



ASX

Announcement

21st April 2011

BrightStar Resources Ltd
ABN 86 121 985 395

1/1 Nairn Street
Fremantle WA 6160
T. (+ 61) 8 9430 9966
F. (+61) 8 9430 9965

Contact:

Geoff Gilmour
Managing Director
M: 0412 155 512
geoff@brightstarresources.com.au

Paul Payne
Technical Director
paul@brightstarresources.com.au

Graeme Clatworthy
Non-executive Director

Barry Bolitho
Non-executive Director

Warren Gilmour
Chairman
warren@brightstarresources.com.au

BrightStar Resources Limited
is listed on the ASX with the
symbol:
Shares "BUT".
Options "BUTO"

Quarterly Report March 2011

Highlights

- **Paul Payne and Barry Bolitho appointed as directors**
- **Kitongo Project Advancing**
 - Targets defined from comprehensive data review
 - Rig booked and preliminary RC drill program of 3,000m planned for May 2011
 - Field team organised
 - Laboratory and drill contractor engaged
- **Miyabi Joint Venture Agreement**
- **Sale of Challenger mines Ltd**

CORPORATE

Board Appointments

The Board has added significant technical and corporate knowledge and experience with the appointment of Paul Payne and Barry Bolitho as directors.

Paul Payne has a strong technical background in mining, exploration and project evaluation and will direct the Company's exploration programs in Tanzania. Paul will also be responsible for technical assessment of other potential opportunities. Paul Payne is an executive director

Barry Bolitho has many years experience in senior executive roles within the resources sector and with Warren Gilmour was involved at a directorial level with Andean Resources Ltd which i was taken over by Goldcorp Ltd for \$3.5 billion in December 2010. Barry Bolitho is a non executive director

Miyabi Joint Venture

The entering into the Miyabi Joint Venture is a further significant step forward for BrightStar. The Company now has two quality gold projects in the Lake Victoria District of Tanzania both of which contain defined ounces and have high potential exploration upside.

Kitongo Gold Project (100% BrightStar)

- 290,000oz gold resource with excellent potential for depth and strike extensions
- High grade prospects defined by RC and RAB drilling
- Exciting regional exploration opportunities
- 128km² of contiguous tenements

The Kitongo Project is located in the Lake Victoria Goldfields region of Tanzania, 90km south of the mining service centre of Mwanza. Several multi-million ounce gold projects occur in the region, including African Barrick Gold's Bulyanhulu, Buzwagi and Nyanzaga projects; AngloGold Ashanti's Geita project, and Resolute's Golden Pride project. The Location of the Project is shown in Figure 1.

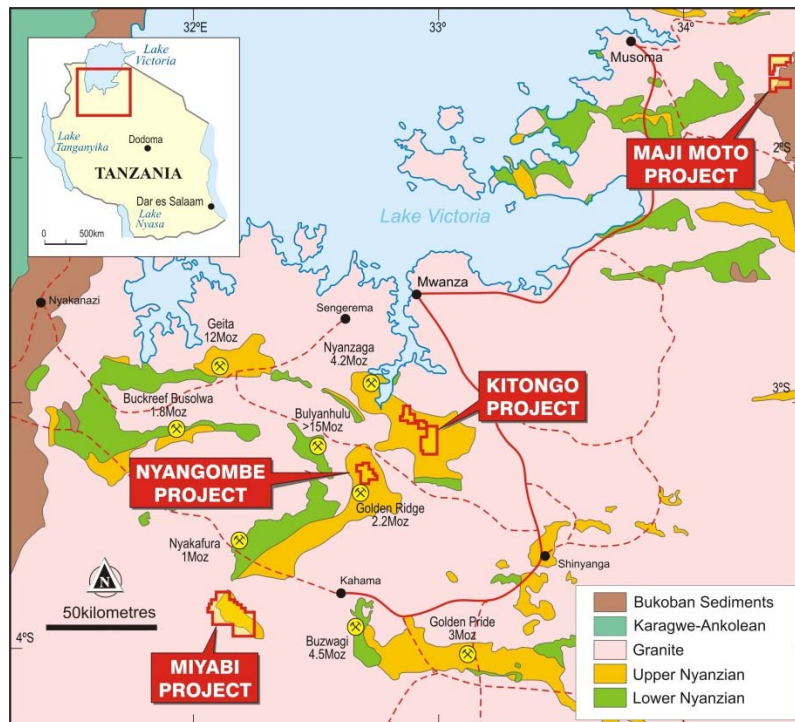


Figure 1: Location of Kitongo Gold Project

Since acquiring the Project, BrightStar has completed extensive data assessment including in-country verification of earlier drilling, review of original logs, RC chips, assay data and survey records. This has given us confidence in both the database and the Mineral Resource estimate for the Main Zone deposit.

