



ADDRESS
PO Box 35
North Perth
WA 6906 Australia

PHONE
+61 (8) 9295 0388
FAX
+61 (8) 9295 3480

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

ABN 96 095 684 389

ASX : FNT

ASX Limited
Company Announcements Office
Announcement

23rd April 2010

name
address
address

Letter to Optionholders Regarding Exercise of Options and Corporate Update

Frontier Resources Ltd is writing to you as a registered holder of the Company's options exercisable at 4.5 cents on or before 3 December 2010. Whilst there is no obligation to exercise your options, the Company requests that you consider converting them to shares to provide additional short term working capital for conducting enhanced exploration programs.

Frontier presently has \$700,000 in cash which will fund exploration until later 2010, based on our proposed work programs. Additional capital will be required to enable more extensive exploration programs to be undertaken on the Company's highly prospective tenements in Papua New Guinea and Tasmania. The Company proposes to use funds from the exercise of options to achieve this goal.

Requests have been received to exercise individual small parcels of options. However, due to substantial administration costs which are incurred for the processing of each parcel, it is more cost effective to request holders to exercise options and then to issue the shares in batches. The first batch will be exercised on/before May 31st 2010.

Options may be exercised in whole or in part by the payment of 4.5 cents for each option (to convert it to a fully paid ordinary share that can be held or sold) at any time prior to the option expiry date. Whilst there is no obligation to exercise the options now, the opportunity to exercise options ceases on the date of expiry.

If you wish to exercise your options, please complete the attached form and forward it with the required payment to Registries Ltd, Level 7, 207 Kent Street, Sydney, NSW, 2000. Cheques should be made payable to "Frontier Resources Ltd" and should be crossed "Not Negotiable". A BPAY facility is also available.

Joint Venture negotiations between Frontier and a World Class copper producer regarding an alliance on 3 Exploration Licenses (Bulago, Leonard Schultz and Likuruanga) and 2 Exploration License applications (Central and East New Britain) continue without delay. Frontier is very pleased with the proposed structure of the alliance and all the major terms have been resolved to the satisfaction of both parties. A placement of US \$1million is proposed to Frontier upon execution of the Joint Venture agreements. Drafting of the Agreements governing the JVs will commence without delay and it is anticipated that they will be executed in late May subject to each of the proposed partners completing final due diligence.

Frontier has received excellent results from its 2009/2010 Highlands exploration programs in PNG. Exploration will continue at the Suguma high grade gold Prospect at Bulago and commence at the Andewa Gold Project in New Britain. The Andewa program will consist of grid based soil sampling and 3D-IP over a 10km² area. Additional working capital that is raised via the exercise of options will assist the Company to enhance and consolidate the Company's prospective tenement portfolio.

For additional information regarding the exercise of options please contact Registries Ltd: registries@registries.com.au or 1300 737 760.

FRONTIER RESOURCES LTD

Paige McNeil
COMPANY SECRETARY