Court Date (subject to extension) (**Relevant Date**), a condition under the Scheme Implementation Deed cannot be satisfied and is not waived by the time required;
- (b) by either Kingwest or Brightstar, if after the Relevant Date applicable to a condition solely or jointly for its benefit, that condition has not been satisfied or waived at that time;
- (c) by either Kingwest or Brightstar, if the Effective Date has not occurred by the End Date subject to Kingwest or Brightstar negotiating an extension to the Relevant Date or End Date;
- (d) by Brightstar before the Second Court Date if any Kingwest director publicly changes (including by attaching qualifications to) or withdraws (including by abstaining) their statement that they consider the Schemes to be in the best interests of Kingwest Securityholders or their recommendation that Kingwest Securityholders approve the Schemes;
- (e) by either Brightstar or Kingwest, if a Competing Proposal for the other is received and the relevant board publicly announces that it has determined that the Competing Proposal is a Superior Proposal, provided there has not been a material breach of exclusivity obligations by the party purporting to terminate;
- (f) before the Second Court Date:
 - (i) by Brightstar – if Kingwest is in breach of the Scheme Implementation Deed and that breach is material and is not remedied by Kingwest within 10 Business Days (or such shorter period ending on the Second Court Date) of Kingwest receiving notice from Brightstar of the details of the breach and its intention to terminate; and
 - (ii) by Kingwest – if Brightstar is in breach of the Scheme Implementation Deed and that breach is material and is not remedied by Brightstar within 10 Business Days (or such shorter period ending on the Second Court Date) of Brightstar receiving notice from Kingwest of the details of the breach and its intention to terminate,

by giving notice in writing to the other party provided that neither party will be entitled to terminate the Scheme Implementation Deed for a breach of a representation to the extent that the facts, matters and circumstances giving rise to the breach:

- (iii) are disclosed in the Scheme Implementation Deed; or
- (iv) have been fully and fairly disclosed to the other party in writing prior to the date of the Scheme Implementation Deed;

- (g) by Brightstar, with immediate effect, at any time prior to 8:00am on the Second Court Date by notice in writing to Kingwest if:
 - (i) a Kingwest Director (including any new Kingwest Director appointed following execution of the Scheme Implementation Deed):
 - (A) withdraws, changes or modifies his or her support of the Schemes or his or her recommendation that Kingwest Securityholders vote in favour of the Schemes; or
 - (B) recommends, endorses or supports any Competing Proposal for Kingwest;
 - (ii) a Competing Proposal in respect of Kingwest is received or announced and the Competing Proposal requires as a condition that the Merger not be implemented, and a majority of the Kingwest Directors make a public statement to the effect that they no longer support the Merger or that they recommend the Competing Proposal; or
 - (iii) a third party that does not have a 20% or more relevant interest in Kingwest at the date of the Scheme Implementation Deed obtains a relevant interest in Kingwest of 20% or more (or if a third party that has a relevant interest of 20% or more in Kingwest at the date of the Scheme Implementation Deed increases their relevant interest in Kingwest by more than 1%); or
- (h) by Kingwest, with immediate effect, at any time prior to 8:00am on the Second Court Date by notice in writing to Brightstar if:
 - (i) a Brightstar Director (including any new Brightstar Director appointed after the date of the Scheme Implementation Deed) makes a public statement to the effect that they no longer support the Merger or that they support, endorse or otherwise wish to pursue the Superior Proposal;
 - (ii) a Competing Proposal for Brightstar is publicly announced and the Competing Proposal requires as a condition that the Merger not be implemented and any Brightstar Director makes a public statement to the effect that they no longer support the Merger or that they recommend the Superior Proposal; or
 - (iii) a third party that does not have a 20% or more relevant interest in Brightstar at the date of the Scheme Implementation Deed obtains a relevant interest in Brightstar of 20% or more (or if a third party that has a relevant interest of 20% or more in Brightstar at the date of the Scheme Implementation Deed increases their relevant interest in Brightstar by more than 1%).

13.7 Amendments to the Scheme

The Scheme Implementation Deed may only be varied by document signed by or on behalf of each of the parties.

13.8 Representations and warranties

Each of Kingwest and Brightstar have given representations, warranties and covenants to the other that are considered to be standard warranties for an agreement of this kind. The representations, warranties and covenants given by each of Kingwest and Brightstar are set out in full at schedules 3 and 4 of the Scheme Implementation Deed.

14. Additional information

14.1 Introduction

This Section 14 sets out additional information required to be disclosed to Kingwest Securityholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to Kingwest Securityholders.

14.2 Interests of Kingwest Directors

As at the date of lodgement of this Scheme Booklet with ASIC:

- (a) Kingwest Directors held interests in marketable securities of Kingwest as set out in Section 6.8; and
- (b) no Kingwest Director has any interest in marketable securities of Brightstar (as set out in Section 7.12)

The following Kingwest Directors have acquired or disposed of a Relevant Interest in Kingwest Shares and/or Kingwest Options in the four month period ending on the date immediately before the date of this Scheme Booklet as set out in the table below:

| Director | Date | Number Acquired |
|-------------------------|------------------|-----------------|
| Gregory Bittar: | | |
| <i>Shares</i> | 17 January 2023 | 714,286 |
| <i>Unquoted Options</i> | 24 November 2022 | 230,769 |
| Jonathan Downes: | | |
| <i>Shares</i> | 17 January 2023 | 1,428,000 |
| <i>Unquoted Options</i> | 24 November 2022 | 76,923 |
| Ashok Parekh | - | - |

Kingwest Directors who are Scheme Participants will be entitled to receive New Brightstar Shares and/or New Brightstar Options (as applicable) in accordance with the terms of the Schemes.

14.3 Interests of Brightstar Directors

As at the date of lodgement of this Scheme Booklet with ASIC:

- (a) Brightstar Directors held interests in marketable securities of Brightstar as set out in Section 7.12; and
- (b) no Brightstar Director has any interest in marketable securities of Kingwest (as set out in Section 6.8).

In the four month period prior to the date of this Scheme Booklet, the Brightstar Directors acquired the following securities in Brightstar:

- On 18 January 2023, an entity of which Mr Alex Rovira is the sole director acquired 1,021,073 Brightstar Shares, by way of an on-market purchase. Refer to the Appendix 3Y announced on 20 January 2023, for additional information.

- On 15 February 2023, an entity of which Mr Alex Rovira is the sole director acquired 1,500,000 Brightstar Shares, by way of an on-market purchase. Refer to the Appendix 3Y announced on 16 February 2023, for additional information.
- On 27 February 2023, an entity controlled of which Mr Alex Rovira is the sole director acquired 1,000,000 Brightstar Shares, by way of an on-market purchase. Refer to the Appendix 3Y announced on 28 February 2023, for additional information.
- On 20 and 21 March 2023, entities of which Mr Alex Rovira is sole director acquired in aggregate 1,250,000 Brightstar Shares, by way of an on-market purchase. Refer to the Appendix 3Y announced on 22 March 2023, for additional information.
- On 31 March 2023, a trustee company of which Mr Josh Hunt is a director and beneficiary of the trust fund acquired 1,250,000 Brightstar Shares by way of participation in a share placement undertaken by Brightstar, as approved by Brightstar shareholders at a general meeting held 29 March 2023. Refer to the Appendix 3Y announced on 31 March 2023, for additional information.
- On 31 March 2023, an entity of which Mr Alex Rovira is the sole director was issued 80,000,000 Brightstar Performance Rights, as part of his remuneration package, as approved by Brightstar shareholders at a general meeting held 29 March 2023. Refer to the Appendix 3Y announced on 31 March 2023, for additional information.

As a matter of completeness, Brightstar confirms that Mr Alex Rovira acquired the following securities in Brightstar prior to him joining the Brightstar Board on 12 January 2023, in the four month period prior to the date of this Scheme Booklet:

- On 23 December 2022, an entity of which Mr Alex Rovira is the sole director acquired 833,333 Brightstar Shares, by way of an on-market purchase.
- On 5 January 2023, an entity of which Mr Alex Rovira is the sole director acquired 474,527 Brightstar Shares, by way of an on-market purchase.
- On 6 January 2023, an entity of which Mr Alex Rovira is the sole director acquired 4,400 Brightstar Shares, by way of an on-market purchase.
- On 11 January 2023, an entity of which Mr Alex Rovira is the sole director acquired 6,250,000 Brightstar Shares by way of participation in a share placement undertaken by Brightstar.

Other than as described above, no Brightstar Director has acquired or disposed of a Relevant Interest in any Brightstar Shares in the four month period ending on the date immediately before the date of this Scheme Booklet.

14.4 Interests of Brightstar and Kingwest

As at the date of lodgement of this Scheme Booklet with ASIC, neither Kingwest nor any of its Associates has a Relevant Interest in any Brightstar Shares or any other marketable securities of Brightstar.

As at the date of lodgement of this Scheme Booklet with ASIC, neither Brightstar nor any of its Associates has a Relevant Interest in any Kingwest Shares or any other marketable securities of Kingwest.

During the four months before the date of this document neither Brightstar nor any Associate of Brightstar has:

- (a) provided, or agreed to provide, consideration for any Kingwest Shares; or

- (b) given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Scheme or dispose of Kingwest Securities which benefit is not offered to all Kingwest Securityholders under the Schemes.

14.5 Rights attaching to New Brightstar Shares

If the Share Scheme become Effective, each Scheme Shareholder (other than Ineligible Foreign Shareholders), will receive 1 New Brightstar Share for every 0.38 Kingwest Shares they hold as at 5.00 pm (AWST) on the Record Date.

The New Brightstar Shares issued as Share Scheme Consideration will be fully paid and, from the date of their issue, will rank equally with existing Brightstar Shares.

The following is a summary of the principal rights attaching to Brightstar Shares. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of Brightstar, which can involve complex questions of law arising from the interaction of the constitution of Brightstar, statutory and common law and the ASX Listing Rules. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Brightstar Shares are set out in the constitution, a copy of which is available for inspection at the Brightstar's registered office during normal business hours.

(a) Quotation on ASX

Quotation is not guaranteed or automatic on such application, but quotation is expected in the ordinary course as Brightstar is already admitted to the official list of ASX and shares of the same class as those to be issued as the consideration under the Share Scheme have been granted official quotation by ASX.

It is expected that the New Brightstar Shares will commence trading on ASX, initially on a deferred settlement basis, on 22 May 2023. It is the responsibility of each Scheme Shareholder to determine their entitlement to New Brightstar Shares under the Share Scheme before trading those shares to avoid the risk of selling shares that they do not own. Normal trading of the New Brightstar Shares issued pursuant to the Share Scheme are expected to commence on market open on 30 May 2023.

(b) General meetings

Subject to the rights of the holders of Brightstar Shares issued on special terms and conditions, Brightstar Shareholders are entitled to receive:

- (i) notice of every annual general meeting, or general meeting or meeting; and
- (ii) all notices, accounts and other documents required to be sent under the constitution or the Corporations Act.

(c) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Brightstar Shares, at a general meeting of Brightstar, every Brightstar Shareholder who is entitled to vote and who is present in person or by proxy, attorney or representative has one vote on a show of hands and one vote on a poll for each Brightstar Share held by that Brightstar Shareholder. Voting at meetings will be on a show of hands, unless a poll is demanded either before the vote or immediately upon the declaration of the result of the vote on a show of hands. A poll may be demanded by:

- (i) at least five Brightstar Shareholders, who are present in person or by proxy, attorney or representative and entitled to vote;
- (ii) any one or more Brightstar Shareholders who are present holding Brightstar Shares constituting at least 5% of the total votes that may be cast on the resolution to be passed; or
- (iii) the chairman of the meeting.

The chairman has a casting vote in addition to any votes to which the chairman may be entitled as a Brightstar Shareholders, proxy, attorney or representative.

(d) **Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Brightstar Shareholders and to the rights of the holders of any Brightstar Shares created or raised under any special arrangement as to dividend, the Brightstar directors may from time to time decide to pay a dividend to the Brightstar Shareholders entitled to the dividend which shall be payable on all Brightstar Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Brightstar Shares. The Brightstar directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

The Brightstar Directors may from time to time pay to the Brightstar Shareholders any interim dividends that they may determine.

No dividend shall carry interest as against Brightstar.

(e) **Winding-up**

In a winding up, the liquidator may, with the authority of a special resolution of Brightstar, divide among Brightstar Shareholders in kind the whole or any part of the property of Brightstar and may for that purpose set aside such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Brightstar Shareholders or different classes of Brightstar Shareholders.

(f) **Transfer of shares**

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, Brightstar Shareholders may transfer all or any Brightstar Shares by a written transfer form in the usual form or in any form approved by the Brightstar Directors. In certain circumstances, the Brightstar Directors may refuse to register a transfer of Brightstar Shares, including where the transfer is not registrable or where the refusal is permitted or required by the Listing Rules or the transfer is a transfer of restricted securities which is or might be in breach of the Listing Rules or any escrow agreement entered into by Brightstar in relation to such restricted securities pursuant to the Listing Rules.

(g) **Issue of further shares and other securities**

Subject to any restrictions imposed by the Corporations Act or the Listing Rules, the Brightstar Directors may issue Brightstar Shares with any preferential, deferred or special rights, privileges or conditions or with any restrictions (whether in regard to dividend, voting, return of share capital or otherwise) as the Brightstar Directors determine.

(h) Variation of rights

Subject to the Corporations Act, the Listing Rules and their terms of issue, the rights attaching to any class of Brightstar Shares may be varied with the written consent of holders of at least 75% of the Brightstar Shares issued in that class or with the approval of a special resolution passed at a meeting of the holders of the Brightstar Shares of that class.

(i) Alteration of Brightstar constitution

The Constitution may only be amended by a special resolution passed by at least 75% of the votes cast by Brightstar Shareholders entitled to vote on the resolution. At least 28 days' written notice specifying the intention to propose the resolution must be given to Brightstar Shareholders.

(j) Brightstar Directors – Term of office, appointment and removal

Subject to the Corporations Act, Listing Rules and the Constitution, a Brightstar Director, other than the Managing Director, must retire from office or seek re-election by no later than the third annual general meeting following his or her appointment or election, or 3 years, whichever is longer. The Brightstar Directors may also appoint a Brightstar Director to fill a casual vacancy on the Brightstar Board or in addition to the existing Brightstar Directors, who will then hold office until the next annual general meeting, at which time he or she will be eligible for re-election.

Brightstar may, by resolution of the members in a general meeting, remove a Brightstar Director from office and appoint another person as a Brightstar Director in that Brightstar Director's place.

14.6 Rights Attaching to New Brightstar Options

If the Option Scheme becomes Effective, each Scheme Optionholder will receive 1 New Brightstar Option for every 0.38 Kingwest Options they hold as at 5.00 pm (AWST) on the Record Date.

The New Brightstar Options will:

- (a) be comprised of such number of New Brightstar Options as determined by applying the Transaction Ratio;
- (b) have an exercise period equal to the unexpired exercise period of the relevant Kingwest Option it replaces;
- (c) have an exercise price equal to the exercise price of the Kingwest Option it replaces, divided by the Transaction Ratio. For the avoidance of doubt, the Transaction Ratio of 1:0.38 when expressed as a whole number is 2.631578947;
- (d) be vested to the same extent and have the same terms as to vesting as the relevant Kingwest Option it replaces, ignoring any deemed vesting which arises by reason of the Share Scheme; and
- (e) otherwise be issued on the terms and conditions outlined below.

Subject to the above, the New Brightstar Options will be subject to the following terms and conditions:

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each New Brightstar Option entitles the holder to the issue of one fully paid ordinary Brightstar Share.

- (b) **(Issue Price, Exercise Price and Expiry Date):** The issue price, exercise price and expiry date of the New Brightstar Options will be as follows:

| Kingwest Options | New Brightstar Options to be issued as Option Scheme Consideration | New Exercise Price | Expiry Date |
|------------------|--|--------------------|-------------|
| 1,125,000 | 2,960,526 | \$0.068 | 15/09/2023 |
| 2,970,000 | 7,815,789 | \$0.106 | 7/10/2024 |
| 8,000,000 | 21,052,632 | \$0.076 | 21/10/2024 |
| 6,250,000 | 16,447,368 | \$0.065 | 15/09/2024 |
| 1,700,000 | 4,473,684 | \$0.108 | 15/02/2025 |
| 22,512,500 | 59,243,421 | \$0.057 | 30/12/2023 |
| 1,250,000 | 3,289,474 | \$0.095 | 28/04/2025 |
| 19,376,834 | 50,991,668 | \$0.038 | 29/02/2024 |
| 1,250,000 | 3,289,474 | \$0.023 | 16/01/2026 |
| 1,500,000 | 3,947,368 | \$0.038 | 16/01/2026 |

- (c) **(Exercise Period):** The New Brightstar Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (d) **(Notice of Exercise):** The New Brightstar Options may be exercised by notice in writing to Brightstar in the manner specified on the New Brightstar Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each New Brightstar Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to Brightstar.

Any Notice of Exercise of a New Brightstar Option received by Brightstar will be deemed to be a notice of the exercise of that New Brightstar Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Brightstar Option being exercised in cleared funds **(Exercise Date)**.

- (e) **(Issue of Brightstar Shares):** As soon as practicable after the valid exercise of a New Brightstar Option, Brightstar will:
- (i) issue, allocate or cause to be transferred to the holder the number of Brightstar Shares to which the holder is entitled;
 - (ii) issue a substitute certificate for any remaining unexercised New Brightstar Options held by the holder;
 - (iii) if required, and subject to paragraph (g) below, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iv) do all such acts, matters and things to obtain the grant of quotation of the Brightstar Shares by ASX in accordance with the Listing Rules.
- (f) **(Restrictions on transfer of Brightstar Shares):** If Brightstar is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the Brightstar Shares does not require disclosure to investors, Brightstar Shares issued on exercise of the New Brightstar Options may not be traded until 12 months after their issue unless Brightstar, at its sole discretion, elects to issue a prospectus pursuant to

section 708A(11) of the Corporations Act. Brightstar is authorised by the holder to apply a holding lock on the relevant Brightstar Shares during the period of such restriction from trading.

- (g) **(Ranking)**: All Brightstar Shares issued upon the exercise of New Brightstar Options will upon issue rank equally in all respects with other existing Brightstar Shares.
- (h) **(Transferability of the New Brightstar Options)**: The New Brightstar Options are transferable, subject to compliance with the Corporations Act and Listing Rules.
- (i) **(Dividend rights)**: A New Brightstar Option does not entitle the holder to any dividends.
- (j) **(Voting rights)**: A New Brightstar Option does not entitle the holder to vote on any resolutions proposed at a general meeting of Brightstar, subject to any voting rights provided under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (k) **(Quotation of the New Brightstar Options)**: Brightstar will not apply for quotation of the New Brightstar Options on any securities exchange.
- (l) **(Adjustments for reorganisation)**: If there is any reorganisation of the issued share capital of Brightstar, the rights of the holder will be varied in accordance with the Listing Rules.
- (m) **(Entitlements and bonus issues)**: Subject to the rights under paragraph (o), holders will not be entitled to participate in new issues of capital offered to Brightstar Shareholders such as bonus issues and entitlement issues.
- (n) **(Adjustment for bonus issues of Brightstar Shares)**: If Brightstar makes a bonus issue of Brightstar Shares or other securities to existing Brightstar Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Brightstar Shares which must be issued on the exercise of a New Brightstar Option will be increased by the number of Brightstar Shares which the holder would have received if the holder had exercised the New Brightstar Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (o) **(Return of capital rights)**: The New Brightstar Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (p) **(Rights on winding up)**: The New Brightstar Options have no right to participate in the surplus profits or assets of Brightstar upon a winding up of Brightstar.
- (q) **(Takeovers prohibition)**:
 - (i) the issue of Brightstar Shares on exercise of the New Brightstar Options is subject to and conditional upon the issue of the relevant Brightstar Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (ii) Brightstar will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any Brightstar Shares on exercise of the New Brightstar Options.

- (r) **(No other rights):** A New Brightstar Option does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (s) **(Amendments required by ASX):** The terms of the New Brightstar Options may be amended as considered necessary by the Brightstar Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
- (t) **(Constitution):** Upon the issue of Brightstar Shares on exercise of the New Brightstar Options, the holder will be bound by Brightstar's Constitution.

14.7 Benefits to Kingwest officers in connection with retirement from office

Other than as disclosed in this Scheme Booklet, there is no current proposal for a payment or other benefit to be made or given to a director, secretary or executive officer of Kingwest or any Related Body Corporate of Kingwest as compensation for the loss of, or as consideration for or in connection with his or her retirement from office in Kingwest or any Related Body Corporate of Kingwest as a result of the Schemes.

14.8 Remuneration of Kingwest Directors

The Kingwest Directors are entitled to be paid fees for their services as directors of Kingwest and have been paid the following fees in the past two financial years (inclusive of superannuation entitlements):

| Kingwest Director | FY 2023 | FY 2022 |
|-----------------------------|-----------|------------------------|
| Gregory Bittar ¹ | \$118,757 | \$119,200 ³ |
| Johnathan Downes | \$61,686 | \$44,000 ⁴ |
| Ashok Parekh ² | \$61,686 | \$107,459 ⁵ |

Notes:

1. Appointed 1 July 2021.
2. Appointed 2 May 2022.
3. Comprising \$60,000 in cash, salary & bonus, \$6,000 in superannuation and \$53,200 in equity-based payments.
4. Comprising \$40,000 cash, salary & bonus and \$4,000 in superannuation.
5. Comprising \$6,667 in cash, salary & bonus, \$667 in superannuation and \$100,125 in equity-based payments.

14.9 Payments to non-executive Brightstar Directors

The Brightstar Constitution provides that non-executive directors of Brightstar may be paid, as remuneration for their services as directors of Brightstar, a sum determined from time to time by Brightstar Shareholders in a general meeting, with that sum to be divided amongst the non-executive directors in such manner and proportion as they agree.

As at the date of this Scheme Booklet, the aggregate maximum remuneration for non-executive Brightstar Directors is \$400,000 per annum.

14.10 Disclosure of payments and benefits to Kingwest Directors, secretaries and executive officers

No Kingwest Director, secretary or executive officer of Kingwest (or any of its Related Bodies Corporate) has agreed to receive, or is entitled to receive, any payment or benefit from Brightstar which is conditional on, or is related to, the Scheme other than in their capacity as a Kingwest Securityholder or as set out in Section 14.7.

14.11 Disclosure of interests

Except as disclosed below or elsewhere in this Scheme Booklet, no:

- (a) Kingwest Director or proposed director of Kingwest;
- (b) Brightstar Director or proposed director of Brightstar;
- (c) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet; or
- (d) promoter or underwriter of Brightstar or the Combined Group,

(together “**Interested Persons**”) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- (e) the formation or promotion of Brightstar or the Combined Group;
- (f) property acquired or proposed to be acquired by Brightstar in connection with the formation or promotion of Brightstar or the Combined Group; or
- (g) the offer of New Brightstar Shares or New Brightstar Options under the Schemes.

14.12 Disclosure of fees and other benefits

Except as disclosed elsewhere in this Scheme Booklet, neither Brightstar nor Kingwest has paid or agreed to pay any fees, or provided or agreed to provide any benefit to:

- (a) a director or proposed director of Brightstar to induce them to become or qualify as a director of Brightstar; or
- (b) any Interested Person for services provided by that person in connection with:
 - (i) the formation or promotion of Brightstar or the Combined Group; or
 - (ii) the offer of New Brightstar Shares or New Brightstar Options under the Schemes.

14.13 Creditors of Kingwest

The Schemes, if implemented, will not affect the interests of creditors of Kingwest.

Kingwest has paid and is paying all its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner.

14.14 Right to inspect Share Register and Option Register

Kingwest Shareholders have the right to inspect the Kingwest Share Register which contains the name and address of each Kingwest Shareholder and certain other prescribed details relating to Kingwest Shareholders, without charge.

Kingwest Optionholders have the right to inspect the Kingwest Option Register which contains the name and address of each Kingwest Optionholder and certain other prescribed details relating to Kingwest Optionholders, without charge.

Kingwest Securityholders also have the right to request a copy of the Kingwest Share Register or Kingwest Option Register (as applicable), upon payment of a fee (if any) up to a prescribed amount.

Kingwest Securityholders have these rights by virtue of section 173 of the Corporations Act.

14.15 Regulatory conditions and relief

(a) ASX Relief

ASX Listing Rule 6.23.2 provides that the cancellation of options for consideration requires the approval of shareholders.

Kingwest has been granted a waiver from ASX Listing Rule 6.23.2 to permit the Kingwest Options to be cancelled in consideration for the Option Scheme Consideration, in accordance with the terms of the Options Scheme, on the following conditions:

- (i) full details of the cancellation of the options and share appreciation rights and consideration payable for their cancellation are set out to ASX's satisfaction in the Schemes booklet; and
- (ii) the Schemes are approved by security holders of Kingwest and a court of competent jurisdiction, and the Court's orders are lodged with the Australian Securities and Investments Commission such that the Schemes becomes effective.

(b) ASIC Relief

Clauses 8201(a), (b), (c), (d) and (e) and 8203(a) and (b) of Part 2 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to include certain information in connection with the Option Scheme, including the names of all Kingwest Optionholders. ASIC has granted relief to Kingwest from compliance with these requirements.

14.16 No administrator

It is not proposed that any person be appointed to manage or administer the Schemes.

14.17 No relevant restrictions in the constitution of Kingwest

There are no restrictions on the right to transfer Kingwest Securities in Kingwest's constitution.

14.18 No unacceptable circumstances

The Kingwest Directors do not believe that the Schemes involve any circumstances in relation to the affairs of any member of Kingwest that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

14.19 Kingwest Securityholders in jurisdictions outside Australia and New Zealand

This Scheme Booklet and the Schemes are subject to Australian disclosure requirements that may be different to those applicable in other jurisdictions. This Scheme Booklet and the Schemes do not in any way constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Any Kingwest Shareholder whose address as shown in the Kingwest Share Register at 5.00pm (AWST) on the Record Date is outside of Australia or its external territories or New Zealand will be an Ineligible Foreign Shareholder for the purposes of the Share Scheme, other than a Kingwest Shareholder in respect of whom Brightstar is satisfied that the laws of

that holder's country of residence (as shown in the Kingwest Share Register) would permit the issue of New Brightstar Shares, either unconditionally or after compliance with conditions which Brightstar in its sole discretion regards as acceptable and not unduly onerous.

Brightstar will not issue New Brightstar Shares to an Ineligible Foreign Shareholder. If you are an Ineligible Foreign Shareholder, you should refer to Section 5.7 for further information.

14.20 Privacy and personal information

Kingwest and Brightstar, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Schemes. The personal information may include the names, contact details and details of the security holdings of Kingwest Securityholders, and the names of individuals appointed by Kingwest Securityholders as proxies, corporate representatives or attorneys at the Scheme Meeting.

The personal information is collected for the primary purpose of implementing the Schemes. The personal information may be disclosed to Kingwest's and Brightstar's share and option registries and investor relations advisers, to securities brokers and to print and mail service providers.

Kingwest Securityholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact Kingwest Scheme Information Line on International: +61 2 9068 1925 or Direct: 1300 103 392 in the first instance if they wish to request access to that personal information.

Kingwest Securityholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

14.21 Supplementary information

Kingwest will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the date of the Scheme Meeting:

- (a) a material statement in this Scheme Booklet that is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet; or
- (d) a significant new matter arising that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form of the supplementary document and whether a copy will be sent to each Kingwest Securityholder will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on Kingwest's website (www.kingwestresources.com.au). Any such supplementary document will also be released to ASX and accordingly will be available from ASX's website (www.asx.com.au).

14.22 Compliance Statements

(a) Kingwest Compliance Statement

The information in this Scheme Booklet contains references to Kingwest's:

- (i) Menzies Gold Project Mineral Resource estimates, have been extracted from the ASX announcements titled “Menzies JORC gold resources surpass 500,000 ounces”(1) and “High grade drilling results and high grade resource estimation from the Menzies Goldfield”(2) dated 26 April 2022 and 13 December 2022 respectively; and
- (ii) exploration results, have been extracted from the following the ASX announcements titled “Quarterly Activities/Appendix 5B Cash Flow Report (3,4) and High-Grade Gold Intersections at Selkirk(5) dated 30 January 2023 (3), 25 October 2022 (4) and 19 October 2022 (5).

The above reports are available on Kingwest’s ASX announcements platform.

The Competent Person (as that term is defined in the Australasian Code for Reporting on Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)) responsible for the above reports was Mark Zammit of Cube Consulting (1) and David Price (2), with the Competent Person for Exploration results being Elizabeth Laursen of Kingwest Resources Ltd (3,4,5).

Kingwest confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of estimates of Mineral Resources or Ore Reserves, Kingwest confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. In addition, Kingwest confirms that the form and context in which the competent persons’ findings are presented have not been materially modified.

(b) **Brightstar Compliance Statement**

The information in this Scheme Booklet which contain references to Brightstar’s:

- (i) Mineral Resource estimate for the Cork Tree Well project, were first reported by Brightstar in compliance with ASX Listing Rule 5.8 and the JORC Code in the ASX announcement titled “Cork Tree Well Mineral Resource Estimate Increased” dated 10 August 2022; and
- (ii) Mineral Resource estimates for the Alpha and Beta projects, were first reported by Brightstar in compliance with ASX Listing Rule 5.8 and the JORC Code in the ASX announcement titled “Auralia Review” dated 10 September 2020.

The above reports are available on Brightstar’s ASX announcements platform.

The Competent Person (as that term is defined in the JORC Code) responsible for the Mineral Resource estimates for the Cork Tree Well project, Beta project and the Alpha project was Richard Maddocks.

Brightstar confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of estimates of Mineral Resources, Brightstar confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. In addition, Brightstar confirms that the form and context in which the competent persons’ findings are presented have not been materially modified.

14.23 Advisers and experts

(a) Roles of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

| Name | Role | Estimate of Fees (ex. GST) |
|---|----------------------------------|----------------------------|
| BDO Corporate Finance (WA) Pty Ltd | Independent Expert | \$55,000 |
| VRM Valuation and Resource Management Pty Ltd | Independent Technical Assessment | \$43,000 |
| Steinepreis Paganin | Legal adviser to Kingwest | \$150,000 |
| Hamilton Locke | Legal adviser to Brightstar | \$120,000 |
| Automic Registry Services | Kingwest's share registry | \$35,000 |
| Computershare Investor Services | Brightstar's share registry | \$26,500 |
| RSM Australia Pty Ltd | Tax adviser to Kingwest | \$3,500 |
| Mining Corporate Pty Ltd | Corporate adviser to Kingwest | \$16,000 |
| Longreach Capital Pty Ltd | Corporate adviser to Brightstar | \$400,000 ¹⁷ |

(b) Consents of advisers and experts

BDO Corporate Finance (WA) Pty Ltd has given its consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure A of this Scheme Booklet and has not withdrawn that consent before the date of this Scheme Booklet. BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than the Independent Expert's Report. The interests of BDO Corporate Finance (WA) Pty Ltd in its capacity as Independent Expert are disclosed in the Independent Expert's Report.

Valuation and Resources Management Pty Ltd has given its consent to the inclusion in the Independent Expert's Report in this Scheme Booklet of technical information relating to Kingwest and Brightstar in the form and context in which the information appears, and has not withdrawn that consent before the date of this Scheme Booklet.

Brightstar has given its consent to the inclusion of the Brightstar Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

RSM Australia Pty Ltd has consented to the inclusion of Section 11 of this Scheme Booklet and references to the information set out in that Section in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.

¹⁷ Brightstar has agreed to pay Longreach Capital Pty Ltd \$400,000 for corporate advisory services which may be settled in a combination of cash and Brightstar Shares (up to 75% of the total fees payable may be settled in Brightstar Shares), at Brightstar's election.

Steinepreis Paganin has given its consent to be named in this Scheme Booklet as legal adviser to Kingwest in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Hamilton Locke has given its consent to be named in this Scheme Booklet as legal adviser to Brightstar in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Longreach Capital Pty Ltd has given its consent to be named in this Scheme Booklet as corporate adviser to Brightstar in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Mining Corporate Pty Ltd has given its consent to be named in this Scheme Booklet as corporate adviser to Kingwest in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Computershare Investor Services has given its consent to be named in this Scheme Booklet as Brightstar's share registry in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Each person named in Section 14.23(a) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name.

(c) **Disclaimers of responsibility**

Each person named in Section 14.23(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet:

- (i) has not authorised or caused the issue of this Scheme Booklet or the making of the offer of New Brightstar Shares and New Brightstar Options under the Schemes;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than a statement included in this Scheme Booklet with the written consent of that person as stated in Section 14.23(b); and
- (iii) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any statements in or omissions from any part of this Scheme Booklet, other than a reference to its name and any statement or report that has been included in this Scheme Booklet with the consent of that person.

(d) **Fees**

Each person named in Section 14.23(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging. The estimated fees payable to these parties are set out in Section 14.23(a).

14.24 Effects of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from the figures set out in this Scheme Booklet.

14.25 Data in charts, graphs and tables

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

14.26 No other material information

Other than as set out in this Scheme Booklet, including the Annexures to this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme or a decision by a Kingwest Securityholder whether or not to vote in favour of the Schemes, being information that is within the knowledge of any Kingwest Directors or of a Related Body Corporate of Kingwest and which has not previously been disclosed to Kingwest Securityholders.

15. Glossary of defined terms

The following defined terms used throughout this Scheme Booklet have the meaning set out below unless the context otherwise requires.

| | |
|--------------------------------------|--|
| A\$ or \$ | The lawful currency of Australia. |
| AASB | The Australian Accounting Standards Board, being the Australian Regulatory Authority responsible for developing and issuing accounting standards applicable to Australian entities and the “care and maintenance” of the body of standards as set out in the <i>Australian Securities and Investments Commission Act 2001</i> (Cth). |
| AASB Standards | The Australian Accounting Standards issued by the AASB. |
| Annexure | An annexure of this Scheme Booklet. |
| Announcement Date | 23 December 2022, being the date of announcement of the Merger. |
| ASIC | The Australian Securities and Investments Commission. |
| Associate | Has the meaning given to it in section 12 of the Corporations Act. |
| ASX | ASX Limited (ACN 008 624 691). |
| ASX Listing Rules | The listing rules of ASX. |
| ASX Settlement Rules | The settlement rules of ASX Settlement Pty Limited (ACN 008 504 532). |
| ATO | Australian Taxation Office. |
| Automic | Automic Pty Ltd (ACN 152 260 814) |
| Brightstar or BTR | Brightstar Resources Limited (ACN 100 727 491). |
| Brightstar Board | The board of Brightstar Directors. |
| Brightstar Directors | The directors of Brightstar. |
| Brightstar Group | Brightstar and its subsidiaries. |
| Brightstar Information | The information concerning Brightstar and the Combined Group provided by Brightstar to Kingwest in writing for inclusion in this Scheme Booklet. |
| Brightstar Key Projects | The Cork Well Tree Project, the Beta Project and the Alpha Project. |
| Brightstar Option | An unlisted option, giving the holder the right, but not an obligation, to acquire a Brightstar Share at a predetermined price and at a specified time in the future. |
| Brightstar Performance Rights | A right granted by Brightstar to acquire by way of issue a Brightstar Share subject to the satisfaction of certain performance criteria and for the avoidance of doubt, does not include a Brightstar Option. |
| Brightstar Plan | The employee securities incentive plan of Brightstar. |
| Brightstar Plant | Has the meaning in Section 7.2. |
| Brightstar Share | A fully paid ordinary share in the capital of Brightstar. |

| | |
|---|--|
| Brightstar Register | The register of Brightstar Securityholders maintained by Computershare in accordance with the Corporations Act. |
| Brightstar Securityholder | Each person who is registered in the Brightstar Register from time to time as the holder of a Brightstar Share, Option or Performance Right (as applicable). |
| Brightstar Material Adverse Change | Has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed. |
| Brightstar Prescribed Event | Has the meaning given in clause 1.1 of the Scheme Implementation Deed. |
| Business Day | A day as defined in the Listing Rules other than any day which banks are not open for general banking business in Perth, Western Australia. |
| CGT | Capital Gains Tax, as defined in the <i>Income Tax Assessment Act 1997</i> (Cth). |
| Combined Group | The corporate group comprising Brightstar Group and the Kingwest Group, if the Schemes are implemented. |
| Combined Group Board | The board of directors of Brightstar, after the implementation of the Schemes. |
| Competing Proposal | <p>A transaction or arrangement pursuant to which a third party (or third parties) will, if the transaction or arrangement is entered into or completed:</p> <ul style="list-style-type: none"> (a) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a substantial part of the business of the Kingwest Group or the Brightstar Group (as applicable); (b) acquire control (as determined in accordance with section 50AA of the Corporations Act) of Kingwest or Brightstar or any member of the Kingwest Group or Brightstar Group (as applicable); (c) otherwise acquire or merge with Kingwest or Brightstar or any member of the Kingwest Group or Brightstar Group (as applicable); or (d) enter into any agreement, arrangement or understanding requiring Kingwest or Brightstar to abandon, or otherwise fail to proceed with, the Merger, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction or buy back, sale or purchase of shares or assets, joint venture, dual listed company structure (or other synthetic merger), or other transaction or arrangement. |
| Computershare | Computershare Investor Services Pty Limited (ACN 078 279 277). |
| Corporations Act | The <i>Corporations Act 2001</i> (Cth). |
| Corporations Regulations | The <i>Corporations Regulations 2001</i> (Cth). |
| Court | The Supreme Court of Western Australia, or such other court of competent jurisdiction as agreed in writing by Brightstar and Kingwest. |
| Deed of Amendment | The Deed of Amendment to the Scheme Implementation Deed dated 14 March 2023. |
| Deed Polls | The Share Scheme Deed Poll and the Option Scheme Deed Poll. |

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| Effective | When used in relation to the Schemes, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) in relation to the Schemes. |
| Effective Date | The date on which the Schemes become Effective. |
| End Date | 22 June 2023 or such other date as Brightstar and Kingwest may agree. |
| Exclusivity Period | Has the meaning given in Section 13.2. |
| Excluded Optionholder | Any Kingwest Optionholder who is a member of the Brightstar Group or any Kingwest Optionholder who holds any Kingwest Options on behalf of or for the benefit of, any member of the Brightstar Group. |
| Excluded Securityholder | An Excluded Shareholder and/or Excluded Optionholder (as applicable). |
| Excluded Shareholder | Any Kingwest Shareholder who is a member of the Brightstar Group or any Kingwest Shareholder who holds any Kingwest Shares on behalf of or for the benefit of, any member of the Brightstar Group. |
| Exploration Results | Has the meaning given in the JORC Code. |
| Implementation Date | The date that is the third Business Day after the Record Date. |
| Independent Expert | BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045). |
| Independent Expert's Report | The report of the Independent Expert in relation to the Schemes as set out in Annexure A of this Scheme Booklet. |
| Ineligible Foreign Shareholder | A Kingwest Shareholder whose address as shown in the Kingwest Share Register at 5.00pm (AWST) on the Record Date is a place outside Australia or its external territories or New Zealand, other than one in respect of whom Brightstar is satisfied that the laws of the Kingwest Shareholder's country of residence (as shown in the Kingwest Share Register) would permit the issue and allotment of New Brightstar Shares, either unconditionally or after compliance with conditions which Brightstar in its sole discretion regards as acceptable and not unduly onerous. |
| Interested Person | A person named in Section 14.11. |
| JORC Code or JORC 2012 | The 2012 edition of the Australasian Code for Reporting Exploration Results, Minerals Resources and Ore Reserves. |
| Kingwest, KWR or Company | Kingwest Resources Limited (ACN 624 972 185). |
| Kingwest Board | The board of Kingwest Directors. |
| Kingwest Directors | The directors of Kingwest. |
| Kingwest Group | Kingwest and its subsidiaries. |
| Kingwest Option | An option to subscribe for a Kingwest Share (which for the avoidance of doubt includes the Kingwest Share Appreciation Rights). |
| Kingwest Option Register | The register of Kingwest Optionholders maintained by Automic in accordance with the Corporations Act. |

| | |
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| Kingwest Optionholder | Each person who is registered in the Kingwest Option Register from time to time as the holder of a Kingwest Option. |
| Kingwest Performance Rights Plan | The performance rights plan approved by Kingwest Shareholders at the Kingwest general meeting held on 10 September 2019. |
| Kingwest Security | A Kingwest Share or a Kingwest Option. |
| Kingwest Securityholder | A Kingwest Shareholder and/or Kingwest Optionholder (as applicable). |
| Kingwest Share | A fully paid ordinary share in the capital of Kingwest. |
| Kingwest Share Register | The register of Kingwest Shareholders maintained by Automic in accordance with the Corporations Act. |
| Kingwest Share Appreciation Right | A right to acquire a Kingwest Share, issued under the Kingwest Performance Rights Plan. |
| Kingwest Shareholder | Each person who is registered in the Kingwest Share Register from time to time as the holder of a Kingwest Share. |
| Kingwest Material Adverse Change | Has the meaning given to that term in clause 1.1 of the Scheme Implementation Deed. |
| Kingwest Prescribed Event | Has the meaning given in clause 1.1 of the Scheme Implementation Deed. |
| Last Practicable Date | 4 March 2023, being the last practicable date before the finalisation of this Scheme Booklet. |
| Merger | The proposed merger of Kingwest with Brightstar on the terms and conditions summarised in this Scheme Booklet. |
| Mineral Resource | Has the meaning given in the JORC Code. |
| Net Sale Proceeds | The sale proceeds of New Brightstar Shares sold under the Sale Facility by the Sale Agent in respect of Ineligible Foreign Shareholders, less any applicable brokerage, selling costs, taxes and charges. |
| New Brightstar Option | A Brightstar Option to be issued under the Option Scheme as the Option Scheme Consideration, on the terms set out in Section 14.6. |
| New Brightstar Share | A Brightstar Share to be issued under the Share Scheme as the Share Scheme Consideration. |
| Option Scheme | The scheme of arrangement under Part 5.1 of the Corporations Act between Kingwest and the Scheme Optionholders, the form of which is set out in Annexure C, under which Scheme Optionholders will receive the Option Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Brightstar and Kingwest. |

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| Option Scheme Consideration | <p>The consideration to be provided to the Scheme Optionholders under the terms of the Option Scheme, for the cancellation and extinguishment of their Scheme Options, comprising such number of New Brightstar Options as determined by applying the Transaction Ratio, with such New Brightstar Options to:</p> <ul style="list-style-type: none"> (a) have an exercise period equal to the unexpired exercise period of the relevant Scheme Option it replaces; (b) have an exercise price equal to the exercise price of the Scheme Option it replaces, divided by the Transaction Ratio. For the avoidance of doubt, the Transaction Ratio of 1:0.38 when expressed as a whole number is 2.631578947; (c) be vested to the same extent and have the same terms as to vesting as the relevant Scheme Option it replaces, ignoring any deemed vesting which arises by reason of the Share Scheme; and (d) otherwise be issued on the terms set out in Section 14.6. |
| Option Scheme Deed Poll | The deed poll dated 31 March 2023 executed by Brightstar whereby, among other things, Brightstar covenants to carry out its obligations under the Option Scheme, as set out in Annexure E. |
| Option Scheme Meeting | The meeting of Kingwest Optionholders ordered by the Court to be convened under section 411(1) of the Corporations Act. The notice convening the Option Scheme Meeting is contained in Annexure G. |
| Option Scheme Resolution | The resolution set out in the Notice of Option Scheme Meeting set out in Annexure G. |
| Ore Reserve | Has the meaning given in the JORC Code. |
| Record Date | The second Business Day after the Effective Date. |
| Regulatory Authority | <p>Includes:</p> <ul style="list-style-type: none"> (a) ASX; (b) ASIC; (c) the Takeovers Panel; (d) a government or governmental, semi-governmental or judicial entity or authority; (e) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (f) any regulatory organisation established under statute. |
| Reimbursement Fee | \$125,000, payable in certain circumstances as prescribed under clause 13 of the Scheme Implementation Deed, representing a genuine and reasonable estimate of cost and loss that would be suffered by Kingwest or Brightstar (as applicable) if the Schemes are not implemented. |
| Related Body Corporate | The meaning given to it in the Corporations Act. |
| Relevant Interest | The meaning given to it in sections 608 and 609 of the Corporations Act. |
| Representative | In respect of a party or its subsidiaries, each director, officer, employee, advisor, agent or representative of that party or Related Body Corporate. |

| | |
|-----------------------------------|---|
| Requisite Majority | <p>(a) In respect of the Share Scheme, approval by:</p> <p>(i) more than 50% in number of Kingwest Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and</p> <p>(ii) at least 75% of the total number of votes cast on the Share Scheme Resolution by Kingwest Shareholders.</p> <p>(b) In respect of the Option Scheme, approval by:</p> <p>(i) more than 50% in number of Kingwest Optionholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and</p> <p>(ii) at least 75% of the total number of votes cast on the Option Scheme Resolution by Kingwest Optionholders.</p> |
| Revised Proposal | Has the meaning given in Section 13.4. |
| Sale Agent | A person (or that person's nominee) appointed by Brightstar to sell the New Brightstar Shares that would otherwise be issued to or for the benefit of Ineligible Foreign Shareholders under the terms of the Share Scheme. |
| Sale Facility | The mechanism by which Ineligible Foreign Shareholders receive the Net Sale Proceeds of any sale of New Brightstar Shares they would otherwise receive, as described in Section 5.8. |
| Scheme Booklet | This booklet that comprises the explanatory statement in respect of the Schemes to be approved by the Court and despatched to Kingwest Securityholders and includes the Annexures to this booklet. |
| Scheme Conditions | The conditions for implementation of the Schemes as set out in clause 2.1 to the Scheme Implementation Deed as detailed at Section 12.2. |
| Schemes | The Share Scheme and the Option Scheme as set out in Annexure B and Annexure C, respectively. |
| Scheme Consideration | The Share Scheme Consideration and/or Option Scheme Consideration (as the context requires). |
| Scheme Implementation Deed | The Scheme Implementation Deed dated 22 December 2022 between Kingwest and Brightstar relating to the implementation of the Schemes, as amended by the Deed of Amendment. |
| Scheme Meetings | The Share Scheme Meeting and/or Option Scheme Meeting (as applicable). |
| Scheme Option | A Kingwest Option held by a Scheme Optionholder at 5:00pm on the Record Date |
| Scheme Optionholder | A holder of Kingwest Options recorded in the Kingwest Option Register as at the Record Date. |
| Scheme Participants | Scheme Shareholders and Scheme Optionholders. |
| Scheme Shareholder | A holder of Kingwest Shares recorded in the Kingwest Share Register as at the Record Date. |
| Second Court Date | The first day of the Second Court Hearing. |

| | |
|-----------------------------------|--|
| Second Court Hearing | The hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Schemes. |
| Section | A section of this Scheme Booklet. |
| Share Scheme | The scheme of arrangement under Part 5.1 of the Corporations Act between Kingwest and the Scheme Shareholders, the form of which is set out in Annexure B, under which Scheme Shareholders will receive the Share Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Brightstar and Kingwest. |
| Share Scheme Consideration | The consideration to be provided to Scheme Shareholders under the terms of the Share Scheme, for the transfer of their Scheme Shares, comprising the Transaction Ratio. |
| Share Scheme Deed Poll | The deed poll dated 31 March 2023 executed by Brightstar whereby, among other things, Brightstar covenants to carry out its obligations under the Share Scheme, as set out in Annexure D. |
| Share Scheme Meeting | The meeting of Kingwest Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Share Scheme and includes any meeting convened following any adjournment or postponement of that meeting. The notice convening the Share Scheme Meeting is contained in Annexure F. |
| Share Scheme Resolution | The resolution set out in the Notice of Share Scheme Meeting set out in Annexure F. |
| Subsidiaries | Has the meaning it has in the Corporations Act. |
| Superior Proposal | <p>A bona fide Competing Proposal (and not resulting from a breach by Kingwest of its obligations under the Scheme Implementation Deed), which the board of the receiving party, acting in good faith, and after taking written advice from its legal and (if applicable) financial advisors, determines:</p> <ul style="list-style-type: none"> (a) is reasonably capable of being valued and completed on a timely basis, taking into account all aspects of the Competing Proposal and the person making it, including without limitation having regard to legal, regulatory and financial matters and any conditions precedents; and (b) more favourable to its shareholders (as a whole) than the Merger, taking into account all terms and conditions of the Competing Proposal. |
| Takeovers Panel | The Australian Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth). |
| Transaction Ratio | In the case of the Share Scheme, the Transaction Ratio is 1 New Brightstar Share for every 0.38 Kingwest Shares held. In the case of the Option Scheme, the Transaction Ratio is 1 New Brightstar Option for every 0.38 Kingwest Options held. |

Annexure A – Independent Expert’s Report



KINGWEST RESOURCES LIMITED Independent Expert's Report

4 April 2023



Financial Services Guide

4 April 2023

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Kingwest Resources Limited ('Kingwest') to provide an independent expert's report on the proposed share scheme of arrangement and related option scheme of arrangement with Brightstar Resources Limited. You are being provided with a copy of our report because you are a shareholder of Kingwest and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by Kingwest to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$80,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Kingwest.

Other assignments

In January 2023, BDO Corporate Finance (WA) Pty Ltd provided share-based payment valuation services to Brightstar for the total fee of \$3,300.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Kingwest for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution*Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

If a complaint is made and the complainant is dissatisfied with the outcome of the above process, or our determination, the complainant has the right to refer the matter to the Australian Financial Complaints Authority Limited ('AFCA').

AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

TABLE OF CONTENTS

| | | |
|-----|--|----|
| 1. | Introduction | 1 |
| 2. | Summary and Opinion | 1 |
| 3. | Scope of the Report | 6 |
| 4. | Outline of the Schemes | 10 |
| 5. | Profile of Kingwest | 12 |
| 6. | Profile of Brightstar | 18 |
| 7. | Profile of the Proposed Merged Entity | 26 |
| 8. | Economic analysis | 27 |
| 9. | Industry analysis | 28 |
| 10. | Valuation approach adopted | 34 |
| 11. | Valuation of Kingwest prior to the Schemes | 37 |
| 12. | Valuation of the Proposed Merged Entity | 44 |
| 13. | Value of Kingwest options prior to the Schemes | 48 |
| 14. | Valuation of the Option Scheme consideration | 52 |
| 15. | Are the Schemes fair? | 55 |
| 16. | Are the Schemes reasonable? | 57 |
| 17. | Conclusion | 61 |
| 18. | Sources of information | 61 |
| 19. | Independence | 62 |
| 20. | Qualifications | 62 |
| 21. | Disclaimers and consents | 63 |

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Control Premium

Appendix 4 - Independent Valuation Report prepared by Valuation & Resource Management

© 2023 BDO Corporate Finance (WA) Pty Ltd

4 April 2023

The Directors
Kingwest Resources Limited
Level 8, 216 St Georges Terrace
Perth, WA, 6000

Dear Directors,

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 23 December 2022, Kingwest Resources Limited ('Kingwest' or 'the Company') announced that it had entered into a binding Scheme Implementation Deed ('SID') with Brightstar Resources Limited ('Brightstar'), under which it is proposed that Brightstar will acquire the entire issued capital of Kingwest by way of a scheme of arrangement under the Corporations Act 2001 (Cth) ('Share Scheme'), and related option scheme of arrangement ('Option Scheme'). The SID was subsequently updated as announced on 15 March 2023. Under the terms of the Share Scheme, Kingwest shareholders ('Shareholders') will receive one Brightstar share for every 0.38 Kingwest shares held at the record date. Pursuant to the Option Scheme, holders of Kingwest options ('Optionholders') will receive Brightstar options at the same 0.38 exchange ratio, and on equivalent terms including an adjusted exercise price and the same maturity dates. The Kingwest share appreciation rights on issue are included in the Option Scheme.

Our Report refers to the Share Scheme and the Option Scheme collectively as 'the Schemes', whilst Shareholders and Optionholders are collectively referred to as 'Securityholders'. The Schemes are conditional upon each other, and as such, if either scheme is not approved, the Schemes will not become effective.

Kingwest and Brightstar are both public companies, listed on the Australian Securities Exchange ('ASX'). Upon implementation of the Schemes, Kingwest will become a wholly owned subsidiary of Brightstar and Kingwest Securityholders will receive securities in the enlarged Brightstar following the Schemes ('Proposed Merged Entity').

Further details of the Schemes are outlined in Section 4 of our Report. All figures are quoted in Australian dollars ('AUD' or '\$') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Kingwest have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express two separate opinions:

- Whether or not the Share Scheme is in the best interests of Shareholders; and
- Whether or not the Option Scheme is in the best interests of Optionholders.

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 (Cth) ('Corporations Act' or 'the Act') and is to be included in the scheme booklet ('Scheme Booklet') for Kingwest in order to assist Securityholders in their decision whether to approve the Schemes.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 60 'Schemes of Arrangements' ('RG 60'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Schemes as outlined in the body of this report. We have considered:

- How the value of 0.38 Kingwest shares prior to the Schemes compares to the value of a share in the Proposed Merged Entity following the implementation of the Schemes;
- How the value of each tranche of Kingwest options prior to the Schemes compares to respective consideration in the form of Brightstar options to be received by Optionholders under the Option Scheme;
- Whether the Schemes represent a merger of equals;
- The likelihood of an alternative offer being made to Kingwest;
- Other factors which we consider to be relevant to the Securityholders in their assessment of the Schemes; and
- The position of Securityholders should the Schemes not proceed.

2.3 Previously issued Report

We issued a draft Report to Kingwest on 8 March 2023 ('Draft Report'). The Draft Report was issued based on the original consideration ratio of one Brightstar share for every 0.44 Kingwest shares. The Draft Report concluded that the Schemes were neither fair nor reasonable and therefore not in the best interests of Securityholders. Subsequent to the issue of the Draft Report, Kingwest and Brightstar renegotiated the transaction per the announcement on 15 March 2023 to alter the exchange ratio from one Brightstar share for each 0.44 Kingwest shares to 0.38 Kingwest shares.

2.4 Opinion

2.4.1. Share Scheme

We have considered the terms of the Share Scheme as outlined in the body of this report and have concluded that the Share Scheme is fair and reasonable to Shareholders.

In our opinion, the Share Scheme is fair because the value of 0.38 shares in Kingwest is greater than the value of a share in the Proposed Merged Entity on a like-for-like minority interest basis at the low end of the valuation range. Although the value of a share in the Proposed Merged Entity is not greater than 0.38 Kingwest shares at the preferred and high end of the valuation range, we still consider the Share Scheme to be fair. Refer to Section 2.5.1 for further context on fairness.

We consider the Share Scheme to also be reasonable because, under RG 111.12, a transaction is reasonable if it is fair.

Therefore, we conclude that the Share Scheme is in the best interests of Shareholders.

2.4.2. Option Scheme

We have considered the terms of the Option Scheme as outlined in the body of this report and have concluded that the Option Scheme is fair and reasonable to Optionholders.

In our opinion, the Option Scheme is fair because the value of the Option Scheme consideration is greater than the value of the Kingwest options under the low end of the valuation ranges. As a result, we conclude that the Option Scheme is in the best interests of Optionholders.

2.5 Fairness

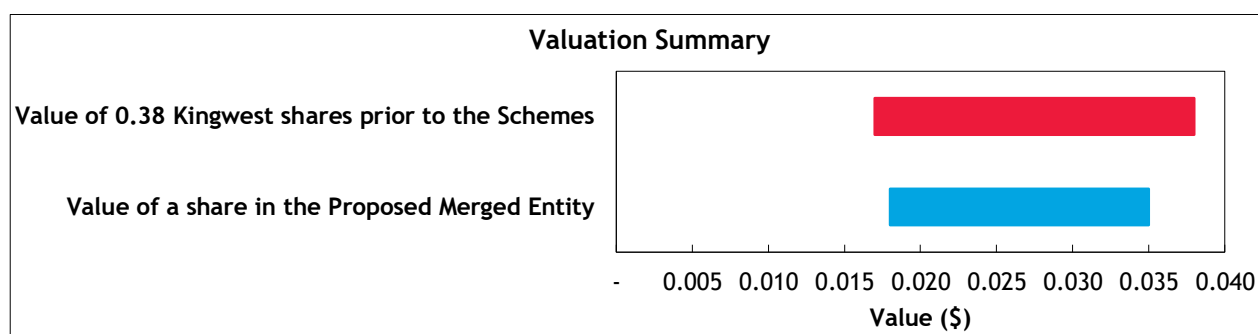
2.5.1. Share Scheme

In section 15.1, we determined that the value of 0.38 Kingwest shares prior to the Schemes compares to the value of a share in the Proposed Merged Entity to be received by Shareholders as consideration under the Share Scheme, on a minority interest basis, as detailed below.

| | Ref | Low \$ | Preferred \$ | High \$ |
|--|------|-----------|-----------------|------------|
| Value of 0.38 Kingwest shares prior to the Schemes (minority interest basis) | 11.3 | 0.017 | 0.027 | 0.037 |
| Value of a share in the Proposed Merged Entity (minority interest basis) | 12 | 0.018 | 0.026 | 0.035 |

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, the Share Scheme is fair for Shareholders.

We note that RG 111 states that an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. Therefore, pursuant to RG 111, all points on the valuation range are valid for making a fairness conclusion. As such, our assessment is that the Share Scheme is fair as our valuation of a share in the Proposed Merged Entity following the Share Scheme is greater than our valuation of 0.38 shares in Kingwest prior to the Share Scheme at the low point of our valuation range.

An investor may form a view on the value of Kingwest which is based on the preferred and high valuation scenarios based on their reading and interpretation of the independent Technical Specialist's Report. If this was the case, this view would carry through to a similar view of the post-transaction valuation, and accordingly, the value post the Schemes would be lower than the value prior to the Schemes. In this circumstance, the investor would conclude that the Share Scheme was not fair in their view.

Further, we note that whilst the low valuation point of 0.38 Kingwest shares prior to the Share Scheme, and the preferred and high valuation points of a share in the Proposed Merged Entity following the Share Scheme overlap, it would be inappropriate to compare these points, as our valuation of the Proposed Merged Entity following the Share Scheme is inclusive of our pre-transaction value of Kingwest. As a result, comparing these points would imply two different values for Kingwest's mineral assets. Therefore, the above valuations must be compared on a like for like basis at individual points, rather than across the range. On this basis, we consider the Share Scheme to be fair.

2.5.2. Option Scheme

In section 15.2, we determined that the value of each tranche of Kingwest options prior to the implementation of the Schemes, compares to the consideration in the form of Brightstar options to be received by Optionholders under the Option Scheme, as detailed below.

| Tranche | Value of Kingwest options prior to the Schemes | | | Value of Option Scheme consideration | | | Conclusion |
|------------|--|--------------|---------|--------------------------------------|--------------|---------|------------|
| | Low \$ | Preferred \$ | High \$ | Low \$ | Preferred \$ | High \$ | |
| Tranche 1 | 450 | 2,925 | 9,000 | 592 | 2,664 | 7,697 | Fair |
| Tranche 2 | 11,880 | 31,185 | 59,697 | 12,505 | 28,918 | 53,929 | Fair |
| Tranche 3 | 50,400 | 124,000 | 224,000 | 54,737 | 115,789 | 204,211 | Fair |
| Tranche 4 | 43,125 | 105,000 | 189,375 | 46,053 | 97,039 | 171,053 | Fair |
| Tranche 5 | 10,030 | 23,970 | 42,840 | 10,737 | 22,368 | 38,921 | Fair |
| Tranche 6 | 58,533 | 200,361 | 438,994 | 65,168 | 183,655 | 391,007 | Fair |
| Tranche 7 | 10,000 | 22,375 | 38,625 | 10,526 | 21,053 | 35,197 | Fair |
| Tranche 8 | 139,513 | 366,222 | 678,189 | 147,876 | 336,545 | 616,999 | Fair |
| Tranche 9 | 32,000 | 57,250 | 85,125 | 33,224 | 54,276 | 79,605 | Fair |
| Tranche 10 | 31,050 | 57,600 | 88,050 | 32,368 | 54,868 | 82,105 | Fair |

Of the above valuations, the low value of each tranche of the option consideration is equal to, or greater than the low value of the Kingwest options prior to the Schemes. As a result of this, and in the absence of any other relevant information, the Option Scheme is fair for Optionholders.

2.6 Reasonableness

We have considered the analysis in section 16 of this report, in terms of both

- advantages and disadvantages of the Schemes; and
- other considerations, including the position of Securityholders if the Schemes do not proceed and the consequences of not approving the Schemes.

2.6.1. Share Scheme

In our opinion, the position of Shareholders if the Share Scheme is approved is more advantageous than the position if the Share Scheme is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Share Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

| ADVANTAGES AND DISADVANTAGES | | | |
|------------------------------|--|---------|--|
| Section | Advantages | Section | Disadvantages |
| 16.4.1 | The share Scheme is fair | 16.5.1 | Dilution of Shareholders' interests |
| 16.4.2 | Increase in resource base | 16.5.2 | Any exploration upside in Kingwest's assets will be shared with Brightstar |
| 16.4.3 | The Proposed Merged Entity will have a larger market presence, which may result in improved liquidity and increased ability to raise capital | 16.5.3 | Change of risk exposure |
| 16.4.4 | Increased experience and broader expertise of the board of directors and management team of the Proposed Merged Entity | | |

2.6.2. Option Scheme

In our opinion, on the basis that the Option Scheme is fair for Optionholders, the position of Optionholders if the Option Scheme is approved is more advantageous than the position if the Option Scheme is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Option Scheme is reasonable for Optionholders.

We consider the respective advantages and disadvantages of the Option Scheme to be the same as those for the Share Scheme, summarised above in Section 2.6.1, unless specifically linked to the Share Scheme (as in 16.5.1).

2.6.3. Other key matters

Other key matters we have considered for both the Share Scheme and the Option Scheme include:

| Section | Description |
|---------|---|
| 16.1 | Alternative Proposal |
| 16.2 | Consequences of not approving the Schemes |
| 16.3 | Tax implications |
| 16.6 | Other considerations |

3. Scope of the Report

3.1 Purpose of the Report

The Schemes are to be implemented pursuant to section 411 of the Corporations Act (**'Section 411'**). Part 3 of Schedule 8 to the Corporations Act Regulations 2001 prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to Section 411.

An independent expert's report must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and set out the reasons for that opinion.

There are no common directors of Kingwest and Brightstar, nor is there any other party to the Schemes that holds 30% or more of the scheme company, being Kingwest. Accordingly, there is no requirement for this report pursuant to Section 411. Notwithstanding the fact that there is no legal requirement to engage an independent expert to report on the Schemes, the directors of Kingwest have requested that BDO prepare this report as if it were an independent expert's report pursuant to Section 411 and to provide an opinion as to whether the Schemes are fair and reasonable and in the best interests of Securityholders.

The requirement for an independent expert's report is also a condition precedent in the SID, which states that, for the Schemes to proceed, the independent expert must conclude that the Share Scheme is in the best interests of Shareholders.

Furthermore, in accordance with RG 111.31, we have considered whether the Scheme is in effect a merger of entities of equivalent value (**'Merger of Equals'**). A Merger of Equals exists when control of the merged entity will be shared equally between the bidder (Brightstar) and the target (Kingwest).

Further analysis is provided in Section 3.3 below.

3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term 'in the best interests of'. In determining whether the Schemes are in the best interests of Securityholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of 'control' transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is 'fair and reasonable'. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, 'in the best interests' must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a 'fair and reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair and reasonable'; if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of 'in the best interests' does not imply the best possible outcome for security holders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Furthermore, in accordance with RG 111.31, we have considered whether the Scheme is in effect a Merger of Equals. A Merger of Equals exists when control of the merged entity will be shared equally between the bidder (Brightstar) and the target (Kingwest). In our assessment of whether the Schemes should be analysed as a Merger of Equals, we have considered the following factors:

- The collective interest of Shareholders and shareholders in the Proposed Merged Entity;
- The contribution by Kingwest and Brightstar to the assets and liabilities of the Proposed Merged Entity;
- The comparative trading performance of Kingwest and Brightstar securities, and their relative market capitalisations;
- The composition of the board of directors of both companies upon implementing the Schemes;
- Whether any shareholders from either company will be in a position to control or significantly influence the activities of the Proposed Merged Entity; and
- Whether implementing the Schemes precludes Shareholders and Brightstar shareholders from receiving a control premium for their shares in the future.

Following the implementation of the Scheme, Shareholders will collectively hold approximately 47.10% of the Proposed Merged Entity's issued capital on an undiluted basis with Brightstar shareholders retaining approximately 52.90% on an undiluted basis. On a diluted basis, Shareholders and Brightstar shareholders will have interest of 48.34% and 51.66% in the Proposed Merged Entity, respectively.

Given the material adjustments we have made the net asset value of Kingwest and Brightstar prior to the implementation of the Schemes are similar (based on 31 December 2022 reviewed balance sheets) we have not compared the reviewed net asset positions of each company. However, when comparing the

market value of the net assets of Kingwest and Brightstar (per our valuation sections, Section 11 and 12), the market value of Kingwest and Brightstar are within 10% of each other on all of the low, preferred and high valuation points.

The trading performance of Kingwest's and Brightstar's securities on the Australian Securities Exchange ('ASX'), respectively, are broadly similar, both with moderate trading activity prior to the announcement of the Schemes. We note that on 22 December 2022, being the last full trading day prior to the announcement of the Scheme, Kingwest and Brightstar had market capitalisations of approximately \$9 and \$13 million, respectively. However, we note the moderate trading activity and liquidity of the shares renders the market capitalisation as a proxy for value that we would not consider as a primary methodology.

The board of the Proposed Merged Entity will have five members, with Greg Bittar as Non-Executive Chairman (currently Executive Chairman of Kingwest), one additional director to be nominated from Kingwest, and three directors to remain from Brightstar. On a five person board of directors, we consider this to be equal weighting of Kingwest and Brightstar representation. It is the intention of the Brightstar board that the current operations of Kingwest will be integrated in to Brightstar's existing business and will be continued substantially in the same manner as it is presently being conducted.

Following implementation of the Schemes, there will not be a single shareholder or group of associated shareholders holding in excess of 20% of the issued capital of the Proposed Merged Entity. This means that the Scheme does not reduce the opportunity for Kingwest and Brightstar shareholders from receiving a control premium for their shares from a takeover offer in the future.

Having regard to these factors, we consider that the Scheme should be evaluated as a Merger of Equals and not a control transaction. Consequently, the consideration offered and securities given up should be assessed on an equivalent basis. As the implementation of the Schemes will not preclude either Kingwest's or Brightstar's shareholders from receiving a control premium for their shares in the future. We have assessed the consideration offered, and securities given up, on a minority interest basis.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of 0.38 Kingwest shares prior the implementation of the Schemes and the value of a share in the Proposed Merged Entity on an equivalent minority interest basis (fairness - see Section 15 'Are the Schemes Fair?');
- A comparison between the value of each tranche of Kingwest options prior to the Schemes and the respective consideration in the form of Brightstar options to be received by Optionholders under the Option Scheme (fairness - see Section 15 'Are the Schemes Fair?');
- An investigation into other significant factors to which Securityholders might give consideration, prior to approving the Schemes, after reference to the value derived above (reasonableness - see Section 16 'Are the Schemes Reasonable?'); and
- A consideration of whether each of the Schemes are in the best interests of Securityholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of securityholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of securityholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of securityholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

‘an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.’

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Schemes

4.1 Background to the Schemes

On 23 December 2022, Kingwest announced that it had executed an SID with Brightstar, under which it is proposed that Brightstar will acquire 100% of the issued capital of Kingwest. Subsequently, the SID was updated as announced on 15 March 2023. Pursuant to the Share Scheme, Shareholders of Kingwest will receive a share in the Proposed Merged Entity for every 0.38 shares they hold in Kingwest at the record date. Pursuant to the Option Scheme, options in Kingwest will, subject to ASX granting a waiver of Listing Rule 6.23.2, be exchanged for new Brightstar options at the same exchange ratio and on equivalent terms including an adjusted exercise price, and the same maturity dates.

On or around the date of our Report, the entire issued capital of Kingwest comprises the following:

| Class of Securities | Number |
|---|-------------|
| Fully paid ordinary shares | 281,726,818 |
| Unlisted options | 61,839,334 |
| Share appreciation rights (included in the Option Scheme) | 4,095,000 |

Source: Kingwest ASX announcement, 16 January 2023

The SID covers both the Share Scheme and the Option Scheme, which are detailed below. The Share Scheme and the Option Scheme are conditional upon each other, and as such, if either scheme is not approved, the Schemes will not become effective.

