



Address
Level 11, BGC Centre, 28 The Esplanade Perth, WA 6000
Phone
+61 8 9486 4036

ABN
96 095 684 389
WEBSITE
www.frontierresources.com.au

ASX: FNT

ASX Limited
Market Announcements Platform

15 July 2020

ACTIVITIES REPORT – QUARTER ENDED 30th JUNE 2020

- Mineral Resources Authority in PNG reports a Phase 1 investment of K50million (~A\$21m) is planned at the Tolukuma mine site to recommence mine refurbishment and resource drilling.
- Frontier rock sample results of **14.5 g/t, 9.37 g/t, 7.59 g/t, 6.57 g/t and 5.96 g/t gold** confirm the high tenor of gold mineralisation of the partly drilled Saki gold system which hosts a 1,400m by 700m wide system of north-northwest trending gold veins 2km east of the Tolukuma minesite.
- Frontier soil sampling at Saki west reveals at least ten additional interpreted veins which significantly increase the size potential of the Saki gold system that require follow-up trench sampling and drilling. Leaching of gold has been identified in an oxidised zone in Trench SD11 with results of **0.5m at 0.82g/t gold** immediately west of the interpreted veins.
- An independent review of historical data at the Mt.Sen system, 800m north of the Tolukuma mine, has revealed a system of gold veins with rock sampling results including **432g/t Au** in the Emaloun Structure. Rock chip results of **34.8, 33.9, 24.3, 19.4 & 17.5 g/t Au** with visible gold was observed in two sub-parallel zones. Trench results include **0.3m @ 431.5g/t Au**. Drill intersections include **1.15m @ 6.4 g/t Au**.
- An independent review of historical data along the Kimono structure has identified a 4km zone of gold mineralisation along the eastern boundary of the Tolukuma gold mining lease. Trenching has indicated high grade gold values of **13m @ 49.0g/t Au** at the 120 vein. At Kimono South, rock samples include **8.25 g/t Au** plus wide intervals of anomalous gold in soil samples.

Frontier Resources Limited (**Frontier** or the **Company**) is focussed on high grade gold mineral exploration at its 100% owned tenement that completely surrounds the Tolukuma Mining Lease ML104, approximately 100km north of the PNG National Capital of Port Moresby (Figure 1). Road access has historically been designed to access the minesite and also access gold prospects which are now within Frontier's tenement EL2531 (Figure 2). A re-commencement of infrastructure development at the mine makes the nearby mill feed gold projects at Frontier's Saki, Soju, Mt.Sen, Seri-Seri and Kimono highly prospective.

During the quarter the Company released rock, trench and soil sampling results from its first phase of field exploration at the Saki gold prospect. In addition, an independent review of historical technical data has been completed at the Mt.Sen gold prospect to the north of the ML104. A 4km long zone of gold mineralisation was also identified along the eastern boundary of the mining lease at Kimono.

Key results noted from the historical work include a rock sample of **432g/t Au** in the Emaloun structure at Mt.Sen, high grade gold values of **13m @ 49.0g/t Au** from the 120 vein trenching at Kimono, **8.25 g/t Au** in rock samples at Kimono South plus wide intervals of anomalous gold in soil samples.



