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ASX Limited
Company Announcements Office

31st July 2012

Technical Report – Quarter Ended 30th June 2012

Frontier ('the Company') is a successful, innovative and socially responsible junior mineral explorer focussed on a highly prospective portfolio of porphyry copper- gold -molybdenum, porphyry gold, mesothermal and epithermal gold hosting Exploration Licences in Papua New Guinea (figure 1).

A Farm-in Agreement with Newcrest Mining was finalised on June 17th, 2012, regarding EL 1345 - Andewa and EL 1951 - Mt Schrader, whereby Newcrest can earn a 60% interest in the Andewa Project by spending A\$19.25 million over 4 years (commencing 1 January 2012).

The Tasmanian exploration and development assets will be de-merged from FNT (via an in-species distribution Frontier's shareholders) through 65.6% owned Torque Mining Ltd. Torque raised \$1.05 million in seed capital with the intent of listing on the ASX in later 2012.

Frontier is deferred carried to completion of bankable feasibility study by Ok Tedi Mining Ltd on 5 ELs in PNG, with a total earn-in of US\$60million.

Frontier and Torque own and operate eight diamond drill rigs, plus earthmoving and support equipment that are used to cost effectively locate and delineate precious and base metal mineralisation on the ELs.

SUDEST PROJECT

EL 1594 - Sudest is 100% owned by Frontier and is located in the World Class Misima Mine Gold Corridor in Milne Bay, eastern Papua New Guinea. No drilling has ever been completed, even though alluvial gold was first discovered in PNG here in 1888 and 2 small high-grade gold hard rock mines have operated historically.

- Exploration of the Sudest EL was initiated during the quarter with hand trenching and 2 soil grids covering 6 sq km, to define additional trenching and future drilling targets. Assay results from the 2,825 samples are expected in about 5 weeks.
- Frontier demonstrated a rock assay of 256 g/t gold with 19 g/t silver and located visible gold in outcrop at the Adelaide Prospect.
- Systematic stream sediment and panned concentrate sampling has demonstrated gold in drainage anomalies over a 45 kilometre strike length along the western 2/3 of the island. The results to date are very promising and Frontier intend to aggressively pursue the attractive exploration targets demonstrated by the high grade gold in trenches/float rocks and abundant alluvial gold in drainages.

ANDEWA /SCHRADER EARN-IN

Thirteen holes had been completed during the initial program (5,896.5m) when drilling was halted in April.

- Drilling re-commenced in early July and holes ADH014 and 015 are at approximately 850m and 700m depth respectively.
- Several RTP magnetic anomalies were noted for follow up from the 1,538 line kilometre aeromagnetics and radiometrics geophysical program, that covered the entire Andewa EL (data was delivered in May).
- A 3,851 line kilometre aeromagnetics and radiometrics geophysical program, that covered the crater area of the Mt Schrader EL, was completed on the 30 July 2012.
- The bottom halves of holes ADH010 and ADH 011 were submitted for analysis along with holes ADH012 and ADH013. Results are awaited.

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OK TEDI MINING LTD JOINT VENTURES

The Ok Tedi Mining Ltd (OTML) Joint Ventures on 5 of Frontier's Exploration Licences are moving ahead systematically, with 2 rigs drilling at EL 1351 –Likuruanga and EL 1595 – Bulago.

EL 1351 - Likuruanga is highly prospective for porphyry copper, high-grade gold - silver -zinc skarn and /or epithermal gold deposits. The area contains the Esis porphyry occurrence and the Bukuam porphyry related copper, molybdenum, gold and zinc soil anomalies.

- Eight holes have now been completed by Ok Tedi Mining Ltd JV at the Esis Prospect for 5,149.5m, with holes NBE009 and NBE010 underway.
- Diamond core drill hole NBE001 had a respectable weighted average for the entire hole of 697.6m grading 0.26% copper and assay results for holes NBE002, NBE003, NBE004 and NBE005 have been received and are now being compiled and evaluated.

EL 1595 - Bulago is located in PNG between the OK-Tedi porphyry copper-gold and the Porgera gold Deposits. Targets are very high-grade epithermal and skarn gold and bulk mineable intrusive related gold deposits. The Suguma and Funutu Prospects have at least 10 locations with high-grade gold in outcrop channel samples with multiple orientations of mineralisation.

- Nine diamond core drill holes have now been completed by OTML at the Bulalo Porphyry copper-gold prospect for 3,302.9m, including two holes at the Suguma Prospect for 591.9m.

EL 1592 - East New Britain covers much of the Gazelle Peninsula in East New Britain. Targets are high-grade epithermal and skarn gold, bulk mineable intrusive related gold and porphyry copper-gold deposits Doilene Prospect contains visible gold in an altered intrusive dyke and Angbitki Creek Prospect contains widespread and significant platinoids (Pt, Pd) and gold in drainages.

- An aeromagnetics and radiometrics acquisition program commenced and was nearly completed over EL 1592 - East New Britain, but the aircraft requires maintenance.

DETAILS

Figures 1 and 5 shows the locations of Frontier's Exploration Licences in Papua New Guinea.

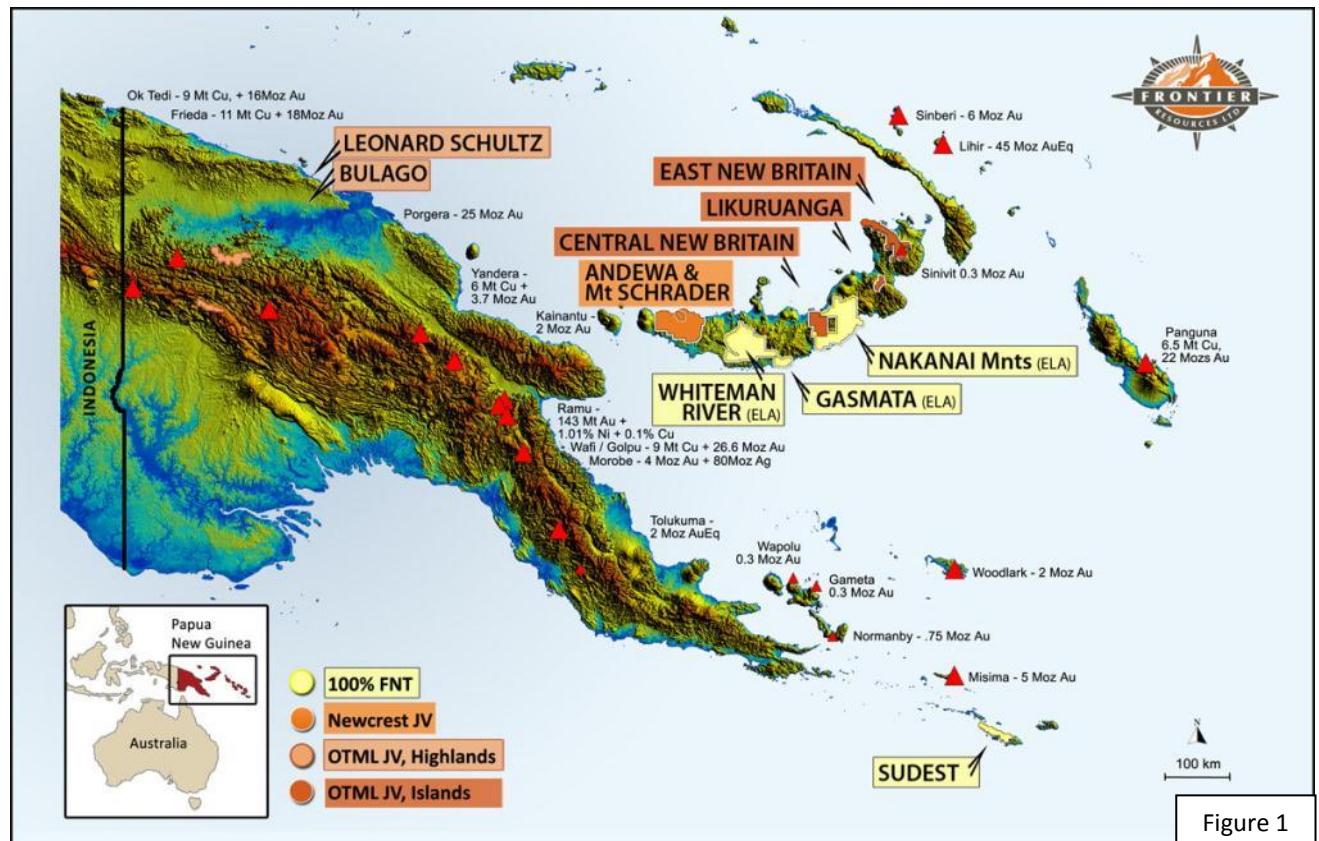


Figure 1

SUDEST - EL 1594

Field crews have completed a 2.5 month 'maiden' exploration program on the Sudest EL in Milne Bay, eastern Papua New Guinea, consisting of 2 grid based soil sampling programs (covering a total of about 5 sq km) and hand trenching at 2 prospects.

The 2,825 assay results will provide first class vectors to mineralisation and define excellent future trenching and drilling targets.

1,474 grid based soil samples were collected from the 3.2km x 1.0 km Adelaide – Cornucopia soil grid (figure 2) and 1,200 soil samples were collected from the 2.0km x ~1.2km Feiori soil grid (figure 3).

114 trench samples were collected from new and re-excavated historic hand trenches at the Adelaide Prospect, plus 1 creek outcrop grab sample and 36 trench samples were collected from the Cornucopia Prospect.

The Sudest Exploration Licence is located in the World Class Misima Mine Gold Corridor and the island has never been drilled, even though alluvial gold was first discovered in PNG here in 1888 and 2 small high-grade gold hard rock mines have operated. The Adelaide Mine workings are located along strike of high grade gold in trenches to 2m of 104.5 g/t, where Frontier collected a grab outcrop rock sample of 256 g/t gold + 19 g/t silver (figure 4).

