



RESOURCE STAR LIMITED

ACN 098 238 585

NOTICE OF 2011 ANNUAL GENERAL MEETING

TIME: 10.00am (AWST)

DATE: 30 November 2011

PLACE: The Boardroom
Nissen Kestel Harford
Level 2, Spectrum
100 Railway Road
SUBIACO WA 6008

The Annual Report is now available on the Company's website via the following link:

<http://www.resourcestar.com.au/>

This is an important document. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at

- 10.00am (AWST) on Wednesday, 30 November 2011
- Level 2 Spectrum, 100 Railway Road, SUBIACO, WA

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form:

- post to Nissen Kestel Harford, PO Box 8281, Subiaco WA 6008;
- facsimile to Nissen Kestel Harford on facsimile number 08 9367 8812 (within Australia) and +61 8 9367 8812 (outside of Australia)

so that it is received not later than 10.00am (AWST) on Monday, 28 November 2011.

Proxy Forms received later than this time will be invalid.

UNDIRECTED PROXIES

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 2 and 3.

The Chairman of the Meeting also intends to vote undirected proxies in favour of resolutions 4 but **only** if the Proxy Form expressly authorises the Chairman of the Meeting to do so.

The Company encourages all Shareholders who submit a Proxy Form to provide the Proxy with voting instructions for all four (4) Resolutions.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5.00pm (AWST) on Monday 28 November 2011.

Notice of General Meeting

RESOURCE STAR LIMITED

ACN 098 238 585

Notice is hereby given that the Annual General Meeting of Resource Star Limited (the **Company**) will be held at:

Venue: The Boardroom
Nissen Kestel Harford
Level 2, Spectrum
100 Railway Road
SUBIACO WA 6000

Date: Wednesday, 30 November 2011

Time: 10.00am (AWST)

This Notice of Meeting (**Notice**) should be read in conjunction with the accompanying Explanatory Memorandum.

Agenda

Ordinary Resolutions

Adoption of Annual Financial Report

To receive the Annual Financial Report, including the declaration of Directors and accompanying reports of the Directors and auditors for the financial year ending 30 June 2011.

1. Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2011.”

VOTING EXCLUSION STATEMENT: *New legislation has been introduced effective for the 2011 reporting season, which prohibits any votes being cast on Resolution 1 by a person that is disclosed in the Company’s Remuneration Report as a member of the Key Management Personnel (KMP); including Directors and Chairman or a Closely Related Person of that KMP.*

*A KMP or a Closely Related Person may cast a vote on Resolution 1 as a Proxy for a person who is permitted to vote **only** if the Proxy Form expressly authorises and directs the way the KMP or Closely Related Person is to vote on Resolution 1.*

2. Re-Election of Mr Cyril Geach

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, in accordance with clause 13.2 of the Company’s Constitution and for all other purposes, Mr Cyril Geach who retires by rotation in accordance with the Company’s Constitution, offers himself for re-election, is hereby re-elected as a Director of the Company.”

3. Re-Election of Mr Robert Benussi

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That, in accordance with clause 13.2 of the Company’s Constitution and for all other purposes, Mr Robert Benussi who retires by rotation in accordance with the Company’s Constitution, offers himself for re-election, is hereby re-elected as a Director of the Company.”

4. Approval to Issue 3,000,000 Unlisted Options to the Managing Director, Mr Simon Heggen

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Chapter 2E of the corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 3,000,000 Unlisted Options to Mr Simon Heggen or his nominee for nil cash consideration, details as follows:

Quantity	Vesting Date	Expiry Date	Exercise Price
1,500,000 Class A	5.00pm (WST) 30 November 2011	5.00pm (WST) 1 December 2013	15 cents
750,000 Class B	5.00pm (WST) 1 July 2012	5.00pm (WST) 1 December 2013	20 cents
750,000 Class C	5.00pm (WST) 1 July 2013	5.00pm (WST) 1 December 2013	25 cents

and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

VOTING EXCLUSION STATEMENT: For the purposes of Listing Rule 10.13 and Section 224 of the Corporations Act, the Company will disregard any votes cast on this Resolution by Mr Simon Heggen (or his nominees) and any associates of Mr Simone Heggen (or his nominees). However, the Company need not disregard a vote if it is cast:

