



BRIGHTSTAR

RESOURCES LIMITED

ABN 44 100 727 491

**Interim Financial Report
For the half-year ended 31 December 2023**

This half-year Financial Report is to be read in conjunction with the Financial Report for the year ended 30 June 2023.

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DIRECTORS' REPORT

Your directors submit the interim financial report of Brightstar Resources Limited ("BTR" or "Company") and its subsidiaries ("Group") for the half-year ended 31 December 2023 (the "interim period"). In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Mr Alexander Rovira	Managing Director
Mr Gregory Bittar	Non-Executive Chairman
Mr Jonathan Downes	Non-Executive Director
Mr Josh Hunt	Non-Executive Director
Mr Tony Lau	Non-Executive Director (resigned 31 October 2023)

Review of Operations

Laverton Gold Project

Mine Restart Study¹

A positive mine restart study was completed in September for the development of the 100% owned Menzies and Laverton Gold Projects. Highlights from the study include:

- Initial mine production target of approximately 5.28Mt @ 2.00g/t Au for 322,617 oz over approximately 8 years.
- Average recovered ounces of +45koz pa in first five years, with average LOM production of ~40kozpa and strong potential to increase production profile and mine life.
- The staged mine plan provides early cashflow from the Menzies Gold Project to organically fund the restart of the Laverton Gold Project
- Total project pre-production capital of approximately \$22 million
- Rapid restart with first Menzies gold within six months of mining commencement and first Laverton gold within nine months from the commencement of processing plant upgrades
- Study highlights robust financials and a competitive cost profile utilising conservative pricing assumptions and current cost environment:
 - Net Present Value (unlevered, pre-tax, 8%) of approximately A\$103 million using a gold price of A\$2,900/oz
 - Pre-tax internal rate of return (IRR) of approximately 79%
 - NPV₈ at current spot gold price (A\$3,000/oz) of approximately A\$128m and IRR of approximately 106%
 - Payback period of approximately 1.5 years, underpinned by 70% of material processed being Measured and Indicated Mineral Resources
 - All-In Sustaining Costs (AISC) of approximately A\$2,041/oz
- Strong returns on investment driven by low capital start-up metrics delivers a readily fundable project development:
 - NPV / Capex ratio of approximately 4.6x
 - Capital Intensity of A\$559/oz (pre-production capital divided by annual gold production)

DIRECTORS' REPORT (continued)

Processing Plant Valuation²

Following release of the Company's recent Scoping Study in September (*Menzies and Laverton Gold Project Mine Restart Study, ASX Announcement 06/09/2023*), the Company progressed with work streams under its Pre-Feasibility Study regarding the refurbishment and expansion of the Brightstar Plant (Figure 5) to support further potential increased throughput and consequential increased annual production profile from its Laverton operations. As part of these works, the Company commissioned an independent valuation of the mill and associated site infrastructure. The purpose of this report was to inform the appropriate level of insurance cover to protect these strategic assets while the Company continues its regional development and assessment of potential options to commence accelerated production operations. This report has valued the Brightstar Plant and associated infrastructure at \$60.9 million on an "as new" replacement value basis.

Cork Tree Well Drilling^{3,4}

The 2,500m aircore program was drilled to the north of the existing mineral resource estimate at Cork Tree Well (CTW) in order to delineate target areas for further drill testing for resource growth.

Results indicate that the prospective horizons that host Cork Tree Well are present and are mineralised for a further 1.5km of strike length to the north of M38/346, indicating a compelling extensional drill target. The current Cork Tree Well Mineral Resource Estimate (MRE) of 303koz @ 1.4g/t Au is open at depth and now along strike, representing significant potential for resource extensions (Figures 1-3).

Results from a nine hole, +2,000m RC drilling program at Cork Tree Well were received in August with numerous high-grade hits including:

- 1m @ 109.6g/t Au from 167m and 3m @ 8.7g/t Au from 197m (BTRRC224) - Delta
- 18m @ 2.75g/t Au from 83m (BTRRC225) - Delta
- 9m @ 3.05g/t Au from 203m (BTRRC229)
- 13m @ 1.24g/t Au from 156m (BTRRC232)

Delta is currently the northern-most section of the Cork Tree Well system defined to date and is open for a further 3km along strike to the north. It is the highest-grade area with no historical mining and represents the first likely area of mining in a future mining scenario.

DIRECTORS' REPORT (continued)

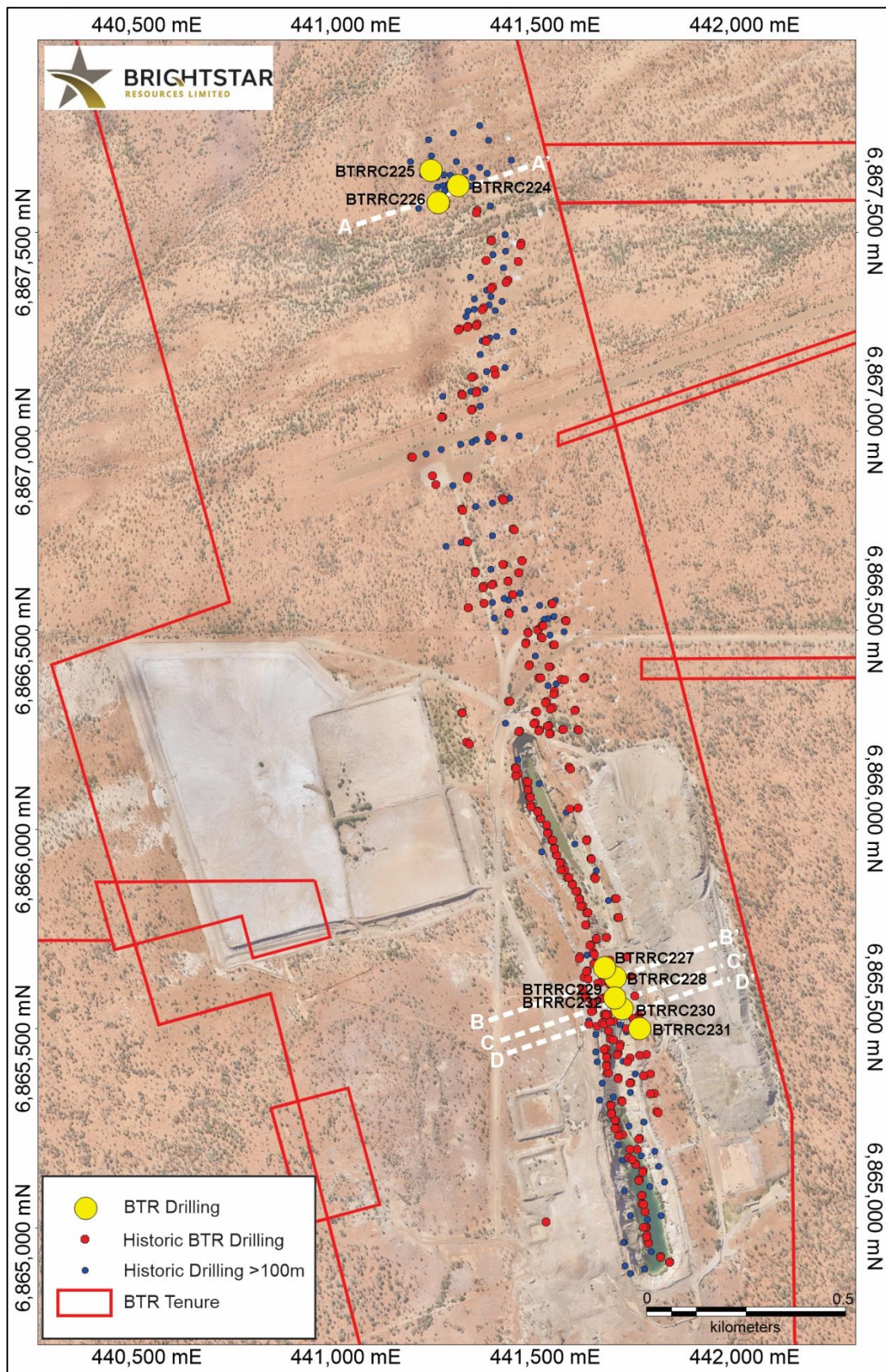


Figure 1: Plan view of Cork Tree Well collar locations and section lines

DIRECTORS' REPORT (continued)

