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Market Announcements Platform

7th November 2016

Frontier Strategy and General Update

Frontier Resources Limited (**Frontier**) is pleased to announce the Company's Strategy going forward regarding the new D'Entrecasteaux Island ELAs and a General Update relating to drill core assay timing, future capital raisings and a description of the process to obtain an Exploration Licence in PNG.

Strategy

Frontier recently applied for and registered for ELAs 2476 / 2477 in PNG and some shareholders have queried why take on more projects and another region instead of concentrating on Bulago /Muller.

ELA 2476 covers ~436 sq km of the southern, SE central and eastern sections of Normanby island and ELA 2477 covers ~839 sq km of the sections of Fergusson, Goodenough and Sanaroa Islands, D'Entrecasteaux Island group, Milne Bay Province, Papua New Guinea. The total area of each will be reduced to more manageable levels (in compliance with requirements for the 50% reduction at the end of each 2-year term – just done early).

The initial reason for the ELAs that I gave was that the region has much better access than the Highlands (no helicopter requirement) and thus more exploration can be undertaken for less cost, to increase the ultimate probability of discovery.

The main reason however, was to acquire all the available quality prospects in the region prior to the upcoming ballot for the Imwauna Deposit ELA (66 sq km), Sehulea Deposit ELA (23 sq km) and Igwageta areas (63.3 sq km), on Normanby and Fergusson Islands (refer to the location plan below).

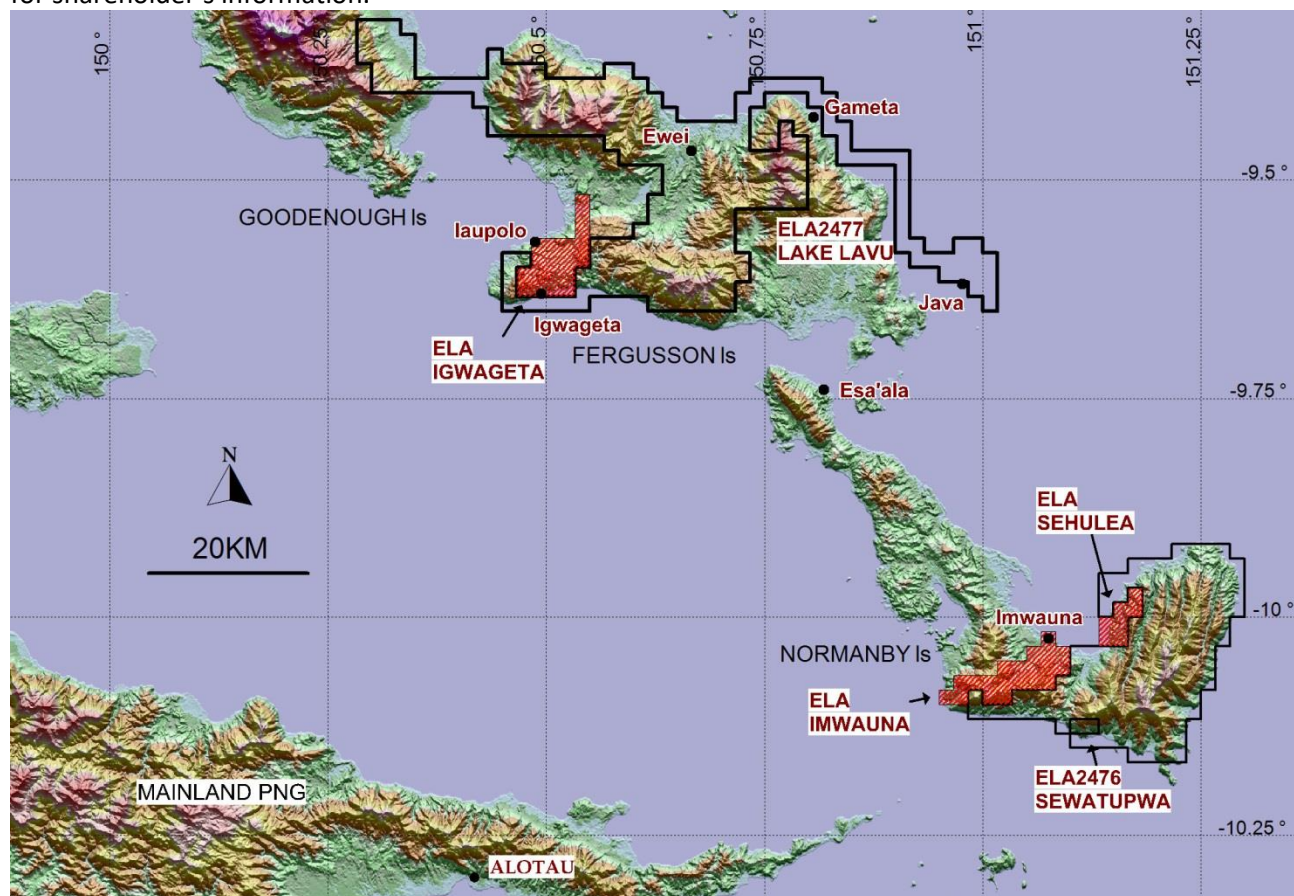
Those three areas all became available last Thursday and I was in Port Moresby at opening time to lodge applications for them. Unfortunately, there were another 10 applicants, though one was disqualified immediately. The Registrar determined that he would carefully vet all the applications prior to the ballot, so the ballot was delayed until the morning of Tuesday 8th, commencing at 0900hrs local time. The email sent circulating the new time of the ballot was sent to 9 applicants, so Frontier has a 1:9 chance (11%) of obtaining Imwauna and better odds for the other areas, as several companies were only applying for Imwauna.