Following the implementation of the Schemes, existing Kingwest Shareholders are expected to hold approximately 47.10% of the issued capital in the Proposed Merged Entity, with Brightstar shareholders holding the remaining 52.90%.

The Schemes are subject to certain conditions precedent, including the following:

- Approval of the Share Scheme being obtained from Kingwest Shareholders who represent at least 75% of total votes cast;
- Kingwest Optionholders agreeing to the Option Scheme by the requisite majorities under the Corporations Act;
- Obtaining ASX, ASIC, the Supreme Court of Western Australia and other approvals in relation to the Schemes;
- The independent expert opining that the Share Scheme is in the best interest of Shareholders;
- ASX granting a Listing Rule 6.23.2 waiver in relation to the Option Scheme;
- No material adverse changes or prescribed events by either party to the Schemes; and
- No breaches of representations and warranties by either party to the Schemes.

The complete terms of the Schemes are set out in the SID that was announced by Kingwest and Brightstar on 15 March 2023.

In addition, under the SID, both Kingwest and Brightstar are liable to incur a reimbursement fee in the event of certain circumstances leading to the Schemes not being implemented.

4.2 Unlisted Securities in Kingwest

On approval of the Schemes, Kingwest options (including share appreciation rights) will be converted to options in Brightstar at a ratio of one Brightstar option for every 0.38 options in Kingwest held and on equivalent terms including an adjusted exercise price, and the same maturity dates.

The following table provides a summary of the Kingwest options outstanding prior to the implementation of the Schemes, and the consideration to be issued to Optionholders under the Option Scheme.

| Kingwest options on issue | Number | Exchange ratio | Number of options in Brightstar | New exercise price |
|---|------------|----------------|---------------------------------|--------------------|
| Share appreciation rights exercisable at \$0.180, expiring on 15 September 2023 | 1,125,000 | 0.38 | 2,960,526 | \$0.068 |
| Share appreciation rights exercisable at \$0.280, expiring on 7 October 2024 | 2,970,000 | 0.38 | 7,815,789 | \$0.106 |
| Options exercisable at \$0.200, expiring on 21 October 2024 | 8,000,000 | 0.38 | 21,052,632 | \$0.076 |
| Options exercisable at \$0.170, expiring on 15 September 2024 | 6,250,000 | 0.38 | 16,447,368 | \$0.065 |
| Options exercisable at \$0.285, expiring on 15 February 2025 | 1,700,000 | 0.38 | 4,473,684 | \$0.108 |
| Options exercisable at \$0.150, expiring on 30 December 2023 | 22,512,500 | 0.38 | 59,243,421 | \$0.057 |
| Options exercisable at \$0.250, expiring on 28 April 2025 | 1,250,000 | 0.38 | 3,289,474 | \$0.095 |
| Options exercisable at \$0.100, expiring on 29 February 2024 | 19,376,834 | 0.38 | 50,991,668 | \$0.038 |
| Options exercisable at \$0.060, expiring on 16 January 2026 | 1,250,000 | 0.38 | 3,289,474 | \$0.023 |
| Options exercisable at \$0.100, expiring on 16 January 2026 | 1,500,000 | 0.38 | 3,947,368 | \$0.038 |

Source: Kingwest announcement dated 23 December 2022

4.3 Shares to be issued under the Share Scheme

The table below provides a summary of the number of shares in Brightstar to be issued as consideration under the Share Scheme.

| Share structure following the implementation of the Share Scheme | Number | % of issued shares |
|---|----------------------|--------------------|
| Kingwest shares on issue as at the date of our Report | 281,726,818 | |
| <i>Exchange ratio</i> | <i>0.38</i> | |
| Number of Proposed Merged Entity shares to be issued to Shareholders | 741,386,363 | 47.10% |
| Number of Brightstar shares on issue as at the date of the Schemes | 832,628,823* | 52.90% |
| Total ordinary shares on issue in the Proposed Merged Entity following the implementation of the Schemes (undiluted) | 1,574,015,186 | 100.00% |

Source: BDO analysis

*We note that the number of Brightstar shares on issue assumes that Shareholder approval will be obtained for the issue of 3,500,000 shares to Mr. Bill Hobba and Mr. Joshua Hunt. Further information regarding this share issue is outlined in Section 6.3 of our Report.

5. Profile of Kingwest

5.1 History

Kingwest is an ASX-listed mineral exploration and development company with gold projects located in Western Australia ('WA'). The Company's flagship project is the Menzies gold project ('**Menzies Project**' or '**the Project**') located in the Eastern Goldfields region of WA. The Company also holds a 100% interest in the Goongarrie gold project ('**Goongarrie Project**') located in the Eastern Goldfields region of WA. The Company's head office is located in Perth, WA. Kingwest was incorporated in March 2018 and commenced trading on the ASX in August 2018.

The Company's board of directors and key management personnel are:

- Mr. Gregory Bittar - Executive Chairman;
- Mr. Jonathan Downes - Non-Executive Director;
- Mr. Ashok Parekh - Non-Executive Director;
- Mr. Dean Vallve - Chief Operating Officer; and
- Mr. Stephen Brockhurst - Company Secretary.

5.2 Projects

Menzies Project

The Menzies Project is a gold exploration project located approximately 130 kilometres ('kms') north of Kalgoorlie, WA with a strike length in excess of 15kms. The Menzies Project currently comprises one exploration license, three miscellaneous licenses, seven mining licenses and 10 prospecting licenses which are all 100% held by Kingwest.

Kingwest acquired the Project in July 2019 following the execution of an agreement with Intermin Resources Limited ('IRC'), for the consideration of \$3.38 million in up-front and deferred cash payments, 20 million fully paid ordinary shares in Kingwest at a deemed issue price of \$0.150 per share on settlement of the agreement, and a further \$1.63 million worth of fully paid ordinary shares in Kingwest no later than 18 months following the settlement of the agreement. Upon completion of the acquisition, IRC (now known as Horizon Minerals Limited) held approximately 19.9% of the total issued capital in Kingwest.

After the completion of the acquisition, Kingwest undertook early-stage exploration activities prior to releasing a Joint Ore Reserves Committee ('JORC') 2012 compliant mineral resource estimate ('MRE') in July 2020. The Company announced an Indicated and Inferred resource of 4.78 million tonnes ('Mt') at 2.08 grams per tonne ('g/t') of gold for 319,900 ounces ('oz') of contained gold. Following the release of the MRE, Kingwest continued exploration activities at the Project, which included several drilling campaigns and resource upgrades, before announcing the results of a scoping study in March 2021 ('**Scoping Study**'). The Scoping Study indicated the technical and economic viability of open pit mining and third-party toll treatment of the Menzies Project's mineral resource, based on the production of 3.15Mt of ore over a 31-month life of mine.

The Company continued drilling and regularly updating the Project's MRE for the purpose of producing an estimate suitable for underground mining studies, given the prior MRE was more applicable to open pit mining. As near surface resources had already been identified as part of the Scoping Study, the Company intended to pursue deeper, high-grade extensions that could be included in future MREs. This campaign

was a success with Kingwest announcing multiple MRE upgrades over the course of 2021 and 2022, which included underground gold resources. In April 2022, Kingwest announced that the Menzies JORC 2012 compliant MRE had surpassed 500,000 oz, with the Company reporting an Indicated and Inferred resource of 11.77Mt at 1.33g/t gold, for 505,100 oz of contained gold.

In July 2022, Kingwest announced it had entered into an agreement for open pit and underground mining with BML Ventures Pty Ltd ('BML'), targeting the Selkirk deposit within the Menzies Project. Under the agreement, BML would fund all capital costs and be responsible for mining and haulage, with profits from the operation to be split 50:50. Subsequently, Kingwest announced it had submitted a Mining Proposal and mine closure plan to the Western Australian Department of Mines, Industry Regulation and Safety, for the Selkirk deposit. It was expected that upon the completion of further drilling, metallurgical test work and other works, BML would enter into a toll processing agreement and finalise mining preparations to deliver short and medium term cashflows.

In the announcement of the Schemes on 23 December 2022, Kingwest and Brightstar stated that part of the strategic rationale of the merger is the ability to utilise Brightstar's processing infrastructure to provide processing options for Menzies ore. As such, the Proposed Merged Entity's focus in the near term will be the advancement of the Menzies Project, as well as Brightstar's gold assets located in Laverton.

Goongarrie Project

The Goongarrie Project is a gold exploration project located approximately 40kms south of the Menzies Project in the Eastern Goldfields region of WA. The Goongarrie Project is granted on mining, exploration, and prospecting licenses across an area of 125 square kilometres ('km²') and is 100% owned by Kingwest. The Goongarrie Project was acquired in July 2019 from IRC along with the Menzies Project and was not expected to be a short-term focus of the Company upon acquisition.

No significant early-stage work was undertaken at the Goongarrie Project immediately following the acquisition, however, in light of a favourable gold price environment, Kingwest announced that it would review a previously completed feasibility study for the Goongarrie Project with the desire to partner in the future development of the project through either an asset sale or a profit share arrangement. Subsequently, in July 2020, Kingwest announced it would be commencing its inaugural drilling program at the Goongarrie Project to further explore high priority targets identified in its review.

Over the course of 2021 and 2022, Kingwest completed a number of initial and follow up drilling campaigns at the Lake Goongarrie and Sir Laurence deposits of the Goongarrie Project. Positive exploration results were announced over the period, with Kingwest also reporting the presence of nickel sulphide towards the eastern side of the project. Towards the end of 2022, Kingwest announced that the progress and extent of the exploration program had been limited by weather conditions, with the area being subject to heavy rainfall which led to several exploration targets not being tested. As such, future exploration would be subject to a number of criteria, including favourable weather conditions. Kingwest have written down the value of the Goongarrie Project in the December 2023 half year reviewed accounts due to the above factors.

In its announcement of the Schemes, Kingwest and Brightstar emphasised the development of the Menzies Project as well as Brightstar's Laverton gold assets, which implies the Goongarrie Project may be a non-core asset of the Proposed Merged Entity following the implementation of the Schemes. Further information on Kingwest's mineral assets can be found in the independent valuation report prepared by Valuation & Resource Management ('VRM') ('**Technical Specialist Report**') in Appendix 4 of our Report.

5.3 Recent Corporate Events

On 14 July 2022, Kingwest announced it would be conducting a capital raising of up to \$1.50 million through a share purchase plan ('SPP') to eligible Shareholders, with one free-attaching option for every two shares subscribed for under the SPP, exercisable at \$0.100 prior to 29 February 2024. New shares under the SPP were issued at \$0.065 per share, representing an 18.75% discount to the last close price on the prior trading day, with all funds raised intended to be put towards exploration at the Goongarrie Project. On 4 August 2022, Kingwest announced that due to a strong uptake from Shareholders, the SPP had been upsized to raise approximately \$2.50 million.

5.4 Historical Balance Sheet

| Statement of Financial Position | Reviewed as at 31-Dec-22 | Audited as at 30-Jun-22 | Audited as at 30-Jun-21 |
|--------------------------------------|-----------------------------|----------------------------|----------------------------|
| | \$ | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2,221,606 | 1,797,157 | 3,012,020 |
| Trade and other receivables | 128,890 | 164,827 | 178,297 |
| TOTAL CURRENT ASSETS | 2,350,496 | 1,961,984 | 3,190,317 |
| NON-CURRENT ASSETS | | | |
| Exploration and evaluation assets | 17,025,588 | 21,516,834 | 17,362,712 |
| Plant and equipment | 190,248 | 214,770 | 45,219 |
| Right-of-use-assets | - | - | 21,621 |
| TOTAL NON-CURRENT ASSETS | 17,215,836 | 21,731,604 | 17,429,552 |
| TOTAL ASSETS | 19,566,332 | 23,693,588 | 20,619,869 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 359,895 | 470,146 | 739,436 |
| Lease liabilities | - | - | 19,549 |
| Provisions | 967 | 19,114 | 24,457 |
| TOTAL CURRENT LIABILITIES | 360,862 | 489,260 | 783,442 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | - | - | 3,314 |
| TOTAL NON-CURRENT LIABILITIES | - | - | 3,314 |
| TOTAL LIABILITIES | 360,862 | 489,260 | 786,756 |
| NET ASSETS | 19,205,470 | 23,204,328 | 19,833,113 |
| EQUITY | | | |
| Issued capital | 33,129,883 | 30,749,005 | 26,307,557 |
| Share based payment reserve | 3,299,716 | 2,979,468 | 2,273,309 |
| Accumulated losses | (17,224,129) | (10,524,145) | (8,747,753) |
| TOTAL EQUITY | 19,205,470 | 23,204,328 | 19,833,113 |

Source: Kingwest's audited financial statements for the years ended 30 June 2021 and 30 June 2022, Kingwest reviewed financial statements for the half year ended 31 December 2022.

Commentary on Historical Statement of Financial Position

- Cash and cash equivalents declined from \$3.01 million as at 30 June 2021 to \$1.80 million as at 30 June 2022. The decrease of approximately \$1.21 million was primarily the result of payments for exploration expenditure of \$4.43 million and payments to suppliers and employees of \$1.02 million. This was partially offset by proceeds from the issue of shares of \$4.44 million. In the half year ended 31 December 2022, the increase in the cash and cash equivalents balance is due to the

inflow of cash from the capital raising of \$2.50 million (before costs), offset by approximately \$1.95 of administration costs and exploration expenditure.

- Exploration and evaluation assets of \$21.52 million as at 30 June 2022 relates to capitalised exploration and evaluation expenditure at the Company's Menzies and Goongarrie Projects. This balance was impaired down to \$17.03 million as at 31 December 2022 due to impairment on the tenements that form part of the Goongarrie Project.
- Plant and equipment of \$0.21 million as at 30 June 2022 comprises land and buildings of \$0.10 million, and plant and equipment of \$0.11 million.

5.5 Historical Statement of Comprehensive Income

| Statement of Profit or Loss and Other Comprehensive Income | Reviewed for the half year ended 31-Dec-22 \$ | Audited for the year ended 30-Jun-22 \$ | Audited for the year ended 30-Jun-21 \$ |
|--|--|--|--|
| Revenue | | | |
| Interest | 13,295 | 11,772 | 9,676 |
| Gain on disposal of exploration tenements | - | - | 1,007,040 |
| Other income | 114,740 | 28,934 | 26,640 |
| Total revenue | 128,035 | 40,706 | 1,043,356 |
| Expenses | | | |
| Accounting and audit fees | - | (160,684) | (140,669) |
| Compliance costs | (125,294) | (73,803) | (86,393) |
| Corporate advisory and consulting fees | (42,692) | (136,161) | (150,745) |
| Director & employee benefits expense | (260,730) | (282,723) | (289,983) |
| Legal expenses | - | (42,382) | (48,213) |
| Share based payments | (320,248) | (706,159) | (281,318) |
| Interest expense | - | (447) | (2,517) |
| Travel expenses | (23,839) | (47,398) | (13,591) |
| Depreciation | (23,178) | (47,514) | (51,593) |
| Impairment of exploration expenditure | (5,899,439) | - | (1,622,791) |
| Exploration & evaluation expenditure | (9,076) | (28,795) | - |
| Other expenses | (123,523) | (291,032) | (283,716) |
| Loss before income tax | (6,699,984) | (1,776,392) | (1,928,173) |
| Income tax expense | - | - | - |
| Loss after income tax for the year | (6,699,984) | (1,776,392) | (1,928,173) |
| Other comprehensive income | - | - | - |
| Total comprehensive loss for the year | (6,699,984) | (1,776,392) | (1,928,173) |

Source: Kingwest's audited financial statements for the years ended 30 June 2021 and 30 June 2022, Kingwest reviewed financial statements for the half year ended 31 December 2022.

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- Gain on disposal of exploration tenements of \$1.01 million for the year ended 30 June 2021 related to the disposal of the Company's Goongarrie Lady tenements for the upfront cash consideration of \$1.90 million, and the Leonora tenements for \$0.19 million.
- Other income in the half year ended 31 December 2022 includes \$100,000 royalty income.
- The Company recorded an impairment of \$1.62 million in the year ended 30 June 2021, relating to Menzies Project tenements that expired during the financial year and were not renewed.
- Kingwest recognised an impairment of \$5.90 million in the half year ended 31 December 2022 relating to tenements that form part of the Goongarrie Project.

5.6 Capital Structure

The share structure of Kingwest as at 1 February 2023 is outlined below:

| | Number |
|--|-------------|
| Total ordinary shares on issue | 281,726,818 |
| Top 20 shareholders | 79,301,747 |
| Top 20 shareholders - % of shares on issue | 28.15% |

Source: Kingwest's share registry information

The range of shares held in Kingwest as at 1 February 2023 is as follows:

| Range of Shares Held | No. of Ordinary Shareholders | No. of Ordinary Shares | Percentage of Issued Shares (%) |
|----------------------|------------------------------|------------------------|---------------------------------|
| 1 - 1,000 | 35 | 4,117 | 0.00% |
| 1,001 - 5,000 | 144 | 530,383 | 0.19% |
| 5,001 - 10,000 | 216 | 1,759,767 | 0.62% |
| 10,001 - 100,000 | 762 | 31,309,304 | 11.11% |
| 100,001 - and over | 425 | 248,123,247 | 88.07% |
| TOTAL | 1,582 | 281,726,818 | 100.00% |

Source: Kingwest's share registry information

The ordinary shares held by the most significant shareholders as at 1 February 2023 are detailed below:

| Name | No. of Ordinary Shares | Percentage of Issued Shares (%) |
|---------------------------------------|------------------------|---------------------------------|
| Equity Trustees Limited | 6,571,538 | 2.33% |
| Certane CT Pty Ltd | 6,085,984 | 2.16% |
| J P Morgan Nominees Australia Limited | 6,073,587 | 2.16% |
| Jeff Towler Building Pty Ltd | 5,550,000 | 1.97% |
| Subtotal | 24,281,109 | 8.62% |
| Others | 257,445,709 | 91.38% |
| Total ordinary shares on Issue | 281,726,818 | 100.00% |

Source: Kingwest's share registry information

The options on issue prior to the Schemes are outlined below:

| Description | Number |
|---|-------------------|
| Share appreciation rights exercisable at \$0.180, expiring on 15 September 2023 | 1,125,000 |
| Share appreciation rights exercisable at \$0.280, expiring on 7 October 2024 | 2,970,000 |
| Options exercisable at \$0.200, expiring on 21 October 2024 | 8,000,000 |
| Options exercisable at \$0.170, expiring on 15 September 2024 | 6,250,000 |
| Options exercisable at \$0.285, expiring on 15 February 2025 | 1,700,000 |
| Options exercisable at \$0.150, expiring on 30 December 2023 | 22,512,500 |
| Options exercisable at \$0.250, expiring on 28 April 2025 | 1,250,000 |
| Options exercisable at \$0.100, expiring on 29 February 2024 | 19,376,834 |
| Options exercisable at \$0.060, expiring on 16 January 2026 | 1,250,000 |
| Options exercisable at \$0.100, expiring on 16 January 2026 | 1,500,000 |
| Total | 65,934,334 |

Source: Kingwest's share registry information

6. Profile of Brightstar

6.1 History

Brightstar is an ASX-listed mineral exploration and development company with gold tenements located approximately 350kms northeast of Kalgoorlie, WA. The Company holds tenements covering approximately 300km², which collectively form the Brightstar gold project. The Brightstar gold project comprises a mixture of open pit developments, a mill on care and maintenance and a combination of brownfield and greenfield exploration targets, divided between North Brightstar (**'North Project'**) and South Brightstar (**'South Project'**). The Company's head office is located in Belmont, WA. Brightstar was formerly known as Stone Resources Australia Limited and commenced trading on the ASX in December 2003.

The Company's board of directors and key management personnel are:

- Mr. Joshua Hunt - Non-Executive Chairman;
- Mr. Alex Rovira - Managing Director;
- Mr. Lau Wai Ming - Non-Executive Director; and
- Mr. Luke Wang - Company Secretary.

On 13 February 2023, Brightstar announced a change to its board of directors, with Mr. Yongji Duan stepping down as Chairman and resigning as a director of Brightstar, effective immediately. Mr. Joshua Hunt has replaced Mr. Yongji Duan as Chairman, whilst Mr. Lau Wai Ming has been appointed as a Non-Executive Director of Brightstar.

6.2 Projects

South Project

The South Project comprises the Alpha deposit (**'Alpha'**), the Beta deposit (**'Beta'**), and the processing plant (**'Laverton Processing Plant'**).

The Laverton Processing Plant is located 33kms south-east of Laverton and was recommissioned by Brightstar in 2014. It is a production facility that is currently non-operational as it is under care and maintenance. The plant has a 485,000 tonnes per annum carbon in-leach processing capacity. Supporting infrastructure surrounding the Laverton Processing Plant includes a tailings storage facility, as well as a 60-person camp, vehicles and equipment.

Alpha is located approximately 15km from the Laverton Processing Plant. No significant exploration activities had been undertaken at Alpha since 2014, however, in September 2022, Brightstar announced the results of a reverse circulation drilling program at Alpha, for which twelve holes were drilled for 1,260 metres. The assay results from the drilling campaign indicated the potential for further extensions of the project to areas that have not previously been mined. Brightstar announced that additional drilling is likely to be proposed in the near future to improve confidence in the current resource. No significant activities have been undertaken at Beta in recent years.

North Project

The North Project is located in close proximity to road infrastructure and major regional processing hubs and includes the Cork Tree Well deposit (**'Cork Tree Well'**) and the Hawks Nest deposit (**'Hawks Nest'**).

Brightstar commenced a sub-audio magnetics survey on Cork Tree Well in December 2020 to identify additional near-surface drilling targets. The results were announced in June 2021 which indicated there to be further mineralisation within Cork Tree Well, which prompted Brightstar to commence a drilling program in September 2021. Over the next year, Brightstar continually announced positive results from the drilling program, such that Cork Tree Well has the largest JORC 2012 compliant resource of the projects held by Brightstar.

Delta 2 is an additional prospect located less than 2.5kms from Cork Tree Well. In a recent drilling campaign at Delta 2, Brightstar announced that it had confirmed the potential for Delta 2 to host bedrock mineralisation, which strengthens the potential of the Cork Tree Well project area to produce multiple deposits.

Hawks Nest is a historically underexplored deposit and is a currently non-core project of Brightstar.

A summary of the Company's MREs announced on 23 December 2022 is outlined below (reported above a gold cut-off grade of 0.5g/t).

| Deposit | Location | Category | Tonnes | Grade (g/t) | Ounces |
|---------------------------------|---------------|--------------|------------------|-------------|----------------|
| Alpha | South Project | Measured | 620,000 | 1.60 | 33,000 |
| | | Indicated | 380,000 | 2.10 | 25,000 |
| | | Inferred | 460,000 | 3.30 | 48,000 |
| | | Total | 1,400,000 | 2.30 | 106,000 |
| Beta | South Project | Measured | 350,000 | 1.70 | 19,000 |
| | | Indicated | 580,000 | 1.60 | 29,000 |
| | | Inferred | 970,000 | 1.70 | 54,000 |
| | | Total | 1,900,000 | 1.70 | 102,000 |
| Cork Tree Well | North Project | Measured | - | - | - |
| | | Indicated | 1,700,000 | 1.70 | 94,000 |
| | | Inferred | 3,900,000 | 1.30 | 158,000 |
| | | Total | 5,600,000 | 1.40 | 252,000 |
| Total Brightstar Project | | Measured | 970,000 | 1.60 | 52,000 |
| | | Indicated | 2,700,000 | 1.73 | 148,000 |
| | | Inferred | 5,300,000 | 1.52 | 260,000 |
| | | Total | 8,900,000 | 1.61 | 460,000 |

Source: Brightstar announcement dated 23 December 2022.

Further information on Brightstar's mineral assets can be found in the Technical Specialist Report in Appendix 4 of our Report.

6.3 Recent Corporate Events

In its announcement of the Schemes, Brightstar also announced a placement of 100 million fully paid ordinary shares to sophisticated investors at an issue price of \$0.016 to raise \$1.6 million to advance exploration activities and provide working capital. Incoming director Mr. Alex Rovira, and existing directors Mr. Bill Hobba and Mr. Joshua Hunt participated in the placement for a combined value of \$156,000. The issue of shares to Mr. Bill Hobba and Mr. Joshua Hunt are to be approved at a Brightstar general meeting to be held in March 2023. Mr. Bill Hobba is no longer a director of Brightstar, and Mr. Alex Rovira has been appointed as Managing Director.

On 31 October 2022, Brightstar announced a placement of approximately 44 million fully paid ordinary shares at an issue price of \$0.015 per share to raise \$0.66 million. The raising of \$0.66 million was the maximum amount that could be raised under Brightstar's available placement capacity, with funds raised intended to be put towards exploration activities. The issue price of \$0.015 per share represented a 25% discount from the last close price on the prior trading day.

On 19 October 2022, Brightstar released an announcement stating it had extinguished its remaining debt totalling \$5.4 million, owed to Stone Resources (HK) Limited ('SRHK') in exchange for a royalty over selected tenements of Brightstar.

On 16 March 2022, Brightstar announced it had received commitments from institutional and sophisticated investors to subscribe for a placement of approximately 100 million fully paid ordinary shares at an issue price of \$0.025, to raise \$2.5 million. The shares issued under the placement were issued at a 16.7% discount to the last close price on the prior trading day, with funds raised intended to be utilised to fund further exploration campaigns.

In March 2020, Brightstar announced it had entered into a debt and equity compromise agreement ('DECA') with its major debt provider and major shareholders, Stone Resources Limited ('SRL') and SRHK, to extinguish approximately \$53 million in debt, and to buy back approximately 58% of the Company issued capital. The consideration payable by Brightstar was a total of \$11.4 million (which was financed by the sale of the Company's Ben Hur Project), and a 2.5% net smelter return royalty over all of the Company's tenements. The DECA was implemented in November 2020.

6.4 Historical Statement of Financial Position

| Statement of Financial Position | Reviewed as at 31-Dec-22 \$ | Audited as at 30-Jun-22 \$ | Audited as at 30-Jun-21 \$ |
|---|-----------------------------------|----------------------------------|----------------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 406,129 | 1,601,324 | 985,036 |
| Trade and other receivables | 110 | 403 | 179 |
| Other financial assets | 25,000 | 25,000 | 25,000 |
| Other current assets | 80,687 | 26,142 | 23,051 |
| TOTAL CURRENT ASSETS | 511,926 | 1,652,869 | 1,033,266 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 78,005 | 86,183 | 454,899 |
| Right of use asset | 5,963 | 14,908 | 13,574 |
| Deferred exploration and evaluation expenditure | 13,758,828 | 13,270,922 | 9,313,231 |
| TOTAL NON-CURRENT ASSETS | 13,842,796 | 13,372,013 | 9,781,704 |
| TOTAL ASSETS | 14,354,722 | 15,024,882 | 10,814,970 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 334,104 | 2,040,334 | 962,968 |
| Lease liabilities | 6,024 | 14,907 | 15,639 |
| Borrowings | - | - | 630,000 |
| Provisions | 150,332 | 145,225 | 112,740 |
| Unissued shares | 80,000 | | |
| TOTAL CURRENT LIABILITIES | 570,460 | 2,200,466 | 1,721,347 |
| NON-CURRENT LIABILITIES | | | |
| Other payables and accruals | 771,495 | - | - |
| Borrowings | - | 628,736 | - |
| Provisions | 2,793,878 | 3,111,668 | 3,044,667 |
| Other financial liabilities | - | 4,434,667 | 3,715,060 |
| TOTAL NON-CURRENT LIABILITIES | 3,565,373 | 8,175,071 | 6,759,727 |
| TOTAL LIABILITIES | 4,135,833 | 10,375,537 | 8,481,074 |
| NET ASSETS | 10,218,889 | 4,649,345 | 2,333,896 |
| EQUITY | | | |
| Issued capital | 45,033,119 | 43,254,388 | 37,857,909 |
| Accumulated losses | (41,091,697) | (44,870,885) | (40,920,635) |
| Reserve | 6,277,467 | 6,265,842 | 5,396,622 |
| TOTAL EQUITY | 10,218,889 | 4,649,345 | 2,333,896 |

Source: Brightstar's audited financial statements for the years ended 30 June 2021 and 30 June 2022, Brightstar reviewed financial statements for the half year ended 31 December 2022.

Brightstar's auditor included an emphasis of matter relating to a material uncertainty for Brightstar to continue as a going concern, in its audit reports for the years ended 30 June 2021 and 30 June 2022, and in its review report for the half year ended 31 December 2022.

Commentary on Historical Statement of Financial Position

- Cash and cash equivalents increased from \$0.99 million as at 30 June 2021 to \$1.60 million as at 30 June 2022. The increase of approximately \$0.61 million was primarily the result of proceeds from capital raising of \$4.85 million. This was partially offset by payments for exploration and evaluation of \$2.45 million and payments to suppliers and employees of \$1.39 million. In the half

year ended 31 December 2022 cash reduced by \$1.20 million due to administration costs and exploration expenditure totalling \$1.91 million offset by capital raising inflows of approximately \$0.74 million.

- Property, plant and equipment of \$0.09 million as at 30 June 2022 comprises office furniture of \$0.03 million and motor vehicles of \$0.06 million. Since the processing of mined ore ceased in January 2012, and toll treatment ceased in August 2012 the recoverable value of mine properties and plant has been assessed as nil. The total impaired value of mine properties and plant of \$14.9 million can be written back in future periods, should the Company expect it will be able to realise this value.
- Deferred exploration expenditure of \$13.76 million as at 31 December 2022 relates to capitalised exploration and evaluation expenditure at Brightstar's held tenements.
- Current trade and other payables reduced significantly due to a decrease in trade creditors of approximately \$0.62 million and the waiving of interest accrued on the loan from Great Cortex International Limited totalling \$0.63 million.
- Other payables and accruals of \$0.77 million as at 31 December 2022 relate to performance milestone cash bonuses granted to a prior Director. We note that the liability relates to the Laverton Processing Plant which remains impaired based on work undertaken by VRM. We are not aware of any reasonable basis to reverse the impairment. Further information can be found in Section 12.2 of this Report.
- Non-current borrowings of \$0.63 million as at 30 June 2022 relates to the remaining balance on a loan from Great Cortex International Limited. In the half year ended 31 December 2022, this loan balance was repaid in consideration for 19,090,909 Brightstar shares.
- Non-current provisions of \$2.79 million as at 31 December 2022 primarily relate to the rehabilitation provisions at Brightstar's held tenements.
- Other financial liabilities relate to the balance of a deferred payment of \$5.40 million for shares bought back as part of the DECA. On 18 October 2022, the debt was fully extinguished in exchange for the grant of a 1.5% NSR royalty on six tenements which are not covered by the original DECA.

6.5 Historical Statement of Profit or Loss and Other Comprehensive Income

| Statement of Profit or Loss and Other Comprehensive Income | Reviewed for the half year ended 31-Dec-22 \$ | Audited for the year ended 30-Jun-22 \$ | Audited for the year ended 30-Jun-21 \$ |
|--|--|--|--|
| Other income | 5,063,573 | 150,573 | 62,060,466 |
| Remeasurement of rehabilitation provision | 450,832 | - | 3,033,794 |
| Mine site expenses | (164,812) | (336,813) | (332,002) |
| Exploration expenditure | (109,734) | (673,934) | (222,722) |
| Depreciation and amortisation expense | (18,566) | (394,942) | (382,456) |
| Director fees | (99,235) | (255,707) | (151,367) |
| Impairment expenses | (20,927) | (47,828) | (32,084) |
| Finance costs | (152,210) | (957,128) | (1,622,983) |
| Administration expenses | (109,036) | (186,516) | (208,962) |
| Consulting expenses | (37,500) | (380,338) | (648,407) |
| Employee benefits expense | (904,655) | (651,924) | (702,641) |
| Other expenses | (118,541) | (215,693) | (238,776) |
| Loss before income tax | 3,779,189 | (3,950,250) | 60,551,860 |
| Income tax | - | - | - |
| Loss for the year | 3,779,189 | (3,950,250) | 60,551,860 |
| Other comprehensive income | - | - | - |
| Total comprehensive loss for the year | 3,779,189 | (3,950,250) | 60,551,860 |

Source: Brightstar's audited financial statements for the years ended 30 June 2021 and 30 June 2022, Brightstar reviewed financial statements for the half year ended 31 December 2022.

As outlined above, Brightstar's auditor included an emphasis of matter relating to a material uncertainty for Brightstar to continue as a going concern, in its audit reports for the years ended 30 June 2021 and 30 June 2022, and in its review report for the half year ended 31 December 2022.

Commentary on Historical Statement of Profit or Loss and Other Comprehensive Income

- Other income over the assessed period is outlined in the table below:

| Other income | Reviewed for the half year ended 31-Dec-22 \$ | Audited for the year ended 30-Jun-22 \$ | Audited for the year ended 30-Jun-21 \$ |
|---|--|--|--|
| Shared service income | - | - | 96,065 |
| Gain/(loss) from sale of other financial assets | - | - | (1,361,246) |
| Gain from sale of exploration assets | - | (2,099) | 5,872,106 |
| Debt forgiven | 5,061,339 | - | 57,252,627 |
| Government grant | - | - | 50,000 |
| Finance income | - | 113,525 | - |
| Other income | 2,234 | 39,147 | 150,914 |
| Total other income | 5,063,573 | 150,573 | 62,060,466 |

Source: Brightstar's audited financial statements for the years ended 30 June 2021 and 30 June 2022, Brightstar reviewed financial statements for the half year ended 31 December 2022.

- Loss from sale of other financial assets of \$1.36 million for the year ended 30 June 2021 relates to the transfer of Regis shares to SRHK, or the on-market sale of those shares. Gain on sale of exploration assets of \$5.87 million related to the sale of the Ben Hur Project in September 2020, whilst debt forgiven of \$57.25 million relates to the cancellation of the Brightstar's debt pursuant to the DECA.
- In the half year ended 31 December 2022, the debt forgiven relates to the extinguishment of the deferred payment of \$5.40 million in exchange for the grant of a 1.5% NSR royalty on six tenements which are not covered by the original DECA.
- Brightstar completed a review in the year ended 30 June 2021 and determined that it was appropriate to reduce its existing rehabilitation provision based on a number of findings. As a result, the rehabilitation provision was reduced by \$3.03 million for the year ended 30 June 2021. The rehabilitation provision was subsequently reduced by a further \$0.45 million in the half year ended 31 December 2022 upon re-assessment of the discount rate by the auditor used to calculate the present value of the rehabilitation provision.

6.6 Capital Structure

The share structure of Brightstar prior to the Schemes is outlined below:

| | Number |
|--|-------------|
| Total ordinary shares on issue | 829,128,823 |
| Top 20 shareholders | 417,243,885 |
| Top 20 shareholders - % of shares on issue | 50.32% |

Source: Brightstar's share registry information

The ordinary shares held by the most significant shareholders are detailed below:

| Name | No. of Ordinary Shares | Percentage of Issued Shares (%) |
|---------------------------------------|------------------------|---------------------------------|
| Ms Sandra Wheeler | 74,265,010 | 8.96% |
| Tyson Resources Pty Ltd | 43,822,261 | 5.29% |
| Mr Yongji Duan | 37,043,489 | 4.47% |
| Chen Yingliu | 30,303,030 | 3.65% |
| Subtotal | 185,433,790 | 22.36% |
| Others | 643,695,033 | 77.64% |
| Total ordinary shares on Issue | 829,128,823 | 100.00% |

Source: Brightstar's share registry information

The options on issue prior to the Schemes are outlined below:

| Description | Number |
|--|-------------------|
| Options exercisable at \$0.010, expiring on 9 April 2023 | 15,000,000 |
| Options exercisable at \$0.045, expiring on 22 June 2024 | 5,000,000 |
| Options exercisable at \$0.100, expiring on 31 December 2023 | 4,000,000 |
| Options exercisable at \$0.060, expiring on 31 December 2023 | 4,000,000 |
| Options exercisable at \$0.080, expiring on 31 December 2023 | 4,000,000 |
| Options exercisable at \$0.050, expiring on 1 December 2024 | 2,200,000 |
| Options exercisable at \$0.100, expiring on 12 February 2024 | 1,000,000 |
| Options exercisable at \$0.050, expiring on 31 December 2024 | 20,000,000 |
| Options exercisable at \$nil, expiring on 30 November 2026 | 8,000,000 |
| Options exercisable at \$nil, expiring on 30 November 2026 | 2,000,000 |
| Total | 65,200,000 |

Source: Brightstar's share registry information

Brightstar will seek approval at a general meeting to be held in March 2023 for the issue of the following performance rights to Mr. Alex Rovira, in connection with his appointment as Managing Director of Brightstar.

| Description | Number |
|--|-------------------|
| Rights vesting subject to employment conditions, expiring 3 years from date of issue | 20,000,000 |
| Rights vesting subject to MRE targets, expiring 3 years from date of issue | 10,000,000 |
| Rights vesting upon the commencement of commercial production, expiring 3 years from date of issue | 20,000,000 |
| Rights vesting subject to gold production > 100koz, expiring 3 years from date of issue | 10,000,000 |
| Rights vesting subject to market-based vesting conditions expiring 3 years from date of issue* | 10,000,000 |
| Rights vesting subject to market-based vesting conditions expiring 3 years from date of issue* | 10,000,000 |
| Total | 80,000,000 |

Source: Brightstar's share registry information

*The market-based vesting conditions attached to the Tranche 5 and Tranche 6 performance rights are as follows:

- The Tranche 5 performance rights vest subject to Brightstar achieving either a market capitalisation of greater than \$50 million, or a 20-day VWAP of \$0.040.
- The Tranche 6 performance rights vest subject to Brightstar achieving either a market capitalisation of greater than \$75 million, or a 20-day VWAP of \$0.060.

7. Profile of the Proposed Merged Entity

Upon implementation of the Schemes, the Proposed Merged Entity will represent the combined assets of Kingwest and Brightstar.

7.1. Key Assets

The key combined assets of the Proposed Merged Entity will include:

- 100% interest in the Menzies Projects (Kingwest);
- 100% interest in the Brightstar gold project (Brightstar);
- 100% interest in the Laverton Processing Plant (Brightstar); and
- Other exploration assets held by Kingwest and Brightstar.

7.2. Board of Directors

Following the implementation of the Schemes, the board of directors is intended to be:

- Mr. Alex Rovira - Managing Director;
- Mr. Gregory Bittar - Non-Executive Chairman;
- Mr. Lau Wai Ming - Non-Executive Director;
- Mr. Joshua Hunt - Non-Executive Director; and
- Mr. Jonathon Downes - Non-Executive Director.

Kingwest's exploration personnel will transition to the Proposed Merged Entity, maintaining continued knowledge of the Menzies Project.

7.3. Capital Structure

Under the Share Scheme, Shareholders will receive one share in the Proposed Merged Entity for every 0.38 Kingwest shares that they hold. Upon implementation of the Schemes, Kingwest Shareholders and Brightstar shareholders will hold approximately 47.10% and 52.9% of the total issued capital of the Proposed Merged Entity on an undiluted basis, respectively. Following the Option Scheme, Kingwest Optionholders will collectively hold 173,511,404 options in the Proposed Merged Entity, equating to approximately 54% of the options on issue of the Proposed Merged Entity (including Mr Rovira's performance rights being approved at a general meeting in March 2023).

7.4. Stock exchange listing

Following the implementation of the Schemes, Kingwest will become a wholly owned subsidiary of Brightstar and the Proposed Merged Entity will continue to be listed on the ASX, under Brightstar's ASX code, BTR.

8. Economic analysis

Kingwest and Brightstar are both primarily exposed to the risks and opportunities of the Australian market. As such, we have presented an economic analysis on Australia.

8.1. Australia

In its February 2023 statement of Monetary Policy, the Reserve Bank of Australia ('RBA') noted that it expects Australia's Gross Domestic Product ('GDP') to exhibit moderate growth of 1.5% over both 2023 and 2024. Inflation remains elevated but appears to have peaked around the end of 2022, at 7.8% over the year to the December quarter. As a result, the central forecast is for consumer price inflation ('CPI') to decline to 4.75% over 2023 before returning to the upper end (3%) of target levels by mid-2025.

The rebound from the COVID-19 pandemic waned throughout 2022, contributing to a slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed on demand in Australia. In addition, in 2023 and 2024, it is anticipated that GDP growth in Australia's key trading partners will remain substantially below the historical norm. However, downside risks to growth in the major global economies have lessened in recent months helped by China's sudden reversal of its COVID-19 measures in December 2022, which has diminished such risks and stabilised the supply chain recovery trajectory.

The ASX 200 index has risen approximately 5% over the year to early March 2023, outpacing the US and other international equity markets by a significant margin. The relative strength of the Australian market over the past year is primarily attributable to the greater weighting of the resources sector, whose equity prices have increased by approximately 13% over the same period, driven by an estimated 40% increase in the energy sector as a result of Russia's invasion of Ukraine. Similarly, other resources have continued to benefit in tandem with China's improved outlook.

The RBA has executed monthly cash rate rises at each of its meetings since May 2022. Consequently, the Bank's balance sheet remains large by historical standards, reflecting the monetary policy measures introduced in response to the COVID-19 pandemic. Since November 2022, the size of the balance sheet remains little changed at around \$626 billion. Further rate rises were implemented in March 2023 to increase the cash rate to its current level of 3.60%. Moreover, the RBA anticipates that future policy rate raises will be forthcoming as it attempts to return inflation to target levels by facilitating a sustainable balance of supply and demand in the economy.

Economic indicators

As is the case in almost all major advanced economies, Australia's inflation remains high and broadly based. CPI inflation reached 7.8% over the year to the December quarter, the highest year-ended inflation figure since 1990, and trimmed mean inflation was 6.9% over the same period. Services inflation remains high, with strong demand for services also being evident over recent months. In addition, rent inflation increased further over the year due to tight rental market conditions and historically low vacancy rates. Nonetheless, long term inflation expectations remain anchored, and inflation is forecast to ease in line with the easing of global cost pressures, and the RBA anticipates inflation to retreat to target levels by mid-2025.

The labour market remains notably tight, with the unemployment rate around 3.5%, representing the lowest rate since 1974. Both job vacancies and job advertisements are at high levels but have fallen recently. Nevertheless, many firms continue to express difficulty hiring workers, although some report an easing in labour shortages, as job vacancies have plateaued in recent months. As economic growth slows,

the unemployment rate is expected to rise with the central forecast being 3.75% by the end of 2023 increasing to 4.5% by mid-2025.

On a similar note, wage growth has accelerated, particularly in the private sector, in response to the tight labour market. As a result, wages growth is predicted to increase further over the course of 2023, with growth in the Wage Price Index reaching a peak of approximately 4.25% by the end of 2023 before declining as the labour market cools.

The Australian dollar has appreciated 7% against the US dollar since early November 2022 to around US\$0.69 at early February 2023. This appreciation has occurred alongside a broad-based depreciation of the US dollar and an increase in yields on Australian Government bonds relative to US treasury bonds. In addition, the reopening of the Chinese economy and stronger prices for key commodity exports have bolstered the Australian dollar.

Outlook

Economic growth in Australia is forecast to be hampered by rising interest rates, higher living costs and declining real wealth. As a result, the forecast declining trajectory of inflation in Australia remains uncertain and the high inflation environment is expected to continue weighing on real household incomes. The composition of inflation in Australia is also likely to shift, with higher inflation expected in more persistent and non-discretionary items, such as rent, in the coming years. However, despite inflationary concerns, aggregate household incomes have been sustained by solid labour demand, which has underpinned the health of household balance sheets. Although the balance of risks has improved in recent months, the pathway forward remains uncertain, with upside and downside scenarios equally plausible.

Exploration companies with strong cash balances are susceptible to changes in inflation, as it frequently presents a trade-off between exploration expenditure and cash retention due to higher interest rates and rising input costs. Additionally, a tight labour market may make it considerably more difficult for explorers to source labour and advance exploration.

Source: www.rba.gov.au Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 7 March 2023 and prior periods, www.rba.gov.au Statement on Monetary Policy February 2023 and prior periods, and BDO analysis.

9. Industry analysis

Following the implementation of the Scheme, the Proposed Merged Entity will be a gold exploration and development company focussed in WA. As such, we have presented an overview of activity on ASX-listed exploration companies, as well as an analysis on the gold industry.

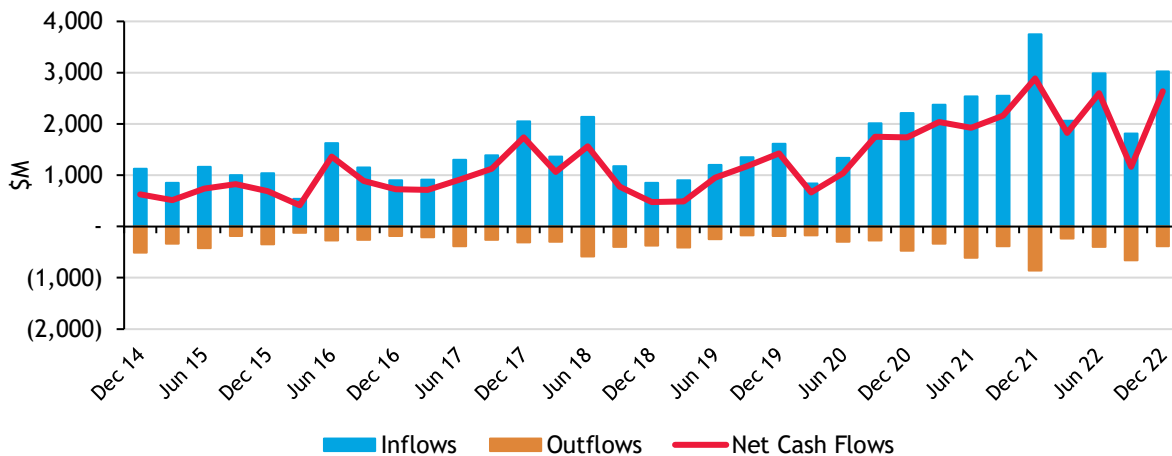
9.1. Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the December quarter of 2022 suggests that explorers remain in good stead, with financing inflows bouncing back from a temporary lull in the September 2022 quarter. Further, investment and exploration spending remained at some of the highest levels observed since BDO commenced its analysis in June 2013.

Financing cash inflows for the December 2022 quarter totalled \$3.02 billion, representing a 66% increase from the previous quarter. The return of strong financing inflows in the quarter indicates that funds are

still flowing readily into the sector and suggests that the “dip” in the September 2022 quarter was a temporary adverse reaction to the tightening of capital markets amidst global inflationary pressures and overall global economic uncertainty.

Financing Cash Flows (\$M)

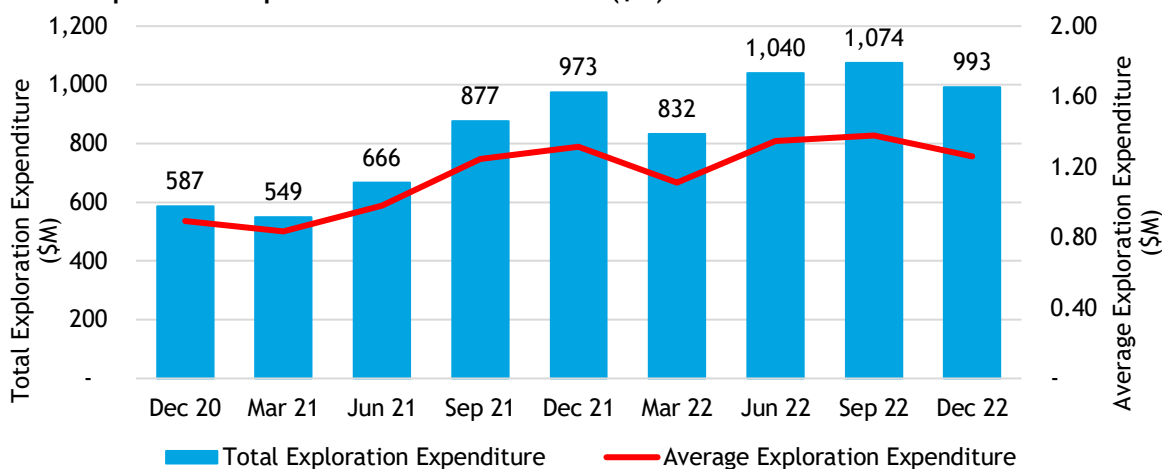


The strength in financing inflows in the December 2022 quarter was largely underpinned by large fund raisings of \$10 million or more, which made up 76% of the total funds raised by the sector. Within these fund raisings, gold explorers raised the most funds over the December 2022 quarter as growing inflation, geopolitical uncertainty and market volatility continued to drive demand. Lithium explorers also proved their ability to attract funding in the December 2022 quarter, demonstrating the continued market appetite for battery mineral investments. BDO also observed other energy transition metals such as rare earths, graphite, cobalt, uranium and nickel being prominent in capital raisings in 2022, supported by favourable investor sentiment and supply concerns.

Explorers’ cash positions declined marginally despite the increased level of financing cash flows in the December 2022 quarter, with the average cash balance declining from \$11.4 million in the September 2022 quarter to \$11.1 million. However, the overall cash position still remained strong with 84% of exploration companies reporting a cash balance of over \$1 million as at 31 December 2022, which is still significantly above the 63% average since the commencement of BDO’s analysis in the June 2013 quarter.

Total exploration expenditure receded from the record \$1 billion spends in the June and September quarters of 2022, but only slightly. Although the December 2022 quarter’s \$993 million exploration spend represented an 8% decrease from the September 2022 quarter, it remained 20% higher than the two-year average of \$825 million. In addition, the average exploration spend per company has ranged between \$1.26 million and \$1.38 million over the last three quarters, representing continued strength in exploration activity with explorers investing at historically high levels and taking advantage of the favourable capital raising conditions since late 2020.

Total Exploration Expenditure - Last Two Years (\$M)



The top ten exploration spending companies comprised four oil and gas companies, three gold companies, two lithium companies and one nickel-copper company. Despite gold's noticeable presence in the top ten exploration spends, oil and gas exploration appeared to be more active in the December quarter of 2022. This was likely to have been driven by continued spikes in energy prices arising from the Russian-Ukraine conflict. Further, recent funding towards battery mineral companies has translated into a rise in exploration spending as electric vehicle manufacturers aim to secure the raw materials required as part of the widespread electrification of global transport.

Results from the December 2022 quarter show that compared to historical levels, exploration companies broadly are still well funded and exploration activity remains strong. Commodities like gold, oil and gas, lithium, nickel and rare earth metals have continued to attract a substantial level of investor funding amidst the adverse impact of rising interest rates, inflation and geopolitical uncertainty. This broadly illustrates that the global need for a secure and sustainable supply of energy transition resources has outweighed the current economic circumstances, which places the Australian mining sector in a favourable position.

Source: BDO Explorer Quarterly Cash Update: December 2022 and prior releases.

9.2. Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however more recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

The nature of the ore deposit determines the mining and mineral processing techniques applied. Gold contained in oxide ore deposits are typically of low grade and are simple to extract and readily amenable by cyanidation. Consequently, highly disseminated gold can be contained within sulphide minerals which require mining, crushing, grinding and to be followed by gravity separation to recover the gold, subject to flotation to concentrate the sulphide mineral fraction containing the gold. Inherently, the costs associated with the treatment of oxide ore are significantly less than of sulphide ores.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

| Gold supply (tonnes) | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Mine production | 3,167 | 3,270 | 3,361 | 3,510 | 3,573 | 3,655 | 3,594 | 3,474 | 3,570 | 3,612 |
| Net producer hedging | (28) | 105 | 13 | 38 | (26) | (12) | 6 | (39) | (23) | (2) |
| Recycled gold | 1,195 | 1,130 | 1,067 | 1,232 | 1,112 | 1,132 | 1,276 | 1,293 | 1,136 | 1,144 |
| Total supply | 4,334 | 4,505 | 4,441 | 4,780 | 4,659 | 4,775 | 4,876 | 4,728 | 4,683 | 4,754 |

Source: World Gold Council 2022 Statistics, 31 January 2023

Historically, the price of gold is negatively correlated with the prices of other asset classes during times of uncertainty and financial crises. Growing uncertainty on the back of the COVID-19 outbreak has caused the price of gold to rally, as investors demand the high liquidity that gold provides.

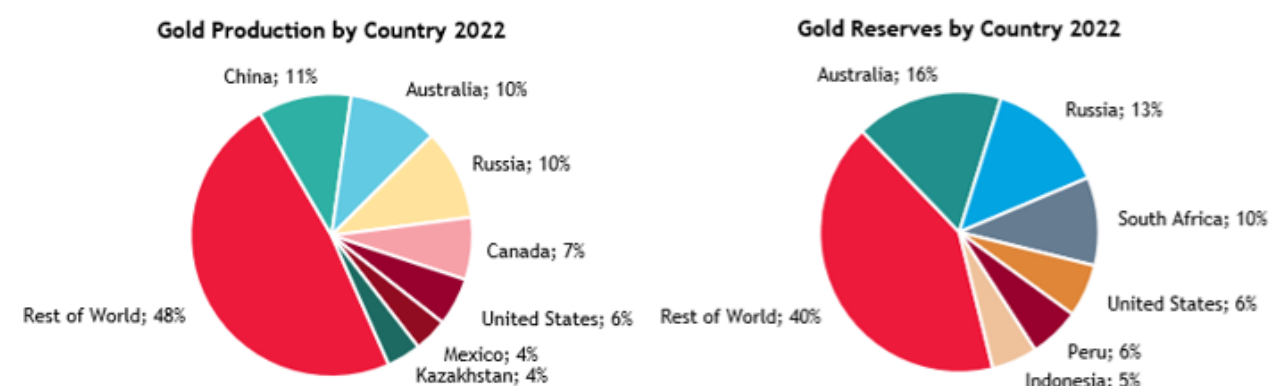
The global gold price is denominated in US dollars and therefore, the exchange rate directly affects the returns received by domestic industry operators. A weaker Australian dollar benefits the domestic industry by boosting Australian dollar denominated returns on gold sales, likely resulting in higher volumes.

The World Gold Council expects that the interplay between financial uncertainty, lower interest rates, weakening global economic growth and gold price volatility will continue to drive gold demand in the near term.

Gold ore mining trends

Gold ore mining is a capital intensive and high-cost process, which is becoming increasingly difficult and more expensive as the quality of ore reserves diminishes. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

The gold industry is geographically diverse as China, Australia and Russia lead global gold production. According to the United States Geological Survey ('USGS'), total estimated global gold ore mined for 2022 was approximately 3,090 metric tonnes.



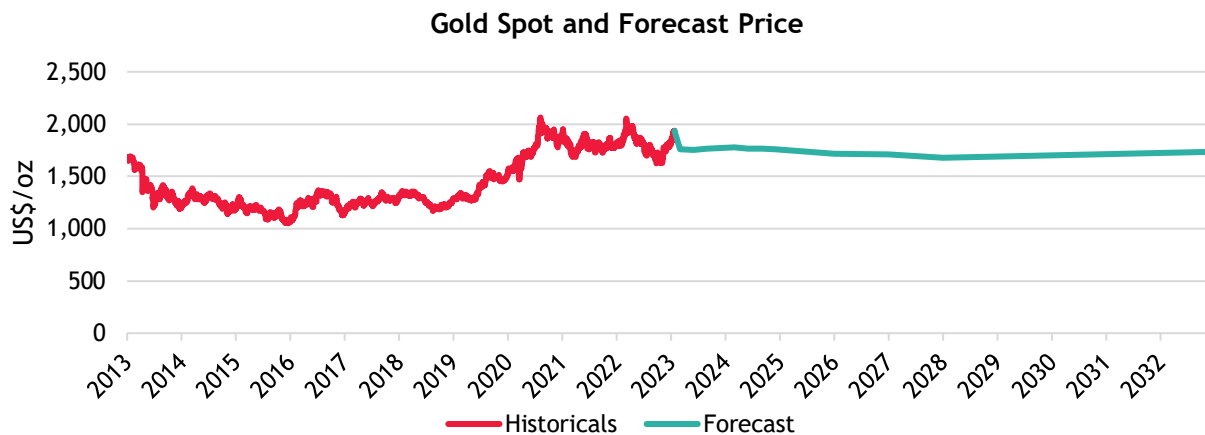
Source: 2023 USGS and BDO analysis

Despite China leading global gold production in 2022, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted above, the USGS estimates that collectively, these three countries account for approximately 39% of global gold reserves.

According to the 2023 USGS, Australia's gold reserves amount to 8,400 tonnes, representing 16% of global reserves and the largest percentage held by any one country. IBISWorld estimates domestic industry revenue will fall by an annualised 0.8% over the five-year period through to 2026-27, dropping to approximately \$32 billion. This is largely expected to be the result of a forecast decline in domestic gold prices and a stronger Australian dollar.

Gold prices

The gold spot price since 2013 and forecast prices through to 2032 are depicted in the graph below.



Source: Bloomberg and Consensus Economics

The price of gold fluctuated around US\$1,700 during 2012 before entering a declining trend in 2013. The downturn represented the beginning of a correction in the price of gold, which had almost tripled in the two-year period prior to the European crisis in 2011. Over the period from 2014 through to 2019, the gold price fluctuated primarily between US\$1,100 and US\$1,400.

Gold prices fluctuated significantly throughout 2020. Demand for gold increased in response to the uncertainty created by the global spread of COVID-19, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst the growing uncertainty caused by the crisis. Gold spot prices fell to a yearly low of US\$1,471, before rallying in late July and early August to exceed US\$2,000. The COVID-19 crisis was the primary driver of the gold price, as central banks injected trillions of dollars into financial markets and investors prioritised safe haven assets. Additionally, the prevailing low interest rate environment across 2020 increased access to capital, which further spurred investment in gold.

Through to early January 2021, the price of gold increased as a result of further fallout from the US Election, climbing back over US\$1,900 after remaining in the US\$1,800s through most of December 2020. For the rest of 2021, the price of gold traded between US\$1,600 and US\$1,900 as demand fluctuated throughout the year. Rising US treasury yields initially threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. However, concerns regarding the spread of the Delta variant increased gold's safe haven appeal, and subsequently, the price of gold climbed back above the US\$1,800 mark in early July 2021. This was quickly reversed in the following months as the US Federal Reserve signalled policy tightening sooner than anticipated which drove US treasury yields and a stronger US dollar. Towards the end of the year, gold prices significantly strengthened following the US Federal Reserve's announcement to reduce purchases of Government bonds and the release of US inflation data which revealed an annualised inflation rate of 6.2%, its highest level since 1990.

The invasion of Ukraine by Russia in February 2022 saw gold prices reach a 15-month high, with prices climbing above US\$1,900 and peaking at US\$2,039 during March, in response to a number of economic sanctions on Russia and the release of US inflation data which indicated an annualised inflation rate of 8.5%. In May 2022, the price of gold weakened to US\$1,800 following the US Federal Reserve's aggressive monetary tightening in an attempt to control rising inflation. 26 September 2022 saw the price of gold at its lowest (US\$1,622) since 30 April 2020 (US\$1,621). Since the low in September, the gold price was on the incline to approximately US\$1,950 towards the beginning of February 2023, which was attributed to a combination of factors, including a depreciation of the US dollar, slowing US inflation, and increased gold demand by central banks for reserve diversification. Given the current geopolitical climate, continued volatility of the gold price is expected for the short term, which has been evident over February and March 2023, with the gold price falling approximately 7.6% to around the US\$1,800 mark.

According to Consensus Economics forecasts, the price of gold is forecast to decline over the medium term but remain high in comparison to historical levels. Future price movements are expected to depend on interest rates, high inflation and the extent to which geopolitical risks resurface.

Source: Bloomberg, Consensus Economics, USGS, World Gold Council, IBISWorld and Reuters

10. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment such as a Resource Multiple

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company's assets and liabilities.

10.1. Value of a Kingwest share prior to the Schemes

In our assessment of the value of Kingwest shares prior to the Schemes, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value, therefore we will apply a minority interest discount to reflect a minority interest value; and
- QMP as our secondary methodology, as this represents the value that a Shareholder may receive for a share if it were sold on market. The value derived from this methodology reflects a minority interest value.

We have employed the Sum-of-Parts methodology in estimating the fair market value of Kingwest by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of Kingwest's mineral assets, applying the comparable transactions approach as the primary methodology in valuing Kingwest's mineral resources, and the Kilburn approach as the primary approach in valuing the exploration potential; and
- Value of Kingwest's other assets and liabilities, applying the cost approach under the NAV method.

We have chosen these methodologies for the following reasons:

- Kingwest's mineral assets do not currently generate any income nor are there any historical profits that could be used to represent future earnings; therefore we do not consider the application of the FME approach to be appropriate;
- Kingwest has no foreseeable future net cash inflows on which we would have sufficient reasonable grounds in accordance with Regulatory Guide 170 'Prospective Financial Information' ('RG 170') and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214'), therefore we do not consider the application of the DCF approach to be appropriate;
- As Kingwest's mineral assets are currently non-producing, and there is no revenue or cash flows currently generated by its mineral assets, we have commissioned an independent technical specialist to value Kingwest's mineral assets prior to the Schemes. Therefore, we consider the Sum-of-Parts approach to be an appropriate methodology to use in assessing the value of a Kingwest share prior to the Schemes; and
- We have adopted QMP as our secondary approach. The QMP basis is a relevant methodology to consider because Kingwest's shares are listed on the ASX, therefore reflecting the value that a Shareholder will receive for a share sold on the market. This means there is a regulated and observable market where Kingwest's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the Company's activities.

10.2. Value of the Proposed Merged Entity

Our valuation of the Proposed Merged Entity includes:

- The value of Kingwest, under the ownership of Brightstar;
- The value of Brightstar;
- The adjusted number of shares on issue following the implementation of the Schemes; and
- A minority interest discount.

In our assessment of the value of the Proposed Merged Entity following the implementation of the Share Scheme, we have chosen to employ the Sum-of-Parts valuation approach. Pursuant to RG 111.65, we note that the expert should consider more than one methodology to reduce the risk of the expert's opinion being distorted by its choice of methodology. We have valued the Proposed Merged Entity using the Sum-of-Parts approach only, however we have used a secondary valuation methodology to value each of the material components of the Sum-of-Parts valuation.

The valuation approaches used in assessing the value of Kingwest can be found in Section 10.1 above.

In our assessment of the value of Brightstar, forming a part of our valuation of the Proposed Merged Entity, we have chosen to employ the Sum-of-Parts methodology. We have employed the Sum-of-Parts method in estimating the fair market value of Brightstar by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of Brightstar's mineral assets, applying the comparable transactions approach as the primary methodology in valuing Brightstar's mineral resources, and the Kilburn approach as the primary approach in valuing the exploration potential; and

- Value of Brightstar's other assets and liabilities, applying the cost approach under the NAV method.

We have chosen these methodologies for the following reasons:

- Brightstar's mineral assets do not currently generate any income nor are there any historical profits that could be used to represent future earnings, therefore we do not consider the application of the FME approach to be appropriate;
- Brightstar has no foreseeable future net cash inflows on which we would have sufficient reasonable grounds in accordance with RG 170 and IS 214, therefore we do not consider the application of the DCF approach to be appropriate; and
- As Brightstar's mineral assets are currently non-producing, and there is no revenue or cash flows currently generated by its mineral assets, we have commissioned an independent technical specialist to value Brightstar's mineral assets prior to the Schemes.

Technical Expert

In performing our valuation of Kingwest's and Brightstar's mineral assets, we have relied on the Technical Specialist Report, which includes an assessment of the market value of Kingwest's and Brightstar's mineral assets.

VRM's Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('**VALMIN Code**') and the JORC Code. We are satisfied with the valuation methodologies adopted by VRM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 4.

10.3. Valuation of Kingwest options prior to the Schemes

In our assessment of the value of Kingwest options, we have chosen to employ the Black Scholes option pricing model. The Black Scholes option pricing model is a widely accepted valuation methodology for calculating the value of options without market based vesting conditions. As Kingwest options have no market based vesting conditions, we consider this to be an appropriate valuation methodology.

10.4. Valuation of the Option Scheme consideration

In our assessment of the value of the Brightstar options received as consideration for the Kingwest options held prior to the Schemes, we have chosen to employ the Black Scholes option pricing model. The Black Scholes option pricing model is a widely accepted valuation methodology for calculating the value of options without market based vesting conditions. As the converted Kingwest options will have no market based vesting conditions, we consider this to be an appropriate valuation methodology.

11. Valuation of Kingwest prior to the Schemes

11.1 Sum-of-Parts

We have employed the Sum-of-Parts methodology in estimating the fair market value of a Kingwest share on a minority basis prior to the Schemes, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration of the following:

- Value of Kingwest's mineral assets; and
- Value of Kingwest's other assets and liabilities.

Our Sum-of-Parts valuation is set out in the table below:

| Valuation of Kingwest prior to the Schemes | Ref | Low \$ | Preferred \$ | High \$ |
|---|------------|-------------------|-------------------|-------------------|
| Value of Kingwest's mineral assets | 11.1.2 | 14,600,000 | 22,800,000 | 30,700,000 |
| Value of Kingwest's other assets and liabilities | 11.1.2 | 2,179,882 | 2,179,882 | 2,179,882 |
| Total value of Kingwest prior to the Schemes (control) | | 16,779,882 | 24,979,882 | 32,879,882 |
| Number of shares outstanding | 11.1.3 | 281,726,818 | 281,726,818 | 281,726,818 |
| Value per share prior to the Schemes (control) | | \$0.060 | \$0.089 | \$0.117 |
| Minority interest discount | Appendix 3 | 23% | 20% | 17% |
| Value per share (minority interest basis) | | \$0.046 | \$0.071 | \$0.097 |

Source: BDO analysis

We have assessed the value of a Kingwest share prior to the Schemes (on a minority interest basis) to be in the range of \$0.046 to \$0.097 with a preferred value of \$0.071.

11.1.1. Valuation of Kingwest's mineral assets

As outlined in Section 10.2, we instructed VRM to provide an independent market valuation of the mineral assets of Kingwest.

VRM applied the comparable transactions methodology as the primary methodology in valuing the Menzies Project and the Goongarrie Project, with the yardstick methodology being used as a cross check. In valuing the exploration potential, VRM applied the Kilburn methodology and the PEM approach. The range of values for Kingwest's mineral assets as calculated by VRM is set out below.

| Valuation of Kingwest's mineral assets | Mineral Resources | | Exploration Potential | | VRM Adopted Valuation | BDO Adopted Valuation |
|--|-------------------------|---------------------|-----------------------|---------------|-----------------------|-----------------------|
| | Comparable Transactions | Yardstick Valuation | Kilburn Valuation | PEM Valuation | | |
| Low Valuation (\$m) | 14.6 | 10.5 | 1.5 | 5.5 | 16.1 | 14.6 |
| Preferred Valuation (\$m) | 19.4 | 16.4 | 3.4 | 6.6 | 22.8 | 22.8 |
| High Valuation (\$m) | 24.3 | 22.3 | 6.4 | 7.6 | 30.7 | 30.7 |

Source: VRM Valuation, 2023

The table above indicates a range of values derived by VRM of between \$16.1 million to \$30.7 million, with a preferred value of \$22.8 million. As outlined in Section 5.2, Kingwest has substantially written down the value of the Goongarrie Project as part of the 31 December 2022 half year review. As a result of this uncertainty, at the low point of our valuation range, we have adopted a nil value for the exploration potential, which relates to the Goongarrie Project. Therefore, we have adopted a valuation range of

between \$14.6 million to \$30.7 million, with a preferred value of \$22.8 million for the mineral assets of Kingwest.

For further information on VRM's approach and conclusions, refer to the Technical Specialist Report, which is included as Appendix 4 of our Report.

11.1.2. Valuation of Kingwest's other assets and liabilities

The other assets and liabilities of Kingwest represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Kingwest and analysis of these other assets and liabilities, we do not consider there to be a material difference between book value and fair value unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

| Statement of Financial Position | Ref | Reviewed as at 31-Dec-22 \$ | Adjusted Value \$ |
|-----------------------------------|-----|-----------------------------------|-------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 2,221,606 | 2,221,606 |
| Trade and other receivables | | 128,890 | 128,890 |
| TOTAL CURRENT ASSETS | | 2,350,496 | 2,350,496 |
| NON-CURRENT ASSETS | | | |
| Exploration and evaluation assets | a) | 17,025,588 | - |
| Plant and equipment | | 190,248 | 190,248 |
| TOTAL NON-CURRENT ASSETS | | 17,215,836 | 190,248 |
| TOTAL ASSETS | | 19,566,332 | 2,540,744 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 359,895 | 359,895 |
| Provisions | | 967 | 967 |
| TOTAL CURRENT LIABILITIES | | 360,862 | 360,862 |
| TOTAL LIABILITIES | | 360,862 | 360,862 |
| NET ASSETS | | 19,205,470 | 2,179,882 |

Source: Kingwest's reviewed financial statements as at 31 December 2022, BDO analysis.

