

July 22, 2015

Adviser, Listings (Perth)
ASX Compliance Pty Ltd
L 40 Central Park
152-158 St Georges Terrace,
PERTH WA 6000

Unit 3, 136 Main Street,
Osborne Park WA 6017
PO Box 1520, Osborne Park WA 6916
Phone: 08 9242 5111
Fax: 08 9242 5677
Email: admin@fairstarresources.com
Web: www.fairstarresources.com

A.B.N. 38 115 157 689

Attn: Ben Tippett

Dear Sir,

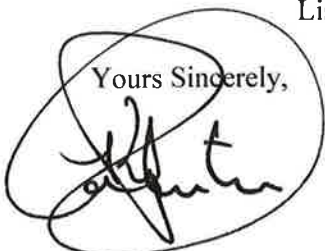
Re: Response to Aware Query.

We refer to your letter and append hereunder your questions and our responses.

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. In answering “No” to the first question of the ASX Aware Letter, does the Entity consider that the information in the Announcement, namely the appointment of a receiver and manager over the named assets of the Entity in respect of a \$2,380,000 debt, is information that a reasonable person would not expect to have a material effect on the value of the Entity’s securities?
 - The Company being aware of the fact that the securities have been in suspension since 01 October 2014, and that in the 24 – 48 hours following the appointment of a receiver and manager, there was no reasonable expectation that the company’s securities would have any possibility of being released from the suspension by the ASX, the Company confirms that the delay in announcement would not have had, and has not had, any material effect on the price or value of the Company’s securities. Furthermore we are not aware of any off-market transactions of the Company’s securities.
2. Please advise whether the Entity considers that the information in the Announcement would be information that a reasonable person would expect to have a material effect on the value of the Entity’s securities if the Entity’s securities were not suspended from quotation on ASX.
 - The Company understands that the information in the appointment could have had a material effect on the value of the Company’s securities, had the Company’s securities not been suspended from quotation on ASX. Had the company’s securities not been suspended and the Company had been notified that a receiver had been appointed; the Company would have immediately requested a trading halt pending the release of the announcement to that effect.
3. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 - The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours Sincerely,



Kevin J Robertson
Managing Director



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 40, Central Park
152-158 St Georges Tce
PERTH WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 8 9224 0000
www.asx.com.au

21 July 2015

Kevin Robertson
Managing Director, Fairstar Resources Limited
Units 3 & 4, 136 Main Street
Osborne Park WA 6017

By email

Dear Mr Robertson,

Fairstar Resources Limited (“the Entity”) – Response to ASX aware query

ASX Limited (“ASX”) refers to the following:

1. The Entity’s announcement entitled “Amended ASX Media Release” lodged with ASX Market Announcements Platform and released at 1:27 pm AEST on 9 July 2015 (the “Announcement”), disclosing the appointment of a receiver and manager over the following property of the Entity:
 - a) *any and all current and future cash including cash at bank and/or on deposit at 31 July 2014 and all future cash at bank and/or on deposit;*
 - b) *any and all receivables;*
 - c) *the entitlement of the Entity to research and development rebates, including but not limited to, the entitlement to rebates for the financial years 2012-2013, 2013-2014, and 2014-2015;*
 - d) *investments of the Entity, including but not limited to, any shareholdings in any listed or unlisted entities; and*
 - e) *any and all intellectual property of the Entity, including but not limited to, the geological database and associated studies for the Steeple Hill Iron Project.*
2. The ASIC Form 505 *External Administration – Appointment of an external administrator* lodged against the Entity on 7 July 2015 appointing Mr Simon Guy Theobald of PPB Advisory as receiver and manager over the abovementioned property.
3. The Entity’s Quarterly Report in the form of Appendix 5B for the period ended 31 March 2015, released to ASX on 30 April 2015, which reported the following:
 - a) Cash balance at 31 March 2015 of \$19,000.
 - b) Short-term secured financing facilities payable totalling \$7,995,000, including a loan secured by a PPSA Security Interest of \$2,380,000.
4. ASX’s letter to the Entity dated 10 July 2015 asking when the Entity first became aware of the information contained in the Announcement (“ASX Aware Letter”).
5. The Entity’s response to the ASX Aware Letter dated 17 July 2015 (“Aware Letter Response”), in which the Entity stated as follows:

- a) In response to the first question “Does the Entity consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities”, the Entity answered “No.”
- b) In response to the second question “If the answer to question 1 is “no”, please advise the basis for that view”, the Entity answered:

“As the securities of the company were, and remain without the likelihood of being released in the subsequent 48 hours from suspension, the announcement would not have had a material effect on the price or the value of its securities.”

6. The ASX Aware Letter and the Aware Letter Response were released on the ASX Market Announcements Platform on 20 July 2015.

7. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities, and provides some examples of disclosure may be required under that rule:

“3.1 Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities, the entity must immediately tell ASX that information.

[...]

Examples: The following are non-exhaustive examples of the type of information that, depending on the circumstances, could require disclosure by an entity under this rule:

[...]

- *the appointment of a liquidator, administrator or receiver.”*

8. Listing Rule 18.6, which provides that a listed entity must comply with the listing rules during a period of suspension:

“18.6 On admission to the official list, an entity must comply with the listing rules. This applies even if quotation of the entity’s securities is deferred, suspended or subject to a trading halt.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. In answering “No” to the first question of the ASX Aware Letter, does the Entity consider that the information in the Announcement, namely the appointment of a receiver and manager over the named assets of the Entity in respect of a \$2,380,000 debt, is information that a reasonable person would not expect to have a material effect on the value of the Entity’s securities?
2. Please advise whether the Entity considers that the information in the Announcement would be information that a reasonable person would expect to have a material effect on the value of the Entity’s securities if the Entity’s securities were not suspended from quotation on ASX.
3. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 3:00 p.m. WST on Wednesday 22 July 2015.

You should note that if the information requested above is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ben.tippett@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

If you have any queries or concerns regarding any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Ben Tippett
Adviser, Listings (Perth)