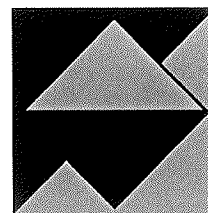


Retail Star Limited

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RETAIL STAR

12 May 2008

RETA0C0\SNH\AG\ASX191

The Company Announcement Platform
ASX Limited
Level 5
Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

CHANGE IN ACTIVITIES TO EXPLORATION AND MINING COMPANY

Retail Star Limited (**RSL** or **Company**) is pleased to announce that its board of directors (**Board**) has resolved to change the activities of the Company to focus solely on the Company's exploration and mining assets.

This process will involve a significant change in the nature and scale of the Company's activities and the Company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules if the proposal is approved by shareholders.

A summary of the assets that will form the focus of the Company's activities, the process for re-complying with Chapters 1 and 2 of the ASX Listing Rules and the timetable for undertaking these events is set out below:

Overview of Core Assets

The Company has projects in the Northern Territory, in 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 iron in the Northern Territory, and these are being examined in conjunction with the uranium potential.

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

Malawi tenements

RSL has acquired two projects in the east-central African nation of Malawi (Figure 1). Both contain identified radiometric anomalies and are highly prospective for uranium mineralisation. Within the northern project, **Chintheche**, uranium channel anomalies are associated with late Tertiary sediments that are potential hosts for sediment-hosted uranium mineralisation. Within the southern project, **Machinga**, anomalies are associated with alkaline intrusions which RSL intends to systematically explore for vein-style mineralisation.

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 for its Kayelekera Uranium Project in the north of the country.

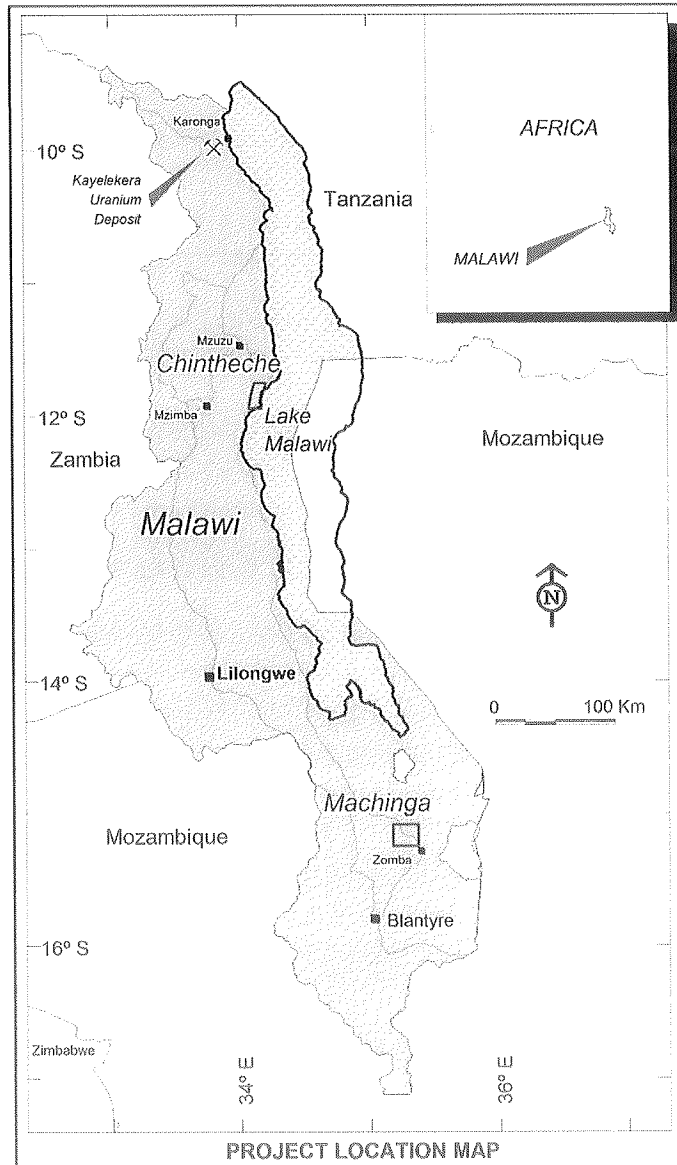


Figure 1: Malawi licence locations

The **Machinga Project (EPL 0230-07)**, with an area of 378km², comprises an Exclusive Prospecting Licence (EPL) granted to Eastbourne Exploration Pty Ltd (**Eastbourne**) on 12 December 2007. Eastbourne is a wholly owned subsidiary of RSL.

