

23 July 2009

Unit 3, 136 Main Street,
Osborne Park WA 6917
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

Fairstar Secures \$5 Million Funding Facility For Exploration Program



Fairstar Resources Limited (ASX: FAS, FASO) is pleased to announce that it has signed a \$5 million funding facility which has been arranged through Fortrend Securities Pty Ltd.

The facility will provide funds over the next three years. The successful negotiation of this facility provides capital for Fairstar's exploration and working capital. This will have the effect of increasing our exploration activity thereby enabling Fairstar Resources Limited to progress rapidly towards proving up viable resources resulting in positive returns for our valued shareholders.

Fortrend has agreed to provide up to \$5 million to Fairstar to be drawn down at Fairstar's discretion by the issue of shares to Fortrend. Fairstar has the right but not the obligation to use the facility at any time over the facility's 3 year term. Fairstar can determine the timing and amount of any drawdown within the provisions of the facility agreement. The facility does not preclude any other equity or debt arrangements that Fairstar may decide to use to fund their projects.

In the event of a drawdown, shares will be issued at a 10% discount to the average closing price calculated over the 5 trading day period following a drawdown notice. In addition Fortrend will receive 1 option for every 4 shares issued. The strike price of the option will be the issue price of the shares to Fortrend.

The Board and Management endorse the long term view of this investment by Fortrend Securities in Fairstar, and envisage a long mutually beneficial relationship.

Joe Forster (Fortrend CEO) says "we are very pleased to be able to help Fairstar fund their exploration and development projects over the next few years. We are excited by the potential of Mahendra's Find, Kurnalpi and other quality tenements."

ENDS

Fairstar Resources Limited



Distinctive iron outcrops at Mahendra's Find