RESOURCE STAR

ASX Release ASX: **RSL**
11 July 2011

INVESTOR UPDATE ON MACHINGA HEAVY RARE EARTHS PROJECT IN MALAWI

Resource Star Ltd ("Resource Star") is pleased to draw shareholders' attention to the attached Investor Update on the Machinga REE Joint Venture Project in Malawi (the "Project") that was released to the ASX this morning by Globe Metals and Mining Limited ("Globe"). Globe has earned 20% of the Project to date and can earn up to 80% of the Project by completing a Feasibility Study.

Resource Star is particularly encouraged by the following comments made by Globe in the update:

- **"5,000m drilling program planned for 2011"**
- **"Exploration budget of $500,000 for 2011"**
- **"Machinga is in the right location, and initial results confirm the potential of the Project."**
- **"Machinga North is just one of seven targets within the EPL; enormous potential to confirm a significant economic REE deposit."**
- **"Globe is excited at the now demonstrated heavy rare earth potential at Machinga, and in particular, the very high grades of dysprosium that have been encountered."**
- **"The Company is very excited by the 2011 drill program and regional exploration at Machinga. A steady flow of results will be released over the remainder of the year."**
- **"By the end of 2011, Globe will have a better understanding of the REE potential at Machinga. Clearly, the potential is significant."**

Simon Heggen, Managing Director of Resource Star said, "We are delighted with the progress Globe has been making at Machinga. Most importantly, we note the very high heavy rare earth ratio to total rare earths previously identified at Machinga North and the very high grades of dysprosium that have been found to date. We are looking forward to receiving the results of the upcoming exploration program at Lingoni, and Machinga North, Central and South over the remainder of the year."

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About Resource Star Ltd

Resource Star Ltd is a publicly-listed Australian company (ASX: RSL) that has interests in uranium and uranium-associated exploration assets in the Northern Territory, Western Australia, Tasmania and Malawi.

The Company's main projects are the 100%-owned Edith River and Hayes Ck South Uranium Projects in the Northern Territory, the Spinifex joint venture with Thundelarra Exploration in Western Australia, and joint ventures with Globe Metals & Mining on the Machinga Niobium-Rare Earths Project and the Livingstonia Uranium Project in Malawi. Globe is managing the Machinga program, with input from Resource Star, and they have currently earned 20% equity through 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.

In July 2011, Resource Star reported an upgraded JORC-compliant Inferred Resource for Livingstonia, of 8.3 Mt @ 325ppm eU_3O_8 for a total of 6.0 Mlb of contained metal.

About Globe Metals & Mining Limited

Globe is an African-focused resource company, specialising in rare metals such as niobium, tantalum and rare earths, as well as other commodities including fluorite, uranium and zircon. Its main focus is the multi-commodity Kanyika Niobium Project in Malawi, Africa, which will commence production of ferro-niobium in 2014, a key additive in sophisticated steels.

Globe also has a number of other projects at an earlier stage of development: it is earning up to an 80% interest in the Machinga Rare Earth Project in southern Malawi, and the Company can earn up to a 90% interest in the Mount Muambe REE - Fluorite Project in Mozambique. Initial drill programs on both projects were undertaken in 2010.

Globe has regional offices in Lilongwe, Malawi, and Tete, Mozambique and has its corporate head office in Perth, Australia. The Company has been listed on the ASX since December 2005 (Code: GBE).

In April 2011, the Company entered into a strategic partnership with East China Minerals Exploration and Development Bureau (ECE), a Chinese State Owned Enterprise with extensive mining operations in China and overseas. ECE is now the largest shareholder in Globe, and a key partner for Globe's growth ambitions in Africa.

Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Richard Evans, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Evans is an employee 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, estimates or options, future events or results.