The project area is situated in the south of Malawi between the country's new and old capitals Lilongwe and Zomba. The highway connecting the two cities passes through the project area.

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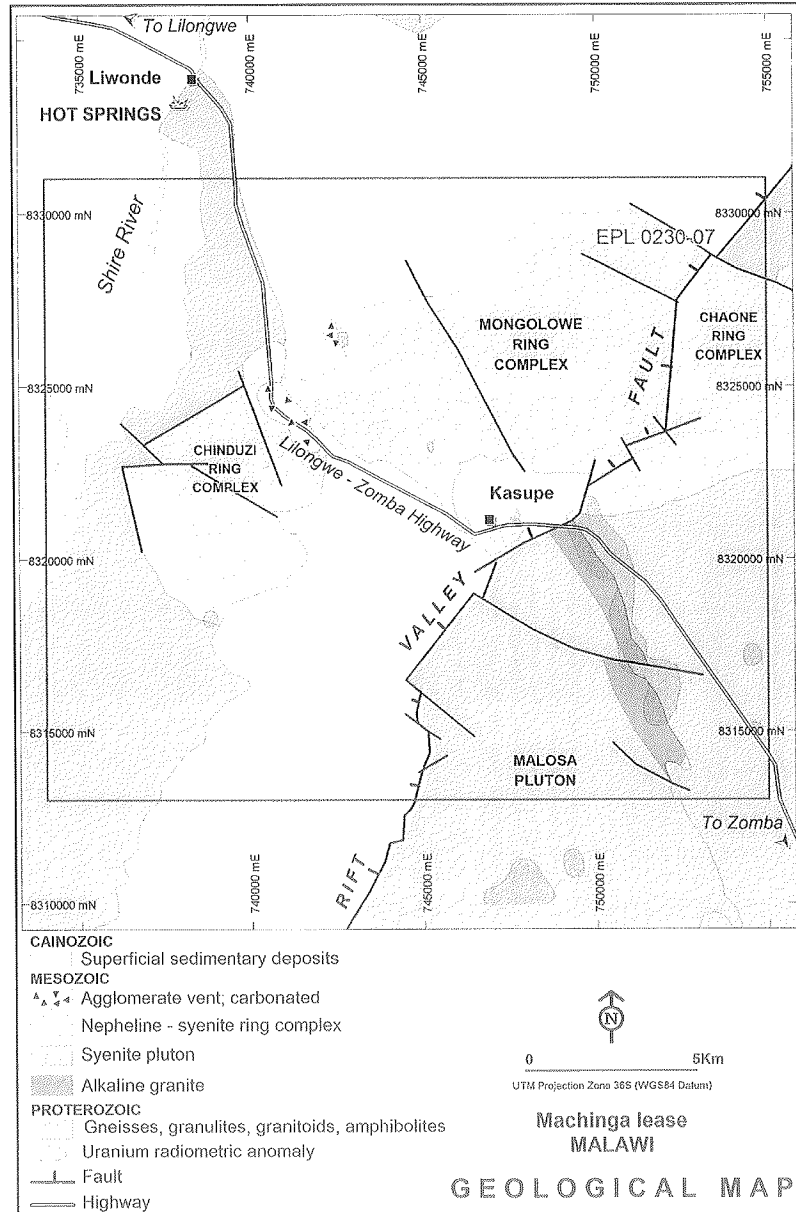


Figure 2: Geology of Machinga Licence Area

In 1955 a radiometric anomaly was located with a car-borne ratemeter about three kilometres southeast of Kasupe (now Machinga) on the old Zomba-Liwonde road. The two diamond drill holes intersected radioactive granitic and pegmatitic veins up to 2.5m in thickness. Downhole radiometric analyses gave maximum values of 700ppm U_3O_8 and 3000ppm ThO_2 .