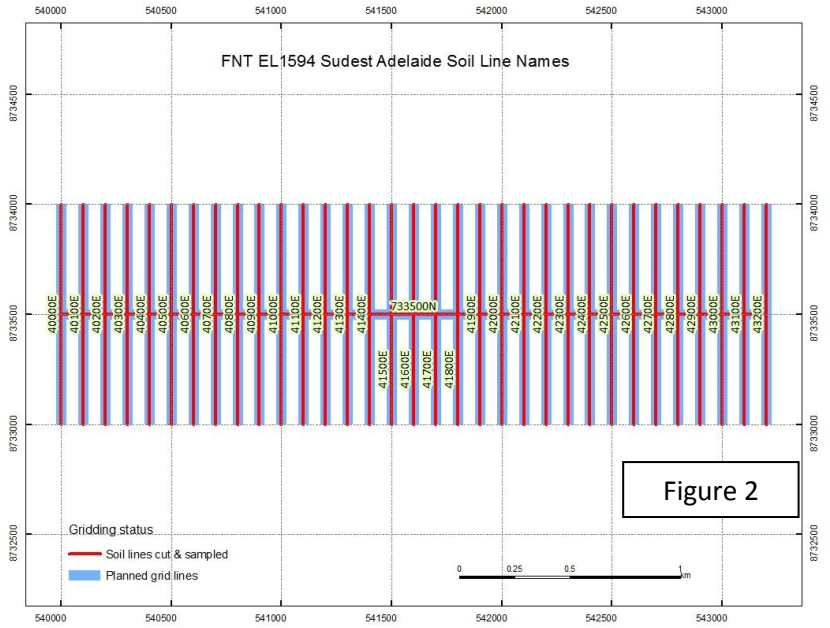


Figure 2

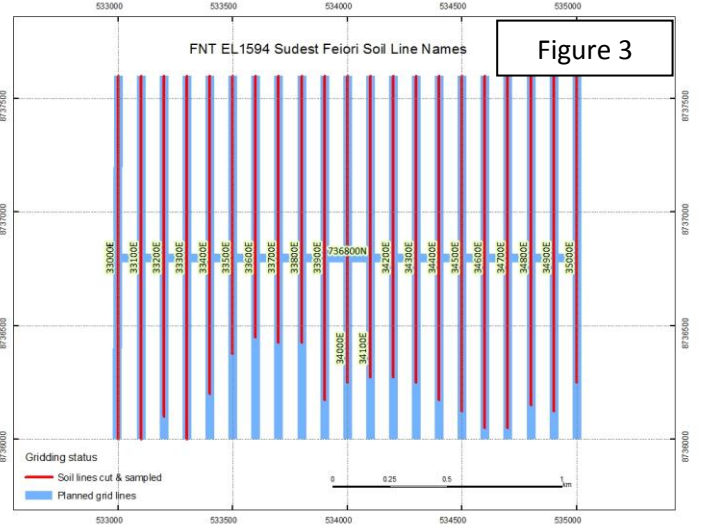


Figure 3

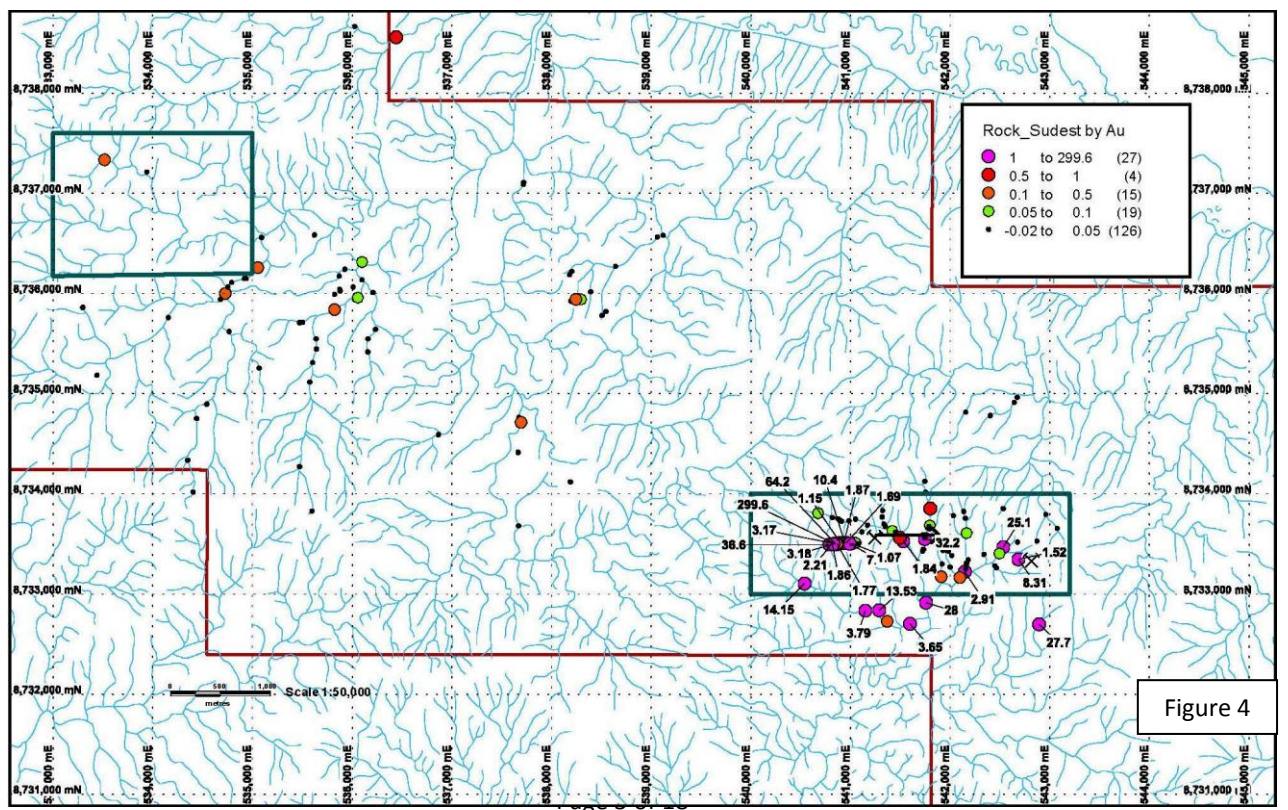


Figure 4

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Gold in drainage anomalies were previously documented over a 45 kilometre strike length along the western 2/3 of the island. Frontier are aggressively pursuing the attractive exploration targets demonstrated by the high grade gold in trenches/float rocks, abundant alluvial gold in drainages plus variably altered intrusives with compositions commonly associated with mineralised porphyry systems.

ANDEWA PROJECT (EL 1345 and EL 1951)

The Farm-In Agreement was signed by Newcrest and Frontier on June 17th relating to the Andewa / Schrader Project (EL 1345 + EL 1951) in Papua New Guinea (figure 5).

- Newcrest can earn 60% equity in the project by sole funding A\$19.25 million of exploration expenditure for the project by 31/12/2015, with a minimum spend of A\$2.5 million after which Newcrest may elect to withdraw.
- After Earn-In, Frontier may elect to be deferred carried to completion of a Feasibility Study, repayable from 50% of mine profit.
- A\$1.915 million was reimbursed by Newcrest for actual exploration expenditure incurred since 1 January 2012, including Frontier's drilling and equipment lease costs.
- After Earn-in, Newcrest may acquire an additional 12% equity in the project prior to the 'Decision to Mine' for a formula based payment relating to the feasibility study's estimated reserves and resources.
- Frontier are operators during the A\$2.5 million Initial Spend, then Newcrest can elect to become operator.

Andewa Aeromagnetics / Radiometrics

Data was received for a 1,538 line kilometre aeromagnetic and radiometrics geophysical program completed in late March. Data was obtained on a 100m line spacing, has been modelled and is being merged with the existing 3D-IP and geochemical data sets.

Magnetite is known (from the drilling to date) to be variably associated with the gold/copper mineralisation at Andewa and the magnetic information, in conjunction with other information, should provide enhanced vectoring for drill holes towards possible gold/copper mineralised zones.

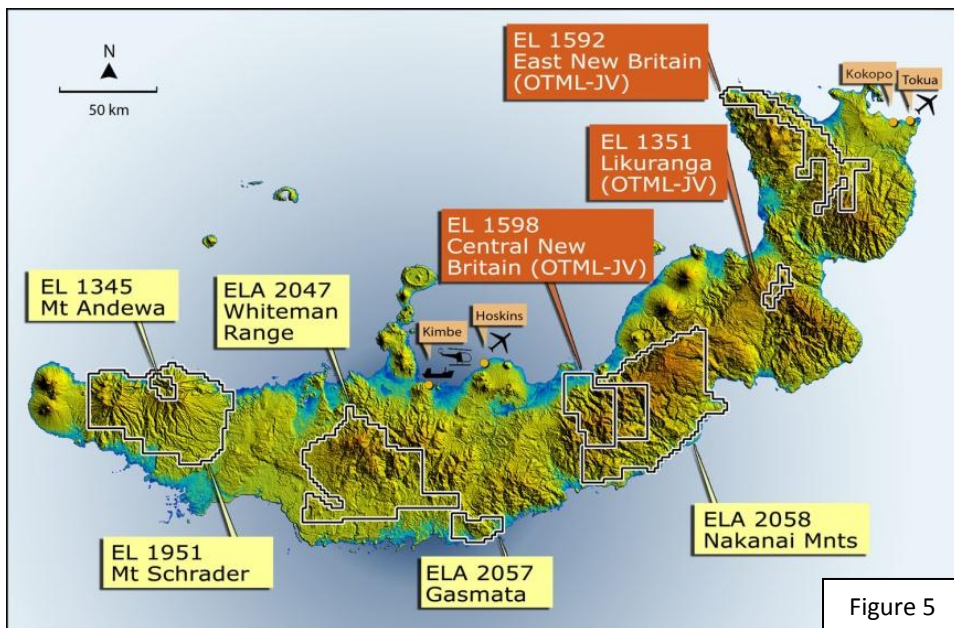


Figure 5

Eight plans are attached (figures 6-13) including a Digital Elevation Model (DEM) showing the location of all drill holes to date, Reduced to the Pole (RTP) magnetics, Reduced to the Pole First Vertical Derivative magnetics (RTP – VD1) and a radiometrics ternary image. Figure 10 is a close up of the RTP magnetics and figures 11 -13 are chargeability and resistivity (conductivity) images showing drill holes locations to compare to the magnetic images.

