



ACN 115 157 689

Of Suites 3-4, 136 Main Street, Osborne Park WA 6017

**Circular to Shareholders
including
NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY STATEMENT
PROXY FORM**

**Annual General Meeting of Fairstar Resources Limited to be held at
Novotel Langley Plaza, The Silver Room,
221 Adelaide Terrace, Perth WA 6000
on Thursday, the 27th day of November 2008 commencing at 10.00 am (WST).**

This document should be read in its entirety. If after reading this Circular to Shareholders, you have any questions or doubts as to how you should vote, you should contact your stockbroker, solicitor, accountant or professional adviser.

Corporate Directory

Directors	Vaz Hovanesian Chairman – Non-Executive Kevin J. Robertson Managing Director Mahendra Pal Director – Executive Harold J. Paiker Director – Non-Executive Alan Rudd Director – Non-Executive
Secretary	Alan Thomas
Head Office	Suites 3-4 136 Main Street OSBORNE PARK WESTERN AUSTRALIA 6017 Phone: (08) 9242 5111 Fax: (08) 9242 5677 Website: www.fairstarresources.com
Registered Office	Suites 3-4 136 Main Street OSBORNE PARK WESTERN AUSTRALIA 6017
Auditors	Stantons International Pty Ltd 1 Havelock Street WEST PERTH WESTERN AUSTRALIA 6005
Solicitors	Lawton Gillon Level 11 16 St Georges Terrace PERTH WESTERN AUSTRALIA 6000
Share Registry	Advanced Share Registry Services 110 Stirling Highway NEDLANDS WESTERN AUSTRALIA 6009
ASX Code	FAS FASO

Notice of Annual General Meeting

NOTICE IS GIVEN THAT a General Meeting of the Company will be held at the Novotel Langley Plaza, The Silver Room, 221 Adelaide Terrace, Perth WA 6000 on Wednesday, the 27th day of November 2008 commencing at 10.00 am (WST).

Information on the proposals to which the resolutions set out below relate is contained in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.

BUSINESS OF THE MEETING

ORDINARY BUSINESS

1. Accounts and Reports

To receive and consider the balance sheet, profit and loss statement, and the reports of the Directors and of the auditors for the year ended 30 June 2008.

RESOLUTIONS

2. Resolution 1 – Adoption of Remuneration Report

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

“To adopt the Remuneration Report, which forms part of the Directors’ Report, for the year ended 30 June 2008”

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

3. Resolution 2 - Election of Director

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

That for all purposes Mr Mahendra Pal, who was appointed to the Board since the last annual general meeting of the Company, is re-elected as a director.

SPECIAL BUSINESS

4. Resolution 3 – Approval of the Allotment of Options – Mr Brett Robertson

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.14 the shareholders approve the issue of 500,000 options to Mr Brett Robertson for the purpose and on the terms set out in the Explanatory Statement.

5. Resolution 4 – Approval of the Allotment of Options – Mr Craig Robertson

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That for the purpose of Listing Rule 10.14 the shareholders approve the issue of 500,000 options to Mr Craig Robertson for the purpose and on the terms set out in the Explanatory Statement.

Voting exclusions

For the purposes of:

- (a) **(Resolution 3)**: Listing Rule 10.14, the Company will disregard any votes cast on this resolution by Mr Brett Robertson.
- (b) **(Resolution 4)**: Listing Rule 10.14, the Company will disregard any votes cast on this resolution by Mr Craig Robertson.

The Company however need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- It is cast by the chairperson of the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

“Snap-Shot” Time

The Corporations Act permits the Company to specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting.

The Company’s directors have determined that all shares of the Company that are quoted on ASX at 5.00 pm WST, 25 November 2008 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

PROXIES

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion is not specified each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

DATED: 24 October 2008

BY ORDER OF THE BOARD

Alan Thomas

Company Secretary
Fairstar Resources Limited

EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. You should read all documents carefully. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice of Meeting, you should contact your stockbroker or other professional adviser.

General Information.

This Explanatory Statement has been prepared for the information of Shareholders of Fairstar Resources in connection with the business to be conducted at the Annual General Meeting to be held at Novotel Langley Plaza, The Silver Room, 221 Adelaide Terrace, Perth, Western Australia on the date set out in the notice of meeting.

The purpose of this Explanatory Statement is to provide Shareholders with information which is reasonably required by Shareholders to decide how to vote upon the resolution. This Explanatory Statement should be read in conjunction with the accompanying Notice of Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting. This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1 Financial Statements and Reports

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ending 30 June 2008 will be laid before the meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit

may be submitted no later than 5 business days before the meeting date to Mr Alan Thomas, Company Secretary.

2 Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ending 30 June 2008 is set out in the Director's Report on pages 39 to 42 of the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

3 Election of Directors

In accordance with Listing Rule 14.4, any director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next annual general meeting following his or her appointment but remains eligible for re-election at that annual general meeting.