Machinga REE Project, Malawi

Investor Update

11 July 2011

Globe Metals & Mining

Disclaimer and Competent Person

Disclaimer: The views expressed in this presentation contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. Any forward looking statements in this presentation have been prepared on the basis of a number of assumptions which may prove incorrect and the current intentions, plans, expectations and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside Globe Metal & Mining Limited's control. Important factors that could cause actual results to differ materially from the assumptions or expectations expressed or implied in this presentation include known and unknown risks. Because actual results could differ materially to the assumptions made and Globe Metal & Mining Limited's current intentions, plans, expectations and beliefs about the future, you are urged to view all forward looking statements contained in this presentation with caution. This presentation should not be relied upon as a recommendation or forecast by Globe Metals & Mining Limited. Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

Competent Person: The contents of this report relating to geology and exploration results are based on information reviewed by Dr. Julian Stephens, Member of the Australian Institute of Geoscientists and Non-Executive Director for Globe Metals & Mining Limited. Dr Stephens has sufficient experience related to the activity being undertaken 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 and consents to the inclusion in this report of the matters reviewed by him in the form and context in which they appear.

Project and Investment Highlights

- ✓ Project highly prospective for high-grade heavy rare earth oxides (HREOs) and Nb-Ta-Zr.
- ✓ Machinga North drilling highlights to date include:
  - MARC005: 11m @ 1.0% total rare earth oxide (TREO) with 330ppm Dy_2O_3 (from 12m)

    Inc.: 4m @ 1.4% TREO with 492ppm Dy_2O_3 (from 19m)
  - MARC015: 5m @ 1.5% TREO with 596ppm Dy_2O_3 (from 26m)

    Inc.: 1m @ 2.5% TREO with 971ppm Dy_2O_3 (from 27m).
- ✓ Very high ratio of HREO:TREO, peak 39%, average 32%.
- ✓ 7km radiometric anomaly registering a 2.7 by 0.3km main target zone.
- ✓ Machinga North is just one of seven targets within the EPL; enormous potential to confirm a significant economic REE deposit.
- ✓ Southern Malawi is a proven region for hosting economic REE deposits.
- ✓ Dysprosium a highly sought after metal – price rise of 5x in 2011!

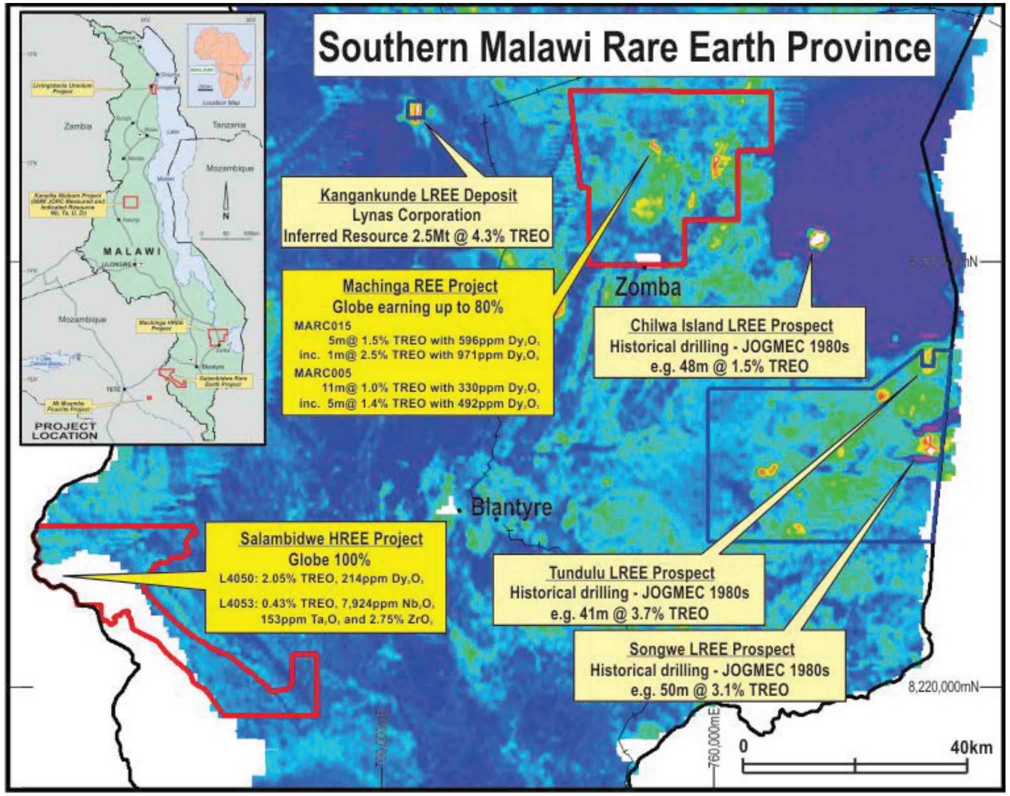
Machinga is in the right location, and initial results confirm the potential of the Project.

