



**BRIGHTSTAR**  
RESOURCES LIMITED

# LOGICAL CONSOLIDATION TO CREATE A GROWING WEST AUSTRALIAN GOLD PRODUCER

Merger of Brightstar Resources Limited and Linden Gold Alliance Limited

**MARCH 2024**

ersonal use only

# Important Notices & Disclaimer

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- This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future financial position or performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and certainties and other factors which are beyond the control of Brightstar and its respective directors and management. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumption on which these statements are based. These statements may assume the success of Brightstar business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, and except as required by law or regulation, none of Brightstar and its respective representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Brightstar as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Brightstar and its respective representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events, or results or otherwise. Indications of, and guidance or outlook on future financial position or performance are also forward-looking statements.

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## JORC (2012) Compliance Statement

### Brightstar Mineral Resources

- This presentation contains references to Brightstar's JORC (2012) Mineral Resources, extracted from the ASX announcements titled "Maiden Link Zone Mineral Resource Estimate" dated 15 November 2023, "Cork Tree Mineral Resource Upgrade Delivers 1Moz Group MRE" dated 23 June 2023 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.
- 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.

### Linden Mineral Resources

- This Presentation contains references to Linden's JORC (2012) Mineral Resources, as reported in the announcement released by Brightstar on 25 March 2024 titled "Brightstar makes Recommended Takeover Offer for Linden Gold Alliance Limited".
- The Company 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.

## Scoping Study Cautionary Statement

### Menzies and Laverton Gold Project Mine Restart Study

- The production targets and forecast financial information disclosed in this Presentation in relation to the Menzies and Laverton Gold Project Mine Restart Study are extracted from the Company's ASX announcement titled "Menzies and Laverton Gold Project Mine Restart Study" dated 6 September 2023. All material assumptions underpinning the production targets and forecast financial information derived from the production targets in the previous announcement continue to apply and have not materially changed.

### Jasper Hills March 2023 Scoping Study ("Jasper Hills Scoping Study", released 25 March 2024)

- The production targets and forecast financial information disclosed in this Presentation in relation to the Jasper Hills March 2023 Scoping Study are extracted from the Company's ASX announcement titled "Jasper Hills March 2023 Scoping Study" dated 25 March 2024. All material assumptions underpinning the production targets and forecast financial information derived from the production targets in the previous announcement continue to apply and have not materially changed.
- The Company considers that the material assumptions underpinning the production targets at the Menzies and Laverton Gold Project Restart Study and Jasper Hills Scoping Study are not adversely affected by the Company's proposal to develop both projects sequentially, as set out in slide 8. The Company intends to investigate the joint development under an integrated feasibility study.

## Currency

- Unless otherwise stated, all dollar values in this Presentation are reported in Australian dollars.

# Merger of West Australian junior gold producers

Step change with two mining hubs in world-class districts, existing infrastructure, and a clear low capex path to material production



## Location, Group Production & Mineral Resources

## Merged Group

<b>Location:</b>	Laverton	Laverton & Menzies	Laverton & Menzies
<b>Mineral Resources:</b>	0.35Moz at 2.1g/t Au	1.04Moz at 1.5g/t Au	1.40Moz at 1.6g/t Au
<b>FY24 Production YTD<sup>(1)</sup>:</b>	13koz	8koz	+21koz

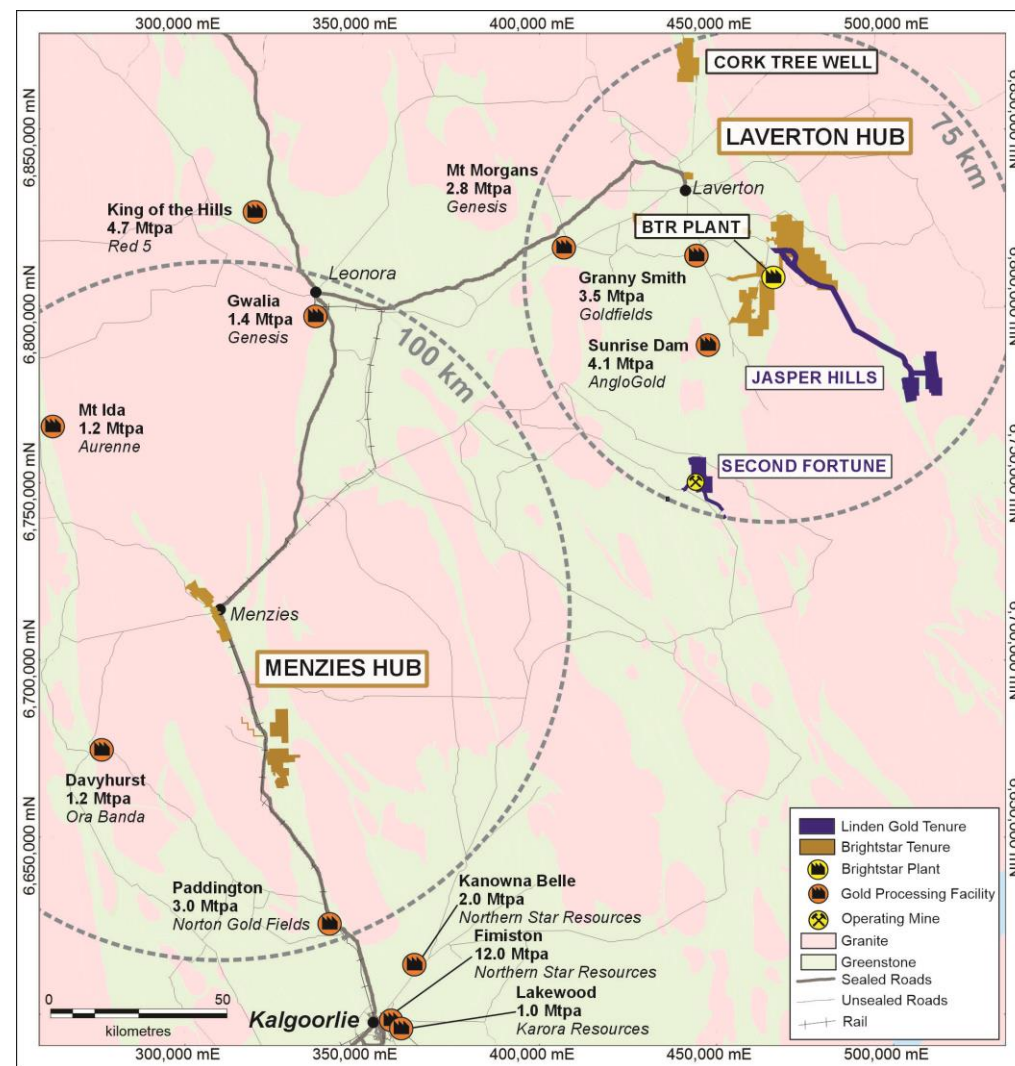
## Asset Base to underpin growth ambition

## Two Mining Hubs

<b>Mining Operations:</b>	Second Fortune UG	Selkirk JV OP	<b>Laverton Hub:</b> Second Fortune, Cork Tree Well, Lord Byron, Fish, Alpha
<b>Development Assets:</b>	Lord Byron OP Fish UG	Cork Tree Well OP Lady Shenton OP Yundaga UG	<b>Menzies Hub:</b> Lady Shenton, Selkirk, Yundaga

## Post Merger Snapshot

<b>Near Term Production Ambition:</b>	~100kozpa
<b>Pro forma Market Capitalisation<sup>(2)</sup>:</b>	\$66m
<b>Pro forma Net Cash<sup>(3)</sup>:</b>	\$22m
<b>Pro forma Enterprise Value (EV):</b>	\$44m
<b>Pro forma Mineral Resource:</b>	1.4Moz @ 1.6g/t Au



# Transaction overview

## Unanimous support for transaction to deliver significant value and shared upside for shareholders of both companies

<b>Transaction Terms</b>	<ul style="list-style-type: none"> <li>All-scrip, recommended off-market takeover bid to acquire 100% of the fully paid ordinary shares of Linden Gold Alliance Limited (<b>Linden</b>) (<b>Offer</b>)</li> <li>Under the Offer, Linden shareholders are to receive 6.90 (<b>SER</b>) Brightstar Resources Limited (<b>Brightstar</b>) shares for each Linden share they hold</li> <li>Implied Linden equity value of \$23.7m<sup>(1)</sup></li> </ul>
<b>Ownership &amp; Governance</b>	<ul style="list-style-type: none"> <li>Pro forma ownership: 62% Brightstar; 38% Linden<sup>(2)</sup></li> <li>Linden's Board unanimously recommends the Offer in the absence of a superior proposal</li> <li>The combined group to be led by Alex Rovira as Managing Director, Andrew Rich as Executive Director, and Dean Vallve as Chief Operating Officer</li> </ul>
<b>Linden Shareholder Support</b>	<ul style="list-style-type: none"> <li>Linden shareholder, St Barbara Limited (<b>St Barbara</b>), has entered into a binding Pre-Bid Acceptance Agreement for its existing holding of 30.0m Linden shares (representing 19.8% of Linden's existing shares on issue)</li> <li>Linden's Directors and key shareholders, Mako Mining, MTM and Blue Capital Equities (and associated entities) have advised the Linden Board that they intend to accept the Offer in the absence of a superior proposal (representing a further 47.9% of Linden's existing shares on issue)</li> </ul>
<b>Concurrent Capital Raising</b>	<ul style="list-style-type: none"> <li>Brightstar is seeking to raise up to \$12.0m at \$0.014 per share via a two-tranche placement:             <ul style="list-style-type: none"> <li>Tranche 1 to raise ~\$8.2m under existing Listing Rules 7.1 and 7.1A placement capacity; and</li> <li>Tranche 2 to raise ~\$3.8m subject to shareholder approval (<b>Placement</b>).</li> </ul> </li> <li>Proceeds to fund mine life extension at the operating Second Fortune mine, fast-track development of the Jasper Hills and Menzies gold projects</li> <li>Placement strongly supported by existing Brightstar and Linden shareholders together with new institutional and professional investors:             <ul style="list-style-type: none"> <li>Cornerstone support proposed from major shareholders Collins Street Asset Management and St Barbara Ltd for a total \$4.3 million of the Placement</li> <li>Mining investment house Lion Selection Group (ASX:LSX) intend to commit to \$2 million in the Placement to become a Brightstar shareholder</li> </ul> </li> <li>A pro forma cash position of more than \$22.0m<sup>(3)</sup> to underpin the combined group and provides the platform to deliver meaningful growth</li> <li>The Placement is not conditional on the Offer</li> </ul>

