



ASX Release
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ASX: RSL

RESOURCE STAR DEFINES RARE EARTH TARGETS AT ILOMBA HILL, MALAWI

New, well-defined rare earth (“REE”) geochemical targets have been generated by the interpretation of a systematic soil sample survey over Resource Star’s 90%-owned Ilomba Hill tenement.

The REE targets are related to, but appear separate from the radiometric targets generated earlier by RSL’s airborne geophysics and known niobium-uranium-zircon anomalism.

Key Results:

- **Comprehensive, systematic geochemical dataset acquired over multi-metal alkali intrusive complex**
- **The new REE anomalies are near, but separate to previously known mineralisation**
- The strongest REE target, of up to four to five times background, has been defined over 1.6 x 0.4km and defines a newly-identified anomalous zone of the intrusive complex
- A further six new subsidiary REE and Nb-Ta-U-Th targets have been defined, associated with other parts of the complex

Work Planned:

- Follow-up mapping and systematic rock-chip sampling or trenching, as required
- Development of an initial shallow drill-testing program on the basis of integrated results

Resource Star Ltd (“Resource Star” or “RSL”) today announced that it has identified significant anomalies at its 90%-owned Ilomba Hill Project (“the Project”) in Malawi, southeast Africa. Historic sampling had previously identified niobium (Nb) and uranium (U) mineralisation, but interpretation of a recent systematic soil survey has now also defined a large area of REE anomalism that requires further follow-up.

The newly-defined features are geochemical anomalies located within an alkali syenite intrusive complex and complement earlier geophysical anomalies. Targets from all methods will form the focus of 2011 ground exploration, which will be designed to develop trenching and drilling targets at Ilomba Hill.

The Ilomba Hill Project forms a key part of Resource Star’s existing uranium and uranium-related specialty metals portfolio in East Africa and Australia, and demonstrates similarities to RSL’s Machinga Joint Venture Nb-REE project and other alkali intrusive-related mineralisation in the region.

Ilomba Hill Project

In conjunction with a Malawian private company, Nyalihanga Enterprises Ltd, Resource Star Ltd has commenced exploration of the Ilomba Hill Nb-U Project in Malawi. Resource Star is managing the exploration program.

The Ilomba Hill Project covers part of a nepheline syenite, which is an alkali intrusive body that is part of a suite of similar systems that are known to host niobium, tantalum, uranium and rare earth mineralisation elsewhere in Malawi.

Applications have been made by the JV to acquire the remainder of the entire nepheline syenite complex.

