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ASX/Media Release

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Significant magnetite zones intersected at Mahendra's Find Iron Project

Key Points

- 21 RC hole drill program at Mahendra's Find Iron Project completed
- Drill program intersected significant zones of magnetite mineralisation
- Silicate magnetite BIF intersected in 6 holes with zones up to 59m wide down-hole
- Drilling also intersected near-surface goethite-hematite mineralization in 10 holes
- Results to be analysed to help plan next phase of drilling
- Project located close to major rail infrastructure with Trans Australian Railway just 23km south of project area
- Company believes project has potential to produce Direct Shipping Ore (DSO) with grades >60% Fe, and a magnetite concentrate by beneficiation of >30% Fe grade BIF

Diversified Australian exploration and development company Fairstar Resources Limited (ASX: FAS) (Fairstar) is pleased to announce that significant zones of iron mineralization have been intersected from the Company's maiden drill program at its Mahendra's Find Iron Project in Western Australia's eastern goldfields.

The drill program comprised 21 reverse circulation (RC) holes at the project and intersected zones of soft silicate banded iron formation (BIF) with the potential for beneficiation to produce a magnetite concentrate.

Silicate magnetite BIF was intersected in six holes, **with zones up to 59 metres wide** down-hole and five of the holes ended in magnetite mineralisation. **The Company anticipates this next phase of drilling would be a RC and diamond core program to a depth of 200 metres.**

The widest areas intersected to date were at the Steeple Hill syncline and at High Hill, which is situated on the folded west limb of the syncline. **The Company is of the view that these areas may have the potential to host hundreds of millions of tonnes of soft silicate magnetite mineralisation which, because of its softness, may result in lower mining and lower magnetic separation processing costs.**

Eight composite samples of four metres each have been sent to ALS Laboratories for preliminary testwork and subject to results the remaining magnetite samples will be analyzed and will help in planning for the next phase of drilling, which would be designed to define the extent of magnetite mineralisation at the target area of the project.

The drill program also intersected near-surface goethite and hematite mineralisation up to 17metres thick in 10 holes. Follow up RC holes have been planned at 400 metre line spacing for 3km along strike on the east limb of the syncline where goethite hematite mineralisation has been identified during mapping.

The Mahendra's Find Project is 100% owned by Fairstar and is located 110 km southeast of Kalgoorlie in close proximity to major rail infrastructure, with the Trans Australian Railway passing 23 km south of the project area.

Based on its exploration activities and results to date, the Company is of the view that the project area may have the potential to produce Direct Shipping Ore (DSO), with iron grades of greater than 60% Fe, as well as a banded iron formation (BIF) product of greater than 30% Fe grades beneficiable to greater than 67% Fe.

The information reported herein is based on information compiled by Mr Sheldon Coates who is a member of the Australasian Institution of Mining and Metallurgy. He has sufficient experience relevant to the style of mineralisation and deposit type under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Coates consents to the inclusion of this report of the matters based on his observations in the form and context in which it appears. Mr Coates has a B.Sc. Geology, MBA in Technology Management, and MSc in Mineral Economics. He has 13 years iron ore experience. ENDS



RC Drilling rig at Mahendra's Find
A. Layered iron oxide detritals exposed in trench
B. Sieved and washed detrital iron oxide
C. Near surface specimen of silicate BIF showing iron oxide bands interbedded with soft sediment.
D. 1 metre piles of RC drill chips showing Fe mineralised zone 17 metres wide