- as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- by the chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In addition, pursuant to the Corporations Act, the Company’s KMP or Closely Related Person are not permitted to cast a vote as a Proxy for a person permitted to vote, unless the Proxy Form either:

- expressly authorises and directs the way the proxy is to vote on Resolution 4; or
- expressly authorises the Chairman of the Meeting to exercise the undirected proxy vote

General Business

To consider any other business that may be brought forward in accordance with the Constitution of the Company.

By Order of the Board



Eryn Kestel
Company Secretary

06 October 2011

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the Annual General Meeting of Shareholders to be held on Wednesday 30 November 2011 at 10.00am (AWST).

The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice and is a brief explanation of the matters for which Shareholder approval is sought in each Resolution.

Annual Financial Report

The first agenda item is to receive the Annual Financial Report of the Company for the period ended 30 June 2011, comprising the Financial Statements, Directors' Report, Directors' Declaration and Independent Audit Report.

No resolution is required in respect of this agenda item. However, it provides Shareholders with the opportunity to ask questions of the Company's Directors and Auditors in relation to the Company's results for that financial year.

Resolution 1: Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act at a listed company's annual general meeting, the Board is able to present the Company's Remuneration Report to shareholders for consideration and adoption. Voting in relation to Resolution 1 is advisory only and does not bind the Directors or the Company to the outcome passed.

The Remuneration Report:

- (a) Sets out the remuneration arrangements for each Director and for each of the KMP of the Company; and
- (b) Explains the Board's policies in relation to the objectives and structure of remuneration

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

Shareholders should note that the vote on this Resolution is advisory only and does not bind the Company or the Directors. The Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, Shareholders should note that if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the 2011 Annual General Meeting, the first element in the new Board Spill provisions (i.e. the "two strikes rule") will be triggered. While this will not impact on the current year's Annual General Meeting; it will affect the 2012 Annual General Meeting.

Proxy Restriction

Pursuant to the Corporations Act, if the Chairman, or another member of Key Management Personnel or any Closely Related Party is appointed as a proxy to vote on Resolution 1, ***express instructions/directions must be given so that the proxy knows how to vote.***

If no directions on how to vote on Resolution 1 are provided, the Chairman, or another member of Key Management Personnel or any Closely Related Party is prevented by the Corporations Act from exercising the undirected vote and the vote will not be counted in relation to Resolution 1.

Resolution 2: Re-Election of Mr Geach

Clause 13.2 of the Constitution and ASX Listing Rule 14.4 and requires that at the Company's Annual General Meeting one third of the Directors for the time being shall retire from office.

Mr Geach retires as a Director in accordance with clause 13.2 of the Constitution and ASX Listing Rule 14.4 and being eligible offers himself for re-election.

Mr Geach was appointed director on 22 April 2010. Mr Geach has a Bachelor of Science (Hons-Geology), is currently a member of the Australian Institute of Geoscientists and formerly a Licentiate of Royal Society of Chemistry, past Fellow of the Geological Society and past Member of the AusIMM.

He is an experienced and capable Geoscientist-Exploration Business Manager with considerable executive project management skills with over thirty (30) years of exploration and mining experience and a founding executive director of four (4) ASX companies.

Resolution 3: Re-Election of Mr Benussi

Clause 13.2 of the Constitution and ASX Listing Rule 14.4 and requires that at the Company's Annual General Meeting one third of the Directors for the time being shall retire from office.

Mr Benussi retires as a Director in accordance with clause 13.2 of the Constitution and ASX Listing Rule 14.4 and being eligible offers himself for re-election.

Mr Benussi was appointed director on 9 July 2009. He was the Chief Financial Officer, General Manager, Corporate and Company Secretary of Jupiter Mines Limited until his recent resignation on 30 June 2011.

Mr Benussi is currently Executive Chairman of Bligh Resources Limited; an unlisted public company which he is the process of listing on the ASX.