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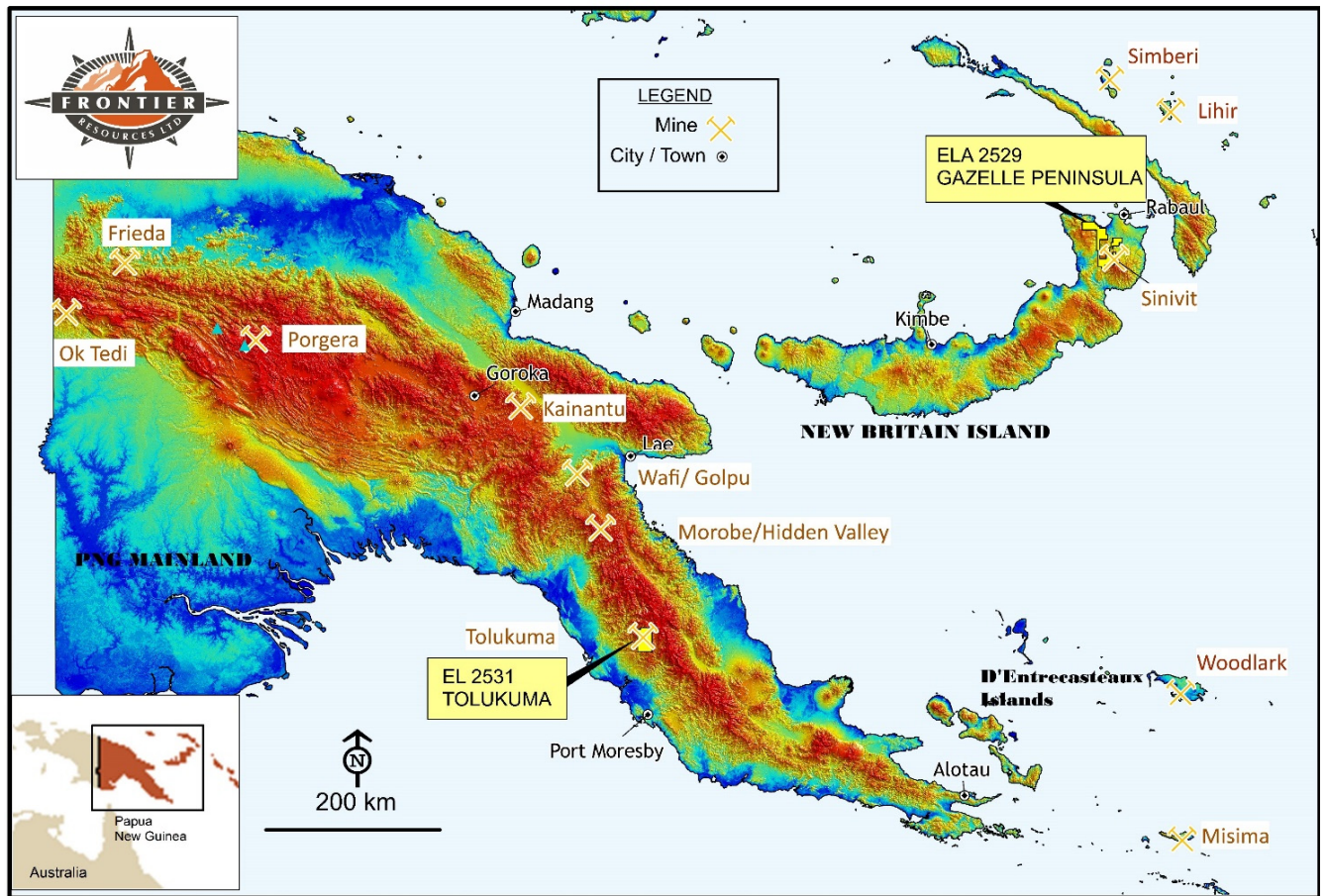