# Clear strategic rationale

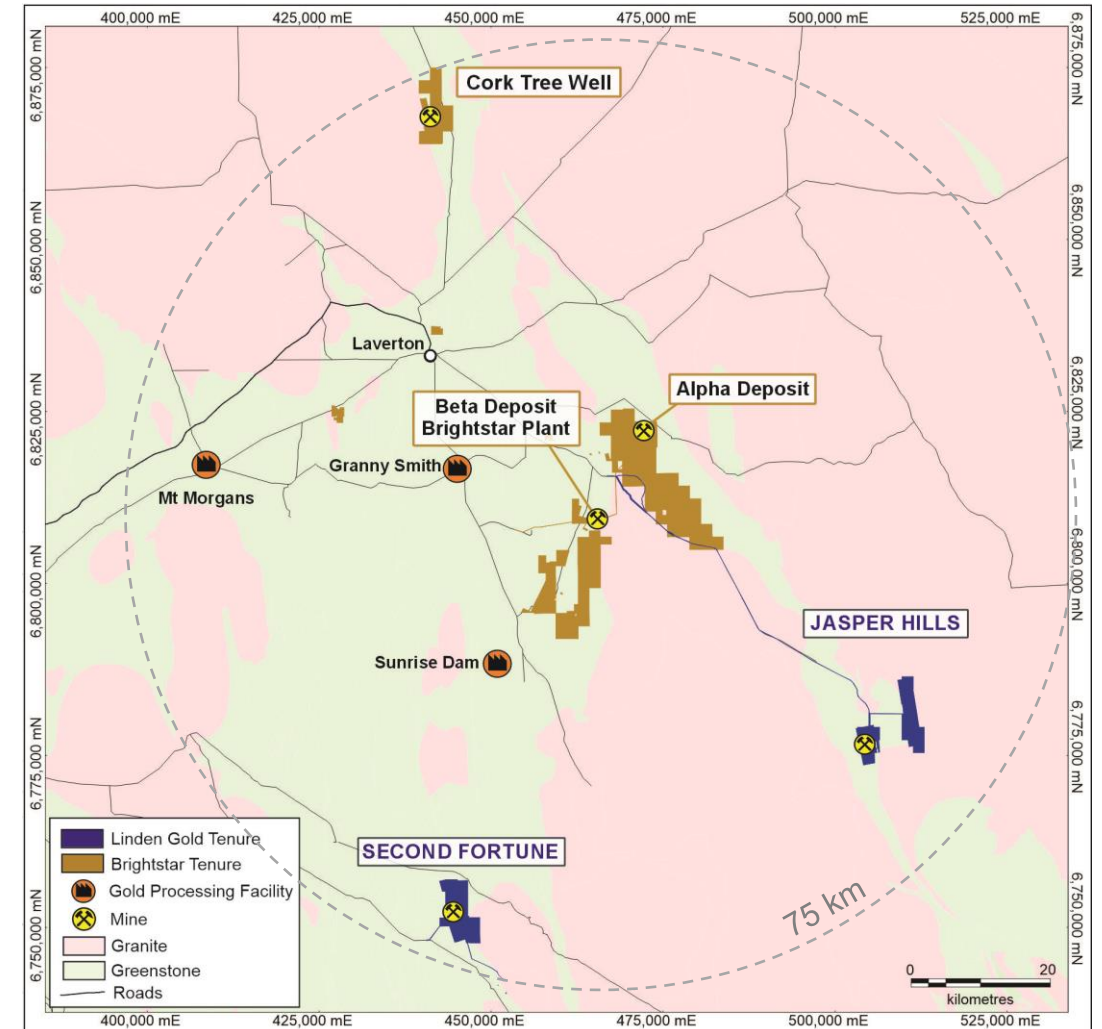
Scale, diversification, infrastructure and balance sheet ... a proven recipe for value creation

- 1 Regional consolidation of strategic Laverton-Menzies Mineral Resource base with disciplined focus on **mineable ounces**
- 2 Immediately creates a +20kozpa<sup>(1)</sup> gold miner with a **low risk, low-capex path towards peak run rate of ~100kozpa**
- 3 Provides critical mass to de-risk the potential restart and upgrade of the **Brightstar plant to 'bring forward' production ounces**
- 4 Unlocks **geographical and operational synergies** with significant potential for organic growth and further regional consolidation
- 5 **Enhances standalone development scenario** with optimised mine scheduling and blending of feed sources (OP & UG)
- 6 Strengthens Board & Management with the **right mix of skillsets and experience to drive operational delivery**
- 7 **Strong balance sheet with \$22m in cash<sup>(2)</sup> and nil bank debt** provides platform for accelerated exploration across the portfolio

# Unlocks material synergies across Laverton portfolio

The enlarged Laverton Gold Project leverages Brightstar's existing processing infrastructure to unlock shared value

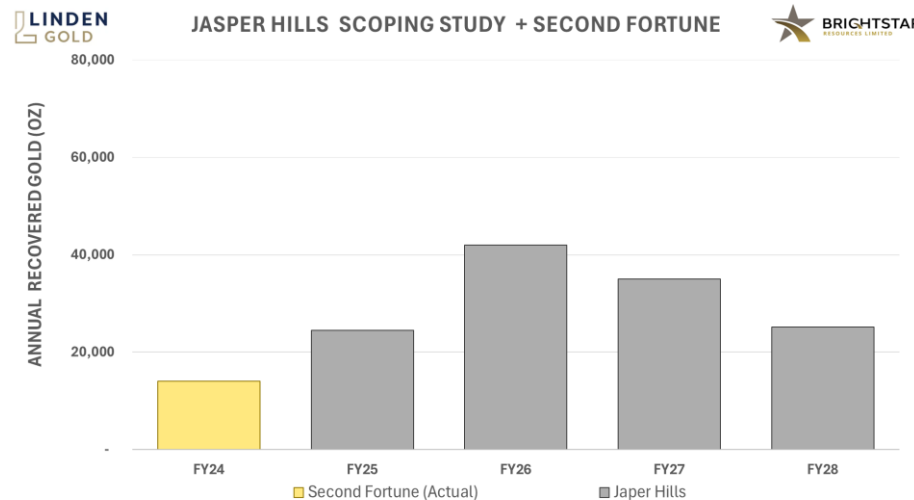
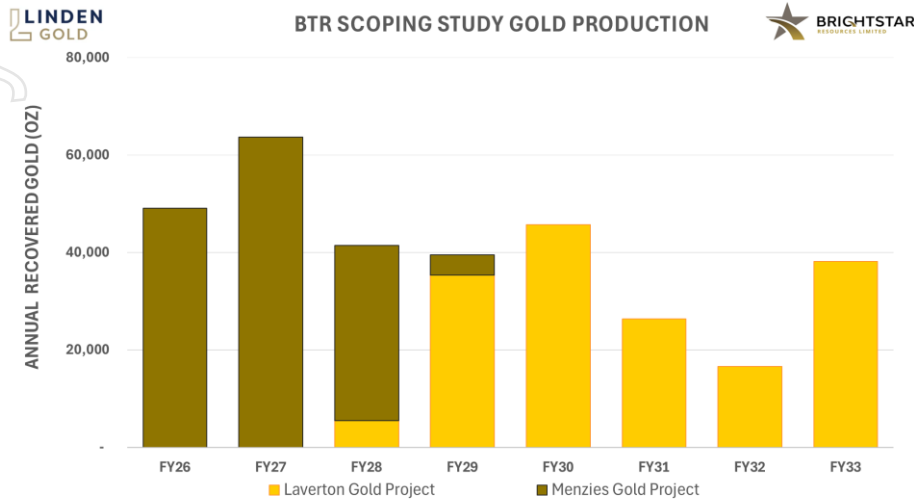
- Combined Mineral Resources in the Laverton hub of **15Mt at 1.8g/t Au for 862Moz Au**<sup>(1)</sup>
- Wholly-owned Brightstar mill (\$18.5m to upgrade & refurbish to 480ktpa)<sup>(2)</sup>
- Three feed sources justifies possible mill upgrade to 1.0Mtpa – all on granted Mining Leases:
  - Producing high-grade Second Fortune UG project ~75km from Brightstar mill
  - Near-term Jasper Hills project (Lord Byron OP & Fish UG) ~50km from Brightstar mill via wholly-owned private haul road
  - Near-term Cork Tree Well OP project ~70km from Brightstar mill
- Several high-quality, brownfield exploration targets on granted Mining Leases
- Diversification of ore sources allows for:
  - Optimised mine scheduling and blending of feed sources (OP & UG)
  - Better flexibility for management of capital requirements for UG development and OP cutbacks to optimise funding requirements



# Provides a clear pathway to material production

Combined Scoping Study metrics demonstrate resource base, infrastructure & low capital path up to ~100kozpa production

## Indicative potential production based on individual Scoping Studies<sup>(1)(2)</sup>:



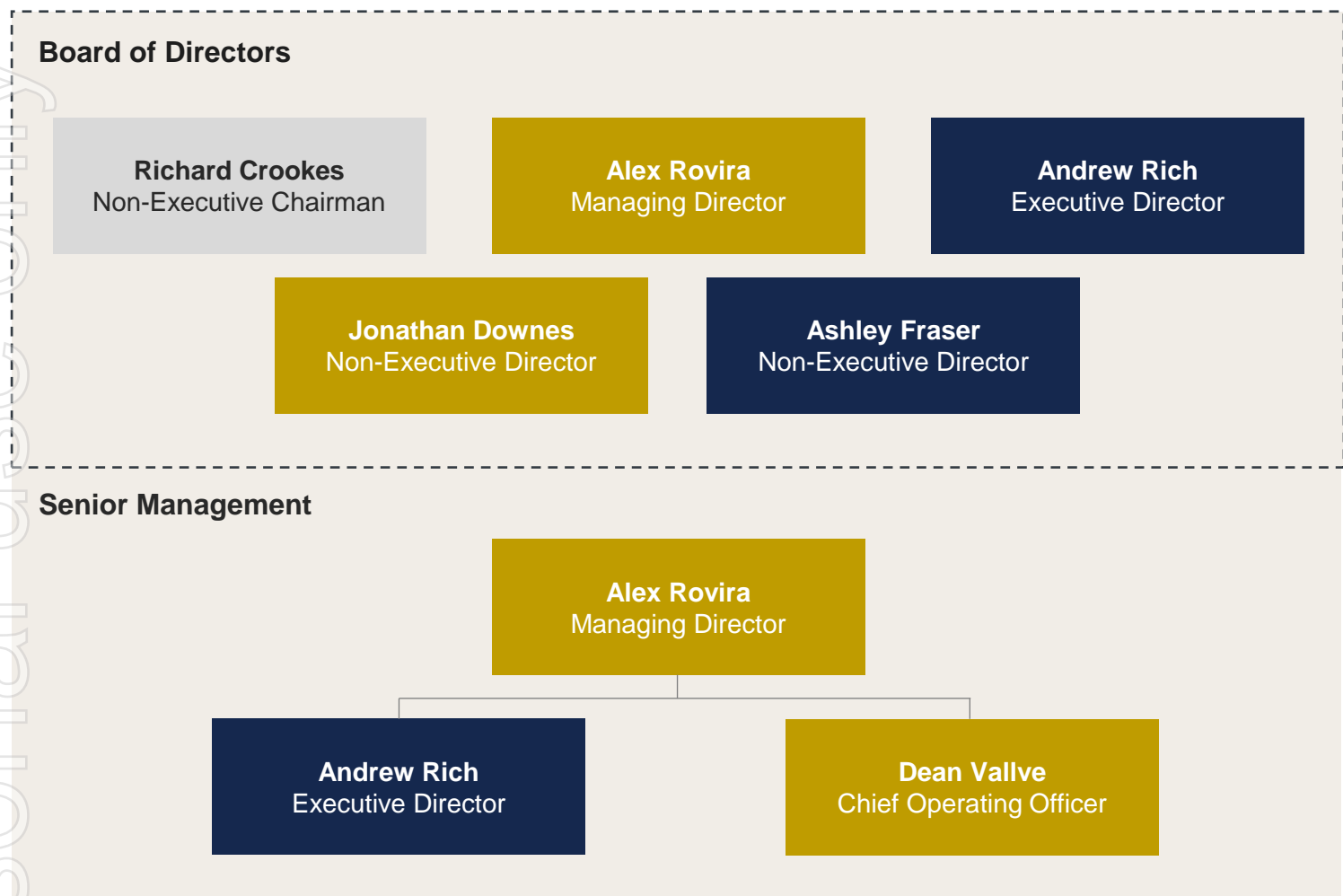
## A conceptual combination of Scoping Studies demonstrates:

- **Two mining hubs:**
  - Laverton Gold Project (LGP)
  - Menzies Gold Project (MGP)
- **Sequential development of multiple mines to optimize capex requirements:**
  - LGP: 2x open pit and 3x underground mines
    - Lord Byron (Jasper Hills) and Cork Tree Well open pits
    - Second Fortune (currently operating), Fish UG (Jasper Hills) & Alpha
  - MGP: 1x open pit and 1x underground mine
    - Lady Shenton open pit
    - Yunndaga underground
- Contemporaneous development has a combined **total pre-production capital cost of \$34m**
- The MGP and LGP (incl. of Jasper Hills) be developed simultaneously and allows for efficiencies and synergies to be captured
- This delivers **~0.45Moz Au produced** over eight years<sup>(1)</sup> – **excluding any potential production from operating Second Fortune mine**
  - **Peak run-rate of approximately 91koz in FY26 and 98koz in FY27<sup>(1)(2)</sup>**
- Combined **pre-tax free cash flow of +\$400m** at A\$3,200/oz (below current spot gold price)<sup>(3)</sup>
- Brightstar targeting 'bringing forward' of production to **increase annual production profile**
- A strategic review of the combined asset base, development plan and integrated Pre-Feasibility Study is anticipated to be completed by 2H 2024



# Experienced & highly credentialled team

Complementary mix of financial, project development and operational mining expertise to drive operational delivery



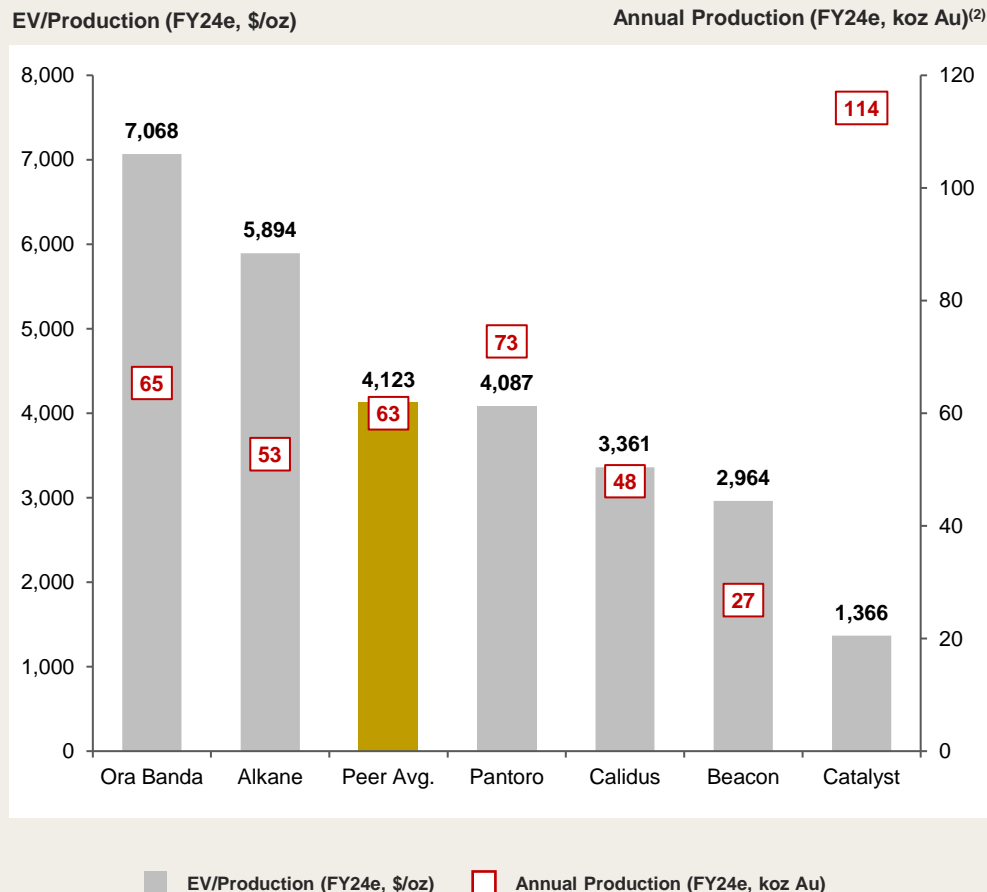
- Refreshed Board & Management team focused and aligned to deliver value to shareholders
- Board made of up two Brightstar and two Linden Directors, with Richard Crookes to be appointed as an independent Non-Executive Chairman post completion of the transaction
- Led by Alex Rovira as Managing Director, Andrew Rich as Executive Director and Dean Vallve as Chief Operating Officer
- Brightstar will benefit from the “right mix” of technical and capital market skillsets, critical for:
  - Completion of mining studies and technical work to de-risk the path to ~100kozpa production profile
  - Delivering the potential restart of the Brightstar mill and commissioning of the LGP
  - Continued consistent performance from the cash flow generating Second Fortune UG mine
  - Continued exploitation of near-term, high-grade deposits across the MGP for early cashflow projects

Brightstar
  Linden
  Independent

# Provides a platform to achieve a potential re-rating

Significant room for growth in shareholder value through operational delivery of substantial production run-rate

## The EV/Production (FY24e)<sup>(1)</sup> of ASX-listed junior gold producers



... implies significant room for growth to valuation in line with peers

- ASX junior gold producers trade at an average of **\$4,123 per production ounce**
- Pro forma, Brightstar has produced +20koz in FY24 YTD<sup>(2)</sup>
- Brightstar has ambitions to be a growing **near term producer with a run rate up to 100kozpa**, underpinned by Measured & Indicated Mineral Resources and a low capex start-up utilising a toll treatment approach and its processing plant (on C&M) in Laverton
- Delivery on the production profile indicated by the Scoping Studies for the Menzies & Laverton Gold Projects (Brightstar) and Jasper Hills (Linden) positions Brightstar for a potential re-rating as a junior gold producer
- The outlined low capital requirements may also allow for reduced debt and hedging commitments as a near-term producer

# Fast-tracked development timetable

The scene is set for rapid resource and mine growth over the next 18 months

Year	CY24		CY25	
	H1	H2	H1	H2
<b>Drilling</b>				
<b>Resource drilling &amp; MRE updates:</b>				
- Diamond drilling (Met, Geotech, Extensional)				
- Ongoing RC Resource definition programs				
- Group Mineral Resource updates				
<b>Exploration:</b>				
- Ongoing regional programs across portfolio				
<b>Project Development</b>				
<b>Studies:</b>				
- Scoping Study				
- Integrated Pre-Feasibility Study (PFS)				
- Definitive Feasibility Study (DFS)				
<b>Permitting &amp; Approvals:</b>				
- Targeted Final Investment Decision (FID)				
<b>Operations:</b>				
- Second Fortune UG – ore sales	SF Gold	SF Gold	SF Gold	SF Gold
- Mining JVs – toll treatment	Selkirk Gold		MGP Gold	
- Brightstar Project Development			Camp Build	Pre-Prod.
- <b>Brightstar Standalone Gold Production</b>				<b>BTR Gold</b>

## Year 1 – Bed down operations, fast-track development timetable

### Focus on mine life extension, Mineral Resource growth and mining studies

- Drilling to deliver UG mine life extension at operating Second Fortune mine
- Drill out and de-risk early mine plan:
  - Lady Shenton OP (Menzies),
  - Fish UG and Lord Byron OP (Jasper Hills, Laverton)
- Completion of an integrated Pre-Feasibility Study (PFS)
- Increase global resources & delineate new targets

## Year 2 – Production and Growth

### Focus on mine restart and new discoveries

- Deliver on the mine plan that will be outlined in the consolidated PFS and DFS, **targeting up to 100kozpa**
- Exploration across the underexplored tenure in LGP and MGP
- Focus on brownfields MRE growth (increased mine life) and new greenfield discoveries

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# 1. Transaction Information

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# Merger overview

## Logical consolidation of two junior West Australian gold producers

<b>Transaction Terms</b>	<ul style="list-style-type: none"><li>• All-scrip, recommended off-market takeover bid to acquire 100% of the fully paid ordinary shares of Linden</li><li>• Under the Offer, Linden shareholders are to receive 6.90 Brightstar shares for each Linden share they hold</li><li>• Implied Linden equity value of \$23.7m<sup>(1)</sup></li><li>• Separate offers will be made to Linden optionholders</li></ul>
<b>Ownership &amp; Governance</b>	<ul style="list-style-type: none"><li>• Pro forma ownership: 62% Brightstar; 38% Linden<sup>(2)</sup></li><li>• Linden's Board unanimously recommends the Offer in the absence of a superior proposal</li><li>• The combined group to be led by Alex Rovira as Managing Director, Andrew Rich as Executive Director, and Dean Vallve as Chief Operating Officer</li></ul>
<b>Linden Shareholder Support</b>	<ul style="list-style-type: none"><li>• Linden shareholder, St Barbara, has entered into a binding Pre-Bid Acceptance Agreement for its existing holding of 30.0m Linden shares (representing 19.8% of Linden's existing shares on issue)</li><li>• Linden's Directors and key shareholders, Mako Mining, MTM and Blue Capital Equities (and associated entities) have advised the Linden Board that they intend to accept the Offer in the absence of a superior proposal (representing a further 47.9% of Linden's existing shares on issue)</li></ul>
<b>Advisers</b>	<ul style="list-style-type: none"><li>• Longreach Capital is acting as financial adviser to Brightstar and Argonaut PCF is acting as financial adviser to Linden in relation to the Offer</li><li>• Hamilton Locke is acting as legal adviser to Brightstar and Gilbert + Tobin as legal adviser to Linden in relation to the Offer</li></ul>

# Capital raising overview

## Offer Size and Structure

- Brightstar is seeking to raise up to \$12.0m via a two tranche Placement comprising of the issue of up to ~857m new fully paid ordinary shares
  - Tranche 1 of the Placement to raise ~\$8.2m utilising existing Placement capacity pursuant to Listing Rules 7.1 and 7.1A
  - Tranche 2 of the Placement to raise ~\$3.8m subject to shareholder approval at the General Meeting expected to be held in May 2024
- New Shares will rank pari passu with existing shares
- The Placement is not underwritten
- The Placement is not conditional on the Offer

## Offer Price

- Raising price at \$0.014 per New Share, which represents a:
  - 12.5% discount to last closing price prior to the Placement;
  - 15.6% discount to the 15-day VWAP
  - 4.9% discount to the 30-day VWAP

## Cornerstone Support

- **Strategic \$2 million cornerstone investment proposed from existing shareholder** St Barbara who will emerge as a ~13% shareholder in the merged entity
- Placement strongly supported by institutional and professional investors, including Collins Street Asset Management and Lion Selection Group

## Syndicate and Advisers

- Canaccord Genuity (Australia) Limited and Argonaut Securities Pty Ltd are acting as Joint Lead Managers to the Placement

# Merger and Placement – Timetable and Use of Funds

## Indicative Timetable<sup>(1)</sup> and Use of Funds:

Event	Date
Announcement of the proposed completion of Placement	Monday, 25 March 2024
Settlement of Tranche 1 of the Placement	Friday, 5 April 2024
Lodgement of the Brightstar Bidder's Statement with ASIC and ASX	Wednesday, 17 April 2024
Despatch of Brightstar's Bidder Statement to Linden shareholders <sup>(2)</sup>	Thursday, 18 April 2024
Offer opens	Thursday, 18 April 2024
General Meeting of Brightstar shareholders to approve Tranche 2 of the Placement and issuance of securities under the Offer	Wednesday, 8 May 2024
Offer closes (unless extended)	Thursday, 30 May 2024

