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The Company Announcement Officer
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STRATEGIC TENEMENT ACQUISITION

Fairstar Resources Ltd (“Fairstar”) is pleased to announce that it has entered into an Option to Purchase Mining Tenements M53/971 and M53/972 at Joyners Find from John Wallace Douth (“Vendor”).

The 19.44ha Joyners Find Project consists of two granted mining leases (Figure 1), located 35km southwest of the township of Wiluna, Western Australia.

Discovery and Exploration Background

Joyners Find was discovered by prospectors in 1935 and by the end of 1936 had produced ~1,200t at a grade of 16g/t Au.

During 1938 to 1942 Linden (WA) Gold NL mined and treated 21,000t at 9g/t Au prior to being mothballed due to the internment of the largely Italian workforce as a result of WW2.

Since 1982, the vendor has expended approximately \$2M on the Joyners Find Project, incorporating phases of geological mapping, RC drilling programs (totaling 206 angled holes for 7,354m), metallurgical test work and open pit mining for gold.

Project Geology and Mineralisation

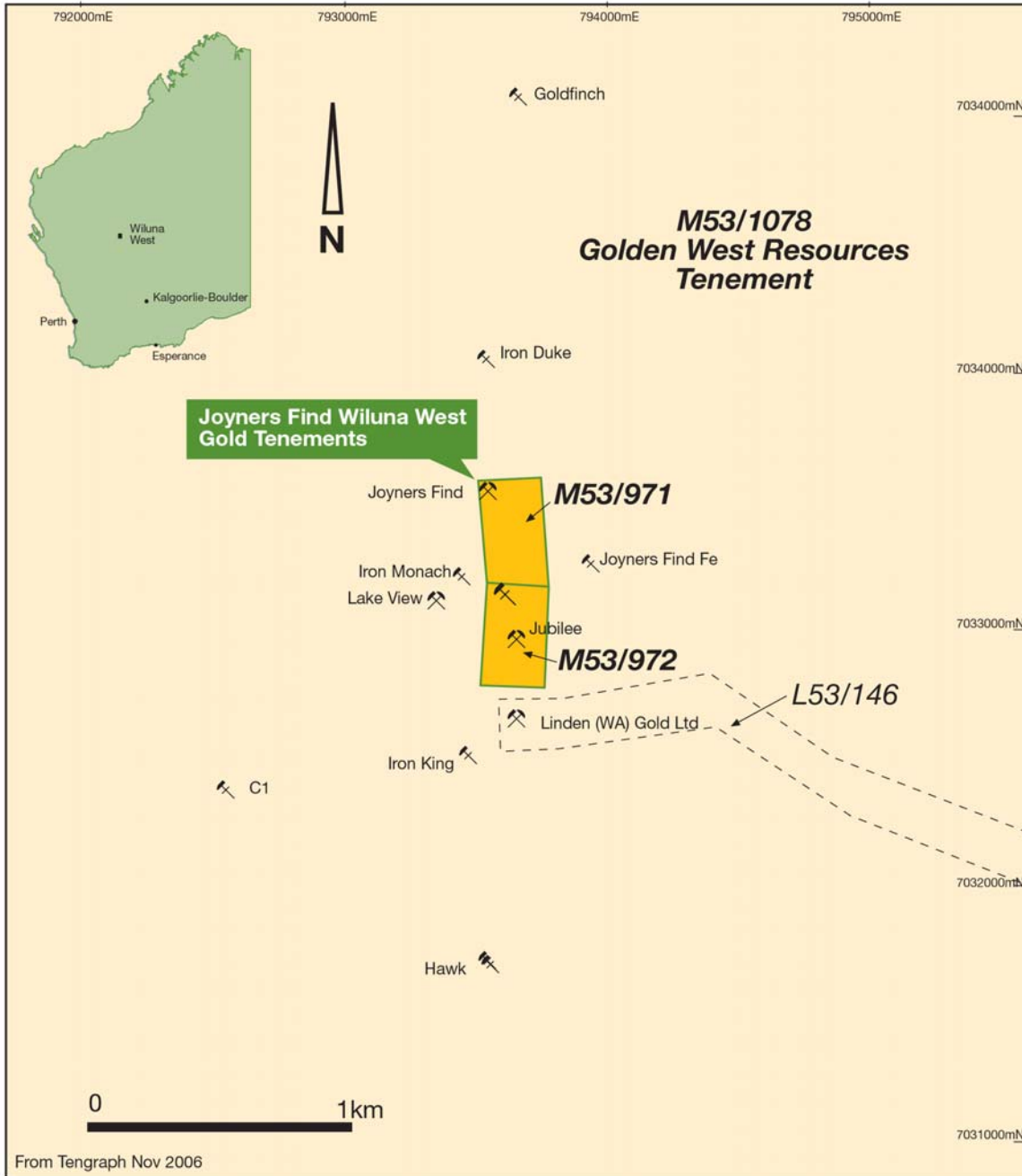
The project is situated within the Joyners Find Greenstone Belt and is underlain by a strongly deformed, northerly trending sequence of komatiitic volcanics containing minor basaltic components. The volcanics contain intercalated banded iron formation (“BIF”) and cherts. Two prominent ridges of BIF containing reported high-grade iron mineralisation lie adjacent to the east and west tenement boundaries of the project.

Figure 1



**Joyners Find Wiluna West
Gold Tenements**

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Three main gold mineralised structures have been identified to date:

Joyners Find Quartz Vein

To date all of the recorded gold production from the project has been won from the Joyners Find mine workings. There are a number of substantial shafts and pits developed over a length of greater than 120m and to a maximum depth of 75m. The identified mineralization occurs as quartz veins within a crosscutting, steep-westerly dipping structures that trends some 15° to the west of the host rock sequence. A number of significant RC drill hole gold intercepts are reported and are tabulated below.