Figure 1: Frontier Projects in Papua New Guinea

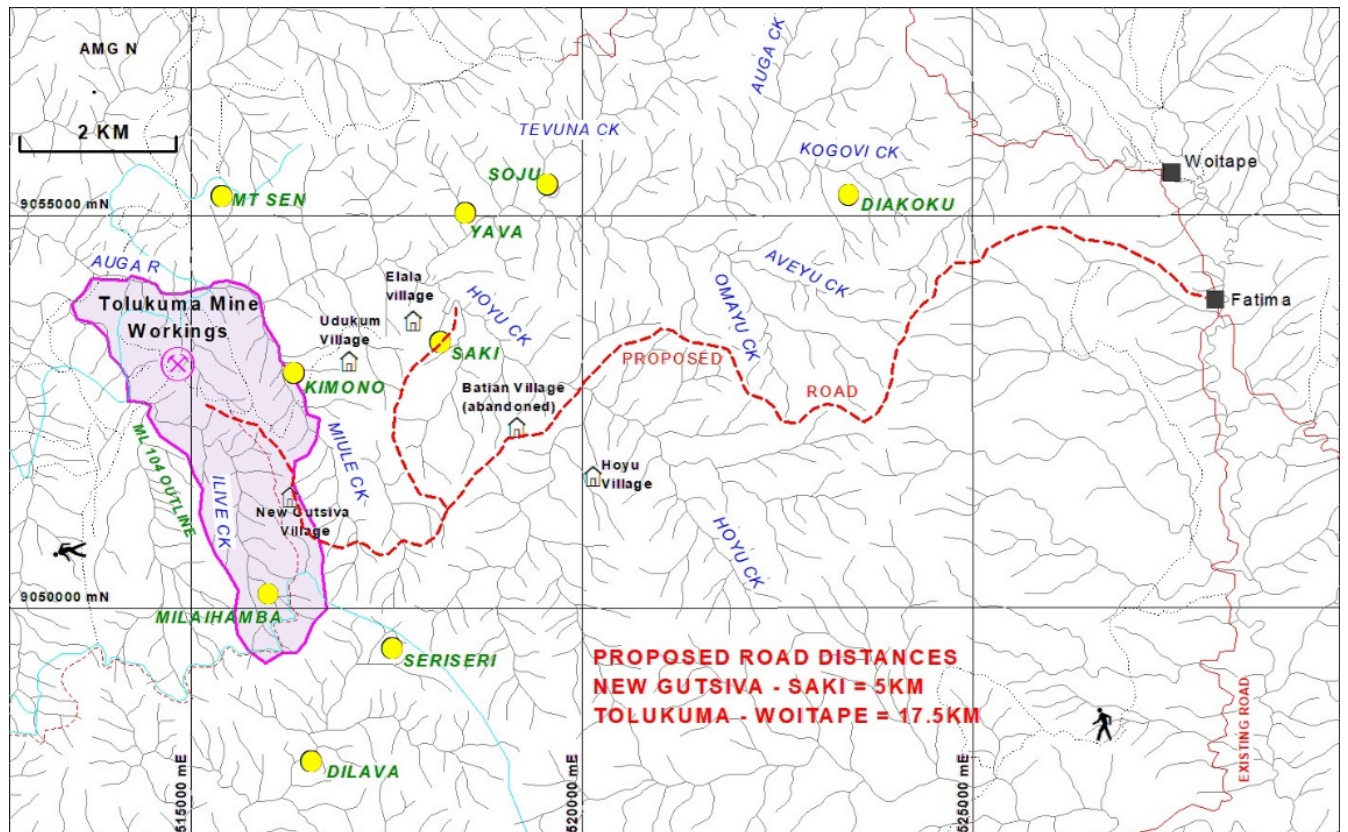


Figure 2: Frontier "Mill-Feed" Gold Prospects Near the Tolukuma Gold Mine



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Rock sampling results within the partly drill tested main group of Saki veins I to VI (Figure 3) confirm the highly mineralised nature of the gold system where Frontier sampling results include:

1. **21.3 g/t Ag** from the Saki I vein
2. **13.2 g/t Ag** from the Saki II vein
3. **20.6 g/t Ag** from the Saki II vein in Lower Geseva Creek
4. **29.8 g/t Ag** taken a further 360m north along the Saki II vein
5. **11.9 g/t Ag** from the Saki III vein in Degom Creek
6. **15.6 g/t Ag** from the Saki IV vein in Lower Mandi Creek
7. **33.4 g/t Ag** from the Saki IV vein next to artisanal mining activities

