

Mount Padbury Uranium Project

Uranium Potential Substantially Increased

Fairstar Resources Limited (“Fairstar”) is pleased to announce that recent field prospecting by the Company Exploration Team across E51/1147 and into E51/1150 has highlighted previously unknown evidence of uranium mineralisation well beyond recent concentrated rock sampling activity in the Discovery Pit 1 (E51/1147).

Highlights

Significant findings from the Company Exploration Team include:

- **uranium (carnotite) mineralisation, in addition to calcrete – silcrete, in biotite monzogranite in E51/1147**

Biotite monzogranite occupies a large part of both E51/1147 and E51/1150 (Figure 1). The uranium mineralisation (Figure 2) in granite occurs along a network of joints filled with highly weathered calcareous veins. (Figure 3)

- **a sequence of quartz arenite/sandstone interbedded with shale and siltstone unconformably overlying the granite suggests possibility of unconformity and sandstone related uranium mineralisation in E51/1147**

The sandstone situation is unique and this geological setup is very similar to other uranium projects, such as sandstone related uranium deposits in the United States which are known to be responsible for hosting large uranium resources.

Commentary

The Managing Director of Fairstar, Mr. Kevin Robertson commented on this exciting development.

“As previously announced to the market we were very encouraged by the analysis of rock samples taken from the Discovery Pit 1.

However, this recent development as announced today is very significant for the future of Fairstar as it suggests a material expansion of Uranium mineralisation prospects across both E51/1147 and E51/1150 that has the potential to be a Company maker.

As a consequence in the short term Fairstar will be directing its resources on obtaining more data of the extent of uranium mineralisation across both tenements.

Whilst it is Fairstar’s view both Kurnalpi Gold and Spinifex Well are world class prospects for Gold, it is our view that the Mount Padbury uranium prospects have the potential to far exceed our expectation for these Gold prospects”.

Mount Padbury - Work Program

Previously Fairstar had sought to concentrate on a shallow air core drilling programme centered on the Discovery Pit 1. However due to the discovery of uranium mineralisation well beyond this site Fairstar has determined that additional geological mapping and ground radiometric surveying (using hand held radiometric detectors) is a priority to gain a greater understanding of the potential mineralisation across both tenements prior to finalising a detailed exploration program. We believe that this course of action will have the potential to increase the value of the Mount Padbury project for our shareholders.

The geological reconnaissance work suggests that the Mt Padbury tenements have more than one prospective host-rock for uranium mineralisation. Fairstar has developed a comprehensive work program aimed at expanding knowledge of the uranium mineralisation across both tenements. As follows:

1. Geological mapping
2. Ground radiometric surveying using hand held radiometric detector (GR –135 G Plus)
3. Study of information and planning of trenching work
4. Heritage work – land clearance for disturbance and selection of contractors
5. Trenching to expose mineralisation pattern (Figure 1), mapping of trench walls and assaying for uranium, gold, arsenic, vanadium, etc.

With this knowledge Fairstar will then develop an appropriate exploration/evaluation programme in selected areas to begin to prove Fairstar’s assumptions of a uranium resource.

