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RESOURCE STAR LIMITED
ABN 71 098 238 585

PROSPECTUS

To satisfy ASX requirements for re-listing following a change to the nature of the Company's activities, for the offer of 9,500,000 Shares at an issue price of 20 cents each to raise $1,900,000 (**Offer**).

Oversubscriptions of up to a further 12,500,000 Shares at an issue price of $0.20 each to raise up to a further $2,500,000 may be accepted.

In addition to the Offer (and oversubscriptions) 3,000,000 Shares will be issued pursuant to this Prospectus to Red Rock Resources plc (or its nominee) in satisfaction of a loan made to the Company and as consideration under the Sale Agreement. Please refer to Sections 3.4, 3.5 and 12 of this Prospectus for further details.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.
The Shares the subject of this Prospectus should be considered speculative.

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CHANGE IN NATURE AND RECOMPLIANCE WITH CHAPTER 1 AND 2 OF THE ASX LISTING RULES

On 14 July 2008, the Company obtained the approval of its Shareholders to change the nature of its activities to become a mineral exploration company under ASX Listing Rule 11.1. The Company held its Annual General Meeting on 23 November 2009 and obtained the approval of Shareholders for the issue of new Shares under the Offer made under this Prospectus.

The Company must comply with ASX requirements to re-list on the ASX, which include re-complying with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

IMPORTANT NOTICE

This Prospectus is dated 25 November 2009 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates. The expiry date of this Prospectus is at 5.00pm WST on that date which is 13 months after the date this Prospectus was lodged with the ASIC.

Application will be made to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares and Options the subject of this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares that are the subject of this Prospectus should be considered speculative.

A copy of this Prospectus can be downloaded from the website of the Company at **www.resourcestar.com.au**. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an application form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company Secretary – Eryn Kestel on (08) 9367 8133 or eryn.kestel@nkh.com.au.

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INVESTMENT HIGHLIGHTS

This information is a selective overview only. Investors should read the Prospectus in full before deciding whether to invest.

- ..... Resource Star Limited is a mineral exploration company. The Company has, or has entered into agreements to acquire, interests in tenements in areas of demonstrated uranium potential in the Northern Territory, Western Australia, Tasmania and Malawi in Southern Africa.

- ..... In the Northern Territory, the initial focus is on the uranium occurrences on the Edith River tenements. Field reconnaissance has defined a number of uranium occurrences in a potential IOCG system, and it is intended to undertake a preliminary reverse circulation (RC) drilling program once priority drill sites and access have been finalised.

- ..... The Company has recently acquired interests in three new tenements adjacent to the Edith River Project. These tenements cover strike extensions to existing target areas and also show uranium anomalism to the west, which could be related to an additional style of uranium mineralisation.

- ..... It is planned to undertake preliminary reconnaissance over previously identified uranium anomalies in geological settings consistent with known deposit styles on the Marrakai, Daly River Road and Hayes Creek South leases in the Northern Territory.

- ..... The initial focus in Malawi is on the Machinga tenement, on uranium anomalies identified during earlier radiometric surveys, where the Company has located significant niobium, zircon, rare earth and uranium results in rock chip sampling.

- ..... The Company has entered into a conditional agreement to acquire an interest to the Ilomba Hill tenement in northern Malawi, where historical work indicates the presence of niobium and uranium in an alkali intrusion similar to Machinga, and a reconnaissance program will be undertaken here to define the potential for drilling.

- ..... In Western Australia, the Company intends to follow-up known uranium occurrences from shallow drilling on two leases on the margins of Lake Barlee.

- ..... The Company has entered into a conditional agreement to acquire a free-carried 35% interest in an exploration project being established in Tasmania at Specimen Reef, where drilling has intersected gold-uranium veining.

- ..... In the event oversubscriptions are accepted they will be applied to further the exploration efforts in Australia and Malawi (with an additional amount towards the expenses of the Offer), and potentially to be used elsewhere should access to compelling opportunities become available.

INVESTMENT RISKS

Subscribing for Shares that are the subject of this Prospectus involves a number of risks. Before deciding whether to invest in the Company, any intending investor is urged to consider the risk factors set out in Section 11 of this Prospectus, which include:

- ..... No guarantee of exploration success.

- ..... No guarantee of viable economic extraction.

- ..... Imprecise and possibly inaccurate nature of exploration targets.

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- ..... Uranium regulatory risk.
- ..... Sovereign risk.
- ..... Risk as to future title and standing in relation to the tenements in which the Company has or may earn an interest.
- ..... Commodity price volatility and exchange rate risks.

In particular the following specific risks should be considered:

- ..... **Uranium regulatory risk**

Both Federal Coalition and Labour Party policy favours the development of new uranium mines, albeit under strict environmental, heritage and nuclear safeguards. However, there can be no assurance that the policy will not change in the future and this may adversely affect the long-term prospects of the Company. In Western Australia, the current State Government has revoked its predecessors ban on uranium mining and is now focusing on developing this sector. Pursuant to the *Atomic Energy Act 1953* (Cth) and the *Northern Territory Self-Government) Regulations 1978* (Cth) the Commonwealth has reserved its powers on uranium mining in the Northern Territory. The NT Mining Act requires that the Northern Territory Minister for Mines must consult with the Commonwealth Minister for Industry, Tourism and Resources before granting a mining title that relates to uranium, and must act in accordance with any advice that the Commonwealth Minister provides. The Tasmanian Government supports exploration for uranium though the usual mining and environmental approval processes. In 2007 the Government and Opposition jointly voted down a Greens party proposal to ban uranium exploration and development in Tasmania.

The Government of Malawi is currently in the process of putting in place a uranium mining legislation as the country is still operating under the 1981 Mines and Minerals Act, which does not contemplate uranium mining in an adequate capacity. There can be no assurance that these policies will not change in the future and this may adversely affect the long-term prospects of the Company.

- ..... **Risks attaching to exploration operations in a developing country**

Some of the Company's project interests are located in Malawi which is considered to be a developing country and, as such, subject to emerging legal and political systems compared with the system in place in Australia. There are risks attaching to exploration operations in a developing country which are not necessarily present in a developed country which can impact on a range of factors such as sovereign risk. Possible sovereign risks include without limitation changes in the terms of mining tenements, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights.

Other risks attaching to exploration operations in a developing country include security, costs, ability to operate, country policy, fiscal provisions and laws and can lead to delays or even the suspension of operations. Any of these factors may in the future adversely affect the financial performance of the Company and the market price of its Shares. No assurance can be given regarding future stability in Malawi.

- ..... ***Title Risks***

The mining tenements in which the Company has or may acquire an interest in are subject to the applicable local laws and regulations. There is no guarantee that any tenement applications or conversions in which the Company has a current or potential interest will be granted.

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1. CORPORATE DIRECTORY

Directors

Mr A Bell
Chairman

Mr R Benussi
Non Executive Director

Mr R Kestel
Non Executive Director

Share Registry *

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000

Telephone: (02) 8234 5000
Facsimile: (02) 8235 8150

Company Secretary

Ms E Kestel

CEO

Mr R Evans

Solicitors to the Company

Steinepreis Paganin
Lawyers and Consultants
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Principal Office

Level 9, 440 Collins Street
Melbourne VIC 3000

Telephone: (03) 9607 1322
Facsimile: (03) 9607 1329

Independent Accountant and Auditor

HLB Mann Judd
Level 1
160 Queen Street
Melbourne VIC 3000

Independent Geologist

Continental Resource
Management Pty Ltd
10 Hehir Street
Belmont WA 6104

Malawian Solicitors to the Company – Solicitors Report on Malawi licenses

Mvalo and Co
PO Box 30107
Lilongwe 3

ASX CODE

RSL

Website

www.resourcestar.com.au

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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2. LETTER FROM THE CEO

On behalf of both the Board and management of Resource Star Limited (**Resource Star**, **RSL** or the **Company**), I am pleased to present this Prospectus and to offer you the opportunity to become a shareholder in the Company, or to increase your shareholding.

On 6 August 2007, RSL shareholders agreed to the Company acquiring a uranium exploration company, Orion Exploration Pty Ltd, from Red Rock Resources plc (a company incorporated in the United Kingdom and listed on AIM), together with uranium exploration rights in E29/581, a tenement in Western Australia.

As part of the arrangement, Red Rock Resources also transferred into the Company certain exploration licenses located in Malawi, Southern Africa (**Malawi Tenements**).

The strategic objective of the Company is to focus its activities on exploration for uranium and uranium-associated minerals, initially on projects based in Malawi in Africa, and in Australia. See Company and Project Overview at Section 5 of this Prospectus for details.

The principal commodity sought within all projects is uranium, although the Machinga and Ilomba Hill projects, while originally targeted for uranium, may also contain significant quantities of niobium and zircon, and may contain economically important tantalum and rare earth elements (**REEs**); some of the Northern Territory projects are also prospective for gold mineralisation, and the proposed Tasmanian project's target includes gold and copper as well as uranium. The projects range in development status from those with identified mineralisation (Machinga), through to those with historical reports of mineralisation (Lake Barlee, Woolgni, Ilomba Hill), or well-defined targets (Edith River) to prospective grass roots exploration projects. The projects target a number of different styles of uranium mineralisation, and are located in areas where there is reasonable expectation for locating economic mineralisation.

On 14 July 2008, RSL shareholders agreed to the Company changing the nature of its activities from a retail company, to a mineral exploration company. As part of this process, the Company is required to re-comply with Chapters 1 and 2 of the ASX Listing Rules in order to re-list onto ASX.

Since then, consistent financial and strategic support has been provided by the Company's major shareholder Red Rock Resources. A loan has been extended to the Company by Red Rock Resources, and part of that loan has already been converted to equity as identified in the 30 June 2009 Annual Report. The majority of the remainder, depending on final interest charges, will be converted to equity through the issue of Shares pursuant to this Prospectus. Please refer to Section 12 for further information.

By this Prospectus and in accordance with the re-compliance requirements under the ASX Listing Rules, the Company is offering new investors an opportunity to make an initial investment in the Company, and for existing shareholders to increase their investment.

On behalf of the Directors, I welcome your consideration of this opportunity to be part of an exciting new period for the Company.

I recommend you read this Prospectus carefully.

Yours sincerely

Richard Evans
Chief Executive Officer

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3. INVESTMENT OVERVIEW

3.1 Important Notice

This Section is not intended to provide full information for existing investors or intending investors to subscribe for Shares in the Company. This Prospectus should be read and considered in its entirety.

3.2 Company Objectives

The strategic objective of the Company is to conduct mineral exploration for uranium, and in some instances, uranium-related minerals, initially on projects in Malawi in Africa and in Australia. See the Company and Project Overview at Section 5 of this Prospectus for more details.

The Company has obtained the approval of its Shareholders to change the nature and business activities of the Company to that of a mineral exploration company.

On that basis, the Company is seeking to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules. This Prospectus serves to assist with the process of the Company to re-comply with these requirements.

At the time of reinstatement, it is believed the Company will have sufficient working capital to complete its proposed short to medium term exploration objectives.

3.3 Indicative Timetable

The indicative timetable for the proposed change is as follows:

Event	Date
Annual General Meeting to approve issue of Shares under the Offer Notification to ASX of results of Annual General Meeting	23 November 2009
Lodgement of Prospectus with the ASIC	25 November 2009
Opening of Offer under the Prospectus	2 December 2009
Closing Date of Offer under the Prospectus	23 December 2009
Despatch date	31 December 2009
Anticipated date the suspension of trading is lifted and Company is relisted on the ASX	15 January 2010

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3.4 Purpose of the Offer and Use of Proceeds

It is intended that, as result of the issue of Shares to Red Rock and the funds raised from the Offer, proceeds will be apportioned as follows:

Item	Minimum Subscription	Maximum Subscription
Evaluation and exploration[1]		
- Malawi	$275,000	$1,200,000
- Australia	$1,030,000	$1,785,000
Satisfaction of Loan from Red Rock Resources[2]	$490,000	$490,000
Consideration to Red Rock Resources under Sale Agreement[3]	$110,000	$110,000
Expenses of issue	$405,000	$555,000
Working capital	$190,000	$860,000
Total	**$2,500,000**	**$5,000,000**

[1] Refer to the Independent Geologist's Report in section 7 for further information in relation to evaluation and exploration expenditure.

[2] As announced to ASX on 28 June 2009, the Company has been, receiving funds from a substantial shareholder, Red Rock Resources plc (**Red Rock**) since October 2008 in order to fund its activities and maintain a comfortable level of working capital. Pursuant to a letter agreement dated 12 November 2009, Red Rock and the Company have agreed that $490,000 of the $493,511 - the outstanding balance of the loan - will be repaid by the Company through the issue of 2,450,000 fully paid ordinary shares in the capital of the Company at a deemed issue price of 20 cents each made pursuant to this Prospectus. Please refer to Section 12.2 of this Prospectus for further information.

[3] On 19 November, Red Rock and the Company entered into a purchase and sale agreement, under which Red Rock has agreed to sell and the Company has agreed to purchase Red Rock's 90% interest in EPL 0264/08 and 35% interest in EL11/2005 at Savage River North, Tasmania (**Sale Agreement**). The consideration payable for the acquisition of Red Rock's interest in these two tenements is the issue of 550,000 fully paid ordinary shares in the capital of the Company at a deemed issue price of 20 cents each. Please refer to Section 12.5 and 12.8 of this Prospectus for further information.

If the Company raises between the Minimum and Maximum Subscription, the Company intends to apply the funds pro rata to its evaluation and exploration items or as is justified by exploration results.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

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3.5 Capital Structure

On completion of the Offer and the issue of Shares to Red Rock the capital structure of the Company will be as follows:

Shares	Minimum Subscription	Maximum Subscription
Shares on issue	39,425,654	39,425,654
Shares offered to the general public under the Offer	9,500,000	22,000,000
Shares to be issued to Red Rock Resources (or its nominee) in satisfaction of loan from Red Rock Resources under the Offer [1]	2,450,000	2,450,000
Consideration to Red Rock Resources under Sale Agreement under the Offer upon listing of the Company on ASX [2]	550,000	550,000
TOTAL NUMBER OF ORDINARY SHARES	**51,925,654**	**64,425,654**
Options		
$4.437 Options, expiring on 15 December 2009	78,432	78,432
$4.879 Options, expiring on 15 December 2010	78,432	78,432
$5.338 Options, expiring on 15 December 2011	78,432	78,432
$4.25 Options, expiring on 15 December 2009	194,118	194,118
CEO Options[3]	800,000	800,000
TOTAL NUMBER OF OPTIONS	**1,229,414**	**1,229,414**

[1] As announced to ASX on 28 June 2009, the Company has been receiving loans from a substantial shareholder, Red Rock Resources plc (**Red Rock**) since October 2008 in order to fund its activities and maintain a comfortable level of working capital. Pursuant to a letter agreement dated 12 November 2009, Red Rock and the Company have agreed that $490,000 if the $493,511 – the outstanding balance of the loan - will be repaid by the Company through the issue of 2,450,000 fully paid ordinary shares in the capital of the Company at a deemed issue price of 20 cents each made pursuant to this Prospectus. Please refer to Section 12.2 of this Prospectus for further information.

[2] On 19 November, Red Rock and the Company entered into a purchase and sale agreement, under which Red Rock has agreed to sell and the Company has agreed to purchase Red Rock's 90% interest in EPL 0264/08 and 35% interest in EL11/2005 at Savage River North, Tasmania (**Sale Agreement**). The consideration payable for the acquisition of Red Rock's interest in these two tenements is the issue of 550,000 fully paid ordinary shares in the capital of the Company at a deemed issue price of 20 cents each. Please refer to Section 12.5 and 12.8 of this Prospectus for further information.

[3] The Company has entered into a service agreement with Richard Evans, the Chief Executive Officer of the Company. The Company will pay Richard Evans a salary of $175,000 per annum and has issued 800,000 Options with various vesting periods, exercise prices and expiry dates. Please refer to Section 12.10 of this Prospectus for further information.

3.6 Restricted Shares

Subject to the Company being admitted to the Official List, certain of the Shares and Options on issue prior to the Offer and certain of the Shares to be issued on the exercise of the Options prior to the Offer, are likely to be classified by ASX as restricted securities and will be required to be held in escrow.

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4. DETAILS OF THE OFFER

4.1 The Offer

By this Prospectus, the Company offers 9,500,000 Shares at an issue price of 20 cents each to raise $1,900,000 (**Offer**).

In addition to the Offer (and any oversubscriptions) 3,000,000 Shares will be issued pursuant to this Prospectus to Red Rock Resources plc (or its nominee) in satisfaction of a loan made to the Company and as consideration under the Sale Agreement. Please refer to Sections 3.4, 3.5 and 12 of this Prospectus for further details.

The Shares offered under this Prospectus will rank equally with the existing Shares on issue.

The purpose of the Offer and the use of funds raised are set out in Section 3.4 of this Prospectus.

Shareholders approved the issue of Shares pursuant to the Offer at the Company's Annual General Meeting on 23 November 2009.

4.2 Oversubscriptions

The Company may, at its discretion, accept oversubscriptions under the Offer of up to a further $2,500,000 through the issue of up to a further 12,500,000 Shares at an issue price of $0.20.

The maximum amount which may be raised under this Prospectus is therefore $4,400,000.

4.3 Minimum Subscription

The minimum subscription for the Offer is $1,900,000.

If the minimum subscription has not been raised within four (4) months after the date of this Prospectus, all applications will be dealt with in accordance with the Corporations Act.

4.4 Applications

Applications for Shares under the Offer must be made using the Application Form. Payment for the Shares must be made in full at the issue price of 20 cents per Share. The Company reserves the right to close the Offer early.

4.5 Allotment

Subject to ASX granting approval for the Company to be re-instated to the Official List, allotment of the Shares offered by this Prospectus will take place as soon as practicable after the Closing Date. Prior to allotment, all application monies shall be held by the Company on trust. The Company, irrespective of whether the allotment of Shares takes place, will retain any interest earned on the application monies.

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4.6 ASX Listing

The Company will apply to ASX within seven (7) days after the date of this Prospectus for Official Quotation of the Shares offered under this Prospectus. If ASX does not grant permission for Official Quotation of the Shares within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In that circumstance, all applications will be dealt with in accordance with the Corporations Act.

4.7 Broker to the Offer

The Offer is not underwritten. However, Allegra Capital Pty Ltd has been appointed as Broker to the Offer and will be paid a fee for this service. Please refer to section 12 of this Prospectus for a summary of the agreement entered into with Allegra Capital Pty Ltd.

4.8 Entitlement Options

The Company proposes to undertake a non–renounceable entitlement issue of Entitlement Options within three to six months after the relisting on ASX. All Shareholders registered on the share register of the Company at a date to be announced by the Company to the ASX will be entitled to participate in the entitlement issue if they hold Shares on the record date.

The exercise price and the expiry date of the Entitlement Options will be determined by the Company after its securities have been reinstated to trading on ASX.

4.9 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, Share holders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement.

4.10 Commissions on Application Forms

The Company reserves the right to pay a commission of 6% (exclusive of the Goods and Services Tax) of amounts subscribed to any licensed Securities dealers or Australian Financial Services licensee in respect of valid applications relating to the Offer lodged and accepted by the Company and bearing the stamp of the licensed Securities dealer or Australian Financial Services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed Securities dealer or Australian Financial Services licensee.

4.11 Risk Factors

Subscribing for Shares the subject of this Prospectus involves a number of risks. These risks are set out in Section 11 of this Prospectus and any intending investor

is urged to consider those risks carefully (and if necessary, consult a professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 11, and other general risks applicable to all investments in listed Shares not specifically referred to, may in the future affect the value of the Shares. Accordingly, an investment in the Company should be considered speculative.

4.12 Privacy Statement

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers; regulatory bodies, including the Australian Taxation Office; authorised Shares brokers; print service providers; mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the Share Registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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5. COMPANY AND PROJECT OVERVIEW

5.1 Background

The entity that is now Resource Star Ltd previously operated a retail business that focused on internet shopping through an on-line portal.

On 6 August 2007, Resource Star shareholders agreed to the Company acquiring a uranium exploration company, Orion Exploration Pty Ltd (**Orion**), from Red Rock Resources plc (a company incorporated in the United Kingdom and listed on AIM), together with uranium exploration rights in E29/581, a tenement in Western Australia.

As part of the arrangement, Red Rock Resources also transferred into the Company certain exploration licenses located in Malawi, Southern Africa (**Malawi Tenements**).

In connection with the acquisition, on 14 July 2008, the Company obtained approval of its Shareholders to change the nature of its activities and business to a mineral exploration company.

Set out below is a summary of the current assets of the Company and other relevant information for Shareholders to assess the proposed future direction of the Company.

5.2 Overview of Assets

The Company has interests in projects in the Northern Territory, Tasmania, Western Australia and in the southern African country of Malawi. The main exploration focus for the Company is uranium and the tenements are located in areas considered highly favourable for uranium mineralisation. Many of the tenements are also prospective for other minerals, including gold, copper and iron in the Northern Territory and Tasmania, and niobium, rare earth elements and associated minerals these are being examined in conjunction with the uranium potential.

Some of the Company's tenements are held by Orion Exploration Pty Ltd (**Orion**), Eastbourne Exploration Pty Ltd (**Eastbourne**) and in its own right. Eastbourne and Orion are wholly owned subsidiaries of the Company.

5.3 Tenement List

A list of the tenements held by the Company or in which the Company has an interest is set out in the tables below.

Tenements in Malawi:

Project Name	Tenement	Size	Interest
Machinga [1]	EPL 0230/07	378 km^2	100%
Chintheche	EPL 0219/2007	212 km^2	100%
Ilomba Hill [2]	EPL 0264/08	80 km^2	90%

1. An application has been made with the Malawian Department of Mines to extend the area of EPL 0230/07 to cover a total of some 936km^2, to cover possible strike extensions and/or repetitions to the south and east of the existing tenement. As at the date of this

Prospectus, the Company has been advised by the Malawian Solicitors to the Company, Mvalo & Company that this application has been granted. However the Company is yet to receive formal notification from the Malawian Department of Mines.

2. 90% interest has not been acquired as at the date of this Prospectus. Ilomba Hill is under a conditional agreement with Red Rock, and is to transfer to RSL on relisting. The transfer of title is yet to be approved by the Malawian authorities.

Tenements in Australia:

Project Name	Tenement	Size	State	Interest
Edith River Project	EL 23569, EL 23568, ELA 25884, EL 25885, EL 26219, EL 26220, EL 26341, ELA 27149	996 km^2	NT	100%
Lake Barlee Prospect	E 29/581[1], ELA29/721	185 km^2	WA	100%
Marrakai	EL 24614	10 km^2	NT	100%
Hayes Creek South	EL 24432	63 km^2	NT	100%
Daly River Road	EL 24391	10 km^2	NT	100%
Specimen Reef[2]	EL 11/2005	71 km^2	Tas	35%
Celia Prospect[3]	ELA 24414	13 km^2	NT	100%
Woolgni Mine Area[4]	MLA24342	163 ha	NT	100%

1. The Company's interest in E29/581 currently relates only to uranium rights.

2. 35% interest has not been acquired as at the date of this Prospectus. Specimen Reef is under a conditional agreement with Red Rock, and is to transfer to RSL on relisting.

3. The tenement relating to the Celia Prospect is currently under a five year moratorium in relation to negotiations with Traditional Owners.

4. The Woolgni Mine Area is a small mineral lease application over the historical Woolgni Gold Mine. It is totally enclosed within EL23569.

5.4 Malawi tenements

The Company has three projects in the east-central African nation of Malawi (Figure 1). All contain indications of, and are prospective for uranium mineralisation.

Within the southern project, **Machinga**, anomalies are associated with alkaline intrusions which the Company has commenced systematic exploration for Nb-Zr-REE-U-Ta mineralisation associated with alkali magmatism, similar to that found in the JORC Resource defined by Globe Metals & Mining at Kanyika in central Malawi.

Within the northern project, **Ilomba Hill** another alkali intrusive complex, there are historically reported occurrences of niobium, zircon rare earth and titanium minerals, along with analytical results as high as 7.5% Nb_2O_5 and 575ppm U_3O_8. It is believed that the intrusive complex is similar to the Machinga and Kanyika systems.

At the **Chintheche** project, uranium channel anomalies are associated either with sediments that are potential hosts for redox uranium mineralisation, or the recently discovered concentrations of heavy minerals along the lake shore.

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Analytical work is yet to be completed to more fully understand the potential of this tenement.

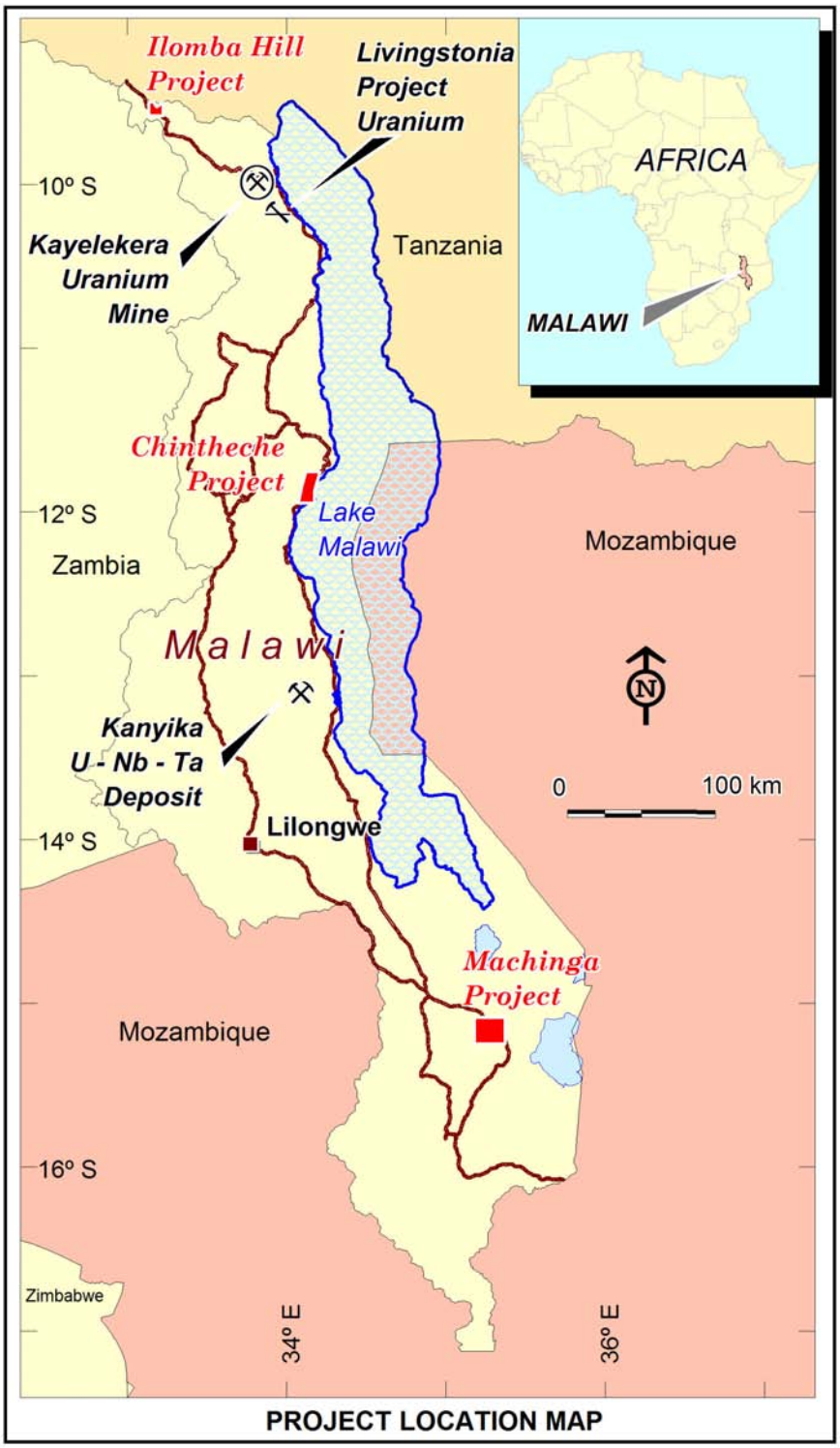

Figure 1: Malawi licence locations

Malawi is considered to have undergone positive social and political transformation in recent years and the government appears to be committed to the development of mining, including that of uranium. Evidence of this is the recent successful construction and commissioning by Paladin Energy Limited for its Kayelekera Uranium Project in the north of the country, and the rapid progress possible at Globe Metals & Mining's Kanyika Nb-Zr Project.

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The **Machinga Project (EPL 0230-07)**, comprises an Exclusive Prospecting Licence (**EPL**) granted to Eastbourne Exploration Pty Ltd (**Eastbourne**) on 12 December 2007. Eastbourne is a wholly owned subsidiary of the Company.

The Company has entered into a farm-in and joint venture agreement with Globe Metals & Mining Limited (**Globe**) to jointly explore the Machinga Project, whereby Globe has the opportunity to earn up to an 80% interest in the project through the exploration and assessment expenditure. A summary of the agreement is in Section 12.9 of this Prospectus.

In 1955 a radiometric anomaly was located about three kilometres southeast of Machinga (formerly Kasupe). Two historical diamond drill holes intersected radioactive granitic and pegmatitic veins. Downhole radiometric analyses returned the values of 2.5m at 700ppm eU_3O_8 and 0.6m at 1,000 ppm eU_3O_8.

During 1986, an airborne magnetic and radiometric survey was carried out over Malawi. The survey located a number of significant uranium channel radiometric anomalies within the Zomba region. The Company's Machinga licence covers the group of anomalies.

The identified uranium anomalies are spatially related to the margins of syenitic/alkaline intrusive complexes. These contact zones have the potential to contain significant concentrations not only of uranium, but also of other elements including tantalum, niobium, zircon and rare earth elements (**REE**).

In 2008, the Company carried out a detailed scintillometer grid, mapping and sampling over the main anomaly and at a number of satellite anomalies. The work confirmed the presence of radiometric anomalies associated with pegmatite swarms, which are anomalous in niobium, zircon, REEs, uranium, thorium and tantalum (Table 1).

n = 125	Peak	Average
Nb_2O_5	2.99%	0.36%
$ZrSiO_4$	5.46%	2.10%
Ta_2O_5 ppm	1,673	210
U_3O_8 ppm	783	83
TREO	2.64%	0.42%
%HREO in TREO	69.5%	26.8%

Table 1: Rock-chip results Machinga Main North Prospect

TREO = Total Rare Earth Oxides (La through Lu + Y), HREO = more valuable Heavy Rare Earth Oxides (Eu through Lu +Y). All results reported are ICP Mass Spectrometry with Lithium Metaborate fusion; and, where required, over-limit by Metaborate Fusion Wavelength Dispersive XRF

In 2009, the Company carried out an orientation soil sampling survey over the area of outcropping mineralisation, and then part way along the strike of the uranium channel airborne radiometric anomaly of some 7km length along the NE flank of the granite complex. Results from this work are yet to be received.

The Company's proposed exploration program in 2010 is to:

(a) complete detailed geological mapping of the areas of the radiometric anomalies, utilising a portable scintillometer and XRF analyser as warranted;

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(b) complete geochemical surveys, trenching, and rock chip sampling over priority areas; and

(c) evaluate the anomalies, identify and prioritise targets, and commence staged drill programs into them.

In addition, the Company intends to continue exploration within the rest of the tenement to identify other target areas for follow-up investigation. First pass exploration of the alkaline ring complexes may be by stream sediment geochemistry including the collection and analysis of heavy mineral concentrates.

The **Ilomba Hill project area (EPL 0219-07)** contains a mapped alkali intrusive complex that has been the subject of historical sampling, academic research and the commercial extraction of dimension stone, but no modern exploration including regional airborne geophysics.

Reported lithological descriptions, mineral occurrences and chemical assays confirm the prospectivity of the complex for Nb-Zr-U-REE-Ta mineralisation.

The project is situated about 700km north of the capital of Lilongwe (Figure 1).

The licence was granted to Nyalihanga Enterprises Ltd (**Nyalihanga**) of Malawi in September 2008 and was made subject of an agreement with Red Rock in September 2009. Nyalihanga has the responsibility to ensure the full suite of minerals are covered by the tenement, that the government approves the transfer of title, and that access is granted to all areas of interest before further payments are made under the agreement. Red Rock has agreed to transfer the rights to the tenement to the Company subject to the Company relisting.

The **Chintheche project area (EPL 0219-07)** contains a number of uranium channel radiometric anomalies identified from the 1986 radiometric survey, referred to above.

The project is situated about 240km north of the capital of Lilongwe (Figure 1).

The licence was granted to Red Rock Resources plc in June 2007 and was transferred to the Company in February 2008.

Apart from regional mapping and airborne geophysical surveys, no previous exploration is known within the project area.

The radiometric anomalies occur over both Basement Complex rocks and over younger clastic sediments that sit above and marginal to them. The younger sediments are prospective for sediment-hosted redox uranium mineralisation and the basement rocks for vein style U-Nb-Ta-REE mineralisation.

Work during 2009 noted an association between total count ground scintillometer surveys and mineral sand deposits along the lake shore, and the implication and potential of these occurrences is yet to be determined, pending results of initial sampling.

The Company's proposed exploration is a staged program similar to that proposed for its Machinga Project. It intends to initially concentrate on exploration for sediment-hosted uranium mineralisation. Further exploration will be dependent upon results.

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5.5 Australian tenements

The locations of the Australian tenements are shown in Figure 2.

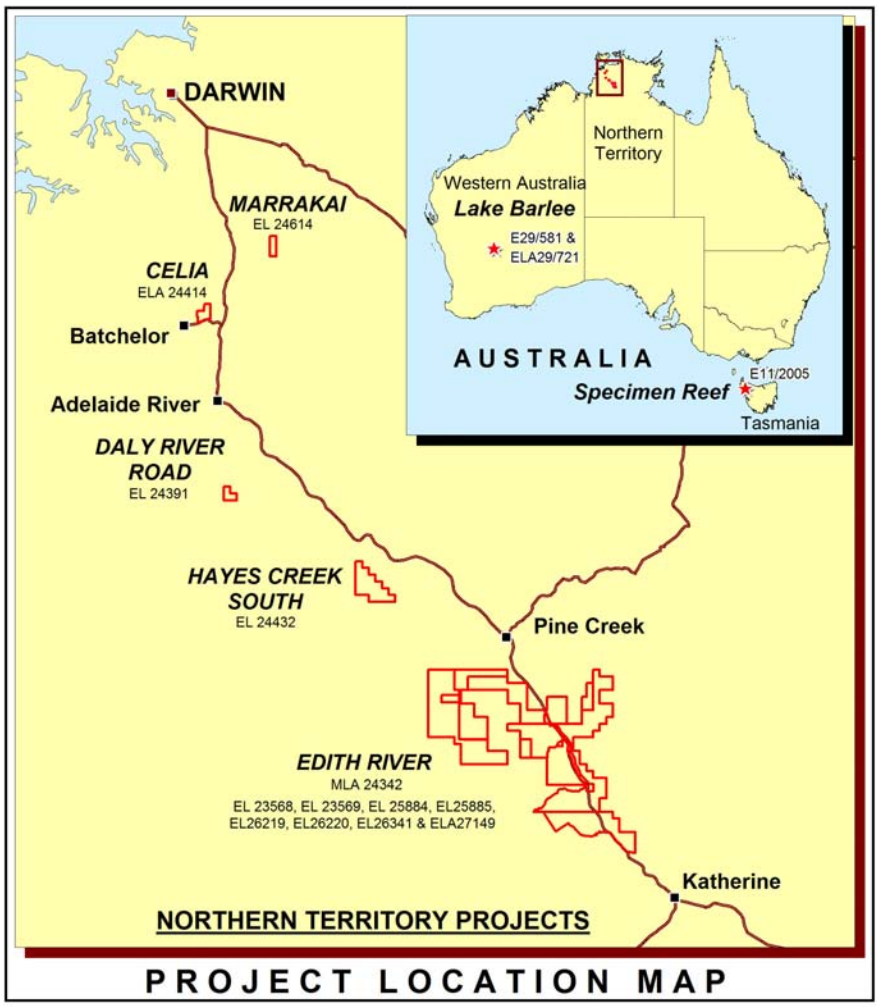

Figure 2: Location of the Company's Australian tenements

Northern Territory tenements

The Company has six projects within Australia's Northern Territory. All are situated along the main north-south Stuart Highway and railway line, within 300km of Darwin, and they are within, or marginal to, the Paleoproterozoic Pine Creek Geosyncline, which is richly endowed with uranium, gold, base metals, and iron deposits.

A regional north-northwest trending shear zone, the Pine Creek Shear, passes through the Company's Edith River and Marrakai project areas. The shear zone is spatially related to a number of major, million ounce plus, gold deposits.

The Company's six projects are Edith River, Woolgni, Hayes Creek South, Daly River Road, Marrakai and Celia.

The Company has completed data compilation and confirmation of priority targets on all of its tenements in the Northern Territory. Field work will confirm these, in anticipation of drilling the highest priority targets in 2010.

The **Edith River Project (EL 23569, EL 23568, ELA 25884, EL 25885, EL 26219, EL 26220, EL 26341, ELA 27149)** comprises eight contiguous Exploration Licences

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(**ELs**)and applications approximately 230km south of Darwin, between Pine Creek and Katherine in the Northern Territory.

The project is at the southern end of the north-northwest trending Pine Creek Shear Zone and the granite within the project area contains a number of shears that have a similar orientation. These shears are associated with occurrences of uranium mineralisation, to the south of the Edith River, that were discovered by prospectors in 1952 and have been relocated by RSL in 2008.

Small shafts have been sunk on the YMCA, Tennyson's and Fergusson River Prospects. The YMCA and Tennyson's Prospects were explored in the early 1950s. Two diamond drill holes were completed by into the YMCA Prospects. The only available intersections, as measured by a downhole radiometric logging tool, were 1.5m @ 1,000ppm eU_3O_8 at one prospect and 1m @ 1,000ppm eU_3O_8 at the other.

The Company has commenced systematic exploration of the shear zones within the Cullen Batholith for uranium mineralisation, initially through the application of spectral imagery and field reconnaissance. Areas of iron-rich alteration and associated uranium anomalism have been identified (Table 2) and will be mapped in detail and surveyed with soil geochemistry, rock chip samples and detailed ground radiometrics. Targets identified from these surveys will then be drill-tested.

No Sample Points	Average eU_3O_8	Peak eU_3O_8
259	295 ppm	508 ppm

Table 2: Edith River field reconnaissance spectrometer results

(Note – these results are spot, surface readings of weathered outcrops, unconfirmed by more reliable, systematic chemical analysis)

In the southeast of the project area, the Burrell Creek Formation comprises the southern-most portion of the Pine Creek Geosyncline, which, to the north, hosts numerous gold deposits. While the main focus for the Company in the area is on uranium, a small gold exploration program known as the Woolgni Project will be undertaken.

The **Woolgni Project (MLA 24342 & areas within the Edith River Project)** lies within the Edith River Project. The tenement is situated near the southern extent of the Pine Creek Geosyncline, in the vicinity of the Pine Creek Shear. The project consists of three gold prospects: the historic Woolgni Goldfield, the Tower Prospect, and the Copperfield South Prospect.

The gold potential of the Woolgni Project will be assessed in conjunction with the uranium exploration program on the Edith River Project.

At the Tower Prospect a strongly gold-anomalous gossanous zone has never been drill tested. It is within the vicinity of, and parallel to, the Pine Creek Shear Zone and must be considered a prime gold target. In 1988, a reconnaissance geochemical survey over the area uncovered gold mineralisation in three trenches over a strike length of 600m.

The gold mineralisation in the old Woolgni workings has not been closed off down dip, and the limits and orientations of known high-grade shoots have not been tested.

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The Copperfield South Prospect contains low-grade gold mineralisation within the Woollybutt Anticline. Parts of the anticline are beneath recent alluvial cover and drainage sediment sampling has indicated other untested areas in the vicinity. Potential therefore exists for the discovery of further gold mineralisation at the prospect.

The **Marrakai Project (EL24614)** is located to the east of the Adelaide River about 65km southeast of Darwin and 10km east of the Stuart Highway. It is situated at the northern end of the Pine Creek Shear Zone and is prospective for uranium and gold mineralisation. Despite the fact that it is only 15km from the Woodcutters Zn-Pb mine, 30km from the Rum Jungle Uranium and polymetallic mines, and along structural and stratigraphic strike from the major gold mines of the Pine Creek region, it has not been effectively explored.

Uranium mineralisation within the Rum Jungle Mineral Field to the southwest occurs within Mount Partridge Group sediments, mainly within the Whites Formation, which is a calcareous and carbonaceous, pyritic argillite. In general, the uranium mineralisation is associated with shearing and brecciation. Within the Marrakai project area, the Koolpin Formation, a pyritic carbonaceous shale, is a similar unit and a potential host for similar mineralisation. The faults within the area may have provided pathways for mineralizing fluids and the project is within a region that hosts numerous uranium deposits and occurrences.

Initial uranium targets have been located by a radiometric survey. The proposed exploration program recommends testing areas of the Koolpin Formation in the vicinity of faults and fold axes for gold mineralisation, with priority being given to the Ella Creek Member.

The location of the project area within the Pine Creek Shear Zone and the rock units within it make it a prospective location for gold mineralisation. It is unlikely that outcropping gold mineralisation has been missed. However, the faults, with which gold mineralisation may be associated, are largely under alluvial cover, much of which may have been derived from outside the tenement. A 2008 re-assessment of previous exploration programs has concluded that stream sediment sampling carried out by previous explorers is unlikely to have been effective in the testing of these covered areas.

Exploration proposed includes field reconnaissance for uranium and gold. All three commodities will require shallow drill-based exploration, as many of the target areas are beneath surficial cover. Detailed geophysical data acquisition may assist in locating prospective targets prior to drilling.

The **Hayes Creek South Project (EL24432)** is located to the southwest of the Stuart Highway and a few kilometres to the south of the Hayes Creek Roadhouse and Caravan Park. The tenement contains Paleoproterozoic sandstones that are unconformable over granitic rocks of the Pine Creek Geosyncline. It is a possible location of unconformity-related uranium mineralisation.

A positive feature of the project area is that it has not been subject to systematic exploration.

Exploration proposed includes the ground checking and potential shallow drill testing of radiometric anomalies in the southwest of the tenement area.

The **Daly River Road Project (EL24391)** is located immediately to the north of the Daly River Road, about 25km due south of Adelaide River. The tenement contains Cretaceous sediments that are unconformable over Paleoproterozoic

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sandstones of the Tolmer Group, which, in turn, overlie the Burrell Creek Formation of the Pine Creek Geosyncline. It is a possible location of unconformity-related or sediment-hosted uranium mineralisation and a discrete uranium channel anomaly is present in the radiometric data acquired from the regional radiometric survey. Possible trap sites may be associated with the unconformity between the Daly River Sandstone and the underlying Burrell Creek Formation.

It is proposed to determine the source of a uranium channel radiometric anomaly in the southeast of the tenement by means of a detailed ground radiometric survey, geological mapping, soil and rock chip sampling and possible early shallow drill-testing.

The **Celia Project (ELA24414)** is about 90km south of Darwin by road. It is located immediately to the north of the sealed Batchelor Road, 5km west of the Stuart Highway and 3km east of the town of Batchelor. It is situated over Palaeoproterozic sediments on the southeastern flank of the Rum Jungle Dome. It is prospective for uranium and polymetallic mineralisation and a magnesite deposit is present within the tenement, which, despite being only a few kilometres from the Rum Jungle uranium and polymetallic mines and the Woodcutters Zn-Pb mine, has been subject to little systematic exploration for minerals other than magnesite.

The lease was applied for by Tennant Creek Gold (NT) Pty Ltd. An agreement with Orion is in place whereby it is to be transferred after grant. The ELA is within Aboriginal Freehold Land and the consent of the owners is required before the tenement can be granted and exploration can take place. In November 2007, the indigenous stakeholders in the area indicated that they would not consent to the grant of the tenement. Unless the Northern Land Council indicates otherwise, the tenement is consequently under moratorium for a maximum period of five years until 12 June 2013.

No work is planned in the short term.

Western Australian tenements

The **Lake Barlee Project** comprises the uranium interests within E29/581, and exploration licence application number 29/721, situated in the Eastern Goldfields of Western Australia and about 140km northwest of the town Menzies. The project area includes about 100km^2 of the Lake Barlee playa lake system. The Company is exploring the area for calcrete-hosted uranium mineralisation.

Jupiter Mines Ltd is the owner of E29/581 and has entered into a co-existence agreement with the Company whereby the Company has the right to explore for and mine uranium on the tenement. Previous exploration within the tenement located uranium mineralisation in shallow drilling in Cainozoic sediments marginal to the lake.

The project is situated within the Lake Barlee drainage system in the eastern portion of the Archaean Yilgarn Block, which comprises granites and folded greenstone belts (figures 6 and 7). Wide paleodrainage systems occupy relatively shallow valleys, sometimes containing playa lakes. Extensive areas of calcrete development have occurred marginal to, and in channels leading to, the playas. In the northeastern Yilgarn, many of these calcretes contain uranium mineralisation, especially marginal to the playas, where a number of significant uranium deposits are situated.

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The tenement was previously explored for calcrete-hosted uranium between 1976 and 1979. An airborne radiometric survey was carried out, grab and water samples were collected, and thirty-six auger holes were drilled within the area of the current tenement for a total of 481m. The auger-hole locations, drilled over uranium-channel radiometric anomalies, are shown on Figure 6. Samples from five of the holes returned analyses between 100ppm and 120ppm U_3O_8.

During late 2007, the Company collected twenty-five surface and near-surface samples from twelve locations near the junction of the southern arm of Lake Barlee with the main drainage system, around the southern area drilled by Uranerz in 1976. The results of the sampling confirmed the presence of uranium mineralisation within the surface sediments. Values of between 100ppm and 300ppm U_3O_8 were obtained from four of the sample locations over a distance of 400m, to depths of 60cm. The results of this orientation survey confirmed that surface sampling, and thus also radiometric surveys, are not definitve tools for the location of even near-surface uranium mineralisation in the area.

Uranium mineralisation may also be present within the sub-surface older sediments within the drainage system.

Systematic aircore drilling of the prospective areas within the tenement is required. The initial priorities are to determine the depth, extent, and grade of mineralisation within the vicinity of the two areas that have been highlighted by previous work; and to carry out reconnaissance drilling over other prospective areas.

Tasmanian tenements

The **Specimen Reef Project** consists of EL11/2005 situated in north-eastern Tasmania about 5km north-northeast of the Savage River Mine.

