



7 July 2008

RETAIL STAR LIMITED EXPLORATION UPDATE
NORTHERN TERRITORY EXPLORATION HIGHLIGHTS TO JULY 2008

- **The first phase of field reconnaissance in the Woolgni-Edith River Project area is nearing completion.**
- **Initial exploration has focussed on the areas around old uranium prospects.**
- **High resolution satellite images have assisted in mapping zones of significant alteration and structures in the Cullen Granite and facilitated field activities.**
- **247 rock chip samples have been analysed by field spectrometer. A significant number are strongly anomalous in uranium.**
- **3-5000 metres of reverse circulation drilling planned**
- **There have been significant delays in obtaining laboratory analyses**

Summary Report of Field Activities – Northern Territory, Australia

1. Field activities have focused on the Woolgni-Edith River Project (EL23568, EL23569, EL26219, EL26220) (Figure 1). There are several old uranium prospects in the south of EL23568 which are being re-evaluated. The old small-scale workings at YMCA 1 and 2 have been located and the surface rocks re-sampled.
2. High resolution satellite images have assisted in mapping zones of significant alteration and structures in the Cullen Granite. Delineation of these zones has facilitated field activities.
3. New areas of interest have been identified. These are to the east of the recorded locations of old prospects, Tennyson's Nos 1 & 2 and west of Tennyson's Nos 5 & 6. The area sampled covers 2.2 kilometres by 2.9 kilometres. Anomalous uranium has been measured in samples throughout this area (figure 2 and table 1).
4. Nearly 250 rock chip sample have been collected from several shear zones with strong iron alteration within the Cullen Granite. Some basic statistics from the samples collected are tabled below. A field spectrometer provided the readings.

Table 1: Rock sample statistics (spectrometer results)

Number of samples collected	247
Minimum value (eppm U)	2
Maximum value (eppm U)	1291
Average value (eppm U)	248

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5. Of significance, the results obtained from YMCA 1 and 2 are of a similar magnitude to those measured at the new areas selected for drilling. The YMCA and Tennyson's Prospects were explored by the Bureau of Mineral Resources (BMR) during 1952-1954. 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 315 metres. The best BMR intersections, as measured by a downhole radiometric logging tool, were 1.5m @ 1000eppm U₃O₈ at one prospect and 1m @ 1000eppm U₃O₈ at the other.
6. The size (length and width), degree of iron alteration, brecciation and quartz veining is visibly much stronger in the new areas selected for drilling than at the YMCA prospects.
7. Point spectrometer uranium readings for outcrops are generally higher than those for pulverized bulk rock chip samples from the same area. These results are as expected for the following reasons;
 - The outcrop measurements were deliberately the highest possible on a given outcrop whilst the rock chip samples were randomly collected from the total outcrop.
 - The rock chip samples are probably too small to give representative results
 - The highest results on an outcrop often came from quartz veins (resistant to weathering) whilst the rock chip samples represent the entire outcrop. The iron altered zones are more deeply weathered than the quartz veins and there is an expectation that some uranium has been removed from these zones due to the weathering process.
8. Lower uranium readings in the near surface weathered zone indicates that only drilling to fresher rock will give a more accurate indication of the uranium potential.
9. Spectrometer uranium readings from outcrops in the main drill target areas are shown in the following tables.
10. Long delays are being experienced in obtaining laboratory analyses (2 months to date). These results are required to assist in calibration of spectrometric results.
11. Drilling approvals are in the final stages and a drilling contractor has been confirmed to undertake a 3-5000 metre reverse circulation program.
12. The following prospects have been identified as the highest priority drilling targets.

