RETAIL STAR LIMITED

ABN 71 098 238 585

HALF-YEAR FINANCIAL REPORT
31 JANUARY 2008

CONTENTS

CORPORATE INFORMATION

This half-year report covers the consolidated entity comprising Retail Star Limited and its subsidiaries (the "Group").

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the directors' report on page 2. The directors' report is unaudited and does not form part of the financial report.

DIRECTORS

Mr A Bell (Chairman)

Mr I Scott

Mr M Yannaghas

Mr R Kestel

COMPANY SECRETARY

Mr S Headon

REGISTERED OFFICE

Level 9, 440 Collins Street

Melbourne VIC 3000

PRINCIPAL PLACE OF BUSINESS

Level 9, 440 Collins Street

Melbourne VIC 3000

POSTAL ADDRESS

Level 9, 440 Collins Street

Melbourne VIC 3000

AUDITORS

HLB Mann Judd (NSW Partnership)

Level 19, 207 Kent Street

Sydney NSW 2000

SOLICITORS

Steinepreis Paganin

Level 4 Next Building

16 Milligan Street

Perth WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Limited

Level 3, 60 Carrington Street

Sydney NSW 2000

INTERNET ADDRESS

www.retailstar.net.au

ASX CODES

Shares RSL

COUNTRY OF INCORPORATION AND DOMICILE

Australia

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 January 2008.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr A Bell (Chairman)	– appointed 6 August 2007
Mr I Scott	– appointed 6 August 2007
Mr M Yannaghas	– appointed 6 August 2007
Mr R Kestel	– appointed 15 August 2006
Mr S Nicols	– resigned 1 November 2007
Mr A Crimmins	– resigned 6 August 2007

REVIEW AND RESULTS OF OPERATIONS

Operating review

The principal activity of the economic entity during the financial period was to review business opportunities available to the Company.

On 6 August 2007, Retail Star Limited ("RSL") shareholders agreed to the acquisition of Orion Exploration Pty Ltd ("Orion") from Red Rock Resources plc ("Red Rock"). Also included were exploration rights over tenements in Malawi and uranium interests in Western Australia.

Since August, a co-existence agreement has been finalised between Red Rock and Retail Star Limited which confirms the Company's access to the uranium exploration rights in the Mt Alfred lease, in the Yilgarn district of WA (E29/581). Sampling on this tenement by RSL in November 2007 confirmed the presence of anomalous uranium reported from drill samples by Uranerz (Australia) Pty Ltd in 1976. The target is calcrete-hosted uranium in a large drainage channel. Encounter Resources Limited and Avoca Resources Limited have announced anomalous uranium in shallow drilling from their McPherson's Bore prospect, immediately east of the Mt Alfred tenement and in the same drainage channel.

Prioritisation has been finalised for the exploration program over the tenements in the Northern Territory. The five Orion tenements cover approximately 750km2 in total area. An additional tenement has been applied for in the Rum Jungle area. The tenements are located along the western margin of the Pine Creek Inlier, between Katherine and Darwin. The region is endowed with mineral deposits, including uranium, gold, copper and iron ore. Whilst the main opportunity for Retail Star Limited is uranium, the tenements have potential for gold and, in some cases, iron ore as well.

During the period, the government of Malawi granted the Group their first uranium licence in this East African country. The property, known as Machinga, comprises an Exclusive Prospecting License (EPL0230/2007) covering an area of 378 square kilometres.

The licence is held by Eastbourne Exploration Pty Ltd ("Eastbourne"), a company beneficially owned by Retail Star Limited. Eastbourne has also recently been granted two strategically located uranium tenements in the Northern Territory covering 159 square kilometres.

The grant of the EPL and the tenements is pursuant to the agreement dated 26 July 2007 and subsequently approved by shareholders on 6 August 2007 (the "Agreement") whereby Red Rock Resources plc ("RRR") agreed to sell its Australian uranium interests to the Company. Following grant of the EPL to the Company's nominee Eastbourne, 30,000,000 B Class Converting Performance shares issued to RRR convert to 30,000,000 new fully paid ordinary shares in the Company.

Retail Star directors visited Malawi in November 2007. In February 2008, the Malawi Government approved transfer, from Red Rock Resources to Retail Star Limited, of a tenement, EPL0219/2007 covering 211 km2, in the Chintheche region in central Malawi.