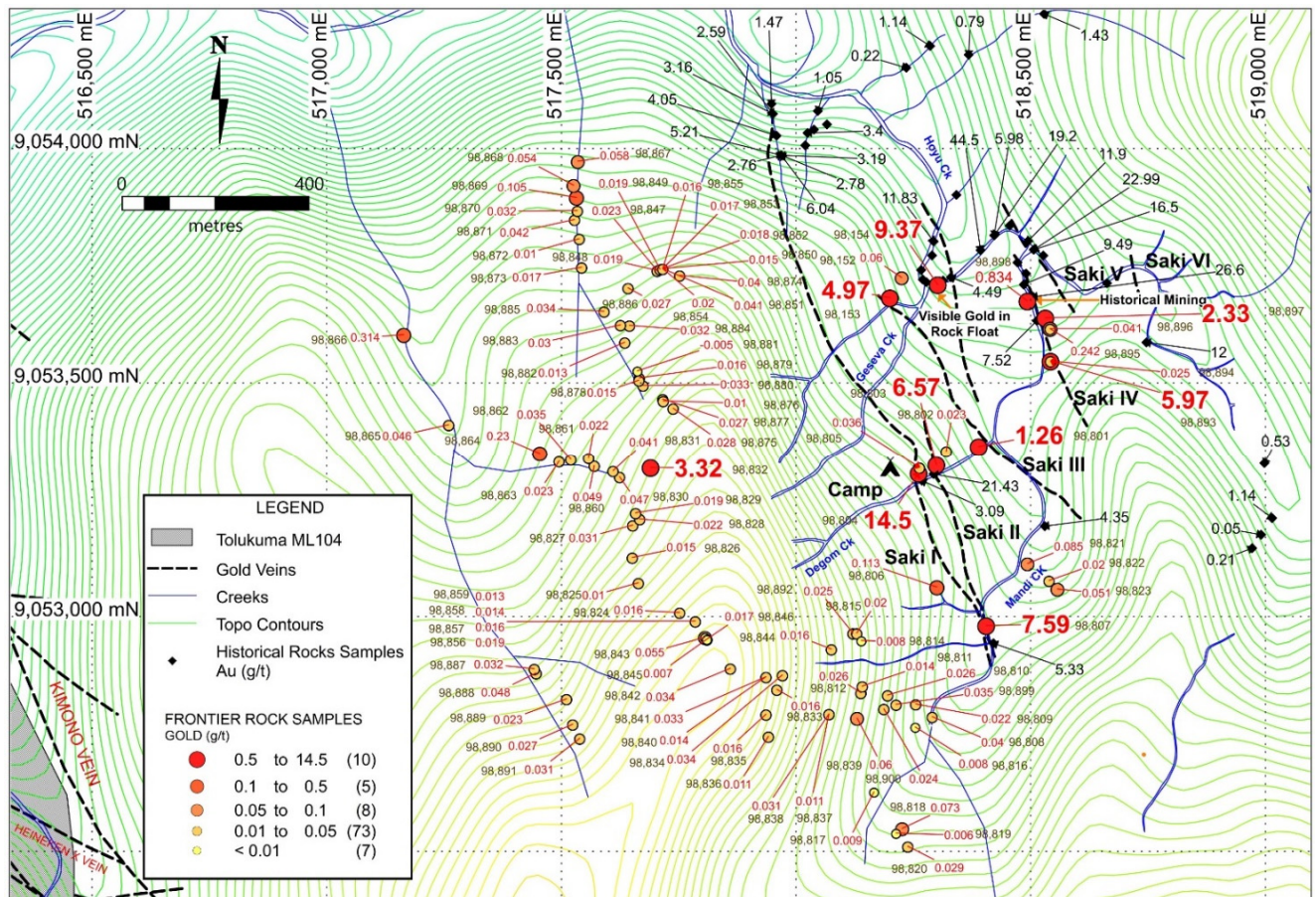


Figure 3: Saki Rock Sampling Results and Gold Mineralised Veins I to VI

Trace anomalous pathfinder element (As) samples 700m northwest of the camp may indicate leaching of gold in an oxide zone at the “Frontier Gold Target” (Figure 4) which provides significant encouragement for expanding the overall size of the Saki gold system.

A series of at least **ten** NNW trending Frontier interpreted veins have been identified from its soil sampling program southwest of the main vein system (Veins I to VI), which increases the size potential of the Saki prospect area by 7 Ha or 20% (Figure 4). Follow up sampling of these zones by hand pitting or trenching is warranted. Frontier plans to fast track potential drill sites to define its near-mine gold projects and to generate JORC Resources for future “mill-feed” to the mine once it re-commences operations.

