

RESOURCE STAR LIMITED

ABN 71 098 238 585

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue on the basis of one (1) Option for every two (2) Shares held by Shareholders on the Record Date at an issue price of one cent (\$0.01) per Option to raise approximately \$250,000 (**Entitlement Issue**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES*

Lodgement of Prospectus with ASIC and ASX	17 June 2010
Notice sent to Shareholders	17 June 2010
Ex Date	22 June 2010
Record Date for determining Shareholder entitlements	28 June 2010
Prospectus despatched to Shareholders and Opening date of Offer	30 June 2010
Closing Date of Offer	14 July 2010
Securities quoted on a deferred settlement basis	15 July 2010
Notify ASX of under-subscriptions	19 July 2010
Despatch date/Shares entered into Shareholders security holdings	22 July 2010

* These dates are determined based upon the current expectations of the Directors and may be changed without notice.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 17 June 2010 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 18 July 2011 (**Expiry Date**). No Options will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

NEW ZEALAND SHAREHOLDERS

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Options is not New Zealand dollars. The value of the Options will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the Options to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 3.6, the Company will apply to the ASX for quotation of the Options offered under this Prospectus. If quotation is granted, the Options offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the Options through that market, you will have to make arrangements for a participant in that market to sell the Options on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

RISK FACTORS

The Options offered by this Prospectus are of a speculative nature. Prospective investors in the Company should be aware that subscribing for Options the subject of this Prospectus involves a number of specific risks. Details of these specific risks and other general risks are set out in Section 6 of this Prospectus and investors are urged to consider

those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.

2. CORPORATE DIRECTORY

Directors

Mr Andrew Bell
Executive Chairman and acting CEO

Mr Robert Benussi
Non-Executive Director

Mr Ross Kestel
Non-Executive Director

Mr Cyril Geach
Non-Executive Technical Director

Company Secretary

Ms Eryn Kestel

CEO

Mr Richard Evans

Principal Office

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Melbourne VIC 3000

Telephone: (03) 9607 1322

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General Enquiries:

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Lead Manager

Allegra Capital Pty Ltd
Level 1, 173 Mounts Bay Road
Perth WA 6000

Share Registry*

Computershare Investor Services Pty
Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

Telephone: (+61) 1300 787 272

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Website

www.resourcestar.com.au

*This party has been included for information purposes only. It has not been involved in the preparation of this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer

By this Prospectus, pursuant to a non-renounceable entitlement issue, the Company offers for subscription one (1) Option for every two (2) Shares held by Shareholders on the Record Date at an issue price of one cent (\$0.01) per Option. Fractional entitlements will be rounded up to the nearest whole number.

The Options issued will be exercisable at twenty cents (\$0.20) per Share on or before 30 September 2012.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Options to be issued pursuant to the Offer is approximately 25,964,091 Options. The Offer will raise approximately \$250,000. The purpose of the Offer and the use of funds raised are set out in Section 4 of this Prospectus.

Holders of existing Options will not be entitled to participate in the Offer. The Company currently has 800,000 Options on issue as at the date of this Prospectus, which Options may be exercised by the Option holder prior to the Record Date in order to participate in the Offer.

3.2 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Securities you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at \$0.01 per Option); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Resource Star Limited – Trust Account**" and crossed "Not Negotiable".

Alternatively, Applicants may pay via BPAY by following the instructions set out on the Entitlement and Acceptance Form.

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5.00pm WST on the Closing Date.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

3.3 Minimum Subscription

There is no minimum subscription in respect of the Offer.

3.4 Underwriting

The Offer is not underwritten.

3.5 Shortfall

Any Entitlement not taken up pursuant to the Offer will form the Shortfall and will be dealt with in accordance with the Mandate with Allegra Capital Pty Ltd (**Allegra**). Accordingly, Shareholders should not apply for the Shortfall unless directed to do so by Allegra.

