



ASX Release
15 May 2012

ASX: RSL

RESOURCE STAR TO ACQUIRE THE REMAINING 80% OF THE LIVINGSTONIA URANIUM PROJECT

Highlights

- Resource Star Limited (“Resource Star” or ‘the Company”) to acquire the remaining 80% of the Livingstonia Uranium Project (“Livingstonia”) from joint venture partners Globe Metals and Mining Limited (“Globe”)
- Acquisition follows Resource Star earning an initial 20% equity interest under the joint venture announced on 16 March 2010
- Livingstonia contains a JORC compliant Inferred Mineral Resource of **8.3 million tonnes averaging 325ppm eU₃O₈ for a contained 6.0 million pounds of eU₃O₈** at a lower cut-off grade of 150ppm
- Globe will acquire the remaining 80% of the Machinga Niobium-REE Project (“Machinga”) from Resource Star, having earned a 20% equity interest under the joint venture announced on 25 November 2009
- Resource Star and Globe will grant each other a gross production royalty interest in the project being divested, 0.7% for Machinga and 1% for Livingstonia
- There is no cash component to the transaction
- The transfer of the Project interests is only subject to required regulatory approvals in Malawi

Resource Star (ASX:RSL) and joint venture partners Globe (ASX:GBE) have today agreed to restructure their Malawi joint venture arrangements (“the restructure”) to enable both companies to better focus their resources towards future growth. Resource Star believes that this transaction will greatly enhance the Company’s operational and strategic flexibility.

The restructure involves the effective swap of Resource Star’s remaining 80% interest in Machinga for the 80% joint venture interest in Livingstonia that Resource Star has not yet earned.

The key benefits for Resource Star in acquiring 100% ownership of Livingstonia are:

- a very low absolute cost acquisition of JORC-compliant Inferred U₃O₈ Resources and very prospective exploration ground;
- a low cost acquisition relative to the earn in cost;

- **greater flexibility in determining the work program and the timing of expenditures in a challenging capital markets environment;**
- **enhanced capacity to consider other transactions that could accelerate value creation at Livingstonia; and**
- **improved clarity for investors.**

Resource Star shareholders will retain exposure to Machinga through the 0.7% gross production royalty and the Company will continue to pursue its other rare earth prospect in Malawi at Ilomba Hill and potentially elsewhere in Africa.

The difference in the royalty rates for each project reflects the different level of advancement of each project.

Managing Director Simon Heggen commented: “We believe that this restructure is in the best interest of our shareholders as strengthens our focus on our key project in Livingstonia, where there is great potential for future growth.

“We are currently planning the next round of drilling at Livingstonia and our Exploration Manager has recently returned from Malawi, following meetings with contractors, suppliers and Malawian Government officials, in order to map out the program. Once this is finalised the Company will outline these plans to shareholders.”

Background on Livingstonia Project

Livingstonia is part of the prospective Karoo-equivalent sedimentary sequence that hosts a number of sandstone-hosted mineralised bodies through southern Africa (Fig 1), including Paladin Energy’s nearby Kayelekera Uranium Mine in Malawi and ARMZ’s Mkuju River Project in neighbouring Tanzania.

