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Company Announcements Office

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## **Newcrest Withdraws from the Farm-In Agreement on the Andewa Project**

Frontier Resources Ltd (Frontier) advises that Newcrest Mining Limited (Newcrest) has elected to withdraw from the Farm-in Agreement in relation to Frontier's Andewa Project comprising the Mt Andewa and Mt Schrader exploration licences (EL 1345 + EL 1951) in Papua New Guinea. Newcrest's withdrawal from the Farm-in takes effect from 21 June 2013.

As announced on 15 June 2012, under the Farm-in Agreement:

- Newcrest, through its wholly-owned subsidiary Newcrest PNG Andewa Limited, could earn 60% equity in the project by sole funding A\$19.25 million of exploration expenditure for the project within four years commencing 1 January 2012;
- After Earn-in, Newcrest had an option to acquire an additional 12% equity prior to a 'Decision to Mine';
- Newcrest had a right to withdraw from the Farm-in at any time after completing a minimum commitment of sole funding A\$2.5 million of exploration expenditure for the project within 18 months of 1 January 2012 (Minimum Expenditure Commitment); and
- Following the Minimum Expenditure Commitment, Newcrest had a right to assume management of the project.

The Minimum Expenditure Commitment was satisfied in late 2012. As a result of Newcrest exercising the right to withdraw from the Farm-in, the proposed Frontier/Newcrest joint venture to advance the project will not proceed and the project will continue to be 100% owned by Frontier.

Frontier Chairman/ Managing Director Peter McNeil M.Sc., stated:

*Newcrest has been an excellent Farm-in partner to work with at all levels of engagement and they are thanked for their assistance and partnership on the Andewa Project.*

*\$6.87 million has been invested in drilling and evaluating the project since January 2012, with eight holes completed for 6,014.3m prior to Newcrest's withdrawal. Forty holes have been completed in total for 12,466.1m.*

*Wide intercepts of low grade gold with higher grade internal zones and weak copper assay results were returned from the deep diamond core drill holes ADH014 to 018, including hole 17 with approximately 1,000m (downhole) grading 0.10 g/t gold including 2m of 3.95 g/t gold at the end of hole (770m vertically).*

*A large and prospective area remains to be drill evaluated at the Andewa Project, as the distance between the exploratory holes is still between 3,000m and 750m. Frontier has now demonstrated gold mineralisation over an 834m vertical interval in the ADH017 zone (Ehgin) and over an 885m vertical interval in the ADH001/ 012/ 014 zone (Waiu).*

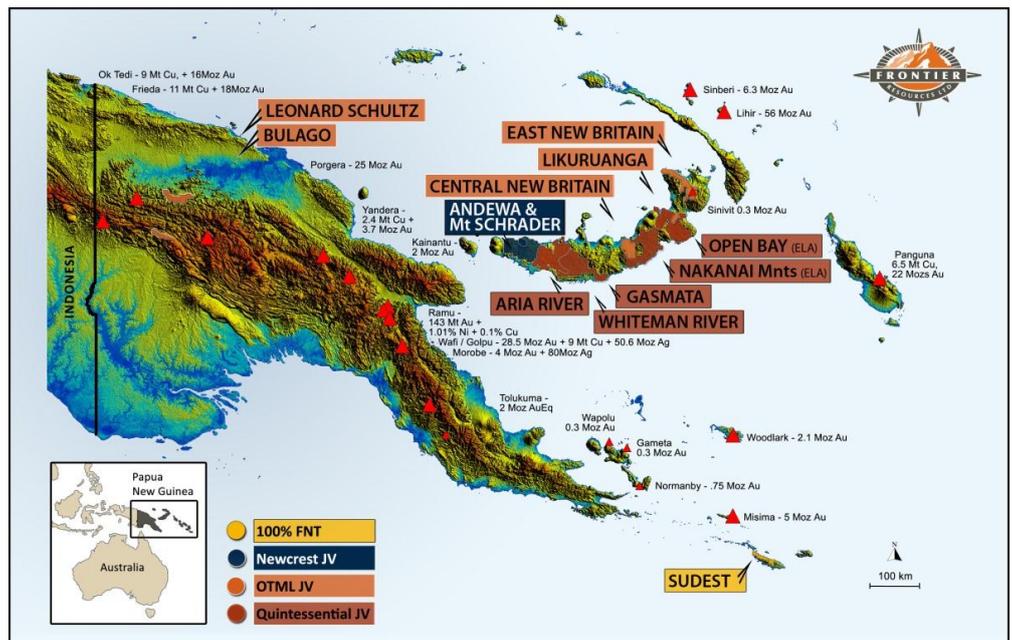
*Evaluation of alteration and mineralisation progressively deeper in these drill holes suggests good higher-grade mineralisation potential exists to the "south" (SE, S or SW) or at depth from hole ADH014. Geochemical trends from assays downhole also makes the conclusion that this is a viable target that is proximal to the best drill gold-copper mineralisation intersection to date in ADH001 and the region will be drill targeted in the future when possible by Frontier.*

The Komsen gold mineralised structure has high grade drill intercepts have included 2m of 32.55 (from 37.4m), 2m of 15.25 g/t gold (from 99.0m), 10.8m at 6.99 g/t gold (from 127.4m), 1m of 2.69 g/t gold + 2m of 1.39 g/t gold (from 279.6m). Hole ADH013 drilled 1.5m grading 39.3 g/t gold (from 450m downhole or 320m below surface) and it has 22 zones with >0.1 g/t gold up to 24m wide and increasing in width downhole and closer to the main WNW trending structure in the river . The Komsen and other gold mineralised structures will also be further targeted.

In addition, there are several known untested gold mineralised zones (from reconnaissance sampling) that are to the west of Komsen and SE of ADH001 on the margins of the RTP magnetic anomaly. These anomalies will be targeted when possible in the future.

Frontier is now demobilising the drilling and earthmoving equipment from Andewa to our Kimbe storage/ workshop and will seek contracts for them as possible to assist the Company's cash flow until market sentiment improves.

Hole ADH 014 has its main zone of mineralisation from 327.5m to 918.0m (590.5m) grading 0.11g/t gold + 0.07% copper. The hole was terminated in 2m grading 0.54 g/t gold at 1,004m downhole and it increased markedly in gold, copper, molybdenum, arsenic and antimony at depth, with a 79.4m intercept grading 0.11g/t gold + 0.10% copper from 838.6m to 918.0m.



The Komsen Structure appears to trend ESE (with a steep northern dip) from where drilled toward the strongest RTP magnetic anomaly on the Andewa gridded area, which is located about 1.5km to the SE of holes ADH001/ ADH010 /ADH014. Komsen may be a radial mineralised structure trending from this possible source area. Mineralisation (gold and arsenic) increases at the bottom of hole ADH011 suggesting approaching mineralisation and this is where the hole is trending into the second strongest RTP anomaly.

Appendix 1 is available on the website and consists of contoured and thematic gold and copper soil+ drill hole plans for comparisons on different backgrounds, including Lidar and 100,000 topography, aeromagnetic RTP and RTP –VD1.

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

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by, or compiled under the supervision of Peter A. McNeil - Member of the Aust. Inst. of Geoscientists. Peter McNeil is the 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 2004 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.