During 1986, an airborne magnetic and radiometric survey was carried out over 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 a UN-sponsored Development Program (UNDP). 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 covers the group of anomalies.

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The identified uranium anomalies within the project area 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, and rare earth elements (**REE**).

The 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. The Basement Complex is prospective for gold and base metals. Interpretation of the aeromagnetic data may indicate structures that could be associated with gold mineralisation.

In 2008, RSL carried out two scintillometer traverses across the northern part of the main north-south anomaly. The traverses confirmed the presence of a broad radiometric anomaly with a width of over one kilometre.

RSL's proposed exploration program in 2008 is to:

- Complete detailed geological mapping accompanied by scintillometer and XRF traverses of the areas of the radiometric anomalies;
- Complete soil geochemical surveys, trenching, and rock chip sampling over priority areas;
- Where required, acquire detailed magnetic data over the areas of the radiometric anomalies;
- Evaluate the anomalies, identify and prioritise targets, and commence staged drill programmes into them.

In addition, RSL intends to initiate exploration within 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 **Chintheche project area (EPL 0219-07)** covers an area of 210.9km² and contains 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.

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

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

Apart from regional geochemical and airborne geophysical surveys, no previous exploration is known within the 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. 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 3). The stronger anomalies are of the order of four times background.

RSL's proposed exploration is a similar staged programme 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 earlier results.

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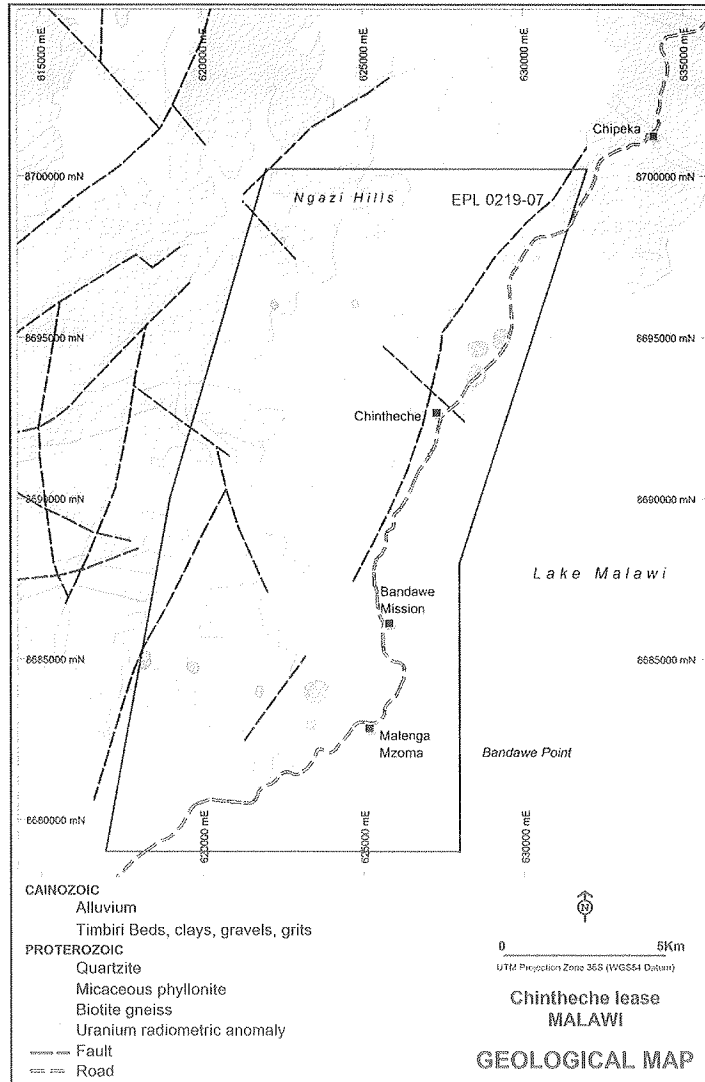


Figure 3: Geology of Chintheche Licence Area

Australian tenements

The locations of the Australian tenements are shown in figure 4.