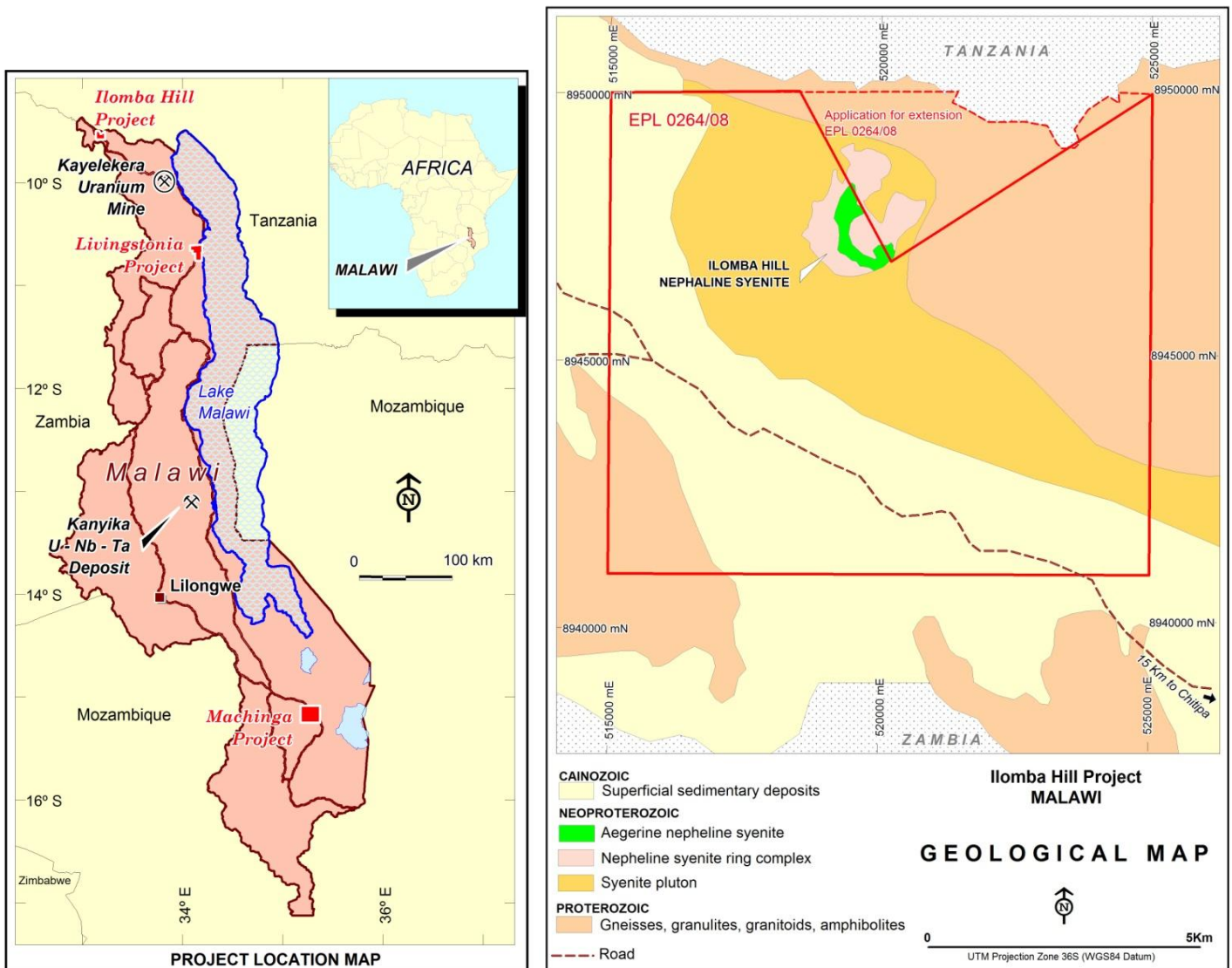


Figure 1: Resource Star's exploration projects in Malawi including Ilomba Hill and, right, the Ilomba Hill tenement and interpreted geology.

Prospectivity of the system had been confirmed by Resource Star with the discovery of the results of previously unpublished sampling. Four of these eight samples were highly anomalous in niobium ($>1\%$ Nb_2O_5) and uranium (2,000ppm to $>1\%$ U_3O_8), and six had elevated zirconium results ($>0.5\%$ ZrSiO_4).

During 2010 RSL completed a detailed low-level airborne multispectral radiometrics and aeromagnetics geophysical survey over the Project, which was used to design the soil sampling program.

Geochemical Services Pty Ltd of Australia has completed analysis on the subsequent soil sampling survey following receipt of all results. Analysis was completed by ALS Chemex in Johannesburg, South Africa, using lithium borate fusion ICP-MS assay with four-acid digest. Geochemical Services report that the QAQC results (duplicates, blanks and certified reference material) are fit for purpose.

A total of 914 samples, including QAQC, were taken over the Ilomba Hill alkali intrusive complex and surrounding areas, covering approximately 10km². The data show a number of anomalous features, as seen in Fig 2, with many of the targets, including the high priority REE target "ILB001", in areas that were not highlighted by the airborne geophysics.

