



RESOURCE STAR

Level 9, 440 Collins Street, Melbourne VIC 3000

[www.ResourceStar.com.au](http://www.ResourceStar.com.au) ABN 71 098 238 585

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# RESOURCE STAR QUARTERLY REPORT TO 31 MARCH 2012

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## HIGHLIGHTS

### **Funding**

- Resource Star successfully finalised a one (1) for one (1) non-renounceable Entitlement Offer at \$0.02 per share to raise approximately \$1.14 million during the quarter.

### **Operations**

- During the quarter, Resource Star advanced planning for the next round of drilling at the Chombe prospect (Inferred JORC Resource of 8.3Mt @ 325ppm eU<sub>3</sub>O<sub>8</sub> for 6.0Mlbs of contained metal) part of the Livingstonia Project in Malawi. Work is currently planned to commence in the June quarter.

### **Corporate Development**

- Following completion of the Entitlement Offer, the Company has reviewed its project priorities. As a result, Resource Star will consider opportunities to realise value from its Northern Territory tenements.

#### **For further information contact:**

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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 31 March 2012.

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. RSL maintained ongoing expenditure restraint, and therefore reduced activity, during the quarter pending completion of the Entitlement Issue which was successfully finalised during the quarter.

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.

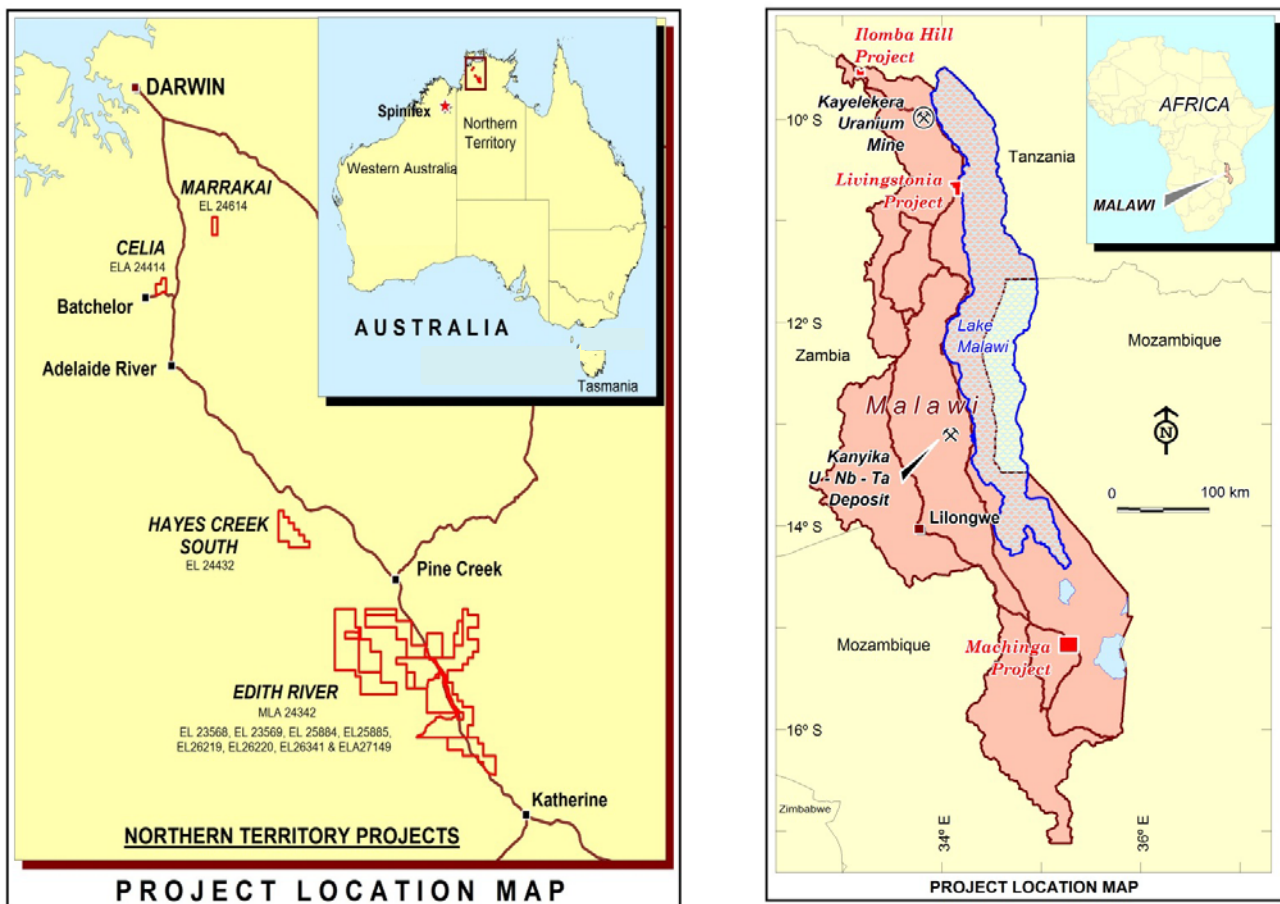


Figure 1: Resource Star's Projects in Australia and Malawi

## Operations

### Livingstonia Uranium Project - Malawi

RSL is earning up to an 80% interest in the Livingstonia Uranium Project in Malawi from Globe Metals and Mining through delivery on project development milestones. On 22 June 2011, RSL announced an updated JORC-compliant Inferred Resource of 8.3Mt averaging 325 ppm eU<sub>3</sub>O<sub>8</sub> for a contained 6.0 million pounds of U<sub>3</sub>O<sub>8</sub> at a lower cut-off grade of 150 ppm eU<sub>3</sub>O<sub>8</sub>, at the Chombe Prospect.

During the quarter Resource Star advanced planning for the next round of drilling at Livingstonia. Discussions have commenced with potential drilling contractors and the Company is currently planning to commence work before the end of the June quarter following the end of the wet season in Malawi.

### Machinga Heavy Rare Earths Project - Malawi

The results of Globe's 2011 drilling programme at Machinga are still awaited.

## Corporate Development

The Board continues to consider opportunities and projects that meet Resource Star's criteria for its portfolio and its capacity to fund those opportunities.