We have been advised that there has not been any other significant change in the net assets of Kingwest since 31 December 2022 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 31 December 2022 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation of Kingwest's other assets and liabilities:

Note a) Exploration and evaluation assets

We have adjusted the exploration and evaluation assets balance of approximately \$17.03 million as at 31 December 2022 to nil, as the value of exploration and evaluation assets has been reflected elsewhere in our Sum-of-Parts.

11.1.3. Number of shares outstanding

As detailed in Section 5.6, the number of Kingwest shares on issue as at the date of our Report is 281,726,818.

We also note that Kingwest has 65,934,334 options and share appreciation rights on issue. As at 14 March 2023, these securities are out-of-the-money and as such, we have not assumed the exercise of the options and share appreciation rights in assessing the value of Kingwest prior to the Scheme.

11.2 Quoted Market Prices for Kingwest Securities

To provide a comparison to the valuation of Kingwest in Section 11.1, we have also assessed the quoted market price for a Kingwest share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of a control transaction, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

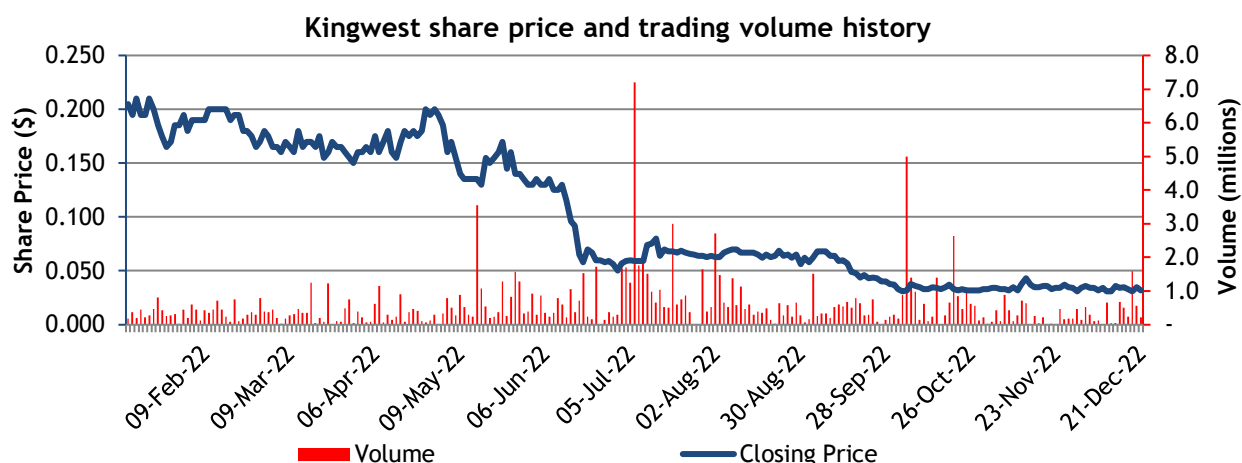
- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Therefore, our calculation of the quoted market price of a Kingwest share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a Kingwest share is based on the pricing prior to the announcement of the Schemes. This is because the value of a Kingwest share after the announcement may include the effects of any change in value as a result of the Scheme. However, we have considered the value of a Kingwest share following the announcement when we have considered reasonableness in Section 16.

Information on the Schemes was first announced to the market on 23 December 2022. Therefore, the following chart provides a summary of the share price movement over the 12 months to 21 December 2022 which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of Kingwest shares from 22 December 2021 to 21 December 2022 has ranged from a low of \$0.028 on 3 October 2022 to a high of \$0.215 on 5 January 2022. The highest single trading day over the assessed period was 17 June 2022, when Kingwest announced a drilling update at the Goongarrie Project, where 7,192,444 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

| Date | Announcement | Closing Share Price Following Announcement \$ (movement) | | | Closing Share Price Three Days After Announcement \$ (movement) | | |
|------------|--|--|---|-------|---|---|-------|
| 13/12/2022 | High grade results and resource estimation from Menzies | 0.036 | 5 | 16.1% | 0.033 | 6 | 8.3% |
| 08/12/2022 | Dean Vallve Appointed COO | 0.034 | 5 | 6.3% | 0.036 | 5 | 5.9% |
| 25/11/2022 | Notification regarding unquoted securities - KWR | 0.037 | 5 | 8.8% | 0.031 | 6 | 16.2% |
| 19/10/2022 | High-Grade Gold Intersections at Selkirk | 0.037 | 5 | 5.7% | 0.033 | 6 | 10.8% |
| 18/10/2022 | Notice of Annual General Meeting/Proxy Form | 0.035 | 5 | 6.1% | 0.032 | 6 | 8.6% |
| 27/09/2022 | Mining Operations Proposal Submitted for Selkirk | 0.040 | 6 | 7.0% | 0.037 | 6 | 7.5% |
| 15/09/2022 | Lake Goongarrie Drilling Results and Corporate Update/Annual Report 2022 | 0.049 | 6 | 14.0% | 0.046 | 6 | 6.1% |
| 05/09/2022 | Excellent High-Grade Gold Intersections at Selkirk Deposit | 0.068 | 5 | 9.7% | 0.064 | 6 | 5.9% |
| 14/07/2022 | SPP to Support Ongoing Lake Goongarrie Discovery Drilling | 0.064 | 6 | 20.0% | 0.068 | 5 | 6.3% |
| 13/07/2022 | Mining Agreement to Recommence Gold Production at Menzies | 0.080 | 5 | 6.7% | 0.068 | 6 | 15.0% |
| 11/07/2022 | High Grade Gold Intersection Confirms Sir Laurence Potential | 0.074 | 5 | 25.4% | 0.064 | 6 | 13.5% |
| 01/07/2022 | Change of Director's Interest Notice/Notification of cessation of securities - KWR | 0.057 | 5 | 14.0% | 0.059 | 5 | 3.5% |
| 17/06/2022 | Lake Goongarrie Diamond Core Drilling Update | 0.065 | 6 | 29.3% | 0.067 | 5 | 3.1% |
| 23/05/2022 | Extensive Zones of Ni rich Ultramafic drilled at Goongarrie | 0.170 | 5 | 6.3% | 0.140 | 6 | 17.6% |
| 02/05/2022 | Kalgoorlie Based Ashok Parekh Joins the Kingwest Board | 0.195 | 6 | 2.5% | 0.170 | 6 | 12.8% |
| 29/04/2022 | Notification regarding unquoted securities - KWR | 0.200 | 5 | 2.6% | 0.160 | 6 | 20.0% |

| Date | Announcement | Closing Share Price Following Announcement \$ (movement) | | | Closing Share Price Three Days After Announcement \$ (movement) | | |
|------------|--|--|---|-------|---|---|-------|
| 26/04/2022 | Menzies JORC gold resources surpass 500,000 ounces | 0.180 | 5 | 2.9% | 0.200 | 5 | 11.1% |
| 11/04/2022 | Sir Laurence Diamond Core Drilling Commences | 0.180 | 5 | 5.9% | 0.170 | 6 | 5.6% |
| 21/03/2022 | Lake Goongarrie Nickel Sulphide Drilling Completed | 0.155 | 6 | 11.4% | 0.165 | 5 | 6.5% |

Source: Kingwest's ASX announcements and Bloomberg

Over the assessed period, we noted several days with significant trading volumes.

On 13 December 2022, Kingwest released the results from a drilling program at the Menzies Project. On the date of the announcement, 3,799,732 shares were traded resulting in a 16.1% share price increase to close at \$0.036. The share price declined 8.3% over the subsequent three-day trading period to close at \$0.033.

On 27 September 2022, the Company announced the submission of a Mining Proposal and mine closure plan for the mining of the Selkirk deposit at the Menzies Project. On the date of the announcement, 1,407,013 shares were traded resulting in a 7.0% share price increase to close at \$0.040. The share price declined a further 7.5% over the subsequent three-day trading period to close at \$0.037.

On 15 September 2022, Kingwest released its annual report for the financial year ended 30 June 2022, as well as a drilling update at the Goongarrie Project, outlining the Company's struggles due to heavy rainfall. On the date of the announcements, 4,988,297 shares were traded resulting in a 14.0% share price decline to close at \$0.049. The share price declined a further 6.1% over the subsequent three-day trading period to close at \$0.046. 2,528,068 shares were traded over the subsequent three-day trading period.

On 14 July 2022, the Company announced the SPP to eligible Shareholders, with the intention to raise \$1.50 million through the issue of shares in Kingwest. On the date of the announcement, 2,711,546 shares were traded resulting in a 20.0% share price decline to close at \$0.064. The share price increased 6.3% over the subsequent three-day trading period to close at \$0.068. 2,664,449 shares were traded over the subsequent three-day trading period.

On 11 July 2022, the Company released the results from its diamond drilling program at the Goongarrie Project, outlining the presence of a number of high-grade gold intersections. On the date of the announcement, 1,644,683 shares were traded resulting in a 25.4% share price increase to close at \$0.074. The share price declined 13.5% over the subsequent three-day trading period to close at \$0.064, over which 3,632,031 shares were traded.

On 17 June 2022, Kingwest announced results from its inaugural drilling campaign at Lake Goongarrie. On the date of the announcement, 7,192,444 shares were traded resulting in a 29.3% share price decline to close at \$0.065. The share price increased 3.1% over the subsequent three-day trading period to close at \$0.067. 5,222,325 shares were traded over the subsequent three-day trading period.

To provide further analysis of the market prices for a Kingwest share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 21 December 2022.

| Share Price per unit | 21-Dec-22 | 10 Days | 30 Days | 60 Days | 90 Days |
|--------------------------------------|-----------|---------|---------|---------|---------|
| Closing price | \$0.032 | | | | |
| Volume weighted average price (VWAP) | | \$0.036 | \$0.035 | \$0.034 | \$0.043 |

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Schemes. An analysis of the volume of trading in Kingwest shares for the 12 months to 21 December 2022 is set out below:

| Trading days | Share price low | Share price high | Cumulative volume traded | As a % of Issued capital |
|--------------|-----------------|------------------|--------------------------|--------------------------|
| 1 Day | \$0.032 | \$0.035 | 395,000 | 0.14% |
| 10 Days | \$0.031 | \$0.040 | 7,017,622 | 2.49% |
| 30 Days | \$0.031 | \$0.043 | 13,767,688 | 4.89% |
| 60 Days | \$0.028 | \$0.043 | 26,344,810 | 9.35% |
| 90 Days | \$0.028 | \$0.069 | 44,822,354 | 15.91% |
| 180 Days | \$0.028 | \$0.200 | 117,045,641 | 41.55% |

Source: Bloomberg, BDO analysis

This table indicates that Kingwest's shares display a moderate level of liquidity, with 41.55% of the Company's current issued capital being traded in a 180-day period prior to the announcement of the Schemes. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Kingwest, we consider the shares to display a moderate level of liquidity, on the basis that approximately 1% of securities have been traded weekly on average, with 41.55% of Kingwest's current issued capital being traded over a 180-day period prior to the announcement of the Schemes, and 15.91% of Kingwest's current issued capital was traded in the last 90 trading days prior to the announcement of the Schemes. However, we note that, of the 52 weeks in which our analysis is based on, more than 1% of Kingwest's current share capital had been traded in only 14 of those weeks.

Our assessment is that a range of values for Kingwest shares based on market pricing is between \$0.032 and \$0.043.

11.3 Assessment of Kingwest Value

The results of the valuations performed are summarised in the table below:

| | Low \$ | Preferred \$ | High \$ |
|-----------------------------------|-----------|-----------------|------------|
| Sum-of-Parts value (Section 10.1) | 0.046 | 0.071 | 0.097 |
| QMP (Section 10.2) | 0.032 | 0.038 | 0.043 |

Source: BDO analysis

We note that the value of Kingwest derived under the Sum-of-Parts valuation is higher than that derived under the QMP approach.

As detailed in Section 5, Kingwest's mineral assets are currently non-producing assets, generating no revenue. Therefore, we consider the Sum-of-Parts to represent the most appropriate price for the shares as this represents a price that may be realisable if the Company disposed of its assets and discharged its liabilities.

It is not uncommon for the market price of companies that have exploration assets to vary with a valuation prepared by an independent technical specialist for the purposes of an Independent Expert's Report. This is because investors are not necessarily guided by the principles of RG 170 and IS 214 in forming their valuations allowing the market price to reflect the potential upside or downside expectations associated with the exploration assets or should market conditions change. Further, as detailed in Section 11.2, Kingwest shares only display a moderate level of liquidity, and as such, we consider it more appropriate to rely on the QMP as a cross check, rather than as a primary valuation approach.

As such, based on the results above we consider the value of a Kingwest share to range between \$0.046 and \$0.097, with a preferred value of \$0.071 prior to the Schemes on a minority interest basis.

Pursuant to the Share Scheme, Shareholders will receive one share in the Proposed Merged Entity for every 0.38 Kingwest shares held. As such, the value that is used for our assessment of whether the Share Scheme is fair is the value of 0.38 shares in Kingwest on a minority interest basis, as set out in the table below.

| | Low \$ | Preferred \$ | High \$ |
|---|-----------|-----------------|------------|
| Value of 0.38 Kingwest shares (minority interest basis) | 0.017 | 0.027 | 0.037 |

Source: BDO analysis

12. Valuation of the Proposed Merged Entity

We have valued the Proposed Merged Entity using a Sum-of-Parts approach, with our valuation including the:

- Value of the mineral assets of Kingwest;
- Value of the mineral assets of Brightstar; and
- Value of the other assets and liabilities of Kingwest and Brightstar.

The summary of the Sum-of-Parts valuation is set out in the table below.

| Valuation of the Proposed Merged Entity | | Low \$ | Preferred \$ | High \$ |
|--|------------|-------------------|-------------------|-------------------|
| Value of Kingwest (as above) | 11.1 | 16,779,882 | 24,979,882 | 32,879,882 |
| Value of Brightstar's mineral assets | 12.1 | 17,200,000 | 24,300,000 | 31,400,000 |
| Value of Brightstar's other assets and liabilities | 12.2 | 1,625,433 | 1,625,433 | 1,625,433 |
| Total value of Proposed Merged Entity (control) | | 35,605,315 | 50,905,315 | 65,905,315 |
| Number of shares outstanding | 12.3 | 1,574,015,186 | 1,574,015,186 | 1,574,015,186 |
| Value per share (control) | | \$0.023 | \$0.032 | \$0.042 |
| Minority interest discount | Appendix 3 | 23% | 20% | 17% |
| Value per share (minority interest basis) | | \$0.018 | \$0.026 | \$0.035 |

Source: BDO analysis

We have assessed the value of a share in the Proposed Merged Entity on a minority interest basis to be in the range of \$0.018 to \$0.035, with a preferred value of \$0.026.

12.1 Value of Brightstar's mineral assets

As outlined in Section 10.2, we instructed VRM to provide an independent market valuation of the mineral assets of Brightstar.

VRM applied the comparable transactions methodology as the primary methodology in valuing the mineral assets held by Brightstar, with the yardstick methodology being used as a cross check. In valuing the exploration potential, VRM applied the Kilburn methodology and the PEM approach. The range of values for Brightstar's mineral assets as calculated by VRM is set out below.

| Value of Brightstar's mineral assets | Mineral Resources | | Exploration Potential | | VRM Adopted Valuation |
|--------------------------------------|-------------------------|---------------------|-----------------------|---------------|-----------------------|
| | Comparable Transactions | Yardstick Valuation | Kilburn Valuation | PEM Valuation | |
| Low Valuation (\$m) | 16.3 | 10.5 | 0.9 | 1.2 | 17.2 |
| Preferred Valuation (\$m) | 21.7 | 16.4 | 2.6 | 1.3 | 24.3 |
| High Valuation (\$m) | 27.2 | 22.3 | 4.2 | 1.5 | 31.4 |

Source: VRM Valuation, 2023

The table above indicates a range of values between \$17.2 million to \$31.4 million, with a preferred value of \$24.3 million. We note that the above values include consideration for the Laverton Processing Plant and the rehabilitation provisions associated with Brightstar's mineral assets. For further information on VRM's approach and conclusions, refer to the Technical Specialist Report, which is included as Appendix 4 of our Report.

12.2 Value of Brightstar's other assets and liabilities

The other assets and liabilities of Brightstar represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. We do not consider there to be a material difference between book value and fair value unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

| Statement of Financial Position | Ref | Reviewed as at 31-Dec-22 \$ | Adjusted Value \$ |
|---|-----|-----------------------------------|-------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | a) | 406,129 | 1,926,129 |
| Trade and other receivables | | 110 | 110 |
| Other financial assets | | 25,000 | 25,000 |
| Other current assets | | 80,687 | 80,687 |
| TOTAL CURRENT ASSETS | | 511,926 | 2,031,926 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 78,005 | 78,005 |
| Right of use asset | | 5,963 | 5,963 |
| Deferred exploration and evaluation expenditure | b) | 13,758,828 | - |
| TOTAL NON-CURRENT ASSETS | | 13,842,796 | 83,968 |
| TOTAL ASSETS | | 14,354,722 | 2,115,894 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 334,104 | 334,105 |
| Unissued shares | c) | 80,000 | - |
| Lease liabilities | | 6,024 | 6,024 |
| Provisions | | 150,332 | 150,332 |
| TOTAL CURRENT LIABILITIES | | 570,460 | 490,461 |
| NON-CURRENT LIABILITIES | | | |
| Other payables and accruals | d) | 771,495 | - |
| Provisions | e) | 2,793,878 | - |
| TOTAL NON-CURRENT LIABILITIES | | 3,565,373 | - |
| TOTAL LIABILITIES | | 4,135,833 | 490,460 |
| NET ASSETS | | 10,218,889 | 1,625,434 |

Source: Brightstar's reviewed financial statements as at 31 December 2022, BDO analysis.

We have been advised that there has not been any other significant change in the net assets of Brightstar since 31 December 2022 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 31 December 2022 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation of Brightstar's other assets and liabilities:

Note a) Cash and cash equivalents

We have adjusted the value of cash and cash equivalents to account for the proceeds from the recent placement of 100,000,000 shares at an issue price of \$0.016 per share, to raise \$1.60 million, which was announced to the market on 23 December 2022. As in Section 4.3, we have assumed that shareholder approval will be obtained for the issue of shares to Mr. Bill Hobba and Mr. Joshua Hunt, and as such, have accounted for the cash proceeds from the issue of these shares above.

A breakdown of the cash and cash equivalents balance is set out below.

| Cash and cash equivalents | \$ |
|---|------------------|
| Cash and cash equivalents at 31 December 2022 | 406,129 |
| Add: proceeds from issue of equity securities | 1,600,000 |
| Less: Proceeds from issue of equity securities already received | (80,000) |
| TOTAL | 1,926,129 |

Source: Brightstar's reviewed financial statements as at 31 December 2022 and BDO analysis.

We note prior to 31 December 2022, Brightstar had already received \$80,000 in proceeds related to the \$1.6 million capital raising completed following 31 December 2022. Therefore, we have deducted that from proceeds of the capital raising.

Note b) Deferred exploration and evaluation expenditure

We have adjusted the deferred exploration and evaluation expenditure balance of approximately \$13.27 million as at 31 December 2022 to nil, as the value of deferred exploration and evaluation expenditure has been reflected elsewhere in our Sum-of-Parts.

Note c) Unissued shares

This relates to proceeds received for the \$1.6 million capital raising prior to 31 December 2022. Shares were issued subsequent to 31 December 2022.

Note d) Non-current other payables and accruals

We have adjusted the value of non-current other payables and accrual of approximately \$0.77 million as at 31 December 2022 to nil. This balance consists of \$1.14 million cash bonuses (discounted to present value) payable to former Director Bill Hobba upon the completion of the following production milestones within 24 months of implementation of the Schemes:

1. \$250,000 within 30 business days of Brightstar announcing the commencement of commercial production at the Laverton Processing Plant;
2. \$500,000 within 30 business days of the announcement by Brightstar of gold production of 20,000 oz or greater of contained gold metal from the Laverton Processing Plant; and
3. \$390,000 within 30 business days of the announcement by Brightstar of gold production of 520,000 oz or greater of contained gold metal from the Laverton Processing Plant.

We have considered the following in our assessment of carrying value for the future cash bonuses:

- The current high-level estimate of refurbishing the Laverton Processing Plant is approximately \$5.5 million, which may require further investigation to accurately scope the required work. This may lead to final refurbishments costs that are in excess of the current estimate.
- The ability to fund the required refurbishment costs will be dependent on further studies being undertaken in relation to the plant itself and advancement of the mineral assets such as via studies to declare reserves, these involve further costs and uncertainty in relation to time frame. We also note that consideration will be given to toll treating options of ore, particularly in relation to Kingwest's projects.
- We note the assumptions leading to the recognition of the cash bonuses liability are inconsistent with the current carrying value of the Laverton Processing Plant. The Laverton Processing Plant was historically impaired to \$nil given the lack of reasonable grounds to assume it could be in

operation, and therefore hold any value, in the future. As part of this, we considered whether it may be appropriate to reverse the impairment of the Laverton Processing Plant. However, we have no reasonable grounds to assume the Laverton Processing Plant will be operational in the short to medium term. We have discussed the status of the plant with VRM who are of the view that there is no reasonable basis on which we could conclude the milestones will be met within the timeframes required and accordingly we consider this liability to be a contingent liability.

Note e) Non-current provisions

We have adjusted the value of non-current provisions of approximately \$2.79 million as at 31 December 2022 to nil, as the value of non-current provisions entirely comprises rehabilitation provisions at Brightstar's gold projects, which are included in the value of Brightstar's mineral assets, as determined by VRM.

12.3 Number of shares outstanding

Following the implementation of the Share Scheme, the Proposed Merged Entity will have approximately 1.47 billion shares on issue (on an undiluted basis), as set out in the table below.

| Shares on issue | Number |
|---|----------------------|
| Brightstar shares on issue prior to the Schemes* | 832,628,823* |
| Number of shares issued pursuant to the Share Scheme | 741,386,363 |
| Total ordinary shares on issue in the Proposed Merged Entity following the implementation of the Schemes (undiluted) | 1,574,015,186 |

Source: BDO analysis

*We note that the number of Brightstar shares on issue assumes that Shareholder approval will be obtained for the issue of 3,500,000 shares to Mr. Bill Hobba and Mr. Joshua Hunt. Further information regarding this share issue is outlined in Section 6.3 of our Report.

13. Value of Kingwest options prior to the Schemes

The terms of the options in Kingwest are as follows:

| Item | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|------------------------|-----------|-----------|-----------|-----------|-----------|
| Number of options | 1,125,000 | 2,970,000 | 8,000,000 | 6,250,000 | 1,700,000 |
| Exercise price | \$0.180 | \$0.280 | \$0.200 | \$0.170 | \$0.285 |
| Expiry date | 15-Sep-23 | 07-Oct-24 | 21-Oct-24 | 15-Sep-24 | 15-Feb-25 |
| Time to expiry (years) | 0.43 | 1.49 | 1.53 | 1.43 | 1.85 |
| Exercise conditions | Nil | Nil | Nil | Nil | Nil |

| Item | Tranche 6 | Tranche 7 | Tranche 8 | Tranche 9 | Tranche 10 |
|------------------------|------------|-----------|------------|-----------|------------|
| Number of options | 22,512,500 | 1,250,000 | 19,376,834 | 1,250,000 | 1,500,000 |
| Exercise price | \$0.150 | \$0.250 | \$0.100 | \$0.060 | \$0.100 |
| Expiry date | 30-Dec-23 | 28-Apr-25 | 29-Feb-24 | 16-Jan-26 | 16-Jan-26 |
| Time to expiry (years) | 0.72 | 2.05 | 0.89 | 2.77 | 2.77 |
| Exercise conditions | Nil | Nil | Nil | Nil | Nil |

We have used the Black Scholes option pricing model to calculate the value of Kingwest's options.

In valuing the options, we made the following assumptions regarding the inputs required for the option pricing models:

Value of the Underlying Shares

We have used the low, preferred and high values of a Kingwest share as determined in Section 11.3, and included a minority interest discount as the value of the underlying shares to obtain the low, preferred and high values for the options. We have applied a minority interest discount as the values determined in Section 11.3 are on a controlling interest basis. As no exercise of options will allow the holder to gain a controlling interest in Kingwest, the value of the underlying shares should be assessed on a minority interest basis, as outlined below.

| Minority interest value of Kingwest | Low | Pref | High |
|--|----------------|----------------|----------------|
| Value per share prior to the Schemes (control) | \$0.060 | \$0.089 | \$0.117 |
| Minority interest discount | 23% | 20% | 17% |
| Value per share (minority interest basis) | \$0.046 | \$0.071 | \$0.097 |

Source: BDO analysis

Exercise Price

The exercise price is the price at which the underlying ordinary shares will be issued. The exercise price of each tranche of Kingwest options is outlined in the summary table above.

Life of the Options

We have estimated the life of the options for the purpose of our valuation. The minimum life of an option is the length of any vesting period, while the maximum life is based on the expiry date.

Under AASB 2 *Share Based Payment*, the expected life of options needs to reflect the potential for early exercise. The potential for early exercise tends to reduce the effective life, and consequently the value of options.

With consideration for this, there are many factors that determine the rationale for exercising options and therefore, the effective life of those options.

There is a limited track record of unlisted options being exercised early. Generally, early exercise occurs:

- If the options are deep in the money as it is profitable for the holder of the option to exercise the options;
- If the stock pays a dividend as the opportunity cost of holding the option is high;
- If the volatility of the underlying share price is low as the probability of the options becoming deeper in the money is low relative to a highly volatile stock; and
- When the options are held by junior level employees. Senior employees are more likely to continue their employment with the company and therefore there is no incentive to exercise their options.

For the purpose of valuing the options, we have estimated the exercise dates as the respective expiry dates for each tranche of options. Therefore, the effective lives represent the approximate time from the expected implementation date (26 May 2023 as outlined in the Company's announcement of the Schemes) to the respective expiry dates, as shown in the table below.

| Item | Expected Scheme meeting date | Expiry date | Effective life of the options (years) |
|------------|------------------------------|-------------|---------------------------------------|
| Tranche 1 | 26-May-23 | 15-Sep-23 | 0.31 |
| Tranche 2 | 26-May-23 | 07-Oct-24 | 1.37 |
| Tranche 3 | 26-May-23 | 21-Oct-24 | 1.41 |
| Tranche 4 | 26-May-23 | 15-Sep-24 | 1.31 |
| Tranche 5 | 26-May-23 | 15-Feb-25 | 1.73 |
| Tranche 6 | 26-May-23 | 30-Dec-23 | 0.60 |
| Tranche 7 | 26-May-23 | 28-Apr-25 | 1.93 |
| Tranche 8 | 26-May-23 | 29-Feb-24 | 0.76 |
| Tranche 9 | 26-May-23 | 16-Jan-26 | 2.65 |
| Tranche 10 | 26-May-23 | 16-Jan-26 | 2.65 |

Expected Volatility of the Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over time.

Many techniques can be applied in determining volatility, with a summary of the methods we use below:

- The square root of the mean of the squared deviations of closing prices from a sample. This can be calculated using a combination of the opening, high, low, and closing share prices each day the underlying security trades for all days in the sample time period chosen;
- The exponential weighted moving average model adopts the closing share price of the Company in a given time period. The model estimates a smoothing constant using the maximum likelihood

method, which estimates volatility assuming that volatility is not a constant measure and is predicted to change in the future;

- The generalised autoregressive conditional heteroscedasticity model. This model takes into account periods of time where volatility may be higher than normal and/or lower than normal, as well as the tendency for the volatility to run at its long run average level after such periods of abnormality. The model will calculate the rate at which this is likely to occur from the sample of prices thereby enabling estimates of future volatility by time to be made.

The recent volatility of the share price of Kingwest was calculated over historical one, two and three year periods, using data extracted from Bloomberg. For the purpose of our valuation, we have used a future estimated volatility of 100% for Kingwest in our option pricing models, in valuing the options.

Risk-free Rate of Interest

We have used the most recently available Australian Government 2-year bond rate of approximately 3.00% as an input into our option pricing models.

Dividends Expected on the Options

Kingwest is currently unlikely to pay a dividend during the life of the options. Therefore, we have assumed a dividend yield of nil.

Conclusion

We have set out below our conclusions as to the value of the Kingwest options.

| Item | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|------------------------|-----------|-----------|-----------|-----------|-----------|
| Exercise price | \$0.180 | \$0.280 | \$0.200 | \$0.170 | \$0.285 |
| Expiry date | 15-Sep-23 | 07-Oct-24 | 21-Oct-24 | 15-Sep-24 | 15-Feb-25 |
| Time to expiry (years) | 0.31 | 1.37 | 1.41 | 1.31 | 1.73 |
| Volatility | 100% | 100% | 100% | 100% | 100% |
| Risk-free rate | 3.000% | 3.000% | 3.000% | 3.000% | 3.000% |
| Dividend yield | Nil | Nil | Nil | Nil | Nil |

| | | | | | |
|----------------------------|----------|----------|----------|----------|----------|
| Low value per Option | \$0.0001 | \$0.0033 | \$0.0055 | \$0.0060 | \$0.0052 |
| Preferred value per Option | \$0.0012 | \$0.0092 | \$0.0140 | \$0.0153 | \$0.0128 |
| High value per option | \$0.0049 | \$0.0181 | \$0.0259 | \$0.0282 | \$0.0234 |

| | | | | | |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Number of options | 1,125,000 | 2,970,000 | 8,000,000 | 6,250,000 | 1,700,000 |
| Low value per tranche | \$113 | \$9,801 | \$44,000 | \$37,500 | \$8,840 |
| Preferred value per tranche | \$1,350 | \$27,324 | \$112,000 | \$95,625 | \$21,760 |
| High value per tranche | \$5,513 | \$53,757 | \$207,200 | \$176,250 | \$39,780 |

Source: BDO analysis

| Item | Tranche 6 | Tranche 7 | Tranche 8 | Tranche 9 | Tranche 10 |
|-----------------------------|------------|-----------|------------|-----------|------------|
| Exercise price | \$0.150 | \$0.250 | \$0.100 | \$0.060 | \$0.100 |
| Expiry date | 30-Dec-23 | 28-Apr-25 | 29-Feb-24 | 16-Jan-26 | 16-Jan-26 |
| Time to expiry (years) | 0.60 | 1.93 | 0.76 | 2.65 | 2.65 |
| Volatility | 100% | 100% | 100% | 100% | 100% |
| Risk-free rate | 3.000% | 3.000% | 3.000% | 3.000% | 3.000% |
| Dividend yield | Nil | Nil | Nil | Nil | Nil |
| | | | | | |
| Low value per Option | \$0.0017 | \$0.0072 | \$0.0060 | \$0.0251 | \$0.0200 |
| Preferred value per Option | \$0.0070 | \$0.0166 | \$0.0169 | \$0.0450 | \$0.0375 |
| High value per option | \$0.0165 | \$0.0291 | \$0.0325 | \$0.0673 | \$0.0576 |
| | | | | | |
| Number of options | 22,512,500 | 1,250,000 | 19,376,834 | 1,250,000 | 1,500,000 |
| Low value per tranche | \$38,271 | \$9,000 | \$116,261 | \$31,375 | \$30,000 |
| Preferred value per tranche | \$157,588 | \$20,750 | \$327,468 | \$56,250 | \$56,250 |
| High value per tranche | \$371,456 | \$36,375 | \$629,747 | \$84,125 | \$86,400 |

Source: BDO analysis

14. Valuation of the Option Scheme consideration

We have outlined the terms of the consideration that Optionholders will receive for their options in Kingwest. We note that the terms of each tranche outlined below corresponds to the same tranches outlined in Section 13 of our Report.

| Item | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|------------------------|-----------|-----------|------------|------------|-----------|
| Number of options | 2,960,526 | 7,815,789 | 21,052,632 | 16,447,368 | 4,473,684 |
| Exercise price | \$0.068 | \$0.106 | \$0.076 | \$0.065 | \$0.108 |
| Expiry date | 15-Sep-23 | 07-Oct-24 | 21-Oct-24 | 15-Sep-24 | 15-Feb-25 |
| Time to expiry (years) | 0.31 | 1.37 | 1.41 | 1.31 | 1.73 |
| Exercise conditions | Nil | Nil | Nil | Nil | Nil |

| Item | Tranche 6 | Tranche 7 | Tranche 8 | Tranche 9 | Tranche 10 |
|------------------------|------------|-----------|------------|-----------|------------|
| Number of options | 59,243,421 | 3,289,474 | 50,991,668 | 3,289,474 | 3,947,368 |
| Exercise price | \$0.057 | \$0.095 | \$0.038 | \$0.023 | \$0.038 |
| Expiry date | 30-Dec-23 | 28-Apr-25 | 29-Feb-24 | 16-Jan-26 | 16-Jan-26 |
| Time to expiry (years) | 0.60 | 1.93 | 0.76 | 2.65 | 2.65 |
| Exercise conditions | Nil | Nil | Nil | Nil | Nil |

We have used the Black Scholes option pricing model to calculate the value of the Option Scheme consideration.

In valuing the options, we made the following assumptions regarding the inputs required for the option pricing models:

Value of the Underlying Shares

Based on our assessment of the value of a share in the Proposed Merged Entity in Section 12, we have used the low, preferred and high values of \$0.018, \$0.026 and \$0.035 per share as the value of the underlying shares to obtain the low, preferred and high values for the Option Scheme consideration.

Exercise Price

The exercise price is the price at which the underlying ordinary shares will be issued. The exercise price of each tranche of options is outlined in the above table. We note that the exercise price for each tranche of options to be issued to Kingwest Optionholders pursuant to the Option Scheme is equal to the exercise price of the Kingwest options multiplied by the exchange ratio of 0.38.

Life of the Options

We have estimated the life of the options for the purpose of our valuation. The minimum life of an option is the length of any vesting period, while the maximum life is based on the expiry date. There are many factors that determine the rationale for exercising options and therefore, the effective life of those options.

There is a limited track record of unlisted options being exercised early, which we have outlined in Section 13 of our Report.

For the purpose of valuing the options, we have estimated the exercise dates as the respective expiry dates for each tranche of options, which are detailed in Section 13.

Expected Volatility of the Share Price

Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period.

We have outlined the many techniques that are used in determining the share price volatility of a company in Section 13 of our Report.

The recent volatility of the share price of Brightstar and comparable listed gold exploration companies was calculated over historical one, two and three year periods, using data extracted from Bloomberg. For the purpose of our valuation, we have used a future estimated volatility of 100% for the Proposed Merged Entity in our option pricing models, in valuing the option consideration.

Risk-free Rate of Interest

We have used the most recently available Australian Government 2-year bond rate of approximately 3.00% as an input into our option pricing models.

Dividends Expected on the Options

The Proposed Merged Entity is currently unlikely to pay a dividend during the life of the options. Therefore, we have assumed a dividend yield of nil.

Conclusion

We have set out below our conclusions as to the value of the Option Scheme consideration.

| Item | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|-----------------------------|-----------|-----------|------------|------------|-----------|
| Exercise price | \$0.068 | \$0.106 | \$0.076 | \$0.065 | \$0.108 |
| Expiry date | 15-Sep-23 | 07-Oct-24 | 21-Oct-24 | 15-Sep-24 | 15-Feb-25 |
| Time to expiry (years) | 0.31 | 1.37 | 1.41 | 1.31 | 1.73 |
| Volatility | 100% | 100% | 100% | 100% | 100% |
| Risk-free rate | 3.000% | 3.000% | 3.000% | 3.000% | 3.000% |
| Dividend yield | Nil | Nil | Nil | Nil | Nil |
| Low value per Option | \$0.0001 | \$0.0014 | \$0.0022 | \$0.0024 | \$0.0021 |
| Preferred value per Option | \$0.0004 | \$0.0032 | \$0.0049 | \$0.0054 | \$0.0045 |
| High value per option | \$0.0015 | \$0.0062 | \$0.0089 | \$0.0096 | \$0.0081 |
| Number of options | 2,960,526 | 7,815,789 | 21,052,632 | 16,447,368 | 4,473,684 |
| Low value per tranche | \$296 | \$10,942 | \$46,316 | \$39,474 | \$9,395 |
| Preferred value per tranche | \$1,184 | \$25,011 | \$103,158 | \$88,816 | \$20,132 |
| High value per tranche | \$4,441 | \$48,458 | \$187,368 | \$157,895 | \$36,237 |

Source: BDO analysis

| Item | Tranche 6 | Tranche 7 | Tranche 8 | Tranche 9 | Tranche 10 |
|-----------------------------|------------|-----------|------------|-----------|------------|
| Exercise price | \$0.057 | \$0.095 | \$0.038 | \$0.023 | \$0.038 |
| Expiry date | 30-Dec-23 | 28-Apr-25 | 29-Feb-24 | 16-Jan-26 | 16-Jan-26 |
| Time to expiry (years) | 0.60 | 1.93 | 0.76 | 2.65 | 2.65 |
| Volatility | 100% | 100% | 100% | 100% | 100% |
| Risk-free rate | 3.000% | 3.000% | 3.000% | 3.000% | 3.000% |
| Dividend yield | Nil | Nil | Nil | Nil | Nil |
| | | | | | |
| Low value per Option | \$0.0007 | \$0.0029 | \$0.0024 | \$0.0099 | \$0.0079 |
| Preferred value per Option | \$0.0024 | \$0.0059 | \$0.0059 | \$0.0163 | \$0.0135 |
| High value per option | \$0.0055 | \$0.0101 | \$0.0111 | \$0.0239 | \$0.0204 |
| | | | | | |
| Number of options | 59,243,421 | 3,289,474 | 50,991,668 | 3,289,474 | 3,947,368 |
| Low value per tranche | \$41,470 | \$9,539 | \$122,380 | \$32,566 | \$31,184 |
| Preferred value per tranche | \$142,184 | \$19,408 | \$300,851 | \$53,618 | \$53,289 |
| High value per tranche | \$325,839 | \$33,224 | \$566,008 | \$78,618 | \$80,526 |

Source: BDO analysis

15. Are the Schemes fair?

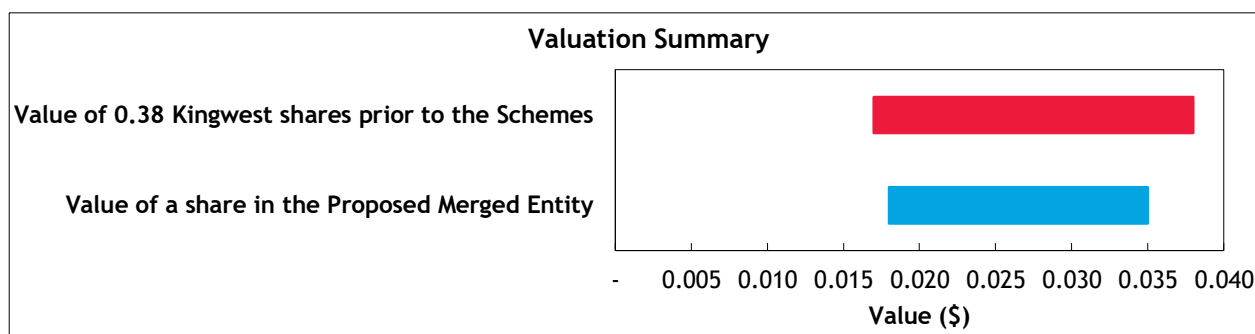
15.1. Share Scheme

The value of 0.38 shares in Kingwest prior to the implementation of the Schemes and the value of a share in the Proposed Merged Entity following the implementation of the Share Scheme on an equivalent minority interest basis is compared below:

| | Ref | Low \$ | Preferred \$ | High \$ |
|--|------|-----------|-----------------|------------|
| Value of 0.38 Kingwest shares prior to the Schemes (minority interest basis) | 11.3 | 0.017 | 0.027 | 0.037 |
| Value of a share in the Proposed Merged Entity (minority interest basis) | 12 | 0.018 | 0.026 | 0.035 |

Source: BDO analysis

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, the Share Scheme is fair for Shareholders.

We note that RG 111 states that an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. Therefore, pursuant to RG 111, all points on the valuation range are valid for making a fairness conclusion. As such, our assessment is that the Share Scheme is fair as our valuation of a share in the Proposed Merged Entity following the Share Scheme is greater than our valuation of 0.38 shares in Kingwest prior to the Share Scheme at the low point of our valuation range.

An investor may form a view on the value of Kingwest which is based on the preferred and high valuation scenarios based on their reading and interpretation of the independent Technical Specialist's Report. If this was the case, this view would carry through to a similar view of the post-transaction valuation, and accordingly, the value post the Schemes would be lower than the value prior to the Schemes. In this circumstance, the investor would conclude that the Share Scheme was not fair in their view.

Further, we note that whilst the low valuation point of 0.38 Kingwest shares prior to the Share Scheme and the preferred and high valuation points of a share in the Proposed Merged Entity following the Share Scheme overlap, it would be inappropriate to compare these points, as our valuation of the Proposed Merged Entity following the Share Scheme is inclusive of our pre-transaction value of Kingwest. As a result, comparing these points would imply two different values for Kingwest's mineral assets. Therefore, the above valuations must be compared on a like for like basis at individual points, rather than across the range. Therefore, on this basis, we consider the Share Scheme to be fair.

15.2. Option Scheme

The value of each tranche of Kingwest options prior to the implementation of the Schemes, compares to the converted value in Brightstar options to be received by Optionholders as consideration under the Option Scheme, as detailed below.

| Tranche | Value of Kingwest options prior to the Schemes | | | Value of Option Scheme consideration | | | Conclusion |
|------------|--|--------------|---------|--------------------------------------|--------------|---------|------------|
| | Low \$ | Preferred \$ | High \$ | Low \$ | Preferred \$ | High \$ | |
| Tranche 1 | 113 | 1,350 | 5,513 | 296 | 1,184 | 4,441 | Fair |
| Tranche 2 | 9,801 | 27,324 | 53,757 | 10,942 | 25,011 | 48,458 | Fair |
| Tranche 3 | 44,000 | 112,000 | 207,200 | 46,316 | 103,158 | 187,368 | Fair |
| Tranche 4 | 37,500 | 95,625 | 176,250 | 39,474 | 88,816 | 157,895 | Fair |
| Tranche 5 | 8,840 | 21,760 | 39,780 | 9,395 | 20,132 | 36,237 | Fair |
| Tranche 6 | 38,271 | 157,588 | 371,456 | 41,470 | 142,184 | 325,839 | Fair |
| Tranche 7 | 9,000 | 20,750 | 36,375 | 9,539 | 19,408 | 33,224 | Fair |
| Tranche 8 | 116,261 | 327,468 | 629,747 | 122,380 | 300,851 | 566,008 | Fair |
| Tranche 9 | 31,375 | 56,250 | 84,125 | 32,566 | 53,618 | 78,618 | Fair |
| Tranche 10 | 30,000 | 56,250 | 86,400 | 31,184 | 53,289 | 80,526 | Fair |

The value of each respective tranche of option consideration is equal to, or greater than the value of each respective tranche of Kingwest options prior to the Schemes, on the low end of the valuation range. As a result of this, and in the absence of any other relevant information, the Option Scheme is fair for Optionholders.

16. Are the Schemes reasonable?

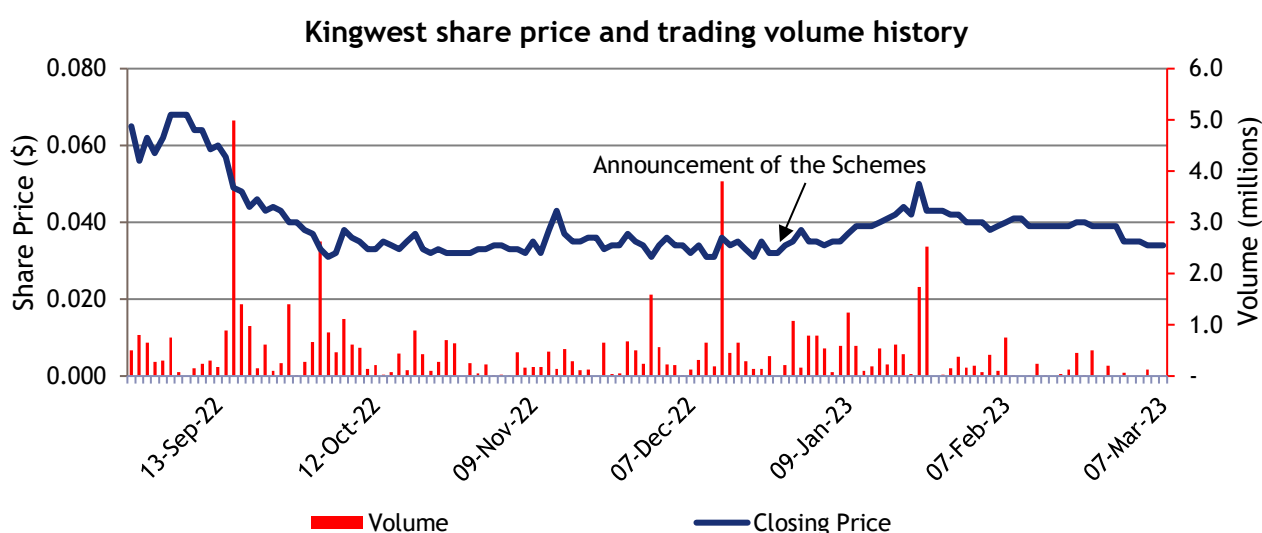
16.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Kingwest a premium over the value resulting from the Schemes.

16.2 Consequences of not Approving the Schemes

Potential impact on in share price

We have analysed movements in Kingwest's share price since the Schemes were announced. A graph of Kingwest's share price and trading volume leading up to and following the announcement of the Schemes is set out below.



Source: Bloomberg

Over the post-announcement trading period, the share price of Kingwest has varied from a low of \$0.032 on 23 December 2022, to a high of \$0.052 on 20 January 2023. The highest single day of trading was 23 January 2023 where 2,524,460 shares were traded, representing approximately 0.90% of the Company's current issued capital.

The table below details the VWAP of Kingwest shares for the 10, 30 and 45 trading day periods following the announcement of the Schemes on 23 December 2022.

| Share Price | 23-Dec-22 | 30 Days Pre | 10 Days Post | 30 Days Post | 45 Days Post |
|--------------------------------------|-----------|-------------|--------------|--------------|--------------|
| Closing price | \$0.034 | | | | |
| Volume weighted average price (VWAP) | | \$0.035 | \$0.035 | \$0.041 | \$0.040 |

Source: Bloomberg

Following the announcement of the Schemes, Kingwest's share price decreased from a VWAP of \$0.035 over the 30 days prior to the announcement of the Schemes, to close at \$0.034 on 23 December 2022. The Company's VWAP over the 30 trading days following the announcement of the Schemes was \$0.041, representing a 20.5% premium to the closing price of \$0.034 on the last trading day prior to the announcement of the Schemes. Over the post-announcement trading period, Kingwest's share price has

largely trended upwards toward the \$0.040 mark, before falling back to pre-announcement levels in early March 2023.

Given the above analysis it is possible that if the Schemes are not approved then it is possible that Kingwest's share price may decline below pre-announcement levels. However, as the liquidity of Kingwest shares is only moderate as detailed in Section 11.2 of our Report, the actual effect of the Schemes on Kingwest's share price is unknown.

Reimbursement costs will be incurred by Kingwest

If the Schemes are not implemented, reimbursement costs of \$125,000 will be borne by Kingwest. The conditions around the payment of the reimbursement fee are detailed in section 13.5 of the Scheme Booklet.

16.3 Tax implications

Securityholders are directed to Section 11 of the Scheme Booklet for a more detailed explanation of the tax implications of the Schemes for Securityholders. We emphasise that the tax circumstances of each securityholder can differ significantly and individual securityholders are advised to obtain their own specific advice.

16.4 Advantages of Approving the Schemes

We have considered the following advantages when assessing whether the Schemes are reasonable.

16.4.1. The Share Scheme is fair

As set out in Section 15, the Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.

16.4.2. Increase in resource base

If the Schemes are implemented, Securityholders will gain exposure to Brightstar's suite of gold exploration assets. Securityholders currently hold securities in a company with two gold exploration projects, being the Menzies Project and the Goongarrie Project, comprising approximately 500,000 oz of contained gold. Should the Schemes be implemented, Securityholders will gain access to the North and South Projects held by Brightstar, with an increased combined resource base of approximately one million oz of contained gold, providing scale and critical mass to the Proposed Merged Entity. The increase in resource base may also attract further investment from market participants, de-risk Securityholders' primary exposure to a single resource base and fast-track potential development scenarios.

16.4.3. The Proposed Merged Entity will have a larger market presence, which may result in improved liquidity and increased ability to raise capital

Based on the pre-Scheme market capitalisations of both Kingwest and Brightstar, if the Schemes are implemented, then the Proposed Merged Entity will have an implied market capitalisation of approximately \$23.6 million. The increased size may result in increased analyst coverage, increased levels of trading liquidity and potential future inclusion in relevant ASX and gold indices.

Increased analyst coverage and improved liquidity may increase the attractiveness of the Proposed Merged Entity's shares and may lead to an improvement in its ability to raise capital, should it be required.

16.4.4. Increased experience and broader expertise of the board of directors and management team of the Proposed Merged Entity

As detailed in Section 7, if the Schemes are implemented, Mr. Gregory Bittar and Mr. Jonathon Downes (directors of Kingwest) will join a number of current Brightstar directors to form the board of the Proposed Merged Entity. The proposed board members of the Proposed Merged Entity are set out below:

- Mr. Alex Rovira - Managing Director (Brightstar);
- Mr. Gregory Bittar - Non-Executive Chairman (Kingwest);
- Mr. Lau Wai Ming - Non-Executive Director (Brightstar);
- Mr. Joshua Hunt - Non-Executive Director (Brightstar); and
- Mr. Jonathon Downes - Non-Executive Director (Kingwest).

The Proposed Merged Entity will be led by a credentialed board of directors and experienced management team with proven successful track records in exploration and mining operations. Notably, Mr. Alex Rovira is a former director at Canaccord Genuity, with a history of working in capital markets. As such, the appointment of Mr. Alex Rovira may increase the ability of the Proposed Merged Entity to access capital markets when required.

The management team of Kingwest has progressed the Menzies Project to its current position, however if the Schemes are approved, Kingwest will gain the benefit of having access to a broader management team with experience in operating a producing mine.

16.5 Disadvantages of Approving the Schemes

We have considered the following disadvantages when assessing whether the Schemes are reasonable.

16.5.1. Dilution of Shareholders' interests

Following the implementation of the Schemes, Shareholders' interests will be diluted from holding 100% of Kingwest to holding approximately 47.1% of the Proposed Merged Entity. Additionally, Brightstar has existing options and performance rights on issue that, if converted to shares, may further dilute the holdings of Kingwest Shareholders in the Proposed Merged Entity.

Shareholders may prefer to hold a 100% interest in Kingwest rather than a diluted interest in the Proposed Merged Entity.

16.5.2. Any exploration upside in Kingwest's assets will be shared with Brightstar

If the Schemes are implemented, Securityholders will hold a diluted interest in the asset portfolio of the Proposed Merged Entity. As a result, any development upside associated with the Menzies Project and the Goongarrie Project will need to be shared with Brightstar shareholders.

As outlined in the Technical Specialist Report in Appendix 4 of our Report, VRM has attributed a value of between \$1.5 million and \$6.4 million for Kingwest's exploration potential, which primarily relates to the Goongarrie Project. There may also be further upside relating to Kingwest's mineral resources relative to the values at the date of our Report. Therefore, should any exploration potential materialise, it will need to be shared with Brightstar shareholders, should the Schemes be implemented.

16.5.3. Change of risk exposure

If the Schemes are implemented, Securityholders will be exposed to a different risk profile relative to their existing investment in Kingwest. There is a possibility that the new risks taken on by Shareholders as a result of the implementation of the Schemes impact the performance of the Proposed Merged Entity, and possibly the value of its securities. Some additional risks relate to implementation risks, risks relating to Brightstar's mineral assets, contract risks, amongst others.

Securityholders are directed to Section 10 of the Scheme Booklet for a more detailed explanation of the risk factors associated with the implementation of the Schemes, which we recommend Securityholders read in full.

16.6 Other considerations

Exposure to existing infrastructure

The implementation of the Schemes will provide Securityholders with exposure to Brightstar's existing infrastructure, which includes the Laverton Processing Plant, as well as a tailings storage facility, a 60-person camp, vehicles, and equipment at the South Project. The access to existing infrastructure will provide Kingwest with an avenue to realise the value of the Menzies Project by providing a potentially viable processing option for Menzies ore, which may allow the Proposed Merged Entity to become a near-term producer.

As outlined in the Technical Specialist Report, Como Engineers produced a report in 2021 that showed a capital cost of \$5.5 million to refurbish and expand the Laverton Processing Plant. Therefore, whilst the implementation of the Schemes may provide Shareholders with exposure to the Laverton Processing Plant, it may require significant cash to be spent to bring it back into service. The Laverton Processing Plant does also not neighbour Kingwest's mineral assets and has been on care and maintenance since 2014.

Further, as outlined in the Technical Specialist Report, during the time the Laverton Processing Plant was operational in 2011, it treated only oxide material, and as a result, is mismatched to much of the potential mill feed discovered by Kingwest and Brightstar to date.

The mineral assets of the Proposed Merged Entity are not immediately neighbouring

As discussed in Section 16.4.2, the implementation of the Schemes will increase the scale of JORC 2012 compliant mineral resources that Shareholders will be exposed to. The mineral resources of the Proposed Merged Entity will total approximately 1Moz of contained gold, which delivers critical mass in assessing potential production opportunities.

However, it is important to note that the mineral resources of the Proposed Merged Entity will be made up of smaller resources from the Menzies Project, the North Project and the South Project, which, in isolation, may not be economically viable to mine. Additionally, the mineral assets of Kingwest and Brightstar are located approximately 200km from each other, which reduces the synergistic benefit as the assets are not neighbouring. Therefore, whilst the implementation of the Schemes provides scale to the Proposed Merged Entity, the mineral assets of Kingwest and Brightstar will each likely still need to be explored and further developed in their own right.

17. Conclusion

17.1. Share Scheme

We have considered the terms of the Share Scheme as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Share Scheme is fair and reasonable to Shareholders.

In our opinion, the Share Scheme is fair because the value of a share in the Proposed Merged Entity is greater than the value of 0.38 shares in Kingwest on an equivalent minority interest. We consider the Share Scheme to be reasonable because RG 111.12 states that an offer is reasonable if it is fair.

Therefore, we conclude that the Share Scheme is in the best interests of Shareholders.

17.2. Option Scheme

We have considered the terms of the Option Scheme as outlined in the body of this report and have concluded that, in the absence of a superior offer, the Option Scheme is fair and reasonable to Optionholders.

In our opinion, the Option Scheme is fair because the value of the Option Scheme consideration is greater than the value of the Kingwest options on the low end of the valuation range. As a result, we conclude that the Option Scheme is in the best interests of Optionholders.

18. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of this report;
- Audited financial statements of Kingwest for the years ended 30 June 2020, 30 June 2021 and 30 June 2022;
- Audited financial statements of Brightstar for the years ended 30 June 2020, 30 June 2021 and 30 June 2022;
- Reviewed financial statements of Kingwest for the half year ended 31 December 2022;
- Reviewed financial statements of Brightstar for the half year ended 31 December 2022;
- Independent Valuation Report performed by VRM;
- Scheme Implementation Deed;
- BDO Explorer Quarterly Cash Update: December 2022;
- The World Bank;
- Bloomberg;
- S&P Capital IQ;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Kingwest.

19. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$80,000 (excluding GST and reimbursement of out-of-pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Kingwest in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Kingwest, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Kingwest and Brightstar and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Kingwest and Brightstar and their respective associates.

A draft of this report was provided to Kingwest and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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20. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV

Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

21. Disclaimers and consents

This report has been prepared at the request of Kingwest for inclusion in the Scheme Booklet which will be sent to all Kingwest Securityholders. Kingwest engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether the Schemes are in the best interests of Shareholders.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Kingwest. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications, it is recommended that individual Securityholders obtain their own taxation advice, in respect of the Schemes, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Securityholders of Kingwest, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Kingwest and Brightstar.

The valuer engaged for the mineral asset valuation, VRM, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrawes', written in a cursive style.

Sherif Andrawes
Director

A handwritten signature in black ink, appearing to read 'Adam Myers', written in a cursive style.

Adam Myers
Director

Appendix 1 - Glossary of Terms

| Reference | Definition |
|--------------------|---|
| \$ or AUD | Australian dollars |
| The Act | The Corporations Act 2001 Cth |
| Alpha | Alpha deposit within the South Project |
| APES 225 | Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' |
| ASIC | Australian Securities and Investments Commission |
| ASX | Australian Securities Exchange |
| BDO | BDO Corporate Finance (WA) Pty Ltd |
| Beta | Beta deposit within the South Project |
| BML | BML Ventures Pty Ltd |
| Brightstar | Brightstar Resources Limited |
| CPI | Consumer Price Index |
| The Company | Kingwest Resources Limited |
| Cork Tree Well | Cork Tree Well deposit within the North Project |
| Corporations Act | The Corporations Act 2001 Cth |
| DCF | Discounted Future Cash Flows |
| DECA | Debt and equity compromise agreement |
| EBIT | Earnings before interest and tax |
| EBITDA | Earnings before interest, tax, depreciation and amortisation |
| EV | Electric vehicle |
| FME | Future Maintainable Earnings |
| Goongarrie Project | Goongarrie gold project |
| g/t | Grams per tonne |

| Reference | Definition |
|----------------------------|--|
| Hawks Nest | Hawks Next deposit within the North Project |
| IRC | Intermin Resources Limited |
| IS 214 | Information Sheet 214: Mining and Resources: Forward-looking Statements |
| JORC Code | The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) |
| km ² | Square kilometres |
| Laverton Processing Plant | 485,000 tonne per annum carbon in-leach processing plant held by Brightstar |
| Menzies Project | Menzies gold project |
| MRE | Mineral Resource Estimate |
| Mt | Million tonnes |
| NAV | Net Asset Value |
| North Project | North Brightstar gold project held by Brightstar |
| oz | Ounces |
| The Proposed Merged Entity | The combined entity following the implementation of the Schemes, comprising Brightstar and Kingwest as a wholly owned subsidiary of Brightstar |
| QMP | Quoted market price |
| Optionholders | Option holders of Kingwest not associated with Brightstar |
| Option Scheme | The option scheme under which Brightstar will acquire the unlisted options of Brightstar at the same ratio as the Share Scheme |
| RBA | Reserve Bank of Australia |
| Our Report | This Independent Expert's Report prepared by BDO |
| RG 60 | Schemes of arrangement (September 2011) |
| RG 111 | Content of expert reports (March 2011) |
| RG 112 | Independence of experts (March 2011) |
| RG 170 | Prospective Financial Information |
| The Schemes | The Share Scheme and the Option Scheme |

| Reference | Definition |
|----------------------|--|
| Scheme Booklet | The scheme booklet prepared to assist the Securityholders in their decision whether to approve the Schemes |
| Scoping Study | Scoping Study undertaken by Kingwest on the Menzies Project in March 2021 |
| Section 411 | Section 411 of the Corporations Act |
| Securityholders | Shareholders and Optionholders of Kingwest |
| Share Scheme | The proposed scheme of arrangement between Kingwest and Brightstar under which Brightstar will acquire the entire issued capital of Kingwest, for the consideration of one Brightstar share for every 0.44 Kingwest shares held at the record date |
| Shareholders | Shareholders of Kingwest not associated with Brightstar |
| South Project | South Brightstar gold project held by Brightstar |
| SPP | Share purchase plan |
| SRHK | Stone Resources (HK) Limited |
| SRL | Stone Resources Limited |
| Sum-of-Parts | A combination of different methodologies used together to determine an overall value where separate assets and liabilities are valued using different methodologies |
| USGS | United States Geological Survey |
| Valmin Code | Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition) |
| Valuation Engagement | An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time. |
| VWAP | Volume Weighted Average Price |
| WA | Western Australia |
| WACC | Weighted Average Cost of Capital |

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Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset-based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 Market Based Assessment

The market-based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market-based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Control Premium and Minority Interest Discount

The concept of a premium for control reflects the additional value that is attached to a controlling interest. We have reviewed control premiums on completed transactions, paid by acquirers of gold mining companies, general mining companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium). We have summarised our findings below.

Gold mining companies

| Year | Number of Transactions | Average Deal Value (AU\$m) | Average Control Premium (%) |
|------|------------------------|----------------------------|-----------------------------|
| 2022 | 4 | 3792.56 | 17.46 |
| 2021 | 4 | 1520.23 | 35.98 |
| 2020 | 1 | 2748.78 | 10.10 |
| 2019 | 1 | 219.98 | 56.41 |
| 2018 | 3 | 29.41 | 52.18 |
| 2017 | 2 | 13.74 | 41.04 |
| 2016 | 5 | 19.15 | 51.38 |
| 2015 | 4 | 56.22 | 53.80 |
| 2014 | 8 | 123.49 | 48.94 |
| 2013 | 5 | 194.83 | 46.52 |
| 2012 | 6 | 137.84 | 57.98 |

Source: Bloomberg, BDO analysis

General mining companies

| Year | Number of Transactions | Average Deal Value (AU\$m) | Average Control Premium (%) |
|------|------------------------|----------------------------|-----------------------------|
| 2022 | 9 | 1929.92 | 22.67 |
| 2021 | 6 | 1235.14 | 29.89 |
| 2020 | 7 | 427.75 | 51.58 |
| 2019 | 12 | 143.74 | 42.83 |
| 2018 | 11 | 87.76 | 53.40 |
| 2017 | 5 | 13.91 | 35.21 |
| 2016 | 13 | 59.54 | 74.92 |
| 2015 | 9 | 340.83 | 57.86 |
| 2014 | 16 | 111.11 | 47.28 |
| 2013 | 17 | 117.99 | 63.99 |
| 2012 | 17 | 219.10 | 54.03 |

Source: Bloomberg, BDO analysis

All ASX listed companies

| Year | Number of Transactions | Average Deal Value (AU\$m) | Average Control Premium (%) |
|------|------------------------|----------------------------|-----------------------------|
| 2022 | 41 | 3,039.48 | 29.07 |
| 2021 | 36 | 1,315.94 | 44.20 |
| 2020 | 27 | 419.16 | 48.36 |
| 2019 | 46 | 2,961.72 | 36.74 |
| 2018 | 47 | 1,054.73 | 40.74 |
| 2017 | 30 | 940.19 | 42.05 |
| 2016 | 42 | 718.52 | 49.58 |
| 2015 | 34 | 828.15 | 34.10 |
| 2014 | 46 | 507.34 | 39.97 |
| 2013 | 41 | 128.21 | 50.99 |
| 2012 | 43 | 545.43 | 49.43 |

Source: Bloomberg, BDO analysis

The mean and median of the entire data sets comprising control transactions since 2012 for gold mining companies, general mining companies and all ASX listed companies, respectively, are set out below.

| Entire Data Set Metrics | Gold Mining | | General Mining | | All ASX listed companies | |
|-------------------------|--------------------|---------------------|--------------------|---------------------|--------------------------|---------------------|
| | Deal Value (AU\$m) | Control Premium (%) | Deal Value (AU\$m) | Control Premium (%) | Deal Value (AU\$m) | Control Premium (%) |
| Mean | 653.13 | 45.65 | 346.03 | 51.47 | 1148.17 | 42.60 |
| Median | 38.01 | 41.63 | 39.38 | 41.57 | 117.94 | 32.61 |

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction; and
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre transaction or proceeded to hold a controlling interest post transaction in the target company.

The table above indicates that the long-term average control premium paid by acquires of gold mining companies, general mining companies and all ASX listed companies is approximately 45.65%, 51.47% and 42.60% respectively. However, in assessing the transactions included in the table, we noted transactions that appear to be extreme outliers. These outliers included two gold mining company transactions, 12 general mining company transactions and 30 ASX listed company transactions, for which the announced premium was in excess of 100%. We consider these transactions as outliers, as it is likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 41.63% for gold mining companies, 41.57% for general mining companies and 32.61% for all ASX listed companies.

We consider an appropriate control premium for Kingwest and Brightstar to be on the lower end of historical averages, given the small size of both companies, and the uncertainty around the ability of Brightstar to continue as a going concern as noted by both Brightstar's auditors for the years ended 30 June 2020, 30 June 2021 and 30 June 2022.

Based on the above analysis, we consider an appropriate premium for control to be between 20% and 30%.

The minority discount is calculated from the control premium identified, using the formula $[1 - (1/(1+\text{Control Premium}))]$. Therefore, the minority discount (rounded to the nearest percentile) is in the range from 17% to 23%.

Appendix 4 - Independent Valuation Report





INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION REPORT

Presented to:
Kingwest Resources Limited



Date Issued
4 April 2023

| | | |
|---|---|--|
| Document Reference | Kingwest Brightstar ITAR FEB 2023 | |
| Distribution | BDO Corporate Finance (WA) Pty Ltd Kingwest Resources Limited Valuation and Resource Management Pty Ltd | |
| Principal Author | Lynda Burnett B Sc Geology (Hons) M AusIMM |  Date: 4 April 2023 |
| Contributing Author, Peer Review and VRM Approval | Paul Dunbar MSc Minex M AusIMM M AIG |  Date: 4 April 2023 |
| Valuation Date | 24 January 2023 | |

Executive Summary

Valuation and Resource Management Pty Ltd (VRM) was engaged by BDO Corporate Finance (W.A.) Pty Ltd (BDO) to prepare an Independent Technical Assessment Report (Report or ITAR), including valuation for the Mineral Assets of Kingwest Resources Limited (Kingwest or the Company) and of Brightstar Resources Limited (Brightstar). The ITAR is prepared to assist BDO in completing their Independent Expert Report (IER) in relation to the proposed scheme of arrangement (SOA) between Kingwest and Brightstar (Proposed Transaction).

This Report has been prepared as a public document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (VALMIN) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (JORC).

VRM understands that BDO will include the Report within its IER relating to the proposed transaction.

This Report is a technical review and valuation opinion of the mineral assets of Kingwest and Brightstar. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of Kingwest or Brightstar but rather an asset valuation of the companies' mineral properties.

The Valuation Date is 6 February 2023 and remains current / applies commodity prices as at 24 January 2023. VRM provided a redacted draft report on 6 February 2023 to BDO for factual accuracy checking by the companies. This report includes updated technical information associated with the factual accuracy checking conducted by the companies.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Kingwest and Brightstar along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

Kingwest Projects – Menzies and Goongarrie

Kingwest owns 100% of the Menzies Gold Project (MGP), a contiguous land package of granted mining leases, over a strike length of +15km. The project is hosted along the Menzies Shear Zone and is located adjacent to Goldfields Highway in Menzies (130km north of Kalgoorlie)

The historically mined high-grade gold deposits produced over 800,000oz at 19g/t Au (including 643,000oz @ 22.5g/t Au from underground down to over 600m depth (ASX: KWR 9 July 2019)

The most recent Global Resource estimate is 11.77Mt @ 1.33g/t Au for 505.2koz Au (40% Indicated; 60% Inferred) from 9 deposits. The current mineral resource is predominantly defined within the top 200m from surface.

Recent exploration in 2020-2022 has highlighted the potential for further down plunge medium to high grade shoot style mineralisation with Kingwest intersections such as 3.0m @ 158.4g/t Au from 180m at First Hit (KWR023) at depth returned from drilling (ASX: KWR 14 April 2020).

At Goongarrie, extensive drilling in 2021 and 2022 has highlighted the gold potential of two key structural corridors namely the Bardoc Tectonic Zone and the newly defined St Laurance corridor to the east on the lake which pass through the tenements package. These corridors have produced and contain economic mineralisation typical of Archean orogenic gold deposits. Several prospects have been identified which warrant further drilling to determine resource potential.

In addition, the tenements host the sheet like Highway Ultramafic which to the south along strike contains mined and unmined resources of Nickel sulphide. Reconnaissance Aircore drilling on the lake has highlighted the potential for this unit to similarly host nickel sulphide mineralisation.