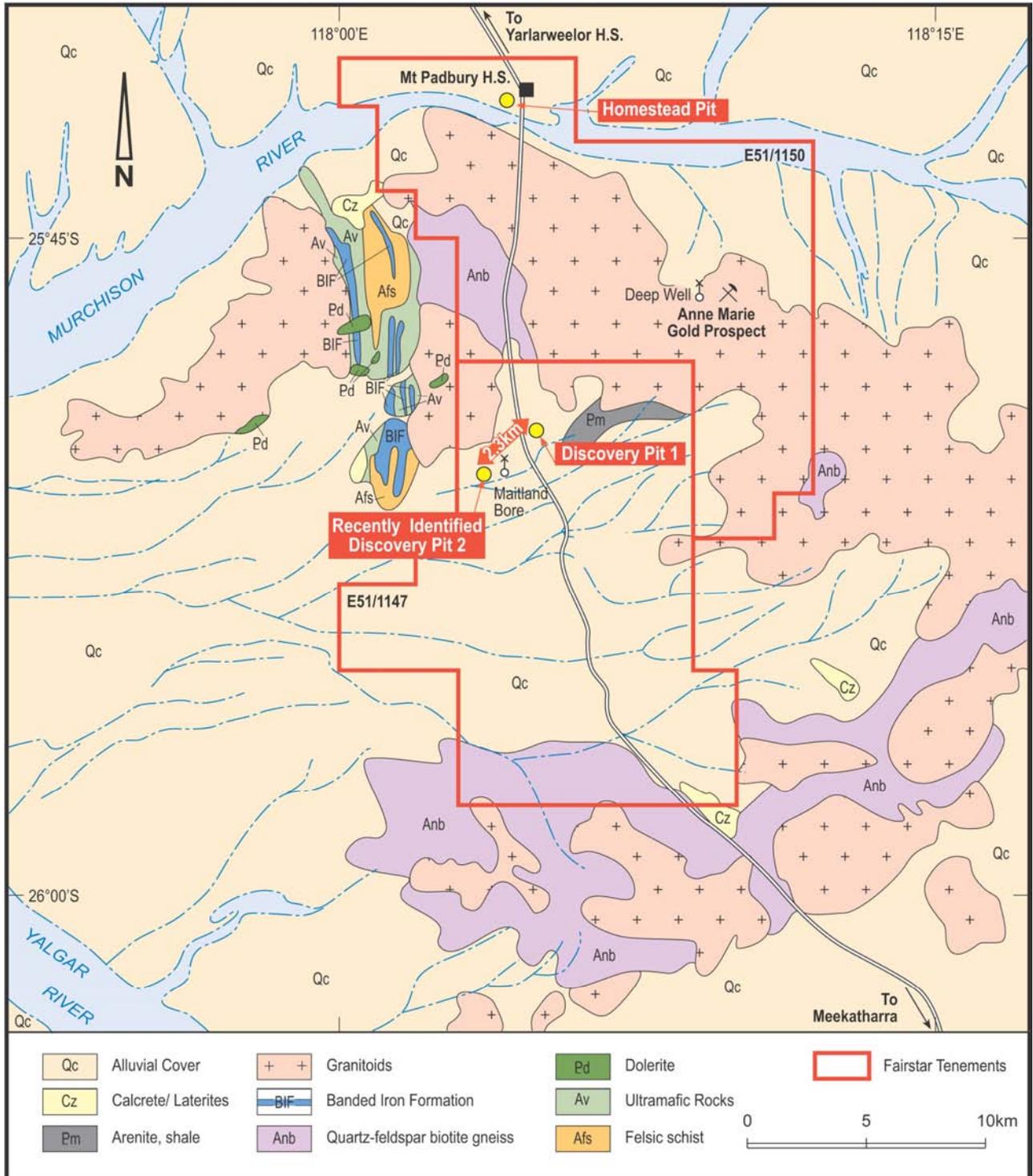


Figure 1: Geological map showing tenements and discovery areas.

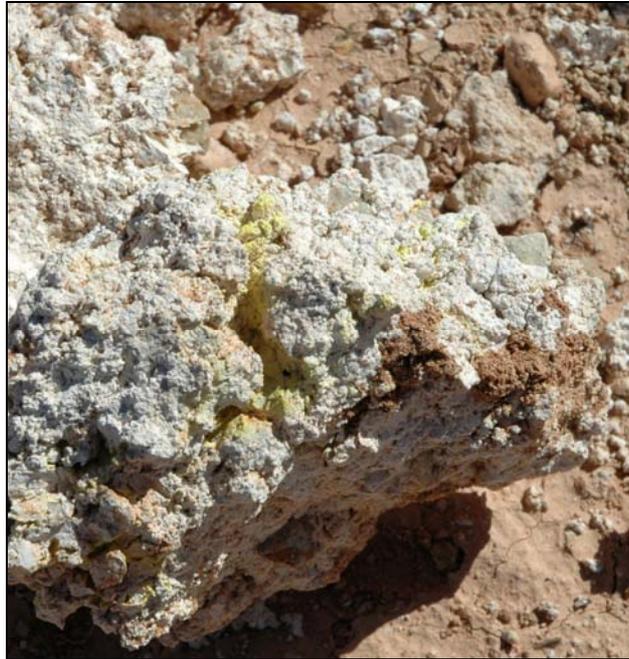


Figure 2: A close up of uranium mineralisation (carnotite - yellow colour) in the form of veins and patches along joints in biotite monzogranite (Figure 3)



Figure 3: Trench face showing uranium mineralisation along joints (white coloured) in biotite monzogranite at Discovery Pit 2

About Fairstar Resources Limited

Fairstar Resources Limited (“Fairstar”) is a junior exploration company that has a portfolio of exploration projects prospective for uranium and gold. Fairstar’s objective is to pursue exploration activities with a view of funding and then establishing significant commercial resource projects for the benefit of shareholders. Current activity is focused on the following portfolio projects:

Mount Padbury

This Project, comprising E51/1147 and E51/1150 is centered on defining a uranium resource. Current activity has been centered on analysing rock chip samples from two sites. Discovery Pit 1 and more recently Homestead Pit – results of which were highly encouraging – particularly at the Discovery Pit 1 which showed mean results of 836ppm U_3O_8 (pure refined yellow cake) which is above the 250ppm U_3O_8 cut off grade applied throughout the mining industry for deposits of this type (calcrete mineralisation).

Kurnalpi Gold

The Kurnalpi Gold Project comprises three separate prospects – Kurnalpi East (Colour Dam-Anti Dam), Kurnalpi North (Halfway Hill) and Kurnalpi South. Current activity involves ongoing geological assessment.

Spinifex Well

This project is focused on defining a gold resource. Current activity has concentrated on geologic and structural analysis and interpretation of digital aeromagnetic and radiometric data acquired by Fairstar. To date this work has highlighted ‘Golden Dingo’ as the most promising gold prospect. Further Digital Mapping and check sampling will be undertaken to develop a systematic program of trenching and scout RC drilling which is expected to be completed in the near term.

For further information contact:

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The information reported herein is based on observations made in field and information compiled by Mr. Mahendra Pal who is a Fellow of the Australasian Institution of Mining and Metallurgy, Australia and a Member of the Society of Geoscientists and Allied Technologists, India. Mr. Pal is an employee (Exploration Advisor/Technical) of Fairstar Resources and has sufficient experience relevant to the style of mineralisation and deposit type under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Pal consents to the inclusion of this report of the matters based on his observations in the form and context in which it appears.