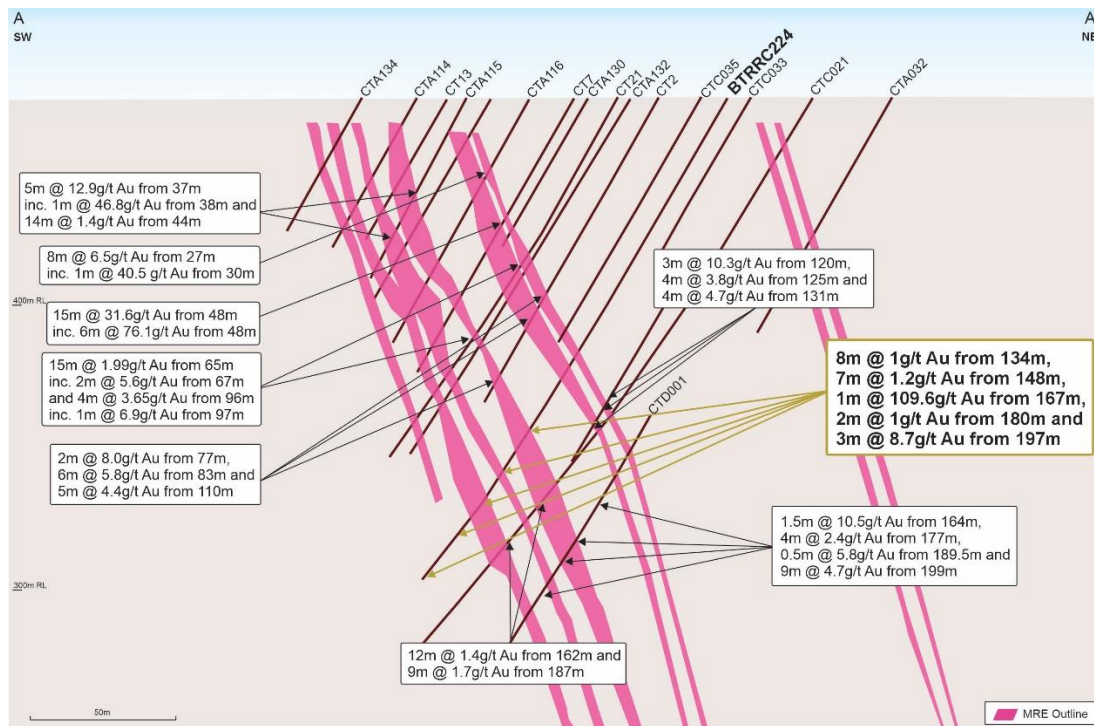


Figure 2: Cross section of A-A' of BTRRC224 at Delta (looking north)

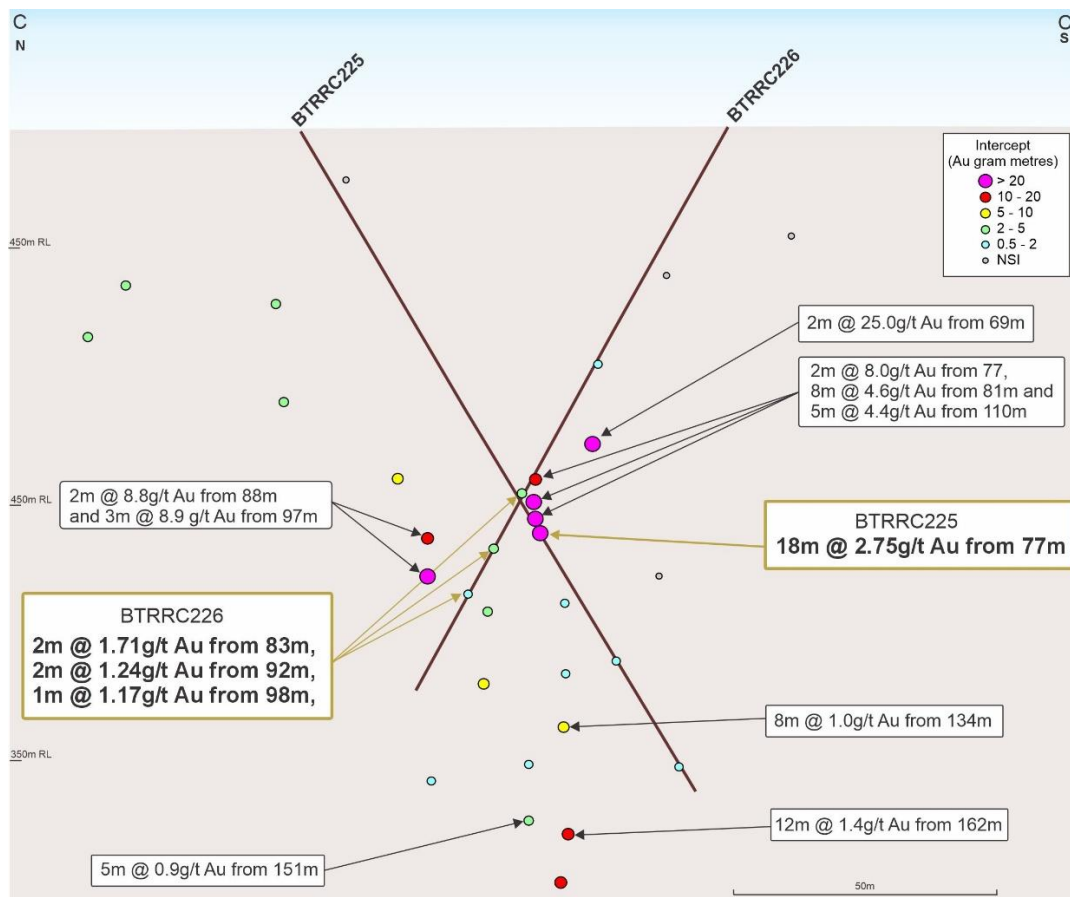


Figure 3: Long section of C-C' of BTRRC225 and BTRRC226 at Delta (looking east)

DIRECTORS' REPORT (continued)

Menzies Gold Project

Drilling^{5,6}

Results from two drilling campaigns at the Menzies Projects were received during the September quarter, with high grade results returned from the Aspacia, Link Zone and Lady Irene Deposits (Figures 4 & 5). Significant results include:

- Aspacia:
 - 1m @ 39.58 g/t Au from 56m (MGPRC020)
 - 1m @ 12.12 g/t Au from 113m (MGPRC014)
 - 4m @ 3.11 g/t Au from 48m (MGPRC023)
 - 2m @ 5.35 g/t Au from 48m (MGPRC012)
 - 1m @ 16.16 g/t Au, within 4m @ 4.79 g/t Au from 1120 (MGPRC025)
- Lady Irene:
 - 8m @ 4.09 g/t Au from 138m (MGPRC009) including;
 - 1m @ 16.57 g/t Au from 143m
- Link Zone:
 - 1m @ 13.95 g/t Au from 45m (MGPRC036)
 - 4m @ 3.21 g/t Au from 40m (MGPRC034)
 - 3m @ 4.29 g/t Au from 45m (MGPRC037)
 - 4m @ 1.99 g/t Au from 54m (MGPRC038)