The two project areas cover a total of around 160km².

Brightstar Projects - Laverton

Brightstar holds approximately 300km² of 100%-owned tenure in the Laverton Tectonic Zone and Duketon Belt at Laverton and at Cork Tree Well approximately 30km to the north.

The portfolio is spread across multiple project areas:

- Cork Tree Well (5.6Mt @ 1.4g/t Au for 252koz Au)
- Alpha (1.4Mt @ 2.3g/t Au for 106koz Au)
- Beta (AKA Mikado) (1.9Mt @ 1.7g/t Au for 102koz Au)
- Brightstar South / Comet Well - Hawks Nest

Current total JORC Resource of 8.9Mt @ 1.6g/t Au for 460koz (43% Measure & Indicated; 57% Inferred) (ASX: BTR 10 September 2020, 10 August 2022). All quoted resources are located on granted mining leases and are within 70km of Brightstar's Laverton Processing Plant.

Processing Infrastructure consists of +300ktpa CIL processing plant (oxide only) currently on care & maintenance (last operated mid 2011), inclusive of two ball mills, power station, gravity, and elution circuits. Supporting infrastructure, includes tailings storage dam and process water ponds on site.

Como Engineers produced a report in 2021 that showed a capital cost of \$5.5 million to refurbish and expand the plant to c. 650ktpa throughput (incl. \$1.9 million in owners' costs and 30% contingency).

Other assets include an operational 60-person accommodation camp, vehicles and equipment including 30 tonne Crane, forklift, bobcat, 2 x Loaders and light vehicles.

There are also significant environmental liabilities associated with the rehabilitation requirements for the Brightstar Projects including rehabilitation of the tailings storage facility, waste dumps, access roads, open pits and associated disturbances.

Valuation Opinion

VRM has estimated the value of the Kingwest and Brightstar Projects considering the technical information available as at the valuation date as described further in the body of this report. Tenements under application have been discounted where appropriate to account for the risk of these not being granted or less area being granted. There are declared Mineral Resource estimates within the Menzies Project owned by Kingwest which have been prepared applying the guidelines of the Australasian Code for Reporting of Exploration Targets, Mineral Resources and Ore Reserves - The JORC Code 2012 Edition (JORC). In addition to the JORC 2012 Mineral Resource estimates.

There are also declared Mineral Resource estimates within the Cork Tree Well and Laverton Projects owned by Brightstar which have been prepared applying the guidelines of the Australasian Code for Reporting of Exploration Targets, Mineral Resources and Ore Reserves - The JORC Code 2012 Edition (JORC). In addition to the JORC 2012 Mineral Resource estimates.

It is uncertain whether future exploration will result in the definition of any further Mineral Resource estimates on any of the projects.

The Projects of both companies were primarily valued using a comparable transaction method based on resource multiples with additional value added using the geoscientific / Kilburn method for the exploration potential away from the mineral resource estimates as the primary valuation technique. Secondary valuations were determined using the Yardstick Method for the Resources and adding additional value via the PEM method for the exploration tenements which contained no resources. The additional value determined within the Goongarrie exploration tenements is significant (preferred value for the Goongarrie Project of Kingwest is \$4.7 million with a historic expenditure of over \$4.7 million, mostly in the past two years). In VRM's opinion, this reflects the strong prospectivity of the land package as discussed in Section 3.5 where the ground contains three highly prospective trends, two for gold and one for nickel with a history of multiple economic deposits along each of these. VRM does note that the high previous exploration expenditure is partly due to the difficult and expensive drilling required on the salt lakes that are under explored, additionally VRM notes that the primary source of mineralisation has yet to be determined.

The value of the processing plant at Brightstar is considered to be outweighed by or similar to the rehabilitation liabilities notwithstanding that most of the resources defined are within deeper transitional and bedrock levels below surface (the oxide having already been mined). During the time the mill operated in 2011, it treated only oxide material and is therefore mismatched to much of the potential mill feed discovered to date.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

Conclusions

Considering the current exploration status and mineralisation potential of the tenements in VRM's opinion the combined Mineral Assets owned by Brightstar and Kingwest have a market value of between \$33.3 million and \$62.1 million with a preferred value of \$47.2 million as summarised in Table ES-1 below.

Table ES-1 – Preferred Valuation Summary for the Brightstar and Kingwest Mineral Assets

| Valuation summary | | | |
|---------------------|-----------------------|---------------------------|-----------------------|
| Valuation Technique | Lower (\$ million) | Preferred (\$ million) | Upper (\$ million) |
| Kingwest Projects | 16.1 | 22.8 | 30.7 |
| Brightstar Projects | 17.2 | 24.3 | 31.4 |
| Total Valuation | 33.3 | 47.2 | 62.1 |

Contents

| | |
|---|-----|
| Executive Summary | i |
| Kingwest Projects – Menzies and Goongarrie..... | i |
| Brightstar Projects - Laverton | ii |
| Valuation Opinion | iii |
| Conclusions | iv |
| 1. Introduction | 1 |
| 1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides | 2 |
| 1.2. Scope of Work..... | 2 |
| 1.3. Statement of Independence..... | 2 |
| 1.4. Competent Persons Declaration and Qualifications | 3 |
| 1.5. Reliance on Experts | 3 |
| 1.6. Site visit..... | 4 |
| 2. Mineral Assets | 6 |
| 2.1. Mineral Tenure..... | 6 |
| 3. Kingwest Mineral Assets | 11 |
| 3.1. Location and Access | 11 |
| 3.2. Geological Setting | 11 |
| 3.3. Mineral Resources – Menzies..... | 16 |
| 3.4. Recent Exploration | 22 |
| 3.5. Exploration Potential | 28 |
| 4. Brightstar Mineral Assets | 30 |
| 4.1. Laverton Projects..... | 30 |
| 4.2. Location and Access | 31 |
| 4.3. Heritage | 32 |
| 4.4. Regional Geology | 32 |
| 4.5. Local Geology and Mineralisation | 33 |
| 4.6. Previous Exploration | 34 |
| 4.7. Recent Exploration by Brightstar | 34 |
| 4.7. Mineral Resource Estimates..... | 41 |
| 4.8. Exploration Potential | 47 |
| 4.9. Processing Infrastructure..... | 47 |
| 5. Valuation Methodology | 48 |
| 5.1. Previous Valuations | 48 |
| 5.2. Valuation Subject to Change | 48 |
| 5.3. General assumptions..... | 49 |
| 5.4. Gold Market Analysis..... | 49 |
| 5.5. Valuation of Advanced Properties | 50 |
| 5.5.1 Comparable Market Based Transactions – Resource Based | 51 |
| 5.5.2 Yardstick Valuation..... | 51 |
| 5.6. Exploration Asset Valuation..... | 52 |
| 5.6.1 Geoscientific (Kilburn) Valuation | 52 |
| 5.6.2 Comparable Market Based Transactions | 54 |
| 5.6.3 Prospectivity Enhancement Multiplier (PEM) Valuation | 55 |
| 6. Valuation of the Mineral Assets | 56 |
| 6.1. Comparable Transactions – Resource Multiples | 56 |
| 6.2. Yardstick Method | 58 |
| 6.3. Geoscientific Valuation | 59 |

| | | |
|-----|--|----|
| 6.4 | Prospectivity Enhancement Multiplier (PEM) Valuation | 60 |
| 6.5 | Brightstar Processing Infrastructure Valuation | 61 |
| 7 | . Risks and Opportunities..... | 62 |
| 7.1 | General Risks and Opportunities | 62 |
| 7.2 | Project Specific Risks and Opportunities..... | 63 |
| 8 | . Preferred Valuations..... | 64 |
| 9. | References | 66 |
| 8.1 | Published References | 66 |
| 9 | Glossary | 68 |
| | Appendix A - Comparable Transactions..... | 73 |
| | Appendix B - Geoscientific Valuation Gold Projects..... | 76 |
| | Appendix C - PEM Valuation Gold Projects | 80 |

List of Figures

| | | |
|------------|---|----|
| Figure 1: | Location of the Kingwest and Brightstar Projects..... | 1 |
| Figure 2: | Aerial image of Cork Tree Well Deposit taken in 2022. Pit was mined last in 1989. | 5 |
| Figure 3: | Location of the Menzies and Goongarrie Projects, WA..... | 11 |
| Figure 4: | Regional Tectonic setting of the Menzies and Goongarrie Projects | 12 |
| Figure 5: | Menzies Project tenements with named deposits and local geology | 14 |
| Figure 6: | Goongarrie Project tenements with named deposits and local geology..... | 15 |
| Figure 7: | Tectonic Setting of the Goongarrie tenements | 16 |
| Figure 8: | Aerial view of Menzies tenements and Resource locations | 17 |
| Figure 9: | Yunndaga Mineralisation Domains and Historic Depletion – Long Section Looking NE..... | 21 |
| Figure 10: | Aircore results on magnetics St Laurence..... | 23 |
| Figure 11: | Line 5 section..... | 24 |
| Figure 12: | Line A Section..... | 24 |
| Figure 13: | KGD001 at St Laurence | 25 |
| Figure 14: | Target A9 drillhole results | 25 |
| Figure 15: | Regional Aircore Anomalies outside St Laurence | 26 |
| Figure 16: | Northern Nickel Aircore anomalies on Highway Ultramafic | 27 |
| Figure 17: | Southern Aircore Nickel Anomalies 1.2km North of Saints Nickel sulphide deposits..... | 28 |
| Figure 18: | Location and regional geological setting of the Laverton Projects, Cork Tree Well, Alpha and Beta Gold Deposits. | 30 |
| Figure 19: | Brightstar Projects Tenements, Location, Access, and registered heritage sites | 31 |
| Figure 20: | Laverton Regional Geology and significant mineral occurrences | 33 |
| Figure 21: | Cork Tree Well wire frames with recent 2022 BTR drillholes. Note location of BTRC177 | 35 |
| Figure 22: | Section through Cork Tree Well down plunge extension BTRRC177 | 36 |
| Figure 23: | Long section Cork Tree Well Deposit showing down plunge shoot open down plunge..... | 36 |
| Figure 24: | Cork Tree Well new mineralisation interpretation 2022 | 37 |
| Figure 25: | Cork Tree Well Exploration Targets down plunge | 37 |
| Figure 26: | Section through drilling in the centre of the Delta 2 prospect..... | 38 |
| Figure 27: | Alpha and Alpha West drillhole locations | 38 |
| Figure 28: | Section showing mineralisation in BTRRC130 at Alpha West..... | 39 |
| Figure 29: | Section through BTRRC142 Alpha West..... | 39 |
| Figure 30: | Section through North (Aztec Pit)..... | 40 |
| Figure 31: | Section through Mikado Pit..... | 40 |
| Figure 32: | Section through Cork Tree Well showing the change in modelled mineralisation based on 2021 drilling | 45 |
| Figure 33: | Section through BTRRC23 and 24 showing the change in modelled mineralisation | 45 |
| Figure 34: | Five-year gold price (A\$) from February 2018 to February 2023..... | 50 |
| Figure 35: | Five-year gold price (US\$) from February 2018 to February 2023 | 50 |
| Figure 36: | Valuation Summary..... | 65 |

List of Tables

| | |
|--|----|
| Table 1: Tenement schedule of Kingwest Resources Limited as at December 2022 | 7 |
| Table 2: Tenement schedule of Brightstar Resources Limited as at December 2022 | 8 |
| Table 3: Combined JORC 2012 Mineral Resource Estimate for the Menzies Project | 17 |
| Table 4: Brightstar Gold Project Mineral Resource Estimates | 41 |
| Table 5: VALMIN Code 2015 valuation approaches suitable for mineral Properties. | 48 |
| Table 6: Typical Yardstick Multiples used for Gold Projects | 51 |
| Table 7: Ranking criteria are used to determine the geoscientific technical valuation..... | 53 |
| Table 8: Prospectivity Enhancement Multiplier (PEM) ranking criteria | 55 |
| Table 9: Comparable transaction valuation of the Mineral Resource estimates..... | 57 |
| Table 10: Yardstick valuation of the Mineral Resources within Brightstar and Kingwest Projects | 58 |
| Table 11: Valuation of the tenements not hosting Mineral Resources | 60 |
| Table 12: PEM Valuation for the exploration tenements excluding tenements containing Mineral Resources | 61 |
| Table 13: Valuation Summary Projects by method | 64 |

1. Introduction

Valuation and Resource Management Pty Ltd (VRM) was engaged by BDO Corporate Finance (W.A.) Pty Ltd (BDO) to prepare an Independent Technical Assessment Report (Report or ITAR), including valuation for the Mineral Assets of Kingwest Resources Limited (ASX: KWR) (Kingwest or the Company) and of Brightstar Resources Limited (Brightstar). The ITAR is prepared to assist BDO in completing their Independent Expert Report (IER) in relation to the proposed scheme of arrangement (SOA) between Kingwest and Brightstar (Proposed Transaction).

The main Mineral Assets of Kingwest comprises the Menzies and Goongarrie Projects in the Menzies region of the Goldfields, Western Australia. Within the Kingwest Projects there are nine separate JORC 2012 Mineral Resource estimates. The main Mineral Assets of Brightstar, located near Laverton in the Eastern Goldfields, Western Australia are the North Laverton (Cork Tree Well), South Laverton (Brightstar) and Hawk's Nest projects. Within the Laverton projects there are three JORC 2012 Mineral Resource estimates.

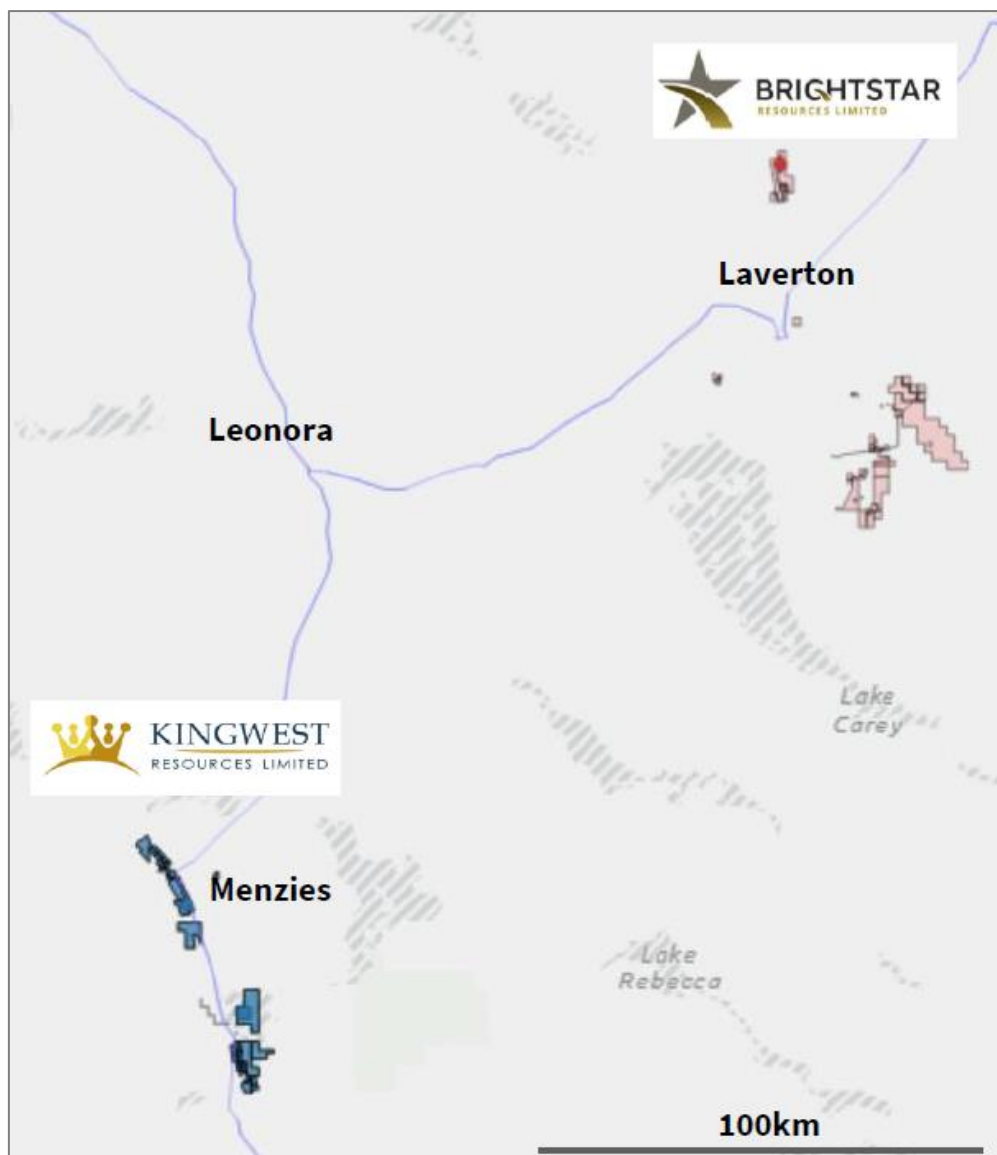


Figure 1: Location of the Kingwest and Brightstar Projects
(Source: ASX: KWR, BTR 23 December 2022)

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

In preparing the ITAR, VRM has applied the guidelines and principles of the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets* – 2015 VALMIN Code (VALMIN) and the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* – the 2012 JORC Code (JORC). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). These codes are also requirements under Australian Securities and Investments Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Kingwest and Brightstar and previous owners and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2. Scope of Work

VRM's primary obligation in preparing this ITAR is to independently describe mineral Projects applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Projects.

VRM has compiled the Report based on the principle of reviewing and interrogating both the documentation of the companies involved and their consultants, and other previous exploration within the area. This Report is a summary of the work conducted, completed, and reported by the companies from pegging or acquisition of the Projects to December 2022, based on information supplied to VRM by both companies, and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that its review and report will be included in the SOA, and as such, it is understood that VRM's review will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the 2015 VALMIN Code.

1.3. Statement of Independence

VRM was engaged to undertake an ITAR of the Projects that comprise the asset portfolio of Kingwest and Brightstar. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of Experts (RG112).

Mr Paul Dunbar of VRM has not, within the past two years had any association with Kingwest or Brightstar Resources, its individual employees, or any interest in the securities of the Company or potential interest, nor are they expected to be employed by the Company after the proposed transaction, which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately \$38,000.

Mr Dunbar, while employed by Dunbar Resource Management (DRM) in 2017 and 2018 completed two separate ITAR's on the same mineral assets. While Mr Dunbar does not consider that these reports impact his independence, he considers it prudent to disclose these previous reports to ensure transparency in relation to the previous work.

1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Mr Paul Dunbar and Ms Lynda Burnett as the primary authors.

The Report and information that relates to mineral asset valuation was completed by Mr Paul Dunbar, BSc (Hons), MSc, a Competent Person who is a member of the AusIMM and the AIG. Mr Dunbar is a Principal of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Report and information that relates to geology, exploration potential, compilation of the Mineral Resources is based on information compiled by Mrs Lynda Burnett, BSc (Hons), a Competent Person who is a member of the AUSIMM. Mrs Burnett is an associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Mrs Burnett consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Between 23 December 2022, being the date that the proposed transaction was announced and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions.

1.5. Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting in Western Australia. In relation to the tenement standing, VRM has relied on the information publicly available on the Department of Mines, Industry Regulation and Safety (DMIRS). On this basis VRM has confirmed the tenements which constitute the Projects held by Kingwest and Brightstar are located in WA government records and understands that the tenements are in good standing and has confirmed such with both companies.

As VRM and the authors of this Report are not expert in Western Australia tenements or Mining Act, no warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

In respect of the information contained in this Report, VRM has relied on Information and Reports obtained from Kingwest and Brightstar or the public domain including but not limited to:

Presentation material including several cross sections and plans;

- Annual Technical Reports for the tenements;

- WAMEX Reports for each of the Western Australian Project areas;
- Kingwest and Brightstar's internal reports;
- Various Brightstar and Kingwest ASX releases including but not limited to,
- ASX announcement of the Scheme of Arrangement on 23 December 2022 which includes the details of the various Mineral Resource estimates,
- Annual Reports
- Quarterly Reports
- ASX releases detailing any initial and updates to the Mineral Resource estimates.
- ASX releases detailing exploration activities;
- Various ASX releases from previous owners and neighbouring companies;
- Publicly available information including several publications on the regional geology and tectonic evolution of the Goldfields Region by the Geological Survey of Western Australia; and
- Government Regional datasets, including geological mapping and explanatory notes.

All information and conclusions within this Report are based on information Kingwest and Brightstar made available to VRM to assist with this Report and other relevant publicly available data to January 2023. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and joint venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has assessed the content of these reports and information and confirm that the contents are reasonable and that they meet the Reasonable Grounds Requirements. VRM has relied on the information contained within the reports, articles and databases provided by Kingwest and Brightstar as detailed in the reference list. A draft of this Report was provided to BDO for provision to the companies, for the purpose of identifying and addressing any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the companies until the technical aspects were validated and the Report was declared final.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this report, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

1.6.Site visit

A site visit to the Projects was not undertaken for this ITAR.

Paul Dunbar has undertaken two separate visits to the projects in 2017 and 2018 as a part of the previous ITAR's. Other than additional exploration, resource delineation, geotechnical and metallurgical drilling there have been no significant changes on the site since the 2018 site visit. Importantly there has been no mining since the 2018 site visit.

Below shows an aerial view of Brightstar's Cork Tree Well deposit which was last mined in 1989 also showing the location of 2022 drilling to the north (Figure 2).



Figure 2: Aerial image of Cork Tree Well Deposit taken in 2022. Pit was mined last in 1989.
(Source ASX: BTR 31 January 2023)

VRM considers that given the previous site visits and a lack of mining activities on the projects since the previous site visit it is unlikely that any material information would be obtained from undertaking a site visit as a part of this report that would likely impact the findings recommendations or valuation within this report. As there has been no material change to the activities on site since the previous site visit and the only material change to the project being an updated Mineral Resource estimates in VRM's opinion it is unlikely that a site visit would reveal any information that would materially modify the assumptions or content of this report.

2. Mineral Assets

The Mineral Assets in this review include 38 granted tenements for Kingwest consisting of one exploration licence, three miscellaneous licences, seven mining leases and ten prospecting licenses for at Menzies. For Goongarrie the project consists of three exploration licences and 11 prospecting licenses and three prospecting licence applications for a total area of 161km². The Brightstar mineral assets consist of 53 tenements. Of the Brightstar tenements, 52 are granted and one exploration licence is pending. The project consists of 13 exploration licences, nine miscellaneous licences, 15 mining leases and 16 prospecting licences for approximately 265km². The location of the tenements is shown in Figure 1.

Importantly this report and mineral asset valuation is based on the tenements, that allow mineral exploration and exploitation, as such the tenements that do not allow exploration or exploitation, specifically the miscellaneous licences are not included in this valuation as they do not allow for the exploration or exploitation of the minerals contained within those licences.

2.1. Mineral Tenure

The tenement schedule pertaining to the Mineral Assets of Kingwest is given in Table 1, and has been validated via checking with the Department of Mines, Industry Regulation and Safety (DMIRS). A detailed tenement plan and description of the Project area is included in Section 3.

The tenement schedule pertaining to the Mineral Assets of Brightstar is given in Table 2, and has been validated via checking with the DMIRS (WA). A detailed tenement plan and description of the Project areas is included in Section 4.

Table 1: Tenement schedule of Kingwest Resources Limited as at December 2022

| Project | Tenement | Type | Status | Holder | Expiry Date | Area | Unit of Measure | Rent | Minimum Commitment |
|------------|-----------|-----------------------|--------|---|-------------|--------|-----------------|----------|--------------------|
| Menzies | E 29/984 | EXPLORATION LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 23/02/27 | 7.00 | BL. | \$2,632 | \$50,000 |
| | L 29/42 | MISCELLANEOUS LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 21/02/24 | 0.09 | HA. | \$22 | N/A |
| | L 29/43 | MISCELLANEOUS LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 21/02/24 | 0.09 | HA. | \$22 | N/A |
| | L 29/44 | MISCELLANEOUS LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 21/02/24 | 0.09 | HA. | \$22 | N/A |
| | M 29/14 | MINING LEASE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 13/05/26 | 102.80 | HA. | \$2,472 | \$10,300 |
| | M 29/153 | MINING LEASE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 17/11/34 | 989.55 | HA. | \$23,760 | \$99,000 |
| | M 29/154 | MINING LEASE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 17/11/34 | 345.30 | HA. | \$8,304 | \$34,600 |
| | M 29/184 | MINING LEASE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 12/03/39 | 591.85 | HA. | \$14,208 | \$59,200 |
| | M 29/212 | MINING LEASE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 26/02/43 | 923.55 | HA. | \$22,176 | \$92,400 |
| | M 29/410 | MINING LEASE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 01/10/33 | 499.00 | HA. | \$11,976 | \$49,900 |
| | M 29/88 | MINING LEASE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 27/07/30 | 35.20 | HA. | \$864 | \$10,000 |
| | P 29/2346 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 03/01/26 | 70.61 | HA. | \$249 | \$2,840 |
| | P 29/2450 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 06/02/23 | 136.06 | HA. | \$480 | \$5,480 |
| | P 29/2578 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 24/08/24 | 120.67 | HA. | \$424 | \$4,840 |
| | P 29/2579 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 24/08/24 | 120.01 | HA. | \$424 | \$4,840 |
| | P 29/2580 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 24/08/24 | 119.97 | HA. | \$420 | \$4,800 |
| | P 29/2581 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 15/08/25 | 119.98 | HA. | \$420 | \$4,800 |
| | P 29/2582 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 24/08/24 | 120.06 | HA. | \$424 | \$4,840 |
| | P 29/2583 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 15/08/25 | 112.98 | HA. | \$396 | \$4,520 |
| | P 29/2584 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 24/08/24 | 117.24 | HA. | \$413 | \$4,720 |
| | P 29/2585 | PROSPECTING LICENCE | LIVE | MENZIES OPERATIONAL AND MINING PTY LTD | 24/08/24 | 120.01 | HA. | \$424 | \$4,840 |
| Goongarrie | E 29/1062 | EXPLORATION LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 12/03/25 | 13.00 | BL. | \$3,575 | \$20,000 |
| | E 29/966 | EXPLORATION LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 05/09/26 | 11.00 | BL. | \$7,821 | \$50,000 |
| | E 29/996 | EXPLORATION LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 08/08/23 | 4.00 | BL. | \$1,504 | \$20,000 |
| | P 29/2380 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 04/02/23 | 57.00 | HA. | \$200 | \$2,280 |
| | P 29/2381 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 04/02/23 | 76.00 | HA. | \$266 | \$3,040 |
| | P 29/2412 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 04/02/23 | 183.00 | HA. | \$641 | \$7,320 |
| | P 29/2413 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 31/01/23 | 133.00 | HA. | \$466 | \$5,320 |
| | P 29/2467 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 20/09/24 | 191.48 | HA. | \$672 | \$7,680 |

| Project | Tenement | Type | Status | Holder | Expiry Date | Area | Unit of Measure | Rent | Minimum Commitment |
|---------|-----------|---------------------|---------|---|-------------|--------|-----------------|-------|--------------------|
| | P 29/2468 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 20/09/24 | 153.90 | HA. | \$539 | \$6,160 |
| | P 29/2530 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 29/07/24 | 189.35 | HA. | \$665 | \$7,600 |
| | P 29/2531 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 29/07/24 | 187.59 | HA. | \$658 | \$7,520 |
| | P 29/2532 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 29/07/24 | 151.06 | HA. | \$532 | \$6,080 |
| | P 29/2533 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 30/09/24 | 193.07 | HA. | \$679 | \$7,760 |
| | P 29/2588 | PROSPECTING LICENCE | LIVE | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 22/11/25 | 3.01 | HA. | \$35 | \$2,000 |
| | P 29/2656 | PROSPECTING LICENCE | PENDING | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 31/12/99 | 167.00 | HA. | | |
| | P 29/2675 | PROSPECTING LICENCE | PENDING | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 31/12/99 | 9.95 | HA. | | |
| | P 29/2676 | PROSPECTING LICENCE | PENDING | GOONGARRIE OPERATIONAL AND MINING PTY LTD | 31/12/99 | 9.89 | HA. | | |

Table 2: Tenement schedule of Brightstar Resources Limited as at December 2022

| Project | Tenement | Type | Status | Holder | Expiry Date | Area | Unit of Measure | Rent | Minimum Commitment |
|------------|-----------|---------------------|--------|------------------------------|-------------|--------|-----------------|------------|--------------------|
| Brightstar | E 38/2411 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 29/11/2022 | 2 | BL. | \$1,411.00 | \$50,000.00 |
| Brightstar | E 38/3034 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 8/07/2025 | 2 | BL. | \$1,422.00 | \$50,000.00 |
| Brightstar | E 38/3279 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 2/05/2023 | 1 | BL. | \$426.00 | \$10,000.00 |
| Brightstar | E 38/3293 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 5/07/2023 | 5 | BL. | \$1,880.00 | \$20,000.00 |
| Brightstar | E 38/3331 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 22/01/2024 | 6 | BL. | \$2,256.00 | \$30,000.00 |
| Brightstar | E 38/3438 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 7/12/2025 | 9 | BL. | \$2,475.00 | \$20,000.00 |
| Brightstar | E 38/3500 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 8/06/2026 | 33 | BL. | \$5,049.00 | \$33,000.00 |
| Brightstar | E 38/3504 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 8/06/2026 | 6 | BL. | \$918.00 | \$20,000.00 |
| Brightstar | E38/3673 | EXPLORATION LICENCE | | Mark Rowbottom | 4/12/2027 | 1 | BL. | \$426.00 | \$10,000.00 |
| Brightstar | M 38/1056 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 7/10/2030 | 300.8 | HA. | \$7,224.00 | \$30,100.00 |
| Brightstar | M 38/1057 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 7/10/2030 | 300.75 | HA. | \$7,224.00 | \$30,100.00 |
| Brightstar | M 38/1058 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 19/05/2029 | 300.85 | HA. | \$7,224.00 | \$30,100.00 |
| Brightstar | M 38/241 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 9/07/2031 | 5.0325 | HA. | \$144.00 | \$10,000.00 |
| Brightstar | M 38/549 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 27/04/2030 | 6.199 | HA. | \$168.00 | \$10,000.00 |

| Project | Tenement | Type | Status | Holder | Expiry Date | Area | Unit of Measure | Rent | Minimum Commitment |
|----------------|-----------|---------------------|--------|------------------------------|-------------|---------|-----------------|-------------|--------------------|
| Brightstar | M 38/9 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 24/05/2025 | 87.35 | HA. | \$2,112.00 | \$10,000.00 |
| Brightstar | M 38/968 | MINING LEASE | LIVE | Desert Exploration Pty Ltd | 9/08/2025 | 300.55 | HA. | \$7,224.00 | \$30,100.00 |
| Brightstar | M 38/984 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 23/07/2029 | 4.862 | HA. | \$120.00 | \$5,000.00 |
| Brightstar | P 38/4377 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 25/07/2025 | 58 | HA. | \$203.00 | \$2,320.00 |
| Brightstar | P 38/4385 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 25/07/2025 | 2.5 | HA. | \$35.00 | \$2,000.00 |
| Brightstar | P 38/4431 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 13/06/2022 | 11.24 | HA. | \$42.00 | \$2,000.00 |
| Brightstar | P 38/4432 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 13/06/2022 | 92.72 | HA. | \$325.50 | \$3,720.00 |
| Brightstar | P 38/4433 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 13/06/2022 | 193.92 | HA. | \$679.00 | \$7,760.00 |
| Brightstar | P 38/4444 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 12/12/2022 | 168 | HA. | \$588.00 | \$6,720.00 |
| Brightstar | P 38/4445 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 12/12/2022 | 141 | HA. | \$493.50 | \$5,640.00 |
| Brightstar | P 38/4446 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 12/12/2022 | 191 | HA. | \$668.50 | \$7,640.00 |
| Brightstar | P 38/4447 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 12/12/2022 | 75 | HA. | \$262.50 | \$3,000.00 |
| Brightstar | P 38/4448 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 12/12/2022 | 144 | HA. | \$504.00 | \$5,760.00 |
| Brightstar | P 38/4449 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 12/12/2022 | 144 | HA. | \$504.00 | \$5,760.00 |
| Brightstar | P 38/4450 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 12/12/2022 | 124 | HA. | \$434.00 | \$4,960.00 |
| Brightstar | P 38/4508 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 1/06/2025 | 79.5925 | HA. | \$280.00 | \$3,200.00 |
| Brightstar | P 38/4545 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 14/08/2026 | 47.4666 | HA. | \$168.00 | \$2,000.00 |
| Brightstar | P 38/4546 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 14/08/2026 | 96.8994 | HA. | \$339.50 | \$3,880.00 |
| Cork Tree Well | E 38/2452 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 28/03/2023 | 1 | BL. | \$426.00 | \$20,000.00 |
| Cork Tree Well | E 38/2894 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 29/05/2024 | 2 | BL. | \$1,422.00 | \$50,000.00 |
| Cork Tree Well | E 38/3198 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 10/07/2022 | 3 | BL. | \$1,128.00 | \$30,000.00 |
| Cork Tree Well | E 38/3434 | EXPLORATION LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 23/11/2025 | 4 | BL. | \$1,100.00 | \$15,000.00 |
| Cork Tree Well | M 38/346 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 29/09/2034 | 725 | HA. | \$17,400.00 | \$72,500.00 |
| Cork Tree Well | M 38/917 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 23/07/2029 | 7.873 | HA. | \$192.00 | \$10,000.00 |
| Cork Tree Well | M 38/918 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 23/07/2029 | 6.0485 | HA. | \$168.00 | \$10,000.00 |
| Cork Tree Well | P 38/4108 | PROSPECTING LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 30/06/2022 | 70.6681 | HA. | \$248.50 | \$2,840.00 |
| Hawks Nest | M 38/314 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 1/08/2033 | 205.35 | HA. | \$4,944.00 | \$20,600.00 |
| Hawks Nest | M 38/381 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 26/04/2036 | 9.697 | HA. | \$240.00 | \$10,000.00 |

| Project | Tenement | Type | Status | Holder | Expiry Date | Area | Unit of Measure | Rent | Minimum Commitment |
|------------|-----------|-----------------------|---------|------------------------------|-------------|--------|-----------------|------------|--------------------|
| Hawks Nest | M 38/94 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 20/09/2029 | 19.015 | HA. | \$480.00 | \$10,000.00 |
| Hawks Nest | M 38/95 | MINING LEASE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 20/09/2029 | 87.835 | HA. | \$2,112.00 | \$10,000.00 |
| | E 38/3683 | EXPLORATION LICENCE | PENDING | BRIGHTSTAR RESOURCES LIMITED | | 1 | BL. | | N/A |
| | L 38/100 | MISCELLANEOUS LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 4/02/2025 | 37 | HA. | | N/A |
| | L 38/123 | MISCELLANEOUS LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 1/04/2029 | 60 | HA. | | N/A |
| | L 38/154 | MISCELLANEOUS LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 4/07/2032 | 5.52 | HA. | | N/A |
| | L 38/168 | MISCELLANEOUS LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 24/02/2032 | 364.1 | HA. | | N/A |
| | L 38/169 | MISCELLANEOUS LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 24/02/2032 | 497.17 | HA. | | N/A |
| | L 38/171 | MISCELLANEOUS LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 11/05/2031 | 164.6 | HA. | | N/A |
| | L 38/185 | MISCELLANEOUS LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 10/11/2032 | 2.2172 | HA. | | N/A |
| | L 38/188 | MISCELLANEOUS LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 15/03/2033 | 19.3 | HA. | | N/A |
| | L 38/205 | MISCELLANEOUS LICENCE | LIVE | BRIGHTSTAR RESOURCES LIMITED | 21/02/2033 | 10.5 | HA. | | N/A |

3. Kingwest Mineral Assets

3.1. Location and Access

The Menzies and Goongarrie Projects are located 130km and 85km respectively north of Kalgoorlie. Both land packages lie close to or straddle the Goldfields Highway from Kalgoorlie to Menzies (Figure 3). Access within the projects is via unsealed gravel station, exploration, and mining tracks.



Figure 3: Location of the Menzies and Goongarrie Projects, WA.
(Source: ASX: KWM 7 November 2022)

3.2. Geological Setting

The Menzies and Goongarrie Gold Projects are located within the Menzies-Broad Arrow greenstone belt, part of the Kalgoorlie Terrane within the southern Eastern Goldfields province. The projects straddle the Ora Banda Domain to the west and the Menzies and Boorara Domains to the east separated by the Menzies and Bardoc Regional faults or tectonic zones (Swager 1995a, Swager 1997, Groenewald et al 2000) (Figure 4, Figure 5).

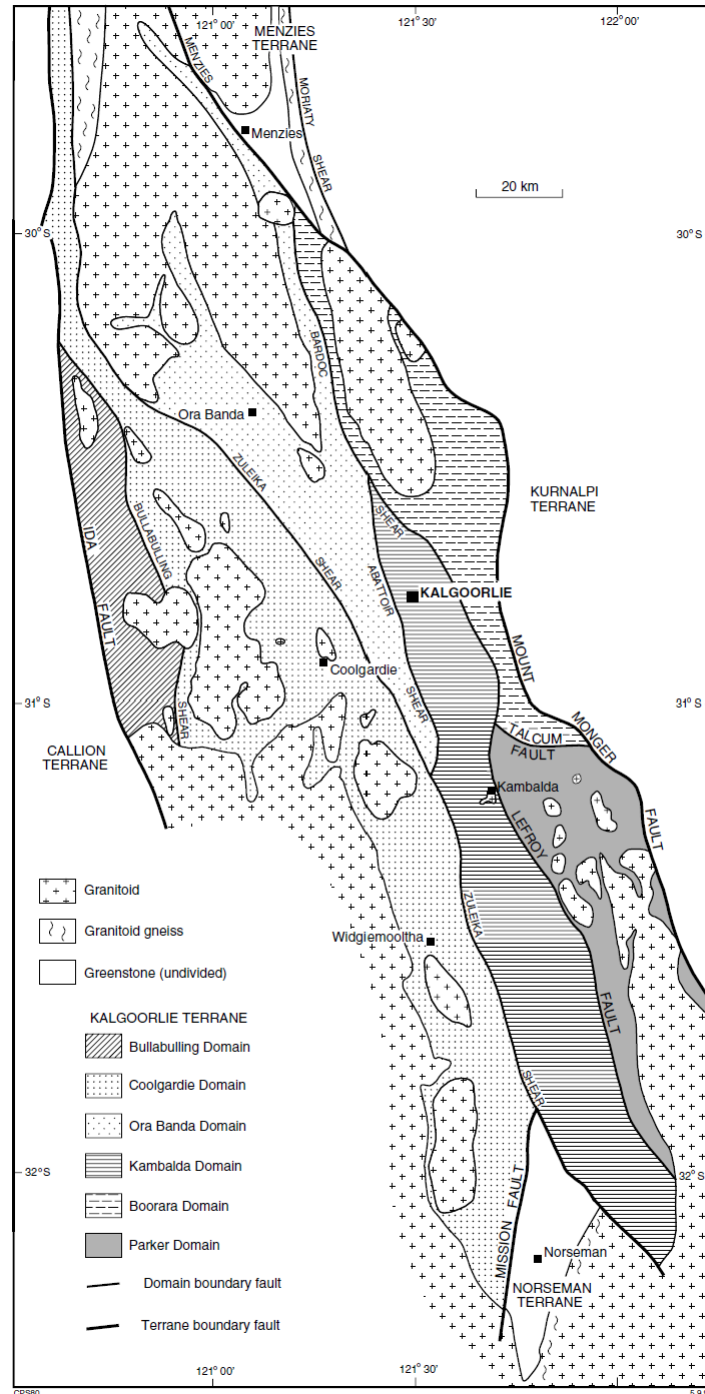


Figure 4: Regional Tectonic setting of the Menzies and Goongarrie Projects
(Source: Swager et al, 1995)

Project tenements at Menzies are located within the Menzies Shear zone which is described by Witt (1993) as a broad zone of strongly deformed and interleaved mafic, ultramafic, and sedimentary rocks. The sediments consist of slates and fine to coarse grained quartz plagioclase and biotite schist with granite clasts up to 10cm. Witt reports gold mineralisation as being broadly associated with mafic rocks in the north of this field to metasedimentary rocks in the southern portion of the field. Historic mines lie on a trend from St Albans through Lady Shenton to Yundaga, toward the centre of the Menzies Shear Zone, are located on banded shears. Lenticular, pipe-like ore bodies within the banded shears plunge consistently 30-40°S, consistent with observed stretching lineations and slickensides. Either side of this central zone, mineralisation

is mainly associated with quartz veined and brecciated shear zones. Sulphides associated with the veining typically are pyrrhotite, pyrite and arsenopyrite (Woodward 1906) with biotite(-garnet) alteration of the mafic rocks.

Gold mineralisation can be summarised as occurring within a broad range of host rocks in three general styles which are closely linked:

- Single, larger quartz veins (i.e., "quartz reefs").
- Close-spaced sheeted quartz vein zones.
- Sulphidic biotitic shear zones.

There has been extensive historical underground production in the Menzies and Goongarrie regions. Production figures are, according to Witt (1993a), difficult to compile as much production quoted in the 1954 List of cancelled Gold Mining Leases is listed under company names and may have come from more than one orebody. All mines are located within the Menzies Shear Zone and are part of Wits Western Menzies mining area. Historical production has been documented from several high grade underground mines with the largest producers being Yunndaga 270,000oz at 16 g/t Au, Lady Shenton 191,000oz at 32 g/t Au and First Hit 165,000oz at 32 g/t Au ([Kingwest Resources Limited | MENZIES PROJECTS](#)). The Yunndaga mine is reported to have reached a maximum depth of 600 vertical metres.

It has been reported previously by Eastern Goldfields Limited (ASX: EGS 14 June 2018) that historical production from the area is approximately 653,000oz of gold.

In addition to the historical production totalled 143,000oz from a series of open pit mines from 1995 to 1999 with this ore treated at the Paddington Gold Mill 90km to the south. The modern open pit mines included a pit at Yunndaga which produced 75,779 oz from 650,000 tonnes of ore averaging 2.5 g/t Au recovered from 1995 to 1998 and the Lady Irene deposit which produced 6550 ounces from 42,700 tonnes at 4.77 g/t Au (www.Mindat.org).

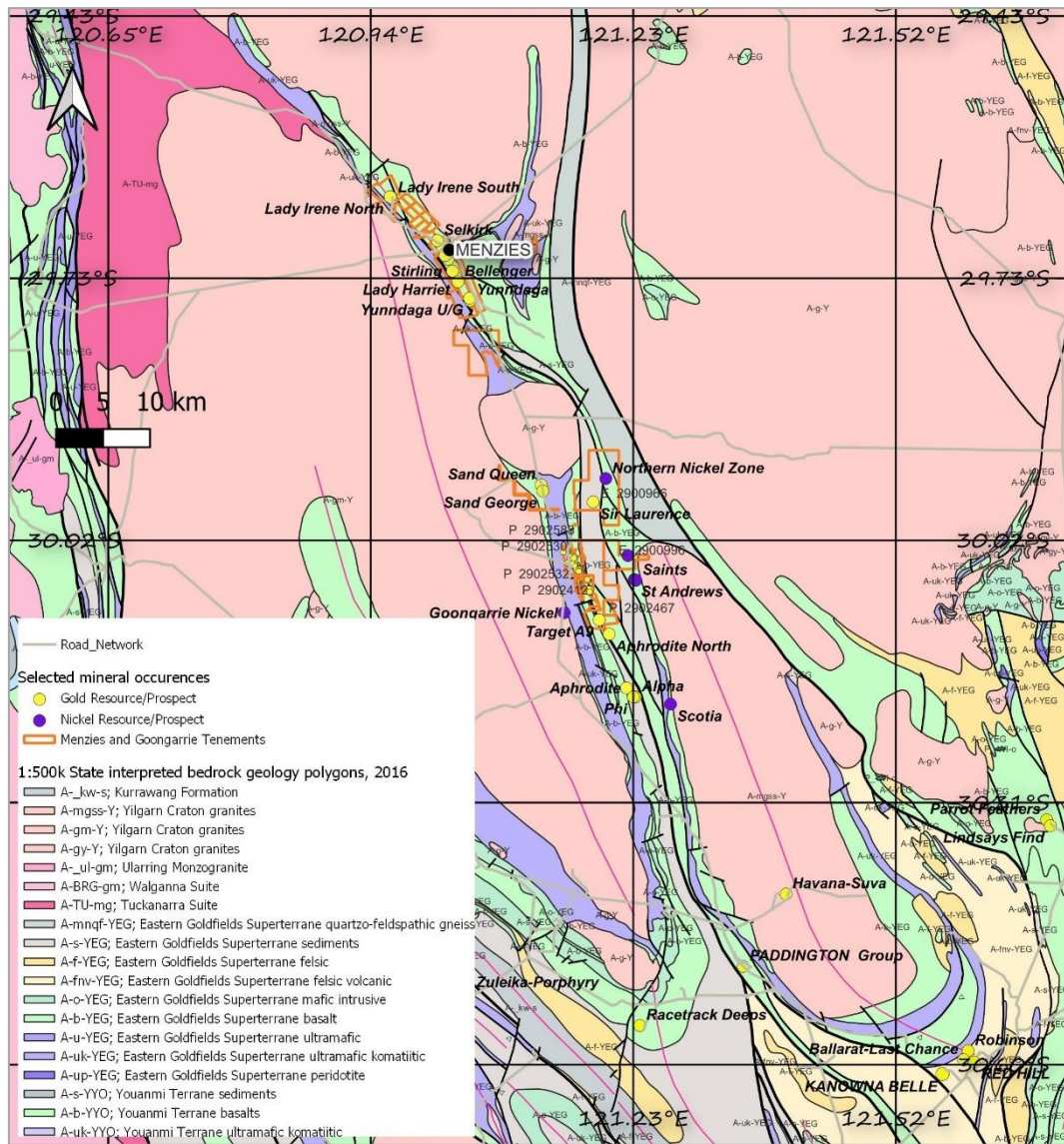
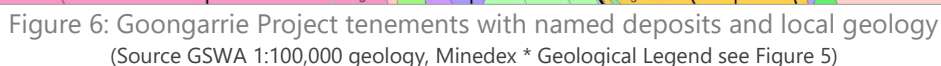


Figure 5: Menzies Project tenements with named deposits and local geology
(Source GSWA 1:500,000 geology 2016, Minedex)

50km further south the Goongarrie Tenements abut and straddle the Bardoc Tectonic zone with greenstone sequences to the east representing the Boorara Domain and to west representing the Ora Banda Domain. Mapping by Witt (1994) shows the greenstone sequences in the tenement area at around 10km wide bounded to the west by the Goongarrie Mt Pleasant anticlinal granitoid and the Scotia-Kanowna anticlinal granitoid. The Goongarrie tenements are almost entirely covered by post mineral cover sediments with Archean geology determined by aeromagnetic interpretation and drilling Figure 6. The cover sequence in the middle of the lake around the Sir Laurence prospect consists of wet gypsiferous clay at surface underlain by 30-60cm of gypsum evaporite. Below this is up to 50m of Tertiary lacustrine clays and then 20-30m of unconsolidated water-charged Tertiary alluvial sands and gravels. In some areas a basal channel lag quartz grave unit is developed (ASX: KWR 13 September 2021).



The west dipping Eastern limb of the synform consists of Boorara sequence mafic and ultramafic volcanics with the core of the synform containing Black Flag felsic metasediments. Within the Boorara sequence, prospective geological units explored by Kingwest include the sheet like Highway ultramafic which hosts the Kambalda style Saints Nickel Sulphide deposits 21kt at 2.3% Ni (ASX: AOU 10 August 2022) 1.5km south of the southern tenement boundary and the historical Scotia nickel mine (30.8kt produced) a further 15km to the south. The target horizon at Goongarrie is the eastern margin of the Highway ultramafic at the base of a lens of olivine cumulate representing the channelised portion of a flow or sill within the lowermost flows of the unit.

To the west of the Highway ultramafic unit Black Flag sediments defined by mafic and felsic conglomerates and felsic tuffs host bedrock hydrothermal alteration and gold associated with quartz pyrite veining at the St Laurence prospect.

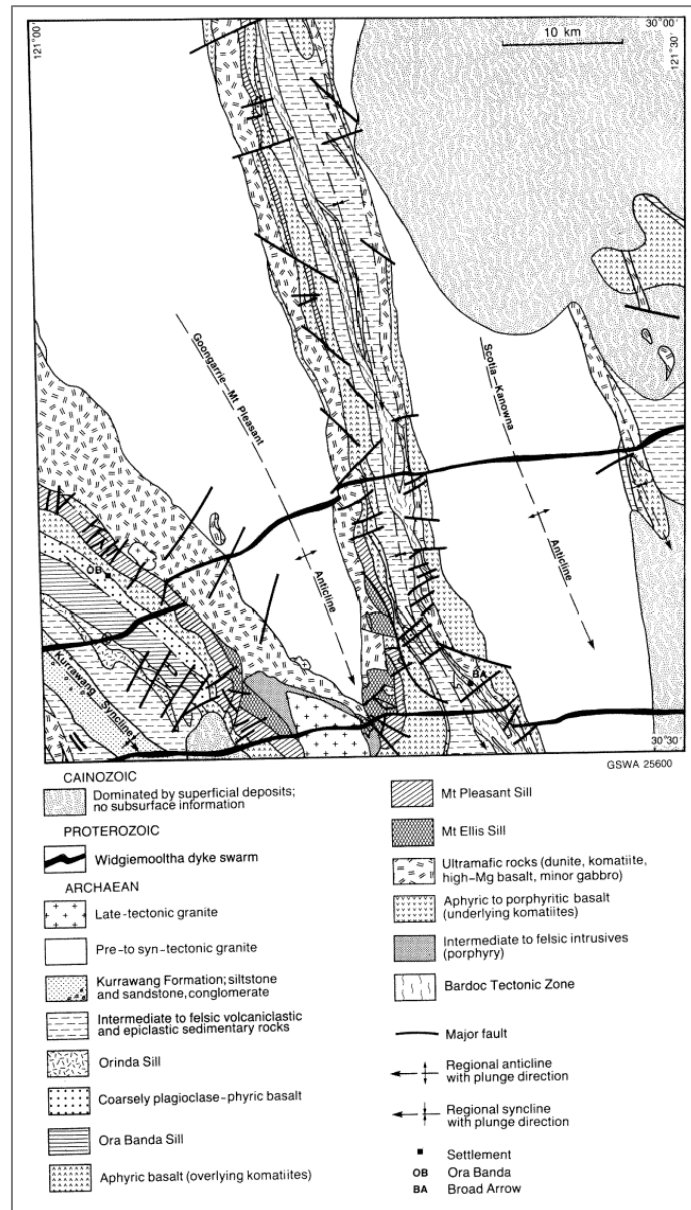


Figure 7: Tectonic Setting of the Goongarrie tenements
(Source: Witt 1994)

3.3. Mineral Resources – Menzies

Resources at Menzies are estimated at 505koz Au (ASX: KWR 6 September 2021, and 26 April 2022) (40% Indicated; 60% Inferred) from 9 deposits. The current mineral resource is predominantly defined within the top 200m from surface (Figure 8). The December 22 Mineral Resource estimate was a higher-grade subset of previously reported Mineral Resource estimates.

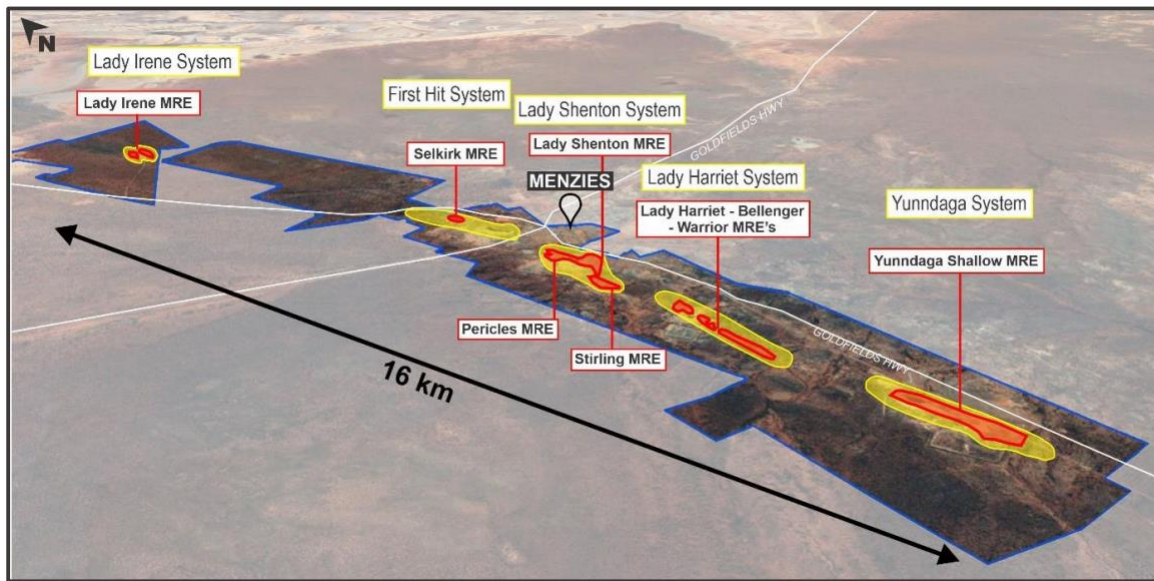


Figure 8: Aerial view of Menzies tenements and Resource locations
(Source: ASX: KWR 13 December 2022)

Within the Menzies Project there are 9 JORC 2012 Mineral Resource Estimates from Lady Irene in the North to Yunnadaga in the south. Table 3 below summarises the resources and the dates and references to the work.

Table 3: Combined JORC 2012 Mineral Resource Estimate for the Menzies Project

| Deposit | Indicated | | | Inferred | | | Total | | |
|-----------------|-----------|--------|---------|----------|--------|---------|-------------|-------------|---------|
| | Mt | Au g/t | Ounces | Mt | Au g/t | Ounces | Mt | Au g/t | Ounces |
| Lady Shenton*** | - | - | 0 | 1.04 | 1.45 | 48,400 | 1.04 | 1.45 | 48,400 |
| Stirling*** | 0.46 | 1.54 | 22,700 | 0.70 | 1.14 | 25,700 | 1.16 | 1.3 | 48,500 |
| Pericles*** | 2.31 | 1.29 | 95,600 | 2.46 | 1.22 | 96,800 | 4.77 | 1.26 | 192,400 |
| Yunnadaga** | 1.27 | 1.3 | 53,500 | 2.05 | 1.37 | 90,000 | 3.31 | 1.35 | 143,500 |
| Yunnadaga UG** | | | | 0.11 | 3.32 | 12,200 | 0.11 | 3.32 | 12,200 |
| Lady Harriet* | 0.17 | 2.11 | 11,800 | 0.32 | 1.14 | 11,600 | 0.49 | 1.48 | 23,300 |
| Bellenger* | 0.32 | 0.92 | 9,400 | 0.08 | 0.89 | 2,400 | 0.4 | 0.91 | 11,800 |
| Warrior* | 0.03 | 1.37 | 1,200 | 0.19 | 1.11 | 6,700 | 0.22 | 1.15 | 8,000 |
| Selkirk* | 0.03 | 6.25 | 6,200 | 0.14 | 1.21 | 5,300 | 0.17 | 2.15 | 11,500 |
| Lady Irene* | | | | 0.1 | 1.73 | 5,600 | 0.1 | 1.73 | 5,600 |
| Total | | | 200,400 | | | 304,700 | 11.77 | 1.33 | 505,200 |

Source: ASX: KWR *8 March 2021, **6 September 2021, and ***26 April 2022, Note Totals may not sum due to appropriate rounding

The November 2022 Resource Update for Stirling and Pericles by Mr David Price (ASX: KWR 1 December 2022) shows a reduction for the Pericles deposit estimate of Cube (ASX: KWR 26 April 2022) of 24.5% for Pericles to 145,300 ounces and 7% for Stirling to 44,800 ounces. The reason for this reduction is due to the December 2022 estimate being a higher-grade subset of the previous estimates that Cube estimated in 2021.

Further work has been conducted within the Stirling and Pericles resource areas since the 2021 and 2022 estimates were announced with the drilling of some 40 RC holes for 2094m completed since the resource was modelled. The drilling was designed to improve definition and confidence in the high-grade portions of the deposits, with no significant tonnage and grade changes anticipated.

2021 Resource Estimation

Cube Consulting's Mineral Resource Estimates for the Menzies Project deposits were published on 8 March 2021 and updated on 6th September 2021 for the Yunndaga deposit. The Competent Person for the Menzies Mineral Resource Estimates is Mark Zammit, an employee and consultant at Cube Consulting. Mr Zammit is a Member of the AusIMM. Mr Zammit is considered by VRM to be Independent of Kingwest.

2022 Resource Estimation

Cube Consulting was engaged by Kingwest to update the Mineral Resource Estimate for the Lady Shenton, Pericles, and Stirling deposits. This was based on additional drilling completed at the project by KWR since the previous MRE's in 2021 with the report published 26 April 2022.

In December 2022 Kingwest published an update for the Pericles and Stirling resources which highlighted high grade (>5 g/t Au) potentially open pittable zones within the resource (ASX: KWR 13 December 2022). The December update was conducted by David Price who is a Member of the Australasian Institute of Mining and Metallurgy and was the CP for the resource updates. VRM notes that the Mineral Resources included in the ASX announcement where the proposed transaction was disclosed documents the global Mineral Resource estimates and does not account for the higher-grade sub set of the Mineral Resource estimates that were reported in December 2022.

Informing Data

Indicated resource areas has been drilled at a nominal spacing of 25m x 25m and include drilling by Kingwest. Inferred Mineral Resources are defined by drilling spaced at greater than 25m. Lady Shenton, Selkirk, Lady Harriet, Yunndaga and Lady Irene have been mined historically and grade control and blast data were used in the interpretation modelling process.

Within the Mineral Resources only RC and diamond drill holes have been used in the estimation of the resource grades however it is expected that some old Aircore and RAB drilling may have been used in some areas for geological interpretation.

All drill collar locations were initially surveyed using a hand-held Garmin GPS, accurate to within 3-5m. All KWR holes were later more accurately surveyed using a DGPS or similar instrument. The grid system used is MGA94 Zone 51. All reported coordinates are referenced to this grid. The historical drilling was recorded either in local grid or in AMG84 then converted to MGA94 Zone 51.

Sampling and Analysis

Industry standard RC and DD drilling and sampling protocols for lode and supergene gold deposits appear to have been utilised throughout the campaigns prior to Kingwest but have not been verified. RC holes drilled by Kingwest were sampled using 4m composite spear samples, with individual 1 metre samples later submitted for assay based on the initial composite assay result. Historical holes followed the same protocol but, in some cases, the resample was done as 2m samples. Diamond drillhole holes sample intervals ranged from 0.4m – 1.5m (averaging 0.5 m within mineralised zones and 1 m outside) and were based on geological logging. Historic samples were submitted to several different assay laboratories in Perth and Kalgoorlie. Kingwest's samples were submitted to SGS Laboratories in Kalgoorlie where the entire sample was pulverised, split, and assayed by fire assay using a 50-gram charge.

RC sample recovery was qualitatively assessed by comparing drill chip volumes (sample bags) for individual meters. Sample depths were cross checked every rod (6m). The cyclone was regularly cleaned to ensure no material build up and sample material was checked for any potential downhole contamination. The majority of the samples were dry, rare wet samples towards the end of hole. Little water is to be recorded around the area. Lady Irene prospect has significant water, but the samples have been kept dry using a mix of clay additives. In the CP's opinion the drilling sample recoveries/quality are acceptable and are appropriately representative for the style of mineralisation.

Sample volumes were typically 1.0-4.0 kg and were considered to be of suitable size for the style of mineralisation. Blank samples were routinely dispatched to the laboratory to monitor sample preparation. These generally performed within acceptable tolerances. Duplicate coarse reject samples or bulk pulverised samples have been submitted for assay to cross check assay repeatability. Results show typical variation of coarse grain "nuggety" gold deposits.

Historic gold assaying is a mixture of Aqua Regia (partial digest) and fire assay (near total digest). For Kingwest drilling, 1m and 4m composite samples were assayed by Fire Assay (FA50) by SGS Laboratory in Kalgoorlie for gold.

QAQC processes were checked by Cube with QC assays reported within acceptable tolerances. Of note is that coarse reject/bulk pulverised duplicate assays showing variation from the original primary assays typically of the "nuggety" style of gold mineralisation found at the project.

Resource Estimation

The March 2021 MRE was based on geological assay data from 229 RC drill holes and 7 diamond holes at Pericles, 340 RC drill holes, 8 diamond holes and 475 RCGC holes at Lady Shenton, 65 RC drill holes and 7 diamond holes at Stirling, 125 RC drill holes at Lady Harriet, 97 RC drill holes at Bellenger, 32 RC drill holes at Warrior, 305 RC drill holes, 33 diamond holes, and 1,138 RCGC holes at Yunndaga, 125 RC, 3 diamond core drill holes and 6 RAB holes at Selkirk, 63 RC drill holes, 3 diamond holes, 9 AC holes and 2 RAB holes at Lady Irene completed up to the end of December 2020.

The database for the Yunndaga Resource update published 6th September 2021 included 13 additional RC drillholes: KWR223 to KWR231 and KWR294 to KWR297.

For the April 2022 resource updates at Lady Shenton, Cube was provided with an updated database which included recent drilling completed at the project area. The database included 56 additional RC drillholes: KWR212 to KWR286 used directly within the updates.

For the December 2022 updates at Pericles, the resource is based on 289 RC holes and 7 diamond holes, 69 of which were completed by KWR between 2019 and 2021. Drilling has been completed on 20m spacing on 20m sections in the upper 80m of the resource. Mineralisation below 80m has typically been drilled on wide irregular spacings of up to 100m centres. Mineralisation has been defined to a depth of 225m below surface. Mineralisation has typically been extrapolated 80m beyond the last drill hole.

The December 2022 update for the Stirling resource is based on 93 RC holes and 7 diamond holes, the majority of which were completed by Kingwest between 2019 and 2021. Drilling has been completed on 25m

spacing on 25m sections within the with well drilled portions of the mineralisation and 40m by 40m at the margins of the resource. Mineralisation has been defined to a depth of 125m below surface. Mineralisation has typically been extrapolated 40m beyond the last drill hole. The mineralisation limits remain open along strike both to the north and south and down dip.

The diamond and RC drilling were completed by Kingwest and previous project operators. The Lady Shenton, Yunndaga, Selkirk, Lady Harriet and Lady Irene prospects also have historic grade control drilling and channel sampling information which was used to assist in modelling the upper portions of the various lodes.

Geological modelling was done by KWR Project Geologist and utilised Leapfrog Geo 3D software (Version 6.0.1). Data from geological logging, structural data, core and chips photography, and surface and pit mapping were used to assist in the interpretation. A 3D geological model was developed for the major regolith and geological units. The 3D geological model was used to guide the mineralisation interpretations. Of note is that many of the historic holes have little to no geological logging information. However, there is sufficient coverage of holes with logging on which to build models appropriate for the MRE classification. Final mineralisation interpretations were based on lithology models (where applicable) and drillhole grade data. The mineralisation outlines were modelled to a nominal grade cut-off of approximately 0.3g/t Au which appears to be a natural cut-off and provides sufficient continuity.

The Resource cut-off grade of 0.5g/t for all deposits was selected as it represented a natural 'geological' cut-off and as being suitable for open cut mining. In order to satisfy "reasonable prospects of eventual economic extraction" criteria, a maximum depth below surface has been applied for reporting each resource based on each resource size, grade, and orientation. This appears reasonable. The following depths below surface were applied:

- Warrior – 75m
- Bellenger – 75m
- Lady Harriet – 100m
- Pericles – 175m
- Lady Shenton – 125m
- Stirling – 100m, (December 2022 125m)
- Selkirk – 100m
- Yunndaga – open pit 175m, note September 2021 now not limited by open pit limits.
- Lady Irene – 115m

Ordinary Kriging (OK) was used to estimate 3D blocks for gold grade.

For the majority of domains, samples were composited to 1m within each estimation domain, using best fit length option and a threshold inclusion of samples at sample length 50% of the targeted composite length. For less than 20% of domains where the raw sample length was often 2m, the samples were composited to 2m.

The influence of extreme grade values was reduced by top-cutting where required. The top-cut levels were determined using a combination of methods including spatial location, histograms, log probability plots and CVs. Top-cuts were reviewed and applied on an individual domain basis. In some instances, an additional distance based top cut was also applied.

Variogram modelling was undertaken within Snowden Supervisor (“Supervisor”) for the composited data for all domains with sufficient data to produce robust variograms. All variogram models were undertaken by transforming the composite data to Gaussian space, modelling a Gaussian variogram, and then back transforming the Gaussian models to real space for use in interpolation. For the poorly informed domains, variograms models were adopted from the modelled variograms and the orientation modified accordingly.

The Kriging Neighbourhood Analysis (KNA) was used to determine the most appropriate block size and other estimation parameters such as minimum and maximum samples, discretisation, and search distance to be used for the estimation.

Metallurgical test work returned >90% recovery for all deposits. All the historical open pits were successfully mined and processed in the late 1990s using conventional CIL/CIP.

Bulk densities were assigned by regolith type and were based on 600 measurements from drill core from the Menzies project area in 2019 and 2020. These measurements were completed using the immersion method on individual core samples. A bulk density of 2.7t/m³ was used for fresh rock, 2.3t/m³ for transitional material, 1.5t/m³ was used for oxide material.

For the Yunndaga Resource upgrade compared with the March 2021 MRE, the mineralisation interpretation used was updated to include recent drilling, mostly at the northern area of the deposit and include a higher-grade sub-domain identified in drilling and with a focus to potential underground mining studies. The final domain interpretation included two lower grade halo domains (701 and 702) based on a lower cut-off grade of approximately 0.3 g/t Au, plus two higher grade sub-domains (1000 and 2000) based on a lower cut-off grade of approximately 1.5 to 2 g/t Au (Figure 9).

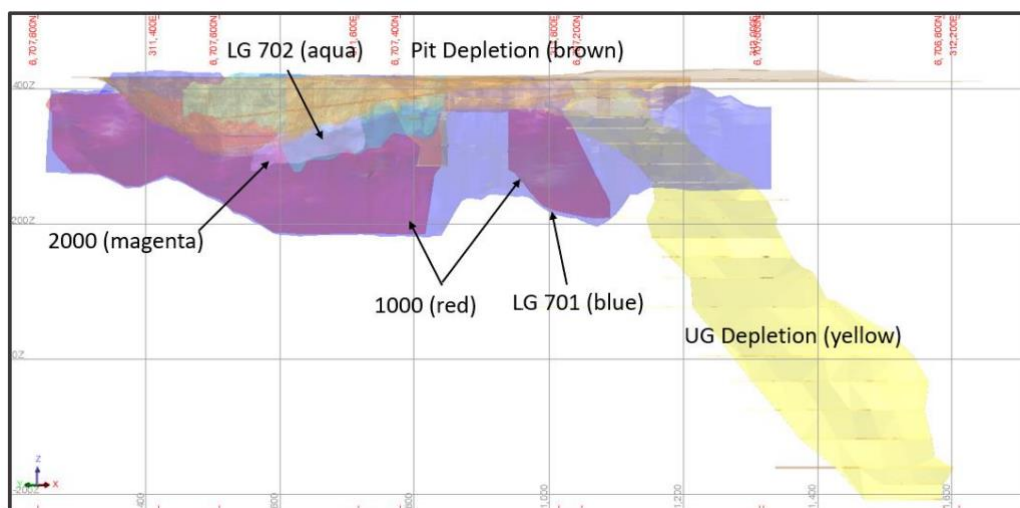


Figure 9: Yunndaga Mineralisation Domains and Historic Depletion – Long Section Looking NE
(Source ASX: KWR 6 September 2021)

Depletion for both open pit and underground mining has been applied to the 2021 and 2022 MREs.

The Menzies Mineral Resources have been classified and reported by Cube Consulting in accordance with The JORC Code 2012 Version. Resource classification is based on confidence in the geological domaining, drill spacing and geostatistical measures.

VRM Comment

VRM considers that the block model, estimation technique, compositing block sizes, and search parameters are all reasonable and done using standard industry practice for all resource estimates.

