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ASX Limited
Company Announcements Office

Announcement

December 3rd 2008

Dear Shareholder

It is important you are aware that the Frontier Entitlements Issue has been extended to 17/12/2008 and that for Frontier to succeed in the present market, the Company needs all the shareholder support that it can obtain.

To ensure Frontier's continued viability, I request that you seriously consider subscribing to the Issue. In addition, at least 50 shareholders must subscribe for more than 11,112 options (\$388.92) for the ASX to list the new class of options. If you have already subscribed for a lesser amount I request that you consider increasing it to the minimum noted above. Fortunately, the share price has recently been gaining a little more strength and this is a positive progression.

Frontier has been systematically exploring the Narrawa and Stormont gold (+/- base metal) deposits in northern Tasmania. It is highly encouraging that the Conceptual Mining Study has shown a positive cash flow based on the Narrawa Deposit alone.

Recent drilling has been quite successful defining a higher grade gold core to the Stormont Deposit, with results including 4.6m grading 23.9 g/t gold equivalent, 7.95m grading 13.76 g/t gold equivalent, 5.0m grading 7.8 g/t gold equivalent and 14.6m grading 3.85 g/t gold equivalent (please see releases dated 5/11 and 26/11/2008 for full assay results). A resource will be estimated at Stormont in 2009. Additional Stormont assays are awaited, plus the very encouraging results of our preliminary investigation into the Narrawa area's tungsten metal prospectivity.

Channel sampling of trenches at the Jimi Prospect in PNG have demonstrated consistent moderate to high-grade precious and base metals in massive sulphides between 2 and 4m wide, with peak grades to 1m of 18.4 g/t gold, 502 g/t silver, 5.02% copper, 1.38% lead and 1.7m of 14.6% zinc.

The Papua New Guinea National Government was approached 1/12/2008, regarding initiating discussion to obtain compensation for their effective expropriation of the Kodu copper-gold Deposit. Subject to that outcome, a decision is yet to be made regarding an appeal in respect of the Company's unsuccessful application for Leave to commence a Judicial Review. In addition, it is yet to be determined if Frontier can/will pursue the Australian Government for its role in the non-renewal of the Exploration License.

Obviously the Company will be conserving funds as appropriate in the future, while continuing to attempt to achieve our previously stated objectives. To help accomplish this, Directors cash stipends will now be converted to 'shares for debt', several staff have taken pay cuts, others have reduced their workloads or were laid off. Non-core plant and equipment have been sold to assist cash flow.

If you have already contributed to the Entitlements Issue already, I thank you very much. Directors are all contributing towards their entitlements. If you have misplaced your entitlements form or prospectus, please contact us for a replacement or further information.

Sincerely,

FRONTIER RESOURCES LTD

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

The information in this report that relates to Exploration Results 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 their information in the form and context in which it appears.

Notes:

- Gold equivalent is the contained gold, zinc, lead, silver, bismuth that are converted to an equal amount of pure gold and summed (based on mineralised rock with assays above various cut off grades and actual metal prices).
- Stormont gold equivalent (g/t) is based upon metal prices on 27/10/2008, being US\$729.1/oz Au & US\$10.4/lb Bi, US\$9.295/oz Ag; NB: Au(g/t). The formula used is $\text{Au(g/t) Equivalent} = \text{Au(g/t)} + 0.0002 \times \text{ppm Bi} + 0.01275 \times \text{g/t Ag}$.
- Skarn gold- silver -bismuth deposits such as the Stormont Deposit typically recover contained gold, silver and bismuth if in sufficient quantities (subject to metallurgical characteristics and prevailing metal prices).
- The ASX requires a metallurgical recovery be specified for each metal, however, no testwork has been reported for Stormont and recoveries can only be assumed to be typical.
- Drill core at the Stormont Deposit was sampled as half core for the entire length of mineralized intervals. Sample intervals within the confines of the resource are typically no greater than one metre and constrained by appropriate lithological or mineralization boundaries. Quality control was assessed via submission of known standards approximately every 20 to 25 samples / metres downhole. Laboratory quality control reported very good repeatability for in-house standards, as well as for duplicate drill core analysis. Assaying was carried out at Analabs, Burnie using fire assays for gold and the AAS technique for silver and bismuth.
- It is the Company's opinion that each of the elements included in the Stormont metal equivalent calculations have a reasonable potential to be recovered if the project proceeds to mining.