The tenement is currently held by Red Rock Resources and is subject to an agreement with Walkabout Resources Pty Ltd (acquiring a 65% interest), an entity that the Company understands will be planning an IPO based on a project in the area including EL11/2005. Red Rock Resources has entered into an agreement with the Company pursuant to which it has agreed to transfer a 35% interest in the tenement to the Company and, subject to Walkabout Resources Pty Ltd listing on ASX, it will free carry the first $10 million in expenditure on the tenement.

The lease contains historic drilling reported to contain alteration zones and veining associated with the old Specimen Reef workings, and an intersection of 0.2m @ 910g/t Au in a quartz-carbonate-brannerite vein. Brannerite is a uranium mineral, but no uranium assays were performed.

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Figure 3: Location map of the Specimen Reef Project area

Qualifying statements

In the discussion of Machinga and Edith River, reference is made to grades of "eU_3O_8". This notation indicates "equivalent uranium"; it is a measure of the uranium content extrapolated from radiometric results rather than from direct chemical analysis. The gamma radiation measured by sensors and used to calculate the equivalent U_3O_8 content is predominantly from the daughter products of the uranium decay chain. When the mineralisation is in equilibrium, the measurement of the gamma radiation from the daughter products is representative of the uranium present.

The information in this Prospectus 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 a full-time 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 Prospectus of the matters based on this information in the form and context in which it appears.

The statements made in this Prospectus which refer to 'best results' are considered to be appropriate for use in this context for a number of reasons, namely due to an unavailability of a range of results from historical work or the impracticality of stating an entire range of results. Within all ore bodies there can be a range of grades and no individual result during early exploration can predict a likely mineable grade, but it can give some indication of the potential of the area. The results presented in this Prospectus are done so in that context.

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6. CEO, DIRECTORS AND CORPORATE GOVERNANCE

6.1 Chief Executive Officer

Mr. R Evans

Mr. Evans has qualifications in both geology and business, and spent 18 years with WMC Limited in a variety of technical, commercial and managerial roles; including front-line exploration and production, project assessment and feasibility. This included five years based in South Africa and Mozambique progressing WMC's Corridor Sands Project.

Over the last four years he has worked as a minerals industry consultant, including assisting Resource Star Ltd. He has broad international experience, including work on a variety of uranium exploration projects in three countries.

Mr. Evans is a Member of the Australasian Institute of Mining & Metallurgy.

6.2 Directors

Mr. A Bell – Chairman

Mr. Bell is the Chairman of Red Rock Resources plc and its largest shareholder, Regency Mines plc, both of which are mineral exploration companies listed on the AIM market of the London Stock Exchange plc. He is also non-executive Chairman of AIM-listed Greatland Gold plc and a non-executive director of ASX-listed Jupiter Mines Ltd.

After graduation, Mr. Bell worked in London as an oil and mining analyst at investment bank Morgan Grenfell & Co, and subsequently as a broker, fund manager and corporate financier specializing in Asian markets.

Mr. Bell is a Fellow of the Geological Society of Australia.

Mr. R Benussi – Non Executive Director

Mr. Benussi is a qualified accountant, and has worked in the broking and minerals industries, with his most recent experience being pivotal roles at Jupiter Mines Limited as Company Secretary, Chief Financial Officer, Acting CEO and currently General Manager – Corporate where he has responsibility for fund raising and business development.

He also holds a number of non executive directorships and advisory positions.

Mr. R Kestel – Non Executive Director

Mr. Kestel is both a Chartered Accountant and Certified Practicing Accountant and has been a director of the accounting practice Nissen Kestel Harford since July 1980.

Currently, he is a director of the following companies:

(a) Jabiru Metals Ltd – zinc, copper, producer.

(b) VDM Group Ltd – consulting engineering / construction / infrastructure.

(c) Dioro Exploration NL – gold producer.

(d) Jatoil Ltd – biodiesel producer.

(e) Regis Resources Ltd – developing a gold mine.

He is also Chairman of Reco Financial Services Ltd and XState Resources Ltd and is also company secretary of Jabiru Metals Ltd, Northern Mining Ltd and Poseidon Nickel Ltd. All of these companies are listed on the ASX.

Mr. Kestel is a member of the Institute of Company Directors.

6.3 Corporate Governance

The Directors monitor the business affairs of the Company on behalf of Shareholders and have formally adopted a corporate governance policy which is designed to encourage Directors to focus their attention on accountability, risk management and ethical conduct. The Board and management are committed to corporate governance and to the extent that they are applicable to the Company have followed the "Principles of Good Corporate Governance and Best Practice Recommendations" issued by the ASX Corporate Governance Council.

The Company's main corporate governance policies and practices are outlined below:

Role of the Board

The key responsibilities of the Board include:

(a) Appointing, evaluating, rewarding and if necessary removing the Chief Executive Officer (**CEO**) and senior management;

(b) Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;

(c) Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;

(d) Overseeing the management of business risks, safety and occupational health, environmental issues and community development;

(e) Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;

(f) Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately. Further, approving and monitoring financial and other reporting;

(g) Assuring itself that appropriate audit arrangements are in place;

(h) Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that the Company's practice is consistent with, relevant guidelines; and

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(i) Reporting to and advising shareholders.

Remuneration and Nomination Committee

The Board has not established a formal Remuneration and Nomination Committee. The full Board attends to the matters normally attended to by a Remuneration and Nomination Committee. Remuneration levels are set by the Company in accordance with industry standards to attract suitable qualified and experienced Directors and senior executives.

There is no scheme to provide retirement benefits to Non-Executive Directors. The Board is responsible for determining and reviewing compensation, arrangements and performance of Directors for the Directors themselves.

Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee, which operates under a Charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of risk management, internal controls and ethical standards to the Audit and Risk Management Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. The Audit and Risk Management Committee comprises three (3) Non-Executive Directors.

The Company's Policy is to appoint external auditors who clearly demonstrate independence. The performance of the external auditor is reviewed annually by the Audit and Risk Management Committee. The audit firm has a policy of rotating the audit partner at least every five (5) years.

Risk Management

Management reports directly to the Board on the Company's key risks and is responsible, through the CEO for designing, maintaining, implementing and reporting on the adequacy of the risk management and internal control systems.

The Audit and Risk Management Committee monitors the performance of the risk management and internal control systems and reports to the Board on the extent to which it believes the risks are being managed and the adequacy and comprehensiveness of risk reporting from management.

The Board must satisfy itself, on a regular basis, that risk management and internal control systems for the Company have been fully developed and implemented.

The Company has identified specific risk management areas being strategic, operational and compliance. The Board has reviewed risks faced by the Company on a regular basis due to the potential impact of the global financial crisis.

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A detailed risk identification matrix has been prepared by management. High and very high risk issues are reported to the Board. The CEO is responsible for ensuring the Company complies with its regulatory obligations.

Full details of the corporate governance policies adopted by the Board can be found on the Company's website.

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7. INDEPENDENT GEOLOGIST'S REPORT

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CONTINENTAL RESOURCE MANAGEMENT PTY LTD

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23rd November 2009

The Directors
Resource Star Limited
Level 9, 440 Collins Street
Melbourne,
VICTORIA
3000

Dear Sirs,

INDEPENDENT GEOLOGIST'S REPORT

This report has been prepared by Continental Resource Management Pty Ltd ("CRM"), an independent geological consultancy established in 1989. The report has been prepared at the request of Resource Star Limited ("RSL" or "the Company") to provide an independent geological assessment of the Company's mineral exploration projects and proposed exploration programmes on those properties, which are located in Australia and in Malawi. This report has been provided for inclusion in a prospectus for the proposed re-listing of RSL ("Prospectus") to be lodged by the Company with the Australian Securities and Investments Commission, in connection with RSL's proposed public offering of up to 9,500,000 million RSL shares at a price per share of 20c to raise $1.9 million (including oversubscriptions of up to 12.5 million RSL shares to raise up to an additional $2.5 million), and for the issue of 300,000 RSL shares to Red Rock Resources plc to satisfy loan and other contractual arrangements.

Within Australia, the Company has acquired interests in tenements in seven projects in the Northern Territory, one in Tasmania, and one in Western Australia. Within the East African nation of Malawi, the Company has acquired interests in three project areas.

The principal commodity sought is uranium, although the Woolgni Project contains gold mineralisation and gold, polymetallic mineralisation, and iron may also be present within the various projects. The agreements, status, and interests held by RSL in the properties are set out elsewhere in this Prospectus.

CRM's assessment of the Tenements is based upon technical information provided by RSL. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous title holders to the areas, where it has been considered necessary. Reference has also been made to selected mineral deposits not held by RSL, in order to illustrate the types of

mineral commodities and styles of mineralisation present in the region. CRM has endeavoured, by making reasonable enquiries, to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure CRM had access to all relevant technical and other information.

It is the opinion of CRM that the properties described in this Prospectus are worthy of continued exploration and are located in areas where there is reasonable expectation for locating economic mineralisation. The programmes and budgets proposed for the projects are considered to be appropriate. The budgets are considered to be adequate to cover the cost of the proposed programmes and to meet statutory requirements in each instance. It is not possible to accurately determine the outcome of exploration and considerable variation to the proposed exploration programmes and budgets may be required as new data becomes available.

The statements contained in this report are given in good faith and have been derived from information believed to be reliable and accurate, and supplemented by our own investigations. We have relied upon this information and have no reason to believe that any material facts have been withheld from us. We do not imply that we have carried out any type of audit on the technical, accounting, or other records of RSL or that our assessment has revealed all of the matters which an audit or more extensive examination might disclose at the date of this report. This report was prepared by John Doepel, who visited RSL's Northern Territory Projects during December 2007 and who has previously visited the region that contains RSL's Lake Barlee project area.

CRM has given and has not at the time of lodgement of this Prospectus withdrawn its consent to the issue of the Prospectus with this report included in the form and context in which it appears.

Yours sincerely,

John Doepel
Continental Resource Management Pty Ltd

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INTRODUCTION

This report describes the mineral exploration assets ("the Tenements") of Resource Star Limited ("RSL"). The properties, which are located in Malawi and in Australia's Northern Territory and its states of Western Australia and Tasmania, are primarily focused on uranium. Those in Malawi are also prospective for niobium, zircon, rare earths and associated elements, and some of the Northern Territory projects for gold mineralisation. The projects range in development from those with identified targets (the Machinga, Edith River, and Lake Barlee Projects) to prospective grass roots exploration projects.

RSL's project locations are shown on Figures 1 and 2 and a summary of them is given in Table 1.

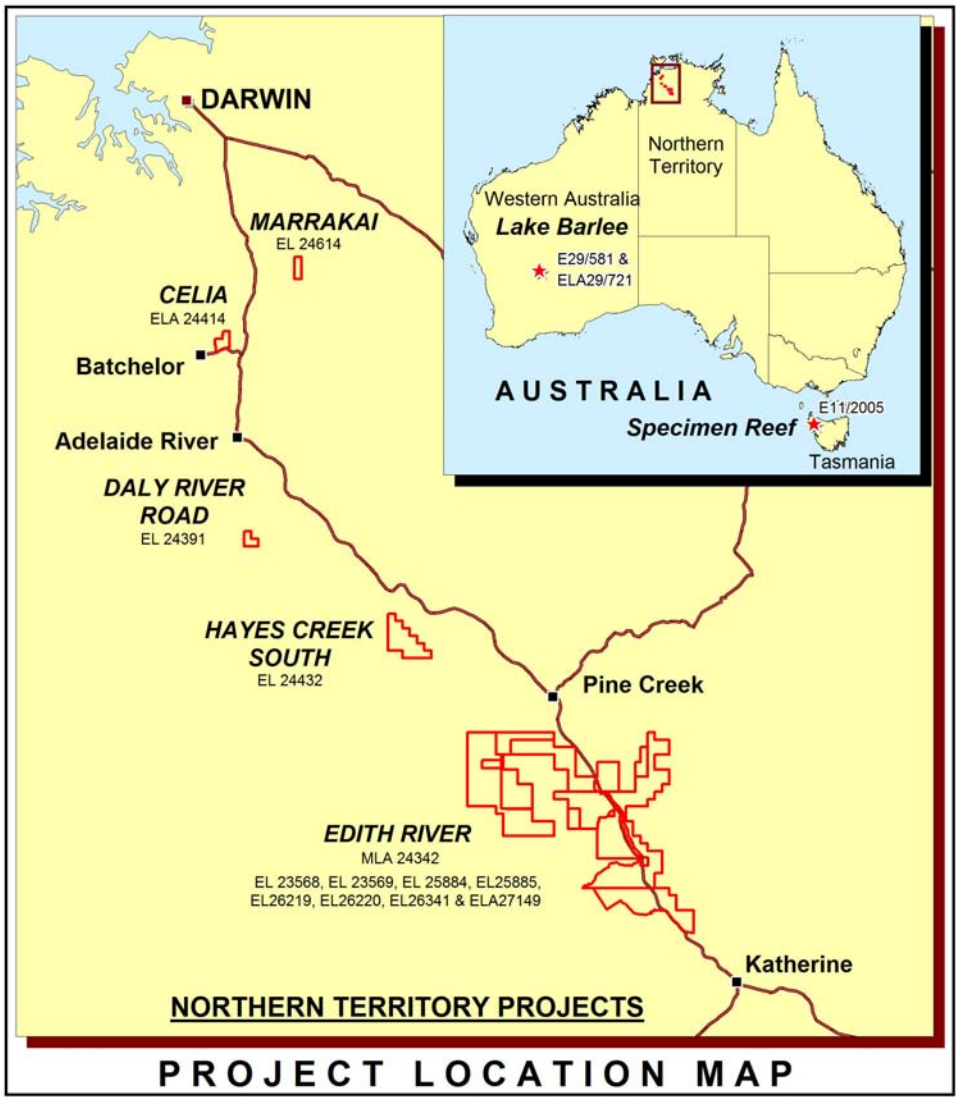

Figure 1 Australian project locations

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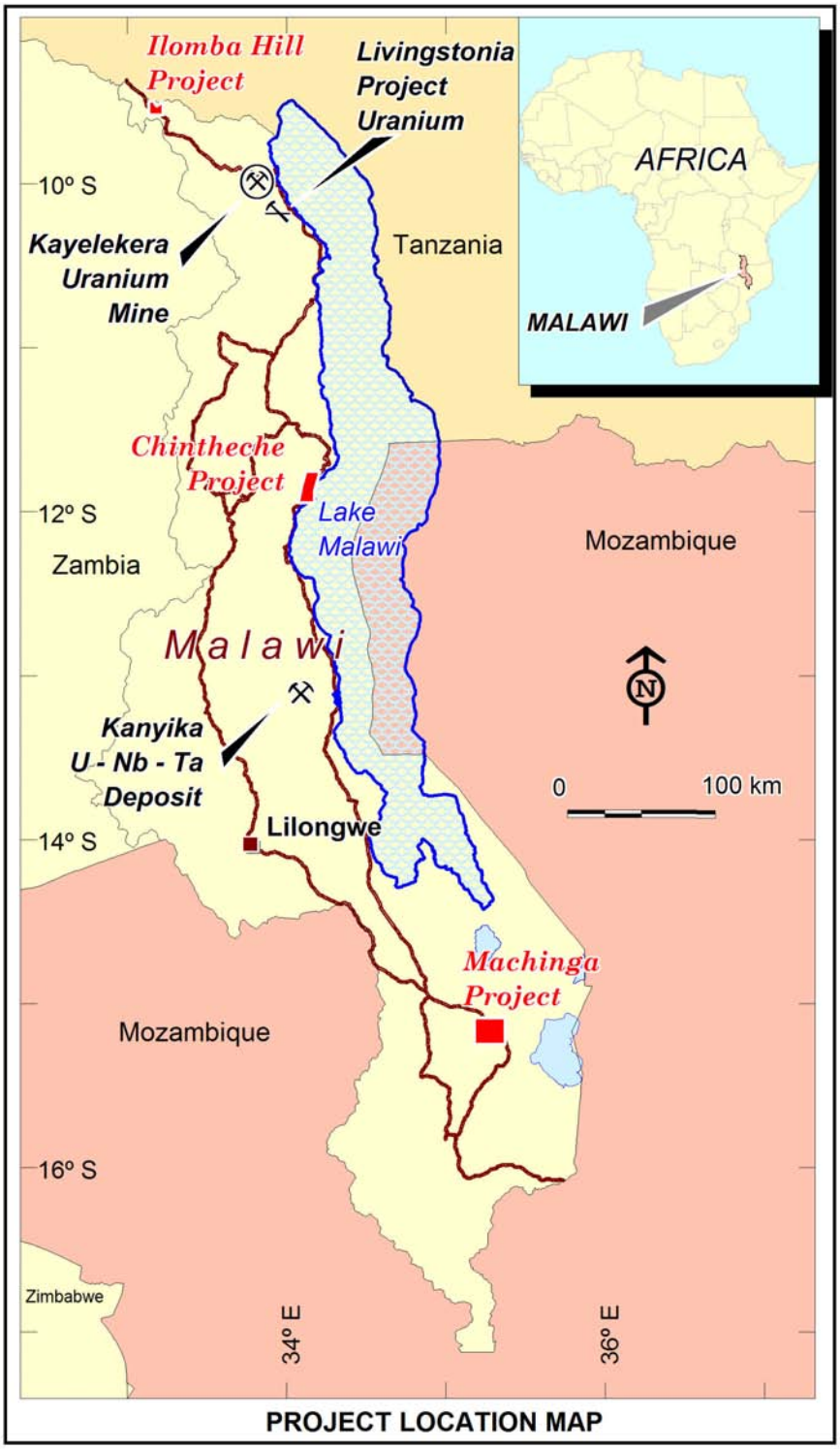

Figure 2 Malawi project locations

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Table 1 RSL - Summary Table of Projects

Location	Project	Tenement	Interest (Legal or beneficial)	Licence Expiry	Area (km^2)
Northern Territory, Australia ("N.T.")	Edith River	EL23568 EL26219 EL26220 EL23569 ELA25884 EL25885 EL26341 ELA27149 MLA24342	100%	16/06/2011 15/11/2013 15/11/2013 16/06/2011 Application 21/10/2013 21/04/2014 Application Application	228.8 124.2 18.0 230.4 65.0 211.7 39.9 78.2 1.6[1]
N.T.	Marrakai	EL24614	100%	1/12/2011	10.0
N.T.	Hayes Creek South	EL24432	100%	1/12/2011	63.4
N.T.	Daly River Road	EL24391	100%	1/12/2011	10.0
N.T.	Celia	ELA24414[2]	100%	Application	12.9
Western Australia	Lake Barlee	EL29/581 ELA29/721	100%[3] 100%	7/03/2011 Application	104.8 80.4
Tasmania, Australia	Specimen Reef	EL 11/2005	35%[4]	11/05/2011	71.0
Malawi	Machinga	EPL 0230/07	100%	11/12/2010	379.1
Malawi	Ilomba Hill	EPL 0264/08	90%[5]	29/09/2011	80.0
Malawi	Chintheche	EPL 0219/07	100%	26/06/2010	211.8

Notes: 1: MLA24342 is over a portion of EL23569
2: Under moratorium
3: Uranium interest only
4: RSL has the right to purchase 35%
5: RSL has the right to purchase 90%

Sources of information

CRM's assessment of the Tenements is based upon technical information provided by RSL. This information includes published government reports and maps and reports prepared by previous title holders to the areas. CRM has endeavoured, by making reasonable enquiries, to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure CRM had access to all relevant technical and other information.

John Doepel visited RSL's Northern Territory Daly River Road, Hayes Creek South, and Edith River project areas during December 2007.

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NORTHERN TERRITORY PROJECTS

RSL has five projects within Australia's Northern Territory. All are situated within a few tens of kilometres of the main north-south Stuart Highway and are within 300km of Darwin (Figures 1 and 3). They are within, or marginal to, the Paleoproterozoic Pine Creek Geosyncline that is richly endowed with uranium, polymetallic, gold, and iron deposits.

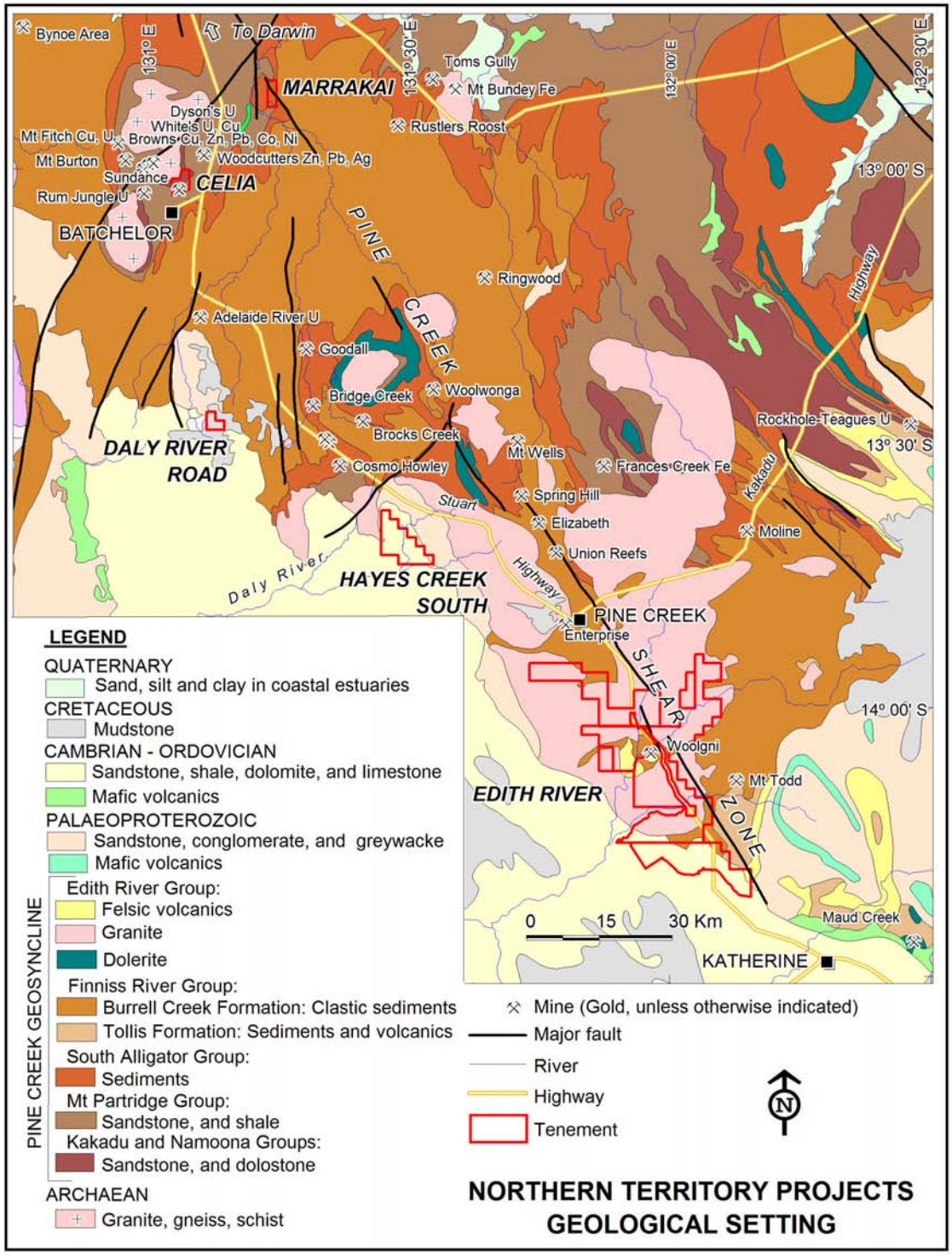

Figure 3 Northern Territory Projects – Geological setting

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The Pine Creek Geosyncline consists of Paleoproterozoic metasedimentary rocks that overly a gneissic and granitic Archaean basement. The geosynclinal sequence is intruded by granitic plutons that are also of Paleoproterozoic age. The basement outcrops in two domes in the northwest of the region near the town of Batchelor. Uranium and polymetallic mineralisation is present within the Paleoproterozoic sediments in the vicinity of the domes, associated with major faults and shears. Dormant mines and deposits under development or exploration in the area include Woodcutters (Zn, Pb, Ag), Rum Jungle and Dysons (U), Whites and Mt Fitch (Cu, U), and Browns (Cu, Zn, Pb, Co, Ni).

The major Alligator Rivers Uranium Field that includes the Ranger, Narbarlek, and Jabiluka deposits is in the northeast of the Pine Creek Inlier. The smaller deposits of the South Alligator Valley Mineral Field are situated to the northeast of Pine Creek.

Iron ore mining has also taken place at Mt Bundey in the north of the geosyncline and is currently occurring at Frances Creek, in its central portion.

A regional north-northwest trending shear zone, the Pine Creek Shear, passes through RSL's Edith River and Marrakai project areas (Figure 3). The shear zone contains a number of sub-parallel faults present within corridor that has a width of up to 5km. It postdates the granitic intrusions and is considered to have been a major locus for the passage of gold-bearing fluids. It is spatially related to a number of major gold deposits. The pre-mining resources of the larger gold deposits within the region are summarised in Table 2.

Table 2 Pre-mining resources of major Pine Creek Geosyncline gold deposits

Deposit	Mt	Au (g/t)	Gold (Moz)
Mount Todd	194	1.0	6.4
Union Reefs	23	1.9	1.4
Brocks Creek	18	1.7	1.0
Maud Creek	11	3.0	1.0
Cosmo Howley	9.6	3.0	0.94
Enterprise	8.8	2.7	0.76
Woolwonga	5	3	0.5

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EDITH RIVER PROJECT

Introduction

The Edith River Project consists of eight contiguous Exploration Licences ("ELs"), six of which are granted. They cover almost 1000km^2 between Pine Creek and Katherine in the Northern Territory, approximately 230km south of Darwin (Figure 1). The tenements are situated at the southern end of the Pine Creek Geosyncline, in the vicinity of the Pine Creek Shear. The project includes a number of uranium and gold prospects.

Tenements and Agreements

The Edith River Project comprises six granted ELs and two applications for ELs ("ELAs"). A portion of one of the granted ELs has been applied for as a mining lease ("ML"). The licences and applications are variously held by Orion Exploration Pty Ltd (Orion); Eastbourne Exploration Pty Ltd ("Eastbourne"); Jupiter Uranium Pty Ltd ("Jupiter"); and Bluekebble Pty Ltd, Redstone Metals Pty Ltd, and Zircon international Pty Ltd ("BRZ"). Eastbourne and Orion are wholly owned subsidiaries of RSL. The mining lease application is in the name of Tennant Creek Gold (NT) Pty Ltd ("TCG").

Agreements are in place whereby RSL is the beneficial holder of all of the tenements. Details are given in the solicitor's report and are summarised in Table 3.

Table 3 Edith River Project - Tenement summary

Tenement	Area (km^2)	Holder	Beneficial Holder	Grant Date	Term (years)	Annual Commitment
EL23568	228.8	Orion	RSL	17/02/2003	8	$350,000
EL23569	230.4	Orion	RSL	17/06/2003	8	$40,000
EL26219	124.2	Eastbourne	RSL	16/11/2007	6	$10,000
EL26220	18.0	Eastbourne	RSL	16/11/2007	6	$10,000
ELA25884	65.0	BRZ	RSL	Application	6	NA
EL25885	211.7	Jupiter	RSL	22/10/2007	6	$5000
EL26341	39.9	Jupiter	RSL	22/04/2008	6	$5000
ELA27149	78.2	Orion	RSL	Application	6	NA
MLA24342	1.6*	TCG	RSL	Application	25	NA
Totals	**996.2**					**$420,000**

* MLA24342 is over a portion of EL23569

Portions of the project area are the subject of native title claims and aboriginal land rights agreements, details of which are given elsewhere in this Prospectus.

The historical workings within the mining lease application are subject to an area of Historical Exclusion, which has been accepted by RSL and which is currently with the Northern Territory Government for final approval. The location of the exclusion is shown on Figure 7.

Location and Access

The Edith River Project is located either side of the sealed Stuart Highway and the adjacent Alice Springs to Darwin railway. Its northern boundary is approximately

10km south of the town of Pine Creek, it has a north-south extent of approximately 50km, and its southern boundary is approximately 30km northwest of the town of Katherine. Access within the project area is mostly by pastoral tracks.

Geological Setting

The Edith River Project is at the southern end of the Pine Creek Geosyncline (Figures 3 and 4). The project area is dominated by the southern portion of the granitic Cullen Batholith. The batholith is intrusive into metamorphosed shale, siltstone, and greywacke of the Burrell Creek Formation, pendants of which are present to the south of the Fergusson River in the central portion of the project area. The formation also covers portions of the north and southeast of the project area. Areas of Cambrian basalt and of Paleoproterozoic Edith River Group felsic volcanics are present within the centre and southeast of the project and Paleozoic and Paleoproterozoic sediments are in the northwest and south of the area.

The Mount Todd gold mine, which had a pre-mining resource of 194Mt @ 1.0 g/t Au for 6.4Moz of gold, is a few kilometres to the east of the project area within the Burrell Creek Formation.

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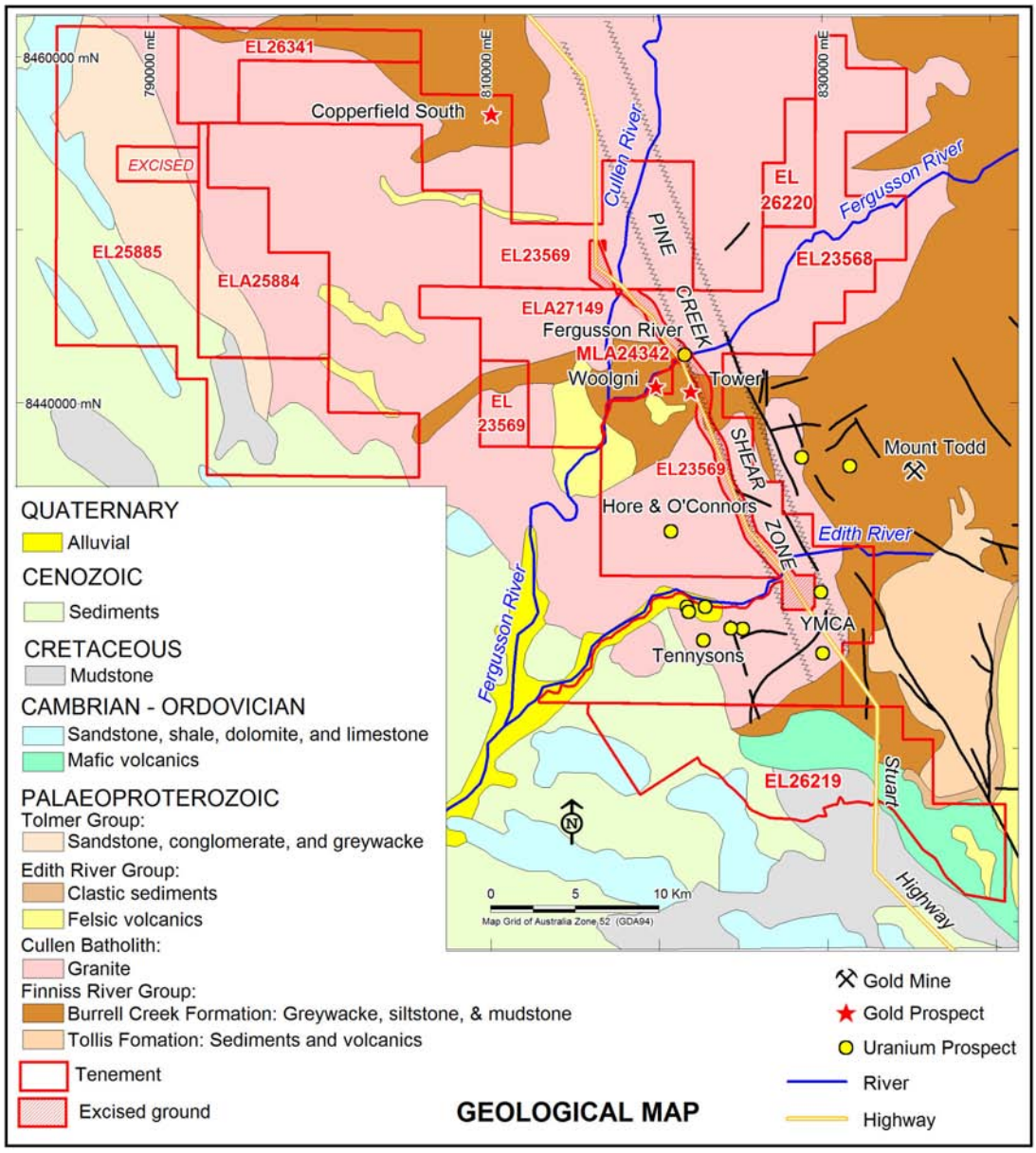

Figure 4 Edith River Project - Geological map

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URANIUM PROSPECTS

Introduction

The southern part of the Edith River Project contains a number of occurrences of uranium mineralisation (Figure 4) and regional radiometric surveys have identified uranium channel radiometric anomalies within its northern section (Figure 6).

Project Geology and Mineralisation

The project is at the southern end of the north-northwest trending Pine Creek Shear Zone and the granite within the project area contains a number of shears that have a similar north-northwest orientation. These shears are associated with occurrences of uranium mineralisation, to the south of the Edith River, that were discovered by prospectors in 1952 (Figure 4). Occurrences to the east of the Stuart Highway were named the YMCA Prospects and six occurrences to the west were named the Tennyson's Prospects. The Hore and O'Connors and Fergusson River occurrences are to the north of the Edith River. Three shafts were sunk to between 10m and 30m in depth into the YMCA Prospects and another shaft was sunk about 16km to the north-northwest at the Fergusson River Prospect.

The mineralisation is within steeply dipping north-northwest trending shear zones that are up to 100m in width and contain en-echelon quartz veining. The granite within the shear zones is greisenised and the quartz is locally brecciated and cemented by a brown apatite-haematite-fluorite assemblage. Oxide zone uranium minerals are autunite, metaautinite, and torbernite.

Previous Exploration

The YMCA and Tennyson's Prospects were explored by the Bureau of Mineral Resources ("BMR") during 1952-1954. The shafts at the YMCA Prospects were sunk on breccias that were interpreted to occur at the intersection of shears and cross-fractures. Two diamond drill holes were completed by the BMR into each of two of the YMCA Prospects, for a total length of 315m. The only available intersections, as measured by a downhole radiometric logging tool, were 1.5m @ 1,000ppm eU_3O_8 at one prospect and 1m @ 1,000ppm eU_3O_8 at the other.

EL25885 was explored by NuPower Resources Ltd ("NuPower") in joint venture with Jupiter during 2008. NuPower investigated weak radiometric anomalies in the northwest and southeast of the tenement that had been located by regional airborne survey. The anomalies were found to be in flat-lying, ferruginised sandstones of the Cambro-Ordovician Jindare Formation associated with lateritic weathering. Samples were collected sand analysed, but no significant uranium values were obtained.

Current Exploration

During 2006 Orion carried out a rock chip sampling programme over the Fergusson River U Prospect. An altered metasediment from within a small shaft at the site contained 2.7% Cu, 0.5g/t Au, and 158ppm U.

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Samples of altered and sheared granite from the area of the YMCA Prospects were submitted to Roger Townend and Associates ("Townend") for petrological examination. Townend reported that indications of hydrothermal alteration associated with possible uranium mineralisation were fine iron oxide (possibly haematite), sericite, and monazite containing above average contents of uranium and thorium. He, however, noted that the low chlorite content was a negative feature.

Orion commissioned the geophysical consultants, AsIs International Pty Ltd ("AsIs") to carry out a reinterpretation of exploration data over the Edith River project area, with an emphasis on the existing geophysical data. AsIs concluded that the area was highly prospective for uranium mineralisation, including vein, and Iron Oxide Copper Gold Uranium ("IOCGU") deposit types. It also suggested that interpretation of aeromagnetic data could reveal structures and shears that may host gold and/or base metal mineralisation within the Cullen Batholith.

During 2008 RSL used high resolution satellite images to delineate structures and zones of significant alteration in the Cullen Granite. These were followed-up on the ground by reconnaissance geological mapping and radiometric surveys.

Results from the Tennysons Prospect were encouraging, with 40 outcrops returning spectrometer readings greater than 200ppm eU_3O_8. The results are summarised in Table 4, in which the results from similar exploration in the vicinity of the YMCA 2 mineralisation are given for comparison. Due to the method of collection of the data, the readings should not be taken as quantitative measurements of the uranium content of the outcrops sampled, but rather as a qualitative indication of the extent and level of mineralisation**.** Readings were taken with a gamma-ray spectrometer held against outcrops, which method results in the preferential sampling of resistant veins as against more weathered inter-vein material.

Table 4 Tennysons Prospect – Outcrop spectrometer readings

Prospect	Number of Readings	Readings >200ppm eU_3O_8	Readings >500ppm eU_3O_8	Average Reading ppm eU_3O_8	Maximum Reading ppm eU_3O_8
Tennysons	247	40	9	292	1522
YMCA 2	12	7	3	354	1210

The reconnaissance mapping revealed that the length, width, degree of iron alteration, brecciation, and quartz veining is visibly much stronger in the Tennysons prospect area than in the area of the YMCA Prospect. The areas of alteration are within deeply weathered, dark brown, coarse-grained granite. Intense iron alteration, multiple quartz veins, shearing, and breccia zones are present. Haematite and epidote alteration is present. Veins trend north-northwest and northeast and have steep dips. Individual alteration zones are up to 20m wide and individual veins are up to a metre in thickness.

High spectrometer readings were returned from areas of intense iron alteration, quartz veining, shearing, and brecciation.

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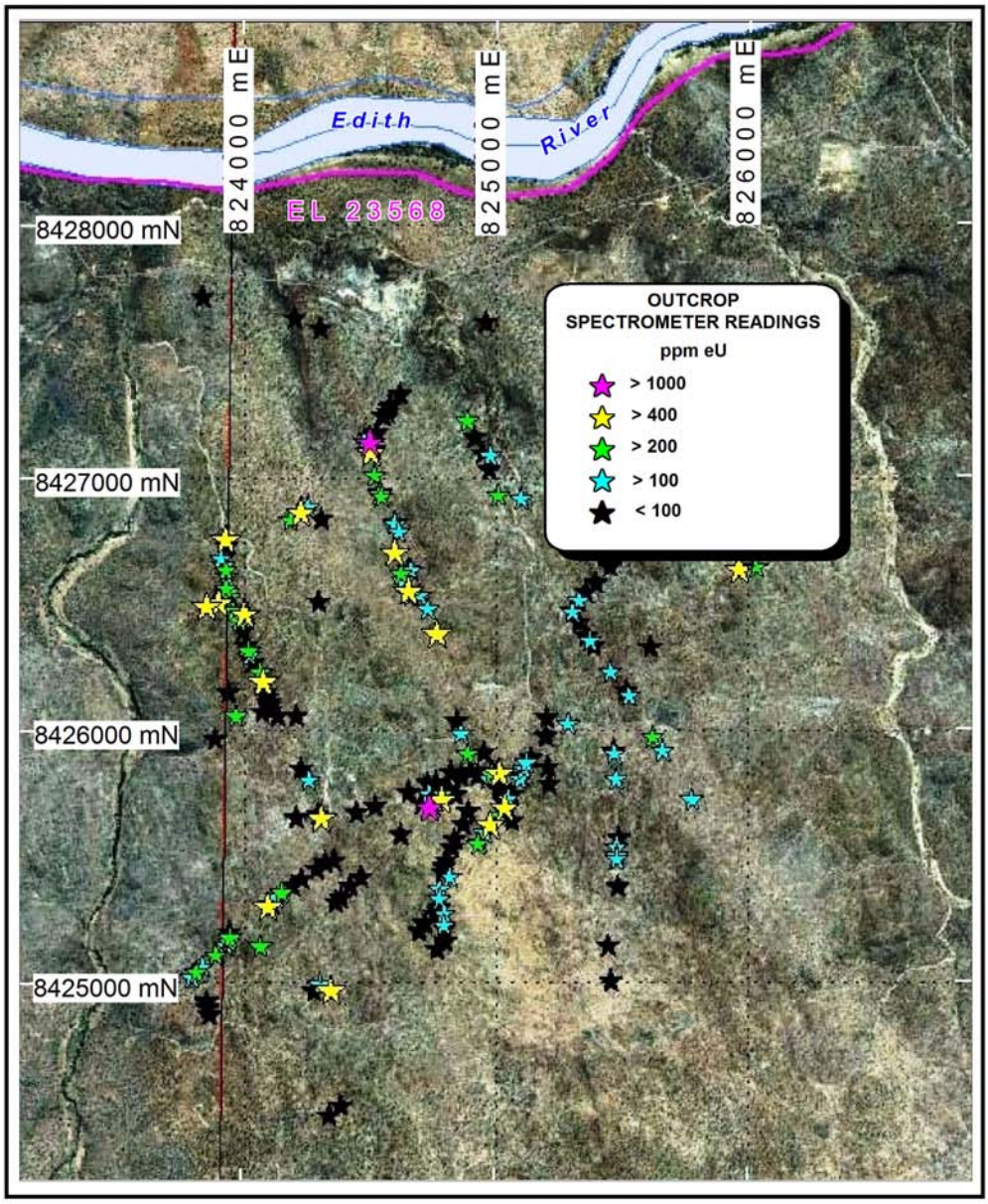

Figure 5 Tennysons Prospect - Outcrop spectrometer readings

Exploration Potential

The project area is within the Pine Creek Geosyncline, a geological unit that is highly endowed with uranium mineralisation. Initial exploration within the south of the project area has identified a number of zones of alteration within granites. Both iron oxide and uranium alteration are present and there is potential for the presence of IOCGU mineralisation. The only drill-testing of these zones has been by two historical holes, both of which intersected mineralisation of the order of 1000eppm U_3O_8. Other parts of the project have not yet been systematically explored for uranium, but, as can be seen on Figure 6, a uranium channel radiometric map of the area, significant anomalies are also present both in the north and the northeast within granitic terrain.

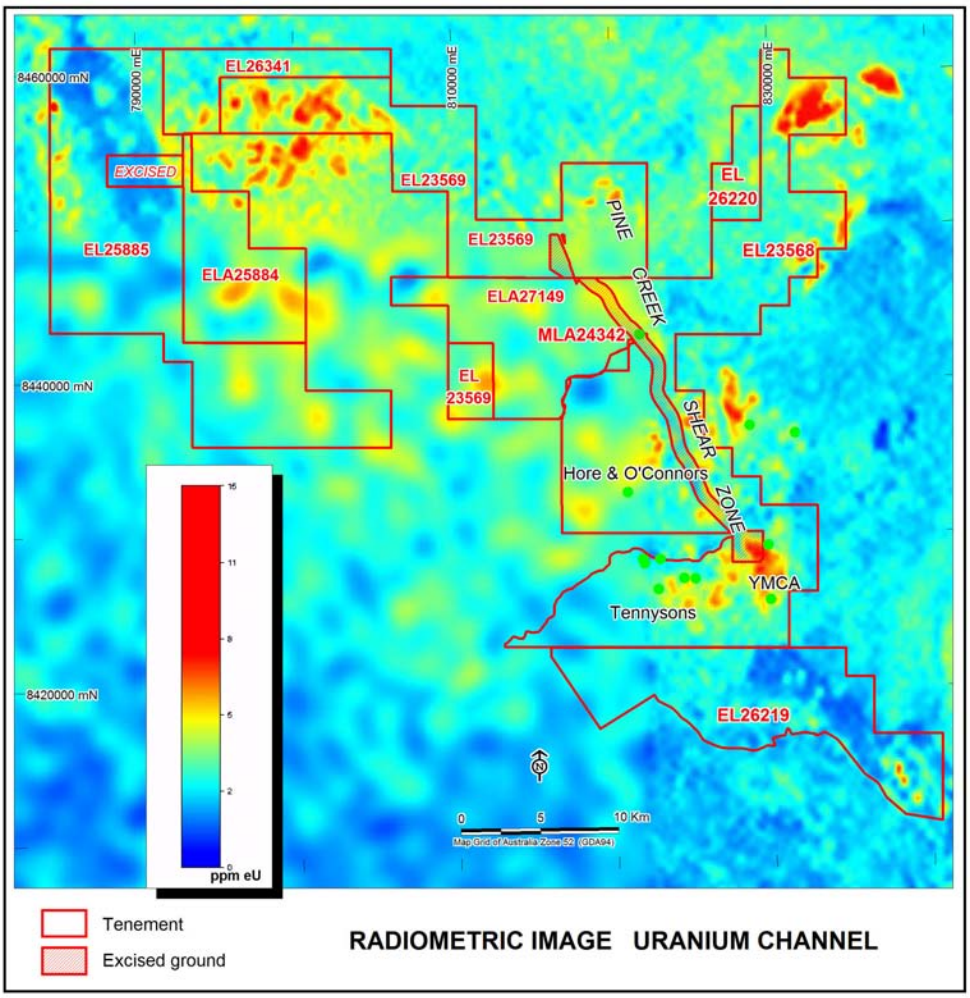

Figure 6 Edith River Project – Uranium channel radiometric image

There is also potential for unconformity hosted uranium mineralisation in the west of the project area, near the base of the Tolmer Group sediments and for sediment hosted roll-front type mineralisation within suitable beds of either the Tolmer Group or the overlying Palaeozoic sandstones.

Proposed Exploration

RSL has begun the systematic exploration of the shear zones within the Cullen Batholith for uranium mineralisation. CRM recommends that this initial exploration of the Cullen Batholith by means of the identification and sampling of zones of alteration within it be continued. As good outcrop and only skeletal soil development is present over most of the prospective area, the application of spectral imagery should enable this to be done efficiently. The areas of alteration identified should be mapped in detail and surveyed with soil geochemistry and detailed ground radiometrics. Targets identified from these surveys should then be drill-tested.

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GOLD PROSPECTS

Introduction

The Edith River Project contains three gold prospects and is prospective elsewhere within its area for other gold mineralisation. The historical Woolgni Goldfield is within the project area, which is approximately 200km south of Darwin in the Northern Territory (Figure 1). The tenements are situated near the southern extent of the Pine Creek Geosyncline, in the vicinity of the Pine Creek Shear (Figure 3). The three prospects are the Woolgni Prospect, the Tower Prospect, and the Copperfield South Prospect. The Tower Prospect has never been drill-tested. Within it, gold mineralisation was uncovered in three trenches over a strike length of 600m; however the known mineralisation is marginal to an excised portion of the tenement.

Geological Setting

The project area covers parts of the granitic Paleoproterozoic Cullen Batholith and areas of Burrell Creek Formation that occur to the north of the batholith and as a large pendant within it in the vicinity of the Fergusson River (Figure 4). The granite is intrusive into metamorphosed shale, siltstone, and greywacke of the Burrell Creek Formation. The granite and the metasediments are overlain by an outlier of felsic volcanics of the Palaeoproterozoic Edith River Group in the vicinity of Woolgni near the centre of the project area..