Drilling Prospects

Dacus Prospect

The Dacus Prospect is over 1000m long and between 4-20m wide. There are 3 major parallel veins trending north-south and one cross cutting vein striking NNE-SSW. Each vein varies from 10-50cm thick and dips vertically. The prospect area consists of deeply weathered, iron altered dark brown coarse grained granite with multiple quartz veins. High spectrometer readings were returned from areas of intense iron alteration, quartz veining, shearing and breccia zones. Quartz, micas (biotite), feldspar, haematite, epidote and iron were common minerals on the area. A creamy light yellow coloured mineral (interpreted as a uraniferous) was observed 350m south of the area.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8037	156	601	176878	8427180
RSL8038	157	1123	176880	8427164
RSL8039	159	278	176858	8427164
RSL8040	160	166	176884	8427124
RSL8041	161	964	176879	8427132
RSL8042	162	154	176901	8427030
RSL8043	163	213	176925	8426968
RSL8044	164	216	176924	8426960
RSL8045	165	254	176932	8426950
RSL8046	167	230	176988	8426840

RSL8047	168	10	177003	8426808
RSL8189	388	112	177166	8426410
RSL8190	389	179	177126	8426506
RSL8191	390	229	177055	8426560
RSL8192		152	177055	8426560
RSL8193	391	554	177049	8426576
RSL8194	392	299	177026	8426616
RSL8195	393	146	177018	8426644
RSL8196	394	8	176990	8426728

Jeray Prospect

Jeray prospect is approximately 600m long and 4m wide. There is only one major vein trending NNE-SSW and three cross cutting veins striking E-W. The veins vary from 1- 40cm thick and are steeply west dipping. The prospect area is structurally complex. The prospect area consists of granite, deeply weathered and intensely iron altered with some residual quartz grains. High spectrometer readings were returned from areas of intense iron alteration, quartz veining, shearing and breccia zones. Common minerals are quartz, biotite, feldspar, epidote, iron and haematite.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8143	345	77	176484	8426192
RSL8144	346	557	176479	8426202
RSL8145	347	272	176468	8426238
RSL8146	348	98	176438	8426278
RSL8147	349	134	176423	8426304
RSL8148	350	265	176420	8426322
RSL8149	351	94	176408	8426342
RSL8150	352	59	176395	8426404
RSL8151	353	385	176379	8426438
RSL8152	354	284	176358	8426480
RSL8153	355	275	176336	8426530
RSL8154	356	266	176330	8426550
RSL8155	357	328	176323	8426566
RSL8156	358	114	176326	8426616
RSL8157	359	359	176320	8426638
RSL8158	360	170	176312	8426658
RSL8159	361	134	176300	8426684

Dicus Prospect

Dicus prospect is 300m long and 2m wide. The maximum thickness of the quartz vein is 1m. The quartz veins strike NE-SW with some irregular thin cross cutting veins. Strong spectrometer readings were obtained from areas of iron alteration (mostly on quartz veins) and breccia zones, (matrix support breccias). Common minerals are quartz, feldspar, biotite, epidote, iron and haematite. The prospect area consists of altered quartz veins and deeply weathered black coarse grained granite.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8115	289	757	177397	8425658
RSL8116	290	237	177432	8425694
RSL8117	291	161	177448	8425720
RSL8118	292	426	177452	8425728
RSL8119	293	127	177465	8425762

RSL8120	294	97	177478	8425782
RSL8121	295	128	177510	8425842
RSL8122	296	56	177515	8425858
RSL8123	297	194	177524	8425882
RSL8124	298	188	177535	8425906

Northern Prospect

The Northern prospect is about 300m long and 3m wide. It consists of deeply weathered dark brown iron altered coarse grained granite and minor quartz veins. The major vein is 40cm thick with some irregular cross cutting veins. Strong Spectrometer readings were returned from iron altered zones, narrow veins and a silicified breccia. The veins are almost vertically dipping and strike N-S. Common minerals are quartz, feldspar, biotite, iron, epidote and haematite.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8201	397	280	821915	8428086
RSL8201	398	271	821915	8428086
RSL8202	399	326	821919	8428066
RSL8203	400	258	821926	8428054
RSL8204	401	208	821933	8428036
RSL8205	402	183	821948	8428014
RSL8206	403	385	821945	8427990
RSL8207	404	233	821952	8527966
RSL8208	405	421	821944	8427956
RSL8209	406	104	821944	8427956
RSL8210	407	308	821934	8427864
RSL8211	408	506	821927	8427844
RSL8212	409	186	821945	8427806

YMCA 2 Prospect (for comparison with the new targets above)

YMCA2 prospect is over 150m long and 2 m wide. Common rocks were deeply weathered granite and greywacke. Both rocks were dipping west and striking NW-SE. The prospect area is cross cut by 30cm thick quartz vein trending E-W.