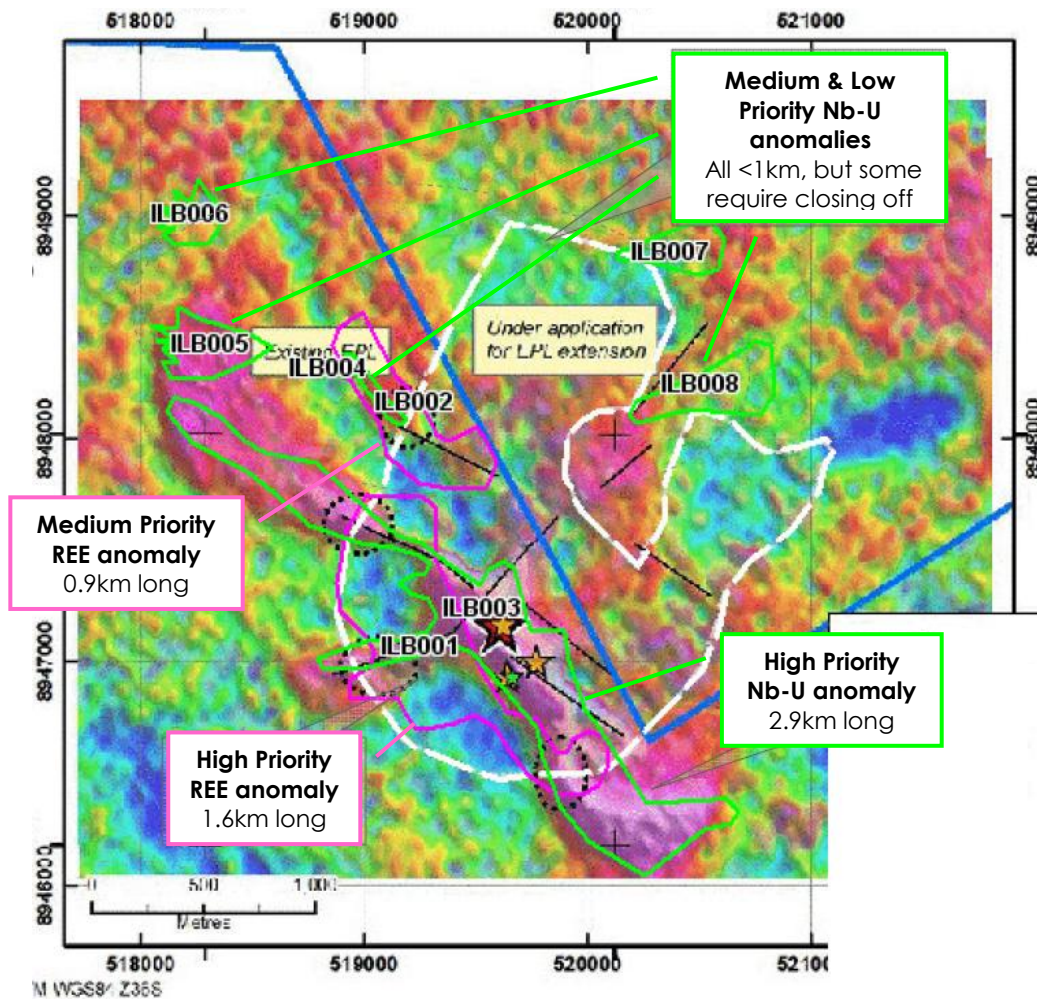


Figure 2: Ilomba Hill soil geochemical anomalies overlaid on combined uranium & thorium airborne response with the strongest REE response (ILB 001) lying parallel to but not coincident with the known Nb-U trend (here ILB 003). The white dashed outline defines the limit of outcrop of Mt Ilomba. Results outside are likely to be due to a combination of both residual and transported material. See Fig 3 for separate soil response for each group of metals.

Two high priority anomalies were defined, one being the known Nb-Ta-U-Th trend associated with highly anomalous rock chip results in historical sampling; and the other the new REE trend that lies parallel to it. In summary, the newly-defined soil anomalies are:

Name	Priority	Known	Length	Key elements	Comments
ILB 001	High	No	1.6km	REE	Parallel to known Nb-U trend
ILB 002	Medium	No	0.9km	REE	Possible secondary, parallel structure?
ILB 003	High	Yes	2.9km	Nb-Ta-U-Th	Some is likely to be transported material
ILB 004	Medium	No	0.4km	Nb-Ta-U-Th	Within ILB002 REE anomaly
ILB 005	Low	No	0.5km	Nb-Ta-U-Th	Requires closing off
ILB 006	Low	No	0.3km	Nb-Ta-U-Th	Requires closing off
ILB 007	Low	No	0.4km	Nb-Ta-U-Th	
ILB 008	Low	No	0.7km	Nb-Ta-U-Th	

RSL's 2011 Ilomba Hill exploration program will focus on further exploration work to better understand the geology and fresh rock response associated with anomalies ILB 001 - 004.

Fig 3 portrays the primary data for both identified associations of soil sample results from this program which shows the clear off-set between the Nb-Ta-U-Th association (Fig 3 A), related to the known airborne radiometric anomaly and historical percent level niobium and uranium rock-chip samples; and, the adjacent and parallel, newly-defined REE anomalies (Fig 3 B)

