



RSL QUARTERLY REPORT TO 30 JUNE 2010

Highlights:

Corporate Overview

- **Prospectus** issued on 17 June, 2010 to issue up to 26 million 2012 options to buy shares at 20c, on the basis of one option for every two shares held, at 1c per option
- **Extraordinary General Meeting** called on 21 June to:
 - authorise future placing of up to 25 million shares
 - approve earlier issue of 3.7 million shares and so renew the 15% placement ability
 - approve issue of up to 20 million lead manager options
 - approve 22 April appointment of Cyril Geach as director
- **Resignation** for family reasons of CEO effective 5 July, and replacement, announced 18 May
- Cash position at 30 June was \$1.557 million

Business Development

- Due diligence successfully completed for **Livingstonia Uranium Project**, Malawi, to earn up to 80% equity interest through expenditure, on 1 June:
 - expected that Resource calculation and follow-up drilling will enable Resource Star to meet initial 20% equity hurdle by end of 2010
- Resource estimation at Livingstonia began, as announced 7 May
- Extension to area of **Machinga Niobium-Rare Earths Project** granted – to 935 km²

Exploration Highlights

- 3,250 line kilometre radiometric/magnetic geophysics flown over Northern Territory uranium portfolio in April, mapping and sampling commenced May
 - targets refined, three new uranium channel anomalies defined along key structures at **Edith River**
 - targets refined and new targets generated at **Hayes Creek S** and **Marrakai**, including 2.5 km anomaly potentially structurally linked to nearby Thunderball discovery
- Exploration continues under **Machinga JV** with Globe Metals & Mining:
 - 8 trench program completed; laboratory chemical results from first two trenches received
 - three zones of 5-7 m width intersected, best results 7m at 1.3% TREO, in first trench
 - 33 m zone of 0.71% TREO, inc. 11m of 1%, 3m of 1.44%, in second trench
 - very high ratio of heavy rare earths to total (HREO:TREO) of 38% in second trench

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Introduction

Emerging uranium and rare earths explorer, Resource Star Ltd ('Resource Star', 'RSL' or 'Company') (ASX: RSL) is pleased to announce its second quarterly report for the period ended 30 June, 2010.

Following its relisting on 25th February, the Company has focussed on initiating exploration on its projects.

The Company has developed a portfolio of uranium and uranium-related projects in regions of known prospectivity, and that present strong minerals development potential, namely Australia, and Malawi in south eastern Africa.

Resource Star's key projects are the 100%-owned Edith River Uranium Project in the Northern Territory, and joint ventures with Globe Metals & Mining Limited (ASX: GBE) on the Machinga Niobium-Rare Earths Project and the Livingstonia Uranium Project in Malawi.

The balance of Resource Star's portfolio of projects are those that complement the priority projects in terms of regional and geological synergies, or provide stand-alone cost-effective exploration potential. The Company continues to consider compelling project acquisition opportunities that are in line with this strategy, and these will be assessed during ongoing business development activity.

