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RESOURCE STAR QUARTERLY REPORT TO 30 SEPTEMBER 2011

HIGHLIGHTS

Operations

- The precise location of the Livingstonia tenement northern boundary has been clarified with the Malawian authorities and a further 100 metres extension granted, resulting in an additional 400 metres of mineralised strike length of the Chombe prospect (Inferred JORC resource of 8.3Mt @ 325ppm eU₃O₈ for 6.0Mlbs of contained metal) being available for exploration
- All permits have been obtained for the proposed drilling programme at the Spinifex Uranium Project in Western Australia. The Exploration Licence has been extended for a further two years

Corporate Development

- After the end of the quarter it was announced that the acquisition of a strategic interest in the TSX-V listed Cue Resources from Red Rock Resources and Regency Mines will not proceed at this time. The conditional agreement to acquire the strategic interest was announced to the ASX on 4 May 2011
- The parties have agreed to monitor the situation and may consider renewing discussions in the future

Funding

- Resource Star Limited's ("RSL") major shareholder Red Rock Resources plc confirmed its intention to provide RSL with on-going financial support, if RSL requests such support

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Introduction

Resource Star Ltd ('Resource Star', 'RSL' or 'the Company') (**ASX: RSL**) is pleased to provide its quarterly report for the period ended 30 September 2011.

Resource Star's strategy is to grow shareholder wealth by identifying, acquiring and exploring uranium, rare earth and uranium related specialty metals resources, in development friendly environments.

During the quarter, Resource Star has continued a disciplined focus on developing its portfolio of uranium, rare earth and uranium-related projects in regions of known prospectivity that present strong mineral development potential, namely Australia and Malawi in south eastern Africa.

Resource Star's principal projects are:

- Joint ventures with Globe Metals & Mining ("Globe") on the Livingstonia Uranium Project and the Machinga Heavy Rare Earths Project in Malawi
- A joint venture with Thundelarra Exploration on the Spinifex Uranium Project in Western Australia
- The 100%-owned Edith River Uranium Project in the Northern Territory.

Resource Star will continue to evaluate new opportunities that are consistent with our strategy.

