



**CONTACTS**  
PO Box 52  
West Perth  
WA 6872 Australia  
  
ABN 96 095 684 389

**PHONE**  
+61 (08) 9295 0388  
**FAX**  
+61 (08) 9295 3480

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

**ASX : FNT**

ASX Limited  
Company Announcements Office

18<sup>th</sup> June 2013

## Cash Position and Strategy Going Forward

Frontier Resources Ltd has a 100% interest in 8 Exploration Licences plus a 50% interest in 3 ELs + 2 ELAs in Papua New Guinea, that are highly prospective for the discovery and delineation of porphyry copper+/- gold +/-molybdenum, porphyry gold and epithermal gold deposits.

The Company's cash position will be approximately \$500,000 when the final payment is received from Newcrest Mining Limited under the Farm-in Agreement in relation to Frontier's Mt Andewa and Mt Schrader exploration licenses (Newcrest's withdrawal from the Farm-in takes effect from 21 June 2013) and this will provide adequate 'hibernation' income for the remainder of 2013.

- All possible expenditure has been minimised, management are working /being paid less and, directors reduced their annual fees by a total of \$60,000pa (remuneration is now set at \$25,000pa) subsequent to the first quarter of 2013.
- A small capital raising may be required later in 2013 to fund corporate costs and expenditure + work program commitments for 2014, dependent on timing of cash flows from Torque (as discussed below).
- Demobilisation of the Andewa Camp, drilling rigs and earthmoving equipment is underway and will be completed this week.
- Short-term work has been located in the Kimbe area for Frontier's excavator, bulldozer and 24m catamaran dumb barge (that was successfully launched last week) and this will assist cash flow.

Frontier's intent for the second half of 2013 is to compile and interpret all data for the ELs, reduce the total EL area held (in line with the normal requirements of the PNG Mining Act and to reduce 'rent' costs) and subsequently to produce 'optimal' future exploration programs for each tenement. No field work is planned for the remainder of 2013, unless the general 'market' sentiment improves.



Frontier holds approximately 16% of Torque Mining Ltd (Torque is a "spin off" from Frontier of its former Tasmanian properties), plus a 5% direct interest in Torque's modest Stormont Gold deposit, plus a 10% carried interest to completion of Bankable Feasibility Study in several additional ELs. Torque Mining Ltd is a significant asset to Frontier.

- Torque established a Joint Venture with BCD Resources Ltd to mine and process the Stormont gold Resource and it should receive significant cash flow from the proposed operation later in 2013.
- The Feasibility Study is progressing well and the JV commenced reverse circulation drilling last week at Stormont, to estimate a reserve and for mining and for subsequent grade control.
- The required studies have been submitted to and accepted by Mineral Resources Tasmania, advertising for public comment is almost complete and no objections are anticipated.
- Torque will reimburse Frontier for about \$200,000 in costs carried from mid 2012 at 'ground breaking' on the proposed Stormont Mine and when it receives cash flow from processing, it will purchase Frontier's Tasmanian based drill rigs and capital equipment for \$550,000. In addition, Frontier's direct 5% equity in the mine will generate a significant cash payment that will be estimated in the Feasibility Study.
- These payments will significantly assist Frontier's cash position late in 2013 and in 2014 and enable the Company to conduct exploration on its PNG projects as appropriate.

Frontier has two Joint Ventures on five ELs with Ok Tedi Mining Ltd for a total 'Earn-In' of US\$60 million (with about 3 years remaining) and Frontier diluting to between 42% and 19.9% on each project (Subsequent to Earn-In).

- Ok Tedi is yet to inform Frontier of their exploration programs and budgets planned for calendar year 2013, however, they have been drilling at the Leonard Schultz EL and conducting geochemical sampling at the East New Britain EL. Landowner activism is precluding access to the Central New Britain EL.

Frontier owns a 10% interest (7,280,014 shares) in Quintessential Resources Ltd (ASX:QRL) and has established a 50% - 50% contributing Joint Venture on 3 ELs + 2 ELAs belonging to each company on the island of New Britain.

- Assay results from the Gasmata 'Bullseye' aeromagnetics evaluation and soil sampling program conducted earlier this year will be announced forthwith.
- An exploration program was planned and attempted for the Stoneleigh Prospect (Aria River EL), but flooding followed by continued poor weather forced its cancellation.
- Quintessential is awaiting drilling results from its highly prospective Irak copper-gold -molybdenum porphyry and skarn targets and also from multiple gold exploration programs conducted on its D'Entrecasteaux Island tenements.

All Frontier's tenements are currently in good standing with the Mineral Resource Authority in Papua New Guinea and do not require expenditure or exploration until 2014 (except the Aria River and Whiteman Range ELs in JV with Quintessential where commitment variations will be requested).

For additional information relating to Frontier Resources, please visit the Company's website at [www.frontierresources.com.au](http://www.frontierresources.com.au).

**FRONTIER RESOURCES LTD**



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