

10 October 2014

The Manager
Australian Securities Exchange
Level 40 Central Park
PERTH WA 6000

ATTENTION : Ms Fiona Murphy

Dear Sir,

Re **QUERY**

Thank you for your queries and below please find the responses.

1. Please explain why the audited annual accounts were not lodged by the due date.
 - The delay has been due to the company's auditors completing their audit work.
2. When does the Company expect to be able to lodge the audited annual accounts so that trading in its securities can resume?
 - The auditors have indicated that they would be in a position to complete their work by about 15th October 2014.
 - The Directors will then have to convene, consider and approve the accounts for release.
 - Once this is done the accounts will be released.
 - The directors anticipate that this will be on or about the 17th October 2014.
3. What arrangements does the Company have in place, or propose to put in place, to ensure that it will be able to comply with its reporting obligations under the Listing Rules in a timely manner in the future?
 - The directors have undertaken to engage more staff to ensure all the documents are prepared in time.

Yours faithfully



Madhukar Bhalla
Company Secretary

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8 October 2014

Mr M 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 (“Company”)

We note that the securities of the Company were suspended from official quotation on 1 October 2014 under Listing Rule 17.5 for failing to lodge its audited annual accounts for the year ended 30 June 2014 as required by Listing Rule 4.5 by 30 September 2014.

As explained in section 4.23 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*:

Where an entity has been suspended from quotation under [Listing Rule 17.5] for breaching an ASX Listing Rule, ASX will expect the entity to make an immediate announcement to the market to that effect, explaining the reason for the breach and when the entity expects to be in a position to rectify the breach so that trading in its securities can resume.

We are writing to you because you have not complied with this guidance. Accordingly, we ask that you answer each of the following questions:

1. Please explain why the audited annual accounts were not lodged by the due date.
2. When does the Company expect to be able to lodge the audited annual accounts so that trading in its securities can resume?
3. What arrangements does the Company have in place, or propose to put in place, to ensure that it will be able to comply with its reporting obligations under the Listing Rules in a timely manner in the future?

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 5:00 pm (WST) on Friday, 10 October 2014.

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. 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.

ASX would remind the Company that its obligation to comply with the Listing Rules, and in particular the continuous disclosure requirements in Listing Rule 3.1, is not affected by the suspension of its securities from quotation (see Listing Rule 18.6).

Should the Company's suspension from quotation continue, ASX would also remind it of the recommendation in section 4.23 of Guidance Note 8 that it implement a system of periodic (monthly or quarterly) disclosures to ensure that the market and its security holders are provided with regular updates as to its status and, in particular, the plans it may have for trading in its securities to resume and its progress in implementing those plans. If the Company fails to make such disclosures voluntarily at least quarterly, it may be required by ASX to provide such information to ASX for release to the market.

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)