



FRONTIER RESOURCES LTD

A.B.N. 96 095 684 389

CONSOLIDATED INTERIM FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2014

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Frontier Resources Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES

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DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Frontier Resources Ltd and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

DIRECTORS

The following persons were directors of Frontier Resources Ltd during the whole of the half-year and up to the date of this report, unless otherwise indicated:

Peter A. McNeil (Managing Director)
Paige McNeil (Non-Executive Director) (appointed 1 December 2014)
Peter Swiridiuk (Non-Executive Director) (appointed 1 December 2014)
Graham J. Fish (Non-Executive Director) (resigned 11 November 2014)
Warren J. Staude (Non-Executive Director) (resigned 27 November 2014)
Hugh David Swain (Non-Executive Director) (resigned 27 November 2014)

RESULTS AND DIVIDENDS

The consolidated entity loss after income tax for the half-year is \$1,716,147 (2013: \$587,587). There is no dividend paid or recommended.

The result for this half year included exploration expenditure of \$484,218 (2013: \$96,222) and the impairment of financial assets of \$802,449 (2013: \$21,840).

REVIEW OF OPERATIONS

Frontier Resources Ltd is focused on mineral exploration in Papua New Guinea (**Figure 1**), with a 100% interest in the Bulago Exploration Licence (EL), the Andewa EL Application and the recent Muller Range Application, that are highly prospective for the discovery and delineation of intrusive related high grade gold, copper+/- gold +/-molybdenum porphyries, associated polymetallic skarn and epithermal gold deposits.

Bulago EL 1595, Papua New Guinea

During the half-year, drilling commenced at the very high grade gold Upper Zone of the Swit Kia Prospect, EL 1595 – Bulago in PNG (**Figures 1 and 2**).

Six diamond core drill holes were completed in November, however these did not significantly intersect the targeted high grade gold mineralization, with the best result in hole SKD004 with 0.5m grading 46.3 g/t gold + 11.4 g/t silver, from 1.2m to 1.7m downhole.

Drill Pad 1 was located in the central sector of the Swit Kia Prospect near the top end of Trench 1. One 'section fan' of five holes was completed from drill pad 1 and the sixth hole started a new 'horizontal fan'.

The drilling targeted the high grade gold mineralisation related to the 45° dip slope, an associated 70° north dipping strongly silicified intrusive with hydrothermal breccias/sulphides and the flat lying host sediments (for conformable mineralisation as at the Lower Zone).

Drill holes tested down /across the surficial high grade gold zone and also across the intrusive for proximal sub-parallel repeats of the high grade gold and for possible lower grade bulk gold mineralisation. The intrusive was strongly silicified and fractured but lacked significant hydrothermal breccias/sulphides.

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The very high grade gold mineralisation at the Upper Zone appears to be a relatively thin layer associated intrusives and concentrating at the dip slope. The lack of breccias in the core holes implies that the high grade mineralisation was not intersected.

No significant width breccia repeats were noted downhole in the drilling, however SKD005 had a semi massive pyrite, pyrrhotite, magnetite, galena and sphalerite vein from 39.3m to 39.6m.

The Swit Kia drilling targeted the high grade gold mineralisation related to a 45° south dipping /E-W trending fault (dip slope) and attempted to test:

1. Down and across (to the south) the surficial high grade gold zone.
2. Across the host and related 70° south dipping intrusive for proximal sub-parallel (stacked) repeats of the high grade gold.
3. For proximal lower grade bulk gold mineralisation within the intrusive.
4. For conformable high grade gold mineralisation (as demonstrated in April at the Lower Zone).

The intrusive was strongly silicified and fractured but lacked significant hydrothermal breccias/sulphides as observed in the surficial high grade rocks and was only very weakly gold mineralised.

The relatively thin, high grade gold mineralisation at the Upper Zone appears to be controlled by the 45° south dip fault (dip slope), is localised by/in the intrusive and at the contact of the relatively flat lying siltstones, but there was no evidence for conformable gold mineralisation.

