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ASX : FNT

ASX Limited  
Company Announcements Office

Announcement

14th August 2009

## NON-RENOUNCEABLE RIGHTS ISSUE

Frontier Resources Ltd (Frontier) is pleased to announce that it will lodge a prospectus with ASIC and the ASX today for a non-renounceable rights issue (Rights Issue) on the basis of 1 New Share for every 1 Existing Share held on the Record Date at a price of 3.5 cents, with 1 free-attaching New Option for every 1 New Share subscribed for (with an exercise price of 4.5 cents, exercisable on or before 3 December 2010).

The maximum number of New Shares which may be issued under the Rights Issue is 148,866,279 to raise up to A\$5,210,320 (before the costs of the Rights Issue).

Frontier's ongoing strategy has five prongs, with funds raised under the Offer to be used to:

- **Advance the Narrawa and Stormont Deposits in Tasmania toward development;**
  - Initiate obtaining a Mining Lease(s) from Mineral Resources Tasmania;
  - Continue feasibility studies on the Deposits including resource expansion and infill drilling to allow upgrading of the resources and estimation of a reserve;
  - Evaluate development scenarios for the deposits including Frontier mining and treating the mineralisation, toll milling and other options;
  - Assess the proximal high-grade tungsten mineralisation potential at Narrawa by drilling, to determine if it can contribute to the Narrawa gold-lead-zinc-silver mining operation;
  - Assess alternate metallurgical treatment options that could be more effective and/or capable of also extracting the associated bismuth at Stormont and tungsten at Narrawa.
- **Drill test and define resources at the Esis porphyry copper Deposit on the island of New Britain in PNG. The targets are a World Class primary copper deposit and/or a more easily developed, near surface and higher average grade, secondary (supergene) copper deposit;**
- **Initiate surface exploration and undertake extensive hand trenching on the multiple very high-grade gold targets at Bulago in PNG to define the mineralised horizons and future drilling targets;**
- **Advance the remaining tenements held by Frontier in PNG and Tasmania with cost effective exploration and/or by looking to enter into and fund joint ventures to advance these tenements (\* Frontier has agreed to sell EL 1596 for A\$300,000 cash);**
- **Complete the construction of 3 new diamond drilling rigs for Frontier's use or sale.**
- **To provide working capital**

The Rights Issue is not underwritten.

## Timetable

The current proposed timetable for the Rights Issue is documented below. The dates are indicative only and Frontier reserves the right to vary the dates (subject to the Corporations Act and the ASX Listing Rules).

Activity	Date
Announcement of Offer	14 August 2009
Lodge Appendix 3B and Prospectus with ASIC and ASX	14 August 2009
Dispatch of notices to Shareholders informing them of the Rights Issue	17 August 2009
Shares trade on an "ex" Entitlement basis	18 August 2009
Record Date for Entitlement to participate in the Rights Issue	24 August 2009
Prospectus and Entitlement and Acceptance Form dispatched to Shareholders	26 August 2009
Closing Date for Receipt of Entitlement and Acceptance Form	15 September 2009
Securities quoted on deferred settlement basis	16 September 2009
ASX notified of under subscriptions	18 September 2009
Holding statements for New Shares and New Options are dispatched to Shareholders	23 September 2009
Normal ASX trading for New Shares and New Options commences	24 September 2009

\*The "ex" date for entitlements is 18 August 2009, therefore shares purchased on or after 18 August 2009 will not provide the buyer with an entitlement to participate in the Rights Issue. Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number.

The attached initial advice to shareholders contains further details and will be mailed to each shareholder on 17 August 2009.

An Appendix 3B in respect on the issue is attached.

For more information please contact: Paige McNeil, Joint Company Secretary, Frontier Resources Ltd on +61 8 9295 0388.

Sincerely  
FRONTIER RESOURCES LTD



Peter McNeil, M.Sc.  
Managing Director



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Dear Shareholder,

## **NON-RENOUCEABLE ENTITLEMENT ISSUE**

### **Rights Issue**

Frontier Resources Ltd (**Frontier**) has announced a non-renounceable entitlements issue of up to 148,866,279 Shares on the basis of 1 New Share for every 1 Existing Share at a price of 3.5 cents per New Share to raise up to AUD\$5,210,320 (before the costs of the issue) (**Rights Issue**).

For every 1 New Share issued, subscribers will also receive 1 free-attaching New Option to subscribe for 1 Share at an exercise price of 4.5 cents and exercisable by 3 December 2010.

You will be eligible to participate in the Rights Issue if you hold Shares at 5pm (AEST) on the Record Date.

Shareholders can apply for unsubscribed shares over and above their allocation. The Board will reserve the right to place any shortfall of the issue with third-parties.

