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**ASX: FNT**

Market Announcements Platform

12<sup>th</sup> January 2017

## **Company Update and Drilling at Bulago to Commence Early-Mid February 2017**

Frontier Resources Limited (**Frontier**) is pleased to announce its exploration schedule and objectives at Bulago, EL 1595, Papua New Guinea (PNG).

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

*Subject to successful completion of the current Rights Issue, the Frontier exploration / drilling team is anticipated to mobilise to Bulago in early February for a 3 month, multiple hole drilling program that will include two high priority porphyry copper -gold holes, in addition to further substantial drilling of the high-grade gold at the Swit Kai Prospect. The only possible delay will be aircraft (fixed and rotary) availability. I anticipate being onsite in later February and March to supervise the program.*

*The wet season at Bulago commences in about early May and drill pads /access are often in/by creeks/rivers, so our exploration program will likely finish late April. We can and are willing to work after April, but in general, costs increase due to logistical -aircraft supply constraints associated with the weather.*

*Frontier hopes to be able to undertake additional general exploration to:*

- 1. Further hand trench topographic +/- lead/ zinc/gold soil anomalies that appear to represent repetitions of the known high grade mineralisation and thus hope to define future and possibly more extensive drilling targets.*
- 2. Pan concentrate /stream sediment sample the watercourses to the northwest and north of Swit Kai Prospects, as they have never been systematically evaluated, but where reconnaissance sampled they have demonstrated significant gold anomalies. This region drains an intrusive that also has significant aeromagnetic and potassium radiometric anomalies requiring follow-up.*
- 3. Reconnoitre and also hand trench the major gold/zinc/lead soil anomaly in the central north of the Bulago Valley.*

Company Consultants and contractors are thanked very much for their considerable support. Settling future fees in shares is effectively the same as raising capital to pay the exploration service providers and it will enable Frontier to undertake a more significant drilling program at Bulago, plus initial exploration on the Muller EL and the 3 EL applications the Company lodged in late 2016 (when /if granted in 2017).

I note that my personal interests (Superfund, Company, self, wife and children) have subscribed for a total of \$87,042.36 shares at 3¢ per share in the current Rights Issue for 2,901,412 shares, showing our belief in the future success of Frontier or colloquially "skin in the game". In addition, I will be seeking shareholder approval so I can obtain additional shares to take my total equity interests to 19.99%, as I cannot participate in the Rights Issue shortfall without shareholder approval.

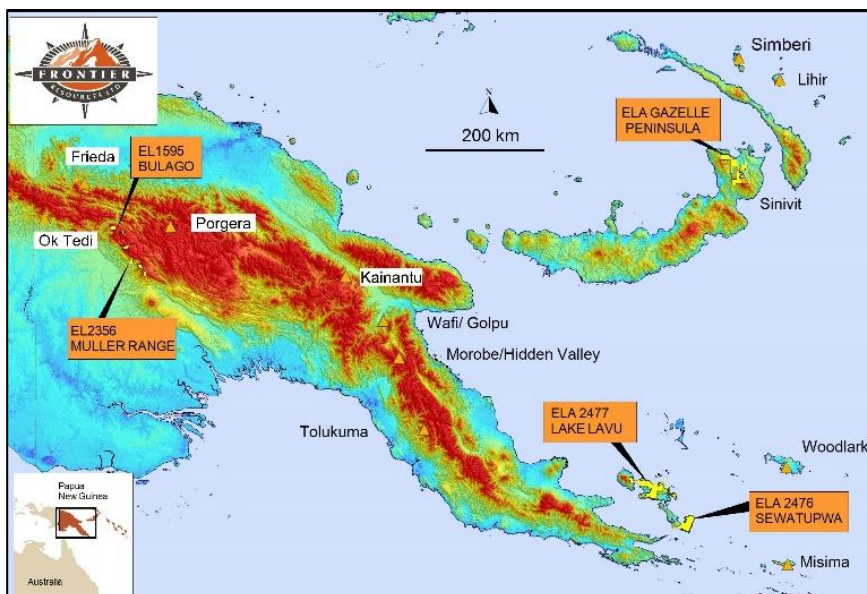
Existing shareholders, other non-shareholder investors and brokers that are interested in considering acquiring shortfall from the Rights Issue (or possibly Placements), should contact me at [pmcneil@frontierresources.com.au](mailto:pmcneil@frontierresources.com.au) or 0427 987 507, as soon as practical.

The shortfall will be allocated at the Directors' discretion on a first come first served basis and we have already had good interest; because the FNT share price has traded relatively consistently at

approximately 3.25¢ recently or at a ~8% premium on the Rights Issue price. Since December 21<sup>st</sup>, FNT shares have had an arithmetic average of Open = \$0.0320, High = \$0.0326, Low = \$0.0314, Close = \$0.0323 and Volume = 116,562 shares.

As background, Frontier noted to the ASX on 23<sup>rd</sup> December 2016, that it has received firm commitments from consultants and contractors to the Company to settle future fees in shares totalling up to \$200,000, at a conversion price of \$0.03 per share (as per the Rights Issue that closes Monday 16 January).

These shares represent between six and twelve months of professional fees, including \$120,000 of helicopter service in PNG. Helicopter is our largest single cost centre in total, so this is an excellent outcome and indication of support for the Company. Frontier currently has no existing debt with these consultants /contractors and the Conversion covers future work. The Conversion is an efficient way of enabling more exploration to ultimately be undertaken in PNG.



For additional information relating to Frontier, please visit our website at [www.frontierresources.com.au](http://www.frontierresources.com.au)

**FRONTIER RESOURCES LTD**

P.A. McNeil, M.Sc., MAIG  
Chairman and Managing Director

Frontier Resources Ltd Exploration Licence Information						
	Licence No.	Date From	Date To	Ownership	Area (SQ KM)	Lat. Sub Blocks
Bulago River*	EL 1595	7/07/2014	6/7/2016	100% Frontier Gold PNG Ltd	100	30
Muller Range	EL 2356	31/12/2015	30/12/2017	100% Frontier Copper PNG Ltd	187	56
Sewatupwa River	ELA 2476	Application only		90% Frontier Copper PNG Ltd	436	131
Lake Lavu	ELA 2477	Application only		90% Frontier Copper PNG Ltd	839	252
Gazelle	ELA 2515	Application only		90% Frontier Copper PNG Ltd	703	211
* Under renewal - Hearing completed					<b>2,264</b>	<b>SQ KM</b>
NB: The Papua New Guinea Mining Act of 1992 stipulates that ELs are granted for renewable 2 year Terms (subject to Work and Financial Commitments) and the PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease is granted.						