



ASX Release
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ASX: RSL

RESOURCE STAR COMMENCES DRILLING ON THREE PRIORITY NT URANIUM PROSPECTS

Northern Territory Exploration

2010 exploration activity has defined a range of prospective targets with approximately 1000m of drilling planned on 100% owned project area.

Maiden drilling commences on three prioritised Uranium exploration targets.

Drilling already underway at Hayes Creek South Project.

Drill Targets:

Structurally-associated radiometric anomalies:

- Tennysons Prospect, **Edith River Project** – Haematitic granite breccias with up to 0.44% U_3O_8 .
- YMCA Prospect, **Edith River Project** – Uranium anomalous shear zone at intersection of Pine Creek Shear Zone and cross-fractures.
- **Hayes Creek South Project** – 2.5km long radiometric anomaly along a splay off the Hayes Creek Fault Zone.

Corporate activities

RSL assessing potential acquisitions and joint ventures to strengthen its uranium and rare earths portfolio

Resource Star Ltd (ASX: **RSL**) has commenced a maiden drilling program on the Edith River and Hayes Creek South uranium exploration projects, both 100%-owned.

The program is designed to test structurally-associated radiometric anomalies, and targets defined through exploration activity undertaken during 2010.

Resource Star's Chairman and CEO, Andrew Bell, commented: "The drilling of Resource Star's Northern Territory projects is the culmination of an active year of exploration. Our work has defined a range of prospective targets across RSL's project portfolio and this initial program will focus on our priority projects."

“At the end of the wet season we will recommence exploration, testing further undrilled targets and progress current drilling on the priority targets to better understand the extent of uranium mineralisation present in the area.”

Mr. Bell added that RSL continues to assess a number of potential acquisition and joint venture opportunities to expand its portfolio of uranium and rare earths exploration projects both in Australia and overseas. “There are a number of exciting opportunities that we are considering that will enhance our exploration portfolio. Interest in the uranium exploration sector is growing, and RSL is well placed to capitalise on any opportunities presented to us.”

“RSL is currently well funded with more than \$1.4 million of cash at bank. We have the financial capacity to fund our exploration activities well into FY2011.”

Resource Star holds a portfolio of mineral tenements for uranium exploration in the Northern Territory over parts of southwest margin of the prospective Pine Creek Orogen (Fig 1). Earlier in 2010 the Company completed a detailed low-level airborne multi-spectral radiometric and magnetic survey over a number of these projects.



Figure 1: Resource Star Project locations in the Northern Territory

Interpretation of data from the ongoing 2010 exploration program, including interpretation of the airborne geophysical data, mapping, ground geophysics and rock chip sampling, has generated a number of high priority uranium targets, and a drilling program has commenced to test targets at **Tennysons**, **YMCA** and **Hayes Creek South**.

At **Tennysons** (EL 23568), part of the Edith River Uranium Project, recent mapping and sampling has confirmed that there are significant zones of outcropping foliation, alteration, veining and brecciation here that could provide an early understanding of the mineralisation style.

A number of significantly uranium mineralised haematite breccia rock-chip grab samples have been located (peak of 0.44% U_3O_8 , averaging 1,837ppm U_3O_8), and trace element analysis indicates that the source of the uranium is likely to be primary, related to albitisation soon after granite intrusion, possibly associated with sediments. Drilling is designed to test the mapped structural features that localise the mineralisation at surface.

At **YMCA** (EL 23568), also part of the Edith River Project, historical drilling by the Bureau of Mineral Resources in 1952-4 indicated the presence of uranium mineralisation with reported intersections of 1m and 1.5m at 1,000ppm e U_3O_8 . Ground radiometric surveys completed by Resource Star confirmed the presence of highly anomalous areas. The prospect is located at the intersection of the more prominent north-west shear zone with a north-east striking shear zone.

At **Hayes Ck South** (EL 24432) some 60km to the NW of the Edith River Project on what is interpreted to be a splay of the Hayes Creek Fault Zone (Fig 4), the fault-coincident radiometric anomaly from the recent airborne survey has been assessed on the ground for the first time.

The largest of the radiometric targets in the lease with a strike length of 2.5km and the area of recent work runs along a clear boundary between two geophysically-defined terrains. The anomaly has now been mapped by ground radiometrics, and an outcrop of Depot Creek Sandstone has been located (Fig 4). Drilling is planned to test the two peak responses.

