RESOURCE STAR

Level 9, 440 Collins Street, Melbourne VIC 3000

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

RESOURCE STAR QUARTERLY REPORT TO 31 DECEMBER 2012

HIGHLIGHTS

Livingstonia Uranium Project

- The transfer of the Livingstonia Uranium Project in Malawi to Resource Star was approved during the quarter. Application has been made to the Malawi authorities for a two year extension to the underlying EPL.

Specimen Reef Project

- On 27 October 2012 it was announced that Resource Star would acquire 100% of the Spinifex Uranium Project from Thundelarra and the parties would terminate their existing joint venture

Funding

- After the end of the quarter, on 9 January 2013, Resource Star announced that it would undertake a Share Purchase Plan offering eligible shareholders the opportunity to acquire up to $15,000 worth of shares in the Company at two (2) cents per share. A maximum of 34 million shares may be issued under the SPP to raise a maximum of $680,000. If less than 34,000,000 Shares are applied for pursuant to the Offer, the shortfall may be placed at the Directors' discretion, which may include the introduction of an underwriter to the Offer during the Offer period.

- During the quarter, Resource Star's major shareholder, Red Rock Resources plc confirmed its intention to provide Resource Star with on-going financial support

Cost Reductions

- During and after the end of the quarter, the Company has continued to reduce its ongoing fixed cost base commensurate with reduced activity levels and market conditions. Actions taken include the relinquishment of several tenements in the Northern Territory and a move to a more flexible model to manage future exploration. In addition, Mr Simon Heggen will step down from being employed on a full time basis to work with the Company on a contract basis. His Managing Director status does not change.

Andrew Bell, Chairman +44 7766 474849

Simon Heggen, Managing Director +61 3 9607 1322

Introduction

Resource Star Ltd ('Resource Star', or 'the Company') (**ASX: RSL**) is pleased to provide its quarterly report for the period ended 30 December 2012.

During the quarter, Resource Star has continued to focus on its current portfolio of projects in regions of known prospectivity that present strong mineral development potential, namely Australia and Malawi in south eastern Africa and also on expenditure restraint and measures designed to reduce its ongoing fixed operating cost base.

As explained previously, during this time Resource Star has taken the opportunity to gain greater control of its two previously joint ventured uranium projects, Livingstonia and Spinifex at a cost reflecting the current market rather than the more expensive entry terms negotiated during times of higher uranium prices.

These transactions enable Resource Star to retain its exposure to the strongly positive, medium and long term fundamentals for uranium while giving it the capacity to manage expenditure levels with much more flexibility.

Resource Star has continued to consider potential, company transforming acquisition opportunities not necessarily related to uranium. Necessarily, this diversification strategy has the support of major shareholder, Red Rock Resources plc ("Red Rock Resources"). This is fundamental to ensuring that an acquisition of a meaningful size would ultimately be approved by the Company's shareholders.

Operations

Livingstonia Uranium Project - Malawi

On 15 May 2012, Resource Star announced that it had agreed with its joint venture partner, Globe Metals and Mining Limited ("Globe") to restructure their joint venture arrangements and to effectively swap Resource Star's remaining 80% interest in the Machinga Rare Earth Project for Globe's remaining 80% interest in Livingstonia while each party retains a royalty interest in the divested project.

The transfers to give effect to this transaction were approved on 29 November 2012 by the Malawi minister for Mines.

Resource Star has applied to the Malawi authorities for a two year extension to the term of the Livingstonia tenement.

Spinifex Uranium Project

On 29 October 2012, Resource Star announced that it and joint venture partners Thundelarra (ASX:THX) have agreed to terminate their Spinifex joint venture and Resource Star will acquire 100% of the Spinifex tenement (E80/3572) from Thundelarra.

Resource Star believes that this is an opportunity to acquire 100% of a drill ready, potentially high grade exploration project on relatively attractive terms and to deliver greater flexibility for the Company in exploring the tenement.

Under the existing joint venture agreement, Resource Star could have earned 20% equity by completing 1,000m of drilling and a further 31% by spending a total of $500,000. From there, Thundelarra could have chosen to contribute on an equity basis or be diluted to 30% through to completion of a JORC compliant Resource, and further, chosen to contribute or be diluted to 10% on completion of a Feasibility Study.

The 5 million shares to be issued to Thundelarra as consideration are likely to be issued either under Resource Star's 15% placement capacity or possibly from any shortfall in the recently announced SPP.

