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ASX/Media Release

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Fairstar commences JORC Resource Drilling

Steeple Hill Iron Project - Key Points

- Drill program commences at **Steeple Hill Iron Project in WA's eastern goldfields**
- Program to drill minimum of 250 holes and is designed to confirm a maiden **JORC Indicated Resource** at the project
- Company aims to **fast-track development of project** to quickly and economically become a producer of export grade hematite during the first quarter of 2011
- Environmental surveys, water studies & other necessary studies for mining approval have commenced
- Company believes project has potential to produce **Direct Shipping Ore (DSO) with grades >60% Fe**
- Project is **100% owned by Fairstar** and is located close to major rail infrastructure with Trans Australian Railway 23km south of project area





Australian multi-commodity exploration and development company Fairstar Resources Limited (ASX: FAS) (Fairstar) is pleased to announce that it has commenced its JORC resource drilling program at its Steeple Hill Iron Project in Western Australia's eastern goldfields.



The drill program is to be a resource definition program of a minimum of 250 holes, targeting only the iron rich gravel deposit area at the Steeple Hill Iron Project.

The program is a follow up to the iron oxide detrital pitting carried out in the first Quarter of this year.

Drilling is expected to be ongoing and it is anticipated that an Indicated JORC compliant resource will be released to the market prior to the end of June 2010.

The comprehensive pitting program covered a total of 145 pits over an area of seven kilometres by 800 metres and returned mass recoveries of iron oxide detritals over the full seven kilometre strike length, which helped confirm the potential of the Steeple Hill Iron Project to host a significant iron deposit. The pits were to a depth of 3.5 metres and the drill program will now test iron mineralisation to depth.

This drill program will be carried out by specialist exploration and resource drilling company, VM Drilling Pty Ltd, which is based in Kalgoorlie and operates throughout Australia.

Fairstar is focusing on initially developing an alluvial iron project at Steeple Hill Iron Project, which will accelerate the development of the project due to the low extraction cost, increased speed of mining and ease of treatment of an alluvial operation in comparison to hard rock mining.

The Company's goal is to fast-track development of the Steeple Hill Iron Project to quickly and economically become a producer of export grade hematite. Environmental surveys, water studies and other necessary studies for mining approval have commenced.

Fairstar Resources managing director Kevin Robertson said: **“The commencement of this drilling program is of enormous significance to the Company as this is the reality of Fairstar Resources Limited becoming a producer of iron ore in its own right. We are moving this project forward as quickly as possible while continuing to meet all the regulatory requirements imposed on the development process. I look forward to releasing our maiden JORC compliant resource to the market.”**

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.



About the Steeple Hill Iron Project

The Steeple Hill Iron Project was discovered by Fairstar in July 2008. The project is located in Western Australia's eastern goldfields, 110 km east of Kalgoorlie. To date, Fairstar has undertaken comprehensive exploration programs at the project to confirm its potential to host a significant iron deposit. These programs have included an RC drilling program as well as the iron oxide detrital pitting program to identify targets for the current phase of drilling.

The project is 100% owned by Fairstar and situated 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 the project area has the potential to produce Direct Shipping Ore (DSO), with iron grades of greater than 60% Fe.

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About Fairstar Resources

Fairstar Resources is a Perth-based multi-commodity exploration company which listed on the ASX in October 2006. The Company has direct project interests in Gold, Iron, Base metals and Uranium.

The Company currently has four core projects; Lindsays Dam (Steeple Hill Iron Project), Kurnalpi-Randalls gold project, Spinifex Well gold project and other base metals and gold projects in the Eastern Goldfields of Western Australia, the Mt Padbury uranium project near Meekatharra in the Murchison region of WA.