VRM notes that the Mineral Resources included in the ASX announcement where the proposed transaction was disclosed appears to document the previous Pericles Mineral Resource estimate and not the updated December 2022 estimate. The difference is 50,000oz of contained gold.

Overall, the Mineral Resource estimates were conducted using standard industry practice and are considered by VRM to comply with the 2012 JORC Code.

Overall, in VRM's opinion, the data presented in the JORC Table 1 (ASX: KXR 8 March 2021, 6 September 2021, 26 April 2022, and 13 December 2022) for the Menzies Mineral Resource Estimates is adequate.

3.4. Recent Exploration

Menzies

As mentioned above at Menzies 40 RC holes have been drilled at Stirling and Pericles since the MRE Announcement in December 2022. It is not known what effect these results may have on the resources.

Goongarrie

At Goongarrie a substantial AC, RC and diamond drilling program has been conducted at St Laurence and regionally for both gold and nickel during 2021 and 2022 following the detection of widespread shallow anomalous gold hosted in quartz rich gravels at the base of alluvial cover over an area 2km by 1km. The initial Aircore drilling at St Laurence identified a Tertiary paleochannel hosting deep lead style gold mineralised vein quartz. Further RC drilling into the bedrock identified chlorite silica altered bedrock with associated gold anomalism and quartz veining. Figure 10 shows the Aircore drilling and the interface gold anomalism over the 2km strike length. Figure 11 shows a section through Line 5 the line with the most significant gold results. Line A the southernmost section forms Figure 12.

The base of Tertiary anomaly extends to the south onto another tenement, where open file research of Aircore drilling by WMC in the mid-1990s (WAMEX report A50129) shows similar anomalism. A diamond hole drilled by WMC 1.6km to the south of the tenement boundary on the same trend intersected conglomerate and 1m at 0.55 g/t Au at 36-37m at a supergene interface.

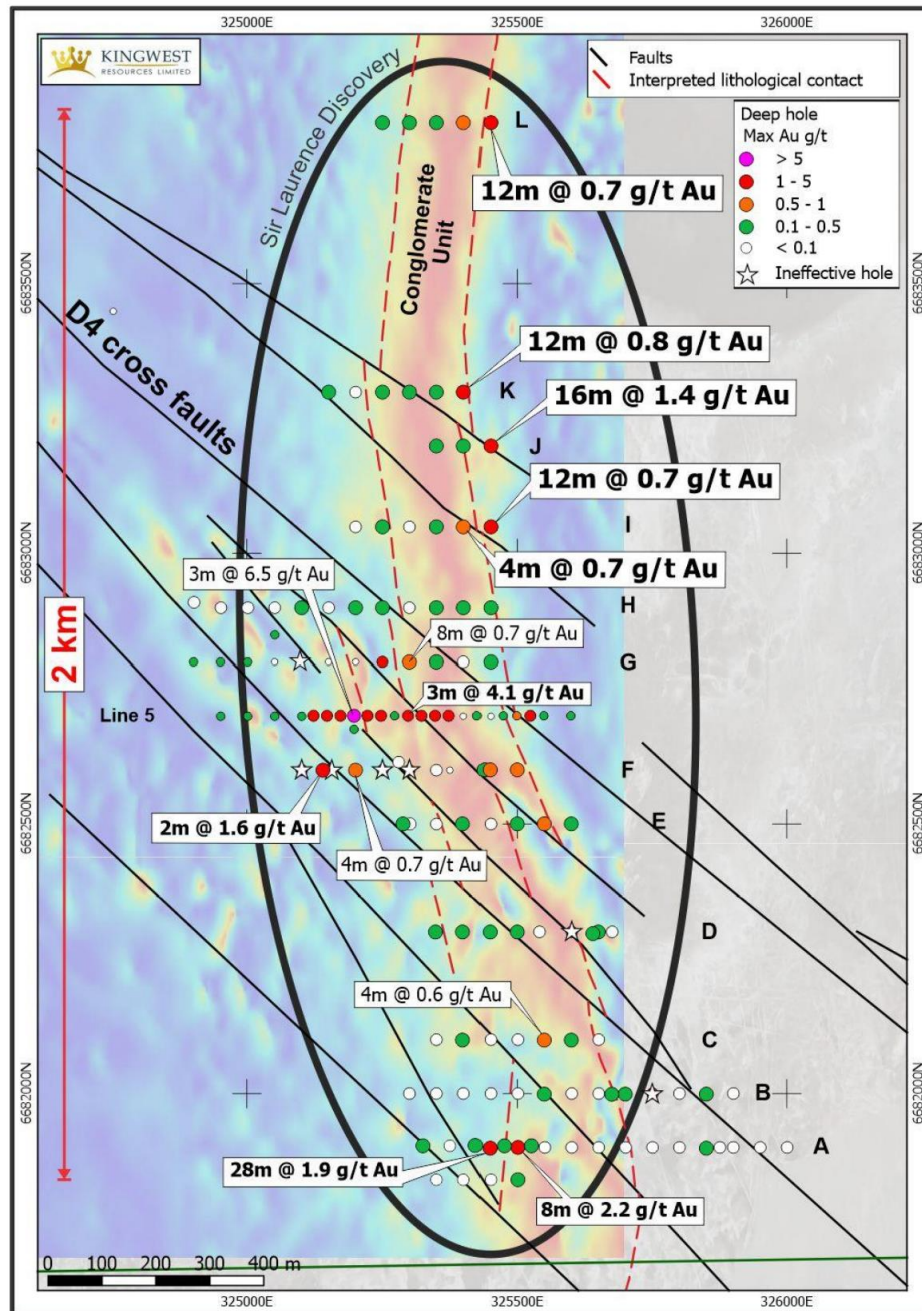


Figure 10: Aircore results on magnetics St Laurence
(Source: ASX: KWR 14 December 2021)

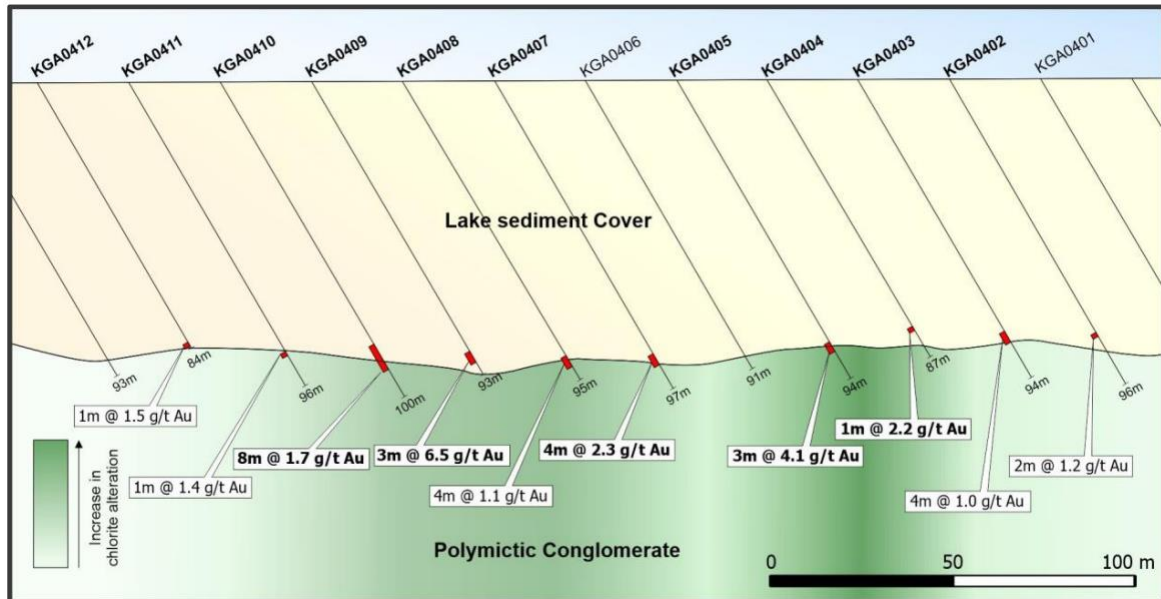


Figure 11: Line 5 section
(Source: ASX: KWR 13 September 2021)

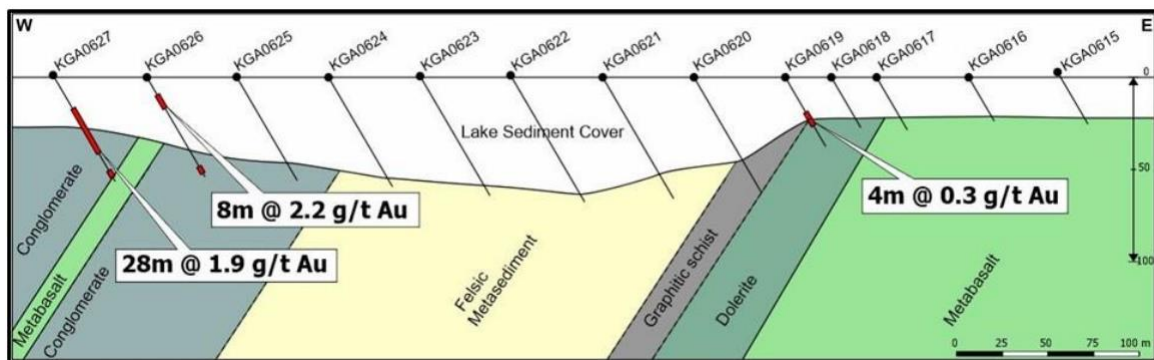


Figure 12: Line A Section
(Source: ASX: KWM 1 December 2021)

Diamond drilling has returned intercepts of up to 1.2m of 13.9 g/t Au in hole KGD004 hosted by quartz veining with chlorite, pyrite and arsenopyrite. The vein lies within a broader zone of finely disseminated pyrite, arsenopyrite and quartz veinlets (ASX: KWR 11 July 2022) Host rocks drilled include mafic conglomerate, polymictic conglomerate and felsic meta sediments.



Figure 13: KGD001 at St Laurence
(Source: ASX: KWR 11 April 2022)

Further to the south at Target A9 aircore results of up to 38m at 3.1 g/t Au including 6m at 17.2 g/t Au in KGA0038 and in KGR001 20m at 2.6 g/t Au including 8m at 4.9 g/t Au (Figure 14). The A9 target is approximately 1km north of Ardea Resources (ASX: ARL) Aphrodite North prospect and 9km northwest along geological and structural strike of the 1.7Moz Aphrodite gold deposit (ASX: SBM, BDC 20 December 2021). Previous open file drilling in the Target A9 area also shows highly anomalous gold in Aircore drilling over a wide area and open to the south.

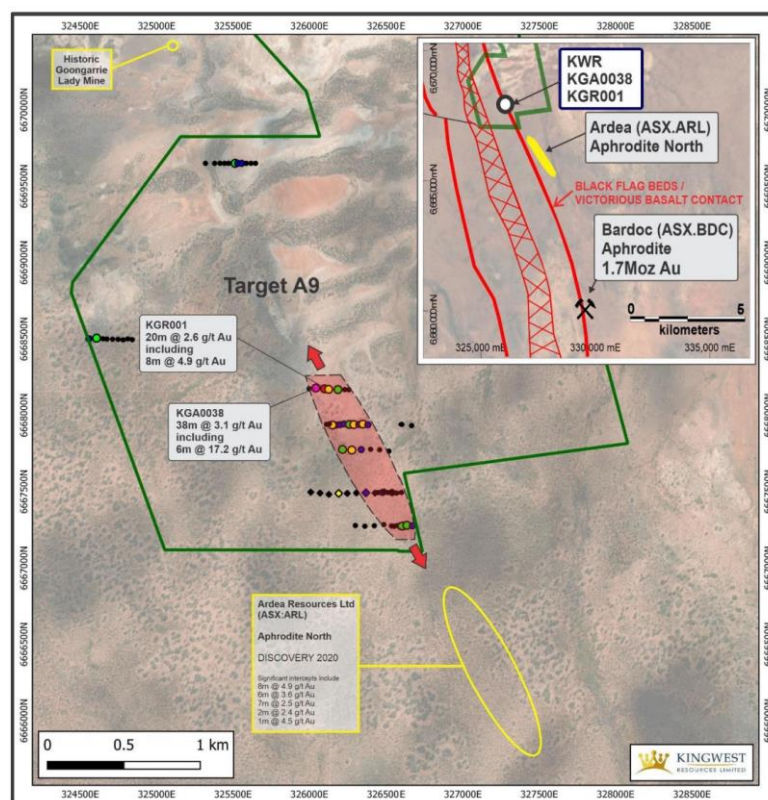


Figure 14: Target A9 drillhole results
(Source: ASX: KWR 14 December 2021)

Regional

Other anomalies detected by recent drilling by Kingwest include KGA0730 with 8m at 5g/t Au from 12m associated with the contact between basalt and Black Flag sediments and at Line 19 with six holes on three consecutive lines ending in >100 ppb gold anomalism (Figure 15).

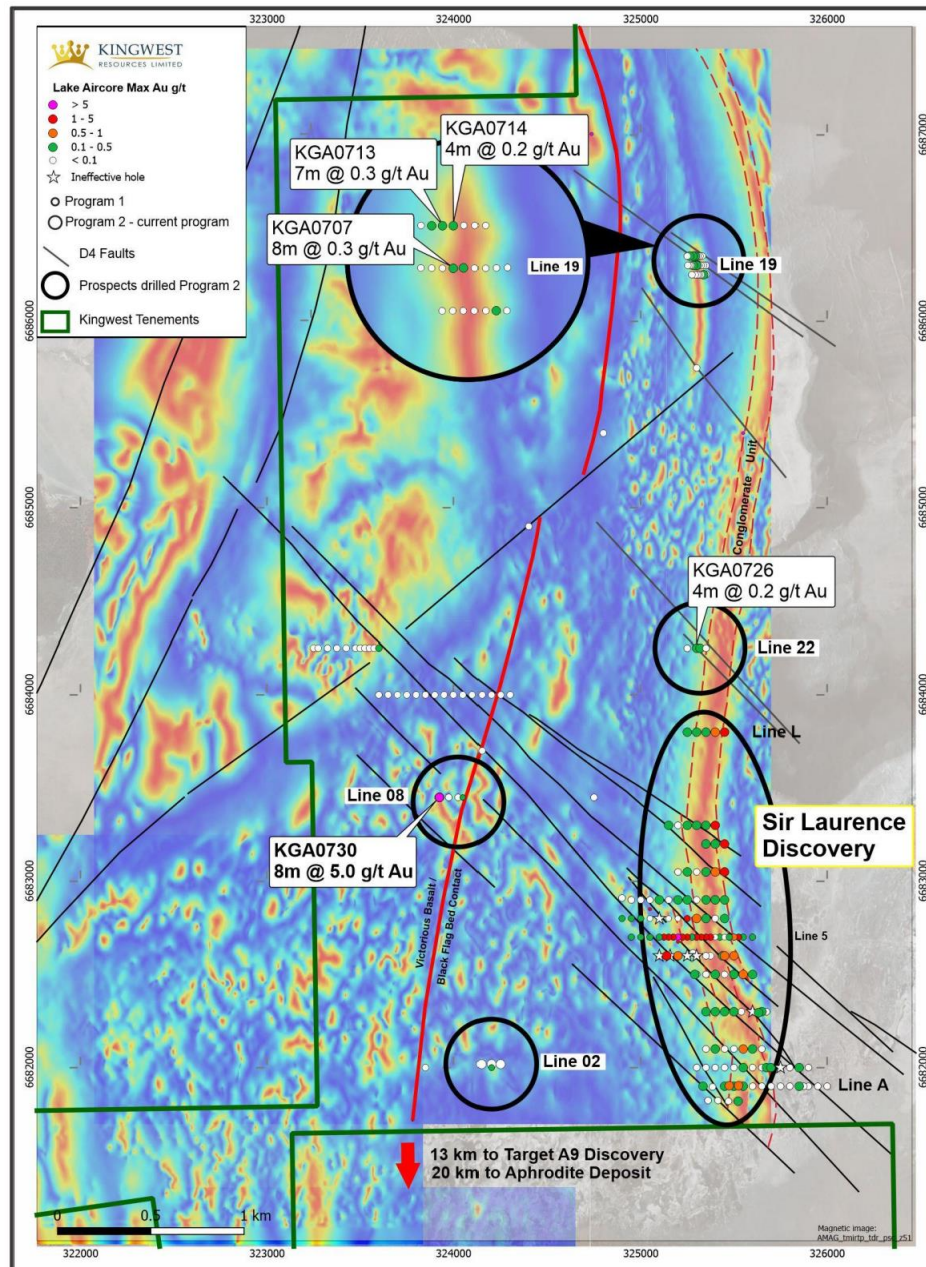


Figure 15: Regional Aircore Anomalies outside St Laurence
(Source: ASX: KWR 14 December 2021)

Nickel

Kingwest targeted the Highway ultramafic unit for Nickel with around 9 lines of close spaced aircore holes drilled across the interpreted position of the ultramafic over where it occurs on the tenements over 11km of strike. Results up to 24m at 0.42% Ni from 4m were returned within semi to fresh bedrock with lake cover sediments as shallow as 4m. The northern nickel anomaly extends over 2km and three regional lines (Figure 16).

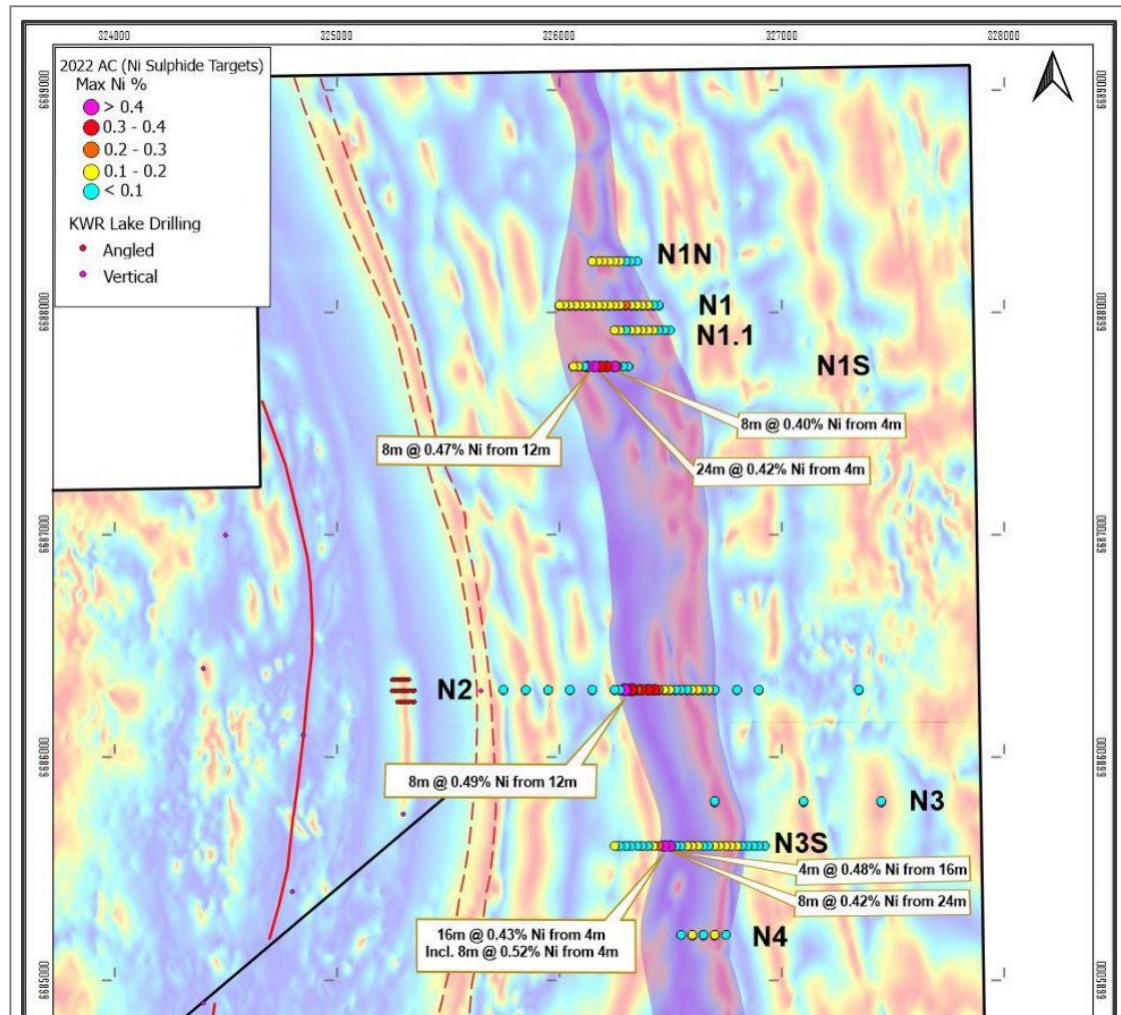


Figure 16: Northern Nickel Aircore anomalies on Highway Ultramafic
Source (ASX: KWR 23 May 2022)

As described in section 3.2, the unit is prospective for Kambalda style nickel sulphides such as at Saints and Scotia to the south. The Southern Nickel anomaly is 2km north of the Saints nickel sulphide deposits with historic drilling by WMC and Breakaway on the Goongarrie tenements returning results such as 10m at 0.42 % Ni (Figure 17).

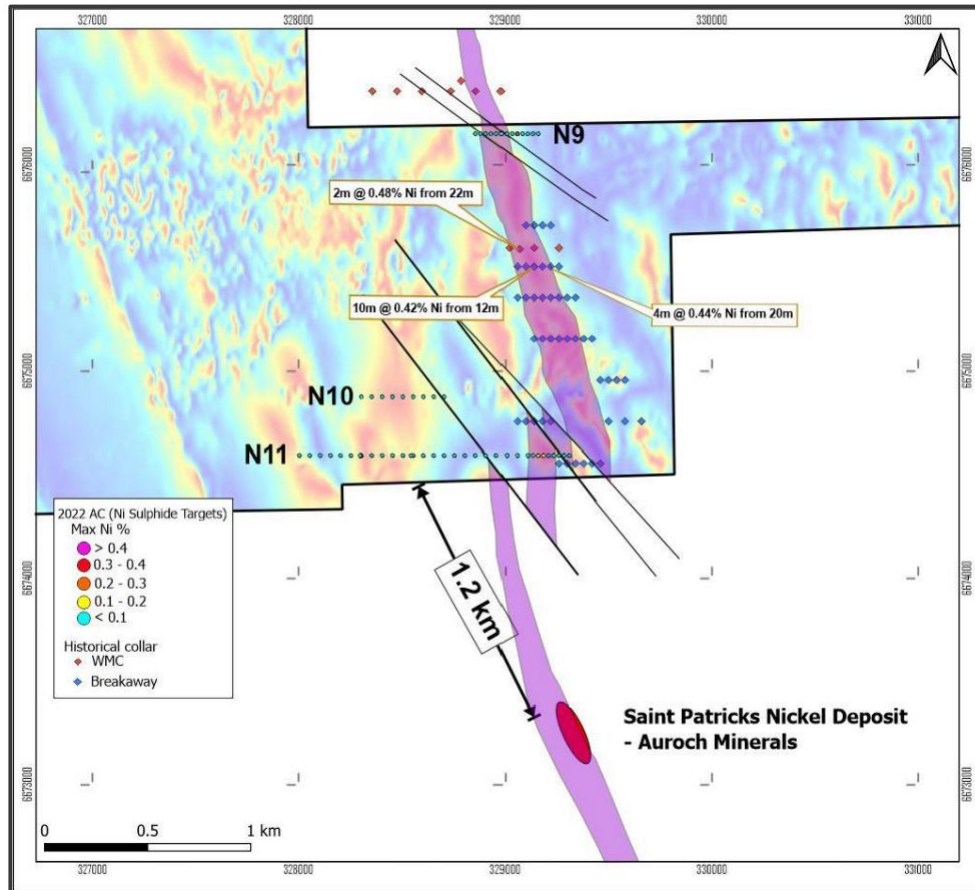


Figure 17: Southern Aircore Nickel Anomalies 1.2km North of Saints Nickel sulphide deposits
Source (ASX: KWR 23 May 2022)

3.5.Exploration Potential

Menzies

At Menzies the upside potential is for further high-grade extensions to the known mineralisation shoots down plunge. These are low tonnage high grade targets. More detailed drilling of existing mineralisation may also help to better define these high-grade zones.

Goongarrie

Widespread gold anomalism on the Goongarrie ground is associated with the well mineralised Bardoc Tectonic zone which divides the Ora Banda Domain from the Boorara Domain to the east and hosts the Aphrodite, Goongarrie Lady, and other smaller deposits. Target A9 and the KGA730 on Line 8 anomaly are on this prospective trend.

In addition, a lesser explored trend on which the St Laurence, Line 19, and other strong gold in Aircore anomalies lies near the eastern contact between the Black Flag sediments and the underlying mafic unit.

The tenement package contains 7 strike km of the Bardoc Tectonic Zone and a further 11 strike kilometres of the St Laurence structure/contact zone. Due to the lake sediment cover the area is poorly explored and has strong potential for medium to high grade orogenic gold deposits.

Extensive Aircore and RC drilling by Kingwest has allowed a more comprehensive picture of the geology to be obtained and allow better understanding of controlling structures for mineralisation. Several shallow anomalies attributed to a bed rock source require follow up drilling with most of these associated with well mineralised trends which have economic gold deposits along them. An inherent value can be ascribed to the exploration and is dealt with herein.

The Goongarrie tenements also contain around 11 strike kilometres of the nickel sulphide prospective Highway Ultramafic horizon where known deposits such as Saints and Scotia have already been defined. The trend has been poorly explored due to lake cover. EM surveying would be useful in defining targets along this trend rather than expensive reconnaissance lake drilling.

4. Brightstar Mineral Assets

4.1. Laverton Projects

The North Laverton or Cork Tree Well Project consists of eight mineral titles, being three Mining Leases, four Exploration licences and one Prospecting Licence. The Project area is located approximately 35km north of Laverton, 280km northeast of Kalgoorlie (Figure 18). The main focus for exploration has been the Cork Tree Well Deposit. The Cork Tree Well Deposit consists of a Measured, Indicated and Inferred Gold Mineral Resource estimate, the details of this estimate are contained in Section 4.8, below.

The South Laverton or Brightstar project is centred approximately 34km south east of Laverton. The Alpha Resource is located 15km north east of the Brightstar Mill (on care and maintenance) which is also the location of the Beta deposit. The project consists of nine exploration licences, eight mining leases, and 15 prospecting licences. The Hawks Next Project 17km south west of Laverton consists of four mining leases. The total area of all the projects is approximately 265km².

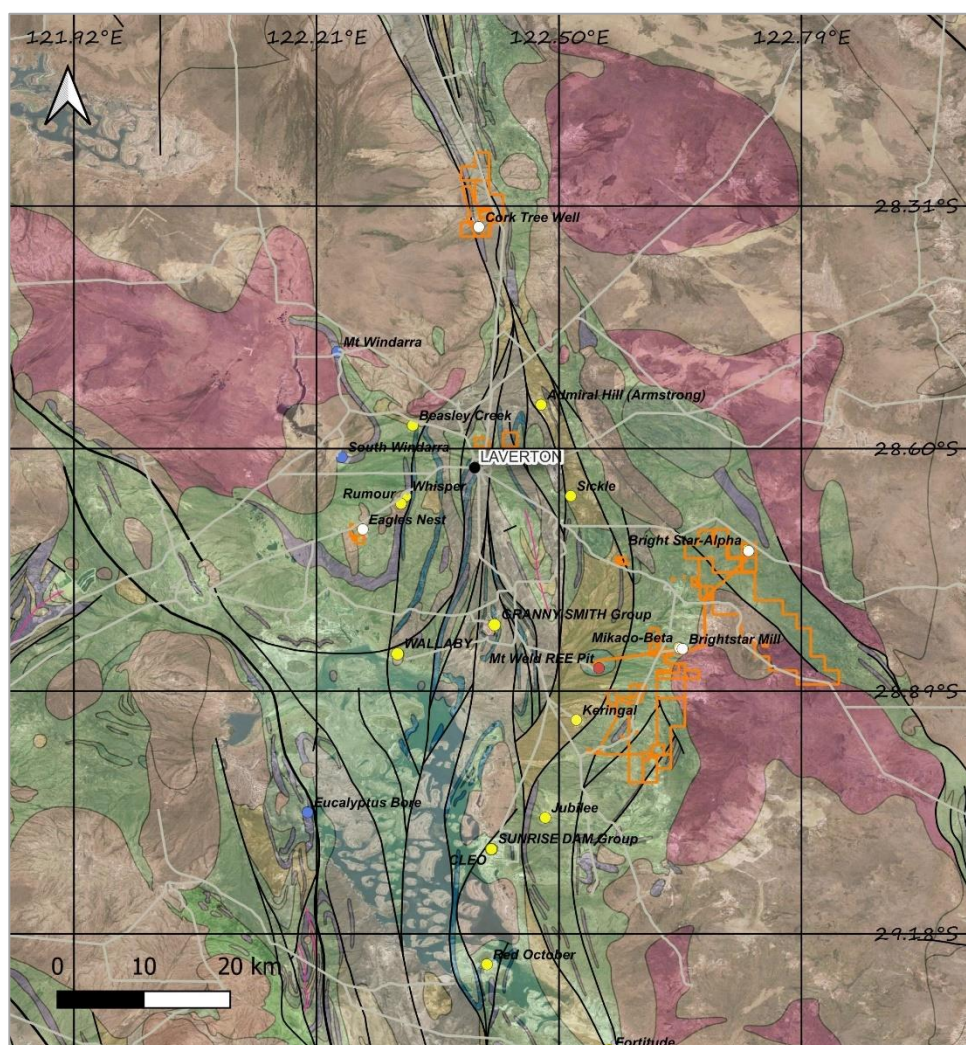


Figure 18: Location and regional geological setting of the Laverton Projects, Cork Tree Well, Alpha and Beta Gold Deposits.

(Source: GSWA, Minedex, Bing)

4.2. Location and Access

The Project is located in an established gold mining region, within a 70 km radius of Laverton in the eastern Goldfields of Western Australia (Figure 1, Figure 19). The projects are accessed via a sealed road from Kalgoorlie via Menzies and Leonora to Laverton then by unsealed gravel roads with most being gazetted roads that are maintained by the Laverton Shire. Access within the projects is limited to station and exploration tracks. Most of the unsealed roads are well maintained and are however closed after high rainfall events.

The Brightstar plant is located 40km southeast of Laverton which is serviced by regular flights from Perth. Road access is by the Burtville Merolia Road.

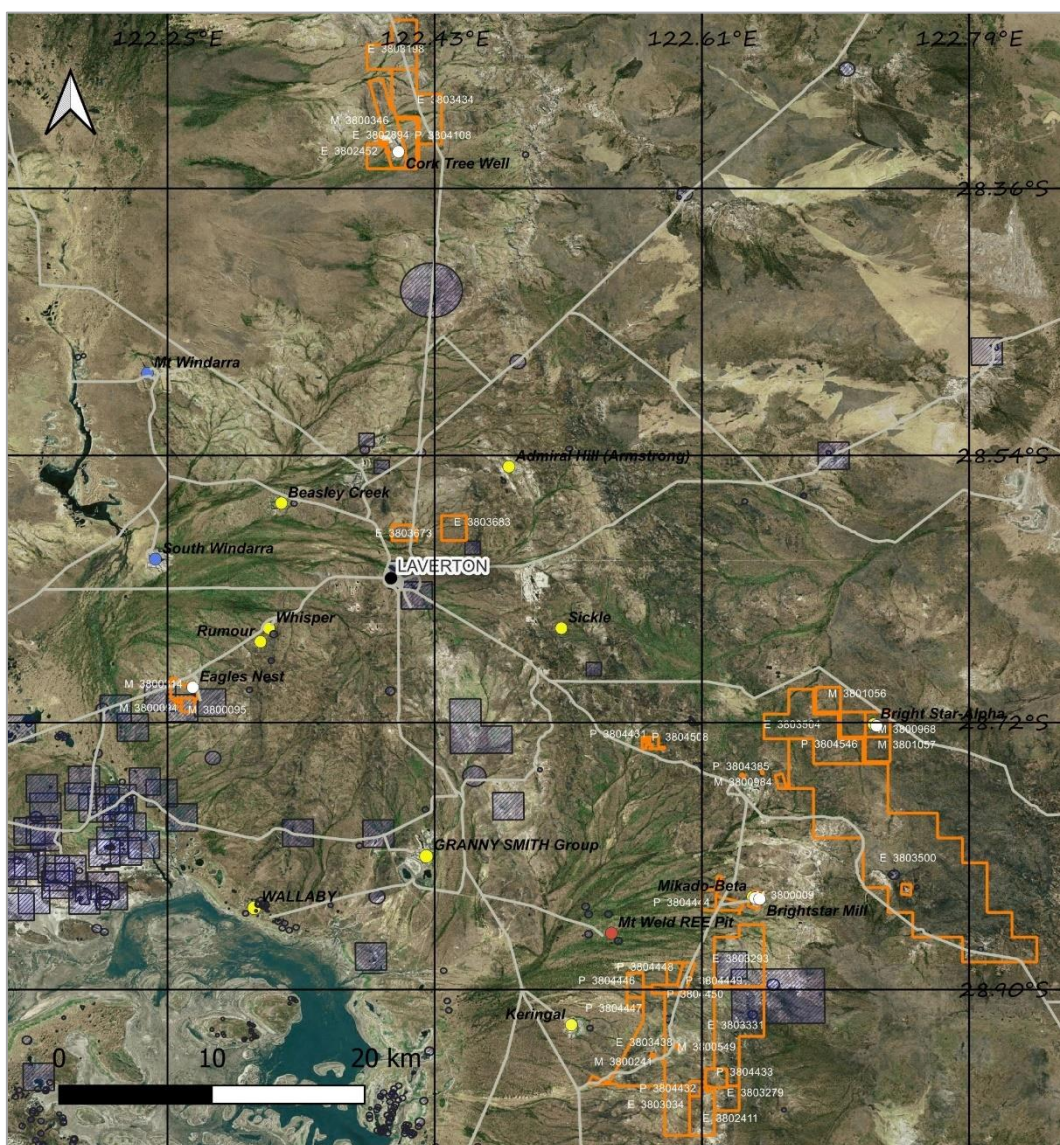


Figure 19: Brightstar Projects Tenements, Location, Access, and registered heritage sites
Source: (GSWA, Minedex, Bing)

4.3. Heritage

Figure 19 above outlines the current tenement outline of the Brightstar Gold Project and the registered heritage sites (blue hashed areas). There are a small number of heritage sites within the Southern Brightstar Gold Project that would impact exploration activities, the main site in the southern group of tenements is dominantly within the less prospective granite. These sites would likely place restrictions on the exploration and potential exploitation of the known mineralisation.

4.4. Regional Geology

The Laverton Gold Project is located in the Eastern Goldfields Superterrane of the Yilgarn Craton. The southern tenements are located immediately to the east of the Terrane boundary between the Burtville Terrane and the Kurnalpi Terrane to the east of the Hootanui fault system as defined by Cassidy et.al (2006). More recent geological mapping by the Western Australian Geological Survey has slightly adjusted the terrain boundary, especially in the western portion of the Duketon Greenstone Belt. This re-interpretation is based on more recent geological mapping and stratigraphic correlation. Within the Burtville Terrain there is an additional subdivision to separate Domains with the Brightstar Gold Project being located within the eastern portion of the Laverton Domain of the Kurnalpi Terrain and the western zone of the Duketon Domain of the Burtville Terrain.

The Duketon Domain includes intermediate and felsic volcanic rocks and associated mafic to ultramafic rocks in the central and eastern parts of the Duketon greenstone belt as well as greenstone assemblages dominated by mafic and ultramafic volcanic and fine-grained sedimentary rocks (Barley et al., 2003). The Laverton Domain includes mafic and ultramafic volcanic rocks, banded iron-formation, fine grained volcanogenic sedimentary rocks.

Within the Eastern Goldfields Superterrane the Kalgoorlie region has the largest gold endowment with the Laverton region being having the second largest endowment. Significant deposits in the Laverton area include Sunrise Dam, Granny Smith, Wallaby, Red October, Lancefield, Keringal and Red October while in the Duketon Greenstone belt significant deposits include Rosemont, Garden Well and Moolart Well (Figure 20).

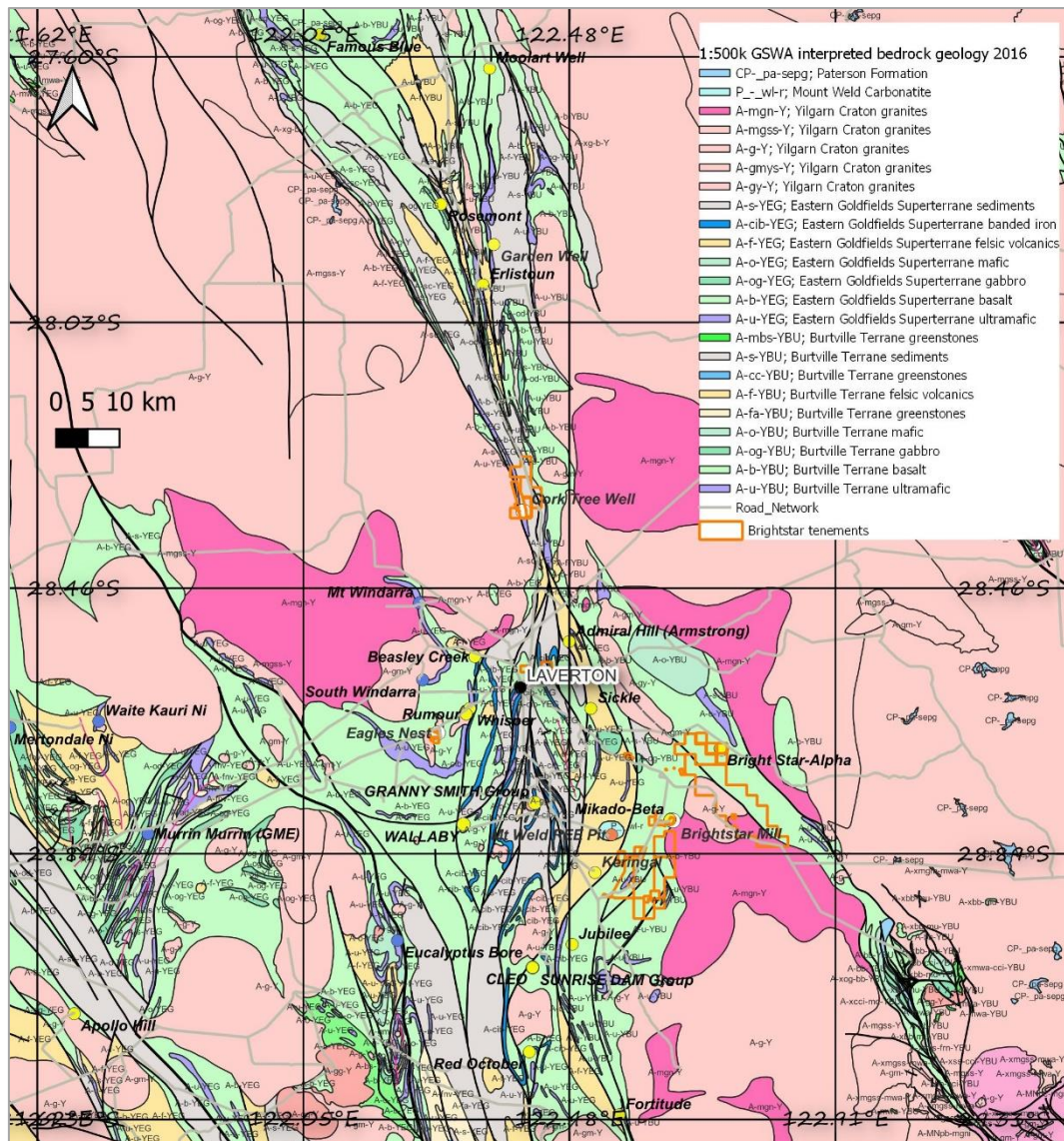


Figure 20: Laverton Regional Geology and significant mineral occurrences

Source: (GSWA, Minedex)

4.5. Local Geology and Mineralisation

Within this section VRM has summarised the local geology of the three main project areas, being the local geology of the areas associated with the Cork Tree Well, Alpha and Beta Mineral Resources as well as other named regional project groups.

Cork Tree Well

The Cork Tree Well Project occurs within the Duketon Greenstone Belt and lies along the western limb of the Eristoun syncline. The sequence includes mafic volcanic lavas, tuffs, and tuffaceous sediments with minor interflow graphitic shales and banded iron formation. Mineralisation at the Cork Tree Well Mine is hosted within interflow cherts and sediments which contained pervasive pyrite, pyrrhotite and magnetite mineralisation. The sediments which host the gold mineralisation have been intruded by concordant porphyry sills which extend the length of the mineralised zone.

Historical production occurred in 1987 to 1989 where Ashton mined an open pit for 740,000t at 2.4 g/t for 57,000 ounces as part of a larger regional mining project. Drilling shows the deposit contains high grade shoots plunging steeply to the north similar to other deposits such as Rosemont 56km along in the Duketon Belt (ASX: RRL 25 October 2022).

Alpha

The geology of the Alpha Project is dominated by weathered foliated basalt and mafic schist. The upper portion of the weathering profile can be up to 10m thick and includes soil or hardpan up to 4m above a soft saprolite which is “machine---rippable” and indurated in places. Basement rock within the area is comprised of mafic volcanic rocks with interleaved narrow units of ultramafic rocks, some dolerite and interflow volcanogenic sediments.

Beta

The Beta deposit occurs along the Eastern Margin of the Laverton Tectonic zone, which hosts the major gold occurrences Granny Smith, Sunrise Dam, Keringal, and Red October (all owned by other companies). The Beta Project is centred locally on the Mikado Shear which trends from near Sunrise Dam to Burtville. The dominant rock types include a sequence of a metamorphosed ultramafic, high magnesian basalt, tholeiitic basalts, dolerite, gabbro, plus minor greywacke, and siltstone. Lithological contacts are generally intensely sheared and altered.

Hawks Nest

The Hawks Nest Project consists of four contiguous mining leases is surrounded by tenements held by Magnetic Resources (ASX: MAU). The Eagles’ Nest tenement M38/381 contains a well-known area known as Eagles Nest for dry blowing and historical 19th century production of around 1000oz (ASX: BTR 5 September 2022).

4.6. Previous Exploration

The Laverton area has a long exploration history. The exploration methods include geological mapping, geophysical surveying, geochemical sampling, auger sampling, rock chip sampling and drilling. A variety of drilling methods have been undertaken including Auger, rotary air blast (RAB) and aircore (AC) drilling being the main methods. Reverse circulation (RC) drilling was carried out on the more advanced prospects and deposits with a small number of diamond drill holes within the deposits for metallurgical, geotechnical and validation of the RC drilling along with deeper exploration below the shallow mineralisation.

4.7. Recent Exploration by Brightstar

Cork Tree Well

Cork Tree Well has been a significant project in the Laverton district for many years. Under an option agreement with Western Mining Corporation, Whim Creek Consolidated discovered the project in ~1981, and created the company Austwhim to exploit the orebody in two pits (ASX: BTR 29 July 2021). Post 2020, mineral resource drilling at Cork Tree Well consisted of 90 RC drillholes for around 12000 metres which was the first drilling program since 2012. During 2022 a total of 44 RC holes for 6500m were drilled with the objective of further defining the strike and depth of the deposit and the Delta 2 anomaly to the north east

of Cork Tree Well. As at February 2023 drilling was ongoing, targeting shallow mineralisation to the north and a shallowly plunging shoot from the base of the central part of the deposit. BTRRC177 was drilled to target this mineralisation in 2022 with Figure 21 showing a plan, Figure 22 a section and Figure 23 a long section of this down plunge extensional target.

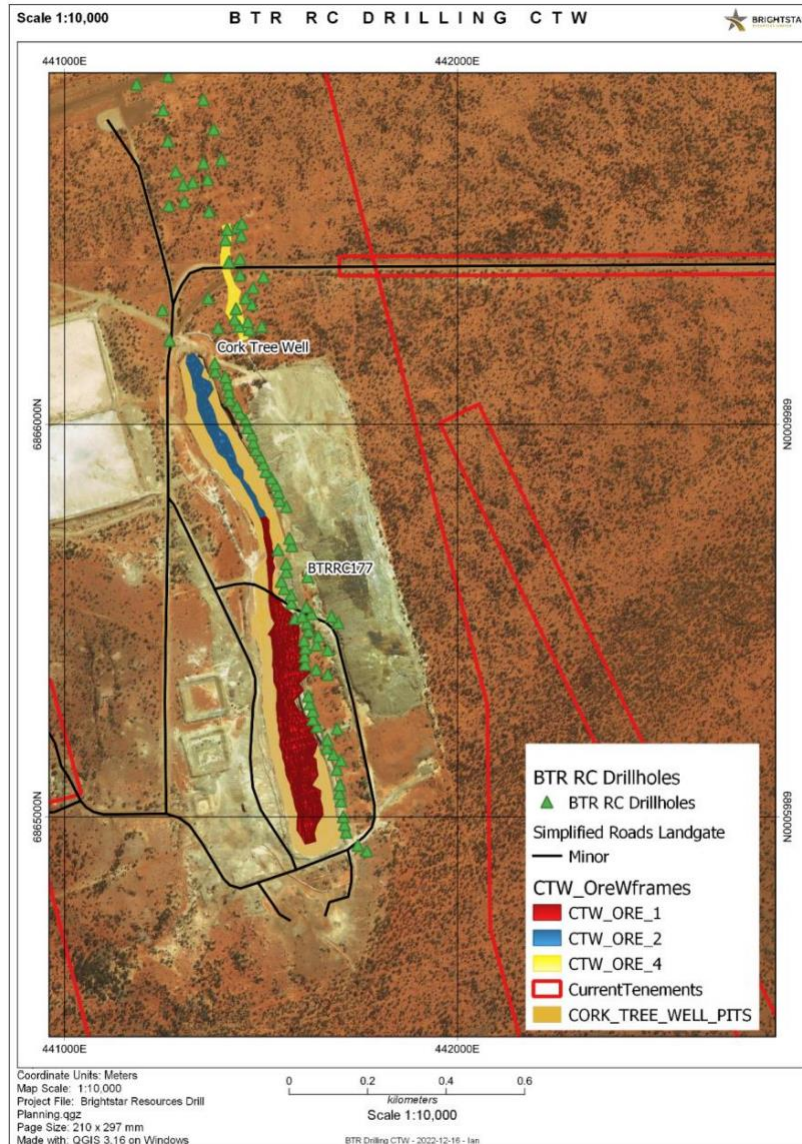


Figure 21: Cork Tree Well wire frames with recent 2022 BTR drillholes. Note location of BTRC177

Source: (ASX: BTR 20 December 2022)

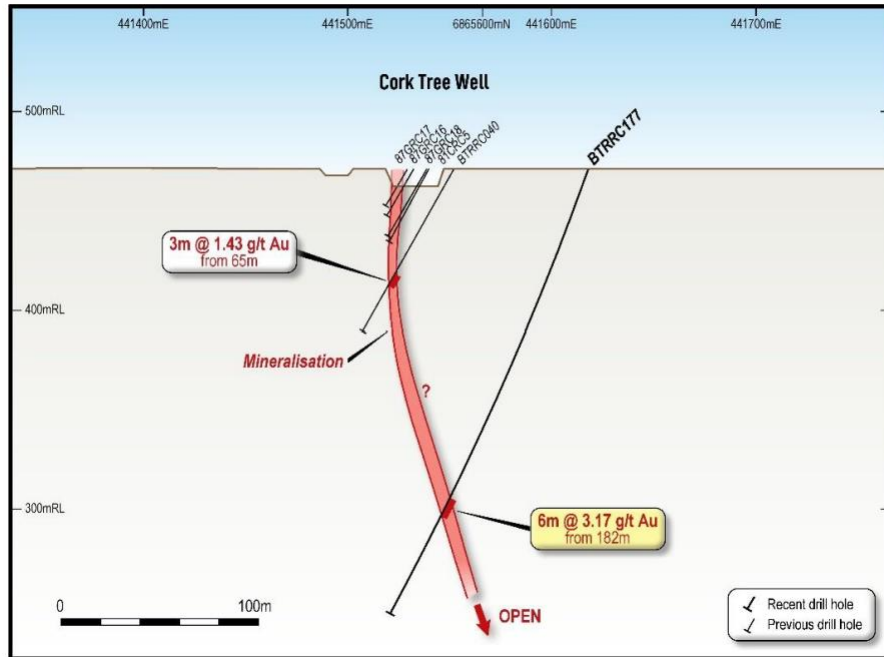


Figure 22: Section through Cork Tree Well down plunge extension BTRRC177
Source: (ASX: BTR 20 December 2022)

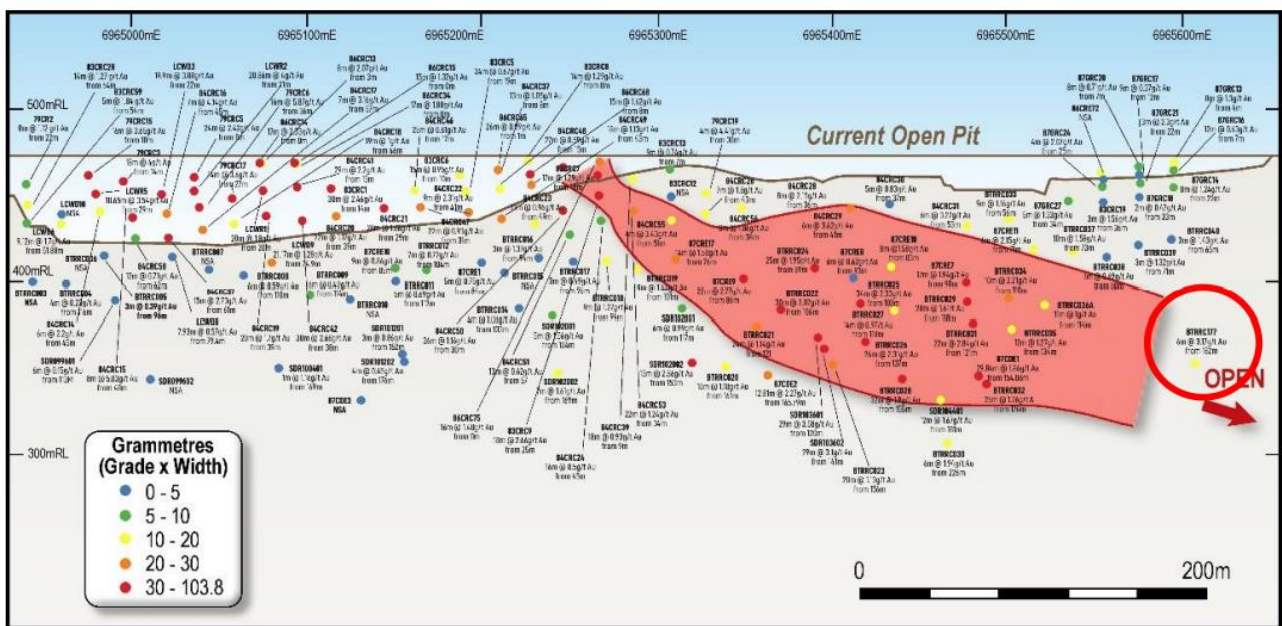


Figure 23: Long section Cork Tree Well Deposit showing down plunge shoot open down plunge.
Source: (ASX: BTR 20 December 2022)

Further drilling to the north under an historic airstrip has also been conducted. The geological interpretation from drilling concluded the main modelled lode is terminated by a fault close to the north of the old pit. A newly identified parallel lode to the east of the main lode continues north and is open to the north (Figure 24). The deposit is also open down plunge where a number of north northwest moderately plunging shoots are extend into bedrock. Figure 25 shows Brightstar's interpretation of these targets.

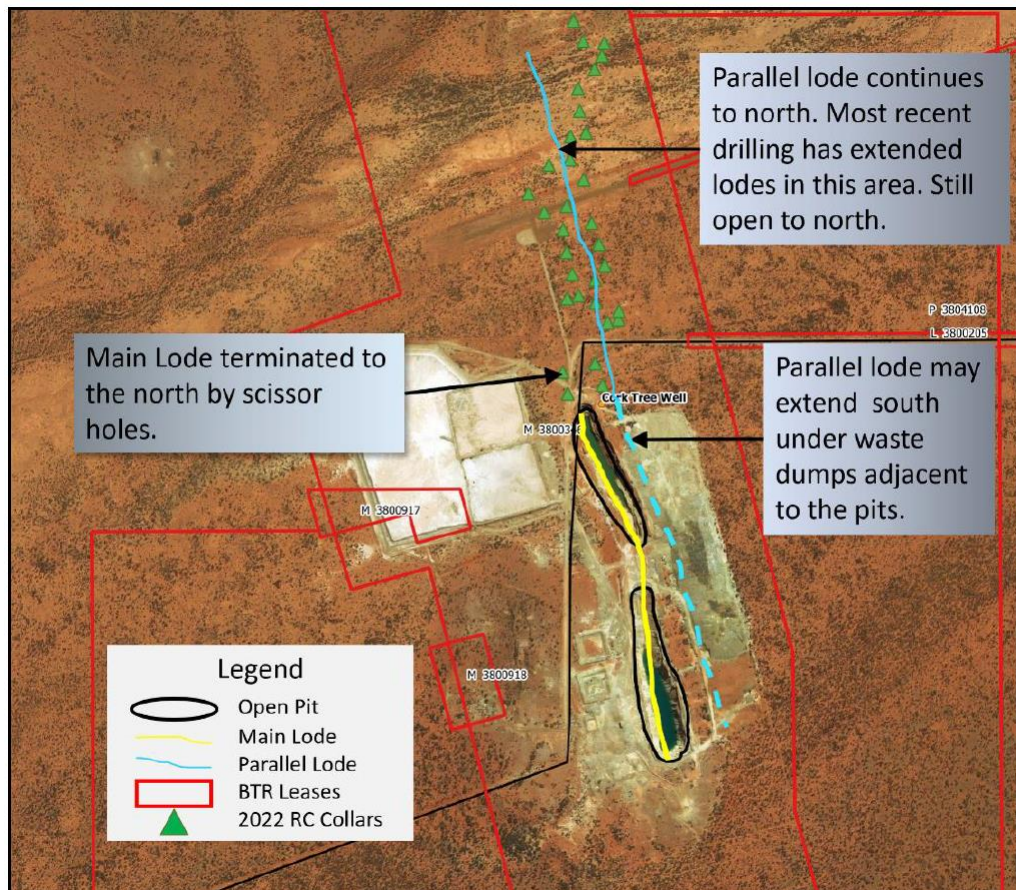


Figure 24: Cork Tree Well new mineralisation interpretation 2022
Source: (ASX: BTR 27 October 2022)

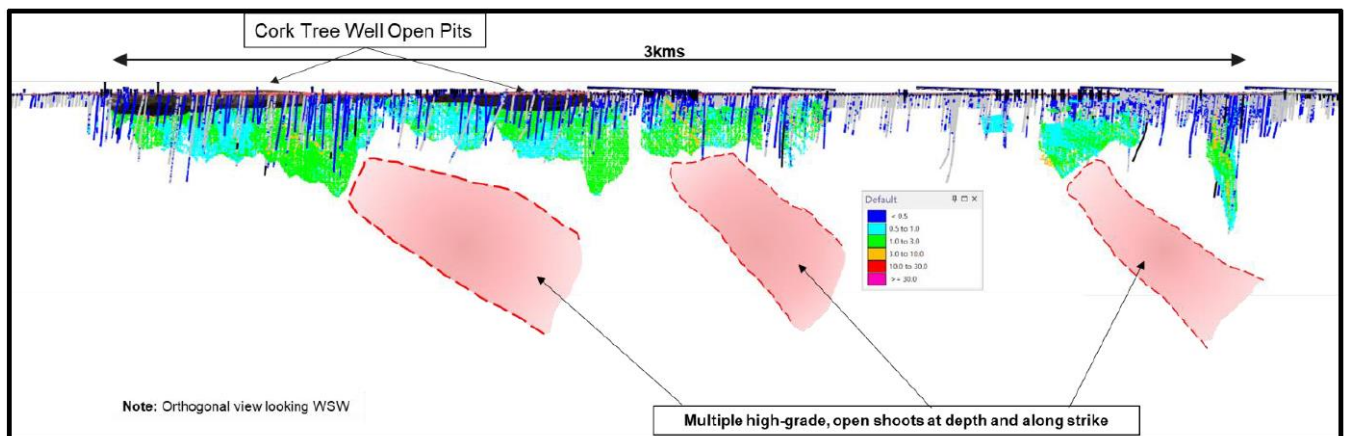


Figure 25: Cork Tree Well Exploration Targets down plunge
Source: (ASX: BTR 27 October 2022)

Around 2.5km to the north of the Cork Tree Well pit the Delta 2 anomaly has also been drilled with 12 RC holes for 1782m with Brightstar reporting bedrock mineralisation over 300m of strike. (ASX: BTR 4 October 2022). Returned results showed 1-2m wide intercepts of greater than 0.5g/t Au with a best result from BTRRC202 from 29m of 2m at 6.05 g/t Au Figure 26. The drilled mineralisation is interpreted by Brightstar to dip to the east and is open in all directions.

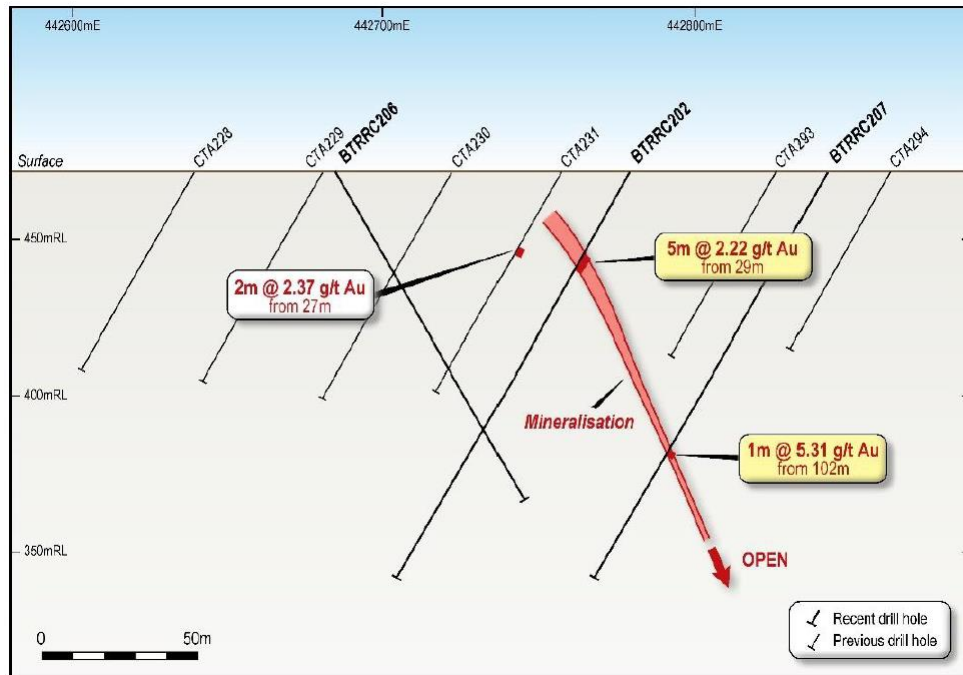


Figure 26: Section through drilling in the centre of the Delta 2 prospect

Source: (ASX: BTR 4 October 2022)

Alpha

In 2022 a total of 41 RC holes were drilled with 12 RC holes at Alpha West for 1260m, 500m northwest of the Alpha Deposit, the first drilling since 2014. The work was designed to define additional resources at Alpha. Figure 27 shows the location of the drilling in relation to the Alpha modelled resource. Stone's ASX Quarterly reports from 2010 to 2011 state that 21,116 ounces of gold and 13,863oz of silver were mined at Alpha and Beta historically between April 2010 and November 2011.

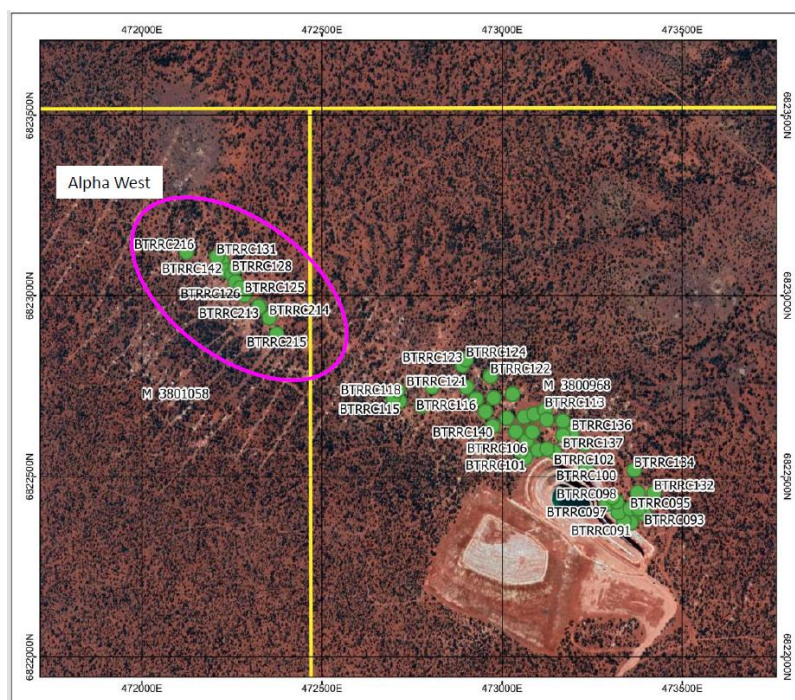


Figure 27: Alpha and Alpha West drillhole locations

Source: (ASX: BTR 5 September 2022)

The best intersection returned so far is 5m @ 9.8g/t Au from 98m from BTRRC130 at Alpha West. Figure 28 and Figure 29 are cross sections from the drilling at Alpha West showing a moderately northeast dipping mineralisation structure in bedrock.

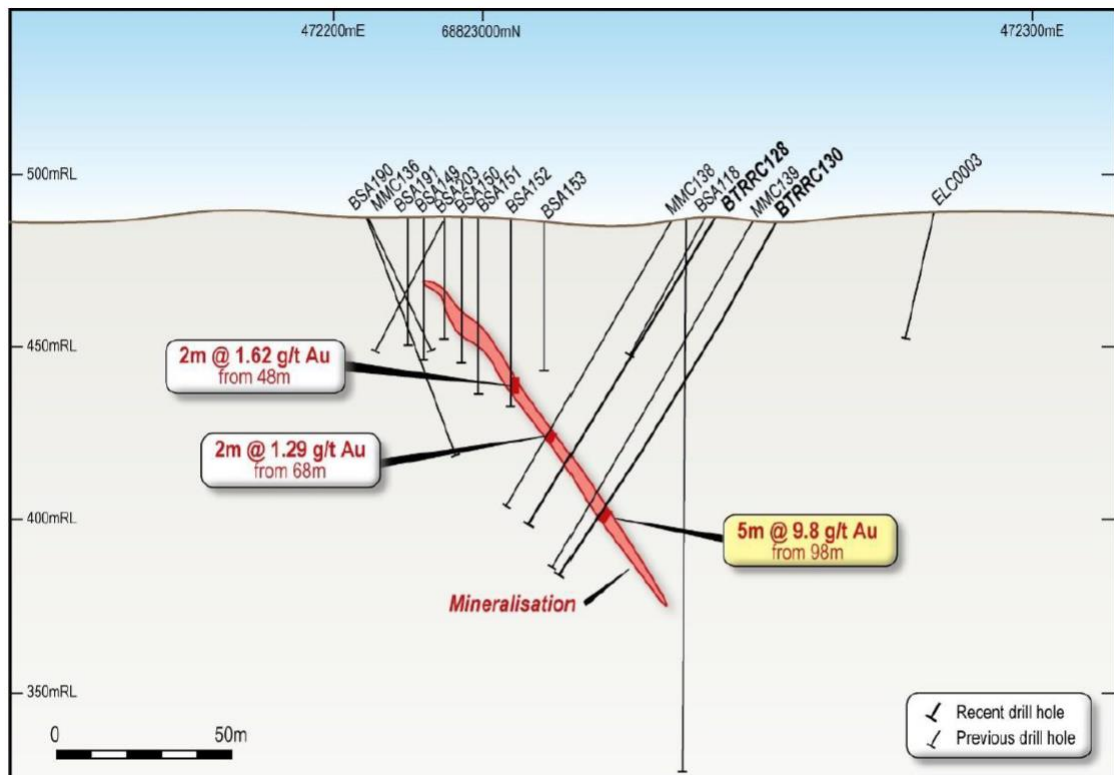


Figure 28: Section showing mineralisation in BTRRC130 at Alpha West
(Source: ASX: BTR 27 October 2022)

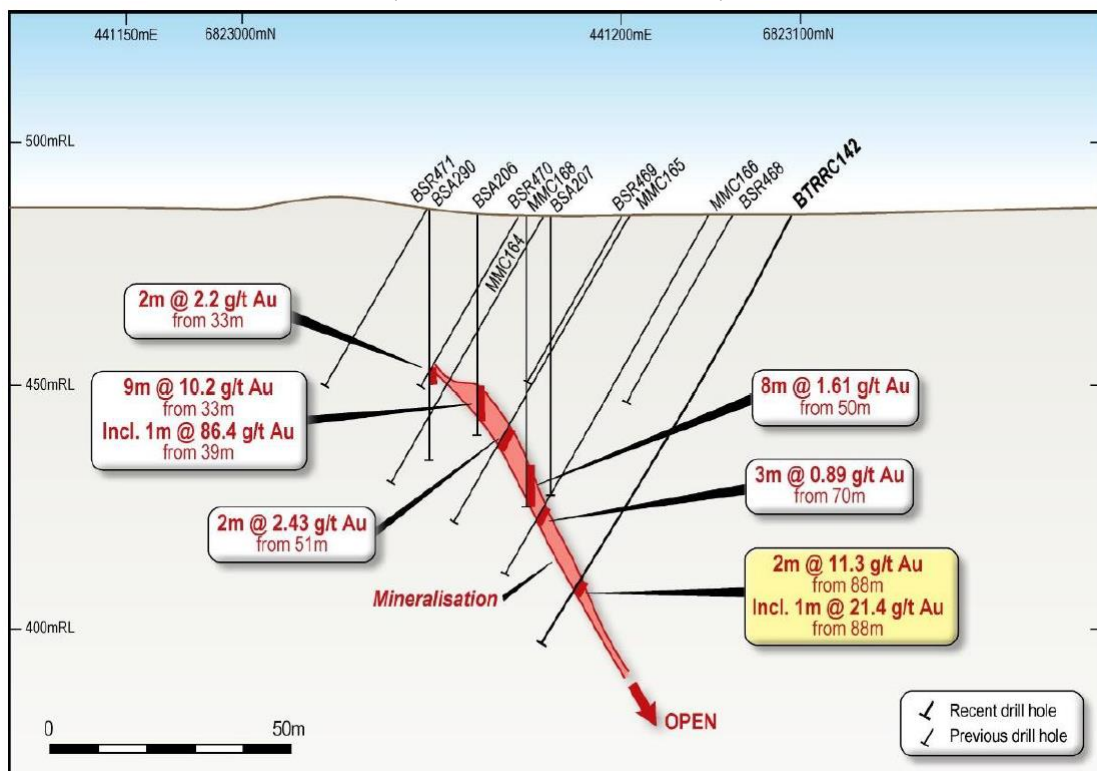


Figure 29: Section through BTRRC142 Alpha West
(Source: ASX: BTR 27 October 2022)

Beta

The Beta project and deposit is located adjacent to Brightstar's 60-person camp and processing infrastructure. Stone's ASX Quarterly reports from 2010 to 2011 state that 21,116 ounces of gold and 13,863oz of silver were produced from the Beta deposits (historically named Mikado) between April 2010 to November 2011 (Stone ASX releases - Quarterly Reports 2010 and 2011). Figure 30 and Figure 31 shows sections through the mineralisation and intersections outside the Current Pit Shell.

