



BrightStar
RESOURCES

ASX

Announcement

29th October 2010

BrightStar Resources Ltd
ABN 86 121 985 395

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BrightStar Resources Limited
is listed on the ASX with the
symbol "BUT".

Quarterly Report September 2010

Highlights

- Entered into a agreement to purchase 100% of the Kitongo Gold project in Tanzania
- 30th June Full Audit completed and signed off by Ernst & Young
- Entered into an option agreement for the sale of Challenger Mines Limited
- Arrived at an understanding for Mt Adrah to be included into a new gold float
- All tenements for the Miclere Project are now in good standing with all late fees being paid

Corporate

A new direction for the Company with the acquisition of 100% of the advanced Kitongo Gold Project in Tanzania

The Board believes the purchase price of \$10 per gold oz in cash and shares for the Kitongo Gold Project is an excellent result for Bright Star and its shareholders

Technical Highlights of the Kitongo Gold Project

- **Inferred resource estimate of 4.4 Mt at 2.0 g/t Au for 290,000 oz of contained gold;**
- **Includes 170,000 ounces of highly oxidised gold resource at 2.2 g/t Au;**
- **Located in highly endowed Lake Victoria goldfields of Tanzania;**
- **Near-term production potential from Main Zone pit;**
- **Upfront acquisition cost of approximately A\$8 per oz of gold in resource acquired with total acquisition costs of less than A\$11 per oz;**
- **Exploration upside from oxide resource extensions, high grade sulphide extensions and a number of defined exploration targets including Kitongo Hill (8m at 14.50 g/t Au from 74 metres, and 5m at 2.25 g/t Au from 80 metres) and Isgehenge (6m @ 31.5 g/t from 129 metres and 3m @ 19.0 g/t from 142 metres).**

Location of Kitongo

Kitongo is located in the Lake Victoria Goldfields region of Tanzania 90km south of the mining service centre of Mwanza. There are several multi-million ounce gold projects in the region, including Bulyanhulu, Geita, Nyanzaga and Golden Ridge. The Project covers an area of 128 km².



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Kitongo is hosted in the Senza-Geita greenstone belt in which is located the Geita (12Moz) and Nyanzaga (4.2Moz) gold deposits. Historic exploration has been conducted on the Project by AngloGold Ashanti, East Africa Mines and IAMGOLD, including geophysical and geochemical surveys, scout and resource definition drilling.

In 2006, resources were estimated on the Kitongo Main Zone by Multiple Indicator Kriging incorporating block support adjustment to reflect likely open pit mining selectivity. The estimates are classified as Inferred in accordance with JORC guidelines and cover 600 metres of strike extending to 135 metres depth, of which the upper 80 metres is oxidised. The deposit has been tested by 50 metre spaced traverses of aircore, reverse circulation and minor diamond drilling, with a small number of 25 metre spaced infill lines. Drilling includes shows mineralised intercepts outside the resource area.

The following table presents the Kitongo resource estimates at a 1.0 g/t cut off. The estimates are rounded to reflect the precision of estimates and include rounding errors

Estimated Kitongo Resources at 1g/t cut off

Laterite			Highly Oxidised			Moderately Oxidised			Fresh			Total		
Kt	gt	kOz	Kt	gt	kOz	Kt	gt	kOz	Kt	gt	kOz	Kt	gt	kOz
400	2.1	25	2,400	2.2	170	400	2.0	26	1,200	1.7	66	4,400	2.0	290

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There has been limited drill testing below 100m depth in the resource area and across other prospects on the Project tenements. Little systematic exploration has been conducted outside the Kitongo deposit area, where numerous targets have been identified but which remain inadequately tested.

The primary near-term exploration opportunity is the oxide resource extension at the Main Zone deposit in the NE and NW mineralised trends. There are also potential high grade sulphide extensions at Main Zone below 100m depth.

Early stage exploration targets at the Project include Kitongo Hill (8m at 14.50 g/t Au from 74 metres, and 5m at 2.25 g/t Au from 80 metres) and Isgehenge (6m @31.5 g/t from 129 metres and 3m @ 19.0 g/t from 142 metres).