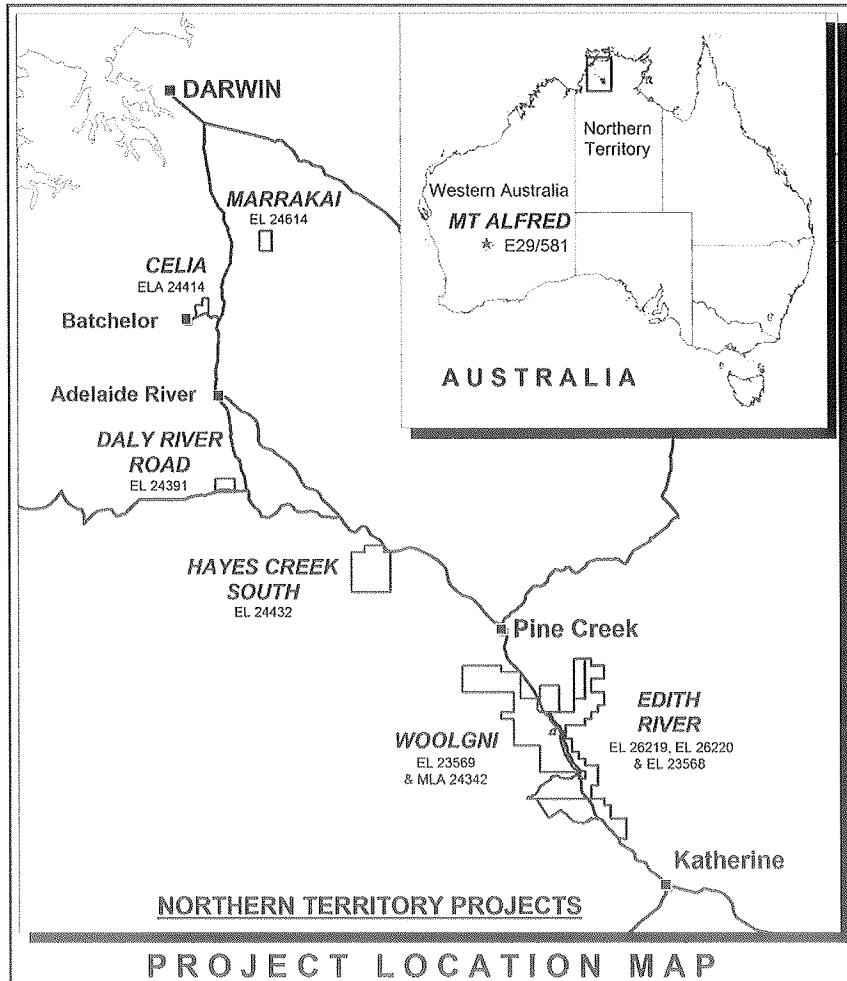


Figure 4: Location of RSL's Australian tenements

Northern Territory tenements

RSL has six projects within Australia's Northern Territory. All are situated within a few tens of kilometres of the main north-south Stuart Highway and railway line, and are within 300km of Darwin. They are within, or marginal to, the Paleoproterozoic Pine Creek Geosyncline that is richly endowed with uranium, gold, base metals, and iron deposits.

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. The shear zone is spatially related to a number of major, million ounce plus, gold deposits.

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

RSL 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 on the Woolgni/Edith River projects in 2008.

The **Edith River Project (EL23568, EL26219, EL26220)** comprises three contiguous Exploration Licences (ELs) that cover almost 400km², 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.

Small shafts have been sunk on the YMCA, Tennyson's and Fergusson River Prospects. The YMCA and Tennyson's Prospects were explored by the Bureau of Mineral Resources (BMR) during 1952-1954. Two diamond drill holes were completed by the BMR into the YMCA Prospects. The best intersections, as measured by a downhole radiometric logging tool, were 1.5m @ 1000eppm U₃O₈ at one prospect and 1m @ 1000eppm U₃O₈ at the other. During 2006 Orion carried out a rock chip sampling program over the Fergusson River U Prospect. A sample from within a small shaft at the site contained 2.7% Cu, 0.5g/t Au, and 158ppm U.