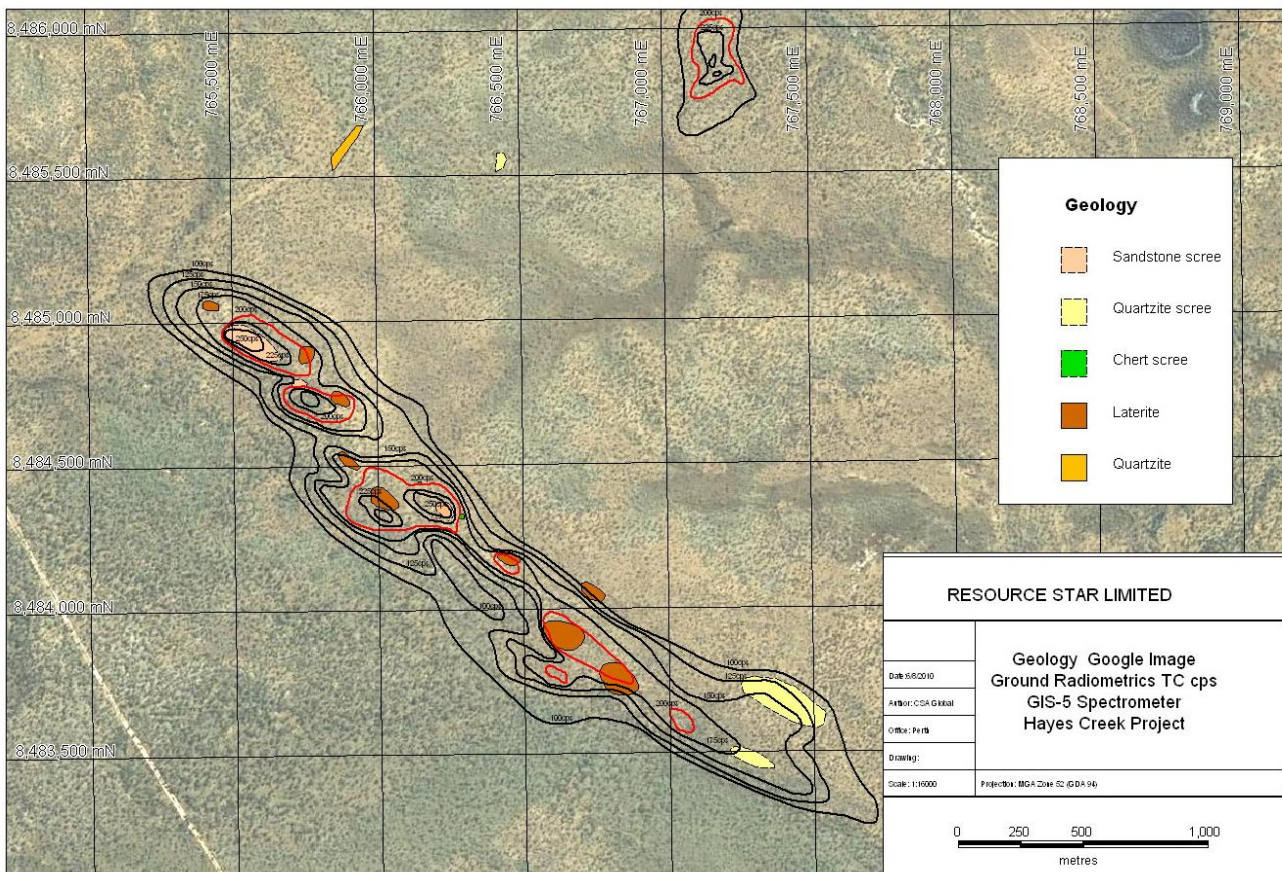


Figure 4: Hayes Ck South prospect ground radiometrics anomaly superimposed on remote sensing imagery

Furthermore at **Marrakai** (EL 24614) some 150km to the NW of the Edith River Project on what is interpreted to be part of the Pine Creek Fault Zone, the fault-coincident radiometric anomaly from the recent airborne survey will be subject to systematic surface sampling with both soil and rock chip sampling.

ENDS

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About Resource Star Ltd

Resource Star Ltd is a publicly-listed Australian company (ASX: RSL) that has interests in uranium and uranium-associated exploration assets in the Northern Territory, Western Australia, Tasmania and Malawi, south-east Africa.

The Company's main assets are the 100%-owned Edith River Uranium Project and the Hayes Creek South tenement in the Northern Territory, and joint ventures with Globe Metals & Mining on the Machinga Niobium-Rare Earths Project and the Livingstonia Uranium Project in Malawi.

Globe is managing the Machinga program, with input from Resource Star, and they are currently earning 20% equity through exploration expenditure. In a staged process Globe can earn up to 80% in the project by funding all activity up to and including a feasibility study.

Resource Star is managing the Livingstonia Project in a similar earn-in deal, and recently announced a Mineral Resource estimate indicating an Inferred Resource of 7.7Mt @ 270ppm U₃O₈, for 4.6 Mlb U₃O₈.

Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Richard Evans, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Evans is an employee 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, estimates or options, future events or results.