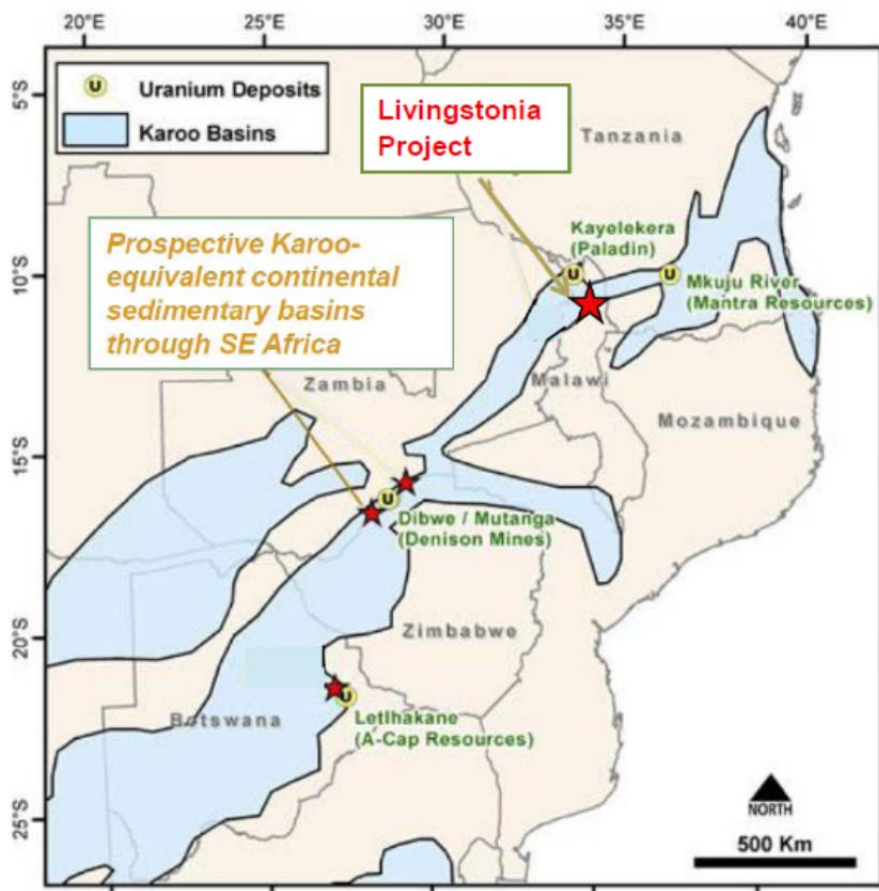


Figure 1: Livingstonia Location Map showing distribution of the prospective Karoo-equivalent sedimentary basins.

Mineralisation at Livingstonia was discovered by Globe and as announced to the ASX on 16 March, 2010, Resource Star and Globe signed a joint venture exploration agreement.

During 2007-08, Globe drilled 95 holes at Livingstonia, for a total of 11,000 metres, using both reverse circulation ("RC") and open hole percussion with a combination of either or both laboratory analysis and down hole gamma probing. Drilling occurred at three prospects, the majority at the Chombe Prospect.

In July 2010, on the basis of the historical Globe drilling, CSA Global Pty Ltd ("CSA") completed a Mineral Resource Estimate on the Chombe Prospect, and defined an Inferred Resource of 7.7Mt @ 270 ppm eU₃O₈ using a 150 ppm cut-off.

At the end of 2010, Resource Star completed a program of a further 13 percussion holes for a total of 1,502m on the Chombe Prospect. Mineralised zones were intersected in all but one of the holes, with some significant thick intersections identified along the eastern edge of the July 2010 Resource boundary.

On 22 June 2011 Resource Star announced an updated Mineral Resource Estimate, completed by CSA, based on the additional drilling. The updated Inferred Resource is **8.3Mt @ 325ppm eU₃O₈ for 6.0 Mlbs of eU₃O₈ at a lower cut-off grade of 150ppm.**

On 14 November 2011 the Company announced that an extension had been granted to the northern boundary of the Livingstonia EPL which, together with clarification of the positioning of the boundary, provides additional unexplored ground adjacent to the known mineralisation. Figure 2 below details the new northern boundary of the EPL relative to the area included in the announced Inferred Resource as outlined in red. The area cross hatched in blue is the exploration target area as identified by CSA now including the northern area.