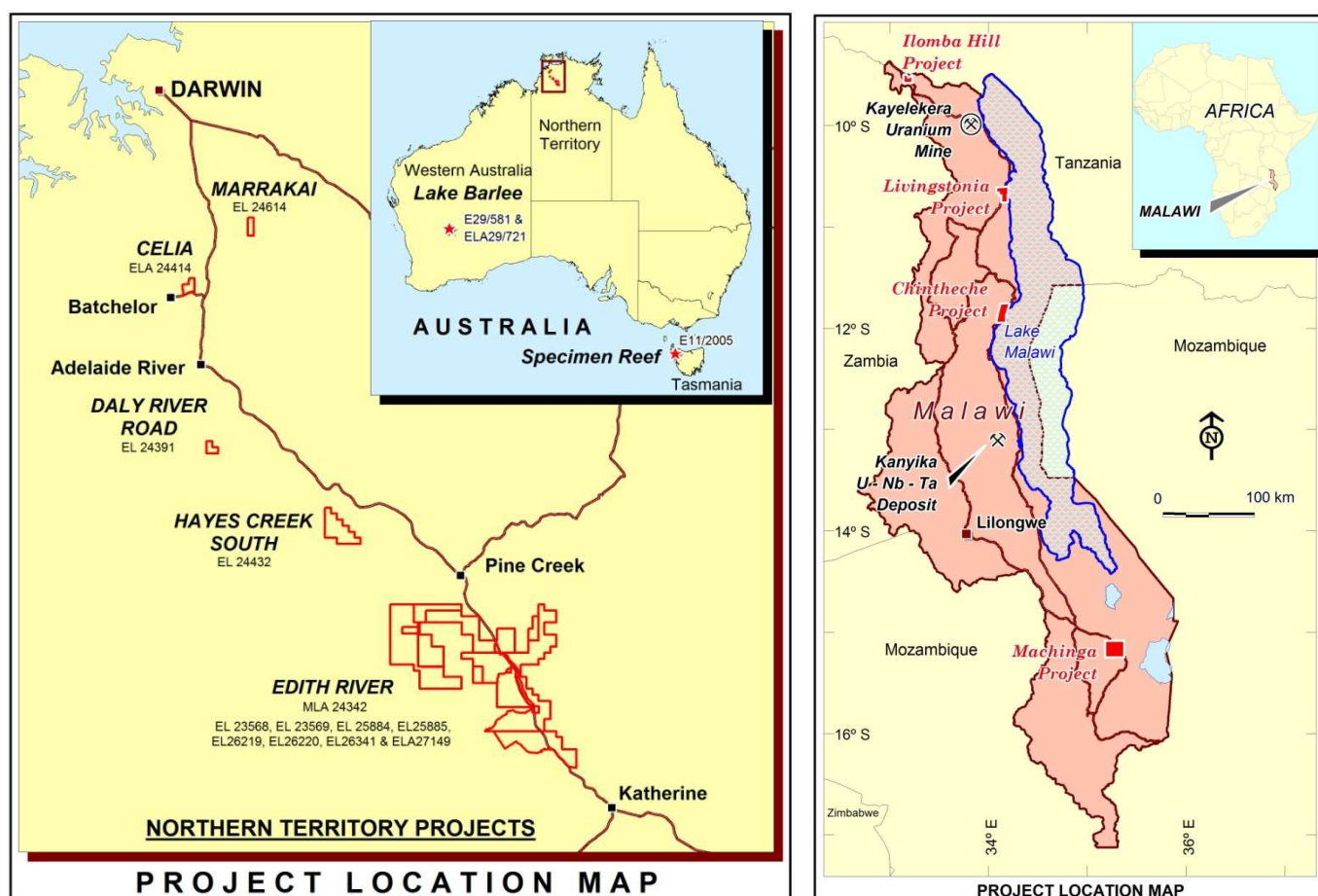


Figure 1: Resource Star's Projects in Australia and Malawi

Operational Overview

MALAWI

Machinga Project

Late in 2009 Resource Star signed a joint venture agreement with Globe Metals and Mining (ASX: GBE) over the Machinga Project, with Globe managing future work and currently earning 20% equity through the exploration expenditure. In a staged process Globe can earn up to 80% in the project by funding all activity up to and including a feasibility study.

During the quarter initial laboratory chemical results were received from the first two trenches of the eight trench programme underway at Machinga Main Anomaly. The results confirm multiple zones of high-grade heavy rare earth oxide (HREO) mineralisation, including an intersection of a 33m-wide zone of 0.71% TREO (total rare earth oxides) in the second trench.

The trenches were planned to test REE-Nb-Ta-Zr targets identified by previous mapping, radiometric surveys, rock-chip and soil sampling programs. The first five trenches, MATR001-005, were designed to test the northern part of the Machinga Main Anomaly, where previously the highest grade rock-chip samples were encountered. These areas are dominated by pegmatite-hosted REE-Nb-Ta-Zr mineralisation. Trenches MATR006-008 were designed to test the anomalous margin of the Malosa Pluton, with trench 6 having intersected broad, but lower tenor radiometric anomalism hosted in the alkaline granitoid pluton, with subordinate pegmatite dykes.

Trench MATR001 geochemical results:

MATR001 targeted high-grade REE-Nb-Ta-Zr mineralisation hosted in pegmatite at the northern tip of the Machinga North Anomaly; significant intersections are listed in the table below.

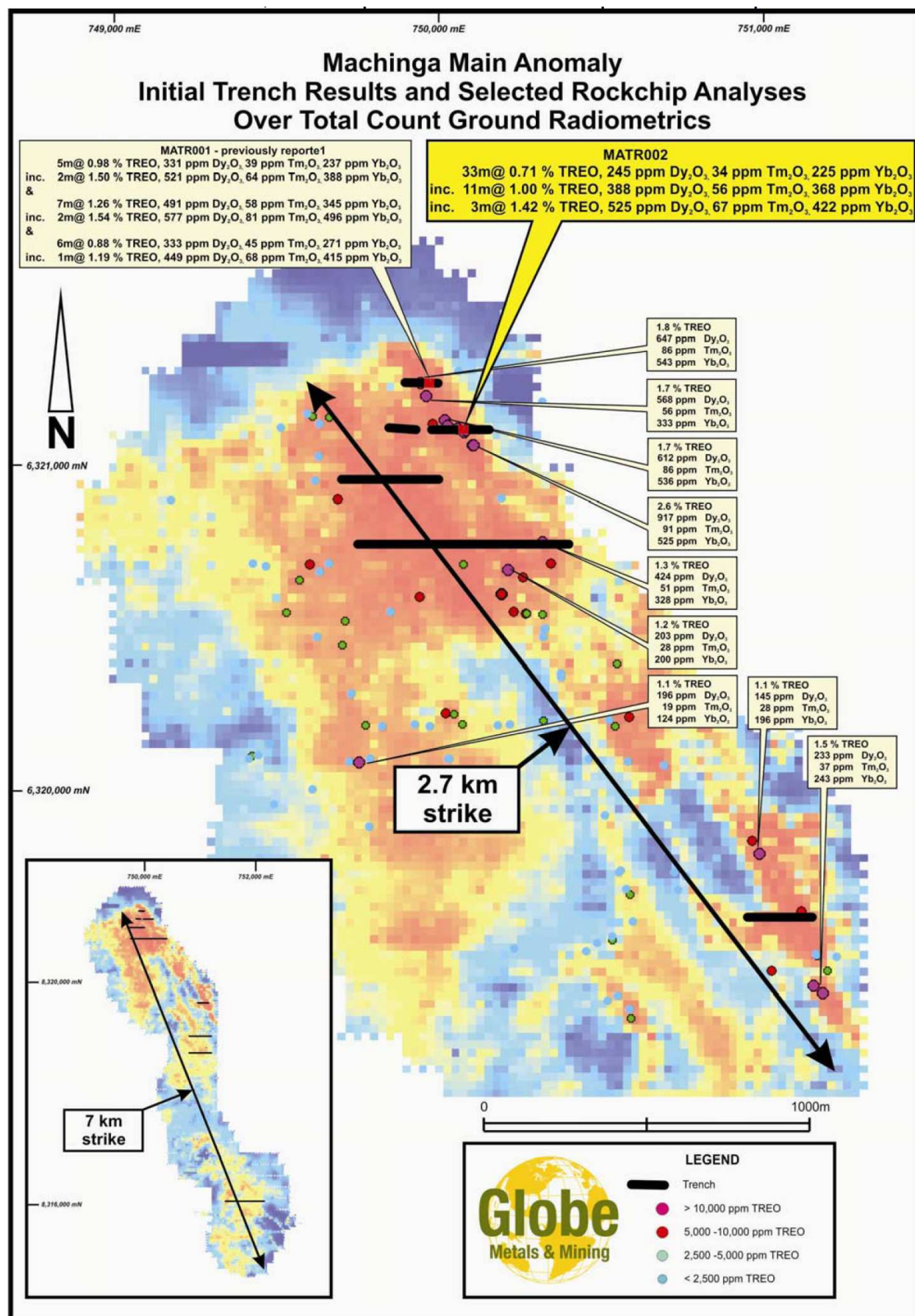
Table 1: Significant REO-Nb-Ta-Zr results from MATR001

