



## **FRONTIER RESOURCES LIMITED**

A.B.N. 96 095 684 389

### **CONSOLIDATED INTERIM FINANCIAL REPORT**

**HALF-YEAR ENDED 31 DECEMBER 2019**

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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 2019 and any public announcements made by Frontier Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## **DIRECTORS' REPORT**

Your directors present their report on the consolidated entity consisting of Frontier Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

### **DIRECTORS**

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

Nathan Lude (Non-Executive Chairman) (appointed 3 July 2019)  
Alec Pismiris (Non-Executive Director) (appointed 5 July 2019)  
Peter Swiridiuk (Non-Executive Director)  
Fenix Dong (Executive Director) (resigned 5 July 2019)  
Fei Peng (Non-Executive Director) (resigned 3 July 2019)

### **RESULTS AND DIVIDENDS**

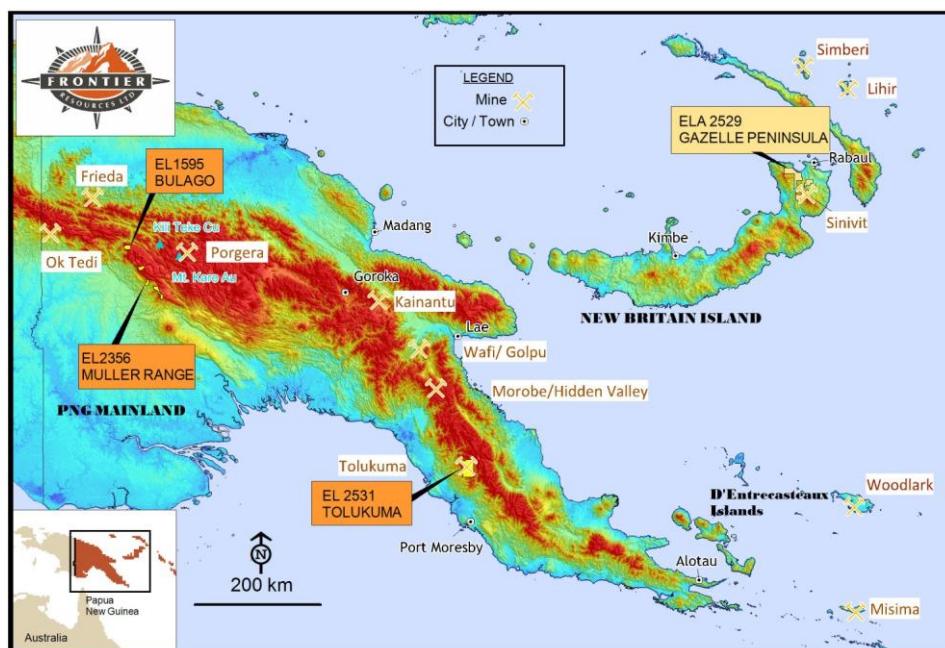
The consolidated entity loss after income tax for the half-year is \$430,939 (2018: \$265,577). There is no dividend paid or recommended. The result for this half year included exploration expenditure of \$182,930 (2018: \$48,167).

### **REVIEW OF OPERATIONS**

Frontier Resources Limited is focused on mineral exploration in Papua New Guinea (**Figure 1**) with a 100% interest in the Tolukuma Exploration Licence, Bulago Exploration Licence (EL) and the Muller Range EL, 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.

PNG is recognised as being highly prospective and the Company is targeting copper+/- gold +/-molybdenum porphyries and intrusive related epithermal gold deposits in the Papuan Fold Belt.

The Fold Belt contains the Ok Tedi porphyry copper-gold Mine (located 120km WNW), Porgera intrusive/epithermal related gold Mine (100km east) and Kili Teke porphyry copper-gold Deposit (50km east). The giant Grasberg porphyry copper-gold +skarns is in this same zone in West Papua.



**Figure 1: Location Map of Frontier Resources Tenements**

#### Tolukuma EL 2531

During the Period the Company advised it had modelled airborne geophysical data that revealed major gold bearing structures within its wholly owned EL2531 Tolukuma tenement (**Figure 2**). A first phase of historical drilling at the Saki Deposit in year 2002 demonstrated a 600m wide system of gold veins running sub-parallel in a NNW direction across some 1.3 kilometres and coincident with the deepset Saki Gold Zone (**Figure 3**).

At the “Saki I” vein in Degom Creek, where the vein is 6m wide, surface gold grades are extremely variable and range between 1m at 6.23 g/t Au to 1m at 49.50 g/t Au and 0.5m at 535 g/t Au. Drillholes through the veins had gold grades generally lower including 21.21m at 1.75 g/t Au from 7m depth (SK009: Saki I vein), 2.25m at 7.10 g/t Au from 21.5m depth (SK014: Saki II Vein), 2.63m at 5.14 g/t Au from 34.7m depth (SK017: Saki III vein) and 1.59m at 26.03 g/t Au from 24.6m in drillhole SK019 in the Saki IV vein (Figure 5).

The partly mined Tolukuma vein system (Figure 4) is one of numerous parallel veins that occur scattered through an area of over 100 sq.km. Fracture systems that can be traced or projected back to a volcanic centre at Mt.Tafa make a very good locus for gold mineralisation (Figure 3). Re-activation of pre-existing faults within the basement Kagi Metamorphics has propagated into the overlying volcanics and these faults have been exploited by mineralising fluids depositing gold.

Airborne magnetic modelling has also identified a large 10km diameter magnetic halo in the southern half of the tenement through which two major alteration bearing structures emanate from the centre of the Mt.Tafa volcanic complex. A “Graben Structure” and circular feature on its western side is coincident with a 3km wide north-south zone of magnetite alteration and further exploration on the ground is required in this region.