Use of Funds	\$m
Exploration	\$6.0m
Mining studies	\$1.0m
Early-works on Jasper Hills	\$2.0m
Working capital and costs	\$3.0m
<b>Total</b>	<b>\$12.0m</b>

# Pro forma snapshot

Capital structure set for growth and re-rating with a strong pro forma shareholder base

## Pro forma capital structure

As of ASX close 22 March 2024		Brightstar	Linden (as per Offer)	Pro forma <sup>(1)</sup> (pre money)	Placement	Pro forma <sup>(2)</sup> (post money)	Pro forma <sup>(6)</sup> (post consolidation)
Share price / Offer price	<i>\$/share</i>	0.016	0.110	0.016	0.014	0.014	0.70
Fully diluted no. shares <sup>(2)</sup>	<i>m shares</i>	2,370.4	214.4 <sup>(3)</sup>	3,849.9	857.1	4,707.0	94.3
<b>Market Capitalisation</b>	<b><i>\$m</i></b>	<b>37.9</b>	<b>23.7</b>	<b>61.6</b>	<b>12.0</b>	<b>65.9</b>	<b>65.9</b>
<b>MergeCo % shareholding</b>	<b>%</b>	<b>62%</b>	<b>38%</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash <sup>(4)</sup>	<i>\$m</i>	9.0 <sup>(5)</sup>	1.0	10.0	12.0	22.0	22.0
<b>Enterprise Value (EV)</b>	<b><i>\$m</i></b>	<b>28.9</b>	<b>22.7</b>	<b>51.6</b>	<b>-</b>	<b>43.9</b>	<b>43.9</b>
Mineral Resources	<i>koz Au</i>	1,036	351	1,387			



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## 2. Portfolio Overview

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# Project Overview

1.4Moz in Mineral Resource – open and growing to deliver scale to become a significant participant in the WA gold sector

**Tier-1 jurisdiction** with compelling land position in two proven goldfields with multi-million ounce endowments:

- Significant operations nearby include Granny Smith, Sunrise Dam, Gwalia, Mt Morgans
- Excellent regional infrastructure and supplier networks

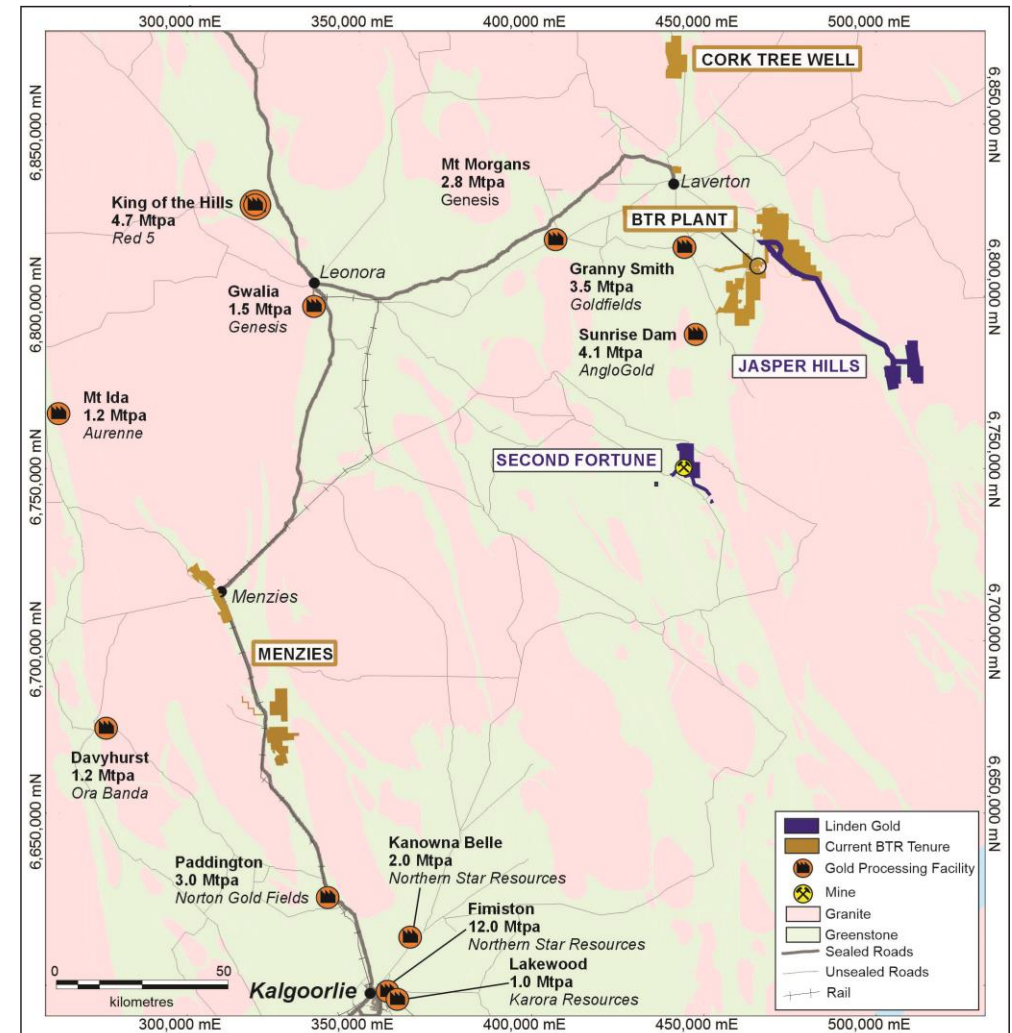
Aggregated Scoping Studies<sup>(1)</sup> on development-stage assets **highlight a low capital pathway to meaningful production leveraging existing infrastructure to unlock operational synergies:**

- ~450koz produced over eight years (*excluding operating Second Fortune mine*)
- Peak production profile **approximately 91koz in FY26 and 98koz in FY27**<sup>(2)</sup>
- Staged development delivers **low pre-production capex of approximately \$34m**
- **LOM EBITDA of +\$400m @ A\$3,200/oz (below spot gold)**<sup>(3)</sup>
- All In Sustaining Costs of approximately <A\$2,050/oz

**Existing gold producer** with in-house expertise to expand mining operations:

- Team, infrastructure and Mineral Resources to be a material gold producer
- Brightstar's refurbished mill in Laverton strategically located to unlock regional assets
- Low capital approach delivers:
  - Lower funding hurdle to get into production (not stuck in the 'development queue')
  - Improves financing strategy & reduces impact of debt and hedging
  - Better financial returns on investment
  - Accelerated and deliverable pathway to meaningful production profile

**Mining Pre-Feasibility Study underway** (consolidated basis), utilising third party toll treatment options and own processing infrastructure



# Geographically complementary assets

Two mining hubs in world-class districts, existing infrastructure, and a clear low capex path to ~100kozpa

Assets strategically located proximal to processing infrastructure, sealed highways and well-maintained gravel roads for low-capex optionality

**Menzies Hub** – multiple toll treating options in the Goldfields:

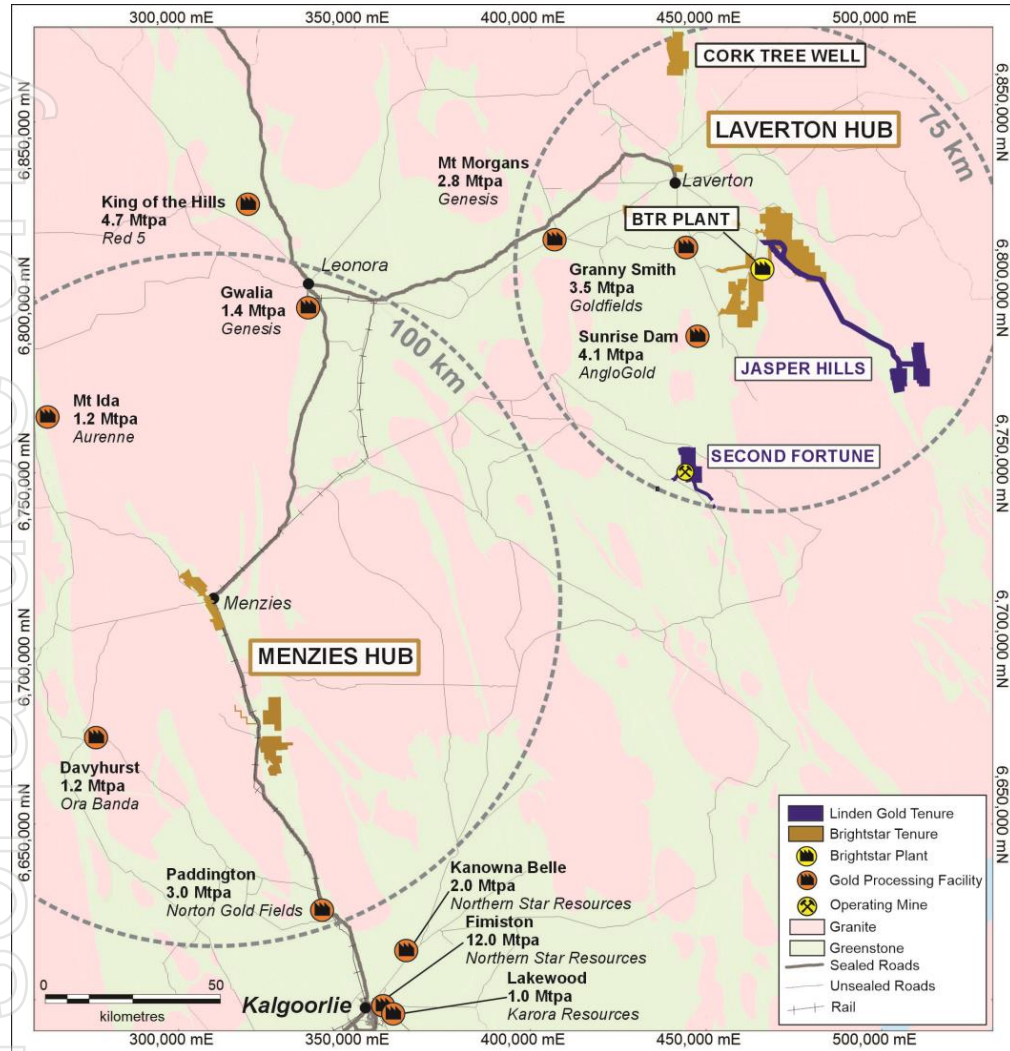
- Brightstar material currently processed at Gwalia (Selkirk JV)
- Four third-party mills within 100km trucking distance
- MGP immediately adjacent to bitumen Goldfields Highway

**Laverton Hub** – Own plant and large third-party mills in the district:

- Brightstar processing plant on care & maintenance
- Brightstar mill is closest available mill to Linden, **significantly lowering haulage and processing costs** compared to third party agreements
- Brightstar will own **15Mt @ 1.8g/t Au (850koz Au)** within trucking distance to Genesis Minerals' Mt Morgans operation (currently on C&M)
- Established haul road network of sealed and unsealed roads (including wholly-owned private haul road linking Jasper Hills to Brightstar plant)
- Second Fortune mine currently processed at Gwalia
- Jasper Hills has previously been mined and toll treated through Sunrise Dam