Woolgni Prospect

Mineralisation

Significant gold mineralisation is present at Woolgni, where two mineralised zones are present, each approximately 400m in length. The mineralisation is within pyritic quartz veins in silicified greywacke of the Burrell Creek Formation. The larger veins are of sub-economic grade over most of their lengths, but contain pods or shoots of higher grade material. The mineralised zones occur in two south dipping arcs and have been interpreted to be saddle reefs around the nose of a south-southeast plunging anticline (Figure 7).

Historical Mining

Alluvial gold mining commenced at Woolgni in 1897. Hard rock mining of rich quartz reefs followed, with two adits and a number of shafts being dug. Total production from the field is recorded as 3,840oz of gold, with the last production in 1905. Mining was concentrated on two lines of workings: Woolgni West and Woolgni East (Figure 7). A quantity of ore grading 3oz/ton was reported to have been obtained from the western lode, which had a width of 1.5m.

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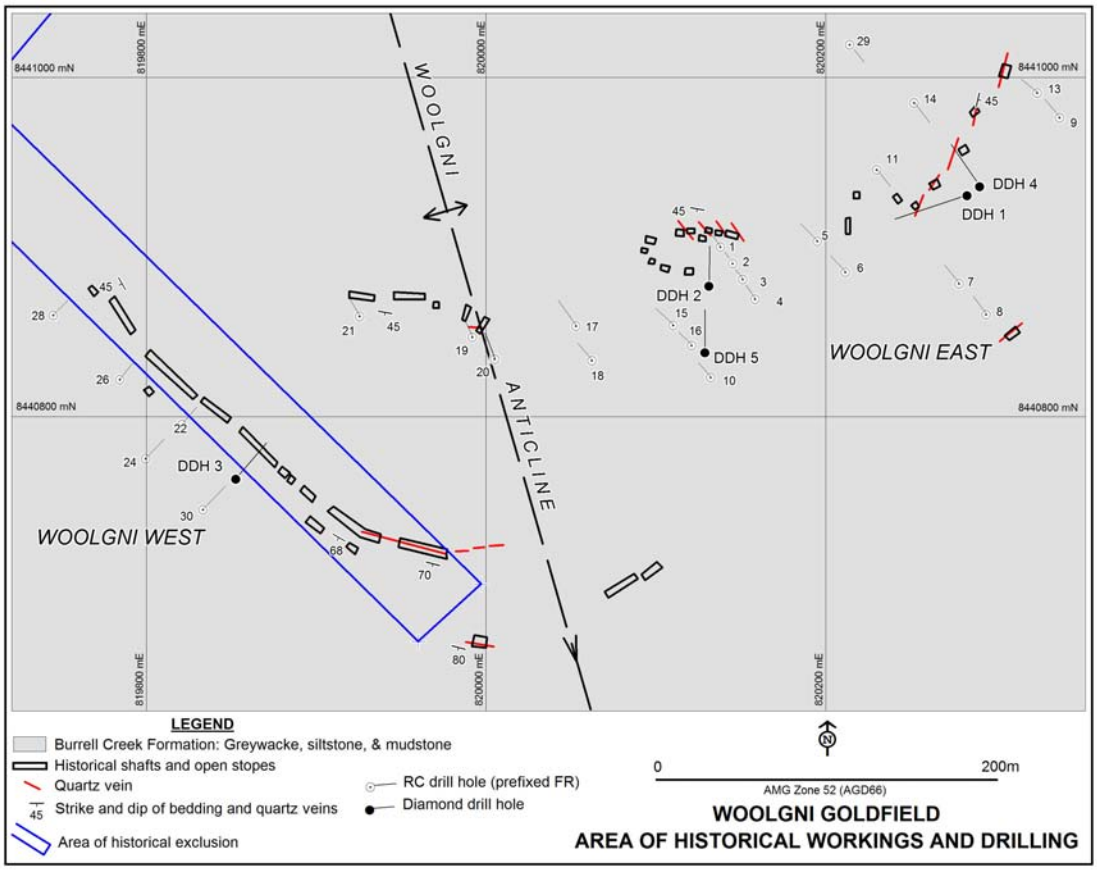

Figure 7 Woolgni Goldfield – Area of historical workings and drilling

Previous Exploration

The Woolgni Goldfield was explored by Zapopan NL ("Zapopan") and its joint venture partners between 1987 and 1990. Initial exploration included the drilling of five diamond holes totalling 263m. The holes were drilled immediately under old mine workings. All holes intersected gold mineralisation. Zapopan also carried out a soil and rock chip sampling programme to the north across the Fergusson River.

Zapopan's second programme, during 1988, included detailed mapping of the area of historical workings, and the excavation and systematic channel sampling of 17 costeans for a total length of 1050m. The costeans were dug across the quartz lodes. Mineralisation of a minimum grade of 0.5g/t Au occupied a total width of 128m within the 17 costeans. Significant intersections included 10.7m @ 4.4g/t, 8.5m @ 2.0g/t, 4.3m @ 5.2g/t, and 1.6m @ 7.0g/t Au.

A RC drilling programme of 26 holes for 1791m was also carried out. Drill intersections with a minimum grade of 0.5g/t Au totalled 152m from the 26 holes. Significant intersections from the two drill programmes are summarised in Table 5 and the drill-hole locations are shown on Figure 7. The drilling intersected multiple zones of mineralisation, not all of which were associated with quartz veining.

Table 5 Woolgni Prospect – Significant drill intersections

Hole ID	Drill Type	From (m)	Intersection (m)	Grade (g/t Au)
2	Diamond	20.1	8.3	3.0
		and 33	1.1	47.0

4	Diamond	29	1	9.4
FR3	RC	25	1	7.0
		and 60	2	3.8
		and 95	5	1.5*
FR5	RC	18	9	1.7
FR10	RC	60	1	10.1
FR11	RC	24	4	7.8
FR13	RC	23	2	3.5
FR15	RC	32	6	1.3
FR16	RC	57	11	4.0
FR20	RC	72	2	11.2*

* Hole finished in mineralisation

During 1989 and 1990 exploration was restricted to rock chip sampling over areas of the Burrell Creek Formation away from the main area of workings. No significant results were obtained.

Tower Prospect

In 1988, Hilltop Enterprises Pty Ltd ("Hilltop") conducted a reconnaissance geochemical survey over the area to the east of the Woolgni workings, targeting outcropping siltstones and greywackes of the Burrell Creek Formation. Three areas showed anomalous gold values. The most significant of these, immediately to the west of the Stuart Highway and east of a telecommunications tower, was named the Tower Prospect. Three samples, collected about 300m apart on a north-northwest line assayed 17.3g/t, 0.5g/t, and 1.1g/t Au. The samples were of gossanous metasediments.

Hilltop excavated and channel sampled nine widely spaced trenches over the prospect. The trenching confirmed the presence gold mineralisation. The northern gossanous zone was cut by two trenches 100m apart. A best assay of 1m @ 26.2g/t Au was obtained from the northernmost trench and the same zone was uncovered 100m to the south in the adjoining trench. Three channel samples totalling 7.3m in length returned between 0.26g/t and 0.28g/t Au in another trench excavated 500m further south. The approximate locations of the costeans and all anomalous results are shown on Figure 8.

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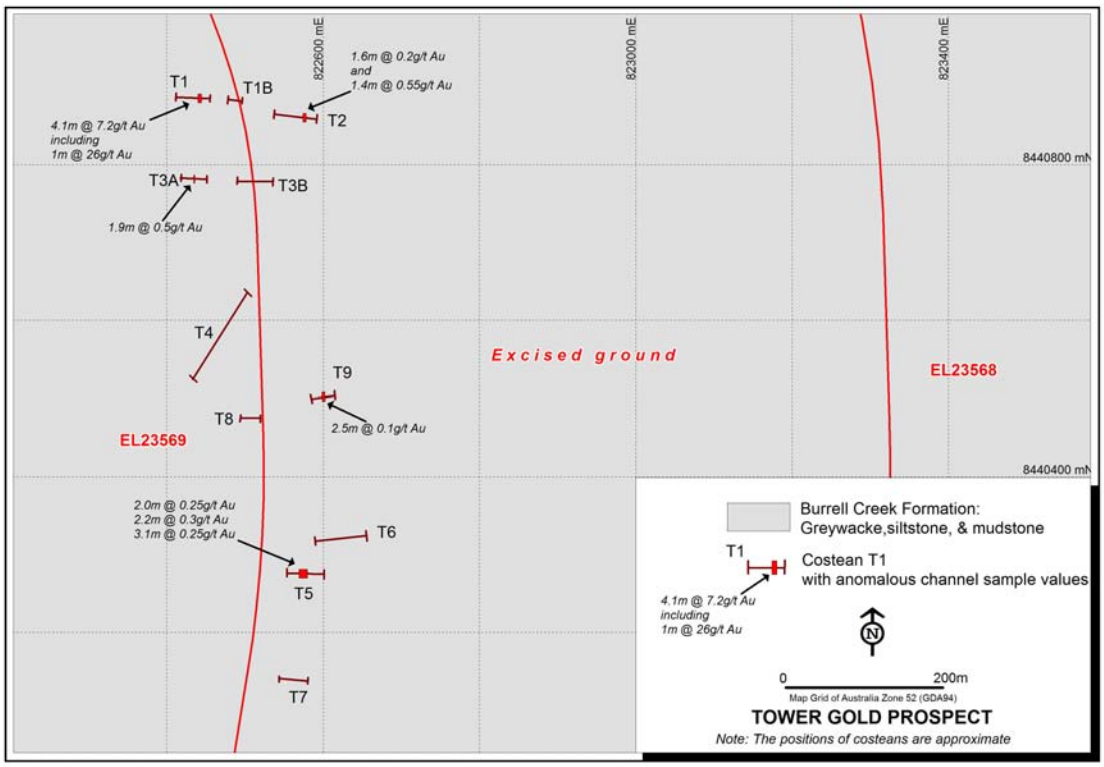

Figure 8 Tower Gold Prospect – Costean map

Copperfield South Prospect

The Copperfield South Prospect, in the north of EL 23569, is situated about 14km south of the township of Pine Creek and about 2km west of the Stuart Highway. Gold mineralisation is associated with sulphidic quartz saddle reefs in greywackes of the Burrell Creek Formation. The veining is concentrated along the crest of the Woollybutt Anticline, which trends 330° and plunges at approximately 40° to the northwest (Figure 9).

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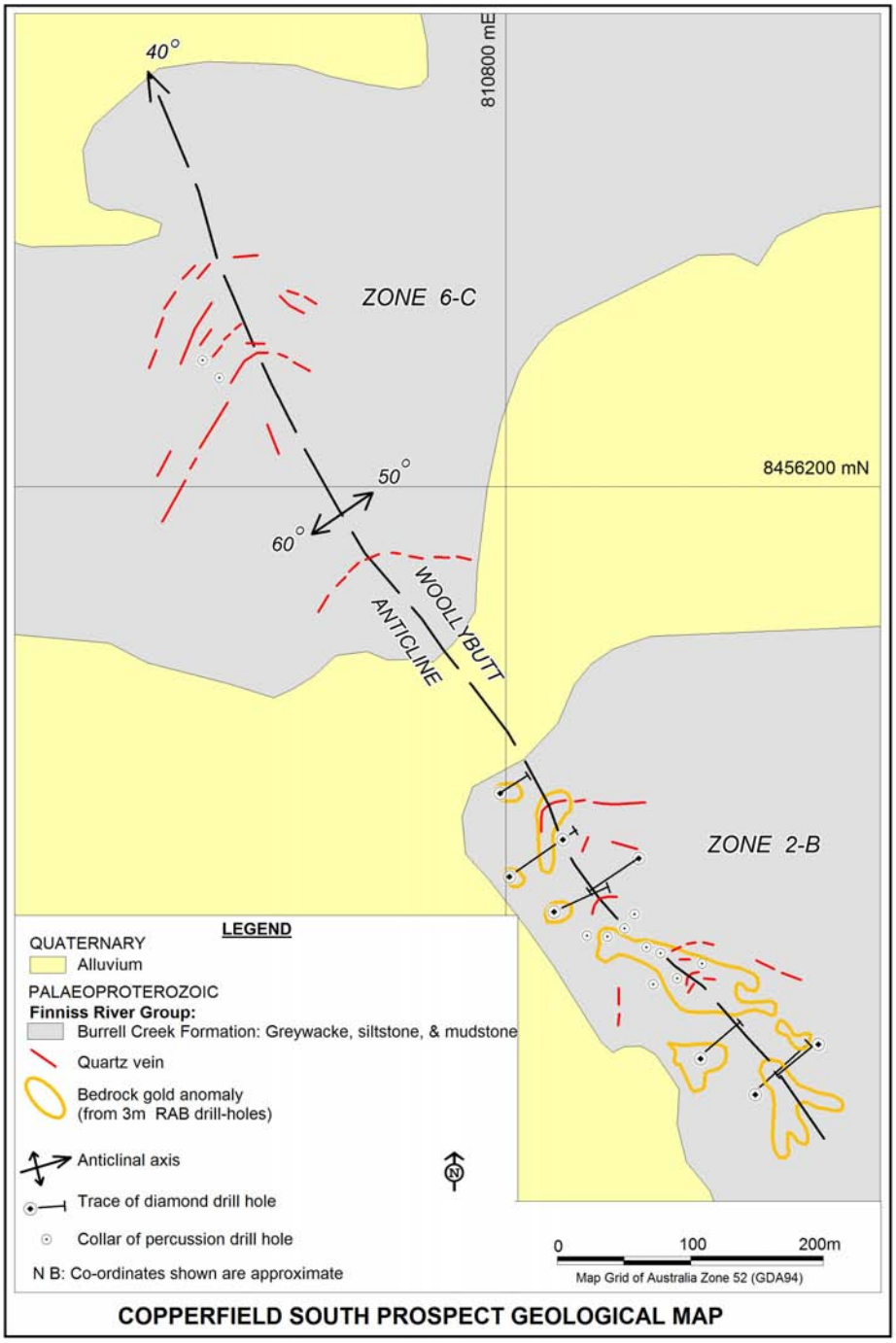

Figure 9 Copperfield South Prospect – Geological map

Previous Exploration

Gold Fields Exploration Pty Ltd (1986-1989)

Exploration within the prospect was begun in 1986 by Gold Fields Exploration Pty Ltd ("Gold Fields"), which had obtained gold values up to 7.7g/t Au within quartz veining associated with the anticlinal axis during a regional rock chip sampling survey. Gold Fields carried out:

- Geological mapping and rock chip sampling over the rocks of the Burrell Creek Formation and the axial zone of the Woollybutt Anticline;

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- Excavation and sampling of 13 trenches totalling 1601m in length over the axial zone. Two areas of mineralisation were defined by the trenching: Zones 2-B and 6-C. The zones contained increased quartz veining and wallrock alteration. The veining was predominantly of bedding-parallel "saddle reefs". The alteration included pitting after pyrite and arsenopyrite, chloritisation, and silicification;
- The drilling of 11 percussion holes for a total of 313m. The drilling indicated that within zone 6-C the gold mineralisation is confined to the western limb of the anticline. The two holes into this zone intersected 6m @ 0.6g/t and 10m @ 0.4g/t Au. Within Zone 2-B the mineralisation is more widespread, but is, in general, low-grade. Intersections >2g*m were 12m @ 1.45g/t, 17m @ 0.7g/t, 24m @ 0.4g/t, and 10m @ 0.3g/t Au in different holes;
- The drilling of 250 shallow RAB holes for geochemical sampling. The drilling indicated a number of anomalies within Zone 2-B;
- The drilling of 10 diamond holes for 829m which gave only one intersection above 1g/t (10m @ 1.1 g/t Au within Zone 2-B).

Rosequartz Mining NL (1990-1994)

From 1990 to 1994 Rosequartz Mining NL (Rosequartz) continued the exploration of the area around the Woollybutt Anticline. Its exploration comprised:

- The collection and analysis of 17 bulk leach extractable gold ("BLEG") drainage sediment samples. The sampling indicated an area of about 3km2 of gold-anomalism, situated approximately 1km to the north of the known Woollybutt Anticline mineralisation;
- The soil sampling, with negative results, over the northern extension to the Woollybutt Anticline.

Current Exploration

During 2006 Orion carried out a rock chip sampling programme over the Woolgni Gold Prospect.

CRM has examined the drill and costean data from the area of the Woolgni workings and has reported that an Exploration Target of the order of 100,000t to 300,000t @ 2.0g/t to 3.0g/t Au is present down dip of the historical workings. It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource on the property and it is uncertain if further exploration will result in discovery of a Mineral Resource on the property.

AsIs reviewed existing geophysical data and recommended that RSL acquire and interpret detailed low-level airborne magnetic data over the tenement area. In order to locate structures and shears that may host gold/base metal mineralisation within the Cullen Batholith and the Burrell Creek Formation.

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Exploration Potential

The Pine Creek Geosyncline Burrell Creek Formation metasediments, situated in the north, centre, and southeast of the project area are worthy of further exploration for gold. The dormant Mt Todd Gold Mine is approximately 15km to the southeast of the Tower Prospect. A large-tonnage low-grade gold resource remains at the mine and a study is underway into the economics of reopening the mine and treatment facilities. It is conceivable that the treatment facility could be available for treatment of gold mineralisation outlined by RSL within the Woolgni project area.

The gold mineralisation at the Woolgni Prospect has not been closed off down dip and the limits and orientations of known high-grade shoots have not been tested.

At the Tower Prospect a strongly gold anomalous gossanous zone has never been drill tested. It is within the vicinity of, and parallel to, the Pine Creek Shear Zone and must be considered a prime gold target. The prospect is, however, situated close to the boundary of the Stuart Highway easement and, until exploration is carried out over the prospect, it cannot be determined how much of the potentially mineralised zone is within the easement, which contains a mixture of land types. It is not clear at the moment what effect the easement would have on potential development.

The Copperfield South Prospect contains low-grade gold mineralisation within the Woollybutt Anticline. Parts of the anticline are beneath recent alluvial cover and drainage sediment sampling has indicated other untested areas in the vicinity. Potential therefore exists for the discovery of further gold mineralisation at the prospect.

Proposed Exploration

CRM recommends that RSL's exploration programme should be designed to test the tenements for gold targets described above.

It proposes that, during the first year, RSL:

- Compiles a detailed structural map and analysis of the Woolgni Goldfield, to determine the controls and disposition of the mineralisation;
- Carries out a first-pass RAB programme over the Tower Prospect;
- Carries out a geochemical sampling programme over the areas of Burrell Creek Formation in the centre the project area.

Exploration during the second year will be dependent upon earlier results. CRM anticipates that the programme should include:

- Possible follow-up drilling of mineralised zones located by the previous year's first pass drill programme at the Tower Prospect;
- An electromagnetic ("EM") survey over the Woolgni Prospect in order to locate sulphidic lodes;
- Carries out a RC drill programme targeted at down dip and down plunge extensions to the known mineralisation at Woolgni and at conductors located by geophysical survey;

- Either a geochemical RAB or aircore drill sampling programme over alluvial covered portions of the Woollybutt Anticline at the Copperfield South Prospect, or an EM survey over these portions of the anticline.

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MARRAKAI PROJECT

Introduction

The Marrakai Project consists of one EL that covers 10km^2. It is situated at the northern end of the Pine Creek Shear Zone and is prospective for uranium, gold, and iron mineralisation. Despite the fact that it is only 15km from the Woodcutters Zn-Pb mine, 30km from the Rum Jungle U and polymetallic mines, and along structural and stratigraphic strike from the major gold mines of the Pine Creek region, it has never been systematically explored.

Tenements and Agreements

The Marrakai Project comprises one EL, 24614, held by Orion. It was granted on 2/12/2005 for a period of six years. It has an area of 10km^2. The minimum expenditure required during the current year is $10,000.

Location and Access

The Marrakai Project is located to the east of the Adelaide River about 65km southeast of Darwin and 12km east of the Stuart Highway. Access to the project area from the highway is by the formed but unsealed Marrakai Road and then by pastoral tracks across a clay soil plain. The project area contains area of low rocky rises and areas of clay soils. Access is straightforward during the dry season but difficult during the wet.

Project Geology

The project area is within the Paleoproterozoic Pine Creek Geosyncline, and contains sediments of the Finnis River Group, the South Alligator Group, and the Mount Partridge Group. Figure 10 includes a geological map of the project area. Outcrop occurs along low rises above a plain that contains areas of residual gravel and sand that comprise a Cainozoic duricrust surface and broad alluvium rich in black clays and silt. The alluvial areas in the west of the tenement are part of the Adelaide River flood plain and cover abandoned river channels. The large alluvial channel in the northeast drains a substantial area to the east.

The project area is situated at the northern end of the Pine Creek Shear Zone. A major northwest trending fault related to this zone passes through the tenement and a parallel fault is just to the south. Another regionally significant fault, the northeast trending Giants Reef Fault, is four kilometres to the northwest of the tenement. A number of smaller northeast to east-northeast trending faults dislocate the Proterozoic sequence, which is interpreted to comprise four fault separated blocks within the project area. The sequence is folded along north trending axes that are spaced about 750m apart and along which zones of brecciation and quartz veining have developed.

Figure 10 is a solid geology interpretation of the project with areas of alluvium and floodplain overlain. The Proterozoic geological succession is summarised in the legend. The majority of the units contain similar lithologies, which, in conjunction with the discontinuous outcrop, has led to varying interpretations of the geology within the project area.

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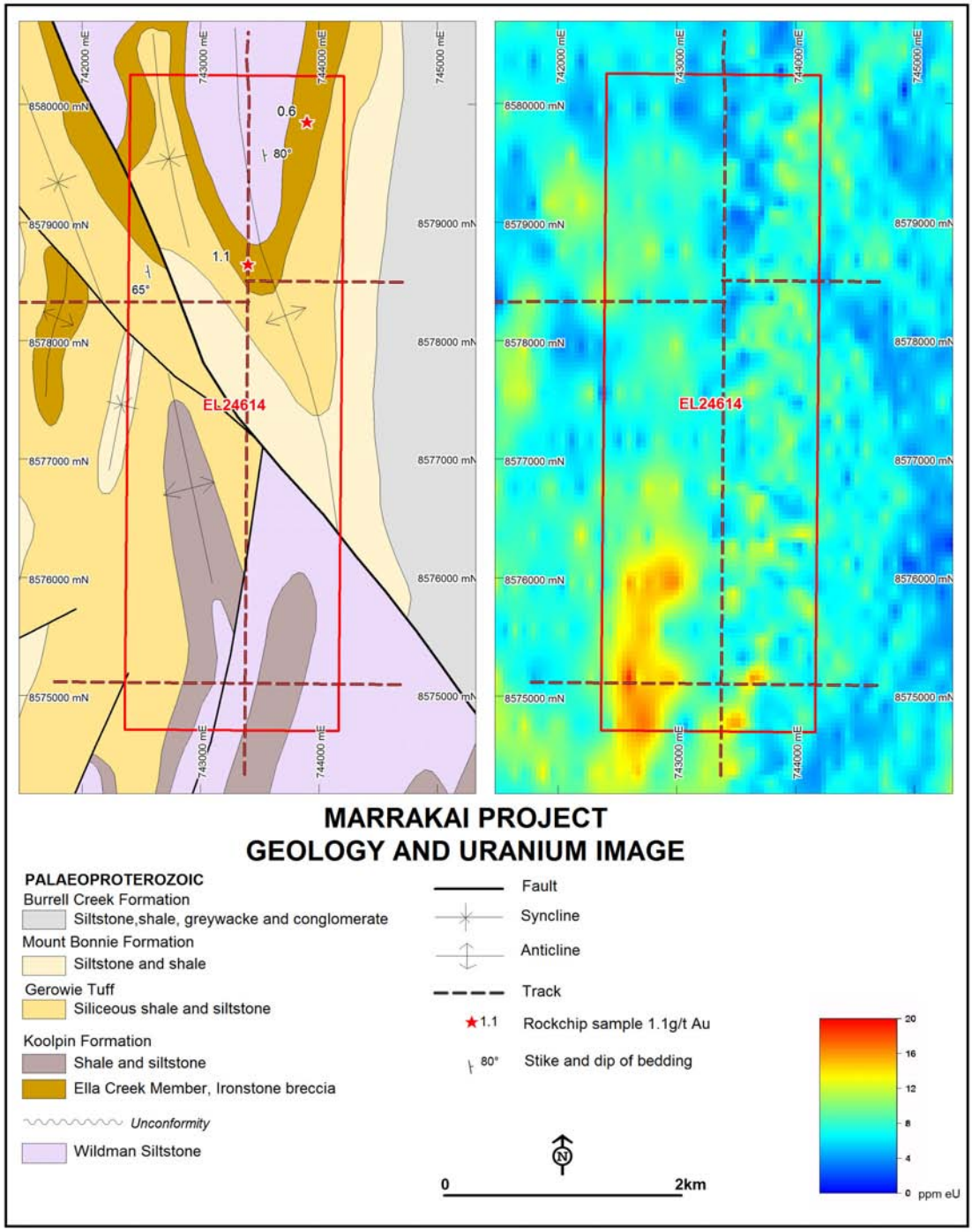

Figure 10 Marrakai Project – Geological map & uranium channel radiometric image

Radiometric Image

Figure 10 incorporates a uranium channel radiometric image of the project area, processed from data collected by regional surveys flown at 200m line spacing and a height of 60m between 1987 and 1999. A north trending anomalous area is present in the south of the project area. It has a length of about 1.5km and a peak value of about 20ppm eU. Two smaller anomalies are present about one kilometre to the east. The larger anomaly is largely over an area of north draining alluvium that is surrounded by low rises of Gerowie Tuff and Koolpin Formation. High spots within the anomaly appear to be over outcrops of the Ella Creek Member of the Koolpin Formation.

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Koolpin Formation rocks also appear to be associated with the smaller anomalies to the east.

Mineralisation

The only known mineralisation in the vicinity of the project area is the Marrakai Iron Prospect. Two north-trending gossanous iron-ore lenses are present on the flanks of an anticline within the Ella Creek Member of the Koolpin Formation. The lenses are stratabound and are interpreted to be formed by the enrichment of a siltstone horizon. The mineralisation is of goethite, haematite, and limonite, with quartz being the major gangue mineral.

Previous Exploration

Previous exploration within the project area has been carried out by Kakadu Resources Ltd ("Kakadu") and Aztec Mining Company Ltd ("Aztec").

Kakadu carried out geological mapping and collected about fifteen stream sediment BLEG samples and fifty rock chip samples between 1987 and 1990 from the present tenement area. The BLEG samples, although widely spaced, indicated the presence of anomalous gold in the area, by returning values up to 8ppb Au. The rock chip sampling returned results of 0.6g/t and 1.1g/t Au respectively from brecciated chert and a ferruginous lens in the Ella Creek Member of the Koolpin Formation. About 700m south of the tenement, a rock chip sample from the Koolpin Formation returned 2.0g/t Au.

Aztec explored the area from 1991 to 1993. It also carried out stream sediment and rock sampling (six stream sediment BLEG, about forty -40# stream sediment, and five rock samples were collected). No anomalous results were obtained.

Exploration Potential

The Marrakai Project is situated at the northern end of the Pine Creek Shear Zone and is prospective for uranium, gold, and iron mineralisation. It has never been systematically explored, despite the fact that it is only 15km from the Woodcutters Zn-Pb mine, 30km from the Rum Jungle U and polymetallic mines, is within the Pine Creek Shear zone, and contains the same stratigraphy and structures as the major gold mines of the Pine Creek region.

Uranium

The project area is also prospective for uranium mineralisation. The mineralisation within the Rum Jungle Mineral Field to the southwest occurs within Mount Partridge Group sediments, mainly within the Whites Formation, which is a calcareous and carbonaceous, pyritic argillite. In general, the uranium mineralisation is associated with shearing and brecciation. Within the Marrakai project area, the Koolpin Formation, a pyritic carbonaceous shale, is a similar unit and a potential host for similar mineralisation. The faults within the area may have provided pathways for mineralizing fluids and the project is within a region that hosts numerous uranium deposits and occurrences.

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The uranium anomalies depicted on Figure 10 are within an area of the tenement that contains Koolpin Formation rocks. The anomalies can be considered to have located a target area that has the potential to contain significant uranium mineralisation.

Gold

The location of the project area within the Pine Creek Shear Zone and the rock units within it make it a prospective location for gold mineralisation. It is unlikely that outcropping mineralisation has been missed, as quartz veined and brecciated outcrops have been sampled by previous explorers. However, the stream sediment sampling that was carried out is unlikely to have been effective in the testing of the area, as outcrop only covers less than half of the tenement, the drainage is poorly defined, and the sample density was low. In addition, the faults, with which gold mineralisation may be associated, are largely under alluvial cover, much of which is likely to have been derived from outside the tenement.

The iron and sulphide rich composition of the Koolpin Formation makes it a favourable host for gold mineralisation (at the 0.94Moz Cosmo Howley deposit, about 75km to the south, the mineralisation is within a sulphidic iron formation, carbonaceous mudstone, and mudstone unit of the Koolpin Formation). The other formations within the project area are also prospective, the Wildman Siltstone being the host formation at the Toms Gully Mine, the Mount Bonnie Formation the host at the 0.5Moz Woolwonga deposit, and some of the Brocks Creek-Zapopan deposits are described as being within or marginal to the Gerowie Tuff.

Locally, the Maureen and Maureen Extended gold prospects, which are respectively located 7km and 10km to the south of the project area, are within the Koolpin Formation.

Iron-ore

The outcropping iron mineralisation to the west of the tenement is of sub-economic grade, but apart from the collection of a few surface samples, no exploration of the occurrence, or of the Ella Creek Member within which it occurs, has taken place. The Ella Creek Member crops out as siliceous and ferruginous breccias. Where it is fresh and unaltered it is interpreted to comprise pyritic black shales and cherts. There is potential for the formation of economic iron-ore mineralisation within it, particularly in the vicinity of fault zones and fold axes, where hydrothermal alteration of the iron-rich unit may have formed significant deposits.

Mineralisation within the Frances Creek iron-ore field to the southeast is interpreted to have formed by alteration of similar stratigraphy in a similar setting. The field contains more than fifty separate deposits over a distance of approximately 35 kilometres. The haematite-goethite-limonite mineralisation occurs as alteration of the Wildman Siltstone within fault breccias and fold axial locations.

The Ella Creek Member, which has an interpreted strike length of over 5km within the Marrakai project area, is the most prospective unit for enrichment within the area, but other units also contain horizons that could be subject to iron alteration. For instance, the Wildman Siltstone, which is the host formation at Frances Creek, is also present within the tenement. Prospective locations include the faults and fold axes within the tenement. As many of these locations are beneath surficial cover, drilling, possibly

targeted by geophysical exploration, will be required to systematically explore the project.

Proposed Exploration

CRM proposes that systematic exploration be conducted over the Marrakai Project for uranium, gold, and iron ore mineralisation. All three commodities will require drill based exploration, as many of the target areas are beneath surficial cover.

Initial uranium targets have been located by the radiometric survey. The faults and fold axes should be explored for gold mineralisation and areas of the Koolpin Formation in the vicinity of faults and fold axes should be tested for iron mineralisation, with priority being given to the Ella Creek Member. Geophysical interpretation of the existing 200m spaced aeromagnetic data may be adequate to locate minor fault and shear zones that splay off the major faults, but the acquisition of more detailed data should be considered, especially as the project area is relatively small and the lack of topographical relief should enable high quality low level acquisition.

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HAYES CREEK SOUTH PROJECT

Introduction

The Hayes Creek South Project consists of an EL that contains Paleoproterozoic and Palaeozoic sandstones that are unconformable over granitic rocks of the Pine Creek Geosyncline. It is a possible location of unconformity related, fault related, and redox front related uranium mineralisation.

Tenements and Agreements

The Hayes Creek South Project comprises one EL, 24432, held by Orion. It was granted on 2/12/2005 for a period of six years. It has an area of 63.4km^2. The minimum expenditure required during the current year is $10,000.

Location and Access

The project is located to the southwest of the Stuart Highway and a few kilometres to the south of the Hayes Creek Roadhouse and Caravan Park. It is within the Douglas Pastoral Lease. Access to the project area is via station roads that eventually join the old Stuart Highway to the west of Hayes Creek. Access over most of the tenement is straightforward by means of a number of station tracks.

Project Geology

The project area covers a portion of the southwestern margin of the Pine Creek Geosyncline, rocks of which crop out to the west, north and east of the tenement (Figure 3). The southeastern section of the tenement contains shallow to moderately dipping clastic sediments, predominantly sandstones of the Paleoproterozoic Tolmer Group. They are overlain by shallow dipping Cambrian sediments. The geological succession within the area is summarised in the legend to Figure11, which contains a geological map of the area.

The broad geology of the area is controlled by four structures:

- An arcuate fault in the west that forms the boundary between the Tolmer Group sediments to its east and the stratigraphically-lower Fenton granite to its west. Adjacent to the fault the Tolmer Group rocks dip at a moderate to steep angle away from it;
- A shallow south-southwest plunging syncline that folds the Tolmer Group sediments;
- Two northwest trending faults that dislocate both the Tolmer Group and the Cambrian sediments.

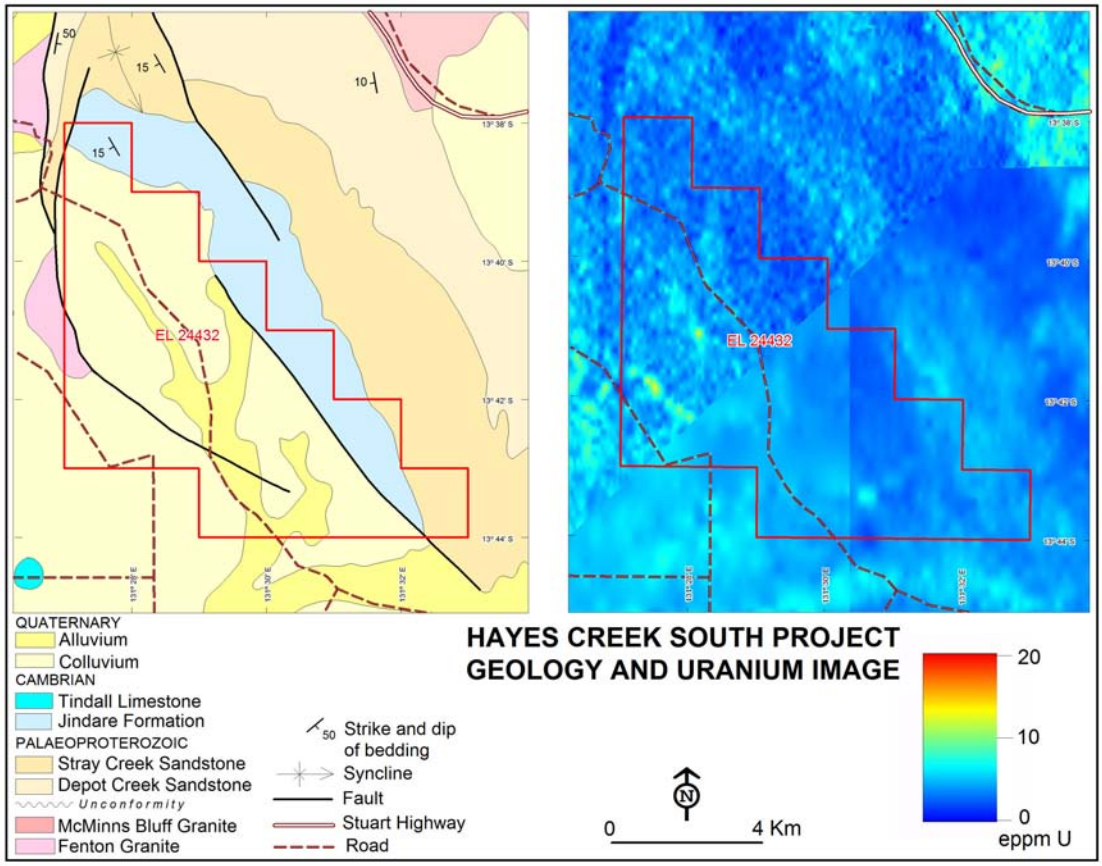

Figure 11 Hayes Creek South Project – Geological map & uranium channel radiometric image

Radiometric Image

Figure 11 incorporates a uranium channel radiometric image of the project area, which is located at the junction of three separate regional airborne surveys. The image displays a northwest trending line of low-level anomalies in the southwest of the project area that have a peak value of about 14ppm eU against a background of about 3ppm eU. The line of anomalies is about two kilometres in length and is coincident with the interpreted position of the arcuate fault that, further north, abuts the basement granite against the Tolmer Group sandstones. The area of interest is covered with surficial sands and clays. The anomaly may extend further to the southeast, as the poorer quality radiometric survey data in this area may not have distinguished it from the background.

A less intense anomalous zone is shown about 1.8km to the northeast of the anomalous line and parallel to it. The image also shows that the granitic basement to the northeast of the tenement has a relatively high background uranium content compared to the sediments within the project area.

Previous Exploration

No systematic exploration has been reported from the tenement area.

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Exploration Potential

The project area has potential to contain uranium mineralisation. It is marginal to the Pine Creek Inlier, which contains the high-grade unconformity-related deposits of the Alligator Rivers Uranium Field and the Rum Jungle Mineral Field. It contains Paleoproterozoic sandstones and quartzites that are unconformable on basement granite with relatively high background uranium content. The granite is a potential source of uranium. The sandstones are cut by a number of steep angle faults that may have acted as conduits for uranium bearing fluids. The sandstones are, in turn, unconformably overlain by Cambrian sediments. Trap sites for uranium mineralisation may be present within and adjacent to the unconformities and the faults.

A positive feature of the project area is that it has not been subject to systematic exploration. Encouragement in the prospectivity of the area for uranium has been given by recent exploration results by Thundelarra Exploration Ltd at its Thunderball Prospect that is 12km to the northeast; and by Haddington Resources Ltd at its Shoobridge Project that is 20km to the northwest.

Proposed Exploration

CRM recommends that exploration to be undertaken within the project area should include the ground checking of the radiometric anomalies in the southwest of the tenement area.

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DALY RIVER ROAD PROJECT

Introduction

The Daly River Road Project consists of an EL containing Cretaceous sediments that are unconformable over Paleoproterozoic sandstones of the Tolmer Group, which, in turn, overlie the Burrell Creek Formation of the Pine Creek Geosyncline. It is a possible location of unconformity related uranium mineralisation and a discrete uranium channel anomaly is present in the radiometric data acquired from the regional radiometric survey.

Tenements and Agreements

The Daly River Road Project comprises one EL, 24391, held by Orion. It was granted on 2/12/2005 for a period of six years, and has an area of 10km^2. The minimum expenditure required during the current year is $35,000. The project area is the subject of two registered native title claims, details of which are given elsewhere in this Prospectus.

Location and Access

The Daly River Road Project is located immediately to the north of the Daly River Road, about 25km due south of Adelaide River. Access to the project area is via the sealed old Stuart Highway and Daly River Road. Cretaceous rocks form a mesa that covers the central portion of the project area and access across it is by a number of tracks and cleared lines.

Project Geology

The project area covers a portion of the southwestern margin of the Pine Creek Geosyncline, rocks of which crop out in the east of the tenement (Figures 3 and 12). The northeastern and northwestern sections of the project area contain shallow dipping clastic sediments, predominantly sandstones of the Paleoproterozoic Tolmer Group and the southwestern section contains shallow dipping Cambrian sediments. The Petrel Formation, a sub-horizontal silty sandstone of Cretaceous age, covers the older rocks in the central portion of the tenement, forming a mesa. The geological succession within the area is summarised in the legend to Figure12, which contains a geological map of the area.

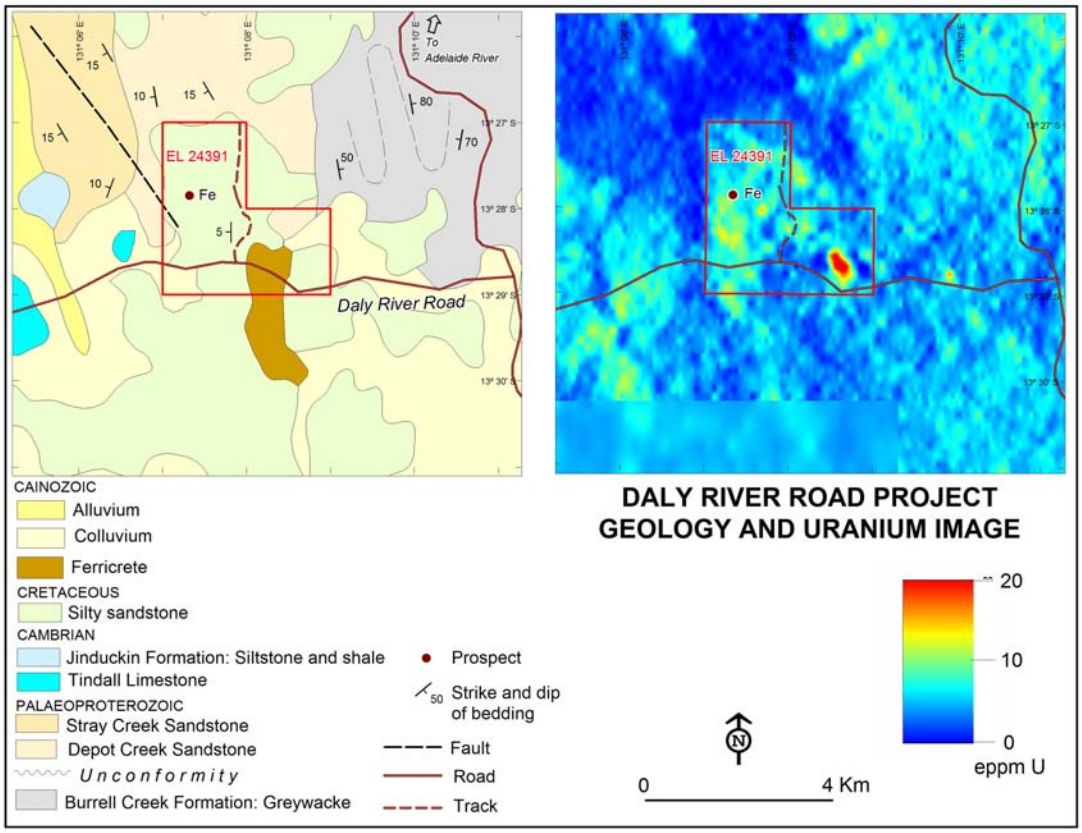

Figure 12 Daly River Road Project – Geological map & uranium channel radiometric image

Radiometric Image

Figure 12 incorporates a uranium channel radiometric image of the project area, processed from data collected by regional surveys flown at 200m line spacing and a height of 60m between 1987 and 1999. A discrete anomaly that has a length of about 500m and a peak value of about 25ppm eU is present in the southeast of the project area. The anomaly is derived from Cretaceous sediments, which have background values between about 2 and 12ppm eU.

Mineralisation

Iron oxide rich clays that contain concentrations of goethite and haematite ironstone occur within the Cretaceous Petrel Formation. The ironstones outcrop within gullies incised into the formation along the western edge of the mesa that is capped by it. Drill-holes that tested the western portion of the mesa intersected lenses of goethite, hematite, lepidocrocite, and limonite mineralisation.

Previous Exploration

The iron mineralisation was explored by Wandaroo Mining Corp. Ltd ("Wandaroo") in 1967-68 by rock chip sampling and the drilling of ten percussion holes for a total of 123m through the Cretaceous Petrel Formation. Three of the holes intersected intervals of haematite or goethite mineralisation grading >40% Fe.

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During 1970 Kratos Uranium NL carried out further rock chip sampling and drilled fifteen vertical diamond drill holes for 225m on an incomplete 300m spaced grid over the same area that was drilled by Wandaroo. Intersections of mineralisation grading >45%Fe over a minimum length of one metre were made in only four holes, with the best intersection being 3.4m @ 48% Fe from a depth of 11m. The intersections were over a north-south length of 600m and averaged 2.4m in thickness at an average depth below surface of 8.5m. CRM does not consider that these results indicate potential for significant iron ore mineralisation.

Exploration Potential

Similarly to the Hayes Creek South Project, the Daly River Road project area has the potential to contain uranium mineralisation. Possible trap sites may be associated with the unconformity between the Daly River Sandstone and the underlying Burrell Creek Formation.

Proposed Exploration

CRM recommends that the uranium channel radiometric anomaly in the southeast of the tenement be investigated, initially by means of a detailed ground radiometric survey, geological mapping, and soil and rock chip sampling, which, depending upon the results, should be followed by first pass drill testing.

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CELIA PROJECT

Introduction

The Celia Project consists of one ELA that covers 12.9km^2. It is situated over Palaeoproterozic sediments on the southeastern flank of the Rum Jungle Dome. It is prospective for uranium and polymetallic mineralisation and a magnesite deposit is present within the tenement. The project area, despite being only a few kilometres from the Rum Jungle U and polymetallic mines and the Woodcutters Zn-Pb mine, has been subject to little systematic exploration for minerals other than magnesite.

Tenements and Agreements

The Celia Project comprises one ELA, 24414, applied for by Tennant Creek Gold (NT) Pty Ltd, with an area of 12.9km^2. The rights to the tenement were passed to Orion and an agreement is in place whereby they are to be transferred after grant. The ELA is within Aboriginal Freehold Land and the consent of the owners is required before the tenement can be granted and exploration can take place. In November 2007 the indigenous stakeholders in the area indicated that they would not consent to the grant of the tenement and, unless RSL is notified to the contrary by the Northern Territory Land Council, the tenement is consequently under moratorium for a five year period. No expenditure is required while the tenement remains an application.

Location and Access

The Celia Project is about 90km south of Darwin by road. It is located immediately to the north of the sealed Batchelor Road, 5km west of the Stuart Highway and 3km east of the town of Batchelor. Access within the tenement is not developed, but would not be difficult.

Project Geology

The project area is situated in the northwest of the Paleoproterozoic Pine Creek Inlier. It covers sediments of the lower section of the Paleoproterozic sedimentary sequence and a small section of the Archaean basement. It is on the southeast flank of the Rum Jungle Dome, away from which the sedimentary sequence dips at angles of about 50° to 60°. The geological succession within the area is summarised in the legend to Figure13, which contains a geological map of the area.