The NSR in favour of Thundelarra, agreed between the Parties in the original joint venture will be retained by Thundelarra and all cultural and heritage agreements to which Thundelarra is currently party will be sought to be assigned as part of the transaction.

Documentation to execute the transaction is almost finalised.

Spinifex Geology

Spinifex is an unconformity-related uranium project that is located approximately 50km south of Kununurra in Western Australia. The tenement covers about 119 square kilometres. Resource Star and Thundelarra announced the formation of a joint venture to explore Spinifex on 4 April 2011.

Previous exploration at Spinifex by Uranerz and Metals Miniere has reported trenching results of up to 13.5% U_3O_8 and 50% of samples taken recording in excess of 2,000ppm U_3O_8. Work by Thundelarra included 4 samples reporting in excess of 0.5% U_3O_8 and an average for the remainder of 140ppm U_3O_8.

Since the joint venture was formed, the tenement term has been extended for a two year term until the end of 2013 and Resource Star has completed additional geological mapping, identified drill hole locations, and obtained permits and heritage clearance to proceed with an initial drilling program. Indications of the cost of a program have been received and discussions held with prospective contractors.

Northern Territory Tenements

During the quarter, Resource Star decided to relinquish EL26220, EL24614 and EL24432 in the Northern Territory in order to reduce ongoing expenditure commitments and better focus resources. The process of reviewing the remaining Northern Territory tenements and applications continues.

Ilomba Hill Rare Earth Project – Malawi

The samples from the previously announced rock chip programme are yet to be tested.

Specimen Reef Project - Tasmania

Nimrodel Resources Limited (ASX:NMR) has completed the two diamond drill holes as outlined in the previous Quarterly and results are awaited.

Corporate Development

During the last quarter Resource Star has again evaluated opportunities to acquire new projects in both Australia and overseas. To date, none of the opportunities have met the Board's criteria for acquisition.

Given that the likely cost of any acquisition relative to Resource Star's market capitalisation, shareholders would be expected to have the opportunity to formally consider it, have access to comprehensive information and to eventually vote on any acquisition. Resource Star will keep shareholders informed of any developments.

Corporate

Funding

Resource Star's major shareholder, Red Rock Resources has confirmed to the Board of Resource Star its intention to provide Resource Star with financial support. The support will be provided either by equity, short term loans, or bonds or convertible stock. Any loans would not be repayable before October 2013.

Organisation

Resource Star's Annual General Meeting was held on 27 November 2012. After the conclusion of the Meeting Mr Ross Kestel stepped down from the Board to pursue other interests. The Company thanks Mr Kestel for his valuable contribution whilst a Director.

Cash Position

As at 31 December 2012 the Company held approximately $20,000 in cash.

Subsequent Events

Share Purchase Plan

On 9 January 2012, Resource Star announced that it was undertaking a Share Purchase Plan offering eligible shareholders the opportunity to acquire up to $15,000 worth of shares in the Company at two (2) cents per share ("the Offer").

Shareholders of Resource Star as at 8 January 2013 (being the business day prior to the release of this announcement) are entitled to participate in the Offer.

An Offer Document has been distributed to those shareholders entitled to participate.

The Offer is currently scheduled to close on Friday, 8 February 2013. The Board has the discretion to extend the closing date of the Offer and will consider that matter closer to the time. A maximum of 34,000,000 Shares may be issued pursuant to the Offer to raise a maximum of $680,000.

If less than 34,000,000 Shares are applied for pursuant to the Offer, the shortfall may be placed at the Directors' discretion, which may include the introduction of an underwriter to the Offer during the Offer period.

Organisation

To ensure that the Company's ongoing fixed cost base is commensurate with reduced activity levels and current market conditions some organisational changes have occurred or are underway. Resource Star determined to move to a more flexible arrangement regarding exploration management and consequently the contract with Ashgill ended in early January. Future exploration work will be managed on a project basis.

Resource Star's Managing Director, Mr Simon Heggen will step down from being employed on a full time basis to work with the Company on a contract basis. His Managing Director status does not change.

The Company is also reviewing its office requirements with the aim of further reducing administration costs.

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
Email info@ResourceStar.com.au

Directors
Andrew Bell (Chairman)
Simon Heggen (Managing Director)
Rob Benussi (Non Exec)

Management
Richard Evans (Technical Consultant)
Eryn Kestel (Company Secretary)

Share Registry
Computershare Ltd
GPO Box D182
Perth, WA, 6840

ASX Listed Securities (as at 31 December 2012):
114,106,414 fully paid 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