RSL proposes to systematically explore the shear zones within the Cullen Batholith for uranium and gold mineralisation, initially through the application of spectral imagery. Areas of alteration identified will be mapped in detail and surveyed with soil geochemistry and detailed ground radiometrics. Targets identified from these surveys will then be drill-tested.

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. A small program to further evaluate the gold potential is proposed.

The **Woolgni Project (EL23569)** covers over 352km² and is approximately 200km south of Darwin. The tenement is situated near the southern extent of the Pine Creek Geosyncline, in the vicinity of the Pine Creek Shear. The Hore and O'Connors uranium occurrence is present within the project area. The tenement also includes three gold prospects: the historical Woolgni Goldfield, the Tower Prospect, and the Copperfield South Prospect.

The uranium 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 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.

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.

While the main focus is on uranium, a small gold exploration program for the Woolgni Project will be undertaken.

The **Marrakai Project (EL24614)** covers 20km² and 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

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end of the Pine Creek Shear Zone and is prospective for uranium, iron 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 iron mineralisation, with priority being given to the Ella Creek Member.

The project area contains 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. The eastern lens has a length of 230m, is 3m thick, and dips at 50° to the east. A chip sample from it returned 35.2% Fe. The western lens has a length of 340m and a thickness of 4.5m. The outcropping iron mineralisation 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. 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.

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.

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, iron and gold. All three commodities will require 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)** covers 130km² and 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, partly due to the fact that vehicular access to its north-eastern section has been difficult, and partly to the paucity of outcrop in the south-eastern section.

Iron (Fe) and manganese (Mn) enrichment is present within the Stray Creek Sandstone in the north of the project area. The mineralisation as described in 1970 is restricted to the surface layers of the underlying rocks, which are of shallow dipping ferruginous shale, dolomitic shale, siltstone, and fine-

grained sandstone beds. Rock chip samples returned up to 56.3% Fe and 37.0% Mn. Other forms of iron occurrence have also been reported in the vicinity of the tenement.

Exploration proposed includes the ground checking of radiometric anomalies in the southwest of the tenement area and the detailed mapping of the Fe-Mn mineralisation in the northern portion of the tenement.

The **Daly River Road Project (EL24391)** covers 20km² and 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. The tenement contains 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. 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, and soil and rock chip sampling.

Near-surface thin tabular lenses of iron mineralisation within the Cretaceous sediments were explored between 1967 and 1970. The iron mineralisation is reported to be present both subsurface and in outcrop and it is possible that sections of it have not been drill tested. Compilation of the drill data from the iron exploration is proposed to determine if there are areas that have not been drilled and that have the potential to contain significant tonnages of mineralisation.

The **Celia Project (ELA24414)** covers 12.9km² and 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 Palaeoproterozoic sediments on the south-eastern 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 five year period.

Western Australian tenement

The **Mt Alfred Project** comprises the uranium interests within **E29/581**, a licence area covering 210.5km², situated in the Eastern Goldfields of Western Australia and about 140km northwest of the town Menzies. The project area includes about 60km² of the Lake Barlee playa lake system. RSL is exploring the area for calcrete-hosted uranium mineralisation.

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. The tenement is held by P. W. Askins and C. Baxter, who are holding it in trust for the benefit of Red Rock Resources plc (**Red Rock**). Red Rock has entered into a JV with RSL whereby RSL has acquired the right to explore for and mine uranium on the tenement. Previous exploration within the tenement located uranium mineralisation within Cainozoic sediments marginal to the lake.