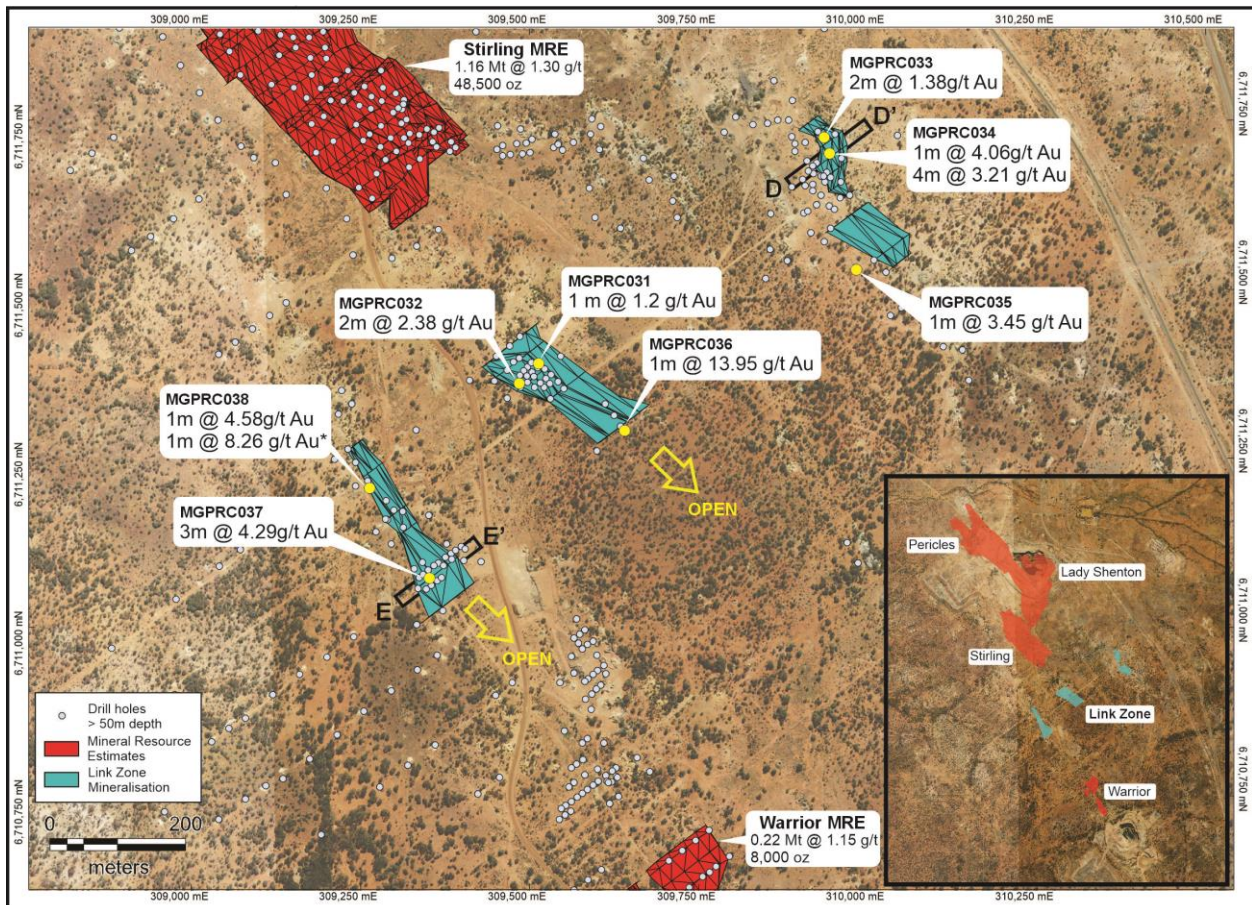


Figure 4: "Link Zone" showing spatial locations of Westralian Menzies (west), Merriyulah (centre) and Golden Dicks (east)

DIRECTORS' REPORT (continued)

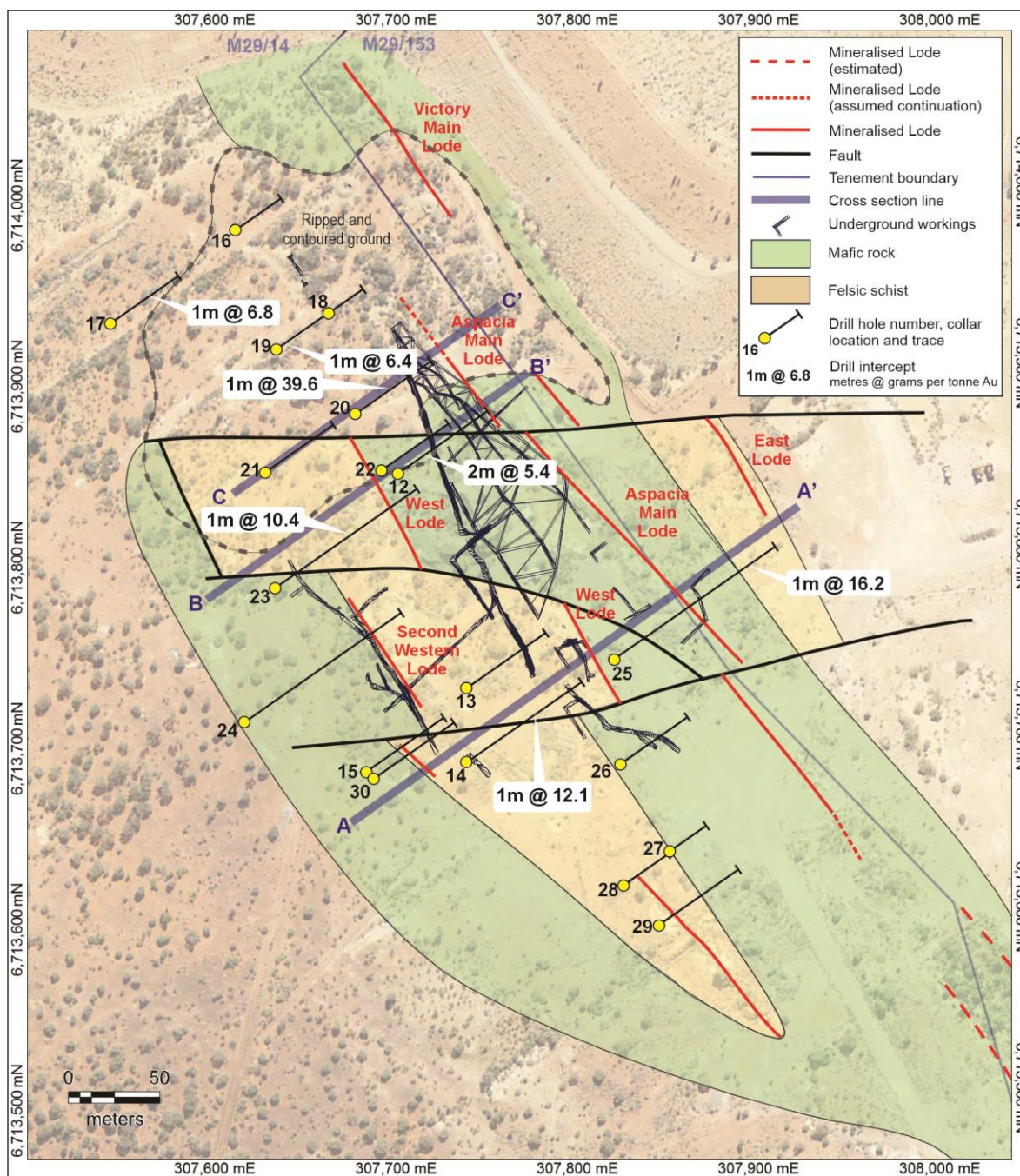


Figure 5: Aspacia geology map, historical UG workings and 2023 BTR Drilling

Link Zone Maiden Mineral Resource⁷

A maiden Mineral Resource Estimate (MRE) at the Link Zone of +21koz @ 1.1g/t Au (Table 1) from shallow, near surface material at the Menzies Gold Project was announced in November 2023. The Link Zone is located ~1km south of the 287koz Lady Shenton System and ~1km north of the 43koz Lady Harriet System at the Menzies Gold Project. This MRE was undertaken on data from over 200 RC holes, including a recent program completed by the Company with gold intercepts including 1m @ 13.95g/t and 4m @ 3.21g/t as released on 8th August 2023.

