



RESOURCE STAR QUARTERLY REPORT TO 30 JUNE 2014

Summary

Resource Star Limited (**Resource Star**, or the **Company**) (ASX: RSL) has today lodged with the ASX the Company's quarterly mining exploration entity and oil and gas exploration entity quarterly report for the period ended 30 June 2014.

The Company's main focus of the quarter was building its cash position and the Company made significant progress during the June 2014 quarter in strengthening its balance sheet and in the process increased the shareholder base as new shareholders came in to support the future growth of the business.

Resource Star successfully carried out a one (1) for one (1) non-renounceable Entitlement Offer at \$0.004 per Share to raise \$624,000 during the quarter.

The Company held \$460,000 in cash as at 30 June 2014, compared to \$13,000 at 31 March 2013. Fund raising for the twelve (12) months to 30 June 2014 was \$641,000. The Company has cash resources and liquidity for the near term but as it looks forward is still reliant on the ongoing support of significant shareholders, and directors.

The stronger cash position has strengthened the Balance Sheet and will enable the Company to implement a suitable transaction.

Net operating cash flow for the quarter was (\$58,000) and included exploration and evaluation of \$15,000. Total exploration and evaluation for the twelve (12) months to 30 June was \$26,000.

Continued savings in operating costs were derived through disciplined and restraint cost cutting measures.

The Company continues to focus on identifying new opportunities in the resources sector that have the capacity to add significant long-term shareholder value. However, given the market sentiment worldwide, the number of appropriate and well-priced opportunities continues to diminish and the Company has to look beyond the energy sector. The Company is currently working with a number of possible opportunities.

Operations

The Company continued to remain under care and maintenance during the quarter with no exploration activity being carried out; although it remains committed to trying to obtain value from its tenement positions.

Tenement maintenance was continued and progressed during the period, including completion of Annual Reports and/or Statements of Expenditure as part of the Company's compliance with the various Departments' requirements.

The Company is continuing to review and rationalise its tenement holdings, and some further small changes to tenements held can be expected in the following quarters.

Ilomba Hill Rare Earth Project – Malawi

No work has been undertaken; other than care and maintenance on EPL0264/08.

Spinifex Uranium Project

The Spinifex project continues to be identified as the near-term priority for Resource Star and the Company is currently reviewing the minimum expenditure condition of \$70,000 by 27 August 2014.

The Extension of Term for E 80/3572 was granted for a further period expiring on 27 August 2015.

Northern Territory Tenements

Work completed on the Northern Territory tenements were of a developmental nature, as opposed to exploratory. On this basis there are no exploration activities to report in relation to the Northern Territory tenements during the June 2014 quarter.

All tenements in the Northern Territory are applications only.

The Company has until 31 October 2014 to re-apply to the Northern Land Council for the granting of ELA25884 and ELA271749 at Edith River. There was no exploration expenditure on ELA25884 and ELA271749 during the quarter.

The Application For Consent Pursuant to Section 41(2)(b) and in accordance with Section 41(5) and 41(6) of the Aboriginal Land Rights in respect to Mt Celica Project ELA24414 is still being reviewed by the Northern Land Council.

Mining Tenements Held as at 30 June 2014

WESTERN AUSTRALIA

Project	Tenement	Interest
Spinifex	E80/3572	Application

NORTHERN TERRITORY

Project	Tenement	Interest
Edith River Project	ELA25884	Application
	ELA27149	Application
	ELA28903	Application
Celia Prospect	ELA24414	Application
Woolgni Mine Area	MLA24342	Application

MALAWI (AFRICA)

Project	Tenement	Interest
Ilomba Hill	EPL0264/08	90%
Ulindi	EPLA	Application

The Company continues to hold a 0.7% gross revenue royalty interest in any future production from the Machinga niobium-rare earth project in Malawi operated by Globe Metals and Mining Limited.

Mining Tenements Acquired and Disposed during the March 2014 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the March 2014 Quarter

Nil

Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the March 2014 Quarter

Nil

Corporate

As at 30 June 2014, Resource Star Limited had 1,447 Shareholders, 115 Listed Option holders and the Share capital position was as follows:

Category	ASX Code	Number on Issue
Issued Ordinary Shares	RSL	312,000,000
Listed Options – 31 March 2016	RSLO	78,000,000
Unsecured Convertible Notes	-	500,000

Share data during the quarter under review is as follows:

- i. On 30 June 2014, Resource Star Shares closed at a price of \$0.003 per Share and the Listed Options closed at \$0.002 per Option;
- ii. The highest traded price of Resource Star securities in the quarter was \$0.005 (08 April 2014), the lowest traded price was \$0.003 per Shares (30 June 2014); and
- iii. 156,000,000 Shares and 78,000,000 Listed Options were issued during the quarter. The Shares were issued at \$0.004 to raise a total of \$624,000 from a Non-Renounceable Rights Issue.

The notable equity transaction completed during the quarter was a one (1) for one (1) non-renounceable Entitlement Offer (**the Offer**) to existing shareholders to raise 624,000 together with a free attaching Listed Option on the basis of 1 Listed Option for every two (2) Shares held.

The Offer was successfully finalised with all Shares available being taken up through a combination of Entitlement subscriptions, Shortfall Applications and pursuant to the Underwriting Agreement.

Under the Offer, 28,736,050 of new Ordinary Shares through entitlement and shortfall applications were subscribed for by existing shareholders and 127,263,950 Shares were taken up by the Underwriter.

The proceeds of the Offer are being used to meet the expenses of the Offer, repay short term funding from Red Rock, undertake exploration work on the Company's existing tenements and provide working capital.

The Company will use the funds raised under the Offer for:

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

The Company's Substantial Shareholders are:

Red Rock Resources Plc (YA Global (2) A/c)	20.94%
Citibank Nominees Pty Ltd	20.03%
Mr Mathew Donald Walker	16.03%
Ecometrix Pty Ltd	7.07%

Citibank Nominees Pty Ltd are holding the Shares as custodian for a single entity.

There were no changes to the Board structure during the quarter but the Company announced on 2 July 2014 the resignation of Mr Charles (Bill) Guy as a Non-Executive Director and the appointment of Mr Richard Parker as the incoming Director.

Mr Parker is a businessman based in Western Australia, with over twenty (20) years in managing and developing various projects in Australia. His earlier experience in the transport and mining industries included management positions responsible for plant and maintenance, health and safety, and mine safety.

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.