

Resource Star Limited

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

ABN 71 098 238 585



26 August 2015

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

LESS THAN MARKETABLE PARCEL SHARE SALE FACILITY

The Directors of Resource Star Limited (ASX: RSL) ("Resource Star" or "the Company") announce the establishment of a share sale facility ("Facility") for holders of less than a marketable parcel (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) ("Less Than Marketable Parcel") of the Company's shares. Of the Company's 1,807 shareholders on 25 August 2015, 1,243 hold Less Than Marketable Parcels holding approximately 1.14% of the Company's shares on issue.

A Notice of Intention to Sell Holdings of Less Than A Marketable Parcel ("Notice") will be sent to all Resource Star shareholders with a registered shareholding of less than 55,556 shares on the Record Date (being a shareholding of less than \$500 in value based on the closing price of the Company's shares on the Record Date of \$0.009). The Record Date for the purposes of establishing holders of Less Than Marketable Parcels has been set at 5pm (Perth time) on 25 August 2015.

The Company is providing the Facility to holders of Less Than Marketable Parcels to sell their shares without them incurring any costs that could otherwise make a sale of their shares uneconomic. In addition, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings.

The sale price per share under the Facility must be not less than the simple average of the last sale price of Resource Star shares for each of the ten trading days immediately preceding the date of any offer received by Resource Star for the purchase of Less Than Marketable Parcels of Resource Star shares. The sale price for the purpose of calculating the proceeds to distribute to each shareholder whose Resource Star shares are sold under the Facility will be equal to the average sale price of the whole Facility where more than one sale price is accepted by Resource Star. Each shareholder whose Resource Star shares are sold under the Facility will receive the sale proceeds via direct credit (or cheque for non-resident holders who do not have an account with an Australian Financial Institution), rounded down to the nearest whole cent on or around 20 October 2015.

A summary of the key dates in relation to the Facility is as follows:

- Less Than Marketable Parcels Record Date – 25 August 2015 at 5:00pm (Perth time)
- Less Than Marketable Parcels Announcement to ASX – 26 August 2015
- Letters sent to shareholders holding Less Than Marketable Parcels – 26 August 2015
- Closing Date for receipt of Share Retention Forms or Direct Credit Instruction Forms – 8 October 2015 at 5:00pm (Perth time)
- Less Than Marketable Parcels Payment date – expected to be on or about 23 October 2015

Attached is a copy of the Notice, the Share Retention Form and the Direct Credit Instruction Form which will be sent to all Resource Star shareholders holding Less Than Marketable Parcels of Resource Star shares on the Record Date.

Yours faithfully,
By Order of the Board

Sonu Cheema

Non-Executive Director & Company Secretary

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T: +61 8 6489 1600

F: +61 8 6489 1601

26 August 2015

Dear Resource Star Shareholder,

NOTICE OF INTENTION TO SELL HOLDINGS OF LESS THAN A MARKETABLE PARCEL

The Board of Directors of Resource Star Limited (ASX: RSL) ("Resource Star" or "the Company") announces that the Company will commence the process for the sale of ordinary shares ("shares") for holders who hold less than a "marketable parcel" (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) ("Less Than Marketable Parcel").

This offer applies to shareholders who at 5:00pm (Perth time) on 25 August 2015 ("Record Date") were holders of less than 55,556 shares in Resource Star (being a shareholding of less than \$500 in value based on the closing price of Resource Star shares of \$0.009 per share on the Record Date of \$0.009). Our records show that you held a Less Than Marketable Parcel as at Record Date and accordingly your shareholding is eligible to participate in this share sale facility.

Resource Star is offering this facility as it provides the following benefits:

- holders of less than a marketable parcel have the opportunity to sell their shares without incurring any brokerage or handling costs which, in proportion to the value of their holding, may otherwise render a sale unattractive or uneconomical; and
- the expense and administration involved in maintaining shareholders with less than a marketable parcel is reduced.

As at the Record Date, the Company had 1,807 shareholders, of which 1,243 hold less than a marketable parcel of shares that in aggregate represent approximately 1.14% of all issued shares.

You may choose to sell all of your holding or retain your existing holding as explained below.

1. Sell all of your Less Than Marketable Parcel

If you wish to sell your shares without incurring brokerage or handling costs, you do not need to take any action other than completing a Direct Credit Instruction Form (enclosed). Resource Star is then authorised under its constitution to sell your shares following the closing date of 5:00pm (Perth time) 8 October 2015 ("Closing Date"). Your shares will be pooled with other shares under this facility and sold as soon as practicable after the Closing Date.

Resource Star will appoint an execution-only broker on behalf of shareholders participating in the facility to effect any sales under this facility. The sale price per share under the Facility must be not less than the simple average of the last sale price of Resource Star shares for each of the ten trading days immediately preceding the date of any offer received by Resource Star for the purchase of Less Than Marketable Parcels of Resource Star shares. The sale price for the purpose of calculating the proceeds to distribute to each shareholder whose Resource Star shares are sold under the Facility will be equal to the average sale price of the whole Facility where more than one sale price is accepted by Resource Star.

Australian residents will only be paid their sale proceeds in Australian dollars by direct credit to an account held with an Australian Financial Institution. You must complete and return the enclosed Direct Credit Instruction Form.

Non-resident holders who do not have an account with an Australian Financial Institution will be paid in Australian dollars by cheque.

All costs associated with the sale of your Shares will be borne by the Company. No brokerage will be payable by you. If your shares are held in a CHESS holding, Resource Star may, after the Closing Date initiate a holding adjustment to move your shares to the issuer sponsored sub-register for the purpose of this facility.

Any tax consequences arising from the sale or buy-back of your shares will be your responsibility.