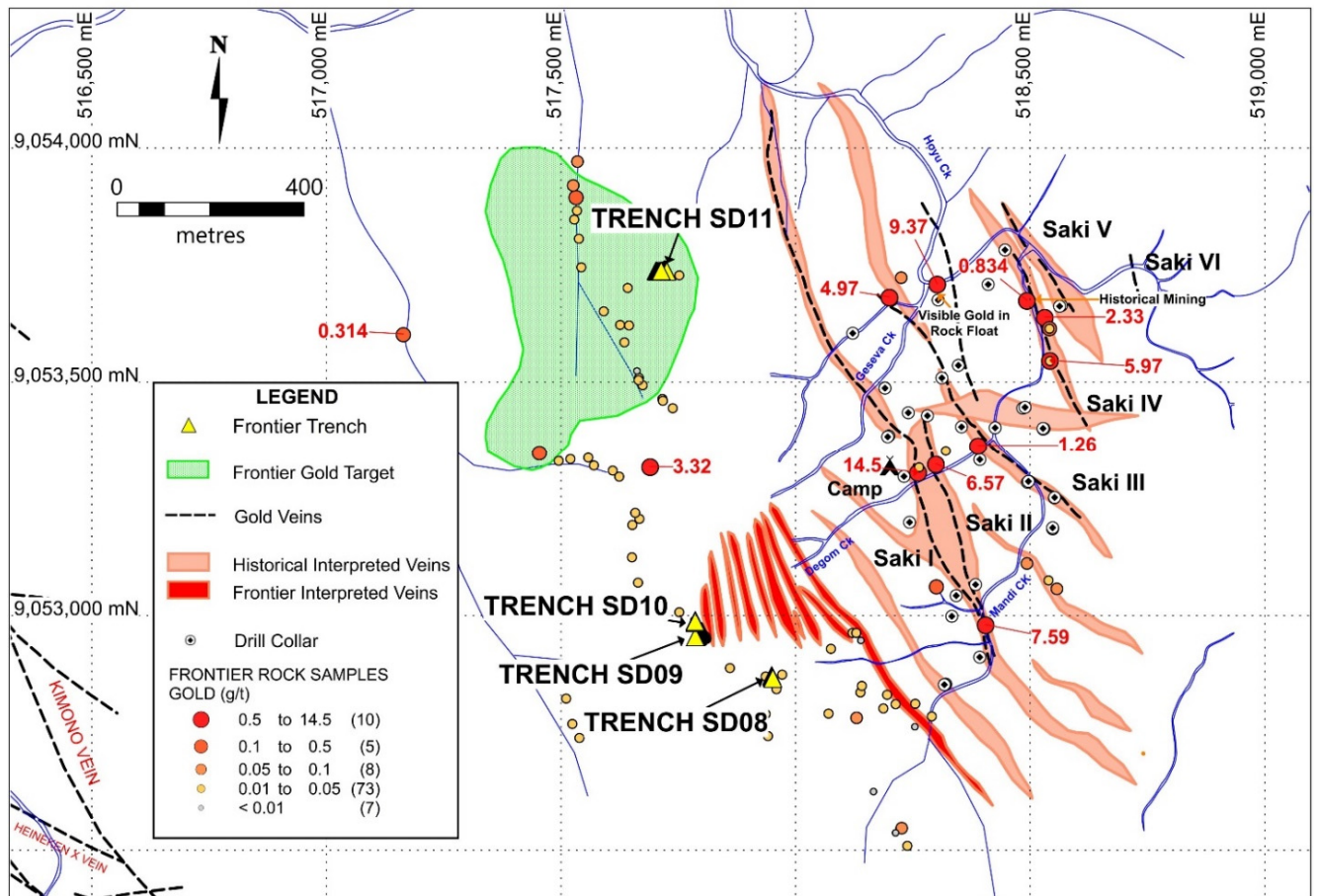


Figure 4: Trench Locations with Interpreted Veins and Gold Target

Anomalous gold pathfinder element arsenic values from Trench **SD11** occur within Frontier’s gold target area (Figure 4) may indicate **surficial leaching of gold**. In trench **SD09**, the best result was **0.82g/t gold over 0.5m** from an oxidised clay zone.

From the Frontier field sampling program at Saki, follow-up work is justified in four areas including:

- (i) Hand pitting and trenching of soil anomalies from Frontier Interpreted Veins;
- (ii) Detailed mapping and sampling in Geseva Creek;
- (iii) Follow up mapping and sampling at the 3.32g/t gold anomaly west of Saki Camp; and
- (iv) Geological mapping and geochemical sampling in the high arsenic ‘Frontier Gold Target’.

Mt.Sen Independent Review of Historical Data

The Mt.Sen prospect covers an area of approximately 3.5 km x 3.0 km located north of the Auga River (Figure 2) where two NNW-trending mineralised structures have been identified at Tumbu and Emaloun. Tumbu is the northern extension of the Kimono structure. The structures contain multiphase brecciation and silicification with a wide range of gold values ranging up to **432g/t Au** in the Emaloun Structure. Mineralisation and alteration is associated with that at the Tolukuma mine.

A total of 864 ridge-spur soil samples were collected at 25 m spacing along ridge crests over both the Emaloun and Tumbu areas (Figure 5) where eleven ridges were considered to be geochemically anomalous for gold.