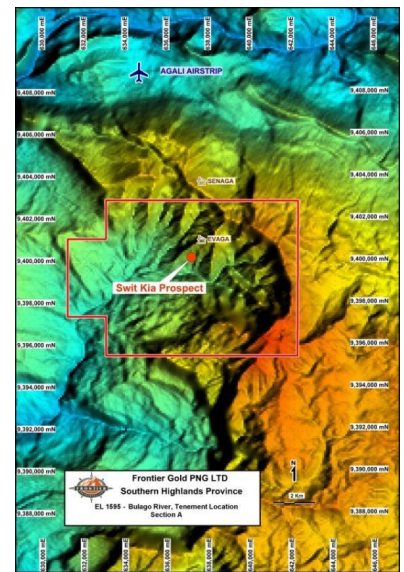
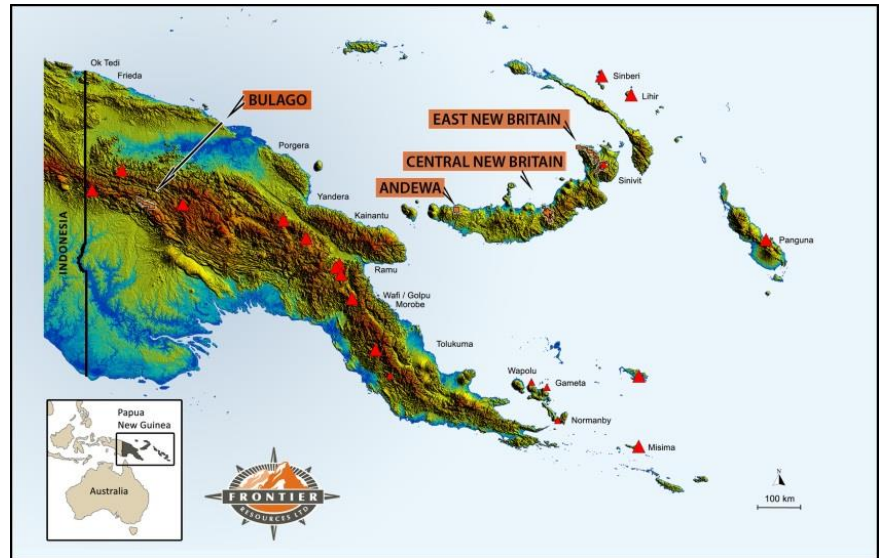