Trench ID	From (m)	To (m)	Width (m)*	TREO (ppm)	HREO (ppm)	Dy ₂ O ₃ (ppm)	Tm ₂ O ₃ (ppm)	Yb ₂ O ₃ (ppm)	Nb ₂ O ₅ (ppm)	Ta ₂ O ₅ (ppm)	ZrO ₂ (ppm)
MACH001	48	53	5	9,797	3,216	331	39	237	6,042	217	13,029
Incl.	48	50	2	15,038	5,090	521	64	388	9,124	441	18,511
MACH001	61	68	7	12,630	4,645	491	58	345	6,310	354	18,103
Incl.	61	63	2	15,417	5,784	577	81	496	9,351	538	25,029
MACH001	81	87	6	8,845	3,412	333	45	271	4,456	250	16,782
Incl.	81	82	1	11,911	4,763	449	68	415	5,972	347	26,804

*Estimated true widths are 60-70% of intercept widths. Dysprosium, thulium and ytterbium are heavy rare earth elements and therefore included also in the TREO and HREO totals in the above table, whilst HREO are also included in the TREO total.

TREO = Total Rare Earth Oxides (La through Lu + Y); HREO = more valuable Heavy Rare Earth Oxides (Eu through Lu + Y). The reader is cautioned that these are trench results all from approximately 2m depth. The "From" and "To" columns indicate lateral distances at surface, not depths.

Fig 2: Northern Machinga Main Anomaly showing MATR001 & MATR002 trench results, other completed trenches and selected previous rock-chip results



Trench 2 MATR002 geochemical results:

Results from MATR002 show not only high grades but also significant widths of mineralisation. The results show a single intercept of 33m width that contains an 11m-wide zone of >1% TREO. In addition, significant grades of niobium, tantalum and zirconium accompany the rare earth mineralisation. Significant intersects are listed in the table below.

The intercept in MATR002 occurs 180m directly along strike from mineralisation encountered in the first trench, MATR001. This gives the company significant confidence in the continuity of mineralisation along strike. Trench MATR002 was also targeted at high-grade REE-Nb-Ta-Zr pegmatite hosted mineralisation in the northern tip of the anomaly.

It is currently unknown whether there is any superficial enrichment or depletion of REE-Nb-Ta-Zr in the trenches at these shallow depths.

Table 2: Significant REO-Nb-Ta-Zr results from MATR002

Trench ID	From (m)	To (m)	Width (m)*	TREO (ppm)	HREO (ppm)	Dy ₂ O ₃ (ppm)	Tm ₂ O ₃ (ppm)	Yb ₂ O ₃ (ppm)	Nb ₂ O ₅ (ppm)	Ta ₂ O ₅ (ppm)	ZrO ₂ (ppm)
MACH002	204	237	33	7,130	2,646	245	34	225	3,980	197	21,923
Incl.	226	237	11	10,008	4,376	388	56	368	4,622	239	31,458
Incl.	234	237	3	14,220	5,395	525	67	422	6,972	392	31,417

**Estimated true widths are 60-70% of intercept widths. Dysprosium, thulium and ytterbium are heavy rare earth elements and therefore included also in the TREO and HREO totals in the above table, whilst HREO are also included in the TREO total.*

Significant areal extension to the Machinga EPL has been granted by the Minister of Natural Resources, Energy and Environment, bringing the total area to 935km². The EPL now covers an additional three significant radiometric targets prospective for rare earth mineralisation, bringing total targets to seven (Figure 3). These are:

Machinga North – Strong radiometric anomaly showing high-grade pegmatite zones. Initial trench results include MATR001 – 7m @ 1.3% TREO and MATR002 – 33m @ 0.71% TREO including 11m @ 1.0% TREO. Results also show a very high heavy rare earth ratio (HREO:TREO) of between 32 and 38%, a significant enrichment in the more valuable heavy rare earth elements.

Machinga Central – Moderate radiometric anomaly with highly anomalous soil samples over the margin of Malosa Pluton. The company is targeting the potential for bulk tonnage mineralisation in this area.

Machinga South – Like Machinga Central, this is a moderate radiometric anomaly with highly anomalous soil samples over the margin of the Malosa Pluton. The company is targeting the potential for bulk tonnage mineralisation in this area.