The offer of any Shortfall Options is a separate offer made pursuant to this Prospectus and will remain open after the Closing Date. The issue price of any Shortfall Options shall be \$0.01 being the price and terms at which the Entitlement has been offered to Shareholders pursuant to this Prospectus.

3.6 Australian Securities Exchange Listing

Application for official quotation by ASX of the Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the Company will not issue any Options and will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

3.7 Allotment of Options

Options issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the Options on the basis of a Shareholder's Entitlement. Where the number of Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.8 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Shareholders resident in New Zealand should consult their professional advisors as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their Entitlements under the Offer.

3.9 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Securities offered pursuant to this Prospectus.

3.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company will apply to ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.11 Privacy Act

If you complete an application for Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Options, the Company may not be able to accept or process your application.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$250,000 (before expenses). The proceeds of the Offer, are planned to be used in accordance with the table set out below:

Proceeds of the Offer	\$
Working Capital	208,630
Expenses of the Offer	68,140.45
Total	276,770.45

Notes:

1. Refer to Section 8.6 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 Effect of the Offer and Pro Forma Consolidated Balance Sheet

The principal effect of the Offer will be to:

- (a) increase the cash reserves by approximately \$250,000 immediately after completion of the Offer before deducting the estimated expenses of the Offer; and
- (b) increase the number of Options on issue from 800,000 Options prior to the date of this Prospectus to approximately 25,964,091 Options following completion of the Offer.

4.3 Consolidated Balance Sheet

The unaudited Balance Sheet as at 31 May 2010 and the unaudited Pro Forma Balance Sheet as at 31 May 2010 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Options pursuant to the Offer in this Prospectus are issued.

The unaudited Balance Sheets have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

**Consolidated Balance Sheet and Pro Forma Balance Sheet as at 31 May 2010
(unaudited)**

	Note	31 May 2010 Actual \$	31 May 2010 Pro-forma \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	1	1,588,776	1,838,776
Trade and other receivables		6,079	6,079
Other		45,379	45,379
TOTAL CURRENT ASSETS		1,640,234	1,890,234
NON-CURRENT ASSETS			
Deferred exploration and evaluation expenditure		2,575,465	2,575,465
Plant and equipment		4,440	4,440
TOTAL NON-CURRENT ASSETS		2,579,905	2,579,905
TOTAL ASSETS		4,220,139	4,470,139
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	2	13,870	98,870
Interest bearing liabilities		487,702	487,702
TOTAL CURRENT LIABILITIES		501,572	586,572
TOTAL LIABILITIES		501,572	586,572
NET ASSETS		3,718,567	3,883,567
EQUITY			
Contributed equity		30,721,867	30,721,867
Reserves	3	39,965	204,965
Accumulated (losses)		(27,043,265)	(27,043,265)
TOTAL EQUITY		3,718,567	3,883,567

**Consolidated Balance Sheet and Pro Forma Balance Sheet as at 31 May 2010
(unaudited)**

31 May 2010
Pro-forma
\$

NOTE 1: CASH AND CASH EQUIVALENTS

Unaudited 31 May 2010		1,588,776
Application funds received under prospectus		<u>250,000</u>
Unaudited Proforma 31 May 2010		<u><u>1,836,776</u></u>

NOTE 2: TRADE AND OTHER PAYABLES

Unaudited 31 May 2010		13,870
Transaction Costs		<u>85,000</u>
Unaudited Proforma 31 May 2010		<u><u>98,870</u></u>

NOTE 3: RESERVES

	No.	\$
Options reserve		
Unaudited 31 May 2010	800,000	39,965
Options issued under prospectus:		
- Application funds received	25,964,091	250,000
Less: Transaction costs		<u>(85,000)</u>
Unaudited Proforma 31 May 2010	<u><u>26,764,091</u></u>	<u><u>204,965</u></u>

4.4 Effect on Capital Structure

As at the date of this Prospectus the Company has 51,928,182 Shares on issue and 800,000 unlisted Options on issue. A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Shares