The data review has led to the identification of a number of immediate drill targets. The most compelling of these are the partially tested extensions to the 290,000 ounce Main Zone deposit. Strike extensions have been confirmed with previously reported historic drilling (**not included in the Mineral Resource**) including:

Northern Shear

- KTRC139 8m @ 2.36g/t Au from 39m
- KTRC140 13m @ 6.98g/t Au from 53m (hole ended in 19.9g/t Au)
- KTRC142 7m @ 4.83g/t Au from 41m

South Limb

- KTRC086 11m @ 2.61g/t Au from 20m
- KTRC087 18m @ 1.90g/t Au from 50m
- KTRC143 9m @ 2.89g/t Au from 33m
- KTRB037 32m @ 1.32g/t Au from surface
- KTRB292 16m @ 3.38g/t Au from 20m

(note: true width is typically 80-100% of down hole intersection)

The geology, prospects and drilling at the deposit are shown in Figure 2.

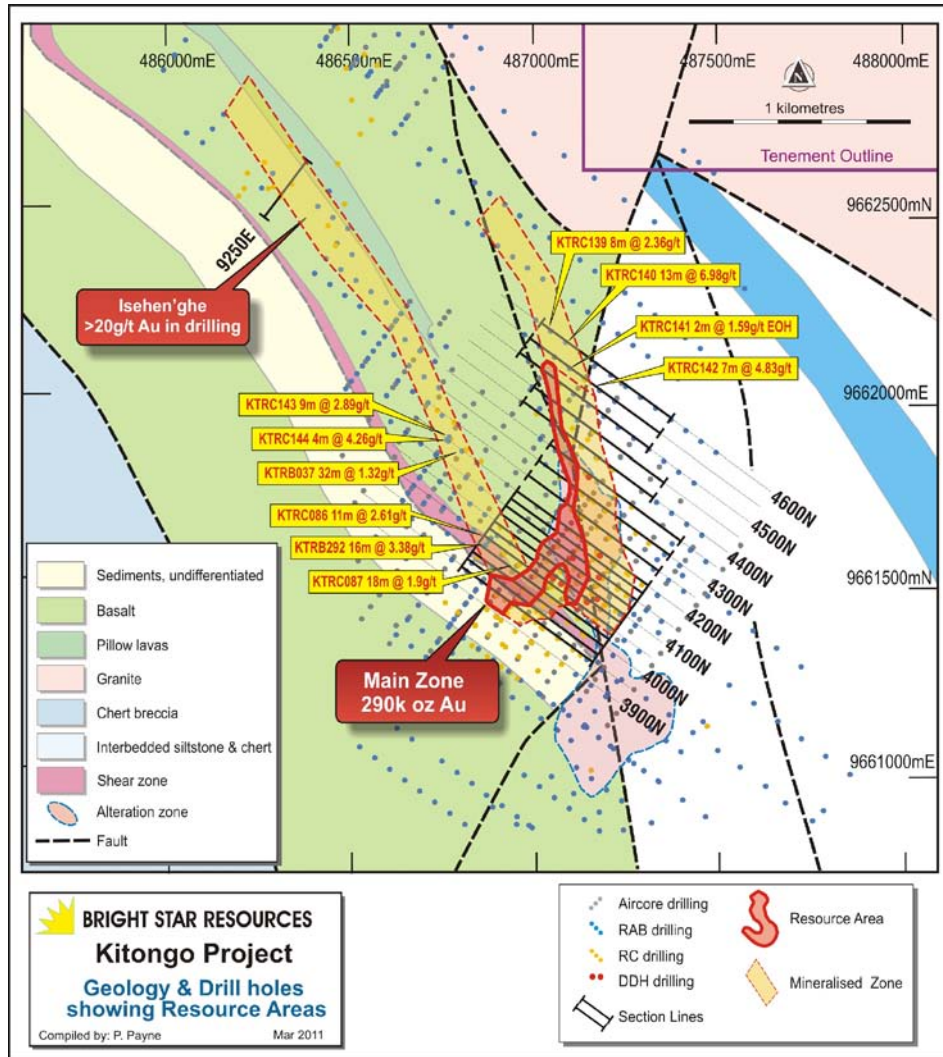


Figure 2: Kitongo Main Zone and Prospects

Much of the South Limb drilling is considered by BrightStar to be ineffective as it was largely shallow RAB and air core holes drilled down-dip of the interpreted mineralizing structures. As a consequence, the majority of holes did not intersect significant mineralisation, but occasional holes were almost completely mineralized as they drilled down the structure (eg KTRB037).

