GOLDSTAR
RESOURCES NL

ABN 76 098 939 274

ENTITLEMENTS ISSUE and PLACEMENT PROSPECTUS

For:

- a non-renounceable entitlements issue of approximately 18,149,358 Shares to be issued at a price of $0.13 per Share on the basis of two (2) Shares for every seven (7) Participating Securities held as at 5.00pm (WST) on 28 July 2005 to raise up to approximately $2.36 million; and
- a placement of 9,083,334 Shares at an issue price of $0.15 per Share to raise approximately $1.36 million together with the provision to accept oversubscriptions of a further 2,000,000 Shares at an issue price of $0.15 per Share to raise up to an additional $0.30m, subject to the receipt of Shareholder approval.

Underwriter:

Southern Cross Equities Limited has agreed to fully underwrite the Entitlements Offer

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

SECTION 1

SUMMARY OF IMPORTANT DATES

Prospectus lodged with the ASIC and Appendix 3B lodged with ASX	20 July 2005

Entitlements Offer

Notice of entitlements issue sent to security holders	21 July 2005
"Ex date"	22 July 2005
Record Date	28 July 2005
Opening Date and despatch of Prospectus	3 August 2005
Closing Date* (5.00pm WST)	18 August 2005
Shares quoted on a deferred settlement basis*	19 August 2005
Notice of under subscriptions given to ASX	22 August 2005
Allotment and despatch of holding statements for Shares	24 August 2005

*Placement***

Opening Date and despatch of Prospectus	3 August 2005
Closing Date* (5.00 pm WST)	18 August 2005
General Meeting of Shareholders to approve Placement	19 August 2005
Allotment and despatch of holding statements for Shares	24 August 2005

*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

**The Company confirms that the Placement is conditional on the approval of Shareholders at the General Meeting to be held on 19 August 2005. Accordingly, the Company reserves the right to withdraw the Placement.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers before deciding whether to apply for Shares.

This Prospectus is dated 20 July 2005 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is 5.00pm WST on the date which is 13 months after the date this Prospectus is lodged with the ASIC (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date. Application will be made within seven (7) days after the date of this Prospectus for admission of the Shares offered by this Prospectus to be listed for quotation.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

SECTION 2

CORPORATE DIRECTORY

Directors

Mr Stanley Duncan Greenaway

Mr Andrew King

Mr Gordon Hill

Ms Eileen Carr

Mr Ian Pankhurst
(Alternate to Mr Greenaway)

Underwriter

Southern Cross Equities Limited
Level 32, Aurora Place
88 Phillip Street
SYDNEY NSW 2000

Company Secretary

Bryan Dixon

Solicitors to the Company

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Registered Office

Unit 4, 26 Clive Street
WEST PERTH WA 6005

Telephone: (08) 9321 1577
Facsimile: (08) 9321 1566

Auditors

PKF
Level 7, BGC Centre
28 The Esplanade
Perth WA 6000

Website

www.goldstarnl.com.au

Share Registry

Security Transfer Registrars Pty Limited*
770 Canning Highway
APPLECROSS WA 6153

Telephone: (08) 9315 2333

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name is included for information purposes only.

SECTION 3

CHAIRMAN'S LETTER

20 July 2005

Dear Shareholder,

On behalf of the Board of Directors of the Company, I am pleased to present to you the Offers set out in this Prospectus.

Under this Prospectus, the Company is offering Shareholders the opportunity to participate in a two (2) for seven (7) non-renounceable entitlements issue of Shares at an issue price of 13 cents per Share.

Both the holders of Shares and Contributing Shares are entitled to participate in the Entitlements Offer.

In addition, the Company will be issuing 9,080,000 Shares under this Prospectus at an issue price of 15 cents per Share pursuant to a Placement (with the provision for the issue of an additional 2,000,000 Shares at 15 cents each via over-subscriptions).

Kingsgate Consolidated Limited (**Kingsgate**) has agreed to subscribe for Shares under the Placement and also partially sub-underwrite the Rights Issue.

Kingsgate is one of Australia's most successful gold mining and exploration companies and will become the Company's largest shareholder with a 19.9% stake on completion of the Placement and Rights Issue, significantly strengthening the Company's share register and underpinning its well advanced plans to commercialise the historic Walhalla Gold Field in Victoria.

The introduction of Kingsgate as a long-term supportive shareholder is viewed by the Board as providing additional commercial and technical strength for the Company's gold development strategy and recognition of the potential of the Walhalla Project to underpin a substantial long-term gold mining business.

The funds raised will be utilised to accelerate Goldstar's plans to complete surface and underground drilling of the newly discovered Lomond Reef at Walhalla, as well as channel sampling and trial mining of this and other known high-grade reef structures in the Walhalla Field to advance the project towards commercialisation as rapidly as possible.

All Shareholders registered as at 5.00pm WST on 28 July 2005 will be entitled to participate in the non-renounceable entitlements issue of Shares. The Closing Date for acceptances is 5.00pm WST on 18 August 2005.

All of the Directors have stated that they intend to take up their Entitlement to the extent they are financial capable and recommend that all Shareholders take up their Entitlement.