He is also Non-Executive Director of Aard Metals Limited; an unlisted public company.

Mr Benussi holds a Diploma from the National Institute of Accountants and remains a Member of the Institute. He has an extensive background in finance, stockbroking, corporate advisory and business development with companies such as Olin Corporation, Lend Lease, Dalgety and Lion Nathan.

Resolution 4: Approval to Issue Unlisted Options to the Managing Director, Mr Simon Heggen

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue a total of 3,000,000 Unlisted Options to Mr Simon Heggen on the terms and conditions set out below.

The issue of Unlisted Options to Mr Heggen (or his nominee) is designed to reward him for his services to the Company and to act as an incentive for future performance. The Unlisted Options to be issued are in addition to his remuneration package payable by the Company.

Mr Heggen was appointed in the capacity as the Company's Managing Director and is deemed to be a related party of the Company. The issuing of securities to a related party as contemplated by Resolution 4 constitutes the giving of a financial benefit to a related party and the resolution is put to Shareholders for that reason.

Shareholder approval

Shareholder approval for the issue of the Unlisted Options the subject of Resolution 4 is sought for the purposes of:

- Chapter 2E of the Corporations Act 2001 – which governs the giving of financial benefits to “related parties”, which includes Directors of a Company;
- ASX Listing Rule 10.11 – which requires; except in certain circumstances (which do not apply in the present case), the issue of Securities to a director of a company to be approved by the Shareholders of the company by way of ordinary resolution.

As a result of ASX Listing Rule 7.2 (Exception 14), approval of Shareholders is not being sought under ASX Listing Rule 7.1 for the issue of the Options to the named Director.

Chapter 2E of the Corporations Act 2001

Section 208 of the Corporations Act provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company’s members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act (which do not apply in the present case).

For the purposes of Section 228 of the Corporations Act, Mr Heggen is a related party of Resource Star Limited because he is the Managing Director.

Resolution 4 provides for the grant of Unlisted Options to a related party, which is a financial benefit requiring Shareholder approval.

For the purposes of Section 208 of the Corporations Act the following information is provided:

The related party to whom the proposed Resolution would permit the financial benefit to be given

Mr Simon Heggen

The nature of the financial benefit

The proposed financial benefit to be given under Resolution 4 is the grant of 3,000,000 Unlisted Options for no cash consideration to Mr Heggen (or his Nominee). The financial benefit is the ability to exercise the Options prior to December 2013 and purchase:

- 1,500,000 Shares at 15 cents each;
- 750,000 Shares at 20 cents each; and
- 750,000 Shares at 25 cents each.

The financial benefit will constitute part of Mr Heggen’s remuneration package as a Director.

The remuneration to be received by Mr Heggen as a Non-Executive Director in accordance with his employment contract is a base annual remuneration of \$225,000 exclusive of superannuation.

Since the date of Mr Heggen’s appointment on 1 May 2011, Mr Heggen has received benefits from the Company in the form of \$40,875.00 in wages and superannuation.

The Options shall be granted free to Mr Heggen at an exercise price and on the conditions as set out in Schedules 1 to 3

Directors’ recommendation and basis of financial benefit

Mr Heggen declines to make a recommendation in regards to the proposed resolution as he has a material interest in its outcome.

The other Directors (Mr Bell, Mr Kestel, Mr Geach and Mr Benussi) believe that the grant of this number of Unlisted Options is appropriate given the work to be performed by Mr Heggen and his interests will be aligned with those of the Shareholders. The Board also believes the issue is reasonable in light of similar incentive programs within similar organisations' for people in this role.

The Board (excluding Mr Heggen) do not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company is issuing the Unlisted Options upon the terms proposed.

Dilution

If the Options as outlined above are exercised, the effect would be to dilute the shareholding of existing Shareholders. The market price of the Company's Shares during the period of the Options will normally determine whether or not Option holders exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be valued at a price that is higher than the exercise price of the Options.

If all Options to be granted under Resolution 4 were to be exercised, the effect would be to dilute the shareholding of existing Shareholders by approximately 5.27% on an undiluted basis and being based on the total number of Shares of 56,928,182 which assumes there has not been the issue of any other Securities.