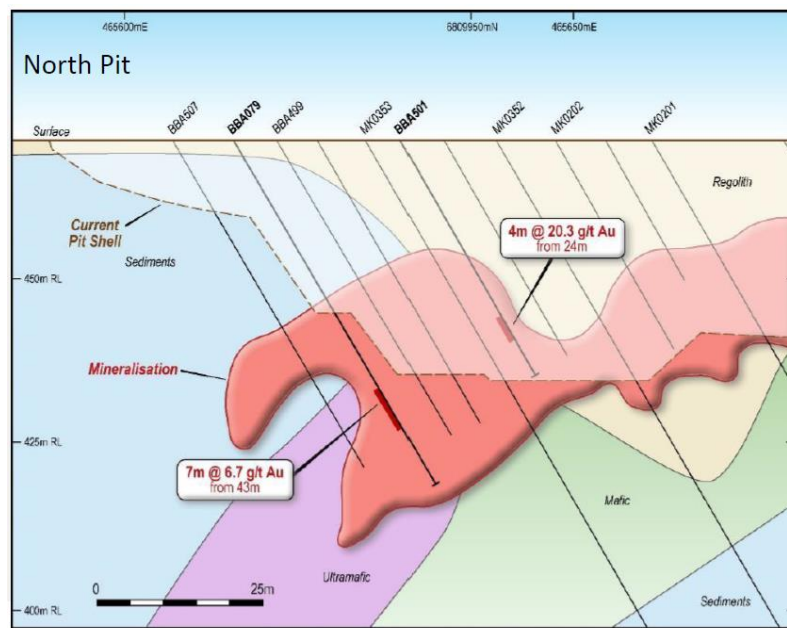


Figure 30: Section through North (Aztec Pit)
Source: (ASX: BTR 5 September 2022)

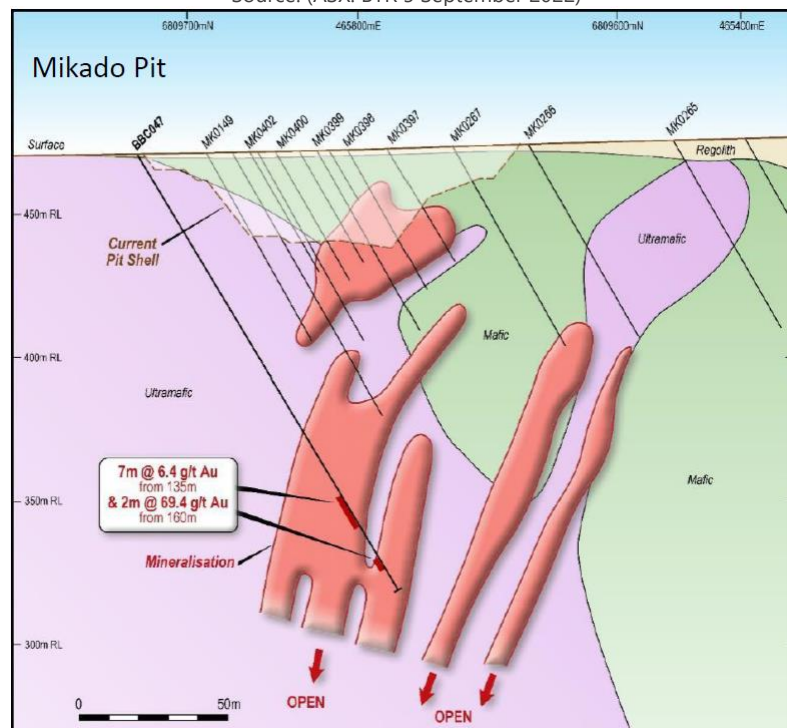


Figure 31: Section through Mikado Pit
Source: (ASX: BTR 5 September 2022)

Hawks Nest

In late 2022 four RC holes were drilled for 320m at Eagles Nest. The holes were drilled to the north east and also strike of the workings with the objective of intersecting vertical structures observed in the historical workings. Only one hole intersected quartz veining and possible mineralised structures and no significant results were returned.

4.7. Mineral Resource Estimates

There are three Mineral Resource estimates within the Brightstar Portfolio. These are estimates for the Alpha, Beta and Cork Tree Well gold deposits. While A1/Stone (now Brightstar) produced gold from the Alpha and Beta deposits from early 2010 to late 2011 and technical studies and tests were undertaken as a part of the decision to commence those mining activities, those studies are all no longer considered valid, viable or current.

There are no JORC 2012 Ore Reserve estimates for the project.

The Mineral Resource estimates for Alpha and Beta were undertaken by CSA Global Pty Ltd in accordance with the JORC 2012 guidelines and first reported by Stone (now Brightstar) in 2015. On September 10, 2020, Stone released a Mineral Resource estimate review "The Auralia Review" including all the required JORC tables on 10 September 2020. The quoted resources for Alpha and Beta are from this resource review.

On 10th August 2022 Brightstar announced a new mineral resource estimate for Cork Tree Well, following an RC program of some 90 RC holes for 12000m. The estimate is 6% higher than the 2020 estimate of 237Koz (ASX: BTR 10 August 2022). Brightstar's commentary was that the drilling confirmed both the grade and continuity of the mineralisation as was represented in previous mineral resource estimates. This also shows the potential for growth that still exists for the Cork Tree Well project. Importantly, mineralisation remains open down-dip and along-strike at with many high-grade intercepts remaining to be followed up at depth.

Table 4 below details the Mineral Resource estimates within the Brightstar Gold Project with all estimates reported at a 0.5g/t gold cut-off. These variable cut-off grades are reasonable for open pit mining, in VRM's opinion, due to the proximity of the resource to the likely processing facility. There is no documentation other than some sectional geological interpretations to make any opinions or estimates of the resources with regards to oxidation state. Given the broad interpretation of the base of oxidation as being around 30-50m and the fact that all of the resources lie partially beneath previously mined pits it is considered by VRM that a large portion of these resources would be in fresh unoxidized rock.

Table 4: Brightstar Gold Project Mineral Resource Estimates

| Deposit | Category | Tonnes (t) | Grade(g/t) | Ounces (koz) |
|-------------------------|-----------|------------|------------|--------------|
| Alpha 0.5g/t cut-off | Measured | 0.62 | 1.6 | 33,000 |
| | Indicated | 0.37 | 2.1 | 25,000 |
| | Inferred | 0.45 | 3.3 | 48,000 |
| | Total | 1.45 | 2.3 | 106,000 |
| Beta 0.5g/t cut-off | Measured | 0.34 | 1.7 | 19,000 |
| | Indicated | 0.57 | 1.6 | 29,000 |
| | Inferred | 0.96 | 1.5 | 54,000 |
| | Total | 1.88 | 1.7 | 102,000 |

| Deposit | Category | Tonnes (t) | Grade(g/t) | Ounces (koz) |
|-----------------|-----------|------------|------------|--------------|
| Cork Tree Well* | Indicated | 1.76 | 1.7 | 94,000 |
| 0.5 g/t Cut off | Inferred | 3.85 | 1.3 | 158,000 |
| | Total | 5.61 | 1.4 | 252,100 |
| Total | | 8.94 | 1.9 | 460,100 |

Note appropriate rounding has been applied and totals may not add due to rounding errors.

VRM calculated the contained gold as being 463,682oz with this used in the valuation section of this report.

Source: (ASX: BTR 10 September 2020, *10 August 2022)

Alpha and Beta

VRM has reviewed Auralia Mining Consulting's independent review of the Alpha and Beta deposits. The Auralia review relied on the work conducted and reported by CSA Global, a large independent mining consultancy, as being compliant with the 2012 JORC Code. The Competent Person for the Alpha and Beta Mineral Resource Estimates is Dr Bielin Shi, an employee and consultant at CSA Global. Dr Shi is a Member of the AusIMM. Dr Shi is considered by VRM to be Independent of Brightstar.

Informing Data

Each of the resource areas has been drilled at a nominal spacing of 20m x 20m with some areas drilled at 20x 40m spacing. Within the Mineral Resources only RC and diamond drill holes have been used in the estimation of the resource grades however it is expected that some Aircore and RAB drilling may have been used in some areas for geological interpretation.

The recent RC samples were all collected on a single meter interval down hole with the samples for analysis obtained from a rig mounted cone splitter after the drilling rig cyclone. The cyclone was reported as being cleaned regularly and flushed at rod changes. This was to minimise contamination or down hole smearing of individual samples. Initial assay samples were collected as a four-meter composite from spear or riffle splitting individual one-meter samples. Where an anomalous assay results were received (>0.3g/t gold four-meter composite assay) these were re-sampled on an individual one-meter sample. These one-meter samples were used in the Resource Estimates.

All drill collars were surveyed using a differential GPS to allow accuracy of approximately +/- 10mm. All holes were geologically logged using Stone's geological logging codes.

Sampling and Analysis

Samples were submitted with pre-set numbering allowing for submission of duplicates at regular 25 sample intervals. Duplicate assays were unknown to the laboratories. Sample standards or blanks were submitted in the field by Stone and repeatability was reviewed and determined by CSA as being high.

Fire assaying with a 40g charge was completed initially. Screen Fire Assaying was conducted on some drill core samples at Kalgoorlie Assay Laboratories and independently in Perth for intervals where high grade, interpreted 'nuggetty' gold previously had been reported in fire assay results. Screen fire results were generally similar or higher than the fire assay results. The presence of visible gold in diamond drill core was the reason for undertaking Screen Fire Assays.

QAQC processes were checked by CSA for sampling and assaying. The results for Standards, Blanks and duplicates analysis are within the accuracy limits for these analytical techniques and, on the whole, show the quality of the analytical work to be satisfactory.

Resource Estimation

A total of 1,395 RC and 3 diamond drill holes in Alpha area, 1,133 RC and 15 diamond drill holes in Beta area were used in the resource modelling. The exploration for the deposits primarily was on a nominal 20m by 20m drilling pattern with this drill density reducing to a 25m by 60m at depth. The database was reviewed and validated for obvious errors prior to commencing the resource estimation.

The mineralisation was wireframed based on sectional interpretations on approximate 20m sections and is based on a 0.3g/t gold nominal lower cut-off grade for the Alpha and 0.25g/t gold wireframes for the Beta deposit.

The Resource cut-off grade of 0.5g/t for the Alpha deposit and 0.3g/t for the Beta deposit was selected as it represented a natural 'geological' cut-off and as being suitable for open cut mining. The lower cut-off for Beta is likely due to the location of the possible processing facility and the lower costs to transport the ore to the mill. This appears reasonable.

All samples were flagged according to the mineralised domains they fall into based on the constructed wireframes. The majority of samples are 1m length. Top Cuts were used to treat the high gold grades based on a review of the assay results in each domain applying an individual histogram, log probability plot.

Variography and evaluation of suitable estimation parameters based on the final variogram models were undertaken based on 1m composites. The variography indicates that moderate levels of short-range variability exist, which is typical for the mineralisation in the region.

The block model was initially created as separate geological block models with varying sub-block sizes for mineralisation and weathering whilst maintaining a parent cell size of 5.0mE × 10.0mN × 5.0mRL. Sub-blocks were generated down to 0.5mE × 2.0mN × 0.5mRL as appropriate to honour the wireframes and weathering interpretations.

Ordinary Kriging (OK) was used to estimate 3D blocks for gold grade. Quantitative Kriging Neighbourhood Analysis was used to optimise parameters for the Kriging search strategies.

The Alpha and Beta Mineral Resources have been classified and reported in accordance with The JORC Code 2012 Version. Resource classification is based on confidence in the geological domaining, drill spacing and geostatistical measures.

There are historic open pits at the Alpha and Beta deposits with the mined volume removed from the Resource estimate.

VRM Comment

VRM considers that the block model, estimation technique, compositing block sizes, and search parameters are all reasonable and done using standard industry practice.

The method that the bulk densities have been determined are in-line with industry standard however the number of the bulk density measurements in each deposit and each domain within each deposit has not been reported. Additionally, the actual density used in the Mineral Resource Estimate has not been included or disclosed in the public report or release. In VRM's opinion additional disclosure on the number of Bulk Density measurements in each deposit, each domain and the actual density used in each domain (and deposit) should be publicly reported.

Within the Beta Mineral Resource Estimate Report, it is documented that a total of 93 samples have been used in determining the Bulk Density. That report also documents the density used in the oxide to be 2.4g/cm^3 , 2.5g/cm^3 for transitional material and 2.65g/cm^3 of fresh rock. These Bulk Density measurements appear, in VRM's opinion, to be slightly higher than would usually be expected for the oxide material while the transitional and fresh rock densities appear reasonable. VRM however considers that significantly more density measurements should be done in all deposits and within all mineralised domains.

Overall, the Mineral Resource estimate was conducted using standard industry practice and are considered by VRM to comply with the 2012 JORC Code.

Overall, in VRM's opinion, the data presented in the JORC Table 1 (ASX: BTR 10 September 2020) for the Alpha and Beta Mineral Resource Estimates is adequate.

Cork Tree Well

The Mineral Resource estimate published in (ASX: BTR 10th August 2022) and was conducted by Auralia Mining Consulting Pty Ltd. The resource represents an increase of 15,100 ounces over the previous resource from the Auralia Review of 2020. The interpretation used for this Mineral Resource Estimate compares well to the previous interpretations with a steep to moderately east-dipping structurally hosted orebody. This interpretation and model bulks the thin lodes of higher-grade material and the lower grade between the together (Figure 32, Figure 33). Combined with the extensions of the lodes from the new drilling this means there has been a significant increase in the number of tonnes included in the Resource (49%). Note that drill intersections reported here are related to the mineral resource estimate and therefore have a lower cut-off of 0.5g/t whereas intersections in previous announcements were calculated using a 1g/t cut-off.

The model was compared to historic open pit production figures with a close correlation. Historic production was reported as 699,115 t @ 2.30g/t containing 51,697oz, the mineral resource within the pit at a cut-off grade of 0.8g/t is 702,900t @ 2.34g/t containing 52,880oz.

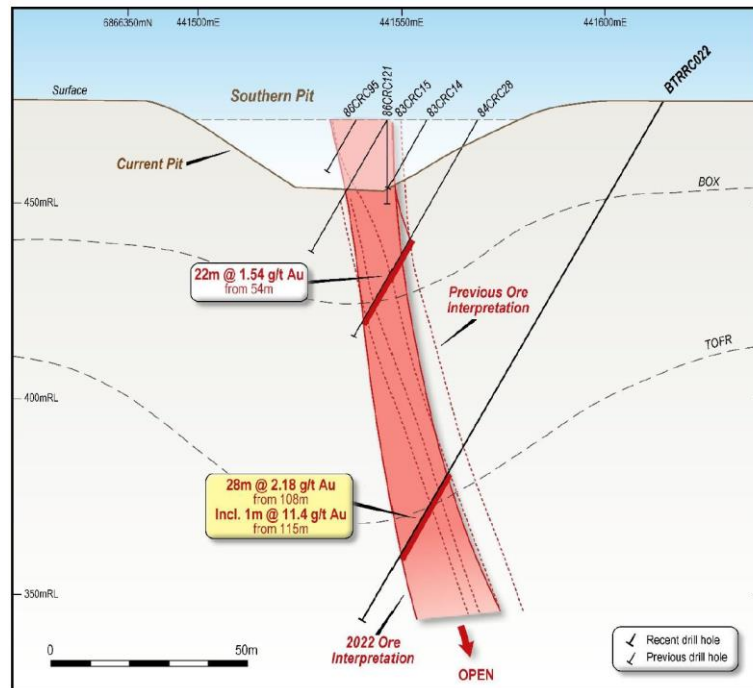


Figure 32: Section through Cork Tree Well showing the change in modelled mineralisation based on 2021 drilling
Source: (ASX: BTR 10 August 2022)

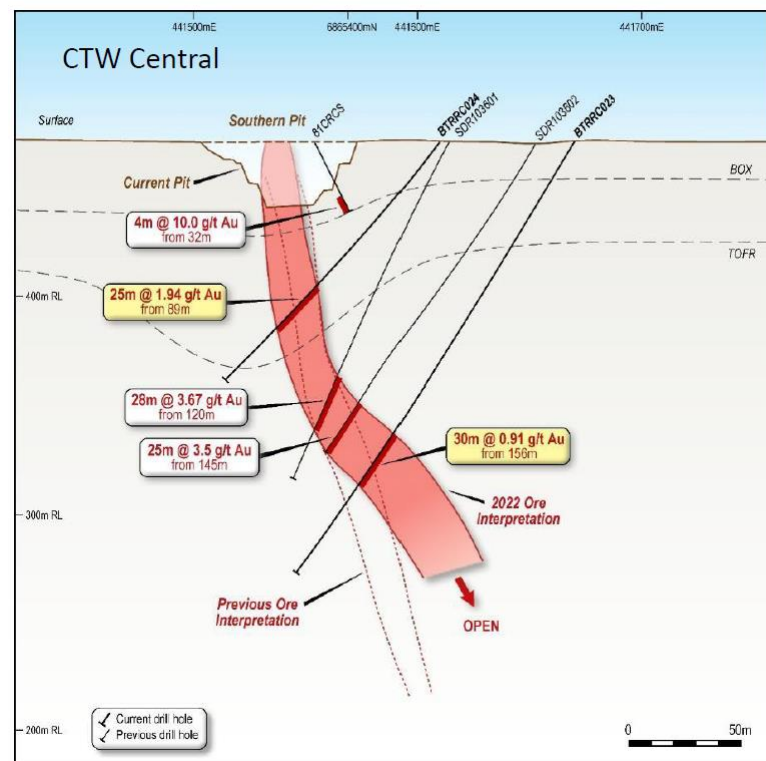


Figure 33: Section through BTRRC23 and 24 showing the change in modelled mineralisation based on 2021 drilling
Source: (ASX: BTR 5 September 2022)

Informing Data

The resource estimate used the old database as reviewed by Auralia in 2020 with the addition of 90 RC holes for around 12000m completed in 2021. Drill spacing is variable due to previous drilling around the project

however majority of the material is drilled to a 40mx40m minimum spacing on the plane of the mineralization.

All drill hole collars were surveyed using handheld GPS equipment. Coordinates are relative to MGA94. A down hole survey was taken at least every 30m in all drill holes by an Axis Champ Gyro electronic north seeking gyro by the drilling contractors.

Sample intervals are 1m. Reported intersections are then composited. Intersections in excess of 0.5 g/t Au are reported as significant and may include up to 2 samples below 0.5g/t Au as internal waste when compositing. Reported intervals are drill thicknesses, as true thicknesses are currently difficult to accurately calculate.

Samples were split onsite using static cone splitter that effectively splits wet and dry samples.

Sampling and Analysis

Samples greater than 3kg riffle split at the laboratory to ensure sub-sample can fit into LM5 pulveriser. A fifty-gram charge is then taken for 50g Fire Assay analysis with AAS finish at Minanalytical Assay Laboratories. Samples were pulverized to >90% passing -75 micron.

Wet sieving of pulps to test percentage passing undertaken on random samples by laboratory to ensure effective pulverization.

Two field duplicates taken per 100 samples on-site to determine if sampling is representative. 3% standards inserted to check on precision of laboratory results.

Resource Estimate

The actual mineralisation is from 2m to 20m thick and extends to a vertical depth below surface of 245m. Grades were estimated using Ordinary Kriging techniques.

The Mineral Resource has been reported at a cut-off grade of 0.5g/t.

No implicit metallurgical factors or assumptions were incorporated into the model. Auralia has recommended metallurgical test-work, especially on fresh samples of mineralisation.

Dry bulk densities applied to the model are based on standard figures applied to similar deposits in the Eastern Goldfields region of Western Australia. Densities were applied based on modelled oxidation domains. Oxide 1.8t/m³, transitional 2.2t/m³ and fresh 2.75t/m³. Auralia has recommended additional dry bulk density measurements be conducted on diamond drill core to verify the assumptions.

The Cork Tree Well Mineral Resource Estimate has been categorised as Indicated or Inferred. Classification was based primarily on drill density. Kriging efficiency was also used to guide classification. Generally Indicated resources have been drilled to 20m spacing around and below the historic open pits. Deeper parts of the deposit have wider spaced drilling and while the mineralisation is continuous the distribution of grade, especially higher-grade zones, has not been adequately determined to classify any higher than inferred.

VRM Comment

VRM considers that the block model, estimation technique, compositing block sizes, and search parameters are all reasonable and done using standard industry practice.

The method that the bulk densities applied to the model are standard Eastern Goldfields values. VRM notes the CP recommends additional dry bulk density measurements be conducted on diamond core to verify this assumption. In VRM's opinion Bulk Density measurements for each domain and the actual density data and results used in each domain (and deposit) should be publicly reported.

Overall, the Mineral Resource estimate was conducted using standard industry practice and are considered by VRM to comply with the 2012 JORC Code.

Overall, in VRM's opinion, the data presented in the JORC Table 1 for the Cork Tree Well Mineral Resource Estimate (ASX: BTR 10 August 2022) is adequate.

4.8. Exploration Potential

The exploration potential at all deposits described over Brightstar's tenements is for modest tonnages of medium grade >1.5 g/t fresh mineralisation in shallowly to moderately plunging shoots below the oxide resources. It is important to note that the Brightstar mill, and proposed upgrade as currently described only contemplates the treatment of oxide material hence any new down plunge resources would not be able to be treated within the Brightstar Mill. It is not known what tonnages of oxide material remain.

4.9. Processing Infrastructure

In 2021 Como Engineers conducted a review of the Brightstar plant and a cost estimate to refurbish the plant from 485ktpa to 650ktpa (ASX: BTR 5 May 2021). This review was based on assumptions that treated ore was to consist of oxide material with a work index of around 13kWh per tonne and assumed replacement of ball mill no 2 with the onsite 450kW ball mill on-site.

The current plant consists of a 485ktpa processing facility with supporting infrastructure, tailings dam and process water pond. The plant has been on care and maintenance since 2014 when a partial plant upgrade commenced with the purchase of a new secondary crusher, 450kw ball mill, gravity circuit and elution circuit was completed and partially installed. The power generation capacity was also refurbished at this time. It should be noted that when operational in 2010 and 2011 the maximum mill throughput achieved in a month was just under 35,000 tonnes in December 2010, which equates to a possible annualised throughput of 420ktpa (ASX: BTR 28 January 2011) and expected throughput was 300ktpa.

The infrastructure also consists of a 60-person accommodation camp and some mobile plant for the processing facility.

The value of the processing plant at Brightstar is considered to be outweighed by or at the very least equal to the expected rehabilitation liabilities notwithstanding that most of the resources defined are within deeper transitional and bedrock levels below surface (the oxide having already been mined) During the time the mill operated in 2011, it treated only oxide material and is therefore mismatched to most of the Mineral Resource estimates discovered by Kingwest and Brightstar to date.

5. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 5 and provides a guide as to the most applicable valuation techniques for different assets.

Table 5: VALMIN Code 2015 valuation approaches suitable for mineral Properties.

| Valuation Approaches suitable for mineral properties | | | | |
|--|----------------------|--------------------------|----------------------|---------------------|
| Valuation Approach | Exploration Projects | Pre-development Projects | Development Projects | Production Projects |
| Market | Yes | Yes | Yes | Yes |
| Income | No | In some cases | Yes | Yes |
| Cost | Yes | In some cases | No | No |

In accordance with the definitions used in the VALMIN Code all of the projects are best described as exploration projects. There are Mineral Resource estimates within the Project which are reported under JORC 2012. Development Projects are defined in VALMIN as tenure holdings for which a decision has been made to proceed with construction or production or both, but VRM understands this decision has not yet been made. In VRM's opinion, the projects should be valued using a comparable transaction method based on Resource Multiples as a primary valuation method (with appropriate discounts applied), with a secondary valuation being a yardstick approach. Additional valuations, being a Geoscientific or Kilburn approach and a prospectivity enhancement multiplier (PEM) have been used to determine the value of the exploration potential within the tenements but distal from the currently estimated Mineral Resources.

5.1. Previous Valuations

For Kingwest projects the most recent previous valuation was undertaken prior to Kingwest acquiring the project and completing extensive exploration. Therefore, the previous valuation, which was included in a scheme of arrangement document when Intermin Resources and Macphersons Resources merged is no longer considered current. VRM is not aware of any other relevant recent valuation reports over the Goongarrie or Menzies Projects.

For the Brightstar Projects, VRM completed a valuation in 2020. That report was associated with the related party transactions of Stone Resources (renamed to Brightstar Resources). VRM considers that the previous report is no longer current and has been revalued and assessed based on the more recent drilling undertaken by Brightstar since the previous valuation.

5.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 24 January 2023 being the valuation date of this Report and considering information up to 1 February 2023. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a

possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

5.3. General assumptions

The Mineral Assets of Kingwest Resources and Brightstar Resources are valued using appropriate methodologies as described Table 5 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon;
- The valuations only relate to the Mineral Assets located within the tenements controlled by the respective Companies, and not the Companies, their shares or market value;
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licence will remain active;
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe;
- That the owners of the mineral assets can obtain the required funding to continue exploration activities;
- The gold prices assumed (where it is used / considered in the valuation) is as at 24 January 2023, being US\$1,920.75/oz (source Kitco),
- The US\$ - AUS\$ exchange rate of 0.70403 (www.xe.com) resulting in an Australian dollar price of AUS\$2,728.23/oz for gold.
- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

5.4. Gold Market Analysis

Kingwest and Brightstar's Projects being valued in this Report are dominantly prospective for gold it is important to note the current market conditions and supply and demand fundamentals of the precious metal markets. The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe-haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Global uncertainty in regard political instability in Europe, the COVID-19 pandemic, the state of the world economy and the current inflationary environment has driven an increase in the gold price since early 2020. Figure 34 shows the gold price in AUD over the last five years and Figure 35 shows the gold price in USD for the same period.



Figure 34: Five-year gold price (A\$) from February 2018 to February 2023
(Source: S&P Capital IQ)



Figure 35: Five-year gold price (US\$) from February 2018 to February 2023
(Source: S&P Capital IQ)

While the gold price is high in Australian dollars there is a strong bias toward advanced projects obtaining funding and the earlier stage projects being difficult to attract investment money.

VRM's considers that the overall gold market, especially for projects without a completed feasibility study is considered to be generally flat, due to the inflationary economic climate created by the recent Covid-19 pandemic and the war in Ukraine, coupled with global supply chain issues and in Australia the lack of a skilled labour force to build and operate new projects. Further such projects have a heightened risk element around permitting. In the current climate funding for gold projects is competing with a vast array of funding opportunities in the critical minerals, clean energy space making a crowded market for gold project finding.

When normalising the transaction valuation to the gold price VRM has elected to use the spot AUS dollar gold price for normalisation of the resource multiples due to both projects being based in Western Australia.

5.5. Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

As at the Valuation Date there were no current Ore Reserves estimated for the Brightstar or Kingwest Projects, therefore a DCF based approach is not considered suitable.

5.5.1 Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource Estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to five years in either the same geopolitical region or same geological terrain. The comparable transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Projects.

5.5.2 Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports. The US\$-AUS\$ exchange rate and gold price as of 24 January 2023 and documented above have been used to determine the yardstick valuation.

Table 6: Typical Yardstick Multiples used for Gold Projects

| Resource or Reserve Classification | Lower Yardstick Multiple (% of Spot price) | Upper Yardstick Multiple (% of Spot price) |
|--|---|---|
| Ore Reserves | 5% | 10% |
| Measured Resources (less Proved Reserves) | 2% | 5% |
| Indicated Resources (less Probable Reserves) | 1% | 2% |
| Inferred Resources | 0.5% | 1% |

5.6 Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation;
- Comparable transactions (purchase) based on the Properties' area or Mineral Resource estimates (both current and historic);
- Joint Venture terms based on the Properties' area; and
- A prospectivity enhancement multiplier (PEM).

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

5.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are

the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 7 documents the ranking criteria that were used in conjunction with the base acquisition cost (BAC) for the project tenements to determine the technical valuation of the project.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. For the Kingwest and Brightstar tenements the BAC has been determined using the exploration commitments for the tenement and the annual rent payments.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 7 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 7: Ranking criteria are used to determine the geoscientific technical valuation.

| Geoscientific Ranking Criteria | | | | |
|--------------------------------|-------------------------------------|--------------------------------|---|--|
| Rating | Off-property factor | On-property factor | Anomaly factor | Geological factor |
| 0.1 | | | | Generally unfavourable geological setting |
| 0.5 | | | Extensive previous exploration with poor results | Poor geological setting |
| 0.9 | | | Poor results to date | Generally unfavourable geological setting, under cover |
| 1.0 | No known mineralisation in district | No known mineralisation within | No targets defined | Generally favourable geological setting |
| 1.5 | Mineralisation identified | Mineralisation identified | Target identified; initial indications positive | Favourable geological setting |
| 2.0 | Resource targets identified | Exploration targets identified | | |
| 2.5 | | | Significant intersections – not correlated on section | |
| 3.0 | | | | |

| | | | | |
|-----|--|--|--|---|
| 3.5 | Along strike or adjacent to known mineralisation | Mine or abundant workings with significant previous production | Several significant ore grade intersections that can be correlated | Mineralised zones exposed in prospective host rocks |
| 4.0 | Along strike from a major mine(s) | Major mine with significant historical production | | |
| 5.0 | Along strike from world class mine | | | |

The total technical valuation was discounted to derive a total market valuation by making a market factor adjustment and a locational adjustment. A market factor was derived to account for the status of the market which is currently elevated as shown in Figure 34. On that basis, the technical valuations are kept at 100% for the status of the market conditions and there has been an 10% discount applied for the locational risks associated with the Projects, this discount is due to the possible heritage, environmental and regulatory delays, and the current high inflationary environment in Australia.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for the surrounding exploration potential.

5.6.2 Comparable Market Based Transactions

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource or Ore Reserves estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

As such, this valuation method is typically the primary valuation method for exploration or advanced (pre-development) projects. More advanced projects would generally be valued using an income approach due to the modifying factors for a mining operation being better defined. The preference is to limit the transactions and resource multiples to completed transactions from the past two to three years in either the same geopolitical region or same geological terrain. The current valuation considered a period of five years in order to identify enough comparable transactions. The comparable transactions have been compiled where Mineral Resources have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the projects.

Similar projects that have no defined resources can also be considered, albeit the comparison would be based on the somewhat more subjective interpretation of the geological prospectivity potential, rather than contained metal. Some view this valuation method not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions in this report have been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with or without resources estimated) and development ready projects.

5.6.3 Prospectivity Enhancement Multiplier (PEM) Valuation

As outlined in Table 5 and in the VALMIN Code a cost - based or appraised value method is an appropriate valuation technique for early-stage exploration Properties. Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 8 below. VRM considers the PEM valuation method as a secondary valuation method and no higher PEM ranges are used once a JORC 2012 resource has been estimated. In the opinion of the author, it is preferable to use resource multiples for comparable transactions once a JORC 2012 resource has been estimated.

Table 8: Prospectivity Enhancement Multiplier (PEM) ranking criteria

| PEM Ranking Criteria | |
|----------------------|---|
| Range | Criteria |
| 0.2 – 0.5 | Exploration downgrades the potential |
| 0.5 – 1 | Exploration has maintained the potential |
| 1.0 - 1.3 | Exploration has slightly increased the potential |
| 1.3 – 1.5 | Exploration has considerably increased the potential |
| 1.5 – 2.0 | Limited Preliminary Drilling intersected interesting, mineralised intersections |
| 2.0 – 2.5 | Detailed Drilling has defined targets with potential economic interest |
| 2.5 – 3.0 | A Mineral Resource has been estimated at an Inferred category |

6 Valuation of the Mineral Assets

The principal mineral assets valued as a part of this IER are the Brightstar, Cork Tree Well and Hawkes Nest Projects all owned 100% by Brightstar and located near Laverton, Western Australia. The other assets being valued are the Goongarrie and Menzies Gold Projects both owned 100% by Kingwest and located near Menzies, Western Australia. There are Mineral Resource estimates for the Brightstar Gold, Cork Tree Well and the Menzies Projects, as well as a package of surrounding tenements that are variably prospective and have had differing levels of previous exploration. The Goongarrie and Hawkes Nest Projects have no Mineral Resource estimates and are early-stage exploration projects.

There are no Ore Reserves declared within the Projects, therefore, in VRM's opinion an income valuation approach is not considered a suitable valuation method. VRM has undertaken a valuation based on several techniques, these being a comparable transaction (resource multiplier) and Yardstick method as a cross check for the reported Mineral Resource estimates. The surrounding exploration tenure have been valued considering a Kilburn or Geoscientific valuation method and a Prospectivity Enhancement Multiplier (PEM) method as described further below.

There are royalties associated with the Brightstar projects however the timeframe for these royalties to be achieved or payable are highly uncertain and therefore these have not been valued as a part of this Report. Several of the projects that are considered as potentially comparable transactions also have small royalties included in the transaction, therefore these royalties are considered to be included in the comparable transaction resource multiples used for the Brightstar projects.

There is a profit share associated with the Selkirk Deposit owned by Kingwest with the profits from any development shared on a 50-50 basis with BML Ventures. As the Selkirk deposit contains a total of 11,500oz of gold and the total Kingwest resource base is 405,100oz this profit share is considered to be immaterial in the overall project valuation.

6.1 Comparable Transactions – Resource Multiples

For the projects containing Mineral Resource estimates, an analysis of completed gold transactions was compiled for Australia for the past five years and included resources of less than 2.5Moz and more than 100,000 ounces which were not Reserves and not part of an existing mining operation. The final set of data used to derive the valuation included 20 transactions involving gold resources in Australia, as detailed in Appendix A. Most of the comparable transactions used for projects are compiled from projects with no feasibility studies. The resource multiples based on these 20 transactions have been normalised to the gold price at the transaction date of the 20 transactions with that normalised against the gold price at the valuation date (24 January 2023).

Applying this methodology, the normalised percentiles are a median of \$38.42 per ounce. VRM considers that a range should be determined and based on the comparable transactions has elected to determine the range as +/- 25% from the preferred resource multiple for the Kingwest and Brightstar Gold Projects.

The resource multiples detailed above and supported by the information in Appendix A have been used along with the Mineral Resource estimates in Table 3 and Table 4 to derive the value of the Mineral Resources

within the tenements that contain Mineral Resources. The contained gold in the Mineral Resources has been calculated by VRM based on the reported Resource tonnage and grades, and results in a slightly different contained gold for the Brightstar project compared to the declared Mineral Resources. This variation is due to rounding in the estimates. The exploration potential away from these tenements has been determined by a Geoscientific and PEM method.

VRM has considered the stages of each of the projects with Mineral Resource estimates and considers that, based on the comparable transactions detailed in Appendix A, the projects should be valued using similar resource multiples. Importantly the most recent and most similar project to the Brightstar gold projects is a transaction completed in December 2022 where Anova Metals acquired a private company, DC Mines, while this is a corporate transaction and not a pure project transaction there were no other assets owned by DC Mines. That transaction completed at a Resource Multiple of \$46.86/oz it is within the range of resource multiples from the comparable transaction detailed in Appendix A.

In VRM's opinion the median resource multiple of the comparable transactions, being \$38.42/oz is the preferred resource multiple for the Kingwest Mineral Resources as they are similar to the majority of the transactions identified as potentially comparable. Given the significant infrastructure associated with the Brightstar gold projects a slightly higher multiple is justified, therefore VRM has used the Anova – DC Mines resource multiple to determine the preferred valuation of the Brightstar projects. The range in valuations from these preferred resource multiples has been determined based on +/- 25%. The Resource Multiples and contained gold in the declared Mineral Resources and the resulting valuation are detailed in Table 9.

Table 9: Comparable transaction valuation of the Mineral Resource estimates.

| Comparable Transaction Valuation Mineral Resource estimates | | | |
|---|------------------------|-----------------------|------------------------|
| | Lower (-25 percent) | Preferred (median) | Upper (+25 percent) |
| Brightstar Mineral Resource estimates (contained Au oz) | 463,600 | 463,600 | 463,600 |
| Resource Multiple (\$/oz contained Au) | \$35.15 | \$46.86 | \$58.58 |
| Brightstar Laverton Mineral Resources | \$16.3 | \$21.7 | \$27.2 |
| | | | |
| Kingwest Mineral Resource estimates (contained Au oz) | 505,100 | 505,100 | 505,100 |
| Resource Multiple (\$/oz contained Au) | \$28.81 | \$38.42 | \$48.02 |
| Kingwest Menzies Mineral Resources | \$14.6 | \$19.4 | \$24.3 |

Therefore, VRM considers that the Mineral Resources within the Brightstar Projects have a market value, based on comparable transactions, of between \$16.3 million and \$27.2 million with a preferred valuation of \$21.7 million.

VRM considers the Mineral Resources estimates within the Kingwest Projects, to be valued, based on a comparable transactions approach, at between \$14.6 million and \$24.3 million with a preferred valuation of \$19.4 million.

6.2 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or secondary valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a secondary approach for valuation of Mineral Resources and is based on a percentage of the current metal price.

For the gold Mineral Resource estimates, a typical yardstick value would be between 0.5% and 5% of the current gold price, dependent on the classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. A lower Yardstick Value of 0.25% to 0.5% can be used for JORC 2004 Inferred Resources. The risks relating to the resources described above have been incorporated into the Yardstick approach.

VRM has applied a range of percentage values, corresponding to the classification of the Gold Mineral Resources within the Projects and the gold (\$/oz) prices at the valuation date in order to value the resources within the Projects. The valuations are summarised in Table 10.

Table 10: Yardstick valuation of the Mineral Resources within Brightstar and Kingwest Projects

| Yardstick Valuation Summary of Mineral Resources in the Brightstar and Kingwest Projects | | | | | |
|--|-------------------|-------------------------|-------------|----------------|-------------|
| Classification | Yardstick Factors | Mineral Resource (M oz) | Lower (\$M) | Midpoint (\$M) | Upper (\$M) |
| Brightstar Mineral Resource estimates | | | | | |
| Measured Au Resources | 2.0 – 5.0% | 0.051 | 2.8 | 4.9 | 6.9 |
| Indicated Au Resources | 1.0 – 2.0% | 0.151 | 4.1 | 6.2 | 8.2 |
| Inferred Au Resources | 0.5 – 1.0% | 0.262 | 3.6 | 5.4 | 7.1 |
| Valuation Brightstar Mineral Resources (AUS\$M) | | 0.464 | 10.5 | 16.4 | 22.3 |
| Kingwest Mineral Resource estimates | | | | | |
| Measured Au Resources | 2.0 – 5.0% | 0.000 | - | - | - |
| Indicated Au Resources | 1% - 2% | 0.2004 | 5.5 | 8.2 | 10.9 |
| Inferred Au Resources | 0.5 – 1.0% | 0.3047 | 4.2 | 6.2 | 8.3 |
| Valuation Kingwest Mineral Resources (AUS\$M) | | 0.5051 | 9.6 | 14.4 | 19.2 |

Note - Yardstick Valuation based on gold price of A\$2,728.23/oz, rounding has been applied to the Resource estimate and valuation.

Therefore, VRM considers the Mineral Resources estimates within the Brightstar Projects as detailed above to be valued, based on a yardstick approach, at between \$10.5 million and \$22.3 million with a preferred valuation of \$16.4 million.

VRM considers the Mineral Resources estimates within the Kingwest Projects, to be valued, based on a yardstick approach, at between \$9.6 million and \$19.2 million with a preferred valuation of \$14.4 million.

6.3 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing. As annual tenement rents and shire rates in Western Australia are allowable exploration expenditure these have not been added to the minimum exploration commitment in determining the BAC. The costs of tenement applications and targeting have not been included.

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1 and 3.5, the On-Property Criteria between 1 and 3, the Anomaly Factor between 1 and 3 while the Geology Criteria are considered to be between 1.0 and 3. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix B, this has determined the technical value. No discount or premium has been applied to the technical value for the current market conditions however a 10% discount has been applied for the geopolitical, heritage and environmental aspects and the current inflationary pressures on projects in Western Australia. The Technical and Market Values are shown in Table 11. The technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix B while the Market Value is the Technical Value multiplied by the geopolitical risk and market adjustment. In this case no premium or discount was applied to the technical value for the market condition and a 10% discount is applied for geopolitical, heritage, environmental and inflationary risks. The Preferred valuation for the Goongarrie project is based on a 20% reduction of the average of the upper and lower valuations due to the high exploration cost of lake exploration and the difficult drilling conditions that are not included in the Kilburn valuation.

The value determined within the Goongarrie exploration tenements is significant, in VRM's opinion, this reflects the strong prospectivity of the land package as discussed in Section 3.5 where the ground contains three highly prospective trends, two for gold and one for nickel with a history of multiple economic deposits along each of these trends. While there is a significant exploration potential within the Goongarrie tenements to realise this value is likely to be expensive due to most of the targets being beneath lake sediments which significantly increase exploration and discovery costs.

Table 11: Valuation of the tenements not hosting Mineral Resources

| Projects | Technical Valuation (AUS\$M) | | | Fair Market Valuation (AUS\$M) | | |
|-----------------------------|------------------------------|-----------|--------|--------------------------------|-----------|--------|
| | Lower | Preferred | Upper | Lower | Preferred | Upper |
| Brightstar Projects | | | | | | |
| South Laverton | \$0.64 | \$1.75 | \$2.86 | \$0.58 | \$1.58 | \$2.58 |
| Cork Tree Well | \$0.32 | \$0.86 | \$1.41 | \$0.29 | \$0.78 | \$1.27 |
| Hawkes Nest | \$0.08 | \$0.27 | \$0.46 | \$0.07 | \$0.24 | \$0.41 |
| Total Exploration Valuation | \$1.04 | \$2.88 | \$4.72 | \$0.93 | \$2.59 | \$4.25 |
| Kingwest Projects | | | | | | |
| Menzies | \$0.59 | \$1.50 | \$2.41 | \$0.53 | \$1.35 | \$2.17 |
| Goongarrie* | \$1.08 | \$2.90 | \$4.71 | \$0.97 | \$2.61 | \$4.24 |
| Total Exploration Valuation | \$1.67 | \$4.40 | \$7.13 | \$1.50 | \$3.44 | \$6.41 |

Appropriate rounding to the total valuation has been undertaken.

The Brightstar Projects are considered by VRM to have a market value using the Geoscientific method of between \$0.9 million and \$4.2 million with a preferred value of \$2.6 million. The Kingwest Projects are considered to have a market value of between \$1.5 million and \$6.4 million with a preferred value of \$3.4 million.

6.4 Prospectivity Enhancement Multiplier (PEM) Valuation

VRM has undertaken a PEM valuation of the tenements based on the exploration expenditure extracted from the DMIRS online tenement database Mineral Titles Online with the expenditure being limited to the exploration portion of the statutory annual tenement expenditure reports (Form 5). In addition to the reported expenditures VRM has assumed that the pro rata portion of the current tenement year tenement commitment has been already spent. Project acquisitions costs were excluded from the analysis as these are considered sunk costs and not contributing to geological / prospectivity knowledge.

As this valuation method is being targeted to the exploration potential and value of the Mineral Resources has been determined by other methods this method has only been applied to the tenements that do not contain the reported Mineral Resources.

This expenditure has been multiplied by and Prospectivity Enhancement Multiplier as detailed in Table 8. To generate a range in the PEM valuation VRM has assessed the effectiveness of the exploration expenditure and therefore used an upper and lower PEM multiple to generate a range of likely values of the Projects. The preferred valuation is the average of the upper and lower PEM valuation. Table 12 details the expenditure, the PEM multiples, and the valuations for the both the Brightstar and Kingwest Projects. The individual tenement expenditures and assigned PEM multiples are detailed in the appendices to this report.

Table 12: PEM Valuation for the exploration tenements excluding tenements containing Mineral Resources

| Project | PEM Valuation by Project | | | |
|-----------------------------|--------------------------|-------------|-----------------|-------------|
| | Expenditure (\$) | Lower (\$M) | Preferred (\$M) | Upper (\$M) |
| Brightstar Projects | | | | |
| South Laverton | 262,623 | 0.73 | 0.84 | 0.95 |
| Cork Tree Well | 708,885 | 0.26 | 0.30 | 0.34 |
| Hawkes Nest | 164,879 | 0.16 | 0.19 | 0.21 |
| Total Exploration Valuation | | 1.2 | 1.3 | 1.5 |
| Kingwest Projects | | | | |
| Menzies | 1,897,944 | 0.91 | 1.20 | 1.49 |
| Goongarrie | 4,743,081* | 4.63 | 5.39 | 6.15 |
| Total Exploration Valuation | | 5.5 | 6.6 | 7.6 |

* A 40% reduction in the exploration expenditure has been applied to some of the Goongarrie tenements due to the additional cost associated with lake-based exploration, therefore the actual expenditure used in the PEM is \$3.273 million. Note Appropriate rounding has been undertaken.

For the Brightstar exploration properties, the fair market valuation as determined by the PEM valuation method has resulted in a value between \$1.2 million and \$1.5 million with a preferred valuation of \$1.3 million.

For the Kingwest properties, the fair market valuation as determined by the PEM valuation method has resulted in a value between \$5.5 million and \$7.6 million with a preferred valuation of \$6.6 million.

6.5 Brightstar Processing Infrastructure Valuation

As VRM has used a comparable transaction multiple that included a processing plant and associated infrastructure (and liabilities) to value the Brightstar Mineral Assets it is VRM's opinion that the value of the plant and infrastructure is included in the comparable transaction valuation detailed above. This valuation assumes that the value of the Processing Plant and equipment (and associated infrastructure) (PPE) is broadly equal to the environmental liabilities associated with the project. These environmental liabilities include the rehabilitation requirements for the site including waste dumps, tailing storage facilities, roads, the airstrip, and the overall rehabilitation of the site.

After presenting the Draft Report to BDO, Brightstar and Kingwest for factual accuracy testing, additional information was provided to VRM to assess the value of the PPE and the rehabilitation liabilities as determined by the company and external consultants. A high-level assessment of the likely value of the PPE was undertaken by an associate of VRM who specialises in PPE valuation and assessments. The associate reviewed photographs of the PPE from a site visit that Kingwest conducted in January 2023, equipment lists and plans and reports provided by Brightstar and Kingwest.

Overall, the estimated value of the PPE on site is estimated at between \$2 million and \$3 million, this is based on a percentage of the expected as new replacement cost of the PPE. The environmental liabilities associated with the site has been estimated at approximately \$2.8 million.

Therefore, VRM's initial estimate that the value of the PPE is broadly in line with the environmental liabilities is accurate and VRM considers that no adjustment to the Brightstar valuation is required.

7. Risks and Opportunities

7.1 General Risks and Opportunities

There are nine JORC 2012 Mineral Resource estimates within the Menzies Project and three JORC 2012 Mineral Resource estimates within the Brightstar Project. No other projects contain Mineral Resource estimates.

Mineral exploration, by its very nature has significant risks, particularly for early-stage projects, of which many of the Project areas are considered. Based on the industry-wide exploration success rates it is possible that no additional significant economic mineralisation will be located within any of the Projects. Even in the event significant mineralisation does exist within the Projects, factors both in and out of the control of the Company may prevent the identification or development of such mineralisation.

There are often environmental, safety and regulatory risks associated with exploration. This may include, but is not limited to, factors such as community consultation and agreements, as well as environmental considerations. Once more advanced, Projects are assessed for risks associated with mining, metallurgical and processing facilities requirements and services, ability to develop infrastructure appropriately, and mine closure processes. Assessment of these risks would be addressed in successive technical-economic studies, which generally commence once a Project has initiated Mineral Resource definition drilling and estimation activities. A risk exists that fatal flaws may be identified during these studies, that impede project development.

The data included in this Report and the basis of the interpretations herein have been derived from a compilation of data included in annual and quarterly technical reports sourced from the Western Australian Mineral Exploration reports (WAMEX reports) compiled by way of historical tenement database searches. In addition, company presentations and academic literature has been utilised to evaluate the historic exploration data, and to ascertain the prospectivity potential and possible mineralisation systems present within the tenement holdings.

There are two potential sources of uncertainty associated with this type of information compilation; 1. significant material information may not have been identified in the data compilation, and 2. There is a potential risk associated with the timely release of the exploration reports related to the areas of interest. That is, under the current regulations associated with annual technical reporting, any report linked to a current tenement that is less than five years old remains confidential and the company can also make submissions to ensure the reports remain confidential for longer periods. In addition, historical reports are not all digitally available. Therefore, obtaining the historical reports often requires extremely time-consuming and costly searches in the DMIRS library. There is also duplication and compilation errors associated with several of the publicly available data compilations; this is commonly associated with multiple reporting of the exploration activities by different tenement managers using different grid references for the exploration activities. As such, these data may not be available and may have material errors that could have a material impact on potential exploration decisions.

Often the historical exploration reports do not include or discuss the use of quality assurance and quality control (QAQC) procedures as part of the sampling programs. Therefore, it is difficult to determine the validity and reliability of much of the historical samples, even where original assays are reported. The inability

to properly validate all the exploration data reported herein, which has an impact on the proposed exploration, increases the exploration risk.

Global economics such as changes to commodity prices and access to capital to fund exploration can be considered as both risks and opportunities. These are factors that are outside of the control of the Company, as are broader societal issues. For example, at the time of writing this Report, the impact of COVID-19 is being felt globally and inflationary pressure are leading to uncertainty in the investment environment. While to date the mining industry and resources sector has adapted quickly and largely continued business activities throughout this time, the potential risks for future exploration in the near future remains unclear.

7.2 Project Specific Risks and Opportunities

The tenements have several registered heritage sites that are likely to impact the exploration activities and It is possible, that additional surveys may identify more heritage sites.

For the regional Projects there are the typical risks associated with early-stage exploration projects. While there are risks that no additional material that may be exploitable would be delineated, VRM considers that these risks are minimal and that there is a significant opportunity associated with the potential to delineate additional mineralisation within the Projects.

8. Preferred Valuations

Based on the valuation techniques detailed above, Table 13 provides a summary of the valuations derived for the Mineral Resources and the exploration potential within the projects by the various techniques. The combined valuation range for and VRM's preferred valuation in Figure 36 graphically shows the valuation range and preferred valuation for the Mineral Resources and exploration potential within the projects and the combined valuation range and preferred valuation for the mineral assets.

The preferred valuation that VRM has determined is based on the comparable transaction approach recognising that most of the value in the tenement package is attributed to the currently defined Mineral Resources estimates. The comparable transaction valuation is supported by the yardstick approach which took into account the classification of the Mineral Resource estimates.

The Geoscientific or Kilburn method is considered a viable method to value the exploration potential adjacent to the currently defined Mineral Resources. The geoscientific method is supported by the Prospectivity enhancement multiplier method where the expenditures are based on the last five years expenditure and the proportion of the minimum exploration expenditure since the last tenement anniversary.

Based on the rationale outlined in the body of this Report, VRM is of the view that the Mineral Resource estimates is most appropriately valued considering a comparable transaction approach, while the exploration potential is most appropriately valued applying a Geoscientific or Kilburn valuation method.

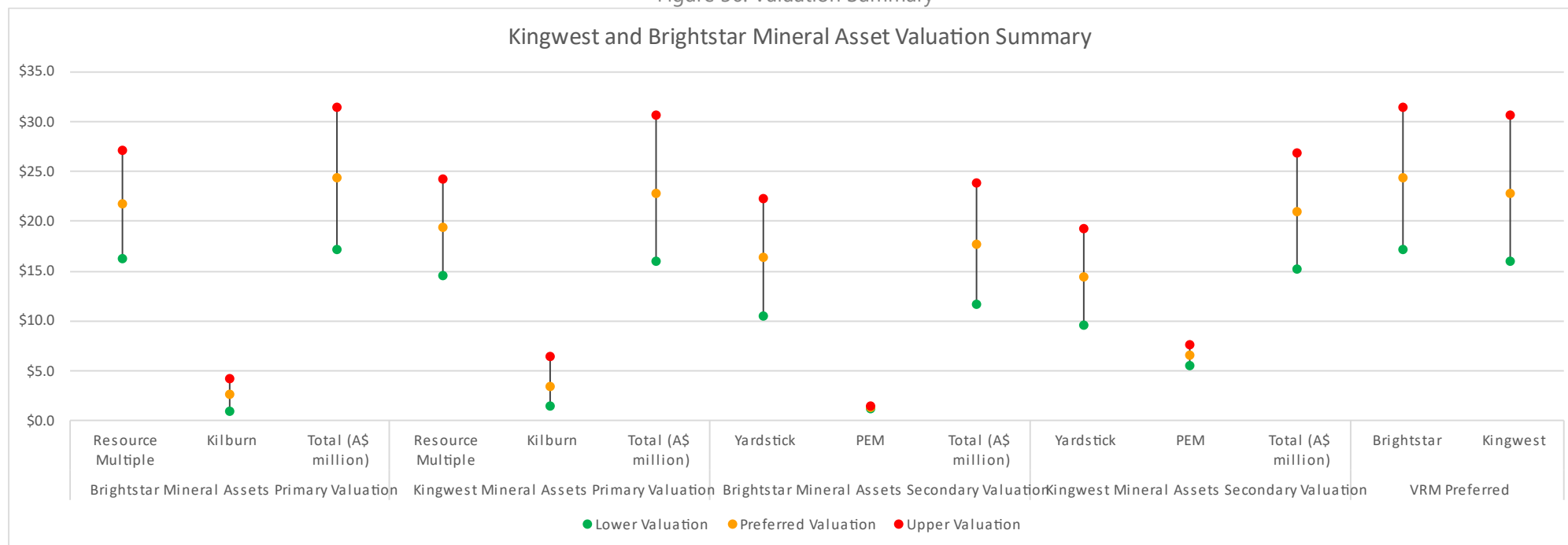
On this basis in VRM's opinion, as detailed in Table 13 the likely market value of the Kingwest Resources Projects is between \$16.1 million and \$30.7 million with a preferred valuation of \$22.8 million. The likely market value of Brightstar Resources Projects is between \$17.2 million and \$31.4 million with a preferred valuation of \$24.3 million.

Table 13: Valuation Summary Projects by method

| Valuation Technique | Priority | Lower (\$M) | Preferred (\$M) | Upper (\$M) |
|-------------------------------|-----------|-------------|-----------------|-------------|
| Brightstar Projects | | | | |
| Mineral Resources | | | | |
| Comparable Transactions | Primary | 16.3 | 21.7 | 27.2 |
| Yardstick | Secondary | 10.5 | 16.4 | 22.3 |
| Exploration Potential | | | | |
| Kilburn / Geoscientific | Primary | 0.9 | 2.6 | 4.2 |
| PEM | Secondary | 1.2 | 1.3 | 1.5 |
| Total VRM Preferred Valuation | | 17.2 | 24.3 | 31.4 |
| Kingwest Projects | | | | |
| Mineral Resources | | | | |
| Comparable Transactions | Primary | 14.6 | 19.4 | 24.3 |
| Yardstick | Secondary | 10.5 | 16.4 | 22.3 |
| Exploration Potential | | | | |
| Kilburn / Geoscientific | Primary | 1.5 | 3.4 | 6.4 |
| PEM | Secondary | 5.5 | 6.6 | 7.6 |
| Total VRM Preferred Valuation | | 16.1 | 22.8 | 30.7 |

Note the totals may not add due to rounding in the valuations.

Figure 36: Valuation Summary



9. References

The reference list below includes public domain and unpublished company reports obtained either directly from the Company or ASX releases of previous Joint Venture holders or previous holders of the tenements.

The Annual Technical Reports lodged with the DMIRS and subsequently made public either after five years or when the tenement was surrendered are listed in the Project specific references section below.

8.1 Published References

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Swager, C. P., 1995a, Geology of the greenstone terranes in the Kurnalpi–Edjudina region, southeastern Yilgarn Craton: Western Australia Geological Survey, Report 47, 31p.

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VALMIN Committee, 2015. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) [online]. Available from: <http://www.valmin.org> (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

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Witt, W. K., 1994, Geology of the Bardoc 1:100 000 sheet: Western Australia Geological Survey, 1:100 000 Geological Series Explanatory Notes, 50p.

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9 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org. Some of the following terms are taken from the 2015 VALMIN Code.

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea, and their offshore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 2001 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert's Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment, and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Project means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc).

Mining Industry means the business of exploring for, extracting, processing, and marketing Minerals.

Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialists are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

Appendix A - Comparable Transactions

| Property | Resources (oz) | State | Date | Deal Summary | Deal Value (\$AUD) M | Price Paid per oz of R&R Equivalent (\$AUD/oz) | Gold Price (AUD) | Normalised Price Paid per oz (AUD) |
|--------------------------------------|----------------|-------------------|------------|--|----------------------|--|------------------|------------------------------------|
| Mission/Cables | 185,527 | Western Australia | 22/05/2020 | Red 5 Ltd. paid A\$150,000 and issued 7,773,109 shares of its common stock to acquire the Cables and Mission deposits from Mr. Andrew George Paterson. In addition to this, Red 5 Ltd. will also pay A\$500,000 in cash or shares on delineation and reporting of a 500koz JORC 2012 Resource. The deposits are also subject to a Western Australian state government net smelter return royalty of 2.50%. | \$2.50 | \$13.48 | \$2,660.56 | \$13.82 |
| Adelong | 127,000 | New South Wales | 15/05/2020 | 3D Resources Ltd paid an aggregate of A\$1.46 million in cash to acquire Challenger Mines Pty Ltd. from International Base Metals Ltd. | \$1.41 | \$11.10 | \$2,722.32 | \$11.13 |
| Spargos Reward | 177,000 | Western Australia | 11/05/2020 | Karora Resources Inc. made a non-refundable payment of A\$25,000 and paid A\$4.0 million in cash to acquire the Spargos Reward project from Corona Resources Ltd. Furthermore, Karora Resources Inc. will also commit to spend a minimum of A\$2.50 million on exploration and development at the project during a two-year period post-closing. In addition to this, Karora Resources Inc. will pay an additional: A\$1.50 million in shares of its common stock on commencement of gold production at the project; and A\$1.0 million in shares of its common stock if a new additional indicated gold resource of at least 165,000 oz is delineated at the project. | \$6.53 | \$36.86 | \$2,617.82 | \$38.42 |
| Gum Creek | 341,399 | Western Australia | 30/03/2020 | An investor group, comprised of Zeta Resources Ltd., Mr. Paul Bennett, Mr. Peter Venn and other sophisticated and professional investors, paid A\$0.20 per share in cash to acquire 18,793,580 common shares, representing approx. 24.6% interest of Horizon Gold Ltd. from Panoramic Resources Ltd. | \$3.76 | \$11.01 | \$2,632.81 | \$11.41 |
| Gum Creek | 367,351 | Western Australia | 18/02/2020 | Zeta Resources Ltd. paid A\$0.27 per share in cash to acquire an additional 20,237,037 common shares, representing approx. 26.47% interest of Horizon Gold Ltd. from Panoramic Resources Ltd. | \$5.46 | \$14.87 | \$2,394.83 | \$16.94 |
| Goongarrie, Goongarrie Lady, Menzies | 195,210 | Western Australia | 9/07/2019 | Kingwest Resources Ltd. paid A\$1.75 million in cash, issued 20 million shares of its common stock and paid A\$1.625 million in cash and issued 10,833,333 shares of its common stock as a non-contingent future payment to acquire a 100% interest in the Menzies and Goongarrie projects from Horizon Minerals Ltd. | \$7.60 | \$38.93 | \$2,017.87 | \$52.64 |
| Youanmi | 833,420 | Western Australia | 21/06/2019 | Rox Resources Ltd. paid A\$2.80 million in cash, issued 25.0 million shares of its common stock and incurred A\$2.0 million in exploration expenditures to acquire an initial 50% interest in the OYG Joint venture from Venus Metals Corp. Ltd. To earn a further 20% in OYG Joint venture, Rox Resources Ltd. has paid an additional A\$2.0 million in cash and issued 41,666,667 shares. Moreover, Rox Resources Ltd. will also issue a 0.70% net smelter return royalty to Venus Metals Corp. Ltd. | \$5.33 | \$15.36 | \$2,013.15 | \$20.81 |
| Bundarra | 659,000 | Western Australia | 14/06/2019 | Saracen Mineral Holdings Ltd. exchanged 0.0369 shares of its common stock to acquire each outstanding common share of Bligh Resources Ltd. from Zeta Resources Ltd. and other minority shareholders. | \$38.20 | \$57.97 | \$1,963.97 | \$80.52 |

| Property | Resources (oz) | State | Date | Deal Summary | Deal Value (\$AUD) M | Price Paid per oz of R&R Equivalent (\$AUD/oz) | Gold Price (AUD) | Normalised Price Paid per oz (AUD) |
|----------------------|----------------|--------------------|------------|---|----------------------|--|------------------|------------------------------------|
| Norseman | 1,745,500 | Western Australia | 14/05/2019 | Pantoro Ltd. paid A\$10.0 million in cash, issued 100.0 million shares of its common stock and incurred A\$50.0 million in exploration expenditures to acquire a 50% interest in the Central Norseman project from Norseman Gold Plc. In addition to this, Pantoro Ltd. will also pay: an aggregate of A\$15.0 million in deferred cash payments over 24 months after completion; and A\$10.0 million as milestone payment upon definition of 1.8 Moz JORC ore reserve. Furthermore, Pantoro Ltd. will issue a 1.0% net smelter return royalty, on Pantoro Ltd.'s attributable gold and silver produced from Central Norseman project, capped at a total of A\$6.0 million plus a 0.0025% royalty for a period of 5 years after the first A\$6.0 million is paid. | \$57.00 | \$32.66 | \$1,867.36 | \$47.71 |
| Box Well, Deep South | 206,800 | Western Australia | 18/04/2019 | Saracen Mineral Holdings Ltd. paid A\$13.50 million in cash to acquire a 100% interest in the Box Well and Deep South mining leases along with 18 tenements from Hawthorn Resources Ltd. | \$13.50 | \$65.28 | \$1,783.78 | \$99.84 |
| Snake Well | 140,900 | Western Australia | 27/12/2018 | Adaman Resources Pty Ltd. paid A\$1.5 million in cash and will pay A\$5.50 million in six tranches to acquire the Snake Well project from Kalamazoo Resources Ltd. In addition to this, Kalamazoo Resources Ltd. will retain a 2.50% net smelter royalty on base metals mined and recovered from the tenements. Further, Kalamazoo Resources Ltd. can elect to engage Adaman Resources Pty Ltd. to provide up to \$4.0 million of drilling services at the Kalamazoo Resources Ltd.'s Wattle Gully project with any amount incurred deducted from the consideration payable. | \$3.00 | \$21.29 | \$1,817.01 | \$31.97 |
| Cue | 136,000 | Western Australia | 23/10/2018 | Golden State Mining Ltd. paid 150,000 in cash and issued 2,750,000 shares of its common stock to acquire the Cue project from Western Mining Pty Ltd. Golden State Mining Ltd. will also be required to pay a royalty in relation to gold produced from the acquired tenements, \$50 per ounce for the first 40,000 ounces, \$15 per ounce up to 250,000 ounces and then \$5 per ounce produced thereafter. As part of the transaction, Western Mining Pty Ltd. will get a 10.0% minority interest in Cue Consolidated Mining Pty Ltd. | \$0.70 | \$5.15 | \$1,724.29 | \$8.14 |
| Marda | 333,525 | Western Australia | 13/09/2018 | Ramelius Resources Ltd. paid A\$13.0 million in cash to acquire a 100% interest in the Marda project from Black Oak Minerals Ltd. This consideration included A\$0.5 million as non-refundable deposit paid to the liquidators of Black Oak Minerals Ltd. to help fund third party transaction costs and contribute towards the monies in the Black Oak Minerals Ltd. creditors trust. | \$13.00 | \$38.98 | \$1,672.99 | \$63.56 |
| Central Tanami | 411,600 | Northern Territory | 31/07/2018 | Northern Star Resources Ltd. paid A\$20.0 million in cash to acquire an additional 15% interest in the Central Tanami project from Tanami Gold NL. | \$20.00 | \$48.59 | \$1,643.74 | \$80.65 |
| Kirkalocka | 548,000 | Western Australia | 17/05/2018 | Adaman Resources Pty Ltd. paid A\$12 million in cash to acquire Kirkalocka gold mine from Shandong Tyan Home Co. Ltd. | \$12.00 | \$21.90 | \$1,714.38 | \$34.85 |
| Mount Adrah | 766,150 | New South Wales | 16/03/2018 | An investor group paid A\$250,000 in cash to acquire a 99.50% interest in the Mt Adrah project from Force Commodities Ltd. In addition to this, the Force Commodities Ltd. will receive common shares of worth A\$250,000 upon completion of an initial public offering by one of the purchasers. Force Commodities Ltd. will also receive a further A\$50,000 in common shares in the event Wildcat Resources Pty Ltd. completes an initial public offering on the ASX or a reverse takeover. Furthermore, the purchasers will also reimburse A\$30,000 of environmental performance bonds related to the project. | \$0.55 | \$0.72 | \$1,700.82 | \$1.15 |
| Indee | 345,000 | Western Australia | 9/02/2018 | De Grey Mining Ltd. paid A\$12.0 million in cash, issued 59,065,579 shares of its common stock and incurred A\$900,000 in exploration expenditures to acquire Indee project from Shaanxi Non-ferrous Metals Holding Group Co. Ltd. | \$14.02 | \$40.64 | \$1,681.51 | \$65.93 |

| Property | Resources (oz) | State | Date | Deal Summary | Deal Value (\$AUD) M | Price Paid per oz of R&R Equivalent (\$AUD/oz) | Gold Price (AUD) | Normalised Price Paid per oz (AUD) |
|----------------|----------------|--------------------|------------|---|----------------------|--|------------------|------------------------------------|
| Central Tanami | 418,076 | Northern Territory | 2/02/2018 | APAC Resources Ltd. paid approx. A\$20.14 million in cash to acquire a 38.09% interest in Tanami gold NL from Allied Group Ltd. | \$20.14 | \$48.18 | \$1,677.20 | \$78.37 |
| Balagundi | 109,000 | Western Australia | 24/01/2018 | Black Cat Syndicate Ltd. paid A\$700,000 in cash to acquire Bulong project from Bulong Mining Pty Ltd. | \$0.70 | \$6.42 | \$1,675.18 | \$10.46 |
| Stawell | 351,000 | Victoria | 11/12/2017 | Arete Capital Partners Ltd. paid approx. A\$8.15 million in cash to acquire the Stawell mines from Kirkland Lake Gold Ltd. In addition to this, Arete Capital Partners Ltd. also issued a 2.5% NSR royalty on the property. | \$8.32 | \$23.71 | \$1,654.29 | \$39.10 |
| Bottle Creek | 146,000 | Western Australia | 3/11/2017 | Alt Resources Ltd. will pay A\$6.00 million to acquire a 100% interest in the Bottle Creek project from an undisclosed seller. In addition to this, Alt Resources Ltd. will also pay A\$25,000 rehabilitation security bond and undertake a minimum of 8,000 meter of reverse circulation at the project. | \$6.00 | \$41.10 | \$1,686.02 | \$66.50 |
| Ben Hur | 289,000 | Western Australia | 12/08/2020 | Regis Purchased Ben Hur deposit from Stone Resources | \$10.00 | \$34.60 | \$2,711.49 | \$34.82 |
| Anova | 945,000 | Western Australia | 28/11/2022 | Anova acquired DC Mines | \$42.66 | \$45.14 | \$2,628.00 | \$46.86 |

| Statistic | A\$/oz | Normalised A\$/oz |
|-----------|---------|-------------------|
| Average | \$29.30 | \$41.55 |
| Median | \$30.02 | \$38.42 |
| 75th | \$30.92 | \$65.93 |
| 25th | \$30.62 | \$13.82 |
| max | \$31.66 | \$99.84 |
| min | \$32.59 | \$1.15 |
| 40th | \$32.22 | \$33.68 |
| 60th | \$33.27 | \$47.20 |