The Board takes this opportunity to welcome new investors and thank all Shareholders for their support of the Company. I look forward to your continued support in the future.

Yours sincerely,

Mr Gordon Hill
Chairman

SECTION 4

4. DETAILS OF THE OFFERS

The Company is making 2 separate offers pursuant to this Prospectus (collectively referred to as the **Offers**).

The purpose of the Offers and the use of funds raised are set out in Section 5 of this Prospectus. The terms and conditions of the Shares to be issued pursuant to this Prospectus are set out in Section 6.

4.1 Entitlements Offer of Shares

The Entitlements Offer is being made as a pro rata non-renounceable entitlements issue to Shareholders on the basis of two (2) Shares for every seven (7) Participating Securities held at 5.00pm (WST) on the Record Date. The Entitlement Offer has been fully underwritten by Southern Cross Equities Limited (**Southern Cross**) and sub-underwriting agreements have also been entered into by Southern Cross and various parties.

Details of these arrangements are set out in Section 8.2 of this Prospectus.

Based on the capital structure of the Company at the date of this Prospectus, the number of Shares to be issued under the Entitlements Offer is approximately 18,149,358 at an issue price of $0.13 per Share. The Entitlements Offer will raise approximately $2.36 million (before costs).

The Company currently has approximately 1,981,000 Options on issue. The terms and conditions of these Options do not allow for the participation by those Option holders in new issues of securities. Those Option holders will, to the extent allowable, be entitled to exercise their Options during the time period set out in the ASX Listing Rules in order to participate in the Entitlements Offer.

In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number.

4.2 Placement

By this Prospectus, the Company also makes an offer by way of a placement of 9,083,334 Shares at an issue price of $0.15 per Share to raise up to $1.36 million (**Placement**). Provision has also been made to accept oversubscriptions of up to a further 2,000,000 Shares at an issue price of $0.15 per Share to raise up to an additional $0.30 million (**Oversubscriptions**)

The Company has entered into firm commitment arrangements in respect of the Placement with various parties, including Kingsgate Consolidated Limited.

Details of these arrangements are set out in Section 8.2 of this Prospectus.

The Placement is conditional upon the receipt of Shareholder approval at the General Meeting to be held on 19 August 2005. If approval is not received, the Placement will not proceed and all Application Monies will be returned.

4.3 How to Accept the Entitlements Offer

Your acceptance of the Entitlements Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be the maximum Entitlement.

You may participate in the Entitlements Offer as follows:

(a) if you wish to accept your Entitlement in full:

  (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and

  (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or

(b) if you only wish to accept part of your Entitlement:

  (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and

  (ii) attach your cheque for the appropriate application monies (at 13 cents per Share); or

(c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything. Any shortfall will be dealt with by the Directors.

If you wish to participate in the Entitlements Offer you must forward the completed Entitlement and Acceptance Form, together with your cheque drawn on an Australian bank or bank draft made payable in Australian currency to **"Goldstar Resources NL – Share Application Account"** and crossed "Not Negotiable" in the enclosed envelope to:

Goldstar Resources NL
c/– Security Transfer Registrars Pty Limited
770 Canning Highway
APPLECROSS WA 6153

Your completed Entitlement and Acceptance Form and cheque must reach the share registry of the Company by no later than 5pm WST on the Closing Date.

The Entitlements Offer is non-renounceable so that a holder of Shares may not sell or transfer all or part of their Entitlement.

4.4 Applications for Shares under the Placement

Applications for Shares under the Placement can only be made using the Placement Application Form attached to this Prospectus.

A completed Placement Application Form and cheque must reach the share registry or registered office of the Company by no later than 5pm WST on the Closing Date.

4.5 Shortfall

Only the underwriter or sub-underwriters will be entitled to apply to participate in the Shortfall by completing the Shortfall Application Form. Please do not complete a Shortfall Application Form unless directed to do so by the Company.

The offer of Shares under the Shortfall is independent from the Offers and will remain open after the Offers have closed to the extent permitted by the Listing Rules.

4.6 Australian Stock Exchange Listing

Application for official quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.7 Allotment of Shares

Shares issued pursuant to this Prospectus will be allotted as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

4.8 Minimum Subscription

The minimum subscription for the Entitlements Offer is $2.36 million. No Shares will be issued under the Entitlements Offer unless this minimum subscription is reached.

The minimum subscription for the Placement is $1.36 million. No Shares will be issued under the Placement unless this minimum subscription is reached.

Due to the fact that the Placement is conditional upon the receipt of Shareholder approval, the minimum amount that may be raised pursuant to this Prospectus is $2.36 million.

4.9 Underwriter

The Entitlements Offer is fully underwritten by Southern Cross Equities Limited (**Southern Cross**).

The Placement is not underwritten. However, the Company has firm commitments from various parties in respect of the subscription for Shares under the Placement.

Please refer to Section 8.2 for details of the underwriting agreement between the Company and Southern Cross and the firm commitment agreements.

4.10 Residents Outside Australia and New Zealand

The Offers constituted by this Prospectus is made to Shareholders with a registered address in Australia and New Zealand only.