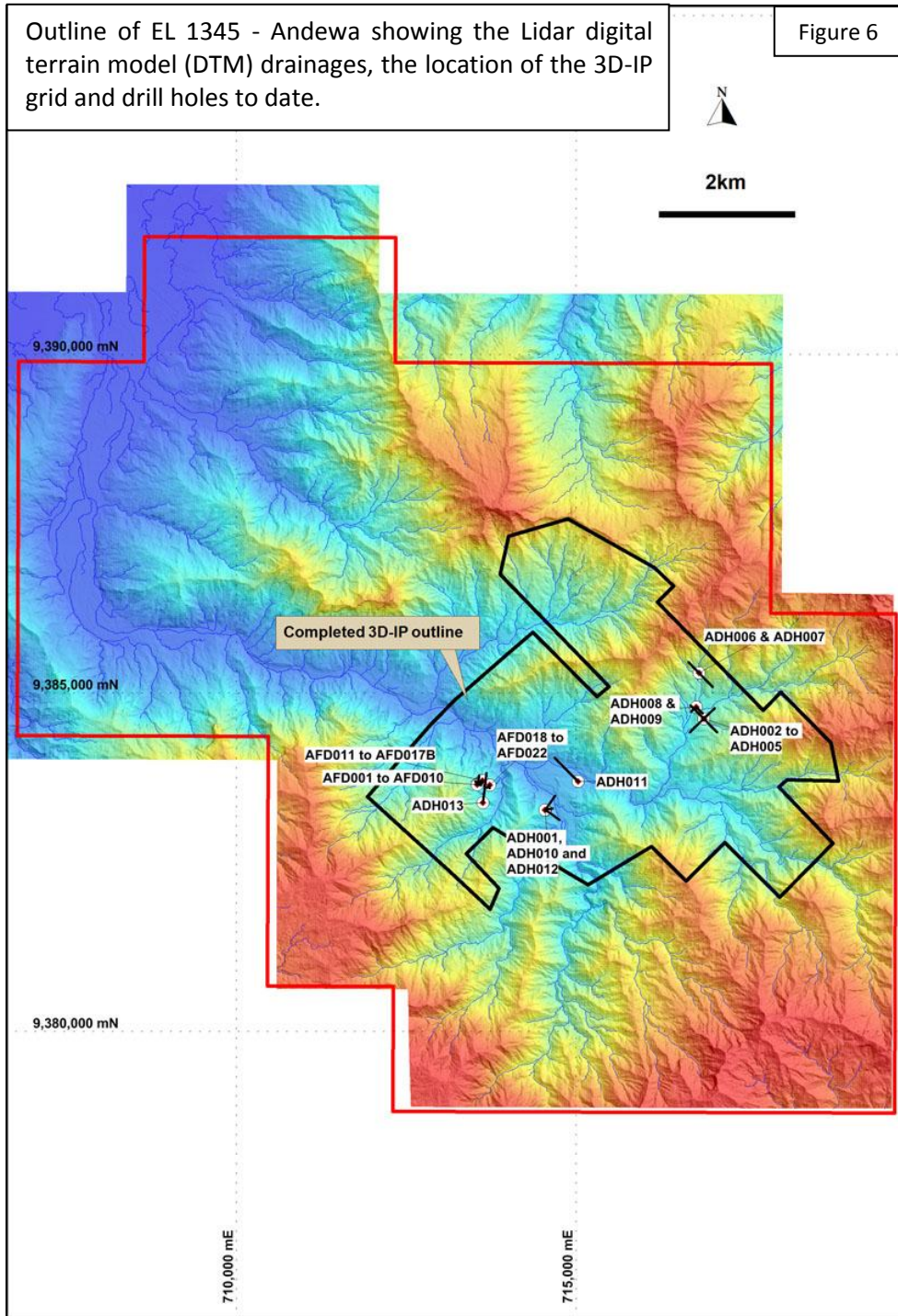
A Total Magnetic Intensity (TMI) image is the normal product from the original aeromagnetic data, but no plots are included herein. The RTP manipulation is included because it shifts the magnetic anomalies closer to their 'real' positions in space. This 'shift' is required at low latitudes (near the equator) but not at mid-high latitudes due to the orientation of the earth's magnetic field.

The RTP image of the survey area shows two extensive anomalies and various smaller magnetic anomalies within the Andewa crater.

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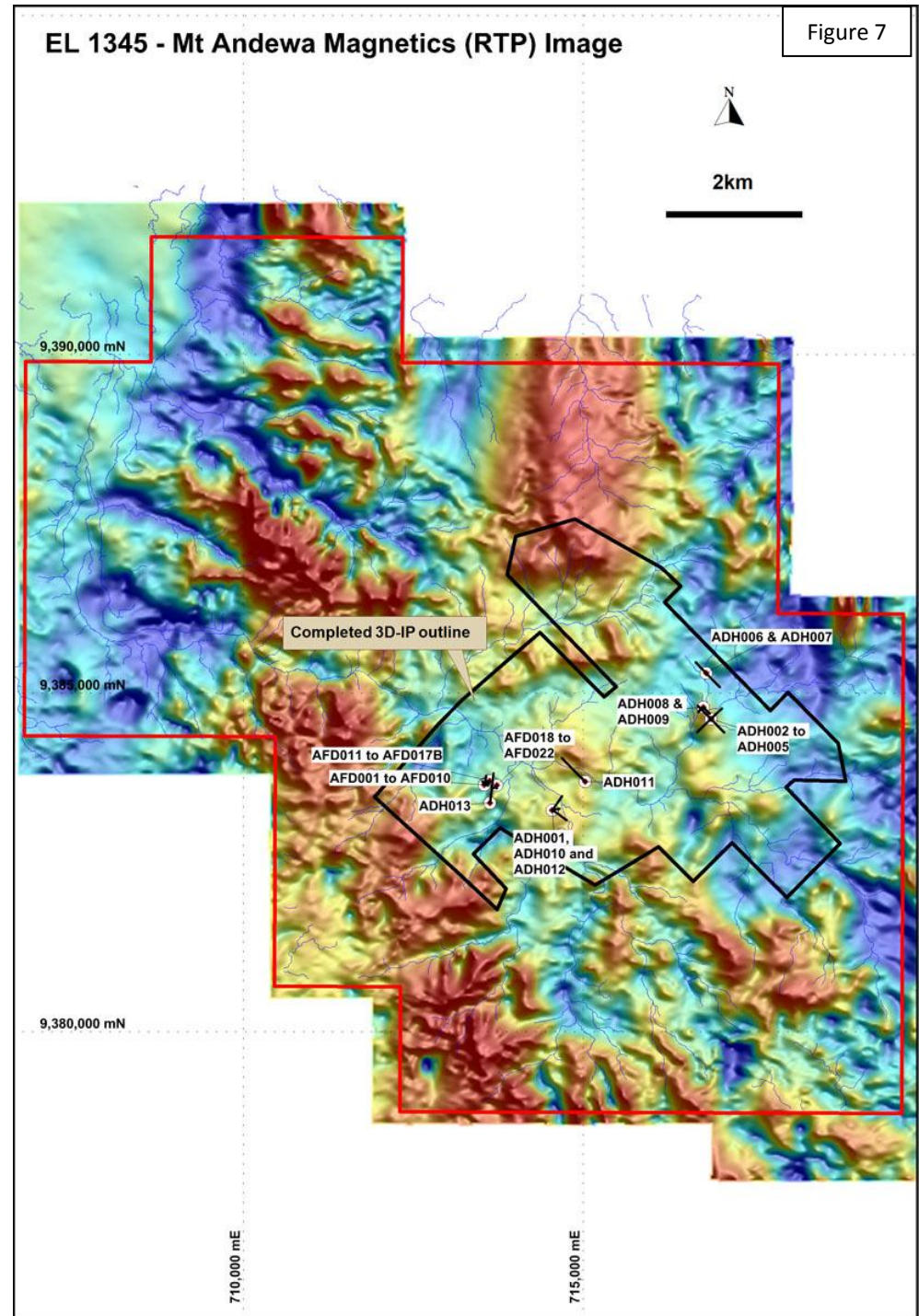
Outline of EL 1345 - Andewa showing the Lidar digital terrain model (DTM) drainages, the location of the 3D-IP grid and drill holes to date.

Figure 6

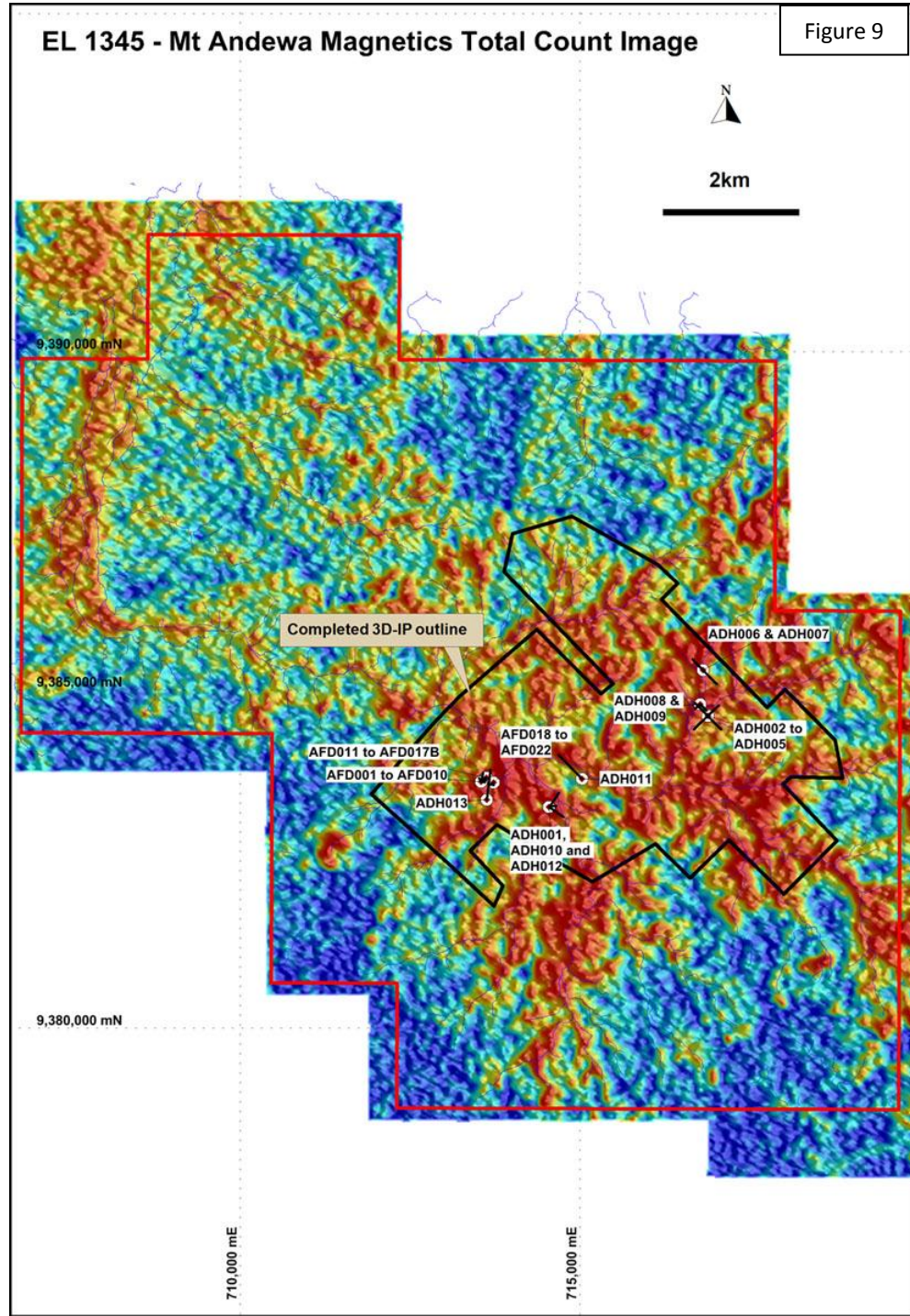
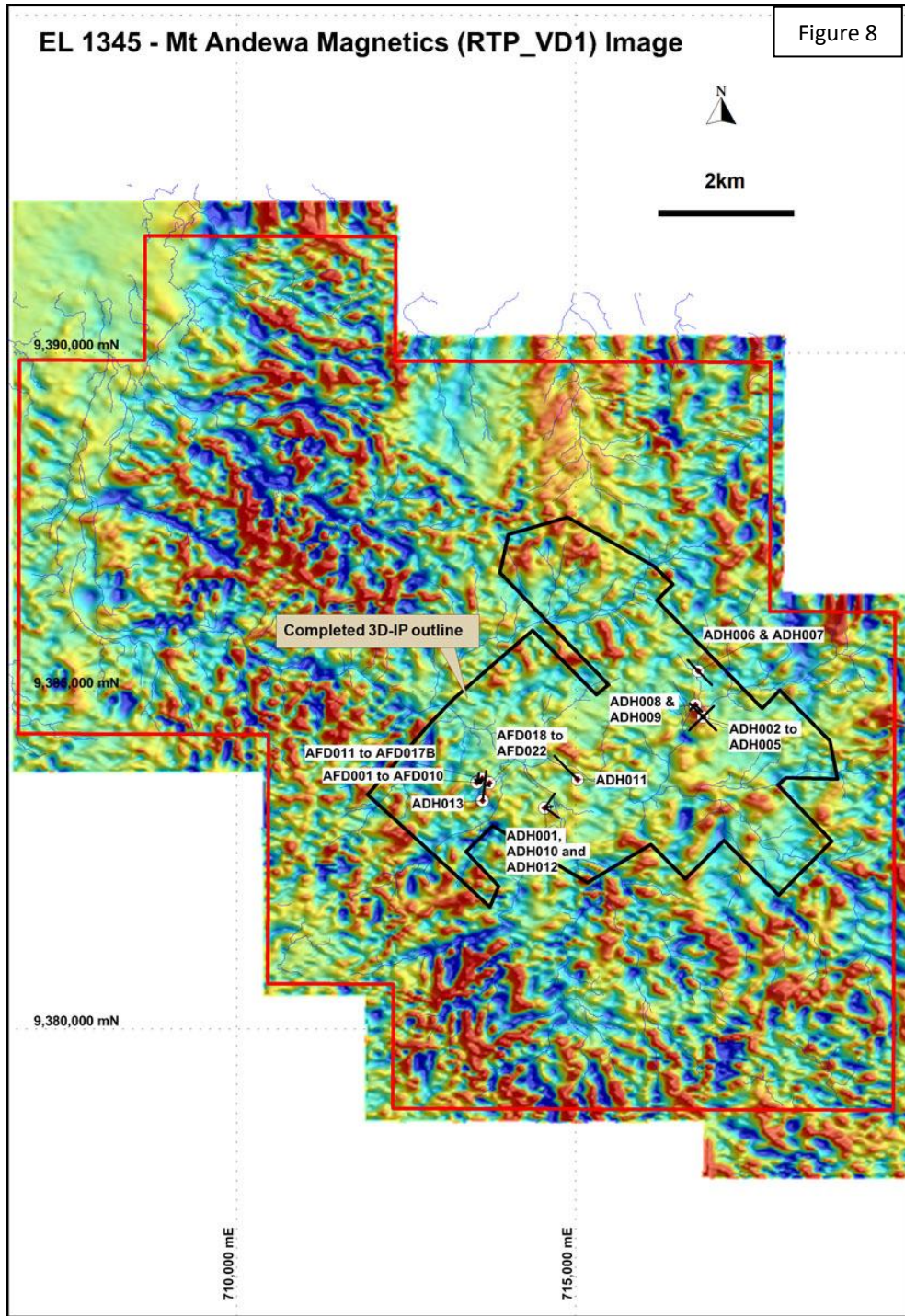