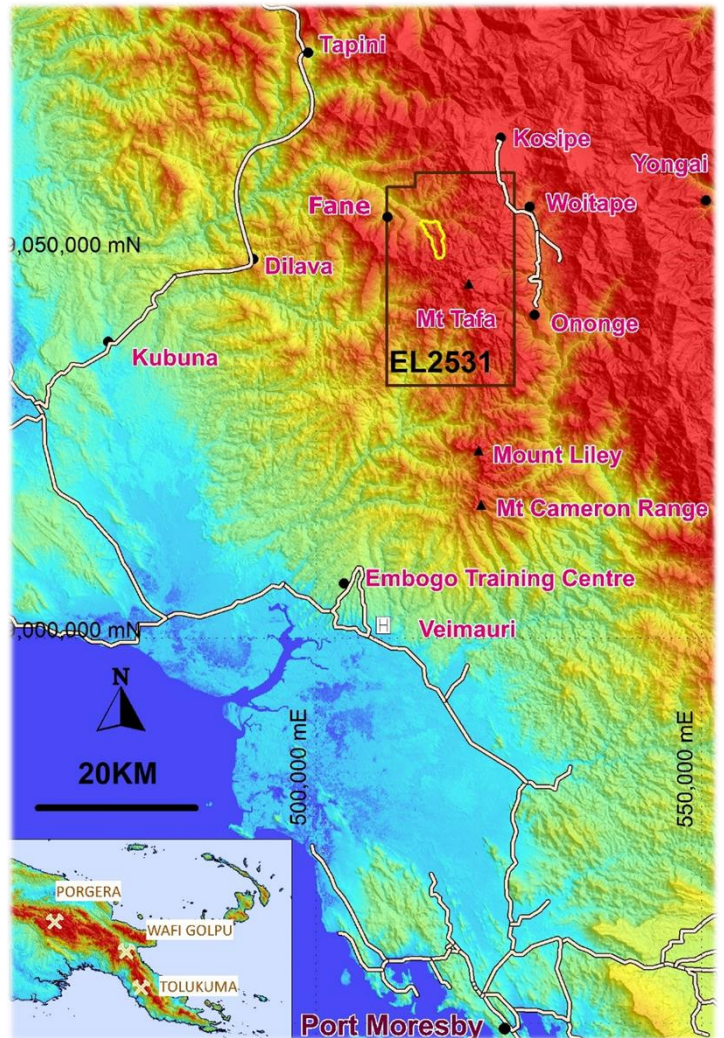


Figure 2: Location of EL2531

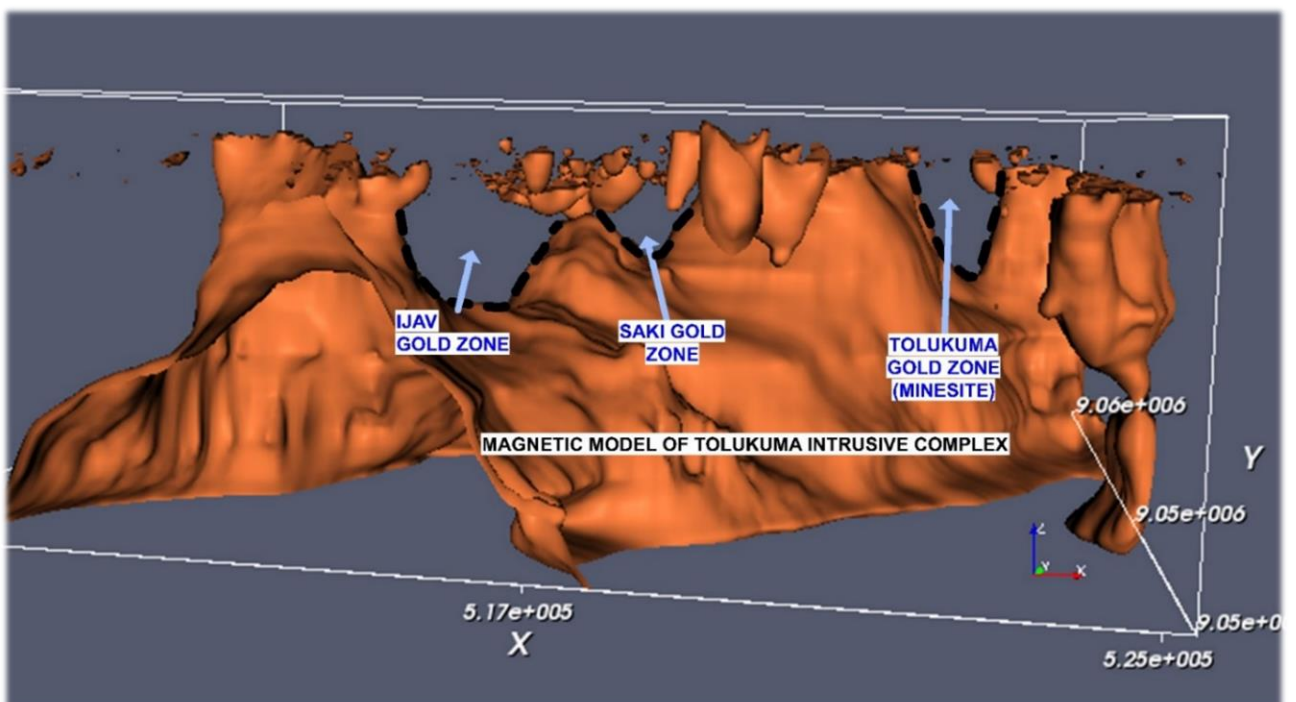
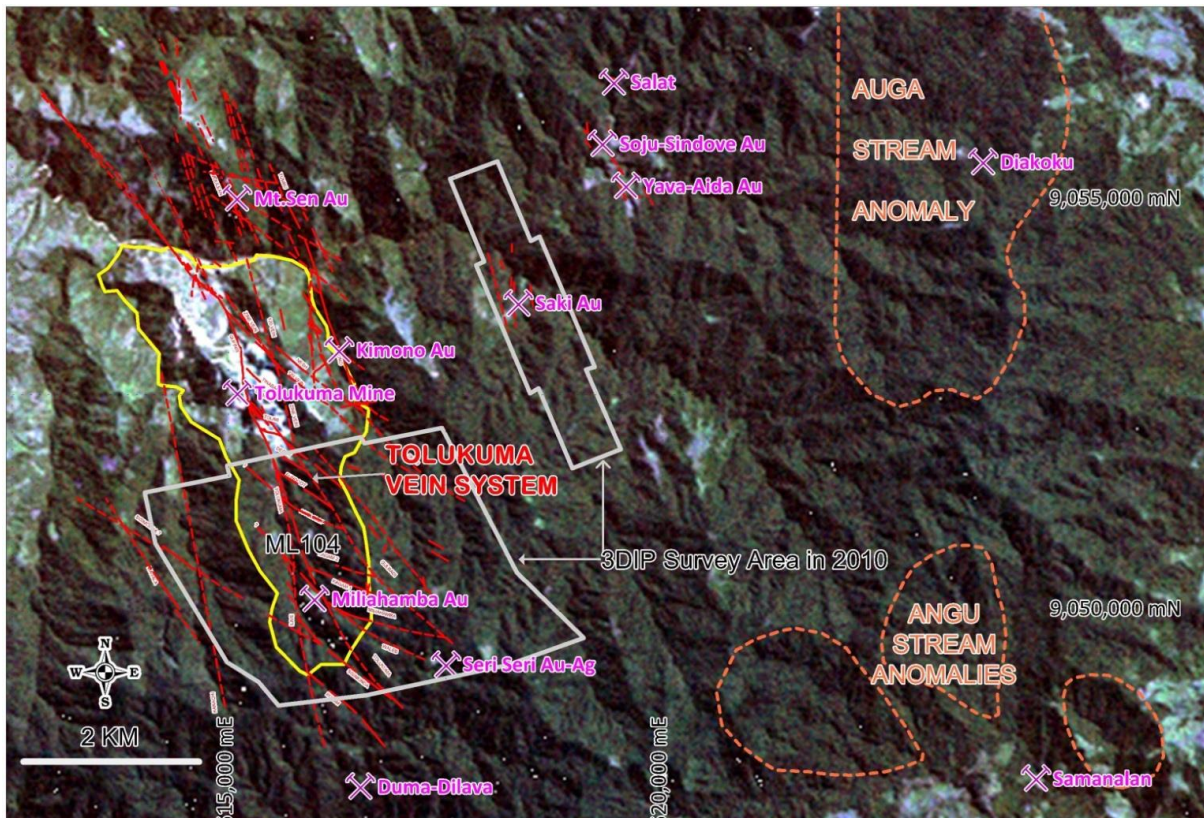