Sample ID	Assay ID	Spectrometer eppm U	Easting	Northing
RSL8001	81	32	182361	8428814
	80	260	182351	8426812
	82	220	182357	8428826
RSL8002	83	790	182346	8428848
	84	23	182323	8428902
RSL8003	85	574	182304	8428930
RSL8004	86	1027	182345	8428800
RSL8005	87	259	182350	8428786
	88	17	182403	8428666
	89	18	182412	8428620
RSL8006	90	135	182181	8425408
RSL8007	91	250	182082	8425526

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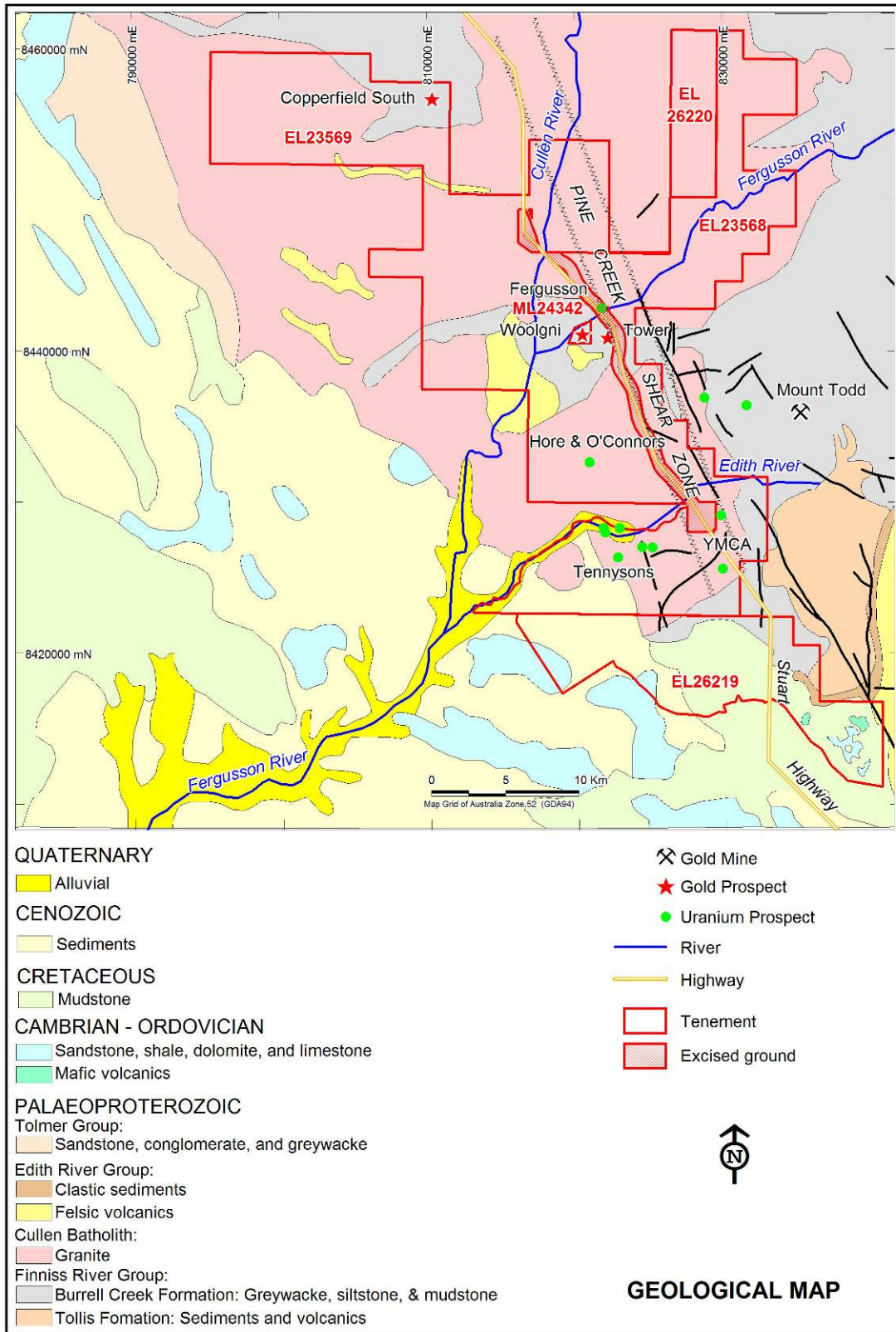