No offer of Shares will be made to persons with a registered address in countries outside Australia and New Zealand and this Prospectus and the accompanying application forms do not constitute an offer to any person with a registered address in any country other than Australia and New Zealand.

4.11 Taxation Implications

The Directors do not consider that it is appropriate to give potential applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to potential applicants. Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Entitlements Offer.

4.12 Clearing House Electronic Sub-Register System ("CHESS") and Issuer Sponsorship

The Company will not be issuing share certificates. The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders in circumstances in which there have been any changes in their security holding in the Company during the preceding month.

4.13 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a shareholder, facilitate distribution payments and corporate communications to you as a shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Business Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

4.14 Enquiries

Any questions concerning the Offers should be directed to the Mr Andrew King (Managing Director) or Mr Bryan Dixon (Company Secretary) on (08) 9321 1577.

SECTION 5

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Offers and Use of Funds raised

If the minimum subscription for both the Entitlements Offer and the Placement is achieved, a total of $3.72 million will be raised by the Company. The funds raised will be used to complete surface and underground drilling, as well as channel sampling on the Lomond and other known high-grade reef structures in the Walhalla Field. A scoping study for trial mining will also be conducted to advance the project towards commercialisation as rapidly as possible. The anticipated costs of the Offers will also need to be met from total proceeds.

The table below sets out the anticipated use of the funds raised based on the minimum subscription amount being achieved for only the Entitlements Offer ($2.36 million) (assuming Shareholder approval is not obtained for the Placement) and both Offers ($3.72 million):

Use of Funds	Entitlements Offer ($)	Both Offers ($)
Costs of the Offers	35,000	35,000
Underwriting and Management Fees	142,000	274,000
Surface and underground drilling Walhalla Field	1,083,000	1,557,000
Channel Sampling Walhalla Field	626,000	1,019,000
Trial mining scoping study and permitting	474,000	474,000
Walhalla Regional Exploration	-	323,000
Additional working capital	-	38,000
Total Proceeds	**$2,360,000**	**$3,720,000**[1]

Additional Notes:

1. If more than the minimum subscription is achieved, it is intended to apply the additional funds as follows:

Use of Funds	
Underwriting and Management Fees	6%
Walhalla project	40%
Western Australian and Queensland projects	34%
Additional working capital	20%
Total	**100%**

5.2 Effect of the Offers

The principal effect of the Offers (assuming the Entitlements Offer and the Placement are fully subscribed but no Oversubscriptions are accepted) will be to:

(a) increase cash reserves by approximately $3.72 million (before deducting estimated expenses of the Offers); and

(b) increase the number of Shares and Contributing Shares on issue from 63,522,752 as at the date of this Prospectus to up to 90,755,444.

5.3 Pro Forma Consolidated Balance Sheet

Set out below, for the purposes of illustration only, is a pro forma statement of financial position of the Company after taking account of the Offers. It is based on the unaudited statement of financial position of the Company as at 31 May 2005. The pro forma statement of financial position illustrates the effect of the Offers as if the issue of Shares under this Prospectus had occurred on 31 May 2005 (based on the assumptions set out below).

PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2005

	Unaudited Consolidated 31 May 2005	Unaudited Proforma Consolidated
Current Assets		
Cash Assets	918,237	5,381,154
Receivables	106,332	106,332
Total Current Assets	1,024,569	5,487,486
Non Current Assets		
Receivables	47,885	47,885
Plant and Equipment	167,854	167,854
Deferred Exploration, Evaluation and Development	5,887,299	5,887,299
Total Non Current Assets	6,103,038	6,103,038
Total Assets	7,127,607	11,590,524
Current Liabilities		
Payables	408,948	408,948
Provisions	4,200	4,200
Total Current Liabilities	413,148	413,148
Total Liabilities	413,148	413,148
Net Assets	6,714,459	11,177,376
Equity		
Contributed Equity	7,921,235	12,384,152
Accumulated Losses	(1,206,776)	(1,206,776)
Total Equity	6,714,459	11,177,376

1. The assumptions used in the preparation of the pro-forma statement of financial position set out above are as follows:

   (a) during July 2005, the Company issued 7,000,000 Shares at $0.15 per Share, raising proceeds of approximately $1.05 million;

   (b) the Company issues 18,149,358 Shares at $0.13 per Share pursuant to this Prospectus, raising proceeds of approximately $2.36 million;

   (c) the Company issues 9,083,334 Shares at $0.15 per Share pursuant to the Placement, raising proceeds of approximately $1.36 million;

   (d) estimated costs of the Offers of $309,000 have been recognised directly against Share capital, as a reduction of the proceeds of the Offers; and

   (e) the net cash adjustment to the pro-forma statement of financial position is therefore an increase of $4.46 million.

2. If the Placement is not approved by Shareholders, the number of Shares issued will be reduced by 9,083,334 and the net cash increase will only be $2.18 million.

