Frontier Resources Ltd

GOLD RIDGE MINE:
A NEW PARTNERSHIP

Resources Investment Symposium
Broken Hill
Tuesday 26th May 2015

Paige McNeil
Managing Director
Disclaimer

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Gold Ridge Mine

Photo by St Barbara Limited
Gold Ridge General

- Low strip ratio gold mine with 3.2 million ounces of gold in Total Resources + excellent exploration potential
- 2.5 Mtpa CIL processing plant infrastructure is intact. Requires new electrical power generators, conveyor rebuild, laboratory + office
- Logistically well located ~50min drive to the SE of Honiara
- The mess and accommodation block is in good condition, powered and readily habitable
- Significant quantities of various spare parts and other consumables / items remain onsite
- All new houses for displaced landowners have been completed
- Some mining equipment comes with the JV, including 5 haul trucks + 114,000 tonne 6m³ bucket excavator
Conveyor, Sag Mill & south part of CIL Plant  St Barbara photo
Acquisition

- Frontier (FNT) announced May 25th 2015 that it signed a Heads of Agreement with GoldRidge Community Investment Limited (GCIL), to acquire 80% of the Gold Ridge Mine / Project

- ASX listed mid-tier gold producer, St Barbara Limited sold the suspended Gold Ridge Mine / Project to GCIL on May 1st 2015

- GCIL will grant FNT an 80% direct interest in the Project

- FNT will carry GCIL's costs and be repaid from 50% of their future profit

- FNT will issue shares to GCIL = 19.9% interest in FNT on JV signing

- GCIL will have an initial 35.9% total direct and indirect interest

- FNT will issue deferred shares to GCIL in 1 year = 4.98% in FNT

- GCIL will appoint 1 Executive Director to the Board of FNT - Landowner Paramount Chief Mr Walton Naezon
Gold Ridge Proposed Consideration

Frontier Resources Ltd Proposed Shareholding

- Existing 75%
- GCIL 19.9%
- GCIL Deferred 4.98% in 1 year

Proposed Direct Mine Ownership

- Frontier 80%
- GCIL 20%
New Ownership Model

- GCIL will sell ¼ of its 19.9% equity in FNT for operating capital and will budget it to meet its goals, establish appropriate businesses and assist the community.

- Landowner ownership + increased transparency = trust & certainty for all stakeholders.

- Landowners & community 100% responsible to ensure a smooth and potentially profitable mining operation.

- Marginal local interests will no longer exert significant influence on key stakeholder decisions.

- GCIL will be responsible for all community support.
Resources & Reserves

- **Total Mineral Resources** were estimated to contain
  
  3.18 million ounces of gold, within 64.2 million tonnes
  grading 1.5 g/t gold

- **Total Ore Reserves** were estimated to contain
  
  0.67 million ounces of gold, within 14.6 million tonnes
  grading 1.4 g/t gold

St Barbara Limited Gold Ridge Resources and Reserve Statements dated June 30\textsuperscript{th} 2014 and issued to the ASX on August 27\textsuperscript{th} 2014. The Total Reserves are included within the Total Resources and were reported with the qualification that they are economic based on the on-going mine plan, but the operation remains suspended.
## Gold Ridge Total Resources and Reserves

### RESOURCES

<table>
<thead>
<tr>
<th>Project Area</th>
<th>Tonnes</th>
<th>Grade (g/t)</th>
<th>Ounces</th>
<th>Measured</th>
<th>Gold (Tonnes)</th>
<th>Grade (g/t)</th>
<th>Ounces</th>
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<th>Gold (Tonnes)</th>
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<td>Kupers</td>
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<tr>
<td>Charivunga</td>
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<td>-</td>
<td>-</td>
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<td><strong>Total RESOURCES</strong></td>
<td><strong>64,162,000</strong></td>
<td><strong>1.5</strong></td>
<td><strong>3,175,000</strong></td>
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### RESERVES

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<tr>
<th>Project Area</th>
<th>Tonnes</th>
<th>Grade (g/t)</th>
<th>Ounces</th>
<th>Proved</th>
<th>Gold (Tonnes)</th>
<th>Grade (g/t)</th>
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<td>Charivunga</td>
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<td>5,000</td>
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<tr>
<td>Namachamata</td>
<td>443,000</td>
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<td>10,000</td>
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<tr>
<td><strong>Total RESERVES</strong></td>
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<td><strong>1.4</strong></td>
<td><strong>673,000</strong></td>
<td><strong>3,032,000</strong></td>
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<td><strong>526,000</strong></td>
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</table>
Guadalcanal Island is highly prospective and underexplored for additional epithermal gold deposits plus porphyry copper-gold deposits.