EL 1345 - Mt Andewa Magnetics (RTP) Image

Figure 7



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Frontier Resources Ltd

EL 1345 - Mt Andewa

Drill Hole Highlights over
Magnetics (RTP)

714,000 mE

716,000 mE

718,000 mE

720,000 mE

9,386,000 mN

9,384,000 mN

9,382,000 mN

SUSSEX

ADH006:
32m at 0.34g/t Au and 0.03% Cu
from 262m depth

ADH008:
307.4m at 0.32g/t Au and 0.06% Cu
from 17.5m depth

ADH009:
334.3m at 0.25g/t Au and 0.06% Cu
from 22.5m

ADH002:
360.9m at 0.37g/t Au and
0.1%Cu from surface

ADH003:
397.8m at 0.30g/t Au and
0.08% Cu from surface

ADH004:
179m at 0.22g/t Au
and 0.1% Cu
from surface

ADH005:
293.9m at 0.22g/t Au
and 0.1% Cu
from 22.9m depth

ADH013

ADH001,
ADH010,
ADH012

ADH011

ADH001:
83m at 0.22g/t Au from 11m
185m at 0.56g/t Au and 0.24%Cu
from 137m depth

ADH010:
189m at 0.26g/t Au
and 0.17%Cu from surface



500m

Figure 10

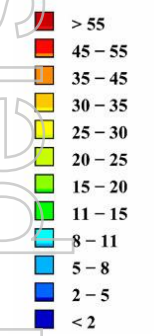


Frontier Resources Ltd

EL 1345 - Mt Andewa

Drill Hole Highlights over
3D-IP Chargeability (100m below Topography)

Chargeability (ms)



714,000 mE

716,000 mE

718,000 mE

720,000 mE

9,383,000 mN

9,382,000 mN

SUSSEX

ADH006:
32m at 0.34g/t Au and 0.03% Cu
from 262m depth

ADH008:
307.4m at 0.32g/t Au and 0.06% Cu
from 17.5m depth

ADH009:
334.3m at 0.25g/t Au and 0.06% Cu
from 22.5m

ADH002:
360.9m at 0.37g/t Au and
0.1%Cu from surface

ADH003:
397.8m at 0.30g/t Au and
0.08% Cu from surface

ADH004:
179m at 0.22g/t Au
and 0.1% Cu
from surface

ADH005:
293.9m at 0.22g/t Au
and 0.1% Cu
from 22.9m depth

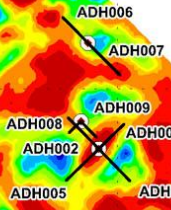
ADH013

ADH001,
ADH010,
ADH012

ADH011

ADH001:
83m at 0.22g/t Au from 11m
185m at 0.56g/t Au and 0.24%Cu
from 137m depth

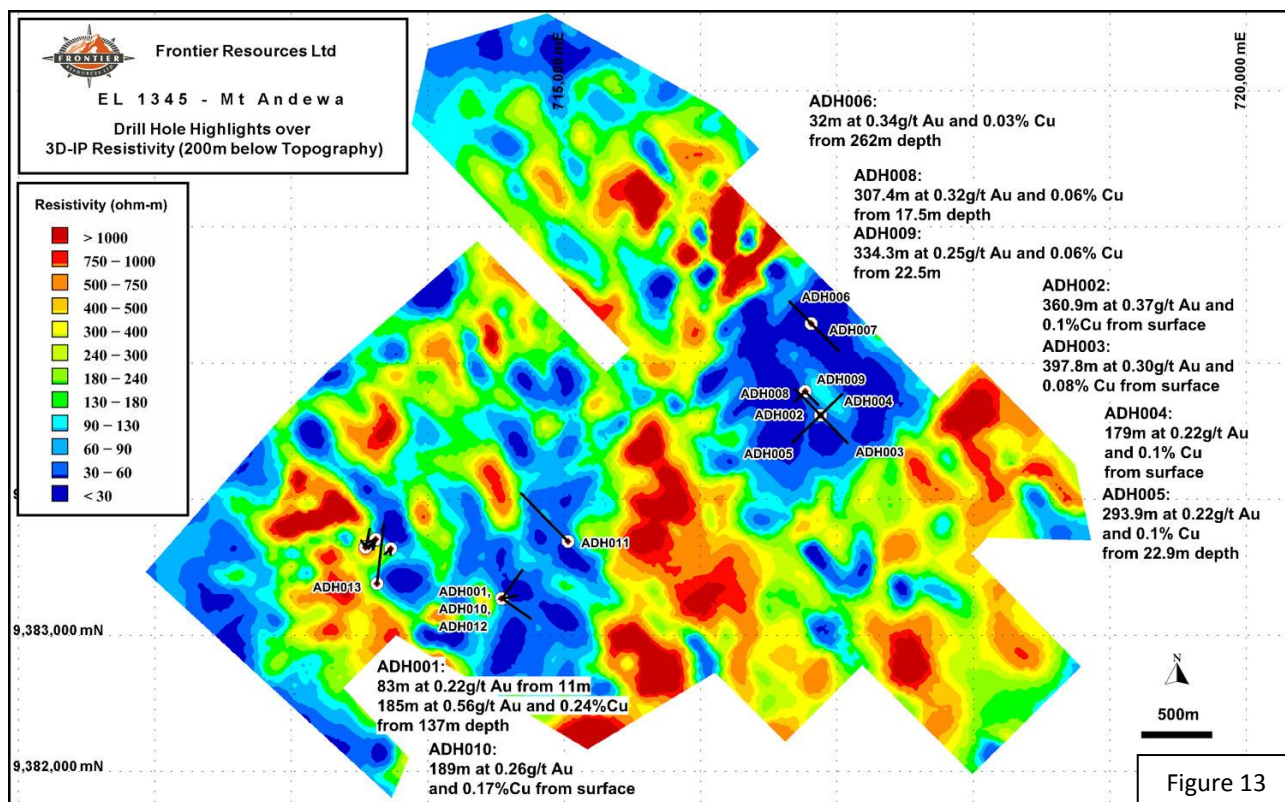
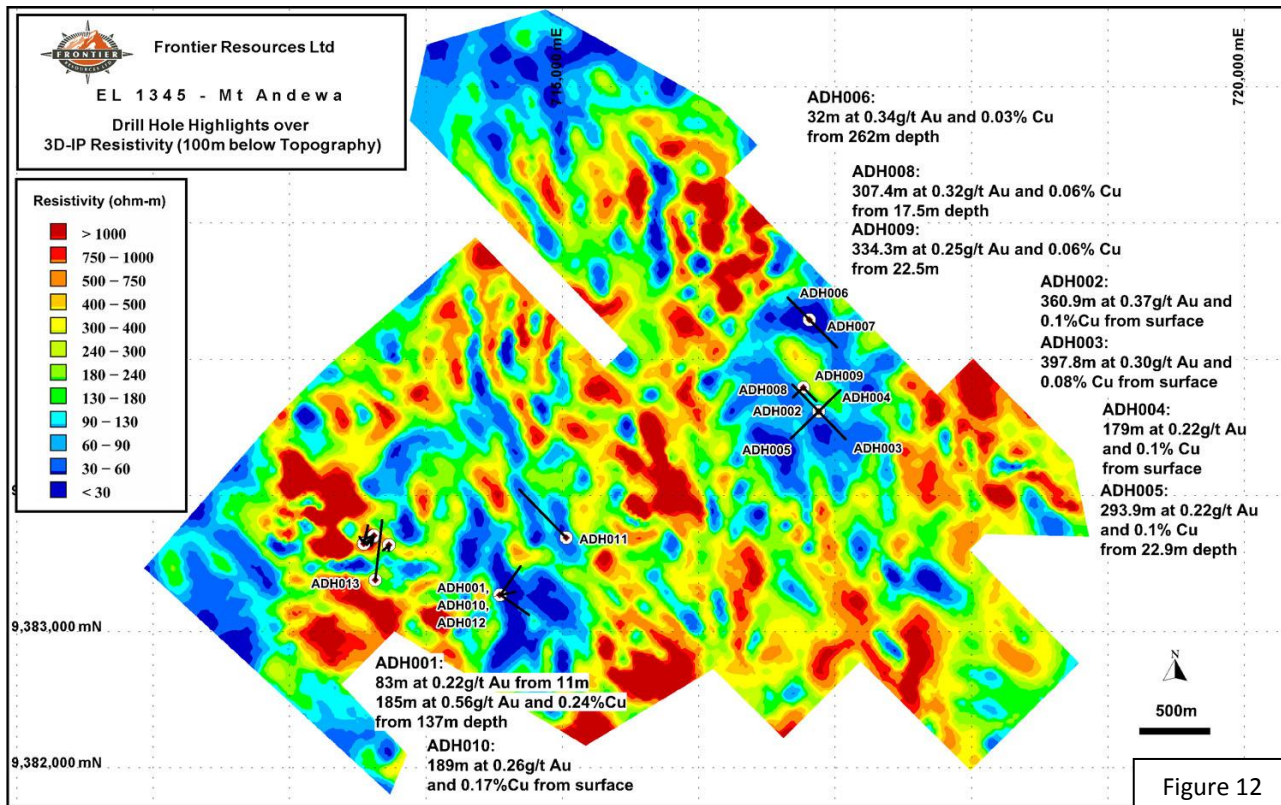
ADH010:
189m at 0.26g/t Au
and 0.17%Cu from surface



