



ASX Release – 25 January 2007

\$3 MILLION RAISED THROUGH SHARE PURCHASE PLAN

Goldstar Resources NL (ASX: **GDR**) is pleased to advise that the Share Purchase Plan ("SPP"), which closed on 12 January 2007, has now been finalised – successfully raising **\$3 million** following a strong response from existing shareholders.

The SPP, which was fully underwritten by Australian broking firm, Tolhurst Noall Limited, was designed to provide an opportunity for existing shareholders to participate in the capital raising at the same price as the \$10 million institutional share placement concluded in December.

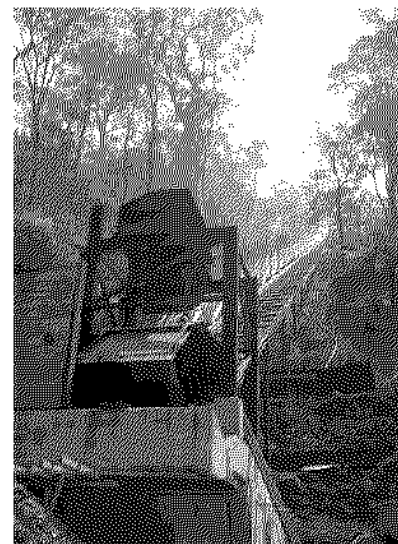
Goldstar shareholders subscribed for a total of approximately 2.1 million shares under the SPP, raising approximately \$1.34 million. Under the underwriting agreement, Tolhurst placed a total of approximately 2.5 million shares with clients and sub-underwriters, raising a total of approximately \$1.66 million.

All shareholders who successfully applied for shares under the SPP will receive their full entitlement on or about 25 January 2007. Following allotment of the shares issued pursuant to the SPP, Goldstar will have a total of 128,061,605 million shares on issue.

Together with the strongly oversubscribed \$10 million institutional share placement completed before Christmas, this concludes a \$13 million capital raising and increases the Company's available cash resources to approximately \$17million, which will enable Goldstar to accelerate its 2007 work program at the Walhalla Gold Project in Victoria.

In particular, the funds raised will be utilised to fast track the Eureka Project towards early production and to commence scoping and bulk sampling studies on the Tubal Cain deposit. In addition, funds will be applied to drilling to confirm extensions to the Eureka and Tubal Cain dyke bulges, building further on the exploration success that has been achieved at both of these deposits over the past 12 months.

The funds will also enable Goldstar to accelerate regional drilling and exploration programs at Walhalla, including exploration focussing on other potential dyke bulges within the Ross Creek Line (RCL) of mineralisation, regional structural trends and key targets that have been developed and prioritised on the Company's leases over the last 6 months.



Skipway, Eureka Project

Goldstar Resources NL
ABN 76 098 939 274

Corporate Details

ASX Code: GDR

Issued Capital:
128.1M ord shares

Substantial Shareholders:
Z Nominees Ltd (18.3%)
RPG Partners / EPIC (16.2%)
Directors & Associates (12.0%)

Directors:
Non-Executive Chairman:
Gordon Hill
Managing Director:
Andrew King
Non-Executive Directors:
Dr Jeffrey O'Leary
Eileen Carr
Ian Pankhurst

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The overall capital raising has resulted in the introduction of a number of strategic new Australian and International Institutional Investors to the Company, further strengthening the share register

The raising represents a further key step in Goldstar's continued growth strategy as an emerging mid-tier Victorian gold company. It will ensure that the Company is fully funded through to commencement of development of the key Eureka Project during 2007.

The Company thanks existing shareholders for their continued support and welcomes new shareholders to the register.

Andrew King
Managing Director

For further information:
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Managing Director
Goldstar Resources NL
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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Goldstar Resources NL

ABN

76 098 939 274

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Fully Paid Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 4,616,796 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | SPP fully underwritten for \$3 million |

4	<p>Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Shares rank equally with other Fully Paid Ordinary shares from the date issue.</p>	
5	Issue price or consideration	65 cents per share	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issued under the terms of the SPP.	
7	Dates of entering *securities into uncertificated holdings or despatch of certificates	25 January 2007	
8	Number and *class of all *securities quoted on ASX (including the securities in clause 2 if applicable)	Number	*Class
		128,061,605	Ordinary fully paid

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<p>Contrib. Shares (0.1c paid with 9.9c to pay) GDRAA</p> <p>5,313,583</p> <p>Contributing Shares (0.1c paid with 9.9c to pay) GDRAQ</p> <p>381,667</p> <p>Unlisted Options exercisable at 35c expiring 27/09/09 GDRAI</p> <p>696,000</p> <p>Unlisted Directors Options exercisable at 37.5c expiring 30/09/09 GDRAM</p> <p>725,000</p> <p>Unlisted Employee Options exercisable at 37.5c expiring 30/09/09 GDRAK</p> <p>590,000</p> <p>Unlisted Directors Share Options exercisable at 35 cents expiring 9/11/2011 GDRAO</p> <p>75,000</p>

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

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Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |

25	If the issue is contingent on *security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do *security holders dispose of their entitlements (except by sale through a broker)?	
33	*Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which
*quotation is sought

39 Class of *securities for which
quotation is sought

40 Do the *securities rank equally in all
respects from the date of allotment
with an existing *class of quoted
*securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

	Number	*Class
42 Number and *class of all *securities quoted on ASX (<i>including</i> the securities in clause 38)		

Quotation agreement

1 *Quotation of our additional *securities is in ASX's absolute discretion. ASX may quote the *securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the *securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those *securities should not be granted *quotation.
- An offer of the *securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the *securities to be quoted, it has been provided at the time that we request that the *securities be quoted.
- If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before *quotation of the *securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company secretary)

Date: 25 January 2007

Print name: Mark Maine