Appendix B - Geoscientific Valuation Gold Projects

| Kilburn Valuation | | | | | | | | | | | | | | | | |
|-------------------|-----------|------------------|-------------------|-----------------|------------------|-------------|--------------|-------------|--------------|-------------|-------------------------|-------------------------|--------------------------|--------------|--------------|--------------|
| Project | Tenement | Off Property Low | Off Property High | On Property Low | On Property High | Anomaly Low | Anomaly High | Geology Low | Geology High | BAC | Technical Valuation Low | Technical Valuation Mid | Technical Valuation high | Market Low | Market Mid | Market High |
| Brightstar | E 38/2411 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$50,000.00 | \$50,000.00 | \$151,562.50 | \$253,125.00 | \$45,000.00 | \$136,406.25 | \$227,812.50 |
| Brightstar | E 38/3034 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$50,000.00 | \$50,000.00 | \$151,562.50 | \$253,125.00 | \$45,000.00 | \$136,406.25 | \$227,812.50 |
| Brightstar | E 38/3279 | 1 | 2 | 1 | 1.5 | 0.9 | 1.2 | 1 | 1.5 | \$10,000.00 | \$9,000.00 | \$31,500.00 | \$54,000.00 | \$8,100.00 | \$28,350.00 | \$48,600.00 |
| Brightstar | E 38/3293 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.2 | \$20,000.00 | \$20,000.00 | \$50,500.00 | \$81,000.00 | \$18,000.00 | \$45,450.00 | \$72,900.00 |
| Brightstar | E 38/3331 | 1 | 1.5 | 1 | 2 | 0.9 | 1.2 | 1 | 1.5 | \$30,000.00 | \$27,000.00 | \$94,500.00 | \$162,000.00 | \$24,300.00 | \$85,050.00 | \$145,800.00 |
| Brightstar | E 38/3438 | 1 | 1.5 | 1 | 1.5 | 1 | 2 | 1 | 1.5 | \$20,000.00 | \$20,000.00 | \$77,500.00 | \$135,000.00 | \$18,000.00 | \$69,750.00 | \$121,500.00 |
| Brightstar | E 38/3500 | 1.5 | 2 | 1.5 | 2.5 | 1.5 | 2 | 1 | 1.5 | \$33,000.00 | \$111,375.00 | \$303,187.50 | \$495,000.00 | \$100,237.50 | \$272,868.75 | \$445,500.00 |
| Brightstar | E 38/3504 | 1.5 | 2 | 1 | 1.5 | 1 | 1.2 | 1 | 1.5 | \$20,000.00 | \$30,000.00 | \$69,000.00 | \$108,000.00 | \$27,000.00 | \$62,100.00 | \$97,200.00 |
| Brightstar | M 38/1056 | 1.5 | 2 | 1.5 | 2 | 1.5 | 2 | 1 | 1.5 | \$30,100.00 | \$101,587.50 | \$231,393.75 | \$361,200.00 | \$91,428.75 | \$208,254.38 | \$325,080.00 |
| Brightstar | M 38/1057 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$30,100.00 | \$30,100.00 | \$91,240.63 | \$152,381.25 | \$27,090.00 | \$82,116.56 | \$137,143.13 |
| Brightstar | M 38/1058 | 1.5 | 2 | 1.5 | 2 | 1.5 | 2 | 1 | 1.5 | \$30,100.00 | \$101,587.50 | \$231,393.75 | \$361,200.00 | \$91,428.75 | \$208,254.38 | \$325,080.00 |
| Brightstar | M 38/984 | 2.5 | 3.5 | 1 | 1.5 | 1.5 | 2 | 1 | 1.5 | \$5,000.00 | \$18,750.00 | \$48,750.00 | \$78,750.00 | \$16,875.00 | \$43,875.00 | \$70,875.00 |
| Brightstar | P 38/4377 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$2,320.00 | \$2,320.00 | \$7,032.50 | \$11,745.00 | \$2,088.00 | \$6,329.25 | \$10,570.50 |
| Brightstar | P 38/4385 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$2,000.00 | \$3,000.00 | \$8,250.00 | \$13,500.00 | \$2,700.00 | \$7,425.00 | \$12,150.00 |
| Brightstar | P 38/4431 | 1 | 1.5 | 1 | 1.5 | 1.5 | 2 | 1 | 1.5 | \$2,000.00 | \$3,000.00 | \$8,250.00 | \$13,500.00 | \$2,700.00 | \$7,425.00 | \$12,150.00 |
| Brightstar | P 38/4432 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$3,720.00 | \$3,720.00 | \$11,276.25 | \$18,832.50 | \$3,348.00 | \$10,148.63 | \$16,949.25 |
| Brightstar | P 38/4433 | 1 | 1.5 | 1 | 1.7 | 0.9 | 1.2 | 1 | 1.5 | \$7,760.00 | \$6,984.00 | \$21,301.20 | \$35,618.40 | \$6,285.60 | \$19,171.08 | \$32,056.56 |
| Brightstar | P 38/4444 | 1 | 1.5 | 1 | 2 | 1.5 | 2 | 1 | 1.5 | \$6,720.00 | \$10,080.00 | \$35,280.00 | \$60,480.00 | \$9,072.00 | \$31,752.00 | \$54,432.00 |
| Brightstar | P 38/4445 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$5,640.00 | \$5,640.00 | \$17,096.25 | \$28,552.50 | \$5,076.00 | \$15,386.63 | \$25,697.25 |
| Brightstar | P 38/4446 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$7,640.00 | \$7,640.00 | \$23,158.75 | \$38,677.50 | \$6,876.00 | \$20,842.88 | \$34,809.75 |

| Kilburn Valuation | | | | | | | | | | | | | | | | |
|----------------------------|-----------|------------------|-------------------|-----------------|------------------|-------------|--------------|-------------|--------------|-------------|-------------------------|-------------------------|--------------------------|--------------|----------------|----------------|
| Project | Tenement | Off Property Low | Off Property High | On Property Low | On Property High | Anomaly Low | Anomaly High | Geology Low | Geology High | BAC | Technical Valuation Low | Technical Valuation Mid | Technical Valuation high | Market Low | Market Mid | Market High |
| Brightstar | P 38/4447 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$3,000.00 | \$3,000.00 | \$9,093.75 | \$15,187.50 | \$2,700.00 | \$8,184.38 | \$13,668.75 |
| Brightstar | P 38/4448 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$5,760.00 | \$5,760.00 | \$17,460.00 | \$29,160.00 | \$5,184.00 | \$15,714.00 | \$26,244.00 |
| Brightstar | P 38/4449 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$5,760.00 | \$5,760.00 | \$17,460.00 | \$29,160.00 | \$5,184.00 | \$15,714.00 | \$26,244.00 |
| Brightstar | P 38/4450 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$4,960.00 | \$4,960.00 | \$15,035.00 | \$25,110.00 | \$4,464.00 | \$13,531.50 | \$22,599.00 |
| Brightstar | P 38/4508 | 1 | 2 | 1 | 1.5 | 1 | 2 | 1 | 1.5 | \$3,200.00 | \$3,200.00 | \$16,000.00 | \$28,800.00 | \$2,880.00 | \$14,400.00 | \$25,920.00 |
| Brightstar | P 38/4545 | 1 | 1.5 | 1 | 1.2 | 1 | 1.2 | 1 | 1.5 | \$2,000.00 | \$2,000.00 | \$4,240.00 | \$6,480.00 | \$1,800.00 | \$3,816.00 | \$5,832.00 |
| Brightstar | P 38/4546 | 1 | 1.5 | 1 | 1.2 | 1 | 1.2 | 1 | 1.5 | \$3,880.00 | \$3,880.00 | \$8,225.60 | \$12,571.20 | \$3,492.00 | \$7,403.04 | \$11,314.08 |
| Brightstar Total | | | | | | | | | | | \$640,344.00 | \$1,751,249.93 | \$2,862,155.85 | \$576,309.60 | \$1,576,124.93 | \$2,575,940.27 |
| Cork Tree Well | E 38/2452 | 1 | 1.2 | 1 | 1.5 | 1 | 1.2 | 1 | 1.5 | \$20,000.00 | \$20,000.00 | \$42,400.00 | \$64,800.00 | \$18,000.00 | \$38,160.00 | \$58,320.00 |
| Cork Tree Well | E 38/2894 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$50,000.00 | \$75,000.00 | \$206,250.00 | \$337,500.00 | \$67,500.00 | \$185,625.00 | \$303,750.00 |
| Cork Tree Well | E 38/3198 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | 1.5 | 2 | \$30,000.00 | \$67,500.00 | \$168,750.00 | \$270,000.00 | \$60,750.00 | \$151,875.00 | \$243,000.00 |
| Cork Tree Well | E 38/3434 | 1.5 | 2 | 2 | 3 | 1.5 | 2.5 | 2 | 3 | \$15,000.00 | \$135,000.00 | \$405,000.00 | \$675,000.00 | \$121,500.00 | \$364,500.00 | \$607,500.00 |
| Cork Tree Well | M 38/917 | 1 | 1.2 | 1 | 1.2 | 1 | 1.2 | 1 | 1.5 | \$10,000.00 | \$10,000.00 | \$17,960.00 | \$25,920.00 | \$9,000.00 | \$16,164.00 | \$23,328.00 |
| Cork Tree Well | M 38/918 | 1 | 1.2 | 1 | 1.2 | 1 | 1.2 | 1 | 1.5 | \$10,000.00 | \$10,000.00 | \$17,960.00 | \$25,920.00 | \$9,000.00 | \$16,164.00 | \$23,328.00 |
| Cork Tree Well | P 38/4108 | 1 | 1.2 | 1 | 1.2 | 1 | 1.2 | 1 | 1.5 | \$2,840.00 | \$2,840.00 | \$5,100.64 | \$7,361.28 | \$2,556.00 | \$4,590.58 | \$6,625.15 |
| Cork Tree Well Total | | | | | | | | | | | \$320,340.00 | \$863,420.64 | \$1,406,501.28 | \$288,306.00 | \$777,078.58 | \$1,265,851.15 |
| Hawks Nest | M 38/314 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | 1 | 2 | \$20,600.00 | \$30,900.00 | \$108,150.00 | \$185,400.00 | \$27,810.00 | \$97,335.00 | \$166,860.00 |
| Hawks Nest | M 38/381 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | 1 | 2 | \$10,000.00 | \$15,000.00 | \$52,500.00 | \$90,000.00 | \$13,500.00 | \$47,250.00 | \$81,000.00 |
| Hawks Nest | M 38/94 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | 1 | 2 | \$10,000.00 | \$15,000.00 | \$52,500.00 | \$90,000.00 | \$13,500.00 | \$47,250.00 | \$81,000.00 |
| Hawks Nest | M 38/95 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | 1 | 2 | \$10,000.00 | \$15,000.00 | \$52,500.00 | \$90,000.00 | \$13,500.00 | \$47,250.00 | \$81,000.00 |
| Hawks Nest Total | | | | | | | | | | | \$75,900.00 | \$265,650.00 | \$455,400.00 | \$68,310.00 | \$239,085.00 | \$409,860.00 |
| Brightstar Resources Total | | | | | | | | | | | \$1,036,584.00 | \$2,880,320.57 | \$4,724,057.13 | \$932,925.60 | \$2,592,288.51 | \$4,251,651.42 |

| Kilburn Valuation | | | | | | | | | | | | | | | | |
|-------------------|-----------|------------------------|-------------------------|-----------------------|------------------------|----------------|-----------------|----------------|-----------------|-------------|-------------------------------|-------------------------------|--------------------------------|----------------|----------------|----------------|
| Project | Tenement | Off Property Low | Off Property High | On Property Low | On Property High | Anomaly Low | Anomaly High | Geology Low | Geology High | BAC | Technical Valuation Low | Technical Valuation Mid | Technical Valuation High | Market Low | Market Mid | Market High |
| Goongarrie | E 29/1062 | 2.5 | 3.5 | 2 | 3 | 2.5 | 3.5 | 1 | 2.5 | \$20,000.00 | \$250,000.00 | \$1,043,750.00 | \$1,837,500.00 | \$225,000.00 | \$939,375.00 | \$202,500.00 |
| Goongarrie | E 29/966 | 2.5 | 3.5 | 2 | 3 | 3.5 | 4 | 1 | 2.5 | \$50,000.00 | \$875,000.00 | \$3,062,500.00 | \$5,250,000.00 | \$787,500.00 | \$2,756,250.00 | \$708,750.00 |
| Goongarrie | E 29/996 | 2.5 | 3 | 2 | 3 | 1.5 | 2.5 | 1 | 2.5 | \$20,000.00 | \$150,000.00 | \$637,500.00 | \$1,125,000.00 | \$135,000.00 | \$573,750.00 | \$121,500.00 |
| Goongarrie | P 29/2380 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$2,280.00 | \$5,700.00 | \$16,316.25 | \$26,932.50 | \$5,130.00 | \$14,684.63 | \$4,617.00 |
| Goongarrie | P 29/2381 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$3,040.00 | \$7,600.00 | \$21,755.00 | \$35,910.00 | \$6,840.00 | \$19,579.50 | \$6,156.00 |
| Goongarrie | P 29/2412 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$7,320.00 | \$18,300.00 | \$52,383.75 | \$86,467.50 | \$16,470.00 | \$47,145.38 | \$14,823.00 |
| Goongarrie | P 29/2413 | 2.5 | 3 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$5,320.00 | \$13,300.00 | \$33,582.50 | \$53,865.00 | \$11,970.00 | \$30,224.25 | \$10,773.00 |
| Goongarrie | P 29/2467 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$7,680.00 | \$19,200.00 | \$54,960.00 | \$90,720.00 | \$17,280.00 | \$49,464.00 | \$15,552.00 |
| Goongarrie | P 29/2468 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$6,160.00 | \$15,400.00 | \$44,082.50 | \$72,765.00 | \$13,860.00 | \$39,674.25 | \$12,474.00 |
| Goongarrie | P 29/2530 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$7,600.00 | \$19,000.00 | \$54,387.50 | \$89,775.00 | \$17,100.00 | \$48,948.75 | \$15,390.00 |
| Goongarrie | P 29/2531 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$7,520.00 | \$18,800.00 | \$53,815.00 | \$88,830.00 | \$16,920.00 | \$48,433.50 | \$15,228.00 |
| Goongarrie | P 29/2532 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$6,080.00 | \$15,200.00 | \$43,510.00 | \$71,820.00 | \$13,680.00 | \$39,159.00 | \$12,312.00 |
| Goongarrie | P 29/2533 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$7,760.00 | \$19,400.00 | \$55,532.50 | \$91,665.00 | \$17,460.00 | \$49,979.25 | \$15,714.00 |
| Goongarrie | P 29/2588 | 2.5 | 3.5 | 1 | 1.5 | 1 | 1.5 | 1 | 1.5 | \$2,000.00 | \$5,000.00 | \$14,312.50 | \$23,625.00 | \$4,500.00 | \$12,881.25 | \$4,050.00 |
| Goongarrie Total | | | | | | | | | | | \$1,431,900.00 | \$5,188,387.50 | \$8,944,875.00 | \$1,288,710.00 | \$4,669,548.75 | \$8,050,387.50 |
| Menzies | E 29/984 | 2.5 | 3.5 | 1.5 | 2.5 | 3 | 3.1 | 1.5 | 2 | \$50,000.00 | \$843,750.00 | \$1,778,125.00 | \$2,712,500.00 | \$759,375.00 | \$1,600,312.50 | \$683,437.50 |
| Menzies | M 29/410 | 2 | 3 | 1.5 | 2 | 1.5 | 1.7 | 1.5 | 2 | \$49,900.00 | \$336,825.00 | \$677,392.50 | \$1,017,960.00 | \$303,142.50 | \$609,653.25 | \$272,828.25 |
| Menzies | P 29/2346 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$2,840.00 | \$8,520.00 | \$20,235.00 | \$31,950.00 | \$7,668.00 | \$18,211.50 | \$6,901.20 |
| Menzies | P 29/2450 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$5,480.00 | \$16,440.00 | \$39,045.00 | \$61,650.00 | \$14,796.00 | \$35,140.50 | \$13,316.40 |
| Menzies | P 29/2578 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$4,840.00 | \$14,520.00 | \$34,485.00 | \$54,450.00 | \$13,068.00 | \$31,036.50 | \$11,761.20 |
| Menzies | P 29/2579 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$4,840.00 | \$14,520.00 | \$34,485.00 | \$54,450.00 | \$13,068.00 | \$31,036.50 | \$11,761.20 |
| Menzies | P 29/2580 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$4,800.00 | \$14,400.00 | \$34,200.00 | \$54,000.00 | \$12,960.00 | \$30,780.00 | \$11,664.00 |
| Menzies | P 29/2581 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$4,800.00 | \$14,400.00 | \$34,200.00 | \$54,000.00 | \$12,960.00 | \$30,780.00 | \$11,664.00 |

| Kilburn Valuation | | | | | | | | | | | | | | | | |
|-------------------|-----------|------------------------|-------------------------|-----------------------|------------------------|----------------|-----------------|----------------|-----------------|------------|-------------------------------|-------------------------------|--------------------------------|----------------|----------------|-----------------|
| Project | Tenement | Off Property Low | Off Property High | On Property Low | On Property High | Anomaly Low | Anomaly High | Geology Low | Geology High | BAC | Technical Valuation Low | Technical Valuation Mid | Technical Valuation High | Market Low | Market Mid | Market High |
| Menzies | P 29/2582 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$4,840.00 | \$14,520.00 | \$34,485.00 | \$54,450.00 | \$13,068.00 | \$31,036.50 | \$11,761.20 |
| Menzies | P 29/2583 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$4,520.00 | \$13,560.00 | \$32,205.00 | \$50,850.00 | \$12,204.00 | \$28,984.50 | \$10,983.60 |
| Menzies | P 29/2584 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$4,720.00 | \$14,160.00 | \$33,630.00 | \$53,100.00 | \$12,744.00 | \$30,267.00 | \$11,469.60 |
| Menzies | P 29/2585 | 2 | 2.5 | 1.5 | 2 | 1 | 1.5 | 1 | 1.5 | \$4,840.00 | \$14,520.00 | \$34,485.00 | \$54,450.00 | \$13,068.00 | \$31,036.50 | \$11,761.20 |
| Menzies Total | | | | | | | | | | | \$1,320,135.00 | \$2,786,972.50 | \$4,253,810.00 | \$1,188,121.50 | \$2,508,275.25 | \$3,828,429.00 |
| | | | | | | | | | | | | | | | | |
| Kingwest Total | | | | | | | | | | | \$2,752,035.00 | \$7,975,360.00 | \$13,198,685.00 | \$2,476,831.50 | \$7,177,824.00 | \$11,878,816.50 |

Appendix C - PEM Valuation Gold Projects

| PEM Valuation | | | | | | | | | | | |
|---------------|-----------|--------|-----------------|------------|--------------------|--------------------------------|---------|----------|-------------------------|---------------------|--------------------------|
| Project | Tenement | Area | Unit of Measure | Rent | Minimum Commitment | Total Expenditure over 5 years | PEM Low | PEM High | PEM Valuation Low (\$M) | PEM Mid-Point (\$M) | PEM Valuation High (\$M) |
| Brightstar | E 38/2411 | 2 | BL. | \$1,411.00 | \$50,000.00 | \$99,403.58 | 1 | 1.3 | 0.10 | 0.11 | 0.13 |
| Brightstar | E 38/3034 | 2 | BL. | \$1,422.00 | \$50,000.00 | \$27,008.64 | 1 | 1.3 | 0.03 | 0.03 | 0.04 |
| Brightstar | E 38/3279 | 1 | BL. | \$426.00 | \$10,000.00 | \$39,716.00 | 1 | 1.3 | 0.04 | 0.05 | 0.05 |
| Brightstar | E 38/3293 | 5 | BL. | \$1,880.00 | \$20,000.00 | \$23,112.90 | 1 | 1.3 | 0.02 | 0.03 | 0.03 |
| Brightstar | E 38/3331 | 6 | BL. | \$2,256.00 | \$30,000.00 | \$34,234.00 | 1 | 1.3 | 0.03 | 0.04 | 0.04 |
| Brightstar | E 38/3438 | 9 | BL. | \$2,475.00 | \$20,000.00 | \$29,896.00 | 1 | 1.3 | 0.03 | 0.03 | 0.04 |
| Brightstar | E 38/3500 | 33 | BL. | \$5,049.00 | \$33,000.00 | \$23,162.00 | 1 | 1.3 | 0.02 | 0.03 | 0.03 |
| Brightstar | E 38/3504 | 6 | BL. | \$918.00 | \$20,000.00 | \$20,272.00 | 1 | 1.3 | 0.02 | 0.02 | 0.03 |
| Brightstar | M 38/1056 | 300.8 | HA. | \$7,224.00 | \$30,100.00 | \$42,506.97 | 1 | 1.3 | 0.04 | 0.05 | 0.06 |
| Brightstar | M 38/1057 | 300.75 | HA. | \$7,224.00 | \$30,100.00 | \$42,534.97 | 1 | 1.3 | 0.04 | 0.05 | 0.06 |
| Brightstar | M 38/1058 | 300.85 | HA. | \$7,224.00 | \$30,100.00 | \$194,725.59 | 1 | 1.3 | 0.19 | 0.22 | 0.25 |
| Brightstar | M 38/984 | 4.862 | HA. | \$120.00 | \$5,000.00 | \$8,589.31 | 1 | 1.3 | 0.01 | 0.01 | 0.01 |
| Brightstar | P 38/4377 | 58 | HA. | \$203.00 | \$2,320.00 | \$7,613.56 | 1 | 1.3 | 0.01 | 0.01 | 0.01 |
| Brightstar | P 38/4385 | 2.5 | HA. | \$35.00 | \$2,000.00 | \$8,509.88 | 1 | 1.3 | 0.01 | 0.01 | 0.01 |
| Brightstar | P 38/4431 | 11.24 | HA. | \$42.00 | \$2,000.00 | \$6,067.92 | 1 | 1.3 | 0.01 | 0.01 | 0.01 |
| Brightstar | P 38/4432 | 92.72 | HA. | \$325.50 | \$3,720.00 | \$8,946.22 | 1 | 1.3 | 0.01 | 0.01 | 0.01 |
| Brightstar | P 38/4433 | 193.92 | HA. | \$679.00 | \$7,760.00 | \$43,266.81 | 1 | 1.3 | 0.04 | 0.05 | 0.06 |
| Brightstar | P 38/4444 | 168 | HA. | \$588.00 | \$6,720.00 | \$6,985.31 | 1 | 1.3 | 0.01 | 0.01 | 0.01 |
| Brightstar | P 38/4445 | 141 | HA. | \$493.50 | \$5,640.00 | \$11,676.31 | 1 | 1.3 | 0.01 | 0.01 | 0.02 |
| Brightstar | P 38/4446 | 191 | HA. | \$668.50 | \$7,640.00 | \$2,515.31 | 1 | 1.3 | 0.00 | 0.00 | 0.00 |

| PEM Valuation | | | | | | | | | | | |
|----------------------------|-----------|---------|-----------------|------------|--------------------|--------------------------------|---------|----------|-------------------------|---------------------|--------------------------|
| Project | Tenement | Area | Unit of Measure | Rent | Minimum Commitment | Total Expenditure over 5 years | PEM Low | PEM High | PEM Valuation Low (\$M) | PEM Mid-Point (\$M) | PEM Valuation High (\$M) |
| Brightstar | P 38/4447 | 75 | HA. | \$262.50 | \$3,000.00 | \$4,229.31 | 1 | 1.3 | 0.00 | 0.00 | 0.01 |
| Brightstar | P 38/4448 | 144 | HA. | \$504.00 | \$5,760.00 | \$12,333.31 | 1 | 1.3 | 0.01 | 0.01 | 0.02 |
| Brightstar | P 38/4449 | 144 | HA. | \$504.00 | \$5,760.00 | \$15,408.31 | 1 | 1.3 | 0.02 | 0.02 | 0.02 |
| Brightstar | P 38/4450 | 124 | HA. | \$434.00 | \$4,960.00 | \$10,434.31 | 1 | 1.3 | 0.01 | 0.01 | 0.01 |
| Brightstar | P 38/4508 | 79.5925 | HA. | \$280.00 | \$3,200.00 | \$3,019.00 | 1 | 1.3 | 0.00 | 0.00 | 0.00 |
| Brightstar | P 38/4545 | 47.4666 | HA. | \$168.00 | \$2,000.00 | \$2,000.00 | 1 | 1.3 | 0.00 | 0.00 | 0.00 |
| Brightstar | P 38/4546 | 96.8994 | HA. | \$339.50 | \$3,880.00 | \$3,880.00 | 1 | 1.3 | 0.00 | 0.00 | 0.01 |
| Brightstar Total | | | | | | \$708,885.52 | | | \$ 0.73 | \$ 0.84 | \$ 0.95 |
| Cork Tree Well | E 38/2452 | 1 | BL. | \$426.00 | \$20,000.00 | \$47,993.34 | 1 | 1.3 | 0.05 | 0.06 | 0.06 |
| Cork Tree Well | E 38/2894 | 2 | BL. | \$1,422.00 | \$50,000.00 | \$61,326.87 | 1 | 1.3 | 0.06 | 0.07 | 0.08 |
| Cork Tree Well | E 38/3198 | 3 | BL. | \$1,128.00 | \$30,000.00 | \$43,363.91 | 1 | 1.3 | 0.04 | 0.05 | 0.06 |
| Cork Tree Well | E 38/3434 | 4 | BL. | \$1,100.00 | \$15,000.00 | \$66,477.00 | 1 | 1.3 | 0.07 | 0.08 | 0.09 |
| Cork Tree Well | M 38/917 | 7.873 | HA. | \$192.00 | \$10,000.00 | \$16,646.05 | 1 | 1.3 | 0.02 | 0.02 | 0.02 |
| Cork Tree Well | M 38/918 | 6.0485 | HA. | \$168.00 | \$10,000.00 | \$16,651.14 | 1 | 1.3 | 0.02 | 0.02 | 0.02 |
| Cork Tree Well | P 38/4108 | 70.6681 | HA. | \$248.50 | \$2,840.00 | \$10,165.29 | 1 | 1.3 | 0.01 | 0.01 | 0.01 |
| Cork Tree Well Total | | | | | | \$262,623.60 | | | \$ 0.26 | \$ 0.30 | \$ 0.34 |
| Hawks Nest | M 38/314 | 205.35 | HA. | \$4,944.00 | \$20,600.00 | \$110,500.28 | 1 | 1.3 | 0.11 | 0.13 | 0.14 |
| Hawks Nest | M 38/381 | 9.697 | HA. | \$240.00 | \$10,000.00 | \$19,521.56 | 1 | 1.3 | 0.02 | 0.02 | 0.03 |
| Hawks Nest | M 38/94 | 19.015 | HA. | \$480.00 | \$10,000.00 | \$19,335.89 | 1 | 1.3 | 0.02 | 0.02 | 0.03 |
| Hawks Nest | M 38/95 | 87.835 | HA. | \$2,112.00 | \$10,000.00 | \$15,521.86 | 1 | 1.3 | 0.02 | 0.02 | 0.02 |
| Hawks Nest Total | | | | | | \$164,879.59 | | | \$ 0.16 | \$ 0.19 | \$ 0.21 |
| Brightstar Resources Total | | | | | | | | | \$ 1.2 | \$ 1.3 | \$ 1.5 |

| Project | Tenement | Area | Unit of Measure | Rent | Minimum Commitment | Total Expenditure over 5 years | PEM Low | PEM High | PEM Valuation Low (\$M) | PEM Mid-Point (\$M) | PEM Valuation High (\$M) |
|------------------|-----------|--------|-----------------|----------|--------------------|--------------------------------|---------|----------|-------------------------|---------------------|--------------------------|
| Goongarrie | E 29/1062 | 13 | BL. | \$3,575 | \$20,000 | \$493,792.00 | 1.5 | 2 | \$0.74 | \$0.86 | \$0.99 |
| Goongarrie | E 29/966 | 11 | BL. | \$7,821 | \$50,000 | \$3,675,367.00 | 1.5 | 2 | \$5.51 | \$6.43 | \$7.35 |
| Goongarrie | E 29/996 | 4 | BL. | \$1,504 | \$20,000 | \$315,548.00 | 1 | 1.3 | \$0.32 | \$0.36 | \$0.41 |
| Goongarrie | P 29/2380 | 57 | HA. | \$200 | \$2,280 | \$47,114.00 | 1 | 1.3 | \$0.05 | \$0.05 | \$0.06 |
| Goongarrie | P 29/2381 | 76 | HA. | \$266 | \$3,040 | \$34,458.00 | 1 | 1.3 | \$0.03 | \$0.04 | \$0.04 |
| Goongarrie | P 29/2412 | 183 | HA. | \$641 | \$7,320 | \$24,172.00 | 1 | 1.3 | \$0.02 | \$0.03 | \$0.03 |
| Goongarrie | P 29/2413 | 133 | HA. | \$466 | \$5,320 | \$18,000.00 | 1 | 1.3 | \$0.02 | \$0.02 | \$0.02 |
| Goongarrie | P 29/2467 | 191.48 | HA. | \$672 | \$7,680 | \$23,934.00 | 1 | 1.3 | \$0.02 | \$0.03 | \$0.03 |
| Goongarrie | P 29/2468 | 153.9 | HA. | \$539 | \$6,160 | \$29,029.00 | 1 | 1.3 | \$0.03 | \$0.03 | \$0.04 |
| Goongarrie | P 29/2530 | 189.35 | HA. | \$665 | \$7,600 | \$21,495.00 | 1 | 1.3 | \$0.02 | \$0.02 | \$0.03 |
| Goongarrie | P 29/2531 | 187.59 | HA. | \$658 | \$7,520 | \$20,711.00 | 1 | 1.3 | \$0.02 | \$0.02 | \$0.03 |
| Goongarrie | P 29/2532 | 151.06 | HA. | \$532 | \$6,080 | \$19,228.00 | 1 | 1.3 | \$0.02 | \$0.02 | \$0.02 |
| Goongarrie | P 29/2533 | 193.07 | HA. | \$679 | \$7,760 | \$20,233.00 | 1 | 1.3 | \$0.02 | \$0.02 | \$0.03 |
| Goongarrie | P 29/2588 | 3.01 | HA. | \$35 | \$2,000 | \$4,000.00 | 1 | 1.3 | \$0.00 | \$0.00 | \$0.01 |
| Goongarrie Total | | | | | | \$4,743,081.00 | | | \$6.83 | \$7.96 | \$9.09 |
| Menzies | E 29/984 | 7 | BL. | \$2,632 | \$50,000 | \$182,882.00 | 1 | 1.3 | \$0.18 | \$0.21 | \$0.24 |
| Menzies | M 29/410 | 499 | HA. | \$11,976 | \$49,900 | \$168,151.00 | 1 | 1.3 | \$0.17 | \$0.19 | \$0.22 |
| Menzies | P 29/2346 | 70.61 | HA. | \$249 | \$2,840 | \$14,801.00 | 1 | 1.3 | \$0.01 | \$0.02 | \$0.02 |
| Menzies | P 29/2450 | 136.06 | HA. | \$480 | \$5,480 | \$33,466.00 | 1 | 1.3 | \$0.03 | \$0.04 | \$0.04 |
| Menzies | P 29/2578 | 120.67 | HA. | \$424 | \$4,840 | \$46,575.00 | 1 | 1.3 | \$0.05 | \$0.05 | \$0.06 |
| Menzies | P 29/2579 | 120.01 | HA. | \$424 | \$4,840 | \$53,054.00 | 1 | 1.3 | \$0.05 | \$0.06 | \$0.07 |
| Menzies | P 29/2580 | 119.97 | HA. | \$420 | \$4,800 | \$62,137.00 | 1 | 1.3 | \$0.06 | \$0.07 | \$0.08 |
| Menzies | P 29/2581 | 119.98 | HA. | \$420 | \$4,800 | \$7,799.00 | 1 | 1.3 | \$0.01 | \$0.01 | \$0.01 |
| Menzies | P 29/2582 | 120.06 | HA. | \$424 | \$4,840 | \$28,046.00 | 1 | 1.3 | \$0.03 | \$0.03 | \$0.04 |
| Menzies | P 29/2583 | 112.98 | HA. | \$396 | \$4,520 | \$6,268.00 | 1 | 1.3 | \$0.01 | \$0.01 | \$0.01 |

| | | | | | | | | | | | |
|----------------|-----------|--------|-----|-------|---------|----------------|---|-----|--------|--------|---------|
| Menzies | P 29/2584 | 117.24 | HA. | \$413 | \$4,720 | \$20,813.00 | 1 | 1.3 | \$0.02 | \$0.02 | \$0.03 |
| Menzies | P 29/2585 | 120.01 | HA. | \$424 | \$4,840 | \$20,483.00 | 1 | 1.3 | \$0.02 | \$0.02 | \$0.03 |
| Menzies Total | | | | | | \$1,897,944.00 | | | \$0.91 | \$1.20 | \$1.49 |
| | | | | | | | | | | | |
| Kingwest Total | | | | | | | | | \$7.74 | \$9.16 | \$10.58 |

Annexure B – Share Scheme of Arrangement

Scheme of Arrangement – Share Scheme

Kingwest Resources Limited
(ACN 624 972 185)

and

Holders of KWR Shares at the Record Date

Table of Contents

| | | |
|-----------|--|----------|
| 1. | Definitions and interpretation | 1 |
| 1.1 | <i>Definitions</i> | 1 |
| 1.2 | <i>Interpretation</i> | 4 |
| 1.3 | <i>Business Days</i> | 5 |
| 1.4 | <i>Parties</i> | 5 |
| 2. | Preliminary | 5 |
| 2.1 | <i>KWR</i> | 5 |
| 2.2 | <i>BTR</i> | 5 |
| 2.3 | <i>Scheme Implementation Deed</i> | 5 |
| 2.4 | <i>Share Scheme Deed Poll</i> | 6 |
| 2.5 | <i>Effect of the Share Scheme</i> | 6 |
| 3. | Conditions | 6 |
| 3.1 | <i>Conditions of the Share Scheme</i> | 6 |
| 3.2 | <i>Effect of conditions</i> | 6 |
| 3.3 | <i>Certificate</i> | 6 |
| 3.4 | <i>Conclusive evidence</i> | 7 |
| 3.5 | <i>Termination of Scheme Implementation Deed</i> | 7 |
| 3.6 | <i>Effective Date</i> | 7 |
| 3.7 | <i>End Date</i> | 7 |
| 4. | Share Scheme | 7 |
| 4.1 | <i>Lodgement of Court order</i> | 7 |
| 4.2 | <i>Transfer of Scheme Shares</i> | 7 |
| 4.3 | <i>Transfer documentation</i> | 7 |
| 4.4 | <i>Provision of Share Scheme Consideration</i> | 7 |
| 4.5 | <i>Beneficial entitlement by BTR</i> | 8 |
| 4.6 | <i>Enforcement of Share Scheme Deed Poll</i> | 8 |
| 5. | Share Scheme Consideration | 8 |
| 5.1 | <i>Entitlement to Share Scheme Consideration</i> | 8 |
| 5.2 | <i>Provision of Share Scheme Consideration</i> | 8 |
| 5.3 | <i>Status of New BTR Shares</i> | 8 |
| 5.4 | <i>Quotation of New BTR Shares</i> | 9 |
| 5.5 | <i>Joint holders</i> | 9 |
| 5.6 | <i>Scheme Shareholders bound</i> | 9 |
| 5.7 | <i>Ineligible Foreign Holders</i> | 9 |

| | | |
|-----------|--|-----------|
| 6. | Scheme Shareholders | 10 |
| 6.1 | <i>Authority given to KWR</i> | 10 |
| 6.2 | <i>Appointment of sole proxy</i> | 10 |
| 6.3 | <i>Appointment of KWR as sole attorney and agent</i> | 10 |
| 6.4 | <i>Scheme Shareholder's consent</i> | 11 |
| 6.5 | <i>Warranties by Scheme Shareholders</i> | 11 |
| 7. | Dealings in KWR Shares | 11 |
| 7.1 | <i>Determination of Scheme Shareholders</i> | 11 |
| 7.2 | <i>Maintenance of KWR Share Register</i> | 12 |
| 7.3 | <i>Information to be made available to BTR</i> | 12 |
| 7.4 | <i>Instructions and elections</i> | 12 |
| 8. | Notices | 12 |
| 8.1 | <i>General</i> | 12 |
| 8.2 | <i>Communications by post</i> | 13 |
| 8.3 | <i>After hours communications</i> | 13 |
| 9. | General | 13 |
| 9.1 | <i>No liability when acting in good faith</i> | 13 |
| 9.2 | <i>KWR and Scheme Shareholders bound</i> | 13 |
| 9.3 | <i>Further assurances</i> | 13 |
| 9.4 | <i>Alterations and conditions</i> | 13 |
| 9.5 | <i>GST</i> | 13 |
| 9.6 | <i>Costs</i> | 13 |
| 9.7 | <i>Governing law and jurisdiction</i> | 14 |

Parties

| | | |
|----------------------------|--|--|
| KWR | Name | Kingwest Resources Limited |
| | ACN | 624 972 185 |
| | Address | Level 8, 216 St Georges Terrace, Perth WA 6000 |
| | Email | Davidm@miningcorporate.com.au |
| | Attention | David McEntaggart |
| Scheme Shareholders | Holders of KWR Shares at the Record Date | |

Background

- A. KWR is a public company limited by shares incorporated in Australia and admitted to the official list of ASX.
- B. BTR is a public company limited by shares incorporated in Australia and admitted to the official list of ASX.
- C. KWR and BTR have entered into the Scheme Implementation Deed, pursuant to which, amongst other things, KWR has agreed to propose the Share Scheme to Scheme Shareholders, and each of KWR and BTR have agreed to take certain steps to give effect to the Share Scheme.
- D. If this Share Scheme becomes Effective, then:
 - (a) all the Scheme Shares will be transferred to BTR and the Share Scheme Consideration will be provided to the Scheme Shareholders in accordance with the terms of the Share Scheme: and
 - (b) KWR will enter the name and address of BTR in the KWR Share Register as the holder of the Scheme Shares.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this Share Scheme:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

BTR means Brightstar Resources Limited (ACN 100 727 491).

BTR Group means BTR and each of its subsidiaries.

BTR Share means a fully paid ordinary share in the capital of BTR.

BTR Share Register means the register of members of BTR maintained in accordance with the Corporations Act.

Business Day means a day in Perth, Western Australia that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

CHESS means the Clearing House Electronic Sub-register System, which facilitates electronic security transfers in Australia, operated by ASX Settlement Pty Limited (ACN 008 504 532).

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Western Australia or such other Court of competent jurisdiction under the Corporations Act agreed in writing between the Parties.

Effective means, when used in relation to the Share Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to the Share Scheme.

Effective Date means the date on which the Share Scheme becomes Effective in accordance with section 411(10) of the Corporations Act.

End Date means the date that is six months after the date of the Scheme Implementation Deed, or such other date as agreed between KWR and BTR in writing.

Excluded Optionholder means any holder of KWR Options who is a member of the BTR Group or who holds any KWR Options on behalf of or for the benefit of, any member of the BTR Group.

Excluded Shareholder means any KWR Shareholder who is a member of the BTR Group or any KWR Shareholder who holds any KWR Shares on behalf of or for the benefit of, any member of the BTR Group.

Government Agency means any foreign or Australian government or governmental semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any other federal, state, provincial, local or other government (foreign or Australian).

GST has the meaning given to that term in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

Implementation Date means the third Business Day following the Record Date or such other date as ordered by the Court and agreed between KWR and BTR in writing.

Ineligible Foreign Holder means a KWR Shareholder whose address as shown in KWR's members' register is located outside Australia and its external territories or New Zealand unless BTR is satisfied that it is permitted to allot and issue New BTR Shares to that KWR Shareholder pursuant to the Share Scheme by the laws of that place, without having to comply with any governmental approval or other consent or registration, filing or other formality which BTR regards as unduly onerous.

KWR means Kingwest Resources Limited (ACN 624 972 185).

KWR Option means an option to acquire one KWR Share (which for the avoidance of doubt includes the KWR Share Appreciation Rights).

KWR Option Register means the register of holders of KWR Options maintained in accordance with the Corporations Act.

KWR Registry means Automic Pty Ltd (ACN 152 260 814).

KWR Share Appreciation Right means a right to acquire a KWR Share, issued under the KWR performance rights plan approved by KWR Shareholders at the KWR general meeting held on 10 September 2019.

KWR Share means a fully paid ordinary share in the capital of KWR.

KWR Shareholder means a holder of KWR Shares.

KWR Share Register means the register of members of KWR maintained in accordance with the Corporations Act.

New BTR Shares means the BTR Shares to be issued to Scheme Shareholders as consideration for their Scheme Shares under the Share Scheme.

Option Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between KWR and the Scheme Optionholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by BTR and KWR.

Option Scheme Meeting means the meeting of KWR Optionholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Proceeds has the meaning given to that term in clause 5.7(a)(ii).

Record Date means 5.00pm on the day which is two Business Days following the Effective Date or such other date as ordered by the Court and agreed between KWR and BTR in writing.

Registered Address means the address of the Scheme Shareholder shown in the KWR Share Register.

Sale Agent means the person appointed by BTR to sell the Share Scheme Consideration of Ineligible Foreign Holders pursuant to clause 5.7.

Scheme Booklet means the information to be approved by the Court and despatched to KWR Shareholders and holders of KWR Options in relation to the Share Scheme and the Option Scheme pursuant to section 412 of the Corporations Act, including the explanatory statement and the notices convening the Scheme Meetings (together with proxy forms in relation to the Scheme Meetings).

Scheme Implementation Deed means the scheme implementation deed between KWR and BTR dated 22 December 2022, as varied by deed of amendment between KWR and BTR dated 15 March 2023.

Scheme Meetings means the Share Scheme Meeting and the Option Scheme Meeting.

Scheme Optionholder means a holder of KWR Options (other than Excluded an Optionholder) recorded in the KWR Option Register as at the Record Date.

Scheme Share means a KWR Share held by a Scheme Shareholder at the Record Date.

Scheme Shareholder means a holder of KWR Shares (other than an Excluded Shareholder) recorded in the KWR Share Register as at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Share Scheme is heard.

Second Court Hearing means the hearing of the application made to the Court for the Share Scheme Order.

Share Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of the Share Scheme for the transfer of their Scheme Shares, comprising 1 BTR Share for every 0.38 KWR Shares held.

Share Scheme Deed Poll means the deed poll executed by BTR in favour of Scheme Shareholders, under which BTR covenants in favour of each Scheme Shareholder to perform its respective obligations under the Share Scheme and the Scheme Implementation Deed as regards the implementation of the Share Scheme.

Share Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between KWR and the Scheme Shareholders, under which Scheme Shareholders will receive the Share Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by BTR and KWR.

Share Scheme Meeting means the meeting of KWR Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Share Scheme Order means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in respect of the Share Scheme.

Share Scheme Transfer means for each Scheme Shareholder, a proper instrument of transfer of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

1.2 Interpretation

- (a) Unless the contrary intention appears, a reference in this Share Scheme to:
 - (i) this Share Scheme or another document includes any variation or replacement of it despite any change in the identity of the parties;
 - (ii) one gender includes the others;
 - (iii) the singular includes the plural and the plural includes the singular;
 - (iv) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Agency or other entity includes any other of them;
 - (v) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this Share Scheme and a reference to this Share Scheme includes any schedule or attachment;
 - (vi) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
 - (vii) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
 - (viii) money is to Australian dollars, unless otherwise stated; and
 - (ix) a time is a reference to Perth time unless otherwise specified.
- (b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.
- (c) Where a word or expression is given a particular meaning, other parts of speech and

grammatical forms of that word or expression have a corresponding meaning.

- (d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Share Scheme.
- (e) A provision of this Share Scheme must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of this Share Scheme or the inclusion of the provision in this Share Scheme.

1.3 Business Days

- (a) If anything under this Share Scheme must be done on a day that is not a Business Day, it must be done instead on the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5.00pm on that day or it will be considered to have been done on the following day.

1.4 Parties

- (a) If a party consists of more than one person, this Share Scheme binds each of them separately and any two or more of them jointly.
- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

2. Preliminary

2.1 KWR

- (a) KWR is a public company limited by shares under section 112(1) of the Corporations Act.
- (b) KWR was incorporated in Western Australia on 13 March 2018 and has its registered office at Level 8, 216 St Georges Terrace Perth WA 6000.
- (c) As at the date of the Scheme Implementation Deed, KWR had the following securities on issue:
 - (i) 281,726,818 KWR Shares; and
 - (ii) 65,934,334 KWR Options.

2.2 BTR

- (a) BTR is a public company limited by shares under section 112(1) of the Corporations Act.
- (b) BTR was incorporated in Western Australia on 29 May 2002 and has its registered office at 3/25 Belgravia Street, Belmont WA 6104.

2.3 Scheme Implementation Deed

BTR and KWR have agreed, by executing the Scheme Implementation Deed, to implement the terms of the Share Scheme and to perform their respective obligations under the Share Scheme. Under the Scheme Implementation Deed, BTR irrevocably guarantees the due and punctual performance of all of its obligations under or in connection with the Share Scheme.

2.4 Share Scheme Deed Poll

BTR has executed the Share Scheme Deed Poll in favour of Scheme Shareholders pursuant to which BTR has covenanted to perform its obligations under the Share Scheme, including to provide to each Scheme Shareholder the Share Scheme Consideration to which the Scheme Shareholder is entitled under the Share Scheme, and to carry out its other obligations under the Scheme Implementation Deed and do all things necessary or expedient on its part to implement the Share Scheme.

2.5 Effect of the Share Scheme

If the Share Scheme becomes Effective, but subject to clauses 3.1, 3.5, 3.6 and 3.7 then:

- (a) BTR will provide to each Scheme Shareholder the Share Scheme Consideration in accordance with the terms of the Share Scheme;
 - (b) subject to BTR's compliance with its obligations in clause 2.5(a), all of the Scheme Shares will be transferred to BTR; and
 - (c) KWR will enter the name and address of BTR in the KWR Share Register as the holder of the Scheme Shares transferred to BTR in accordance with the terms of the Share Scheme.
-

3. Conditions

3.1 Conditions of the Share Scheme

The Share Scheme is conditional upon:

- (a) all of the conditions precedent in clause 2.1 of the Scheme Implementation Deed having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed as at 8.00am on the Second Court Date;
- (b) neither the Scheme Implementation Deed nor the Share Scheme Deed Poll having been terminated in accordance with their terms;
- (c) the Share Scheme having been approved at the Share Scheme Meeting, with or without modification, by the requisite majority of KWR Shareholders in accordance with section 411(4)(a) of the Corporations Act or, if the Share Scheme is not agreed to by the requisite majority of KWR Shareholders, the Court orders otherwise in accordance with section 411(4)(a) of the Corporations Act; and
- (d) the Court having approved the Share Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are acceptable to both KWR and BTR.

3.2 Effect of conditions

The fulfilment of the conditions in clause 3.1 is a condition precedent to the operation of the provisions of clauses 4, 5, 6, and 7 of this Share Scheme.

3.3 Certificate

KWR must provide, and must procure BTR to provide, to the Court on the Second Court Date a certificate signed by at least one of its respective directors (or such other evidence as the Court may request) stating (to the best of its knowledge) whether or not all the conditions precedent in clauses 3.1(a) to 3.1(c) (inclusive) have been satisfied or waived (subject to the terms of the Scheme Implementation Deed) as at 8.00am on the Second Court Date.

3.4 Conclusive evidence

The giving of a certificate by each of KWR and BTR in accordance with clause 3.3 will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

3.5 Termination of Scheme Implementation Deed

Without limiting any rights under the Scheme Implementation Deed, if the Scheme Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, KWR and BTR are each released from:

- (a) any further obligation to take steps to implement the Share Scheme; and
- (b) any liability with respect to the Share Scheme,

provided that KWR and BTR retain the rights they have against each other in respect of any prior breach of the Scheme Implementation Deed.

3.6 Effective Date

The Share Scheme will take effect on the Effective Date.

3.7 End Date

The Share Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

4. Share Scheme

4.1 Lodgement of Court order

Following the approval of the Share Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, KWR will, on the following Business Day, lodge with ASIC an office copy of the Share Scheme Order in accordance with section 411(10) of the Corporations Act.

4.2 Transfer of Scheme Shares

On the Implementation Date, in consideration of and subject to the provision by BTR of the Share Scheme Consideration, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at that date, will be transferred to BTR without the need for any further acts by any Scheme Shareholder (other than acts performed by KWR as attorney and agent for Scheme Shareholders under clause 6.3) by:

- (a) KWR duly executing and delivering to BTR a Share Scheme Transfer for all of the Scheme Shares, executed by KWR as attorney for Scheme Shareholders; and
- (b) BTR duly executing and delivering the Share Scheme Transfer back to KWR.

4.3 Transfer documentation

As soon as practicable after receipt by KWR of the Share Scheme Transfer duly executed by BTR as transferee pursuant to clause 4.2(b), but in any event on the Implementation Date, KWR must register BTR in the KWR Share Register as the holder of all of the Scheme Shares.

4.4 Provision of Share Scheme Consideration

In consideration for the transfer of each Scheme Share to BTR, BTR must, on the

Implementation Date, issue to each Scheme Shareholder the number of New BTR Shares due to that Scheme Shareholder as Share Scheme Consideration in accordance with, and subject to, the terms of this Share Scheme and the Share Scheme Deed Poll.

4.5 Beneficial entitlement by BTR

From the time of the provision of the Share Scheme Consideration to Scheme Shareholders in accordance with clause 4.4, BTR will be beneficially entitled to the Scheme Shares (together with all rights and entitlements attached to the Scheme Shares) to be transferred to it under the Share Scheme pending the registration of BTR in the KWR Share Register as the holder of the Scheme Shares.

4.6 Enforcement of Share Scheme Deed Poll

KWR undertakes in favour of each Scheme Shareholder to enforce the Share Scheme Deed Poll against BTR on behalf of and as agent for the Scheme Shareholders.

5. Share Scheme Consideration

5.1 Entitlement to Share Scheme Consideration

On the Implementation Date, in consideration of the transfer to BTR of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Share Scheme Consideration in respect of each of their Scheme Shares in accordance with, and subject to the terms of this Share Scheme and the Share Scheme Deed Poll.

5.2 Provision of Share Scheme Consideration

- (a) BTR will issue to each Scheme Shareholder the number of New BTR Shares due to that Scheme Shareholder as consideration under the Share Scheme by:
 - (i) on the Implementation Date, issuing each Scheme Shareholder 1 New BTR Share (rounded to the nearest New BTR Share on an aggregated basis) for every 0.38 Scheme Shares registered in the Scheme Shareholder's name in the KWR Share Register at the Record Date, which obligation will be satisfied by causing the name and Registered Address (at the Record Date) of the Scheme Shareholder to be entered into BTR's Share Register as the holder of New BTR Shares issued to that Scheme Shareholder; and
 - (ii) within 10 Business Days after the Implementation Date, procuring the dispatch to that Scheme Shareholder, if their New BTR Shares are held on the issuer sponsored sub-register of BTR, to their Registered Address (as at the Record Date), an uncertified holding statement in the name of the Scheme Shareholder relating to the number of New BTR Shares issued to that Scheme Shareholder.

5.3 Status of New BTR Shares

The New BTR Shares to be issued in accordance with this Share Scheme will:

- (a) be validly issued;
- (b) be fully paid; and
- (c) rank equally in all respects with all other BTR Shares then on issue (other than in respect of any dividend already declared and not yet paid by BTR, where the record date for entitlement to that dividend occurred prior to the Implementation Date).

5.4 Quotation of New BTR Shares

BTR will use its best endeavours to procure that the New BTR Shares are quoted on ASX as soon as reasonably practicable after the Implementation Date.

5.5 Joint holders

In the case of Scheme Shares held in joint names, any uncertificated holding statements for New BTR Shares to be issued to Scheme Shareholders will be issued in the names of the joint holders and will be forwarded to the holder whose name appears first in the KWR Share Register on the Record Date.

5.6 Scheme Shareholders bound

Each Scheme Shareholder who is to receive New BTR Shares under this Share Scheme agrees (for all purposes, including section 231 of the Corporations Act) to:

- (a) become a member of BTR and to accept the New BTR Shares issued to them under this Share Scheme subject to, and to be bound by, BTR's constitution and other constituent documents; and
- (b) have their name and Registered Address entered into the BTR Share Register.

5.7 Ineligible Foreign Holders

- (a) BTR will be under no obligation under this Share Scheme to issue, and will not issue, New BTR Shares to Ineligible Foreign Holders, and instead:
 - (i) all New BTR Shares which would otherwise be required to be issued to any Ineligible Foreign Holder under the Share Scheme, if they were eligible to receive them, will be issued to the Sale Agent;
 - (ii) BTR will procure that, as soon as reasonably practicable (and in any event not more than 30 Business Days on which BTR Shares are capable of being traded on ASX after the Implementation Date), the Sale Agent sells on ASX all BTR Shares issued to the Sale Agent pursuant to clause 5.7(a)(i) in such manner, at such price and on such other terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Foreign Holders), and remits to BTR the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**); and
 - (iii) BTR will pay to each Ineligible Foreign Holder such fraction of the Proceeds as is equal to the number of New BTR Shares which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive New BTR Shares) divided by the total number of New BTR Shares issued to the Sale Agent under clause 5.7(a)(i), promptly after the last sale of the New BTR Shares by the Sale Agent,

in full satisfaction of BTR's obligations to those Ineligible Foreign Holders under the Share Scheme in respect of the Share Scheme Consideration.
- (b) BTR will pay the relevant fraction of the Proceeds to each Ineligible Foreign Holder by either:
 - (i) dispatching, or procuring the dispatch, to that Ineligible Foreign Holder by prepaid post to that Ineligible Foreign Holder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Foreign Holder; or
 - (ii) making a deposit in an account with any ADI (as defined in the *Banking Act*

1959 (Cth)) in Australia notified by that Ineligible Foreign Holder to KWR (or the KWR Registry) and recorded in or for the purposes of the KWR Share Register at the Record Date,

for the relevant amount, with that amount being denominated in Australian dollars.

- (c) Each Ineligible Foreign Holder appoints KWR as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Holders under the Corporations Act.

6. Scheme Shareholders

6.1 Authority given to KWR

Each Scheme Shareholder will be deemed (without the need for any further act) to have irrevocably authorised KWR (and each of its directors and officers, jointly and severally) as agent and attorney to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary to implement and give full effect to this Share Scheme and the transactions contemplated by it, including (without limitation):

- (a) executing a proper instrument of transfer (including for the purposes of section 1071B of the Corporations Act) of their Scheme Shares in favour of BTR, which may be a master transfer of some or all Scheme Shares; and
- (b) where Scheme Shares are held in a CHESS holding, causing a message to be transmitted to ASX Settlement in accordance with the ASX Settlement Operating Rules to transfer the Scheme Shares held by the Scheme Shareholder from the CHESS sub-register to the issuer sponsored sub-register operated by KWR and subsequently completing a proper instrument of transfer under paragraph 6.1(a) above.

6.2 Appointment of sole proxy

Upon the Share Scheme Consideration being issued by BTR, and until BTR is registered as the holder of all Scheme Shares in the KWR Share Register, each Scheme Shareholder:

- (a) is deemed to have appointed BTR as attorney and agent (and directed BTR in such capacity) to appoint any director, officer, secretary or agent nominated by BTR as its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 6.2(a)); and
- (b) must take all other actions in the capacity of a registered holder of Scheme Shares as BTR reasonably directs.

6.3 Appointment of KWR as sole attorney and agent

Each Scheme Shareholder, without the need for any further act, irrevocably appoints KWR and each of the directors and officers of KWR, jointly and severally, as the Scheme Shareholder's attorney and agent for the purpose of executing any document necessary or expedient to give effect to the Share Scheme (including executing a Share Scheme Transfer and any instrument appointing BTR as sole proxy for or, where applicable, corporate representative of each Scheme Shareholder as contemplated by clause 6.2) or doing any other act necessary or desirable to give full effect to the Scheme and the transactions

contemplated by it.

6.4 Scheme Shareholder's consent

Each Scheme Shareholder:

- (a) consents to KWR doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the Share Scheme and KWR, as agent of each Scheme Shareholder, may sub-delegate its functions under this clause 6.4 to any of its directors and officers, severally; and
- (b) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares to BTR, in accordance with the Share Scheme.

6.5 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to KWR, in its own right and for the benefit of BTR, that:
 - (i) all of their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to BTR under the Share Scheme will be transferred to BTR free from all mortgages, pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind, whether legal or otherwise (but acknowledging that a security interest holder may potentially have an interest in the Share Scheme Consideration in accordance with the terms of such security interest); and
 - (ii) they have full power and capacity to sell and transfer their Scheme Shares to BTR (including any rights and entitlements attaching to those shares).
 - (b) KWR undertakes that it will provide the warranties in clause 6.5(a) to BTR as agent and attorney of each Scheme Shareholder.
-

7. Dealings in KWR Shares

7.1 Determination of Scheme Shareholders

- (a) For the purpose of establishing the persons who are Scheme Shareholders, dealings in Scheme Shares will only be recognised if:
 - (i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the KWR Share Register as the holder of the relevant KWR Shares at the Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before the Record Date at the place where the KWR Share Register is kept.
- (b) KWR must register registrable transmission applications or transfers of the kind referred to in clause 7.1(a)(ii) by the Record Date.
- (c) KWR will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of KWR Shares received after the Record Date, other than a transfer to BTR in accordance with the Share Scheme and any subsequent transfer by BTR, or its successors in title.

- (d) If the Share Scheme becomes Effective, a holder of KWR Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any KWR Shares or any interest in them after the Effective Date and any such disposal will be void and of no legal effect whatsoever.

7.2 Maintenance of KWR Share Register

- (a) For the purpose of determining entitlements to the Share Scheme Consideration, KWR will, until the Share Scheme Consideration has been provided, maintain the KWR Share Register in accordance with the provisions of this clause 7.2 and the KWR Share Register in this form will solely determine entitlements to the Share Scheme Consideration.
- (b) All certificates and holding statements for Scheme Shares (other than holding statements in favour of BTR and its successors in title after the Implementation Date) will cease to have any effect from the Record Date as documents of title in respect of those Scheme Shares. Subject to provision of the Share Scheme Consideration by BTR and registration of the transfer to BTR of the Scheme Shares contemplated by clauses 5.1 and 5.2, after the Record Date, each entry current at that date on the KWR Share Register relating to Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Share Scheme Consideration in respect of the Scheme Shares relating to that entry.

7.3 Information to be made available to BTR

KWR will procure that, as soon as reasonably practicable after the Record Date, details of the names, Registered Addresses and holdings of Scheme Shares of every Scheme Shareholder as shown in the KWR Share Register as at the Record Date are made available to BTR in such form as BTR reasonably requires.

7.4 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to KWR that are binding or deemed binding between the Scheme Shareholder and KWR relating to KWR or KWR Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on KWR Shares; and
- (c) notices or other communications from KWR (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by BTR in its sole discretion), by reason of the Share Scheme, to be made by the Scheme Shareholder to BTR and to be a binding instruction, notification or election to, and accepted by, BTR in respect of the New BTR Shares issued to that Scheme Shareholder until that instruction, notification or election is revoked or amended in writing addressed to BTR at its registry.

8. Notices

8.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

8.2 Communications by post

Subject to clause 8.3, where a Notice referred to in this document is sent by post to KWR, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at KWR's registered office or at the KWR Registry.

8.3 After hours communications

If a Notice is given:

- (a) after 5.00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

9. General

9.1 No liability when acting in good faith

Neither BTR nor KWR nor any director, officer, secretary or employee of any of those companies will be liable for anything done or omitted to be done in the performance of this Share Scheme or the Share Scheme Deed Poll when the relevant entity or person has acted in good faith.

9.2 KWR and Scheme Shareholders bound

The Share Scheme binds KWR and all Scheme Shareholders (including Scheme Shareholders who do not attend the Share Scheme Meeting, do not vote at that meeting or vote against the Share Scheme) and will, for all purposes, to the extent of any inconsistencies and permitted by law, have effect notwithstanding any provision in the constitution of KWR.

9.3 Further assurances

Subject to clause 9.4, KWR will execute all documents and do all acts and things (on its own behalf and on behalf of each KWR Shareholder) necessary or expedient for the implementation of, and performance of its obligations under, the Share Scheme.

9.4 Alterations and conditions

KWR may, with the consent of BTR, by its counsel consent on behalf of all Scheme Shareholders to any modifications or conditions which the Court thinks fit to impose.

9.5 GST

KWR must pay to the Scheme Shareholders an amount equal to any GST for which the Scheme Shareholders are liable on any supply by the Scheme Shareholders under or in connection with the Share Scheme, without deduction or set off of any other amount.

9.6 Costs

Any costs, and any stamp duty and any related fines, interest or penalties, which are payable on or in respect of this document or on any document referred to in this document will be paid as provided for in the Scheme Implementation Deed. For the avoidance of doubt, Scheme Shareholders do not have to pay any stamp duty, related fines, interest or penalties which are payable on or in respect of this document or any document referred to in this document.

9.7 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

Annexure C – Option Scheme of Arrangement

Scheme of Arrangement – Option Scheme

Kingwest Resources Limited
(ACN 624 972 185)

and

Holders of KWR Options at the Record Date

Table of Contents

| | | |
|-----------|--|----------|
| 1. | Definitions and interpretation | 1 |
| 1.1 | <i>Definitions</i> | 1 |
| 1.2 | <i>Interpretation</i> | 4 |
| 1.3 | <i>Business Days</i> | 5 |
| 1.4 | <i>Parties</i> | 5 |
| 2. | Preliminary | 5 |
| 2.1 | <i>KWR</i> | 5 |
| 2.2 | <i>BTR</i> | 5 |
| 2.3 | <i>Scheme Implementation Deed</i> | 6 |
| 2.4 | <i>Option Scheme Deed Poll</i> | 6 |
| 2.5 | <i>Effect of the Option Scheme</i> | 6 |
| 3. | Conditions | 6 |
| 3.1 | <i>Conditions of the Option Scheme</i> | 6 |
| 3.2 | <i>Effect of conditions</i> | 6 |
| 3.3 | <i>Certificate</i> | 7 |
| 3.4 | <i>Conclusive evidence</i> | 7 |
| 3.5 | <i>Termination of Scheme Implementation Deed</i> | 7 |
| 3.6 | <i>Effective Date</i> | 7 |
| 3.7 | <i>End Date</i> | 7 |
| 4. | Option Scheme | 7 |
| 4.1 | <i>Lodgement of Court order</i> | 7 |
| 4.2 | <i>Cancellation and extinguishment of Scheme Options</i> | 7 |
| 4.3 | <i>Provision of Option Scheme Consideration</i> | 8 |
| 4.4 | <i>Enforcement of Option Scheme Deed Poll</i> | 8 |
| 5. | Option Scheme Consideration | 8 |
| 5.1 | <i>Entitlement to Option Scheme Consideration</i> | 8 |
| 5.2 | <i>Provision of Option Scheme Consideration</i> | 8 |
| 5.3 | <i>Status of New BTR Options</i> | 8 |
| 5.4 | <i>Joint holders</i> | 9 |
| 5.5 | <i>Scheme Optionholders bound</i> | 9 |
| 6. | Scheme Optionholders | 9 |
| 6.1 | <i>Authority given to KWR</i> | 9 |
| 6.2 | <i>Appointment of sole proxy</i> | 9 |
| 6.3 | <i>Appointment of KWR as sole attorney and agent</i> | 10 |

| | | |
|-----------|---|-----------|
| 6.4 | <i>Scheme Optionholders' consent</i> | 10 |
| 6.5 | <i>Agreements and warranties by Scheme Optionholders</i> | 10 |
| 7. | Dealings in KWR Options | 11 |
| 7.1 | <i>Exercise prior to Option Scheme Record Date</i> | 11 |
| 7.2 | <i>Registration as holder of KWR Shares</i> | 11 |
| 7.3 | <i>Maintenance of KWR Option Register</i> | 11 |
| 7.4 | <i>Information to be made available to BTR</i> | 11 |
| 7.5 | <i>Instructions and elections</i> | 11 |
| 8. | Notices | 12 |
| 8.1 | <i>General</i> | 12 |
| 8.2 | <i>Communications by post</i> | 12 |
| 8.3 | <i>After hours communications</i> | 12 |
| 9. | General | 12 |
| 9.1 | <i>No liability when acting in good faith</i> | 12 |
| 9.2 | <i>KWR and Scheme Shareholders bound</i> | 12 |
| 9.3 | <i>Further assurances</i> | 13 |
| 9.4 | <i>Alterations and conditions</i> | 13 |
| 9.5 | <i>GST</i> | 13 |
| 9.6 | <i>Costs</i> | 13 |
| 9.7 | <i>Governing law and jurisdiction</i> | 13 |
| | Schedule 1 – Terms and conditions of New BTR Options | 14 |

Parties

| | | |
|-----------------------------|---|--|
| KWR | Name | Kingwest Resources Limited |
| | ACN | 624 972 185 |
| | Address | Level 8, 216 St Georges Terrace, Perth WA 6000 |
| | Email | Davidm@miningcorporate.com.au |
| | Attention | David McEntaggart |
| Scheme Optionholders | Holders of KWR Options at the Record Date | |

Background

- A. KWR is a public company limited by shares incorporated in Australia and admitted to the official list of ASX.
- B. BTR is a public company limited by shares incorporated in Australia and admitted to the official list of ASX.
- C. KWR and BTR have entered into the Scheme Implementation Deed, pursuant to which, amongst other things, KWR has agreed to propose the Option Scheme to Scheme Optionholders, and each of KWR and BTR have agreed to take certain steps to give effect to the Option Scheme.
- D. If this Option Scheme becomes Effective, then:
 - (a) all Scheme Options, and all the rights and entitlements attaching to them as at the Implementation Date, will be cancelled and extinguished and KWR will remove the names of all Scheme Optionholders from the KWR Option Register; and
 - (b) the Option Scheme Consideration will be provided to the Scheme Optionholders in accordance with the terms of the Option Scheme.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this Option Scheme:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

BTR means Brightstar Resources Limited (ACN 100 727 491).

BTR Group means BTR and each of its subsidiaries.

BTR Option means an option to acquire a fully paid ordinary share in the capital of BTR.

BTR Option Register means the register of holders of BTR Options maintained in accordance with the Corporations Act.

BTR Share means a fully paid ordinary share in the capital of BTR.

Business Day means a day in Perth, Western Australia that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

CHES means the Clearing House Electronic Sub-register System, which facilitates electronic security transfers in Australia, operated by ASX Settlement Pty Limited (ACN 008 504 532).

Corporations Act means the *Corporations Act* 2001 (Cth).

Court means the Supreme Court of Western Australia or such other Court of competent jurisdiction under the Corporations Act agreed in writing between the Parties.

Effective means, when used in relation to the Option Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411 (4)(b) in relation to the Option Scheme.

Effective Date means the date on which the Option Scheme becomes Effective in accordance with section 411(10) of the Corporations Act.

End Date means the date that is six months after the date of the Scheme Implementation Deed or such other date agreed between KWR and BTR in writing.

Excluded Optionholder means any holder of KWR Options who is a member of the BTR Group or who holds any KWR Options on behalf of or for the benefit of, any member of the BTR Group.

Excluded Shareholder means any KWR Shareholder who is a member of the BTR Group or any KWR Shareholder who holds any KWR Shares on behalf of or for the benefit of, any member of the BTR Group.

Government Agency means any foreign or Australian government or governmental semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any other federal, state, provincial, local or other government (foreign or Australian).

GST has the meaning given to that term in the *A New Tax System (Goods & Services Tax) Act 1999* (Cth).

Implementation Date means the third Business Day following the Record Date or such other date as ordered by the Court and agreed between KWR and BTR in writing.

KWR means Kingwest Resources Limited (ACN 624 972 185).

KWR Option means an option to acquire one KWR Share (which for the avoidance of doubt includes the KWR Share Appreciation Rights).

KWR Optionholder means each person who is registered as the holder of a KWR Option.

KWR Option Register means the register of KWR Optionholders maintained in accordance with the Corporations Act.

KWR Registry means Automic Registry Pty Ltd (ACN 152 260 814).

KWR Share Appreciation Right means a right to acquire a KWR Share, issued under the KWR performance rights plan approved by KWR Shareholders at the KWR general meeting held on 10 September 2019.

KWR Share means a fully paid ordinary share in the capital of KWR.

KWR Shareholder means a holder of KWR Shares.

KWR Share Register means the register of members of KWR maintained in accordance with the Corporations Act.

New BTR Option means a BTR Option to be issued to Scheme Optionholders under the Option Scheme on the terms and conditions in Schedule 1.

Option Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between KWR and the Scheme Optionholders, under which Scheme Optionholders will receive the Option Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by BTR and KWR.

Option Scheme Consideration means the consideration to be provided to the Scheme Optionholders under the terms of the Option Scheme, for the cancellation and extinguishment of their Scheme Options, comprised of such number of New BTR Options as determined by applying the Transaction Ratio, with such New BTR Options to:

- (a) have an exercise period equal to the unexpired exercise period of the relevant Scheme Option it replaces;
- (b) have an exercise price equal to the exercise price of the Scheme Option it replaces, divided by the Transaction Ratio;
- (c) be vested to the same extent and have the same terms as to vesting as the relevant Scheme Option it replaces, ignoring any deemed vesting which arises by reason of the Share Scheme; and
- (d) otherwise be issued on the terms and conditions in Schedule 1.