Multiple ore sources allow for blending of optimal head-grade into the mill

**Proven and logical processing strategy** - High-grade underground ore blends with base-load lower grade feed from open pit mining operations



# Established operational mining business

## Existing production at record AUD gold prices

### Brightstar actively monetising its existing Mineral Resource base

- Selkirk JV mining campaign successfully concluded and toll treated through Genesis Minerals' Gwalia mill
- Assessing opportunity for a 'Selkirk 2.0' at Menzies to provide working capital to enlarged group
- Fast-tracking development of mine plan delineated in September 2023 Scoping Study



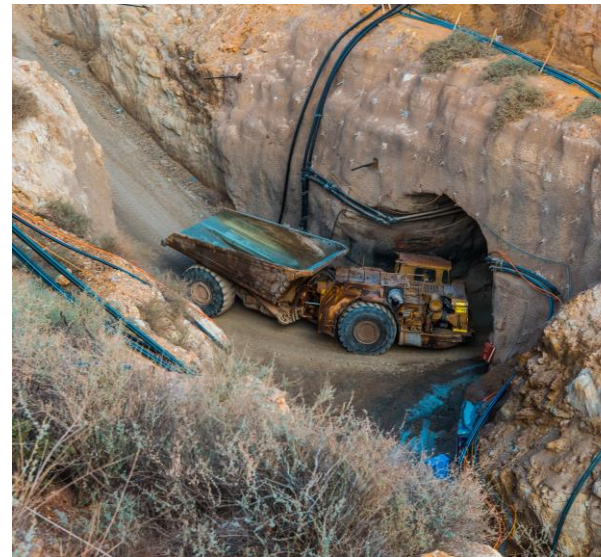
Selkirk Mine, Menzies (Brightstar) and recent gold doré poured from the project



### Second Fortune Underground Mine

Linden is currently mining the Second Fortune Gold Mine south of Laverton

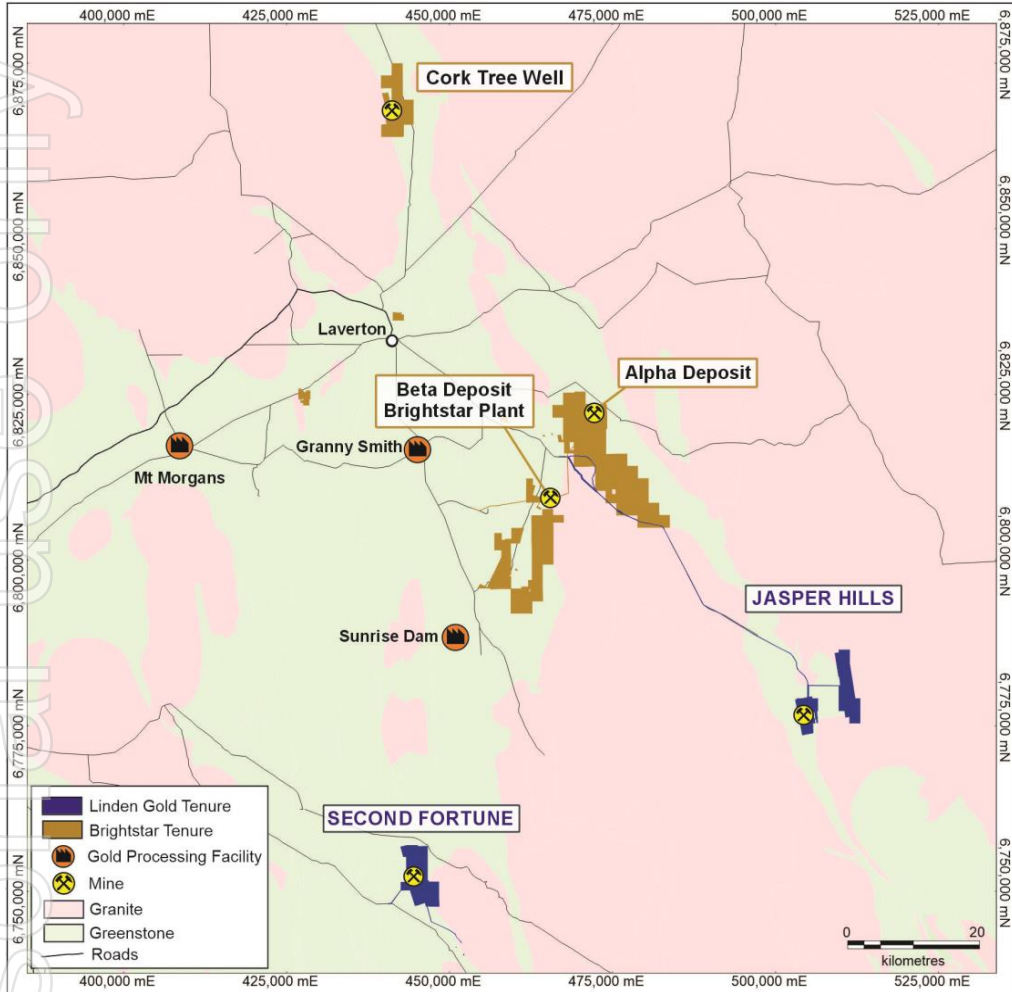
- 378kt mined at average reconciled milled grade of 3.7g/t Au (~44koz) since mine restart in 2021
- 13koz Au produced in FY24 YTD
- Established low-cost owner-operator model



Second Fortune portal, Laverton (Linden) and Second Fortune ore drive (1225 level)

# Laverton Hub: Cork Tree Well, Alpha, Beta

Consolidation of strategic Laverton assets to provide critical mass for potential restart and upgrade of the Brightstar mill



Existing Brightstar Laverton portfolio is spread across multiple project areas:

- **Cork Tree Well** (6.4Mt @ 1.4g/t Au for 303koz Au)
- **Alpha** (1.4Mt @ 2.3g/t Au for 106koz Au)
- **Beta** (1.9Mt @ 1.7g/t Au for 102koz Au)

Current total JORC Mineral Resource Estimate of **9.7Mt @ 1.6g/t Au for 511koz** (52% Measured & Indicated category). All Mineral Resources are on granted Mining Leases

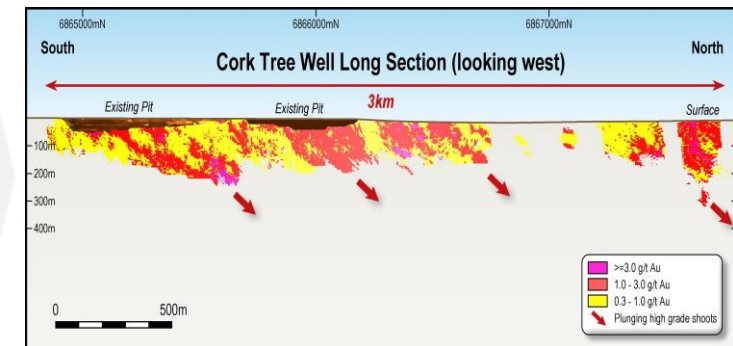
Excellent regional infrastructure including road network and Brightstar's processing plant

September 2023 Brightstar Scoping Study outlined the processing physicals:

- 2.7Mt ore at 2.04g/t Au processed
- **Recovered gold 169koz Au**

Significant exploration upside to grow Resources on underexplored tenure:

- Main project area Cork Tree Well is open at depth and along strike.
- Recent drilling results:
  - **34.4m @ 7.94g/t Au** from 43.5m (CTWMET004)<sup>(1)</sup>
  - **27.6m @ 17.8g/t Au** from 51m (CTWMET003)<sup>(2)</sup>



Cork Tree Well long section

# Laverton Hub: Second Fortune Gold Mine

## Mining:

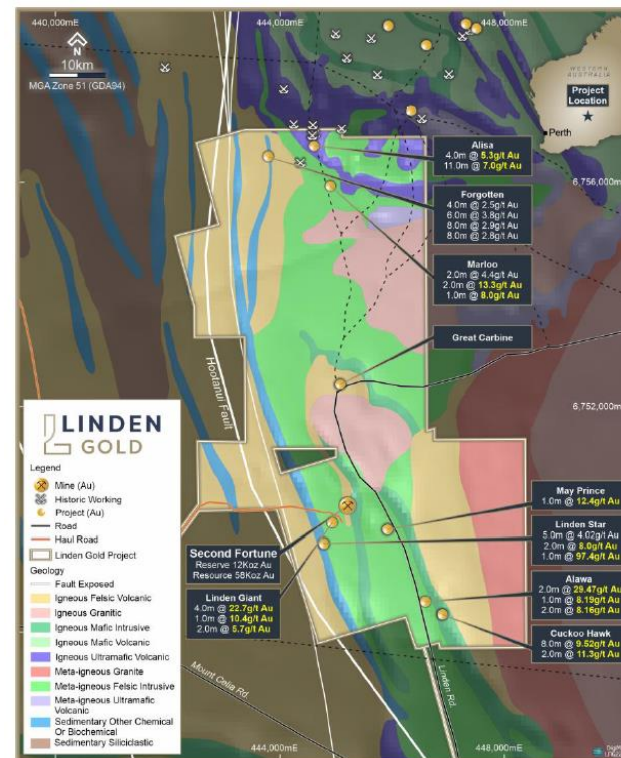
- Historic production of 38koz from prior owners (before Linden ownership) to 2018
- Under Linden management, the mine was brought out of care & maintenance in 2021 and has subsequently mined +350kt ore @ 3.6g/t Au (incl. lower grade development ore)
- Second Fortune is currently being processed through Genesis Minerals' Gwalia Processing Plant under a toll milling agreement
- In Q4 2023 Linden pivoted from mining contractor to owner operator model with its own fleet and workforce, **targeting improved operating margins**



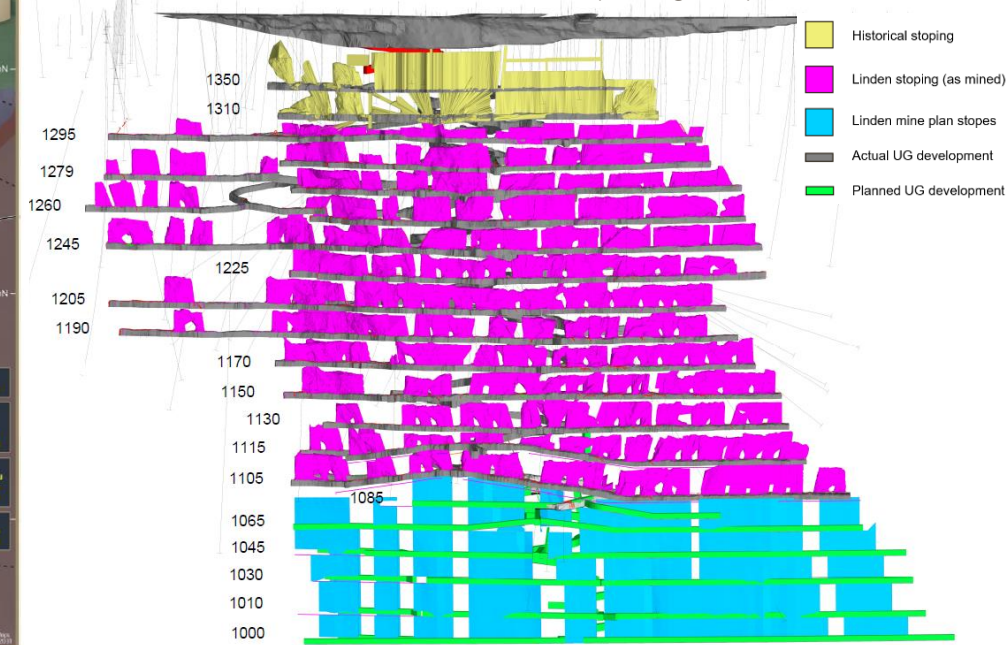
Above: Second Fortune Portal

## Exploration:

- Historical drilling focused on the producing Second Fortune mine
- **Limited modern and systematic exploration** has occurred across the ~20km of strike
- Abundance of quartz outcroppings and old workings for immediate follow up by Brightstar's geology team
- Superb opportunity to leverage existing team, camp & related infrastructure to rapidly assess targets and conduct efficient drilling programs
- Majority of prospects on existing Mining Leases which will expedite and de-risk project development activities