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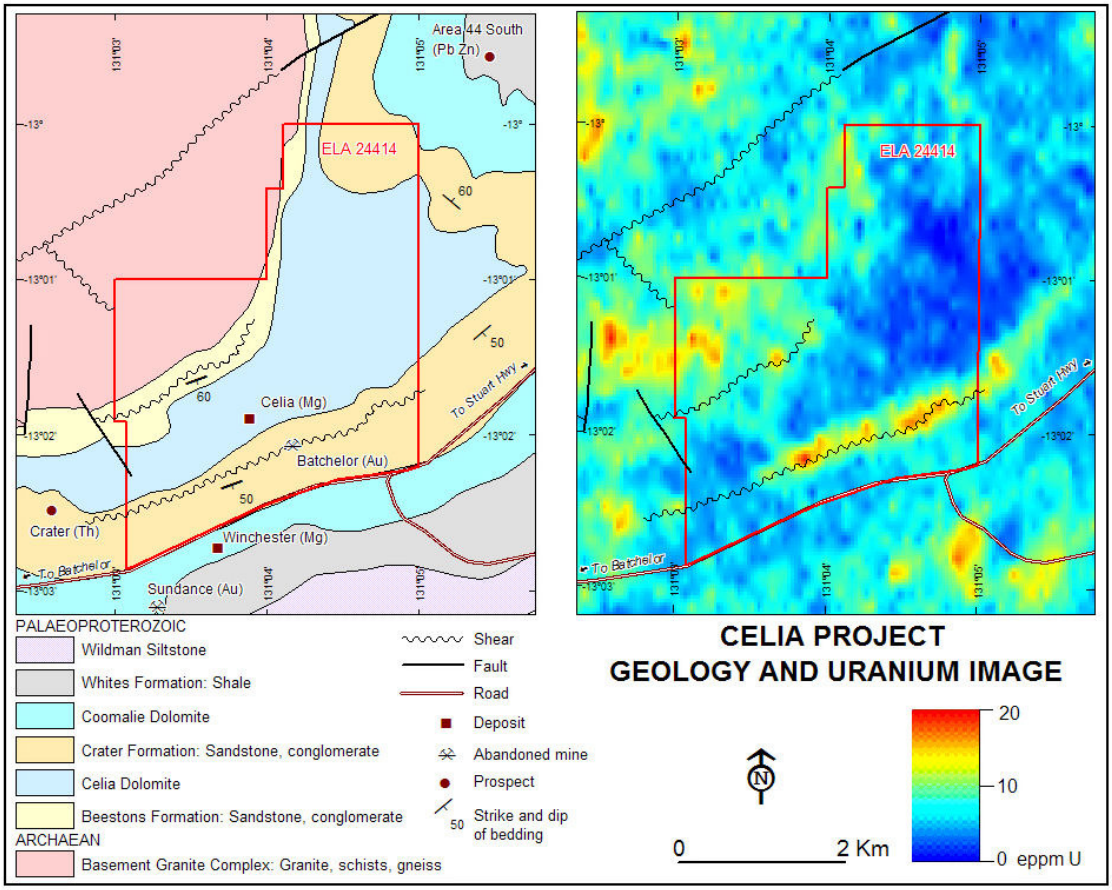

Figure 13 Celia Project – Geological map & uranium channel radiometric image

Radiometric Image

Figure 13 incorporates a uranium channel radiometric image of the project area, processed from data collected by regional surveys flown at 200m line spacing and a height of 60m between 1987 and 1999. A significant feature is the line of anomalies in the south of the tenement that are coincident with the location of a shear within the Crater Formation. The line is about three kilometres in length and the highest value is about 20ppm eU compared to background values over the formation of 2 to 8ppm eU. Less intense anomalies are present within the Beetsons Formation, coincident with another mapped shear. The radiometrically high area in the northwest corner of the tenement is over the granitic basement, which has relatively high background levels of uranium. Exploration of this area is of lower priority.

Mineralisation

Magnesite

The Celia Dolomite contains areas of magnesite. Between 1978 and 1983 BHP delineated one such area within ELA24414, shown on Figure 13 as the Celia Deposit, containing a possible 10Mt of high density low silica magnesite following mapping, drilling and metallurgical test work. BHP also located two other areas of high-grade magnesite that are outside RSL's application area. One of these, the Winchester Deposit, within the Coomalie Dolomite to the south of EL24414, was subsequently explored by Mt Grace Resources NL, which estimated an Indicated Resource of 12.2Mt @ 43% MgO within the deposit.

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Gold

A small abandoned gold working (Batchelor) is associated with a shear in sandstone of the Crater Formation. Surface mining of a vertical north striking quartz-tourmaline vein is reported to have produced 12oz of gold from only 0.6t of ore. Of interest is the location of the working, which is within the bedding parallel shear zone. Other small quartz-tourmaline veins are present nearby.

Radioactive minerals

The Crater Prospect, over a radiometric anomaly about one kilometre to the west of the tenement, was tested by a BMR diamond drill-hole in 1970. The hole intersected disseminated mineralisation within a haematitic quartz pebble conglomerate in the Crater Formation. The radioactivity was ascribed to a disseminated thorium bearing phosphate mineral. The maximum value obtained by analysis of the core was 0.12% thorium. The mineralisation was interpreted to be placer in origin. Associated minerals are rutile and zircon.

Previous Exploration

Previous exploration within the project area has been carried out by BHP between 1978 and 1983, Nicron Resources Ltd from 1990 to 1993, and R.M. Biddlecombe from 1992 to 1995.

BHP mapped and chip sampled outcrops of magnesite within the Celia Dolomite and drilled sixteen percussion holes along two traverses across the unit. It also drilled twenty diamond holes on a detailed 100m by 50m grid to obtain core samples that were subjected to flotation, calcining, and sintering testwork, the results of which indicated that a high density low silica magnesite brick suitable for refractory purposes could be produced from the rock.

Nicron carried out mapping, RC and RAB drilling of the magnesite deposit. It estimated an Inferred Resource of 0.5Mt of magnesite to be present within one section of it. The resource was to 40m depth and averaged 3.0% insoluble residue with a Ca/Mg ratio of <0.03. It was defined on the basis of Nicron's four RC drill-holes that were drilled into an area of low-silica sub-crop. Twenty RAB holes were drilled on a 50m grid around the area of the resource, but intersected karst fill or poor quality magnesite. The testwork concluded that the magnesite is suitable for suspension flash calcining.

Biddlecombe tested mullock from the small, abandoned Batchelor Gold Mine, which exploited a quartz-tourmaline vein to a depth of about 10m over a length of about 10m and a width of about 2m. He reported grades of over 10oz/t Au from mineralised mullock. He also collected twenty-six rock-chip and twenty loam samples, primarily along strike from the mine, but did not obtain any significant results.

Exploration Potential

The project area has the potential to host significant mineralisation and contains a deposit of magnesite. The project is within a region that is richly endowed with a variety of metals including U, Pb, Zn, Ag, Cu, Co, Ni, Au, and Mg; and indications of mineralisation are present in and around the application area. Despite this, it has only

been exposed to cursory exploration for metals other than magnesium – presumably on the basis that the larger known deposits in the region are within formations higher in the sedimentary sequence than those within the project area.

Obvious targets within the tenement are the shear zones within the Beestons and Crater Formations. Uranium channel radiometric anomalies are coincident with their outcrop. Uranium mineralisation may be present within or adjacent to the shear zones. Of interest also is the gold mineralisation associated the shear at the Batchelor gold prospect. The quartz vein associated gold may have been remobilized from extensive low-grade mineralisation associated with the shear zone. Of further interest is the haematitic alteration apparently present within the shear zone at the Crater Prospect to the west of the tenement.

There is also potential for gold mineralisation to be present within the Celia Dolomite. The abandoned Sundance gold mine to the south of the tenement is within the lithologically similar Coomalie Dolomite. The mineralisation at Sundance is within pipe-like structures that, in the oxide zone widen to form silicified haematite quartz breccias. Mineralisation in the primary zone is present as auriferous pyrite within an envelope of talc alteration. The 17,800t of ore mined had a grade of 10.7g/t Au and contained up to 930ppm Sn. Elevated Ag, As, Ba, Bi, and B are associated with the mineralisation. If similar mineralisation is present within the Celia Dolomite, it should be able to be located by geochemical or geophysical prospecting.

Proposed Exploration

No exploration is proposed for the Celia Project while it remains under moratorium in the application stage. CRM recommends that, after grant, RSL's first priority should be to systematically test the bedding parallel shear zones with a combination of ground radiometrics and soil geochemistry, to be followed by first pass drilling.

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WESTERN AUSTRALIAN PROJECT

RSL is exploring its Lake Barlee Project in the Eastern Goldfields of Western Australia for calcrete hosted uranium mineralisation. The project is situated within the Lake Barlee drainage system in the eastern portion of the Archaean Yilgarn Block, which comprises granites intrusive into folded greenstone belts. These basement rocks have been subject to extensive weathering and peneplanation. Wide paleodrainage systems occupy relatively shallow valleys that drain the region towards the southeast (Figure 14). The central portions of the valleys are covered by playa lakes. Extensive areas of calcrete development have occurred marginal to, and in channels leading to, the playas.

Within the northeastern Yilgarn many of these calcretes contain carnotite uranium mineralisation, especially marginal to the playas, in which locations a number of uranium deposits are situated. Deposits in which resources have been identified include Yeelirrie (52,500t of contained U_3O_8), Lake Maitland (11,800t of contained U_3O_8), Lake Way (11,100t of contained U_3O_8), and, down drainage from Lake Barlee, Lake Raeside (1,700t of contained U_3O_8).

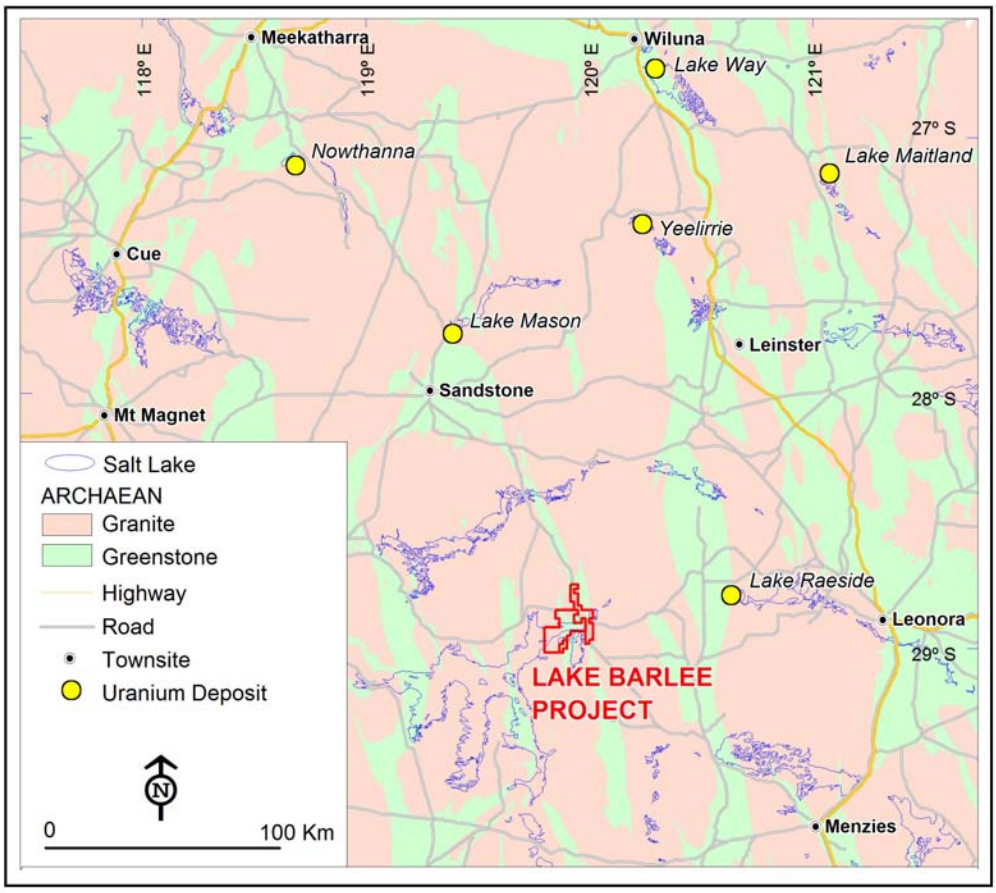

Figure 14 Calcrete hosted uranium deposits in northeast Yilgarn

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LAKE BARLEE PROJECT

Introduction

The Lake Barlee Project, in the Eastern Goldfields of Western Australia, consists of a granted EL and an application for another that includes about 100km^2 of the Lake Barlee playa lake system. Previous exploration within the tenements located uranium mineralisation within Cainozoic sediments marginal to the lake. RSL has entered into a Joint Venture ("JV") agreement by which it has acquired the right to explore for and mine uranium on the tenement.

Tenements and Agreements

The Lake Barlee Project comprises the uranium interests within E29/581 and ELA29/721. E29/581 is held by Broadgold Corporation Pty Ltd ("Broadgold"), which has entered into a Co-Existence Agreement with RSL, whereby RSL has acquired the right to explore for and mine uranium on the tenement. ELA29/721 has been applied for by Orion, a wholly owned subsidiary of RSL. Tenement details are summarised in Table 6.

Table 6 Lake Barlee Project – Tenement summary

Tenement	Area (km^2)	Holder	Beneficial Holder	Grant Date	Term (years)	Annual Commitment
E29/581	104.8	Broadgold	RSL*	8/03/06	5	NA
ELA29/721	180.4	Orion	RSL	Application	5	NA
Total	**285.2**					

* Uranium interest only

The annual exploration commitment on E29/581 is required to be met by Broadgold, which is currently exploring the tenement for other minerals and which is responsible for maintaining the tenement in good standing.

The project area is the subject of a registered native title claim, details of which are given elsewhere in this Prospectus.

Location and Access

The project area is situated about 140km northwest of the town Menzies in the Eastern Goldfields of Western Australia. Access to the area is by the formed Menzies to Sandstone road that passes through the tenement. Access in areas marginal to the playa lakes is straightforward except after rain, but vehicular travel on the lake surfaces can be difficult.

Project Geology

The basement geology of the project area consists of Archaean greenstone rocks that are in belt that strikes north through the centre of the tenement. The belt is flanked, both to the east and the west, by Archaean granitoids that are intrusive into it. The greenstones include metamorphosed BIF, basalt, dolerite, and ultramafic rocks.

The Cainozoic geology of the area is dominated by Lake Barlee, a playa lake that is within a broad sediment filled valley. Surficial and underground waters enter the

tenement from the west and the south and drain from it to the east (Figure 15). Typically, these large east-draining valleys contain Tertiary sands, silts, and clays beneath more recent saline muds. The channels leading into them contain calcrete deposits. Aeolian dunes are also present marginal to the lakes, especially on their eastern sides.

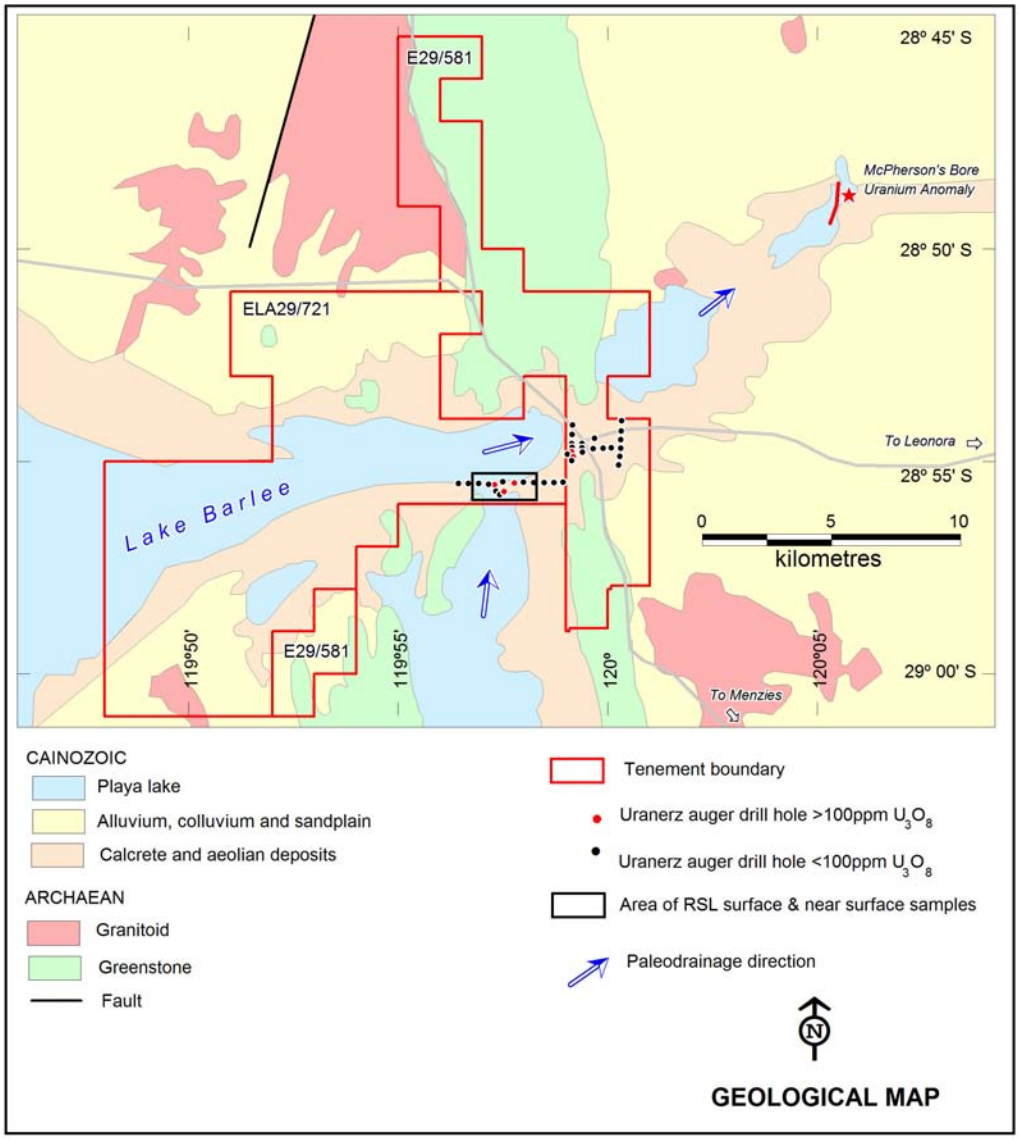

Figure 15 Lake Barlee Project – Geological map

Previous Exploration and Mineralisation

The tenement was explored for calcrete hosted uranium by Uranerz (Australia) Pty Ltd ("Uranerz") between 1976 and 1979. Uranerz carried out an airborne radiometric survey, collected grab and water samples, and drilled thirty-six auger holes within the area of the current tenement for a total of 481m. The auger-hole locations, drilled over uranium-channel radiometric anomalies, are shown on Figure 15. Samples from five of the holes returned analyses between 100ppm and 120ppm U_3O_8.

Figure 16 is a uranium channel radiometric image of the project area derived from airborne geophysical surveys. The higher values coincide with the central and eastern portion of Lake Barlee that is within ELA29/721.

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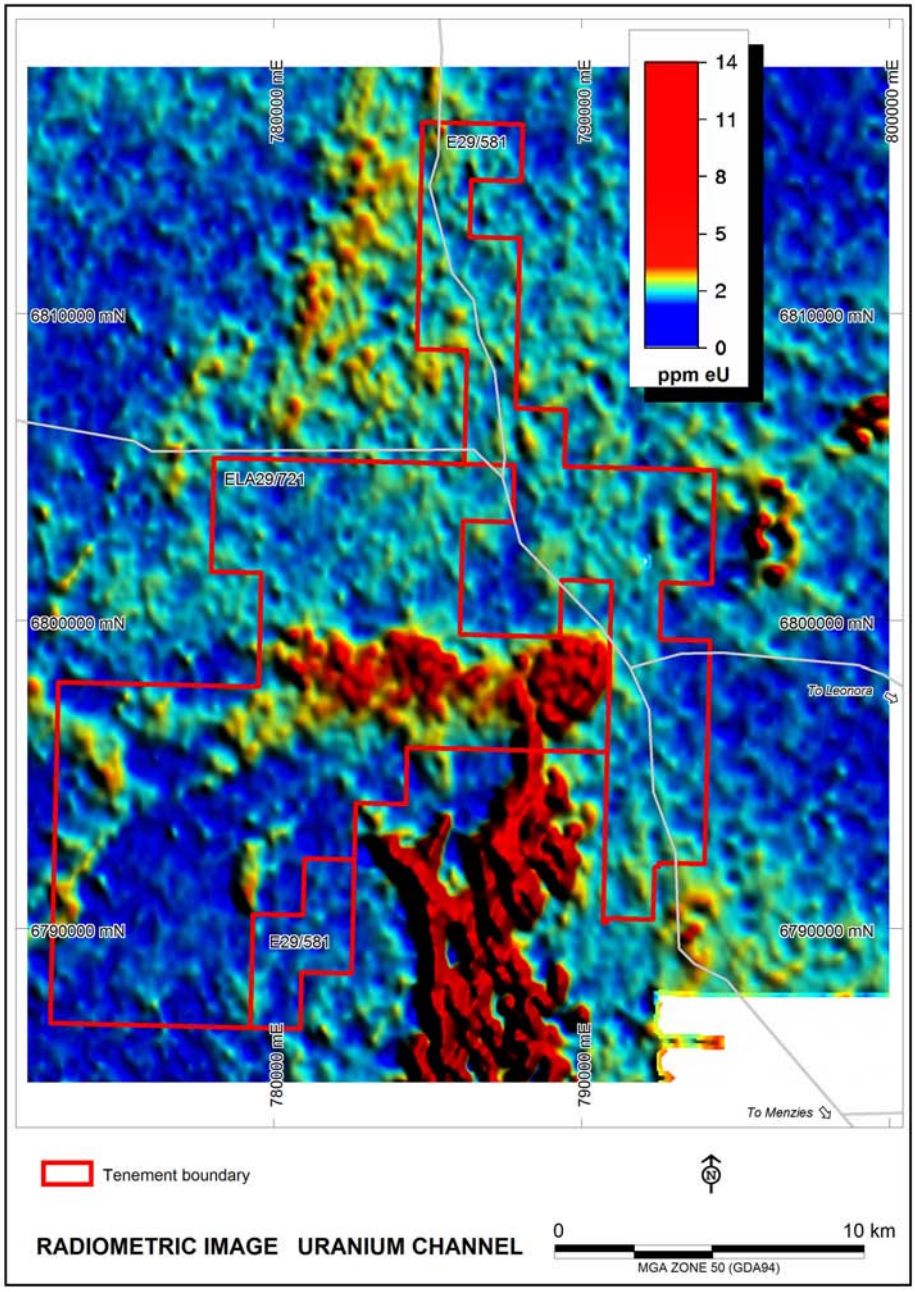

Figure 16 Lake Barlee Project - Radiometric image – uranium channel

Current Exploration

During late 2007, RSL collected twenty-five surface and near-surface samples from twelve locations near the junction of the southern arm of Lake Barlee with the main drainage system, around the southern area drilled by Uranerz in 1976. The results of the sampling confirmed the presence of uranium mineralisation within the surface sediments.

Values of between 100ppm and 300ppm U_3O_8 were obtained from four of the sample locations over a distance of 400m. The average value of the four samples from these locations, collected at depths of between 40cm and 60cm, was 230ppm U_3O_8. Surface samples collected from the same locations however, contained an average of only 13ppm U_3O_8, which indicates that surface sampling, and thus also radiometric

surveys, are not definitive tools for the location of even near surface uranium mineralisation in the area.

Exploration Potential

The project area has the potential to contain significant calcrete hosted uranium mineralisation. It is situated in a region within which a number of similar deposits are located, it contains extensive areas of calcrete, and limited drilling and sampling has indicated the presence of uranium mineralisation. Although the auger drilling returned only relatively low levels of uranium mineralisation within the near surface sediments, two things need to be considered. The first is that only a small section of the prospective near-surface calcareous sediments was tested. The second is that, although the most intense portions of the airborne radiometric anomaly were drill-tested, radiometric surveys only indicate the presence of at-surface mineralisation and do not reveal sub-surface mineralisation. The results obtained from the drilling and from sampling by RSL are positive, as they indicate that the area does contain uranium mineralisation.

Uranium mineralisation may also be present within the sub-surface older sediments within the drainage system. Underground water carrying dissolved uranium through aquifers may have deposited mineralisation at a redox boundary or within organic rich units in the sediments.

The high prospectivity of the Lake Barlee drainage channel has been demonstrated at McPherson's Bore, where, about 10km along the Lake Barlee drainage system to the northeast of the tenement, Encounter Resources Limited explored a uranium anomaly associated with a near surface zone of calcrete and calcareous sediments. Encounter announced that near surface uranium mineralisation is hosted in lake clays and extends over a length of 1.7km. Auger drilling returned intersections of up to 1.5m @ 324ppm U_3O_8.

Proposed Exploration

CRM recommends that RSL carries out systematic aircore drilling of the prospective areas within the tenement. Its initial priorities are to determine the depth, extent, and grade of mineralisation within the vicinity of the two areas that have been highlighted by previous work; and to carry out reconnaissance drilling over other prospective areas.

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TASMANIAN PROJECT

RSL has entered into a conditional agreement to acquire a 35% interest and other rights under joint venture arrangements in relation to the Specimen Reef Project in northwest Tasmania, a region that is well endowed with polymetallic mineralisation and deposits (Figure 17). Major deposits include Mt Lyell (Cu, Au), Zeehan (Pb, Ag, Zn and Sn), Henty (Au, Ag), Roseberry (Zn, Cu, Au, Pb, Ag), Que River (Zn, Cu, Pb, Ag, Au), and Hellyer (Zn, Pb, Cu, Ag, Au). The project area is within the Arthur Metamorphic Complex ("AMC"), immediately to the north of the Savage River magnetite mine.

Figure 17 Specimen Reef Project - Locality map

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SPECIMEN REEF PROJECT

Introduction

The Specimen Reef Project, in the northwest of Tasmania, consists of one Exploration Licence (EL) that contains a strike length of more than ten kilometres of the prospective AMC. Previous exploration within the tenement located gold/uranium mineralisation in veining within a zone of alteration.

Tenements and Agreements

The Specimen Reef Project comprises EL 11/2005 in Tasmania. It was granted for the term of five years from the 12th May 2006 and is for Metallic Minerals and Atomic Substances. It has an area of 71km^2 and an expenditure commitment for the year to 12th May 2010 of $95,124 and of $71,000 for the subsequent year. Rental for the year from 12th May 2010 is $2,929. The Savage River Mine pipeline corridor, which is about 50m wide, is excised from the tenement.

The tenement is held by Regency Resources Ltd ("Regency") and an agreement is in place whereby it will be transferred to Red Rock Resources. Red Rock Resources plc ("Red Rock"), has entered into a Letter Agreement with the purpose of concluding a Joint Venture ("JV") agreement with Walkabout Resources Pty Ltd ("Walkabout"), by which Walkabout would sole fund the first ten million dollars of expenditure on the tenement to earn a 65% interest. Under the proposed terms of the JV, Walkabout would manage the exploration and keep the tenement in good standing. Red Rock and RSL have agreed to a transfer process of the remaining 35% with the intention that RSL will be assigned all rights and obligations under the Joint Venture agreement from Red Rock. Further details of the agreements are given in the Solicitor's report elsewhere in the Prospectus.

Location and Access

The project area is situated about 70km southwest of the port town of Burnie. By road the distance is about 125km. Vehicle access to the tenement is limited to a single formed unsealed road that services the pipeline that carries iron-ore slurry to port facilities on the north coast. Permission to use this road is required from the operator of the Savage River Mine, which is situated immediately to the south. The project area is totally covered by dense native forest (the area is within State Forest) and is subject to high seasonal rainfall. The Pipeline Road follows a ridge at an elevation of about 450m. The ground to the west of the road is dissected and falls to as low as 250m (Figure 18).

Figure 18 View of EL 2005/11 – Looking west-northwest; the Pipeline Road runs through the centre of the tenement

Regional Geology

The project area covers that portion of the Arthur Metamorphic Complex ("AMC") immediately to the north of the Savage River iron deposit. The complex is also known as the Arthur Lineament. It is an elongate zone that has been subject to multiphase metamorphism, tectonism, alteration, and veining (Figure 20). The central portion of the complex strikes north-northeast along the centre of the project area. Alteration was especially intense to the south of the tenement at Savage River, where iron deposits formed within the zone as the result of hydrothermal alteration. The deposits are shown as a magnetic high on Figure 19, an aeromagnetic image of the area. The north-northeast trending highs that extend through the tenement indicate the location of the complex.

The original rock units within the complex were of Neoproterozoic age and have been interpreted to include basaltic volcanoclastics and/or lithic arenites, dolerite, and dolomite. Low grade regionally metamorphosed Neoproterozoic clastic, sediments, basalts, and dolomite are present, and strike parallel to the complex, both to its west and east. Cambrian mafic and ultramafic rocks are to the southeast of the project area and have been prospected and mined for platinum group elements and base metals.

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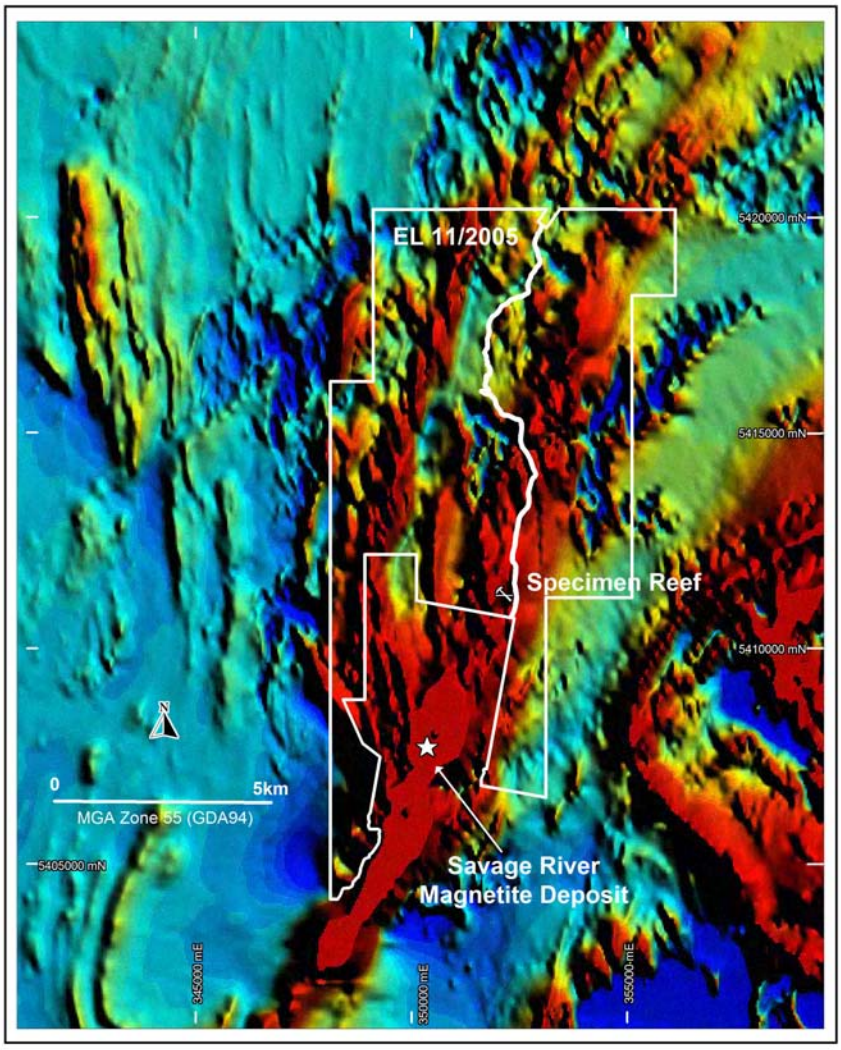

Figure 19 Specimen Reef Project – Aeromagnetic image

Project Geology

The geological sequence within the tenement is shown on Figure 20, a geological map of the area.

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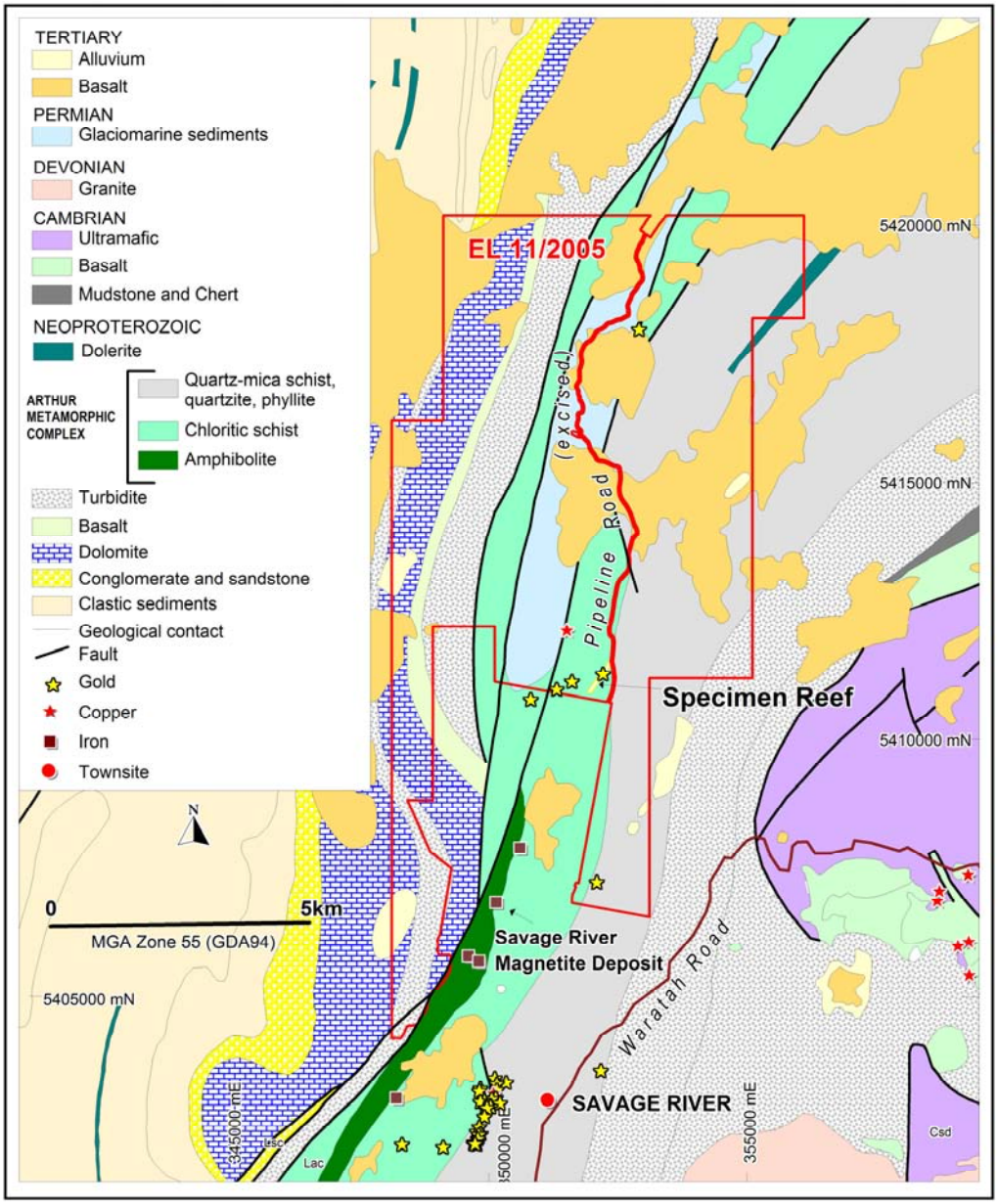

Figure 20 Specimen Reef Project – Geological map

Structurally, the area is dominated by north-northeast trending faults. Dips within the AMC vary from steep towards the west to moderate to steep towards the east. Within the Savage River Mine, mapping has revealed the presence of multiple-stage and mineralogically complex veins, fault breccias, and mylonites.

Mineralisation

Alteration and mineralisation within the Savage River mine area has been studied in detail and it is proposed that related alteration and mineralisation extend north within the AMC into EL11/2005. Hydrothermal alteration is mainly characterised by the occurrence of carbonate, albite, epidote, tourmaline, and chlorite. The ore mineralogy consists of magnetite and pyrite, with minor haematite, chalcopyrite, and apatite. Alluvial and vein gold is found within the AMC, including within RSL's tenement, and brannerite, a uranium mineral, has been reported from a section of drill-core from the Specimen Reef Prospect.

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Mining

Magnetite mineralization was discovered at Savage River in 1887, but for many years, interest in the area centered on its copper and gold potential of the area.

Specimen Reef is within an area of historical gold mining that included both hard rock workings (Specimen Reef, Davis Creek, and McPhee's) and alluvial workings along Specimen Creek. Active mining ceased about 1900. The Specimen Reef workings included two adits and six tunnels. The reef, which strikes northeast and dips at about 45° to the southeast, is at least 450m in length. The worked portion of the reef consisted of white quartz, siderite, and pyrite with some visible gold and minor chalcopyrite. Shoots of high grade auriferous quartz, up to 48m long, 1m wide, and 60m deep, plunged downdip.

Production commenced at the Savage River iron mine in 1966 and the operator's latest feasibility study indicates a mine life to 2023.

Exploration History

The most comprehensive exploration of the area has been by government agencies, Industrial Mining Investigations Pty Ltd ("IMI"), and Savage Resources Ltd ("Savage Resources"). From the 1950's until 1978 exploration was solely for iron ore, with the main magnetite deposits being defined before 1966.

IMI and Savage Resources subsequently expanded the search to include base metals, gold, magnesite and diamonds. Most effort was expended on near mine magnesite and gold. The base metals search initially used magnetics as a guide but was replaced by systematic stream sediment sampling.

IMI completed extensive stream sediment sampling and selected soil sampling over the tenement in the 1980's, targeting magnetic highs and geochemical anomalies, and assaying for multi-elements including Au, Ag, base metals, Sn, and W. Between 1982 and 1985 it drilled nine diamond holes for a total of 894m at Specimen Reef (Figure 21). The only mineralised intersection was in DDH SP1, which intersected a narrow but very high grade zone, 0.2m at 910g/t Au.

Savage Resources concluded in 1988 that most of the mineralisation was within narrow, flat lying carbonate-magnetite-gold zones with very little quartz. It drilled ten holes between 1987 and 1989 for a total of 822m, with limited success, after discovering the reef dipped at a steep angle than been previously assumed. Ultimately, only three holes intersected the reef.

In 1997 Goldstream Mining NL / Titan Resources NL, in joint venture, ("Goldstream / Titan") completed two further diamond drill holes into Specimen Reef, intersecting 2m at 0.56g/t Au in one hole and only 0.05g/t Au from the reef position in the other hole. No potentially economic magnetite was intersected in any hole.

Goldstream / Titan also carried out a petrological study on samples from its drill core and from the high grade gold intersection of the earlier SP1 core referred to above. The brannerite was found to be associated with electrum in a carbonate vein.

IMI, during the 1980s, completed an extensive stream sediment sampling programme, collecting trap site stream pan concentrates and decanted slime samples from all localities. Stream sediment and rock chip sampling identified lead anomalies to 900ppm, and zinc anomalies to 345ppm near the old Davis Creek workings. IMI carried out geochemical soil sampling, geological mapping and ground magnetic surveys on two grids to the north of Specimen Reef (Figure 21). The soil sampling identified spot gold and base metal anomalies, with the highest results being a few hundred metres to the east of Davis Creek and just northeast of Specimen Reef.

CRA Exploration Ltd ("CRA") explored the northern section of the tenement in the mid 1980's for magnesite deposits. Its work included magnetic and Input-EM surveys and stream sediment sampling. CRA identified the Comstaff Creek area in the north of the present tenement as gold anomalous from the stream sediment sampling (Figure 20).

Geopeko Ltd (Geopeko) undertook a water sampling programme, limited rock chip sampling and mapping in the early 1990's. Little significant data was generated.

From 1996 to 1997, Goldstream Mining NL (Goldstream) / Titan Resources NL (Titan) completed heli-magnetics centred on the Specimen Creek area. It drilled two diamond holes into Specimen Reef, on the same section as the original SP1 diamond hole. The holes intersected alteration and faulting, but with gold intersections of only 2m @ 0.56g/t and 1m @ 0.24g/t Au.

In 2001 Mineral Resources Tasmania flew helicopter–borne geophysics at 75m height over this area. The magnetic image in Figure 19 is derived from this work.

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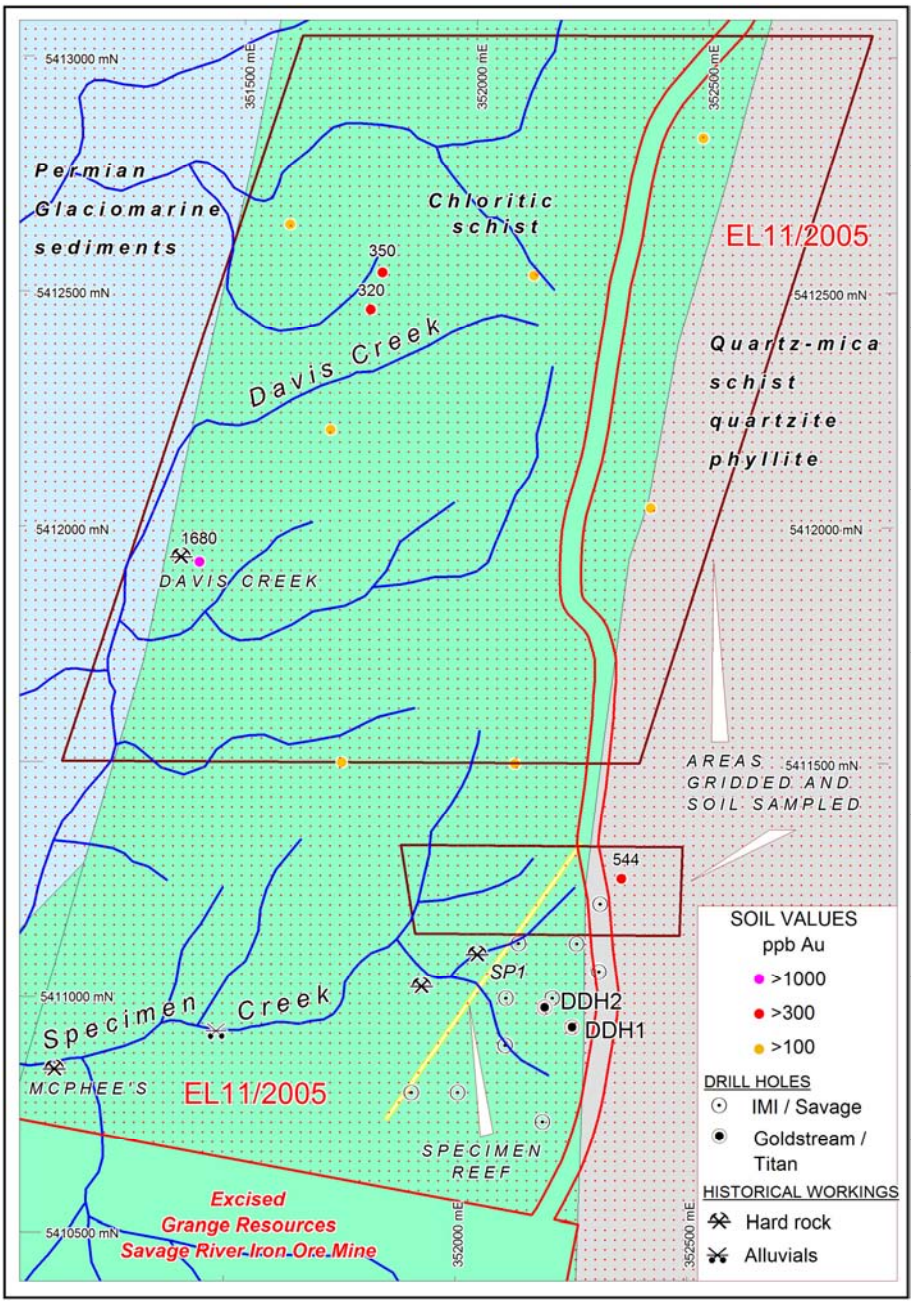

Figure 21 Specimen Reef area - Exploration

Exploration Potential

Bottrill and Taheri (2005)* examined the petrology of the host rocks from the Savage River Mine and concluded that, "The mineralisation, setting, and alteration are highly indicative of iron oxide-copper-gold styles of mineralisation, particularly the Kiruna and Iron-skarn subtypes, but the genesis is under more detailed investigation." The identification of uranium within the Specimen Reef Prospect, a few kilometres along strike, is further evidence that the alteration system may have formed IOCG-U mineralisation within the AMC.

Exploration in the area appears to have been focussed in the southern portion of the EL within an area of relatively easy access. The relatively remote and forested nature of the tenement has resulted in a lack of systematic and full coverage of the tenement by modern exploration. Gold mineralisation is present in both the south and the north

of the tenement and gold and base metal mineralisation is present further north within the AMC.

It is CRM's opinion that the project area is prospective for both vein and disseminated mineralisation. Gold, copper, and uranium are legitimate target metals, with magnetite a potential by-product.

*Bottrill, R. S., Taheri, J. 2007 Petrology of the host rocks, including mineralisation and adjacent rock sequences, from the Savage River mine. *Tas. Geol. Surv. Rec. 2007/05*

Proposed Exploration

We understand that Walkabout is in the process of collecting geological data and putting together a fund-raising process, both of which are expected to be completed by the middle of 2010. A comprehensive exploration program will be prepared prior to the float and RSL has been asked to provide input into the design of the exploration programme.

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MALAWI PROJECTS

RSL has interests in three projects in the east-central African nation of Malawi that are prospective for uranium mineralisation (Figure 2). Within the southern and northern projects, Machinga and Ilomba Hill, Nb-Zr-Ta-U-rare earth element ("REE") mineralisation is associated with alkaline intrusions, which RSL intend to systematically explore for vein-style or intrusive-related mineralisation. Within the central project, Chintheche, anomalies are associated with late Tertiary sediments that potentially contain sediment hosted uranium mineralisation and heavy mineral sand mineralisation. RSL has also obtained right of first refusal to enter into a joint venture agreement with Globe Metals & Mining Ltd ("Globe") in respect to Globe's Livingstonia Project in northern Malawi, in the event that Globe decides to proceed to such a JV at any time within 12 months from the date of a joint venture agreement with Globe (see Section 12 of the Prospectus for details).