Figure 3: 3D Magnetic Structural Model Looking to the Southwest



**Figure 4: Gold Prospects Near the Tolukuma Gold Mine**

Frontier's recent 3D geophysical magnetic modelling confirms major faults where mineralising fluids have travelled through three major structural zones (Tolukuma, Saki and Ijav Gold Zones) within the "Tolukuma Intrusive Complex" and into the northern part of the EL2531 tenement (**Figure 3**). These major sub-surface structures are coincident with gold bearing vein systems at the Tolukuma Gold Mine, Saki gold vein system and Diakoku gold prospect and stream anomalies.

The presence of deepset magnetite altered structures define the highly prospective nature of EL2531 and its significant potential to define additional gold resources for the continuation of future production from the Tolukuma gold mine.

#### Saki Drilling and Trench Results Reveal 535g/t Gold at Surface

During the Period on 5 August 2019 Frontier advised it had completed its analysis of all historical trench and drilling results at the Saki gold prospect (**Figure 4**), showing a 1,400m by 700m wide system of north-northwest trending gold veins (**Figure 5**) which occur along the Saki gold zone..

The Saki veins are up to 6m wide with best surface grades of 0.5m @ 535g/t Au in Trench #29 in the Saki I vein and 1.0m @ 55.69g/t Au in Trench # 11 in the Saki II vein (**Figure 5**). A number of these gold anomalous trenches were subsequently drill tested in year 2009 with 17 diamond core holes (SK029 to SK045) for 1,873.5m.

There have been three phases of drilling, totaling 4,609.7m, as follows:

- 2002: 28 drillholes totaling 2,318.4m
- 2009: 17 drillholes totaling 1,877.0m
- 2010: 2 drillholes totaling 414.3m to the southeast into a geophysical 3DIP anomaly

The Phase 2 2009 drilling encountered gold grades that included 13.20m @ 5.38 g/t Au from 75.10m downhole depth (SK033: Saki III vein), 2.5m @ 2.21 g/t Au from 133.70m depth (SK034: Saki V Vein) and 1.85m at 4.17 g/t Au from 51.15m (SK030: Saki vein III, Figure 5).

### Saki Gold Prospect Exploration Target

On 7 October 2019 the Company noted that Golder Associates (**Golder**) commenced a resource estimate in 2011 (refer to ASX Announcement dated 29<sup>th</sup> May 2019) based on the drilling completed in 2002 by South African company Durban Roodepoort Deep (**DP**) who had acquired Tolukuma Gold Mines (TGM). The aim of this drilling was to keep the Tolukuma mine (ML104) operational for the next 10 to 20 years by finding additional ounces for the Mill Feed. Two main prospects were drilled by DP including the Saki and SeriSeri (Taula) prospects (refer to ASX Announcement dated 5 September 2019).

Golder revised their report in 2012 to include the drilling from year 2009. This second phase of drilling was completed by Petromin (PNG Government) who had subsequently acquired TGM. Using information from the Golder's report and existing drillhole and trench databases, a review was undertaken to decide if a JORC-code compliant resource could be estimated.

As a result, it was determined that additional information and analysis of existing drill core is required including:

- Additional drilling
- Improved topographic control
- Review of historical selective sampling method
- Additional re-assaying of selected historical drill core
- Bulk density program to better determine in-situ bulk densities
- Confirm historical drill hole locations

Assuming the mineralisation extends to 100 metres vertical depth, as supported by drilling, then an estimation from existing trench and drillhole data gives an **Exploration Target of 100,000oz to 300,000oz gold with a range of 600,000 to 1,000,000 tonnes grading between 5.0 to 9.0 g/t gold** (Table 1). The Exploration Target for the Saki prospect, describing the potential quantity and grade, is conceptual in nature. There has been insufficient exploration completed to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

<b>Saki Gold Prospect Exploration Target</b>						
<b>Project</b>	<b>Deposit</b>	<b>Rank</b>	<b>Low (T)</b>	<b>High (T)</b>	<b>Low (Gold)</b>	<b>High (Gold)</b>
Tolukuma	Saki	High	600,000	1,000,000	5.0 g/t	9.0 g/t
<b>Totals</b>			<b>600,000</b>	<b>1,000,000</b>	<b>5.0 g/t</b>	<b>9.0 g/t</b>

**Table 1: Saki Gold Prospect Exploration Target**

Sampling intervals adopted in the Phase 2 drilling by DP in 2009 often terminated in mineralisation and were irregular in width. Numeric data compositing is required which takes unevenly spaced numeric data down each hole and turns it into data that is regularly spaced down the same drillholes.

An upside is the additional resource potential of secondary veins and splays and in the extension of the main veins. Many of the existing gold anomalous trenches are yet to be drill tested and will be followed-up in a future drilling program. Geological mapping, trench sampling and follow-up drilling are all required to determine the north-western and south-eastern extents of the vein system which occur along the major "Saki Gold Zone", defined from recent 3D magnetic modelling (refer to ASX Announcement dated 10<sup>th</sup> July 2019).

