

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM AND EXPLANATORY MEMORANDUM

A large, stylized version of the FairStar logo, consisting of a mountain peak with a starburst inside, is centered on the page. It is rendered in a light gray color against a dark gray background.

DATE OF MEETING

Friday, 4 May 2007

TIME OF MEETING

11.00am

PLACE OF MEETING

The Novotel Langley, The Silver Room
221 Adelaide Terrace, Perth WA 6000

These papers should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

FAIRSTAR RESOURCES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2006 Annual General Meeting of the shareholders of Fairstar Resources Limited ("Company") will be held at The Novotel Langley, The Silver Room, 221 Adelaide Terrace, Perth, Western Australia on Friday, 4 May 2007 at 11.00am WST for the purpose of transacting the following business referred to in this Notice of Meeting.

AGENDA

BUSINESS

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies and forms part of this Notice of Meeting.

ANNUAL REPORT

To receive and consider the financial report of the Company for the year ended 30 June 2006, together with the directors' report, and the auditors' report.

RESOLUTION 1 – Re-Election of Mr Ken Allen as a Director of the Company

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

That Mr Ken Allen, being a Director, retiring by rotation in accordance with Rule 10.3 of the Company's Constitution and, being eligible for re-election, be re-elected as a Director of the Company.

RESOLUTION 2 – Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report be adopted.

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

OTHER BUSINESS

To deal with any other business which may be lawfully brought forward.

BY ORDER OF THE BOARD



Kenneth M Allen

Company Secretary

Dated: 30 March 2007

PROXIES

- A shareholder entitled to attend and vote at the above annual general meeting of shareholders may appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights.
- A proxy may, but need not be, a shareholder of the Company.
- The instrument appointing a proxy must be in writing, executed by the appointor or his/her attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under hand of an officer, or officers, or his/her attorney(s) duly authorised.
- The instrument or proxy (and the power of attorney or other authority, if any, under which it is signed, or a certified copy of the same) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of shareholders a Proxy Form is enclosed.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Company determines that members holding ordinary shares at the close of business on 2 May 2007 will be entitled to attend and vote at the annual general meeting.

FAIRSTAR RESOURCES LIMITED ACN 115 157 689

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting ("Notice of Meeting") of the Fairstar Resources Limited ("Company").

The Directors of the Company recommend Shareholders read this Explanatory Memorandum (which forms part of the Notice of Meeting) in full before making any decision in relation to the Resolutions. If you have any questions regarding the matters set out in this Explanatory Memorandum or the Notice of Meeting, please contact your stockbroker or other professional adviser.

Terms used in this Notice of Meeting have defined meanings which are explained in the Glossary appearing at the end of this Explanatory Memorandum.

ANNUAL REPORT

The Corporations Act requires that the Annual Report (which includes the financial report, directors' report and the audit report) be laid before the Annual General Meeting.

Shareholders will be given an opportunity to ask questions and make comments about the Annual Report or the Company generally but there will be no formal resolution submitted to the Meeting in respect of it.

RESOLUTION 1 – Re-Election of Mr Ken Allen as a Director

Rule 10.3 of the Company's Constitution provides that at every annual general meeting of the Company one-third of the Directors (other than alternate Directors and the Managing Director) shall retire from office. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. A retiring Director is eligible for re-election.

Pursuant to Rule 10.3 of the Company's Constitution, Mr Ken Allen, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company. Details regarding Mr Ken Allen's profile are set out in the Annual Report.

The Directors recommend the re-election of Mr Ken Allen.

RESOLUTION 2 – Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report be adopted to vote at the Annual General Meeting.

Shareholders are advised that pursuant to Section 250R(3) of the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

GLOSSARY

Annual Report means the Company's annual report including the reports of the Directors and the auditor and the financial statements of the Company for the year ended 30 June 2006, which can be downloaded from the Company's website at www.fairstarresources.com.au

Board means the board of Directors.

Company means Fairstar Resources Limited ACN 115 157 689.

Corporations Act means Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum which accompanies and forms part of the Notice of Meeting.

Meeting means the annual general meeting of the Company for the year ended 30 June 2006.

Notice of Meeting means the notice of Meeting.

Option means an option to acquire a Share.

Resolution means a resolution proposed pursuant to the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time in Perth, Western Australia.

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PROXY FORM

The Company Secretary
Fairstar Resources Limited
PO 1520, Osborne Park WA 6916 WA 6003
Facsimile: (08) 9207 2464

I/We (name of shareholder)

of (address)

being a member/members of Fairstar Resources Limited HEREBY APPOINT:

(name).....

of (address).....

and/or failing him/her (name).....

of (address).....

or failing that person then the Chairman of the Annual General Meeting as my/our proxy to act generally for me/us and to vote in accordance with the following directions or, if no directions are given, as the proxy sees fit at the Annual General Meeting of the Company to be held on 4 May 2007 at 11.00am WST at The Novotel Langley, 221 Adelaide Terrace Perth, Western Australia and at any adjournment of the meeting.

Should you so desire to direct the proxy how to vote, you should place a cross in the appropriate box(es) below:

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain
Resolution 1 RE-Election of Mr Ken Allen as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

It is the Chairman's intention to vote all undirected proxies in favour of the resolutions.

This Proxy is appointed to represent% of my voting right, or if two proxies are appointed Proxy 1 represents% and Proxy 2 represents% of my/our total votes. My/our total voting right is shares.

IF THE SHAREHOLDER IS AN INDIVIDUAL OR JOINT HOLDER:

Signature:..... Signature:

IF THE SHAREHOLDER IS A COMPANY:

Dated:

Affix common seal (if required by Constitution)

.....
Director/Sole Director and Secretary

.....
Director/Secretary

In addition to signing the Proxy Form above please provide the information below in case we need to contact you.

Contact name Contact Daytime Telephone

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and to cast two or more votes is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available from the Company, or alternatively you may copy this form.
3. The proxy form must be signed personally by the shareholder or his attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed in accordance with its constitution or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by each of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting by post, facsimile or email to the address stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is Chairman, the proxy must vote on a poll and must vote that way; and
 - (d) if the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.
7. If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.
8. The Chairman intends to vote all undirected proxies in favour of all resolutions.