Figure 2: Swit Kia Prospect

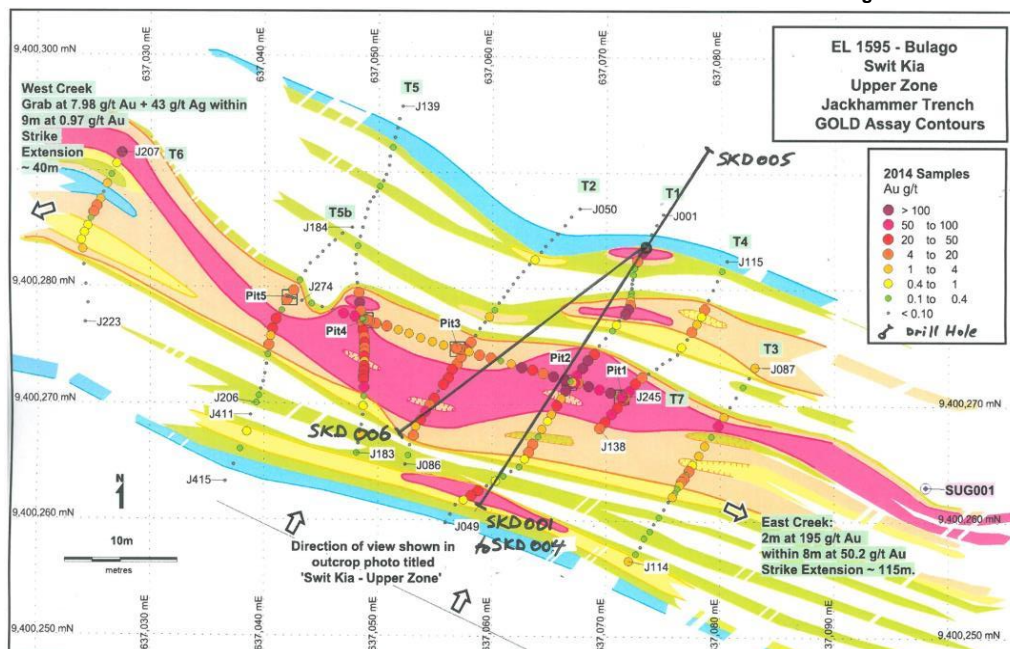


Figure 3: Drilling at EL1595

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One 'section fan' of five holes was completed from drill pad 1 (**Figure 4**) and the sixth hole started a new 'horizontal fan'. Drill assays are tabulated below along with drill collar information. Additional geological information was released 5/12/2014 to which the reader is referred

Significant Swit Kia Prospect Upper Zone Drill Results Included:

SKD001 with 0.80m grading 0.76 g/t gold + 8.6 g/t silver, from 0.00 to 0.80m.

SKD002 with 1.95m grading 0.75 g/t gold + 4.8 g/t silver, from 58.45m to 60.4m.

SKD003 with no significant assay results.

SKD004 with 0.50m grading 46.3 g/t gold + 11.4 g/t silver, from 1.20m to 1.70m.

SKD005 with 0.60m grading 0.91 g/t gold + 13.6 g/t silver (+741 ppm copper in a semi massive sulphide vein), from 39.3m to 39.6m.

SKD006 with 1.90m grading 5.73 g/t gold + 9.8 g/t silver (+0.42% zinc), from 7.40m to 9.30m.