DIRECTORS' REPORT (continued)

Table 1: Link Zone Resource Table Summary (November 2023)

Location		Measured			Indicated			Inferred			Total		
	Au Cut-off (g/t)	Kt	g/t Au	Koz	Kt	g/t Au	Koz	Kt	g/t Au	Koz	Kt	g/t Au	Koz
Golden Dicks	0.5	-	-	-	82	1.15	3.0	146	1.06	4.9	228	1.09	7.9
Merriyulah	0.5	-	-	-	37	1.20	1.4	166	1.24	6.6	202	1.23	8.0
Westralian Menzies	0.5	-	-	-	26	1.23	1.0	159	0.82	4.2	185	0.88	5.2
Total – Link Zone 0.5		-	-	-	145	1.17	5.5	470	1.04	15.7	615	1.07	21.2
Note some rounding discrepancies may occur													

First Ore Mined at Selkirk

In November 2023 the Company announced that the first ore had been mined at Selkirk, with the end of month (EOM) physical reporting from October 2023 indicating a second consecutive month of high productivity and above-budget material movement from the Company's joint venture partner, BML Ventures Pty Ltd (BML Ventures). Encouragingly, the mined hanging wall lode, which is within the resource model but not within the mine plan budget targeting +5.0g/t Au mineralisation, was delineated and mined during October. Approximately 1,500t of this material, grading over 3.0g/t Au, will be added to the known +5.0g/t material contained within the high-grade main lode and trucked to Gwalia for processing into the Company's maiden gold pour in Q1 2024.

Menzies gold and lithium tenure expansion⁸

In July, the Company announced the Company had executed a binding term sheet with Ardea Resources Limited (ASX:ARL) (Ardea) for a tenement swap of exploration tenure from the Menzies and Goongarrie Gold Projects in order to allow both companies to advance the exploration and development of the Company's Menzies Gold Project and Ardea's Kalgoorlie Nickel Project – Goongarrie Hub, respectively.

The transaction saw the Company swap a number of non-core tenements south of the Menzies Gold Project and at the Goongarrie Project to Ardea, in order for Ardea to advance the Kalgoorlie Nickel Project – Goongarrie Hub which has recently been the focus of a Pre-Feasibility Study as announced to the ASX on 5 July 2023. Importantly, the Company retains all the gold rights to the exploration licences at the Goongarrie Project and is only transacting on the non-gold rights and ability for Ardea to develop infrastructure on the southern half of E29/1062. In return, the Company acquired ten (10) prospecting licences immediately adjacent or along strike to existing Brightstar tenements in the Menzies Gold Project, in addition to the gold and lithium rights to exploration licence E29/981. The only consideration payable in the transaction is the grant of a 2.0% net smelter return royalty payable on any Lithium extracted and sold from E29/981. The tenement swap is in line with Brightstar's objective of rationalising its portfolio across both Menzies and Laverton to maintain its streamlined pathway towards a low capex restart for gold production.

Lithium Exploration in Menzies⁹

In early December, the Company completed its first phase of lithium-focused field exploration activities at the Menzies Northern Trend (Figure 6), where early-stage exploration efforts into potential lithium mineralisation have occurred.

Remote Sensing Program

The Company commissioned Terra Resources to analyse a remote sensing dataset and perform a hard-rock lithium pegmatite targeting exercise over the tenement package as part of a holistic targeting campaign. Both ASTER and Sentinel-2 were processed over the project area, with lithium band combinations for the different mineral species used to derive the best Li-pegmatite target for follow up ground truthing. Confirmed lithium-bearing pegmatites in the Menzies-Mt Ida District were used as controls for the algorithms, which showed strong correlations to the Sentinel-2 lithium band combination and confirmed lithium pegmatite outcrops in the district.

DIRECTORS' REPORT (continued)

Soil Sampling Program

A comprehensive soil sampling program was completed across the entire 11km of NW-SE strike length of the 'Northern Trend' covering the Menzies Greenstone Belt and across the Menzies Shear Zone with 1,311 samples collected over November and early December 2023. The soil sampling program was designed to provide background geochemical information for the entire Northern Trend, given it predominantly contains a shallow cover sequence over the bedrock lithology. In addition, the broad geochemical targeting can also identify potential 'blind targets' in addition to the mapped pegmatite outcrop occurrences. The soil sampling program was designed on a grid spacing of 400m x 100m, with closer spaced lines occurring on a 200m x 100m grid near the known areas of pegmatite outcrops or the areas identified through the hyperspectral remote sensing targeting. Samples will be analysed for gold, lithium and pathfinder elements which will be used to vector further exploration efforts.