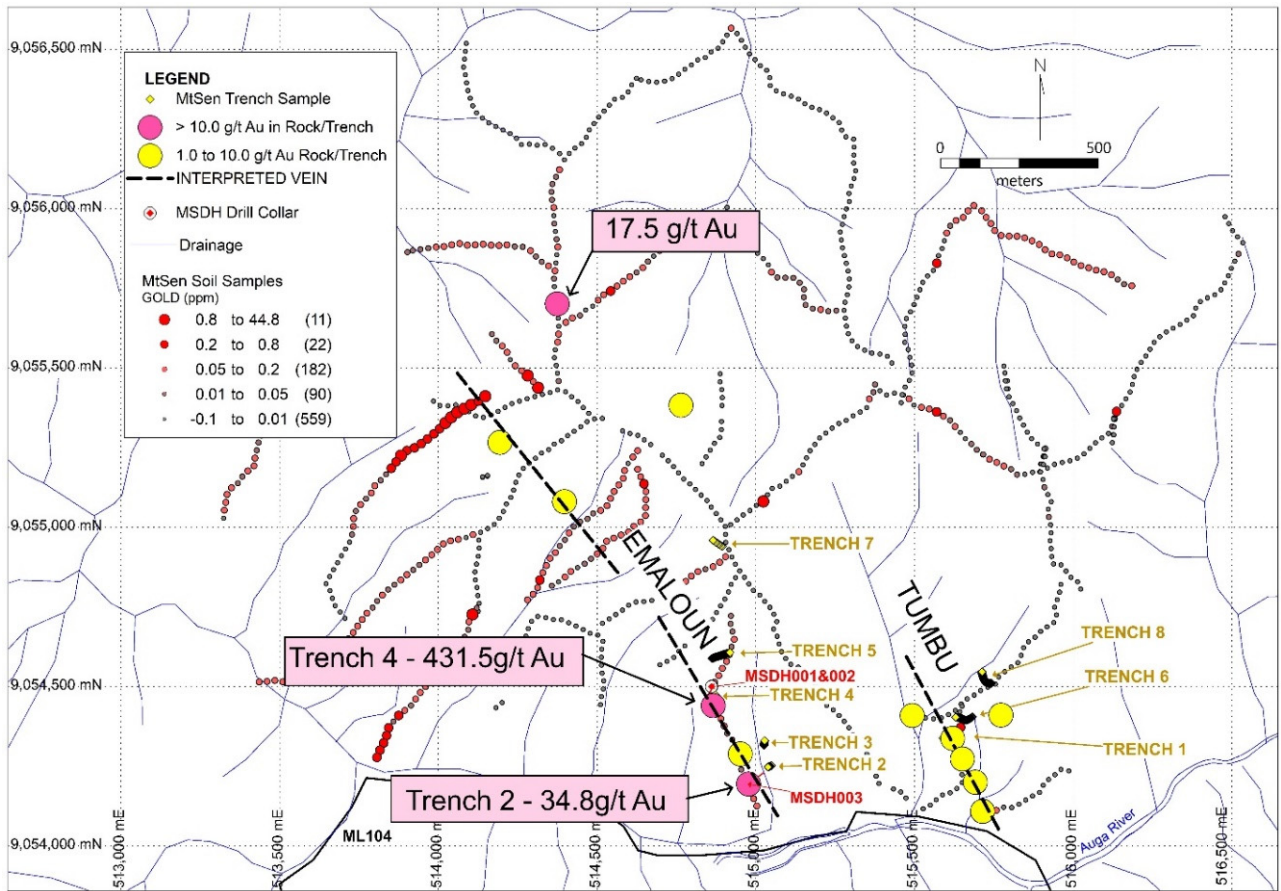


Figure 5: Mt.Sen Summary Map of Interpreted Structures and Target Areas

A total of 332 rock chip/grab and hand trench samples have been historically collected and 47 had assay values greater than 1.00 g/t Au and 8 had assay values greater than 10.0 g/t Au (Figure 6). The highest reported gold values in rock chip/grab samples were **34.8, 33.9, 24.3, 19.4** and **17.5 g/t Au**.

A total of eight hand trenches were dug on the Tumbu and Emaloun ridges with best trench results of **0.3m @ 431.5 g/t Au** in Trench 4. Other trench assay results include **46.0, 15.1, 9.92, 7.73** and **7.37 g/t Au** at Emaloun and **7.62 g/t Au** at Tumbu (Figure 5) with most samples collected across the structures being anomalous (greater than 0.1g/t Au).

Three scout diamond holes (MSD-001 to 003) totalling 366.7 m were drilled in trench samples on the Emaloun Structure (Figure 6). Best intersections from MSD-003 included **1.15m @ 6.4g/t Au** (from 125.9m) in a quartz vein with visible gold in; and **0.97m @ 2.33g/t Au** (from 131.2m).

The following work has been recommended at the Emaloun Structure to define drill targets:

- I. Re-excavate, map and re-sample selected trenches;
- II. Mapping and rock chip sampling of drainages along strike of and adjacent to the target zones (to map structures and locate outcropping veins/lodes, if present);
- III. Dig additional trenches on strike extensions of the target zones, the locations to be determined after field inspection; and
- IV. Hand pitting or trenching of selected soil anomalies and additional soil sampling if warranted.