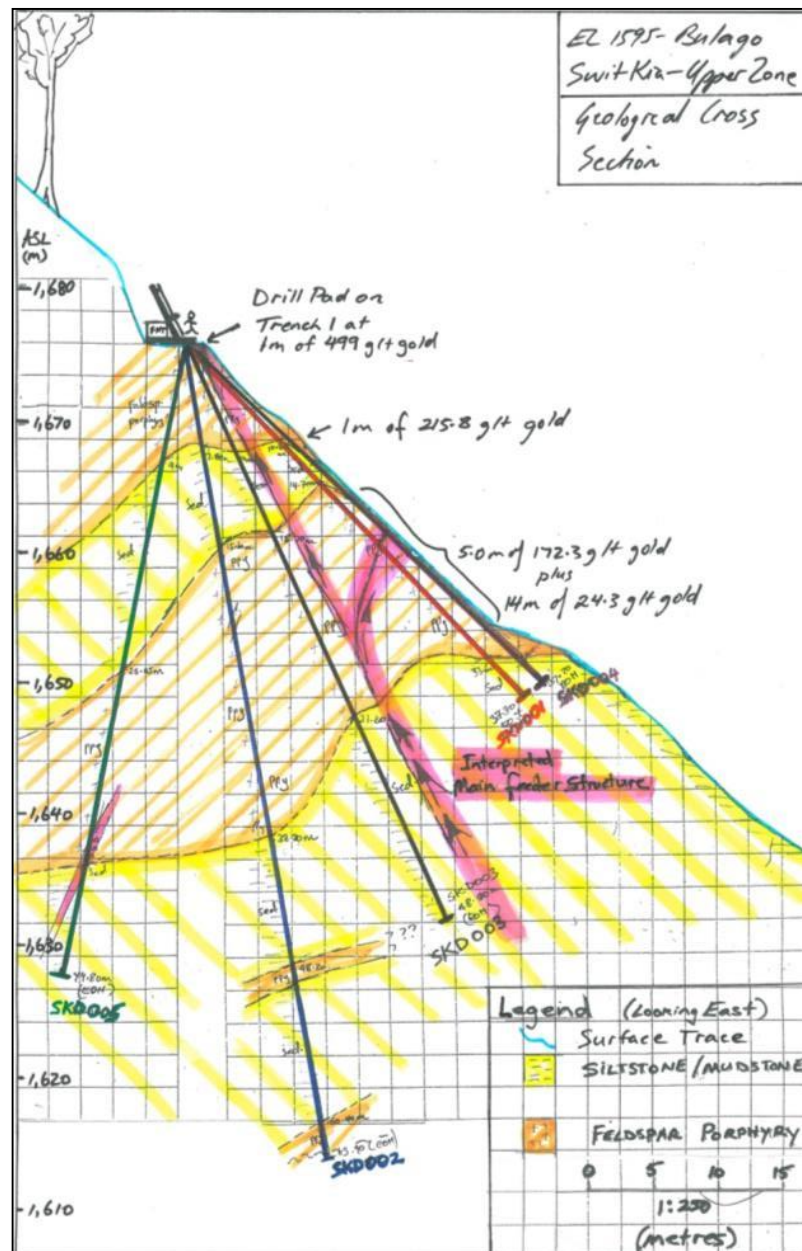


Figure 4: EL1595 Cross Section

Please refer to the ASX announcement dated 12 December 2014 for full drill results.

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CORPORATE

Board Changes

During the period, Directors G.Fish, H.Swain and W.Staude resigned. At the Annual General Meeting shareholders voted on the re-election of Director Peter McNeil. Peter Swiridiuk and Paige McNeil were appointed as a Non-Executive Director and an Executive Director respectively.

During the reporting period, Matthew Foy was appointed as Company Secretary following the resignations of Jay Stephenson and Julia Beckett as Joint Company Secretaries.

Peter Swiridiuk – Non Executive Director

Peter Swiridiuk, BSc (Hons), DipEd, MAIG has over 24 years' experience exploring for copper, gold, diamonds, coal and base metals. Between 1997 and 2012, **he spent substantial amounts of time managing 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 (2003-2013). 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. While leading Coppermoly, over 2 billion pounds of copper, in two separate JORC resources, were delineated on New Britain Island, Papua New Guinea.

Peter was geophysicist for DeBeers diamond services during the 1990's where he managed geophysical surveys for the exploration of diamonds in Australia. Since 1997, he has been a technical consultant working on projects in Australia, PNG, Solomon Islands, Philippines, Cyprus, Mexico and Oman, where his exploration led to the discovery of two copper mines. Peter has authored numerous independent technical reports for the purpose of capital raisings.

Paige McNeil – Executive Director: Corporate

Paige McNeil (GradDipEd, ACIS, GAICD) is a Corporate Governance practitioner with 14 years' operational and 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. Paige was responsible for raising over \$10M in capital for Quintessential over 2 years. Paige was the former Administration Manager and Company Secretary for Frontier Resources (2006 and 2010). She was appointed Alternate Director for Peter McNeil in August 2014 and has now resigned from this position. Paige holds a Graduate Diploma in Corporate Governance from Governance Institute of Australia (2006) and is a Graduate of the Australian Institute of Company Directors (2008). She is a director of two private Australian companies and also facilitates modules for the Governance Institute of Australia.

Share Purchase Plan

During the reporting period, Frontier conducted a Share Purchase Plan (SPP) to raise up to \$650,000 at \$0.013 per share. The SPP closed on Wednesday 30 July 2014 with applications for 45,278,757 shares for a total of \$588,624 received. On 4 September 2014 the Company advised it had placed a further 4,736,614 ordinary shares at an issue price of \$0.013 to raise \$61,576, utilising the Company's existing placement capacity under ASX Listing Rule 7.1.

EVENTS OCCURRING AFTER THE REPORTING DATE

During January 2015, the East and Central New Britain Exploration Licences were relinquished, prior to their required renewal in late March 2015. No field work was conducted on them during, or subsequent to, the period.

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AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* immediately follows this report.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Peter A. McNeil'.

Peter A. McNeil
Managing Director

13 March 2015

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES

A.B.N. 96 095 684 389

MOORE STEPHENS
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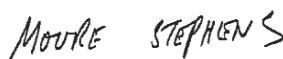
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF FRONTIER RESOURCES LIMITED

As lead auditor for the review of Frontier Resources Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 13th day of March 2015

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF FRONTIER RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Frontier Resources Limited and controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Frontier Resources Limited (the Company) are responsible for the preparation and fair presentation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Frontier Resources Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the Corporations Act, provided to the directors of Frontier Resources Limited and controlled entities, would be in the same terms if provided to the directors as at the time of this auditor's review report.

