

Resource Star Limited

Level 9, 440 Collins Street, Melbourne Vic 3000
P. +61 3 9607 1322 F. +61 3 9607 1329

www.resourcestar.com.au ABN 71 098 238 585



14 November 2012
RES00C0RVASX098

Ms S Wutete
Adviser, Listings (Perth)
ASX Compliance Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Sandra

Cash Flows Reported in the Quarterly Report for 30 September 2012

Reference is made to the letter dated 12 November 2012 from ASX Compliance Pty Limited regarding the Company's September 2012 Quarterly Report in the form of Appendix 5B. Resource Star Limited advises as follows:

1. It is possible to conclude, based on the estimated cash outflow for the next quarter as disclosed in the 30 September 2012 Appendix 5B, that the Company may not have sufficient cash to fund its activities in the subsequent quarter if it took no action and continued to expend cash at the rate as per the September 2012 quarter Appendix 5B.
2. The Company expects that it may have negative operating cash flow similar to that reflected in the 30 September 2012 quarter at a future point in time as it is in the business of mineral exploration.

The Company is very aware of its operating cash flow position and has been in discussions with the Company's major Shareholder, Red Rock Resources PLC with regards to financial support.

As announced to the market in the Company's Activity Report for the quarter ended 30 September 2012, Red Rock Resources Limited has confirmed its intention to provide Resource Star Limited with ongoing financial support. The Company will take up this offer from Red Rock Resources before the end of the calendar year.

Furthermore, the Company is likely to undertake a capital raising in early to mid 2013. The capital raisings completed by the Company during the 2012 financial year were well supported and there is no reason to believe this will not be the case during 2013.

3. The acceptance of the offer of financial support from the Company's major Shareholder, ongoing expenditure restraint and a proposed capital raising are intended to ensure that Resource Star Limited is able to continue to meet its business objectives.
4. The Company can confirm that it is in compliance with the listing rules, in particular listing rule 3.1 and based upon the information contained in this response with listing rule 12.2.



Eryn Kestel
Company Secretary



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 9221 2020
www.asx.com.au

12 November 2012

Ms Eryn Kestel
Company Secretary
Resource Star Limited
Level 2
100 Railway Road
SUBIACO WA 6008

Dear Eryn

Resource Star Limited ("Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 September 2012, released to ASX Limited ("ASX") on 30 October 2012, (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and other revenue of \$2,000.
2. Net negative operating cash flows for the quarter of \$213,000.
3. Cash at end of quarter of \$129,000.

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on **facsimile number +61 8 9221 2020** or **email Sandra.Wutete@asx.com.au**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **3.00 pm WST on Wednesday, 14 November 2012**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries please let me know.

Yours sincerely,

[sent electronically without signature]

Sandra Wutete

Adviser, Listings (Perth)

Direct: +61 8 9224 0035