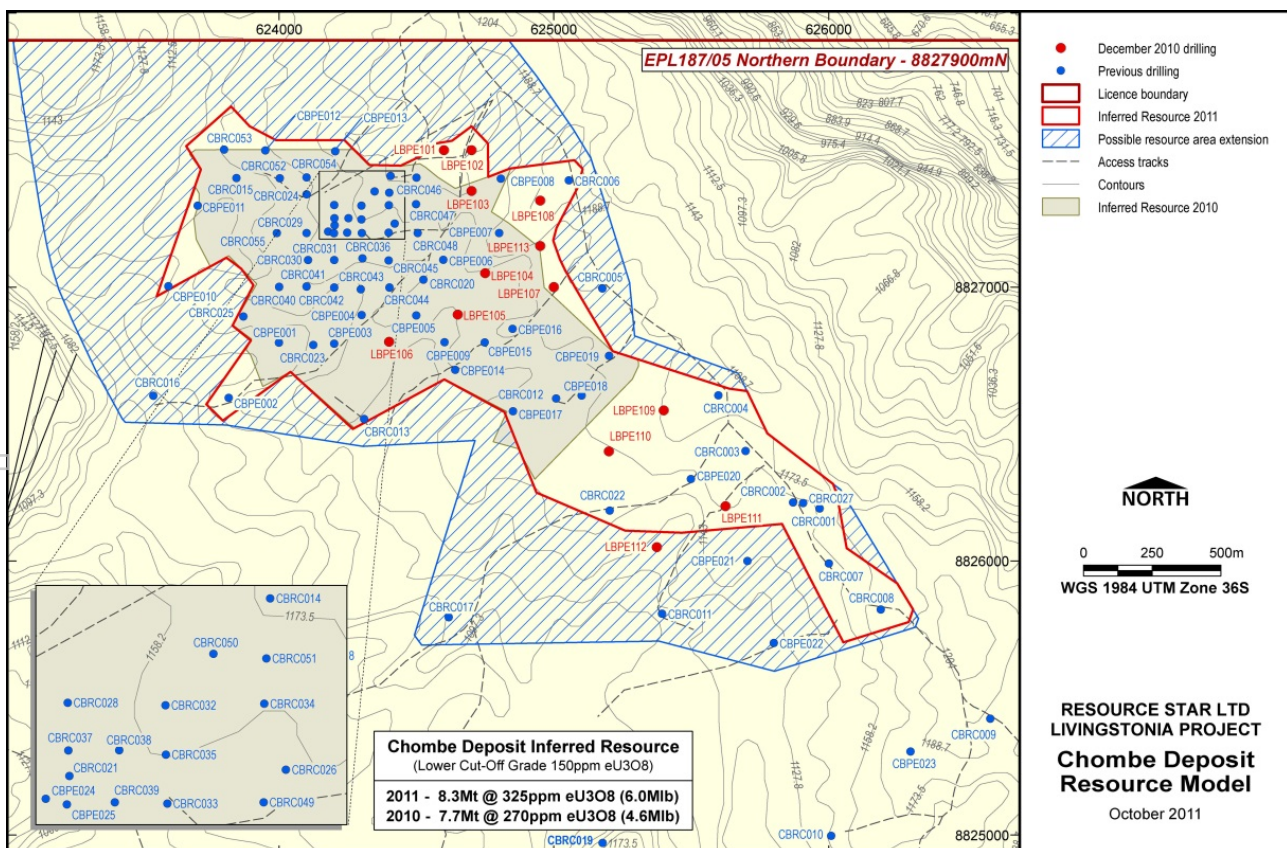


Figure 2: New northern boundary of the EPL relative to the area included in the announced Inferred Resource as outlined in red.

For further information please contact:

Andrew Bell, Chairman	+44 77 66 474 849
Simon Heggen, Managing Director	+61 3 9607 1322
Victoria Thomas, Six Degrees Investor Relations	+61 3 9674 0347

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 Malawi, the Northern Territory, Western Australia and Tasmania.

The Company's main projects are the Livingstonia Uranium Project in Malawi, the Spinifex joint venture with Thundelarra Exploration in Western Australia and 100%-owned Edith River and Hayes Ck South Uranium Projects in the Northern Territory.

In 2011 Resource Star reported a JORC-compliant Inferred Resource for Livingstonia, defining 8.3 Mt at 350 ppm eU₃O₈ for a total of 6.0 Mlb 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.

The information in this report that relates to Mineral Resource Estimation is based on information compiled by Mr Dmitry Pertel, who is a Member of The Australasian Institute of Geoscientists. Mr Pertel is an employee of the CSA Global Pty Ltd 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 Pertel 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.