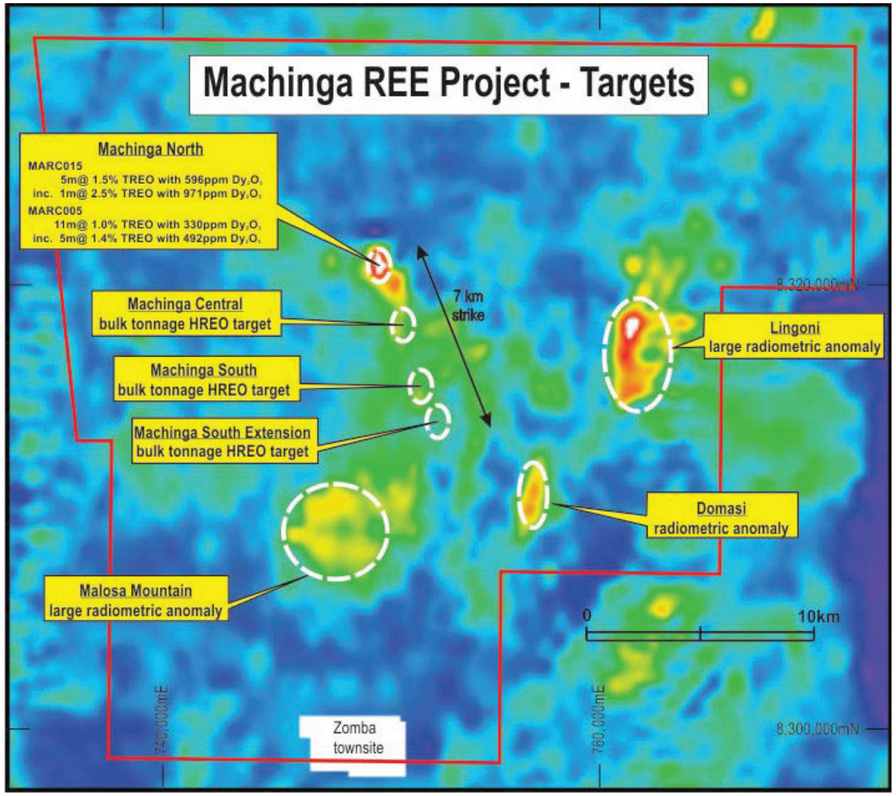
Project and Investment Highlights

- ✓ 5,000m drilling program planned for 2011
- ✓ Major auger and soil-pit sampling program over the Lingoni and Machinga Central/South targets
- ✓ Exploration budget of $500,000 for 2011
- ✓ Strong cash position will enable the Company to realise the Project's potential – $45m @ May 2011
- ✓ Project located along the major Lilongwe – Zomba highway
- ✓ Technical and administrative team based in Malawi
- ✓ Globe can earn up to 80% of project; 20% currently held

Globe's strong cash position will ensure that the Project's full potential is realised via well-funded and thorough exploration.

Project Location





Machinga North is just one of seven targets within the concession. Southern Malawi is clearly prospective for REEs, and radiometric anomalism is the known pathfinder.