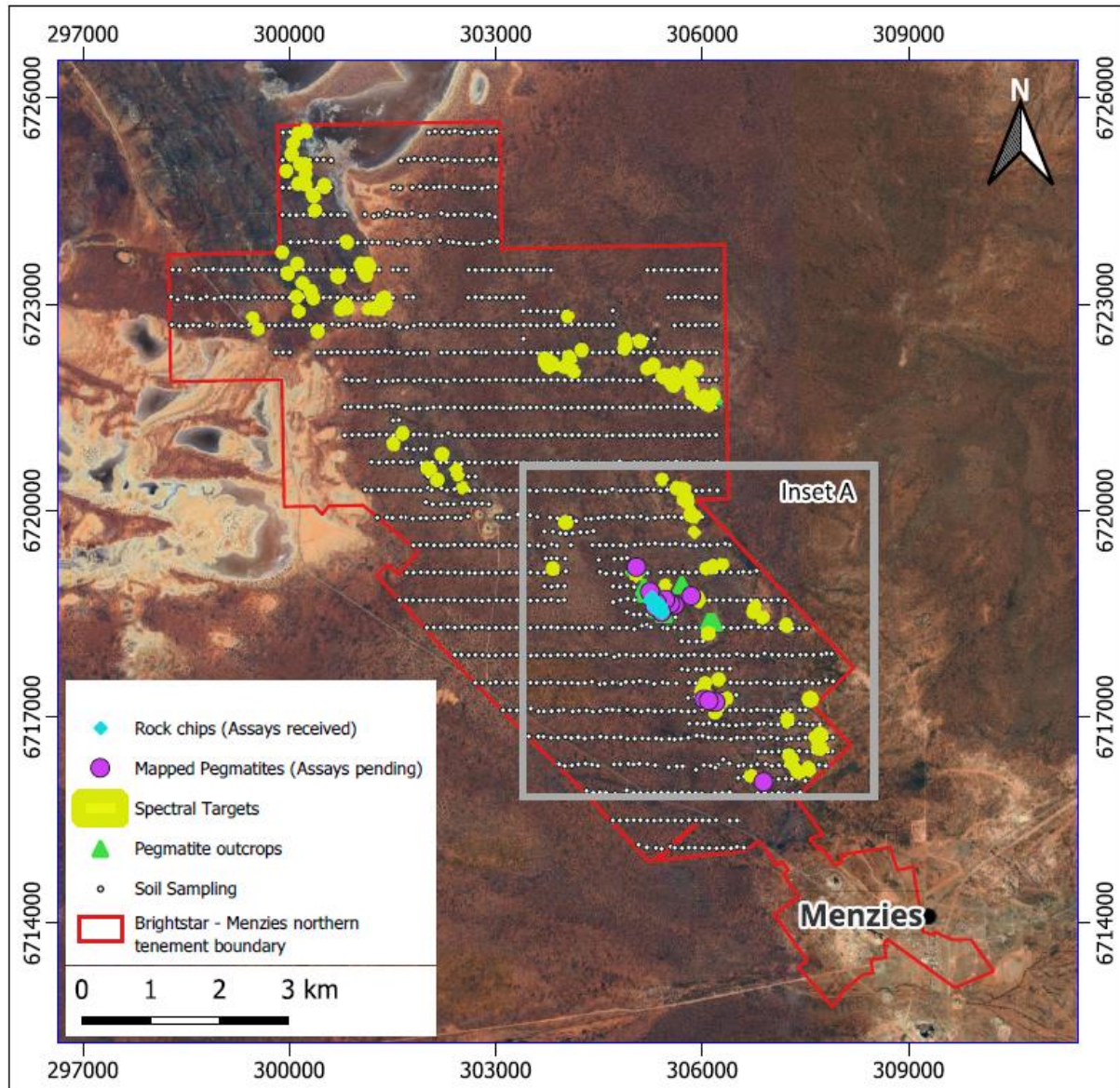


Figure 6: Menzies Northern Trend with hyperspectral targets and mapped pegmatite outcrops

DIRECTORS' REPORT (continued)

Rock Chip Sampling

Initial field reconnaissance and sampling of twenty-eight rock chips from a weathered outcrop over 500m strike length (blue icons in Figure 7) were assayed for lithium and other indicator geochemistry as part of first-pass efforts to determine regional prospectivity. A subsequent Brightstar sampling program was conducted in December 2023 in which a further twelve rock chip samples were taken from additional outcropping pegmatites identified (purple icons in Figure 7) from 6 follow-up field mapping and the recently completed heritage survey. Assays for these rock chips are pending. The preliminary sampling returned highly elevated lithium (up to 441ppm Li_2O) and key pathfinder element abundance, as well as critical characteristic low K/Rb and Nb/Ta ratios confirming the presence of a well fractionated pegmatite that has potential to host lithium (spodumene) mineralisation. Given the strike length of the mapped / recorded pegmatite occurrences within the Northern Trend at Menzies, detailed follow up fieldwork is required to better refine the mineral fractionation trends that assist in understanding regional zonation in order to vector toward the most prospective target areas for exploration.

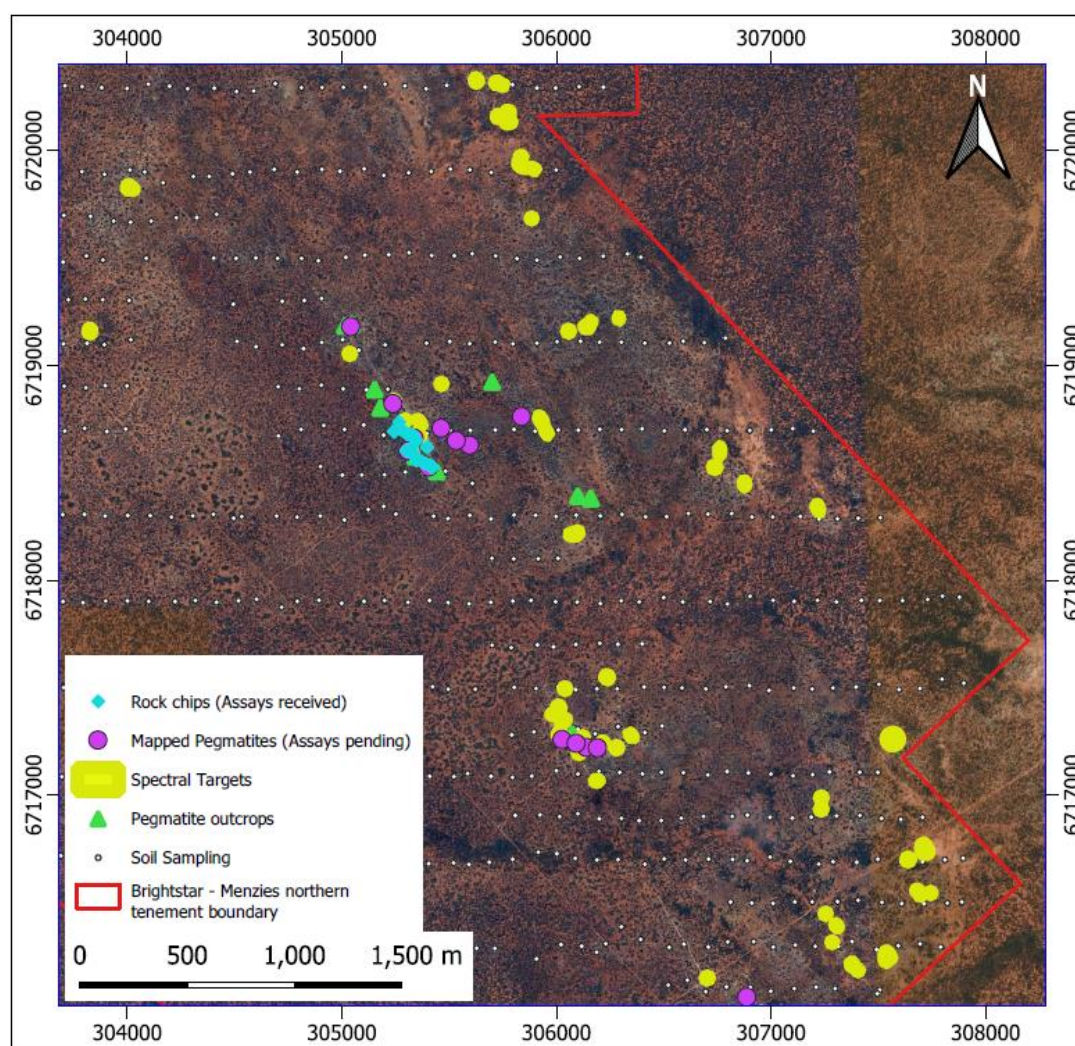


Figure 7: (Inset A) - Field mapping of pegmatite outcrops and rock chip locations

Earn-in Agreement with Devex Resources¹⁰

In July, the Company entered into a binding Earn-in Agreement with DevEx Resources Limited (ASX:DEV) (DevEx) for DevEx to earn up 75% in the non-gold mineral rights associated with E29/0966 and E29/0996 tenements of the Goongarrie Project. Under the terms of the Agreement, DevEx is required to undertake a SQUID electromagnetic survey within a 12-month period. DevEx may then elect to:

- Spend not less than \$1 million within 2 years of the date of execution of the Earn-in Agreement in order to earn a 51% interest in the non-gold mineral rights; and
- Earn a further 24% interest in the non-gold mineral rights by spending at least an additional \$2 million within a further 2 years of earning its 51%.

DIRECTORS' REPORT (continued)

If DevEx was to earn a 75% interest and either DevEx or Brightstar elected not to contribute to the resultant Joint Venture costs in proportion to their respective interest, or makes an election not to participate, then their interest will be diluted. If an interest reduces to 10% or less the interest will immediately convert to a 1% net smelter return royalty for the sale of any non-gold minerals extracted, produced and sold from the tenements. The potential for nickel mineralisation at Goongarrie has been identified by aircore drilling in 2022, which corresponds with a distinctive ultramafic unit that lies along the western side of the more highly-magnetic, serpentinised Highway Ultramafic komatiite.