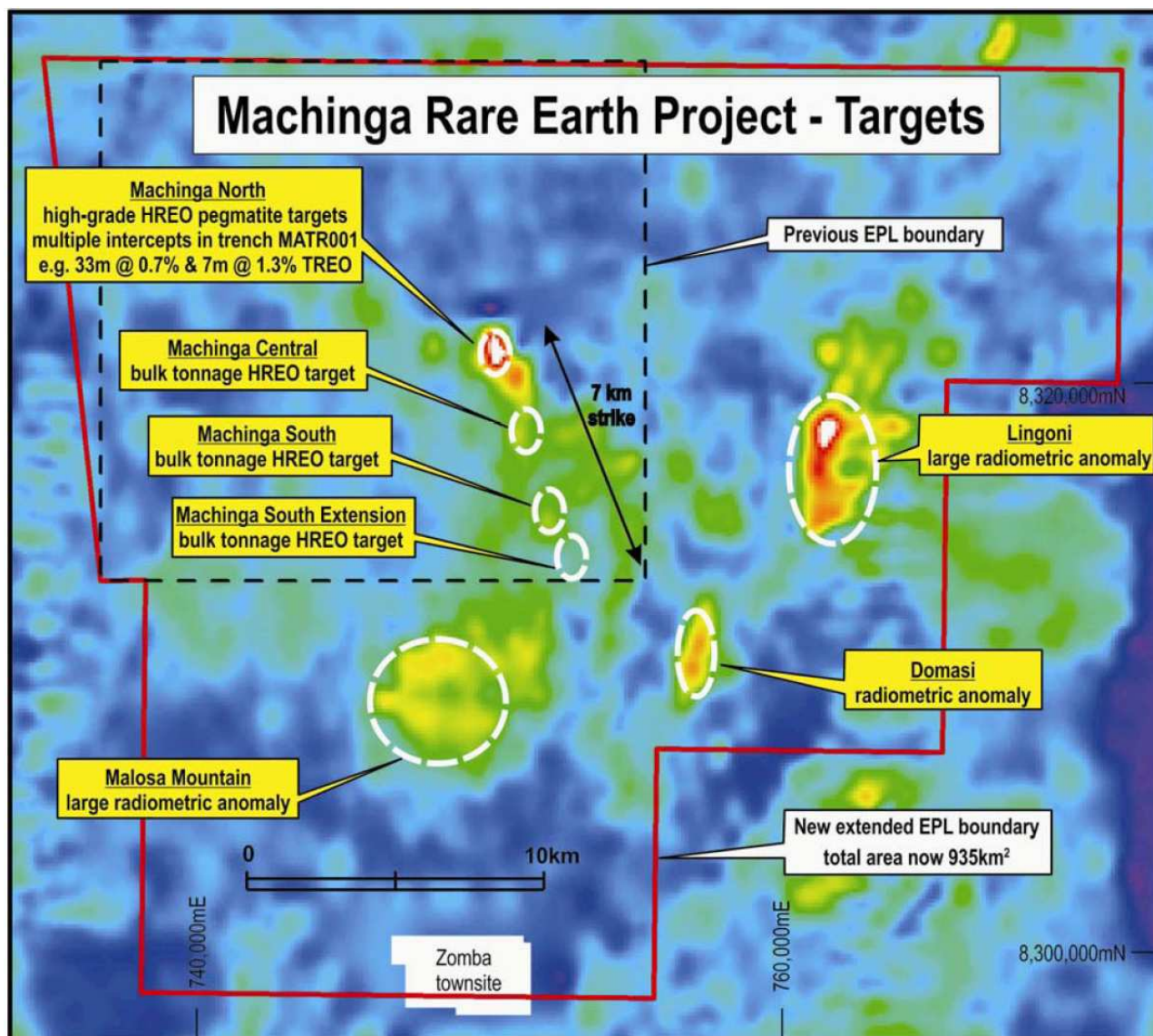
Machinga South Extension – The margin of the Malosa Pluton appears to extend under shallow cover and becomes more shallowly dipping in this area. This is a conceptual target.

Malosa Mountain – This is a large thorium anomaly in the central part of the Malosa Pluton. The company's geological team speculates that this may represent a remnant part of the pluton's copula and therefore a favourable site for mineralisation.

Domasi – The Domasi target is a moderate thorium anomaly.

Lingoni – The Lingoni target is a large and relatively high tenor thorium anomaly located about 10km to the west of Machinga. Airborne magnetics suggest the possibility of a buried granitoid pluton beneath the anomaly.

Fig 3: Airborne thorium image of the Machinga EPL showing the 7 main exploration targets



Livingstonia Project

Livingstonia is a sandstone-hosted uranium project with partly-defined mineralisation, in a mining-friendly country in which Resource Star is already active.

