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Iron exploration licence granted at Lindsay Dam iron discovery

Diversified Australian exploration and development company FairStar Resources Limited (ASX: FAS) (FairStar, the Company) is pleased to announce that it has been granted the right to explore for iron at the Company's significant potential iron discovery at the Lindsay Dam tenement in Western Australia's eastern goldfields.

The Western Australian Minister for Mines and Petroleum approved FairStar's authorisation to explore for iron at Lindsay Dam (Exploration licence 28/1672) effective from October 9, 2008.

FairStar announced its iron discovery at the Lindsay Dam tenement, which is part of the Company's Kurnalpi-Randalls Gold Project, in July. It is located 110km southeast of Kalgoorlie, and the iron discovery is the first of its kind in an area which has been previously known for its gold prospectivity.

The tenement is in close proximity to major rail infrastructure, with the Trans Australian Railway passing 23 km south of the iron discovery.

FairStar Managing Director Kevin Robertson said he was delighted at receiving the grant to explore for iron at Lindsay Dam as it allowed the Company to move ahead with its exploration programs at Lindsay Dam with strong purpose.

"We believe the project area has the potential to produce Direct Shipping Ore, with iron grades of greater than 60% Fe, as well as a beneficiable Banded Iron Formation (BIF) resource. A drilling program will now be planned ahead for JORC compliant resource estimation," Mr Robertson said.

The iron discovery has been named Mahendra's Find, and its host BIF structure is in excess of 15km in length with a north-south orientation. It is highly folded and faulted, and four bands of BIFs between 10m and 100m in width have been identified.

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For more information please contact:

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The information reported herein is based on information compiled by Mr. Mahendra Pal who is a Fellow of the Australasian Institution of Mining and Metallurgy, Australia and a Member of the Society of Geoscientists and Allied Technologists, India. Mr. Pal is an Executive Director (Exploration /Technical) of FairStar Resources and 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. Pal consents to the inclusion of this report of the matters based on his observations in the form and context in which it appears.

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 Ore, Base metals, Uranium, and Oil and Gas.

It currently has five core projects; Kurnalpi-Randalls Gold Project, Spinifex Well Gold Project (and other base metals projects in the Eastern Goldfields of Western Australia), the Mt Padbury Uranium Project near Meekatharra in the Murchison region of WA, and a farm-in agreement with Knight Industries Pty Ltd in respect of an Oil and Gas project in the on-shore Murray Basin in north west Victoria.

The Company has also recently made a potentially significant iron discovery at the Lindsay Dam tenement at the Kurnalpi-Randalls project area.

Fairstar is also the major shareholder in iron ore exploration company Golden West Resources (ASX: GWR).