Globe
Metals & Mining

Recent Exploration – Machinga North

- Q1 2010 – initial trenching program show multiple zones of HREO mineralisation:
  - MATR001: 7m @ 1.26% TREO
  - MATR002: 33m @ 0.71% TREO

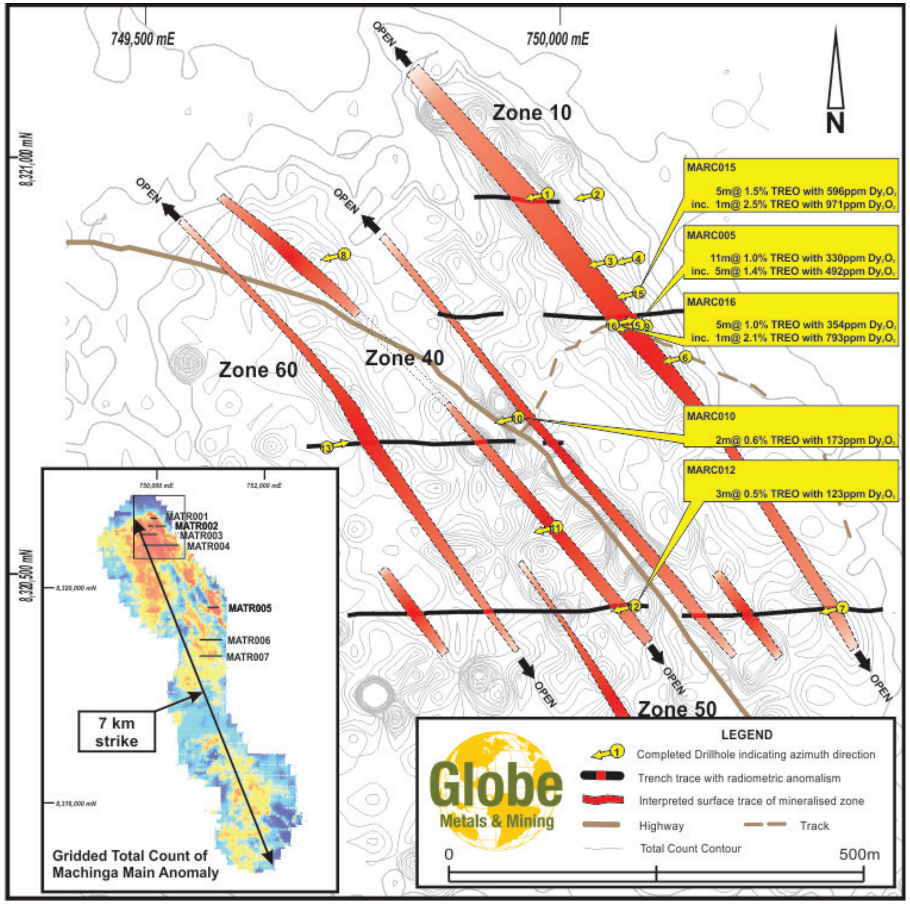
    Inc.: 11m @ 1.00% TREO with 0.46% Nb_2O_5
  - Very high ratio of HREO:TREO - average 38%
- Q3 2010 – maiden drill program confirms multiple zones of near surface, high-grade heavy rare earth mineralisation. At least three separate zones of HREO-Nb-Ta-Zr mineralisation with high dysprosium (Dy_2O_3) including:
  - MARC005: 11m @ 1.0% TREO with 330ppm Dy_2O_3 (from 12m)

    Inc.: 4m @ 1.4% TREO with 492ppm Dy_2O_3 (from 19m)
  - MARC015: 5m @ 1.5% TREO with 596ppm Dy_2O_3 (from 26m)

    Inc.: 1m @ 2.5% TREO with 971ppm Dy_2O_3 (from 27m)

Globe is excited at the now demonstrated heavy rare earth potential at Machinga, and in particular, the very high grades of dysprosium that have been encountered.