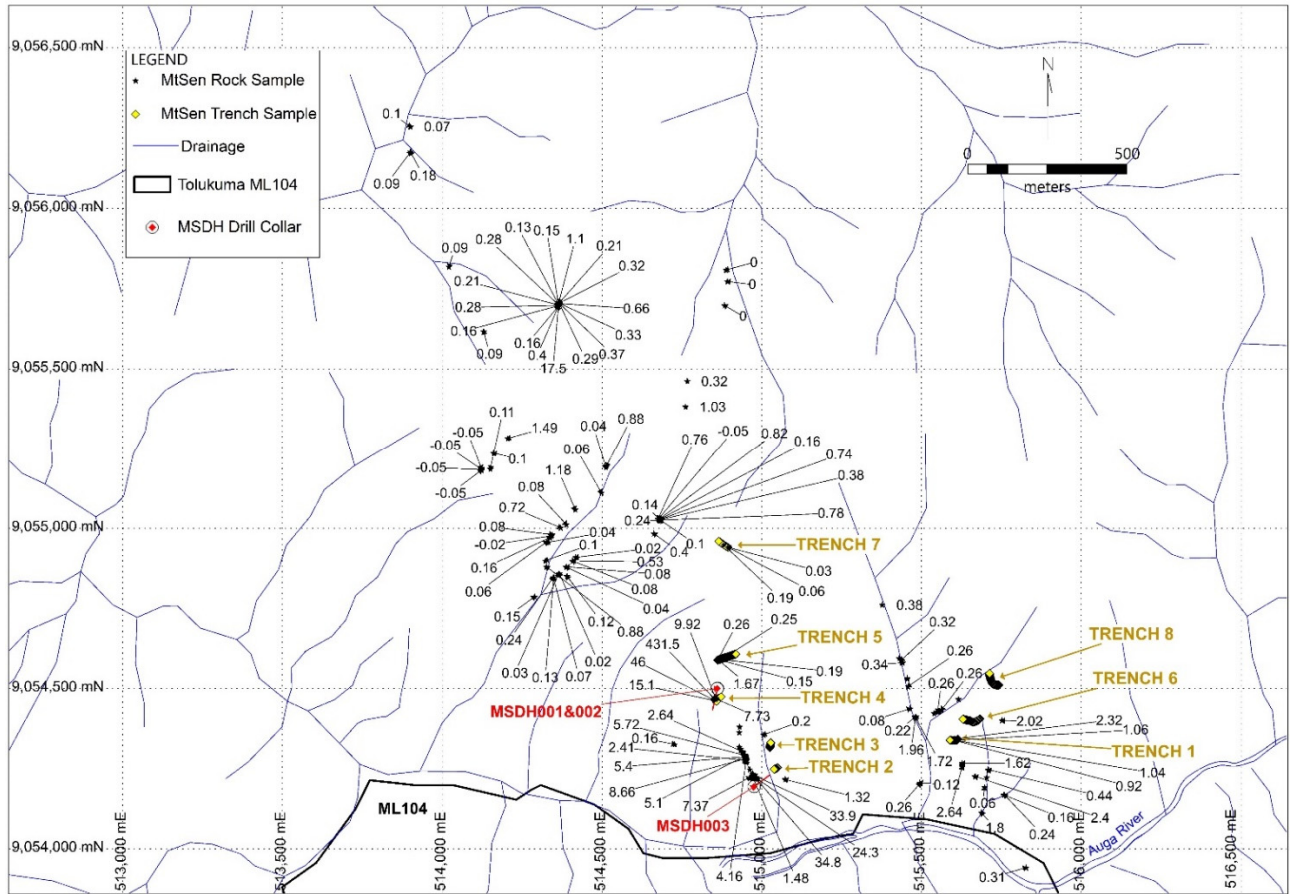


Figure 6: Location of Drillholes, Rock and Trench Samples

Kimono Structure Independent Review of Historical Data

Historical mapping, rock chip sampling, soil sampling, trenching and airborne geophysics at Kimono have defined a mineralised/anomalous zone extending for about 4.0km from the Auga River at Kimono Central to upper Muile Creek at Kimono South (Figure 7). This zone encompasses the known Kimono Vein (Kimono Central), the 120 vein, and Kimono South (formerly Dudu) where wide intervals of anomalous gold in soils partly coincident with airborne geophysical anomalies that require follow-up ground sampling.

Historical rock chip assay results include:

- **5.90g/t Au** in Outcrop#1
- **6.68g/t Au** in Outcrop#2
- **4.58g/t Au** in Outcrop#3
- **12.90g/t Au** in Outcrop#4
- **1m @ 30.10g/t Au & 1m @ 17.8 g/t Au** trench samples in Outcrop#5
- **38.50g/t Au** in Outcrop#6
- **34.40 and 26.2g/t Au** in Outcrop#7
- **1m @ 4.45g/t Au** trench sample in Outcrop#8
- **9.3g/t Au** in the Heineken Vein
- **13m @ 49.0g/t Au** in 120 Trench 4
- **2m @ 12.6g/t Au** in 120 Trench 3



