

3 August 2015

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

A.B.N. 38 115 157 689

**Attn: Ben Tippett**

Dear Sir,

**Re: Response to Aware Query, R & D refund.**

We refer to your letter of 01 August 2015 and respond as hereunder.

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. Does the Entity consider the R&D Rebate Information, either collectively or part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities? (If in part, please specify the relevant part of the information).
  - No.
2. If the answer to question 1 is “no”, please advise the basis for that view.
  - The company considered the matter of the R&D refund and determined that the receipt of the funds was not material; and therefore did not require announcing due to the quantum of the amount received.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the information?
  - N/A
4. If the answer to question 1 is “yes” and the Entity first became aware of the information before the date of the Announcement, did the Entity make any announcement prior to that date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
  - N/A
5. 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,

A handwritten signature in black ink that reads "Madhukar Bhalla." The signature is written in a cursive style with a period at the end.

**Madhukar Bhalla**  
Company Secretary.



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1 August 2015

Madhukar Bhalla  
Company Secretary, Fairstar Resources Limited  
Units 3 & 4, 136 Main Street  
Osborne Park WA 6017

By email: madhu@fairstarresources.com

Dear Mr Bhalla,

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

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

1. The Entity’s quarterly activities and cashflow report for the period ended 31 March 2015, released to ASX on 30 April 2015, which reported the following:
  - Cash balance as at 31 March 2015 of \$19,000.
  - Short-term secured financing facilities payable totalling \$7,995,000, including a loan secured by a PPSA Security Interest of \$2,380,000.
2. The Entity’s announcement entitled “Amended ASX Media Release” released to ASX on 9 July 2015, disclosing the appointment by The Sheldon Coates Superannuation Fund 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.*
3. The aware letter sent to the Entity on 10 July 2015 in the Entity was asked, amongst other things, to confirm it is in compliance with the ASX Listing Rules, and in particular, Listing Rule 3.1 (“First Aware Letter”).
4. The Entity’s response to the First Aware Letter dated 17 July 2015 (“First Aware Letter Response”), in which the Entity stated as follows:

*“The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.”*
5. The First Aware Letter and the First Aware Letter Response were released to the market on 20 July 2015.

6. The aware letter sent to the Entity on 21 July 2015 in the Entity was asked, amongst other things, to confirm it is in compliance with the ASX Listing Rules, and in particular, Listing Rule 3.1 (“Second Aware Letter”).

7. The Entity’s response to the First Aware Letter dated 21 July 2015 (“Second Aware Letter Response”), in which the Entity stated as follows:

*“The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.”*

8. The Second Aware Letter and the Second Aware Letter Response were released to the market on 23 July 2015.

9. The Entity’s quarterly activities and cashflow report for the period ended 30 June 2015 entitled “Quarterly Report” lodged with ASX Market Announcements Platform and released at 6:30 pm AEST on 31 July 2015, (the “Announcement”), disclosing, amongst other things:

- The receipt during the quarter of a \$735,000 research and development refund for the 2014 financial year from the Australian Tax Office.

(the “R&D Rebate Information”).

10. 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.

11. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

*“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”*

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

12. Listing Rule 3.1, which sets out the requirement of continuous disclosure under the ASX Listing Rules:

*“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.”*

13. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity;*  
*or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

14. 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. Does the Entity consider the R&D Rebate Information, either collectively or part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities? (If in part, please specify the relevant part of the information).
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the information?
4. If the answer to question 1 is “yes” and the Entity first became aware of the information before the date of the Announcement, did the Entity make any announcement prior to that date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. 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 half an hour before the start of trading (ie before 9.30 a.m. AEST) on **Tuesday 4 August 2015**.

You should note that if the information requested by this letter 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](mailto: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.

### **Listing Rule 3.1**

Listing Rule 3.1 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. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

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

Yours sincerely

*[Sent electronically without signature]*

Ben Tippett  
**Adviser, Listings (Perth)**