Existing relevant interest

The interest in shares and options displayed for Mr Heggen is as follows:

Name	Shares	Options
Simon Heggen	Nil	Nil

Trading History

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX since relisting on 1 March 2010:

	Price	Date
Highest	\$0.1950	01 November 2010
Lowest	\$0.0320	03 October 2011
Last	\$0.0320	03 October 2011

Valuation of options

The Company's independent advisers, NKH Pty Ltd, have valued the Options to be granted to Mr Heggen (or his nominee) by reference to the Black Scholes option pricing model based on the following assumptions:

Underlying share price:	A\$0.032 (as at 23 September 2011)
Term to maturity:	2 years (assumed 1 December 2011 to 1 December 2013);
Risk-free interest rate:	3.445%
Underlying share volatility:	93%

Based on the assumptions, the Options have been valued as follows:

Class and Number of Options	Exercise Price	Value per Option	Total Value
Class A 1,500,000 Options	\$0.15	\$0.0050	\$7,500.00
Class B 750,000 Options	\$0.20	\$0.0037	\$2,775.00
Class C 750,000 Options	\$0.25	\$0.0028	\$2,100.00

ASX Listing Rule 10.11

For the purposes of ASX Listing Rule 10.11, Mr Heggen is considered a related party of the Company.

Accordingly, in order to grant the Options to Mr Heggen, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options to Mr Bell as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the grant of the Options to Red Rock Resources Plc will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in the Notice of Meeting convened to consider Shareholder approval under ASX Listing Rule 10.11.

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to the Resolution. The information is as follows:

- (a) The Unlisted Options will be granted to Mr Simon Heggen (or his nominee);
- (b) The maximum number of Unlisted Options the Company will grant to Mr Heggen (or his Nominee) under Resolution 4 is 3,000,000;
- (c) The Company will issue the Unlisted Options the subject of Resolution 4 as soon as practicable after the date of the Meeting but in any event no later than one (1) month after the date of this Meeting (or such later date to the extent permitted by any ASX waiver of the ASX Listing Rules) and it is anticipated that the Options will be issued on one date;
- (d) Mr Heggen is the Managing Director of Resource Star Limited;
- (e) The Unlisted Options will be granted to Mr Heggen (or his Nominee) for nil cash consideration on the terms of the Options as set out in Schedules 1 to 3 as attached to this Notice of Meeting;
- (f) There will be no funds raised from the issue of the Unlisted Options to Mr Heggen. Any funds raised upon exercise of any of the Unlisted Options will be used for the ongoing working capital purposes of the Company; and
- (g) The Board (other than Mr Heggen) are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

GLOSSARY

\$ means Australian dollars

Annual General Meeting or Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

AWST means Western Standard Time as observed in Perth, Western Australia.

Board means the current board of directors of the Company.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Company means Resource Star Limited (ACN 127 411 796).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means Executive Director and Non-Executive Directors

Executives means all those senior employees who have been invited to participate in the Company's management of day to day administrative and operational matters

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice of Meeting.

Key Management Personnel is defined by AASB 124 Related Party disclosures as all directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Memorandum.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2011.

Resolutions means the resolutions set out in the Notice of Meeting or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Unlisted Options means an the unlisted option in the capital of the Company to be issued to Mr Simon Heggen, the subject of Resolution 4

SCHEDULE 1 – TERMS AND CONDITIONS OF CLASS A UNLISTED OPTIONS

The Class A Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Class A Option gives the Optionholder the right to subscribe for one Share.
- (b) Subject to paragraph (c) below, the Class A Options will vest at 5.00pm (AWST) on 30 November 2011; being the date of Shareholder approval.
- (c) If a Trigger Event occurs, the Class A Options will immediately vest on the date that the Trigger Event occurs.
- (d) The Class A Options will expire at 5.00pm (WST) on 1 December 2013 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) The amount payable upon exercise of each Class A Option will be \$0.15 (**Exercise Price**).
- (f) The Class A Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (g) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (a) a written notice of exercise of Class A Options specifying the number of Class A Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Class A Options being exercised;

(Exercise Notice).
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Class A Options specified in the Exercise Notice.
- (j) The Class A Options are not transferable.
- (k) All Shares allotted upon the exercise of Class A Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Class A Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction
- (n) There are no participating rights or entitlements inherent in the Class A Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Class A Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Class A Options prior to the date for determining entitlements to participate in any such issue.
- (o) A Class A Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Class A Option can be exercised.

