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## **Conceptual Mining Study for the Stormont and Narrawa Deposits Demonstrates Potential and Recommends a Feasibility Study**

Frontier Resources Ltd is pleased to announce an encouraging result from the update to the Conceptual Mining Study (CMS) for the Stormont gold and bismuth Deposit and the Narrawa gold and base metals Deposit. Subsidiary Torque Mining Ltd (Torque) commissioned Swain Engineers to carry out the CMS in respect of mining and processing the Indicated Resources at the deposits, that are located 6.5km apart in central-northern Tasmania.

The Conceptual Mining Study shows a satisfactory theoretical cash flow from processing the mineralisation at Stormont and Narrawa, based on a capital expenditure estimated at A\$9.4 million (neglecting working capital and provision for contingencies).

The CMS also demonstrates that the continuation of Feasibility Studies is strongly warranted to evaluate the ultimate economic potential of the Narrawa and Stormont Deposits and to move them toward future production and cash flow.

The Stormont and Narrawa gold deposits have excellent access (located 40 kms south of Devonport), would be predominantly open-pitabile and has no known environmental or social restrictions.

The combined total Indicated Mineral Resource at the Stormont and Narrawa Deposits is 313,600 tonnes grading 2.49g/t gold, plus credits in bismuth, silver lead and zinc. Contained metal is 25,058 ounces of gold, 125,811 ounces of silver, 256 tonnes of bismuth, 2311 tonnes of lead and 1,953 tonnes of zinc. The gold equivalent grade of the above total metals is 3.64g/t for 36,700 ounces gold equivalent. In addition to the total Indicated Mineral Resource noted above, there is an additional Inferred Mineral Resource at Narrawa.

The individual project resources are:

- Stormont - Indicated Mineral Resource of 150,800t grading 2.89g/t gold + 0.17% bismuth for 14,011 ounces of gold + 256.0 tonnes of bismuth.
- Narrawa - Indicated Mineral Resource of 162,800 tonnes grading 2.11g/t gold + 1.42% lead + 1.20% zinc + 20.6g/t silver for 11,040 ounces of gold + 2,311 tonnes of zinc + 107,288 ounces of silver.
- Inferred Mineral Resource of 46,570 tonnes grading 2.07g/t gold + 0.98% lead + 0.81% zinc + 16.0g/t silver for 3,100 ounces of gold + 460 tonnes of lead + 380 tonnes of zinc + 23,960 ounces of silver.

Swain Engineers made the following recommendations.

*"This Conceptual Mining Study demonstrates the potential of a satisfactory investment, which will yield a future source of income to the shareholders of Torque Mining Ltd. We recommend that a Full Feasibility Study commence without delay."*

The metallurgical testing completed by Amdel Laboratories is preliminary in nature and more detailed testing is required as part of a Feasibility Study. It was assumed that at Stormont, the gold which is non-refractory, would be recovered by conventional Carbon in Pulp (CIP) process and at Narrawa the mineralised material would be processed by flotation with a high quality sulphide/gold concentrate produced for sale/smelting or refining.

The main operating parameters from the Swain Engineers Study are as follows:

### **Stormont**

Stripping ratio	:	0.5/1.0, waste to ore
Cut-off grade	:	0.5g/t gold
Mining dilution	:	10%
Recoveries	:	gold 92.3%; bismuth 80%, silver 80.5%
Operating Costs:	:	A\$10,772,000

### **Narrawa**

Stripping ratio	:	1.0/1.0, waste to ore
Cut-off grade	:	1.0g/t gold
Mining dilution	:	10%
Recoveries	:	gold 96.7%; zinc 98.5%, lead 95.6% & silver 92.4%
Operating Costs:	:	A\$11,420,000

### **Total Costs and Revenue**

Capital	:	A\$ 9,360,000
Operating Costs:	:	A\$22,183,000
Total Costs	:	A\$25,353,000
Total Revenue	:	A\$55,029,000
Net Revenue	:	A\$29,676,000 (before capital and tax).

NB: Caution must be exercised in regard of these figures until confirmed or varied by a Feasibility Study.

Metal prices used in this study were: gold - US\$1,550/oz; zinc - US\$0.98/lb; lead - US\$0.94/lb; silver - US\$31.61/oz; bismuth - US\$11/lb.

There is also very good exploration potential to further increase the size of both deposits, discover satellite deposits and thus improve possible cash flows for the project. Future resource expansion drilling will target:

1. Strike extensions to the known deposits
2. Depth extensions
3. Fault offset extensions
4. Satellite deposit mineralisation and
5. High grade tungsten mineralisation proximal to and within the Narrawa Deposit.

Further details on how Torque plans to process these deposits to cash flow will be released in the near future. The full Conceptual Mining Study is available at [www.torquemining.com.au](http://www.torquemining.com.au)

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

### **FRONTIER RESOURCES LTD**



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

The information in this ASX Release that relates to Exploration Results and Mineral Resources is based on information compiled by, or compiled under the supervision of Robert McNeil – Fellow of the Aust. Inst. of Mining and Metallurgy. Robert McNeil is the Managing Director of Torque Mining. Robert 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. Robert McNeil consents to the inclusion in the presentation of the matters based on the information in the form and context in which it appears.

**Notes:**

- ❖ The CMS is not a feasibility study, but a detailed evaluation designed to determine if there are economic reasons for pursuing and further advancing a project that is known to contain certain types and grades of mineralisation.
- ❖ Caution must be exercised when equating all metal values to gold equivalent due to fluctuating metal prices and the uncertainty as to the amount of each metal that can be recovered in the processing of the mineralisation.
- ❖ The gold equivalent formula used to calculate the gold equivalent values is as follows: gold equivalent (g/t) equals gold g/t plus (lead % times 0.3912) plus (zinc % times 0.4082) plus (silver g/t times 0.0193) plus (bismuth % times 4.58).
- ❖ This formula is based on metal prices used in the CMS study of: gold - US\$1,550/oz; zinc - US\$0.98/lb; lead - US\$0.94/lb; silver - US\$31.61/oz; bismuth - US\$11/lb.
- ❖ Skarn gold-bismuth and gold– silver -basemetal deposits such as the Stormont and Narrawa Deposits typically recover contained gold, silver and basemetals if in sufficient quantities (subject to metallurgical characteristics and prevailing metal prices).
- ❖ The ASX requires metallurgical recovery be specified for each metal and they are: 90.4% for gold and 78.9% for silver for Stormont and are 96.7% for gold, 98.5% for zinc, 95.6% for lead and 92.4% for silver at Narrawa. Bismuth has not yet been specifically evaluated.
- ❖ It is the Company's opinion that each of the elements included in the Stormont and Narrawa metal equivalent calculations have a reasonable potential to be recovered if the project proceeds to mining.