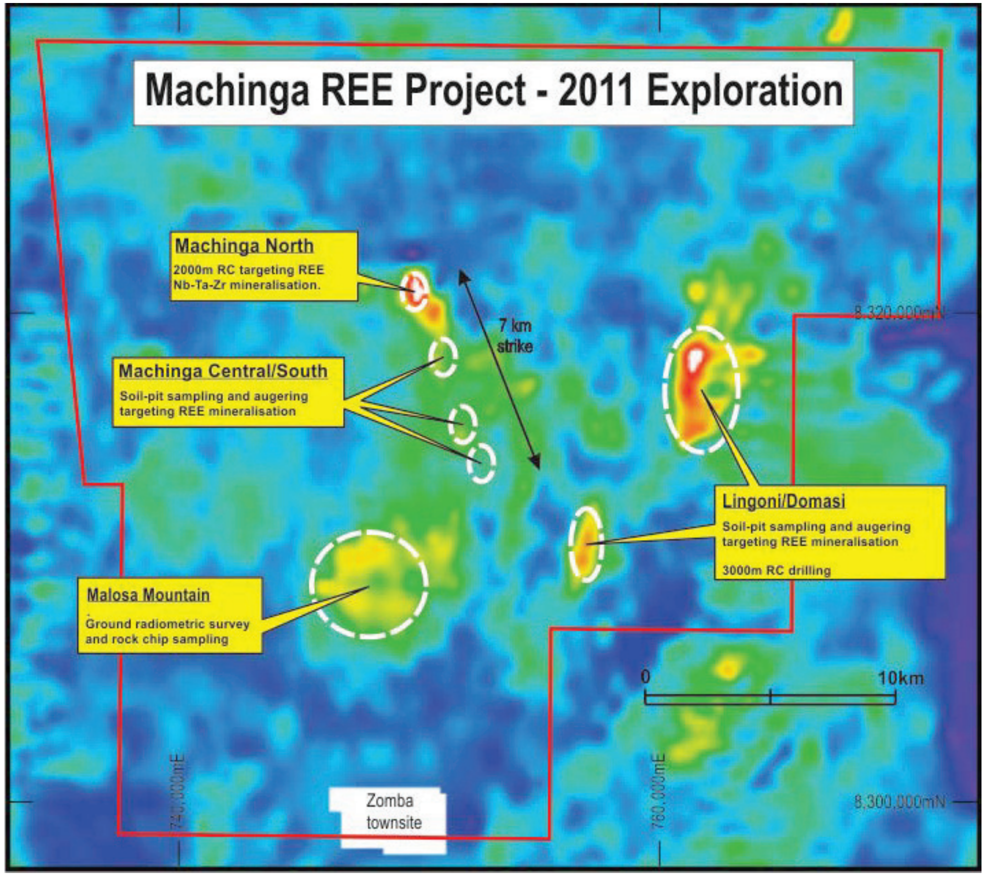
Recent Exploration – Machinga North



- Drilling program comprised 16 RC holes for a total of 1,688m.
- Designed to test four of at least seven parallel zones of surface REO – Nb- Ta – Zr mineralisation identified in Globe's trenching program.
- Zone 10 has the highest TREO grades and HREO:TREO ratios.
- Very high heavy rare earth ratio (HREO:TREO), averaging 33% with a peak of 39%.
- High-value commodities Dysprosium (Dy), Thulium (Tm), Ytterbium (Yb) and Lutetium (Lu) occur in high grades.
- Ratios (to TREO) of these heaviest three rare earth elements (Tm, Yb and Lu) in Zone 10 are amongst some of the highest reported in the world.
- Reconnaissance exploration on Lingoni and Domasi targets was undertaken.

The majority of drill holes in Zone 10 intersected REO mineralisation near surface at depths between 10m and 50m.

Exploration Targets for 2011



<u>July 2011 – Lingoni:</u>

- Drill targeting using soil sampling and pitting radiometric anomalies focussing on HREO and Nb-Ta-Zr mineralisation.

<u>August 2011 – Machinga North:</u>

- Commence 2000m RC drill program on the 6 known zones – strike and dip extensions to Zone 10 and 60 the main priority.