PRO FORMA CAPITAL STRUCTURE OF THE COMPANY

Shares

Upon completion of the issue of Shares, the capital structure of the Company will be as follows (assuming the Entitlements Offer and the Placement are fully subscribed but no Oversubscriptions are accepted):

Shares on issue as at the date of this Prospectus	**Number**
Fully paid ordinary shares	47,236,787
Restricted ordinary shares	8,410,715
Unlisted contributing shares	1,391,667
Unlisted restricted contributing shares	6,483,583
Total	**63,522,752**
Shares offered pursuant to the Entitlements Offer	18,149,358
Shares offered pursuant to the Placement	9,083,334
Shares and Contributing Shares on issue on completion of the Offers	**90,755,444**

The Contributing Shares are all paid up to $(0.001) and have further $(0.099) to be paid before they will convert to ordinary Shares.

Options

The Company has a total of 1,981,000 unlisted Options on issue as at the date of this Prospectus. Of these unlisted Options, 1,000,000 are restricted Options which are exerciseable at 35 cents on or before 31 October 2008. The remaining 981,000 Options are exerciseable at 35 cents on or before 27 September 2009.

SECTION 6

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class of shares, at general meetings of shareholders or classes of shareholders:

(i) each shareholder present may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such fraction of one vote equal to the proportion which the amount paid or credited on that share (excluding any amounts paid up in advance of the relevant due date for payment) bears to the total amounts paid and payable (including amounts credited) on that share.

(c) Dividend Rights

Subject to the Corporations Act, the Listing Rules and the rights of persons (if any) entitled to shares with special rights to dividend the Company may pay dividends as the Directors resolve but only out of profits of the Company. The method of payment of dividends may include any or all of the payment of cash, the issue of shares or other securities, the grant of options and the transfer of assets. The Directors may determine that dividends be paid on shares of one class but not on another class and at different rates for different classes of shares. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid. Interest may not be paid by the Company in respect of any dividend.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, distribute among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose settle any dispute concerning the distribution of the property including setting such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

SECTION 7

7. RISK FACTORS

7.1 General

The Shares offered under this Prospectus should be considered speculative.

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares and Options will trade.

A number of material risk factors are set out below. This list is not exhaustive and potential applicants should examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares.

7.2 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) changes in investor sentiment toward particular market sectors;

(e) the demand for, and supply of, capital; and

(f) terrorism or other hostilities.

7.3 Share Market Conditions

There are general risks associated with any investment in the share market. The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

7.4 Exploration Success

The future profitability of the Company and the value of its securities is directly related to the results of exploration. The mineral tenements held by the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. In addition, mineable resources may become depleted, resulting in a reduction of the value of those tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

7.5 Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical 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.

7.6 Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

7.7 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities, including gold, are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

7.8 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal 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, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

7.9 Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

7.10 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

7.11 Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.12 Changes in accounting standards

For reporting periods beginning on or after 1 January 2005 the Company must comply with International Financial Reporting Standards (**IFRS**) as issued by the

Australian Accounting Standards Board. These changes will affect the way in which certain items are reported in the Company's financial statements. A summary of these effects is included in the Company's Annual Report.

7.13 Further risks specific to the Company

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

(a) geological conditions;

(b) alteration to exploration and production programmes and budgets;

(c) unanticipated operational and technical difficulties;

(d) mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;

(e) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;

(f) prevention or restriction of access by reason of political unrest, outbreak of hostilities or inability to obtain consents or approvals (including access agreements entered into with Native Title claimants); and

(g) uninsured losses or liabilities.

7.14 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

SECTION 8

8. ADDITIONAL INFORMATION

8.1 Continuous Disclosure Obligations

This document is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are and have been for a period of 12 months disclosing entities.

The Company is a disclosing entity under the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is subject to the Listing Rules that require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares. The Shares offered pursuant to this Prospectus are of a class that has been continuously quoted on ASX for at least 12 months prior to the date of issue of this Prospectus.

Copies of documents lodged in relation to the Company with the ASIC may be obtained from or inspected at any office of the ASIC.

Information that is already in the public domain has not been reported in this document, other than that which is considered necessary to make this document complete.

The Company will provide a copy of each of the following documents free of charge, to any person on request during the application period in relation to this document:

(a) the financial statements of the Company for the financial year ended 30 June 2004, being the last financial statements for a financial year of the Company lodged with the ASIC before the issue of this document; and

(b) any document lodged with ASX pursuant to Section 674 of the Corporations Act since the lodgement of the financial statements referred to in paragraph (a) above and before the lodgement of this document with the ASIC.