Figure 1: Woolgni-Edith River Project Geology

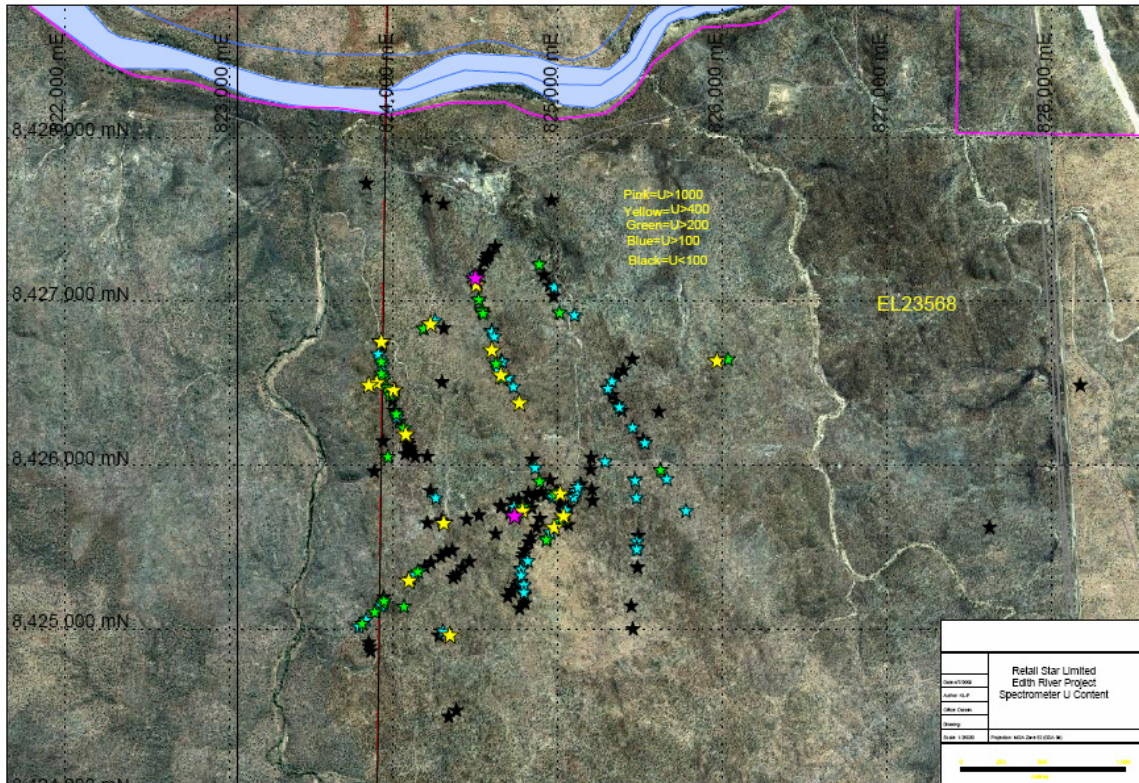


Figure 2: Rock chip sample locations and spectrometer readings (ppm U) Edith River, NT

Map projection: MGA Zone 52 (GDA 94)

Field spectrometer: Fugro Instruments RS-125 Super-SPEC Handheld Gamma-Ray Spectrometer

ppm: Equivalent parts per million; in the case of uranium interpreted from radiometric data rather than chemical analysis. Uranium grades thus reported are derived from spectrometer logging and should be regarded as approximations only.

Exploration program management by CSA Global Pty Ltd.

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 his information in the form and context in which it appears.

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