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES

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Basis for Qualified Conclusion

The Company's consolidated statement of financial position as at 31 December 2014 includes plant and equipment with a carrying value as at 31 December 2014 of \$688,916. We were unable to obtain sufficient evidence to substantiate the recoverable value and existence of the plant and equipment. Consequently we were unable to determine whether any adjustments were required to the carrying value of these assets.

Except for the effects of the matter described above, based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Frontier Resources Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

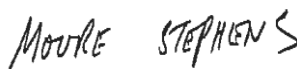
- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Inherent Uncertainty Regarding Going Concern

In addition to the conclusion expressed above, we draw attention to note 1 of the financial statements which states that the financial statements have been prepared on a going concern basis. The Company's ability to continue as a going concern for at least the next 12 months will require it to undertake further capital raisings during this period. Based on prior experience the directors of the Company are confident of obtaining the necessary shareholder support if and when required. Notwithstanding this there is significant uncertainty as to whether the Company will continue as a going concern for a minimum period of the next 12 months. Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts other than as stated in the financial report.



Suan-Lee Tan
Partner



Moore Stephens
Chartered Accountants

Signed at Perth this 13th day of March 2015

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES

A.B.N. 96 095 684 389

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Frontier Resources Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Peter A. McNeil
Managing Director

13 March 2015

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Notes	Half-year	
		2014	2013
		\$	\$
Continuing Operations			
Revenue		2,512	-
Interest income		95	2,727
		<u>2,607</u>	<u>2,727</u>
Exploration expenditure		(484,218)	(96,222)
Gross employee benefit expense		(5,707)	(56,373)
Directors benefits expense		(78,000)	-
Administration and insurance		(73,433)	(81,327)
Consultancy		(12,825)	(16,571)
Corporate compliance and shareholder relations		(49,313)	(62,755)
Depreciation		(161,989)	(220,894)
Office rental, communications and consumables		(36,897)	(32,659)
Loss on disposal of shares		(5,283)	-
Impairment of financial asset		(802,449)	(21,840)
Other expenses		(8,640)	(1,673)
Loss from continuing operations	2	<u>(1,716,147)</u>	<u>(587,587)</u>
Income tax expense		-	-
Loss after income tax		<u>(1,716,147)</u>	<u>(587,587)</u>
Loss for the half year is attributable to:			
Equity holders of Frontier Resources Limited		(1,716,147)	(587,587)
Non-controlling interest		-	-
Total loss for the half year		<u>(1,716,147)</u>	<u>(587,587)</u>
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Movement in foreign currency reserve		36,882	(129,573)
Movement in fair value of available for sale assets		-	-
Total comprehensive loss for the half year attributable to owners of Frontier Resources Limited		<u>36,882</u>	<u>(129,573)</u>
Total comprehensive loss for the half year is attributable to:			
Equity holders of Frontier Resources Limited		(1,679,265)	(717,160)
Non-controlling interest		-	-
Total comprehensive loss for the half year		<u>(1,679,265)</u>	<u>(717,160)</u>
Loss per share for loss attributable to the ordinary equity holders of Frontier Resources Limited		Cents	Cents
Basic and diluted loss per share		(0.47)	(0.19)

This Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Notes	31-Dec-14 \$	30-Jun-14 \$
ASSETS			
Current Assets			
Cash and cash equivalents		62,371	41,068
Trade and other receivables		21,449	509,029
Total Current Assets		83,820	550,097
Non-Current Assets			
Trade and other receivables		64,298	62,741
Plant and equipment		733,251	838,042
Available for sale investment		42,760	409,250
Total Non-Current Assets		840,309	1,310,033
Total Assets		924,129	1,860,130
LIABILITIES			
Current Liabilities			
Trade and other payables		51,424	108,758
Total Current Liabilities		51,424	108,758
Total Liabilities		51,424	108,758
Net Assets		872,705	1,751,372
EQUITY			
Contributed equity	4	30,739,334	30,016,736
Reserves	5	3,536,571	3,421,689
Accumulated losses		(33,403,200)	(31,687,053)
Total Equity		872,705	1,751,372

This Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014

Consolidated Entity	Contributed Equity	Accumulated Losses	Share Based Payment Reserve	Options Premium Reserve	Foreign Exchange Reserve	Total	Non-Controlling Interest	Total Equity
Balance at 30 June 2013	29,858,541	(30,207,250)	3,939,885	-	(325,456)	3,265,720	-	3,265,720
Loss for the half year	-	(587,587)	-	-	-	(587,587)	-	(587,587)
Other comprehensive income -								
Foreign currency translation	-	-	-	-	(129,573)	(129,573)	-	(129,573)
Total Comprehensive Income/(Loss) for the period	-	(587,587)	-	-	(129,573)	(717,160)	-	(717,160)
Transactions with equity holders -								
Share issued during the period	95,195	-	-	-	-	95,195	-	95,195
Balance at 31 December 2013	29,953,736	(30,794,837)	3,939,885	-	(455,029)	2,643,755	-	2,643,755
Balance at 30 June 2014	30,016,736	(31,687,053)	3,939,885	-	(518,196)	1,751,372	-	1,751,372
Loss for the half year	-	(1,716,147)	-	-	-	(1,716,147)	-	(1,716,147)
Other comprehensive income -								
Foreign currency translation	-	-	-	-	36,882	36,882	-	36,882
Total Comprehensive Income/(Loss) for the period	-	(1,716,147)	-	-	36,882	(1,679,265)	-	(1,679,265)
Transactions with equity holders -								
Options issued during the period	-	-	-	78,000	-	78,000	-	78,000
Share issued during the period	722,598	-	-	-	-	722,598	-	722,598
Balance at 31 December 2014	30,739,334	(33,403,200)	3,939,885	78,000	(481,314)	872,705	-	872,705

This consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Notes	Half-year	
		2014	2013
		\$	\$
Cash Flows from Operating Activities			
Cash receipts from customers		2,512	-
Interest received		95	2,727
Payments to suppliers and employees		(238,703)	(532,303)
Payments for exploration and evaluation activities		(468,076)	(340,017)
Net cash outflow from operating activities		(704,172)	(869,593)
Cash Flows From Investing Activities			
Proceeds from sale of equity investments		72,907	-
Payment for shares in listed entity		(18,200)	-
Payment of security deposits		-	3,862
Loan repayments received		-	100,450
Net cash inflow from investing activities		54,707	104,312
Cash Flows from Financing Activities			
Proceeds from issue of shares (net of share issue costs)		692,598	95,195
Net cash inflow from financing activities		692,598	95,195
Net increase/(decrease) in cash and cash equivalents		43,133	(670,086)
Cash and cash equivalents at the beginning of the half-year		41,068	733,449
Effect of exchange rates on cash holdings in foreign currencies		(21,830)	441
Cash and cash equivalents at end of the half-year		62,371	63,804

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

These interim financial report is intended to provide users with an update on the latest annual financial statements of Frontier Resources Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2014 and any public announcements made by Frontier Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The same accounting policies and methods of computation have been followed in these interim financial statements as were applied in the most recent annual financial statements.

Going concern basis of preparation

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business. For the half-year ended 31 December 2014 the Group recorded a loss after tax of \$1,716,147 (2013: \$587,587) and had a net working capital surplus of \$32,396 (2013: surplus of \$853,967).

The Directors recognise that the ability of the company to continue as a going concern is dependent on the ability of the company being able to secure additional funding through either the issue of further shares and/or options or convertible notes or a combination thereof as required to fund ongoing exploration and evaluation activities, and for additional working capital.

Based on the above, the company is confident that it will successfully raise additional funds, if required, to meet its financial obligations in future periods. As a result the financial report has been prepared on a going concern basis. However should the consolidated entity be unsuccessful in securing further working capital, the consolidated entity may not be able to continue as a going concern.

The financial statements do not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the company not be able to continue as a going concern.

New and revised accounting requirements applicable to the current interim period

The Group has considered the implications of the new or amended Accounting Standards applicable to the Group for the first time in the current half-year reporting period 1 July 2014 to 31 December 2014 but determined that their application to the financial statements is either not relevant or not material.