2. Retain your existing holding

If you wish to retain your existing holding then you must either:

- correctly complete, sign and return the enclosed Share Retention Form so that it is received by 5.00pm Perth time on 8 October 2015, being the Closing Date of this facility; or
- arrange to have multiple holdings consolidated into the one holding of not less than 55,556 shares on the Closing Date; or
- make your own arrangements outside this facility to purchase additional shares so that on the Closing Date you are the registered holder of not less than 55,556 shares under the holder number stated on the Share Retention Form.

If you successfully take one of these steps, Resource Star will not be entitled to sell your shares.

Important information

Resource Star reserves the right to vary, delay or terminate this sale facility by notice to the ASX.

Resource Star is not bound to sell any or all of the shares that may be available for it to sell under this facility, and there is no guarantee that Resource Star will be able to sell your shares. In addition, the sale proceeds may differ from the market value of your shares on the Record Date, depending on movements in the market price of the shares and on the Company appointed brokers' ability to procure purchasers.

The Company will determine whether a shareholder has a Less Than Marketable Parcel as at the Record Date. The Company will not have any reference to any increase in the price of shares after the Record Date in determining whose shares may be sold or bought back pursuant to this facility.

If you have a Less Than Marketable Parcel as at the Record Date, then unless you take one of the steps outlined in section 2 of this letter, Resource Star will be entitled to sell your shares under this facility.

The price of Resource Star shares is subject to change and an up-to-date price can be obtained from the ASX website (www.asx.com.au) under the code "RSL".

Resource Star does not make any recommendation or provide any advice to you regarding whether to sell your holding under this facility or retain your existing holding.

If you require advice as to whether to sell your shares, please consult your legal, financial or taxation adviser.

For further information, please contact the Company on +61 8 6489 1600 between the hours of 8:30am and 5:00pm WST Monday to Friday.

Yours faithfully,
By Order of the Board

Sonu Cheema

Non-Executive Director & Company Secretary

E: reception@cicerocorporate.com.au

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F: +61 8 6489 1601

RESOURCE STAR LIMITED
ACN: 098 238 585
NOTICE OF RETENTION OF SHARES

Record Date: 25 August 2015

HIN/SRN:
Unmarketable Holding:

The Directors

IMPORTANT NOTICE

Please complete this form if you DO NOT wish your Shares in RESOURCE STAR LIMITED to be sold. If you do not understand this notice you should immediately consult your financial advisor.

I/we wish to retain my/our shareholding in the Company and hereby advise the Company Resource Star Limited that the provisions of Clause 3 of the Constitution are not to apply to my/our shares.

Signatures(s)

Individual/Security holder 1

Security holder 2

Security holder 3

Sole Director & Sole Company Secretary

Director/Company Secretary

Director

Dated: / /

Daytime Telephone Number

PLEASE RETURN THIS NOTICE TO THE COMPANY'S SHARE REGISTRY:

SECURITY TRANSFER REGISTRARS PTY LTD

Delivery:

Post:

**770 Canning Highway
APPLECROSS WA 6153**

**PO BOX 535
APPLECROSS WA 6953**

**Facsimile: (08) 9315 2233
Telephone: (08) 9315 2333**

Notes:

1. For full details, please read the Elimination Notice and terms accompanying this notice.
2. If you wish to retain your shareholding in the Company, please sign this notice in the space provided and return it to the Company's share registry **by 5:00pm (Perth time) 8 October 2015.**
3. Notice in respect of a corporation must be executed in accordance with the constitution of that corporation.
4. Notices signed under power of attorney or by the executor of an estate must be accompanied by a copy of that power or letters of administration, as the case may be, unless previously lodged for noting.
5. In the case of holdings held by two or more persons, all holders must sign.
6. Please provide your daytime telephone number so we can contact you if there are any problems with your Notice of Retention.

**THIS NOTICE OF RETENTION MUST BE RECEIVED BY THE COMPANY'S SHARE REGISTRY
BY NO LATER THAN 5.00PM (Perth time) ON 8 OCTOBER 2015**



RESOURCE STAR LIMITED

ACN: 098 238 585



All Correspondence to:
Security Transfer Registrars Pty Ltd
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

RSL

Holder Number:

If you wish to sell your shares without incurring brokerage or handling costs, you do not need to take any action other than completing and returning this Direct Credit Instruction Form.

Securely update your details online - 24 HOURS A DAY, 7 DAYS A WEEK! visit www.securitytransfer.com.au

Direct Credit Facility: Bank Account Details

BANK ACCOUNT DETAILS

This must be an Australian account. If you change your bank account details you will need to notify Security Transfer Registrars.

* If you are unsure of your account or BSB number, please check with your bank, building society or credit union.

Account name in which account is held (e.g. John Smith):

BSB Number

–

Account number

CONTACT DETAILS

My/Our contact details in case of enquiries are:

Name

Phone (

Email address

@

SECURITY HOLDER(S) SIGNATURE(S) - This section must be signed for your instructions to be executed.

I/we authorise you to act in accordance with my/our instructions set out above. I/we acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous Reinvestment Plan instructions.

Individual/Security Holder 1

Sole Director & Company Secretary

Individual/Security Holder 2

Director/Company Secretary

Individual/Security Holder 3

Director

Individual/Joint Holding: This form must be signed by all securityholders. **Power of Attorney:** To sign as power of attorney, you must have already lodged it with the registry. Alternatively, attach a certified copy of the power of attorney to this form. **Companies:** This form must be signed in accordance with the company's constitution and the Corporations Act 2001 and attested by two directors (or a director and a secretary) or by a sole director/company secretary. Please indicate the office held by signing in the appropriate space.

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