500m

Figure 11

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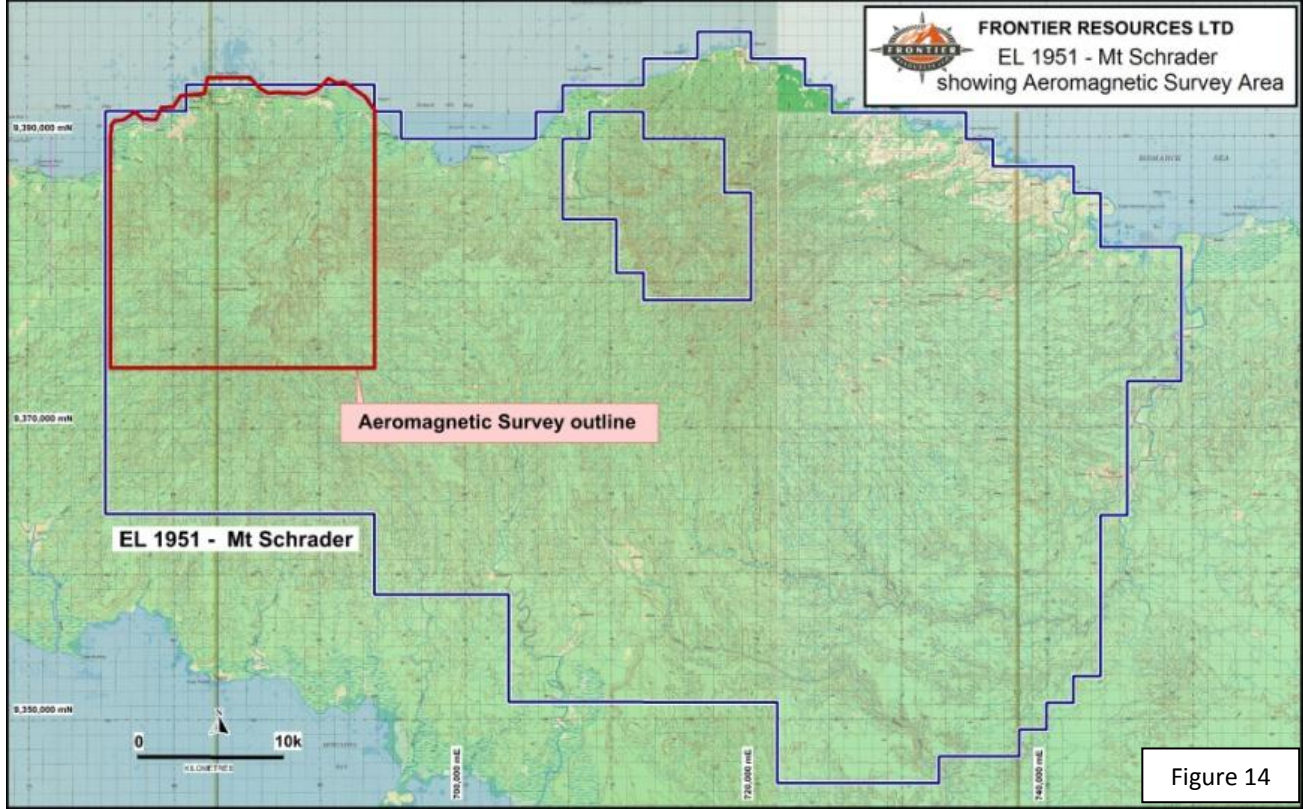
The large and cohesive magnetic anomaly located in the central north sector of the EL is also associated with gold anomalous drainage geochemistry and a circular topographic feature that could reflect an intrusive at depth. Frontier has not conducted any work over the bulk of this anomaly, however, the northern sector of the 3D-IP grid just covers its southern end. There is no significant gold in soil anomaly at that location but it does show a conductivity anomaly associated with the magnetic anomaly itself and a chargeability anomaly is associated with the structure on its southern end. Conductivity anomalies assessed to date by drilling reflect intrusives at Andewa, so this is encouraging.

The large and slightly disjointed north-northeast trending anomaly located in the western sector of the survey possibly reflects a discrete volcanic episode or lithology.

At this stage, it is not possible to comment on the significance of the major magnetic anomalies with respect to possible gold/copper mineralisation, however, it is readily apparent that there is a correlation between the more subdued magnetic anomalies and gold/copper mineralisation demonstrated in drill holes. This observation indicates that the other subdued magnetic anomalies may also be associated with gold/copper mineralisation and require evaluation.

Mt Schrader Aeromagnetics / Radiometrics

A 3,851 line kilometre aeromagnetic and radiometrics geophysical program, that covered the crater area of the Mt Schrader Exploration Licence was completed in late July (figure 14). The survey was flown on a 100m line spacing and the geophysical data will be modelled to provide vectoring towards possible mineralised zones.



OK TEDI MINING LTD JOINT VENTURES

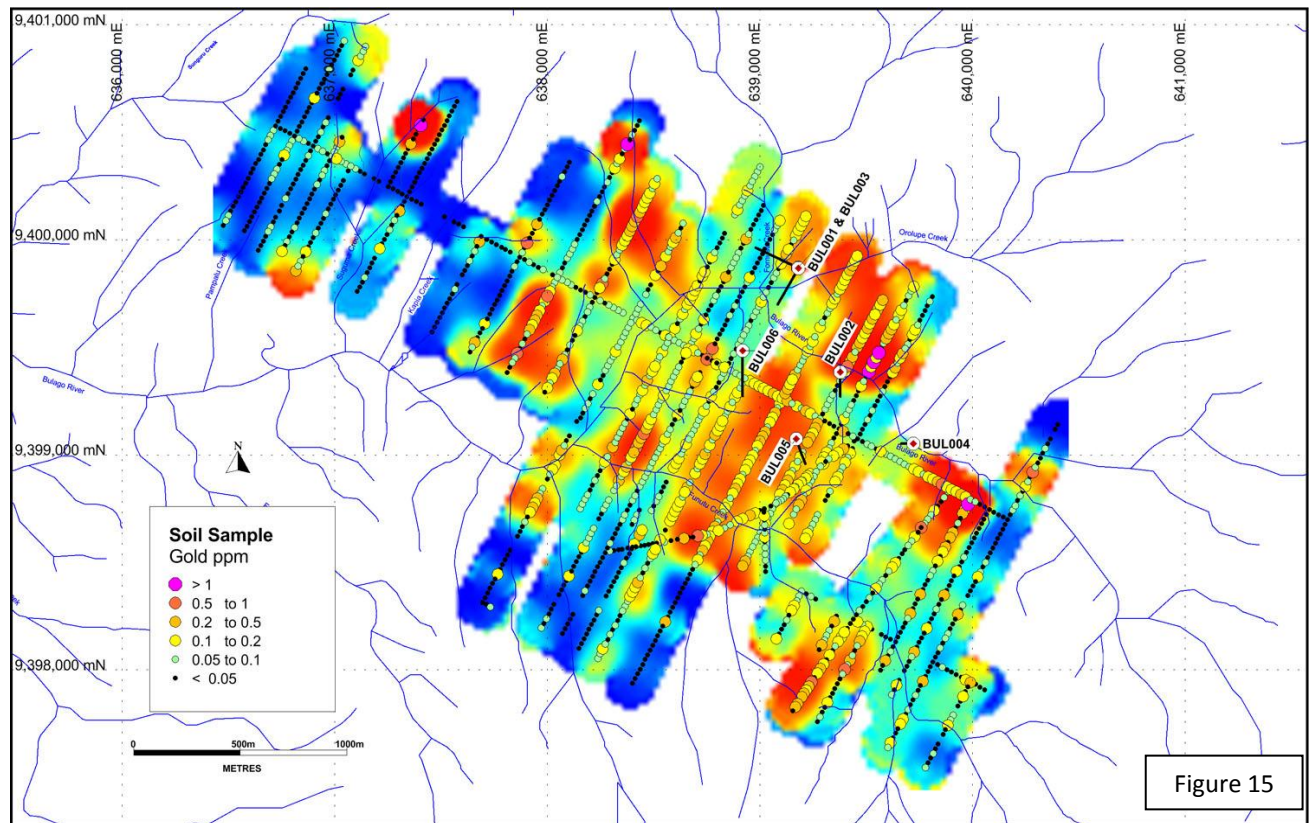
In May 2010 Frontier and OTML established 2 Joint Ventures that relate to 3 ELs and 2 EL Applications in PNG (that have since been granted).

- OTML have the option to earn 58% of EL 1595 and EL1597 and the option to earn 80.1% of ELs 1351, 1592 and 1598 by spending US\$12 million on each EL within 6 years.
- Frontier is carried from completion of earn-in to the completion of a Bankable Feasibility Study, with pro-rata (carried) repayments from 50% of its future metal sales.
- Frontier’s equity is non-dilutable in ELs 1351, 1592 and 1598 if the PNG government elect to participate in the project at the time of granting of a Mining Lease.

BULAGO - EL 1595

The prospects are located in a 4.5km x 6km well-defined gold, zinc and copper drainage anomaly covering a recessive intrusive in a sub-circular drainage basin, with anomalism continuing up to the peripheral limestones (demonstrating skarn potential). The Suguma Prospect has very high gold grades in structures and is located in the NW of the grid.

Nine holes have been completed by OTML at Bulago for 3,302.9m, with 2 of those (591.9m) completed at high grade gold Suguma Prospect (figures 15 and 16).



Hole BUL001 was drilled to its design depth of 440m to test an aeromagnetic anomaly for porphyry copper-gold mineralisation and it returned weighted average intercepts of :

The entire hole averaged 440.3m grading 0.08% copper + 0.10 g/t gold & included at 0.1% Cu cutoff:

- 124m grading 0.13 % copper + 0.06 g/t gold (from 119 to 243m) plus
- 76.1m grading 0.15% copper + 0.16 g/t gold (from 267 to 343.1m) plus
- 12.7m grading 0.11% copper + 0.10 g/t gold (from 371.8 to 384.5m) and
- 21m grading 0.42g/t gold + no significant copper (from 407 to 428m).

