



ASX Release
29 October 2012

ASX: RSL

RESOURCE STAR TO ACQUIRE THE SPINIFEX URANIUM PROJECT

Highlights

- Resource Star Limited (**Resource Star** or **the Company**) has agreed to acquire 100% of the Spinifex Uranium Project in Western Australia (**Spinifex**) from Thundelarra Exploration Limited ("Thundelarra")
- Resource Star will issue 5 million fully paid Ordinary Shares to Thundelarra as consideration for the acquisition and the 1.5% Net Smelter Royalty ("NSR") that is part of the existing joint venture agreement between the Parties will be retained by Thundelarra
- The transaction is subject to finalising all necessary documentation and obtaining required regulatory approvals and consents in Western Australia

Resource Star (ASX: RSL) and joint venture partners Thundelarra (ASX:THX) have agreed to terminate their Spinifex joint venture and Resource Star will acquire 100% of the Spinifex tenement (E80/3572) from Thundelarra. Resource Star believes that this is an opportunity to acquire 100% of a prospective exploration project on relatively attractive terms and to deliver greater flexibility for the Company in exploring the tenement.

Under the existing joint venture agreement, Resource Star could have earned 20% equity by completing 1,000m of drilling and a further 31% by spending a total of \$500,000. From there, Thundelarra could have chosen to contribute on an equity basis or be diluted to 30% through to completion of a JORC compliant Resource, and further, chosen to contribute or be diluted to 10% on completion of a Feasibility Study.

The 5 million shares to be issued to Thundelarra as consideration will be issued under Resource Star's 15% placement capacity.

The NSR in favour of Thundelarra, agreed between the Parties in the original joint venture will be retained by Thundelarra and all cultural and heritage agreements to which Thundelarra is currently party will be sought to be assigned as part of the transaction.

Spinifex Project

Spinifex is an unconformity related uranium project that is located approximately 50km south of Kununurra in Western Australia. The tenement covers about 119 square kilometres. Resource Star and Thundelarra announced the formation of a joint venture to explore Spinifex on 4 April 2011.

Previous exploration at Spinifex by Uranerz and Metals Miniere has reported trenching results of up to 13.5% U₃O₈ and 50% of samples taken recording in excess of 2,000ppm U₃O₈. Work by Thundelarra included 4 samples reporting in excess of 0.5% U₃O₈ and an average for the remainder of 140ppm U₃O₈.

Since the joint venture was formed, the tenement term has been extended for a two year term until the end of 2013 and Resource Star has completed additional geological mapping, identified drill hole locations, and obtained permits and heritage clearance to proceed with an initial drilling programme. Indications of the cost of a programme were received and discussions held with prospective contractors.

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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 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.

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.