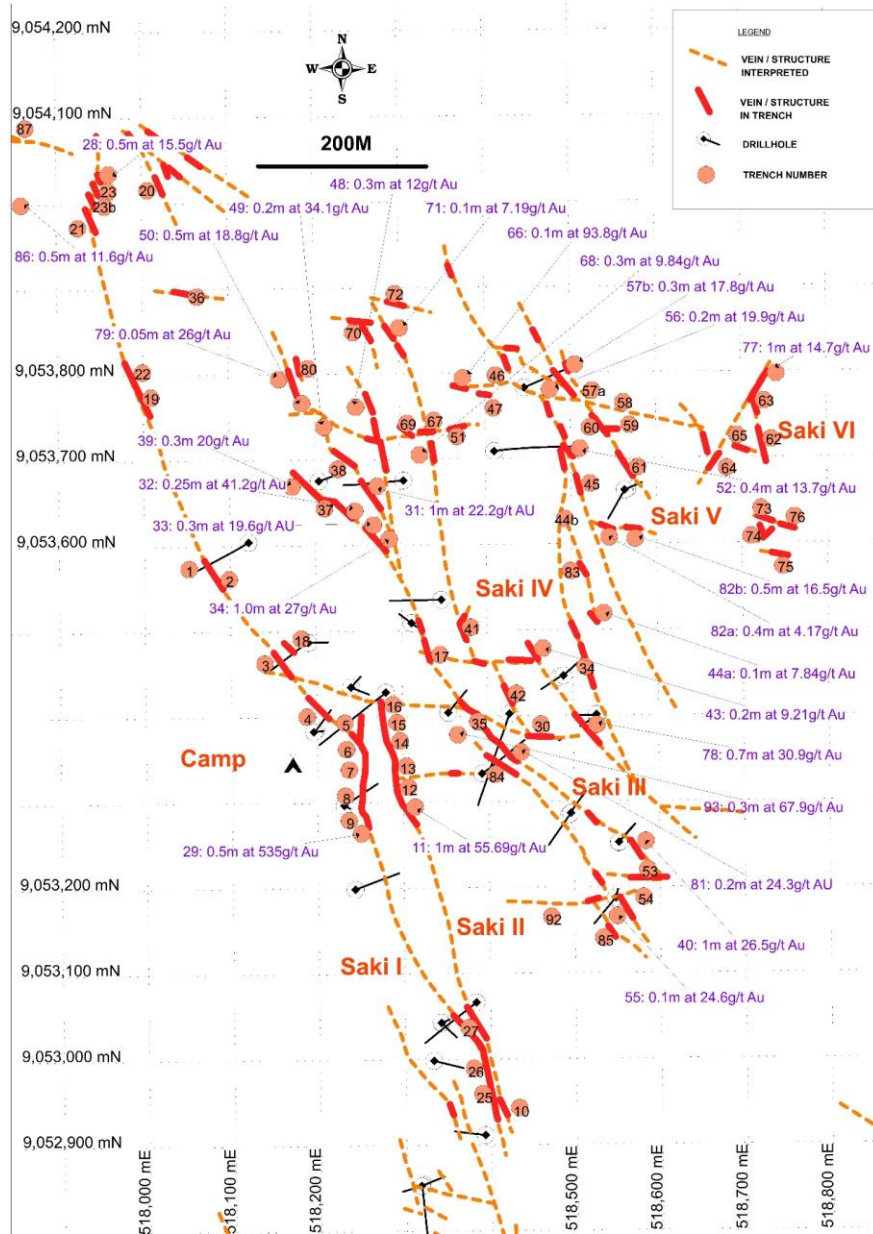


Figure 5: Saki Trenching Results (5g/t Au Cut-off)

Taula Drilling and Trench Results Show Near Surface Bonanza Gold Grades

During the Period on 5 September 2019 Frontier announced the results of its review of historical trench and drilling results at the SeriSeri and Kunda North gold prospects along the Taula and Taula North veins which occur over a 1,200m strike length. The Taula vein is a southern extension of the northwest trending Gulbadi structural corridor that extends 2.6 km from the Tolukuma mine into Frontier's tenement EL2531 (Figure 4).

Tolukuma Gold Mines (at the time owned by DRP) completed over 53 trenches which were dug and sampled with an objective to find additional gold resources for the mine. The Taula vein can be accessed by 4WD along the Miliamba haulage road and then half hour walk along tracks.

In October 2002, sampling of a brecciated and sheared quartz vein clast 1m wide within clay shears returned grades of **29.4 g/t** and **33.1 g/t Au** at the Taula North vein. Follow-up sampling returned a highest result of **332 g/t Au** with a general range between 1 g/t and 41 g/t Au. Elevated gold grades occur in dilation zones or flexures about 100 to 150m wide. The vein mineral assemblage of quartz +/- pyrite implied that the targeted area is higher up in a Tolukuma type mineralisation setting with further gold mineralisation at depth.

High gold in trench results of **27.4, 42.9, 66.6, 1m @ 80.5, 118, 198.5 and 1,041.2 g/t gold** are from the first step-out trench SST01 along the Taula vein near drillhole SSD09 (Figure 6). It appears that the Taula vein structure is the same one that defines the Kunda North prospect and is generally 0.5 to 2m wide and up to 5m wide within zones of dilation. A breccia pipe may have influence in localising gold where quartz veinlets on the margins returned elevated gold values.

The Taula vein is exposed at trench SST01 where significant amounts of visible free gold is associated with the inner silica/quartz core, consisting of:

- i) A crackly brecciated, vuggy, strongly silicified and oxidised/leached breccia with milky white massive quartz infilling the cracks; and
- ii) Massive milky white amorphous vuggy quartz with a later grey to crystal clear comb banded quartz specie that infill cracks and vugs. Free gold occurs on the margins and/or within the vuggy quartz.

