

Appendix 5B

Mining exploration entity or oil and gas exploration entity monthly cash flow report

Name of entity

BRIGHTSTAR RESOURCES LIMITED

ABN

44 100 727 491

Month ended ("current month")

31 DECEMBER 2020

Consolidated statement of cash flows		Current month \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	88	141
1.2	Payments for		
	(a) exploration & evaluation	(42)	(399)
	(b) development	-	-
	(c) production	(20)	(38)
	(d) staff costs	(63)	(221)
	(e) administration and corporate costs	(167)	(562)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	50
1.8	Other - Payment under DECA (net of GST)	68	(1,004)
1.9	Net cash from / (used in) operating activities	(136)	(2,033)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
-	(e) investments	-	-
	(f) other non-current assets	(2)	(2)

Consolidated statement of cash flows		Current month \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	250
	(c) property, plant and equipment	-	-
	(d) investments	-	2,793
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	106
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2)	3,147

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	414
3.6	Repayment of borrowings	(7)	(7)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Payment for share buy-back	-	(1,237)
3.10	Net cash from / (used in) financing activities	(7)	(830)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	504	75
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(136)	(2,033)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	3,147
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	(830)

Consolidated statement of cash flows		Current month \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	359	359

5.	Reconciliation of cash and cash equivalents at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current month \$A'000	Previous month \$A'000
5.1	Bank balances	334	479
5.2	Call deposits	25	25
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of month (should equal item 4.6 above)	359	504

6.	Payments to related parties of the entity and their associates	Current month \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	9
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your monthly activity report must include a description of, and an explanation for, such payments.</i>		
The payments in item 6.1 were remunerations paid to the directors for the month.		

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7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at month end \$A'000	Amount drawn at month end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at month end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after month end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9 after excluding non-recurring item 1.8)	(204)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(204)
8.4	Cash and cash equivalents at month end (item 4.6)	359
8.5	Unused finance facilities available at month end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	359
8.7	Estimated months of funding available (item 8.6 divided by item 8.3)	1.76
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated months of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 6 months, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes. It is reasonably expected that the entity will suffer negative operating cash flows in the next three months.		

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The entity constantly reviews its cash flow position. As a result of the divestment of the Ben Hur Project as announced on 2 September 2020 and after completion of the DECA as announced on 18 November 2020, the entity holds highly liquid Regis Resources Limited (ASX: RRL) freely tradeable shares with an estimated market value of approximately \$2.4 million. The entity is able to dispose of these shares to provide adequate funding to support its operations as and when deemed appropriate.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The entity has successfully completed its recapitalisation in November 2020 and has commenced developing its renewed exploration and development strategy. Combined with the answer to Question 2 above, the entity does expect to be able to continue its operations and meet its business objectives.

Note: where item 8.7 is less than 6 months, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 7 January 2021

Authorised by: By the board
(Name of body or officer authorising release – see note 4)

Notes

1. This monthly cash flow report provide a basis for informing the market about the entity's activities for the past month, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this monthly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this monthly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.