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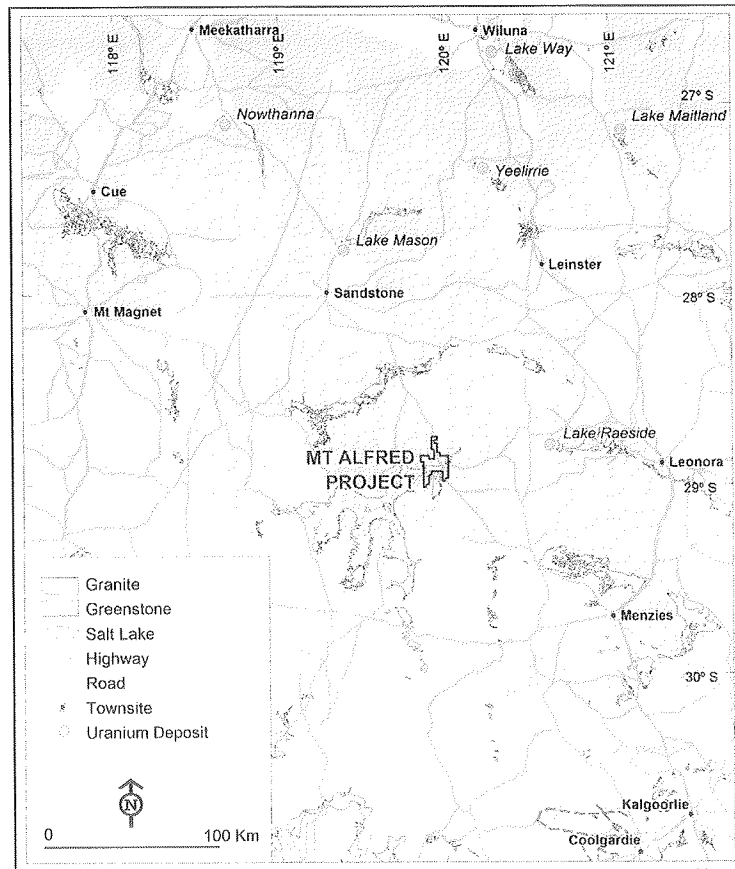


Figure 5: Calcrete hosted uranium deposits in northeast Yilgarn

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 (figures 5 and 6). These basement rocks have been subject to extensive weathering and peneplanation. Wide paleodrainage systems occupy relatively shallow valleys and drain the region towards the southeast. 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 Yeelirrie¹ (52,500t of contained U_3O_8), Lake Maitland² (10,800t of contained U_3O_8), Lake Way³ (9,000t of contained U_3O_8), and, down drainage from Lake Barlee, Lake Raeside¹ (1,700t of contained U_3O_8).

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 6. Samples from five of the holes returned analyses between 100ppm and 120ppm U_3O_8 .

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, to depths of 60cm. The results of

¹ McKay, A.D. & Miezitis, Y., 2001. *Australia's uranium resources, geology and development of deposits*. AGSO – Geoscience Australia, Mineral Resource Report 1.

² Hellman & Schofield Pty Ltd., 2007. *First Time Disclosure: Mega Uranium Ltd. Mineral Resources For Lake Maitland Uranium Deposit*

³ Nova Energy Limited 2007 Annual Report (pre-merger with Toro Energy Ltd)

this orientation survey confirmed that surface sampling, and thus also radiometric surveys, are inadequate tools for the location of even near-surface uranium mineralisation in the area.