Mr Mahendra Pal was appointed on 30th July of this year.

4 Approval of the Allotment of Options – Mr Brett Robertson (Resolution 3)

Resolution 4 seeks Shareholder approval for the issue of 500,000 Options to Mr Brett Robertson.

The Options are to be issued pursuant to the Employee Share Option Plan.

Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr Brett Robertson pursuant to the Employee Share Option Plan. Listing Rule 10.14 broadly requires shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr Brett Robertson

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:

- (a) Mr Brett Robertson is the son of Mr Kevin Robertson who is a director of the Company;
- (b) the maximum number of Options to be issued to Mr Brett Robertson under the Employee Share Option Plan is 500,000 Options;
- (c) the Options issued under the Employee Share Option Plan will be granted for no consideration;
- (d) the terms of the Options are set out in Annexure A;
- (e) no Director and no associate of a Director has received Options under the Employee Share Option Plan;
- (f) no loans have or will be made in relation to the grant of the Options to Mr Brett Robertson;
- (g) the Options proposed to be granted to Mr Robertson, if approved by Shareholders, will be granted no later than 12 months after the date of this Annual General Meeting.

Exception 9 of Listing Rule 7.2 provides that Shareholder approval is not required under Listing Rule 7.1 in these circumstances. Accordingly, the Company does not require and does not seek Shareholder approval under Listing Rule 7.1.

The Directors have determined that the proposed issue of 500,000 Options to Mr Brett Robertson forms part of Mr Brett Robertson's reasonable remuneration. Accordingly, the Company does not require and does not seek Shareholder approval under Chapter 2E of the Corporations Act.

5 Approval of the Allotment of Options – Mr Craig Robertson (Resolution 4)

Resolution 5 seeks Shareholder approval for the issue of 500,000 Options to Mr Craig Robertson.

The Options are to be issued pursuant to the Employee Share Option Plan.

Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr Craig Robertson pursuant to the Employee Share Option Plan. Listing Rule 10.14 broadly requires shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr Craig Robertson.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:

- (a) Mr Craig Robertson is the son of Mr Kevin Robertson who is a director of the Company;
- (b) the maximum number of Options to be issued to Mr Craig Robertson under the Employee Share Option Plan is 500,000 Options;
- (c) the Options issued under the Employee Share Option Plan will be granted for no consideration;
- (d) the terms of the Options are set out in Annexure A;
- (e) no Director and no associate of a Director has received Options under the Employee Share Option Plan;
- (f) no loans have or will be made in relation to the grant of the Options to Mr Craig Robertson;
- (g) the Options proposed to be granted to Mr Craig Robertson, if approved by Shareholders, will be granted no later than 12 months after the date of this Annual General Meeting.

Exception 9 of Listing Rule 7.2 provides that Shareholder approval is not required under Listing Rule 7.1 in these circumstances. Accordingly, the Company does not require and does not seek Shareholder approval under Listing Rule 7.1.

The Directors have determined that the proposed issue of 500,000 Options to Mr Craig Robertson forms part of Mr Craig Robertson's reasonable remuneration. Accordingly, the Company does not require and does not seek Shareholder approval under Chapter 2E of the Corporations Act.

In this Notice of Meeting and Explanatory Statement, the following terms have the following unless the context otherwise requires:

DEFINITIONS

“**ASIC**” means the Australian Securities & Investments Commission;

“**ASX**” means Australian Securities Exchange Limited (ACN 008 624 691);

“**Board**” means the Directors of the Company from time to time;

“**Business Day**” has the meaning ascribed to that term by the Listing Rules;

“**Company**” means Fairstar Resources Limited (ACN 115 157 689);

“**Directors**” means each of the persons who acts as directors of the Company;

“**Listing Rules**” means the official listing rules of ASX;

“**Meeting**” and “**Shareholders’ Meeting**” means the meeting of Shareholders convened by the Notice;

“**Notice**” means the notice of meeting to which this Explanatory Statement is attached;

“**Shares**” means ordinary fully paid shares in the capital of the Company and “**Shareholders**” has a corresponding meaning;

NOTES

A shareholder who is entitled to attend and vote at a meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the company.

Where a voting exclusion applies, the company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions of the proxy form or it is cast by a person chairing the meeting as proxy for person who is entitled to vote in accordance with the direction of the proxy form to vote as the proxy decides. The directors of the company have set a snapshot date to determine the identity of those entitled to attend and vote at the meeting. The snapshot date is stated above.

A proxy form is attached. If required, it should be completed, signed and returned in accordance with the proxy instructions on that form. To be effective, the proxy form (and any power of attorney) must be lodged at the registered office of the company not less than 48 hours before the time of holding the meeting. The proxy may be lodged by facsimile transmission to Advanced Share Registry Services facsimile number:- (08) 9389 7871.