Frontier's ongoing strategy has five prongs, with funds raised under the Offer to be used to:

- **Advance the Narrawa and Stormont Deposits in Tasmania toward development;**
  - Initiate obtaining a Mining Lease(s) from Mineral Resources Tasmania;
  - Continue feasibility studies on the deposits including resource expansion and infill drilling to allow upgrading of the resources and estimation of a reserve;
  - Evaluate development scenarios for the deposits including Frontier mining and treating the mineralisation, toll milling and other options;
  - Assess the proximal high-grade tungsten mineralisation potential at Narrawa by drilling, to determine if it can contribute to the Narrawa gold-lead-zinc-silver mining operation;
  - Assess alternate metallurgical treatment options that could be more effective and/or capable of also extracting the associated bismuth at Stormont and tungsten at Narrawa.
- **Drill test and define resources at the Esis porphyry copper deposit on the island of New Britain in PNG. The targets are a World Class primary copper deposit and/or a more easily developed, near surface and higher average grade, secondary (supergene) copper deposit;**
- **Initiate surface exploration and undertake extensive hand trenching on the multiple very high-grade gold targets at Bulago in PNG to define the mineralised horizons and future drilling targets;**
- **Advance the remaining tenements held by Frontier in PNG and Tasmania with cost effective exploration and/or by looking to enter into and fund joint ventures to advance these tenements (\* Frontier has agreed to sell EL 1596 for A\$300,000 cash);**

- Complete the construction of 3 new diamond drilling rigs for Frontier's use or sale.
- To provide working capital

A Prospectus with personalised Entitlement and Acceptance Forms, detailing the Rights Issue will be dispatched to Shareholders eligible to participate on 26 August 2009.

#### Timetable

The current proposed timetable for the Rights Issue is set out below. The dates are indicative only and Frontier reserves the right to vary the dates (subject to the Corporations Act and the ASX Listing Rules).

Activity	Date
Announcement of Offer	14 August 2009
Lodge Appendix 3B and Prospectus with ASIC and ASX	14 August 2009
Dispatch of notices to Shareholders informing them of the Rights Issue	17 August 2009
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\*The "ex" date for entitlements is 18 August 2009; therefore shares purchased on or after 18 August 2009 will not provide the buyer with an entitlement to participate in the Rights Issue. Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number.

#### Information required to be given to you in accordance with the Listing Rules

1. Up to a maximum of 148,866,279 New Shares will be issued pursuant to the Rights Issue and a maximum of 148,866,279 New Options (assuming no existing options are exercised prior to the Record Date).
2. The New Shares will be fully paid ordinary shares and will rank equally in all respects from the date of allotment with the existing class of quoted Shares. The New Options will have an exercise price of 4.5 cents each and are exercisable on or before 3 December 2010. Shares issued pursuant to the exercise of any New Option will be fully paid ordinary shares and will rank equally in all respects from the date of allotment with the existing class of quoted Shares.

3. The issue price of the New Shares is \$0.035 each. The New Options will be issued for nil consideration.
4. Frontier will apply to ASX for admission of the New Shares and New Options to official quotation within 7 days of the date of the Offer Document.
5. The funds raised by the Rights Issue will be used to provide working capital for further development and exploration programs (as further described above), expenses of the Rights Issue, and administration.
6. It is expected that New Shares and New Options will be entered into uncertificated holdings and holding statements dispatched on 23 September 2009.
7. The total number and class of all securities that will be quoted on ASX (including the maximum number of New Shares and New Options to be issued under the Rights Issue on an undiluted basis) is as follows:

Number	Class
297,732,558	Fully paid ordinary shares
151,914,775	Quoted options exercisable at 4.5 cents on or before 3 December 2010

8. Following the Rights Issue, the total number and class of all securities that will not be quoted on ASX is as follows:

Number	Class
180,000	Non-transferable employee options 14 cents, 20/10/2011
270,000	Non-transferable employee options 16 cents, 19/10/2010
3,200,000	Non-transferable director options 20 cents, 30/11/2010
100,000	Non-transferable employee options 15 cents, 11/12/2010

9. Frontier currently has no dividend policy.
10. No shareholder approval for the Rights Issue is required.
11. The Rights Issue is non-renounceable. This means that shareholders who do not wish to take up their entitlements will not be able to trade or sell their entitlements. Their entitlements will simply lapse if not taken up.
12. The New Shares will be offered on the basis of 1 New Share for every 1 Existing Share held at 5.00pm AEST on 24 August 2009 (Record Date). The New Options will be issued free on the basis of 1 New Option for every 1 New Share subscribed for.
13. In determining entitlements, any fractional entitlements will be rounded up to the nearest whole number.
14. Neither the Rights Issue nor the Prospectus constitutes an offer to acquire shares, to any Shareholders who are not resident in Australia or New Zealand as at the Record Date. However, the return of a completed Entitlement and Acceptance Form from a Non-Eligible Foreign Shareholder will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained by the Applicant and that the Company may legally issue the Shares to the Applicant.
15. The Closing Date for the offer is 5.00pm AEST on 15 September 2009.