Processing test work conducted on drill core in 2001 by Ammtec Perth suggests CIL (75 micron grind) recoveries of 92-94% Au recovery in oxidised ores and sulphide flotation recoveries of approximately 91% Au.. Preliminary metallurgical testwork on the oxidised ore also indicated potential for it to be amenable to low cost heap leaching.

“This acquisition provides an exciting near-term gold production opportunity for the company with excellent upside exploration potential “ said Mr Warren Gilmour, Chairman of Tasman. “It provides us with a significant footprint in a well-endowed gold producing region. Our near-term focus will be to fund exploration to increase the oxide resource, test high grade sulphide extensions at Main Zone, and conduct further regional exploration including at Kitongo Hill and Isgehenge”.

A exploration programme will be developed over the coming months starting with a review of the data base.

The information in this report that relates mineral resource estimation for Kitongo is based on work completed by Mr Jonathon Abbott who is a full time employee of Hellman and Schofield Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy. H&S have not reviewed the quality or reliability of the Kitongo sampling data with BrightStar Resources taking responsibility for these aspects of the estimates., Mr Abbott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and as a Qualified Person as defined in the AIM Rules. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to exploration results data quality, bulk densities, cut off grades and comments on the resource estimates for Kitongo is based on information compiled by Geoff Chapman a Member of The Australasian Institute of Mining and Metallurgy. Mr Chapman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Chapman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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Projects

Challenger

An option agreement was entered into to sell the Challenger Project the primary terms of which are:

- A \$25,000 non refundable deposit
- An exercise date 7th of December 2010
- An all up purchase price of \$1,931,000 in three staged payments

Mt Adrah

Arrived at an understanding for Mt Adrah to be included into a new Gold float.

Miclere

All tenements are now in good standing, with all non paid rent for previous years now up to date

PNG

Tenement EL1444 is still in for renewal with wardens hearing on the 13th of January 2011

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MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

BRIGHT STAR RESOURCES LIMITED

ABN

86 121 985 395

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

	Current Qtr \$A'000	Year to Date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for: (a) exploration and evaluation (b) development (c) production (d) administration	(46)	(46)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) - Option fee	25	25
Net Operating Cash Flows	(135)	(135)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to/from other entities		
1.11 Loans repaid by other entities		
1.12 Other		
Net Investing Cash Flows		
1.13 Total operating and investing cash flows (carried forward)	(135)	(135)

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1.13 Total operating and investing cash flows (brought forward)	(135)	(135)
Cash flows related to financing activities		
1.14 Proceeds from the issue of shares, options, etc.		
1.15 Proceeds from the sale of forfeited shares		
1.16 Proceeds from loans		
1.17 Repayment of loans		
1.18 Dividends paid		
1.19 Other		
Net financing cash flows		
Net increase (decrease) in cash held	(135)	(135)
1.20 Cash at beginning of quarter/year to date	357	357
1.21 Exchange rate adjustments to item 1.20		
1.22 Cash at end of quarter	222	222

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current Qtr \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	15
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Consultancy fees (9) & salaries (6)

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities – provided by Directors		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	
4.3 Production	
4.4 Administration	200
Total	550

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to related items in the accounts as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	66	201
5.2 Deposits at call	156	156
5.3 Bank Overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (Item 1.22)	222	357

Changes in interests in mining tenements

Tenement Reference	Nature of interest (note (2))	Interest at Beginning of Quarter	Interest at End of Quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil		
6.2 Interests in mining tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number Issued	Number quoted	Issue price per security	Amount paid up per security
7.1 Preference securities (description)				
7.2 Issued during Quarter				
7.3 Ordinary securities	122,582,763	122,582,763		
7.4 Issued during Quarter				
7.5 Convertible debt securities (description)				
7.6 Issued during quarter				
7.7 Options (description)	2,850,000		Exercise Price \$0.30	Expiry Date 24 Sept 12
	8,000,000		\$0.10	22 Mar 14
7.8 Issued during Quarter				
7.9 Exercised during Quarter				
7.10 Expired during Quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance Statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.

Sign here:

Geoffrey Gilmour
Director

Date: 29 October 2010

Notes

1. The quarterly report is to provide a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. Any entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of Interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.