(p) In the event that:

- (i) the Executive resigns from Employment with the Company; or
- (ii) the Executive's Employment is terminated with cause by the Company,

more than 3 months prior to the Expiry Date, the Options will lapse on that date which is 3 months from the date of the Executive's resignation or termination as the case may be.

SCHEDULE 2 – TERMS AND CONDITIONS OF CLASS B UNLISTED OPTIONS

The Class B Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Class B Option gives the Optionholder the right to subscribe for one Share.
- (b) Subject to paragraph (c) below, the Class B Options will vest at 5.00pm (WST) on 1 July 2012.
- (c) If a Trigger Event occurs, the Class B Options will immediately vest on the date that the Trigger Event occurs.
- (d) The Class B Options will expire at 5.00pm (WST) on 1 December 2013 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) The amount payable upon exercise of each Class B Option will be \$0.20 (**Exercise Price**).
- (f) The Class B Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (g) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (a) a written notice of exercise of Class B Options specifying the number of Class B Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Class B Options being exercised;

(Exercise Notice).
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Class B Options specified in the Exercise Notice.
- (j) The Class B Options are not transferable.
- (k) All Shares allotted upon the exercise of Class B Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Class B Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction
- (n) There are no participating rights or entitlements inherent in the Class B Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Class B Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Class B Options prior to the date for determining entitlements to participate in any such issue.
- (o) A Class B Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Class A Option can be exercised.

(p) In the event that:

- (i) the Executive resigns from Employment with the Company; or
- (ii) the Executive's Employment is terminated with cause by the Company,

more than 3 months prior to the Expiry Date, the Options will lapse on that date which is 3 months from the date of the Executive's resignation or termination as the case may be.

SCHEDULE 3 – TERMS AND CONDITIONS OF CLASS C UNLISTED OPTIONS

The Class C Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Class C Option gives the Optionholder the right to subscribe for one Share.
- (b) Subject to paragraph (c) below, the Class C Options will vest at 5.00pm (WST) on 1 July 2013.
- (c) If a Trigger Event occurs, the Class C Options will immediately vest on the date that the Trigger Event occurs.
- (d) The Class C Options will expire at 5.00pm (WST) on 1 December 2013 (Expiry Date). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) The amount payable upon exercise of each Class C Option will be \$0.25 (**Exercise Price**).
- (f) The Class C Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (g) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (a) a written notice of exercise of Class C Options specifying the number of Class C Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Class C Options being exercised;

(Exercise Notice).
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Class C Options specified in the Exercise Notice.
- (j) The Class C Options are not transferable.
- (k) All Shares allotted upon the exercise of Class C Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Class C Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction
- (n) There are no participating rights or entitlements inherent in the Class CB Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Class C Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Class C Options prior to the date for determining entitlements to participate in any such issue.
- (o) A Class C Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Class A Option can be exercised.

(p) In the event that:

- (i) the Executive resigns from Employment with the Company; or
- (ii) the Executive's Employment is terminated with cause by the Company,

more than 3 months prior to the Expiry Date, the Options will lapse on that date which is 3 months from the date of the Executive's resignation or termination as the case may be.

**Resource Star Limited
ACN 098 238 585**

Proxy Form

Member Details

Name:
 Address:
 Contact Telephone No:

Appointment of Proxy

I/We being a Member/s of Resource Star Limited and entitled to attend and vote hereby appoint

Chairman of the Meeting **OR** Insert Name of Appointed Proxy Below

Or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Resource Star Limited to be held at the Nissen Kestel Harford Boardroom, Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008 on Wednesday, 30 November 2011 at 10.00am (AWST) and at any adjournment of that meeting.