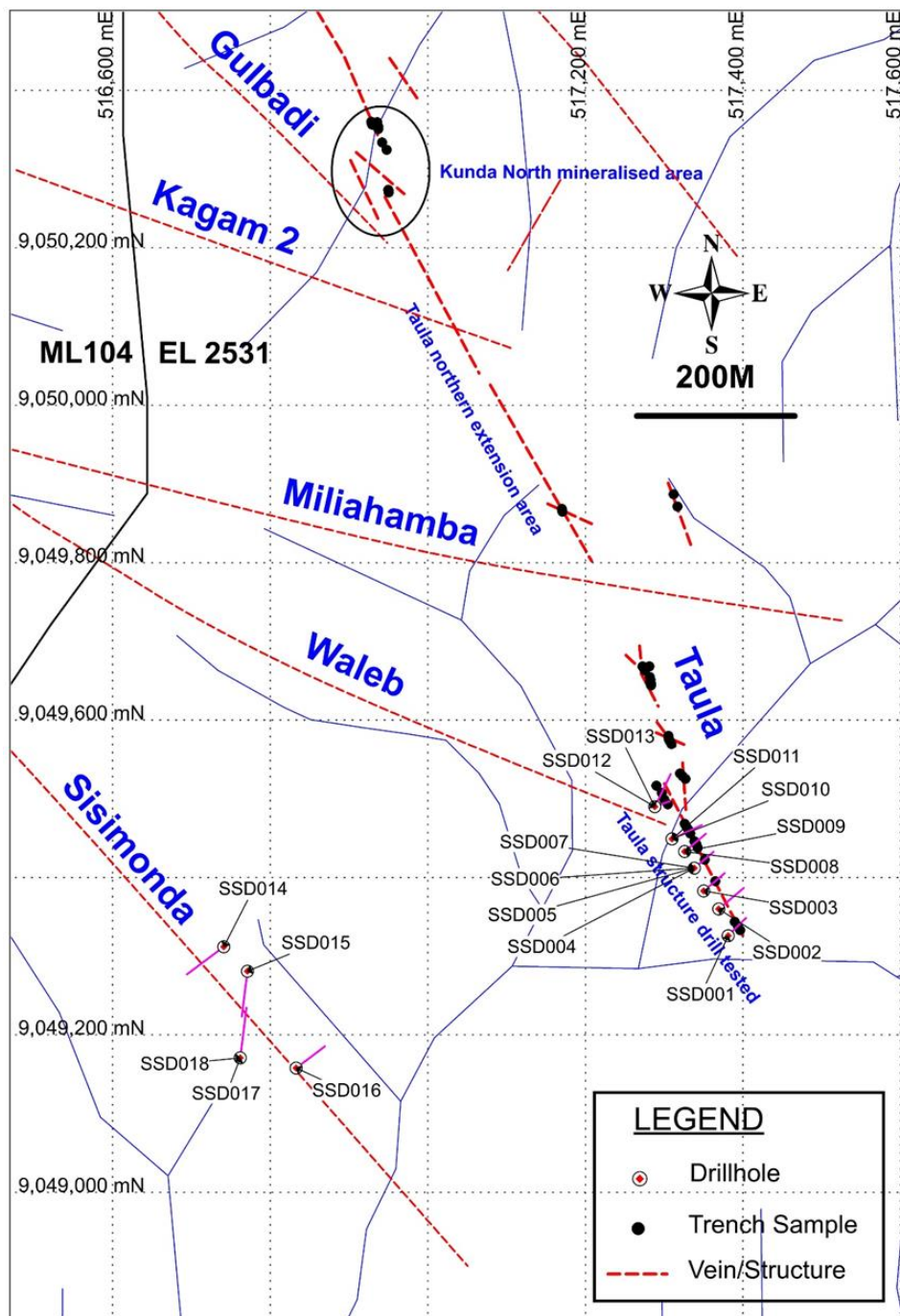


Figure 6: Taula and Sisimonda Vein Drillhole Locations

In 2003, a follow-up diamond drilling program targeted trench results at the southern extent of the known Taula structure (Figure 6). A total of 13 drillholes (SSD001 to 13) targeted the Taula vein with a total of 851.90 metres drilled. An additional five drillholes (SSD014 to 18) targeted the adjacent Sisimonda vein system to the west with a total of 463.85 metres drilled.

Holes SSD001&2 in the southeast intersected the Taula vein near surface with SSD002 intersecting **6m @ 3.80g/t Au** from 18.5m downhole depth in milky white saccharoidal quartz veins. SSD003 intersected **3m @ 16.19g/t Au** at 23m downhole into the lower Taula vein.

Holes SSD004 to 007 were drilled from the same drill pad. SSD007 had three significant gold intersections at greater depths than the first three holes including **0.75m @ 10.1g/t Au** from 45.7m, **3.9m @ 2.63 g/t Au** from 54.4m and **0.75m @ 7.5g/t Au** from 60.35m into two Taula veins and the lower Seri Seri vein of brecciated milky white quartz with blebs of marcasite, pyrite and cinnabar.

Holes SSD008 and 009 were completed from the same drill pad a further 32m northwest intersecting **5.3m @ 7.19m g/t Au** from 37.6m and **2m @ 5.28g/t Au** from 76.5m downhole depths in brecciated quartz veins. These deeper depths of gold intercepts demonstrate that the Taula structure is mineralised throughout multiple veins dipping to the northwest along strike.

Hole SSD010 intersected the massive quartz upper Taula vein at 31.1m depth with **1.7m @ 12.55g/t Au**. From the same drill pad hole SD011 intersected the lower Taula vein at 66m downhole depth with **4.2m @ 8.47 g/t Au** (see Figure 7 core photo).

Drillholes furthest to the northwest SSD012&013 intersected the upper and lower Taula veins and also the deeper massive quartz vein at 71.7m downhole in SDD013.