For details of documents lodged with ASX since the date of lodgement of the 30 June 2004 Annual Report, refer to the table set out below:

Date	Description of Announcement
19/7/2005	Change in Substantial Holding from CBA
18/7/2005	Notice of Meeting
14/7/2005	Appendix 3B
12/7/2005	Major Capital Raising

11/7/2005	Trading Halt
16/6/2005	RIU Conference Presentation
16/6/2005	RIU Conference Presentation
25/05/2005	RIU Conference Presentation
05/05/2005	Cygnet Research Report
29/04/2005	Third Quarter Cashflow Report
21/04/2005	Third Quarter Activities Report
07/04/2005	40% Expansion of Lomond Reef Exploration Potential
15/03/2005	Focus on Accelerating Commercialisation of Walhalla
08/03/2005	Eagle Research Report
08/03/2005	Lomond Reef Expands to 2.4mt With +500000oz Potential
17/02/2005	Half Year Accounts
17/02/2005	Appendix 3B – Conversion of Contributing Shares
21/01/2005	Second Quarter Cashflow Report
21/01/2005	Second Quarter Activities Report
12/01/2005	Surface Drilling Commences
13/12/2004	Change of Director's Interest Notice
13/12/2004	Change of Director's Interest Notice
13/12/2004	Change of Director's Interest Notice
02/12/2004	Broker Presentation
17/11/2004	Results of Annual General Meeting
17/11/2004	Lomond Reef Expanded
05/11/2004	Appendix 3B
18/10/2004	Release of Escrowed Securities
14/10/2004	Notice of Annual General Meeting
14/10/2004	First Quarter Cashflow Report
14/10/2004	First Quarter Activities Report
06/10/2004	Change of Director's Interest Notice
06/10/2004	Change of Director's Interest Notice

06/10/2004	Change of Director's Interest Notice
06/10/2004	Change of Director's Interest Notice
06/10/2004	Change of Director's Interest Notice
06/10/2004	Change of Director's Interest Notice
06/10/2004	Appendix 3B – New Issue
01/10/2004	Issue of Options
01/10/2004	Change of Company Secretary

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal hours.

8.2 Underwriting Agreement and Firm Commitment Agreements

Underwriting Agreement

Pursuant to an underwriting agreement between the Company and Southern Cross (**Underwriter**) dated on or about 12 July 2005, the Company has engaged Southern Cross as underwriter of the Entitlements Offer and manager of the Placement.

The Company will pay Southern Cross the following fees:

(a) a 1% management fee on the funds raised by the Company pursuant to the Placement and a 5% placing fee in relation to the funds raised from investors under the Placement who are introduced by Southern Cross; and

(b) a 1% management fee and a 5% underwriting fee in respect of all funds raised by the Company pursuant to the Entitlements Offer.

The above fees are inclusive of GST and will be paid within three (3) business days of completion of the Offers. Southern Cross will be responsible for paying any fees to sub-underwriters.

The underwriting agreement may be terminated by Southern Cross upon the occurrence of any of the following events:

(a) the Prospectus is in contravention of any law, Listing Rule, or the Constitution;

(b) the Prospectus is not lodged with ASIC by 29 July 2005;

(c) the Prospectus lodged with ASIC is not approved by the Underwriter prior to lodgement;

(d) the price of gold is at any time below US$380 per once;

(e) the All Ordinaries Index number or the ASX 200 number is at any time for three or more consecutive trading days more than 10% below its level as at the close of business on the business day immediately preceding the date of this agreement;

(f) the granting of permission by ASX for quotation of the Shares the subject of the Entitlements Offer on ASX is not obtained within 5 business days after the Underwriter lodges the required subscription moneys with the Company for the Shortfall (if any);

(g) any permission of ASX referred to in paragraph (f) is withdrawn, qualified or made conditional other than conditions which are reasonable in the circumstances of the Issue;

(h) subject to the provisions of Clause 10.2:

  (i) the Company makes default under or is in breach of any provision of the agreement (whether or not the same is expressed to be a condition);

  (ii) any warranty or representation by the Company in the agreement ceases to be true;

  (iii) any change occurs in the financial position of a Relevant Corporation;

  (iv) a Relevant Corporation contravenes any provision of its Constitution, the Corporations Act or any other applicable legislation, or the requirements of ASIC or ASX;

  (v) there is an outbreak of hostilities, whether war has been declared or not, actively involving any one of Australia, New Zealand, the European Union, United Kingdom, Canada, Indonesia, Singapore, the United States of America, Japan, and the Peoples Republic of China;

  (vi) an officer of a Relevant Corporation is charged with an indictable offence relating to any financial or corporate matter;

  (vii) any material statement in the Prospectus is found to be or becomes false or misleading or there is found to be a material omission from the Prospectus or any forecast or projection in the Prospectus becomes untrue or unlikely to be met in accordance with its terms;

  (viii) any of material contract referred to in the Prospectus is terminated or substantially modified;

  (ix) the Australian Government or the Government of any State or Territory or any responsible Minister of such government or the Reserve Bank of Australia adopts or announces:

    (A) any changes in fiscal or monetary or taxation policy which would or would be likely to materially and adversely affect companies, generally or any Relevant Corporation in particular, or investment in shares generally in Australia, or in the Company in particular, including, without limitation, any change which would or would be likely to materially and adversely affect yields on Commonwealth of Australia public loans or semi-government, public or private loans or to restrict borrowings by corporations generally; or

(B) any law or prospective law or other measure having or likely to have the effect of prohibiting capital issues, company profits, foreign investment or affecting title to the Company's various mineral tenements;

other than in relation to the implementation of the already announced goods and services tax;

(x) the imposition of any Federal, State or Territory Government restrictions on the level of foreign participation in the issue or in any other legislation currently in force affecting the operations of any Relevant Corporation;