OTML noted that the drill intercepts were an encouraging first result and further drilling is warranted.

The geochemistry indicates two possible mineralisation events, a copper event with some gold and a gold only event. The copper mineralised sections are predominantly potassic/propylitic/silicic altered diorite that contains fine grained disseminated chalcopyrite in silicified veinlets and in micro-fractures from 112m to the end of hole.

The 0.2% copper cut-off grade failed to adequately define the mineralised zones in BUL001 and a 0.1% cut off was used; this identified the three discrete copper intercepts noted above. Table 1 lists drill collar information for Bulago (reference datum is AMG Zone 54, AGD 66, Easting / Northing are GPS pickup). Figure 12 shows Bulago hole locations on the gold in soil geochemistry contours.

Discrete gold only anomalism using a 0.1 g/t cut off grade, is present as:

- 9.5m grading 0.32g/t gold (from 29.5m)
- 9.7m grading 0.21g/t gold (from 359.5m)

- 8m grading 0.26g/t gold (from 380m).
- 21m grading 0.42g/t gold (from 407m).
- 53m grading 0.19g/t gold (from 275m) with 0.17% copper

Table 1.

The high-grade gold mineralised Lower and Upper Horizons at the Suguma Prospect (Bulago - EL 1595) in Papua New Guinea, were channel chip outcrop sampling and subsequently drilled by one vertical and one angled diamond core hole to evaluate those targets (for 329.8m and 262.1m respectively) (figure 16).

OTML's weighted average gold and silver channel outcrop assays for the Suguma Lower Gold Horizon was 15m grading 24.7 g/t gold + 47 g/t silver + 2.08% zinc compared to Frontier's 18 metres grading 40.3 g/t gold + 32 g/t silver + 1.13% zinc. These weighted averages are comparable because Frontier's sample contained a higher grade of 3m of 142 g/t gold (the 'nugget' effect) and if this high grade is cut to the 'average' grade, then the intercepts are very similar in tenor for gold, silver and zinc.

Similarly, OTML sampled only the 'southern' part of the Upper Gold Horizon and hence it is a shorter intercept being 18m grading 16.5 g/t gold + 10 g/t silver + 0.32% zinc. The sampling appears to have commenced at the same start location as the Frontier channel sampling, which when re-calculated equates to 18m of 13.5 g/t gold + 9 g/t silver, which is very similar in tenor of both gold and silver. This would mean that the next interval to be sampled should have been the 9m of 173 g/t gold + 60 g/t silver (as sampled by Frontier) that is also open ended to the north and was evaluated by the angled hole (SUG02).

The OTML continuous chip outcrop samples were collected where possible by their exposure and orientation and do not necessarily represent true widths of mineralisation. Other samples south of the Lower Gold Zone and between it and the Upper Gold Zone returned values down to the analytical detection limits.

The drilling has attempted to determine the geometry of the gold mineralised zones.

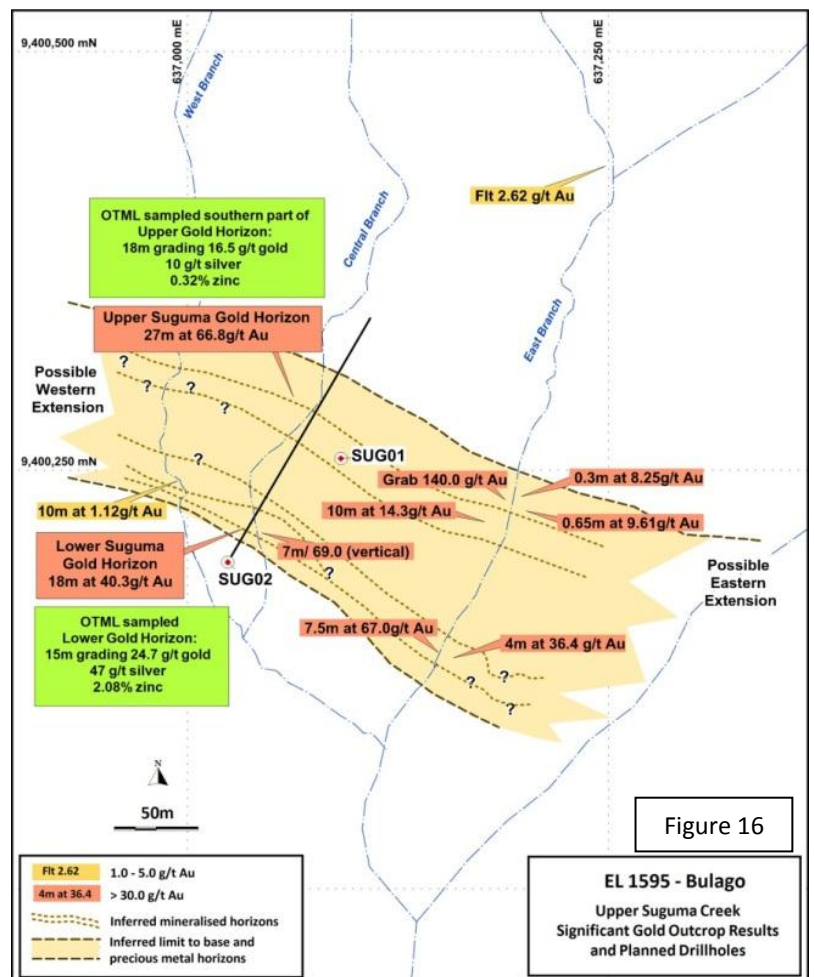
LIKURUANGA - EL 1351

Esis Project

Eight holes have been completed by Ok Tedi Mining Ltd the Esis Project for 5,149.5m (figures 2 and 17) and two holes are underway.

EL 1595 - Bulago Drill Hole Location and Orientation Information						
HOLE ID	EOH DEPTH (m)	Azimuth (true)	Incl.	AMG North (m)	AMG Easting (m)	RL (m)
BUL001	440.3	295	-60	9399870	639180	1653.0
BUL002	331.1	180	-70	9399385	639379	1716.0
BUL003	389.6	210	-60	9399868	639182	1654.0
BUL004	115.0	270	-60	9399052	639723	1658.0
BUL005	363.1	160	-70	9399075	639171	1910.0
BUL006	422.4	180	-60	9399485	638919	1801.0
BUL007	649.5	0	-65	9399086	638540	?
SUG01	329.8	0	-90	9400257	637091	1684
SUG02	262.1	25	-50	9400195	637024	1647
Total	3,302.9 m					

AGD66 Zone 54



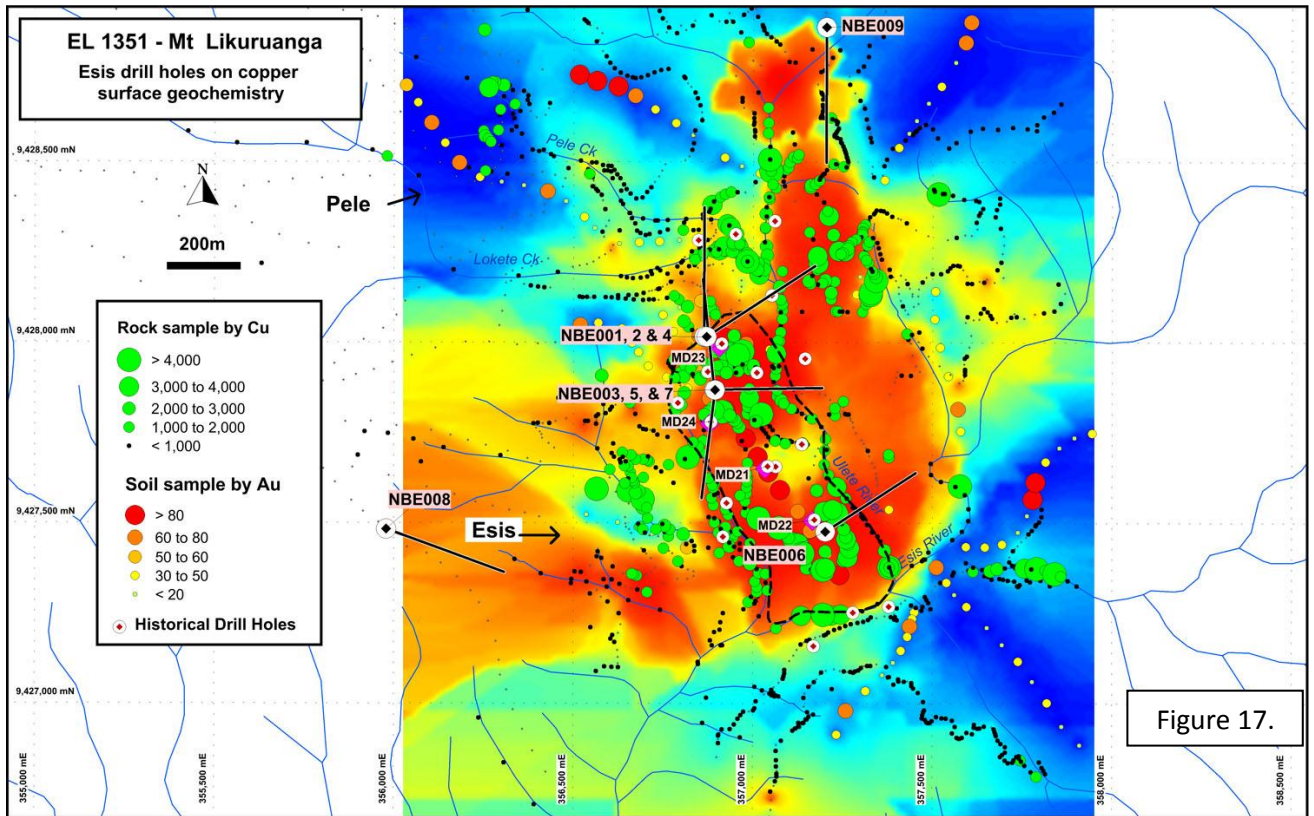


Figure 17.

Hole NBE002 was designed to extend geological knowledge to the north of hole NBE001 and it was continued to depth because NBE001 was terminated in strong mineralisation (at the depth limit of the rig).

The entire hole averaged 716.9m grading 0.13% copper and included at 0.2% Cu cut-off:

- 184m grading 0.30% copper (from 2 to 186m) including
- 4m grading 0.81% copper (from 48.1 to 52.1m) and
- 7.5m grading 0.63% copper (from 74.1 to 81.6m) and
- 8m grading 0.56% copper (from 97.6 to 105.6m).

Table 2.

See figure 14 for hole locations at Esis plotted on surface copper geochemistry. Hole NBE002 contains two discrete individual intercepts (with 8m of internal dilution) for a 184m intercept grading 0.30% copper (from 2m to 186m downhole). The assays returned no significant gold mineralisation.