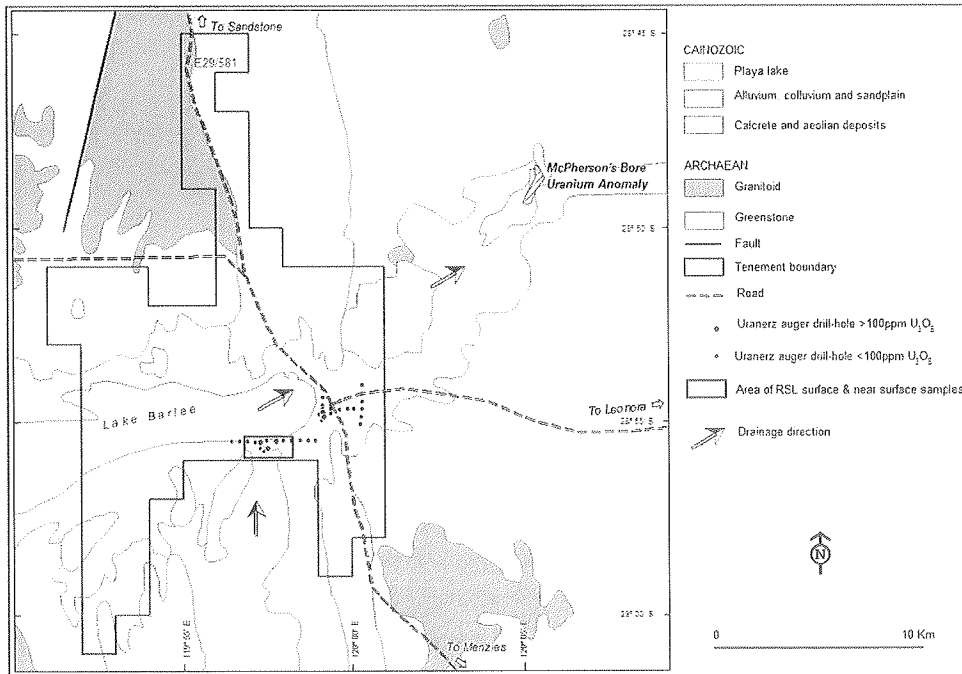


Figure 6: Geology of the Mt Alfred Project area

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

The high prospectivity of the Lake Barlee drainage channel has been demonstrated at McPherson's Bore, where, about 10km along the Lake Barlee paleodrainage system to the northeast of the tenement, Encounter Resources Limited has been exploring a uranium anomaly associated with a near surface zone of calcrete and calcareous sediments. Encounter has 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 U₃O₈.

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.

The information in this report that relates to Exploration Results is based on information compiled by Mr Ian Scott, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Scott 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 Scott consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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Capital Raising

As part of the process, RSL will be seeking to raise A\$1.5 - 2.0 million through the issue of new shares at an issue price of \$0.20 each (**Capital Raising**). The Capital Raising will take place pursuant to a "full form" prospectus.

The Company's major shareholder, Red Rock, has agreed to underwrite \$1,100,000 worth of shares under the Capital Raising.

In order to raise funds at a minimum price of \$0.20 per share, the Company will need to undertake a consolidation of its existing shares. The ratio of the consolidation has not been decided by the Board as yet and is likely to be finalised in the coming weeks after discussions are held with various brokers/investors.

Proposed Exploration Program

On completion of the Capital Raising, the Company will have approximately \$2.2 million (assuming \$1.5 million is raised) available for expenditure on its existing projects and for working capital.

The Company intends to apply these funds over the subsequent 12 months as follows:

	Total \$
Corporate expenses and administration costs	\$617,000
Malawi exploration	\$1,114,000
Australian exploration	\$455,000
Total	\$2,186,000

Should less than \$1.5 million be raised, proposed drilling programs in Australia and Malawi will be reviewed and may need to be scaled back.

It should be noted that the proposed budget will be subject to modification based on the Company's evaluation of on-going results. The Company will also continually assess each of its projects and this may lead to variations in the work programs and level of expenditure reflecting changes in emphasis.

The independent geologist's report to be included in the Company's prospectus to be prepared for the re-compliance will contain a more detailed geological evaluation on each of the Company's prospects.

Capital Structure

The existing capital structure of the Company is set out below. As noted above, it is likely that the Company will need to undertake a consolidation of its existing shares and options before raising any additional funds at \$0.20 per share. The ratio of the consolidation has not been determined as at the date of this announcement.