(xi) it transpires that any of the due diligence results in relation to the Prospectus or any part of the verification material for the Prospectus was false or misleading or that there was a material omission therefrom;

(xii) an application is made by ASIC for an order under Section 1324B of the Corporations Act in relation to the Prospectus and that application has not been dismissed or withdrawn on or before the date Underwriter must lodge applications with the Company for the Shortfall;

(xiii) there occurs in relation to the Prospectus an event which is in the opinion of the Underwriter a "significant change" or a "significant new matter" requiring the issue of a supplementary prospectus or a replacement Prospectus as provided for by Section 719(1) of the Corporations Act;

(xiv) the Underwriter, having elected not to exercise its rights because of the occurrence of an event as referred to in paragraph (xiii) of this clause forms the view that a supplementary or replacement Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719(1) of the Corporations Act and the Company fails to lodge a supplementary or replacement Prospectus in such form and content and within such time as the Underwriter may reasonably require;

(xv) any person gives a notice under Section 733(3) of the Corporations Act in relation to the Prospectus;

(xvi) ASIC gives notice of intention to hold a hearing in relation to the Prospectus pursuant to the Corporations Act or makes an order under Section 739(2) or Section 739(1), 739(3) or 739(4) of the Corporations Act;

(xvii) any person who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;

(xviii) any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Issue is or becomes false or misleading;

(xix) any material contravention by a Relevant Corporation or an Officer or any of them of any provision of the Corporations Act or the obligations of any Relevant Corporation under any of the material contracts referred to in the Prospectus;

(xx) a resolution is passed or an order made by a Court of competent jurisdiction for the winding up of any Relevant Corporation, other than an order for the purpose of reconstruction or amalgamation made with the prior consent of the Underwriter;

(xxi) a receiver or receiver and manager is appointed to all or any part of the assets or undertaking of any Relevant Corporation;

(xxii) any Relevant Corporation enters into any scheme of arrangement with its creditors or any class of them or indicates its intention to do so;

(xxiii) any Relevant Corporation suspends payments of its debt or is unable to pay its debt;

(xxiv) a provisional liquidator is appointed to any Relevant Corporation;

(xxv) an inspector is appointed pursuant to the Corporations Act to investigate all or any part of the affairs of the Relevant Corporation; or

(xxvi) the Company fails to furnish a certificate in accordance with the requirements of the agreement or any statement in the certificate is not correct in a material respect.

Clause 10.2 of the agreement states that the occurrence of any event listed above will not entitle the Underwriter to terminate the agreement unless, in the opinion of the Underwriter reached in good faith, the event has or is likely to have a materially adverse effect on the investment attributes of the Company or is likely to give rise to a liability of the Underwriter under the Corporations Act.

Firm Commitment Agreements

The Company has entered into firm commitment agreements with a various parties consisting mainly of sophisticated and professional investors pursuant to which the investors have agreed to subscribe for 9,083,334 Shares under the Placement at an issue price of $0.15 per Share.

The investors include Kingsgate Consolidated Limited (**Kingsgate**), a high net worth investor based in Sri Lanka, a strategic group of London investors, merchant bank RMB Resources Limited and Melbourne-based Cygnet Capital Pty Ltd.

Kingsgate has agreed to sub-underwrite the first 4,000,000 Shares under the Shortfall and has also agreed to subscribe for 5,750,000 Shares under the Placement. If the number of Shares under the Shortfall is less then 4,000,000, then Kingsgate will subscribe for that number of additional Shares under the Placement that will give it a 19.9% interest in the Company on completion of the Placement and Rights Issue.

8.3 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as solicitors to the Company and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

PKF has given its written consent to being named as the Company's auditor in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Southern Cross Equities Limited has given its written consent to being named as the Underwriter of the Rights Issue and Manager of the Placement in this Prospectus. Southern Cross Equities Limited has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

None of the entities referred to in this Section 8.3 have authorised or caused the issue of this Prospectus and do not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

8.4 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

(a) the promotion or formation of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of securities pursuant to this Prospectus; or

(c) the offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

The Directors' interests in Shares, Contributing Shares and Options at the date of this Prospectus are:

Director	Shares	Contributing Shares	Options
Mr Stanley Duncan Greenaway	1,145,000	1,084,000	270,000
Mr Andrew King	1,315,000	2,601,000	285,000
Mr Gordon Hill	200,000	352,749	120,000
Ms Eileen Carr	315,715	150,000	75,000

Mr Ian Pankhurst (Alternate)	2,580,494	383,334	75,000

All of the Directors have stated that they intend to take up their entitlement under the Entitlements Offer subject to their individual financial capacity.

For the financial year ending 30 June 2005, Mr Andrew King received consulting fees of $170,000 for his services as Managing Director of the Company. Under the current remuneration arrangements, Mr King receives consulting fees of $170,000 per annum effective as of 1 July 2005.

For the financial year ending 30 June 2005, Mr Stanley Duncan Greenaway received consulting fees of $134,100 for his services as an Executive Director of the Company. Under the current remuneration arrangements, Mr Greenaway receives consulting fees of $134,100 per annum effective as of 1 July 2005.

