

Resource Star Limited

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08 April 2014

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The Company Announcements Platform
ASX Limited
SYDNEY NSW 2000

Resolution to undertake a Non-Renounceable Rights Issue

The Directors of Resource Star Limited (**Resource** or **the Company**) advise that they have resolved to raise up to \$624,000 through a Non-Renounceable Rights Issue (**Rights Issue**).

The Rights Issue offers one (1) New Share for every one (1) Share held at an application price of \$0.004 cent per Share together with one (1) free attaching unlisted option for every four (4) Shares issued with an exercise price of \$0.004 on or before 31 March 2016.

The New Shares issued under the Rights Issue will rank equally with all Shares on issue.

The Rights Issue is fully underwritten and the Company is pleased to announce that Truestone Capital Limited has entered into an Underwriting Agreement with the Company to fully underwrite the Rights Issue. The Company will pay Truestone Capital Limited an underwriting fee of 6% of the total amount raised pursuant to the Rights Issue plus a \$5,000 initial fee.

The Rights Issue is available to Resource shareholders registered on the record date of 17 April 2014 and who reside in Australia or New Zealand and will close on 12 May 2014. At the discretion of the Board the Rights Issue can be extended and the Board will make that decision closer to the 12th.

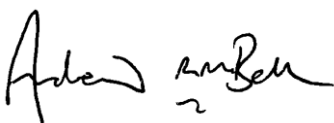
The Company will use the funds raised under the Rights Issue for:

- Exploration work on Company Tenements;
- Identification of new opportunities; and
- General working capital purposes including paying creditors and meeting the costs of the Offer

In the event that circumstances change or other opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise benefits to Shareholders.

The Prospectus relating to the Rights Issue will be available after lodgement on the ASX website www.asx.com.au.

Given the Board has resolved to pursue the Rights Issue and believe that at the current time it is a superior alternative to other capital raising options; the Board has decided to cancel with immediate effect the Unsecured Convertible Note Deed dated 4 June 2014.



Andrew Bell
Executive Chairman