Plans are being finalised for the Malawi field exploration program.

The loss for the period was $336,621 (2007: profit of $266,974).

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The directors received the declaration on page 4 from the auditor of the Company.

This declaration forms part of the directors' report.

Signed in accordance with a resolution of the Board of Directors.

Ross Kestel
Director

Dated 31 March 2008

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Retail Star Limited:

As lead auditor for the review of Retail Star Limited for the half year ended 31 January 2008, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Retail Star Limited and the entities it controlled during the period.

P. Meade

P B Meade
Partner

Sydney
28 March 2008

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CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE HALF-YEAR ENDED 31 JANUARY 2008

	Note	CONSOLIDATED	
		31 January 2008 $	31 January 2007 $
Other income	3(a)	57,828	34,399
Debts forgiven	3(b)	-	374,476
Other expenses	3(c)	(394,449)	(141,901)
Profit/(loss) from continuing operations before income tax		(336,621)	266,974
Income tax expense		-	-
Profit/(loss) attributable to members of the parent		(336,621)	266,974
Earnings per share (cents per share)			
Basic for profit/(loss) for the period		(0.07)	0.12
Diluted for profit/(loss) for the period		(0.07)	0.11

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

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 JANUARY 2008

	Note	CONSOLIDATED	
		As at 31 January 2008 $	As at 31 July 2007 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,727,319	1,419,901
Trade and other receivables		20,491	17,098
Inventories	8	8,500	8,500
Other current assets		15,509	5,624
Total Current Assets		1,771,819	1,451,123
Non-Current Assets			
Exploration and Evaluation Expenditure	9	1,993,801	-
Property, Plant and Equipment		6,053	-
Total Non-Current Assets		1,999,854	-
TOTAL ASSETS		3,771,673	1,451,123
LIABILITIES			
Current Liabilities			
Trade and other payables		55,393	39,604
Total Current Liabilities		55,393	39,604
TOTAL LIABILITIES		55,393	39,604
NET ASSETS		3,716,280	1,411,519
EQUITY			
Issued capital	4(a)	27,947,045	25,522,645
Options Reserve	4(b)	216,982	-
Accumulated losses		(24,447,747)	(24,111,126)
TOTAL EQUITY		3,716,280	1,411,519

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 JANUARY 2008

	Issued capital	*Options reserve*	*Retained earnings*	*Total Equity*
	$	*$*	*$*	*$*
Balance at 1 August 2006	**22,823,075**	**-**	**(24,094,437)**	**(1,271,362)**
Total income and expense for the period recognised directly in equity	-	-	-	-
Profit for the period	-	-	266,974	266,974
Total income/expense for the period	-	-	266,974	266,974
Shares issued in the period	2,918,000	-	-	2,918,000
Equity raising costs	(218,430)	-	-	(218,430)
At 31 January 2007	**25,522,645**	**-**	**(23,827,463)**	**1,695,182**
Balance at 1 August 2007	**25,522,645**	**-**	**(24,111,126)**	**1,411,519**
Total income and expense for the period recognised directly in equity	-	-	-	-
Loss for the period	-	-	(336,621)	(336,621)
Total income/expense for the period	-	-	(336,621)	(336,621)
Shares issued in the period	1,862,500	-	-	1,862,500
Shares issued by exercise of options	146,550	-	-	146,550
Options issued in the period	-	200,000	-	200,000
Conversion of B Class shares	450,000	-	-	450,000
Unlisted options issued	-	16,982	-	16,982
Equity raising costs	(34,650)	-	-	(34,650)
At 31 January 2008	**27,947,045**	**216,982**	**(24,447,747)**	**3,716,280**

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF-YEAR ENDED 31 JANUARY 2008

	Note	*CONSOLIDATED*	
		31 January 2008 $	**31 January 2007 $**
Cash flows from operating activities			
Interest income		57,794	31,917
Other income		1,160	-
Payments to suppliers		(401,983)	(130,149)
Funds paid to the Creditors Trust on successful completion of Deed of Reconstruction		-	(2,257,000)
Net cash flows from/(used in) operating activities		(343,029)	(2,355,232)
Cash flows from investing activities			
Purchase of property, plant and equipment		(7,505)	-
Payments for exploration and evaluation expenditure		(1,516,448)	-
Net cash from investing activities		(1,523,953)	-
Cash flows from financing activities			
Proceeds from issue of shares and options		2,209,050	2,918,000
Share issue costs		(34,650)	(173,336)
Net cash flows from financing activities		2,174,400	2,744,664
Net increase in cash and cash equivalents		307,418	389,432
Cash and cash equivalents at beginning of period		1,419,901	1,307,343
Cash and cash equivalents at end of period	7	1,727,319	1,696,775

The condensed consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 JANUARY 2008

1. CORPORATE INFORMATION

The financial report of the Company for the half-year ended 31 January 2008 was authorised for issue in accordance with a resolution of the directors on 31 March 2008.

