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ASX/Media Release

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## Exploration Update at Mahendra's Find Iron Project confirms potential for high grade haematite mineralisation

### Maiden drill program at project to commence by the end of month

Diversified Australian exploration and development company Fairstar Resources Limited (ASX: FAS) (Fairstar) is pleased to provide the following update on exploration activities at the Company's Mahendra's Find Iron Project in Western Australia's eastern goldfields which has provided further indication for the potential of the project to host high grade haematite mineralisation.

The company has just completed a program of trenching and costeaning at the Mahendra's Find Project (see images overpage), as part of its drill target identification process, which has returned very positive indications of the existence of high grade haematite, and continues to reinforce the Company's view of the potential of the project to host a high grade haematite deposit.

Fairstar has undertaken comprehensive exploration programs at the project since the initial iron discovery was announced in July last year. This has included a rock chip sampling program and geological mapping of the project area which confirmed the presence of hematite, hematite-goethite, canga, iron scree and several BIF types, and has also delineated additional areas of high-grade hematite. Heritage approval has been granted and the Program of Works has been approved by the Department of Mines. Also, an aero-magnetic survey has indicated a much larger target area for drilling at the project.

The Company now plans to commence its maiden drill program at the project, by the end of the month, towards confirming an eventual JORC compliant resource at the project.

The Mahendra's Find Project is 100% owned by Fairstar and is located 110 km southeast of Kalgoorlie in close proximity to major rail infrastructure, with the Trans Australian Railway passing 23 km south of the project area.

The Company has previously stated that it is of the view that rock chip sampling from the project area suggests the discovery has the potential to produce Direct Shipping Ore (DSO), with iron grades of greater than 60% Fe, as well as a banded iron formation (BIF) product of greater than 30% Fe grades. The Mahendra's Find iron discovery is the first of its kind in the area, which has previously been known for its gold prospectivity.

Fairstar managing director Kevin Robertson said: "We are excited by the continuing good results from our exploration programs at the Mahendra's Find Iron Project and we now look forward to commencing our first drill campaign at the project."

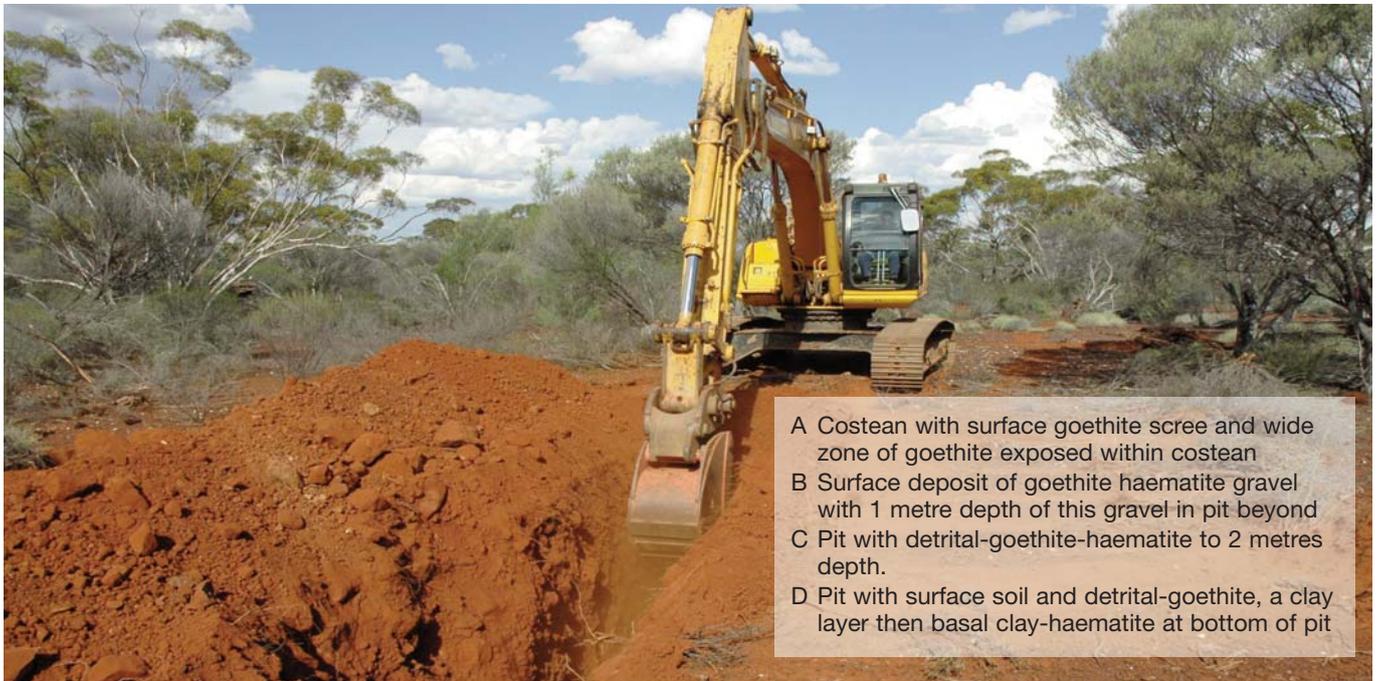
*The information reported herein is based on information compiled by Mr Sheldon Coates who is a member of the Australasian Institution of Mining and Metallurgy. He has sufficient experience relevant to the style of mineralisation and deposit type under consideration, and to the activity which he is undertaking 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. Coates consents to the inclusion of this report of the matters based on his observations in the form and context in which it appears. Mr Coates has a B.Sc. Geology, MBA in Technology Management, and MSc in Mineral Economics. He has 13 years iron ore experience. ENDS*



Specimen with 66% Haematite



Dense canga at Mahendra's Find



A Costean with surface goethite scree and wide zone of goethite exposed within costean  
B Surface deposit of goethite haematite gravel with 1 metre depth of this gravel in pit beyond  
C Pit with detrital-goethite-haematite to 2 metres depth.  
D Pit with surface soil and detrital-goethite, a clay layer then basal clay-haematite at bottom of pit

