

13 September 2024

## Increased Lion participation in Brightstar placement

- **Lion to invest a further \$1.5M in Brightstar in tranche two of the placement announced on 2 August 2024.**
- **This will take Lion's total participation in the placement to \$5.8M.**
- **Assuming the completion of all the transactions announced on 2 August, Lion to become 6.1% shareholder in the enlarged Brightstar.**

Lion Selection Group Limited (**Lion, the Company**) is pleased to announce it has been able to increase its participation in the \$24M equity fundraising announced by Brightstar Resources Limited (**Brightstar**, ASX:BTR) on 2 August 2024<sup>1</sup>. Lion announced its commitment to invest \$4.3M in this fundraising on 2 August 2024<sup>2</sup> and has recently provided an increased commitment for a further \$1.5M, taking Lion's total investment via the deal to \$5.8M.

Lion's increased participation is to be settled in tranche two of the placement, expected to take place in mid-September following a general meeting of Brightstar shareholders.

Lion Chief Executive Officer Hedley Widdup said: *"Brightstar is already one of our largest investments; Lion strongly grew its holding via the placement announced in August and is pleased to add to this position. The market is valuing gold producers at a large premium versus gold explorers and developers. Brightstar is a company that, in our eyes, has a genuine proposition to bridge that gap; to become a gold producer without taking on excessive finance or hedging, with a strong organic growth pipeline."*

For personal use only



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

Brightstar has established gold resources at Laverton and Menzies, which are the subject of a feasibility study at present and feature a combined Mineral Resource of 1.46Moz of gold grading 1.6g/t<sup>3</sup>. A scoping study released in September 2023<sup>4</sup> contemplated gold production commencing via processing of Brightstar ores at regional process facilities, and the resultant cash flow enabling the rejuvenation of Brightstar's own process plant near Laverton.

## **Consolidation and acquisition of Sandstone project**

Consolidation and acquisition of ground containing established gold Resources via the Alto and Gateway projects at Sandstone introduces an additional established Resource position of 1.5Moz grading 1.5g/t<sup>5</sup>. Brightstar intends to undertake an aggressive drilling effort at Sandstone where there is scope to materially increase the resource estimate with focussed exploration.

## **Result – large gold inventory with a strong growth pathway**

The resultant Brightstar will have a pro-forma combined gold resource of 3.0Moz<sup>5</sup>, between three key projects at Menzies, Laverton and Sandstone. The announced capital raising<sup>1</sup> positions Brightstar to be strongly funded, and the strategy to commence production via ore sales or toll treatment is expected to generate cash flows that can support growth. The combination of this strategy and newly consolidated large mineral resource inventory presents the potential to go on to become a large gold producer.

## **References**

1. Refer to ASX announcement by Brightstar Resources (ASX:BTR) on 2 August 2024 "Successful Completion of A\$24M Placement to Fund Growth".
2. Refer to ASX announcement by Lion Selection Group on 2 August 2024 "Lion supports major Brightstar growth step".
3. Refer to ASX announcement by Brightstar Resources (ASX:BTR) on 1 August 2024 "BTR and AME Sandstone merger and acquisition presentation".
4. Refer to ASX announcement by Brightstar Resources (ASX:BTR) on 6 September 2023 "Menzies and Laverton Gold Project Mine Restart Study".
5. Refer to ASX announcement by Brightstar Resources (ASX:BTR) on 1 August 2024 "BTR and AME Strategic Merger. BTR consolidates Sandstone".

## Appendix: Resource tables

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

**Table 1: Brightstar Resources Limited Mineral Resources**

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

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

**Table 2: Sandstone Mineral Resources**

Location	Cut-off	Measured			Indicated			Inferred			Total			
		g/t Au	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz	Mt	g/t Au	koz
<b>CONSTRAINED (April 2023)</b>														
Lord Nelson	0.50	-	-	-	1.5	2.1	100	3.5	1.4	163	5.0	1.6	263	
Lord Henry	0.50	-	-	-	1.6	1.5	77	0.3	1.2	13	1.9	1.4	90	
Vanguard Camp	0.50	-	-	-	0.4	2.0	26	1.9	1.6	124	2.3	2	150	
Havilah Camp	0.50	-	-	-	-	-	-	1.0	1.5	46	1.0	1.5	46	
Indomitable Camp	0.50	-	-	-	0.8	0.9	23	4.6	1.1	187	5.4	1.2	210	
Bull Oak	0.50	-	-	-	-	-	-	1.9	1.1	65	1.9	1.1	65	
Ladybird	0.50	-	-	-	-	-	-	0.1	1.9	8	0.1	1.9	8	
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4.3</b>	<b>1.6</b>	<b>226</b>	<b>13.3</b>	<b>1.3</b>	<b>606</b>	<b>17.6</b>	<b>1.5</b>	<b>832</b>	
<b>UNCONSTRAINED (April 2023)</b>														
Lord Nelson	0.50	-	-	-	1.5	2.1	100	4.1	1.4	191	5.6	1.6	291	
Lord Henry	0.50	-	-	-	1.6	1.5	78	0.6	1.1	20	2.2	1.4	98	
Vanguard Camp	0.50	-	-	-	0.4	2.0	26	3.4	1.4	191	3.8	1.5	217	
Havilah Camp	0.50	-	-	-	-	-	-	1.2	1.3	54	1.2	1.3	54	
Indomitable Camp	0.50	-	-	-	0.8	0.9	23	7.3	0.9	265	8.1	0.9	288	
Bull Oak	0.50	-	-	-	-	-	-	2.5	1.1	90	2.5	1.1	90	
Ladybird	0.50	-	-	-	-	-	-	0.1	1.9	8	0.1	1.9	8	
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4.3</b>	<b>1.6</b>	<b>227</b>	<b>19.2</b>	<b>1.3</b>	<b>819</b>	<b>23.5</b>	<b>1.4</b>	<b>1,046</b>	

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

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

**Table 3: Montague Gold Project Mineral Resources**

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

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

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