Gold Ridge Deposits are low-sulphidation intrusive related epithermal gold deposits hosted by shallow dipping volcaniclastics associated with intense argillic alteration and various different structures; plus with low angle to approximately bedding-parallel alteration zones and shears and veins that bifurcate from major NNE and NNW trending faults.
Exploration

- There are very good near mine drill targets for further exploration and FNT will commence drilling asap
- The new (unmined) Charivunga Zone is located between existing pits and is more strongly gold mineralised than the Gold Ridge average
- Drilling including GDC0761, with 13m grading 2.3 g/t gold from 48m, plus 15m grading 2.6 g/t gold from 215m, plus 84m grading 2.0 g/t gold from 313m
  (St Barbara: ASX 28/10/2013)
- The Gold Ridge Project consists of Prospecting Licence 02/14 and PL Applications Lower Vunusa, Sutakiki and Central
Tailings Storage Facility

TSF: Cyclonic rainfall April 2nd 2014 damaged mine access, resulted in a loss of storage volume in the TSF and led to the suspension of mining operations.

Immediate Action:

- Gold Ridge Mining Ltd (GRML: the operating company) has been granted permission to build a large, new spillway to help protect the integrity of the Tailings Storage Facility from all future major rain events.

- Community Awareness campaign to be initiated ASAP to allow untreated pumping at the TSF to reduce the dams very high ‘clear water’ level.

- St Barbara is providing a water treatment facility for the TSF by the end of August 2015 to allow treated water pumping.
History

- Gold Ridge Mining Lease (No1/1997) granted March 12th 1997 to Ross Mining - valid for 25 years +10 year renewal option

- Delta Gold NL acquired Ross Mining. *Force Majure* enacted June 5th 2000 due to Ethnic Conflict on Guadalcanal Island. The AFP RAMSI mission restored law and order

- Gold Ridge Mine purchased by Australian Solomons Gold Ltd (ASGL) May 30th 2005 from American Home Assurance for deposit of US$20M + additional payments at various points in the redevelopment process

The parties renegotiated the remaining amount due in February 2009 and the debt of US$20 million was satisfied by the payment of US$2.5 million cash and the establishment of a fixed production payment income stream of US$15 per ounce recovered from the Gold Ridge Mining Lease that is still in effect.
Allied Gold acquired ASGL, completed a A$150 million refurbishment and expansion of processing plant capacity from 2.0 to 2.5 Mtpa

Allied Gold successfully put the mine back into production in March 2011

St Barbara Limited (SBM) purchased Allied Gold 2012 for £360 million in cash/script and operated the Gold Ridge Mine for <2 years

Projects acquired were Gold Ridge with Total Resources = 2.5 million ounces of gold and Simberi (PNG) with Total Resources = 6.5 million ounces of gold (at similar grades)

SBM suspended mining early April 2014 due to effects from cyclonic weather conditions including road destruction and excess water volume in the TSF

GoldRidge Community Investment Limited purchased the Mine and Project on May 1st 2015 for a nominal cost
GCIL Ownership

Mr Bob Vassie – Chairman St Barbara Limited in Sale Release to ASX noted:

“The sale of the Gold Ridge mine to a locally owned company with strong landowner representation provides a fresh and realistic opportunity to successfully manage the critical security, local resourcing and environmental issues that Gold Ridge must resolve in the near term.

Representatives of GCIL first approached us about buying Gold Ridge in February 2015, when the Solomon Islands Government advised it was no longer interested in buying the mine.

Many of the shareholders and directors of GCIL have had personal associations with, and concerns for the success of, the Gold Ridge mine since it was first established in the mid 1990s, with the GCIL Chairman being a former Minister of Mines and Energy”
Gold Ridge 2.5 Mtpa Processing Facility
Five Carbon in Leach Tanks at Gold Ridge
Gold Ridge Mine Haul Trucks
Gold Ridge Mine Accommodation and Mess
A Feasibility Study evaluating re-opening the mine will commence to:

