



**COMPANY DIRECTORS
AND MANAGEMENT**

William Hobba
Managing Director

Yongji Duan
Chairman

Josh Hunt
Non-Executive Director

Luke Wang
**Financial Controller
Company Secretary**

29 JUNE 2022

AGREEMENTS FOR EXTINGUISHMENT OF EXISTING DEBT

HIGHLIGHTS

- **Brightstar has reached agreement with Stone Resources (HK) Limited to extinguish the AUD\$5,400,000 debt owed to it under the Revised Debt and Equity Compromise Agreement (DECA) in exchange for the grant of a 1.5% NSR royalty.**
- **Brightstar has reached agreement with Great Cortex International Limited to extinguish its debt of AUD\$630,000 in exchange for shares in Brightstar.**
- **The agreements result in cash free settlements of Brightstar's existing debt and liability position and now leaves Brightstar in a strong position to progress its projects.**
- **All agreements are subject to shareholder approval with completion scheduled prior to 30 September 2022.**

Brightstar Resources Ltd. (ASX: BTR) (**Brightstar** or the **Company**) is pleased to announce the signing of agreements to extinguish all the Company's debt owed to Stone Resources (HK) Limited (**SRHK**), Stone Resources Limited (**SRL**) and Great Cortex International Limited (**GCI**) totalling AUD\$6,030,000 (**Debt**).

The following agreements (**Agreements**) have been executed:

1. Deed of Variation of the DECA (**DECA Variation Deed**);
2. Deed of Variation and Settlement with GCI (**GCI Settlement Deed**); and

Completion under these Agreements is subject to shareholder approvals as required under Chapter 10 of the ASX Listing Rules and, if required, the Corporation Act, and Brightstar will seek these approvals as soon as practicable. Brightstar envisages this to be at an EGM prior to 30 September 2022 and has commenced preparation of meeting materials including appropriate independent expert reports.

GCI Settlement Deed

The parties to the GCI Settlement Deed are:

- i. Brightstar; and
- ii. GCI;

According to the original settlement deed announced on 27 September 2021, Brightstar was required to make a loan repayment of AUD\$630,000 in cash to GCI by 18 November 2023.

Pursuant to the variation deed, the parties have agreed to settle the debt of AUD\$630,000 by the issuance of 19,090,909 fully paid ordinary shares in the Company to SRHK at an issue price of AUD\$0.033 per share, subject to shareholder approval.

DECA Settlement Variation Deed

The parties to DECA are:

- i. Brightstar;
- ii. SRHK, a related entity of Director Mr Yongji Duan; and
- iii. SRL, a related entity of Director Mr Yongji Duan.

SRHK and SRL is due an outstanding post-completion payment of \$5,400,000 (**Post-Completion Payment**) which was to fall due in November 2023. Details of the DECA were originally announced on ASX on 25 March 2020 along with subsequent amendments and variations.

Under the deed of variation, Brightstar has agreed to grant a 1.5% net smelter royalty on the tenements indicated in Table 1 to SRHK (**New Royalty**), in exchange for extinguishing the Post-Completion Payment, subject to shareholder approval. Total payments able to be made to SRHK under the New Royalty is capped at \$16,200,000.

Table 1: Tenement Table

Leases
E38/3279
E38/3434
E38/3438
E38/3500
E38/3504
P38/4508

Brightstar Resources Managing Director Bill Hobba commented:

"Brightstar has been working on the extinguishment of its existing debt and is pleased to come to a resolution with SRHK and CGI. It is my belief that the extinguishment of the debt places Brightstar in a stronger position to progress our projects. The transactions will result in the balance sheet of Brightstar

strengthening dramatically meaning that all existing cash reserves and future equity will be going into the ground."

This ASX announcement has been approved by the Managing Director on behalf of the board of Brightstar.

For further information, please contact:

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Managing Director

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Announcement contains forward-looking statements and forward-looking information within the meaning of applicable Australian securities laws, which are based on expectations, estimates and projections as of the date of this Announcement.

This forward-looking information includes, or may be based upon, without limitation, estimates, forecasts and statements as to management's expectations with respect to, among other things, the timing and amount of funding required to execute the Company's exploration, development and business plans, capital and exploration expenditures, the effect on the Company of any changes to existing legislation or policy, government regulation of mining operations, the length of time required to obtain permits, certifications and approvals, the success of exploration, development and mining activities, the geology of the Company's properties, environmental risks, the availability of labour, the focus of the Company in the future, demand and market outlook for precious metals and the prices thereof, progress in development of mineral properties, the Company's ability to raise funding privately or on a public market in the future, the Company's future growth, results of operations, performance, and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expect", "intend", "may" and similar expressions have been used to identify such forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the information is given, and on information available to management at such time. Forward looking information involves significant risks, uncertainties, assumptions and other factors that could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors, including, but not limited to, fluctuations in currency markets, fluctuations in commodity prices, the ability of the Company to access sufficient capital on favourable terms or at all, changes in national and local government legislation, taxation, controls, regulations, political or economic developments in Indonesia and Australia or other countries in which the Company does business or may carry on business in the future, operational or technical difficulties in connection with exploration or development activities, employee relations, the speculative nature of mineral exploration and development, obtaining necessary licenses and permits, diminishing quantities and grades of mineral reserves, contests over title to properties, especially title to undeveloped properties, the inherent risks involved in the exploration and development of mineral properties, the uncertainties involved in interpreting drill results and other geological data, environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding, limitations of insurance coverage and the possibility of project cost overruns or unanticipated costs and expenses, and should be considered carefully. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Prospective investors should not place undue reliance on any forward-looking information.

Although the forward-looking information contained in this Announcement is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated,

estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

No stock exchange, regulation services provider, securities commission or other regulatory authority has approved or disapproved the information contained in this Announcement.