Ordinary Shares	Number
Current Shares on issue	582,799,753

Performance Shares	Number
Current Class A Performance Shares on issue	20,000,000

Options	Number
\$0.80 options, expiring on 31 May 2008	65,000
\$1.00 options, expiring on 31 May 2008	70,000
\$0.261 options, expiring on 15 December 2009	1,333,334
\$0.025 options, expiring on 30 June 2008	20,000,000
\$0.015 options, expiring on 30 June 2008	230,000
\$0.287 options, expiring on 15 December 2010	1,333,334
\$0.314 options, expiring on 15 December 2011	1,333,332
\$0.25 options, expiring on 15 December 2009	3,300,000
Managing Director Incentive Options	12,000,000
TOTAL	39,635,000

Balance Sheet

An unaudited Balance Sheet of the Company as at 31 January 2008, together with the Pro Forma Balance Sheet after the capital raising is attached.

Change of Name

The Company intends to seek shareholder approval to change its name to "Resource Star Limited". This will ensure that the same ASX ticker ("RSL") can be retained.

Existing RSL business

Subject to shareholder approval being obtained for the change in activities, the existing on-line retail business owned by the Company will be wound down.

Indicative Timetable

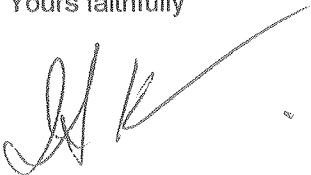
The indicative timetable is set out below:

<u>Event</u>	<u>Date</u>
ASX Announcement of Change in Activities	12 May 2008
Dispatch Notice of Meeting to seek shareholder approval	27 May 2008
Suspension of RSL's securities from trading on ASX at the opening of trading	27 June 2008
Lodgement of Prospectus with the ASIC	20 June 2008
General Meeting to approve change in activities	27 June 2008
Opening of Offer under the Prospectus	30 June 2008
Closing Date of Offer under the Prospectus	22 July 2008
Anticipated date the suspension of trading is lifted and the merged entity is re-listed on ASX	30 July 2008

The timetable set out above is only indicative and is subject to change.

It is the RSL board's view that the change in activities will give all shareholders the opportunity to participate in a credible and promising mining industry company, led by a capable board and management.

Yours faithfully



Ian Scott
Managing Director

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Un-Audited Pro Forma Balance Sheet**31 January 2008****Pro Forma after
Capital Raising**

\$

\$

ASSETS**Current Assets**

Cash and cash equivalents

1,727,319

3,227,319
(refer note 1)

Trade and other receivables

20,491

20,491

Inventories

8,500

8,500

Other current assets

15,509

15,509

Total Current Assets**1,771,819****3,271,819****Non-Current Assets**

Exploration and evaluation expenditure

1,993,801

2,443,801

Property, plant and equipment

6,053

6,053

Total Non-Current Assets**1,999,854****2,449,854****TOTAL ASSETS****3,771,673****5,721,673****LIABILITIES****Current Liabilities**

Trade and other payables

55,393

55,393

Total Current Liabilities**55,393****55,393****TOTAL LIABILITIES****55,393****55,393****NET ASSETS****3,716,280****5,666,280****EQUITY**

Issued capital

27,947,045

29,897,045

Options reserve

216,982

216,982

Accumulated losses

(24,447,747)

(24,447,747)

NET EQUITY**3,716,280****5,666,280**

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Note 1 The movement of cash assets is reconciled as follows:

Opening balance	1,727,319
Placement of shares (pursuant to proposed "full form" prospectus)	1,500,000
Closing Balance	3,227,319

The cash balance of \$3,227,319 in the Pro Forma Balance Sheet does not take into account expenditure incurred between 31 January 2008 and the anticipated date of completion of the investment nor the cost of the capital raising. It is estimated the Company will have approximately \$2.2 million available for expenditure on its existing projects and for working capital at the anticipated date of completion of the investment.

Note 2 The movement in exploration and evaluation expenditure is reconciled as follows:

Opening balance	1,993,801
Chintheche Exclusive Prospecting License (EPL0219/07)	450,000
Closing Balance	2,443,801

Note 3 The movement in contributed equity is reconciled as follows:

Opening balance	27,947,045
Placement of shares (pursuant to proposed "full form" prospectus)	1,500,000
Conversion of 30,000,000 C Class converting Performance Shares to 30,000,000 Shares (at 1.5 cents each)	450,000
Closing Balance	29,897,045

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