The maximum remuneration of non-executive Directors is the subject of Shareholder resolution in accordance with the Company's Constitution, and the Corporations Law as applicable. The appointment of non-executive director remuneration within that maximum will be made by the Board having regard to the inputs and value of the Company of the respective contributions by each non-executive Director. Total fees for non-executive Directors are not to exceed the product of $24,000 multiplied by the weighted average number of directors for that year plus an additional $6,000 per annum for the Chairman. The Board may award additional remuneration to non-executive Directors called upon to perform extra services or make special exertions on behalf of the Company.

Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

8.5 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert or adviser nor any firm in which such an expert or adviser is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

(a) the promotion or formation of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of securities pursuant to this Prospectus; or

(c) the offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or adviser or to any firm in which any such expert or adviser is a partner, either to induce him to become, or to qualify him as, an expert or adviser or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Steinepreis Paganin will be paid approximately $10,000 for services in relation to this Prospectus.

The fees to be paid to Southern Cross Equities Limited are disclosed in Section 8.2 of this Prospectus.

8.6 Estimated Expenses of Offers

The estimated expenses of the Offers are as follows:

Underwriting and Management Fees	$274,000
ASIC Fees	$2,010
Printing and mailing expenses	$15,000
ASX fees	$8,000
Legal Fees	$10,000
TOTAL	**$309,000**

8.7 Market Price of Fully Paid Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: 18 cents on 14 July 2005

Lowest: 10 cents on 21 June 2005

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was $0.17 per Share on 19 July 2005.

8.8 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant application forms. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form, a Placement Application Form or a Shortfall Application Form from a person if it has reason to believe that when that person was given access to the electronic version of the form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Directors' Authorisation and Consent

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

....

Andrew King
Managing Director

For and on behalf of
GOLDSTAR RESOURCES NL

GLOSSARY

Applicant means a Shareholder who applies for Shares pursuant to the Offers.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Stock Exchange Limited (ACN 008 624 691).

Board means the board of directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offers, being 5pm (WST) on 18 August 2005 (unless extended).

Company or **Goldstar** means Goldstar Resources NL (ABN 76 098 939 274).

Constitution means the Company's Constitution as at the date of this Prospectus.

Contributing Share means a contributing share in the capital of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "**$**" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlements Offer.

Entitlement and Acceptance Form means the acceptance form called "Entitlement and Acceptance Form" either attached to, or accompanying, this Prospectus.

Entitlements Offer means the non-renounceable entitlements offer of Shares to Shareholders as further detailed in Section 4.1 of this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offers mean each of, and collectively, the Entitlements Offer and the Placement.

Option means an option to acquire a Share.

Oversubscriptions means the provision for the Board to accept up to an additional 2,000,000 Shares at an issue price of $0.15 per Share under the Placement and as further detailed in Section 4.2 of this Prospectus.

Participating Security means a Share and/or a Contributing Share.

Placement means the placement of 9,083,334 Shares at an issue price of $0.15 per Share pursuant to this Prospectus and as further detailed in Section 4.2 of this Prospectus.

Placement Application Form means the acceptance form called "Placement Application Form" attached to, or accompanying, this Prospectus.

Prospectus means this prospectus.

Relevant Corporation means the Company and each of its subsidiaries.

Record Date means 5pm (WST) on 28 July 2005.

Share means a fully paid ordinary share in the capital of the Company.

Shareholders means holders of Shares and/or holders of Contributing Shares.

Shortfall means the number of Shares comprising the difference between the Shares the subject of the Entitlements Offer, and the number of Shares for which valid Entitlement and Acceptance Forms have been received and accepted by the Company by the Closing Date.

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Southern Cross means Southern Cross Equities Limited.

WST means Western Standard Time.

ONLY COMPLETE THIS SHORTFALL APPLICATION FORM IF DIRECTED TO DO SO BY THE COMPANY

SHORTFALL APPLICATION FORM

GOLDSTAR RESOURCES NL

ABN 76 098 939 274

REGISTERED OFFICE: Unit 4, 26 Clive Street, West Perth, WA 6005

SHARE REGISTRY: Security Transfer Registrars Pty Limited
770 Canning Highway, Applecross, WA, 6153
Tel: (08) 9315 2333

APPLICANT'S DETAILS:

Full name (PLEASE PRINT)

Title, Given Name(s) & Surname or Company Name

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)

Street Number Street

Suburb/Town State Post Code

ABN, Tax File Number or Exemption Applicant #2 Applicant #3

CHESS HIN or Existing SRN (where applicable)

Number of Shares applied for	Application Money enclosed at 13 cents per Share
	A$.................................

I/We whose full name(s) and address appear above hereby apply for the number of Shares shown above (to be allocated to me/us by the Company in respect of this Application) under the Prospectus on the terms set out in the Prospectus.

Cheque Details:

PLEASE ENTER CHEQUE DETAILS THANKYOU	Drawer	Bank	BSB or Branch	Amount

My/Our contact numbers in the case of inquiry are:

Telephone ( ) .... Fax ( ) ....