Malawi is bounded by Zambia to the west, Tanzania to the north and northeast, and Mozambique to the east and south. Its capital city is Lilongwe. Malawi is elongate, with a north-south length of about 850km and an east-west width of about 150km. Lake Malawi, in the northeast of the country, is one of the major lakes of the African Rift Valley (Figure 2). The country's area is about half that of the Australian state of Victoria's and its population, at approximately 13 million, is about double. A significant proportion of the population comprises subsistence farmers for whom maize is the main crop.

Malawi is considered to have undergone positive social and political transformation in recent years and the government appears to be committed to the development of mining, including that of uranium. Evidence of this is the grant of a Mining Licence to Paladin Energy Limited ("Paladin") for its Kayelekera Uranium Project and the project's subsequent construction and commissioning in the north of the country.

Malawi - Geology and Uranium Mineralisation

The geology of Malawi comprises five main groups of rocks, which are, from oldest to youngest:

- Gneisses and granulites of the Proterozoic Malawi Basement Complex that is present over the majority of the country.
- Lower Palaeozoic to Neoproterozoic intrusives; predominantly granitoids and syenites
- Permian – Triassic Karoo System clastic sediments that occupy fault troughs in the north and south
- Mesozoic alkaline intrusives associated with Rift Valley volcanism in the south and central areas
- Cainozoic sediments; especially in the south and bordering Lake Malawi

Uranium mineralisation within Malawi is known to occur in two styles: roll-front and alkali intrusive hosted.

Paladin's Kayelekera Deposit is of the roll-front style and occurs within Karoo System sandstones in the far north of the country. The source of the uranium is assumed to be older crystalline rocks. Another Australian exploration company,

Globe, has also discovered roll-front style mineralisation at its Livingstonia Project within the Karoo System sandstones in northern Malawi. Karoo sandstones have not been identified in the RSL project areas, but the Chintheche Project does contain younger sediments that overlie Basement Complex rocks. These sediments, and any older sediments that may be present beneath them, are prospective for sediment hosted uranium mineralisation and for heavy mineral sand mineralisation.

Globe has also located alkali intrusion hosted uranium mineralisation within the basement at Kanyika, in the central area of Malawi. The mineralisation is present in multiple zones within a steeply dipping elongate alkalic granitoid intrusion into gneisses. The uranium is associated with niobium, tantalum, and zirconium. Globe has announced an Inferred Resource of 56.4Mt @ 0.26% Nb_2O_5, 120ppm Ta_2O_5, 0.48% $ZrSiO_4$, and 70ppm U_3O_8 for the deposit. It has commenced a Bankable Feasibility Study ("BFS").

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MACHINGA PROJECT

Introduction

The Machinga Project covers an area in southern Malawi that contains major alkaline complexes that intrude basement rocks. The intrusive complexes form forested hills that rise above cleared farmed plains (Figure 22). The Zomba Plateau, in the south of the project area, is more than 1000m above the plain. The area was applied for to cover uranium channel radiometric anomalies that were located by a country-wide airborne survey carried out in the 1980s.

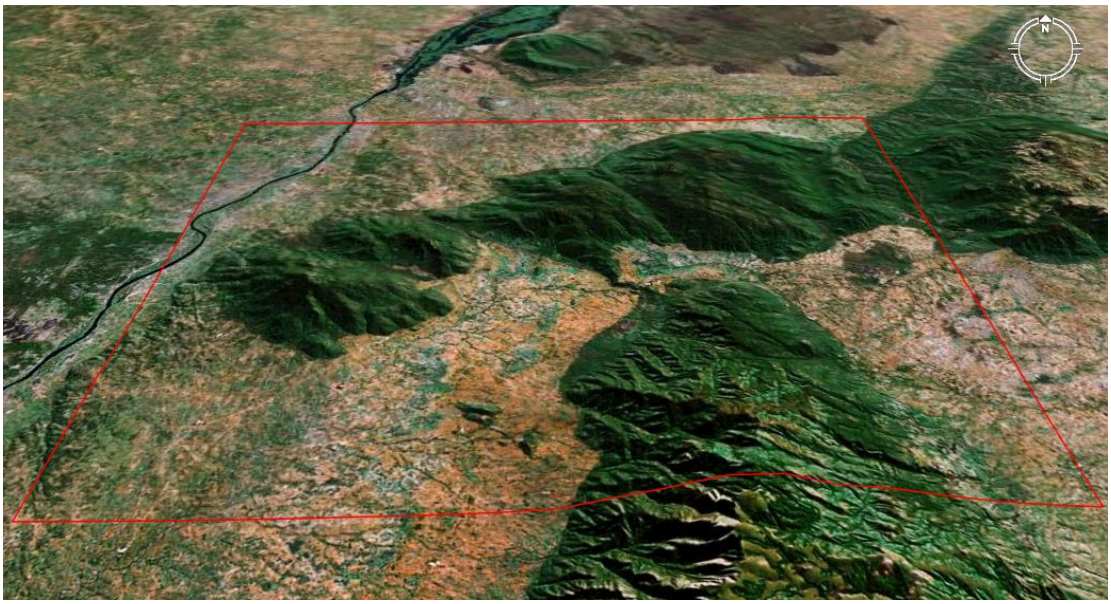

Figure 22 Machinga project area - 3D view showing forested alkaline intrusives and cleared farmland over basement rocks

Tenements

The Machinga Project comprises a granted Exclusive Prospecting Licence ("EPL"). EPL 0230/07 was granted to Eastbourne Exploration Pty Ltd ("Eastbourne") on 12 December 2007 for a term of three years. Eastbourne is a wholly owned subsidiary of RSL. The licence has an area of 379.1km^2 and provides exclusive rights explore for uranium and for minerals found to be associated with uranium in this environment (specifically Niobium, Tantalum, Zirconium, Thorium, Titanium, Gallium, Hafnium, Gold, the Rare Earth Elements, and associated elements). Licences can be renewed for reduced areas for two further periods, if it can be demonstrated that the proposed work programme has been undertaken. Additional minerals can be added at the time of application for a Development Agreement. Details of conditions are given elsewhere in this Prospectus, in the Solicitor's report on Malawi Licences.

RSL has applied for an extension to the area covered by the licence, to cover the area adjoining the existing tenement to the east and the south (Figure 23). If the full extension is granted, the tenement will have an area of 955km^2.

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Joint Venture Agreement

Eastbourne has entered into a JV with Globe, pursuant to which Globe has been granted the right to earn up to an 80% interest by meeting certain expenditure and other obligations in relation to exploration over the Machinga Project. If Globe elects to proceed with the JV it will become the manager of the JV. Details of the agreement are given in the Prospectus.

Location and Access

The project area is situated in the south of Malawi between the country's new and old capitals Lilongwe and Zomba, which have respective populations of 400,000 and 100,000. The country's main north-south highway, which connects the two cities, passes through the project area. By road, Lilongwe is about 240km northwest of the project area. Zomba is about 20km to the south of the existing licence. Numerous tracks cover the farmland areas. The forested uplands are within forestry reserves, within which access is by forestry tracks. The licence conditions allow exploration within the reserves.

Geological Setting

Topographically and geologically the area is dominated by rocks of the Mesozoic Chilwa Alkaline Province, which consists of a number of granite, syenite, and nepheline-syenite plutons associated with volcanic vents infilled with carbonatite and agglomerate. The alkaline plutons intrude rocks of the Malawi Basement Complex, as does a very varied suite of minor intrusions, usually dykes, particularly in the vicinity of the plutons' margins. There are also minor hydrothermal rocks. The plutonic phase occurred in the Jurassic and the carbonatite volcanic activity about 15My later during the Lower Cretaceous. Figure 23 is a geological map of the project area.

Project Geology

The project area contains four alkaline plutons, three of which, the Chinduzi, Mongolowe, and Chaone ring-complexes are of nepheline-syenite and occur in an east-west string across the north of the project area. They are between 5km and 10km in diameter and their emplacement is thought to be associated with cauldron subsidence. At their highest points they are about 500m above the surrounding plain. Agglomerate vents are present near the northwest margin of the Mongolowe ring-complex and the northeast margin of the Chinduzi complex. Strong carbonate alteration is associated with the vents. The fourth and larger southern Malosa Pluton forms the northern portion of the Zomba-Malosa Massif that reaches a height of more than 1000m above the plain. It is composed of a heterogeneous mixture of syenitic and granitic rocks.

The plutons intrude gneisses and charnockitic granulites of the Proterozoic Basement Complex, within which semi-pelitic rocks are dominant. Other rock types include psammitic and pelitic gneisses, marble, calc-silicates, amphibolites, and minor anorthositic gneiss. Lit-par-lit gneisses, secretion pegmatites, and boudinage are common within the basement with migmatisation present locally. The gneisses are folded isoclinally along northwest to northeast axes and dips are moderate to high.

The northeast trending Rift Valley Fault, which in the Malawi region is the eastern edge of the rift valley, passes through the project area and forms the western margin of the Malosa Pluton. Broad alluvial plains cover sections of the project area.

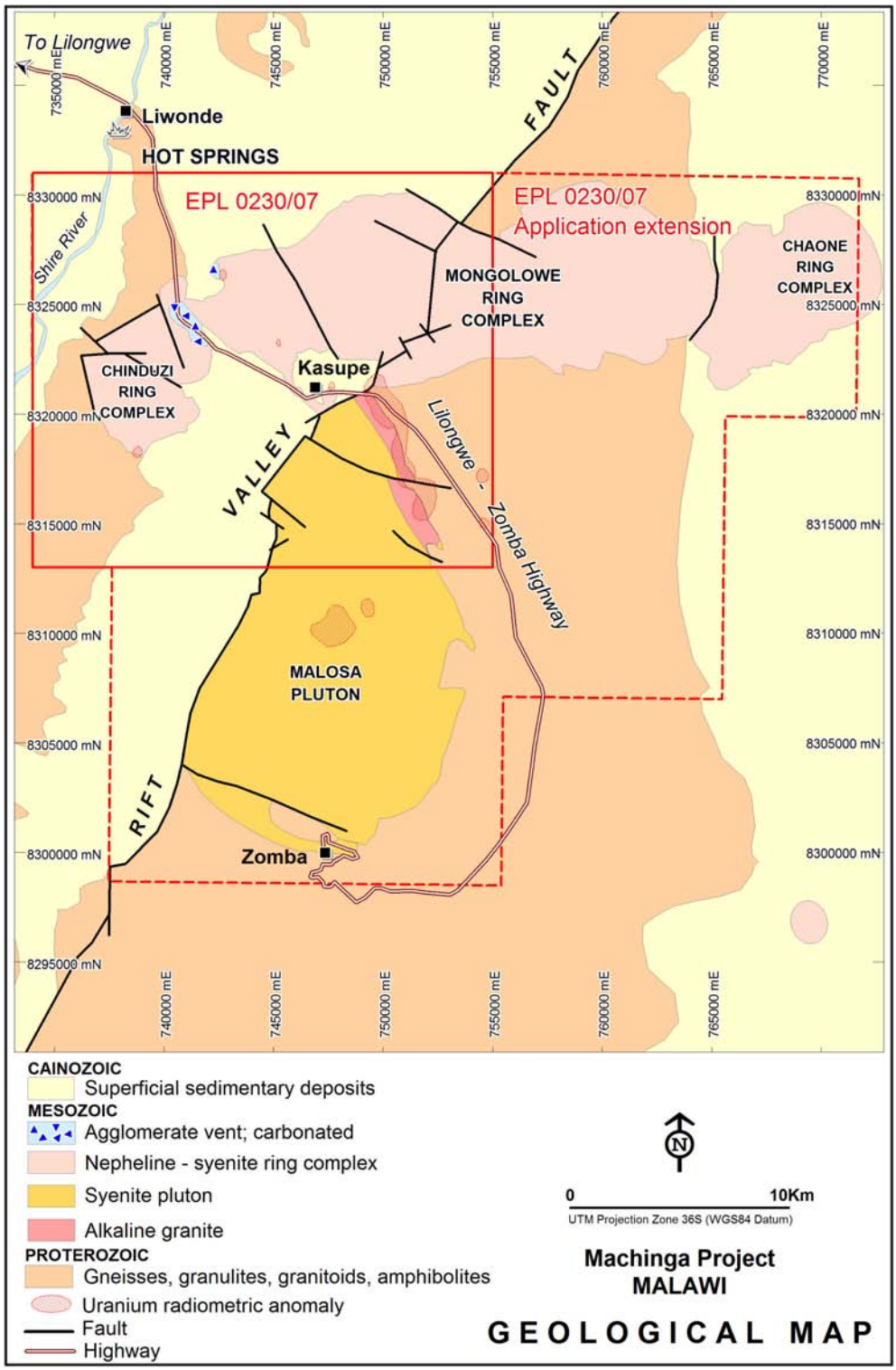

Figure 23 Machinga Project – Geological map

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Previous Exploration

In 1955 a radiometric anomaly was located with a car-borne ratemeter about three kilometres southeast of Kasupe on the old Zomba-Liwonde road. Investigation of the locality was carried out by the American Smelting and Refining Company ("ASARCO") and the Atomic Energy Division of the Geological Survey of Great Britain. Exploration was by a car-mounted scintillometer, an airborne scintillometer, geological mapping, trenching, shallow drilling, and diamond drilling. Radiometric anomalies were found within the basement gneisses associated with outcrops of fine-grained epidotized rock, its pegmatitic equivalents, and an alkaline granite ring-dyke peripheral to the Malosa Pluton. The work concentrated on three outcropping pegmatites that were of the order of one to two metres thick. The two diamond drill holes intersected radioactive granitic and pegmatitic veins up to 2.5m in thickness. The veins contained the thorium silicate mineral thorite and uraniferous pyrochlore. Downhole radiometric analyses gave maximum values of 700ppm eU_3O_8 and 3000ppm $eThO_2$.

During 1986 an airborne magnetic and radiometric survey was carried out over selected 1:100,000 sheet areas that comprised over half of the total area of Malawi. The survey was carried out by Hunting Geology and Geophysics Limited and interpreted by the Canadian geophysical company Paterson, Grant & Watson Limited ("PGW") for an UN-sponsored Development Program ("UNDP"). The survey was flown with east-west lines, line separation of 1.0km, terrain clearance of 120m, and a radiometric sampling rate of approximately 70m. The survey located a number of uranium channel radiometric anomalies within the Zomba region, including one with a peak value of about ten times background and a length of seven kilometres that is coincident with the eastern margin of the Malosa Pluton. RSL's Machinga licence application was made to cover the group of anomalies (Figure 24). The northernmost anomaly is coincident with a volcanic vent containing carbonated agglomerate.

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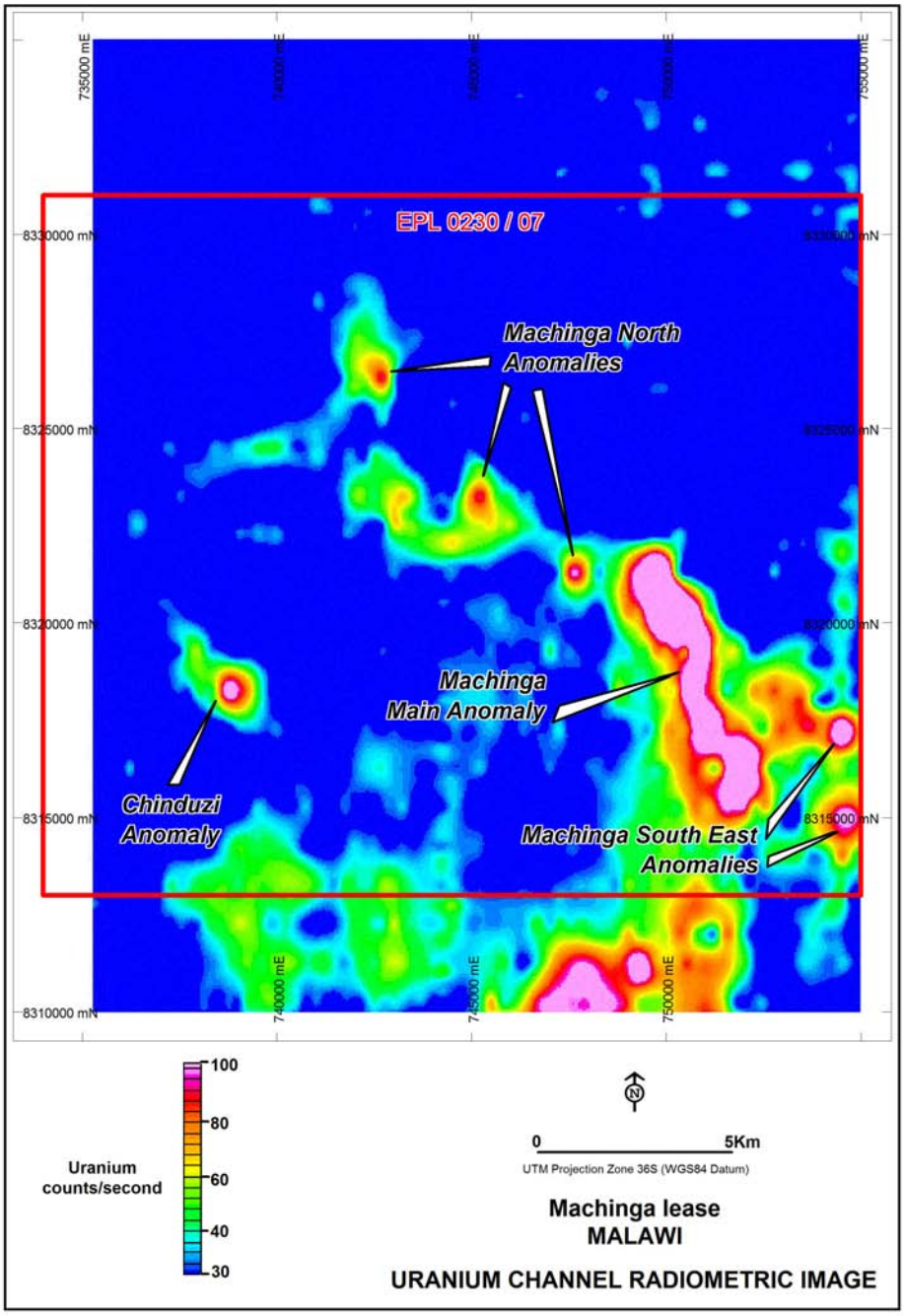

Figure 24 Machinga Project – Uranium channel radiometric image

Exploration

RSL has carried out geological mapping, detailed ground radiometric surveys, and rock chip sampling over each of the identified radiometric anomalies (see Figure 24).

Machinga Main Anomaly

The Machinga Main Anomaly was systematically explored by:

- A ground based (total count) survey using a hand held scintillometer over the entire 7km strike length of the anomaly (368 line km);
- Infill scintillometer traverse lines, most within the northernmost portion (the Machinga Anomaly);

- Focussed geological evaluation prioritised on the Machinga Anomaly;
- Regolith, land use and geological mapping over priority areas;
- Rock chip sampling of mineralised units and analysis by a portable Niton XRF Analyser;
- Multi-element chemical analysis of 125 samples (predominantly from the Machinga Anomaly).

The mapping, ground radiometric survey, and field XRF analysis resulted in the definition of more than 2km of Nb-Ta-Zr-U-REE mineralisation hosted by a bifurcating and anastomising pegmatite swarm that is within both the granitic gneissic basement rocks and the eastern margin of the Malosa granite. This variably mineralised package is up to 500m in width. It is at the northern end of the 7km long airborne uranium channel anomaly. This area was designated the Machinga Anomaly. The majority of the anomaly is located in a heavily inhabited valley that is covered by cultivated land.

Outcrop within the area is mainly restricted to that of the pegmatites, which strike northwest and north and dip at about 35° to the east. Figure 25 is a geological map of the area, within which four different pegmatite types were identified within the area. The types can be separated by their differing lithologies, radiometric responses, and contained mineralisation. The gangue mineralogy of the veins is quartz-feldspar-epidote-tourmaline. The main ore mineral is pyrochlore, a Nb-Ta-U oxide, which is also the major ore mineral at Globe's Kanyika Project.

Each pegmatite zone is made up of a number of individual veins that range in width from 1cm to 15cm. Such zones typically demonstrate surface widths of 1-3m. Between each vein is a transitional zone which is also mineralised. When not in outcrop, pegmatite zones can be identified by whitish sandy soils and by slight topographical highs/ridges that are typically uncultivated.

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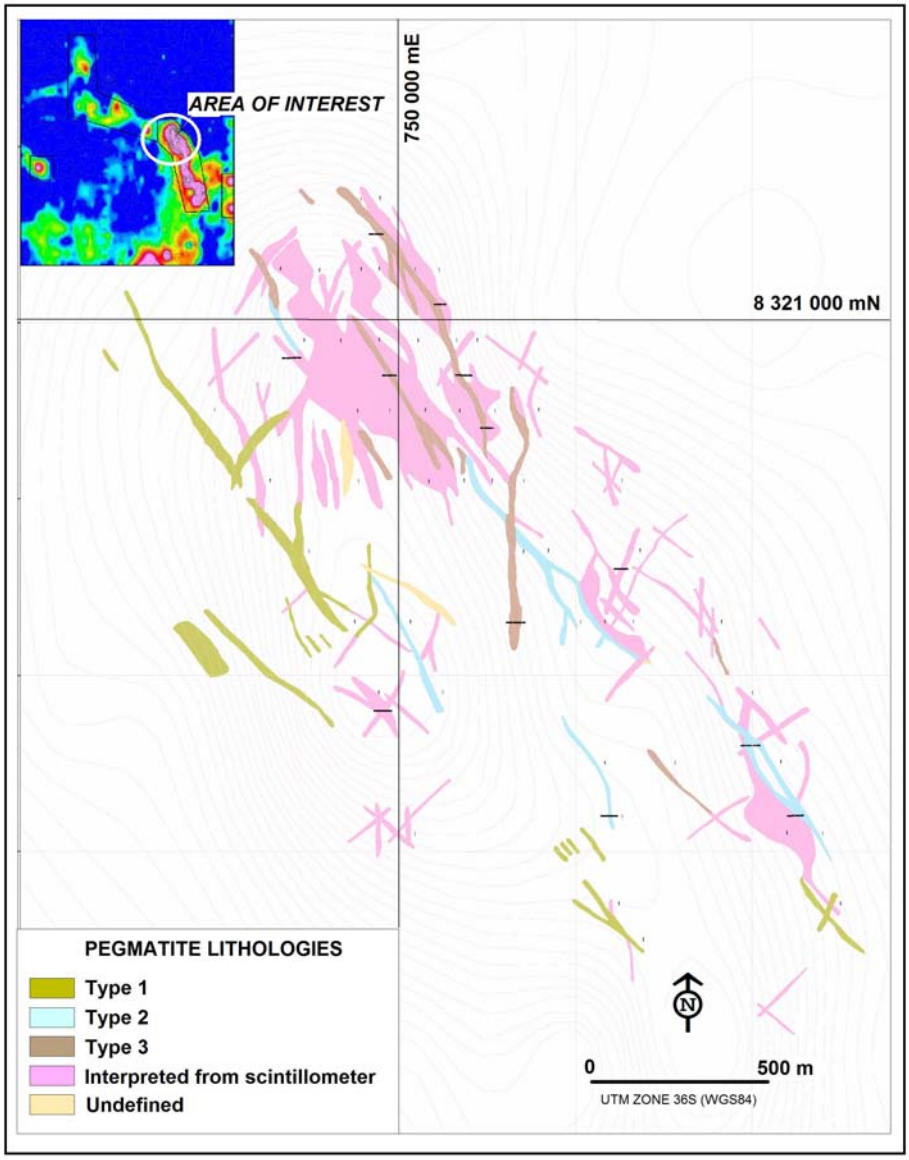

Figure 25 Machinga Anomaly – Geological Map

The analytical results for the rock chip samples are summarised in Table 7, in which data from Kanyika is included for comparison. Although the Machinga samples have grades that are relatively high in comparison to those of the Kanyika resource, the Machinga samples are collected from restricted outcrops and the Kanyika grades are derived from interpolation from extensive drilling through a relatively wide mineralised body. The sampling to date does, however, indicate that significant mineralisation is present at Machinga. In general, the Type 3 pegmatites have higher concentrations of the elements of interest.

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Table 7 Machinga Anomaly – Rock chip analyses (125 samples)

Elements	Peak	Average	Kanyika HG[1]	Kanyika IR[2]
Nb_2O_5 (%)	2.99	0.36	0.37	0.26
Ta_2O_5 (ppm)	1673	210	160	120
$ZrSiO_4$ (%)	5.46	2.05	0.57	0.48
U_3O_8 (ppm)	783	83	100	70
TREO[3] (%)	2.64	0.42	N/A	N/A
HREO[4] (% of TREO)	69.5	27.8	N/A	N/A

Notes: 1: Kanyika High Grade Inferred Resource (0.3% Nb_2O_5 cut)
2: Kanyika Total Inferred Resource (56.4Mt @ 0.15% Nb_2O_5 cut)
3: Total Rare Earth Oxides (La through Lu + Y)
4: Heavy Rare Earth Oxides (Eu through Lu + Y)

Representative mineralised material will require metallurgical investigation, as, until this has been carried out, it cannot be assumed that saleable products will be able to be produced. It is encouraging, however, that Globe, which has carried out metallurgical testwork, is proceeding with a BFS for its Kanyika Deposit.

Other Anomalies

The other anomalies were explored in a similar manner to the Machinga Main Anomaly. Outcrop in these areas is poor and, as a result, the limited sampling can not be taken as being representative of mineralised units in these areas. Mineralised pegmatites were, however, observed and sampled at the Chinduzi and from the central and southern anomalies at Machinga North (Figure 24), but mineralisation was not observed at the northern Machinga North or the Machinga South-East anomalies.

The analytical results for the rock chip samples from Chinduzi and from the central and southern anomalies at Machinga North are summarised in Table 8.

Table 8 Chinduzi and Machinga North Anomalies – Rock chip analyses

Elements	Chinduzi (61 samples)		Machinga North (21 samples)	
	Peak	Average	Peak	Average
Nb_2O_5 (%)	0.32	0.14	0.43	0.15
Ta_2O_5 (ppm)	247	102	286	88
$ZrSiO_4$ (%)	4.00	0.86	6.49	1.291
U_3O_8 (ppm)	129	45	129	40
TREO[3] (%)	0.52	0.09	0.59	0.17
HREO[4] (% of TREO)	59.9	25.1	35.7	20.0

Exploration Potential

The work completed to date has confirmed the potential of the project area to contain significant Nb-Ta-Zr-U-REE mineralisation. The size and distribution of mineralisation is, however, ill-defined owing to the lack of outcrop over the identified radiometric anomalies. Further exploration of these by trenching and drilling will be needed before meaningful estimates of target tonnages and grades can be made. At the 7km long Machinga Main Anomaly only the northern 2km have been subjected to adequate first pass exploration.

Potential is also present for other types of mineralisation within the project area. Carbonatite volcanics associated with the intrusive complexes are prospective for REE and for phosphate, and the Basement Complex is prospective for gold and base metals. Interpretation of existing aeromagnetic data may indicate structures that could be associated with gold mineralisation.

Proposed Exploration

CRM is of the opinion that the radiometric anomalies should be explored systematically and recommends the following exploration programme for 2010:

- Carry out soil geochemical surveys, trenching, and complementary mapping and rock chip sampling over priority areas;
- Evaluate the anomalies, identify and prioritise targets, and commence staged drill programmes into them;
- Carry out preliminary metallurgical investigations;
- Stream sediment sampling may be conducted over the whole lease area.

In addition, CRM recommends exploration within the tenement to identify other target areas for follow up investigation. In particular, it is recommended that first pass exploration of the alkaline ring complexes be by stream sediment geochemistry, including the collection of heavy mineral concentrates and analysis for a range of elements including Nb, Ta, REE, and P.

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ILOMBA HILL PROJECT

Introduction

In the far north-west of the country, at Ilomba Hill, uraniferous pyrochlore occurs within veins associated with a syenite ring complex intruded into basement gneisses (Figures 2 and 26). Rock samples from the veins taken in the late 1950s returned analyses up to 7.5% Nb_2O_5.

Tenements and Agreements

The Ilomba Hill Project comprises an Exclusive Prospecting Licence ("EPL") granted to Nyalihanga Enterprises Ltd ("Nyalihanga") on September 2008. Red Rock entered into a Joint Venture, Purchase and Sale Agreement with Nyalihanga. Red Rock since has entered into a conditional agreement with RSL pursuant to which it has agreed to assign its interest in the EPL. As a result of these arrangements, RSL will explore, and has a 90% interest in, the EPL. Further details of the agreement are given in the Solicitor's report and elsewhere in the Prospectus.

The EPL, 0264/08, has an area of 80km^2 and provides exclusive rights explore for uranium, tantalum, zirconium, titanium, thorium, gallium, hafnium, gold, niobium, and REE for a term of three years. An application has been lodged to increase the size of the licence. If the full extension is granted, the tenement will have an area of 89km^2. Details of conditions are given elsewhere in this Prospectus, in the Solicitor's report on Malawi Licences.

Location and Access

The project area is situated in the north of Malawi (Figure 2), about 20km north-northwest of the regional town of Chitipa. A regional road passes through the southern portion of the licence. The prime target area, Ilomba Hill, is covered by scrub and exploration is allowed over it.

Project Geology

Malawi Basement Complex rocks outcrop in the southwest and northeast; Cainozoic sediments cover a broad west-northwest trending valley in the south; and Neoproterozoic syenitic intrusives are present in the central portion of the project area (Figure 26).

Ilomba Hill, in the north of the licence area is over a zoned, almost circular, nepheline syenite complex that is about 2km in diameter. It is within the larger Swonwe Syenite pluton. Ore minerals that have been identified within the Ilomba Hill complex include pyrochlore, titanate, zircon, and unidentified rare earth minerals. Uranian pyrochlore has so far been found most abundant in pyroxene-rich lenticles in an aegerine-augite-bearing nepheline syenite, where fresh material graded as high as 7.5% Nb_2O_5. It has been suggested that there is evidence of hydrothermal activity contributing to the high concentrations of niobium and uranium.

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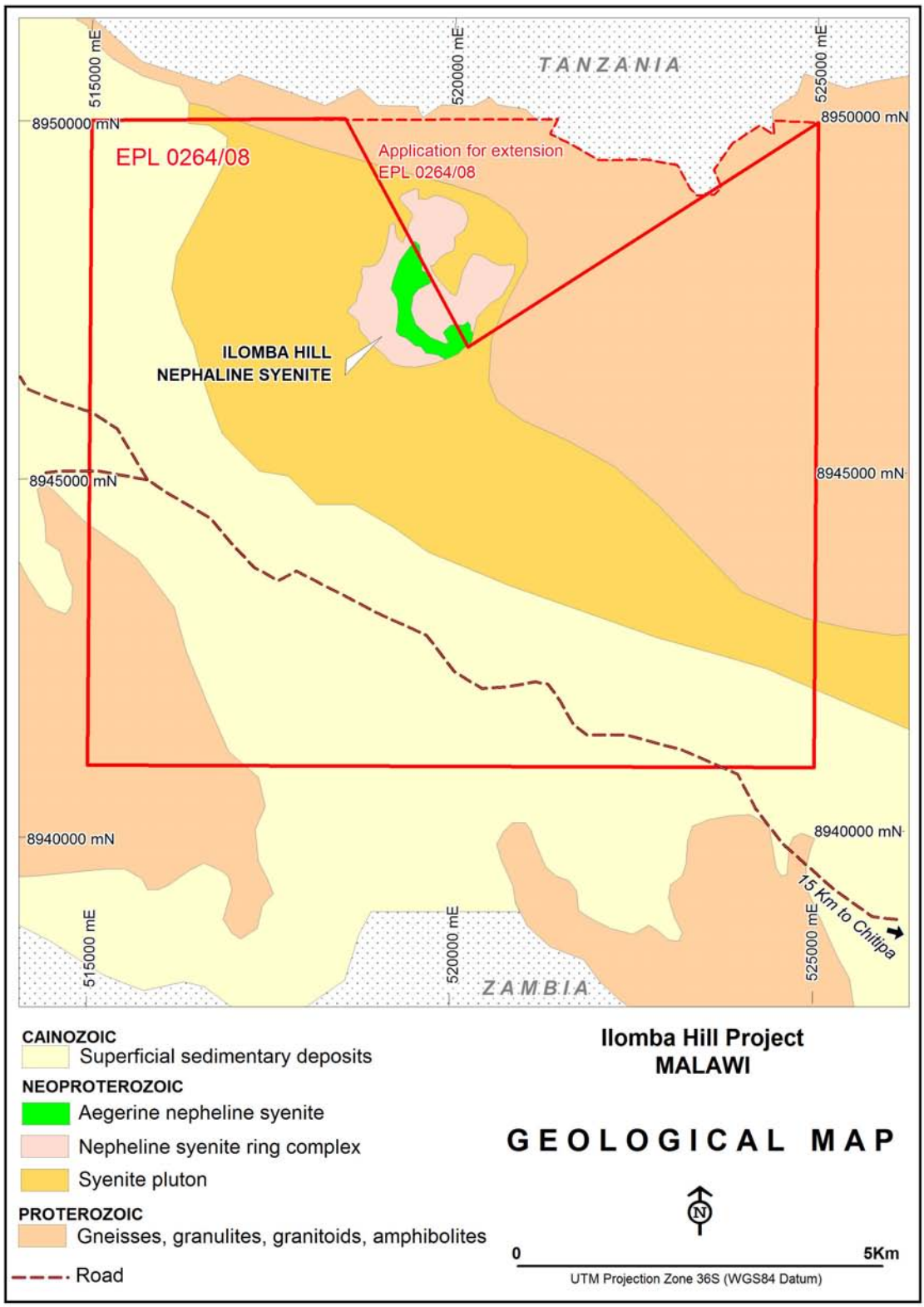

Figure 26 Illomba Hill Project – Geological map

Previous Exploration

The mineralisation at Ilomba Hill was investigated during the 1950's. It was reported that the mineralisation averaged 0.3% Nb_2O_5 and 575ppm U_3O_8.

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Exploration

No significant on-ground exploration has been carried out under the current licence.

Exploration Potential

The Ilomba Hill complex is known to contain significant Nb-Zr-U-REE mineralisation, the scope of which should be relatively easily established by systematic exploration.

Proposed Exploration

RSL proposes to concentrate its exploration on a thorough evaluation of the multi-element response across the whole of the Ilomba Hill Complex. Its exploration programme is envisaged to be similar to that begun and proposed for the Machinga Project and expected to initially include geological mapping; a radiometric survey; stream sediment, soil, and rock chip sampling. Selected areas are then likely to be tested by a combination of trenching, pitting, and drill testing.

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CHINTHECHE PROJECT

Introduction

The Chintheche project area was applied for to cover a number of uranium channel radiometric anomalies identified by PGW from the 1986 radiometric survey. The anomalies are over both Basement Complex rocks and over younger clastic sediments that sit above and marginal to them. The younger sediments are prospective for roll front style uranium mineralisation and the basement rocks for vein style U-Nb-Ta-REE mineralisation.

Tenements and Agreements

The Chintheche Project comprises EPL 0219-07, which has an area of 210.9km^2 and which was granted to Red Rock Resources plc ("Red Rock") on 27 June 2007. The licence has since been transferred to RSL. The conditions of the EPL are similar to those of the Machinga EPL.

Location and Access

The project is situated immediately to the west of Lake Malawi about 240km north of Lilongwe (see Figure 2). It has a north-south length of about 20km and an east-west width of about 10km. The eastern section of the tenement is flat and covered with small farms. The western section has two north-south lines of hills that rise up to 300m above the plain. Subsidence farming within this section is less intense, but a network of tracks is present.

Geological Setting

The tenement is situated within the Great African Rift Valley immediately to the west of Lake Malawi. It is underlain by Malawi Basement Complex rocks that, in the east of the tenement, are covered by the late-Tertiary Timbiri Beds and Recent alluvium. Figure 27 is a geological map of the project area.

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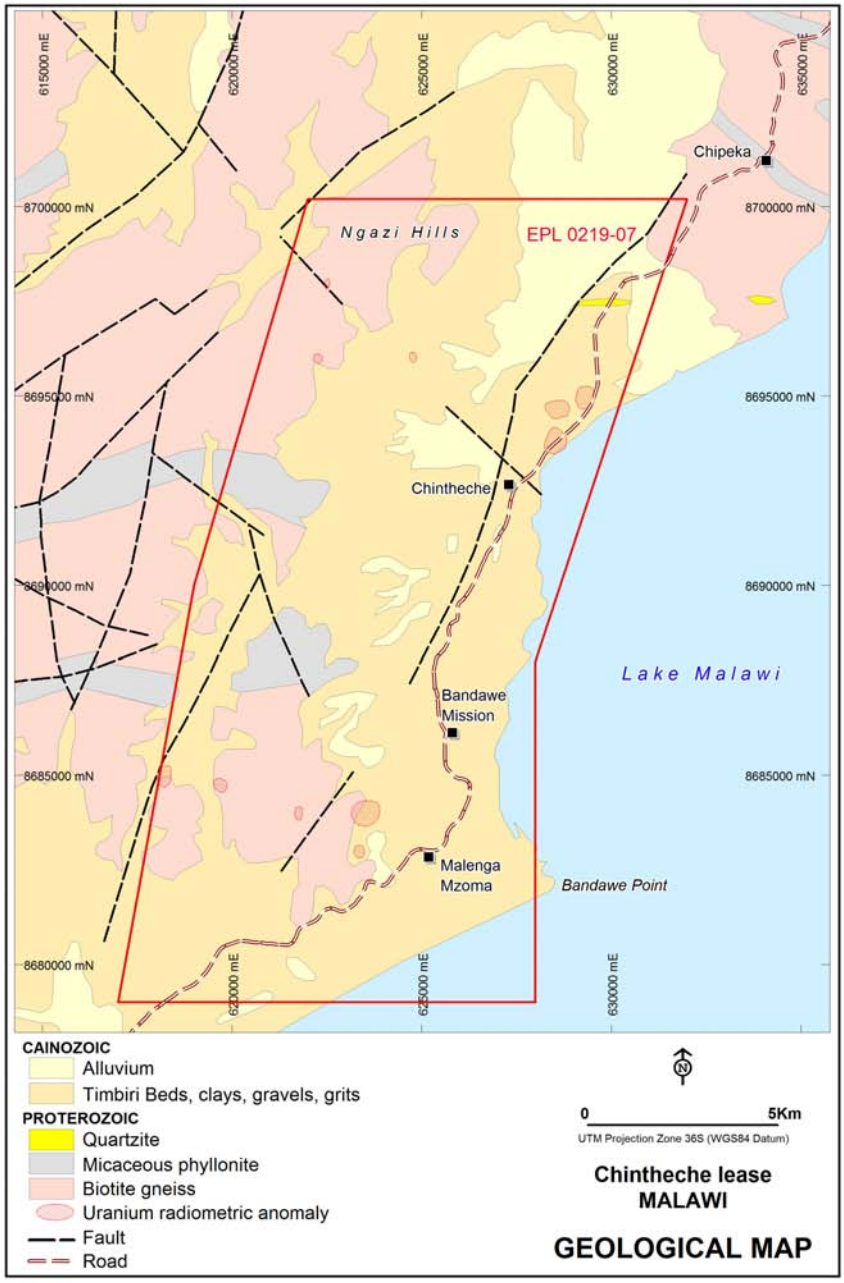

Figure 27 Chintheche Project – Geological Map

Project Geology

The Basement Complex within the project area predominantly comprises biotite gneiss, garnetiferous biotite gneiss, and micaceous phyllonite, with minor quartzite and quartz schist. Both the stratigraphy and the metamorphic foliation strike, in general, east-west.

The Timbiri Beds consist of clays, grits, and conglomerates that infill an uneven, eroded, weathered basement surface. They cover the lakeshore plain around Chintheche and the bases of the valleys further inland. The variation of topography above the level of the beds indicates that they may, in places, have significant thickness.

The lake shore deposits in the south of the tenement to the southwest of Bandawe Point, although mapped as Timbiri Beds, appear to be part of a shore-parallel dune system that extends about a kilometre inland from the coast.

The geomorphology of the area is controlled by a number of faults that are related to the rift valley and along which movement has taken place both in the Mesozoic and Tertiary. The fault system may have produced small-scale grabens that have been infilled with sediments and that are now concealed by the Timbiri Beds and the more recent alluvial deposits.

Previous Exploration

Apart from regional geochemical and airborne geophysical surveys, no previous exploration is known within the project area.

The entire country was covered by a regional stream sediment geochemical survey in the 1960s. Samples were collected at an average spacing of one per square kilometre. No significant results were highlighted within the Chintheche project area.

The area was included as part of the 1986 UNDP aeromagnetic and radiometric survey, PGW's interpretation of which highlighted a number of uranium channel radiometric anomalies (Figure 28). The stronger anomalies are either within the Timbiri Beds or close to their margin, where they lap onto the topographically higher basement rocks (see Figure 27). IGS has indicated that the stronger anomalies are of the order of four times background.

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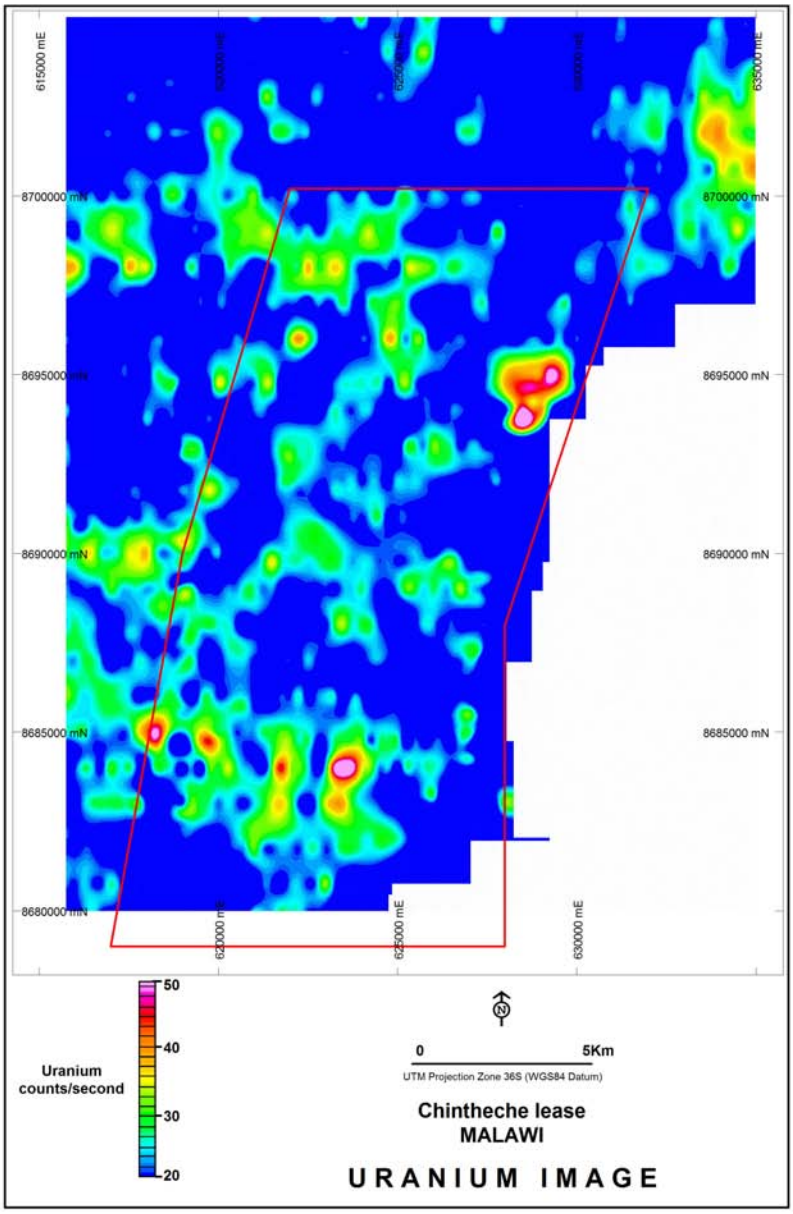

Figure 28 Chintheche Project – Uranium channel radiometric image

Current Exploration

RSL, during 2009, carried out a ground investigation of the strong radiometric anomaly about 2km north of the town of Chintheche near the shore of Lake Malawi (Figures 27 and 28).

A ground radiometric survey was carried out over the anomaly and radiometric peaks were found to be associated with heavy mineral strand lines in lakeshore sand dunes. Radioactive minerals within the heavy mineral suite are the possible cause of the anomaly. A one metre deep trench was dug into the strongest anomaly. A dune profile with typical aeolian cross-bedding was exposed with a lensoidal 25-30cm thick heavy mineral layer present beneath the soil. Scintillometer readings peaked at this band.

Minor outcrops of basement rocks were noted in the general area, which suggests that the Timberi Beds are thinner than had been anticipated.

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Exploration Potential

The prime exploration potential within the Chintheche Project was considered to be for the discovery of sediment hosted uranium mineralisation within the Timbiri Beds. RSL's recent exploration, however, has downgraded these as a target.

The lower level anomalies over the basement rocks probably indicate that some mineralisation is present within the sequence. It is, however, possible that vein-style mineralisation is present within the basement, which should, as a lower priority, be investigated for such occurrences and for other minerals including base and precious metals and Nb-Ta-REE.

The long-shore dunes, especially in the south of the tenement, should be investigated for concentrations of heavy minerals, including ilmenite, zircon, monazite, and rutile, which are present in lake shore deposits to the south. It should be noted, however, that the licence is to prospect for uranium.

Proposed Exploration

RSL's proposed exploration is a similar staged programme to that proposed for its Machinga Project. It intends to initially concentrate on exploration of the Timbiri Beds for sediment hosted uranium mineralisation. Further exploration will be dependent upon earlier results.

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EXPLORATION BUDGET

RSL has proposed an exploration budget for the twelve months from January to December 2010. The budget is set out in Table 9. CRM understands that this budget will only cover some of the exploration recommended by it, with further exploration to occur after 2010.

Table 9 Proposed Exploration Budget – 2010

Project	Budget (A$)
Edith River & Woolgni	650,000
Marrakai	150,000
Hayes Creek South	75,000
Daly River Road	75,000
Lake Barlee	80,000
Total Australia	**1,030,000**
Machinga*	25,000
Ilomba	150,000
Chintheche	100,000
Total Malawi	**275,000**
TOTAL	**1,305,000**

* As is detailed elsewhere within the Prospectus, Globe has entered into a JV to explore the Machinga Project. Globe is expected to be sole funding the exploration following completion of due diligence.

DECLARATIONS

This report has been prepared by J.J.G. Doepel. Mr Doepel is a Principal Geologist with Continental Resource Management Pty Ltd, who has more than 30 years experience in the mineral industry as a geologist and who has explored for a wide variety of metals and minerals and has participated in many resource estimations. Mr Doepel holds a Bachelor of Science with Honours and a Graduate Diploma in Forensic Science from the University of Western Australia and a Diploma of Teaching from Curtin University. He is a Member of the Geological Society of Australia and of the Australasian Institute of Mining and Metallurgy.