References

1. Refer Brightstar Resources announcement dated 6 September 2023
2. Refer Brightstar Resources announcement dated 10 October 2023
3. Refer Brightstar Resources announcement dated 22 November 2023
4. Refer Brightstar Resources announcement dated 24 August 2023
5. Refer Brightstar Resources announcement dated 19 July 2023
6. Refer Brightstar Resources announcement dated 8 August 2023
7. Refer Brightstar Resources announcement dated 15 November 2023
8. Refer Brightstar Resources announcement dated 17 July 2023
9. Refer Brightstar Resources announcement dated 14 December 2023
10. Refer Brightstar Resources announcement dated 25 July 2023

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Brightstar Resources Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Brightstar believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that further exploration will result in the estimation of a Mineral Resource.

Competent Person Statement – Exploration

The information in this report that relates to Exploration results at the Menzies and Laverton Gold Project is based on information compiled by Ms Elizabeth Laursen B Earth Sci (Hons) GradDip AppFin, who is a Member of the Australasian Institute of Geoscientists. Ms Laursen has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

Competent Person Statement – Mineral Resources

The information in this report that relates to Mineral Resources at the Menzies Gold Project (excluding the Link Zone Gold Deposit) is based on information compiled by Mr Mark Zammit who is a Member of the Australian Institute of Geoscientists. Mr Zammit is a Principal Consultant Geologist at Cube Consulting. Mr Zammit has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information in this report that relates to Mineral Resources at the Link Zone Gold Deposit located within the Menzies Gold Project, and Cork Tree Well Gold deposit within the Laverton Gold Project, and the information in this report is based on, and fairly represents, information and supporting documentation compiled by Kevin Crossling holding a B.Sc. Honours in Geology. Mr. Crossling is the Principal Geologist at ABGM Pty Ltd and is a registered member with South African Council for Natural Scientific Professionals (SACNASP), and a member of the Australian Institute of Mining and Metallurgy (AUSIMM). with over 22 years of experience. Mr. Crossling has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code.

The information in this report that relates to Mineral Resources at the Alpha and Beta Gold deposits within the Laverton Gold Project is based on information compiled by Mr Richard Maddocks. Mr Maddocks is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he has undertaken to qualify as a "Competent Person" as that term is defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)". Mr Maddocks consents to the inclusion in this announcement of the matters based in this information in the form and context in which it appears. Mr Maddocks was employed as a contractor of Brightstar.

DIRECTORS' REPORT (continued)

Results of Operations

The loss for the half-year ended 31 December 2023 attributable to the Group was \$2,498,997 (31 December 2022: profit of \$3,779,189).

Corporate

On 4 August 2023, the Company completed a placement of approximately 318.2 million fully paid ordinary shares in order to raise \$3.5 million (before costs).

On 1 December 2023, the Company completed a Share Placement raising gross proceeds of \$5 million (before costs) at an issue price of \$0.011 per share.

At the end of the half-year the Group had \$4,816,740 (30 June 2023: \$425,707) in cash and cash equivalents. The Group had also Capitalised exploration, evaluation and development expenditure of \$41,226,513 (30 June 2023: \$38,007,360).

Significant events after balance date

On 7 March 2024 the Company announced the first gold bars produced from processing of ore from the Selkirk Mining JV, with ongoing gold processing activities at Genesis Minerals' Gawlia processing plant located near Leonora, WA. 50% of the net project income will be distributed to the Company after project cost reconciliation is completed with Brightstar's joint venture partner, BML Ventures Pty Ltd.

There were no other matter or circumstance that has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporation Act 2001 in relation to the review for the interim period is provided with this report.

Rounding of amounts to nearest thousand dollars

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

Signed in accordance with a resolution of the directors:



Alex Rovira
Managing Director
15 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BRIGHTSTAR RESOURCES LIMITED AND ITS
CONTROLLED ENTITIES**

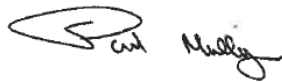
In relation to the independent auditor's review for the half-year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Brightstar Resources Limited and the entities it controlled during the period.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 15 March 2024

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Notes	31 December 2023 \$	31 December 2022 \$
Interest		12,891	1,525
Other income	2	100,000	5,062,048
Remeasurement of Rehabilitation Provision	6	-	450,832
Mine site expenses		(168,525)	(164,812)
Exploration expenditure		(161,259)	(109,734)
Depreciation and amortisation expense		(53,745)	(18,566)
Impairment expense		(37,594)	(20,927)
Finance costs		(198,977)	(152,210)
Administration expenses		(238,947)	(109,036)
Corporate advisory and consulting fees		(174,870)	(37,500)
Director Fees		(94,806)	(87,610)
Employee benefits expenses		(187,713)	(892,895)
Share-based payment expense	9	(955,087)	(23,385)
Other expenses		(340,364)	(118,541)
Profit/(loss) before income tax		(2,498,997)	3,779,189
Income tax		-	-
Net profit/(loss) for the period		(2,498,997)	3,779,189
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income/(loss) for the period		(2,498,997)	3,779,189
Basic earnings/(loss) per share (cents per share)		(0.13)	0.56
Diluted earnings/(loss) per share (cents per share)		(0.13)	0.52

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	31 December 2023 \$	30 June 2023 \$
Current Assets			
Cash and cash equivalents		4,816,740	425,707
Trade and other receivables		189,122	134,447
Other financial assets		50,943	50,943
Prepayments		107,126	114,172
Total Current Assets		5,163,931	725,269
Non-Current Assets			
Property, plant and equipment		334,113	297,376
Right-of-use asset		271,363	302,083
Deferred evaluation and exploration expenditure	4	41,226,513	38,007,360
Total Non-Current Assets		41,831,989	38,606,816
Total Assets		46,995,920	39,332,085
Current Liabilities			
Trade and other payables	5	2,388,139	1,614,687
Lease liabilities		49,783	45,941
Provisions	6	185,510	196,593
Total Current Liabilities		2,623,432	1,857,221
Non-Current Liabilities			
Other payables and accruals	5	884,888	848,644
Lease liabilities		247,293	275,775
Provisions	6	3,073,266	2,926,920
Total Non-Current Liabilities		4,205,447	4,051,339
Total Liabilities		6,828,879	5,908,560
Net Assets		40,167,041	33,423,525
Equity			
Issued capital	7	77,268,508	68,981,082
Accumulated losses		(45,425,517)	(42,926,520)
Reserves	8	8,324,050	7,368,963
Total Equity		40,167,041	33,423,525

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2022	43,254,388	(44,870,886)	6,265,842	4,649,344
Profit for the period	-	3,779,189	-	3,779,189
Other comprehensive loss	-	-	-	-
Total comprehensive income for the period	-	3,779,189	-	3,779,189
Shares issued during the year	1,796,231	-	-	1,796,231
Transaction costs on issue of shares	(17,500)	-	-	(17,500)
Share based payments reserve	-	-	11,625	11,625
Balance at 31 December 2022	45,033,119	(41,091,697)	6,277,467	10,218,889
Balance at 1 July 2023	68,981,082	(42,926,520)	7,368,963	33,423,525
Loss for the period	-	(2,498,997)	-	(2,498,997)
Total comprehensive loss for the period	-	(2,498,997)	-	(2,498,997)
Shares issued during the year	8,760,000	-	-	8,760,000
Transaction costs on issue of shares	(472,573)	-	-	(472,573)
Share-based payments	-	-	955,087	955,087
Balance at 31 December 2023	77,268,509	(45,425,517)	8,324,050	40,167,041