- Investigate repairing the CIL processing plant, conveyor, electrical systems, laboratory and mine offices
- Frontier's initial due diligence determined this is cost approximately A$30 million, plus required operating capital
  - Investigate the possible addition of a refractory gold processing / concentrating circuit to significantly increase the gold recovery
  - Investigate upgrading the remaining mining fleet to maximise utilisation and increase the volume of ore hauled
  - Investigate the Mine's future power requirements
  - Address specific cost reduction opportunities including better determining the metallurgical characteristics of the ore types, increasing mill recoveries, improved blending/run of mine pad management, improved grade control and mine planning
- Investigate and rectify issues with Tailings Storage Facility ASAP and as appropriate
- Undertake diamond core drilling at Gold Ridge to attempt to increase the Total gold Resources and Reserves to ensure an enhanced and more economically robust mine with a significantly longer life
- Additional capital will be required to undertake this work
## Frontier Resources Ltd Corporate Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial Public Offering (as TasGold Ltd)</strong></td>
<td>April 2003</td>
</tr>
<tr>
<td><strong>Current Shares on Issue (ASX : FNT)</strong></td>
<td>~582 million</td>
</tr>
<tr>
<td><strong>Shareholders:</strong></td>
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</tr>
<tr>
<td>Interests of P.A and P.S McNeil</td>
<td>10%</td>
</tr>
<tr>
<td>Ok Tedi Mining Ltd</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Top 20 Shareholders hold</strong></td>
<td>~40%</td>
</tr>
<tr>
<td><strong>Two tranches of equity in FNT are proposed to be issued</strong></td>
<td>19.9%</td>
</tr>
<tr>
<td>to GoldRidge Community Investment Limited (GCIL), the first on signing the</td>
<td>+</td>
</tr>
<tr>
<td>JV and second 1 year later.</td>
<td>4.98%</td>
</tr>
</tbody>
</table>

Frontier’s Board and Management

**Peter McNeil** B.Sc., M.Sc., MAIG Non Executive Chairman, Exploration Geologist with 33 years mineral exploration and corporate experience, incl. 30 years in PNG for epithermal gold, porphyry copper-gold, skarns and VHMS mineral systems. Peter was the consultant site supervisor for the discovery holes in 1992/1993 at Sunrise Dam (Delta) and Nimary (Eagle Mining) in WA that contain >20M oz gold.

**Paige McNeil** Grad DipEd, ACIS, GAICD Managing Director, Corporate Governance practitioner with 14 years administrative experience in the mineral exploration industry in Papua New Guinea, Australia and Canada. Paige was a Founding Director and Company Secretary of Kanon Resources Ltd (2003) and Quintessential Resources Ltd (2010) which were subsequently listed on the TSX-V and ASX respectively. She was responsible for the raising of $10M in capital for Quintessential over 2 years.

**Peter Swiridiuk**, BSc (Hons), DipEd, MAIG Executive Technical Director, Geophysicist with 25 years experience in various countries including the Solomon Islands. Between 1997 and 2012, he managed exploration, discovery and resource definition for projects in Papua New Guinea, including evaluation of data at Frieda River and acting as a consultant geophysicist to Frontier Resources (2004-2013). In 2007 he spent over six years as Managing Director of ASX listed Coppermoly Limited where he attracted over $32 million through an IPO, capital raisings and joint venture partner Barrick Gold Corp.

**Walton Naezon** - Proposed Executive Technical Director Chairman of GCIL and the regional Paramount Chief of the Gold Ridge landowners and was Mining & Energy Minister (1997-2001), Minister of State Government (2001-2003) and Minister for Commerce (2003-2005) in the Solomon Islands Government. Walton successfully negotiated GCIL’s purchase of the Gold Ridge Mine / Project from St Barbara Ltd and he will provide the local communities and landowner tribes with control and direct responsibility over the exploitation of and pro-rata profits from the mineral resources on their land.

**Minerva Corporate** will continue to provide the services of Company Secretary: Matt Foy and Chief Financial Officer: Ben Bussell

The Board and Management of Frontier will evolve as appropriate.
Summary

- Frontier and GCIL have created a new Melanesian resource ownership model which will increase transparency, create trust and certainty for all stakeholders.
- Gold Ridge has a 3.2 million ounces of gold in Total Resources plus excellent exploration potential.
- Frontier will commence exploration and resource infill drilling to attempt to demonstrate significantly enhanced Total Reserves and Resources, targeting a larger and higher grade zone to enable a more robust and significantly longer mine life.
- Frontier will undertake a capital raising (July/August) to commence a diamond drilling program and undertake a feasibility study with the aim of bringing the Gold Ridge Mine back into production as soon as possible.