Option Scheme Deed Poll means the deed poll executed by BTR in favour of Scheme Optionholders, under which BTR covenants in favour of each Scheme Optionholder to perform its respective obligations under the Option Scheme and the Scheme Implementation Deed as regards the implementation of the Option Scheme.

Option Scheme Meeting means the meeting of KWR Optionholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Option Scheme Order means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in respect of the Option Scheme.

Record Date means 5.00pm on the day which is two Business Days following the Effective Date or such other date as ordered by the Court and agreed between KWR and BTR in writing.

Registered Address means the address of the Scheme Optionholders shown in the KWR Option Register.

Scheme Booklet means the information to be approved by the Court and despatched to KWR Shareholders and KWR Optionholders in relation to the Share Scheme and the Option Scheme pursuant to section 412 of the Corporations Act, including the explanatory statement and the notices convening the Scheme Meetings (together with proxy forms in relation to the Scheme Meetings).

Scheme Implementation Deed means the scheme implementation deed between KWR and BTR dated 22 December 2022, as varied by deed of amendment between KWR and BTR

dated 15 March 2023.

Scheme Meetings means the Share Scheme Meeting and the Option Scheme Meeting.

Scheme Option means a KWR Option held by a Scheme Optionholder at the Record Date

Scheme Optionholder means a holder of KWR Options (other than an Excluded Optionholder) recorded in the KWR Option Register as at the Record Date.

Scheme Share means a KWR Share held by a Scheme Shareholder at the Record Date.

Scheme Shareholder means a holder of KWR Shares (other than an Excluded Shareholder) recorded in the KWR Share Register as at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Option Scheme is heard.

Second Court Hearing means the hearing of the application made to the Court for the Option Scheme Order.

Share Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between KWR and the Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by BTR and KWR.

Share Scheme Meeting means the meeting of KWR Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act.

Transaction Ratio means 1 new BTR Option for every 0.38 KWR Options.

1.2 Interpretation

- (a) Unless the contrary intention appears, a reference in this Option Scheme to:
- (i) this Option Scheme or another document includes any variation or replacement of it despite any change in the identity of the parties;
 - (ii) one gender includes the others;
 - (iii) the singular includes the plural and the plural includes the singular;
 - (iv) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Agency or other entity includes any other of them;
 - (v) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this Option Scheme and a reference to this Option Scheme includes any schedule or attachment;
 - (vi) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
 - (vii) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
 - (viii) money is to Australian dollars, unless otherwise stated; and
 - (ix) a time is a reference to Perth time unless otherwise specified.

- (b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.
- (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Option Scheme.
- (e) A provision of this Option Scheme must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of this Option Scheme or the inclusion of the provision in this Option Scheme.

1.3 Business Days

- (a) If anything under this Option Scheme must be done on a day that is not a Business Day, it must be done instead on the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5.00pm on that day or it will be considered to have been done on the following day.

1.4 Parties

- (a) If a party consists of more than one person, this Option Scheme binds each of them separately and any two or more of them jointly.
- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

2. Preliminary

2.1 KWR

- (a) KWR is a public company limited by shares under section 112(1) of the Corporations Act.
- (b) KWR was incorporated in Western Australia on 13 March 2018 and has its registered office at Level 8, 216 St Georges Terrace Perth WA 6000.
- (c) As at the date of the Scheme Implementation Deed, KWR had the following securities on issue:
 - (i) 281,726,818 KWR Shares; and
 - (ii) 65,934,334 KWR Options.

2.2 BTR

- (a) BTR is a public company limited by shares under section 112(1) of the Corporations Act.
- (b) BTR was incorporated in Western Australia on 29 May 2002 and has its registered office at 3/25 Belgravia Street, Belmont WA 6104.

2.3 Scheme Implementation Deed

BTR and KWR have agreed, by executing the Scheme Implementation Deed, to implement the terms of the Option Scheme and to perform their respective obligations under the Option Scheme. Under the Scheme Implementation Deed, BTR irrevocably guarantees the due and punctual performance of all of its obligations under or in connection with the Option Scheme.

2.4 Option Scheme Deed Poll

BTR has executed the Option Scheme Deed Poll in favour of Scheme Optionholders pursuant to which BTR has covenanted to perform its obligations under the Option Scheme, including to provide to each Scheme Optionholder the Option Scheme Consideration to which the Scheme Optionholder is entitled under the Option Scheme, and to carry out its other obligations under the Scheme Implementation Deed and do all things necessary or expedient on its part to implement the Option Scheme.

2.5 Effect of the Option Scheme

If the Option Scheme becomes Effective, but subject to clauses 3.1, 3.5, 3.6 and 3.7 then:

- (a) BTR will provide to each Scheme Optionholder the Option Scheme Consideration in accordance with the terms of the Option Scheme;
- (b) subject to BTR's compliance with its obligations in clause 2.5(a), all of the Scheme Options will be cancelled and extinguished; and
- (c) KWR will remove the names of all Scheme Optionholders from the KWR Option Register.

3. Conditions

3.1 Conditions of the Option Scheme

The Option Scheme is conditional upon:

- (a) all of the conditions precedent in clause 2.1 of the Scheme Implementation Deed having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed as at 8.00am on the Second Court Date;
- (b) neither the Scheme Implementation Deed nor the Option Scheme Deed Poll having been terminated in accordance with their terms;
- (c) the Option Scheme having been approved at the Option Scheme Meeting, with or without modification, by the requisite majority of KWR Optionholders in accordance with section 411(4)(a) of the Corporations Act or, if the Option Scheme is not agreed to by the requisite majority of KWR Optionholders, the Court orders otherwise in accordance with section 411(4)(a) of the Corporations Act; and
- (d) the Court having approved the Option Scheme pursuant to section 411(4)(b) of the Corporations Act, without modification or with modifications which are acceptable to both KWR and BTR.

3.2 Effect of conditions

The fulfilment of the conditions in clause 3.1 is a condition precedent to the operation of the provisions of clauses 4, 5, 6, and 7 of this Option Scheme.

3.3 Certificate

KWR must provide, and must procure BTR to provide, to the Court on the Second Court Date a certificate signed by at least one of its respective directors (or such other evidence as the Court may request) stating (to the best of its knowledge) whether or not all the conditions precedent in clauses 3.1(a) to 3.1(c) (inclusive) have been satisfied or waived (subject to the terms of the Scheme Implementation Deed) as at 8.00am on the Second Court Date.

3.4 Conclusive evidence

The giving of a certificate by each of KWR and BTR in accordance with clause 3.3 will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

3.5 Termination of Scheme Implementation Deed

Without limiting any rights under the Scheme Implementation Deed, if the Scheme Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, KWR and BTR are each released from:

- (a) any further obligation to take steps to implement the Option Scheme; and
- (b) any liability with respect to the Option Scheme,

provided that KWR and BTR retain the rights they have against each other in respect of any prior breach of the Scheme Implementation Deed.

3.6 Effective Date

The Option Scheme will take effect on the Effective Date.

3.7 End Date

The Option Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date.

4. Option Scheme

4.1 Lodgement of Court order

Following the approval of the Option Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, KWR will, on the following Business Day, lodge with ASIC an office copy of the Option Scheme Order in accordance with section 411(10) of the Corporations Act.

4.2 Cancellation and extinguishment of Scheme Options

- (a) On the Implementation Date, subject to the provision of the Option Scheme Consideration, the Scheme Options, together with all rights and entitlements attaching to them as at the Implementation Date, must be cancelled and extinguished, without the need for any further act by any Scheme Optionholders (other than acts performed by KWR as attorney and agent for Scheme Optionholders under clause 6.3), and each Scheme Optionholder:
 - (i) releases KWR from all obligations in relation to those Scheme Options;
 - (ii) releases and waives any and all rights they may have had (including to be issued KWR Shares) in relation to those Scheme Options in accordance with the terms of the relevant Scheme Options; and

- (iii) authorises KWR to update the KWR Option Register recording the cancellation and extinguishment of the Scheme Options,

and, in consideration for the cancellation and extinguishment of their Scheme Options, each Scheme Optionholder will be entitled to receive the Option Scheme Consideration in accordance with clause 5.

- (b) Pursuant to clause 4.2(a), KWR must ensure the cancellation and extinguishment of the Scheme Options.

4.3 Provision of Option Scheme Consideration

In consideration for the cancellation and extinguishment of each Scheme Option, BTR must, on the Implementation Date, issue to each Scheme Optionholder the number of New BTR Options due to that Scheme Optionholder as Option Scheme Consideration in accordance with, and subject to, the terms of this Option Scheme and the Option Scheme Deed Poll.

4.4 Enforcement of Option Scheme Deed Poll

KWR undertakes in favour of each Scheme Optionholder to enforce the Option Scheme Deed Poll against BTR on behalf of and as agent for the Scheme Optionholders.

5. Option Scheme Consideration

5.1 Entitlement to Option Scheme Consideration

On the Implementation Date, in consideration for the cancellation and extinguishment of each Scheme Option, each Scheme Optionholder will be entitled to receive the Option Scheme Consideration in respect of each of their Scheme Options in accordance with, and subject to the terms of this Option Scheme and the Option Scheme Deed Poll.

5.2 Provision of Option Scheme Consideration

- (a) BTR will issue to each Scheme Optionholder the number of New BTR Options due to that Scheme Optionholder as consideration under the Option Scheme by:
 - (i) on the Implementation Date, issuing each Scheme Optionholder 1 New BTR Option (rounded to the nearest New BTR Option on an aggregated basis) for every 0.38 Scheme Options registered in the Scheme Optionholder's name in the KWR Option Register at the Record Date, which obligation will be satisfied by causing the name and Registered Address (at the Record Date) of the Scheme Optionholder to be entered into the BTR Option Register as the holder of New BTR Options issued to that Scheme Optionholder; and
 - (ii) within 10 Business Days after the Implementation date, procuring the dispatch to that Scheme Optionholder, if their New BTR Options are held on the issuer sponsored sub-register of BTR, to their Registered Address (as at the Record Date), an uncertified holding statement in the name of the Scheme Optionholder relating to the number of New BTR Options issued to that Scheme Optionholder.

5.3 Status of New BTR Options

The New BTR Options to be issued in accordance with this Option Scheme will:

- (a) be validly issued;
- (b) be fully paid (other than any exercise price payable to exercise a New BTR Option);

and

- (c) free from any mortgage charge, lien, encumbrance or other security interest.

5.4 Joint holders

In the case of Scheme Options held in joint names, any uncertificated holding statements for New BTR Options to be issued to Scheme Optionholders will be issued in the names of the joint holders and will be forwarded to the holder whose name appears first in the KWR Option Register on the Record Date.

5.5 Scheme Optionholders bound

Each Scheme Optionholder who is to receive New BTR Options under this Option Scheme agrees to:

- (a) accept the New BTR Options issued to them under this Option Scheme subject to, and to be bound by, BTR's constitution and other constituent documents upon the issue of any shares on exercise of those New BTR Options; and
- (b) have their name and Registered Address entered into the BTR Option Register.

6. Scheme Optionholders

6.1 Authority given to KWR

Each Scheme Optionholder will be deemed (without the need for any further act) to have irrevocably authorised KWR (and each of its directors and officers, jointly and severally) as agent and attorney to do and execute all acts, matters, things and documents on the part of each Scheme Optionholder necessary to implement and give full effect to this Option Scheme and the transactions contemplated by it, including (without limitation):

- (a) the cancellation and extinguishment of the Scheme Options; and
- (b) where Scheme Options are held in a CHESS holding, causing a message to be transmitted to ASX Settlement in accordance with the ASX Operating Rules to transfer the Scheme Options held by the Scheme Optionholder from the CHESS sub-register to the issuer sponsored sub-register operated by KWR and subsequently completing the cancellation and extinguishment of the Scheme Options under paragraph 6.1(a) above.

6.2 Appointment of sole proxy

Upon the Option Scheme Consideration being issued by BTR, and until all Scheme Options are cancelled and extinguished, each Scheme Optionholder:

- (a) is deemed to have appointed BTR as attorney and agent (and directed BTR in such capacity) to appoint any director, officer, secretary or agent nominated by BTR as its sole proxy and, where applicable, corporate representative, to attend optionholders' meetings, exercise the votes attaching to the Scheme Options (if any) registered in their name and sign any optionholders' resolution;
- (b) must not itself attend or vote at any of those KWR meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 6.2(a)); and
- (c) must take all other actions in the capacity of a registered holder of Scheme Options as BTR reasonably directs.

6.3 Appointment of KWR as sole attorney and agent

Each Scheme Optionholder, without the need for any further act, irrevocably appoints KWR and each of the directors and officers of KWR, jointly and severally, as the Scheme Optionholder's attorney and agent for the purpose of executing any document necessary or expedient to give effect to the Option Scheme (including the cancellation and extinguishment of the Scheme Options and executing any instrument appointing BTR as sole proxy for or, where applicable, corporate representative of each Scheme Shareholder as contemplated by clause 6.2) or doing any other act necessary or desirable to give full effect to the Option Scheme and the transactions contemplated by it.

6.4 Scheme Optionholders' consent

Each Scheme Optionholder consents to KWR doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the Option Scheme and KWR, as agent of each Scheme Optionholder, may sub-delegate its functions under this clause 6.4 to any of its directors and officers, severally.

6.5 Agreements and warranties by Scheme Optionholders

- (a) Each Scheme Optionholder:
 - (i) agrees to the cancellation and extinguishment of their Scheme Options together with all rights and entitlements attaching to those Scheme Options, in accordance with the Option Scheme;
 - (ii) agrees to be bound by the terms of the New BTR Options; and
 - (iii) acknowledges and agrees that this Option Scheme binds KWR and all Scheme Optionholders (including those who do not attend the Option Scheme Meeting and those who do not vote, or vote against this Option Scheme, at the Option Scheme Meeting).
- (b) Each Scheme Optionholder is deemed to have warranted to KWR, in its own right and for the benefit of BTR, that:
 - (i) all of their Scheme Options (including any rights and entitlements attaching to those options) which are cancelled and extinguished under this Option Scheme will, at the date of cancellation and extinguishment, be free from all mortgages, pledges, charges, liens, encumbrances and security interests and other interests of third parties of any kind, whether legal or otherwise (but acknowledging that a security interest holder may potentially have an interest in the Option Scheme Consideration in accordance with the terms of such security interest); and
 - (ii) they have full power and capacity to agree to the cancellation and extinguishment of their Scheme Options together with any rights attaching to those Scheme Options.
- (c) KWR undertakes that it will provide the warranties in clause 6.5(b) to BTR as agent and attorney of each Scheme Optionholder.

7. Dealings in KWR Options

7.1 Exercise prior to Option Scheme Record Date

To establish the identity of the Scheme Optionholders, KWR will not accept as valid, nor recognise for any purpose, any notice of exercise of a KWR Option registered in the name of a KWR Optionholder that is either or both:

- (a) received after 5:00pm on the day which is the Business Day immediately before the Record Date; and
- (b) not in accordance with the terms of grant of the KWR Option.

7.2 Registration as holder of KWR Shares

KWR will issue, and register the KWR Optionholder as the holder of, a KWR Share in respect of any valid exercise of a KWR Option registered in the name of the KWR Optionholder permitted by, and received by the time specified in, clause 7.1 and in accordance with the terms of grant of the KWR Option, and the KWR Optionholder acknowledges and agrees that, if the Share Scheme becomes Effective and the KWR Optionholder has validly exercised a KWR Option in accordance with the foregoing, the KWR Optionholder will be bound by the terms of the Share Scheme in respect of each such KWR Share and, accordingly, each such KWR Share will be transferred to BTR in accordance with the terms of the Share Scheme on the Implementation Date.

7.3 Maintenance of KWR Option Register

- (a) For the purpose of determining entitlements to the Option Scheme Consideration, KWR will, until the Option Scheme Consideration has been provided, maintain the KWR Option Register in accordance with the provisions of this clause 7 and the KWR Option Register in this form will solely determine entitlements to the Option Scheme Consideration.
- (b) All certificates and holding statements for Scheme Options will cease to have any effect from the Record Date as documents of title in respect of those Scheme Options. Subject to provision of the Option Scheme Consideration by BTR and cancellation and extinguishment of the Scheme Options as contemplated by clauses 5.1 and 5.2, after the Record Date, each entry current at that date on the KWR Option Register relating to Scheme Options will cease to be of any effect other than as evidence of entitlement to the Option Scheme Consideration in respect of the Scheme Options relating to that entry.

7.4 Information to be made available to BTR

KWR will procure that, as soon as reasonably practicable after the Record Date, details of the names, Registered Addresses and holdings of Scheme Options of every Scheme Optionholder as shown in the KWR Option Register as at the Record Date are made available to BTR in such form as BTR reasonably requires.

7.5 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Optionholder to KWR that are binding or deemed binding between the Scheme Optionholder and KWR relating to KWR or KWR Options, including instructions, notifications or elections relating to (if applicable):

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on KWR Options; and
- (c) notices or other communications from KWR (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by BTR in its sole discretion), by reason of the Option Scheme, to be made by the Scheme Optionholder to BTR and to be a binding instruction, notification or election to, and accepted by, BTR in respect of the New BTR Options issued to that Scheme Optionholder until that instruction, notification or election is revoked or amended in writing addressed to BTR at its registry.

8. Notices

8.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

8.2 Communications by post

Subject to clause 8.3, where a Notice referred to in this document is sent by post to KWR, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at KWR's registered office or at the KWR Registry.

8.3 After hours communications

If a Notice is given:

- (a) after 5.00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9.00am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

9. General

9.1 No liability when acting in good faith

Neither BTR nor KWR nor any director, officer, secretary or employee of any of those companies will be liable for anything done or omitted to be done in the performance of this Option Scheme or the Option Scheme Deed Poll when the relevant entity or person has acted in good faith.

9.2 KWR and Scheme Shareholders bound

The Option Scheme binds KWR and all Scheme Optionholders (including Scheme Optionholders who do not attend the Option Scheme Meeting, do not vote at that meeting or vote against the Option Scheme) and will, for all purposes, to the extent of any inconsistencies and permitted by law, have effect notwithstanding any provision in the constitution of KWR.

9.3 Further assurances

Subject to clause 9.4, KWR will execute all documents and do all acts and things (on its own behalf and on behalf of each KWR Optionholder) necessary or expedient for the implementation of, and performance of its obligations under, the Option Scheme.

9.4 Alterations and conditions

KWR may, with the consent of BTR, by its counsel consent on behalf of all Scheme Optionholders to any modifications or conditions which the Court thinks fit to impose.

9.5 GST

KWR must pay to the Scheme Optionholders an amount equal to any GST for which the Scheme Optionholders are liable on any supply by the Scheme Options under or in connection with the Option Scheme, without deduction or set off of any other amount.

9.6 Costs

Any costs, and any stamp duty and any related fines, interest or penalties, which are payable on or in respect of this document or on any document referred to in this document will be paid as provided for in the Scheme Implementation Deed. For the avoidance of doubt, Scheme Optionholders do not have to pay any stamp duty, related fines, interest or penalties which are payable on or in respect of this document or any document referred to in this document.

9.7 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

Schedule 1 – Terms and conditions of New BTR Options

The New BTR Options will be subject to the following terms and conditions:

- (a) **(Entitlement):** Subject to the terms and conditions set out below, each New BTR Option entitles the holder to the issue of one fully paid ordinary BTR Share.
- (b) **(Issue Price, Exercise Price and Expiry Date):** The issue price, exercise price and expiry date of the New BTR Options will be as follows:

| KWR Options | New BTR Options to be issued as Option Scheme Consideration | New Exercise Price | Expiry Date |
|-------------|---|--------------------|-------------|
| 1,125,000 | 2,960,526 | \$0.068 | 15/09/2023 |
| 2,970,000 | 7,815,789 | \$0.106 | 7/10/2024 |
| 8,000,000 | 21,052,632 | \$0.076 | 21/10/2024 |
| 6,250,000 | 16,447,368 | \$0.065 | 15/09/2024 |
| 1,700,000 | 4,473,684 | \$0.108 | 15/02/2025 |
| 22,512,500 | 59,243,421 | \$0.057 | 30/12/2023 |
| 1,250,000 | 3,289,474 | \$0.095 | 28/04/2025 |
| 19,376,834 | 50,991,668 | \$0.038 | 29/02/2024 |
| 1,250,000 | 3,289,474 | \$0.023 | 16/01/2026 |
| 1,500,000 | 3,947,368 | \$0.038 | 16/01/2026 |

- (c) **(Exercise Period):** The New BTR Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (d) **(Notice of Exercise):** The New BTR Options may be exercised by notice in writing to BTR in the manner specified on the New BTR Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New BTR Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to BTR.

Any Notice of Exercise of a New BTR Option received by BTR will be deemed to be a notice of the exercise of that New BTR Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New BTR Option being exercised in cleared funds (**Exercise Date**).

- (e) **(Issue of BTR Shares):** As soon as practicable after the valid exercise of a New BTR Option, BTR will:
- (i) issue, allocate or cause to be transferred to the holder the number of BTR Shares to which the holder is entitled;
 - (ii) issue a substitute certificate for any remaining unexercised New BTR Options held by the holder;
 - (iii) if required, and subject to paragraph (f) below, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
 - (iv) do all such acts, matters and things to obtain the grant of quotation of the BTR Shares by ASX in accordance with the ASX Listing Rules.

- (f) **(Restrictions on transfer of BTR Shares):** If BTR is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or such a notice for any reason is not effective to ensure that an offer for sale of the BTR Shares does not require disclosure to investors, BTR Shares issued on exercise of the New BTR Options may not be traded until 12 months after their issue unless BTR, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act. BTR is authorised by the holder to apply a holding lock on the relevant BTR Shares during the period of such restriction from trading.
- (g) **(Ranking):** All BTR Shares issued upon the exercise of New BTR Options will upon issue rank equally in all respects with other existing BTR Shares.
- (h) **(Transferability of the New BTR Options):** The New BTR Options are transferable, subject to compliance with the Corporations Act and ASX Listing Rules.
- (i) **(Dividend rights):** A New BTR Option does not entitle the holder to any dividends.
- (j) **(Voting rights):** A New BTR Option does not entitle the holder to vote on any resolutions proposed at a general meeting of BTR, subject to any voting rights provided under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (k) **(Quotation of the New BTR Options):** BTR will not apply for quotation of the New BTR Options on any securities exchange.
- (l) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of BTR, the rights of the holder will be varied in accordance with the ASX Listing Rules.
- (m) **(Entitlements and bonus issues):** Subject to the rights under paragraph (n), holders will not be entitled to participate in new issues of capital offered to BTR Shareholders such as bonus issues and entitlement issues.
- (n) **(Adjustment for bonus issues of BTR Shares):** If BTR makes a bonus issue of BTR Shares or other securities to existing BTR Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of BTR Shares which must be issued on the exercise of a New BTR Option will be increased by the number of BTR Shares which the holder would have received if the holder had exercised the New BTR Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (o) **(Return of capital rights):** The New BTR Options do not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (p) **(Rights on winding up):** The New BTR Options have no right to participate in the surplus profits or assets of BTR upon a winding up of BTR.
- (q) **(Takeovers prohibition):**
 - (i) the issue of BTR Shares on exercise of the New BTR Options is subject to and conditional upon the issue of the relevant BTR Shares not resulting in any person being in breach of section 606(1) of the Corporations Act; and
 - (ii) BTR will not be required to seek the approval of its members for the purposes of item 7 of section 611 of the Corporations Act to permit the issue of any BTR Shares on exercise of the New BTR Options.

- (r) **(No other rights):** A New BTR Option does not give a holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (s) **(Amendments required by ASX):** The terms of the New BTR Options may be amended as considered necessary by the BTR Board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the holder are not diminished or terminated.
- (t) **(Constitution):** Upon the issue of BTR Shares on exercise of the New BTR Options, the holder will be bound by BTR's constitution.

Annexure D – Share Scheme Deed Poll

Share Scheme - Deed Poll

Brightstar Resources Limited
(ACN 100 727 491)

and

Each holder of KWR Shares at the Record Date

Table of Contents

| | | |
|------------|---|----------|
| 1. | Definitions and interpretation | 1 |
| 1.1 | <i>Definitions</i> | 1 |
| 1.2 | <i>Interpretation</i> | 3 |
| 1.3 | <i>Business Days</i> | 4 |
| 1.4 | <i>Parties</i> | 4 |
| 2. | Nature of deed poll | 4 |
| 3. | Conditions precedent and termination | 4 |
| 3.1 | <i>Conditions precedent</i> | 4 |
| 3.2 | <i>Termination of deed</i> | 4 |
| 3.3 | <i>Consequences of termination</i> | 5 |
| 4. | Certificate in relation to conditions | 5 |
| 5. | Share Scheme Consideration | 5 |
| 5.1 | <i>Performance of obligations generally</i> | 5 |
| 5.2 | <i>Provision of Share Scheme Consideration</i> | 5 |
| 5.3 | <i>Satisfaction of obligation to provide Share Scheme Consideration</i> | 5 |
| 5.4 | <i>Ineligible Foreign Holders</i> | 6 |
| 5.5 | <i>Joint holders</i> | 6 |
| 6. | Quotation of New BTR Shares | 6 |
| 7. | Representations and warranties | 6 |
| 8. | Continuing obligations | 6 |
| 9. | Notices | 6 |
| 9.1 | <i>Form</i> | 6 |
| 9.2 | <i>Manner</i> | 7 |
| 9.3 | <i>Time</i> | 7 |
| 9.4 | <i>Initial details</i> | 7 |
| 9.5 | <i>Changes</i> | 7 |
| 10. | Governing law and jurisdiction | 8 |
| 10.1 | <i>Governing law</i> | 8 |
| 10.2 | <i>Jurisdiction</i> | 8 |
| 11. | Miscellaneous | 8 |
| 11.1 | <i>Exercise rights</i> | 8 |
| 11.2 | <i>Merger</i> | 8 |
| 11.3 | <i>Moratorium legislation</i> | 8 |

| | | |
|-------|----------------------------|---|
| 11.4 | <i>No assignment</i> | 8 |
| 11.5 | <i>Remedies cumulative</i> | 8 |
| 11.6 | <i>Severability</i> | 8 |
| 11.7 | <i>Further assurance</i> | 9 |
| 11.8 | <i>Costs</i> | 9 |
| 11.9 | <i>Taxes</i> | 9 |
| 11.10 | <i>Time</i> | 9 |
| 11.11 | <i>Variation</i> | 9 |
| 11.12 | <i>Waiver</i> | 9 |
| 11.13 | <i>Counterparts</i> | 9 |
| 11.14 | <i>Whole agreement</i> | 9 |

Date:

Parties

| | | |
|---------------------|--|--|
| BTR | Name | Brightstar Resources Limited |
| | ACN | 100 727 491 |
| | Address | 3/25 Belgravia Street, Belmont WA 6104 |
| | Email | joshh@brightstarresources.com.au |
| | Attention | Josh Hunt |
| Scheme Shareholders | Each holder of KWR Shares at the Record Date | |

Background

- A. BTR and KWR have entered into the Scheme Implementation Deed.
- B. Pursuant to the terms of the Scheme Implementation Deed, KWR has agreed to propose the Share Scheme.
- C. Under the Share Scheme, all Scheme Shares held by Scheme Shareholders will be transferred to BTR for the Share Scheme Consideration.
- D. BTR enters into this deed to covenant in favour of Scheme Shareholders to perform its obligations under the Share Scheme.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed:

ASX means ASX Limited (ACN 008 624 691).

BTR means Brightstar Resources Limited (ACN 100 727 491).

BTR Group means BTR and each of its subsidiaries.

BTR Share means a fully paid ordinary share in the capital of BTR.

Business Day means a day in Perth, Western Australia that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Western Australia or such other Court of competent jurisdiction under the Corporations Act agreed in writing between the Parties.

Effective means, when used in relation to the Share Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to the Share Scheme.

Effective Date means the date on which the Share Scheme becomes Effective in accordance with section 411(10) of the Corporations Act.

End Date means the date that is six months after the date of the Scheme Implementation Deed or as otherwise agreed between KWR and BTR in writing.

Excluded Optionholder means any holder of KWR Options who is a member of the BTR Group or who holds any KWR Options on behalf of or for the benefit of, any member of the BTR Group.

Excluded Shareholder means any KWR Shareholder who is a member of the BTR Group or any KWR Shareholder who holds any KWR Shares on behalf of or for the benefit of, any member of the BTR Group.

Implementation Date means the third Business Day following the Record Date or such other date as ordered by the Court and agreed between KWR and BTR.

Ineligible Foreign Holder means a KWR Shareholder whose address as shown in KWR's members' register is located outside Australia and its external territories or New Zealand unless BTR is satisfied that it is permitted to allot and issue New BTR Shares to that KWR Shareholder pursuant to the Share Scheme by the laws of that place, without having to comply with any governmental approval or other consent or registration, filing or other formality which BTR regards as unduly onerous.

KWR means Kingwest Resources Limited (ACN 624 972 185).

KWR Option means an option to acquire one KWR Share (which for the avoidance of doubt includes the KWR Share Appreciation Rights).

KWR Option Register means the register of holders of KWR Options maintained in accordance with the Corporations Act.

KWR Share Appreciation Right means a right to acquire a KWR Share, issued under the KWR performance rights plan approved by KWR Shareholders at the KWR general meeting held on 10 September 2019.

KWR Share means a fully paid ordinary share in the capital of KWR.

KWR Shareholder means a holder of KWR Shares.

KWR Share Register means the register of members of KWR maintained in accordance with the Corporations Act.

New BTR Shares means the BTR Shares to be issued to Scheme Shareholders as consideration for their Scheme Shares under the Share Scheme.

Option Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between KWR and the Scheme Optionholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by BTR and KWR.

Record Date means 5.00pm on the day which is two Business Days following the Effective Date or such other date as ordered by the Court and agreed between KWR and BTR in writing.

Scheme Booklet means the information to be approved by the Court and despatched to KWR Shareholders and holders of KWR Options in relation to the Share Scheme and the Option Scheme pursuant to section 412 of the Corporations Act.

Scheme Implementation Deed means the scheme implementation deed between KWR and BTR dated 22 December 2022, as varied by deed of amendment between KWR and BTR dated 15 March 2023.

Scheme Optionholder means a holder of KWR Options (other than an Excluded Optionholder) recorded in the KWR Option Register as at the Record Date.

Scheme Share means a KWR Share held by a Scheme Shareholder at the Record Date.

Scheme Shareholder means a holder of KWR Shares (other than an Excluded Shareholder) recorded in the KWR Share Register as at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Share Scheme is heard.

Share Scheme Consideration means the consideration to be provided to Scheme Shareholders under the terms of the Share Scheme, for the transfer of their Scheme Shares, comprising 1 BTR Share for every 0.38 KWR Shares held.

Share Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between KWR and the Scheme Shareholders, under which Scheme Shareholders will receive the Share Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by BTR and KWR.

1.2 Interpretation

- (a) Unless the contrary intention appears, a reference in this a deed to:
 - (i) this deed or another document includes any variation or replacement of it despite any change in the identity of the parties;
 - (ii) one gender includes the others;
 - (iii) the singular includes the plural and the plural includes the singular;
 - (iv) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;
 - (v) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this deed and a reference to this deed includes any schedule or attachment;
 - (vi) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
 - (vii) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
 - (viii) money is to Australian dollars, unless otherwise stated; and
 - (ix) a time is a reference to Western Australia time unless otherwise specified.
- (b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.
- (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

- (d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this deed.
- (e) A provision of this deed must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of this deed or the inclusion of the provision in this deed,

1.3 Business Days

- (a) If anything under this deed must be done on a day that is not a Business Day, it must be done instead on the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5.00pm on that day or it will be considered to have been done on the following day.

1.4 Parties

- (a) If a party consists of more than one person, this deed binds each of them separately and any two or more of them jointly.
- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

2. Nature of deed poll

BTR acknowledges that:

- (a) this deed may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though Scheme Shareholders are not party to it; and
- (b) under the Share Scheme, each Scheme Shareholder irrevocably appoints KWR and any of KWR's directors as its agent and attorney, inter alia, to enforce this deed against BTR.

3. Conditions precedent and termination

3.1 Conditions precedent

The obligations of BTR pursuant to this deed are subject to the Share Scheme becoming Effective.

3.2 Termination of deed

If:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Share Scheme does not become Effective on or before the End Date,

BTR's obligations under this deed will automatically terminate, unless BTR and KWR otherwise agree in writing in accordance with the Scheme Implementation Deed.

3.3 Consequences of termination

If this deed is terminated under clause 3.2 then, in addition and without prejudice to any other rights, power or remedies available to Scheme Shareholders:

- (a) BTR is released from any obligation to further perform this deed; and
 - (b) each Scheme Shareholder retains any rights, power or remedies it has against BTR in respect of any breach of this deed by BTR which occurred before termination of this deed.
-

4. Certificate in relation to conditions

BTR must provide to the Court on the Second Court Date a certificate which is signed by at least one director of BTR (or such other evidence as the Court may request) stating, to the best of its knowledge, whether or not the conditions precedent to the Share Scheme have been satisfied or waived, subject to the terms of the Scheme Implementation Deed as at 8.00am on the Second Court Date.

5. Share Scheme Consideration

5.1 Performance of obligations generally

Subject to clause 3, BTR must comply with its obligations under the Scheme Implementation Deed and must do all things necessary or desirable on its part to implement the Share Scheme.

5.2 Provision of Share Scheme Consideration

Subject to clauses 3 and 5.4, in consideration of the transfer of the Scheme Shares to BTR, BTR must:

- (a) acquire all of the Scheme Shares from Scheme Shareholders, in accordance with the provisions of the Share Scheme;
- (b) issue and allot the Share Scheme Consideration to each Scheme Shareholder (other than to Ineligible Foreign Holders who will be dealt with in accordance with clause 5.4); and
- (c) otherwise do all things necessary or expedient on its part to implement the Share Scheme.

5.3 Satisfaction of obligation to provide Share Scheme Consideration

The obligation of BTR to provide the Share Scheme Consideration referred to in clause 5.2(b) will be satisfied by BTR:

- (a) on the Implementation Date, entering in the register of members of BTR the name of each Scheme Shareholder, in relation to the New BTR Shares issued to each Scheme Shareholder as Share Scheme Consideration in accordance with the Share Scheme; and
- (b) within 10 Business Days after the Implementation Date, dispatching to each Scheme Shareholder, if their New BTR Shares are held on the issuer sponsored subregister of BTR, to his or her address as recorded in the KWR Share Register at the Record Date, an uncertificated holding statement in the name of that Scheme Shareholder representing the number of New BTR Shares issued to that Scheme Shareholder.

5.4 Ineligible Foreign Holders

BTR will be under no obligation under the Share Scheme to issue, and will not issue, any New BTR Shares to an Ineligible Foreign Holder, and instead where a Scheme Shareholder is an Ineligible Foreign Holder, the number of New BTR Shares to which the Scheme Shareholder would otherwise be entitled will be allotted to a nominee approved by KWR who will sell those New BTR Shares as soon as practicable (at the risk of that Ineligible Foreign Holder) and pay the proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to that Ineligible Foreign Holder in full satisfaction of that Ineligible Foreign Holder's rights under the Share Scheme to Share Scheme Consideration.

5.5 Joint holders

In the case of Scheme Shares held by Scheme Shareholders in joint names:

- (a) any entry in the register of members of BTR required to be made must record the names and registered addresses of the joint holders; and
- (b) any uncertificated holding statement for New BTR Shares must be issued to Scheme Shareholders in the names of the joint holders and must be forwarded to the holder whose name first appears in the KWR Share Register at the Record Date.

6. Quotation of New BTR Shares

BTR will use its best endeavours to procure that the New BTR Shares are quoted on ASX as soon as reasonably practicable after the Implementation Date.

7. Representations and warranties

BTR represents and warrants that:

- (a) it is a company limited by shares and validly existing under the Corporations Act;
- (b) it has full legal capacity and power to enter into this deed and to carry out the transactions that this deed contemplates;
- (c) it has taken all corporate action that is necessary or desirable to authorise its entry into this deed and it carrying out the transactions this deed contemplates; and
- (d) this deed constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping.

8. Continuing obligations

This deed is irrevocable and, subject to clause 3, remains in full force and effect until BTR has completely performed its obligations under this deed or the earlier termination of this deed under clause 3.

9. Notices

9.1 Form

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in clause 9.4 or to any other address as the recipient may have notified the sender; and
- (c) be signed by the party or by an authorised officer of the sender.

9.2 Manner

In addition to any other method of service authorised by law, the notice may be:

- (a) personally served on a party;
- (b) left at the party's current address for service;
- (c) sent to the party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail; or
- (d) sent by electronic mail to the party's electronic mail address.

9.3 Time

If a notice is sent or delivered in the manner provided in clause 9.2 it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post:
 - (i) in Australia to an Australian address, the second Business Day after posting; or
 - (ii) in any other case, on the tenth Business Day after posting; or
- (c) electronic mail, when the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5.00pm on a Business Day it must be treated as received on the next Business Day in that place.

9.4 Initial details

The addresses and numbers for service are initially:

BTR:

Address: 3/25 Belgravia Street, Belmont WA 6104

Electronic Mail: joshh@brightstarresources.com.au

Attention: John Hunt

9.5 Changes

A party may from time to time change its address or numbers for service by notice to each other party.

10. Governing law and jurisdiction

10.1 Governing law

This deed is governed by and construed in accordance with the laws of Western Australia.

10.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this deed; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph 9.2(a).

11. Miscellaneous

11.1 Exercise rights

A single or partial exercise or waiver by a party of any right under or relating to this deed will not prevent any other exercise of that right or the exercise of any other right.

11.2 Merger

If the liability of a party to pay money under this deed becomes merged in any deed, judgment, order or other thing, the party liable must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate payable under this deed and that fixed by or payable under that deed, judgment, order or other thing.

11.3 Moratorium legislation

Any law which varies prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this deed is excluded to the extent permitted by law.

11.4 No assignment

A party must not assign, transfer or novate all or any part of its rights or obligations under or relating to this deed or grant, declare, create or dispose of any right or interest in it, without the prior written consent of each other party.

11.5 Remedies cumulative

The rights and remedies under this deed are cumulative and not exclusive of any rights or remedies provided by law.

11.6 Severability

If a provision of this deed is illegal, invalid, unenforceable or void in a jurisdiction it is severed for that jurisdiction and the remainder of this deed has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected.

11.7 Further assurance

Each party must promptly at its own cost do all things (including executing and delivering all documents) necessary or desirable to give full effect to this deed and the transactions contemplated by it.

11.8 Costs

Each party is responsible for all its own costs incurred in the negotiation and performance of this deed including legal costs.

11.9 Taxes

BTR must:

- (a) pay all taxes which may be payable or determinable in connection with the execution, delivery, performance or enforcement of this deed or any payment or receipt or of any transaction contemplated by this deed; and
- (b) indemnify KWR against any liabilities resulting from any delay or omission by BTR to pay any taxes.

11.10 Time

- (a) Time is of the essence of this deed.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this deed.
- (c) An agreement to vary a time requirement must be in writing.

11.11 Variation

An amendment or variation to this deed is not effective unless it is in writing and signed by the parties.

11.12 Waiver

- (a) A party's waiver of a right under or relating to this deed, whether prospectively or retrospectively, is not effective unless it is in writing and signed by that party.
- (b) No other act, omission or delay by a party will constitute a waiver of a right.

11.13 Counterparts

This deed may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this deed may deliver it to, or exchange it with, another party by:

- (a) faxing; or
- (b) emailing a pdf (portable document format) copy of the executed counterpart to that other party.

11.14 Whole agreement

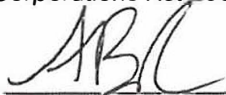
This deed:

- (a) is the entire agreement and understanding between the parties relating to the subject matter of this deed; and

- (b) supersedes any prior agreement, representation (written or oral) or understanding on anything connected with that subject matter.

Executed as a deed poll

Signed, sealed and delivered by
Brightstar Resources Limited
ACN 100 727 491
pursuant to Section 127 of the
Corporations Act 2001 (Cth):



Signature of Director

Alex Rovira

Name of Director (print)

)
)
)
)



Signature of Director/Secretary

Luke Wang

Name of Director/Secretary (print)

Annexure E – Option Scheme Deed Poll

Option Scheme - Deed Poll

Brightstar Resources Limited
(ACN 100 727 491)

and

Each holder of KWR Options at the Record Date

Table of Contents

| | | |
|------------|--|----------|
| 1. | Definitions and interpretation | 1 |
| 1.1 | <i>Definitions</i> | 1 |
| 1.2 | <i>Interpretation</i> | 3 |
| 1.3 | <i>Business Days</i> | 4 |
| 1.4 | <i>Parties</i> | 4 |
| 2. | Nature of deed poll | 4 |
| 3. | Conditions precedent and termination | 4 |
| 3.1 | <i>Conditions precedent</i> | 4 |
| 3.2 | <i>Termination of deed</i> | 5 |
| 3.3 | <i>Consequences of termination</i> | 5 |
| 4. | Certificate in relation to conditions | 5 |
| 5. | Option Scheme Consideration | 5 |
| 5.1 | <i>Performance of obligations generally</i> | 5 |
| 5.2 | <i>Provision of Option Scheme Consideration</i> | 5 |
| 5.3 | <i>Satisfaction of obligation to provide Option Scheme Consideration</i> | 5 |
| 5.4 | <i>Joint holders</i> | 6 |
| 6. | Representations and warranties | 6 |
| 7. | Continuing obligations | 6 |
| 8. | Notices | 6 |
| 8.1 | <i>Form</i> | 6 |
| 8.2 | <i>Manner</i> | 6 |
| 8.3 | <i>Time</i> | 7 |
| 8.4 | <i>Initial details</i> | 7 |
| 8.5 | <i>Changes</i> | 7 |
| 9. | Governing law and jurisdiction | 7 |
| 9.1 | <i>Governing law</i> | 7 |
| 9.2 | <i>Jurisdiction</i> | 7 |
| 10. | Miscellaneous | 8 |
| 10.1 | <i>Exercise rights</i> | 8 |
| 10.2 | <i>Merger</i> | 8 |
| 10.3 | <i>Moratorium legislation</i> | 8 |
| 10.4 | <i>No assignment</i> | 8 |
| 10.5 | <i>Remedies cumulative</i> | 8 |

| | | |
|-------|--------------------------|---|
| 10.6 | <i>Severability</i> | 8 |
| 10.7 | <i>Further assurance</i> | 8 |
| 10.8 | <i>Costs</i> | 8 |
| 10.9 | <i>Taxes</i> | 8 |
| 10.10 | <i>Time</i> | 9 |
| 10.11 | <i>Variation</i> | 9 |
| 10.12 | <i>Waiver</i> | 9 |
| 10.13 | <i>Counterparts</i> | 9 |
| 10.14 | <i>Whole agreement</i> | 9 |

Date:

Parties

| | | |
|----------------------|---|--|
| BTR | Name | Brightstar Resources Limited |
| | ACN | 100 727 491 |
| | Address | 3/25 Belgravia Street, Belmont WA 6104 |
| | Email | joshh@brightstarresources.com.au |
| | Attention | Josh Hunt |
| Scheme Optionholders | Each holder of KWR Options at the Record Date | |

Background

- A. BTR and KWR have entered into the Scheme Implementation Deed.
- B. Pursuant to the terms of the Scheme Implementation Deed, KWR has agreed to propose the Option Scheme.
- C. Under the Option Scheme, all Scheme Options held by Scheme Optionholders will be cancelled and extinguished for the Option Scheme Consideration.
- D. BTR enters into this deed to covenant in favour of Scheme Optionholders to perform its obligations under the Option Scheme.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed:

ASX means ASX Limited (ACN 008 624 691).

BTR means Brightstar Resources Limited (ACN 100 727 491).

BTR Group means BTR and each of its subsidiaries.

BTR Option Register means the register of holders of options in BTR maintained in accordance with the Corporations Act.

Business Day means a day in Perth, Western Australia that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Western Australia or such other Court of competent jurisdiction under the Corporations Act agreed in writing between the Parties.

Effective means, when used in relation to the Option Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to the Option Scheme.

Effective Date means the date on which the Option Scheme becomes Effective in accordance with section 411(10) of the Corporations Act.

End Date means the date that is six months after the date of the Scheme Implementation Deed or such other date agreed between KWR and BTR in writing.

Excluded Optionholder means any holder of KWR Options who is a member of the BTR Group or who holds any KWR Options on behalf of or for the benefit of, any member of the BTR Group.

Excluded Shareholder means any KWR Shareholder who is a member of the BTR Group or any KWR Shareholder who holds any KWR Shares on behalf of or for the benefit of, any member of the BTR Group.

Implementation Date means the third Business Day following the Record Date or such other date as ordered by the Court and agreed between KWR and BTR.

KWR means Kingwest Resources Limited (ACN 624 972 185).

KWR Option means an option to acquire one KWR Share (which for the avoidance of doubt includes the KWR Share Appreciation Rights).

KWR Optionholder means each person who is registered as the holder of a KWR Option.

KWR Option Register means the register of KWR Optionholders maintained in accordance with the Corporations Act.

KWR Share Appreciation Right means a right to acquire a KWR Share, issued under the KWR performance rights plan approved by KWR shareholders at the KWR general meeting held on 10 September 2019.

KWR Share means a fully paid ordinary share in the capital of KWR.

KWR Share Register means the register of members of KWR maintained in accordance with the Corporations Act.

New BTR Option means an option to acquire a share in the capital of BTR on the terms and conditions in Schedule 1 of the Option Scheme, to be issued to Scheme Optionholders under the Option Scheme.

Option Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between KWR and the Scheme Optionholders, under which Scheme Optionholders will receive the Option Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by BTR and KWR.

Option Scheme Consideration means the consideration to be provided to the Scheme Optionholders under the terms of the Option Scheme, for the cancellation and extinguishment of their Scheme Options, comprised of such number of New BTR Options as determined by applying the Transaction Ratio, with such New BTR Options to:

- (a) have an exercise period equal to the unexpired exercise period of the relevant Scheme Option it replaces;
- (b) have an exercise price equal to the exercise price of the Scheme Option it replaces, divided by the Transaction Ratio;
- (c) be vested to the same extent and have the same terms as to vesting as the relevant Scheme Option it replaces, ignoring any deemed vesting which arises by reason of

the Share Scheme; and

- (d) otherwise be issued on the terms and conditions in Schedule 1 of the Option Scheme.

Record Date means 5.00pm on the day which is two Business Days following the Effective Date or such other date as ordered by the Court and agreed between KWR and BTR in writing.

Scheme Booklet means the information to be approved by the Court and despatched to holders of KWR Shares and KWR Optionholders in relation to the Share Scheme and the Option Scheme pursuant to section 412 of the Corporations Act.

Scheme Implementation Deed means the scheme implementation deed between KWR and BTR dated 22 December 2022, as varied by deed of amendment between KWR and BTR dated 15 March 2023.

Scheme Option means a KWR Option held by a Scheme Optionholder at the Record Date

Scheme Optionholder means a holder of KWR Options (other than an Excluded Optionholder) recorded in the KWR Option Register as at the Record Date.

Scheme Shareholder means a holder of KWR Shares (other than an Excluded Shareholder) recorded in the KWR Share Register as at the Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Option Scheme is heard.

Share Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between KWR and the Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by BTR and KWR.

Transaction Ratio means 1 New BTR Option for every 0.38 KWR Options.

1.2 Interpretation

- (a) Unless the contrary intention appears, a reference in this deed to:
 - (i) this deed or another document includes any variation or replacement of it despite any change in the identity of the parties;
 - (ii) one gender includes the others;
 - (iii) the singular includes the plural and the plural includes the singular;
 - (iv) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;
 - (v) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this deed and a reference to this deed includes any schedule or attachment;
 - (vi) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;

- (vii) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
- (viii) money is to Australian dollars, unless otherwise stated; and
- (ix) a time is a reference to Western Australia time unless otherwise specified.
- (b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.
- (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this deed.
- (e) A provision of this deed must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of this deed or the inclusion of the provision in this deed,

1.3 Business Days

- (a) If anything under this deed must be done on a day that is not a Business Day, it must be done instead on the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5.00pm on that day or it will be considered to have been done on the following day.

1.4 Parties

- (a) If a party consists of more than one person, this deed binds each of them separately and any two or more of them jointly.
- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

2. Nature of deed poll

BTR acknowledges that:

- (a) this deed may be relied on and enforced by any Scheme Optionholder in accordance with its terms, even though Scheme Optionholders are not party to it; and
 - (b) under the Option Scheme, each Scheme Optionholder irrevocably appoints KWR and any of KWR's directors as its agent and attorney, inter alia, to enforce this deed against BTR.
-

3. Conditions precedent and termination

3.1 Conditions precedent

The obligations of BTR pursuant to this deed are subject to the Option Scheme becoming Effective.

3.2 Termination of deed

If:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Option Scheme does not become Effective on or before the End Date,

BTR's obligations under this deed will automatically terminate, unless BTR and KWR otherwise agree in writing in accordance with the Scheme Implementation Deed.

3.3 Consequences of termination

If this deed is terminated under clause 3.2 then, in addition and without prejudice to any other rights, power or remedies available to Scheme Optionholders:

- (a) BTR is released from any obligation to further perform this deed; and
- (b) each Scheme Optionholder retains any rights, power or remedies it has against BTR in respect of any breach of this deed by BTR which occurred before termination of this deed.

4. Certificate in relation to conditions

BTR must provide to the Court on the Second Court Date a certificate which is signed by at least one director of BTR (or such other evidence as the Court may request) stating, to the best of its knowledge, whether or not the conditions precedent to the Option Scheme have been satisfied or waived, subject to the terms of the Scheme Implementation Deed as at 8.00am on the Second Court Date.

5. Option Scheme Consideration

5.1 Performance of obligations generally

Subject to clause 3, BTR must comply with its obligations under the Scheme Implementation Deed and must do all things necessary or desirable on its part to implement the Option Scheme.

5.2 Provision of Option Scheme Consideration

Subject to clause 3, in consideration for the cancellation and extinguishment of Scheme Options, BTR must:

- (a) provide, or procure the provision of, the Option Scheme Consideration to each Scheme Optionholder in accordance with the terms of the Option Scheme; and
- (b) otherwise do all things necessary or expedient on its part to implement the Option Scheme.

5.3 Satisfaction of obligation to provide Option Scheme Consideration

The obligation of BTR to provide the Option Scheme Consideration referred to in clause 5.2 will be satisfied by BTR:

- (a) on the Implementation Date, entering in the BTR Option Register the name of each Scheme Optionholder, in relation to the New BTR Options issued to each Scheme Optionholder as Option Scheme Consideration in accordance with the Option Scheme; and

- (b) within 10 Business Days after the Implementation Date, dispatching to each Scheme Optionholder, if their New BTR Options are held on the issuer sponsored subregister of BTR, to his or her address as recorded in the KWR Option Register at the Record Date, an uncertificated holding statement in the name of that Scheme Optionholder representing the number of New BTR Options issued to that Scheme Optionholder.

5.4 Joint holders

In the case of Scheme Options held by Scheme Optionholders in joint names:

- (a) any entry in the BTR Option Register required to be made must record the names and registered addresses of the joint holders; and
- (b) any uncertificated holding statement for New BTR Options must be issued to Scheme Optionholders in the names of the joint holders and must be forwarded to the holder whose name first appears in the KWR Option Register at the Record Date.

6. Representations and warranties

BTR represents and warrants that:

- (a) it is a company limited by shares and validly existing under the Corporations Act;
- (b) it has full legal capacity and power to enter into this deed and to carry out the transactions that this deed contemplates;
- (c) it has taken all corporate action that is necessary or desirable to authorise its entry into this deed and it carrying out the transactions this deed contemplates; and
- (d) this deed constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping.

7. Continuing obligations

This deed is irrevocable and, subject to clause 3, remains in full force and effect until BTR has completely performed its obligations under this deed or the earlier termination of this deed under clause 3.

8. Notices

8.1 Form

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in clause 8.4 or to any other address as the recipient may have notified the sender; and
- (c) be signed by the party or by an authorised officer of the sender.

8.2 Manner

In addition to any other method of service authorised by law, the notice may be:

- (a) personally served on a party;

- (b) left at the party's current address for service;
- (c) sent to the party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail; or
- (d) sent by electronic mail to the party's electronic mail address.

8.3 Time

If a notice is sent or delivered in the manner provided in clause 8.2 it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post:
 - (i) in Australia to an Australian address, the second Business Day after posting; or
 - (ii) in any other case, on the tenth Business Day after posting; or
- (c) electronic mail, when the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5.00pm on a Business Day it must be treated as received on the next Business Day in that place.

8.4 Initial details

The addresses and numbers for service are initially:

BTR:

Address: 3/25 Belgravia Street, Belmont WA 6104

Electronic Mail: joshh@brightstarresources.com.au

Attention: John Hunt

8.5 Changes

A party may from time to time change its address or numbers for service by notice to each other party.

9. Governing law and jurisdiction

9.1 Governing law

This deed is governed by and construed in accordance with the laws of Western Australia.

9.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this deed; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings

have been brought in an inconvenient forum, if that venue falls within paragraph 8.2(a).

10. Miscellaneous

10.1 Exercise rights

A single or partial exercise or waiver by a party of any right under or relating to this deed will not prevent any other exercise of that right or the exercise of any other right.

10.2 Merger

If the liability of a party to pay money under this deed becomes merged in any deed, judgment, order or other thing, the party liable must pay interest on the amount owing from time to time under that deed, judgment, order or other thing at the higher of the rate payable under this deed and that fixed by or payable under that deed, judgment, order or other thing.

10.3 Moratorium legislation

Any law which varies prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this deed is excluded to the extent permitted by law.

10.4 No assignment

A party must not assign, transfer or novate all or any part of its rights or obligations under or relating to this deed or grant, declare, create or dispose of any right or interest in it, without the prior written consent of each other party.

10.5 Remedies cumulative

The rights and remedies under this deed are cumulative and not exclusive of any rights or remedies provided by law.

10.6 Severability

If a provision of this deed is illegal, invalid, unenforceable or void in a jurisdiction it is severed for that jurisdiction and the remainder of this deed has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected.

10.7 Further assurance

Each party must promptly at its own cost do all things (including executing and delivering all documents) necessary or desirable to give full effect to this deed and the transactions contemplated by it.

10.8 Costs

Each party is responsible for all its own costs incurred in the negotiation and performance of this deed including legal costs.

10.9 Taxes

BTR must:

- (a) pay all taxes which may be payable or determinable, in connection with the execution, delivery, performance or enforcement of this deed or any payment or receipt or of any transaction contemplated by this deed; and

- (b) indemnify KWR against any liabilities resulting from any delay or omission by BTR to pay any taxes.

10.10 Time

- (a) Time is of the essence of this deed.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this deed.
- (c) An agreement to vary a time requirement must be in writing.

10.11 Variation

An amendment or variation to this deed is not effective unless it is in writing and signed by the parties.

10.12 Waiver

- (a) A party's waiver of a right under or relating to this deed, whether prospectively or retrospectively, is not effective unless it is in writing and signed by that party.
- (b) No other act, omission or delay by a party will constitute a waiver of a right.

10.13 Counterparts

This deed may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this deed may deliver it to, or exchange it with, another party by:

- (a) faxing; or
- (b) emailing a pdf (portable document format) copy of the executed counterpart to that other party.

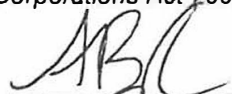
10.14 Whole agreement

This deed:

- (a) is the entire agreement and understanding between the parties relating to the subject matter of this deed; and
- (b) supersedes any prior agreement, representation (written or oral) or understanding on anything connected with that subject matter.

Executed as a deed poll

Signed, sealed and delivered by
Brightstar Resources Limited
ACN 100 727 491
pursuant to Section 127 of the
Corporations Act 2001 (Cth):



Signature of Director

Alex Rovira

Name of Director (print)

)
)
)
)



Signature of Director/Secretary

Luke Wang

Name of Director/Secretary (print)

Annexure F – Notice of Share Scheme Meeting

Notice of Scheme Meeting of Kingwest Shareholders

Notice is hereby given that, by order of the Supreme Court of Western Australia (**Court**) made on 5 April 2023 pursuant to section 411(1) of the Corporations Act, a meeting of Kingwest Shareholders will be held at the Conference Room in the lobby of London House, 216 St George's Terrace, Perth WA 6000, on 12 May commencing at 10:30am (AWST).

The Court has also directed that Pia Drummond as chair of the Scheme Meeting, or failing her, Phil Greaney, and has directed the chair to report the result of the Scheme Meeting to the Court.

Purpose of the Share Scheme Meeting

The purpose of the Share Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) to a scheme of arrangement proposed to be made between Kingwest and the Kingwest Shareholders.

A copy of the Share Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Share Scheme are contained in the Scheme Booklet of which this notice forms part. Terms and abbreviations used in this notice and in the Scheme Booklet are defined in the Scheme Booklet.

Resolution – Approval of Share Scheme

To consider, and if thought fit, to pass the following resolution:

“That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Kingwest and Scheme Shareholders, as contained in and more particularly described in the document of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Supreme Court of Western Australia).”

Majority Required

To pass the resolution approving the Share Scheme, votes in favour of the Share Scheme must be cast by:

- more than 50% in number of Kingwest Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the resolution by Kingwest Shareholders.

Voting at the Share Scheme Meeting will be by poll rather than by show of hands.

Brightstar is excluded from voting on the Share Scheme by reason of the fact that it is the proponent of the Share Scheme. As at the date of the Scheme Booklet, neither Brightstar nor any of its Associates hold any Kingwest Shares.

How to Vote

Kingwest Shareholders can vote in either of two ways:

- by attending the Share Scheme Meeting and voting in person or by attorney or, in the case of corporate Kingwest Securityholders, by corporate representative; or
- by appointing a proxy to attend and vote on their behalf, using the proxy form enclosed with the Scheme Booklet.

Voting in Person (or by Attorney or Corporate Representative)

Kingwest Shareholders or their attorneys who plan to attend the Share Scheme Meeting are asked to arrive at the venue 30 minutes prior to the time designated for the Share Scheme Meeting so that the shareholding can be checked against the Kingwest Share Register and attendances can be noted. If a Kingwest Shareholder wishes to appoint an attorney, that Kingwest Shareholder will need to provide Kingwest with an original or certified copy of the power of attorney under which they authorise the attorney to attend and vote at the Share Scheme Meeting at least 48 hours prior to the commencement of the Share Scheme Meeting. In order to vote in person at the meeting, a Kingwest Shareholder which is a corporation may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. A corporate Kingwest Shareholder should obtain an "appointment of Corporate Representative" form from Automic and complete that form in accordance with its instructions. The representative should bring this form, duly completed, to the Share Scheme Meeting and any authority under which it is signed, unless this has already been provided and is kept at Automic.

Jointly Held Kingwest Shares

If the Kingwest Shares are jointly held, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in respect of jointly held Kingwest Shares, only the vote of the shareholder whose name appears first on the Kingwest Share Register will be counted.

Proxy Instructions

- A Kingwest Shareholder entitled to attend and vote at the Share Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Share Scheme Meeting.
- The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed, unless the appointment specifies the proportion or number of the Kingwest Shareholder's votes, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
- A proxy may, but need not be, a Kingwest Shareholder.
- If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Kingwest Shareholder's behalf on a poll and the Kingwest Shares the subject of the proxy appointment will not be counted in computing the required majority.
- If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting, as that person thinks fit.
- Kingwest Shareholders who return their proxy forms with a direction on how to vote but without nominating the identity of their proxy will be taken to have appointed the chairman of the Share Scheme Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Share Scheme Meeting, the chairman of the Share Scheme Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the Share Scheme Meeting, the secretary or any director which do not contain a direction will, in the absence of a change in circumstances, be used to vote in favour of the Share Scheme.
- A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing of the revocation has been received by Kingwest or Automic before commencement of the Share Scheme Meeting.
- Appointing a proxy will not preclude you from attending the Share Scheme Meeting in person and voting at the Share Scheme Meeting instead of your proxy.

- Completed proxy forms may be lodged by:
 - using one of the reply paid envelopes enclosed with the Scheme Booklet;
 - by using the **AUTOMIC ONLINE VOTING** facility detailed on the proxy form; OR
 - by posting, delivery or facsimile to the Kingwest share registry as follows:

By Mail: Automic
GPO Box 5193
Sydney New South Wales 2001
AUSTRALIA

By Email: meetings@automicgroup.com.au

Fax: +61 2 8583 3040

- To be valid for the Share Scheme Meeting, completed proxy forms (and any power of attorney under which they are signed) must be received by no later than **10:30am (AWST) on 10 May 2023**.
- The proxy form must be signed by the Kingwest Shareholder or the Kingwest Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointor's attorney, a certified copy of the power of attorney, or the power itself, must be received by Automic at the above addresses or by facsimile transmission by **10:30am (AWST) on 10 May 2023**. If facsimile transmission is used, the power of attorney must be certified.

Kingwest Shareholders who are Entitled to Vote

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining a person's entitlement to vote at the Share Scheme Meeting is **5:00pm (AWST) on 10 May 2023**. Only those Kingwest Shareholders entered on the Kingwest Share Register as at that time will be entitled to attend and vote at the Share Scheme Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Share Scheme Meeting.

Court Approval

In accordance with section 411(4)(b) of the Corporations Act, the Share Scheme (with or without modification) will not be implemented unless it is approved by an order of the Court. If the resolution put to the Share Scheme Meeting is passed by the majority required, Kingwest intends to apply to the Court for the necessary orders to give effect to the Scheme.

Annexure G – Notice of Option Scheme Meeting

Notice of Scheme Meeting of Scheme Optionholders

Notice is hereby given that, by order of the Supreme Court of Western Australia (**Court**) made on 5 April 2023 pursuant to section 411(1) of the Corporations Act, a meeting of Kingwest Optionholders will be held at the Conference Room in the lobby of London House, 216 St George's Terrace, Perth WA 6000, on 12 May commencing at the later of 11:00am (AWST) and the conclusion of the Share Scheme Meeting.

The Court has also directed that Pia Drummond as chair of the Option Scheme Meeting, or failing her, Phil Greaney, and has directed the chair to report the result of the Option Scheme Meeting to the Court.

Purpose of the Option Scheme Meeting

The purpose of the Option Scheme Meeting is to consider and, if thought fit, to agree (with or without modification) to a scheme of arrangement proposed to be made between Kingwest and the Scheme Optionholders.

A copy of the Option Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Option Scheme are contained in the Scheme Booklet of which this notice forms part. Terms and abbreviations used in this notice and in the Scheme Booklet are defined in the Scheme Booklet.

Resolution – Approval of Option Scheme

To consider, and if thought fit, to pass the following resolution:

“That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Kingwest and Scheme Optionholders, as contained in and more particularly described in the document of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Supreme Court of Western Australia).”

Majority Required

To pass the resolution approving the Option Scheme, votes in favour of the Option Scheme must be cast by:

- more than 50% in number of Kingwest Optionholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the resolution by Kingwest Optionholders.

Voting at the Option Scheme Meeting will be by poll rather than by show of hands.

Brightstar is excluded from voting on the Option Scheme by reason of the fact that it is the proponent of the Option Scheme. As at the date of the Scheme Booklet, neither Brightstar nor any of its Associates hold any Kingwest Options.

How to Vote

Kingwest Optionholders can vote in either of two ways:

- by attending the Option Scheme Meeting and voting in person or by attorney or, in the case of corporate Kingwest Optionholders, by corporate representative; or

- by appointing a proxy to attend and vote on their behalf, using the proxy form enclosed with the Scheme Booklet.

Voting in Person (or by Attorney or Corporate Representative)

Kingwest Optionholders or their attorneys who plan to attend the Option Scheme Meeting are asked to arrive at the venue 30 minutes prior to the time designated for the Option Scheme Meeting so that the Optionholding can be checked against the Kingwest Option Register and attendances can be noted. If a Kingwest Optionholder wishes to appoint an attorney, that Kingwest Optionholder will need to provide Kingwest with an original or certified copy of the power of attorney under which they authorise the attorney to attend and vote at the Option Scheme Meeting at least 48 hours prior to the commencement of the Option Scheme Meeting. In order to vote in person at the meeting, a Kingwest Optionholder which is a corporation may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. A corporate Kingwest Optionholder should obtain an "appointment of Corporate Representative" form from Automic and complete that form in accordance with its instructions. The representative should bring this form, duly completed, to the Option Scheme Meeting and any authority under which it is signed, unless this has already been provided and is kept at Automic.

Jointly Held Kingwest Options

If the Kingwest Options are jointly held, only one of the joint shareholders is entitled to vote. If more than one Optionholder votes in respect of jointly held Kingwest Options, only the vote of the Optionholder whose name appears first on the Kingwest Option Register will be counted.

Proxy Instructions

- A Kingwest Optionholder entitled to attend and vote at the Option Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Option Scheme Meeting.
- The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed, unless the appointment specifies the proportion or number of the Kingwest Optionholder's votes, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
- A proxy may, but need not be, a Kingwest Optionholder.
- If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Kingwest Optionholder's behalf on a poll and the Kingwest Options the subject of the proxy appointment will not be counted in computing the required majority.
- If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting, as that person thinks fit.
- Kingwest Optionholders who return their proxy forms with a direction on how to vote but without nominating the identity of their proxy will be taken to have appointed the chairman of the Option Scheme Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Option Scheme Meeting, the chairman of the Option Scheme Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the Option Scheme Meeting, the secretary or any director which do not contain a direction will, in the absence of a change in circumstances, be used to vote in favour of the Option Scheme.
- A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing of the revocation has been received by Kingwest or Automic before commencement of the Option Scheme Meeting.

- Appointing a proxy will not preclude you from attending the Option Scheme Meeting in person and voting at the Option Scheme Meeting instead of your proxy.
- Completed proxy forms may be lodged by:
 - using one of the reply paid envelopes enclosed with the Scheme Booklet;
 - by using the **AUTOMIC ONLINE VOTING** facility detailed on the proxy form; OR
 - by posting, delivery or facsimile to the Kingwest share registry as follows:

By Mail: Automic
GPO Box 5193
Sydney New South Wales 2001
AUSTRALIA

By Email: meetings@automicgroup.com.au

Fax: +61 2 8583 3040

To be valid for the Option Scheme Meeting, completed proxy forms (and any power of attorney under which they are signed) must be received by no later than **11:00am (AWST) on 10 May 2023**.

- The proxy form must be signed by the Kingwest Optionholder or the Kingwest Optionholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointor's attorney, a certified copy of the power of attorney, or the power itself, must be received by Automic at the above addresses or by facsimile transmission by **11:00am (AWST) on 10 May 2023**. If facsimile transmission is used, the power of attorney must be certified.

Kingwest Optionholders who are Entitled to Vote

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining a person's entitlement to vote at the Option Scheme Meeting is **5:00pm (AWST) on 10 May 2023**. Only those Kingwest Optionholders entered on the Kingwest Option Register as at that time will be entitled to attend and vote at the Option Scheme Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Option Scheme Meeting.

Court Approval

In accordance with section 411(4)(b) of the Corporations Act, the Option Scheme (with or without modification) will not be implemented unless it is approved by an order of the Court. If the resolution put to the Option Scheme Meeting is passed by the majority required, Kingwest intends to apply to the Court for the necessary orders to give effect to the Option Scheme.

Corporate Directory

Kingwest Resources Limited

Directors

Gregory Bittar
Jonathan Downes
Ashok Parekh

Company Secretary

Stephen Brockhurst

Registered Office

Level 8, 216 St Georges Terrace
PERTH WA 6000

Principal Office

Churchill Court
Unit 3, 331 Hay Street
SUBIACO WA 6008

Solicitors

Steinepreis Paganin
Level 4, 16 Milligan Street
PERTH WA 6000

Auditor

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

Share Registry

Automic Registry Pty Ltd
Level 5, 191 St Georges Terrace
PERTH WA 6000

Brightstar Resources Limited

Directors

Tony Lau
Joshua Hunt
Alex Rovira

Company Secretary

Luke Wang

Registered & Principal Office

Unit 3, Belgravia Street
BELMONT WA 6104

Solicitors

Hamilton Locke
Level 48, 152-158 St Georges Terrace
PERTH WA 6000

Auditor

Pitcher Partners BA&A Pty Ltd
Level 11,
12-14 The Esplanade
PERTH WA 6000

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000