Below: Second Fortune (looking East)



# Laverton Hub: Jasper Hills Gold Project

Lord Byron OP provides potential 'base load' processing feed and Fish UG provides potential high-grade +4g/t Au feed

Jasper Hills is located 50km from Brightstar's existing processing facility along a wholly-owned private haul road, allowing unimpeded, direct access to both projects

Permitted, previously mined and **production ready**

Last mined by current owners in 2020 with 23,000oz mined

## Stage 1 Scoping Study outcomes:

- Pre-production capex of \$12m required (maximum capital drawdown)
- Open pit mine at Lord Byron and underground mine at Fish
- Production of 141koz over four years (35koz pa)
- **LOM EBITDA of \$135m** (@ A\$3,000/oz)

## Lord Byron OP – base load open pit ounces

- Scoping Study physicals: 2.2Mt production at 1.6g/t Au for 115koz
- Open pit down to 130m below surface. **Stage 1 mines only 34% of Mineral Resources**
- AISC A\$2,058/oz
- Important base load feed for Brightstar plant restart or hungry mills in the district

## Fish UG high-grade, high margin underground

- Scoping Study physicals: 190kt production at 4.4g/t Au for 26koz
- UG mine down to 150m vertical depth. Inferred resources beyond 150m depth is **upside potential**
- AISC A\$1,802/oz



Lord Byron open pit, last mined in 2020



Fish historic open pit. To be mined as an underground

# Menzies Hub overview

Consists of a tenement holding of a contiguous land package of granted mining leases over a **strike length of +20km**

Majority of deposits are hosted along the Menzies Shear Zone and located **adjacent to Goldfields Highway** in Menzies (130km north of Kalgoorlie)

A series of historically mined high-grade gold deposits that produced **+800,000oz at 19g/t Au** (including 643,000oz @ 22.5g/t Au<sup>(1)</sup> from underground)

Total Current Resource: **12.4Mt @ 1.3g/t Au for 525koz Au<sup>(2)</sup>** (40% Measured and Indicated)

September 2023 Scoping Study showed the simultaneous development of open pit mining at Lady Shenton system and underground mining at Yunnadaga:

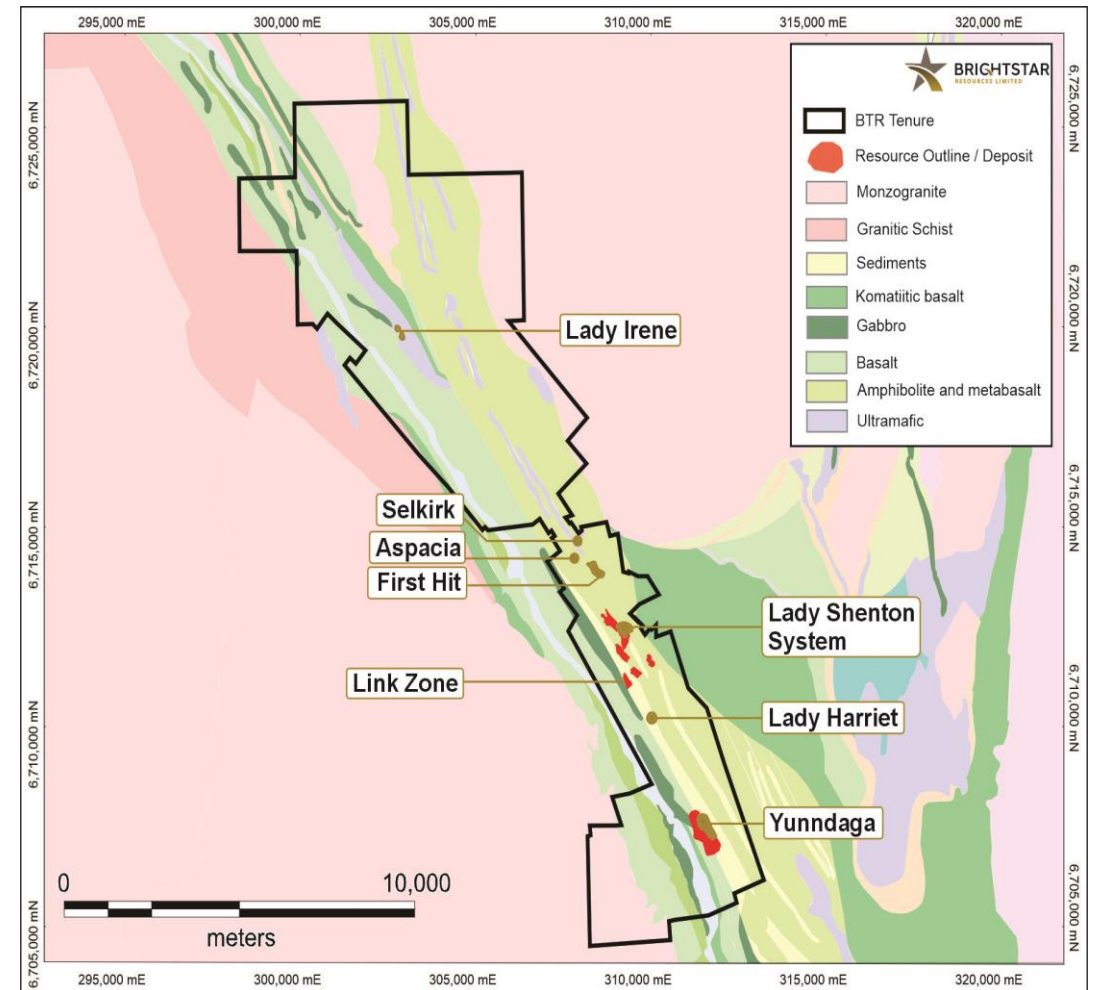
- 1.9Mt @ 1.63g/t Au (**100koz**) in open pit mining at Lady Shenton
- 650kt @ 2.91g/t (**60koz**) in underground mining at Yunnadaga
- Low capex of \$22m

Despite a long and successful mining history, exploration drilling at Menzies was historically focused on:

- Near mine exploration in and around the active mining centres; or
- Shallow exploration investigating for large, low-grade oxide targets

Significant opportunities to find virgin discoveries and brownfields Mineral Resource growth:

- Targeting **high-grade underground resource opportunities** at Aspacia and First Hit





# Laverton processing strategy

## Assessment of a 1.0Mtpa processing scenario

**Current site infrastructure has an independent replacement valuation of \$60m<sup>(1)</sup>**

The 2023 Scoping Study articulated a refurbishment and expansion study to upgrade to 480ktpa of fresh rock throughput

**Total Capital Cost \$18.5m<sup>(2)</sup>**

- Replace entire crushing circuit and upgrade existing grinding circuit
- Services upgrades including power reticulation, electrics and instrumentation upgrades
- Installation of administration buildings and associated NPI

**Immediate focus: Assess 1Mtpa upgrade for Brightstar, Second Fortune & Jasper Hill ore sources**

**Current Brightstar mine plan delivers +5 year LOM processing Brightstar-only ore through upgraded & refurbished plant (480ktpa)**

Significant scope to increase mine life and **gold production profile per annum** through:

- Access to increased head grades from underground mines (Second Fortune, Fish)
- Strategic expansions of infrastructure
- Prioritising high-grade feed sources to Brightstar plant

Logical and pragmatic rationale to assess **options for increasing throughput to 1Mtpa** in the combined Pre-Feasibility Study to significantly increase production profile

Recent opportunistic purchase of second-hand CIL tanks and a 52-room accommodation camp expected to **decrease capex and fast-track development<sup>(3)</sup>**

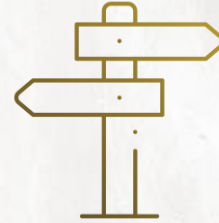


**Brightstar processing plant**

# Summary



Conceptual aggregated Scoping Studies deliver **0.45Moz mined over eight years**. Consolidated PFS underway



De-risked staged mine plan: 2 mining hubs with open pit and underground mines in each delivers optionality



Laverton processing plant unlocks expansion and M&A opportunities in the Laverton district



**Low capital requirements** for strategic development of Menzies and Jasper Hills to derisk project re-start



Low Entry Cost and Significant Upside<sup>(1)</sup>: EV/Resource metrics extremely undemanding with Brightstar trading at a **\$32/oz EV / Resource multiple** post transaction



**Operational cashflow** via Second Fortune Mine, Selkirk Mining JV (and other opportunities) to organically fund exploration and development expenditure

ersonal use only

ersonal use only



Appendices

# Appendix 1: Board & Management

## **RICHARD CROOKES** NON-EXEC CHAIRMAN

Mr Crookes has over 35 years' experience in the resources and investments industries. He is a geologist by training having previously worked as the Chief Geologist and Mining Manager of Ernest Henry Mining in Australia.

Mr Crookes is Managing Partner of Lionhead Resources, a Critical Minerals Investment Fund and formerly an Investment Director at EMR Capital. Prior to that he was an Executive Director in Macquarie Bank's Metals Energy Capital (MEC) division where he managed all aspects of the bank's principal investments in mining and metals companies.

## **ALEX ROVIRA** MANAGING DIRECTOR

Mr Rovira is a qualified geologist and an experienced investment banker having focused on the metals and mining sector since 2013.

Mr Rovira has experience in ASX equity capital markets activities, including capital raisings, IPOs and merger and acquisitions.

## **ANDREW RICH** EXECUTIVE DIRECTOR

Mr Rich is a degree qualified Mining Engineer from the WA School of Mines and has obtained a WA First Class Mine Managers Certificate.

Mr Rich has a strong background in underground gold mining with experience predominantly in the development of underground mines at Ramelius Resources (ASX:RMS) and Westgold Resources (ASX:WGX).

## **DEAN VALLVE** CHIEF OPERATING OFFICER

Mr Vallve holds technical qualifications in geology & mining engineering from the WA School of Mines, an MBA, and a WA First Class Mine Managers Certificate.

Mr Vallve was previously in senior mining and study roles at ASX listed mid-cap resources companies Hot Chili Ltd (ASX: HCH) and Calidus Resources Ltd (ASX: CAI).

## **JONATHAN DOWNES** NON-EXEC DIRECTOR

Mr Downes has over 30 years' experience in the minerals industry and has worked in various geological and corporate capacities. Experienced with gold and base metals, he has been intimately involved with the exploration process through to production.

Mr Downes is currently the Managing Director of Kaiser Reef Limited, a high grade gold producer, NED of Cazaly Resources Limited, and was a founding Director of Galena Mining Limited.

## **ASHLEY FRASER** NON-EXEC DIRECTOR

Mr Fraser is an accomplished mining professional with over 30 years experience across gold and bulk commodities.

Mr Fraser was a founder of Orionstone (who merged with Emeco in a \$660M consolidation) and is a founder/owner of Blue Cap Mining and Blue Cap Equities.

