

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity	Resource Star Limited
ACN	098 238 585

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Options to be listed ("RSLOA" – TBC)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	225,987,267
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Options; exercisable at \$0.008 on or before 31 December 2017.
4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes - Previously unlisted options to be listed ("RSLOA" - TBC) exercisable at \$0.008 on or before 31 December 2017.
5	Issue price or consideration	NIL
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Conversion of Unlisted Options to Listed Options.

+ See chapter 19 for defined terms.

6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes								
6b	The date the security holder resolution under rule 7.1A was passed	At the Company's Annual General Meeting held on 28 November 2014								
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Nil								
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	N/A								
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A								
6f	Number of securities issued under an exception in rule 7.2	N/A								
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A								
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A								
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<u>Remaining Issue Capacity under Rule 7.1</u> 8,850,000 <u>Remaining Issue Capacity under Rule 7.1A</u> 59,233,333								
7	Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates	On or about 14 May 2015								
8	Current Number and ⁺ class of all ⁺ securities quoted on ASX	<table><tr><th>Number</th><th>Class</th></tr><tr><td>592,333,333</td><td>Ordinary Shares</td></tr><tr><td>77,974,534</td><td>(RSLO) 31 March 2016 Listed Options exercisable at \$0.004 per Option</td></tr><tr><td>225,987,267</td><td>(RSLOA) 31 December 2017 Listed Options exercisable at \$0.008 per Option</td></tr></table>	Number	Class	592,333,333	Ordinary Shares	77,974,534	(RSLO) 31 March 2016 Listed Options exercisable at \$0.004 per Option	225,987,267	(RSLOA) 31 December 2017 Listed Options exercisable at \$0.008 per Option
Number	Class									
592,333,333	Ordinary Shares									
77,974,534	(RSLO) 31 March 2016 Listed Options exercisable at \$0.004 per Option									
225,987,267	(RSLOA) 31 December 2017 Listed Options exercisable at \$0.008 per Option									

⁺ See chapter 19 for defined terms.

	Number	Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	-
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not Applicable

Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 are not applicable

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

- (a) ☒ Securities described in Part 1
(b) ☐ All other securities

Example: Restricted securities at the end of the escrowed period, Partly paid securities that become fully paid, Employee incentive share securities when restriction ends and Securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☒ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☒ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

⁺ See chapter 19 for defined terms.

- 37 ☐ A copy of any trust deed for the additional +securities

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date: 14 May 2015

Print name: **Sonu Cheema**
Company Secretary

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for *eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	127,173,088
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	8,800,000 (Conversion of Convertible Notes) 156,000,000 (Rights Issue) 4,000,000 (Conversion of Convertible Notes) 25,466 (Exercise of Options) 20,026,912 (Ratified placement - Sept 2014) 35,000,000 (Placement - Sept 2014) 78,000,000 (Placement - Oct 2014) 105,974,534 (Placement – Feb 2015) 1,333,333 (Option Conversion - 17 Apr 2015) 50,000,000 (Ratified placement – 23 April 2015) 1,666,667 (Option Conversion - 23 April 2015) 1,333,333 (Option Conversion – 1 May 2015) 3,000,000 (Option Conversion – 11 May 2015)
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	N/A
“A”	592,333,333

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	88,850,000
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	

+ See chapter 19 for defined terms.

<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	80,000,000 - Unlisted Options exercisable at \$0.008 on or before 31 December 2017
“C”	80,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	88,850,000
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	80,000,000
Total [“A” x 0.15] – “C”	<p>8,850,000</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	592,333,333
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	59,233,333
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	Nil
“E”	Nil

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	59,233,333
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	59,233,333 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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**RESOURCE STAR LIMITED OPTIONS EXP 31/12/17 \$0.008
TOP 20 LISTING**

RANK	HOLDER NAME	NUMBER HELD	PERCENTAGE
1	THE TRUST COMPANY (AUSTRALIA)	26,000,000	11.51%
2	AVIEMORE CAPITAL PTY LTD	21,666,666	9.59%
3	MR MATHEW DONALD WALKER	15,000,000	6.64%
4	MR WILLIAM MURRAY MITCHELL &	14,833,334	6.56%
5	PROSPERO CAPITAL PTY LTD	10,000,000	4.43%
6	ETHAN ALLEN INVESTMENTS PTY	8,875,000	3.93%
7	SABRELINE PTY LTD	8,862,267	3.92%
8	RIMOYNE PTY LTD	8,000,000	3.54%
9	FAULKNER CAPITAL GROUP PTY LTD	8,000,000	3.54%
10	MR BIN LIU	7,250,000	3.21%
11	WASHDO HOLDINGS PTY LTD	6,666,667	2.95%
12	RED DRAGON COAL (ENTERPRISES)	5,333,333	2.36%
13	STRATEGIC FUNDING MANAGEMENT	5,000,000	2.21%
14	ACNS CAPITAL MARKETS PTY LTD	5,000,000	2.21%
15	RAVENHILL INVESTMENTS PTY LTD	4,875,000	2.16%
16	MIAL ENTERPRISES PTY LTD	4,583,333	2.03%
17	WITNEY THREE PTY LTD	4,000,000	1.77%
18	DEMASIADO PTY LTD	4,000,000	1.77%
19	MR GARRY BENJAMIN RALSTON	3,541,667	1.57%
20	STATION NOMINEES PTY LTD	3,333,333	1.48%
TOTAL TOP 20		174,820,600	77.38%

RESOURCE STAR LIMITED OPTIONS EXP 31/12/17 \$0.008 SPREAD ANALYSIS	
Issued Capital	225,987,267
CHESS Holders	0
Issuer Holders	65
Restricted Holders	0
Total Holders	65
Overseas Holders	4
DISTRIBUTION OF HOLDERS	
1 - 1,000	0
1,001 - 5,000	0
5,001 - 10,000	0
10,001 - 100,000	0
100,001 and above	65

+ See chapter 19 for defined terms.