CRM was established in 1989 and since that time has provided geological consulting services to the exploration industry in Australia, Asia, Europe, Africa, and North America. It has provided services in relation to estimation, assessment, and evaluation of a wide range of both metallic and non-metallic deposits. It has advised upon, designed and performed exploration programmes; carried out valuations, due diligence studies, and mine life studies; and produced independent reports on mining and exploration properties.

No member or employee of CRM is, or is intended to be a director, officer or other direct employee of the Company. No member or employee of CRM has, or has had, any share holding, or the right (whether enforceable or not) to subscribe for securities, or the right (whether legally enforceable or not) to nominate persons to subscribe for securities in the Company. CRM has previously provided geological services to the Company, but there is no agreement or understanding between CRM and the

Company as to CRM performing further work for the Company. Fees are being charged at a commercial rate for the preparation of this report, the payment of which are not contingent upon the conclusions of the report.

Where mineral resources and reserves are referred to, the terminology is consistent, unless specifically stated to the contrary, with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (Code) as per the Joint Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Australian Mining Industry Council (JORC) and dated December, 2004.

The geological information in this report which relates to Exploration Results and Mineral Resources is based upon information compiled by Mr J.J.G. Doepel, B.Sc (Hons), GradDipForSc, Dip Teach, Principal Geologist of Continental Resource Management Pty Ltd. Mr Doepel is a member of the Australasian Institute of Mining and Metallurgy and has sufficient expertise and experience which is relevant to the styles of mineralisation and to the types of deposit under consideration 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 Doepel consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

The statements and opinions contained in this report are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of the 23rd November, 2009 and could alter over time depending on exploration results, metal prices, and other relevant market factors.

John Doepel
Continental Resource Management Pty Ltd

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GLOSSARY OF GEOLOGICAL AND TECHNICAL TERMS

Adit	A horizontal mine opening; (from a hillside)
Aegerine-augite	A green silicate mineral containing sodium and iron.
Aeolian	Deposits formed as result of winds
Aeromagnetic survey	A geophysical survey method conducted from an aircraft that measures the magnetic intensities of the rock units below
Agglomerate	Rock made of ejected volcanic material containing predominantly rounded to sub-angular fragments larger than 32mm in diameter
Albite	A sodium rich mineral
Alkaline	Igneous rock containing a high proportion of sodium compared to calcium
Alteration	Change in mineralogical composition of a rock; commonly caused by hydrothermal solutions
Amphibolite	A medium-grade metamorphic rock containing significant amounts of the mineral amphibole
Anastomising	A network that branches and reconnects
Anomaly	An area highlighted by a geochemical or geophysical survey as possessing greater than background metal values or physical characteristics
Anorthosite	A variety of igneous rock which consists chiefly of feldspar
Anticline	Rock strata folded in a convex upward manner
Apatite	A phosphate mineral
Archaean	The oldest rocks of the Precambrian Era; older than about 2500 million years
Arenite	A sedimentary rock that has a sandy texture
Argillite	Low-grade metamorphic rock derived from siltstone or shale
Arsenopyrite	A mineral composed of the elements iron, arsenic, and sulphur
Auger drilling	A method of drilling by which a sample of unconsolidated material is brought to the surface up the inclined flights of an auger
Auriferous	Gold bearing
Autunite	A secondary yellow-green hydrated uranium phosphate mineral
Basalt	Dark coloured, fine-grained volcanic rock formed by the cooling of a mafic lava
Base metal	A relatively common metallic element; especially copper, lead, zinc, or nickel
Batholith	A large body of rock formed by the cooling of magma at depth within the Earth's crust
BIF	"Banded Iron Formation"; chemical sedimentary rock composed mainly of finely alternating layers of silica and iron oxide
Biotite	A dark platy mineral of the mica group
BLEG	Bulk leach extractable gold: a sampling and analytical method by which bulk regolith samples are tested for gold content
Boudinage	A structure in which coherent rock strata within a yielding matrix are divided by cross fractures into segments that in section resemble sausages
Brannerite	A uranium mineral containing 30-50% U_3O_8
Breccia	A rock composed of angular rock fragments cemented by a finer-grained matrix
Cainozoic	An era of geological time, from the beginning of the Tertiary Period (about 65 million years ago) to the present
Calcrete	A cemented surficial rock in which the cement is calcium carbonate
Cambrian	The period of geological time between about 490 and 545 million years ago
Carbonaceous	Rocks containing organically derived carbon
Carbonate	Mineral (or rock containing such minerals) containing the carbonate anion (CO_3);
Carnotite	A secondary mineral containing uranium, vanadium, and potassium; with 50% U_3O_8
Cauldron	A volcanic structure of the order of 1.5km to 15km in diameter caused by the collapse along ring shaped faults of a cylindrical block of rock into an underlying magma chamber

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Chalcopyrite	The common sulphide mineral of copper
Charnockite	A high-grade metamorphic rock
Chert	Very fine-grained rock composed of silica
Chlorite	A pale-green platy hydrous silicate mineral related to mica
Clastic	A sedimentary rock composed of grains or fragments derived at a different locality
Conglomerate	A sedimentary rock containing rounded to sub-angular granules, pebbles, cobbles, and / or boulders set in a finer grained matrix
Costean	An elongate pit
Cretaceous	The final period of the Mesozoic Era; from about 140 to 65 million years ago
Diamond drilling	Method of obtaining cylindrical core of rock by drilling with a diamond-set or diamond-impregnated bit
Dip	The angle that a rock unit or structure makes with the horizontal
Dolerite	A dark-coloured, fine to medium-grained, mafic intrusive igneous rock
Dolomite	The mineral $CaMg(CO_3)_2$; or the rock composed of the mineral
Dolostone	A rock composed of the mineral dolomite
Duricrust	A hard crust to soil or weathered rock formed by the precipitation of iron, silica, or carbonate
Dyke	A tabular igneous intrusion that cuts across the intruded rocks
Electrum	Natural Au-Ag alloy with >20% Ag
Epidote	A yellow to green silicate mineral, formed during low grade metamorphism or hydrothermal processes
Exploration Target	A term used in Clause 18 of the JORC Code (2004 Edition) to reflect a statement concerning a mineral occurrence for which insufficient information is available for an estimation of a Mineral Resource or Ore Reserve
Feldspar	A silicate mineral; formed in igneous and metamorphic rocks; light coloured
Felsic	Light coloured igneous rock; containing abundant potassium feldspar and quartz
Ferruginous	Containing the element iron
Fluorite	Mineral of composition CaF_2
Fold	A bend in rock strata or structure
g/t	Grams per tonne
g*m	Grade of intersection multiplied by length of intersection, e.g 3m @ 3g/t = 9g*m
Gangue	Non-valuable minerals within a rock that also contains valuable minerals
Geochemistry	The study of the abundance of elements in rocks and soil by chemical methods
Geomorphology	The study of landforms
Geophysics	The study and measurement of the physical properties of rocks and geological formations
Geosyncline	A mobile regional scale downwarp of the Earth's crust that subsides as it is filled with sediments and volcanic rocks
Glaciomarine sediment	Sediment that originated in glaciated land areas and was transported to an ocean by glaciers or icebergs
Gneiss	High-grade metamorphic rock composed of alternating bands respectively rich in light and dark coloured minerals
Goethite	A red, yellow, or brown hydrated iron oxide mineral containing 62% Fe
Gossan	A rock formed from the weathering of a rock containing sulphide minerals; characterised by hydrated iron oxides
Graben	An elongate, relatively depressed block of rocks that is bounded by faults on its long sides
Grade	Expression of relative quality of mineralisation (e.g. high-grade) or of numerical quality (e.g. 2% Ni)
Granite	A light coloured, relatively coarse-grained igneous rock formed at depth beneath the Earth's surface; comprises large sections of continental crust
Granitoid	A field term for a coarse-grained rock resembling granite

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Granulite	A granular high-grade metamorphic rock formed as a result of extreme heat and pressure at depth beneath the Earth's surface
Grass roots	Initial stages of a mineral exploration programme involving a preliminary assessment of potential of country away from known mineralisation
Greenstone	A field term for metamorphosed mafic and ultramafic igneous rocks
Greisen	A hydrothermally altered granitic rock
Greywacke	A dark-coloured, poorly sorted sandstone containing quartz, feldspar, lithic fragments, and a clay matrix
Haematite	A blood-red iron oxide mineral containing 70% Fe
Hydrothermal	A mineral forming or altering geological process involving hot water-bearing fluids
Ilmenite	A titanium-iron oxide mineral ($FeTiO_3$)
Indicated Resource	That part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade, and mineralogy can be estimated with a reasonable level of confidence
Inferred Resource	That part of a Mineral Resource for which tonnage, grade, and mineral content can be estimated with a low level of confidence
Inlier	Older rocks surrounded by younger
Intrusion	A body of igneous rock that invades older rocks
Ironstone	A rock composed predominantly of iron minerals
Jurassic	The middle period of the Mesozoic Era; between about 140 and 205 million years ago
Karst	Topography formed over limestone characterised by sinkholes and caves
Laterite	An iron oxide-rich rock formed near the Earth's surface by weathering processes
Lepidocrocite	A red or reddish brown iron oxide mineral similar to goethite
Limestone	A sedimentary rock composed principally of the mineral calcium carbonate
Limonite	Brown hydrated iron oxide mineral containing about 60% Fe
Lithic	Containing fragments of previously formed rocks
Lithology	The characteristics of a rock; especially mineral content,, structure, grainsize, and classification
Lit-Par-Lit	Parallel sheets of granitic rock intruded into foliation planes of country rock
Mafic	Dark coloured igneous rock; containing abundant iron and magnesium minerals
Magnesite	The mineral magnesium carbonate
Marble	Metamorphosed limestone or dolomite
Mesa	An flat topped hill that is, in general, surrounded by cliffs
Mesozoic	The era of geological time between about 250 and 65 million years ago
Meta-	The prefix used to describe the original nature of a metamorphic rock, e.g. a metamorphosed sediment can be described as a metasediment
Metaautunite	A secondary yellow hydrated uranium phosphate mineral
Metamorphic	A rock that has been altered by physical and chemical processes involving heat, pressure, and / or fluids
Metasediment	A metamorphosed sediment
Mica	A platy aluminium silicate mineral
Monazite	A phosphate mineral containing rare-earth elements
MOz	Million ounces (usually of gold)
Mt	Million tonnes
Mudstone	A sedimentary rock composed predominantly of approximately equal proportions of clay and silt
Mylonite	An extremely fine-grained banded rock caused by extreme granulation along shears or faults
Neoproterozoic	The youngest of the three Proterozoic eras; between about 1000 and 545 million years ago
Nepheline-	A sodium rich feldspar (mineral)

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Ordovician	The period of geological time between about 490 and 435 million years ago
Oxide	A compound containing the element oxygen
Oxide zone	The surficial portion of the Earth's crust, within which the minerals have been changed by weathering
Palaeozoic	The era of geological time between about 545 and 250 million years ago
Paleodrainage	An ancient drainage system
Paleoproterozoic	The oldest of the three Proterozoic eras; between about 2500 and 1600 million years ago
Paleozoic	The geological time occurring between 545 and 250 million years ago
Pegmatite	Very coarse-grained igneous intrusive body, usually granitic and in dyke or sill form; may contain valuable minerals
Pelite	A very fine-grained sedimentary rock composed of clay particles
Pendant	A downward projection into an igneous intrusion of the country rock that forms the roof to the intrusion
Permian	The period of geological time between about 300 and 250 million years ago
Petrology	The study of rocks
Phyllite	Fine-grained metamorphic rock with silky sheen formed from clayey sedimentary rock
Phyllonite	A very fine-grained metamorphic rock that is formed by the crushing of initially coarser rocks; characterised by silky films of mica or chlorite
Playa lake	A shallow intermittent lake in an arid or semi-arid region; often saline
Pluton	A relatively large body of igneous rock formed beneath the earth's surface
Polymetallic	Mineralisation containing a number of metals; especially both base and precious metals
ppb	Parts per billion (10^9)
ppm	Parts per million (10^6)
ppm eU	Equivalent parts per million; in the case of uranium interpreted from radiometric data rather than chemical analysis. Uranium grades thus reported are derived from gamma ray logging and should be regarded as approximations only
Proterozoic	The eon of geological time between about 2,500 and 545 million years ago
Psammite	Sedimentary rock composed predominantly of sand sized particles
Pyrite	A mineral composed of iron sulphide (FeS_2); "fools gold"
Pyrochlore	A mineral containing niobium and / or tantalum
Pyroxene	A dark silicate mineral containing magnesium and iron
Quartz	A mineral composed of silicon and oxygen; forms as hard colourless crystals; a common component of sand.
Quartzite	A granular metamorphic rock composed predominantly of quartz; derived from quartz sandstone
Quaternary	The period of geological time from about 2 million years ago to the present.
RAB	"Rotary Air Blast", a rotary drilling technique in which compressed air returns the sample to surface outside the drill-rod string
Radiometric	A geophysical survey exploration method that measures the radioactive properties of rock units
Rare earth element (REE)	Any of the metallic elements of atomic number 57 through 71
RC	"Reverse Circulation"; a percussion drilling technique in which the cuttings are recovered through the drill rods thus minimising sample losses and contamination
Redox front	The location within a set of rocks at which chemical conditions change or changed from oxidising to reducing
Resource	A concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality, and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics, and continuity are known, estimated, or interpreted from specific geological evidence and knowledge

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Roll front	The location in which uranium mineralisation is concentrated at the interface between oxidised and reduced rocks
Rutile	A mineral containing titanium dioxide
Sandstone	A sedimentary rock composed primarily of sand sized grains
Schist	A medium or coarse-grained metamorphic rock with a platy texture due to the subparallel orientation of micaceous minerals
Scintillometer	A device that measures radiation
Sericite	A white fine-grained potassium mica occurring as an alteration product
Shale	A very fine-grained sedimentary formed by the lithification of layers of mud and clay
Shear	A set of fractures in rock that both distort (shear out) the rock, primarily in a ductile manner, and displace the rocks on its sides, as would a fault
Siderite	The mineral iron carbonate
Silicate	A compound containing the element silicon
Siliceous	Containing the mineral silica
Silicified	A rock that has been altered or replaced by silica
Silt	Sedimentary material with grain size greater than clay but less than sand
Stratigraphy	The branch of geology to do with the formation, composition, sequence, and correlation of stratified rocks
Sulphide	A mineral compound containing sulphur and metal
Syenite	An igneous rock composed mainly of feldspar
Tertiary	The period of geological time between about 65 and 2 million years ago
Thorite	The main ore of thorium with a chemical composition of $ThSiO_4$
Titanite	An oxide mineral of calcium and titanium
Torbernite	A mineral containing uranium, copper, and phosphate
Tourmaline	A mineral containing aluminium, boron, and other elements
Triassic	The initial period of the Mesozoic Era; between about 250 and 205 million years ago
Tuff	A rock formed from the deposition of volcanic ash
Ultramafic	Dark-coloured igneous rock containing virtually no quartz or feldspar and composed essentially of ferromagnesian silicates, mainly olivine and pyroxene
Vein	A thin sheet-like body within older rock; often within fractures
Wallrock	The wall of a vein or lode
Weathering	The processes by which rocks at or near the Earth's surface change in mineralogical and chemical composition due to the action of air, water, plants, and temperature changes
XRF	X-Ray Fluorescence. A method of chemical analysis, which can be carried out in the field on rock or soil by a hand held instrument
Zircon	The chief ore mineral of zirconium; zirconium silicate; a heavy mineral

Table 10 Chemical symbols

Symbol	Element	Symbol	Element	Symbol	Element
Ag	Silver	Eu	Europium	P	Phosphorus
As	Arsenic	F	Fluorine	Pb	Lead
Au	Gold	Fe	Iron	Sn	Tin
B	Boron	La	Lanthanum	Ta	Tantalum
Ba	Barium	Lu	Lutetium	Th	Thorium
Bi	Bismuth	Mg	Magnesium	Ti	Titanium
C	Carbon	Mn	Manganese	U	Uranium
Ca	Calcium	Nb	Niobium	Y	Yittrium
Co	Cobalt	Ni	Nickel	Zn	Zinc
Cu	Copper	O	Oxygen	Zr	Zirconium

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24 November 2009

The Directors
Resource Star Limited
Level 9, 440 Collins Street
Melbourne Vic 3000

Dear Sirs,

INDEPENDENT ACCOUNTANT'S REPORT

Introduction

We have prepared this Independent Accountant's Report ("Report") at the request of the Directors of Resource Star Limited (the "Company" or "RSL") for inclusion in a prospectus ("the Prospectus") relating to an offer in which the Company intends to raise up to a minimum of A$1.9 million and up to a maximum of A$4.4 million, before the expenses of the issue ("the Offer"). In addition to the Offer, 3,000,000 shares at an issue price of $0.20 will be issued pursuant to this Prospectus, to Red Rock Resources Plc ("Red Rock") (a company incorporated in the United Kingdom and listed on the AIM) in satisfaction of a loan made to the Company and as consideration for tenements purchased from Red Rock.

The Prospectus will assist the Company comply with the requirements of Chapters 1 and 2 of the Australian Securities Exchange ("ASX") listing rules in order to re-list onto the ASX. This offer is not underwritten, however, Allegra Capital Pty Ltd has been appointed as Broker to the Offer and will be paid a fee for this service.

We understand that the Company proposes to undertake a non–renounceable entitlement issue of entitlement options ("Entitlement Options") within six months after the relisting on ASX. All shareholders registered on the share register of the Company at a date to be announced by the Company to the ASX will be entitled to participate in the entitlement issue if they hold shares on the record date. The exercise price and the expiry date of the Entitlement Options will be determined by the Company after its securities have been reinstated to trading on the ASX.

References to Resource Star Limited, RSL, the Company, and other terminology used in this Report have the same meaning as defined in the Glossary of the Prospectus in which this Report appears.

Background

The Company was previously listed and operated a retail business. On 6 August 2007, the shareholders agreed to the Company acquiring a uranium exploration company, Orion Exploration Pty Ltd, from its major shareholder, Red Rock together with uranium exploration rights in E29/581, a tenement in Western Australia.

HLB Mann Judd (VIC Partnership)
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Liability limited by a scheme approved under Professional Standards Legislation

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As part of the arrangement, Red Rock also transferred to the Company certain exploration licences located in Malawi, Southern Africa. On 14 July 2008, shareholders agreed to the Company changing the nature of its activities from a retail company to an exploration and mining company.

As part of this process, the Company was required to re-comply with Chapters 1 and 2 of the ASX Listing Rules in order to re-list onto the ASX.

In accordance with the re-compliance process, the Company lodged a prospectus in July 2008, together with three supplementary prospectuses comprising a general offer and a non-renounceable entitlement issue with the ASX. As announced in January 2009, due to the downturn in the economic market, the Company withdrew the offers under the prospectus and the Company's shares have remained suspended.

The Company has otherwise been maintaining its existing tenements in good standing in anticipation of successfully raising the required funds to enable re-listing and recommencement of field activities. The Board of Directors has resolved, in the best interest of shareholders that now is the time to proceed to raise capital and seek re-listing on the ASX.

Scope of Report

You have requested that HLB Mann Judd prepare a Report presenting the following information:

1. The Audited Historical Consolidated Balance Sheet of RSL as at 30 June 2009;
2. The Audited Historical Consolidated Income Statement of RSL for the 11 month period ended 30 June 2009;
3. The Audited Historical Statements of Changes in Equity of RSL for the 11 month period ended 30 June 2009; and
4. The Pro-Forma Consolidated Balance Sheet and Statement of Changes in Equity of RSL as at 30 June 2009, which contemplates completion of the following significant events and proposed transactions by the Company subsequent to 30 June 2009:
   a) The allotment of 1,400,000 ordinary shares to Red Rock as detailed in Note 20 of the Company's audited 30 June 2009 financial statements;
   b) A share placement of 3,742,475 shares at an issue price of $0.16 each, raising gross proceeds of approximately $598,796 ("Placement");
   c) The issue by the Company pursuant to this Prospectus of a minimum of 9,500,000 shares at an issue price of $0.20 per share, to raise up to $1,900,000, before the expenses of the issue (referred to as "Minimum Subscription"). The Company may accept over subscription of up to a further $2,500,000 through the issue of up to a further 12,500,000 shares at an issue price of $0.20 per share (referred to as "Maximum Subscription");
   d) On 19 November 2009, Red Rock and the Company entered into a purchase and sale agreement, under which Red Rock has agreed to sell and the Company has agreed to purchase, a 35% interest in EL11/2005 ("Sale Agreement"). The Sale

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Agreement also provides for the sale and purchase of Red Rock's 90% interest in EPL 0264/08 at Ilomba Hill Malawi, which is summarised in Sections 12.5 and 12.8 of the Prospectus. The consideration payable for the acquisition of Red Rock's interest in these two tenements is the issue of 550,000 fully paid ordinary shares in the capital of the Company at $0.20 per share, referred to as ("Purchase of Tenements").

The parties have agreed that completion of the Sale Agreement, and therefore the transfer of Red Rock's interests in the tenements, will take place when the Company is reinstated to the official list of the ASX. At or before completion of the Sale Agreement, Red Rock must provide the Company with consent from the vendors to the assignment of Red Rock's rights and interest in the tenements;

e) In accordance with the agreement executed between the Company and Red Rock (as detailed in Note 25 of the Company's audited 30 June 2009 financial statements), Red Rock has continued to provide working capital to the Company. The loan balance owing to Red Rock has increased by approximately $244,860 since 30 June 2009. At the date of this report, the amount owing to Red Rock totalled approximately $493,511. In accordance with the provisions of the letter agreement as outlined in Section 12.2 of the Prospectus, RSL will repay $490,000 of the amount owing via the issue of ordinary shares at $0.20 per share, with the remaining $3,511, including any outstanding interest calculated at a fixed rate of 4% per annum to be settled by cash, at the election of Red Rock, which can be made at anytime. For the purposes of preparing the Pro-Forma Balance Sheet and Statement of Changes in Equity, only the 30 June 2009 balance of $248,651 has been converted to equity, referred to as ("Conversion of Loan"); and

f) the write-off to the issued capital account of the costs of the Prospectus being estimated at either $283,442 or $388,442 as follows:

Estimates Costs of the Prospectus	**Minimum Subscription**	**Maximum Subscription**
	$	**$**
Corporate advisory fees	274,000	424,000
Legal and accounting	53,441	53,441
Printing	19,000	19,000
ASX fees	30,343	30,343
ASIC fees	2,010	2,010
Independent Accountant's fees	7,500	7,500
Other	18,623	18,623
Total before tax effect	**404,917**	**554,917**
Tax effect expensed	(121,475)	(166,475)
Total after tax effect	**283,442**	**388,442**

Together we refer to the above hereafter as the "Historical Financial Information".

The Directors of RSL are responsible for the preparation of the Historical Financial Information, including the determination of the pro-forma transactions and/or adjustments. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the Historical Financial Information.

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The Historical Financial Information is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the ***Corporations Act 2001*** ("the Act").

The Pro-Forma Consolidated Balance Sheet and Statement of Changes in Equity have been derived from the Audited Consolidated Financial Statements of RSL for the 11 month period ended 30 June 2009, after adjusting for the pro-forma transactions described above. The Consolidated Financial Statements of RSL for the period ended 30 June 2009 were audited by HLB Mann Judd in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Our audit opinion on the Consolidated Financial Statements of RSL for the 11 month period ended 30 June 2009, issued on 25 September 2009, was unqualified and included an emphasis of matter section titled 'significant uncertainty regarding continuation as a going concern'.

Scope of Review – Historical Financial Information

We have reviewed the Historical Financial Information of RSL in order to state whether, anything has come to our attention which causes us to believe that the Historical Financial Information is not presented fairly in accordance with the accounting policies adopted by RSL in preparing its 30 June 2009 Audited Financial Statements.

Our review of the Historical Financial Information has been conducted in accordance with Australian Auditing Standard ASRE 2405 "***Review of Historical Financial Information Other than a Financial Report***" and other relevant assurance and professional standards. We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances for the purposes of this Report.

The review procedures undertaken by HLB Mann Judd in our role as Independent Accountant were substantially less in scope than that of an audit examination conducted in accordance with generally accepted auditing standards. Our review was limited primarily to an examination of the Historical Financial Information, analytical review procedures and discussions with senior management. A review of this nature will provides less assurance than an audit and, accordingly, this Report does not express an audit opinion on the Historical Financial Information included in this Report and elsewhere in the Prospectus.

Review Statement – Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which would cause us to believe that:

a) the Historical Consolidated Balance Sheet of RSL does not present fairly the consolidated financial position of RSL as at 30 June 2009;

b) the Historical Consolidated Income Statement does not present fairly the consolidated financial results of operations of RSL for the 11 month period ended 30 June 2009;

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c) the Historical Consolidated Statement of Changes in Equity does not present fairly the consolidated changes in equity of RSL for the 11 month period ended 30 June 2009; and

d) the Pro-Forma Consolidated Balance Sheet and Statement of Changes in Equity of RSL as at 30 June 2009, which assumes completion of the proposed pro-forma transactions previously identified, do not present fairly the pro-forma consolidated financial position and changes in equity of RSL as at 30 June 2009 including the transactions.

Subsequent Events

Subsequent to 30 June 2009, the following material matters and transactions arose:

a) Allotment of 1,400,000 ordinary shares to Red Rock as detailed in Note 20 of the Company's audited 30 June 2009 financial statements;

b) A Placement of 3,742,475 shares at an issue price of $0.16 each, raising gross proceeds of approximately $598,796;

c) Conversion of Loan and Purchase of Tenements as previously outlined;

d) The expiry of 1,176,471 Class "A" performance shares was announced to the market on 12 November 2009 following the expiration of the time provided to achieve the key milestone events;

e) On 20 November 2009, a subsidiary of the Company, Eastbourne Exploration Pty Ltd ("Eastbourne") and Globe Metals & Mining Limited ("Globe") entered into a joint venture agreement pursuant to which Eastbourne has agreed to grant Globe the right to earn up to an 80% interest by meeting certain expenditures and other obligations in relation to exploration for minerals on Eastbourne's Malawian mineral right under EPL 0230/07. The agreement is conditional on Globe completing a legal and technical due diligence on the tenement and being satisfied with the outcome of the due diligence by no later than 2 months from the date of this agreement; and

f) Issue of 800,000 Options to the Chief Executive Officer or his nominee, which will only vest and become exercisable in accordance with the terms set out in Section 12.10 of the Prospectus.

Apart from the matters disclosed above and those dealt with in this Report, and having regard to the Scope of our Report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

Sources of Information

We have made enquiries of the Directors of the Company and other parties as considered necessary during the course of our analysis. We have also referred to the Prospectus and material documents which relate to the operations of the Company. We have no reason to believe the information supplied is not reliable.

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Independence and Disclosure of Interests

No partners in HLB Mann Judd have any interest in the outcome of this issue other than the preparation of this Report for which normal professional fees will be received. HLB Mann Judd is the auditor of the Company.

Declarations

HLB Mann Judd has consented to the inclusion of this Independent Accountant's Report in the Prospectus in the form and context in which it is so included. As at the date of this Report, consent has not been withdrawn. The inclusion of this Report should not be taken as an endorsement of the Company or a recommendation by HLB Mann Judd of any participation in the Company by an intending subscriber.

Unless specifically referred to in this Report, or elsewhere in the Prospectus, HLB Mann Judd was not involved in the preparation of any other part of the Prospectus and did not cause the issue of any other part of the Prospectus. Accordingly, HLB Mann Judd makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Prospectus.

Yours faithfully,
HLB Mann Judd

Jude Lau
Partner

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Appendix 1 – Historical Financial Information

Statement of Significant Accounting Policies

The Pro-Forma Consolidated Financial Statements have been prepared in accordance with the same accounting policies used to prepare the Company's Annual Financial Statement for the 11 month period ended 30 June 2009 and its Half Yearly Financial Statements for the 6 months ended 31 January 2009. The Accounting policies used were in accordance with the requirements of Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the ***Corporations Act 2001***.

The accounting policies have been consistently applied by the Company in preparing the Pro-Forma Consolidated Balance Sheet as at 30 June 2009 and the Consolidated Statement of Changes in Equity for the 11 month period ended 30 June 2009, unless otherwise stated.

It is recommended that this Historical Financial Information be read in conjunction with the Annual Financial Report for the 11 month period ended 30 June 2009, the Company's Half Yearly Financial Report for the 6 months ended 31 January 2009 and any public announcements made by the Company since 1 July 2009 and up to 24 November 2009 in accordance with continuous disclosure requirements arising under the Act.

Pro-forma Transactions

The unaudited Pro-Forma Consolidated Balance Sheet and Statement of Changes in Equity of the Company below have been prepared based on the Audited Historical Consolidated Balance Sheet as 30 June 2009 and the Audited Consolidated Statement of Changes in Equity for the period ended on 30 June 2009, adjusted for the following pro-forma transactions.

Except for the effect of the following in (a) to (f), the Pro-Forma Balance Sheet and Statement of Changes in Equity do not take into account other events or transactions since 30 June 2009:

a) The allotment of 1,400,000 ordinary shares to Red Rock as detailed in Note 20 of the Company's audited 30 June 2009 financial statements;

b) A placement of 3,742,475 shares at an issue price of $0.16 each, raising gross proceeds of approximately $598,796;

c) The issue by the Company pursuant to this Prospectus of a minimum of 9,500,000 shares at an issue price of $0.20 per share, to raise up to $1,900,000, before the expenses of the issue. The Company may accept over subscription of up to a further $2,500,000 through the issue of up to a further 12,500,000 shares at an issue price of $0.20 per share;

d) Purchase of Tenements from Red Rock for a total consideration of $110,000, to be settled via the issue of 550,000 fully paid ordinary shares in the capital of the Company at $0.20 per share;

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Appendix 1 – Historical Financial Information (continued)

Pro-forma Transactions (continued)

e) Conversion of Loan – to settle the amount owing to Red Rock of $248,651 as at 30 June 2009 at the conversion price of $0.20 per share; and

f) the write off to the issued capital account of the costs of the Prospectus being estimated at either $283,442 or $388,442 as follows:

Estimated Costs of the Prospectus	Minimum Subscription $	Maximum Subscription $
Corporate advisory fees	274,000	424,000
Legal and accounting	53,441	53,441
Printing	19,000	19,000
ASX fees	30,343	30,343
ASIC fees	2,010	2,010
Independent Accountant's fees	7,500	7,500
Other	18,623	18,623
Total before tax effect	**404,917**	**554,917**
Tax effect expensed	(121,475)	(166,475)
Total after tax effect	**283,442**	**388,442**

Consolidated Income Statement For the 11 month period ended 30 June 2009

	Audited $
Other revenue	37,084
Other expenses	(1,516,327)
Loss before income tax	**(1,479,243)**
Income tax expense	-
Loss for the period	**(1,479,243)**
Loss attributable to members of the parent entity	**(1,479,243)**

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Appendix 1 – Historical Financial Information (continued)

Consolidated Balance Sheet

	Note	Audited 30 June 2009	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
Assets		**$**	**$**	**$**
Current assets				
Cash and cash equivalents	1	128,904	2,222,783	4,572,783
Trade and other receivables		12,359	12,359	12,359
Other current assets		7,468	7,468	7,468
Total current assets		**148,731**	**2,242,610**	**4,592,610**
Non-current assets				
Deferred exploration expenditure	2	2,719,902	2,829,902	2,829,902
Plant and equipment		3,449	3,449	3,449
Total non-current assets		**2,723,351**	**2,833,351**	**2,833,351**
Total assets		**2,872,082**	**5,075,961**	**7,425,961**
Liabilities				
Current liabilities				
Trade and other payables		44,525	44,525	44,525
Employee benefits		22,384	22,384	22,384
Total current liabilities		**66,909**	**66,909**	**66,909**
Non-current liabilities				
Interest-bearing liabilities		248,651	-	-
Total non-current liabilities		**248,651**	**-**	**-**
Total liabilities		**315,560**	**66,909**	**66,909**
Net assets		**2,556,522**	**5,009,052**	**7,359,052**
Equity				
Issued capital	3	28,626,314	31,200,319	33,595,319
Reserves		31,920	31,920	31,920
(Accumulated losses)		(26,101,712)	(26,223,187)	(26,268,187)
Total Equity		**2,556,522**	**5,009,052**	**7,359,052**

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Appendix 1 – Historical Financial Information (continued)

Consolidated Statement of Changes in Equity

	Note	Audited 30 June 2009	Pro-forma Minimum Subscription	Pro-forma Maximum Subscription
		$	$	$
Total equity at the beginning of the period		**3,765,845**	**3,765,845**	**3,765,845**
Loss attributable to members of the parent entity		(1,479,243)	(1,479,243)	(1,479,243)
Issue of share capital (net of costs)		238,000	238,000	238,000
Options issued		41,550	41,550	41,550
Options cancelled / expired		(9,630)	(9,630)	(9,630)
Placement	3	-	598,796	598,796
Conversion of Loan	3	-	248,651	248,651
Purchase of Tenements	2	-	110,000	110,000
Offer, net of Estimates Costs of the Prospectus	3	-	1,616,558	4,011,558
Tax benefit related to Estimates Costs of the Prospectus		-	(121,475)	(166,475)
		2,556,522	**5,009,052**	**7,359,052**

Note 1: Cash and Cash Equivalents

	Minimum subscription	Maximum Subscription
	$	$
Balance at 30 June 2009	**128,904**	**128,904**
Placement	598,796	598,796
Offer	1,900,000	4,400,000
Less: Estimated costs of the Prospectus	(404,917)	(554,917)
Balance after pro-forma adjustments	**2,222,783**	**4,572,783**

Note 2: Deferred exploration expenditure

	Minimum Subscription	Maximum Subscription
	$	$
Balance at 30 June 2009	**2,719,902**	**2,719,902**
Purchase of Tenements	110,000	110,000
Balance after pro-forma adjustments	**2,829,902**	**2,829,902**

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Appendix 1 – Historical Financial Information (continued)
Note 3: Issued Capital

	Note	Minimum Subscription $	Maximum Subscription $
Balance at 30 June 2009		**28,626,314**	**28,626,314**
Placement		598,796	598,796
Offer	**3 (i)**	1,900,000	4,400,000
Conversion of Loan		248,651	248,651
Purchase of Tenements		110,000	110,000
Less: Estimated costs of Prospectus (net of tax effect)		(283,442)	(388,442)
Balance after pro-forma adjustments		**31,200,319**	**33,595,319**

(i) Ordinary Shares

	Note	Minimum Subscription No.	Maximum Subscription No.
Balance at 30 June 2009		**34,283,179**	**34,283,179**
Allotment of shares to Red Rock – 2 July 2009		1,400,000	1,400,000
Placement		3,742,475	3,742,475
Offer		9,500,000	22,000,000
Conversion of Loan		1,243,255	1,243,255
Purchase of Tenements		550,000	550,000
Balance after pro-forma adjustments		**50,718,909**	**63,218,909**
Balance as per Section 3.5 of the Prospectus		51,925,654	64,425,654
Variance		***1,206,745***	***1,206,745***

Reconciliation of Variance:

Since 1 July 2009, Red Rock has loaned to the Company approximately $244,860, and at the date of this report, the amount owing to Red Rock totalled approximately $493,511. In accordance with the provisions of the letter agreement as outlined in Section 12.2 of the Prospectus, RSL will repay $490,000 of the amount owing via the issue of ordinary shares at $0.20 per share, with the remaining $3,511, including any outstanding interest calculated at a fixed rate of 4% per annum to be settled by cash, at the election of Red Rock, which can be made at anytime. For the purposes of preparing the Pro-Forma Balance Sheet and Statement of Changes in Equity, only the 30 June 2009 balance of $248,651 has been converted to equity. Accordingly, the variance of 1,206,745 as highlighted above is reconciled as follows:

	$	No. of shares
Conversion of Loan as per Section 3.5 of the Prospectus	490,000	2,450,000
Conversion of Loan as per pro-forma transaction	248,651	1,243,255
Variance (converted at $0.20 per share)	***241,349***	***1,206,745***

(ii) Class "A" Performance Shares

	Minimum Subscription No.	Maximum Subscription No.
Balance at 30 June 2009	**1,176,471**	**1,176,471**
Expiry of performance shares	(1,176,471)	(1,176,471)
Balance after pro-forma adjustments	**-**	**-**

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9. SOLICITOR'S REPORT ON AUSTRALIAN TENEMENTS

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24 November 2009

Your Ref:
Our Ref: PCW:2271-6
Contact: Peter Wall
Partner
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The Board of Directors
Resource Star Limited
Level 9, 440 Collins Street
Melbourne VIC 3000

Dear Sirs

SOLICITOR'S REPORT ON TENEMENTS

This Report is prepared for (inclusion in a prospectus for the issue of 12,500,000 shares in the capital of Resource Star Limited (**Company**) at an issue price of 20 cents per share to raise $2,500,000 (**Prospectus**).

As at the date of this Report, the Company holds an interest in:

(a) nine granted exploration licences in the Northern Territory, three applications for the grant of exploration licences in the Northern Territory and one application for the grant of a mining lease in the Northern Territory (**NT Tenements**);

(b) one granted exploration licence in Western Australia and one application for the grant of an exploration licence in Western Australia (**WA Tenements**); and

(c) one granted exploration licence in Tasmania (**TAS Tenement**).

A schedule of NT Tenements, WA Tenements and TAS Tenement (together, the **Tenements**) is attached to and forms part of this report (**Schedule**). Part I of the Schedule contains a list of the Tenements and the conditions attaching to the Tenements. Part II of the Schedule contains a summary of the status of the native title claims existing over the Tenements.

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1. SEARCHES

For the purposes of this report, we have conducted searches and made enquiries in respect of all the Tenements as follows:

(a) we have reviewed searches of the Tenements in the registers maintained by the Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources. These searches were conducted on 13 October 2009;

(b) we have obtained searches of the Tenements from the registers maintained by the Western Australian Department of Mines and Petroleum. These searches were conducted on 13 October 2009;

(c) we have obtained searches of the TAS Tenement from the registers maintained by the Mineral Resources Tasmania of the Tasmanian Department of Infrastructure, Energy and Resources (**MRT**). These searches were conducted on 4 November 2009;

(d) for information regarding rent and expenditure requirements in relation to certain Tenements we have relied on information prepared by Tenement Administration Services on 10 November 2009 and provided to us by the Company; and

(e) we have reviewed searches of the Tenements obtained from the National Native Title Tribunal (**NNTT**) to determine if any native title claims are registered over the area of the Tenements, and extracts from the Register of Native Title Claims in respect of native title claims overlapping the Tenements. These searches were conducted on 14 October 2009.

On the basis of the searches conducted and our review of the Material Contracts, subject to the enforceability of such Material Contracts, we consider that this report (and the Schedule) provides an accurate statement as to the status of the Tenements as at the date the relevant searches were obtained.

2. OPINION

As a result of our searches and enquiries, but subject to the assumptions and qualifications set out below, we are of the view that, as at the date of the relevant searches:

(a) the details of the Tenements included in this report are accurate as to the status of the Tenements and the Company's interest in the Tenements;

(b) where title to a Tenement has not been granted or an application for extension of a term of a Tenement is pending, that fact is disclosed in the Schedule;

(c) the current expenditure requirements for the Tenements are as set out in the Schedule;

(d) the valid grant of any of the current applications for Tenements which are situated on pastoral leases and which may affect native title will require compliance with the applicable processes of the *Native Title Act 1993 (Cth)* as amended by the *Native Title Amendment Act 1998 (Cth)* (which are together referred to as the **NTA**); and

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3. TITLE

The Company's interest in the Tenements is held through the following entities or subject to the following agreements:

(a) Orion Exploration Pty Ltd (a wholly owned subsidiary of the Company) (**Orion Exploration**);

(b) Eastbourne Exploration Pty Ltd (a wholly owned subsidiary of the Company);

(c) Red Rock Resources plc (a substantial shareholder of the Company) (**Red Rock**) entered into an agreement with Tennant Creek Gold (NT) Pty Ltd pursuant to which it acquired NT Tenement applications ELA 24414 and MLA 24342 from Tennant Creek Gold (NT) Pty Ltd . The agreement provides that these tenements will be transferred to Red Rock upon their grant. Pursuant to the Agreement for Sale of Assets and Subscription for Shares entered into between the Company and Red Rock (refer to Section 12 of the Prospectus), the Company has acquired ELA 24414. By way of a letter agreement dated 19 November 2009, Red Rock confirmed its intention to transfer ML 24342 to the Company upon it being granted to Red Rock by Tennant Creek.

(d) Orion Exploration has entered into an agreement with Jupiter Uranium Pty Ltd and Jupiter Mines Limited agreement pursuant to which Jupiter Uranium agreed to sell to Orion Exploration a 100% of the rights, title and interest in EL26341 and EL25885;

(e) the Company has entered into an agreement to acquire 100% of the rights, title and interest in tenement application ELA 25884 upon grant of the tenement from the current applicants of the tenement, Bluekebble Pty Ltd, Redstone Metals Pty Ltd and Zircon International Pty Ltd;

(f) the Company has entered into a joint venture agreement with Broadgold Corporation Pty Ltd in relation to EL 29/581 pursuant to which the Company has acquired the right to explore for and mine uranium on the tenement; and

(g) the Company has entered into an agreement with Red Rock in relation to EL 11/2005 pursuant to which it is entitled to acquire a 35% interest in that tenement.

4. TENEMENTS

4.1 NT Tenements

The NT Tenements comprise exploration licences and a mining lease granted or applied for under the *Mining Act (NT)* (**NT Mining Act**). The following provides a description of the nature and key terms of exploration licences and mining leases pursuant to the NT Mining Act.

Exploration Licences

(a) **Rights:** The holder of an exploration licence is authorised to conduct exploration activity on the tenement with any equipment as may be necessary for the purpose of exploring for minerals.

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(b) **Term:** An exploration licence may be granted for a term not exceeding six years and may be renewed for two further periods of two years at the Minister's discretion.

(c) **Area:** The area of land in respect of which an exploration licence may be granted must be contained in a single licence area and must not exceed 500 blocks. Under the NT Mining Act, the area of an exploration licence must be reduced by 50% after two years from the date of the grant of the exploration licence, and for each year after that, a further 50% of the remaining area must be relinquished, subject to the discretion of the Minister.

(d) **General Conditions:** An exploration licence is granted subject to certain standard conditions under the NT Mining Act and includes obligations relating to rehabilitation, payment of rent, minimum expenditure and reporting requirements.

(e) **Rent:** The prescribed rent for an exploration licence in the Northern Territory, for the purposes of the NT Mining Act, are set out in Section 7 of the *Mining Regulations (NT)* (**NT Regulations**). Section 7 states that rent, after the date of grant of the exploration licence, shall be:

(i) $11 for each block in the first year and second year;

(ii) $22 for each block in the third year;

(iii) $43 for each block in the fourth year;

(iv) $88 for each block in the fifth year;

(v) $176 for each block in the sixth year; and

(vi) $352 for each block per year in the period of renewal.

Pursuant to Section 171 of the NT Mining Act, the Minister may cancel an exploration licence where the holder of the licence fails to comply with a provision of rent required by the NT Regulations.

(f) **Expenditure:** In accordance with Section 24 of the NT Mining Act, every exploration licence shall, unless expressly waived, varied or suspended in writing by the Minister, be granted subject to the conditions imposed by or under Section 166 of the NT Mining Act and to the condition that the licensee will expend not less than the minimum amount of expenditure specified in the licence in carrying out exploration activities on the licence area.

The holder of an exploration licence may apply in writing to the Minister for a waiver, variation or suspension of, or exemption from the need to comply with, a condition of his exploration licence.

Pursuant to Section 171 of the NT Mining Act, the Minister may cancel an exploration licence where the holder of the licence fails to comply with a provision of rent required by the NT Regulations.

(g) **Ministerial Consent:** Under the *Mining Management Act (NT),* any activity on tenure (other than for exploration that does not involve substantial disturbance) requires the Minister to grant ministerial authorisation before that activity can commence. Any such activity

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would need to be undertaken in accordance with a mining management plan and risk management plan under the *Workplace Health and Safety Act (NT)*, which is integral with the Ministerial Authorisation and must deal with safety, health and environmental issues.

(h) **Transfer:** Section 173 of the Mining Act precludes the registration of an interest in respect of an application for a tenement until the relevant tenement is granted. Accordingly, an application for a tenement is not capable of being transferred until the relevant tenement is granted.

Mining Lease

(a) **Rights:** The Minister may grant a mining lease authorising the mining of minerals that the Minister thinks fit, and for other purposes in connection with the mining or processing of specified minerals.

(b) **Term:** A mining lease may be granted for such term as the Minister thinks fit and may be renewed for a term not exceeding 25 years at the Minister's discretion.

(c) **General Conditions:** A mining lease is granted subject to standard conditions, including that the lessee must:

(i) use the lease area continuously and exclusively for the purposes for which it is demised and carry out all work associated with those purposes with reasonable diligence and skill;

(ii) comply with all contractual arrangements entered into with the Northern Territory relating to mining and development of mineral deposits on the land;

(iii) carry out its mining and other activities on the lease area in such a way as to interfere as little as possible with the rights of other occupiers of land in the vicinity of the lease area;

(iv) not assign, sublet or part with possession of any part of the lease or an interest in the lease without the written consent of the Minister; and

(v) comply with the requirements of the NT Mining Act and other applicable Northern Territory laws.

(d) **Rent:** The prescribed rent for a mining lease in the Northern Territory is $11 per hectare or part thereof for each year.

Pursuant to Section 171 of the NT Mining Act, the Minister may cancel a mining lease where the holder of the lease fails to comply with a provision of rent required by the NT Regulations.

(e) **Uranium Mining Restrictions:** Pursuant to the *Atomic Energy Act 1953* (Cth) and the *Northern Territory Self-Government) Regulations 1978* (Cth) the Commonwealth has reserved its powers on uranium mining in the Northern Territory. The NT Mining Act requires that the Northern Territory Minister for Mines must consult with the Commonwealth Minister for Industry, Tourism and Resources before granting a mining title that relates to uranium, and must act in accordance with any advice that the Commonwealth Minister provides.

(f) **Royalty Rate:** The *Mineral Royalty Act (NT)* levies a royalty at a rate of 18 per cent of the net value of mineral commodities sold or removed from a mine, regardless of the type of mineral commodity or whether the mine is situated on Crown, freehold, leasehold or Aboriginal land.

