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ASX Release

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Funding Mandate

FAIRSTAR RESOURCES LIMITED (FAS, FairStar) has executed a non-exclusive mandate with Creafin & Associates (Creafin); which will enable Creafin & Associates to seek a new USD 400M fixed term loan facility to meet the previously outlined funding requirements for the company's Steeple Hill Iron ore Project (SHIP).

FairStar is aware that if Creafin is not able to source the funds no funds will be received by FairStar.

The Company confirms that as of now no funding has been obtained by the company, and investors are cautioned from using this information solely as a basis for trading in the company.

The Mandate sets out the key terms of the facility being sought by the company including a competitive commercial interest rate, the proposed security to be provided, repayment obligations and other standard terms for a non-exclusive mandate of this nature.

Under the mandate if Creafin & Associates secures funding for the facility on terms acceptable to the company, Creafin & Associates will be entitled to a cash fee of 5%, of the loan amount received by FAS; and will have the right to subscribe for shares in the company at one cent a share up to a maximum of 19.90% of the company's fully diluted share capital. Given the terms of the mandate, the company will seek shareholder approval, for the issue of shares to Creafin & Associates, upon Creafin providing evidence to the company that it has secured the necessary funding.



Mr. Patrick Teo, Executive Chairman, Creafin & Associates shaking hands with Mr. Kevin J Robertson, FairStar's Managing Director.

The company advises that no fees have been or will be incurred, or paid or will be paid prior to funds being received by FairStar.

Due to the level of uncertainty and the possibility that the preferred terms currently agreed to may change, the key terms will be disclosed immediately they have been finally agreed upon and when the company has the evidence that Creafin has secured the necessary funding.

The company assures all shareholders that the company is exploring all possible avenues to secure the funding required for its Steeple Hill Iron Project.

About Creafin & Associates Pte Ltd –

Creafin & Associates Pte Ltd is a Singapore based boutique project finance and corporate advisory practice whose principal partner has more than 40 years' experience in international capital markets, 15 of which were with The Rothschild Merchant Banking Group in Sydney, London, Hong Kong, Malaysia and Singapore.

Creafin & Associates Pte Ltd was established in 1992 by Mr Patrick Teo, a former Managing Director of Rothschild's Merchant Bank (1985 – 1992).

Creafin & Associates Pte Ltd has significant knowledge of equity and debt instruments with access to non-traditional sources of capital through its connections to non-bank financial institutions.

Creafin & Associates Pte Ltd's financial experience is applied to fund raising in the energy, mining & minerals, infrastructure and environmental space.

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