BrightStar has signed a contract with Layne Drilling to provide a rig for a preliminary 3,000m RC program commencing in May. The main targets are the resource extensions described above and a limited number of holes testing the depth extension of the Main Zone resource.

The timing of commencement of drilling is not clear at the moment as the site is currently inhabited by a number of small scale artisanal miners. Government assistance is being provided to remove the illegal miners, and this process is underway. It is anticipated that we will be able to commence drilling in May.

Typical cross sections through the Main Zone resource are shown in Figures 3 and 4.

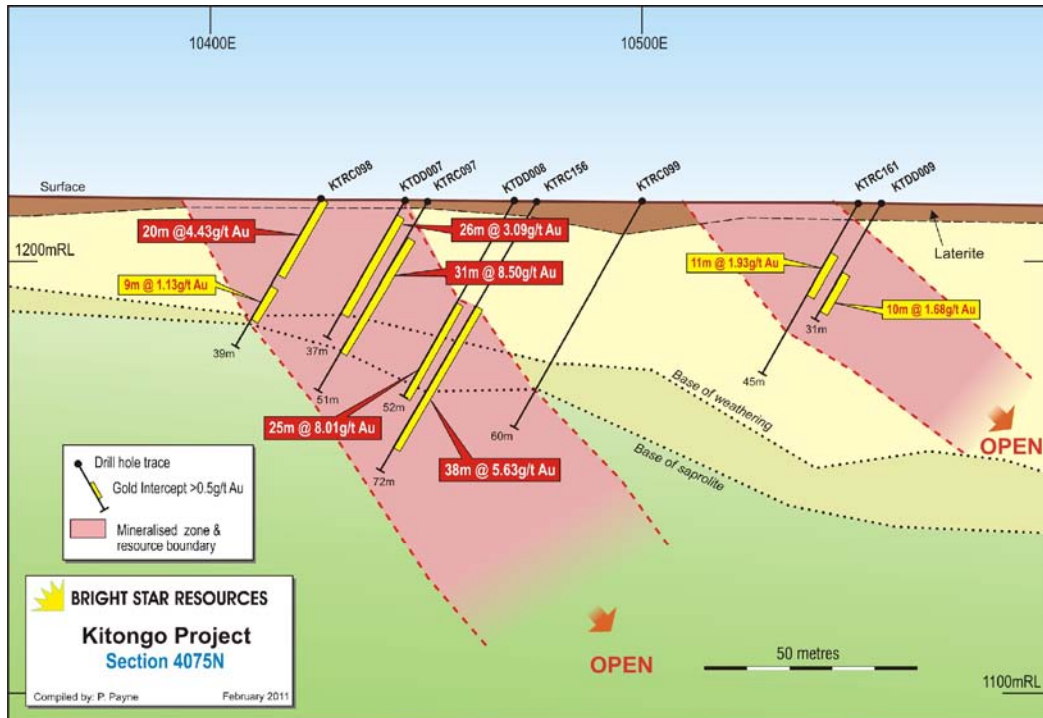


Figure 3: Kitongo Main Zone Cross Section 4075N

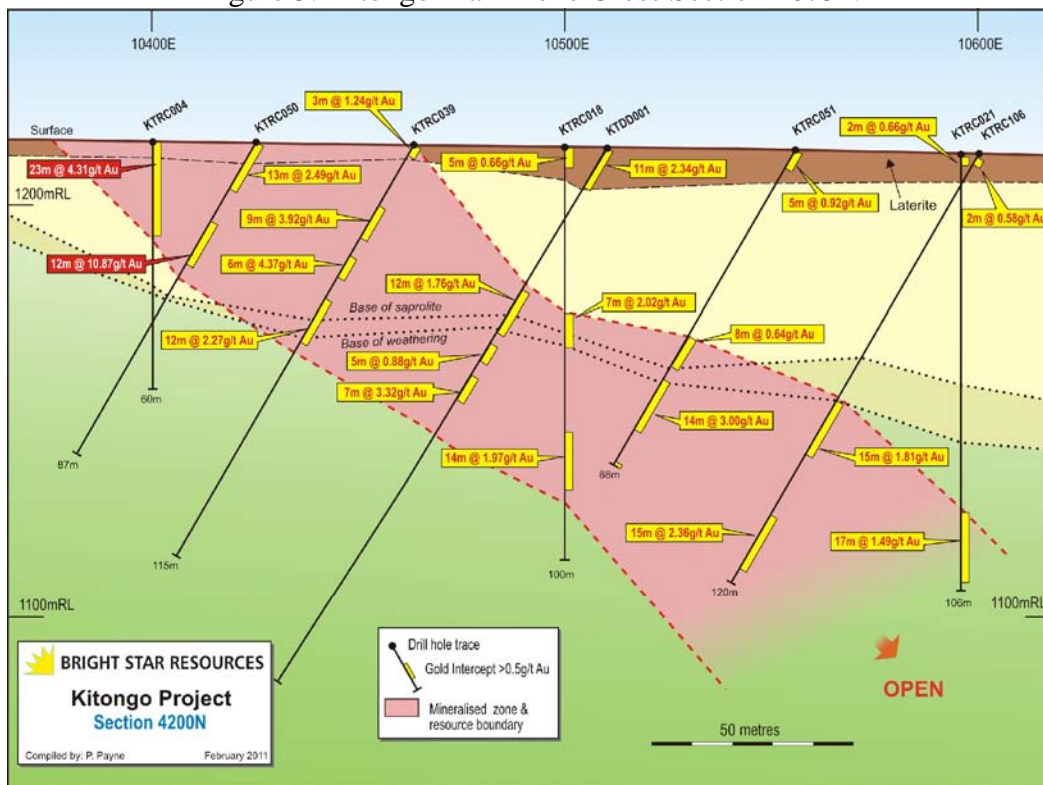


Figure 4: Kitongo Main Zone Cross Section 4200N

Miyabi Gold Project (BrightStar earning 75%)

- 520,000oz gold resource with most drilling to <100m vertical depth
- Exciting exploration targets defined by sparse drilling and strong geophysics
- 252km² of contiguous tenements
- BrightStar to earn up to 75% from African Eagle Resources plc by sole funding exploration and BFS

The Miyabi Project is located approximately 200km southwest of Mwanza in the Lake Victoria Goldfields of Tanzania. It is approximately 60km west of African Barrick Gold's operating Buzwagi mine, and approximately 30km south of Resolute Mining Limited's Nyakafuru project. The Project is some 150km southwest of BrightStar's Kitongo Gold Project. The Location of Miyabi and other BrightStar properties is shown in Figure 1.

The project comprises a tenement holding of 252km² and encompasses a discrete segment of Achaean greenstone belt. Exploration at the project has been carried out by UK based African Eagle Resources plc since 1999 and led to the discovery of a mineralized shear zone system termed the Miyabi Structural Corridor. Subsequent drilling led to the delineation of Mineral Resources at four main deposits. Better intersections from previous drilling include:

- MBDH-05 11.3m at 6.5g/t Au
- MBDH-16 25.1m at 6.4g/t Au
- MBRC-099 51m at 2.4g/t Au
- MBRC-235 57m at 6.5g/t Au
- MBRC-249 21m at 6.0g/t Au

(note: true width is typically 75-90% of down hole intersection)

The current Indicated and Inferred mineral Resource at the project is 12.4Mt at 1.3g/t Au for 520,000oz. The deposits and main prospects are shown in Figure 5.