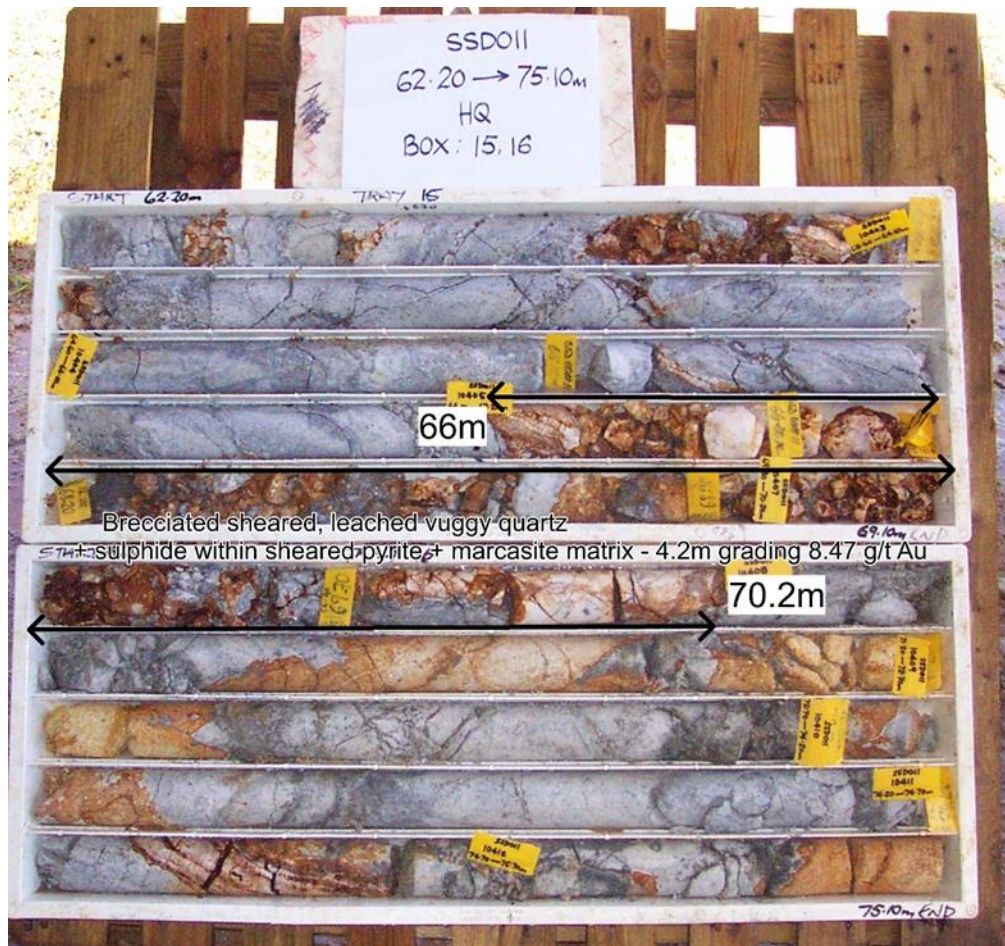


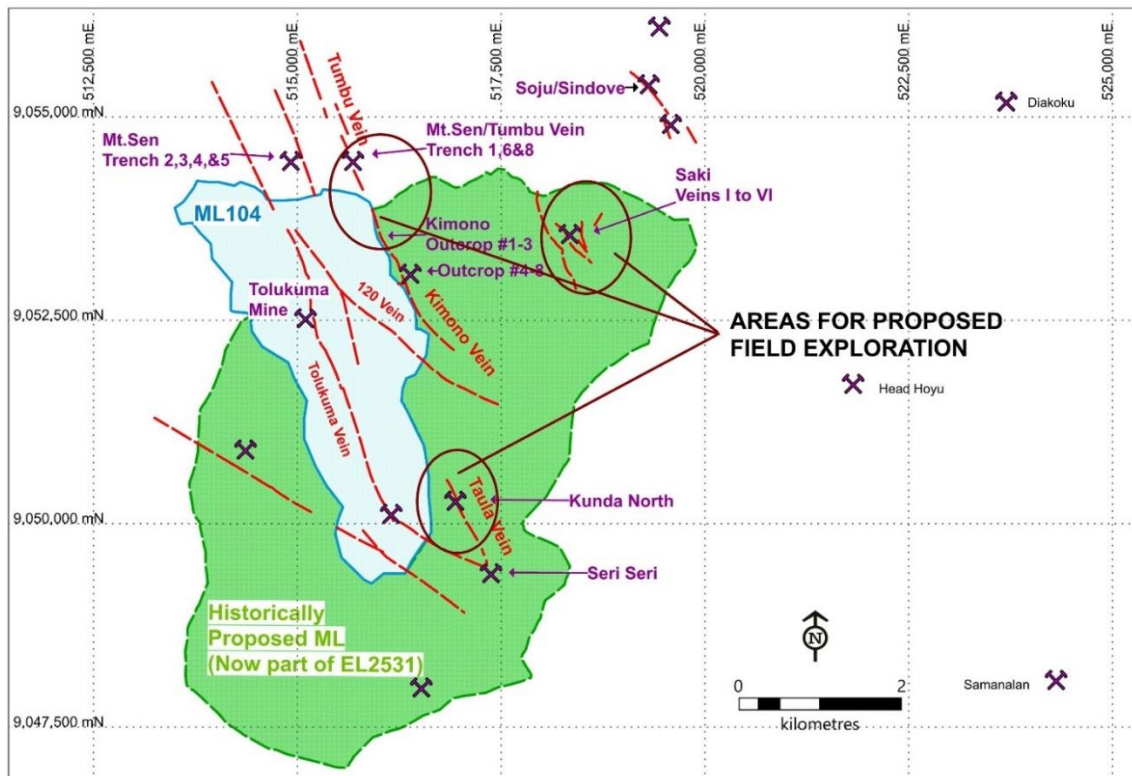
Figure 7: SSD011 Drill Core at 66 to 70.2m Depth



### Commencement of Fieldwork over Three Gold Prospects at Tolukuma

During the Period Frontier announced its plans for the commencement of fieldwork on the Tolukuma tenement. Plans include geological mapping, soil rock and trench sampling to determine the extents of near mine prospects at the Saki, Kimono North and Kunda North gold vein systems (Figure 8).

Frontier has gathered an extensive database of information on the Tolukuma mine and surrounding prospects and plans to continue with a similar exploration strategy outlined by DP.



**Figure 8: Prospects and Areas of Proposed Fieldwork within EL2531**

Three gold vein systems including Kimono North, Taula North and the Saki system of gold bearing veins were historically identified as most likely to provide additional gold resources to the Tolukuma mine; hence the historically proposed extension of the Mining Lease now within Frontier's tenement EL2531 (Figure 8)

Planned fieldwork at the Saki Prospect aims to identify additional drilling targets by extending historical trenching programs to test for continuity and length of the known gold veins. Trench sampling results along the Kimono vein include **1m @ 30.10g/t Au & 1m @ 17.80g/t Au** in Outcrop #5 and **6.68g/t Au** in Outcrop #2. The vein occurs 800m from the Tolukuma mill and further trench mapping and sampling are planned to define its interpreted 3km strike length (refer to ASX Announcement 22 November 2019).

Trench sampling results at the Taula North vein include 1.2m @ 1,041.20g/t Au and spot trench samples of **332g/t, 33.10g/t and 29.40g/t Au** a further 750m to the northwest. Additional trench sampling is planned to track the continuity of gold mineralisation (refer to ASX Announcement dated 5 September 2019).

Subsequent to the Period on 19 February 2020 the Company advised that its first phase field crew had arrived at the Saki prospect and had completed the necessary landowner awareness meetings. The presence of a geological team has generated significant interest from the Saki landowners and those in surrounding prospect areas including the nearby mining lease ML104 approximately 2km further to the west.

Landowners of Frontier's advanced Saki and Kimono gold prospects have welcomed a re-start of exploration activities. Landowners from the Tolukuma minesite are anticipating a re-opening of the mine which is currently under a tendering process to secure funding. Historical exploration at Saki was aimed at keeping the Tolukuma mine operational by finding additional ounces for its mill feed with a proposed road between Saki and the mine. Such access will require further feasibility studies as the mine becomes re-furbished.

Frontier's geological team at Saki are undertaking soil and rock sampling south of the camp between Degom Creek and Mandi Creek to assess gold bearing veins interpreted from historical soil sampling results. Follow-up trench sampling is then expected to expand the area of known gold vein mineralisation.

## **CORPORATE**

### Board Appointments/Resignations

During the Period Frontier announced the appointment of Mr Nathan Lude as Non-Executive Chairman of Frontier. Mr Lude has broad experience working in Asset Management, Mining and the Energy Industry. He operates an advisory firm, Advantage Management Pty Ltd and works with private and public companies, focused on enhancing business growth and development through introducing new project opportunities, investors and financing.

In addition, the Company advised that Mr Alec Pismiris had been appointed Non-Executive Director of Frontier. Mr Pismiris is currently a director and company secretary for several ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris is a director of Pacton Gold Inc., a company listed on the TSX Venture Exchange, where he is engaged as Interim President and Chief Executive Officer.

Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a Fellow of The Governance Institute of Australia. Mr Pismiris has over 30 years' experience in the securities, finance and mining industries and has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities. Mr Pismiris has a sound knowledge of ASX corporate governance guidelines, board processes and the regulatory environment in which public companies operate.