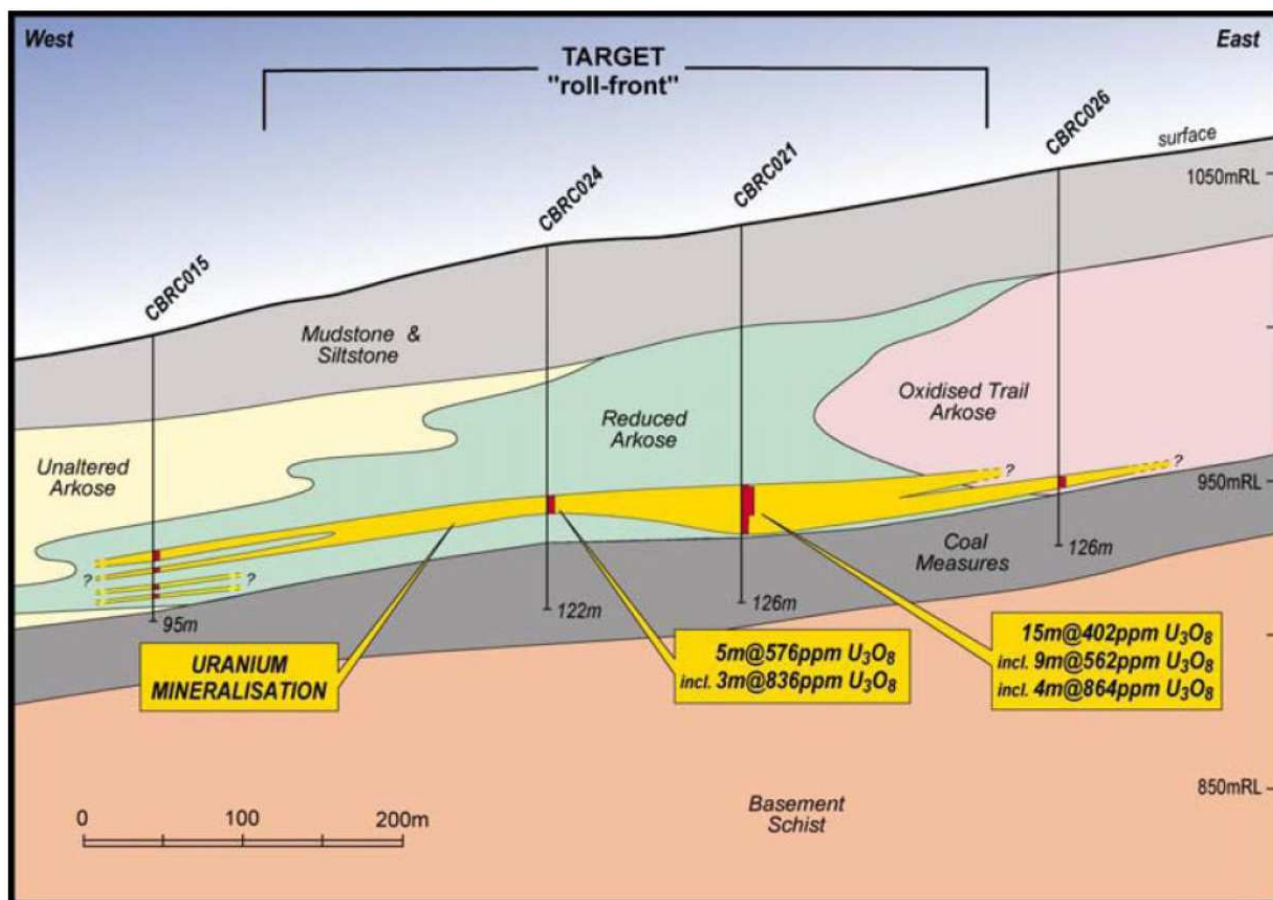
Resource Star has now completed the due diligence on the Livingstonia Uranium Project in Malawi, southeast Africa. The Company is pleased to have informed the Company's JV partner, Globe Metals and Mining Limited (ASX:GBE) of the satisfactory conclusion of the technical and administrative elements of its review of the project.

As previously announced, Resource Star during the quarter commenced a Mineral Resource estimate using the existing drill information. The work was completed by an independent expert, CSA Global Pty Ltd, whose consultants are highly experienced in uranium mineral resource estimations.

Some 11,000m of drilling has previously been completed by Globe, with more than 85% of the 80+ drill holes intersecting mineralisation (>200ppm.m eU₃O₈) at the Chombe Prospect. Local thickenings and multiple

horizons of mineralisation are known. It is hoped these trends will be defined further in the Mineral Resource estimate process and tested during the proposed follow-up drilling planned for Q3-Q4 2010.

Fig 4: Schematic cross-section from the Chombe Prospect highlighting significant mineralisation



The 2007 and 2008 drilling programme undertaken by Globe appears to demonstrate reasonably consistent tabular mineralisation in a gently-dipping horizon towards the base of a relatively permeable sandstone unit lying between a basal coal measure and a mudstone cap (Fig 4).

Ilomba Hill Project

On relisting Resource Star acquired the rights to 90% of a project in northern Malawi targeting multi-metal alkali intrusive mineralisation along the lines of that seen at the company's Machinga Nb-REE Project and Globe's Kanyika Nb Project.

The JV, with a local Malawian company, has applied for an extension to cover the remainder of the 2km diameter, zoned nepheline syenite ring complex, to allow systematic exploration of the whole system.

Following positive rock-chip sample results at this prospect in the first quarter (best result: 3.79% Nb₂O₅, 1.12%U₃O₈), further exploration is anticipated soon with airborne geophysics scheduled and the first phase of ground exploration to commence in the winter field season of 2010.

Chintheche Project

At the end of the 2009 field season a ground radiometric survey was carried out over the most prominent anomaly, and radiometric peaks were found to be associated with heavy mineral strand lines in lakeshore

sand dunes. Radioactive minerals within the heavy mineral suite are now considered to be the cause of the anomaly.

It is now believed that the airborne radiometric response is caused by the presence of monazite in the sediments of the coastal plain transported by the Lweya River sourcing igneous material in the highlands.