The Company is limited by shares, incorporated in Australia and its shares are publicly traded on the Australian Securities Exchange.

The principal activity of the economic entity during the financial period was to review business opportunities available to the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of the Company for the year ended 31 July 2007.

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 31 January 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report is presented in Australian dollars.

Retail Star Limited (the "Company") for the half-year ended 31 January 2008 comprises the Company and its subsidiaries (together referred to as the "Group").

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of the Group as at 31 January 2008.

A controlled entity is any entity in respect of which Retail Star Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 11 to the financial statements.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

(c) Income tax

The charge for current income tax expense is based on the profit for the period adjusted for any non-assessable or disallowable items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(c) Income tax (cont)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Retail Star Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to its contribution to the net profit before tax of the tax consolidated group.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

(e) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employees' benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Share based compensation benefits are provided to the managing director via the issue of options. Information relating to these options is set out in the explanatory statement accompanying the notice of meeting for annual general meeting held on 6 December 2007.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the managing director becomes unconditionally entitled to the options.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the options.

(g) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(l) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

<u>Key estimates – Impairment</u>

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(m) Exploration expenditure

Exploration expenditure includes expenditure on proposals at an explanatory or development stage. These costs include costs of acquisition of tenements, exploration, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads directly associated with those projects.

Recoupment of mineral tenement and exploration costs is dependent upon the successful development and commercial exploitation of each area of interest.

The Group currently capitalises the cost of acquiring mineral tenements and all exploration costs relating to an area of interest

Capitalised costs of acquiring mineral tenements are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest or where activities have not reached a stage that permits reasonable assessment of the economically recoverable reserves.

	CONSOLIDATED	
	31 January 2008 $	31 January 2007 $
3. REVENUES AND EXPENSES		
Revenue, Income and Expenses from Continuing Operations		
(a) Other income		
Finance revenue – bank interest	56,668	34,399
Refund of expense overpayment	1,160	-
	57,828	34,399
(b) Debts forgiven		
Debts forgiven under Deed of Company Arrangement	-	374,476
	-	374,476
(c) Other expenses		
Administration expenses	158,168	60,651
Auditors remuneration	13,500	40,000
Director's fees	198,012	41,250
Due diligence costs	24,769	-
	394,449	141,901

	31 January 2008 $	31 July 2007 $
4. CONTRIBUTED EQUITY AND RESERVES		
(a) Contributed equity		
Ordinary shares *(i)*	27,847,045	25,522,645
Class A performance shares	100,000	-
	27,947,045	25,522,645
(i) Ordinary shares		
Issued and fully paid	27,881,695	27,193,334
Less: equity raising costs	(34,650)	(1,670,689)
	27,847,045	25,522,645

Fully paid ordinary shares have the right to receive dividends as declared and entitle their holder to vote either in person or by proxy at a meeting of the Company.

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value. Accordingly the parent does not have authorised capital or par value in respect of its shares.

4. CONTRIBUTED EQUITY AND RESERVES (continued)

(a) Contributed equity (continued)