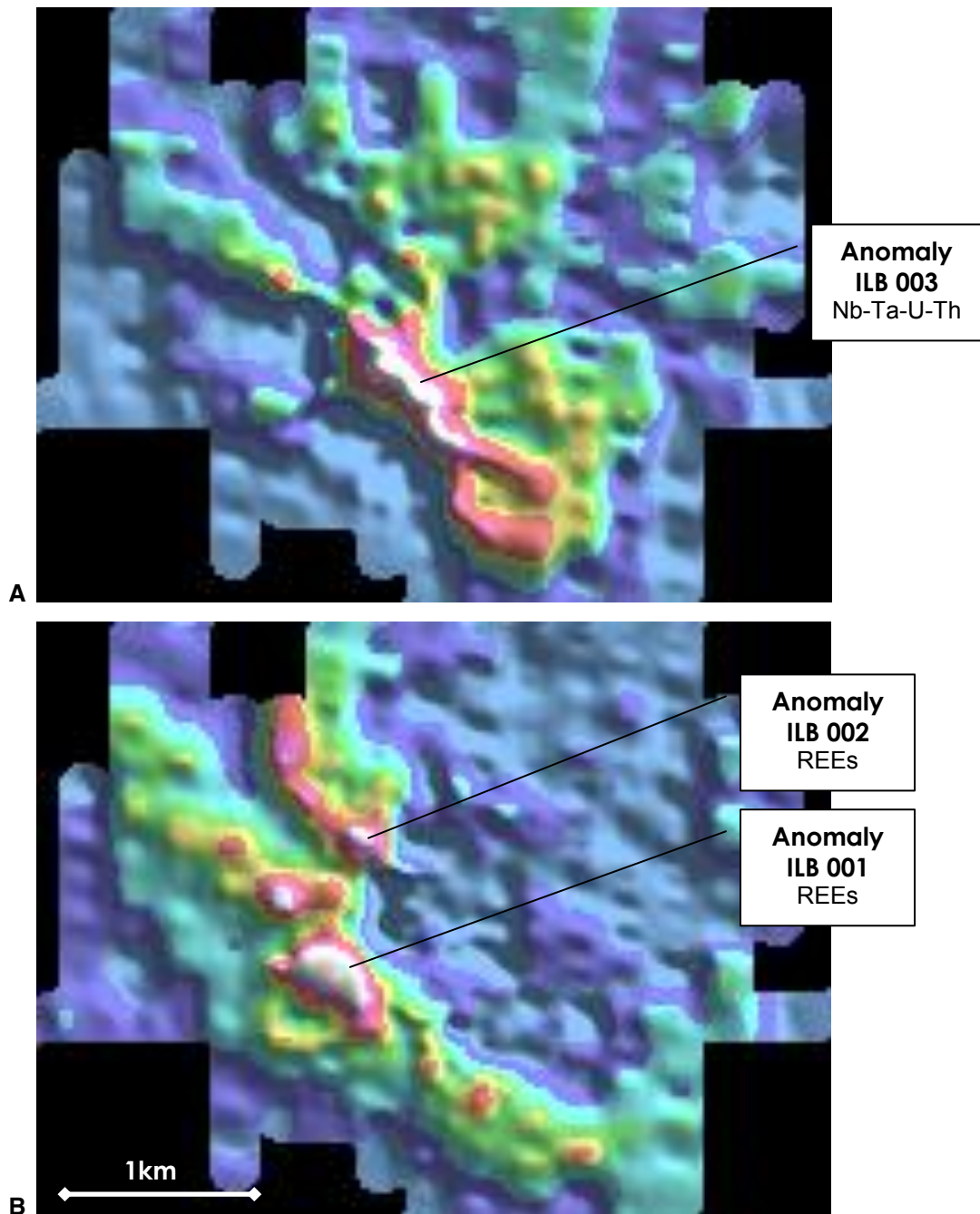


Figure 3: Ilomba Hill Soil Sample Responses – A) Nb-Ta-U-Th association reflecting the historically known uranium and niobium anomalism (ILB003). **B) The newly defined REE association**, with a broad response to the south of the Nb-U trend (ILB001), and a secondary parallel zone to the north (ILB002).

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About Resource Star Ltd

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

The Company's main projects are the 100%-owned Edith River Uranium Project in the Northern Territory and joint ventures with Globe Metals & Mining on the Machinga Niobium-Rare Earths Project and the Livingstonia Uranium Project in Malawi. Globe is managing the Machinga program, with input from Resource Star, and they are currently earning 20% equity through exploration expenditure. In a staged process, Globe can earn up to 80% in the project by funding all activity up to and including a feasibility study.

Resource Star recently reported a maiden JORC-compliant Inferred Resource estimate completed by CSA Global on the Livingstonia uranium mineralisation, defining 7.7Mt at 270ppm U₃O₈ for a total of 4.6Mlb of contained metal.

Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Richard Evans, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Evans is an employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Evans consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This report contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information might include, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, shareholder value, projections, targets and expectations, Mineral Reserves and Resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, uranium prices, demand for uranium, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions. Persons reading this report are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Report.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results.