	Number
Shares on issue at date of Prospectus	51,928,182
Shares offered pursuant to the Offer	Nil
Total Shares on issue after completion of the Offer	51,928,182

Options

	Number
Options currently on issue	800,000
Options offered pursuant to the Offer	25,964,091
Total Options on issue after completion of the Offer	26,764,091

5. RIGHTS AND LIABILITIES ATTACHING TO OPTIONS AND UNDERLYING SECURITIES

5.1 Rights Attaching to Options

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

- (a) Each Option gives the Option holder the right to subscribe for one Share. To obtain the right given by each Option, the Option holder must exercise the Options in accordance with the terms and conditions of the Options.
- (b) The Options will expire at 5.00pm (WST) on 30 September 2012 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Option will be \$0.20 (**Exercise Price**).
- (d) The Options held by each Option holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Option holder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) 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 Options specified in the Exercise Notice.
- (h) The Options are freely transferable.
- (i) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will apply for quotation of the Options on ASX.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the Record Date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (m) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

5.2 Rights Attaching to Shares (being the underlying securities)

The following is a summary of the more significant rights and liabilities attaching to Shares. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) Notice of Meetings

Each Shareholder is entitled to receive notice of general meetings of the Company. Except in certain circumstances, Shareholders are entitled to be present in person, or by proxy, attorney or representative to speak or to vote at general meetings of the Company or to join in demanding a poll. Shareholders may requisition general meetings in accordance with the Corporations Act.

(b) Voting

At a general meeting, on a show of hands, every person present who is either a member, a proxy, an attorney or a representative of a Shareholder has one vote. At the taking of a poll, every Shareholder present in person or by proxy, attorney or representative has one vote for each Share held.

(c) Dividends

The Directors may from time to time authorise and pay dividends out of the profits of the Company. Dividends are payable in proportion to the number of Shares held by Shareholders.

(d) Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or any part of the property of the Company. The liquidator may also, with the sanction of a special resolution, vest the whole or any part of the property in a trustee on trust for Shareholders.

(e) Transfer of Shares

A Shareholder may transfer any Share held by them by:

- (i) an ASTC Transfer or any other method of transferring or dealing in Shares introduced by ASX or operated in accordance with the ASTC Settlement Rules or Listing Rules and in any such case recognised under the Corporations Act; or
- (ii) An instrument in writing in any usual or common form or in any other form that the Directors approve.

(f) **Allotment of Shares**

The Directors may, subject to the Constitution, issue new Shares of such amount specified in the resolution.

6. RISK FACTORS

Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Options.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Specific Australian Risks

Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's tenements are subject to numerous State-specific legislation conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company

Uranium Specific Risks

The current and future operations of the Company in relation to uranium, including exploration, appraisal and production activities, may be affected by a range of factors, including:

Government regulation and policy

Uranium mining in Australia is subject to extensive regulation by State and Federal Governments in relation to exploration, development, production,

exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations may increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent the proliferation of nuclear weapons. The export of uranium is controlled by the Federal Government through its licensing process and it is understood that Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes.

Mining Policy

Both Federal Coalition and Labour Party policy favours the development of new uranium mines, albeit under strict environmental, heritage and nuclear safeguards. However, there can be no assurance that the policy will not change in the future and this may adversely affect the long-term prospects of the Company.

Mining uranium in Western Australia was prohibited under the policy of the former State Government from June 2002 until to September 2008. On November 17, 2008, the current State Government revoked the ban and is now focusing on developing this sector. Although the ban on uranium mining was only lifted recently, Western Australian regulators and the mining industry have been managing the safe mining, transport and export of radioactive material in the mineral sands and tantalum sectors for 40 years. The WA Government is working closely with other States to build on their industry experience and is committed to ensuring that further development of Western Australia's regulatory framework is world's best practice and that associated departments have the resources to deal with radiation issues associated with uranium mining.

Pursuant to the *Atomic Energy Act 1953* (Cth) and the *Northern Territory Self-Government) Regulations 1978* (Cth) the Commonwealth has reserved its powers on uranium mining in the Northern Territory. The NT Mining Act requires that the Northern Territory Minister for Mines must consult with the Commonwealth Minister for Industry, Tourism and Resources before granting a mining title that relates to uranium, and must act in accordance with any advice that the Commonwealth Minister provides.

The Tasmanian Government supports exploration to the usual mining and environmental approval processes. In 2007 the Government and Opposition jointly voted down a Greens party proposal to ban uranium exploration and development in Tasmania.

The Government of Malawi is currently in the process of putting in place a uranium mining legislation as the country does not currently have such legislation although it has approved uranium mining to an Australian company.

There can be no assurance that these policies will not change in the future and this may adversely affect the long-term prospects of the Company.

Export Policy

The Commonwealth Government maintains tight controls over the export of uranium through its licensing process. Uranium may only be sold and exported in

accordance with the *Customs (Prohibited Exports) Regulations 1958* (Cth) and the *Nuclear Non-Proliferation (Safeguards) Act 1987* (Cth). Australian uranium can only be exported to countries that undertake to use it for peaceful purposes. Uranium mining itself is also extensively regulated. Complying with these laws and regulations increases the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. The approvals required are more rigorous than those for the mining of other metals. There is a risk that should economic deposits of uranium be discovered, the requisite government approvals may not be granted or may be significantly delayed, thereby rendering the deposits uneconomic.

Competition from alternative energy and public perception

Nuclear energy is in direct competition with other, more conventional sources of energy which include oil, gas, coal and hydro-electricity. These conventional energy sources may be provided at lower cost resulting in a decrease in demand for uranium.

Furthermore, the growth of the nuclear power industry (and resulting increase in the demand for uranium) beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to negative public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments for nuclear energy is its substantially reduced level of carbon emissions. Alternative energy systems such as wind or solar also have very low levels, if any, of carbon emissions. However, to date these have not been efficient enough to be relied upon. Technology changes may occur that make alternative energy systems more efficient and reliable.

6.2 Specific Malawian Risks

Government Regulation and Policy

All minerals in Malawi are vested in the President on behalf of the Malawian people. The exploration, mining and disposal of these minerals are governed by the Mines and Minerals Act 1981. The Administration of the Act is the responsibility of the Commissioner for Mines and Minerals in the Ministry of Energy and Mining.

There are numerous companies presently engaged in mining activities in Malawi.

The Directors of the Company are unaware of any legislation or policy within Malawi which could adversely affect the establishment of mining operations within the country.

There are risks attaching to exploration operations in a developing country which are not necessarily present in a developed country which can impact on a range of factors such as sovereign risk, safety, security, costs, ability to operate, country policy, fiscal provisions and laws and can lead to delays or even the suspension of operations.

No assurance can be given regarding future stability in Malawi or any other country in which the Company may have an interest.

Sovereign risk

Some of the Company's project interests are located in Malawi which is considered to be a developing country and as such subject to emerging legal and political systems compared with the system in place in Australia.

Possible sovereign risks include without limitation changes in the terms of mining tenements, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may in the future adversely affect the financial performance of the Company and the market price of its Shares.

No assurance can be given regarding future stability in both Australia and Malawi.

Title Risks

The mining tenements in which the Company has or may acquire an interest in are subject to the applicable local laws and regulations. There is no guarantee that any tenement applications or conversions in which the Company has a current or potential interest will be granted.

Tenements (or applications) in which the Company has an interest are (or, if granted, will be) subject to the relevant conditions applying in Malawi. Failure to comply with these conditions may render the licences liable to forfeiture.

All of the projects in which the Company has an interest will be subject to application for tenement renewal from time to time. Renewal of the term of each tenement is subject to applicable legislation. If a tenement is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement. However, the Directors are not aware of any reason why renewal of the term of any tenement will not be granted.

The Company is reliant to a certain extent on the cooperation and compliance of parties to the agreements to which it is a party.

Legal System in Malawi

The legal system operating in Malawi may be less developed than more established countries, which may result in risk such as:

- (a) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;
- (b) a higher degree of discretion on the part of governmental agencies;
- (c) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- (d) the relative inexperience of the judiciary and courts in such matters.

There can be no assurance joint ventures, licences, license application or other legal arrangements will not be adversely effected by the actions of the government authorities or others and the effectiveness of and enforcement of such arrangements cannot be assured.

6.3 No guarantee of exploration success

Mineral exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable and saleable mineral resources will be identified. Even if mineral resources are identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the discovery.

Investors should note that in relation to its Projects, any potential quantity and grade is conceptual in nature and, there has been insufficient exploration to define a mineral resource in respect of the Projects at the date of this Prospectus apart from the Malawi Livingstonia Chombe Project which is currently being independently resource evaluated and that it is uncertain that further exploration will result in the determination of a mineral resource.

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

In Malawi, exploration expenditure is a warrant of expenditure and any deficit in expenditure is payable to the Malawi Government, unless exemption from expenditure is granted by the Minister.

6.4 Compulsory Work Obligations

Each of the Company's tenements is subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. These commitments may be varied on application by the tenement holder but any such variation is at the sole discretion of the Minister administering the relevant mining legislation. If no variation is approved, and there is failure to meet the commitments, this could lead to forfeiture of the tenement.

6.5 Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

6.6 Funding Risk and Future Capital Needs

In the event the Company does not achieve the minimum subscription under this Prospectus, there is a risk that it may not be able to continue to fund its ongoing exploration programs (unless another funding source can be secured). This could adversely affect the ability of the Company to grow organically or through acquisitions.

In these circumstances, shareholders may face the loss of a substantial portion of their investment.

6.7 General Economic Climate

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital, commodity price, proposed resource super profits tax legislation and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operating costs, possible future revenues and future profitability can be affected by these factors, which are beyond the control of the Company.

6.8 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

6.9 Reliance on Key Employees

The Company does and will rely on a number of key employees. The Company has in place employment contracts with key employees and has the objective of providing attractive employment conditions in general to assist in retaining key employees. However, there can be no guarantee that the Company can retain its key employees.

6.10 Share Market

Share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) metal price fluctuations;
- (e) changes in investor sentiment toward particular market sectors;
- (f) the demand for, and supply of, capital; and
- (g) terrorism or other hostilities.

6.11 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. MATERIAL CONTRACTS

The following are summaries of the significant terms of the material agreements which relate to the business of the Company and have been executed since the Company's were reinstated to trading in March 2010.

7.1 Mandate with Allegra

By an agreement dated 6 May 2010 between Allegra and the Company, Allegra has agreed to act as Lead Manager in relation to the Entitlement Issue (**Mandate**).

Allegra currently has a relevant interest in 473,500 fully paid ordinary Shares and accordingly has a 0.91183627 % voting interest in the Company.

Pursuant to the Mandate, the Company has agreed to pay Allegra a management fee of 6% (excluding GST) of the gross amount raised under the Issue plus:

- (a) subject to Shareholder approval being obtained before 31 July 2010, a fee of 20,000,000 Options at an issue price of \$0.0035 per Option (**Lead Manager Options**); or
- (b) if Shareholder approval is not obtained before 31 July 2010, a default fee of \$70,000,

for corporate advisory services provided to the Company.

The Company has agreed to indemnify Allegra together with its associates and related companies, its directors, agents and staff against any and all liabilities, losses, demands, damages, penalties, proceedings, judgments, costs, fees or expenses which may be incurred, suffered, paid or liable to be paid arising out of or in respect of the Mandate.

The obligation of Allegra to manage the Offer is subject to certain standard events of termination. Allegra may terminate its obligation under the Mandate if:

- (a) the Australia equity capital market conditions and/or ASX trading conditions are such that they are not, in the bona fide and reasonable judgment of Allegra, conducive to the successful completion of this Mandate or other events beyond the control of Allegra are so material and adverse as to make it, in the bona fide and reasonable judgment of Allegra, impracticable or inadvisable to proceed with the new equity issue on the terms and in the manner contemplated herein;
- (b) there is a material adverse effect including any adverse change in the assets, liabilities, financial position, legal entitlements or prospects of the Company as disclosed publicly and/or to Allegra, other than for the costs incurred by the Company in relation to the proposed issue;
- (c) there is a false or misleading statement or a material omission in the material or information supplied to Allegra by the Company or included in the presentation materials supplied to Allegra by the Company;
- (d) any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Africa, Japan, the United Kingdom, the United States of America or the

international financial markets or any material adverse change occurs in national or international political, financial or economic conditions, in each case the effect of which is that it is impracticable to market the new issue or to enforce any contract to issue and allot the new shares or that the success of the new issue is likely to be adversely affected;

- (e) there is introduced, or there is a public announcement of a proposal to introduce, into the parliament of Australia or any state of Australia, a new law, or the Reserve Bank of Australia, any federal or state authority of Australia adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of this Mandate), any of which does or is likely to prohibit or regulate financial institutions or credit providers, capital issue or stock markets and which will have a material adverse effect on the issue;
- (f) ASX gives formal or informal notice that the securities of the Company will not be admitted to trading on the official list of ASX;
- (g) Default by the Company of any material term of the Mandate;
- (h) Any of the warranties or representations by the Company in this Mandate are or become untrue in a material respect;
- (i) A director or propose director of the Company is charged with any indictable offence or any director or proposed director of the Company is disqualified from managing a corporation under the Corporations Act;
- (j) ASIC issues, or threatens to issue, a proceeding, hearing or investigation in relation to the issue;
- (k) Any government agency (including ASIC) commences any public action, hearing or investigation against the Company or any of its directors in their capacity as a director of the Company or announces that it intends to take such action; or
- (l) All of the conditions set out in section 1 of the Mandate have not been, or will not be in Allegra's sole and absolute opinion, satisfied.

7.2 Farmin and Joint Venture Agreement between Globe Metals & Mining Limited (Globe) and Eastborne Exploration Pty Ltd (Eastborne) (JVA)

Eastborne, a 100% subsidiary in the Company, entered into an unincorporated joint venture with Globe dated 16 March 2010 for the purposes of exploring and possibly developing and mining the tenements held by Globe (**Tenements**). Pursuant to the JVA, Globe agreed to grant to Eastborne the right to earn up to 80% Joint Venture Interest by meeting certain expenditure and other obligations in relation to exploration for minerals on the Tenements.

The JVA involves four (4) earning periods at the end of which, Eastborne may achieve a maximum Joint Venture Interest of 80%. The maximum term of the JVA is 80 years.

8. ADDITIONAL INFORMATION

8.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement by the Company of its Full Year Statutory Accounts to 30 June 2009 with ASX:

Date	Description of Announcement
25/09/2009	Full Year Statutory Accounts
09/10/2009	Acquisition of Jupiter Mines Uranium Tenements
14/10/2009	Malawi Exploration Update
20/10/2009	RSL to Undertake Capital Raising and Seek Relisting
23/10/2009	Notice of Annual General Meeting/Proxy Form
29/10/2009	Appendix 4C - September 2009 Quarter
05/11/2009	Share Placement - Precursor to Re-Listing
12/11/2009	Appendix 3B
23/11/2009	Presentation at 2009 Annual General Meeting
23/11/2009	Results of 2009 Annual General Meeting
25/11/2009	GBE: Rare Earth Project Joint Venture - Malawi
25/11/2009	Joint Venture Agreement with Globe Metals and Mining Ltd
26/11/2009	Prospectus
27/11/2009	Appendix 3B
02/12/2009	Roadshow Presentation
02/12/2009	Appendix 3B in Accordance with the Prospectus
11/12/2009	Replacement Prospectus and Application Form
17/12/2009	Letter to Shareholders
07/01/2010	Appendix 3B
22/01/2010	Share Offer Fully Committed
29/01/2010	Appendix 4C - December 2009 Quarter

03/02/2010	GBE: Commencement of Exploration Machinga Rare Earth Project
03/02/2010	Machinga Project - Exploration Work Commences
05/02/2010	Extension to Closing Date of Prospectus Offer
17/02/2010	Machinga NB- REE Project - Prospectivity Extended
17/02/2010	GBE: Machinga Soil Sample Results
19/02/2010	Re-Listing Offer Closed
25/02/2010	Interim Financial Report to 31 December 2009
25/02/2010	Reinstatement to Official Quotation
25/02/2010	ASX Circular: Reinstatement to Official Quotation
25/02/2010	Appendix 4D for Half Year Ended 31 December 2009
26/02/2010	ASX Circular: Reinstatement to Official Quotation
26/02/2010	Pre Quotation Disclosure
26/02/2010	Distribution Schedule
26/02/2010	Top 20
26/02/2010	Escrowed securities
26/02/2010	Appendix 1A: ASX Listing application and agreement
26/02/2010	Confirmation Letter
26/02/2010	Pro-Forma Balance Sheet
26/02/2010	Terms and Conditions of Options
26/02/2010	Appendix 3B
26/02/2010	Corporate Governance
01/03/2010	Relisting Complete - Assets Secured
01/03/2010	Change in substantial holding
02/03/2010	Tenement Application on Lake Barlee Project
04/03/2010	Change of Director`s Interest Notice for Mr Bell
05/03/2010	Change in substantial holding
05/03/2010	Change of Director`s Interest Notice for Mr Bell
16/03/2010	Red Rock Share Purchases and Mr Bell Appendix 3Y

16/03/2010	Signed JV Agreement on Livingstonia Uranium Project Malawi
16/03/2010	GBE: Livingstonia JV Agreement Signed with Resource Star
31/03/2010	New Exploration Licence to Increase Exploration in Malawi
01/04/2010	High Grade Uranium and Niobium Results from Ilomba Hill
08/04/2010	Airborne Radiometric Survey Over NT Uranium Project to Start
14/04/2010	Ceasing to be a substantial holder
15/04/2010	GBE: High Grade HREO Mineralisation at Machinga
15/04/2010	High Grade Results from Machinga Niobium-Rare Earth Project
22/04/2010	Non Executive Director Appointment
27/04/2010	Initial Director`s Interest Notice - Mr Geach
28/04/2010	January to March 2010 Quarterly Activities Report
28/04/2010	Quarterly Cashflow Report as at 31 March 2010
28/04/2010	Quarterly Activities Report
29/04/2010	First Quarter 2010 Update
05/05/2010	RSL Defines Uranium Targets at Hayes CK South and Marrakai
07/05/2010	Commencement of Resource Estimates on Livingstonia Project
07/05/2010	GBE: RSL Commences Resource Estimates on Livingstonia Project
18/05/2010	Defines Targets at Edith River Uranium Project NT
18/05/2010	Chief Executive Officer Role
18/05/2010	Re-Entitlement Option Issue
20/05/2010	Company Presentation
26/05/2010	GBE: 33m Wide Zone of Heavy Rare Earth Mineralisation Machinga
26/05/2010	Wide Zone of Heavy Rare Earth Mineralisation – Machinga
01/06/2010	GBE: Extension of Machinga EPL Over New REE Targets
01/06/2010	GBE: Livingstonia JV Due Diligence Completed Satisfactorily
01/06/2010	Extension of Machinga EPL
01/06/2010	Conclusion of Due Diligence on Livingstonia Uranium Project

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal

office hours.

The announcements are also available through the Company's website <http://www.resourcestar.com.au>.

8.2 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Offer pursuant to this Prospectus.

Directors' interests in securities of the Company at the date of this Prospectus are:

Director	Shares	Options
Mr A Bell	Nil	Nil
Mr R Benussi	Nil	Nil
Mr R Kestel	Nil	Nil
Mr C Geach	Nil	Nil

Notes:

1. Mr Kestel has indicated that it is his present intention not to subscribe for their Entitlement under the Offer.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The Company paid to the Directors a total of \$140,401 for the year ended 30 June 2008 and \$119,167 for the year ended 30 June 2009 (exclusive of superannuation and share based payments). In addition to the above, the Directors have been paid fees totalling \$130,479 from the end of the previous financial year until the date of this Prospectus. Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

As at the date of this Prospectus, the Directors are entitled to the following annual fees and remuneration (exclusive of superannuation and share based payments):

Director	Fee/Remuneration
Mr A Bell	\$45,000
Mr R Benussi	\$39,340
Mr R Kestel	\$41,250
Mr C Geach*	\$6,667

*Mr Geach, apart from a fixed director fee, is also remunerated from time to time through his ABN business on arms length commercial terms for professional work and consultancy through his ABN business on Company projects.

8.3 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.4 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

8.5 Interests and Consents of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in

this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Allegra has given and has not withdrawn its consent to being named as Lead Manager to the Offer in the Corporate Directory of this Prospectus in the form and context in which it is named. Allegra has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Allegra (including its related entities) is a Shareholder of the Company and currently has a relevant interest in 473,500 fully paid ordinary Shares of the Company.

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$10,000 for services in relation to this Prospectus.

8.6 Estimated Expenses of Offer

In the event that the Offer is fully subscribed, the estimated cash expenses of the Offer are as follows:

	\$
ASIC fees	2,010
ASX fees	31,552
Management fees	15,578.45
Legal expenses	10,000
Printing and other expenses	9,000
Total	68,140.45

8.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.19 on 1 March 2010

Lowest: \$0.056 on 5 May 2010

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.0730 on 16 June 2010.

8.8 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Update since the Company was relisted in February 2010

The Chintheche Project was situated about 240km north of the capital of Lilongwe and was originally targeted as a possible sandstone-hosted uranium opportunity.

The Company noted in its prospectus dated 11 December 2009 that analytical work was not yet completed to more fully understand the potential of the Chintheche tenement.

The Company's exploration work has since concluded that the significant uranium-channel radiometric response seen in the UNDP airborne geophysical survey, which had been the focus of exploration, was most likely to be due to the monazite content of the heavy mineral sands discovered along the shore of Lake Malawi. As the Company does not have a mandate to explore for mineral sands deposits, it has decided to relinquish the tenement at the end of the current three year term.

As noted above, unless exemption from expenditure is granted by the Minister, any deficit in expenditure in relation to a tenement is payable to the Malawi Government. The Company has applied for exemption from expenditure in relation to the Chintheche tenement in order to avoid owing a debt of approximately US\$294,000.00 to the Malawi Government. The Company is confident that the exemption will be granted on the grounds that the Company has expended over and above the expenditure requirement on other Malawi projects.

9. AUTHORITY OF DIRECTORS

9.1 Directors' Consent

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Ross Kestel
Director
For and on behalf of
RESOURCE STAR LIMITED

10. DEFINITIONS

Applicant means a Shareholder or Underwriter or other party instructed by the Underwriter who applies for Securities pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means the ASX Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer as set out in section 1, being 5.00pm (WST) on 14 July 2010 (unless extended).

Company means Resource Star Limited (ABN 71 098 238 585).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001*(Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Issue means the issue of Options offered by this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the offer pursuant to the Prospectus on the basis of one (1) Option for every two (2) Shares held by Shareholders on the Record Date at an issue price of one cent (\$0.01) per Option to raise approximately \$250,000.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means 5.00pm (WST) on 28 June 2010.

Related Corporation has the meaning given to that term in the Corporations Act.

Securities means Shares and Options.

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

Shareholder means a shareholder of the Company.

Shortfall means those Securities under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Application Form means the shortfall application form attached to or accompanying this Prospectus.

WST means Western Standard Time.