

Resource Star Limited

Suite 9, Level 2, 330 Churchill Avenue, Subiaco WA 6008

P. +61 8 6489 1600 F. +61 8 6489 1601

ABN 71 098 238 585



24 July 2015

The Manager
Market Announcements Office
Australian Securities Exchange,
Exchange Centre
20 Bridge Street, SYDNEY NSW 2000

COMPLETION OF SHARE PLACEMENT

Resource Star Limited ("**Resource Star**" or the "**Company**") is pleased to announce the completion of the Non-underwritten Placement ("**Placement**") of up to 42,666,667 fully paid ordinary shares at a price of \$0.007 per share to raise up to approximately \$298,667 on 24 July 2015. The issue of 28,444,445 two for three free attaching Listed Options ("**ASX: RSLOA**") ("**Options**") will expire on 31 December 2017 and are exercisable at \$0.008. This placement was, subject to the Company's ability to use its placement capacity under ASX Listing Rule 7.1 and 7.1A as follows:

1. A placement of up to 11,100,000 shares to sophisticated investors pursuant to Section 708 of the Corporations Act 2001 and ASX Listing Rule 7.1 to raise approximately \$77,700;
2. Subject to satisfying the conditions to use of ASX Listing Rule 7.1A at the time of issue, 31,566,667 shares will be issued to raise approximately \$220,967.

If at the time for issue of the 31,566,667 shares, the Company is unable to utilize ASX Listing Rule 7.1A for that issue due to the issue price not satisfying the minimum pricing condition in ASX Listing Rule 7.1A.3, then the issue of those shares will be subject to Shareholder approval at the Company's forthcoming General Meeting of Shareholders. The Company will also seek ratification for the issue of free attaching RSLOA Options pursuant to the Placement.

In accordance with the requirements of Listing Rule 3.10.5A, the following information is provided:

- (a) The dilution to existing shareholders as a result of:
 - the issue under Listing Rule 7.1 is 1.71%
 - the issue under Listing Rule 7.1A is 4.86%; and
 - this total placement is 6.56%
 - The percentage of pre-placement security holders who did not participate in the offer is 99.88%.
 - The percentage of participants in the placement who were not previously security holders is 0.12%.
- (b) The issue of the placement shares was made as it was considered a more efficient mechanism of raising money for the Company. The placement did not expose the Company to market volatility that might have been experienced over a more protracted capital raising process.

(c) There were no underwriting arrangements.

(d) The fees incurred by the Company in connection with the issue were approximately \$17,920 representing 6% of funds raised.

Yours faithfully,
By Order of the Board

Sonu Cheema
Company Secretary

E: reception@cicerocorporate.com.au

T: +61 8 6489 1600

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CLEANSING NOTICE UNDER SECTION 708A THE CORPORATIONS ACT 2001 (CTH)

Resource Star Limited ("**Resource Star**" or the "**Company**") advises that it has completed the placement of 42,666,667 shares at an issue price of \$0.007 per share to raise \$298,667. Details of the Placement are set out in the Company's ASX announcement dated 24 July 2015 and the attached Appendix 3B.

The Company gives this Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) (the "Corporations Act").

The shares of the Placement were issued without disclosure to investors under Part 6D.2 of the Corporations Act.

As at the date of this Notice, the Company has complied with:

- the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- section 674 of the Corporations Act.

As at the date of this Notice, there is no excluded information for the purposes of section 708A(7) of the Corporations Act that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

Yours faithfully
By Order of the Board

Sonu Cheema
Company Secretary

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 | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 42,666,667 |
| 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) | Fully Paid Ordinary Shares rank equally |
| 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 | Shares issued will rank equally with existing fully paid Ordinary Shares on Issue. |
| 5 | Issue price or consideration | \$0.007 per share for a total consideration of \$298,667 |
| 6 | Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets) | To raise short term working capital from professional and sophisticated investors. |

+ 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 | 11,100,000 Ordinary Shares | | | | | | | | |
| 6d | Number of ⁺ securities issued with security holder approval under rule 7.1A | 31,566,667 Ordinary Shares | | | | | | | | |
| 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 | Nil | | | | | | | | |
| 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. | 1. N/A 2. Yes, Share issue Date: 24 July 2015 15 day VWAP: \$0.008 75% VWAP: 0.006 3. Issue Price: \$0.007 4. Source: Iress | | | | | | | | |
| 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> Nil <u>Remaining Issue Capacity under Rule 7.1A</u> 29,166,666 | | | | | | | | |
| 7 | Dates of entering ⁺ securities into uncertificated holdings or despatch of certificates | 24 July 2015 | | | | | | | | |
| 8 | Current Number and ⁺ class of all ⁺ securities quoted on ASX | <table><tr><th>Number</th><th>Class</th></tr><tr><td>650,000,000</td><td>Ordinary Shares</td></tr><tr><td>62,974,534</td><td>31 March 2016 Listed Options exercisable at \$0.004 per Option</td></tr><tr><td>225,987,267</td><td>31 December 2017 Listed Options exercisable at \$0.008 per Option</td></tr></table> | Number | Class | 650,000,000 | Ordinary Shares | 62,974,534 | 31 March 2016 Listed Options exercisable at \$0.004 per Option | 225,987,267 | 31 December 2017 Listed Options exercisable at \$0.008 per Option |
| Number | Class | | | | | | | | | |
| 650,000,000 | Ordinary Shares | | | | | | | | | |
| 62,974,534 | 31 March 2016 Listed Options exercisable at \$0.004 per Option | | | | | | | | | |
| 225,987,267 | 31 December 2017 Listed Options exercisable at \$0.008 per Option | | | | | | | | | |
| | | <table><tr><th>Number</th><th>Class</th></tr></table> | Number | Class | | | | | | |
| Number | Class | | | | | | | | | |

⁺ See chapter 19 for defined terms.

| | | | |
|----|---|----------------|---|
| 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

Questions 35 to 42 not applicable

⁺ See chapter 19 for defined terms.

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: 24 July 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) 5,000,000 (Option Conversion – 22 July 2015) 10,000,000 (Option Conversion – 23 July 2015) |
| Subtract the number of fully paid ordinary securities cancelled during that 12 month period | N/A |
| “A” | 607,333,333 |

| Step 2: Calculate 15% of “A” | |
|-------------------------------------|---|
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | 91,100,000 |

⁺ See chapter 19 for defined terms.

| | |
|---|---|
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | |
| <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> | <ul style="list-style-type: none"> - 80,000,000 - Unlisted Options exercisable at \$0.008 on or before 31 December 2017 - 11,100,000 Fully paid ordinary shares |
| “C” | 91,100,000 |
| 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> | 91,100,000 |
| <p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p> | 91,100,000 |
| Total [“A” x 0.15] – “C” | <p>NIL</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> | 607,333,333 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 60,733,333 |
| 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 | - 31,566,667 Fully paid ordinary shares |
| “E” | 31,566,667 |

| 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> | 60,733,333 |
| Subtract “E” <i>Note: number must be same as shown in Step 3</i> | 31,566,667 |
| Total [“A” x 0.10] – “E” | 29,166,666 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.