# Appendix 2: Contingent Payments

## Summary of contingent payments post-merger

### Securities / Rights

#### Vendors of Lord Byron Mining Pty Ltd – Deferred Consideration:

- **Tranche A:** upon and subject to an announcement by the Company of a JORC 2012-compliant Mineral Resource Estimate for the Jasper Hills Projects (M39/185, M39/262, M39/138 and M39/139) exceeding a total of 400,000oz Au at a grade of no less than 1.4g/t Au, utilising a cut-off grade of 0.5g/t Au prior to 2 November 2028 (**LBM Milestone 1**), the Company will issue the number of Brightstar shares that (in aggregate) have a value of \$5,000,000 based on the 20-day volume weighted average price (**VWAP**) of Brightstar shares over the trading days immediately prior to the date of the LBM Milestone 1 being met (**LBM Milestone 1 Deferred Shares**);
- **Tranche B:** upon and subject to an announcement by the Company of a JORC 2012-compliant Ore Reserve Estimate for the Jasper Hills Projects (M39/185, M39/262, M39/138 and M39/139) exceeding a total of 120,000oz Au at a grade of no less than 1.4g/t Au, utilising a cut-off grade of 0.5g/t Au prior to 2 November 2028 (**LBM Milestone 2**), the Company will issue the number of Brightstar shares that (in aggregate) have a value of \$5,000,000 based on the 20-day VWAP of Brightstar shares over the trading days immediately prior to the date of the LBM Milestone 2 being met (**LBM Milestone 2 Deferred Shares**); and
- **Tranche C:** upon and subject to an announcement by the Company of the first commercial production derived from the Jasper Hills Projects (M39/185, M39/262, M39/138 and M39/139) prior to 2 November 2028 (**LBM Milestone 3**), the Company will issue the number of Brightstar shares that (in aggregate) have a value of \$5,000,000 based on the 20-day VWAP of Brightstar shares over the trading days immediately prior to the date of the LBM Milestone 3 being met (**LBM Milestone 3 Deferred Shares**).

#### St Barbara Contingent Payment

- Subject to the delineation of JORC 2012-compliant Mineral Resource Estimate on Linden Tenements-only exceeding a total of 500,000oz Au at a grade of no less than 1.4g/t Au, utilising a cut-off grade of 0.5g/t Au prior to 2 August 2026 (**SBM Milestone**), paid a milestone payment of \$2,500,000 in cash by the Company (**SBM Milestone Cash Payment**) or, at the Company's election, be issued the number of Brightstar shares (**SBM Deferred Shares**) that (in aggregate) have a value of \$2,500,000 based on the 20-day VWAP of Brightstar shares over the trading days immediately prior to the date of the SBM Milestone being met (**SBM Milestone Consideration**).

# Appendix 3: Consolidated Mineral Resources

LOCATION	Cut-off (g/t Au)	MEASURED			INDICATED			INFERRED			TOTAL		
		Kt	g/t Au	Koz	Kt	g/t Au	Koz	Kt	g/t Au	Koz	Kt	g/t Au	Koz
Alpha	0.5	623	1.6	33	374	2.1	25	455	3.3	48	1,452	2.3	106
Beta	0.5	345	1.7	19	576	1.6	29	961	1.7	54	1,882	1.7	102
Cork Tree Well	0.5	-	-	-	3,036	1.6	157	3,501	1.3	146	6,357	1.4	303
<b>Total – BTR Laverton</b>		<b>968</b>	<b>1.6</b>	<b>52</b>	<b>3,986</b>	<b>1.6</b>	<b>211</b>	<b>4,917</b>	<b>1.6</b>	<b>248</b>	<b>9,691</b>	<b>1.6</b>	<b>511</b>
Jasper Hills	0.5	479	2.1	33	1,306	2.1	87	3,133	1.7	173	4,917	1.9	293
Second Fortune	2.5	17	16.9	9	78	8.2	21	71	12.3	28	165	10.9	58
<b>Total – Linden Gold</b>		<b>496</b>	<b>2.6</b>	<b>42</b>	<b>1,384</b>	<b>2.4</b>	<b>108</b>	<b>3,204</b>	<b>2.0</b>	<b>201</b>	<b>5,082</b>	<b>2.1</b>	<b>351</b>
<b>Total – Laverton Hub</b>		<b>1,464</b>	<b>2.0</b>	<b>94</b>	<b>5,370</b>	<b>1.85</b>	<b>319</b>	<b>8,121</b>	<b>1.7</b>	<b>449</b>	<b>14,773</b>	<b>1.8</b>	<b>862</b>
Lady Shenton System (Pericles, Lady Shenton, Stirling)	0.5	-	-	-	2,770	1.3	119	4,200	1.3	171	6,970	1.2	287
Yunndaga	0.5	-	-	-	1,270	1.3	53	2,050	1.4	90	3,310	1.3	144
Yunndaga (UG)	2.0	-	-	-	-	-	-	110	3.3	12	110	3.3	12
Lady Harriet System (Warrior, Lady Harriet, Bellenger)	0.5	-	-	-	520	1.3	22	590	1.1	21	1,110	1.2	43
Link Zone	0.5	-	-	-	145	1.2	6	470	1.0	16	615	1.1	21
Selkirk	0.5	-	-	-	30	6.3	6	140	1.2	5	170	2.1	12
Lady Irene	0.5	-	-	-	-	-	-	100	1.7	6	100	1.7	6
<b>Total – Menzies Hub</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,725</b>	<b>1.4</b>	<b>206</b>	<b>7,660</b>	<b>1.3</b>	<b>321</b>	<b>12,385</b>	<b>1.3</b>	<b>525</b>
<b>Brightstar Total</b>		<b>1,464</b>	<b>2.0</b>	<b>94</b>	<b>10,095</b>	<b>1.6</b>	<b>525</b>	<b>15,781</b>	<b>1.5</b>	<b>770</b>	<b>27,158</b>	<b>1.6</b>	<b>1,387</b>

This Presentation contains references to Brightstar's JORC Mineral Resources, extracted from the ASX announcements titled "Maiden Link Zone Mineral Resource Estimate" dated 15 November 2023, "Cork Tree Mineral Resource Upgrade Delivers 1Moz Group MRE" dated 23 June 2023 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.

This Presentation contains references to Linden's JORC (2012) Mineral Resources, as reported in the announcement released by Brightstar on 25 March 2024 titled "Brightstar makes Recommended Takeover Offer for Linden Gold Alliance Limited".

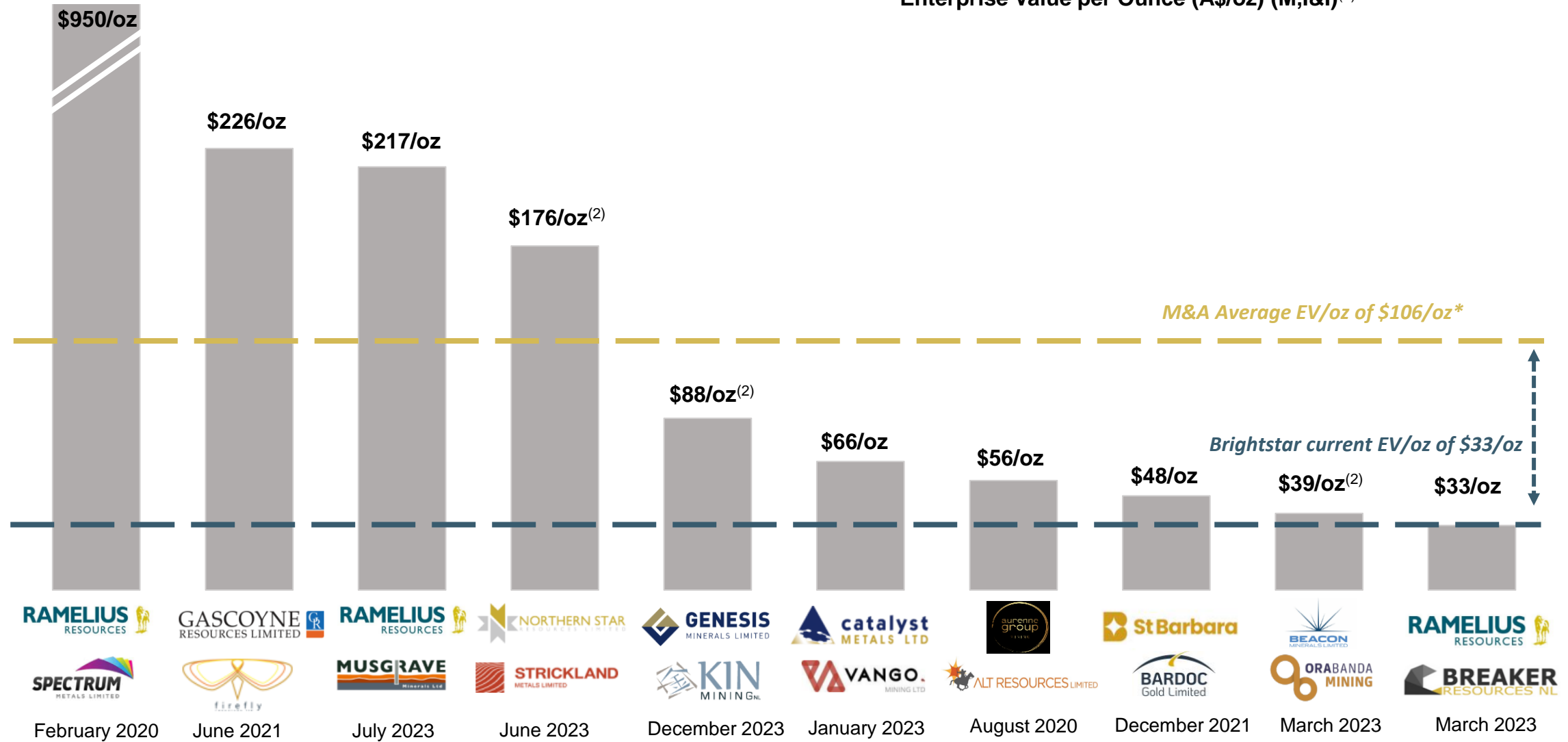
# Appendix 4: Production Peer Comparison

ASX Code	Company	Market Capitalisation (\$m) <sup>(1)(2)</sup>	Cash (A\$m) <sup>(3)</sup>	Debt (A\$m) <sup>(3)</sup>	Enterprise Value (A\$m) <sup>(1)</sup>	DecQ'23 Production (koz) <sup>(3)</sup>	Annualised Production (DecQ'23) (koz)	EV/Production (DecQ'23 Annualised) (A\$/oz)	Source	
PNR	Pantoro	281.0	44.5	60.7	297.3	18	73	<b>4,087</b>	Quarterly Report (December 2023): ASX Announcement dated 22/01/2024	
OBM	Ora Banda	470.2	19.2	11.0	461.9	16	65	<b>7,068</b>	Quarterly Report (December 2023): ASX Announcement dated 18/01/2024	
CAI	Calidus	101.1	9.0	69.0	161.0	12	48	<b>3,361</b>	Quarterly Report (December 2023): ASX Announcement dated 25/01/2024	
BCN	Beacon	93.9	14.4	-	79.5	7	27	<b>2,964</b>	Quarterly Report (December 2023): ASX Announcement dated 31/01/2024	
CYL	Catalyst	140.9	15.4	30.5	156.0	29	114	<b>1,366</b>	Quarterly Report (December 2023): ASX Announcement dated 31/01/2024	
ALK	Alkane	368.1	57.3	-	310.8	13	53	<b>5,894</b>	Quarterly Report (December 2023): ASX Announcement dated 15/01/2024	
							<b>Peer Average</b>	<b>63</b>	<b>4,123</b>	