FAIRSTAR RESOURCES LIMITED - Annexure A

TERMS AND CONDITIONS OF OPTIONS EXPIRING 30 NOVEMBER 2011 (AMOUNT PAYABLE: 15 CENTS)

1. **Entitlement**
Each Option shall entitle the holder the right to subscribe (in cash) for one (1) Share in the capital of the Company.
2. **Option Period**
Each Option will expire at 5.00pm WST on 30 November 2011 (such date being referred to as the "Option Expiry Date"). Each Option may be exercised at any time prior to the Option Expiry Date in accordance with the notice provisions set out below and any Option not so exercised shall automatically expire on the Option Expiry Date.
3. **Ranking of Share Allotted on Exercise of Option**
Each Share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of allotment.
4. **Voting**
A registered owner of an Option (herein referred to as an "Option Holder") will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being Option Holder, members of the Company.
5. **Transfer of an Option**
Each Option is transferable at any time prior to the Option Expiry Date. This right is subject to any restrictions on the transfer of an Option that may be imposed by the ASX in circumstances where the Company is listed on ASX.
6. **Method of Exercise of an Option**
 - a. The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (herein such notice being called a "Notice of Exercise of Options"). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company to be received prior to the Option Expiry Date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of Shares in the capital of the Company to be allotted; which number of Options must be a multiple of 10,000 if only part of the Option Holders total Options are exercised, or if the total number of Options held by an Option Holder is less than 10,000, then the total of all Options held by that Option Holder must be exercised.
 - b. The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of 15 cents (\$0.15) per Share.
 - c. Subject to Clause 7 hereof, the exercise of less than all of an Option Holders Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holders entitlement under the Option Holders remaining Options.
 - d. Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
 - e. If the Company is listed on the ASX, the Company will within seven (7) days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules.
 - f. The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.
7. **Reconstruction**
In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.
8. **Participation in New Share Issues**
There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the Option Expiry Date unless and until the Options are exercised. The Company will ensure that during the exercise period of the Options, the Record Date for the purposes of determining Entitlements to any new such issue, will be at least 9 Business Days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
9. **Change of Options' Exercise Price or Number of Underlying Shares.**
There are no rights to change the exercise price or the number of underlying Shares if there is a pro-rata issue or bonus issue to the holders of Shares.

LODGEMENT INSTRUCTIONS

Cheques shall be in Australian currency made payable to Fairstar Resources Limited and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be forwarded to Fairstar Resources Limited, Suites 3-4, 136 Main Street, Osborne Park WA 6017.

Proxy Form

FAIRSTAR RESOURCES LIMITED
 ABN 115 157 689

All correspondence to:
 Advanced Share Registry
 PO Box 1156
 NEDLANDS WA 6909

Shareholder

Name, address and daytime telephone number of shareholder.

Enquiries (within Australia)
 (08) 9389 8033
 (outside Australia) 61 8 9389 8033
 Facsimile 61 8 9389 7871

Name.....

Address.....

Daytime telephone no.....Email Address:.....

Appointment of Proxy

I/we being member/s of Fairstar Resources Limited and entitled to attend and vote hereby appoint

The Chairman of
 the Meeting
 (mark with an "X")

OR

Write here the name of the person
 you are appointing if this person is
someone other than the Chairman of
 the Meeting.

or, failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Fairstar Resources Limited to be held at the Novotel Langley Plaza, The Riverside Ballroom South, 221 Adelaide Terrace, Perth WA 6000 on Wednesday, the 28th day of November 2008 commencing at 1.00 pm (WST).

The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

Voting directions to your proxy – please X to indicate your directions

**PROXY'S VOTING INSTRUCTIONS
 (OPTIONAL)**

	FOR	AGAINST	ABSTAIN*	PROXY'S DISCRETION
1. Accounts and reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Resolution 1 - Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Resolution 2 - Election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Resolution 3 - Approval of Allotment of Options – Mr Brett Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Resolution 4 - Approval of Allotment of Options – Mr Craig Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be countered in computing the required majority on a poll.

PLEASE SIGN HERE

This section **MUST** be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Securityholder 1

Sole director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

Contact Name

Daytime contact telephone

Date

How to complete the Proxy Form

1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Security holders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business.

All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Reception on +61 8 9242 5111 or you may copy this form.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded;

(b) return both forms together in the same envelope.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the security holders should sign

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry.

If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgment of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting at 10.00 am on 27 November 2008.

Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged

by delivery, mail or facsimile to the Share Registry Advanced Share Registry:

PO Box 1156, NEDLANDS WA 6909)

Enquiries (within Australia) (08) 9389 8033

(outside Australia) 61 8 9389 8033

Facsimile 61 8 9389 7871