(g) **Transfer:** Section 173 of the Mining Act precludes the registration of an interest in respect of an application for a tenement until the relevant tenement is granted. Accordingly, an application for a tenement is not capable of being transferred until the relevant tenement is granted.

4.2 WA Tenements

The Tenements comprise exploration licences granted or applied for under the *Mining Act 1978* (WA) (**WA Mining Act**). The following provides a description of the nature and key terms of exploration licences pursuant to the WA Mining Act. It is important to note that the granted exploration licence was applied for on 3 March 2005 and granted on 8 March 2006.

(a) **Application**: A person may lodge an application for an exploration licence and the Minister decides whether to grant the application. An application for an exploration licence (unless a reversion application) cannot be legally transferred and continues in the name of the applicant.

(b) **Rights:** The holder of an exploration licence is entitled to enter the land and undertake operations for the purposes of exploration for minerals.

(c) **Term**: An exploration licence has a term of five years from the date of grant. The Minister may extend the term where:

(i) the exploration licence was applied for and granted before 10 February 2006, by a further period or periods of one or two years; and

(ii) the exploration licence was applied for and granted after 10 February 2006, by a further period of five years followed by a further period or periods of two years.

Where an exploration licence is transferred before a renewal application has been determined, the transferee is deemed to be the applicant.

(d) **Retention Status**: The holder of an exploration licence applied for and granted after 10 February 2006 may apply for approval of retention status for the exploration licence. The Minister may approve the application where there is an identified mineral resource within the exploration licence but it is impractical to mine the resource for prescribed reasons. Where retention status is granted, the minimum expenditure requirements are reduced in the year of grant and cease in future years. However, the Minister has the right to impose a programme of works or require the holder to apply for a mining lease. The holder of an exploration licence applied for and granted before 10 February 2006 can apply for a retention licence (see below).

(e) **Conditions**: Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties and observance of

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environmental protection and reporting requirements. A failure to comply with these conditions may lead to forfeiture of the exploration licence.

(f) **Relinquishment**: The holder of an exploration licence applied for and granted for before 10 February 2006 must relinquish not less than half of the blocks comprising the licence at the end of the third year. A further relinquishment of not less than half of the remaining blocks is required at the end of the fourth year. The holder of an exploration licence applied for and granted after 10 February 2006 must relinquish not less than 40% of the blocks comprising the licence at the end of the fifth year.

(g) **Priority to apply for Mining Lease**: The holder of an exploration licence has priority to apply for a mining lease over any of the land subject to the exploration licence. Any application for a mining lease must be made prior to the expiry of the exploration licence. The exploration licence remains in force until the application for the mining lease is determined.

(h) **Transfer**: No legal or equitable interest in an exploration licence can be transferred or otherwise dealt with during the first year of its term without the prior written consent of the Minister. Thereafter, there is no restriction on transfer or other dealing.

(i) **Reversion Application**: The WA Mining Act allows the holder of an exploration licence who had applied for a mining lease before 10 February 2006 to lodge an application between 11 February 2006 and 10 February 2007 for an exploration licence or prospecting licence in lieu of the grant of the mining lease. The Mining Act provides that reversion applications are deemed to be transferred to a transferee of the underlying exploration licence.

4.3 TAS Tenement

The TAS Tenement is an exploration licence granted under the *Mineral Resources Development Act 1995* (**Tas Mining Act**). The area of the TAS Tenement comprises various types of land tenures and administrative management zones, labelled as State Forest, Informal Reserve, Crown Land, Regional Reserve, and National Estate.

Before exploration can proceed in land described as a 'sensitive area' (such as forest reserves), all proposed exploration programmes must be reviewed by MRT

Unless stated otherwise or specifically excluded from the Tenements, the land tenures and administrative management zones are available for exploration. It is important to refer to the Schedule of this Report for details of the exclusions applying to each Tenement.

The Company is prohibited from exploration within areas of land that are subject to mining leases. We have been advised by MRT that the TAS Tenement does not currently overlap areas of land that are subject to mining leases.

Exploration Licence

(a) **Grant:** The Minister for Infrastructure Energy and Resources (**Minister**) can grant an exploration licence subject to any conditions the Minister

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considers appropriate. The Minister may vary any condition of the licence by rescinding, adding, substitution, or amending a condition.

(b) **Term**: Exploration licence is issued for 5 years and extends for this period unless earlier revoked. Renewals may be granted for further periods as the Minister determines. The Minister must renew an exploration licence if certain conditions are satisfied

(c) **Conditions:** Mining tenements are granted subject to various conditions and obligations prescribed by the Tas Mining Act including, for example, the payment of rent, compliance with minimum expenditure and reporting requirements. Specific conditions are also applicable to the TAS Tenement and are specified in the Schedule to this Report.

(d) **Rights**: Only one exploration licence may be issued for the same category of minerals on the same land.

(e) **Priority to apply for Mining Lease**: the holder of an exploration licence has the exclusive right to apply for a mining lease over the land within the area of the licence for the minerals specified in the licence subject to any conditions considered appropriate by the Minister

(f) **Transfer:** An exploration licence may be transferred with the approval of the Minister, and is of no effect unless approved by the Minister.

(g) **Access:** The holder of an exploration licence is not permitted to explore on private land within 100 metres of the surface of any lake, dam, reservoir, etc or any dwelling or substantial building without the consent of the owner and occupier of the land. The holder of an exploration licence is permitted to enter on to and pass over all Crown land for the purposes of exploration. The holder of an Exploration Licence is also permitted to enter on to and pass over all private land provided fourteen (14) days written notice is given to the any owner or occupier of affected land.

(h) **Compensation:** Compensation is payable to the owners and occupiers of private land for any compensable loss suffered to likely to be suffered as a result of exploration under an exploration licence. Compensation is payable, as agreed, or in the absence of an agreement, as determined by the Mining Tribunal. Compensation is also payable to the Crown for any damage to any improvement on Crown land. Again, compensation is payable as agreement, or as determined by the Mining Tribunal.

(i) **Renewal:** Under the Tas Mining Act, the Minister may extend exploration licences, upon an application by the licensee, for such term and on such conditions as the Minister sees fit. The Minister must grant an extension of an exploration licence if satisfied that:

(i) the exploration to be carried out during the term of the licence has been completed;

(ii) the licensee has submitted any report or return as required;

(iii) the licensee has submitted a suitable work program for the period of extension; and

(iv) further detailed exploration is justified because substantiated results indicate the probability of a discovery leading to profitable mining operations.

Mining Lease

(a) **Application:** An application for a mining lease may be made within 7 days of marking out the area, the subject of an exploration licence. Another party may not apply for an exclusive mining lease in respect of land the subject of an exploration licence until 2 months after the expiration of the exploration licence. Any person with an interest in land, the subject of an application for a mining lease may object to the grant of a mining lease. An application for a licence lapses 12 months after it is lodged if it is not determined by that time, or on such later date as may be fixed by MRT.

(b) **Grant:** A mining lease may be granted on the terms and for the period the Minister determines. A mining lease may be sub-leased or transferred with the prior approval of the Minister, but is of no effect unless approved by the Minister.

(c) **Conditions:** Mining tenements are granted subject to various conditions and obligations prescribed by the Tas Mining Act including, for example, the payment of rent, compliance with minimum expenditure and reporting requirements. Specific conditions are also applicable to the TAS Tenement and are specified in the Schedule to this Report.

(d) **General Prohibition:** Mining without a mining lease is prohibited unless carried out on private land.

5. ABORIGINAL HERITAGE SITES

5.1 General

There may be areas or objects of aboriginal heritage located on the Tenements.

We have not undertaken searches to ascertain if any Aboriginal sites or objects have been registered in the vicinity of the Tenements, as there is no obligation under the relevant legislation to register sites or objects. Furthermore, the exact location of Aboriginal sites cannot be ascertained from these searches.

The Company must ensure that it does not breach the Commonwealth and Tasmanian legislation relating to Aboriginal heritage as set out below. To ensure that it does not contravene such legislation, the Company would need to conduct heritage surveys to determine if any Aboriginal areas or objects exist within the area of the Tenements. Any interference with these sites must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements with the traditional owners of the sites.

5.2 Commonwealth Heritage Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (*Cth)* (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant

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Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

5.3 NT Heritage Legislation

It is an offence under Sections 33, 34 and 39 of the *Heritage Conservation Act 1991* (NT) (**NT Heritage Act**) to carry out work on or damage a heritage place or heritage object, or place or object subject to an interim conservation order including archaeological places and objects (collectively refer to as "archaeological sites"), without consent.

"Heritage places" and "heritage objects" are places and objects that have been declared to be such pursuant to Section 26 of the NT Heritage Act. Broadly, an "archaeological place" includes a place pertaining to the past occupation by Aboriginal or Macassan people that has been modified by the activity of such people and in or on which the evidence of such activity exists (Section 4 NT Heritage Act). An "archaeological object" generally includes a relic pertaining to the past occupation by Aboriginal or Macassan people of any part of Australia which is now in the Northern Territory (Section 4 NT Heritage Act).

The *Northern Territory Aboriginal Sacred Sites Act (NT)* (**NT Sacred Sites Act**) also applies to the NT Tenements. It is an offence under Part IV of the NT Sacred Sites Act to enter onto, work on or desecrate a sacred site other than in accordance with the NT Sacred Sites Act.

The Company should conduct searches of the Register maintained by the Northern Territory Heritage Advisory Council and the Register of Sacred Sites maintained by the Aboriginal Areas Protection Authority prior to commencement of exploration operations to ensure that no breaches of the NT Heritage Act or the NT Sacred Sites Act occur.

5.4 WA Heritage Legislation

Tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 1972 (WA)* (**WA Heritage Act**).

The WA Heritage Act makes it an offence to alter or damage sacred ritual or ceremonial Aboriginal sites and areas of significance to Aboriginal persons.

The Minister's consent is required where any use of land is likely to result in the excavation, alteration or damage to an Aboriginal site or any objects on or under that site.

Aboriginal sites may be registered under the WA Heritage Act. However, there is no requirement for a site to be registered and the WA Heritage Act protects all registered and unregistered sites.

5.5 Tas Heritage Legislation

Tenements are granted subject to a condition requiring observance of the *Aboriginal Relics Act* 1975 (Tas) (**Aboriginal Relics Act**).

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Where any Aboriginal artefacts or objects of historic interest are discovered, operations shall be conducted so as to not damage or interfere with such site or object, and the licensee shall otherwise observe the provisions of the Aboriginal Relics Act.

MRT is charged with the maintenance and management of every protected site and the protection and preservation of the protected objects on and in that site. MRT will cause to be carried out such work as is necessary for protecting, preserving, restoring or repairing a protected object or any other object in or on that site.

MRT's consent is required where any use of land is likely to result in the destruction, damage, disfiguration, excavation, alteration or otherwise of any 'protected objects', as declared under the Aboriginal Relics Act.

6. ABORIGINAL LAND

Aboriginal land rights in the Northern Territory are governed by either the *Aboriginal Land Rights (Northern Territory) Act 1976 (Cth)* (**ALRA**) or the *Native Title Act 1993 (Cth)* (**NTA**), depending on the nature of the land.

The ALRA applies to land which is held as freehold land by a Land Trust established under the ALRA (**Aboriginal Freehold Land**).

Section 4 of the *Aboriginal Land Act (NT)* applies to all Aboriginal Freehold Land and requires the explorer to acquire a permit to enter onto Aboriginal Freehold Land. Permits can be obtained from the relevant Land Council and access to Aboriginal Freehold Land issues are generally dealt with by the exploration agreement with the relevant Land Council.

Section 233(3) of the NTA provides that an act affecting land or waters held by or for the benefit of Aboriginal peoples under the ALRA is not an act regulated by the NTA. Accordingly, the NTA does not apply to Aboriginal Freehold Land. The NTA applies to land in the Northern Territory in which native title rights and interests exist. This may include pastoral lease land (**Pastoral Land**).

7. NATIVE TITLE

7.1 Native Title Claims

Persons claiming to hold native title over land the subject of the NT Tenements may lodge an application for determination of native title with the Federal Court. The Court will then refer the application to the Native Title Registrar for the registration test.

If the Native Title Registrar is satisfied that the lodged claim meets the registration requirements set out in the NTA (**Registration Test**), it will be entered on the Register of Native Title Claims (**Register**) maintained by the National Native Title Tribunal (**NNTT**). Claimants of registered claims are afforded certain procedural rights under the NTA including the "right to negotiate".

Claims which fail to meet the Registration Test are recorded on the Schedule of Applications Received. Such claims may be entered on the Register at a later date if additional information is provided by the claimant that satisfies the Registration Test. If a claim fails to meet the Registration Test, this only means that the native title claimants do not have access to the right to negotiate under the NTA. It does not mean that the claim has been dismissed or discontinued. An unregistered claim must still be heard and determined by the Federal Court.

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Some of the Tenements relate to land which is currently the subject of one or more registered or unregistered native title claims. These claims are identified in Part I of the Schedule and elaborated in Part II of the Schedule. The fact that a claim has been lodged does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that native title does not exist over that area.

We have not undertaken the considerable historical, anthropological and ethnographic work that would be required to determine the likelihood that existing claims may be successful, or the possibility of any further native title claims being made in the future.

In any event, the existence of native title is not the main issue for the Company as the holder of an interest in the Tenements. The main issue is the existence of a registered native title claim which effectively requires the Company to observe the provisions of the NTA in proceeding with its applications for Tenements. The reason for this is that an act which affects native title rights such as the grant of a mining tenement may be invalid unless there has been compliance with the provisions of the NTA. Until the native title claim has been determined by the Federal Court the existence of native title will be uncertain. Prudence dictates that native title should be assumed to exist over all claimed land other than freehold, private land, "exclusive possession" leasehold or vested reserve until the claim has been determined.

It is important to note in respect of the TAS Tenement, that MRT takes the view that native title does not apply in Tasmania as there is recognition of continuous association with Tasmanian land. There are no registered native title claims or determinations in Tasmania and MRT considers that any native title claim brought before the Courts would be extremely unlikely to succeed.

If the view of MRT is ever challenged and held to be invalid, then the land subject to the TAS Tenement may be subject to native title claims and it would be necessary to comply with the processes in the NAT prior to the grant of any tenement situated on native title land within the perimeter of the TAS Tenement.

7.2 Native Title – Validity of Titles

(a) Tenements granted before 1 January 1994

The grant before 1 January 1994 of mining tenements over land other than freehold, private land, "exclusive possession" leasehold or vested reserve is an act that is capable of affecting native title and could have been invalid under the RDA. However, the NTA has validated any such mining tenements.

To the extent that any tenements granted prior to 1 January 1994 may have been invalid by reason of native title and the operation of the RDA, those tenements were validated by the *Validation (Native Title) Act 1994* (NT), enacted pursuant to Section 19 of the NTA.

There are no Tenements granted before 1 January 1994.

(b) Tenements granted since January 1994

Mining tenements granted since January 1994 may be invalid if they were granted over land other than freehold, private land, "exclusive possession" leasehold or vested reserve and the applicable processes prescribed by the NTA were not complied with.

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The following WA and NT Tenements have been granted on Pastoral Land in the Northern Territory or in Western Australia since January 1994:

Holder	Tenement
Orion Exploration Pty Ltd	EL 23569, EL 24391, EL 24432, EL 24614
Jupiter Uranium Pty Ltd	EL 25885, EL 26341
Broadgold Corporation Pty Ltd	EL 29/581

On the basis that the procedural requirements of the NTA were complied with prior to their grant, each of those WA and NT Tenements is valid so far as native title is concerned.

(c) Future Tenement Grants

The valid grant of any of the current applications for Tenements which may affect native title requires compliance with the provisions of the NTA.

The NTA regulates all future actions (such as the grant of a mining tenement) which affect native title rights. These actions are known as "future acts". A future act will be valid if it falls within one of a number of categories of land dealings specified in the NTA provided that there is compliance with the applicable procedural requirements: NTA Part 2, Division 3, Subdivisions B-P.

Accordingly, if the grant of any of the current applications for Tenements situated on Pastoral Land affects native title, the grant will be a future act and will be valid only if there has been compliance with the relevant requirements of the NTA. In order to determine whether the grant of any of the current applications will affect native title, a determination must be made as to whether the native title exists in the area. This will require a hearing by the Federal Court (or a consent determination) as to the existence of native title, which could take years. However, in the interim, the validity of the grant of the current applications for Tenements can be assured if the State or Territory and the applicants for the Tenements comply with the requirements of the NTA on the assumption that native title does in fact exist in the area.

These requirements are known as the "right to negotiate procedures". They are contained in Part 2 Division 3 Subdivision P of the NTA. They involve the notification and advertising of a proposed grant, negotiation by the State or Territory and the tenement applicant with any registered native title claimants and, if agreement cannot be reached, determination by the National Native Title Tribunal.

In the case of low impact mining tenements, the State or Territory may nominate that the NTA expedited procedure applies. If the registered native title claimants do not object to the expedited procedure within four months after receiving notification of the proposed act, the grant may proceed. If they do object and the objection is upheld by the National Native Title Tribunal, the right to negotiate procedure applies.

Tenements may also be validly granted under an Indigenous Land Use Agreement (Subdivisions B, C and D of the NTA) which must be entered into with all the registered native title claimants for the area and registered under the NTA.

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The following WA and NT Tenements are current applications situated on Pastoral Land:

Applicant	Tenement
Tennant Creek Gold (NT) Pty Ltd	ELA 24414, MLA 24342
Bluekebble Pty Ltd Redstone Metals Pty Ltd Zircon International Pty Ltd	ELA 25884
Orion Exploration Pty Ltd	ELA 27149, EL 29/721

8. ABORIGINAL LAND RIGHTS ACT (ALRA)

8.1 Consent process under the ALRA

Part IV of the ALRA sets out the legislative scheme for mining on Aboriginal Freehold Land. As noted above, the NTA does not apply to acts affecting Aboriginal Freehold Land.

Before an exploration licence application can be processed under the provisions of the ALRA, the Northern Territory Minister for Primary Industry, Fisheries and Resources (**NT Mining Minister**) must first give consent to the applicant to enter into negotiations with the relevant Land Council for its consent to the grant of the relevant exploration licence ("consent to negotiate") (Section 137(1)(b) NT Mining Act).

Section 40 of the ALRA then provides that an exploration licence shall not be granted to a person in respect of Aboriginal Freehold Land unless:

(a) the relevant Land Council gives consent to the grant of the licence under Section 42(1) of the ALRA;

(b) the Federal Minister for Families, Housing, Community Services and Indigenous Affairs (**Federal Indigenous Affairs Minister**) gives consent to the grant of the licence under Section 42(8) of the ALRA; and

(c) the Land Council and the applicant have entered into an agreement under Part IV of the ALRA regarding the terms and conditions to which the grant of the exploration licences will be subject.

After the NT Mining Minister has granted "consent to negotiate" under the NT Mining Act, the applicant must submit an application in writing to the relevant Land Council for consent to the grant of the licence within three months.

The Land Council must notify the applicant of its decision on whether or not to grant consent to the grant of the exploration licence before the expiry of the 22 month period commencing on 1 January in the calendar year after the calendar year in which the application is received by the Land Council (**Negotiating Period**). The applicant and the Land Council may agree in writing to extend the Negotiating Period by a further two years and thereafter for further periods of 12 months, subject to the approval of the Federal Indigenous Affairs Minister.

Where a Land Council refuses an application for consent on the advice of traditional owners, and the applicant does not resubmit its application, or agreement cannot be reached between the parties within the Negotiating

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Period, the ALRA provides that the land the subject of the exploration licence application be placed in moratorium for a five year period. During this moratorium period, no person may apply for an exploration licence in respect of that land. The applicant may retain the right to re-apply for an exploration licence over the land at the end of this five year period.

8.2 Granted Tenements

In respect of those Tenements which are granted tenements situated on Aboriginal Freehold Land, an agreement will have already been reached between the applicant and the relevant Land Council in respect of the conditions that are to apply to the use of the land and the rights of the traditional owners in respect of that land.

The following Tenements have been granted over Aboriginal Freehold Land and are subject to an Aboriginal Land Rights Agreement:

Holder	Tenement
Orion Exploration Pty Ltd	EL 23568
Eastbourne Exploration Pty Ltd	EL 26219, EL 26220

8.3 Tenement Applications

In respect of those Tenements which are currently applications situated on Aboriginal Freehold Land, the table in Part I of the Schedule includes a column which identifies the current status of the ALRA negotiation process.

The following Tenements are applications situated on Aboriginal Freehold Land which are currently subject to the negotiation process:

Holder	Tenement
Orion Exploration Pty Ltd	EL 23568
Eastbourne Exploration Pty Ltd	EL 26219, EL 26220

The following Tenements are applications situated on Aboriginal Freehold Land which are currently in moratorium (veto):

Applicant	Tenement
Tenant Creek Gold (NT) Pty Ltd	ELA 24414

The following Tenements are applications situated on Aboriginal Freehold Land for which no consent to negotiate has yet been granted:

Applicant	Tenement
Bluekebble Pty Ltd Redstone Metals Pty Ltd Zircon International Pty Ltd	ELA 25884
Orion Exploration Pty Ltd	ELA 27149

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Please refer to the table in Part I of the Schedule for further details regarding these applications and the relevant deadlines for negotiation or submission of proposals.

9. QUALIFICATIONS AND ASSUMPTIONS

While the status of the Tenements is dealt with in the Schedule, we point out, by way of summary, that:

(a) we have assumed the accuracy and completeness of all tenement searches and other information or responses which were obtained from the relevant department or authority. We cannot comment on any obligations of the Company that may arise from agreements that are not registered as a dealing, encumbrance or otherwise noted on the searches of the Tenements;

(b) with respect to the Tenements, we have assumed the accuracy and completeness of the information which we have received from the various departments;

(c) the holding of the Tenements is subject to compliance with the terms and conditions and the provisions of the applicable state mining legislation;

(d) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;

(e) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;

(f) with respect to any application for the grant of a Tenement, we express no opinion as to whether such application will ultimately be granted and that reasonable conditions will be imposed upon grant, although we have no reason to believe that any application will be refused or that unreasonable conditions will be imposed;

(g) where compliance with the requirements necessary to maintain a Tenement in good standing is not disclosed on the face of the searches referred to in this report, we express no opinion on such compliance;

(h) references in the Schedule to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;

(i) the information in the Schedule is accurate as at the date the relevant searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the searches and the date of the acquisition of the Tenements.

10. CONSENT

This report is given solely for the benefit of the Company and the directors of the Company in connection with the due diligence conducted by the Company on the Tenements, and is not to be relied on or disclosed to any other person or

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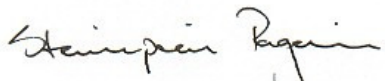
used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior consent.

This opinion is strictly limited to the matters stated in it and does not apply by implication to other matters.

This opinion is given at 5.00pm (Perth time) on 24 November 2009.

Yours faithfully



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PART I – TENEMENT SCHEDULE

NT Tenements

TENEMENT	HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	ENCUMBRANCES/ DEALINGS	ANNUAL RENT (NEXT RENTAL YEAR)	ANNUAL EXPENDITURE (CURRENT EXPENDITURE YEAR)	TENEMENT CONDITIONS	PASTORAL OR FREEHOLD LAND	ALRA STATUS	NATIVE TITLE CLAIMS/ INDIGENOUS LAND USE AGREEMENTS
EL 23568	Orion Exploration Pty Ltd	100%	17/02/2003	16/02/2009	81 Blocks	Agreement (No. 91710) registered 25/02/2003	$28,512	$350,000	1,2	Freehold	Granted	-
EL 23569	Orion Exploration Pty Ltd	100%	17/06/2003	16/06/2009	92 Blocks	Agreement (No. 91710) registered 17/06/2003	$32,384	$40,000	1,2	Pastoral	-	DC04/2 – Jindare (Registered) DC04/3 – Edith River (Registered) DC01/18 – Bonrook (Registered)
EL 24391	Orion Exploration Pty Ltd	100%	02/12/2005	01/12/2011	6 Blocks reducing to 3 Blocks on 02/12/2009	-	$264	$35,000	1,2	Pastoral	-	DC99/5 – Portion 4724 Adelaide River (Registered) DC01/7 – Tipperary North (Registered)
ELA 24414	Tennant Creek Gold (NT) Pty Ltd	100%	(07/10/2004)	-	5 Blocks	-	-	-	-	Freehold	Vetoed until 12/06/2013	-
EL 24432	Orion Exploration Pty Ltd	100%	02/12/2005	01/12/2011	39 Blocks reducing to 19 Blocks on 02/12/2009	-	$1,716	$10,000	1,2	Pastoral	-	-
EL 24614	Orion Exploration Pty Ltd	100%	02/12/2005	01/12/2011	6 Blocks	-	$264	$10,000	1,2	Pastoral	-	-
ELA 25884	Bluekebble Pty Ltd	34%	(11/01/2007)	-	28 Blocks	-	-	-	-	Freehold	Extension by mutual consent until 31/10/2011	-
	Redstone Metals Pty Ltd	33%										

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TENEMENT	HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	ENCUMBRANCES/ DEALINGS	ANNUAL RENT (NEXT RENTAL YEAR)	ANNUAL EXPENDITURE (CURRENT EXPENDITURE YEAR)	TENEMENT CONDITIONS	PASTORAL OR FREEHOLD LAND	ALRA STATUS	NATIVE TITLE CLAIMS/ INDIGENOUS LAND USE AGREEMENTS
	Zircon International Pty Ltd	33%										
EL 25885	Jupiter Uranium Pty Ltd	100%	22/10/2007	21/10/2013	70 Blocks	-	$1,540	$5,000	1,2	Pastoral	-	DC04/2 – Jindare (Registered)
EL 26219	Eastbourne Exploration Pty Ltd	100%	16/11/2007	15/11/2013	51 Blocks	-	$1,122	$10,000	1,2	Freehold	Granted	-
EL 26220	Eastbourne Exploration Pty Ltd	100%	16/11/2007	15/11/2013	12 Blocks reducing to 6 Blocks on 16/11/2009	-	$132.00	$10,000	1,2	Freehold	Granted	-
EL 26341	Jupiter Uranium Pty Ltd	100%	22/04/2008	21/04/2014	12 Blocks	-	$1,540	$5,000	1,2	Pastoral	-	DC04/2 – Jindare (Registered)
ELA 27149	Orion Exploration Pty Ltd	100%	(27/01/2009)	-	31 Blocks	-	-	-	-	Freehold	Proposal lodged until 31/10/2011	-
MLA 24342	Tennant Creek Gold (NT) Pty Ltd	100%	(16/06/2004)	-	163.1 Hectares	-	-	-	-	Private Land	-	DC04/3 – Edith River (Registered)

WA Tenements

TENEMENT	HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	ENCUMBRANCES/ DEALINGS	ANNUAL RENT (NEXT RENTAL YEAR)	ANNUAL EXPENDITURE (CURRENT EXPENDITURE YEAR)	TENEMENT CONDITIONS	NATIVE TITLE CLAIMS/ INDIGENOUS LAND USE AGREEMENTS
EL 29/721	Orion Exploration Pty Ltd	100%	(03/03/2009)	-	60 Blocks	-	-	-	-	WC99/10 – Wutha (Registered)
EL 29/581	Broadgold Corporation Pty Ltd	100%	08/03/2006	07/03/2011	35 Blocks		$6,460	$52,500	-	WC99/10 – Wutha (Registered)

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TAS Tenement

TENEMENT	HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE	ENCUMBRANCES/ DEALINGS	ANNUAL RENT (NEXT RENTAL YEAR)	ANNUAL EXPENDITURE (CURRENT EXPENDITURE YEAR)	TENEMENT CONDITIONS	NATIVE TITLE CLAIMS/ INDIGENOUS LAND USE AGREEMENTS
EL11/2005	Regency Resources Limited	100%	12/05/2006	12/05/2011	71 sq kms	-	$3,116.90	$35,500	3 – 12	-

Key to Tenement Schedule:

EL – Exploration Licence

ELA - Exploration Licence Application

MLA - Mining Lease Application

Please refer to Part II of this Report for summaries of the Aboriginal Land Rights Agreements and Indigenous Land Use Agreements.

Please refer to Part III of this Report for the status of the Native Title Claims.

References to numbers in the "Tenement Conditions" column refers to the conditions following this table.

TENEMENT CONDITIONS:

1. An exploration licence is subject to the conditions that the Minister determines (whether in accordance with a recommendation of the Lands and Mining Tribunal or otherwise) and endorsed on the licence.

2. Not later than one (1) month after the expiration of each 12 month period of this licence, the licensee shall submit in writing a statement specifying the details of the exploration programme reflecting expenditure for the next year of the licence.

3. The licensee shall submit an annual report to the Director of Mines, at least one month before the anniversary date on which the licence was granted. The annual report shall be accompanied by a statutory declaration as to its accuracy, provide an acceptable summary of exploration on the licence, specify the amounts expended in respect of any exploration carried out on the licence and give details of proposed work and likely effect on the environment.

4. A relinquishment or final report is required to be submitted upon expiry, relinquishment of cancellation of all or part of the licence and must be submitted to the Director of Mines no less than thirty days prior to the expiry or surrender date. For the purposes of clauses 6 and 7 the requirements for reporting are those specified in the brochure `Guidelines for Reporting' as amended from time to time.

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5. The licensee must arrange and keep in good standing public liability insurance to the minimum of $10,000,000. Evidence that such insurance is current must be produced to the Director of Mines on demand.

6. The security deposit provided under the requirements of Section 14(4)(f) of the Mineral Resources Development Act 1995, shall be lodged with the Director of Mines before the carrying out of any on-ground activity including access to private land.

7. The explorer, Regency Resources Ltd, shall advise Tarkine National Coalition Inc, PO Box 218, Burnie (0417 059 894) of the nature and timing of all proposed on-ground exploration activity at the time that approval is sought from Mineral Resources Tasmania.

EXCLUSIONS

8. Any land owned or leased by the Commonwealth of Australia.

9. All forms of mineral tenements amounting to 674ha (more or less) including mining leases, retention licences, and exploration licences which were applied for or in force prior to the date of application for this licence.

10. Crown reservations or other land set apart or dedicated for any public purposes such as public reserves, municipal reserves or roadways unless such areas have been brought under the provisions of the Mineral Resources Development Act 1995.

11. Areas of private land which either have been, or are in the process if being, purchased by the Crown under the Regional Forest Agreement – Private Forests Reserves Program and/or private land over which the landowners have agreed, or are in the process of agreeing, to place a covenant or management agreement for conservation purposes under the Regional Forest Agreement – Private Forests Reserves Program.

12. The licensee must submit a written request to gain approval for any planned exploration activities (an EII work program form may be used). The request must be accompanied by a map using AMG which accurately details where the activity will take place. Grid lines, access tracks, drill sites, helipads, costeans and pits, bulk sample sites, camp site etc. must be displayed on the map. The explorer can submit the work program in electronic form which will increase the efficiency of the approval process (send to david.gatehouse@dier.tas.gov.au).

13. Proposed programs should be submitted at least two weeks before work is planned to commence to allow time for fiend inspections to be arranged if required Mineral Resources Tasmania will contact other Government agencies and/or electricity authorities as required to seek their advice in order to set conditions on a site-specific basis.

14. An interim report must be lodged quarterly with the Director of Mines, Hobart (i.e. 31 March, 30 June, 30 September and 31 December).

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TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	STATUS	RNTC STATUS
DC99/5	NTD6005/99	Portion 4724 Adelaide River	Active	Registered
DC01/7	NTD6007/01	Tipperary North	Active	Registered
DC01/18	NTD6018/01	Bonrook	Active	Registered
DC04/2	NTD9/04	Jindare	Active	Registered
DC04/3	NTD20/04	Edith River	Active	Registered
WC99/10	WAD6064/98	Wutha	Active	Registered

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10. SOLICITOR'S REPORT ON MALAWI LICENCES

10.1 Brief Background

In, Malawi, the searching for and mining of minerals is governed by the Mines and Minerals Act (the **Act**), Chapter 61:01 of the Laws of Malawi.

In terms of ownership, minerals are owned by the people of Malawi, but the property in and control over them is vested in the President (**Head of State**) on behalf of the people of Malawi.

However, although the minerals belong to the people of Malawi, the Act prohibits any person, including a citizen of Malawi, from carrying on reconnaissance, prospecting or mining operations except under and in accordance with a Mining Right, a non–exclusive prospecting licence or mineral permit. The definition of a Mining Right includes an exclusive prospecting licence. There are, of course, exceptions to the prohibition of carrying on reconnaissance, prospecting or mining operations without a Mining Right. These exceptions are contained in Section 115 of the Act, and they are that the Act does not operate to prevent:

(a) a citizen of Malawi from taking minerals of any kind from customary land in accordance with custom, and from which it has been customary to take minerals of that kind;

(b) a person from taking building and industrial minerals from land which he is the lawful occupier of for the purpose of construction on the land; and

(c) any forest officer, game control officer or national parks officer, in his official capacity, from taking in a forest reserve, a game reserve or a national park, as the case may be, building and industrial minerals for the purposes of building, bridge – building, road making and other constructional purposes in the reserve or park.

Section 116 of the Act introduces another exception to the prohibition of carrying on reconnaissance or prospecting operations without a Mining Right, a non–exclusive prospecting licence or a mineral permit. This exception is that even without these, a person may carry on reconnaissance or prospecting operations if such operations are in the course of a scientific investigation with respect to the geology or mineral resources of Malawi, and he has the consent of the Commissioner for Mines and Minerals (the **Commissioner**) in writing.

10.2 Confirmation of Malawi Tenements

Exclusive Prospecting Licence No. EPL0219/2007 was originally granted to Red Rock Resources plc (**RRR**) on 27th June 2007 for three years, to prospect for uranium in a prospecting area comprising 210.9 square kilometres in Chintheche, northern Malawi. With the approval of the Minister, RRR transferred this licence to Retail Star Limited (**RSL**), on 4th February 2008. On 14th July 2008 RSL changed its name to Resource Star Limited (**RSL)** and notified the Commissioner for Mines and Minerals in Malawi of this on 24th September 2008 so that the rights and obligations of Retail Star Limited under EPL0219/07 should continue under the new company's name.

Exclusive Prospecting Licence No. EPL0230/07 was granted to Eastbourne Exploration Pty Limited (**Eastbourne**) on 12th December 2007 for three years, to prospect for uranium in a prospecting area comprising 378 square kilometres in

Machinga, southern Malawi. Apart from the prospecting for uranium, additional minerals have recently been added to EPL0230/07, namely tantalum, zirconium, titanium, thorium, gallium, hafnium, gold, niobium and rare earth elements. The prospecting area covered by EPL0230/07 has recently been increased from 378 Km^2 to 885 Km^2. Although this licence is held by Eastbourne, the company is wholly owned by RSL, and therefore the licence is under the control of RSL.

RSL, through its said wholly owned subsidiary Eastbourne, has entered into a conditional Joint Venture Agreement with Globe Metals & Mining Limited (Globe). That Agreement is for 80 years unless terminated earlier by either party or by the occurrence of events therein specified.

Under the said Agreement, Eastbourne has agreed to grant Globe the right to earn up to an 80% interest if Globe meets certain joint venture expenditure and other obligations in relation to exploration for minerals on Eastbourne's Malawi exclusive prospecting licence number EPL0230/07.

Below are the salient aspects of the Agreement:

On 20th November 2009 Eastbourne and Globe Metals & Mining Limited (**Globe**) entered into a joint venture agreement pursuant to which Eastbourne has agreed to grant Glove the right to earn up to an 80% interest by meeting certain expenditure and other obligations in relation to exploration for minerals on Eastbourne's Malawian mineral right number EPL0230/07 (**Tenement**) (**Agreement**).

The Agreement is conditional on Globe completing a legal and technical due diligence on the Tenement and being satisfied with the outcome of that due diligence by no later than 2 months from the date of the Agreement (**Condition**).

First Earning Period

Between the date of satisfaction of the Condition (**Commencement Date**) and 12 months from the date of the Agreement (**First Earning Period**), Globe Subject agrees to sole fund $250,000 of joint venture expenditure in order to earn a 20% Joint Venture interest. Before being entitled to withdraw from the Agreement, Globe must contribute at least $250,000 to joint venture expenditure within 12 months of the Commencement Date. If Globe fails to contribute at least $250,000 to joint venture expenditure during the First Earning Period then it will be deemed to have withdrawn from this Agreement without acquiring a joint venture interest.

If Globe contributes the sum of $250,000 to joint venture expenditure during the First Earning Period, Globe will be deemed to have acquired from Eastbourne a beneficial 20% joint venture interest and Eastbourne agrees to immediately transfer a 20% joint venture interest to Globe.

Second Earning Period

Within 30 days of the end of the First Earning Period, Globe may by notice to Eastbourne, elect to either:

(a) sole fund a further sum of $2,250,000 of joint venture expenditure during the Second Earning Period (defined below); or

(b) not continue to sole fund joint venture expenditure, in which case (subject to dilution discussed below) the parties will contribute joint

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venture expenditure in proportion to their respective joint venture interest; or

(c) withdraw from the Joint Venture and relinquish its joint venture interest to Eastbourne.

If Globe fails to make an election during the 30 day period, it will be deemed to have made the election in paragraph (b).

The Second Earning Period will commence on the date of Globe's election and will end on the earlier of:

(d) the date Globe has either contributed a further sum of $2,250,000 to joint venture expenditure (so that its total contribution to sole funding joint venture expenditure will be $2,500,000); or

(e) three (3) years after the end of the First Earning Period, so long as:

(i) a minimum of $500,000 is spent in the first 12 months of the Second Earning Period; and

(ii) a minimum of $250,000 is spent in the second 12 months of the Second Earning Period; and

(iii) a minimum aggregate of $1,000,000 of expenditure over the first 24 months of the Second Earning Period (**Second Earning Period**).

If and only if Globe contributes a further sum of $2,250,000 to joint venture expenditure during the Second Earning Period (so that its total contribution to sole funding joint venture expenditure will be $2,500,000), Globe will be deemed to have acquired from Eastbourne a further 31% joint venture interest so that, at the end of the Second Earning Period, the joint venture interest of the Participants will be:

(a) Globe: 51%

(b) Eastbourne: 49%

Upon spending a further sum of $2,250,000 to joint venture expenditure during the Second Earning Period, and to the extent permitted by the Mining Act or otherwise, Eastbourne agrees to immediately transfer a further 31% joint venture interest to Globe. If Globe fails to spend the further sum of $2,250,000 on joint venture expenditure during the Second Earning Period then, at the end of the Second Earning Period, the joint venture interests of the Participants will remain:

(a) Globe: 20%

(b) Eastbourne: 80%

Third Earning Period

Within 30 days of the end of the Second Earning Period, Globe may by notice to Eastbourne, elect to either:

(a) sole fund joint venture expenditure during the Third Earning Period with a view to achieving a JORC and/or NI43-101 classified Resource (at least

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to an Inferred status, and either completed, or reviewed and accepted, by an independent Expert) of a minimum of 45,000t Nb_2O_5 (including equivalent value from tantalum, rare earth elements, and yttrium), according to the formula:

Nb_2O_5 equivalent grade = (1 x Nb_2O_5) + (4 x Ta_2O_5) + (0.42 x (TREO+Y))

where TREO+Y = total rare earth oxides plus yttrium oxide, with a minimum grade of 1,500ppm of Nb_2O_5 (or equivalents) (**JORC Milestone**); or

(b) not continue to sole fund joint venture expenditure, in which case (subject to dilution discussed below) the parties will contribute to joint venture expenditure in proportion to their respective joint venture interests.

If Globe fails to make an election during the 30 day period, it will be deemed to have made the election in paragraph (b) above.

The Third Earning Period will commence on the date of Globe's election above and will end on the earlier of:

(a) the date Globe has achieved the JORC Milestone (to a standard that is verified by an independent third party geologist); or

(b) two years after the end of the Second Earning Period.

If Globe satisfies the JORC Milestone, Globe will be deemed to have acquired from Eastbourne a further 19% joint venture interest so that, at the end of the Second Earning Period, the joint venture interest of the Participants will be:

(a) Globe: 70%

(b) Eastbourne: 30%

Upon Globe satisfying the JORC Milestone, and to the extent permitted by by the Mining Act or otherwise, Eastbourne agrees to immediately transfer a further 19% joint venture interest to Globe. If Globe fails to achieve the JORC Milestones during the Third Earning Period then, at the end of the Third Earning Period, the joint venture interests of the Participants will remain:

(a) Globe: 51%

(b) Eastbourne: 49%

Fourth Earning Period

Within 30 days of the end of the Third Earning Period, provided that Globe has satisfied the JORC Milestone in accordance with clause 4.3(b)(i), Globe may by notice to Eastbourne, elect to either:

(a) sole fund joint venture expenditure during the Fourth Earning Period by completing a feasibility study, with engineering costings to the +/-25% level, in relation to the resource defined in accordance with clause 4.3(a)(i) (**Feasibility Study Milestone**); or

(b) not continue to sole fund joint venture expenditure, in which case (subject to dilution discussed below) the parties will contribute to joint

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venture expenditure in proportion to their respective joint venture interests.

If Globe fails to make an election during the 30 day period, it will be deemed to have made the election in paragraph (b) above.

The Fourth Earning Period will commence on the date of Globe's election above and will end on the earlier of:

(a) the date Globe has achieved the Feasibility Study Milestone (to a standard that is verified by an independent third party Expert); or

(b) two years after the end of the Third Earning Period.

If Globe satisfies the Feasibility Study Milestone Globe will be deemed to have acquired from Eastbourne a further 10% joint venture interest so that, at the end of the Second Earning Period, the joint venture interest of the Participants will be:

(a) Globe: 80%

(b) Eastbourne: 20%

Upon Globe satisfying the Feasibility Study Milestone and to the extent permitted by the Mining Act or otherwise, Eastbourne agrees to immediately transfer a further 10% joint venture interest to Globe. If Globe fails to achieve the JORC Milestones during the Fourth Earning Period then, at the end of the Fourth Earning Period, the joint venture interests of the Participants will remain:

(a) Globe: 70%

(b) Eastbourne: 30%

Manager and Management Committee

On and from the Commencement Date, Globe will be the manager of the joint venture, and the parties agree to form and maintain an operating committee. Each of the parties is entitled to appoint a representative to the operating committee.

Cash Calls and Dilution

During the Earning Period Globe will be responsible for funding all joint venture expenditure. After the earning period all parties are liable to contribute to joint venture expenditure in proportion to their joint venture interests.

Within 14 days after approval by the operating Committee of a programme and budget, any party may elect not to contribute to the programme or budget

If a party (**Diluting Party**) elects not to contribute to a programme or budget or is deemed to have elected not to contribute to a programme or budget and the other party (**Contributing Party**) make(s) any contribution thereto, then until that time that the Diluting Party's Interest is reduced to less than 5%:

(a) the parties must calculate the total joint venture expenditure incurred by all parties as at the date of that the Diluting Party makes the election'

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(b) the Diluting Party's Interest will be reduced by one percentage point for each amount that represents 1% of the total joint venture expenditure that is not incurred by the Diluting Party but is incurred by the Contributing Party or Contributing Parties;

The process above) will continue throughout that period during which the Diluting Party does not contribute to expenditure and the joint venture interest of the Contributing Party will correspondingly increase.

If a party elects to dilute its joint venture interest then, subject to clause 9.3(c), it has a once only right to elect to recommence contributing to future programmes and budgets. If the Diluting party elects to re-commence contributions, then it must contribute to further joint venture expenditure in proportion to its joint venture interest.

If the Diluting party's joint venture interest is diluted to 5% or less, then that party must either elect to either:

(a) re-commence contributing to joint venture expenditure – in which case it will maintain its 5% joint venture interest (and any default in contributing its share of joint venture expenditure will result in its withdrawal from the joint venture 13; or

(b) not re-commence contributions to joint venture expenditure – in which case it will be deemed to have withdrawn from the Joint Venture and the Diluting party's joint venture interest will be deemed to have been assigned to the non-diluting party.

Notwithstanding the above if the joint venture interest of Eastbourne reduces by dilution to less than 5%, Eastbourne will be entitled to put its interest, and Globe will be able to call to acquire the interest, at any time by notice in writing to the other party (**Notice**). The price at which the joint venture interest held by Eastbourne will be acquired by Globe will be mutually agreed or, in the absence of mutual agreement within 20 Business Days of receipt of the Notice, as determined by an independent expert.

Once the value of Eastbourne's joint venture interest has either been mutually agreed or determined by the Expert, Globe must acquire the interest for, at Globe's election, either a cash sum or shares equivalent to the mutually agreed or determined value. Eastbourne will then be deemed to have withdrawn from the Joint Venture and the joint venture interest of Eastbourne will be deemed to have been assigned to Globe.

Right of First Refusal – Livingstonia Project

The parties agree that, in the event that Globe proceeds to a joint venture in respect of the tenements comprising its Livingstonia Project in Malawi at any time within 12 months from the date of the Agreement, Globe agrees to first offer, in writing, the exclusive right to enter into such joint venture arrangements to Eastbourne, upon such terms that are standard to joint venture arrangements and otherwise on terms and conditions to be mutually agreed by the parties under a formal agreement.

Eastbourne must accept Globe's offer under clause within 45 days of receipt of written notice from Globe, failing which Globe will have the right to offer the joint venture arrangements to any third party but on no more favourable terms than as offered to Eastbourne originally.

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In the event that Eastbourne accepts Globe's offer the joint venture arrangements will be conditional upon Eastbourne completing due diligence on Globe and the Livingstonia Project, and being satisfied with the results of that due diligence.

The Agreement contains standard default, withdrawal, representations and warranties of an agreement of this kind.

The tables below summarise the two licences held by or under the control of RSL:

Exclusive Prospecting Licence EPL 0219/2007

Type of Licence	Exclusive Prospecting Licence
Number	EPL 0219/2007
Date of Grant	27th June 2007
Period	Three years
Commencement	Not stated, but presumably 27th June 2007
Expiry	26th June 2010, with an option to renew
Holder	Previously Red Rock Resources Plc but transferred to Retail Star Limited which later changed its name to Resource Star Limited
Date of Transfer	4th February 2008
Minerals	Uranium
Prospecting area	210.9 square Kilometres
Region	Chintheche
District	Nkhata Bay (Northern Malawi)

Exclusive Prospecting Licence EPL 0230/07

Type of Licence	Exclusive Prospecting Licence
Number	EPL 0230/07
Date of Grant	12th December 2007
Period	Three years
Commencement	12th December 2007
Expiry	11th December 2010, with an option to renew
Holder	Eastbourne Exploration Pty Limited, a company wholly owned by Retail Star Limited
Minerals	Uranium, tantalum, zirconium, titanium, thorium, gallium, hafnium, gold, niobum and rare earth elements
Prospecting area	378 square Kilometres. This will be extended subject to a maximum of 2,500Km² prescribed by law.
Region	Liwonde and Machinga.
District	Machinga (Southern Malawi)

In addition to the above two Exclusive Prospecting Licences, RSL has entered into a conditional agreement to acquire an interest in Prospecting Licence No. EPL0264/08 and an opportunity to participate in a joint prospecting venture with Nyalihanga Enterprises, which holds Exclusive Prospecting Licence No. EPL0264/08/08 over Ilomba Hill. This is by virtue of a Joint Venture Agreement entered into between Nyalihanga Enterprises and RRR.

