

25 October 2013

A.B.N. 38 115 157 689

ASX
Perth
Attn: Fiona Murphy
Senior Adviser, Listings Compliance (Perth)

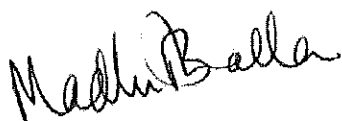
Dear Fiona,

We refer to your letter of the 23rd October and respond hereunder:

1. Please explain why the Appendices 3B were lodged late (and in relation to the appendix 3B referred to at 1 above this question relates to the 30,683,333 shares issued on 16 October 2013 only)?
 - 16th October issue:
 - The shares issued on the 16th were notified to us by the Registry quite late in the day and in the process of completing the very detailed new format 3B, the second issue was authorised. For the sake of completeness it was felt prudent to combine the two issues.
 - The Company confirms that in future the firm arrangements have been made to have the 3B lodged within 24 hours of the issue being confirmed to the Company by the Registry.
 - 3rd October issue:
 - The shares issued on the 3rd were notified to us by the Registry at the end of the day and the 3B was completed in part on the 4th, being a Friday, the completed and checked 3B was lodged on the next working day, Monday the 7th October 2013.
 - The Company confirms that in future the firm arrangements have been made to have the 3B lodged within 24 hours of the issue being confirmed to the Company by the Registry.

- 23rd September issue:
 - The shares issued on the 23rd were notified to the company by the registry late in the morning of the 24th September. The 3B was compiled and checked on the 24th and 25th and finally lodged on the 26th.
 - The Company confirms that in future the firm arrangements have been made to have the 3B lodged within 24 hours of the issue being confirmed to the Company by the Registry.
- 2. What arrangements does the Entity have in place to ensure that it is able to meet its obligations under listing rule 3.10.5?
 - The Company confirms that in future the firm arrangements have been made to have the 3B lodged within 24 hours of the issue being confirmed to the Company by the Registry.
- 3. If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.10.5?
 - The Company confirms that in future the firm arrangements have been made to have the 3B lodged within 24 hours of the issue being confirmed to the Company by the Registry.

Yours Sincerely,



Madhukar Bhalla
Company Secretary.



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23 October 2013

Mr Madhu Bhalla
Company Secretary
FairStar Resources Limited
Unit 3, 136 Main Street, Osborne Park
WA 6916

By email: madhu@fairstarresources.com

Dear Mr Bhalla

FairStar Resources Limited (the "Entity"): ASX Appendices 3B Query

ASX Limited ("ASX") refers to the following:

1. The Entity's appendix 3B, lodged with ASX on 18 October 2013 and released to the market at 19:39 ESDT, in relation to 88,344,902 shares issued on 16 and 18 October 2013 (30,683,333 of which were issued on 16 October 2013),
2. The Entity's appendix 3B, lodged with ASX on 7 October 2013 and released to the market at 19:56 ESDT, in relation to 27,492,857 shares issued on 3 October 2013, and
3. The Entity's appendix 3B, lodged with ASX on 26 September 2013 and released to the market at 18:46 EST, in relation to 10,289,055 shares issued on 23 September 2013,
(together, the "Appendices 3B").
4. Listing Rule 3.10.5 which requires (among other things) that an entity must immediately tell ASX about an issue of securities that has been made. If the issue is not a bonus issue or pro rata issue, the entity must complete Appendix 3B and give it to ASX at the same time.

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. Please explain why the Appendices 3B were lodged late (and in relation to the appendix 3B referred to at 1 above this question relates to the 30,683,333 shares issued on 16 October 2013 only)?
2. What arrangements does the Entity have in place to ensure that it is able to meet its obligations under listing rule 3.10.5?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.10.5?

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 **05:00 PM on Friday, 25 October 2013**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

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 fiona.murphy@asx.com.au** or by **facsimile to +61 8 9221 2020**. 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.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

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

Yours sincerely

[Sent electronically without signature]

Fiona Murphy
Senior Adviser, Listings Compliance (Perth)