

**ASX/Media release**  
**31 October 2007**

## **RESPONSE TO MATTERS RAISED BY GOLDEN WEST RESOURCES ON FAIRSTAR BIDDER'S STATEMENT**

Fairstar Resources Limited (ASX: FAS) ("Fairstar", "the Company") would like to respond to announcements by Golden West Resources Limited (ASX: GWR) ("Golden West") regarding the content of Fairstar's Bidder's Statement, and to reiterate its commitment to its takeover bid for Golden West.

On October 29 Golden West released an announcement outlining matters from Fairstar's Bidder's Statement which it believed to be deficient and its intention to refer the Bidder's Statement to the Takeovers Panel.

The Board of Fairstar would like to point out that the matters raised by GWR in its announcement were comprehensively dealt with in a letter from Fairstar's lawyers to GWR on 23 October.

These matters were then formally addressed in a Replacement Bidder's Statement lodged with ASIC and Golden West on October 26.

The material matter in question was Fairstar's treatment of a potential stamp duty impost as a result of the Fairstar takeover of Golden West.

GWR has stated that it believes that the failure by Fairstar to inform shareholders that stamp duty would be payable on this transaction if Fairstar acquires more than 90% of Golden West remains a material deficiency in the Bidder's Statement.

Fairstar has confirmed its position on this matter (addressed in detail in its letter to GWR of October 23 and again in its Replacement Bidder's Statement of October 26) that on present information, Fairstar does not believe that the acquisition of GWR shares pursuant to the Takeover Bid will inevitably attract stamp duty. Fairstar also questions Golden West's calculation of the amount of duty payable, which implies a value for Golden West's assets of approximately \$240 million, against a current book value of slightly in excess of \$12 million.

Fairstar has further stated that were duty to become payable, (which would only anyway occur if Fairstar acquired at least 90% of GWR), the amount of the duty would be funded through an equity raising.

The Board of Fairstar remains committed to the offer for Golden West and its position in relation to the offer remains unchanged.

Fairstar Managing Director Kevin Robertson said that Fairstar had been proactive in pursuing the merger of the two companies and is committed to pursuing its successful outcome for the benefit of both sets of shareholders

“As stated before our rationale in making the bid is to maximise the development of the combined gold, uranium, oil and iron ore assets of the two companies,” Mr Robertson said.

ENDS

**For further information please contact**

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