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	31 December 2023 \$	31 December 2022 \$
	Inflows/(Outflows)	
Cash flows from operating activities		
Payments to suppliers and employees	(440,449)	(652,005)
Interest received	12,504	1,473
Interest on lease liabilities	(16,387)	(229)
Other receipts – Royalty	100,000	
Net cash (used in) operating activities	(344,332)	(650,761)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	764
Payments for property, plant and equipment	(59,762)	(1,498)
Payments for exploration and evaluation expenditure	(3,218,006)	(1,255,316)
Payments for acquisition of exploration assets	-	(2,000)
Net cash (used in) investing activities	(3,277,768)	(1,258,050)
Cash flows from financing activities		
Repayment of lease liabilities	(14,294)	(8,883)
Proceeds from capital raising	8,500,000	740,000
Transaction costs on issue of equity securities	(472,573)	(17,500)
Net cash provided by financing activities	8,013,133	713,617
Net increase/(decrease) in cash and cash equivalents	4,391,033	(1,195,194)
Cash and cash equivalents at the beginning of the period	425,707	1,601,323
Cash and cash equivalents at the end of the period	4,816,740	406,129

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This half-year financial report covers the Company and its controlled entities as a consolidated entity (the Group). Brightstar Resources Limited is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is L2, 36 Rowland Street, Subiaco WA 6008. The Company is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

This condensed consolidated half-year financial report ("half-year financial report") does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Brightstar Resources Limited (the Company) during the half-year ended 31 December 2023 ("interim period") in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of preparation

This half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting, as appropriate for for-profit entities, and the Corporations Act 2001. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Except as disclosed in Note 1(b), the accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2023.

(b) Summary of the significant accounting policies

The Group has adopted all of the new and amended Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to the Group and effective for the current reporting period. The Group has considered the implications of new and amended Accounting Standards and has determined that their application to the financial statements is either not relevant or not material.

(c) Rounding amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

(d) Going Concern Basis

The half-year financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the discharge of liabilities in the ordinary course of business.

The Group has recorded a loss of \$2,498,997 (31 December 2022: \$3,779,189 profit), reported net cash used in operating activities \$344,332 (31 December 2022: \$650,761) and as of 31 December 2023 cash and cash equivalents of \$4,816,740 (30 June 2023: \$425,707).

The Group's cash flow forecasts through to 31 March 2025 recognised that additional funding will likely be required through the issue of further shares, or convertible notes, or joint venture arrangements, or the sale of assets, or a combination of these activities for the Group to continue to actively explore and develop its mineral properties, until recommencement of mining and milling operations.

The directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate.

However, the Group acknowledge that the status of going concern relies on the development of the Company's projects and subsequent capital raising to support the development. Should the Group be unable to raise further debt or equity capital, there exists a material uncertainty that the Group may in the future not be able to continue as a going concern. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)

(e) Accounting standards issued but not yet effective

The Group has considered all Standards and Interpretations issued but not yet effective for the current reporting period and has determined that their implication to the financial statements is either not relevant or not material.

NOTE 2: OTHER INCOME

	31 December 2023 \$	31 December 2022 \$
Gain from sale of non-current assets	-	709
Gain on extinguishment of debt arrangements	-	5,061,339
Royalty	100,000	-
	<u>100,000</u>	<u>5,063,573</u>

NOTE 3: SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral exploration and resource development wholly within Australia; therefore, it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

NOTE 4: DEFERRED EVALUATION AND EXPLORATION EXPENDITURE

	31 December 2023 \$	31 December 2022 \$
Costs carried forward in respect of:		
Evaluation and exploration expenditure		
Balance at beginning of period	38,007,360	13,270,922
Acquisition of subsidiary	-	-
Expenditure incurred	3,361,983	506,832
Exploration expensed	(161,259)	-
Impairment of Goongarrie Project (i)	(5,997)	-
Impairment of Beta and Alpha mines (ii)	(31,597)	(20,927)
Acquisition of tenements	56,203	2,000
Balance at end of period	<u>41,226,513</u>	<u>13,758,827</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

- (i) The Company acquired the Goongarrie Project as a result of the acquisition of Kingwest Resources Ltd. Drilling was Suspended in September 2022 and there has been no commitment of future funds on an exploration program. The balance of expenditure for Goongarrie Project has been treated as impaired.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 4: DEFERRED EVALUATION AND EXPLORATION EXPENDITURE (continued)

- (ii) Mining in Beta and Alpha reached its designed pit depth in prior periods and evaluation is currently underway to determine the future viability of these areas of interest. Notwithstanding, the balance of expenditure for Beta and Alpha mines has been treated as impaired until recommencement of mining in these tenements.

NOTE 5: TRADE AND OTHER PAYABLES

	31 December 2023 \$	30 June 2023 \$
Current		
Trade payables (i)	1,685,533	958,521
Other payables and accruals (ii)	702,607	656,166
	<u>2,388,139</u>	<u>1,614,687</u>
Non-Current		
Other payables and accruals (iii)	884,888	848,644
	<u>884,888</u>	<u>848,644</u>

- (i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

- (ii) Other payable include

- \$583,000 self-estimated Landholder Duty payable to RevenueWA: A Landholder statement concerning the acquisition of the Kingwest Resources Limited, which was completed on 26 May 2023, has been lodged to RevenueWA for Landholder Duty purposes. The Commissioner's assessment of the dutiable amount is still in progress as of the date of this report.

- \$119,607 of other accrued expenses and payable amounts.

- (iii) A \$1,140,000 cash bonus was granted to a former Director in December 2022 and will be progressively paid upon various pre-established milestones are achieved. At initial recognition, this long-term benefit was valued at \$771,495 (present value) and recognised as a non-current liability. The periodic unwinding of the discount, at 10%, has been recognised in the condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income as finance costs.

NOTE 6: PROVISIONS

	Rehabilitation \$	Employee Benefits \$	Total \$
At 30 June 2023			
Current	-	196,593	196,593
Non-current	2,926,920	-	2,926,920
	<u>2,926,920</u>	<u>196,593</u>	<u>3,123,513</u>
At 31 December 2023			
Current	-	185,510	185,510
Non-current	3,073,266	-	3,073,266
	<u>3,073,266</u>	<u>185,510</u>	<u>3,258,776</u>

The provision for rehabilitation represents the present value of estimated costs of site and pit rehabilitation based upon costs of rehabilitation expected to be incurred at the date the rehabilitation is required and the area of currently disturbed ground subject to rehabilitation as at interim period and annual reporting year end.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 6: PROVISIONS (continued)

Reconciliation of movement in provision for rehabilitation:

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Balance at beginning of the period/financial year	2,926,920	3,111,668
Addition	-	-
Utilised	-	-
Remeasurement	-	(450,832)
Unwind of discount	146,346	133,042
Balance at end of the period/financial year end	3,073,266	2,793,878

NOTE 7: SHARE CAPITAL

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
<i>Share Capital</i>		
Ordinary shares issued and fully paid	77,268,509	45,033,119

	Consolidated		Consolidated	
	31 December 2023	31 December 2023	31 December 2022	31 December 2022
	No.	\$	No.	\$
<i>Movements in ordinary shares on issue</i>				
Balance at beginning of period	1,574,015,210	68,981,082	646,860,869	43,254,388
Shares issued (i)	796,363,642	8,760,000	85,767,954	1,796,231
Costs associated with issue of shares	-	(472,573)	-	(17,500)
Balance at end of period	2,370,378,852	77,268,509	732,628,823	45,033,119

(i) Details of the shares issued during the period are shown as follows:

	Date	No.	\$
31 December 2023			
Consultant Shares (Note 9)	4 August 2023	5,454,545	60,000
Placement Shares	4 August 2023	318,181,823	3,500,000
Drilling Service Consideration Shares (Note 9)	12 October 2023	18,181,818	200,000
Placement Shares	1 December 2023	454,545,456	5,000,000
		796,363,642	8,760,000