Following completion of the Entitlement Offer, Resource Star has taken the opportunity to review its project priorities and has determined that it will focus activities in the short term on the projects in Malawi and Western Australia. As a consequence of that focus Resource Star will initially be considering opportunities to introduce additional parties to its Northern Territory projects to assist in realising value from those tenements.

## Funding

On 2 February 2012 Resource Star announced a one (1) for (1) non-renounceable Entitlement Offer ("the Offer") to existing Shareholders to raise approximately \$1.14 million.

On 26 March 2012, the Company announced that it had successfully finalised the Offer with all shares available having been taken up through a combination of Entitlement subscriptions, Shortfall Applications and pursuant to the Underwriting Agreement with Red Rock Resources Plc ("Red Rock").

Under the Offer, 23,829,372 of new ordinary shares were subscribed for by existing Shareholders, 18,098,810 by Red Rock pursuant to the Underwriting Agreement and 15,000,000 by an existing Substantial Shareholder pursuant to a Shortfall Placement due for completion in late April 2012.

The proceeds of the Offer are being used to meet the expenses of the Offer, repay short term funding from Red Rock, undertake exploration work on the Company's existing tenements and provide working capital.

Loans totalling approximately \$360,000 have been repaid to Red Rock.

## Corporate

### Cash Position

As at 31 March 2012 the Company held \$172,000 in cash.

As at 27 April 2012 the cash held was approximately \$710,000 representing the proceeds from the Entitlement Offer and shortfall application which were received during April 2012.

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## Company Directory

### Resource Star Ltd

ABN 71 098 238 585

### Registered Office:

Level 9, 440 Collins St

Melbourne, Victoria, Australia, 3000

Phone: +61 3 9607 1322 Fax: +61 3 9607 1329

**Website** [www.ResourceStar.com.au](http://www.ResourceStar.com.au)

**Email** [info@ResourceStar.com.au](mailto:info@ResourceStar.com.au)

### Directors

Andrew Bell (Chairman)

Simon Heggen (Managing Director)

Ross Kestel (Non Executive Director)

Rob Benussi (Non Executive Director )

### 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 31 March 2012):

98,856,364 Ordinary Shares

### Competent Person Statements

*The information in this Announcement that relates to exploration results or mineral resources is based on information compiled by CSA but they have been verified in the context of the Company's involvement in the Joint Venture by Mr Richard Evans, the Company's Technical Consultant, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Evans has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, to the activity that is being reported and Company knowledge to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Evans consents to the inclusion in the report of the matters 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*

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