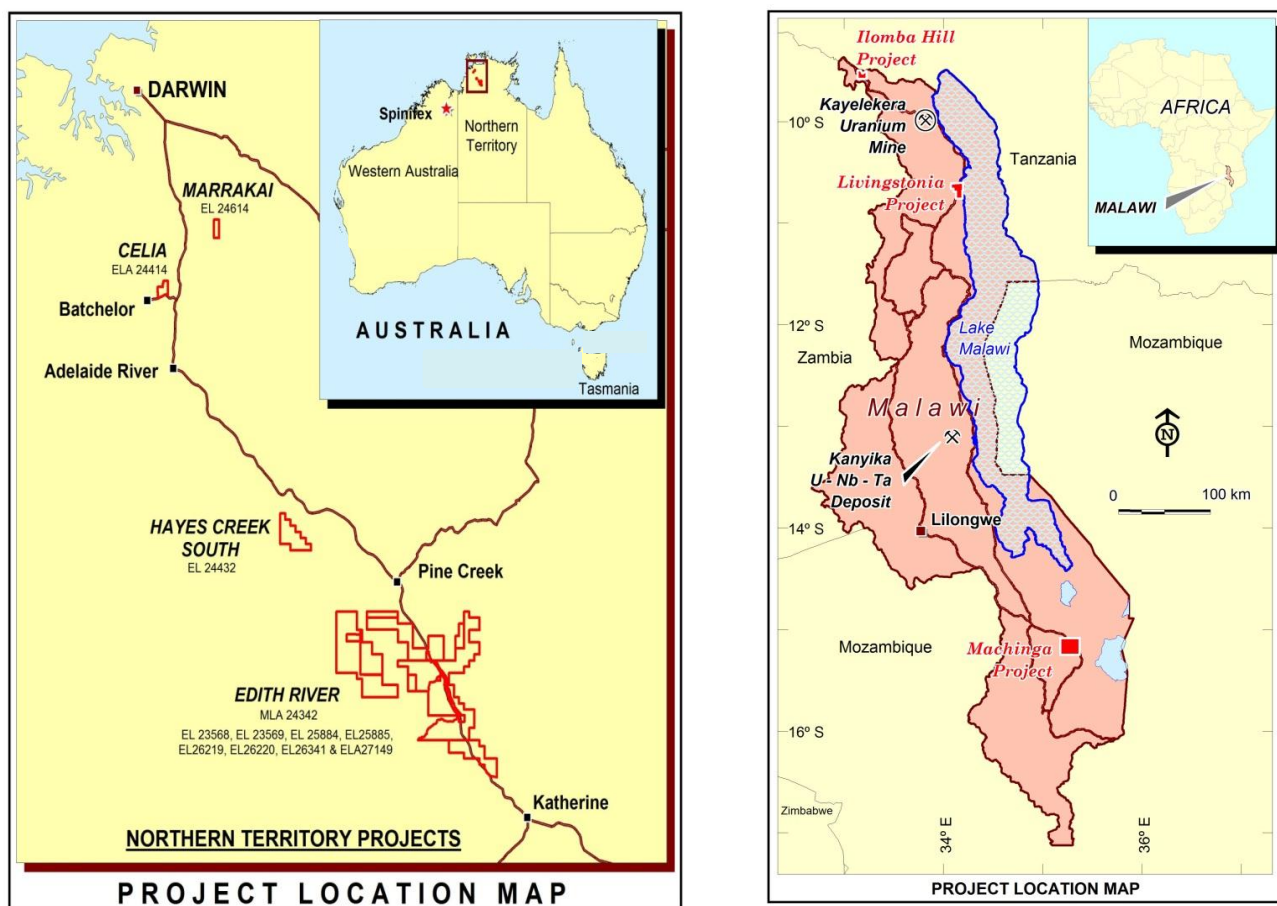


Figure 1: Resource Star's Projects in Australia and Malawi

Operations

Livingstonia Uranium Project - Malawi

Following a visit to the Livingstonia Project by RSL's Exploration Manager, RSL sought clarification from the Malawian authorities regarding the positioning of the northern boundary of the exploration licence and the projection system used to determine that boundary. Following that clarification it was apparent that the northern boundary of the tenement was 300 metres further north than previously understood. In addition, a further 100 metres of ground to the north of that boundary was able to be applied for and now has been granted as an extension to the existing exploration licence.

The additional 400 metres is unexplored. The mineralisation identified to date at the Chombe Prospect extends in a north westerly direction into this area. The geophysical anomaly that indicates the presence of the Chombe Prospect extends across the extended tenement boundary into an exploration licence held by Paladin Energy Ltd. This newly recognised and acquired ground will be a focus of the next round of drilling at Livingstonia.

Mineralisation at Livingstonia was discovered by Globe and as announced to the ASX on 16 March, 2010, Resource Star and Globe signed a joint venture agreement to explore the Livingstonia Project. Resource Star is earning up to 80% equity in the Project through delivery on project development milestones.

Globe had drilled 95 holes at Livingstonia for a total of 11,000 metres, during 2007-08 using both reverse circulation ('RC') and open hole percussion with a combination of either or both laboratory analysis or downhole gamma probing. Drilling targeted three prospects, with the majority occurring at the Chombe Prospect.

In July 2010, on the basis of the historical Globe drilling, CSA Global completed a Mineral Resource Estimate on the Chombe Prospect, and defined an Inferred Resource of 7.7Mt @ 270 ppm eU₃O₈ using a 150 ppm cut-off.

At the end of 2010 Resource Star completed a programme of a further 13 percussion holes for a total of 1,502m on the Chombe Prospect. Mineralised zones were intersected in all but one of the holes, with some significant thick intersections along the eastern edge of the July 2010 Resource boundary.

Following the receipt of new drilling results in the March Quarter 2011, CSA Global was engaged to complete an independent update of the JORC compliant Inferred Resource. The results of that review were released on 22 June 2011.