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

2. LOSS FOR THE PERIOD

	Half-year	
	2014	2013
The following expense items are relevant in explaining the financial performance for the interim period:		
Exploration expenditure	484,218	96,222
Directors benefit expense (options)	78,000	-
Impairment to Available for Sale Investments	306,500	-
Impairment to Receivables	495,949	-
	<hr/>	<hr/>

3. OPERATING SEGMENTS

The consolidated entity operates predominantly in the mining industry. This comprises exploration and evaluation of gold, silver and base metals projects. Inter-segment transactions are priced at cost to the consolidated entity.

Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

	Australian Exploration \$	Papua New Guinea Exploration \$	Treasury \$	Consolidated \$
For the Half Year to 31 December 2014				
Segment Revenue	-	2,512	95	2,607
Segment Results	(512,103)	(659,250)	(311,593)	(1,482,946)
Amounts not included in segment results but reviewed by Board:				
Corporate Expenses				(155,201)
Directors benefits expense				(78,000)
Loss before Income Tax				(1,716,147)
As at 31 December 2014				
Segment Assets	-	717,769	206,360	924,129
Segment Liabilities	-	(3,586)	55,010	51,424

FRONTIER RESOURCES LTD & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

3. OPERATING SEGMENTS (Cont.)

	Australian Exploration \$	Papua New Guinea Exploration \$	Treasury \$	Consolidated \$
For the Half Year to 31 December 2013				
Segment Revenue	-	-	2,727	2,727
Segment Results	(129,101)	(188,015)	2,727	(314,390)
Amounts not included in segment results but reviewed by Board:				
Corporate Expenses				(251,357)
Share-based Payments Expense				(21,840)
Loss before Income Tax				(587,587)
As at 31 December 2013				
Segment Assets	808,357	1,259,479	658,529	2,726,365
Segment Liabilities	72,636	9,974	-	82,610

4. EQUITY SECURITIES

Ordinary shares – fully paid	Dec 2014 Shares	Jun 2014 Shares	Dec 2014 \$	Jun 2014 \$
Balance at 1 July	325,306,489	304,046,682	30,016,736	29,858,541
Share Issue	56,169,217	21,259,807	722,598	158,195
Balance at end of the period	381,475,706	325,306,489	30,739,334	30,016,736
Options to purchase ordinary shares				
			Dec 2014 Options	Jun 2014 Options
Balance at 1 July			18,000,000	18,000,000
Issue of directors' options			10,000,000	-
Balance at end of the period			28,000,000	18,000,000

During the period ended 31 December 2014, the Company issued 10,000,000 unlisted options to the Director Peter McNeil. These options were issued pursuant to shareholder approval at the Annual General Meeting held on 28 November 2014 and are fully vested. The options are exercisable at \$0.011 with an expiry date of 2 December 2017.

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5. RESERVES

	Dec 2014	Jun 2014
	\$	\$
Share based payment reserve	3,939,885	3,939,885
Options premium reserve	78,000	-
Foreign currency translation reserve	(481,314)	(518,196)
	<hr/> 3,536,571	<hr/> 3,421,689
Movements – Share based payment reserve		
Balance at 1 July	3,939,885	3,939,885
Option expense	-	-
Balance at end of the period	<hr/> 3,939,885	<hr/> 3,939,885
Movements – Options premium reserve		
Balance at 1 July	-	-
Options issued to directors	78,000	-
Balance at end of the period	<hr/> 78,000	<hr/> -
Movements – Foreign currency translation reserve		
Balance at 1 July	(518,196)	(325,456)
Currency translation differences arising during the period	36,882	(192,740)
Balance at end of the period	<hr/> (481,314)	<hr/> (518,196)

6. COMMITMENTS AND CONTINGENT LIABILITIES

The Group's commitments remain consistent with those noted at 30 June 2014. The Group has no contingent liabilities at 31 December 2014.

7. DIVIDENDS

There were no dividends paid or recommended during the financial period ended 31 December 2014.

8. EVENTS OCCURRING AFTER THE REPORTING DATE

During January 2015, the East and Central New Britain Exploration Licences were relinquished, prior to their required renewal in late March 2015. No field work was conducted on them during, or subsequent to, the period.

There were no other material subsequent events at reporting date.