Important for Resolution 1: If the Chair of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chair, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member is your proxy, in order for your votes to be counted on Resolution 1, **you must direct your proxy how to vote on Resolution 1.**

Important Proxy Notice for Resolution 4: Where your proxy is any member of the Key Management Personnel of the Company, or a Closely Related Party of that member, **your proxy will be prevented from casting your votes on Resolution 4 unless:**

- (a) you direct your proxy how to vote; or
- (b) where you do not wish to direct your proxy how to vote, you appoint the Chair as your proxy and tick the box below.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 4** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 4 and that votes cast by the Chair of the Annual General Meeting for Resolution 4 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 4 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 4.

If no directions are given, the Chair will vote in favour of all the Resolutions in which the Chair is entitled to vote undirected proxies.

		For	Against	Abstain*
Resolution 1.	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Re-Election of Mr Cyril Geach as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Re-Election of Mr Robert Benussi as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.	Approval for the Issue of 3,000,000 Unlisted Options to Mr Simon Heggen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Individual or Member 1 <div style="border: 1px solid black; height: 20px; margin: 5px 0;"></div> Sole Director and Sole Company Secretary	Member 2 <div style="border: 1px solid black; height: 20px; margin: 5px 0;"></div> Director	Member 3 <div style="border: 1px solid black; height: 20px; margin: 5px 0;"></div> Director/Company Secretary
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Resource Star Limited
ACN 098 238 585

Proxy Form Instructions

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00pm (AWST) on Monday 28, November 2011.

1. **Appointing a Proxy:** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **Direction to Vote:** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. Unless authorised by ASIC, if a member of Key Management Personnel or their Closely Related Parties is appointed as a proxy, they are not permitted to vote undirected proxies on remuneration matters (arising directly or indirectly in connection with remuneration of Key Management Personnel), related party benefit matters under Chapter 2E of the Corporations Act and any spill resolutions. However, the chair may vote a proxy that does not specify how it is to be voted, provided the member who has lodged the proxy has provided their consent in the proxy form for the chair to exercise the proxy in its discretion (save in relation to the remuneration report where a direction is required).
4. **New sections 250BB and 250BC of the Corporations Act:** These sections came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:
 - if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote: Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and

Resource Star Limited
ACN 098 238 585

Proxy Form Instructions

- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - (a) the proxy is not recorded as attending the meeting;
 - (b) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

5. Signing instructions

- **(Individual):** Where the holding is in one name, the member must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

- 6. Attending the Meeting:** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.

- 7. Return of Proxy Form:** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to Nissen Kestel Harford, PO Box 8281, Subiaco WA 6008;
- facsimile to Nissen Kestel Harford on facsimile number +61 8 9367 8812 (outside Australia) and 08 9367 811 (within Australia),

so that it is received not later than 10.00am (AWST) on Monday, 28 November 2011.

Proxy Forms received later than this time will be invalid.

**Resource Star Limited
ACN 098 238 585**

Corporate Representative Form

Please return this Appointment Form of Corporate Representative to the Company Secretary's Office:

*Nissen Kestel Harford
PO Box 8281 SUBIACO WA 6008
Or*

Facsimile on +61 8 9 367 8812 (outside Australia) 08 9367 8812 (within Australia)

Shareholder Details

This is to certify that by a resolution of the directors of:

_____ ACN _____
(Insert Company Name)

(Insert Address)

The Company has appointed:

(Insert Name of Corporate Representative)

In accordance with the provisions of Section 250D of the Corporations Act to act as the Corporate Representative of the company to exercise all or any of the powers the company may exercise at the Annual General Meeting of shareholders of Resource Star Limited ACN 098 238 585 to be held on Wednesday, 30 November 2011 at 10:00am (AWST) and at any adjournment or postponement of the Annual General Meeting, or any meeting arising from the Annual General Meeting.

Dated this day of 2011

Executed by

ACN
in accordance with section 127 of the *Corporations Act*
2001:

Director

Director/Secretary

Name of Authorised Representative

Signed by Authorised Representative