NW BIF

Gold mineralisation is hosted by a gossanous BIF located near the northwest corner of M53/971. Previous drilling results confirm that the NW BIF is extensively mineralised within M53/971 over a strike length of 120m, after which the mineralisation trends out of the project area and is the same structure as the neighbouring Iron Monarch (140,000t at 3g/t Au) and Iron Duke (143,000t @ 2.6g/t) gold deposits. A small open pit has also been excavated over the surface expression of this structure within the project area. The current defined strike is approximately 500m and it has been reported that this structure may host an open pit resource of 500,000t of similar grade.

Central BIF

Mineralisation as for the NW BIF is hosted by a gossanous BIF that has been traced over a strike length of 800m. Previous RC drilling has yielded a number of significant gold intercepts. A marked increase in grade for both the Central BIF and the Joyners Quartz Veins has been noted as one approaches the intersection point of these structures.

Joyners Find Project Selected Significant RC Drilling Gold Intercepts

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Hole ID	North	East	Azi	DIP	Intersection (m)			GRADE	HOST
					From	To	Width	Au (g/t)	
JRC0001	20080	19970	090	-60	26	29	3	3.08	C BIF
JRC0004	20160	19970	090	-60	28	33	3	3.82	C BIF
JRC0014	20360	19980	090	-60	52	55	3	1.20	C BIF
					79	81	2	6.58	C BIF
JRC0026	20720	20030	090	-60	53	55	2	3.70	C BIF
JRC0029	20780	19880	090	-60	13	17	4	3.20	NW BIF
JRC0031	20740	19850	090	-60	50	53	3	1.88	NW BIF
JRC0033	20660	19860	090	-60	19	21	2	3.26	NW BIF
JRC0035	20320	19990	090	-60	41	46	5	8.00	C BIF
				<i>Inc</i>	42	43	1	27.9	C BIF
JRC0036	20320	20050	270	-60	24	28	4	18.4	JFV
				<i>Inc</i>	26	28	2	34.8	JFV
JRC0037	20320	20070	270	-60	58	63	5	3.01	JFV
JRC0038	20280	20080	270	-60	46	47	1	9.89	JFV
JRC0039	20240	20075	270	-60	24	25	1	7.24	JFV
JRC0043	20280	20015	090	-60	2	4	2	4.51	C BIF
JRC0048	20280	20090	270	-60	69	72	3	4.41	JFV
JRC0051	20340	20000	090	-60	22	26	4	6.24	C BIF
JRC0054	20280	20090	090	-60	82	85	3	22.1	JFV
JRC0088	20780	19871	090	-60	26	28	2	3.06	NW BIF
JRC0090	20761	19872	090	-60	21	26	5	1.88	NW BIF
JRC0092	20741	19871	090	-60	20	24	4	1.83	NW BIF
JRC0094	20721	19866	090	-60	24	28	4	4.12	NW BIF
JRC0108	20670	19861	090	-60	21	25	4	1.58	NW BIF
JRC0113	20690	19860	090	-60	28	31	3	11.1	NW BIF
JRC0117	20710	19866	090	-60	17	22	5	4.62	NW BIF
JRC0127	20771	19871	090	-60	26	29	3	3.03	NW BIF
JRC0129	20779	19876	090	-60	20	22	2	6.72	NW BIF
JRC0141	20725	19866	090	-60	22	26	4	6.57	NW BIF
JRC0150	20759	19860	090	-60	40	42	2	3.72	NW BIF
JRC0152	20740	19861	090	-60	37	40	3	4.65	NW BIF
JRC0153	20720	19856	090	-60	38	41	3	20.8	NW BIF
				<i>Inc</i>	38	39	1	54.0	NW BIF
JRC0154	20720	19855	090	-60	52	54	2	4.13	NW BIF
JRC0155	20700	19856	090	-60	34	39	5	3.40	NW BIF
JRC0162	20665	19861	090	-60	20	23	3	2.63	NW BIF
JRC0183	20715	19865	090	-60	22	26	4	5.76	NW BIF
JRC0192	20775	19874	090	-60	20	23	3	5.07	NW BIF
JRC0196	20764	19871	090	-60	24	28	4	1.84	NW BIF
JRC0199	20755	19870	090	-60	23	27	4	1.61	NW BIF

Notes: • The above intercepts are based upon 1m riffle-split samples and were submitted for gold analysis only by fire assay. • Coordinates are local grid coordinates.

• A lower cut-off of 1.0g/t Au with a maximum internal dilution of 1m downhole has been applied.

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The project is also prospective for iron mineralisation, with the central BIF unit showing significant hematite/goethite. A substantial amount of exploration has also been recently undertaken by a neighboring tenement holder immediately adjacent to the eastern boundary of the project area, targeting an outcropping high-grade hematite unit, which dips steeply to the west.

Whilst the reported iron mineralisation (inferred resource 3.9Mt at 64.1%) is outside of the project tenure, mining of this resource would be hampered without unrestricted access to the Joyners Find Project.

Option Period and Terms

The option period expires on the 4th March 2007.

To exercise the option, Fairstar must pay to the Vendor the following consideration:

Five hundred thousand dollars (\$500,000);
Issuance of five million (5,000,000) fully paid Fairstar shares;
Issuance of ten million (10,000,000) Fairstar options with an exercise price of 25c and expiring on the 1st March 2009.

Upon the completion of a detailed technical review of all data, if the Board of Directors recommends exercising the option an EGM will be called to seek shareholders approval.

Yours faithfully



Kenneth M Allen

(Company Secretary)

Further enquires can be directed to

Kevin Robertson

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Nigel Maund

Director - Technical