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Market Announcements Platform

23rd December 2016

Agreement to Issue Shares in Lieu of Fees Totalling \$200,000

Frontier Resources Limited (**Frontier** or the **Company**) is pleased to announce that it has received firm commitments from consultants and contractors to the Company to settle future fees in shares.

The Company's professional consultants and contractors, including the Company's helicopter provider, have agreed to settle future fees totalling up to \$200,000 in shares at conversion price of \$0.03 per share (**Conversion**). The Conversion represents between six and twelve months of professional fees including \$120,000 or 32 hours of helicopter service in Papua New Guinea (**PNG**).

Frontier currently has no existing debt with these consultants and contractors and the Conversion covers future work. The Directors note that the Conversion is an efficient way of enabling more exploration to ultimately be undertaken in PNG and are encouraged that these parties are pleased to participate in this manner in the Company's future which they all help make occur. Frontier's Directors are very pleased with the support being shown and the consultants' and contractors' belief in the Company's future endeavours.

This Conversion, specifically the helicopter service, will provide the Company the flexibility to save a substantial amount of budgeted expenditure from the Bulago/Muller exploration programs proposed in the Rights Issue Replacement Prospectus lodged on 8 December 2016. The savings will also be used to show enhanced financial viability to the PNG Mineral Resource Authority in regards of the Company's 3 new Exploration Licence Applications (including the recent Gazelle Peninsula ELA that contains the former Sinivit Mine and gold resources). Assuming these 3 ELAs are granted, some capital 'saved' in this manner could be used to fund exploration on their prospective gold and copper targets.

It is anticipated that a shareholders' meeting will be set as soon as practical in 2017 to seek shareholder approval for the Conversion.

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