16. The Rights Issue is not underwritten.
17. There is no broker to the Rights Issue.
18. The Prospectus for the Rights Issue and accompanying Entitlement and Acceptance Form will be sent to Shareholders on 26 August 2009.
19. Existing option holders may participate in the Rights Issue upon exercise of their options prior to the Record Date.
20. The above information was provided to the ASX on 14 August 2009.

For further information on your entitlement, please contact your stockbroker or Frontier's share registry - Registries Limited

Phone: 1300 737 760 within Australia, +61 2 9290 9600 from overseas

Fax: 1300 653 459 within Australia, +61 2 9279 0664 from overseas

Email: registries@registries.com.au

Yours Sincerely,  
FRONTIER RESOURCES LIMITED

A handwritten signature in black ink, appearing to read 'Peter McNeil', written in a cursive style.

Peter McNeil, M.Sc.  
Managing Director

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

FRONTIER RESOURCES LIMITED

ABN

96 095 684 389

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | 1. ORDINARY SHARES<br>2. LISTED OPTIONS  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 1. 148,866,279 ORDINARY SHARES<br>2. 148,866,279 LISTED OPTIONS<br>(ASSUMING NO EXISTING<br>OPTIONS ARE EXERCISED ON OR<br>BEFORE THE RECORD DATE) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. ORDINARY SHARES<br>2. LISTED OPTIONS, 4.5 CENTS<br>EXPIRY 3 DECEMBER 2010   |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>1. ORDINARY SHARES – YES (FNT)  2. OPTIONS - YES (FNTO)</p>						
<p>5 Issue price or consideration</p>	<p>\$0.035 PER SHARE INCLUDING ONE FREE OPTION WITH EVERY ONE SHARE SUBSCRIBED FOR</p>						
<p>6 Purpose of the issue  (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>TO CONTINUE THE COMPANY'S EXPLORATION ACTIVITIES AND FOR WORKING CAPITAL</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>23 SEPTEMBER 2009</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1456 989 1500">Number</th> <th data-bbox="989 1456 1283 1500">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1500 989 1590">297,732,558</td> <td data-bbox="989 1500 1283 1590">ORDINARY SHARES</td> </tr> <tr> <td data-bbox="686 1590 989 1818">151,914,775</td> <td data-bbox="989 1590 1283 1818">OPTIONS EXERCISABLE at 4.5 CENTS EACH ON OR BEFORE 3 DECEMBER 2010 (to be issued)</td> </tr> </tbody> </table>	Number	+Class	297,732,558	ORDINARY SHARES	151,914,775	OPTIONS EXERCISABLE at 4.5 CENTS EACH ON OR BEFORE 3 DECEMBER 2010 (to be issued)
Number	+Class						
297,732,558	ORDINARY SHARES						
151,914,775	OPTIONS EXERCISABLE at 4.5 CENTS EACH ON OR BEFORE 3 DECEMBER 2010 (to be issued)						

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+ See chapter 19 for defined terms.



	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	180,000	NON-TRANSFERABLE EMPLOYEE OPTIONS 14 CENTS, 20/10/2011
	270,000	NON-TRANSFERABLE EMPLOYEE OPTIONS 16 CENTS, 19/10/2010
	3,200,000	NON-TRANSFERABLE DIRECTOR OPTIONS 20 CENTS, 30/11/2010
	100,000	NON-TRANSFERABLE EMPLOYEE OPTIONS 15 CENTS, 11/12/2010
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	NO DIVIDEND DISTRIBUTION IS ENVISAGED IN THE NEAR FUTURE	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	NO
12 Is the issue renounceable or non-renounceable?	NON-RENOUNCEABLE
13 Ratio in which the +securities will be offered	1 ORDINARY SHARE (PLUS ONE FREE OPTION WITH EVERY 1 SHARE SUBSCRIBED FOR)
14 +Class of +securities to which the offer relates	ORDINARY SHARES
15 +Record date to determine entitlements	24 AUGUST 2009
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	ROUNDING UP

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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18 Names of countries in which the entity has <sup>+</sup>security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.

Cross reference: rule 7.7.

GERMANY

19 Closing date for receipt of acceptances or renunciations

15 SEPTEMBER 2009

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<sup>+</sup> See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	26 AUGUST 2009
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	17 AUGUST 2009
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.

**Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in all  
respects from the date of allotment  
with an existing +class of quoted  
+securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next dividend,  
(in the case of a trust,  
distribution) or interest payment
- the extent to which they do not  
rank equally, other than in  
relation to the next dividend,  
distribution or interest payment

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end of  
restriction period

(if issued upon conversion of  
another security, clearly identify that  
other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)		

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+ See chapter 19 for defined terms.

**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

JAY STEPHENSON  
COMPANY SECRETARY

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+ See chapter 19 for defined terms.