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Market Announcements Platform

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Joint Venture Discussions Being Undertaken on PNG Projects

Frontier Resources Limited (**Frontier**) is pleased to announce that it is seeking Joint Ventures on mutually acceptable terms for any / all of its Exploration Licences and Applications in Papua New Guinea, to help gain funding for major exploration programs on the properties and reduce our fiscal exposure and risk.

Frontier believes that the Muller EL is an excellent region to discover potentially very large porphyry copper-gold deposits, but it is relatively remote and exploration is relatively expensive. Other companies appear to feel this could be the case also and with more fiscal resources at their disposal, the cost is not such an issue.

Ideally, Frontier would operate the exploration programs on behalf of any Joint Venture, though this is not a requirement. It has been recognised by possible partners that our exploration/operating cost base in PNG is substantially lower than that of any major company due to a number of factors, such as owning /operating our own equipment and more practical OHS policies.

A major gold miner approached Frontier in August to acquire the Muller EL and made an all cash offer for the Muller EL in Mid-September, that the Company tentatively agreed to (subject to Board and Mineral Resource Authority approval). The offer was tentatively accepted because the funds could have been productively utilised for additional exploration and drilling on Frontier's Bulago Project. The terms were subsequently modified and the magnitude of the cash offer was reduced, so Frontier's Board rejected it.

Data review of Frontier's projects was initiated by another major gold miner in mid-November and is ongoing. If they decide they are interested in a project (specifically Muller at this stage) it is likely a field trip will be undertaken in late January or February 2017 prior to any commitment, that would then involve additional due diligence and time. The process is not rapid.

Brief discussions were also held late November /early December with a large Junior, but their attitude was nothing similar to Frontier's and those discussions were rapidly terminated.

Frontier commenced seeking additional expressions of interest and another major company has provided Frontier with a Confidentiality Agreement, so it can potentially commence a data review in 2017, to determine if Muller or any of the projects meet their investment criteria.

For additional information please visit our website at www.frontierresources.com.au

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