Frontier further advised that Mr Yun Wei (Fenix) Dong and Mr Fei Peng had resigned from the Board of Frontier. The Board thanks Mr Dong and Mr Peng for their contribution to the Board during their tenure.

### Share Sale Facility for Holders of Unmarketable Parcels of Shares

During the Period the Company advised it had established a sale facility for holders of unmarketable parcels for shareholders with holdings valued at less than A\$500 (**Sale Facility**). The Sale Facility enabled eligible shareholders to sell their Frontier Resources shares without incurring any brokerage or handling costs. This initiative was borne to reduce administration costs incurred by Frontier.

The Sale Facility was open to shareholders on the Frontier register who held less than A\$500 worth of shares. Unless eligible shareholders opted-out of participation in the Sale Facility, these shareholders had their shares sold and the proceeds remitted to them free from brokerage and handling fees.

The Sale Facility closed on 21 October 2019 and a total of 2,811,633 shares were sold on behalf of 287 holders under the Sale Facility at a price of \$0.0105 per share.

**Competent Person Statement:**

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 Swiridiuk - Member of the Aust. Inst. of Geoscientists. Peter Swiridiuk is a Technical Consultant and Non-Executive Director for Frontier Resources. Peter Swiridiuk 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 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter Swiridiuk consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Additionally, Mr Swiridiuk confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

**Frontier Resources Ltd Exploration Licence Information**

Exploration Licence Number and Name	Ownership	sub-blocks	AREA (sq.km)*	Grant Date	Expiry Date
EL 1595 - Bulago	100% Frontier Gold PNG Ltd	22	75.02	07-Jul-08	06-Jul-20
EL2356 - Muller Range	100% Frontier Copper PNG Ltd	56	190.46	31-Dec-15	30-Dec-19
EL2351 - Tolukuma	100% Frontier Copper PNG Ltd	130	441.72	25-Feb-19	24-Feb-21
ELA2529 - Gazelle	100% Frontier Copper PNG Ltd	211	719.51	N/A	N/A
Total of Granted EL's		208	707.20		

\*1 sub-block approx. 3.41 sq.km

NB: The PNG Mining Act-1992 stipulates that EL's are granted for a renewable 2 year term (subject to satisfying work and expenditure 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.

**EVENTS OCCURRING AFTER THE REPORTING DATE**

There were no significant events occurring after the reporting date.

**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.



Nathan Lude  
Non-Executive Director

11<sup>th</sup> March 2020

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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 2019, I declare that, to the best of my knowledge and belief, there have been:

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



SHAUN WILLIAMS  
PARTNER



MOORE STEPHENS  
CHARTERED ACCOUNTANTS

Signed at Perth this 11th day of March 2020

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

### Conclusion

We have reviewed the accompanying half-year financial report of Frontier Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, 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 information and the directors' declaration.

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 the company is not in accordance with the *Corporations Act 2001*, including:

- c) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- d) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001.

### 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 Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports 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 half-year financial report is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001.

As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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 2001*, which has been given to the directors of the Company, would be in the same terms if provided to the directors as at the time of this auditor's review report.



SHAUN WILLIAMS  
PARTNER



MOORE STEPHENS  
CHARTERED ACCOUNTANTS

Signed at Perth this 11th day of March 2020

## **DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 16 to 24 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 2019 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 Limited 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.



Nathan Lude  
Non-Executive Director

11<sup>th</sup> of March 2020

**FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Notes	Half-year	
		2019	2018
		\$	\$
<b>Continuing Operations</b>			
Revenue		-	-
Other income		-	122,170
Interest income		14,359	13,451
		<u>14,359</u>	<u>135,621</u>
Exploration expenditure		(182,930)	(48,167)
Administration and insurance		(100,407)	(153,830)
Consultancy		(122,129)	(162,364)
Corporate compliance and shareholder relations		(39,528)	(27,418)
Depreciation		(304)	(955)
Office rental, communications and consumables		-	(8,464)
Other expenses		-	-
		<u>(430,939)</u>	<u>(265,577)</u>
<b>Loss from continuing operations</b>		(430,939)	(265,577)
Income tax expense		-	-
		<u>(430,939)</u>	<u>(265,577)</u>
<b>Loss after income tax</b>			
<b>Loss for the half year is attributable to:</b>			
Equity holders of Frontier Resources Limited		(430,939)	(265,577)
Non-controlling interest		-	-
		<u>(430,939)</u>	<u>(265,577)</u>
<b>Total loss for the half year</b>			
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to profit or loss:</b>			
Movement in foreign currency reserve		(10,243)	(3,620)
		<u>(10,243)</u>	<u>(3,620)</u>
<b>Total comprehensive loss for the half year attributable to owners of Frontier Resources Limited</b>		<u>(10,243)</u>	<u>(3,620)</u>
<b>Total comprehensive loss for the half year is attributable to:</b>			
Equity holders of Frontier Resources Limited		(441,182)	(269,197)
Non-controlling interest		-	-
		<u>(441,182)</u>	<u>(269,197)</u>
<b>Total comprehensive loss for the half year</b>			
<b>Loss per share for loss attributable to the ordinary equity holders of Frontier Resources Limited</b>		Cents	Cents
Basic and diluted loss per share		(0.09)	(0.05)

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



**FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Notes	31-Dec-19 \$	30-Jun-19 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		4,303,920	4,751,102
Trade and other receivables		21,711	26,372
<b>Total Current Assets</b>		<u>4,325,631</u>	<u>4,777,474</u>
<b>Non-Current Assets</b>			
Trade and other receivables		5,032	5,078
Plant and equipment		304	607
<b>Total Non-Current Assets</b>		<u>5,336</u>	<u>5,685</u>
<b>Total Assets</b>		<u>4,330,967</u>	<u>4,783,159</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		88,111	99,121
<b>Total Current Liabilities</b>		<u>88,111</u>	<u>99,121</u>
<b>Total Liabilities</b>		<u>88,111</u>	<u>99,121</u>
<b>Net Assets</b>		<u>4,242,856</u>	<u>4,684,038</u>
<b>EQUITY</b>			
Contributed equity	4	39,219,988	39,219,988
Reserves	5	3,526,825	3,537,068
Accumulated losses		(38,503,957)	(38,073,018)
<b>Total Equity</b>		<u>4,242,856</u>	<u>4,684,038</u>