Fractured clay altered diorite followed by competent quartz-diorite (cross cut by steeply dipping quartz veins) was noted from surface to approximately 186m. Consistent with hole NBE001, chalcopyrite is hosted in stock works and micro fractures, however no significant quartz-feldspar porphyry dykes were intercepted below 186m depth (unlike in hole NBE001).

EL 1351 - Likuruanga Drill Hole Location and Orientation Information						
HOLE ID	EOH DEPTH (m)	Azimuth (true)	Incl.	AMG North (m)	AMG Easting (m)	RL (m)
NBE001	697.6	0	-90	9428015	356865	738.8
NBE002	716.9	0	-60	9428016	356864	738.8
NBE003	615.8	354	-60	9427869	356892	720.0
NBE004	719.9	57	-60	9428016	356871	738.8
NBE005	595.7	89	-60	9427869	356895	757.0
NBE006	598.3	57	-60	9427476	357202	675.0
NBE007	602.7	187	-60	9427868	356894	756.0
NBE008	602.6	103	-60	9428866	355987	1,117.0
NBE009	>627	173	-60	9427475	357201	675.0
NBE010	in progress	0	-60	9428866	355987	1,117.0
Total	>5,777	m				

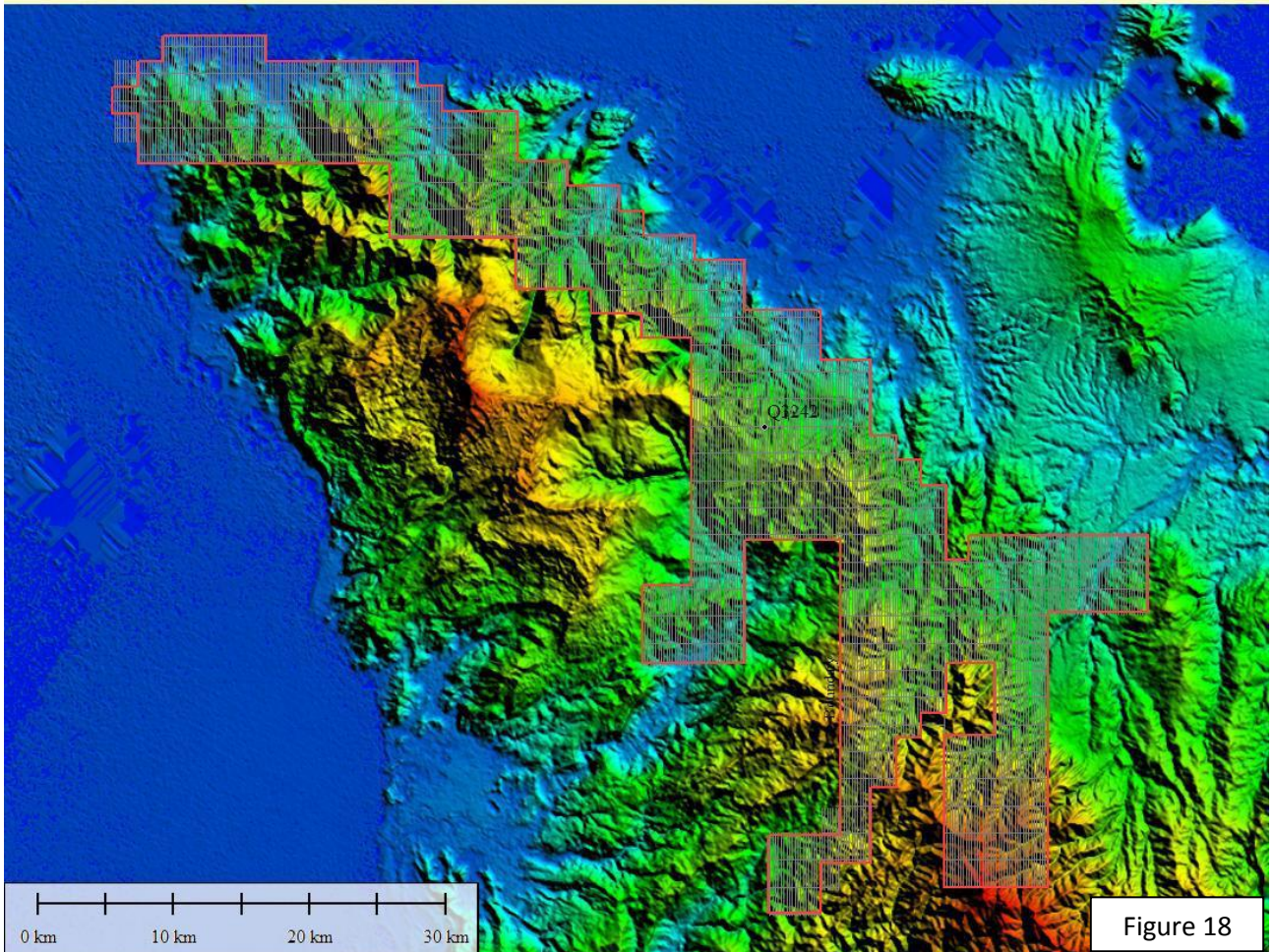
AGD66 Zone 54

NBE002 was successful in defining a northern limit to mineralisation and identifying new bounding geological units and controls on mineralisation at depth. Biotite and magnetite increased with depth similar to NBE001. Drill collar information for Esis is located in Table 2 (NB: Reference datum is AMG Zone 56, AGD 66, Easting / Northing are GPS pickup).

EL 1351 - Likuruanga is prospective for porphyry copper, gold - silver -zinc skarn and /or epithermal gold deposits. The area contains the Esis porphyry occurrence and the Bukuam porphyry related copper, molybdenum, gold and zinc soil anomalies, which are situated about 14km opposite each other on the flanks of the Esis-Sai granitoid complex.

EAST NEW BRITAIN - EL 1592

A very large aeromagnetic and radiometric geophysical survey has been initiated by OTML Ltd at the East New Britain Joint Venture, located on the Gazelle Peninsula of New Britain Island, in the NE of Papua New Guinea (figure 5).



The geophysical survey will cover the entire 1,003 sq km area of Exploration License 1592 at a 50m sensor height on 200m traverse spacing, with 2,000m spaced tie lines, for 5,959 line kilometres total (refer to figure 18 for the EL and proposed survey boundaries).

Interpretation of the survey data will be undertaken by specialist geophysical consultants in conjunction with OTML and should become available in a few months. In addition to the digital aeromagnetic and radiometric data, images will be produced of Total Magnetic Intensity -TMI (and derivative enhanced TMI), radiometrics and the digital elevation model for evaluation. The geophysical data will then be integrated with the existing geological and geochemical information to discriminate and rank targets for follow up exploration, potentially including drilling.

TASMANIA - TORQUE MINING LTD

Figure 19 shows the location of Torques Tasmanian properties on the State produced Mineral Prospectivity plan. Note that the Cethana Project area is in the highest rank prospectivity belt.

Objectives are to:

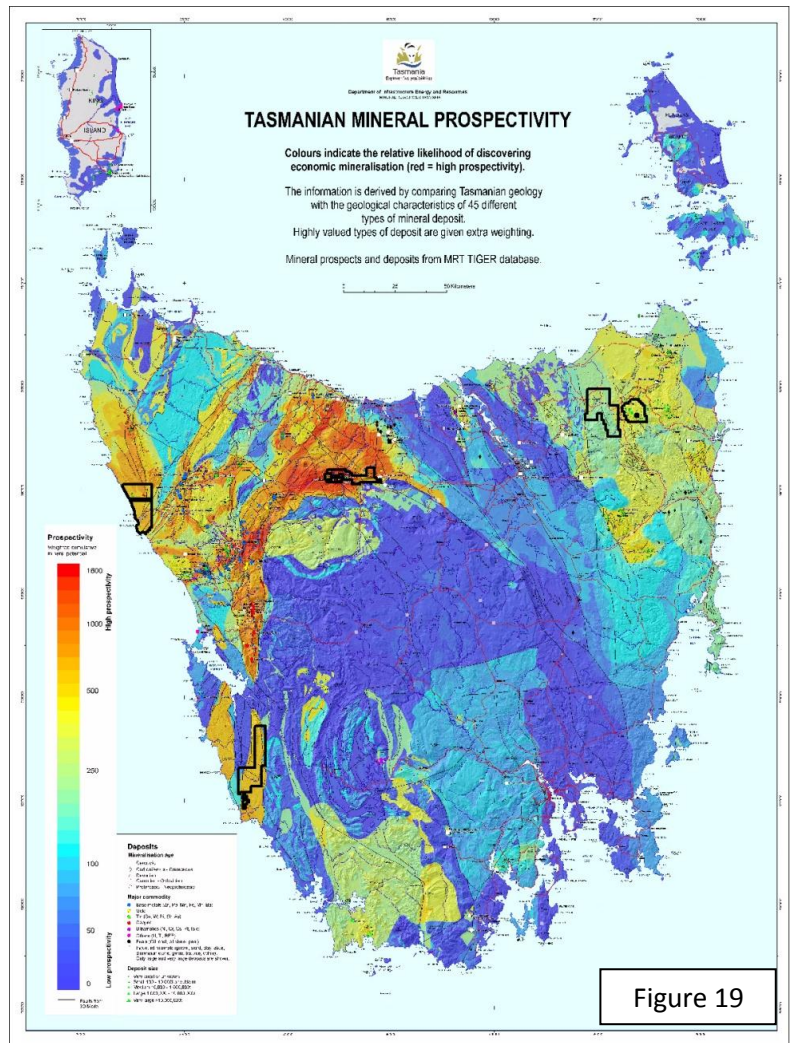
Enable Frontier to become company focussed on gold and copper mineral exploration for World Class deposits in Papua New Guinea (PNG) with:

- A large and 'de-risked' PNG tenement portfolio that is funded predominantly through earn-in Joint Ventures totalling a possible ~\$80 million.

- A 100% owned Exploration Licence (Sudest) with excellent high grade gold potential.
- Very low ongoing exploration and corporate costs relative to total exploration exposure.
- Substantial possible share price leverage via exploration success on any of 8 diverse projects.

Enable Torque Mining Ltd to become a Tasmanian focussed mineral exploration and development company to:

- Undertake systematic and thorough exploration of the highly prospective Moina Project for large Intrusive Related Gold Deposits.
- Increase resources at Moina's modest Stormont + Narrawa precious and base metal skarn deposits targeting recently defined 3D-IP anomalies and advance the deposits to production.
- Leverage success from persistence, with the excellent exploration potential shown by the high-grade (40% Pb/Zn + high Ag) massive sulphide drill intersections at the SMRV Project.



Have each company more able to cater to its respective strengths, investors and markets, with enhanced possibilities for share price appreciation via exploration and/or development success.

Benefit Frontier Resources Ltd through a modest vendor equity in Torque Mining and a 10% carried interest (to completion of bankable feasibility studies) in most tenements. And benefit Frontier's shareholders through an in-specie distribution of shares in Torque Mining.