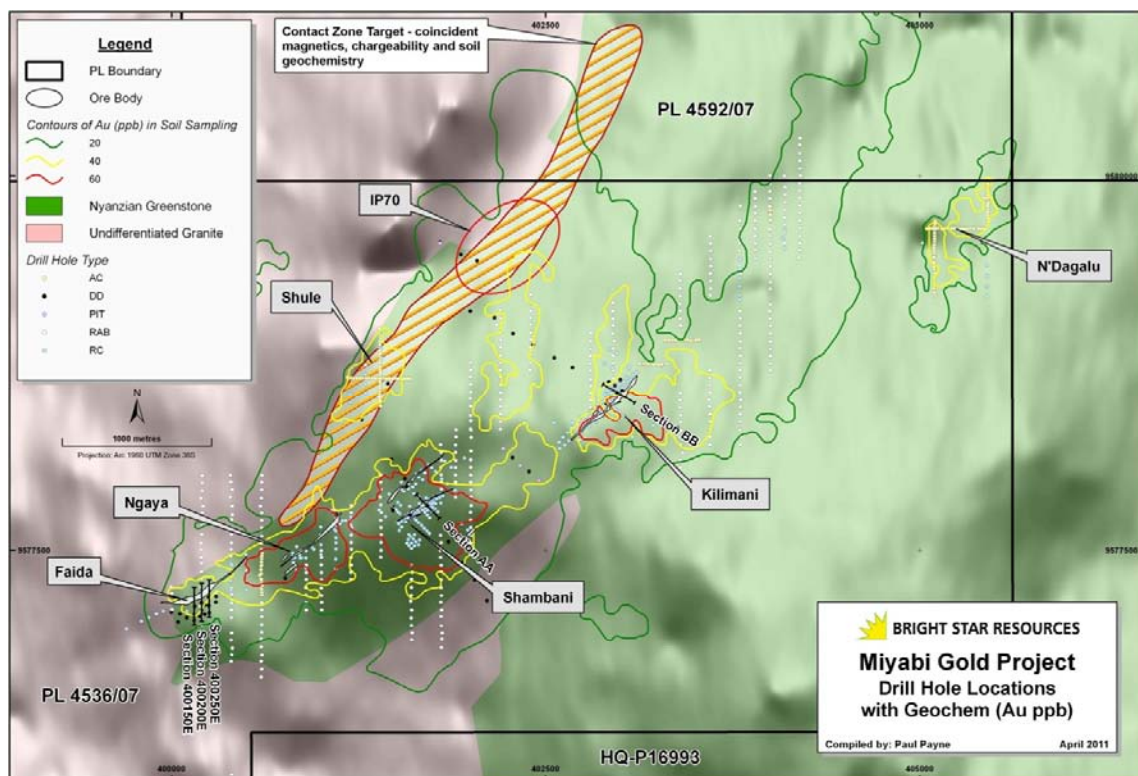


Figure 5: Miyabi Structural Corridor Deposits, Prospects and Drilling

Representative cross sections for the two main deposits are shown in Figures 6 and 7.