# Appendix 5: Recent M&A in WA Gold Space

## Pre-development companies

## M&A activity for ASX-listed WA pre-production gold assets Enterprise Value per Ounce (A\$/oz) (M,I&I)<sup>(1)</sup>



Average excludes Spectrum Metals Transaction as statistical outlier | (1) Source - Refer Appendix 2 for full references, including Resource breakdown and transaction announcement date; (2) Transaction completed for major single asset, not corporate level



# Appendix 6: Recent M&A references

## Pre-production WA Gold M&A Peer Comparison Information & References

Acquirer	Target	Stage	Date	Deal Value (\$Am)	EV/oz (\$AUD/oz)	MEASURED (Koz)	INDICATED (Koz)	INFERRED (Koz)	TOTAL RESOURCE (Koz)	GRADE (g/t)	Source
Northern Star Resources Limited	Strickland Minerals Limited	Resource Development	Jun-23	\$61.0	\$176.3	-	264	82	346	1.6	Sale of Millrose Project 26/06/2023
Ramelius Resources Limited	Musgrave Minerals Limited	Pre-Feasibility Study	Jul-23	\$201.0	\$216.8	-	435	492	927	2.3	Bid Implementation Agreement 03/07/2023
Beacon Minerals	Ora Banda Mining Limited	Pre-Feasibility Study	Mar-23	\$12.5	\$39.3	23	221	73	318	2.0	Beacon Acquires Lady Ida Gold Project 24/03/2023
Ramelius Resources Limited	Breaker Resources NL	Resource Development	Mar-23	\$55.7	\$33.1	-	778	906	1,684	1.7	Ramelius Makes Recommended Takeover Offer for Breaker 20/03/2023
Catalyst Metals Limited	Vango Mining Limited	Definitive Feasibility Study	Jan-23	\$66.0	\$65.9	663	339	-	1,002	3.0	Recommended bid to acquire Vango Mining 19/01/2023
St Barbara Limited	Bardoc Gold Limited	Definitive Feasibility Study	Dec-21	\$148.2	\$48.2	11	2,044	1,018	3,073	1.7	St Barbara to acquire Bardoc Gold via Scheme of Arrangement 20/12/2021
Gascoyne Resources Limited	Firefly Resources Limited	Resource Development	Nov-21	\$44.6	\$226.2	-	157	40	197	1.5	Merger Presentation 16/06/2021
Ramelius Resources Limited	Spectrum Metals Limited	Resource Development	Feb-20	\$338.5	\$950.8	-	268	88	356	13.8	Ramelius Makes Recommended Takeover Offer for Spectrum Metals 10/02/2020
Aurenne	Alt Resources Limited	Pre-Feasibility Study	Aug-20	\$32.1	\$56.2	80	278	213	571	1.54	Alt Receives All Cash Off Market Bid from Aurenne Group 07/05/2020
<b>AVERAGE</b>					<b>\$201.4/oz<sup>1</sup></b>						

Note 1 Average includes Ramelius-Spectrum takeover multiple. Excluding this the average is A\$108/oz.

Source: Respective ASX disclosures as per listed release date in above table.

All projects are located in Western Australia and were at the pre-development stage at the time of transaction.

# Appendix 7: Study references

## WA Gold M&A Peer Comparison Information & References for Mining Studies

Code	Company	Study Stage	Project	Production Profile (ozpa)	LOM (Yr)	Pre-Production Capex (A\$m)	Pre-tax Net Present Value (A\$m)	NPV Discount Rate Used (%)	Payback Period (Yr)	Capital Intensity (A\$/oz) <sup>1</sup>	NPV/Capex ratio (x)	Gold Price Input	Source (ASX Announcement)	Date
<b>Recent Mining Studies, pre-FID Explorers / Developers</b>														
BTR	Brightstar Resources	Scoping Study	MGP + LGP	40,119	9	\$22	\$103	8%	1.5	\$559	4.6	\$2,900	Brightstar Scoping Study	06/09/2023
RXL	Rox Resources	Scoping Study	Youanmi	71,000	8	\$99	\$303	5%	3	\$1,394	3.1	\$2,450	Youanmi Gold Project Scoping Study	19/10/2022
AUC	AusGold	Scoping Study	Katanning	136,000	9.7	\$297	\$819	5%	1.6	\$2,184	2.8	\$2,750	Ausgold Moves to a Larger 5mtpa Gold Operation	22/05/2023
CMM	Capricorn Metals	Pre-Feasibility	Mt Gibson	152,000	10	\$339	\$828	5%	1.9	\$2,230	2.4	\$2,750	MGGP PFS Confirms 1.45Moz Maiden Reserve	19/04/2023
BC8	Black Cat Syndicate	Scoping Study	Paulsens	42,000	4	\$34	\$81	Undiscounted	1.1	\$810	2.4	\$2,900	Robust Restart Plan for Paulsens	10/07/2023
AAR	Astral Resources	Scoping Study	Mandilla	85,000	10	\$191	\$442	8%	0.75	\$2,247	2.3	\$2,750	Mandilla Positive Scoping Study	21/09/2023
BC8	Black Cat Syndicate	Scoping Study	Coyote	44,000	5	\$80	\$175	Undiscounted	4	\$1,818	2.2	\$2,900	Coyote Scoping Study	18/07/2023
MGV	Musgrave Minerals	Pre-Feasibility	Cue	65,000	5	\$121	\$235	8%	0.6	\$1,862	1.9	\$2,950	Stage 1 PFS Cue Gold Project	17/04/2023
BC8	Black Cat Syndicate	Pre-Feasibility	Kal East	56,000	5.5	\$99	\$167	Undiscounted	4	\$1,768	1.7	\$2,900	Kal East Study Update	14/07/2023
<b>Recent Mining Studies, gold companies that have made FID and are now Producers</b>														
PNR	Pantoro	DFS	Norseman	108,000	7	\$89	\$486	5%	1.3	\$824	5.5	\$2,600	DFS for Norseman Gold Project	12/10/2020
BGL	Bellevue Gold	DFS	Bellevue	183,000	8	\$267	\$1,311	5%	1.4	\$1,459	4.9	\$2,400	Feasibility Study 2 – Fully Funded into Production	02/09/2021
RED	Red 5	DFS	KOTH	146,000	16	\$226	\$1,100	5%	2.1	\$1,548	4.9	\$2,500	KOTH Final Feasibility Study	15/09/2020
CAI	Calidus	DFS	Warrawoona	82,000	8	\$120	\$408	5%	1.1	\$1,463	3.4	\$2,500	Feasibility Paves the Way for Construction of Warrawoona	29/09/2020

NOTES:

- Capital intensity is calculated by dividing pre-production capital by annual payable gold production
- Source: IRESS, Company Announcements with lodgment dates referenced

# Appendix 8: Key Risks

The following risks have been identified as being key risks specific to an investment in the Company on the assumption the takeover of Linden (**Takeover**) is successful (**Combined Group**) and the mining industry more generally. 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.

## Future capital requirements

The Combined Group will require further financing to continue its exploration and development activities. The Company has recently advanced multiple Scoping Studies which have been released on the ASX. These Scoping Studies outline further drilling and feasibility assessment and subject to these works, The Company will require further funding to develop these projects. The Company's proposed acquisition of Linden includes the Second Fortune gold project which recently transitioned to an owner-operate model and while the outlook for production and the AUD gold price environment is positive there is no guarantee that it will derive sufficient revenue to cover its capital and operating cost requirements at Second Fortune.

If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or scale back its exploration, development and production programs, as the case may be. 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.

## 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.

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.

## 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 presentation 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.

## 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.

## 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.

The Company's 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.

## Gold price fluctuations

The potential revenues of the Company are exposed to fluctuations in the gold price. Volatility in the gold price creates revenue uncertainty and a fall in the spot gold price could adversely impact on the financial performance, financial position and prospects of the Company. A declining gold price can also impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. The development of new ore bodies, commencement of development projects and the ongoing commitment to exploration projects can all potentially be impacted by a decline in the prevailing gold price. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on the results of operations and the financial condition of the Company.

# Appendix 8: Key Risks continued

## Foreign exchange risk

The Company has an Australian dollar presentation currency for reporting purposes. However, gold is sold throughout the world based principally on the U.S. dollar price, and most of the Company's revenues are realised in, or linked to, U.S. dollars. The Company is therefore exposed to fluctuations in foreign currency exchange rates.

## Environmental risks

The operations and proposed activities on the tenements are subject to Australian laws and regulation concerning the environment. As with most exploration projects and mining operations, The Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental including compliance with all environmental laws. Exploration work will be carried out in a way that has minimal impact on the environment. The Company has made provision for environmental rehabilitation of the tenements. This is an estimate of the costs which may not fully account for the actual cost of rehabilitating the tenements in due course. A number of the granted tenements owned by the Company are subject to overlaying tenement applications by third parties. The Company has objected to these applications. There is a risk that if any of the overlapping tenement applications are granted and an appropriate access agreement is not entered into that the Company's right to use and enjoy its granted tenements may be adversely affected.

## 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 or Aboriginal heritage 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.

## 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.

## Key personnel

Linden and the Company are reliant on a number of key senior management staff. Loss of such personnel may have an adverse impact on performance. The Western Australian mining sector has been subject to material cost increases and skill shortages. These factors have adversely affected costs, profit margins and the availability of appropriately qualified staff to operate mining projects across the industry. The Company cannot guarantee its underlying cost assumptions and continued access to skilled personnel to efficiently and effectively operate its mining operations. 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.

## 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.

## 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 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.

## 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 Linden and the Company 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.

# Appendix 8: Key Risks continued

## **Satisfaction or waiver of bid conditions**

Completion of the Takeover is subject to a number of bid conditions. There can be no certainty, nor can Linden or the Company provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable), when that will occur. If for any reason the bid conditions to the Takeover are not satisfied or waived (where applicable) and the Takeover is not completed, the value of the Company's securities may be adversely affected.

## **Issue of Company shares**

If the Takeover is completed, a significant number of the Company shares will be available for trading in the public market. The increase in the number of the Company 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 the Company Shares. Under the terms of Takeover, Linden shareholders will receive 6.9 Company shares for every 1 Linden share they hold and Linden optionholders will receive 6.9 Company options for every 1 Linden option they hold. The exact value of this Company securities that would be realised by individual Linden securityholders will be dependent on the price at which the Company shares trade on ASX after the Takeover is completed. Takeover participants will not necessarily know the exact number of Company shares (due to rounding) that they will receive (if any) as Company securities until a number of days after those shares can be traded on the ASX on a deferred settlement basis. Linden securityholders who trade Company shares on a deferred settlement basis, without knowing the number of Company shares they will receive under the Takeover may risk adverse financial consequences if they purport to sell more Company shares than they receive.

## **Transaction costs and break fees**

Under the Bid Implementation Agreement entered into between Linden and the Company, a liquidated amount (or break fee) of \$250,000 may become payable by one party to the other in certain circumstances. The Bid Implementation Agreement also sets out various other rights and obligations of Linden and the Company in relation to the Takeover. The Company will incur other expenses in connection with the Takeover, including, but not limited to adviser, legal, accounting, share registry and various other costs.

## **Other risks**

Additional risks and uncertainties not currently known to Brightstar or Linden may also have a material adverse effect on Brightstar or Linden'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 Linden, Brightstar or the Combined Group.



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Corporate Video

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