<u>September 2011 – Machinga Central/South:</u>

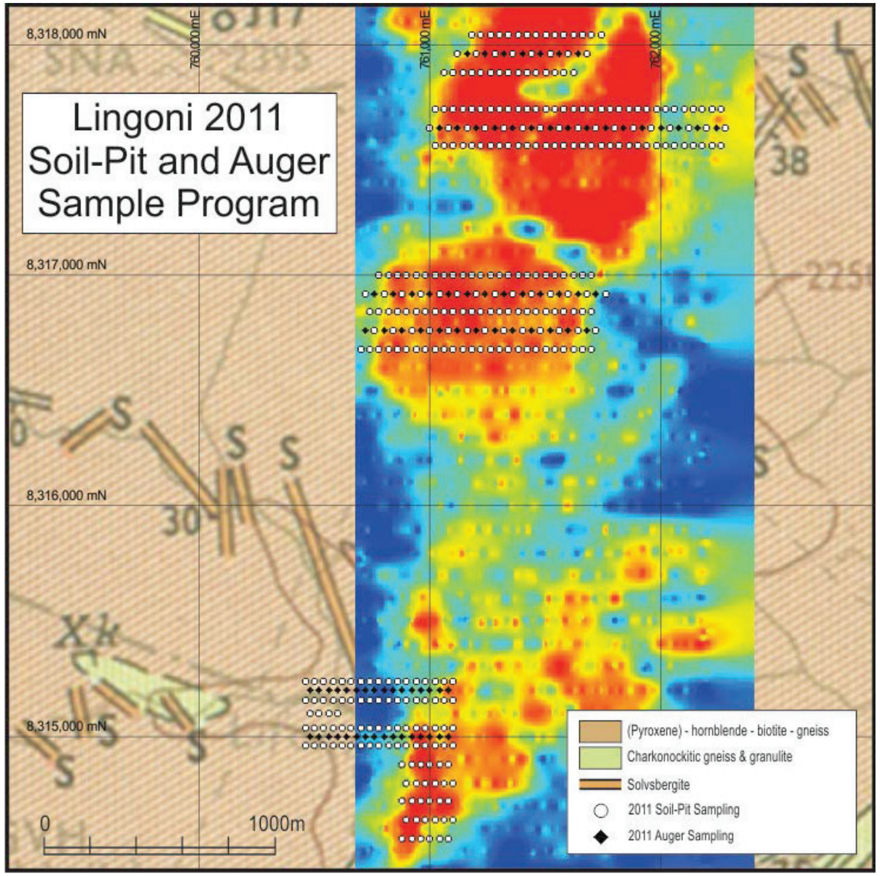
- Drill targeting using soil sampling and pitting radiometric anomalies focussing on HREO and Nb-Ta-Zr mineralisation.

<u>October 2011 – Lingoni:</u>

- Commence 3000m RC drill program on the targets identified in the soil sampling and pitting programs.

The Company is very excited by the 2011 drill program and regional exploration at Machinga. A steady flow of results will be released over the remainder of the year.

Exploration Target - Lingoni



- The shown radiometric signature is from ground surveys carried out in early 2011.
- Lingoni anomaly approx. 3km long by up to 1km wide.
- Figure shows the targeted soil sampling and pitting of radiometric anomalies to be undertaken in July 2011 – focus on HREO and Nb-Ta-Zr mineralisation.
- Subject to results to commence 3000m RC drill program on the targets identified in the soil sampling and pitting of radiometric anomalies.

