



RESOURCE STAR QUARTERLY REPORT TO 31 MARCH 2015

HIGHLIGHTS

- Termination of Agreement to acquire Australian cloud services provider, Cloud Lands Digital Fortress Pty Ltd (**Cloud Lands**).
- Resource Star completed a non-underwritten placement (**Placement**) of up to 105,974,534 fully paid ordinary shares at a price of \$0.006 per share to raise up to approximately \$635,847 on 19 February 2015.

Termination of Cloud Lands Agreement

The decision to terminate the agreement with Cloud Lands was made pursuant to the conditions precedent in the executed binding terms sheet as set out in the Company's ASX announcement of 1 August 2014 (**Agreement**). The Agreement to acquire Cloud Lands required the satisfaction of a number of conditions including the completion of a capital raising of not less than \$3,500,000, a consolidation on a ratio of 5:1 (or such other ratio as required for Resource Star to be reinstated to official quotation on the ASX following completion of the Acquisition) and all other necessary shareholder and regulatory approvals at a Shareholder Meeting. The management of Resource Star and Cloud Lands mutually agreed that as all conditions precedent had not been satisfied as at 6 February 2015, it was best to terminate the original Agreement. This decision was made in mutual understanding by both parties as it was considered in the best interests for each company and its shareholders.

In addition, Resource Star announced the completion of the Placement of up to 105,974,534 fully paid ordinary shares at a price of \$0.006 per share to raise up to \$635,847 on 19 February 2015. The issue of 52,987,267 one for two free attaching Options will expire on 31 December 2017 and are exercisable at \$0.008. The Options were approved by Shareholders at the Company's General Meeting held on 7 April 2015.

Operations

During the quarter, the Company continued to operate its main licenses on a care and maintenance basis 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 preparation of Half Year Reports and/or Statements of Expenditure as part of the Company's compliance with the various departments' requirements.

In accordance with ASX Listing Rule 3.15.1, the Directors of Resource Star announced during quarter that responsibility for the maintenance of the Resource Star share register would transfer to Security Transfer Registrars, this was effective from the start of business Monday, 2 March 2015.

The Company is continuing to review and rationalise its tenement holdings as reasonably required to maintain in good standing.

Corporate

As at 31 March 2015, Resource Star Limited had 1,539 Shareholders, 115 Listed Option holders, 23 Unlisted Option holders and the share capital position was as follows:

Category	ASX Code	Number on Issue
Issued Ordinary Shares	RSL	535,000,000
Listed Options – Exp 31 Mar 2016	RSLO	77,974,534
Unlisted Options – Exp 31 Dec 2017	UNLISTED	75,333,333

Below is a summary of the share register data, during the March 2015 quarter:

- i. On 31 March 2015, Resource Star Shares closed at a price of \$0.008 per Share;
- ii. The highest traded price of Resource Star securities in the quarter was \$0.009 per Shares (18 February 2015) and the lowest traded price was \$0.004 (1 January 2015);
- iii. 105,974,534 Shares were issued during the quarter. The Shares were issued at \$0.006 to raise a total of \$636,000 from a Placement. The proceeds of the Offer are being used to provide working capital for Resource Star Limited and settle outstanding creditors; and
- iv. Issue of 52,987,267 Unlisted Options expiring 31 December 2017 at an exercise price of \$0.008. The issue of the Unlisted Options were subsequently approved at the Shareholder meeting held on 7 April 2015.

The Company's substantial Shareholders as at 31 March 2015 are:

Red Rock Resources Plc	12.21%
Citibank Nominees Pty Ltd	9.90%
Mr Mathew Donald Walker	9.35%
Ecometrix Pty Ltd	5.81%

There were no changes to the Board structure occurred during the quarter.

Cash Position

The Company held \$503,000 in cash as at 31 March 2015, compared to \$76,000 at 31 December 2014. Fund raising for the three months to 31 March 2015 was \$636,000. The Company has cash resources and liquidity for the near term.

Net operating cash flow for the quarter was (\$170,000). Continued savings in operating costs were derived through prudent management of the business and cost-cutting measures.

The Company continues to focus on identifying new opportunities that have the capacity to add significant long-term shareholder value.

Yours faithfully

Mathew Walker

Director

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Mining Tenements Held as at 31 March 2015

Resource Star Limited wishes to provide additional tenement register information in accordance with the ASX Listing Rule 5.3.3. Mining tenements held at the end of the quarter and their location

WESTERN AUSTRALIA

Project	Tenement	Interest
Spinifex	E80/3572	Application

NORTHERN TERRITORY

Project	Tenement	Interest
Edlith 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.

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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Resource Star Limited

ABN

71 098 238 585

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(197)	(936)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	3
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid (GST)	27	52
1.7	Other	-	-
	Net Operating Cash Flows	(170)	(881)
Cash flows related to investing activities		-	-
1.8	Payment for purchases or renewal of:		
	(a) prospects (Tenement Sale Agreement and Tenement Applications)	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (Option Fee and development costs for acquisition of Cloud Lands Digital Fortress Pty Ltd)	-	(100)
	Net investing cash flows	-	(100)
1.13	Total operating and investing cash flows (carried forward)	(170)	(981)

1.13	Total operating and investing cash flows (brought forward)	(170)	(981)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	636	1,088
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Placement and capital raising fees)	(39)	(64)
	Net financing cash flows	597	1,024
	Net increase (decrease) in cash held	427	43
1.20	Cash at beginning of quarter/year to date	76	460
1.21	Exchange rate adjustments to item 1.20/rounding	-	-
1.22	Cash at end of quarter	503	503

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	22
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments of Director remuneration/fees, superannuation and provision of administration/consulting services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	100
4.3 Production	-
4.4 Administration	50
Total	150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	503	76
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	503	76

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter*

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter	-	-	-	-
7.3 +Ordinary securities	535,000,000	535,000,000	-	-
7.4 Changes during quarter, increases through	105,974,534	105,974,534	\$0.006	\$0.006
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	77,794,534 75,333,333	77,794,534 -	Exercise price \$0.004 Exercise price \$0.008	Expiry date 31 March 2016 Expiry date 31 December 2017
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

(Director)

Date: 16 April 2015

Print name: Mathew Walker

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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