	CONSOLIDATED	
	Number	**$**
Movement in ordinary shares on issue		
At 1 August 2007	395,529,753	25,522,645
Ordinary shares issued on 7 August 2007	117,500,000	1,762,500
30 June 2008 options exercised on 6 December 2007	3,500,000	52,500
30 June 2008 options exercised on 9 January 2008	1,800,000	27,000
30 June 2008 options exercised on 16 January 2008	2,220,000	33,300
Conversion of B Class performance shares on successful grant of Machinga tenement in Malawi on 16 January 2008.	30,000,000	450,000
30 June 2008 options exercised on 17 January 2008	1,660,000	24,900
30 June 2008 options exercised on 24 January 2008	590,000	8,850
Transaction costs on share issue	-	(34,650)
At 31 January 2008	552,799,753	27,847,045
Movement in Class A performance shares		
At 1 August 2007	-	-
Shares issued on 7 August 2007	20,000,000	100,000
At 31 January 2008	20,000,000	100,000
Movement in Class B performance shares		
At 1 August 2007	-	-
Shares issued on 7 August 2007	30,000,000	-
Conversion of B Class performance shares on successful grant of Machinga tenement in Malawi on 16 January 2008.	(30,000,000)	-
At 31 January 2008	-	-
Movement in Class C performance shares		
At 1 August 2007	-	-
Shares issued on 7 August 2007	30,000,000	-
At 31 January 2008	30,000,000	-
Movement in options expiring 31 May 2008 exercisable at $0.80		
At 1 August 2007	65,000	-
At 31 January 2008	65,000	-

4. CONTRIBUTED EQUITY AND RESERVES (continued)

(a) Contributed equity (continued)

	CONSOLIDATED Number	$
Movement in options expiring 31 May 2008 exercisable at $1.00		
At 1 August 2007	70,000	-
At 31 January 2008	70,000	-
Movement in options expiring 15 December 2009 exercisable at $0.261		
At 1 August 2007	1,333,334	-
At 31 January 2008	1,333,334	-
Movement in options expiring 15 December 2010 exercisable at $0.287		
At 1 August 2007	1,333,334	-
At 31 January 2008	1,333,334	-
Movement in options expiring 15 December 2011 exercisable at $0.314		
At 1 August 2007	1,333,332	-
At 31 January 2008	1,333,332	-
Movement in options expiring 15 December 2009 exercisable at $0.25		
At 1 August 2007	3,300,000	-
At 31 January 2008	3,300,000	-

4. CONTRIBUTED EQUITY AND RESERVES (continued)

(a) Contributed equity (continued)

	CONSOLIDATED	
	Number	*$*
Movement in options expiring 30 June 2008 exercisable at $0.025	-	-
At 1 August 2007	-	-
Options issued 7 August 2007	20,000,000	200,000
At 31 January 2008	20,000,000	200,000
Movement in options expiring 30 June 2008 exercisable at $0.015		
At 1 August 2007	-	-
Options issued 7 August 2007	10,000,000	-
Options exercised 6 December 2007	(3,500,000)	-
Options exercised 9 January 2008	(1,800,000)	-
Options exercised 16 January 2008	(2,220,000)	-
Options exercised 17 January 2008	(1,660,000)	-
Options exercised 24 January 2008	(590,000)	-
At 31 January 2008	230,000	-

(b) Reserves

	CONSOLIDATED	
	31 January 2008 $	**31 July 2007 $**
Movements in option reserve		
At 1 August 2007	-	-
30 June 2008 options with $0.025 exercise price issued on 7 August 2007	200,000	-
On 4 January 2008, 12,000,000 unlisted incentive options were issued to the Managing Director following approval from the shareholders at the Company's Annual General Meeting. The options have been valued using the Black and Scholes option pricing model and the expense apportioned based on vesting date in reference to period end.	16,982	-
At 31 January 2008	216,982	-

5. SEGMENT INFORMATION

The entity operates predominantly in one industry and in one geographical area being Australia.

6. DIVIDENDS PAID AND PROPOSED

No dividends were paid or proposed during the period ended 31 January 2008.

	CONSOLIDATED	
	31 January 2008 $	**31 July 2007 $**
7. CASH AND CASH EQUIVALENTS		
Reconciliation of Cash For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following:		
Debenture stock	1,300,000	-
Cash at bank and in hand	427,319	1,419,901
	1,727,319	1,419,901
8. CURRENT ASSETS - INVENTORIES		
Finished goods (net realisable value)	8,500	8,500
Total inventories at net realisable value	8,500	8,500
9. EXPLORATION AND EVALUATION EXPENDITURE		
Costs carried forward in respect of areas of interest in the following phase:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	-	-
Mineral tenements on acquisition of subsidiary	1,499,266	-
Assignment of Machinga tenement in Malawi to subsidiary	450,000	-
Expenditure incurred	44,535	-
	1,993,801	-
Expenditure written off	-	-
Total deferred exploration expenditure	1,993,801	-

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

10. ACQUISITION OF SUBSIDIARIES

(a) Orion Exploration Pty Ltd

On 6 August 2007, the Company acquired 100% of Orion Exploration Pty Ltd ("Orion"). The purchase was satisfied by the issue and purchase of 1,500,000 ordinary shares for the total payment of $1,500,000.

