

News > Bulls N Bears (Commercial Content)

Brightstar primed to fund expanded gold exploration



By Matt Birney 19/10/2022 - 16:32

BULLS N BEARS ANNOUNCEMENTS

WA gold explorer Brightstar Resources is now debt-free after just over \$6 million in debt was scrubbed from its balance sheet through two cash-less settlements. A larger burden of \$5.4 million owed to private company, Stone Resources was lifted from the explorer's shoulders in exchange for a net smelter royalty over selected tenements held by the company. A smaller debt of \$630,000 owed to another private company, Great Cortex International was also extinguished from Brightstar's books in exchange for a proportionate slice of shares.



RC drilling operations at Brightstar Resources' Cork Tree Well gold project north of Laverton in WA. Credit: File

With all of its long-term debts now extinguished, the explorer can sink its \$1.6 million of cash into the ground as it looks to squeeze out ounces from its portfolio of gold projects across WA. The explorer holds three deposits in WA's highly prospective and world-class Laverton Gold District. Its combined gold inventory amounts to 7.2 million tonnes grading 1.6 grams per tonne for 460,000 ounces of contained gold. Whilst Brightstar has a little more than halfway to go to reach the million-ounce club, judging from the calibre of its neighbours in the mineral-rich terrane, its future entry to the club is on the table.

Notable operations in the nearby area include the multi-million-ounce Sunrise Dam and Granny Smith gold mines that lie just 16km and 25km respectively to the west of its fence lines. The prolific Laverton district is said to contain some 30 million ounces of gold, pegging it as the second-highest gold-endowed district behind Kalgoorlie.

Brightstar Resources Managing Director, Bill Hobba said: "Extinguishment of the existing debts will provide the Company with substantial financial flexibility and enable the Company to put all its capital into the ground for exploration and unlock the inherent value of our projects."

Interestingly, research by resource industry analytical company, Austex Resource Opportunities showed that, in the second quarter of 2022, collectively the ASX-listed resource industry ploughed \$7.33 into the ground for every dollar spent on admin costs. This compares to the second quarter of 2021 when the industry spent \$7.03 for every dollar spent on admin.

The allocation of public companies' capital often comes under scrutiny in any industry - and especially so in the exploration sector where serious progress is only made by probing the subsurface. Now that Brightstar is free from the burden of debt, it could be in for a prolific quarter of gold exploration as it looks to put the pedal to the metal in Laverton.

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