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ASX: FNT

ASX Limited
Market Announcements Platform

29th May 2015

Joint Venture Negotiations Continuing with GCIL Regarding the Proposed Acquisition of 80% of the Gold Ridge Mine/Project

Frontier Resources Ltd (ASX:FNT) announces that the proposed Joint Venture Agreement document (based on the terms of the Heads of Agreement announced May 25th 2015) has been produced by Frontier and is being reviewed by GCIL's legal advisors. The proposal is to acquire 80% of the Gold Ridge Mine/Project on Guadalcanal Island in the Solomon Islands, from GoldRidge Community Investment Limited (GCIL), subject to regulatory and mutual shareholder approval.

Chairman of Frontier, Peter McNeil, will travel to Honiara on Monday to attempt to resolve any issues that may be raised in regard of the document /proposed terms and move the process forward as forthrightly as possible.

GCIL's vendor consideration is proposed to be 19.9% shares in FNT, plus 4.98% shares in FNT deferred for 1 year, a 20% deferred carried interest into production and repayable from 50% of future profits and an FNT Board of Directors position.

Frontier's Managing Director Paige McNeil and Technical director Peter Swiridiuk are/have been promoting the proposed acquisition at an Investor Conference in Broken Hill and to stockbrokers in Melbourne and Sydney. Paige will continue promoting to stockbrokers in Perth next week.

Corporate re-structuring and other items will be considered at a future Frontier Extraordinary General Meeting, after signing the Joint Venture Agreement, with proposed resolutions including:

- Approval of the proposed Joint Venture with GCIL.
- A 10:1 share consolidation that will better reflect the 'value' of our new project in the Company's ASX share price and provide excellent leverage to future investors relating to the Mine Feasibility Study and refurbishment.
- Renewing Frontier's 10% placement facility.
- Listing Rules require shareholder approval for Directors to take up Shortfall and it was/is intended that such shares to be approved and issued to P.A. McNeil in lieu of cash for personal exertion income.
- Issuing all Directors with incentive options (only the Chairman presently holds any Director options).
- Ratifying an Employee Incentive Option Plan.

For additional information relating to Frontier please visit our website at www.frontierresources.com.au

FRONTIER RESOURCES LTD

P.A. McNeil, M.Sc., MAIG
Chairman