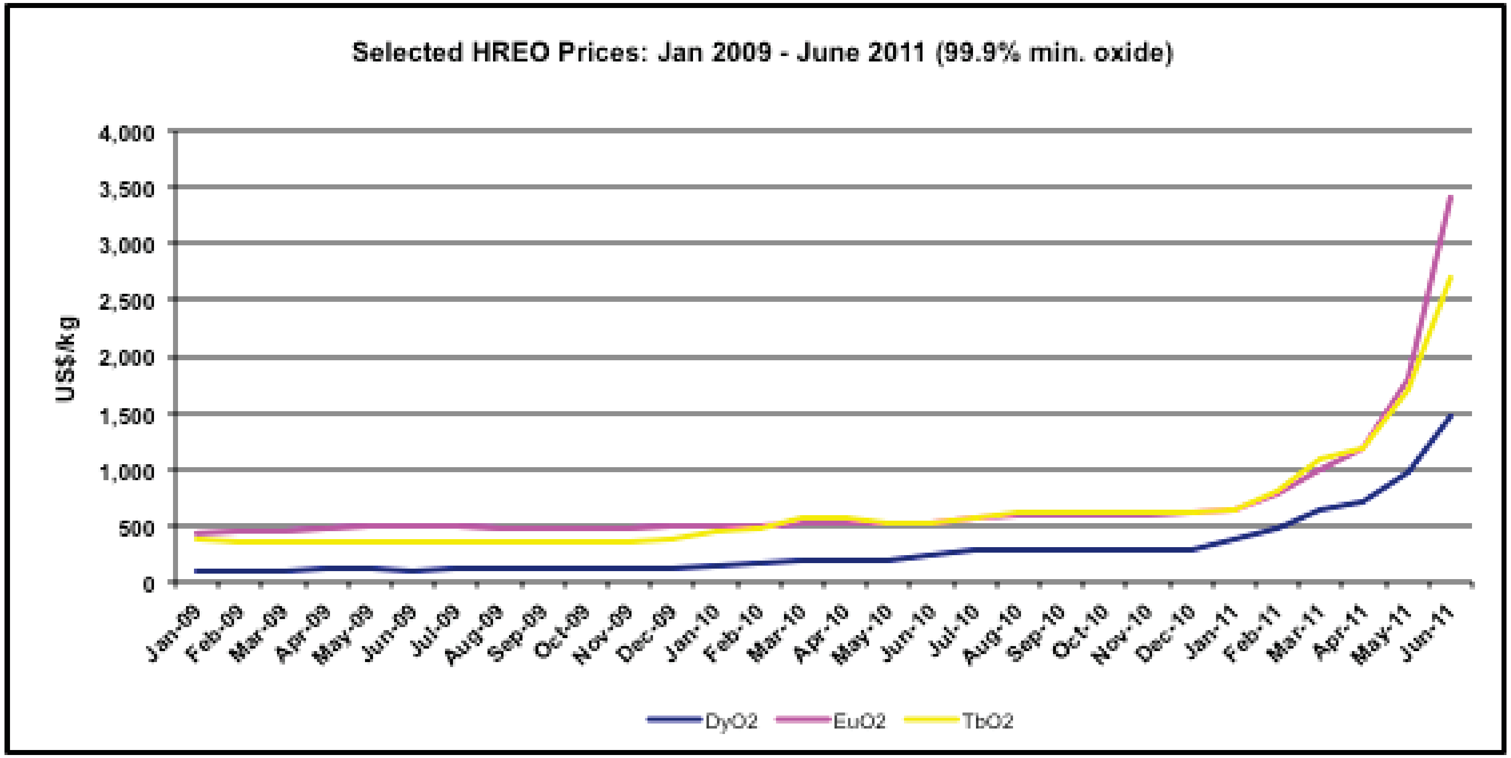
Lingoni will be the second target to be explored, after Machinga North.

REE Market & Prices – Strong Fundamentals

- Current market size is 115,000tpa TREO production
- Forecast market growth of 60% through to 2015
- Primary demand drivers include growth in advanced and green-related technologies such as hybrid cars, consumer electronics and wind turbines
- Secondary/consequential demand arising from stockpiling by US and China, among others
- Supply currently constrained by structural changes in primary market (China >95% production) – reducing export quotas, environmental clean-up, industry consolidation, stockpiling (especially HREOs) and prevention of illegal production and exports
- Over the medium to long term, key REEs are dysprosium, terbium, europium (HREO) and neodymium and praesodymium (LREO) – based on forecast demand and supply (including likely new production), even China will be an importer of HREOs by 2015, notwithstanding that it is the only current producer

By the end of 2011, Globe will have a better understanding of the REE potential at Machinga. Clearly, the potential is significant.

REEE Market & Prices



Prices of these critical HREO's have increased 5x in 2011.

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