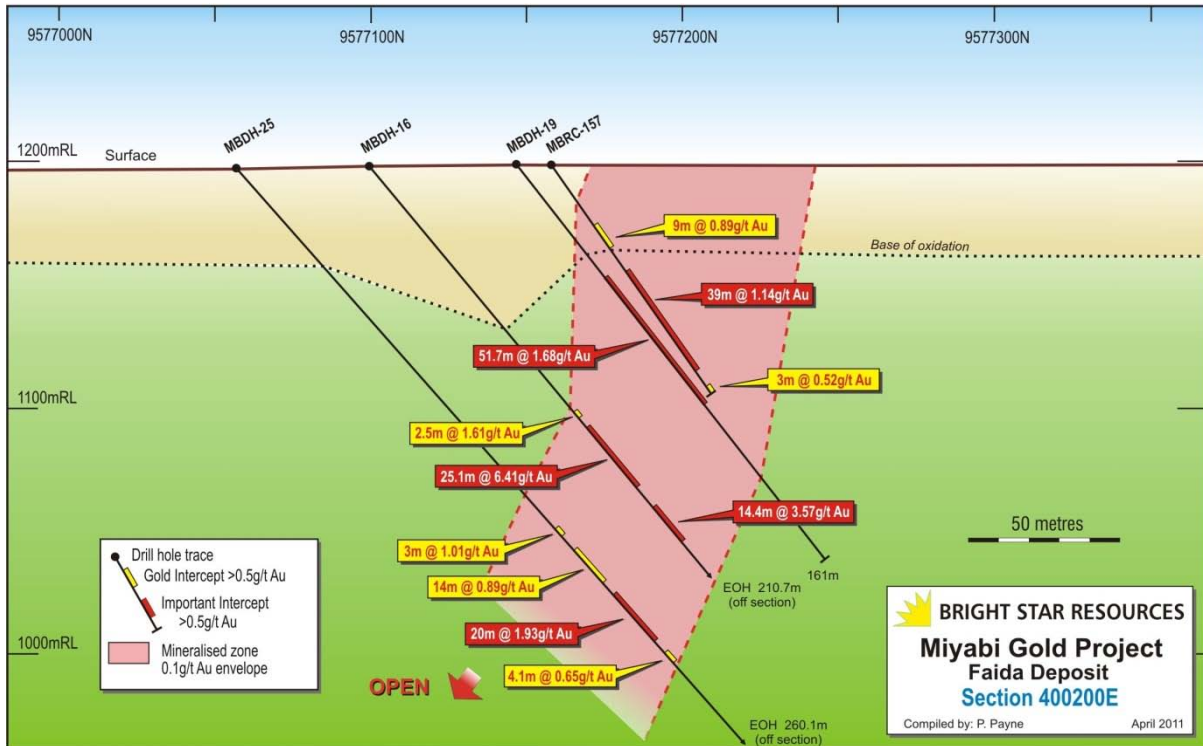


Figure 6: Faida Cross Section 400,200E

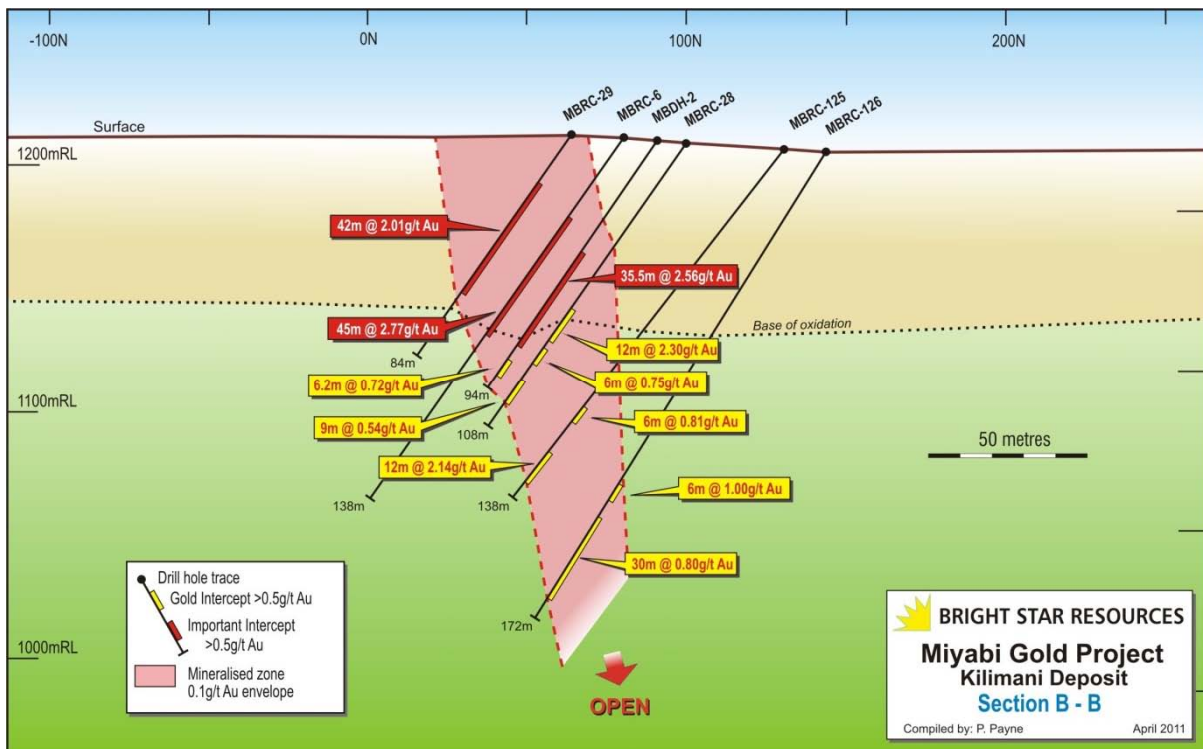


Figure 7: Kilimani Cross Section B-B

Extensive programs of soil geochemistry, airborne and ground based geophysics have been carried out and have identified a number of key targets at the project. The highest priority target is the 7km long granite/greenstone contact zone at the northwest margin of the greenstone belt. Air core drilling of this zone is planned to commence in the June quarter.