AUSTRALIA

Resource Star holds a number of mineral tenements in the Northern Territory for uranium exploration, and has recently completed a detailed low level airborne geophysical survey over a number of these prospects, defining targets for upcoming surface exploration. A total of 485km² was flown at Edith River, Marrakai and Hayes Creek South.

The 3,250 line kilometre program was conducted by GPX Surveys, with 100 to 200 metre spaced flight lines and 60 metre flight height. This work is a more detailed multi-spectral radiometric and magnetic survey than previously available, and it has significantly enhanced the definition of previously identified areas of interest.

Interpretation of data from this survey has generated a range of high priority uranium targets. None of these targets have been previously explored.

Ground work mapping is currently underway on the newly highlighted targets, weather and access conditions permitting.

Edith River Project, NT

Initial interpretation of data from the Edith River Project (fig 5) has generated a number of high priority uranium targets, and enhanced information about existing prospects. Mapping and sampling of these targets is to commence soon and will be followed by drill testing, subject to results, commencing in 2010.

A number of the most interesting newly-defined features are radiometric anomalies along interpreted structures related to the regionally important Pine Creek Shear Zone, and will form the focus of ground exploration.

Existing targets:

RSL's adjoining prospects, Tennysons and the YMCA workings, both based in the historic uranium occurrences, demonstrate quite different responses to this data. This is partly due to elevated thorium at Tennysons suppressing the response in this image, due to the U/Th component used. Thorium enrichment can be a component of the alteration geochemistry of some IOCG-style (*Iron Oxide Copper Gold*) mineralised systems.

Running through Tennysons, are two pronounced magnetic features (marked with arrows on Fig 5) which are interpreted to be due to iron enrichment within NNW-trending alteration zones noted in earlier ground reconnaissance. The introduction of iron to alteration zones along faults is consistent with IOCG affinities.

Surface gamma spectral analysis shows that features in this orientation control the distribution of uranium in outcrop. The orientation is sub-parallel to the regionally significant Pine Creek Shear Zone, which runs along the eastern edge of the survey area.

The strength and size of uranium channel response around YMCA workings is equally encouraging. Additional interpretation of the geophysical results in both these areas will be completed before the early commencement of detailed mapping and sampling at these prospects during May, 2010.

Previously documented Hore & O'Connors occurrence appears to show up as a discrete feature in this data, giving encouragement for the potential of stronger responses when tested on the ground.

New targets:

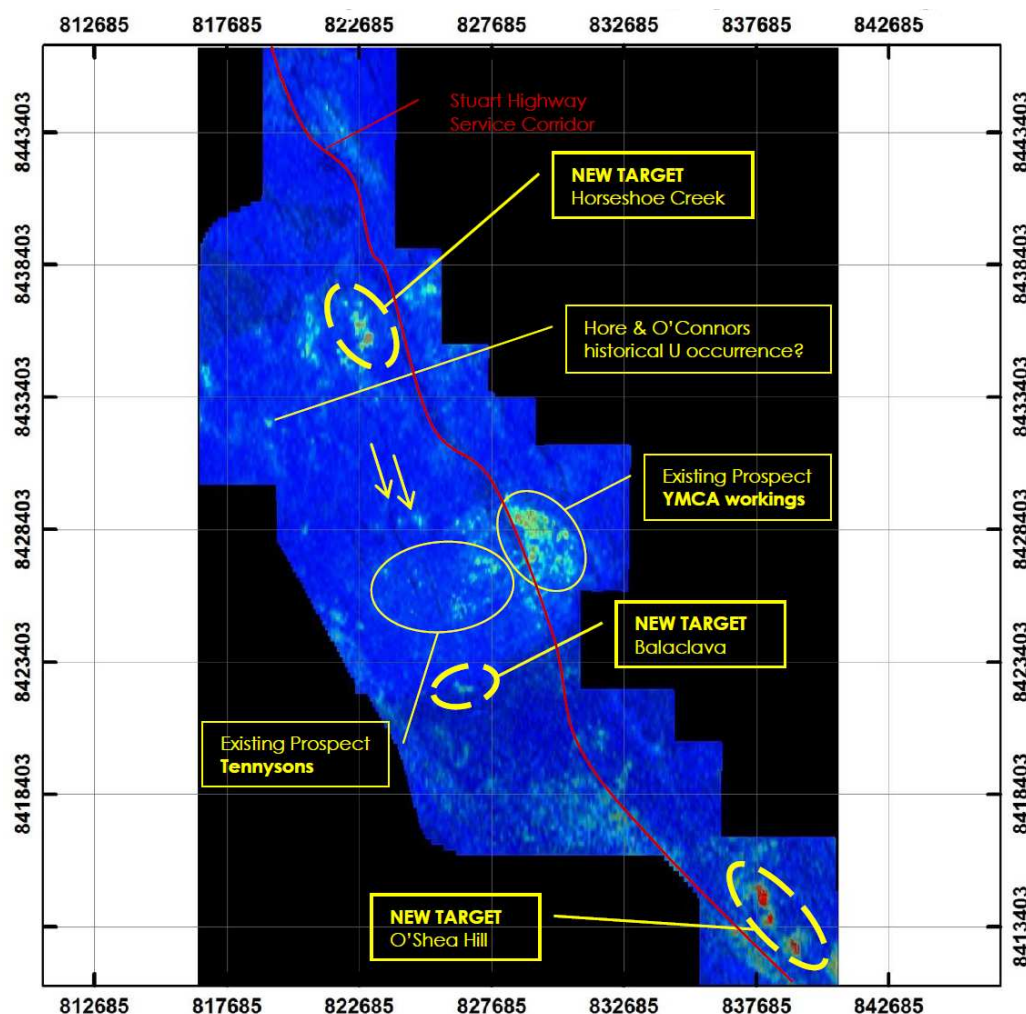
Three additional areas of interest have now been identified within the 40km strike length of the survey:

O'Shea Hill – the strongest uranium channel response of the survey, approximately double any other peaks, is one of three peaks along a strike length of 3km. The features lie close to, and trend sub-parallel to, the Phillips Creek Fault, a component of the Pine Creek Shear Zone, and is along strike from the shearing and alteration zones hosting the uranium mineralisation at the old YMCA workings. The host sequence is mapped as a Cambrian basal volcano-sedimentary sequence, including well-sorted sandstones, conglomerate and basalt, unconformably overlying deformed Proterozoic rocks, which is a different setting to the granite-hosted Tennysons & YMCA prospects.

Horseshoe Creek – a composite feature of 1.5km length and up to 600m wide is the strongest band of anomalies just south of a granite-sediment contact is adjacent to mapped shearing that is directly along strike from the magnetic features noted in this survey as cross-cutting the Tennysons surface anomalism. There are other features along the east-west trend that also warrant investigation, but work will initially concentrate on the best response indicated.

Balaclava – a radiometric target some 700m in length which occurs where the twinned linear magnetic features that cross-cut Tennysons hit the granite-sediment contact, as shown by edge of the dark blue mottled texture in the magnetics. A setting such as this has excellent structural and chemical contrast to focus the deposition of uranium; so, while the signature is not as large in magnitude or areal extent as the other targets, any response in this context is considered encouraging.

Fig 5: Composite image of the new Edith River Project geophysical datasets as a combination of U & U/Th radiometrics (yellow-red) with magnetics (dark blue). Note the two parallel NNW-trending magnetic features running through the Tennysons (marked with arrows).



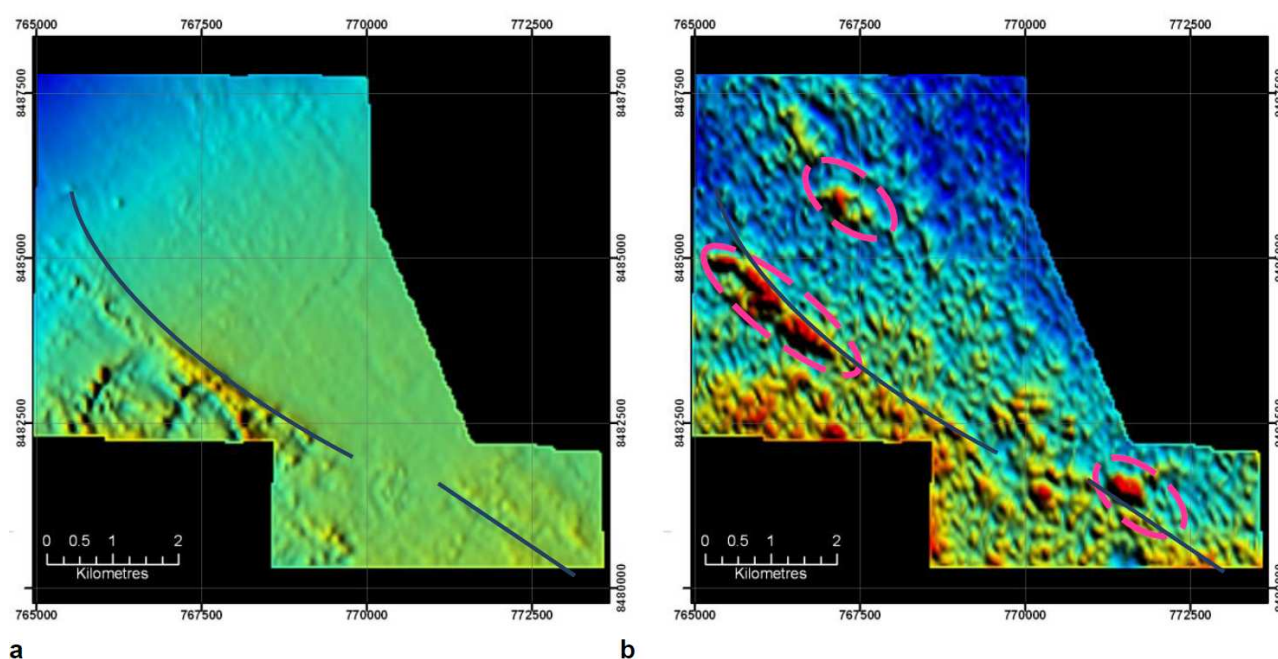
Hayes Creek South Project, NT

The strongest of the Hayes Creek South anomalies are interpreted to be on a splay of the Hayes Creek Fault Zone. Secondary fault splays associated with the Hayes Creek Shear Zone are considered prospective since the recent spectacular uranium discoveries by Thundelarra Exploration Ltd in their Hayes Creek Project, less than 20km to the north. Each of their main discoveries is associated with folding disrupted by secondary faults from the Hayes Creek Shear Zone.

The detailed airborne geophysical work in the Hayes Creek South lease has significantly enhanced the quality of the original main target, and increased the priority of the previous poorly-defined anomalies; the original target will now be able to be rapidly and more accurately assessed, and new targets have been defined that would not previously have been investigated.

Most of the earlier areas of potential interest are now well defined as discrete uranium channel anomalies (pink ovals, fig 6), with the strongest responses confirmed to lie along interpreted fault traces defined in the aeromagnetic data.

