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ASX Limited
Company Announcements Office

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Stormont Gold - Bismuth Deposit in Tasmania to be Mined and Processed in JV with BCD Resources NL

Frontier Resources Ltd (Frontier) is pleased announce that it and subsidiary Torque Mining Ltd (Torque) have entered into a Joint Venture with BCD Resources NL (BCD) whereby, the Indicated gold - bismuth Resource at the Stormont Deposit will be mined and treated at BCD's Beaconsfield gold processing facility in northern Tasmania (subject to a favourable Feasibility Study and Mine Environmental Permitting funded 100% by BCD).

Frontier/Torque have concluded that this is the best short term development strategy for Torque because it will leave it free to define additional resources by drill testing the excellent 3D-1p geophysical targets that were generated by the survey conducted earlier this year. It also leaves Torque free to continue to advance the Narrawa gold and base metal Deposit.

The Joint Venture terms are as follows:

- The Joint Venture is restricted to the area of the existing Indicated Resource at the Stormont Deposit and does not include any possible expansion of the Stormont Resource, the Narrawa Resource or other mineral resources that may be defined in the future at the Moina Project.
- BCD will provide all funds required to complete a Feasibility Study, obtain permitting for the proposed operation and associated development costs up until production.
- There will be a prepayment to Torque by BCD of AUD\$500,000 at the commencement of production, to be repaid to BCD from Torque's share of cash flow.
- The JV will be directed by a committee voting their respective equities.
- BCD will recoup all Joint Venture costs from production proceeds including mining, processing and related direct management costs they incur at their actual cost under an "open book" agreement, with no additional Management Fee charged.
- The net cash flow to JV participants from all gold sold is based on the actual gold price at the time and after all expenses.
 - If the gold price is US\$1,700/ounce or less, the cash flow will be split between Torque, Frontier and BCD on their respective 45% - 5% - 50% equity basis.
 - If the gold price is greater than US \$1,700/ounce, all additional net cash flow from the increased gold price will all revert to Torque and Frontier (pro-rata).

Peter McNeil, Chairman and Managing Director of Frontier and Chairman of Torque commented:

The Torque- Frontier- BCD Joint Venture announced today has significant benefits and synergies for all three companies involved. Frontier holds 40 million shares or a 65.6% interest in Torque Mining and will benefit from both its direct and indirect holdings in the JV.

Frontier intends to distribute 30 million of its shares in Torque to Frontier shareholders and consequently shareholders will derive a direct benefit via these Torque shares. This proposal is subject to Frontier shareholder approval, that is expected to be obtained at the Company's AGM in November.

Torque will benefit significantly from this arrangement, with an expected cash flow in 2014 which will significantly reduce the funds required to be raised via an IPO late in 2012 or early in 2013. BCD benefits from their share in the net cash flow and from continued use of their Beaconsfield processing facilities.

Cash flow in 2014 would be particularly significant for Torque and would also benefit Frontier. The projected cash flow will be defined in the Feasibility Study, expected to be completed later this year. Torque, independently of the BCD Joint Venture, will continue to attempt to expand the resources at Narrawa Deposit with the intention of completing a Feasibility Study in relation to it later in 2013. Drilling will also be undertaken on the excellent exploration targets at the Moina Project.

The Conceptual Mining Study announced 4/10/12 for the Stormont and Narrawa Indicated Resources suggests that they may warrant development via the construction and operation of a processing plant in the Moina District.

The Torque Board of Directors has considered its options in relation to the Stormont and Narrawa gold and base metal deposits and is of the opinion that based on existing Indicated Resources, the preferred option is to immediately implement the JV with BCD to mine the Stormont Resource and treat it at their Beaconsfield mill. This option will provide a cash flow that will enhance exploration activity at Moina. The construction and operation of a processing plant as outlined in the CMS study will come under further consideration by the Board as additional gold +/- base metal resources are defined.

Torque Mining Ltd raised \$1.05 million in Seed Capital in July to fund exploration on its highly prospective Tasmanian gold and base metal deposits/prospects and an IPO on the ASX late in 2012 or early 2013. For information relating to Torque Mining Ltd, please visit the Company's website at www.torquemining.com.au or contact Bob McNeil on 0400 756 628.

For additional information relating to Frontier Resources, please visit the Company's website at www.frontierresources.com.au or feel free to contact me.

FRONTIER RESOURCES LTD



P.A. McNeil, M.Sc.
CHAIRMAN / MANAGING DIRECTOR