Miyabi Joint Venture Agreement

The joint venture agreement will commence on 25 April 2011. The key terms of the joint venture are summarised as follows:

- BrightStar to spend US\$3.0 million over 30 months to earn a 50% interest in the Miyabi Project (Phase 1 of the Earning Period). A minimum of US\$1.0 million is required in the first 12 months.
- BrightStar may elect to earn a further 25% interest by completing a Feasibility Study for the Project (Phase 2 of the Earning Period).
- At completion of the Earning Period, African Eagle will contribute to further costs at the project. However the accrued value of past expenditure (US\$6.5 million) will be credited to the African Eagle JV contribution, so actual contribution of costs will not commence for some time.
- A royalty of 1.5% of gross revenue is payable to local Tanzanian interests which were the original holders of the Prospecting Licences.

CHALLENGER

The option agreement entered into for the sale of Challenger Mines Ltd was exercised during the quarter by the purchaser.

The agreement provided for a total sale price of \$1,750,000 payable in cash instalments as follows:

- Settlement \$500,000
- A further payment in 6 months \$500,000
- A further payment in 12 months \$500,000
- A further payment on commencing production \$250,000

State Government Bonds amounting to \$197,000 were also reimbursed at settlement.

BrightStar has received the \$500,000 due on settlement and the reimbursement monies for the bonds.

Mt ADRAH

BrightStar and its subsidiary Tasman Goldfields NSW have entered into an agreement with Gossan Hill Gold Limited, to vend the Mt Adrah prospects (ELs 6372, 7189 and 7190) subject to certain terms and conditions. BrightStar will receive shares in Gossan Hill Limited to the value of \$100,000.

MICLERE

Field work can now commence on the project after being delayed by the flooding in Queensland. The first priority is to resurvey the majority of the tenements to replace any missing tenement boundary pegs.

PNG

Tenement EL1444 is currently before the mining advisory council to review the renewal application.

Competent Person Statement

The information in this report that relates to Mineral Resources and exploration results is based on information compiled by Mr Paul Payne, a director and full time employee of BrightStar and a Member of The Australasian Institute of Mining and Metallurgy. Mr Payne 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 Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

MINING EXPLORATION ENTITY QUARTERLY REPORT

Name of entity

BRIGHT STAR RESOURCES LIMITED

ABN

86 121 985 395

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

	Current Qtr \$A'000	Year to Date (9 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	(76)	(192)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	29	59
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material) - Option fee - Sundry	2	25 2
Net Operating Cash Flows	(313)	(1,222)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(180)	(180)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	500	500
1.10 Loans to/from other entities		
1.11 Loans repaid by other entities		
1.12 Other – refund/of and (payments for) bonds	192	180
Net Investing Cash Flows	512	500
1.13 Total operating and investing cash flows (carried forward)	199	(722)

1.13 Total operating and investing cash flows (brought forward)	199	(722)
Cash flows related to financing activities		
1.14 Proceeds from the issue of shares, options, etc.		3,600
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 – Share issue expenses	(19)	(156)
- Cash inflow from acquisition of subsidiary		26
Net financing cash flows	(19)	3,470
Net increase (decrease) in cash held		
1.20 Cash at beginning of quarter/year to date	2,925	357
1.21 Exchange rate adjustments to item 1.20		
1.22 Cash at end of quarter	3,105	3,105

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	132
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 (72), Directors fees (34), Superannuation (5) & wages (21)

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

4,572,175 shares issued to IAMGOLD in relation to the acquisition of the Kitongo Gold Project in Tanzania

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

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	250
4.2 Development	
4.3 Production	
4.4 Administration	300
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	204	133
5.2 Deposits at call	901	792
5.3 Bank Overdraft		
5.4 Other (provide details) – Term Deposit	2,000	2,000
Total: cash at end of quarter (Item 1.22)	3,105	2,925

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	182,095,171	167,154,938		
7.4 Issued during Quarter	4,572,175	4,572,175		
7.5 Convertible debt securities (description)				
7.6 Issued during quarter				
7.7 Options (description)	2,850,000 8,000,000 12,000,000 21,700,000 5,000,000	21,700,000	\$0.30 \$0.10 \$0.10 \$0.10 \$0.27	24 Sept 12 22 Mar 14 4 Oct 14 7 Oct 12 18 Mar 15
7.8 Issued during Quarter	5,000,000		\$0.27	18 Mar 15
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
Managing Director

Date: 21 April 2011

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.