\$1.05 million was raised in seed capital in June 2012, at \$0.05/share. A total of 20,940,000 shares were issued and Torques total share capital is now 60,940,000. Frontier Resources Ltd own 40,000,000 shares and 30,000,000 shares will be distributed to FNT shareholders as an in-specie distribution after receiving shareholder approval.

'Putting their money where their mouths are', Managing Director - Bob McNeil subscribed for \$300,000, Chairman - Peter McNeil subscribed for \$100,000 and Torque and Frontier directors & employees subscribed for \$110,000.

R.D (Bob) McNeil has been appointed Managing Director of Torque Mining Ltd after managing Frontier's Tasmanian exploration programs since Q3 2011. Bob has 53 years minerals exploration, mine development and corporate experience that commenced in Tasmania and will manage the Initial Public Offering, Torque Mining and future exploration and development operations.

Peter McNeil M.Sc., Chairman and Managing Director of Frontier commented:

Torque Mining is an exciting exploration and development company focused on Tasmania, with an emphasis on the Moina Project in the central north. The state has a long and proud history of mining with five 'World-Class' plus several large precious and base metal mineral deposits.

The Moina Project area is a very fertile environment for many different types of mineral deposits. The area has excellent infrastructure with power, sealed roads and forestry gravel tracks and no (known) environmental or aboriginal heritage problems.

Torque needs access to substantial additional funding for its planned drilling and exploration programs to adequately develop its projects and I look forward to a successful IPO for the Company and the ultimate development of its resources in Tasmania.

Strategy and Details

Frontier Resources Ltd has eight exploration licenses and one retention license (combined in four projects) in Tasmania and 8 granted exploration licenses in Papua New Guinea. Five exploration licenses in PNG are being funded by J/V partner Ok Tedi Mining Ltd and two exploration licenses will be funded by Newcrest Mining Ltd, subject to completion of the previously announced Heads of Agreement. Frontier will focus its exploration on the recently granted 100% owned Sudest license and other reconnaissance exploration licenses in New Britain (when they are granted).

Frontier considers that an Initial Public Offering, with an in-specie distribution of shares to shareholders is the best course of action to realize the value of the Tasmanian projects.

The reasons for the “spin off” can be summarised as follows:

- Frontier has spent \$8.6 million in Tasmania since 2002. Between 1994 and 2002 Frontier’s parent Macmin and its Joint Venture partners spent an additional \$1.2 million (estimated).
- Frontier’s market capitalisation is not reflected in and does not benefit from the Tasmanian Projects even though the Moina Project is rated as a top priority project with high-grade gold and base metal resources in a diverse metallogenic province, and is a development ready project.
- The Tasmanian projects do “not fit” with Frontier’s main focus of PNG or with Frontier’s PNG exploration and J/V’s with OK Tedi and Newcrest.
- The Moina Project has many possible large, high-value drill ready targets. Initial testing of these targets requires an optimum budget of \$4 million to \$5 million over two years – primarily drilling. Frontier would need to raise funds to support such a program if the “spin off” did not occur (this is not specifically favoured by Frontier or shareholders).
- Frontier considers a “spin off” would provide the best benefit for shareholders (rather than a joint venture with another company). Effectively we create the company to be the Joint Venture partner.

It is planned (subject to shareholder and regulatory approval) to distribute approximately 30 million shares in Torque Mining Ltd (approximately 1 Torque share for every 10 Frontier shares held that creates a marketable parcel- the final distribution figure will be announced at a later date) to shareholders. Frontier would also retain 10 million Torque Mining Ltd shares, plus a 10% carried interest to bankable feasibility in most projects.

The requirements /timing for the IPO are as follows:

- Raise seed capital.
- Obtain shareholder approval and distribute in-specie shares to Frontier shareholders in September 2012.
- Raise exploration and development funds by way of IPO later in 2012.

R.D (Bob) McNeil has been appointed Managing Director of Torque Mining and is managing the Initial Public Offering . Bob is a University of Tasmania geology graduate (MSc. and B.Sc. Hons.) with 53 years minerals exploration, mine development and corporate experience. He first explored in the SMRV project area in the Thirkell Hill Block in 1975 and has had various continuing associations to the present.

Grant MacDonald is Tasmanian Exploration Manager and manages the Tasmanian exploration under the supervision of Bob McNeil. Grant is also a University of Tasmania graduate B.Sc. (Hon), with more the 20 years of experience in Tasmanian exploration including with Beaconsfield Gold and Bass Resources

Frontier's Chairman/Managing Director, Peter McNeil (MSc.) will become the Non-executive Chairman of

Torque Mining Ltd and Frontier Director Graham Fish will resign from its Board to join the Torque Board.

The above timing should be regarded as tentative at this time. Final corporate structure, Board and Management and an update on timing for distribution and ratio of Torque Mining Ltd shares to Frontier shareholders and the IPO will be announced as soon as they are finalised.

Torque's strategy is to focus exploration and development primarily on the Moina Project, with lesser emphasis on the SMRV Project and the "grass roots" projects recently acquired by Frontier. In particular Torque's program is as follows:

- Torque plans an extensive drill program using three owned drill rigs (purchased from FNT); feasibility studies and drilling dominate forward plans.
- Torque has defined small to medium sized gold mineralisation systems and high-grade silver/lead/zinc mineralisation.
- Torque's projects have potential for both medium and large gold, tin and precious/base metal massive sulphide resources.
- There is also excellent potential to extend existing gold resources with many drill ready targets defined.

Moina Project Strategy is as follows:

- Complete feasibility on existing resources – develop mine and cash flow.
- Extend existing resources and "look alike" systems to existing resources by drilling targets defined by already completed geochemistry and geophysical surveys.
- Drill test major geophysical targets for possible large gold and or tin/tungsten systems.

SMRV Project Strategy is as follows:

- Drill test anomalies identified through a VTEM geophysical program.
- Drill down plunge from known drill intersections of high grade massive sulphides.
- Review gold potential (previous drill intersection of 3m of 17.5g/t).
- Seek J/V partner.

The Moina Project can be summarised as follows:

- Torque controls almost all of a metallogenic district with gold/ bismuth/ tin/ tungsten/ molybdenum/ fluorite mineralisation in drill holes.
- The Indicated Mineral Resource at the Stormont and Narrawa prospects together total 313,600 tonnes at 2.49 g/t gold plus credits in bismuth, silver, lead and zinc. Contained metal is 25,000 ounces gold + 126,000 ounces silver + 256 tonnes bismuth + 2311 tonnes lead + 1953 tonnes zinc.

Individual project resources are as follows:

Stormont - Indicated Mineral Resource of 150,800 tonnes at 2.89 g/t gold + 0.17 % bismuth for 14,000 ounces gold + 256 tonnes of bismuth.

Narrawa - Indicated Mineral Resource 162,764 tonnes at 2.11g/t gold + 1.42% lead + 1.20% zinc + 202.5g/t silver for 11,043 ounces gold + 2,311 tonnes lead + 1,953 tonnes zinc + 107,288 ounces silver.

- Inferred Mineral Resource of 46,574 tonnes at 2.07g/t gold + 0.98% lead + 0.81% zinc + 16.0g/t silver for 3,100 ounces gold + 456 tonnes lead + 377 tonnes zinc + 23,961 ounces silver.

- Torque has recently upgraded the resources at Stormont from the Inferred to the Indicated category.
- Exceptional high near surface gold grades have been identified at Stormont including 7.3m at 23.5g/t, 17.6m at 10.80g/t, plus bismuth, lead, zinc and silver credits. Refer to previous ASX releases for details of all drill holes. The above grades are not representative of all holes.
- Significant known deposits in the district owned by others or mined out include Australia's and one of the world's largest undeveloped fluorite (plus gold and other metals) deposits, (Moina Fluorite Skarn), the Shepherd and Murphy Mine and Hugo Skarn.

- Geophysical (3D Induced Polarisation, Aeromagnetism and Airborne Electromagnetics) and geochemical surveys completed or reviewed by Frontier have defined many drill ready targets – both extensions of existing/known mineralisation and possible previously unknown mineralisation beneath basalt cover or at depth related to the Dolcoath Granite.
- The geological environment has potential for large and disseminated gold deposits and major tin and tungsten systems as well as additional medium sized deposits such as the resource above.

The SMRV project can be summarised as follows:

- 45km strike length of Mt Read Volcanics, host to World Class deposits, such as Mt Lyell, Rosebery and Hellyer.
- Most exploration has to date been concentrated in one small area at Wart Hill with high grade silver, lead, zinc, gold, in drill hole such as 0.75m at 28.6% zinc, 14.6% lead, 1.04g/t gold; 7.1m at 11.18% zinc, 5.58% lead and 1.48g/t gold. See previous ASX releases for all drill hole results. The above results are not representative of all holes.
- High-grade surface outcrops such as 4m at 17.9% zinc + 10.2% lead + 132g/t silver + 0.6g/t gold and 3.0m at 21.9% zinc + 13.9% lead + 680g/t silver + 0.80g/t gold.
- Most of the 45km long volcanic belt is relatively unexplored, partly due to the remote nature of some of the area.
- A recent VTEM helicopter borne survey defined additional drill targets.
- Drilling will initially focus on possible down pitch extensions from the above high grade intersections and the new VTEM targets.

CORPORATE

Frontier announced an Unmarketable Parcel Program to reduce the significant administrative cost of managing small shareholdings and to provide an opportunity for eligible small shareholders to either sell their shareholding without incurring any brokerage or handling costs or have them purchased at a defined price. This program could not be implemented and is presently in abeyance.

Frontier Resources Ltd announced a Share Purchase Plan (SPP) on 2 May 2012 and the Board of Directors exercised their discretion to cancel it on 29th May 2012.

The following ASX announcements were released subsequent to the last quarterly report:

30th April 2012 - Frontier to Divest its Tasmanian Projects as Torque Mining Ltd in an Initial Public Offering

15th May 2012 - Andewa Aeromagnetism / Radiometrics Program Successfully Completed and Several Large Magnetic Anomalies Identified

17th May 2012 - Bulago Drill Hole 1 and Esis Drill Hole 2 Both Intersect Wide Intervals of Copper

24th May 2012 - High Grade Gold Zones Confirmed at the Suguma Prospect and Two Diamond Core Holes Completed For 591.9m Total

29th May 2012 - Share Purchase Plan Cancelled

31st May 2012 - 1,000 Sq Km Aeromagnetic - Radiometric Geophysical Survey Initiated by Ok Tedi Mining Ltd at the East New Britain Joint Venture in PNG

15th June 2012 - Newcrest and Frontier Finalise Farm-In Agreement on the Andewa Project in Papua New Guinea and Commence Deep Exploration Drilling

3rd May 2012 - Sudest Exploration Proceeding Well with Visible Gold Discovered in Trench Outcrop

3rd July 2012 - Frontier's Initial Sudest High-Grade Gold Exploration Program Completed

4th July 2012 - Aeromagnetism / Radiometrics Program Initiated over Mt Schrader Crater Area

5th July 2012 - Torque Mining Ltd Raises \$1,047,000 in Seed Capital

For additional information relating to Frontier Resources and/ or its projects, please visit the Company's website at www.frontierresources.com.au or feel free to contact me.

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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.

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