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Exclusive Prospecting Licence EPL0264/08

Type of Licence	Exclusive Prospecting Licence
Number	EPL0264/08
Date of grant	30th September 2008
Period	Three years, with an option to renew
Commencement	30th September 2008
Expiry	29th September 2011
Holder	Nyalihanga Enterprises
Minerals	Uranium, Niobum, Chrome and Copper
Prospecting area	95 square Kilometres in Kameme
Region	Northern Region
District	Chitipa

10.3 Exclusive Prospecting Licences (EPLs)

EPLs are the essence of this report. An EPL is a licence granted under Section 26 of the Act. When granted and while it has effect, an EPL confers on the holder of the licence the exclusive right to carry on prospecting operations, in the prospecting area, for the mineral to which the licence relates. For the purpose of exercising that right, the holder may, subject to the Act and to the conditions of the licence, either himself or by way of his employees or agents, enter the prospecting area and erect camps and temporary buildings, or erect installations in any waters which form part of the prospecting area.

The contents of an EPL are:

(a) the date of the grant of the licence and the period for which it is granted.

(b) the name of the mineral in respect of which it is granted.

(c) a description of the land covered by the licence, and, if the Minister so directs, a plan of the area.

(d) the conditions on which it is granted. These conditions are usually:

  (i) programme of operations and minimum amount to be expended on those operations;

  (ii) requirement to employ and train Malawians and to employ non – citizens only if the skills required in that post are not locally available; and

  (iii) the requirement to purchase local goods and services if the same can be obtained at competitive terms, and are of a quality comparable with those available from outside Malawi.

(e) covenants by the licensee. The usual covenants are:

  (i) to comply with all obligations imposed by an Act of Parliament, particularly the Mines and Minerals Act;

(ii) to conserve and protect the environment;

(iii) to fill in or fence off deep pits, trenches and excavations;

(iv) to re-instate, level, re-grass and replant any part of the licenced area which may have been damaged by the prospecting operations; and

(v) not to pollute any streams or rivers.

(f) reservation of the Minister's power to cancel the licence.

(g) appendices in the form of a map of the licenced area with the relevant coordinates, a programme of prospecting work, and a programme for the employment and training of citizens of Malawi.

Sometimes there may be included in an EPL a provision for the exercise by the Government or a person named or identified in the licence, of an option to acquire on specified terms, or on terms to be agreed, an interest in any mining venture which may be carried on or in relation to the land which constitutes the prospecting area.

10.4 Reporting Requirements

Every quarter the holder of an EPL is required to submit a report in writing to the Minister (through the Commissioner), indicating what he has done and expended in the quarter ended. A quarter begins running from the date of grant of the licence stated in the licence, and thenceforth.

In addition to these quarterly reports, the licence is further subject to the condition that every year, the holder must submit to the Minister a detailed and adequate report of what he did in the year ending, how much he expended on the prospecting operations, and setting out a programme of work to be carried out and expenditure to be made in the year of licence commencing. This report must be submitted not later than one month before the anniversary in every year of the grant of the licence. No further reports are required other than the quarterly and annual reports.

10.5 Term of EPL

The term or tenure of an EPL is the period for which the licence is granted, not exceeding three years, stated in the licence. However, where the Minister is satisfied that an initial period is required to make the necessary preparations to carry on prospecting operations, he may specify in an EPL a period, not exceeding three months, as the preparation period. In that case the preparation period plus the period stated in the EPL as the term of the EPL will together be taken as the term of the EPL. The term of the EPL commences on and includes the date of the grant of the licence.

Where the holder of an EPL applies for the grant of a mining licence over the area which constitutes the prospecting area, and the application remains undealt with up to the date of expiry of the licence, the EPL continues to have effect over that area of land until

(a) notice is given to the applicant of the refusal to grant the mining licence; or

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(b) notice is given to the applicant of the date of the grant of the mining licence.

10.6 Period within which to commence Prospecting Operations

Once an EPL is granted, the holder must commence prospecting operations within three months from the date of the grant of the licence stated in the licence. In so carrying out the prospecting operations, the holder must do so in accordance with his programme of prospecting operations.

10.7 Notice to commence prospecting operations

Before commencing prospecting operations in any private land, the holder of an EPL is required to give to any lawful occupier of the land notice of his intention to commence operations, in such manner and form as may be prescribed.

10.8 Discovery of mineral or mineral deposit

The holder is required to give notice to the Minister of discovery of any mineral to which the licence relates of possible commercial value. If the discovery is of any mineral deposit of possible commercial value, he must give notice of such discovery to the Minister within thirty days of the discovery.

10.9 Other duties of EPL holder

Furthermore, the holder, in the entire term of the EPL, must expend in relation to the prospecting area, an amount not less than the amount required by and indicated on the licence.

The holder must also employ and train citizens of Malawi in accordance with the proposals in the programme for the employment and training of citizens of Malawi appended to the licence.

The final duty of the holder is to carry on prospecting operations in accordance with the Act.

A holder may, of course, apply to the Minister to limit, reduce, vary or suspend any obligation to which he is subject, and if satisfied, the Minister may grant the application, with or without conditions.

10.10 Expenditure

Currently the application fee for an EPL in Malawi is MK5,000.00 which is non-refundable if the application is not granted. When granted, the licence will not be released until the applicant pays in full annual ground rent for the prospecting area for the first year, which currently is MK100.00 per square kilometre.

The amount shown on the licence as the required expenditure is a projected expenditure on the prospecting operations in the entire term of the licence. There is no expected annual expenditure, provided that by the end of the term of the EPL, the holder shall have expended the amount required by the licence.

For RSL's tenements EPL0219/2007 (Chintheche) and EPL0230/07 (Machinga), RSL is expected to expend MK52,500,000.00 and MK49,000,000.00, respectively by the end of the terms of the EPLs. However with the extension of prospecting

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area for EPL0230/07 from 378 Km² to 885 Km² the expected expenditure will be more than K49,000,000.00.

The expenditure requirement for EPL0264/08 on Illomba Hill is K14,100,000.00 by the end of the term of the licence.

Where it is so agreed in a separate Agreement between the Government of the Republic of Malawi and the holder of the licence, or where there is a condition to that effect in the licence, the shortfall between the amount projected to be expended in the entire term of the EPL and the amount actually expended is a debt to the Government of the Republic of Malawi, which may be recovered in a court of law. This condition is on both licences of RSL.

10.11 Renewal of EPL

The holder of an EPL may apply for the renewal of the licence in respect of an area of land of such shape as may be prescribed, and which is not greater in extent than half of the prospecting area for which the licence was originally granted. Such application for renewal must be made not later than three months before the expiration of the licence. An application for renewal of an EPL must state the period for which renewal of the licence is sought, and must be accompanied with:

(a) a report on prospecting operations then carried out and the costs incurred in carrying them out;

(b) a statement giving particulars of the programme of prospecting operations proposed to be carried out in the period of renewal, an estimate of any significant effect which the prospecting operations, if carried out, would likely have on the environment and on any monument or relic in the area over which renewal of the licence is sought, and an estimate of the cost of carrying out the programme;

(c) a plan identifying the area of land in respect of which renewal of the licence is sought; and

(d) particulars of any alteration in the financial and technical resources available to the applicant originally given on the first application for an EPL.

The Minister will refuse to renew the licence if:

(e) the applicant is in default;

(f) the programme of prospecting operations proposed to be carried out is not satisfactory; or

(g) the area of land for which renewal of the licence is sought does not meet the prescribed shape or is greater in extent than half of the prospecting area as at the date of the original grant of the licence.

What is further worthy of note is that an application for the renewal of an EPL may be made on not more than two occasions.

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10.12 Transfer of EPL

The transfer of an EPL by the holder is of no force and is regarded as vending unless the Minister approves. An application for approval by the Minister to transfer an EPL is made to the Commissioner. The Minister may approve or reject the application, and where approved, the approval may be subject to such conditions as he may deem necessary, having regard to the circumstances.

The Minister will approve the transfer of an EPL when the transferee:

(a) is a person controlling, controlled by, or under common control with, the transferor; and

(b) is not disqualified under the Act from holding a Mineral Right.

However, legal proceedings not commenced may be commenced and those already commenced may be continued against the former holder of the licence notwithstanding the transfer.

10.13 Register

The Register of every Mineral Right maintained by the Commissioner is at all reasonable times open for inspection by any person on payment of the prescribed fee, and a person may take copies of any licence or entry in the Register on payment of the prescribed fee.

10.14 Compensation

Where, in the course of prospecting operations, any disturbance of the rights of the lawful occupier of any land or damage to any crops, trees, buildings, stock or works thereon is caused, the holder of the EPL by virtue of which the operations are carried on is liable to pay the lawful occupier fair and reasonable compensation in respect of the disturbance or damage.

The amount of compensation payable may be agreed between the holder of the licence and the lawful occupier. If not so agreed, the compensation may be assessed by the Commissioner.

10.15 Disputes

Disputes between persons engaged in reconnaissance, prospecting or mining operations, either among themselves, or in relation to themselves and third parties, other than the Government, may be inquired into and determined by the Commissioner.

10.16 Limitations and qualifications

This report is limited to the requirements for a due diligence on RSL's two tenements EPL0219/2007 (Chintheche) and EPL0230/2007 (Machinga) as well as RSL's joint prospecting venture under a Joint Venture Agreement with Nyalihanga Enterprises, holder of EPL0264/08 (Chitipa), all in Malawi. The scope of this report is limited to EPLs in Malawi which are either currently held by RSL or in which RSL has an opportunity to acquire an interest, and it is in accordance with the instructions we had from RSL, to prepare a solicitor's report on the Malawi tenements. We did not state the general law in Malawi as it relates to mining. We limited the report to the law as it relates to EPLs.

10.17 Purpose

This report is given pursuant to our agreement to undertake the due diligence on RSL's two Malawian tenements, EPL0219/2007 (Chintheche) and EPL0230/2007 (Machinga), and also EPL0264/08 held by Nyalihanga Enterprises in which RSL has an opportunity to acquire a 90% interest, subject to a conditional agreement with RRR who is presently a party to Joint Venture Agreement with Nyalihanga Enterprises in relation to the tenement. The due diligence is in connection with the issue of the prospectus, and the report is not to be disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other Authority or person without our prior consent in writing.

Dated at Lilongwe this 24th day of November 2009.

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11. RISK FACTORS

11.1 Specific Australian Risks

Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

Tenure and Access

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

The Company's tenements are subject to numerous State-specific legislation conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company

Uranium Specific Risks

The current and future operations of the Company in relation to uranium, including exploration, appraisal and production activities, may be affected by a range of factors, including:

Government regulation and policy

Uranium mining in Australia is subject to extensive regulation by State and Federal Governments in relation to exploration, development, production, exports, taxes and royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. Compliance with such laws and regulations may increase the costs of exploring, drilling, developing, constructing, operating and closing mines and other production facilities.

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The Federal Government currently permits the mining and export of uranium under strict international agreements designed to prevent the proliferation of nuclear weapons. The export of uranium is controlled by the Federal Government through its licensing process and it is understood that Australian uranium can only be exported to those countries who undertake to use it for peaceful purposes.

Mining Policy

Both Federal Coalition and Labour Party policy favours the development of new uranium mines, albeit under strict environmental, heritage and nuclear safeguards. However, there can be no assurance that the policy will not change in the future and this may adversely affect the long-term prospects of the Company.

Mining uranium in Western Australia was prohibited under the policy of the former State Government from June 2002 until to September 2008. On November 17, 2008, the current State Government revoked the ban and is now focusing on developing this sector. Although the ban on uranium mining was only lifted recently, Western Australian regulators and the mining industry have been managing the safe mining, transport and export of radioactive material in the mineral sands and tantalum sectors for 40 years. The WA Government is working closely with other States to build on their industry experience and is committed to ensuring that further development of Western Australia's regulatory framework is world's best practice and that associated departments have the resources to deal with radiation issues associated with uranium mining.

Pursuant to the *Atomic Energy Act 1953* (Cth) and the *Northern Territory Self-Government) Regulations 1978* (Cth) the Commonwealth has reserved its powers on uranium mining in the Northern Territory. The NT Mining Act requires that the Northern Territory Minister for Mines must consult with the Commonwealth Minister for Industry, Tourism and Resources before granting a mining title that relates to uranium, and must act in accordance with any advice that the Commonwealth Minister provides.

The Tasmanian Government supports exploration to the usual mining and environmental approval processes. In 2007 the Government and Opposition jointly voted down a Greens party proposal to ban uranium exploration and development in Tasmania.

The Government of Malawi is currently in the process of putting in place a uranium mining legislation as the country does not currently have sucg legislation.

There can be no assurance that these policies will not change in the future and this may adversely affect the long-term prospects of the Company.

Export Policy

The Commonwealth Government maintains tight controls over the export of uranium through its licensing process. Uranium may only be sold and exported in accordance with the Customs (Prohibited Exports) Regulations (Cth) and the Nuclear Non-Proliferation (Safeguards) Act (Cth). Australian uranium can only be exported to countries that undertake to use it for peaceful purposes. Uranium mining itself is also extensively regulated. Complying with these laws and regulations increases the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. The approvals

required are more rigorous than those for the mining of other metals. There is a risk that should economic deposits of uranium be discovered, the requisite government approvals may not be granted or may be significantly delayed, thereby rendering the deposits uneconomic.

Competition from alternative energy and public perception

Nuclear energy is in direct competition with other, more conventional sources of energy which include oil, gas, coal and hydro-electricity. These conventional energy sources may be provided at lower cost resulting in a decrease in demand for uranium.

Furthermore, the growth of the nuclear power industry (and resulting increase in the demand for uranium) beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. The nuclear industry is currently subject to negative public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments for nuclear energy is its substantially reduced level of carbon emissions. Alternative energy systems such as wind or solar also have very low levels, if any, of carbon emissions. However, to date these have not been efficient enough to be relied upon. Technology changes may occur that make alternative energy systems more efficient and reliable.

11.2 Specific Malawian Risks

Government Regulation and Policy

All minerals in Malawi are vested in the President on behalf of the Malawian people. The exploration, mining and disposal of these minerals are governed by the Mines and Minerals Act 1981. The Administration of the Act is the responsibility of the Commissioner for Mines and Minerals in the Ministry of Energy and Mining.

There are numerous companies presently engaged in mining activities in Malawi.

The Directors of the Company are unaware of any legislation or policy within Malawi which could adversely affect the establishment of mining operations within the country.

There are risks attaching to exploration operations in a developing country which are not necessarily present in a developed country which can impact on a range of factors such as sovereign risk, safety, security, costs, ability to operate, country policy, fiscal provisions and laws and can lead to delays or even the suspension of operations.

No assurance can be given regarding future stability in Malawi or any other country in which the Company may have an interest.

Sovereign risk

Some of the Company's project interests are located in Malawi which is considered to be a developing country and as such subject to emerging legal and political systems compared with the system in place in Australia.

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Possible sovereign risks include without limitation changes in the terms of mining tenements, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may in the future adversely affect the financial performance of the Company and the market price of its Shares.

No assurance can be given regarding future stability in Malawi.

Title Risks

The mining tenements in which the Company has or may acquire an interest in are subject to the applicable local laws and regulations. There is no guarantee that any tenement applications or conversions in which the Company has a current or potential interest will be granted.

Tenements (or applications) in which the Company has an interest are (or, if granted, will be) subject to the relevant conditions applying in Malawi. Failure to comply with these conditions may render the licences liable to forfeiture.

All of the projects in which the Company has an interest will be subject to application for tenement renewal from time to time. Renewal of the term of each tenement is subject to applicable legislation. If a tenement is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement. However, the Directors are not aware of any reason why renewal of the term of any tenement will not be granted.

The Company is reliant to a certain extent on the cooperation and compliance of parties to the agreements to which it is a party.

Legal System in Malawi

The legal system operating in Malawi may be less developed than more established countries, which may result in risk such as:

(a) political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation, or in an ownership dispute;

(b) a higher degree of discretion on the part of governmental agencies;

(c) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or

(d) the relative inexperience of the judiciary and courts in such matters.

There can be no assurance joint ventures, licences, license application or other legal arrangements will not be adversely effected by the actions of the government authorities or others and the effectiveness of and enforcement of such arrangements cannot be assured.

11.3 Exploration

Mining exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable and saleable mineral resources will be identified. Even if identified, other factors such as technical

difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

11.4 Compulsory Work Obligations

Each of the Company's tenements is subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. These commitments may be varied on application by the tenement holder but any such variation is at the sole discretion of the Minister administering the relevant mining legislation. If no variation is approved, and there is failure to meet the commitments, this could lead to forfeiture of the tenement.

11.5 Competition Risk

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

11.6 Funding Risk and Future Capital Needs

In the event the Company does not achieve the minimum subscription under this Prospectus, there is a risk that it may not be able to continue to fund its ongoing exploration programs (unless another funding source can be secured). This could adversely affect the ability of the Company to grow organically or through acquisitions.

In these circumstances, shareholders may face the loss of a substantial portion of their investment.

11.7 General Economic Climate

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operating costs, possible future revenues and future profitability can be affected by these factors, which are beyond the control of the Company.

11.8 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.

11.9 Reliance on Key Employees

The Company does and will rely on a number of key employees. The Company has in place employment contracts with key employees and has the objective of providing attractive employment conditions in general to assist in retaining key employees. However, there can be no guarantee that the Company can retain its key employees.

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11.10 Share Market

Share market conditions may affect the value of the Company's quoted Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) metal price fluctuations;

(e) changes in investor sentiment toward particular market sectors;

(f) the demand for, and supply of, capital; and

(g) terrorism or other hostilities.

11.11 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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12. MATERIAL CONTRACTS

12.1 Mandate with Allegra Capital Pty Ltd

As announced to ASX on 20 October 2009, the Company has entered into a mandate with Allegra Capital Pty Ltd (**Allegra**) pursuant to which Allegra has been appointed Corporate Advisor and Lead Manager to the Company for the Offer (**Mandate**).

Under the Mandate Allegra will be paid the following fees (all exclusive of GST):

(a) a management fee of 1% of the gross amount raised under the Offer;

(b) a placement fee of 5% of the gross amount raised as part of the Offer;

(c) a success fee of $100,000 for the completion to the Offer; and

(d) a corporate advisory fee of $5,000 per month, commencing at the completion of the Placement until 12 months following the Company being re-listed on ASX.

The Mandate provides that if the Offer is successful and the Company is reinstated to the Official List of the ASX, the Company agrees to grant Allegra a right of first refusal of any opportunity to be appointed the lead role in any further capital raising undertaken in connection with the Company within the first 12 months of listing. The Mandate may be reviewed and/or extended after that period.

The Mandate further provides that the Company will appoint Allegra as the Underwriter to the Entitlement Option Issue referred to in clause 4.8 of this Prospectus for a fee of 6% exclusive of GST (**Underwriting Fee**). In addition to the Underwriting Fee, the Company will allot and issue 20,000,000 Options (**Underwriter Options**). The Underwriter Options will have the same terms as the Entitlement Options. In the event that the Underwriter Options are not issued on or before 31 March 2010, (through no default of Allegra), the Company agrees to make a cash payment to Allegra equal to the number of Underwriter Options by the volume weighted average price of the Company's listed Options over the five (5) trading days prior to 31 March 2010. The exercise price and the expiry date of the Entitlement Options will be determined by the Company after its securities have been reinstated to trading on ASX.

12.2 Conversion of Loan – Letter Agreement with Red Rock Resources plc and Escrow Arrangements

As announced to ASX on 28 June 2009, the Company has since October 2008, received loans from a substantial shareholder, Red Rock Resources plc (**Red Rock**) in order to fund its activities and maintain a comfortable level of working capital. In June 2009, the Company issued 1,400,000 Shares to Red Rock in partial satisfaction of the loan. The issue of Shares was ratified by the Company's Shareholders at its Annual General Meeting on 23 November 2009.

Pursuant to a letter agreement dated 12 November 2009, Red Rock and the Company have agreed that the remainder of the loan (being A$493,511 (**Loan**)) will be satisfied in accordance with the following terms:

(a) of the total amount owing under the Loan, A$490,000 will be repaid by Resource Star through the issue of 2,450,000 fully paid ordinary shares in

the capital the Company at a deemed issue price of 20 cents each (**Shares**);

(b) the issue of Shares will be made pursuant to this Prospectus;

(c) the remaining A$ 3,511 (including any interest) of the Loan (following the issue of the Shares) will be satisfied the Company immediately at the election of Red Rock, which can be made at any time (provided that it is reasonable and in the ordinary course of business).

Furthermore, on 11 November 2009, Red Rock Resources entered into a voluntary restriction deed with the Company pursuant to which it was agreed that all Shares held by Red Rock upon the re-listing of the Company will be restricted and held in escrow for six (6) months from the date that the Company's Shares are reinstated for trading on the ASX.

12.3 Co-Existence Agreement

On 10 September 2007, RSL and Red Rock Resources entered into a co-existence agreement in relation to E29/581 located at Mt Alfred, Western Australia (**Co-existence Agreement**). Red Rock has subsequently assigned its interest in E29/581 to Broadgold Corporation Pty Ltd (**Broadgold**). On 11 March 2009, Red Rock, the Company and Broadgold entered into a deed of assignment under which the Company has consented to the assignment by Red Rock to Broadgold of all of Red Rock's rights under the Co-Existence Agreement.

The Co-existence Agreement governs the rights of RSL in relation to exploration and mining activities related to the uranium rights for E29/581, previously granted under the Agreement for Sale of Assets and Subscription for Shares (**Uranium Rights**).

Under the Co-existence Agreement:

(a) the parties acknowledge that the Uranium Rights are held by RSL and the rights to other minerals are held by Red Rock Resources concurrently. The Parties agree to confer with one another in relation to the exercise of their rights and, will agree on the manner of their exercise in order to minimise interference with the others operations;

(b) Red Rock Resources may only exercise its rights in respect of the other minerals in a manner which does not unreasonably interfere with any activities and operations of RSL in respect of its uranium;

(c) RSL may only exercise its Uranium Rights in a manner which does not unreasonably interfere with any prior activities and prior operations of Red Rock Resources in respect of other minerals; and

(d) each party has made standard covenants and warranties under the Co-existence Agreement for an agreement of this nature.

12.4 Applications EL 24414 and ML 24342 Tennant Creek Gold (NT)

On 26 September 2009, Tennant Creek Gold (NT) Pty Ltd (**Tennant Creek**) entered into an agreement with Red Rock Resources (a substantial shareholder of the Company) (**Red Rock**) pursuant to which Red Rock acquired a number of mining tenements and mining tenement applications, including applications EL 24414 and ML 24342.

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Under the agreement, once these tenement applications have been granted, Tennant Creek must make an application to the minister under the Mining Act (NT), to obtain the consent of the Minister to transfer these mining tenements to Red Rock. If Tennant Creek fails to make such an application within 21 days of the grant of the relevant tenement, Red Rock may make such an application for and on behalf of Tennant Creek.

On 26 July 2007 the Company entered into an agreement pursuant to which it acquired 100% of the fully paid ordinary shares in Orion Exploration Pty Ltd (**Orion Exploration**), a number of tenements and tenement applications held by Orion Exploration, and the rights to explore for uranium on E29/581 (refer to Co-Existence Agreement discussed in Section 12.3) from Red Rock. Under this agreement, the Company acquired application EL 24414. Furthermore, Red Rock executed a power of attorney in favour of the Company which gives the Company the power to call and direct Tennant Creek (the applicant of EL 24414) to deliver and transfer this tenement to the Company immediately upon the tenement being granted.

By way of a Letter Agreement dated 19 November 2009, Red Rock confirmed its intention to transfer ML 24342 to the Company upon it being granted to Red Rock by Tennant Creek.

12.5 Material contracts in respect of EL11/2005

On 10 May 2005, Red Rock Resources plc (**Red Rock**), a substantial holder of the Company, entered into an agreement pursuant to which it acquired application for exploration licence EL11/2005 from Regency Mines plc (on behalf of its wholly owned subsidiary, Regency Resources plc) (**Purchase Agreement**)

On 19 October 2009, Red Rock Resources plc (**Red Rock**) and Walkabout Resources Pty Ltd (**Walkabout**) entered into a Letter Agreement pursuant to which, and subject to Walkabout gaining a listing on the ASX within 12 months, Walkabout will purchase a 65% interest in EL11/2005 in consideration for the issue of 1,500,000 fully paid ordinary shares in the capital of Walkabout (**Letter Agreement**). The Agreement further contemplates that Red Rock and Walkabout will enter into joint venture arrangements upon such acquisition.

On 19 November, Red Rock and the Company entered into a purchase and sale agreement, under which Red Rock has agreed to sell and the Company has agreed to purchase a 35% interest in EL11/2005 (**Sale Agreement**). The Sale Agreement also provides for the sale and purchase of Red Rock's 90% interest in EPL 0264/08 at Ilomba Hill Malawi, which is summarised in Section 12.8. The consideration payable for the acquisition of Red Rock's interest in these two tenements is the issue of 550,000 fully paid ordinary shares in the capital of the Company.

The parties have agreed that completion of the Sale Agreement, and therefore the transfer of Red Rock's interests in the tenements, will take place on the day that the Company is reinstated to the official list of the ASX.

At or before completion of the Sale Agreement, Red Rock must provide the Company with consent from Walkabout to the assignment of Red Rock's rights and interests in EL11/2005 and the Letter Agreement to the Company, except that Red Rock will remain entitled to the 1,500,000 shares in Walkabout payable upon acquisition of Red Rock's 65% interests in EL11/2005.

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The effect of the material contracts summarised above is that upon completion of the Sale Agreement, the Company will acquire a 35% interest in EL11/2005, and assume all rights and obligations previously held by Red Rock under the Letter Agreement (described above and as follows).

The Letter Agreement provides that upon Walkabout's acquisition of a 65% interest in EL11/2005, the parties will enter into a joint venture pursuant to which Walkabout will fund the first $10,000,000 of expenditure in relation to EL11/2005, which must be completed within five (5) years of Walkabout listing on the ASX.

The Letter Agreement further contemplates that the parties will contribute to expenditure in relation to EL11/2005 thereafter on a pro rata basis. It also provides that Red Rock (i.e. the Company, upon assignment,) may elect to convert its 35% participating interest to a 5% net profit interest or a 1.5% gross royalty in respect of EL11/2005.

The joint venture arrangements under the Letter Agreement are conditional upon completion of the acquisition of a 65% interest in EL11/2005, execution and registration of a formal joint venture agreement at the Department of Infrastructure, Energy and Resources, Tasmania, and all necessary consents and approvals (if any) required under the Mineral Resources Development Act 1995.

If any of these conditions are not satisfied, Walkabout will be entitled to withdraw from the arrangements, and all rights and obligations under the Letter Agreement will be at an end.

Walkabout will otherwise be responsible for keeping EL11/2005 in good standing, and may withdraw at any time after the first twelve (12) months. If Walkabout withdraws, its 65% interest will revert to Red Rock.

It is noted that, under the Sale Agreement In the event that Walkabout is listed on the ASX, and within six years of such listing, a JORC complaint measured resource of uranium is declared, the Company must pay A$0.10 per pound of that measured resource.

12.6 Deed of Assignment of Exploration Licences – Northern Territory

In September 2009, Orion Exploration Pty Ltd (a wholly owned subsidiary of the Company) (**Orion Exploration**), Jupiter Mines Limited (**Jupiter Mines**) and Jupiter Uranium Pty Ltd (a wholly owned subsidiary of Jupiter Mines) (**Jupiter Uranium**) entered into a deed of assignment pursuant to which Jupiter Uranium agreed to sell to Orion Exploration a 100% interest in EL26341 and EL25885 (**Tenements** and **Jupiter Deed**) on the terms outlined below.

The Jupiter Deed will only become effective on the later of the transfer of the Tenements to Orion Exploration are approved by the Northern Territory Department of Regional Development, Primary Industry, Fisheries and Resources, and the transfers being registered under the Mining Act 1980 (NT) (**Effective Date**).

In consideration of the transfer by Jupiter Uranium, Orion Exploration will pay Jupiter Uranium $5,000.

Pending the Effective Date:

(a) Jupiter Uranium will not deal with the Tenements in a manner inconsistent with the Jupiter Deed pending the Effective Date;

(b) Orion Exploration will be entitled to access the area of land the subject of the Tenements and undertake activities as if Orion Exploration was the registered holder of the Tenements. Orion Exploration indemnifies Jupiter Uranium against any acts or omissions of Orion Exploration on or about the land the subject of the Tenements to the extent that those actions directly cause loss or damage; and

(c) Orion Exploration may lodge a caveat under the Mining Act 1980 to protect its interest.

The Jupiter Deed will terminate if the Effective Date does not prevail within 12 months of the date of the Jupiter Deed.

On and from the Effective Date, Orion Exploration agrees to assume all of the obligations of Jupiter Uranium in respect of the Tenements, including the licence conditions and work conditions applicable to the Tenements. Orion Exploration indemnifies Jupiter Uranium from and against any liability, damage, loss, cost, charge or expense suffered or incurred by Jupiter Uranium in connection with any failure by Orion Exploration to properly assume and perform those obligations. However, Jupiter Uranium remains liable for and indemnifies Orion Exploration against all obligations, liabilities, expenses, claims, or damages arising as a result of any act or omission of Jupiter Uranium in relation to the Tenements on or before the Effective Date.

Jupiter Mines guarantees to Orion Exploration the due and punctual performance by Jupiter Uranium of Jupiter Uranium's obligations under the Jupiter Deed.

12.7 Letter Agreement - ELA25884

On 29 September 2009, the Company, Orion Exploration Pty Ltd (a wholly owned subsidiary of the Company (**Orion Exploration**), Jupiter Mines Limited (**Jupiter Mines**) and Jupiter Uranium Pty Ltd (a wholly owned subsidiary of Jupiter Mines) (**Jupiter Uranium**), Redstone Metals Pty Ltd (**Redstone**), Zircon International Pty Ltd (**Zircon**) and Bluekebble Pty Ltd (**Bluekebble**) (Redstone, Zircon and Bluekebble together being the **Original Vendors**) entered into a letter agreement to record the terms of the acquisition of a 100% interest in ELA25884 by (**ELA25884 Agreement**).

Jupiter Mines and Jupiter Uranium acquired ELA25884 under a sale agreement entered into with the Vendors on 22 June 2007 (**Original Sale Agreement**).

Under the ELA25884 Agreement, Jupiter Uranium agrees to sell and Orion Exploration agrees to purchase 100% of Jupiter Uranium's rights, title and interest in ELA25884 free of all encumbrances.

By signing the ELA25884 Agreement, the parties have acknowledged that Jupiter Uranium and Jupiter Mines are released from their obligations under the Original Sale Agreement to the extent of any obligation to grant consideration in respect of the grant of ELA25884.

To this end, on the date of execution of the ELA25884 Agreement, Jupiter Uranium and Jupiter Mines have delivered to Orion Exploration:

(a) all mining information in respect of ELA25884; and

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(b) a duly executed unlimited irrevocable power of attorney from the Original Vendors in favour of Orion Exploration in respect of ELA25884 (with the necessary changes) as the power of attorney that was delivered under the Original Sale Agreement to Jupiter Uranium at settlement of the Original Sale Agreement.

In consideration for the acquisition of ELA25884, the Company has agreed to pay to the Original Vendors a total of 15,000 Shares at the deemed issue price of $0.20 in the following proportions:

(a) Redstone: 3,750 Shares;

(b) Zircon: 3,750 Shares; and

(c) Bluekebble: 7,500 Shares,

(together, **the Consideration**). The Consideration will become payable as soon as is practicable after ELA25884 has been granted or registered in Orion Exploration's name.

12.8 Material contracts in respect of EPL 0264/08

On 2 September 2009, Red Rock Resources plc (**Red Rock**), a substantial holder of the Company and Nyalihanga Enterprises Limited (**Nyalihanga**) entered into a joint venture, purchase and sale agreement pursuant to which Red Rock agreed to acquire a 90% interest in, and enter into joint venture arrangements in respect of, EPL 0264/08 at Ilomba Hill, Malawi (**Ilomba Hill Agreement**). In consideration of the acquisition, Red Rock has paid to Nyalihanga a deposit of US$5,000. Additional consideration on the satisfaction of certain exploration and milestones in respect of EPL 0264/08 are also payable under the Ilomba Hill Agreement (described below).

On 19 November 2009, Red Rock and the Company entered into a purchase and sale agreement, under which Red Rock has agreed to sell and the Company has agreed to purchase, Red Rock's 90% interest in EPL 0264/08 (**Sale Agreement**). The Sale Agreement also provides for the sale and purchase of Red Rock's 90% interest in EL11/2005 at Savage River North, Tasmania, which is summarised in Section 12.5 above. The consideration payable for the acquisition of Red Rock's interest in these two tenements is the issue of 550,000 fully paid ordinary shares in the capital of the Company.

The parties have agreed that completion of the Sale Agreement, and therefore the transfer of Red Rock's interests in the tenements, will take place on the day that the Company is reinstated to the official list of the ASX.

At or before completion of the Sale Agreement, Red Rock must provide the Company with consent from Nyalihanga to the assignment of Red Rock's rights and interests in EPL 0264/08 and the Ilomba Hill Agreement to the Company.

The effect of the material contracts summarised above is that upon completion Sale Agreement, the Company will acquire a 90% interest in EPL 0264/08, and assume all rights and obligations previously held by Red Rock under the Ilomba Hill Agreement (described as follows).

The Company will become the manager of EPL 0264/08 and be responsible for all exploration costs in respect of the tenement until the parties proceed to production. Should a decision to proceed to a bankable feasibility study in

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respect of the tenement be made, the Company will be responsible for all costs other than licence renewal fees and rents, including maintaining, local insurances covering the property, equipment and personnel.

Under the Ilomba Hill Agreement, the Company is required to use its best endeavours to conduct exploration over EPL 0264/08 with a view to confirming rights to the minerals set out in the table below. In the event that these rights are confirmed, the Company must pay to Nyalihanga the corresponding consideration in the table below. Additional consideration will also be payable upon the satisfaction of certain milestones, also set out in the table. Any amounts payable that are outstanding under the Ilomba Hill Agreement will incur interest at a rate of 2% per month.

Condition	**Description**	**Cash Payment**	**Description**
Confirmed rights to the full suite of elements expected to include Niobium, Tantalum, Zirconium, Uranium, Thorium, Titanium, Gallium, Hafnium, Gold and the Rare Earth Elements (Lanthanum, Cerium, Praseodymium, Neodymium, Promethium, Samarium, Europium, Gadolinium, Teribium, Dysprosium, Holmium, Erbium, Thulium, Terbium, Dysprosium, Holmium, Erbium, Thulium, Ytterbium and Lutetium); Yttrium and Scandium, and: Extension of EPL 0264/08 to include balance of Ilomba Hill nepheline syenite area	Additional Right	$15,000	Additional Consideration
As above, for extension to include other nepheline syenite area to east	Additional Right	$15,000	Additional Consideration
Decision to drill	Milestone	$25,000	Additional Consideration
Decision to drill, as above, for extension to include other nepheline syenite area to east	Milestone	$25,000	Additional Consideration
Definition of JORC Resource	Milestone	$100,000	Additional Consideration
Start of construction at IHE	Milestone	$500,000	Additional Consideration

The Ilomba Hill Agreement may be terminated by the Company upon giving six months' written notice to Nyalihanga. The Ilomba Hill Agreement may also be terminated by either party upon a material breach of the Ilomba Hill Agreement, provided that the other party has been notified of such breach and requested

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to remedy it, and after 28 days has not done so. In the event of termination, all obligations of the parties will cease, except that the responsibility of the Company to meet the cost of fulfilling its obligations and liabilities in respect of EPL 0264/08 in relation to any period begun but not completed at the date of termination will be assessed on a pro rata basis up to that date.

12.9 Joint Venture Agreement – Globe Metals and Mining

On 20 November 2009, Eastbourne Exploration Pty Ltd (a wholly owned subsidiary of the Company) (**Eastbourne**) and Globe Metals & Mining Limited (**Globe**) entered into a joint venture agreement pursuant to which Eastbourne has agreed to grant Globe the right to earn up to an 80% interest by meeting certain expenditure and other obligations in relation to exploration for minerals on Eastbourne's Malawian mineral right number EPL 0230/07 (**Tenement**) (**Agreement**).

The Agreement is conditional on Globe completing a legal and technical due diligence on the Tenement and being satisfied with the outcome of that due diligence by no later than 2 months from the date of the Agreement (**Condition**).

A summary of the Agreement is located in the Solicitors Report on Malawian Licenses in Section 10 of this Prospectus.

12.10 CEO's Executive Services Agreement

The Company has entered into an executive service agreement with Mr Richard Evans to provide the services of CEO of the Company on the following terms and conditions:

(a) the Company will pay Mr. Evans a salary of $175,000 per annum inclusive of taxes and non-cash benefits (exclusive of statutory superannuation) (**Salary**) to be reviewed annually by the Company. In addition, Mr. Evans will be reimbursed for all reasonable expenses incurred in the performance of his duties;

(b) In addition to the Salary, the Company agrees to the immediate allocation and issue to Mr. Evans, or his nominated entity, of 800,000 Options, which will only vest and become exercisable in accordance with the terms set out in the table below:

Options	Vesting Date	Expiry Date	Exercise Price
300,000	Immediately on successful relisting of the Company	30 months from the successful relisting of the Company	18 cents
250,000	12 months from the issue date	30 months from the successful relisting of the Company	22 cents
250,000	24 months from the issue date	30 months from the successful relisting of the Company	25 cents

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(c) the agreement may be terminated by the Company in a number of circumstances including:

(i) committal by Mr. Evans of any major criminal offence which brings the Company or any of its related bodies corporate into lasting disrepute;

(ii) failure by Mr. Evans to comply with any lawful reasonable direction or order given by the Company which is not rectified with 14 business days of receipt of notice;

(iii) a serious or persistent breach by Mr. Evans of any of the provisions of the agreement and the breach is not remedied with 14 days of receipt of notice; and

(iv) Mr. Evans being incapacitated by illness or injury of any kind which prevents the performance of duties for a period of 2 consecutive months or any periods aggregating 2 months in any period of 12 months during the term of employment;

(d) the Company may also terminate the agreement, at its sole discretion, by giving three (3) months notice to Mr. Evans and making payment of three (3) months' Salary at the end of the notice period. Alternatively, the Company may elect to dispense with the notice period and pay the equivalent of six (6) months' salary to Mr. Evans; and

(e) Mr. Evans may terminate the agreement immediately if there is a serious or persistent breach of the agreement by the Company which is not remedied within 28 days of receipt of written notice or otherwise at any time by giving 3 months' written notice to the Company.

The agreement also contains provisions including confidentiality, duties of the executive and non-competition that are customary in agreements of this type.

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13. ADDITIONAL INFORMATION

13.1 Rights Attaching to Shares

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

(i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend Rights

The Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend. Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares in accordance with Part 2H.5 of Chapter 2H of the Corporations Act.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for

that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other Shares in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by ASX as restricted Shares at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

13.2 Disclosure of Interests - Directors

Directors are not required under the Company's Constitution to hold any Shares. As at the date of this Prospectus, the Directors have relevant interests in Shares as set out in the table below:

Director	Shares	Options
Mr A Bell	Nil	Nil
Mr R Benussi	Nil	Nil
Mr R Kestel	Nil	Nil

13.3 Disclosure of Interests – Red Rock Resources

Red Rock Resources plc (a company incorporated in the United Kingdom and listed on AIM) (**Red Rock**) is a substantial holder of the Company and Mr Andrew Bell is a director of Red Rock. As at the date of this Prospectus, Red Rock

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Resources has a relevant interest in 9,635,295, Shares which equates to a 27% voting interest in the Company. As a result of the acquisition of Shares under this Prospectus and certain events subsequent, Red Rock will have a 24.08% relevant interest in the Company as set out in the table as follows:

Event	**Resource Star Shares on issue**	**Red Rock's issued Shares in Red Rock**	**Voting Power of Red Rock**
As at FY2008 Annual Report	34,283,179	8,235,295	24.02%
As at date of Prospectus	39,425,654	9,635,295	24.44%
Shares issued under Prospectus (assuming minimum subscription and including 2,450,000 Shares in satisfaction of loan)[1]	51,375,654	12,085,295	23.52%
Issue of 550,000 Shares as consideration for Sale Agreement[2]	51,925,654	12,635,295	24.33%

[1] Please refer to Section 12.2 of this Prospectus.
[2] Please refer to Section 12.5 and 12.8 of this Prospectus.

13.4 Remuneration

The Company's Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors has been set at an amount not to exceed $210,000 per annum.

The remuneration of executive Directors will be fixed by the Directors and may be paid by way of fixed salary or consultancy fee.

13.5 Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no:

(a) director of the Company;

(b) person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus;

(c) promoter of the Company; or

(d) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in the Prospectus as a financial services licensee involved in the issue,

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has, or had within two (2) years before lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the offer of Shares under this Prospectus; or

(c) the offer of Shares under this Prospectus,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Director of the Company or for services rendered in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus other than the following directors fees:

Director	**2008**	**2009 ***
Mr A Bell	$40,705	$33,750
Mr R Benussi	Nil	$10,274
Mr R Kestel	$47,092	$37,125

* Note – 2009 covers payments up to 24.20.09, & Mr Benussi was appointed Director on July 6, 2009.

The annual remuneration of each of the Directors (inclusive of superannuation) is set out in the table below:

Director	**Annual Remuneration**
Mr A Bell	$45,000
Mr R Benussi	$40,000
Mr R Kestel	$45,000

HLB Mann Judd has acted as Independent Accountant and has prepared an Independent Accountant's Report which has been included in Section 8 of this Prospectus. The Company estimates it will pay HLB Mann Judd a total of $7,500 for these services.

Steinepreis Paganin has acted as the Australian solicitors to the Company in relation to this Prospectus, has been involved in due diligence enquiries on Australian legal matters and has prepared the Solicitor's Report on Australian Tenements set out in Section 9 of this Prospectus. The Company estimates it will pay Steinepreis Paganin $40,000 for these services up to the date of lodgement of this Prospectus with the ASX. Subsequently, fees will be charged in accordance with normal charge out rates.

Continental Resource Management Pty Ltd has acted as the Independent Geologist and has prepared the Independent Geologist's Report which has been included in Section 1 of this Prospectus. The Company estimates that it will

pay Continental Resource Management Pty Ltd a total of $10,000 for these services. Note - much of the work in their report was completed for the 2008 prospectus, which cost some $34,000.

Mvalo & Company has acted as the Malawi solicitors to the Company in relation to this Prospectus, has been involved in due diligence enquiries on Malawi legal matters and has prepared the Solicitor's Report on Malawi Licences set out in section 10 of this Prospectus. The Company estimates it will pay Mvalo & Company approximately US$1,000 for these services. Subsequently, fees will be charged in accordance with the normal charge out rates.

Nissen Kestel Harford has been paid approximately $289,906 in general accounting and secretarial fees by the Company in the last 24 months up to the date of this Prospectus. Ross Kestel is a Director and 12% shareholder of Nissen Kestel Harford.

13.6 Consents

Each of the parties referred to in this Section:

(a) do not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

HLB Mann Judd has given their written consent to being named as Independent Accountant in this Prospectus and to the inclusion of the Independent Accountant's Report in Section 8 in the form and context in which the report is included. HLB Mann Judd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the Australian solicitor to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Australian Tenements in section 9 in the form and context in which the report is included. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Mvalo & Company has given its written consent to be named as the Malawi solicitor to the Company in this Prospectus and to the inclusion of the Solicitor's Report on Malawi Licences in section 10 in the form and context in which the report is included. Mvalo & Company has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Continental Resource Management Pty Ltd has given its written consent to being named as the Independent Geologist to the Company in this Prospectus and to the inclusion of the Independent Geologist's Report in Section 7 in the form and context in which the report is included. Continental Resource Management Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

13.7 Expenses of the Total Offer

The expenses of the Offer are estimated to be approximately $404,917 and are expected to be applied towards the items set out in the table below:

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Item of Expenditure	Amount ($)
ASIC fees	$2,010
ASX fees	$30,343
Printing	$19,000
Legal and Accounting	$53,441
Corporate Advisory Fees	$274,000
Independent Accountant's Fees	$7,500
Other	$18,623
TOTAL	$404,917

Note – should the full Share Issue of 25,000,000 shares be completed the Financial Advisor fees would rise to $424,000 making the total expense $554,917.

13.8 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

13.9 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the appropriate application forms. If you have not, please email the Company at info@resoucestar.com.au and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.resourcestar.com.au.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

13.10 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

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To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

13.11 Forecasts

The Company is a mineral exploration company with the intention to become a producer in the medium term. Given the speculative nature of exploration, mineral development and production, there are significant uncertainties associated with forecasting future revenue. On this basis, the Directors believe that reliable forecasts can not be prepared and accordingly have not included forecasts in this Prospectus.

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14. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

_____

Ross Kestel
Director
For and on behalf of
RESOURCE STAR LIMITED

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15. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

A$** or **$ means an Australian dollar.

ASIC means Australian Shares & Investments Commission.

Application Form means the application form accompanying this Prospectus relating to the Offer.

ASX means ASX Limited (ABN 98 008 624 691).

Board means the board of Directors as constituted from time to time.

Business Day means a week day when trading banks are ordinarily open for business in Perth, Western Australia.

Closing Date means the closing date for the Offer as set out in section 3.3, being 12 December 2009.

Company and **RSL** means Resource Star Limited (ABN 71 098 238 585).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company at the date of this Prospectus.

Entitlement Option means an option to acquire a Share proposed to be issued under the non-renounceable entitlements issue referred to in section 4.8 of this Prospectus.

Listing Rules means the official listing rules of ASX.

Offer means the offer of 9,500,000 Shares at 20 cents each (with the ability to accept oversubscription for a further 12,500,000 Shares) as set out in this Prospectus.

Official List means the Official List of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

Option means an option to subscribe for a Share.

Prospectus means this prospectus.

Red Rock Resources or **Red Rock** means Red Rock Resources plc.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited.

Shareholder means a holder of Shares.

Tenements mean tenements and licences in which the Company (or one of its subsidiaries) has an interest.

WST Western Standard Time.

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