Appendix 4E
Preliminary final report

Retail Star Limited

31st July 2007

Lodged with the ASX under Listing Rule 4.3A

Contents

Retail Star Limited

Year ended 31 July 2007

(Previous corresponding period: Year ended 31 July 2006)

Results for Announcement to the Market

				A$,000
Revenue from ordinary activities	Down	96.54%	to	454
Profit/(loss) from ordinary activities after tax attributable to members	Up	100.43%	to	28
Net profit/(loss) for the period attributable to members	Up	100.43%	to	28

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	–	–
Interim dividend	–	–

Record date for determining entitlements to the dividend	N/A

Explanation of Revenue

Revenue from ordinary activities includes interest income of $79,356 and debts forgiven under Deed of Company Arrangement (DOCA) of $374,476.

Explanation of Profit/(loss) from ordinary activities after tax

The financial year reports a profit of $27,984 compared to a loss of $6,456,362 in the prior year. The profit this year included income from the debts forgiven under Deed of Company Arrangement (DOCA) of $374,476. Excluding income from the DOCA, Retail Star Limited (the Company) incurred an operating loss of $346,492 in the current year, compared to a loss of $6,456,362 last year.

Explanation of Net Profit/(loss)

See above: explanation of profit/(loss) from ordinary activities after tax

Retail Star Limited

Preliminary consolidated income statement

For the year ended 31 July 2007

	A$,000 Reporting Period	A$,000 Previous Corresponding Period
Revenue	–	12,925
Finance revenue	79	21
Other income	–	168
Debts forgiven under Deed of Company Arrangement	375	–
Gowings Hardware Pty Ltd write back on liquidation	–	(306)
Cost of sales	–	(9,318)
Occupancy expenses	–	(1,662)
Administration expenses	–	(7,812)
Other expenses	(426)	(472)
Profit/(loss) before income tax	**28**	**(6,456)**
Income tax expense	–	–
Net (profit)/loss attributable to outside equity interests	–	–
Profit/(loss) attributable to members of the parent	**28**	**(6,456)**
Basic earnings per share (cents)	0.0083 ¢	(17.200 ¢)
Diluted earnings per share (cents)	0.0081 ¢	(17.200 ¢)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Retail Star Limited

Preliminary consolidated balance sheet

As at 31 July 2007

	A$,000	A$,000
	Reporting Period	**Previous Corresponding Period**
Current assets		
Cash and cash equivalents	1,420	1,345
Trade and other receivables	17	–
Inventories	53	53
Other current assets	6	–
Total current assets	**1,496**	**1,398**
Total assets	**1,496**	**1,398**
Current liabilities		
Trade and other payables	40	2,632
Short-term borrowings	–	38
Total current liabilities	**40**	**2,670**
Total liabilities	**40**	**2,670**
Net assets	**1,456**	**(1,272)**
Equity		
Issued Capital	25,522	22,823
Retained Earnings	(24,066)	(24,095)
Total equity	**1,456**	**(1,272)**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Retail Star Limited

Preliminary consolidated statement of cash flows

For the year ended 31 July 2007

	A$,000	A$,000
	Reporting Period	**Previous Corresponding Period**
Cash flows from operating activities		
Receipts from customers	–	14,666
Interest income	77	21
Payments to suppliers and employees	(407)	(14,793)
Funds paid to/retained by Administrator to extinguish creditor claims on successful completion of Deed of Company Arrangement	(2,257)	–
Income taxes paid	–	–
Net cash flows from/(used in) operating activities	**(2,587)**	**(106)**
Cash flows from investing activities		
Proceeds from sale of Property, Plant & Equipment	–	143
Net cash flows from investing activities	**–**	**143**
Cash flows from financing activities		
Proceeds from issue of shares	2,918	–
Proceeds / (repayment) of borrowings	–	35
Share issue costs	(218)	–
Net cash flows from financing activities	**2,700**	**35**
Net increase / (decrease) in cash and cash equivalents	113	72
Cash and cash equivalents at beginning of period	1,307	1,235
Cash and cash equivalents at end of period	**1,420**	**1,307**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Retail Star Limited

Other notes to the preliminary consolidated financial statements

For the year ended 31 July 2007

Note 1. Future Developments

The directors continue to review projects that will add to shareholder value.

Note 2. Material factors affecting the revenues and expenses of the economic entity for the current period

Revenues: see above: explanation of revenue

Expenses: see above: explanation of profit/(loss)

Note 3. Retained Earnings

	A$,000	A$,000
	Reporting Period	**Previous Corresponding Period**
Accumulated Losses at the beginning of the financial year	(24,094)	(17,638)
Net profit/(loss) attributable to members of Retail Star Limited	28	(6,456)
Accumulated Losses at the end of the financial year	**(24,066)**	**(24,094)**

Note 4. NTA Backing

	Reporting Period	**Previous Corresponding Period**
Net tangible asset backing per ordinary share	0.368¢	(3.388) ¢

Note 5. Other significant information

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Note 6. Earnings Per Security (EPS)

Basic earnings per share (cents)	0.0083 ¢	(17.2000) ¢
Diluted earnings per share (cents)	0.0081 ¢	(17.2000) ¢

Earning reconciliation	A$,000 **Reporting Period**	A$,000 **Previous Corresponding Period**
Net Profit/(loss)	28	(6,456)
Basic and diluted earnings	28	(6,456)

Weighted average number of shares used as the denominator

Number for basic earnings per share:		
Ordinary shares	336,028,383	37,529,753
Effect of share options	7,603,951	–
Number for diluted earnings per share	343,632,334	37,529,753

Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

For the reporting period, the numerator used in the calculation of both Basic EPS and Diluted EPS is $27,984 and there are no reconciling items. The denominator used for the Basic EPS is 336,028,383 and for the Diluted EPS calculation is 343,632,334. Share options with an exercise price above the average market price during the period have been excluded from the calculation of the diluted EPS.

Note 7. Controlled entities

		Percentage of equity interest held by the consolidated	
Name	**Country of Incorporation**	**2007**	**2006**
Star Shopper Pty Ltd (formerly Gowings Pty Ltd)	Australia	100%	100%
Star Shopper Wholesale Pty Ltd (formerly Gowings Wholesale Pty Ltd)	Australia	100%	100%
Gowings Hardware Pty Ltd	Australia	Nil	100%

Retail Star Limited

Other notes to the preliminary consolidated financial statements

For the year ended 31 July 2007

Note 8. Events Subsequent to Balance Date

On 6 August 2007 the Company acquired a 100% shareholding in Orion Exploration Pty Ltd. The Company paid $1.5 million cash as consideration for the acquisition. The cash consideration was funded through Red Rock Resources Plc subscribing for 80 million Shares, 20 million Unlisted June 2008 Options and 20 million Class A Performance Shares.

A further 30 million Class B Performance Shares and 30 million Class C Performance Shares have also been issued to Red Rock Resources Plc in consideration for certain exploration rights in Malawi Southern Africa being transferred to Retail Star Limited. One of these Malawi tenements has now been granted to Red Rock Resources Plc and will be transferred to Orion Exploration Pty Ltd in due course.

On 6 August 2007 the Company completed a successful capital raising, placing 37,500,000 Ordinary Shares at 1.5 cents each to raise $562,500 (less costs).

Note 9. Compliance Statement

This report is based on accounts which are in the process of being audited.

The Company was released from administration on 15 August 2006 and had insufficient records to comply with all disclosure requirements in its 2006 Financial Report. Please refer to that Report for full details. Due to the limitation on information available until 15 August 2006 it is expected the Auditor will issue a qualified audit report.