

December 22, 2016

ASX Announcement

FairStar Resources Limited (ASX:FAS) (“**Company**”) has received a statutory demand from Madhukar Yashpal Bhalla allegedly for employee entitlements (“**Demand**”).

The Company disputes the debts described in the Demand and has applied to the Supreme Court of Western Australia to set it aside.

The Company intends to pursue its application to set aside the Demand vigorously.

Ends.