The acquisition costs are described as follows:	$
Cash consideration	1,500,000
	1,500,000

The net assets acquired in the business combination are as follows:

	Acquiree's carrying amount before business combination	Fair value adjustments	Fair value
	$	$	$
Net assets acquired:			
Cash and cash equivalents	19,660	-	19,660
Receivables	734	-	734
Exploration and evaluation expenditure	1,106,934	392,332	1,499,266
Loans – Red Rock Resources (after debt forgiveness)	(19,660)	-	(19,660)
Net Assets	1,107,668	392,332	1,500,000

The cash outflow on acquisition is as follows:	
Net cash acquired with subsidiary	19,660
Cash paid	(1,500,000)
Net cash outflow	(1,480,340)

(b) Eastbourne Exploration Pty Ltd

On 9 January 2008, the Company acquired 100% of Eastbourne Exploration Pty Ltd ("Eastbourne"). The purchase was satisfied by the issue and purchase of 100 ordinary shares for the total payment of $100.

11. CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of Retail Star Limited and the controlled subsidiaries listed in the following table:

	Country of Incorporation	*% Equity interest* 31 January 2008	31 July 2007
Star Shopper Pty Ltd*	Australia	Nil	100%
Star Shopper Wholesale Pty Ltd*	Australia	Nil	100%
Orion Exploration Pty Ltd	Australia	100%	Nil
Eastbourne Exploration Pty Ltd	Australia	100%	Nil

***Entities deregistered**

These entities have been deregistered on 9 January 2008 and consequently are not controlled by the Company at 31 January 2008.

12. SUBSEQUENT EVENTS

On 11 February 2008 the government of Malawi approved a transfer of an Exclusive Prospecting Licence ("EPL") for the Chintheche uranium licence from Red Rock Resources Plc to Retail Star Limited.

The grant and transfer of the EPL is pursuant to the agreement dated 26th July 2007 and subsequently approved by shareholders on 6th August 2007, whereby Red Rock Resources Plc agreed to sell its uranium interests to the Company. Following transfer of the EPL to the Company, 30,000,000 C Class Converting Performance Shares issued to Red Rock Resources Plc convert to 30,000,000 new fully paid ordinary shares in the Company.

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 JANUARY 2008

In accordance with a resolution of the directors of Retail Star Limited, I state that:

In the opinion of the directors:

(a) The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position as at 31 January 2008 and the performance for the half-year ended on that date of the consolidated entity; and

(ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Ross Kestel
Director

Dated 31 March 2008

HLB Mann Judd

RETAIL STAR LIMITED

INDEPENDENT REVIEW REPORT

To the members of Retail Star Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year report of Retail Star Limited ("the Company"), which comprises the condensed balance sheet as at 31 January 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Retail Star Limited group ("the consolidated entity") as set out on pages 5 to 19. The consolidated entity comprises the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the half-year financial report

The directors are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 January 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors on 28 March 2008, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Basis for Qualified Auditor's Conclusion

Our audit report dated 24 January 2007 relating to the financial report for the year ended 31 July 2006 contained the following statement under the heading "Qualification":

> "As stated in Note 21 [to the July 2006 financial report], Administrators were appointed to the companies in the consolidated entity on 8 November 2005, and the companies remained in Administration until 15 August 2006.
>
> As the accounting records maintained during the period in which the companies in the consolidated entity were under Administration are not adequate to permit the application of necessary audit procedures we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report."

Note 19 of the July 2007 financial report refers to the issue associated with reliably estimating unsecured creditors at 31 July 2006 and also the fact that quantified claims had not been received in respect of all unsecured creditors during the period when the company and consolidated entity were under Administration [ie until 15 August 2006].

Qualified Conclusion

Based on our review, which is not an audit, except for the effects on the financial report of the matters referred to in the preceding paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Retail Star Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 January 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

HLB Mann Judd

HLB MANN JUDD
(NSW Partnership)
Chartered Accountants

P. Meade

Sydney
31 March 2008

P B Meade
Partner

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