



ABN96095684389

ADDRESS
PO Box 35
NORTH PERTH WA 6906
Australia

PHONE
+61 (08) 6468 0388
FAX
+61 (08) 9228 0704

EMAIL
info@frontierresources.com.au
WEBSITE
www.frontierresources.com.au

Announcements Office
ASX RELEASE

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SHORTFALL FROM ISSUE RAISED \$689,670

The ASX was advised on 22 September 2009 that the Entitlements Issue (Prospectus dated 14 August 2009) which closed on 15 September 2009 received applications for 19,463,096 shares and 19,463,096 free attaching options, raising \$681,208.36.

Part of the shortfall has now been placed with 35 shareholders and investors. An allotment of 19,704,875 shares and 19,704,875 options, raising an additional \$689,670.63, has been processed and holding statements will be dispatched today. The total raised was \$1,370,878.99.

The funds raised will be utilised to

- Complete surface exploration and extensive hand trenching on the multiple very high-grade gold targets at Bulago in PNG to define the mineralised horizons and future drilling targets;
- Advance the Narrawa and Stormont Deposits in Tasmania toward development;
 - Initiate obtaining a Mining Lease(s) from Mineral Resources Tasmania;
 - Continue feasibility studies on the deposits including resource expansion and infill drilling to allow upgrading of the resources and estimation of a reserve;
 - Evaluate development scenarios for the deposits including Frontier mining and treating the mineralisation, toll milling and other options;
 - Assess the proximal high-grade tungsten mineralisation potential at Narrawa by drilling, to determine if it can contribute to the Narrawa gold-lead-zinc-silver mining operation;
 - Assess alternate metallurgical treatment options that could be more effective and/or capable of also extracting the associated bismuth at Stormont and tungsten at Narrawa.
- Advance the remaining tenements held by Frontier in PNG and Tasmania with cost effective exploration and/or by looking to enter into and fund joint ventures to advance these tenements
- To provide working capital.

The Company also advises that the Shortfall allotted from the April 2009 Rights Issue was 75,238 Ordinary Shares and 75,238 Options. The Shortfall allotted from the 2008 Share Purchase Plan was 58,490 Ordinary Shares.

For further information please contact 08) 9295 0388 or visit www.frontierresources.com.au.

Sincerely

Paige McNeil

Joint Company Secretary