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

**FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31 DECEMBER 2019**

<b>Consolidated Entity</b>	<b>Contributed Equity</b>	<b>Accumulated Losses</b>	<b>Share Based Payment Reserve</b>	<b>Options Premium Reserve</b>	<b>Foreign Exchange Reserve</b>	<b>Total</b>	<b>Total Equity</b>
<b>Balance at 30 June 2018</b>	39,269,716	(37,180,118)	3,939,885	179,640	(574,341)	5,634,782	5,634,782
Loss for the half year	-	(265,577)	-	-	-	(265,577)	(265,577)
<b>Other comprehensive income -</b>							
Foreign currency translation	-	-	-	-	(3,620)	(3,620)	(3,620)
<b>Total Comprehensive Income/(Loss) for the period</b>	-	(265,577)	-	-	(3,620)	(269,197)	(269,197)
<b>Transactions with equity holders -</b>							
Option issued during the period	-	-	-	-	-	-	-
Share issued during the period	(53,301)	-	-	-	-	(53,301)	(53,301)
<b>Balance at 31 December 2018</b>	<b>39,216,415</b>	<b>(37,445,695)</b>	<b>3,939,885</b>	<b>179,640</b>	<b>(577,961)</b>	<b>(5,312,284)</b>	<b>(5,312,284)</b>
<b>Balance at 30 June 2019</b>	39,219,988	(38,073,018)	3,939,885	179,640	(582,457)	4,684,038	4,684,038
Loss for the half year	-	(430,939)	-	-	-	(430,939)	(430,939)
<b>Other comprehensive income -</b>							
Foreign currency translation	-	-	-	-	(10,243)	(10,243)	(10,243)
<b>Total Comprehensive Income/(Loss) for the period</b>	-	(430,939)	-	-	(10,243)	(441,182)	(441,182)
<b>Transactions with equity holders -</b>							
Share issued during the period	-	-	-	-	-	-	-
Cost of Share issued	-	-	-	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>39,219,988</b>	<b>(38,503,957)</b>	<b>3,939,885</b>	<b>179,640</b>	<b>(592,700)</b>	<b>(4,242,856)</b>	<b>(4,242,856)</b>

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

**FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Notes	Half-year	
		2019	2018
		\$	\$
<b>Cash Flows from Operating Activities</b>			
Interest received		14,359	13,451
Payments to suppliers and employees		(274,895)	(335,084)
Payments for exploration and evaluation activities		(186,795)	(188,331)
<b>Net cash outflow from operating activities</b>		<b>(447,331)</b>	<b>(509,964)</b>
<b>Cash Flows From Investing Activities</b>			
Proceeds from purchase of fixed assets		-	(2,170)
<b>Net cash inflow from investing activities</b>		<b>-</b>	<b>(2,170)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares (net of share issue costs)		-	(53,300)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>-</b>	<b>(53,300)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(447,331)</b>	<b>(565,434)</b>
Cash and cash equivalents at the beginning of the half-year		4,751,102	5,956,074
Effect of exchange rates on cash holdings in foreign currencies		149	116
<b>Cash and cash equivalents at end of the half-year</b>		<b>4,303,920</b>	<b>5,390,756</b>

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

**FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2019**

**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.

This 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 2019 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 except as described below.

**Application of new and revised accounting standards**

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period and the group had to change its accounting policies as a result of adopting the following standard:

**AASB 16: Leases**

At inception of a contract, the Group assesses if the contract contains a lease or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

**FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

**Initial Application of AASB 16: Leases**

Based on director's assessment, the adoption of AASB 16 did not have any impact on the Group as the Group has no leases.

**2. LOSS FOR THE PERIOD**

	<b>Half-year</b>	
	<b>2019</b>	<b>2018</b>
The following expense items are relevant in explaining the financial performance for the interim period:		
Exploration expenditure	182,930	48,167

**FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2019**

**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.

	<b>Papua New Guinea Exploration \$</b>	<b>Treasury \$</b>	<b>Consolidated \$</b>
<b>For the Half Year to 31 December 2019</b>			
Segment Revenue		14,359	14,359
Segment Results	(98,788)	14,359	(84,429)
Amounts not included in segment results but reviewed by Board:			
Corporate Expenses			(346,510)
Loss before Income Tax			(430,939)
<b>As at 31 December 2019</b>			
Segment Assets	8,061	4,322,906	4,330,967
Segment Liabilities	14,223	73,888	88,111

**FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2019**

**3. OPERATING SEGMENTS (continued)**

	Papua New Guinea Exploration \$	Treasury \$	Consolidated \$
<b>For the Half Year to 31 December 2018</b>			
Segment Revenue		135,621	135,621
Segment Results	(89,336)	135,621	46,285
Amounts not included in segment results but reviewed by Board:			
Corporate Expenses			(311,862)
Loss before Income Tax			(265,577)
<b>As at 31 December 2018</b>			
Segment Assets	18,043	5,400,574	5,418,617
Segment Liabilities	29,223	77,110	106,333

**4. EQUITY SECURITIES**

	Dec 2019 Shares	Jun 2019 Shares	Dec 2019 \$	Jun 2019 \$
Balance at 1 July	489,101,938	489,101,938	39,219,988	39,219,988
Share Issue (net of costs)	-	-	-	-
Balance at end of the period	489,101,938	489,101,938	39,219,988	39,219,988

	Dec 2019 Options	Jun 2019 Options
Options to purchase ordinary shares		
Balance at 1 July	187,500,000	187,500,000
Issue of directors' options	-	-
Less expired options	-	-
Balance at end of the period	187,500,000	187,500,000

**FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2019**

**5. RESERVES**

	<b>Dec 2019</b>	<b>Jun 2019</b>
	<b>\$</b>	<b>\$</b>
Share based payment reserve	3,939,885	3,939,885
Options premium reserve	179,640	179,640
Foreign currency translation reserve	(592,700)	(582,457)
	<hr/>	<hr/>
	3,526,825	3,537,068
	<hr/>	<hr/>
<b>Movements – Share based payment reserve</b>		
Balance at 1 July	3,939,885	3,939,885
Option expense	-	-
	<hr/>	<hr/>
Balance at end of the period	3,939,885	3,939,885
	<hr/>	<hr/>
<b>Movements – Options premium reserve</b>		
Balance at 1 July	179,640	179,640
Options issued to directors	-	-
	<hr/>	<hr/>
Balance at end of the period	179,640	179,640
	<hr/>	<hr/>
<b>Movements – Foreign currency translation reserve</b>		
Balance at 1 July	(582,547)	(574,341)
Currency translation differences arising during the period	(10,153)	(8,116)
	<hr/>	<hr/>
Balance at end of the period	(592,700)	(582,457)
	<hr/>	<hr/>

**6. COMMITMENTS AND CONTINGENT LIABILITIES**

The Group's commitments remain consistent with those noted at 30 June 2019. The Group has no contingent liabilities at 31 December 2019.

**7. DIVIDENDS**

There were no dividends paid or recommended during the financial period ended 31 December 2019.

**8. EVENTS OCCURRING AFTER THE REPORTING DATE**

There were no events occurring after the reporting date.