CSA Global's updated estimate of the Inferred Resource is 8.3 million tonnes averaging 325 ppm eU₃O₈ for a contained 6.0 million pounds of U₃O₈ (or approximately 2,700 tonnes of contained eU₃O₈) at a lower cut-off grade of 150 ppm eU₃O₈. Table 1 below shows a comparison between the initial Resource Estimate and the Estimate released during the June Quarter 2011.

Future work will focus on the exploration potential that exists in a number of areas around the defined Resource, namely:

- East of the northern end of the Resource, where recent drilling has defined excellent thick zones of mineralisation
 - Along strike from the interpreted NW trending zone of this thickened, higher grade mineralisation defined in the 2010 drilling within the Resource
 - Within the Resource, where interpretation suggests that earlier drilling has not always drilled through the full thickness of the host sequence
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- In the new lower grade zone to the south, where sparse drilling indicates potential for defining shoots of higher grade mineralisation within the system and within the areas defined as resource potential by CSA Global

Cutoff ppm eU ₃ O ₈	July '10 Inferred Rc			June '11 Inferred Rc			Comparison		
	Million Tonnes	ppm eU ₃ O ₈	Mlb eU ₃ O ₈	Million Tonnes	ppm eU ₃ O ₈	Mlb eU ₃ O ₈	Tonnage increase	Grade Increase	Metal increase
150ppm									
Northern Zone	7.7	270	4.6	6.7	361	5.3	-13%	34%	16%
Southern Zone				1.6	178	0.6			14%
Total	7.7	270	4.6	8.3	325	6.0	8%	21%	30%
200ppm									
Northern Zone	4.2	352	3.2	5.7	395	4.9	35%	12%	52%
Southern Zone				0.1	244	0.1			2%
Total	4.2	352	3.2	5.9	388	5.1	42%	10%	56%

Table 1: Comparison between July 2010 and June 2011 Livingstonia Mineral Resource Estimates. Note – all figures are rounded to reflect appropriate levels of confidence; apparent errors in addition are due to rounding.

CSA Global has been commissioned to undertake a desk-top conceptual study to assess alternate development options to provide input to the data collection requirements and potential minimum size requirements for the different options.

Ilomba Hill Nb – U – REE Project - Malawi

The 90%-owned Ilomba Hill Project in northern Malawi is centred on well-defined radiometric targets identified within an alkali syenite intrusion by airborne geophysical surveys.

Historical results from Ilomba Hill have previously highlighted the prospectivity of the licence with four of the eight historical samples being highly anomalous in niobium (>1% Nb₂O₅) and uranium (2,000ppm to >1% U₃O₈), with six demonstrating elevated zirconium results (>0.5% ZrSiO₄).

Results from systematic soil sampling of the radiometric targets received in full during the quarter, were intended to provide targets for further exploration as well as indicating the distribution of non-radiogenic metals, such as niobium, tantalum, zircon and potentially any rare earth elements in the system. Resource Star announced on 28 April 2011 that it has identified significant geochemical anomalies following the systematic soil survey, which has now defined a large area of REE anomalism separate from the known radiogenic feature that requires further follow-up.

A total of 914 soil samples, including QAQC, were taken over the Ilomba Hill alkali intrusive complex and surrounding areas covering approximately 10km². The data identifies a number of anomalous features with many of the targets in areas that were not highlighted by the airborne geophysics.

No exploration activity took place during the September quarter. Future work will include follow-up mapping and systematic rock-chip sampling or trenching as required, and development of an initial shallow drill-testing programme on the basis of integrated results.

Spinifex Uranium Project - WA

On 4 April 2011, Resource Star announced that it had entered into a joint venture with Thundelarra Exploration on the Spinifex Uranium Project in Western Australia. The project consists of a single tenement covering 30 square kilometres and is located some 50 kilometres south of Kununurra and approximately 60 kilometres north of the Argyle diamond mine.

During the June quarter, the Company completed detailed geological mapping in and around the Spinifex and A1 prospects with the assistance of CSA Global, to confirm drill hole locations for an upcoming diamond drill programme. Historical results from both prospects detail that Uranerz and Metals Miniere identified highly anomalous, apparently remobilised uranium, above an unconformity at Spinifex in the 1970's. More recently, Thundelarra identified a new zone of remobilised surface mineralisation along the unconformity at the nearby A1 prospect. Of a total of 20 samples, it is reported that half were in excess of 2,000ppm U_3O_8 , with the maximum result being 13.5% U_3O_8 .