NOTE: Cheques should be made payable to "Goldstar Resources NL – Share Application Account", crossed "NOT NEGOTIABLE" and forwarded to the Company or the Share Registry to arrive no later than **5.00 pm WST on that date which is 3 months after the Closing Date (or such earlier date as directed by the Company)**.

Declaration

This Shortfall Application Form does not need to be signed. By lodging this Shortfall Application Form and a cheque for the application money this Applicant hereby:

(1) applies for the number of Shares specified in the Shortfall Application Form or such lesser number as may be allocated by the Directors;
(2) agrees to be bound by the constitution of the Company; and
(3) authorises the Directors to complete or amend this Shortfall Application Form where necessary to correct any errors or omissions.

INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Shortfall Application Form together with a cheque to the share registry of the Company. If an Applicant has any questions on how to complete this Shortfall Application Form, please telephone the Share Registry on **(08) 9315 2333**. The Form must be received by the Registry no later than **5.00 pm on the date which is 3 months after the Closing Date (or such earlier date as directed by the Company).**

A. Application for Shares

The Shortfall Application Form must only be completed in accordance with instructions included in Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registerable title. Applications using the incorrect form of registerable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registerable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after Suburb/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Shortfall Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Cheque Details

Make cheques payable to "Goldstar Resources NL - Share Application Account" in Australian currency and cross them **"Not Negotiable".** Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Shortfall Application Form.

H. Declaration

By completing the Shortfall Application Form, the Applicant will be taken to have made to the Company the declarations and statements therein. The Shortfall Application Form does not need to be signed.

If a Shortfall Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept a Shortfall Application Form, and how to construe, amend or complete it, shall be final. A Shortfall Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque. I/We have personally received a copy of the Prospectus accompanied by or attached to this Shortfall Application Form or a copy of the Shortfall Application Form or a direct derivative of the Shortfall Application Form before applying for Shares.

Forward your completed application together with the application money to:

Goldstar Resources NL – Shortfall
Unit 4 26 Clive Street
West Perth WA 6005

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Shortfall Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Shortfall Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

PLACEMENT APPLICATION FORM

GOLDSTAR RESOURCES NL

ABN 76 098 939 274

REGISTERED OFFICE: Unit 4, 26 Clive Street, West Perth, WA 6005

SHARE REGISTRY: Security Transfer Registrars Pty Limited
770 Canning Highway, Applecross, WA, 6153
Tel: (08) 9315 2333

APPLICANT'S DETAILS:

Full name (PLEASE PRINT)

Title, Given Name(s) & Surname or Company Name

Joint Applicant #2 or <designated account>

Joint Applicant #3 or <designated account>

Postal Address (PLEASE PRINT)

Street Number Street

Suburb/Town State Post Code

ABN, Tax File Number or Exemption Applicant #2 Applicant #3

CHESS HIN or Existing SRN (where applicable)

Number of Shares applied for	Application Money enclosed at 15 cents per Share
	A$.................................

I/We whose full name(s) and address appear above hereby apply for the number of Shares shown above (to be allocated to me/us by the Company in respect of this Application) under the Prospectus on the terms set out in the Prospectus.

Cheque Details:

PLEASE ENTER CHEQUE DETAILS THANKYOU	Drawer	Bank	BSB or Branch	Amount

My/Our contact numbers in the case of inquiry are:

Telephone ( ) .... Fax ( ) ....

NOTE: Cheques should be made payable to "Goldstar Resources NL – Share Application Account", crossed "NOT NEGOTIABLE" and forwarded to the Company or the Share Registry to arrive no later than the Closing Date.

Declaration

This Placement Application Form does not need to be signed. By lodging this Placement Application Form and a cheque for the application money this Applicant hereby:

(1) applies for the number of Shares specified in the Placement Application Form or such lesser number as may be allocated by the Directors;
(2) agrees to be bound by the constitution of the Company; and
(3) authorises the Directors to complete or amend this Placement Application Form where necessary to correct any errors or omissions.

INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Placement Application Form together with a cheque to the share registry of the Company. If an Applicant has any questions on how to complete this Placement Application Form, please telephone the Share Registry on **(08) 9315 2333**. The Form must be received by the Registry no later than the Closing Date.

A. Application for Shares

The Placement Application Form must only be completed in accordance with instructions included in Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registerable title. Applications using the incorrect form of registerable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registerable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after Suburb/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Shortfall Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Cheque Details

Make cheques payable to "Goldstar Resources NL – Share Application Account" in Australian currency and cross them **"Not Negotiable".** Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Placement Application Form.

I. Declaration

By completing the Placement Application Form, the Applicant will be taken to have made to the Company the declarations and statements therein. The Placement Application Form does not need to be signed.

If a Placement Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept a Placement Application Form, and how to construe, amend or complete it, shall be final. A Placement Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque. I/We have personally received a copy of the Prospectus accompanied by or attached to this Placement Acceptance Form or a copy of the Placement Application Form or a direct derivative of the Placement Application Form before applying for Shares.

Forward your completed application together with the application money to:

Goldstar Resources NL – Placement
Unit 4
26 Clive Street
WEST PERTH WA 6005

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Placement Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Placement Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund