



RESOURCE STAR LIMITED

ABN 71 098 238 585

NOTICE OF GENERAL MEETING

TIME: 11.30am (WST)

DATE: 23 July 2010

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

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.

Notice of General Meeting

RESOURCE STAR LIMITED

ABN 71 098 238 585

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

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

Date: Friday, 23 July 2010

Time: 11.30am (WST)

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

Agenda

Ordinary Resolutions

1. Approval for a Placement of Shares

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 25,000,000 fully paid ordinary shares at an issue price equal to not less than 80% of the volume weighted average price of fully paid ordinary shares in the five (5) trading days immediately preceding the issue on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by a person chairing 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.

2. Ratification of a Previous Issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the allotment and issue of 3,742,475 fully paid ordinary shares in the capital of the Company to the parties, for the purposes and on the terms and conditions set out in the Explanatory Memorandum”.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who has participated in the issue and a person who has obtained a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by a person chairing 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.

3. Issue of Options – Allegra Capital Pty Ltd

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 20,000,000 Lead Manager Options to Allegra Capital Pty Ltd or nominees on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by a person chairing 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.

4. Election of Mr Cyril Geach as Director

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

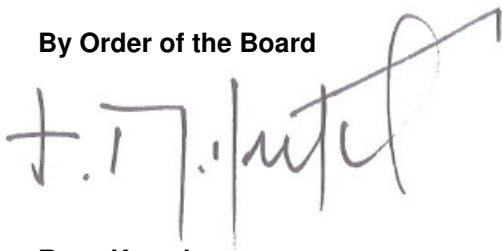
“That, in accordance with clause 13.4(a) of the Company’s Constitution and for all other purposes, Mr Cyril Geach, is hereby elected as a Director of the Company.”

Short Explanation: Clause 13.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Directors so appointed hold office until the next General Meeting of the Company, and are eligible for re-election at that meeting. Mr Cyril Geach was appointed to the Board on 22 April 2010, as an addition to the existing Board and accordingly seeks re-appointment as a Director.

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



Ross Kestel
Director
17 June 2010

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the General Meeting of Shareholders to be held on Friday 23 July 2010 at 11.30am (WST).

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 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.

Resolution 1 – Approval for a Placement of Shares

Resolution 1 seeks Shareholder approval for the allotment and issue of 25,000,000 Shares at an issue price equal to not less than 80% of the volume weighted average price of fully paid ordinary Shares in the five (5) trading days immediately preceding the issue.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any twelve (12) month period any equity securities or other securities with rights to conversion to equity (such as an Option) if the number of those securities exceeds 15% of the total number of securities in the same class on issue at the commencement of that twelve (12) month period.

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of three (3) months after the General Meeting (or a longer period, if allowed by the ASX) and the issue will not be taken into account in the calculation of the 15% threshold because the issue has the prior approval of Shareholders in General Meeting.

It is intended that none of the subscribers pursuant to the Share Placement will be related parties of Resource Star Limited.

Technical Information Required by ASX Listing Rule 7.1

In accordance with ASX Listing Rule 7.3, the following information is provided to Shareholders to assess the merits of the Resolution:

- (a) the maximum number of Shares to be issued is 25,000,000;
- (b) the Shares will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur in the same date;
- (c) the issue price will be not less than 80% of the volume weighted average price of fully paid ordinary Shares in the five (5) trading days immediately preceding the issue;
- (d) it is intended that allotment of the Shares will occur on one date;
- (e) the Shares issued will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as Resource Star Limited existing Shares and as summarised in Annexure A to this Explanatory Memorandum;
- (f) the Directors will determine to whom the Shares will be offered to predominately institutional and sophisticated investors. No Shares will be issued to any related parties or associates of the Company; and
- (g) Resource Star Limited intends to use the funds from the Placement to provide working capital to:
 - (i) accelerate the exploration programs on existing tenements in Malawi and Australia; and
 - (ii) undertake due diligence on new opportunities, predominately in Africa.

Resolution 2 – Ratification of a Previous Issue of Shares

In November 2009, the Company announced to the market that it had issued 3,742,475 fully paid ordinary Shares in a Placement as a precursor to re-listing.

The Placement was managed by Allegra Capital Pty Ltd with Shares issued to institutional and sophisticated investors.

Resolution 2 seeks Shareholder approval for the issue of these Shares pursuant to ASX Listing Rule 7.4.

Listing Rule 7.4 states that an issue by a company of Securities made without the approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

By obtaining Shareholder approval, the Company will retain the flexibility to issue 15% of the Company's issued Share Capital in any twelve (12) months without first obtaining Shareholder approval.

The Shares issued pursuant to the Placement comprise approximately 7.21% of the Company's Share Capital (calculated following completion of the Placement).

Technical Information Required by ASX Listing Rule 7.4

ASX Listing Rule 7.4 requires the following information to be given to Shareholders so that they can assess the merits of the Resolution:

- a) 3,742,475 fully paid ordinary Shares were allotted at an issue price of 16 cents per Share;
- b) the Shares were issued on the same terms as and rank equally with the existing Shares on issue, the terms of which are summarised in Annexure A to this Explanatory Memorandum;
- c) the Shares were issued to institutional and sophisticated clients of Allegra Capital Pty Ltd;
- d) the Shares were issued on the 11 November 2009;
- e) the funds raised under the Placement were used to meet re-listing expenses and general working capital; and
- f) none of the institutional and sophisticated investors are related entities of Resource Star Limited

The Board believes that the ratification of this issue of Shares is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 2 as it allows the Company to ratify the above issue of securities and retain the flexibility to issue further securities representing up to 15% of the Company's Share Capital during the next 12 months.

Resolution 3 – Issue of Options to Allegra Capital Pty Ltd

Resolution 3 seeks Shareholder approval for the allotment and issue of 20,000,000 September 2012 Listed Options to Allegra Capital Pty Ltd or its nominees.

The Company announced on 18 May 2010 the terms and conditions of the Shareholder Entitlement Option Issue as ratified at the May 2010 Board Meeting. The Announcement also confirmed that Allegra Capital Pty Ltd has been appointed Leader Manager of the issue.

In accordance with the terms of the Mandate to Act as Lead Manager Letter signed between Resource Star Limited and Allegra Capital Pty Ltd on 17 May 2010; Allegra Capital Pty Ltd or its nominees are to receive 20 million Lead Manager Options which will have the same terms as the Entitlement Options and together will form one (1) class of securities that the Company will apply to have quoted in the ASX.

ASX Listing Rule 7.1 provides that a company must not, without prior approval of Shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Directors to issue the Options to Allegra Capital Pty Ltd or its nominees during the period of 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules), without Resource Star Limited using its 15% annual placement capacity.

Technical Information Required by ASX Listing Rule 7.1

In accordance with ASX Listing Rule 7.3 the following information is provided to Shareholders to assess the merits of the Resolution:

- (a) The maximum number of September 2012 Listed Options to be issued is 20,000,000;
- (b) The Options will be issued no later than three (3) months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended allotment will occur on the same date;
- (c) The terms and conditions of the Options are set out in Annexure B;
- (d) The issue price of the Options is \$0.0035;
- (e) No related party of Resource Star Limited will be the recipient of the Options;
- (f) Allegra Capital Pty Ltd is a Shareholder in Resource Star Limited and as at the date of this Notice holds 473,500 Fully Paid Ordinary Shares, which represents a voting power of 0.009% of the current Shares on issue;
- (g) The Options to be allotted under Resolution 3 will be listed on the ASX;
- (h) If the 20,000,000 September 2012 Listed Options issued to Allegra Capital Pty Ltd or its nominees are exercised, a total of 20,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 51,928,182 to 71,928,182 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the Shareholding of existing Shareholders would be diluted by 28.46%;
- (i) The current Share Price as at the time of preparing the Notice is 8.5 cents and the Exercise Price of the Lead Manager Options is 20 cents. There is a high probability that Allegra Capital Pty Ltd or its nominees will not exercise all of the Options granted and it is anticipated that the Company will between now and September 2012 (being the Expiry Date) issue further Shares which will reduce the voting power of Allegra Capital Pty Ltd or its nominees.

Resolution 4 – Election of Mr Geach

Clause 13.4 of the Constitution states that the Directors may at any time appoint a person to be a Director to either fill a casual vacancy or as an addition to the existing Directors. A Director appointed under clause 13.4 holds office until the conclusion of the next meeting of the Company and is eligible for re-election at that meeting.

Mr Cyril Geach was appointed Director on 22 April 2010 as an addition to the existing Directors.

Mr Geach has a Bachelor of Science (Hons-Geology), is a member of the Australian Institute of Geoscientists and formerly a Licentiate of Royal Society of Chemistry.

He is an experienced and capable Geoscientist-Exploration Business Manager with considerable executive project management skills with over twenty eight (28) years of exploration and mining experience and a founding executive director of four (4) ASX companies.

Over the last two years Mr Geach has consulted to the resource and energy industry advising many companies on exploration management and providing hands on geological input as a contract and consulting geologist.

Currently he is a part time managing director of a private company which has primarily a magnetite asset and also with areas for gold/BIF/Li/Bauxite all in Western Australia.

In accordance with clause 13.4 of the Constitution, Mr Geach offers himself for election as a Director of the Company.

Annexure A

Terms of Shares

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights attaching to the Shares of the Company. Full details are contained in the Constitution, available for inspection at the Company's Registered Office.

(a) Share Capital

All issued Ordinary Shares rank equally in all respects.

(b) Voting Rights

At a General Meeting of the Company, every holder of Shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for every fully paid share held, and for every contributing share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing share.

(c) Dividend Rights

Subject to the rights of holders of Shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the Shareholders in proportion to the Shares held by them respectively, according to the amount paid up or credited as paid up on the Shares.

(d) Rights on Winding-Up

Subject to the rights of holders of Shares issued with special rights in a winding-up (at present there are none), on a winding-up of the Company all assets which may be legally distributed amongst the members will be distributed in proportion to the Shares held by them respectively, according to the amount paid up or credited as paid up on the Shares.

(e) Transfer of Shares

Shares in the Company may be transferred by instrument in any form, which complies with the Constitution, Corporations Act, Listing Rules and ASTC Settlement Rules.

Shares may be transferred by such means in accordance with Listing Rules and the ASTC Settlement Rules. The Directors may refuse to register a transfer of Shares only in those circumstances permitted by Listing Rules and ASTC Settlement Rules.

(f) Calls on Shares

Shares issued as fully paid are not subject to any calls for payment by the Company and will not therefore become liable for forfeiture.

(g) Further Increases in Capital

The allotment and issue of any Shares is under the control of the Directors and, subject to any restrictions on the allotment of Shares imposed by the Constitution, Listing Rules or the Corporations Act, the Directors may allot, issue or grant options or otherwise dispose of those Shares to such persons, with such rights or restrictions as they may from time to time determine.

Annexure B

Terms of September 2012 Listed 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.

**Resource Star Limited
ABN 71 098 238 585**

Proxy Form

Please return this Proxy Form to the Company Secretary's Office:

Nissen Kestel Harford

Level 2, Spectrum, 100 Railway Road SUBIACO WA

or

PO Box 8281 SUBIACO WA 6008

or

Facsimile on +61 8 9 367 8812

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

Mark the below box with an "X" if the Chairman of the Meeting is to be your Proxy

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

OR

A

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 General Meeting of Resource Star Limited to be held at The Boardroom, Nissen Kestel Harford, Level 2 Spectrum, 100 Railway Road, Perth WA 6008 on Friday, 23 July 2010 at 11.30am (WST) and at any adjournment of that meeting.

If the Chairman of the Meeting is your Proxy and you ARE NOT directing him how to vote on Resolutions 1 to 3; mark the below box with an "X"

IMPORTANT: FOR RESOLUTIONS 1 to 3 as VOTING EXCLUSIONS APPLY

By marking the box on the left hand side, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he may have an interest in the outcome of these Resolutions and that votes cast by him for these Resolutions, other than as proxy holder, would be disregarded because of that interest.

B

*If you do not mark the box **AND** you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your vote on Resolutions 1 to 3 and your vote will not be counted in calculating the required majority if a poll is called on these Resolutions.*

The Chairman of the Meeting intends to vote undirected proxies in favour of the resolution.

		For	Against	Abstain*
Resolution 1.	Approval for a Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Ratification of a Previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Issue of Options to Allegra Capital Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.	Election of Mr Cyril Geach as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for resolutions 1 to 4, you are directing your proxy not to vote on your behalf 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 you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form. %

PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions to be valid

Individual or Member 1

Member 2

Member 3

Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Voting

Voting entitlements

In accordance with the Corporations Act, the Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the meeting will be the entitlement of that person set out in the Company's share register as at 11.30am (WST) on Wednesday, 21 July 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting exclusions apply to Resolutions 1 to 3 of this Notice as set out under the relevant heading "Voting Exclusion" under the Resolution.

Voting in person

A Shareholder that is an individual may attend and vote in person at the meeting. If you wish to attend the meeting, please bring the attached proxy form to the meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the meeting in accordance with section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting.

Voting by proxy

Shareholders should complete the proxy form if they do not wish to attend the meeting and wish to appoint a proxy to attend and vote on their behalf. If you intend to attend the meeting, you do not need to complete the proxy form. However, please bring the proxy form with you to the meeting to assist with your registration.

You may still attend the meeting even if you have appointed a proxy. However, your proxy's authority is suspended in relation to any resolutions on which you choose to vote personally.

Appointing a second proxy

You may appoint up to two (2) persons to act as your proxy to attend and vote on your behalf. If you wish to do this you must use a separate proxy form in respect of each proxy and indicate the percentage of your voting rights or the number of Shares that each proxy is appointed in respect of each proxy form. You should photocopy the enclosed proxy form or request an additional proxy form to be sent to you.

Directing your proxy how to vote

If you wish to direct your proxy how to vote on any or all of the resolutions, place a mark "X" in the "For", "Against" or "Abstain" box. If you do not direct your proxy how to vote, your proxy may vote as he, she or it sees fit. If you mark the abstain box, you are directing your proxy not to vote on your behalf in respect of that resolution and your votes will not be included on a show of hands or on a poll.

If you appoint the Chairman of the meeting as your proxy, but do not give directions on how to vote on a particular resolution, the Chairman will vote in favour of that resolution even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

Signing instructions

Individuals	The individual, who is the Shareholder, or his or her attorney, must sign the form.
Joint holding	Each person who is a joint Shareholder, or their attorneys, must sign the form.
Companies	The company that is the Shareholder must sign the form in accordance with section 127 of the Corporations Act either by a director jointly with either another director or a company secretary, or where the company has a sole director who is also the sole company secretary (or there is no company secretary), by that director.
Power of attorney	Any Shareholder signing under a power of attorney must attach a certified photocopy of the power of attorney document to this form.

Lodging your proxy form

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at the address given below no later than 11.30am (WST) on Wednesday, 21 July 2010. Any proxy form received after that time will not be valid for the scheduled meeting.

In person	Nissen Kestel Harford Level 2, Spectrum 100 Railway Road SUBIACO WA 6008
By mail	Nissen Kestel Harford PO Box 8281 SUBIACO WA 6904
By fax	+61 8 9367 8812

**Resource Star Limited
ABN 71 098 238 585**

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*

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 General Meeting of Shareholders of Resource Star Limited ACN 098 238 585 to be held on Friday, 23 July 2010 at 11:30am (WST) and at any adjournment or postponement of the General Meeting, or any meeting arising from the General Meeting.

Dated this day of 2010

Executed by

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

.....
Director

.....
Director/Secretary

.....
Name of Authorised Representative

.....
Signed by Authorised Representative