The geological mapping completed by Resource Star since entering the JV, has extended the known area of surface mineralisation, which has enabled drill hole locations to be defined and drilling parameters to be set.

A Work Clearance Survey with the Traditional Owners, the Miriuwung Gajerrong Corporation, was completed to clear the proposed drilling locations.

During the September quarter, RSL was successful in seeking permits for the maiden drilling programme to target the interpreted zone of fault associated unconformity. Following the end of the quarter, a two year extension to the exploration license, E80/3572, was granted.

Due to the time taken to secure the extension to the exploration licence and the proximity of the northern Australian wet season, RSL has decided to defer its planned drilling programme at Spinifex until after that wet season has concluded.

Northern Territory

During the quarter we received a report from CSA Global detailing mapping undertaken at the O'Sheas Hill Propsect at Edith River. The report confirmed the presence of discrete sediment related anomalism in an area of structural disruption near the interpreted unconformable contact between formations of different age.

Planning continues for further exploration activity in the Northern Territory following the wet season.

Machinga Heavy Rare Earths Project - Malawi

On 11 July 2011 Globe provided its shareholders with an update on the Machinga Heavy Rare Earths project in Malawi. Globe has earned 20% of the Project to date from Resource Star and can earn up to 80% of the Project by completing a Feasibility Study.

Globe outlined a \$500,000 exploration plan for 2011 which includes 5,000m of drilling. Globe also made the following comments about Machinga:

- "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 programme 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."

Resource Star is pleased with the progress Globe has been making at Machinga. Most importantly, RSL notes 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. The Company is looking forward to receiving the results of the upcoming exploration programme at Lingoni, and Machinga North, Central and South.

Corporate Development

The Board continues to consider opportunities and projects presented to it that meet Resource Star's criteria for its portfolio.

Corporate

Cash Position

As at 30 September 2011 the Company held \$67,000 in cash.

Subsequent Events

Investment in Cue Resources

On 4 May 2011, Resource Star announced that it had conditionally agreed to acquire a strategic interest in Cue Resources Ltd ("Cue"), a Canadian listed exploration company, from Red Rock Resources plc and Regency Mines plc for C\$2.2 million, subject to shareholder approval.

On 24 October 2011 RSL announced that it will not proceed with the acquisition at this time.

Since the conditional transaction was announced, RSL has been in discussions with RRR and Regency Mines to finalise the transaction. However, the parties have now agreed that the movement in equity market prices since the initial agreement and the continuing uncertainty in global markets mean that proceeding at this time would not be in the interests of RSL's, RRR's or Regency Mines' shareholders.

The parties have agreed to monitor the situation and may consider renewing discussions in the future

Funding

On 4 October 2011 RSL advised the market that its major shareholder, Red Rock Resources has confirmed its intention to provide RSL with ongoing financial support, if RSL requests such support. Subject to any necessary approvals, the support will be provided either by:

- unsecured loans at market interest rates; or
- advancing funds as a prepayment of RRR's allotment under any Entitlement Issue undertaken by RSL; or
- convertible loans on commercial terms.

Any loans would be repayable not later than the completion of RSL's audit for the financial year ended 30 June 2012.

As at 26 October 2010, Red Rock Resources had advanced A\$100,000 to RSL.

Company Directory

Resource Star Ltd

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Andrew Bell (Chairman)

Simon Heggen (Managing Director)

Ross Kestel (Non Exec)

Rob Benussi (Non Exec)

Cyril Geach (Non Exec)

Management

Richard Evans (Technical Consultant)

Baker Khudeira (Exploration Manager)

Eryn Kestel (Company Secretary)

Share Registry

Computershare Ltd

GPO Box D182

Perth, WA, 6840

ASX Listed Securities (as at 30 June 2011):

56,928,182 ordinary shares

Competent Person Statements

The information in this report that relates to Exploration Results is based on information prepared 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