Imwauna has an Inferred Mineral Resource estimated to be 1.8 million tonnes at 12.1 g/t gold + 20 g/t silver (for the contained metal of 706,000 oz. gold and 1,160,000oz. silver, by New Guinea Gold Corporation in June 2008, documented by a NI43-101 report /compliant with the JORC Code).

I worked on Imwauna from 1993 to 2009 and know it well. It is my belief that the resource is overstated in tonnage – perhaps significantly. I also believe that the last explorer PNG Gold Corp (TSX-V) (after my association with the project finished) drilled it out on 12.5m centres and drilled deep holes that demonstrated the bottom of the system. Fortunately, they didn't test other well defined epithermal gold targets close by and those areas have potential to add to global resources.

The Weioko epithermal gold Deposit had a JORC compliant Inferred Mineral Resource estimate completed in June 2003 by New Guinea Gold Corporation of 1.7 million tonnes at 1.36 g/t gold plus 12.3 g/t silver. Igwageta does not have a resource estimated, but has excellent exploration potential.

I have completed draft summary reports on each new ELA and they will be circulated in a separate release for shareholder's information.



Disclosure:

The ballot will also include 2 companies in which I have either partial or full equity.

I originally applied for each of these ELs in 1992 (EL 1069- for Swan Resources NL), 1993 (EL 1091- for Macmin NL) and 2003 (EL 1324 – for my own Kanon Resources Ltd). My interests (former Quintessential Resources) also held Fergusson and Normanby Islands (as ELs 1822 /1823, with a 10% free carried interest) and conducted a significant amount of work on them. This is the precedent, in addition to the fact that Frontier has never operated in this region.

The Board of Frontier has agreed that my interests will receive a 20% free carried interest in the three possible projects up for ballot on Tuesday, if awarded by the Mineral Resource Authority and approved by Frontier shareholders (or the ELA reverts to my interests 100%).

Drill Core Assay Timing

It is always difficult to post a timeframe for dissemination of the assay results and achieve it, but we will try. The samples arrive at the lab today and I should have results, compile and release them in 2.5 weeks.

Future Capital Raisings

The Company will need to undertake a Rights Issue to fund additional drilling at Bulago, Muller and ultimately these 5 applications if/when granted. It is anticipated the Rights Issue will be undertaken subsequent to the release of the Bulago drill assay results.

Exploration Licence Applications

The PNG Mining Act of 1992 is based on Qld Mining Act and is currently under revision.