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 7: SHARE CAPITAL (continued)

31 December 2022

Equity settlement of borrowings	18 October 2022	19,090,909	630,000
Equity settlement of a fee	18 October 2022	10,545,818	300,000
Placement Shares	4 November 2022	44,000,000	660,000
Equity settlement of deferred remuneration	30 November 2022	11,131,227	189,231
Share-based employee bonus	30 November 2022	1,000,000	17,000
		<u>85,767,954</u>	<u>1,796,231</u>

NOTE 8: RESERVES

	Consolidated	
	31 December 2023	31 December 2022
<i>Reserves</i>	\$	\$
Share-based payment reserve	3,413,340	1,366,757
Equity Reserve	<u>4,910,710</u>	<u>4,910,710</u>
	<u>8,324,050</u>	<u>6,277,467</u>

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
<i>Movement in share-based payment reserve</i>		
Balance at beginning of period	2,458,253	1,355,132
Share based payments expense - unlisted securities (Note 9)	<u>955,087</u>	<u>11,625</u>
Balance at end of period	<u>3,413,340</u>	<u>1,366,757</u>

NOTE 9: SHARE-BASED PAYMENTS

Shares

- (1) On 4 August 2023, 5,454,545 fully paid ordinary shares were issued at a price of \$0.011 per share to raise \$60,000, as part consideration for the provision of investor relation services provided to the Company.
- (2) On 12 October 2023, 18,181,818 fully paid ordinary shares were issued at a price of \$0.011 per share to raise \$200,000, as consideration in lieu of cash fees of outstanding liabilities for drilling services provided to the Company.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 9: SHARE-BASED PAYMENTS (continued)

Unlisted Securities

- (1) On 4 September 2023, 40,000,000 Options were issued to a third party Ltd as fees for services provided to the Company.

The fair value of these options granted was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Consultant Options

Number of Options	40,000,000
Date of grant	4-Sep-2023
Share price at grant date	\$0.012
Volatility factor	118.61%
Risk free rate	3.87%
Life of the Options (years)	2
Exercise price	\$0.020
Valuation per Option	\$0.0060
Total fair value of Consultant Options	\$238,268

Volatility was determined by calculating the historical volatility of the Company's share price over the previous two years.

- (2) On 4 September 2023, the Company also issued 60,000,000 Options to employees of the Company (2 tranches of 30,000,000), as an incentive component to their remuneration packages.

50% of the new issued Options were subsequently cancelled on 31 December 2023, upon end of employment of an employee; however, this cancellation has no impact on the consolidated statement of financial position.

The fair value of these options granted was calculated by using the Black Scholes Option Pricing Model by applying the following inputs:

Employee Options	Tranche 1	Tranche 2
Number of Options	30,000,000	30,000,000
Date of grant	4-Sep-2023	4-Sep-2023
Share price at grant date	\$0.012	\$0.012
Volatility factor	118.56%	118.56%
Risk free rate	3.80%	3.80%
Life of the Options (years)	3	3
Exercise price	\$0.020	\$0.030
Valuation per Option	\$0.0074	\$0.0065
Total fair value of Consultant Options	\$221,578	\$195,823

Volatility was determined by calculating the historical volatility of the Company's share price over the previous three years.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTE 9: SHARE-BASED PAYMENTS (continued)

Expense recognised in relation to Share-Based Payments Reserve

The expense recognised in relation to the share-based payment transactions was recognised within profit or loss were as follows:

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Zero Exercise Price Options - granted 30-Nov-2022	59,417	11,625
Performance Rights - granted 29-Mar-2023	240,000	-
Consultant Options - granted 4-Sep-2023	238,268	-
Employee Options - granted 4-Sep-2023	417,401	-
Total expense recognised	955,087	11,625

NOTE 10: COMMITMENTS AND CONTINGENT LIABILITIES

Exploration commitments

The Group has an expenditure commitment of \$1,399,960 (30 June 2023: 1,387,800) for the next 12-months period to sustain current tenements under lease from the Department of Mines, Industry Regulation and Safety (DMIRS). The expenditure commitment includes annual tenement rentals of \$249,691 (30 June 2023: \$264,311).

Capital commitments

As announced on 27 November 2023, the Group committed to purchase mine site accommodation facilities from DC Mines Pty Ltd, for total cash consideration of \$420,000. Payment is required to be made on or before 31 March 2024. This acquisition is conditional on DC Mines Pty Ltd obtaining the written consent of Fenix Shine Pty Ltd by 31 March 2024.

Contingencies

The Company will pay Stone Resources (HK) Limited ("SRHKL") 3% net smelter return ("NSR") royalty on gold produced from most of the tenements listed in the Tenement Schedule in the Company's 2022 Annual Report.

As part consideration for acquisition of exploration licences E38/3438, the Company agreed to pay Mining Equities Pty Ltd 1% NSR on gold produced from the above the tenement.

Exploration licence E38/3279 is subject to 1% NSR on gold produced from it which is payable to Mr Peter Gianni.

As announced on 25 October 2021, the Group acquired two prospective exploration licences within Western Australia, E38/3500 and E38/3504, from Milford Resources Pty Ltd. Pursuant to the acquisition agreement, Milford Resources Pty Ltd is entitled to a 1% net smelter royalty with respect of the tenements.

In exchange for extinguishing \$5,400,000 debt owed to SRHKL, the Company granted a 1.5% NSR royalty over six tenements (i.e. E38/3279, E38/3434, E38/3438, E38/3500, E38/3504 and P38/4508) to SRHKL on 18 October 2022. This arrangement was approved by shareholders on 17 October 2022.

On 17 July 2023 the Company announced a tenement swap arrangement under which a 2% NSR was granted to Ardea Resources Limited on lithium extracted and sold from E29/981.

Additional historical royalties may also exist over certain tenements of the Company. Whether the obligations to pay those royalties remains is to be determined.

There were no other contingencies as at 31 December 2023 other than already disclosed.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023****NOTE 11: RELATED PARTY TRANSACTIONS****(a) Individual Directors and executives compensation disclosures**

No Director has entered into a material contract with the Group since the end of the previous financial year.

(b) Subsidiaries

All inter-company loans and receivables are eliminated on consolidation and are interest free with no set repayment terms.

(c) Other key management personnel and director transactions

The Group did not enter into any further related party transactions with the Director, key management personnel or their related entities.

NOTE 12: FAIR VALUE OF FINANCIAL INSTRUMENTS*Recurring fair value measurements*

The Company does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amount of current trade and other receivables, and current trade and other payables is assumed to approximate their fair value.

NOTE 13: SIGNIFICANT EVENTS AFTER BALANCE DATE

On 7 March 2024 the Company announced the first gold bars produced from processing of ore from the Selkirk Mining JV, with ongoing gold processing activities at Genesis Minerals' Gawlia processing plant located near Leonora, WA. 50% of the net project income will be distributed to the Company after project cost reconciliation is completed with Brightstar's joint venture partner, BML Ventures Pty Ltd..

There were no other matter or circumstance that has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

The directors declare that:

1. In the directors' opinion, the financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the financial position of the Group as at 31 December 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that Brightstar Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Alex Rovira
Managing Director
15 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BRIGHTSTAR RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the condensed interim financial report of Brightstar Resources Limited, (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Brightstar Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the condensed interim financial report, which indicates that the Group incurred a net loss of \$2,498,997 for the half-year ended 31 December 2023 and generated an operating cash outflow of \$344,332, and as at that date, had net current assets of \$2,540,499 and net assets of \$40,167,041. These conditions, along with other matters set forth in Note 1 to the condensed interim financial report, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in this respect.

Responsibility of the Directors for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BRIGHTSTAR RESOURCES LIMITED**


Auditor's Responsibility for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 15 March 2024