

December 20, 2007

### **Dear GWR Shareholder or Optionholder**

Following are some important facts you need to know in deciding whether to accept Fairstar Resources Limited's offer for your GWR shares:

1. 27.11.07 - GWR share price closes at **\$2.30**
2. 28.11.07 - GWR holds an AGM at which shareholders approve a placement of shares at up to 20% discount
3. 29.11.07 – GWR announces the results of the AGM. Share price drops to **\$2.12** (a drop of **7.83%**)
4. 03.12.07 – GWR announces completion of a placement of 14.477 million GWR shares. Issue price is **\$1.85**, a **19.57%** discount to the share price at close on the day before the AGM approved the placement and a **36.64%** discount to the value of GWR shares assessed by the independent expert in GWR's Target's Statement.
5. 18.12.07 – GWR shares close at **\$1.88**. This is a drop of **18.26%** from the share price prior to the AGM's approval of the placement.

This drop represents approximately a **\$54 million** loss in the market capitalisation of GWR, calculated as follows:

#### **Share numbers**

|                                |        |
|--------------------------------|--------|
| Total pre-placement shares:    | 77.5m  |
| Total pre-placement options:   | 37.6m  |
| Total placement shares issued: | 14.5m  |
| Fully diluted:                 | 129.6m |

#### **Values**

|  |                                      |
|--|--------------------------------------|
| At independent expert's valuation of (\$2.92):                           | \$378.43m                            |
| At the share price the day before the AGM (\$2.30):                      | \$298.08m                            |
| At the share price at close of trading on<br>18 December 2007 (\$1.905): | <b>\$243.65m (\$54.4m wiped off)</b> |

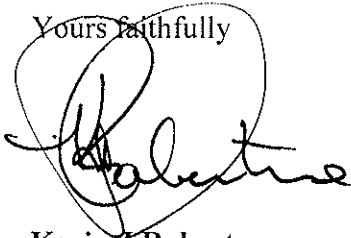
On 11 December 2007, GWR announced a 1-for-15 rights issue at a price of \$1.85 per share. Under the terms of Fairstar's offer to GWR shareholders, any additional shares issued under the rights issue to shareholders who accept Fairstar's offer will automatically be acquired on the same terms (that is to say, **seven** Fairstar shares for **each** GWR share).

Finally, on 5 December 2007 GWR announced the appointment of Mr Geoff Wedlock as chairman of the company. Fairstar has received legal advice that that appointment was in breach of GWR's constitution and has sought an undertaking from GWR that Mr Wedlock not act as a director or chairman of the company pending the regularisation of his appointment. This would require either the approval of GWR shareholders or the resignation of another GWR director. At the time of writing, this undertaking had not been given and accordingly, as GWR's largest shareholder, Fairstar will be pursuing legal action to enforce compliance with the company's constitution.

Fairstar's offer is due to close on 13 January 2008.

If you have any questions on how to accept Fairstar's offer, please contact the Fairstar Shareholder Information Line on 1800 895 933 (within Australia) or +61 2 8256 3373 (outside Australia), or contact your stockbroker or financial adviser.

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Robertson', enclosed within a large, loopy circular scribble.

**Kevin J Robertson**  
**Managing Director**