- It is first in first served for applications, or if more than 1 company applies at exactly the same time (i.e. opening normally) then a ballot/hat draw. ELAs can be subsequently pegged over by another company and if the first ELA fails, then the second is next in line for a chance of grant.
- The process is to Lodge required documentation in triplicate and then about 3 months later conduct a Warden's Court Hearing to assess landowner's views (held at site on the ELA). The Warden reports to

Mining Advisory Council, which ultimately makes a recommendation to the Minister that is usually accepted.

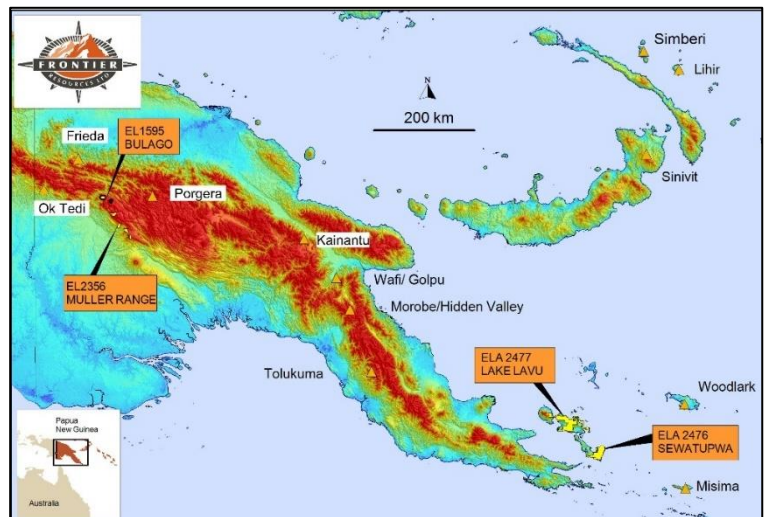
- MRA (Mineral Resource Authority) fund the Warden's cost for Hearing but Company must get him from Hotel to site and back.
- The process can take 8 months to a year normally after the Warden's hearing, but can be expedited somewhat. No reasons are given for decisions made by the MAC or Minister.
- The Application fee is K5000 - about A\$2,200.
- ELs have 2 year renewable terms for perpetuity (in theory), with mandatory 50% reductions each 2-year term until the area is 100sq km or less (30 sub blocks).
- Expenditure per latitudinal sub block increase each term and the first Term is only K90 (\$40) per sub block.
- For both ELA 2476 and 2477, the proposed expenditure is K60,000 per year each (about \$50,000 for both/year). They are quite affordable for Frontier.
- For the Imwauna, the proposed expenditure is K100,000 for year 1 and K250,000 for year 2 (about \$42,000 for year 1 and \$105,000 for year 2). Sehulea and Igwageta both have proposed expenditures of K40,000 per annum (\$18,000 each/year), so these are also quite affordable for Frontier.

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

FRONTIER RESOURCES LTD



P.A. McNeil, M.Sc., MAIG
Chairman and Managing Director



| Frontier Resources Ltd Exploration Licence Information | | | | | | |
|--|-------------|------------------|------------|------------------------------|--------------|-----------------|
| | Licence No. | Date From | Date To | Ownership | Area (SQ KM) | Lat. Sub Blocks |
| Bulago River* | EL 1595 | 7/07/2014 | 6/7/2016 | 100% Frontier Gold PNG Ltd | 100 | 30 |
| Muller Range | EL 2356 | 31/12/2015 | 30/12/2017 | 100% Frontier Copper PNG Ltd | 330 | 99 |
| Sewatupwa River | ELA 2476 | Application only | | 100% Frontier Copper PNG Ltd | 436 | 131 |
| Lake Lavu | ELA 2477 | Application only | | 100% Frontier Copper PNG Ltd | 839 | 252 |
| * Under renewal - Hearing completed | | | | | 1,705 | SQ KM |
| NB: The Papua New Guinea Mining Act of 1992 stipulates that ELs are granted for renewable 2 year Terms (subject to Work and Financial Commitments) and the PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease is granted. | | | | | | |

Competent Person Statement:

The information in this report that relates to Exploration Results is based on information compiled by Peter A. McNeil - Member of the Aust. Inst. of Geoscientists. Peter McNeil is the Chairman/Managing Director of Frontier Resources, who consults to the Company. Peter McNeil has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter McNeil consents to the Inclusion in the report of the matters based on the information in the form and context in which it appears.