Fig 6: a) Total Magnetic Intensity defining subsurface rock types and structure (blue line = interpreted fault splay from HCFZ); **b)** Uranium Channel Radiometrics defining discrete zones of relative uranium enrichment at surface (pink ovals = primary targets)



The elongate uranium channel anomaly at the western edge of the survey area is 2.5km long, and remains the prime target in the lease. It lies along a distinct boundary between two magnetic domains interpreted to reflect a secondary component of the Hayes Creek Fault Zone.

There also appears to be a less pronounced set of north-northwest trending lineaments, visible both in the magnetic and radiometric data, associated with a number of smaller radiometric anomalies to the east of the larger one.

The strongest expression of this feature is seen in both datasets associated with a discrete uranium channel anomaly at the intersection with the interpreted splay from the Hayes Creek Fault Zone to the south east of the survey area. This increases the prospectivity of this anomaly being related to a structurally-controlled bedrock feature.

Marrakai Project, NT

At Marrakai, 30km to the northwest of the Rum Jungle Uranium Field, radiometric anomalism associated with the brittle-ductile deformation of a heterogeneous Proterozoic sedimentary and volcanoclastic package is the key target.

The new detailed geophysical data has helped resolve the radiometric anomalism, and better define the faulting disrupting the sedimentary package, with the strongest feature disrupted by a previously unknown break, near the intersection of a number of interpreted faults.

The fault-disrupted uranium channel anomalies will become the initial targets for further work in this area.

Daly River Road, NT

Ground geophysics and reconnaissance mapping and sampling are planned for the Daly River Road tenement during the 2010 field season.

Specimen Reef Project, Tasmania

On relisting Resource Star acquired the rights to a joint venture project in Tasmania targeting iron oxide-copper-gold (IOCG) mineralisation along strike from the Savage River magnetite mine. IOCG deposits can also contain significant amounts of uranium, and a historic drill-hole at Specimen Reef has a 20cm intersection of high grade gold and uranium mineralisation.

The JV partners are preparing to launch an IPO on their portfolio towards the middle of 2010

Lake Barlee Project, WA

During the last quarter Resource Star was granted a second exploration licence in WA over the western portion of Lake Barlee playa lake system. This complements the existing tenement, to which Resource Star has the uranium exploration rights, where reconnaissance and historic sampling has indicated the presence of low level uranium mineralisation at and near surface in lake margin sediments.

Once landholder access is negotiated the airborne radiometric anomalies around the edges of the lake will be tested with a shallow drilling programme.

NB "eU₃O₈" results are "equivalent" uranium grades derived from spectrometer or down-hole gamma probe readings determined by spectral analysis of gamma radiation using field instruments.

Equivalent U₃O₈ results may be affected by local disequilibrium caused by the mobility of uranium, so variation between chemical assays and field instrument-derived values may occur.

It is considered that eU₃O₈ values from drilling can provide a representative estimate of the actual U₃O₈ grade, but the refinement of local disequilibrium factors is required. Surface samples are particularly likely to be affected by local disequilibrium, caused by the extra mobility of uranium in the weathered environment, and other factors. It is considered that surface eU₃O₈ values provide a qualitative indication of the distribution and potential magnitude of uranium mineralisation.

Corporate

Option Entitlement Issue

On 17 June 2010 Resource Star Limited lodged an Option Entitlement Prospectus and Appendix 3B to shareholders of record on 28 June 2010. The Options are to be issued at 1c per Option on the basis of one Option for every two shares held on the record date, for a total potential issue of 25,964,091 Options. The issue was to close on 14 July, and each Option to be issued will be exercisable into one Resource Star share at an exercise price of 20c at any time up to 30 September 2012. The Options are intended to be listed.

Extraordinary General Meeting

On 21 June 2010 the company announced an Extraordinary General Meeting to be held on July 2010 in order to (a) authorise a future placing of up to 25,000,000 new shares, (b) approve an earlier issue in November 2009 of 3,742,475 shares and so renew and rebase the ability of the company to place shares equivalent to up to 15% of its issued capital without further shareholder approval, (c) approve the issue of up to 20,000,000 lead manager options to Allegra Capital Pty Ltd at a price of 0.35c per option (and otherwise on the same terms as the Options issued under the Option Entitlement Issue), and (d) approve the appointment of Cyril Geach as a director on 22 April.

Cash Position

As at 30 June 2010 the Company held \$1.557 million in cash. (cf March 2010: \$1.725M)

A copy of the Company's Mining Exploration Entity Quarterly Report (Appendix 5B) is attached in accordance with Listing Rule 5.3.

Company Directory

Resource Star Ltd

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Directors

Andrew Bell (Chairman/CEO)

Ross Kestel (NonExec)

Rob Benussi (NonExec)

Cyril Geach (NonExec)

Management

Richard Evans (Consultant)

Frederick Bell (General Manager)

Eryn Kestel (Company Secretary)

Share Registry

Computershare Ltd

GPO Box D182

Perth, WA, 6840

ASX Listed Securities (as at 30 June 2010):

51,928,182 ordinary shares

Competent Person Statements

The information in this report that relates to Exploration Results is based on information prepared by Stephanie Wilk, MSci, and reviewed by Mr Richard Evans, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Evans is a consultant of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Evans consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This report contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information might include, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, shareholder value, projections, targets and expectations, Mineral Reserves and Resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, uranium prices, demand for uranium, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions. Persons reading this report are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Report.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information