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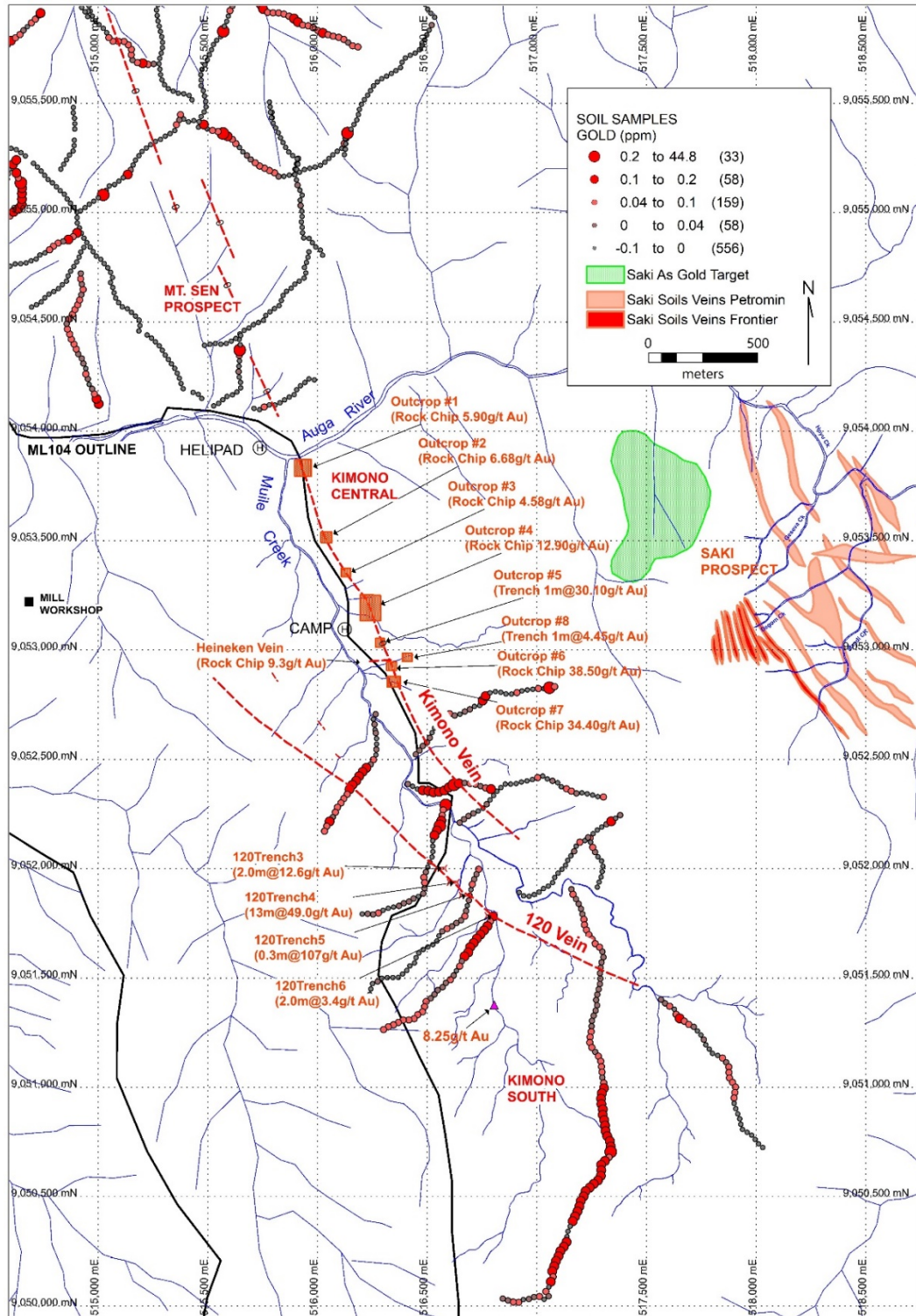


Figure 7: Kimono Central to Kimono South Zone of Gold Mineralisation

At Kimono South, historical exploration consisted of mapping, rock and soil sampling, and follow-up mapping of three airborne geophysical anomalies. One rock sample assayed **8.25g/t Au** (Figure 7). Several creeks within the upper Muile drainage system remain unsampled. Ridge-spur soil sampling identified wide intervals of weakly anomalous gold broad anomalous zones that will require follow-up sampling.



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The following fieldwork has been recommended to define drill targets:

1. Mapping and detailed rock chip sampling;
2. Follow-up selected ridge-spur soil anomalies;
3. Spot ground check magnetic and radiometric geophysical anomalies;
4. Re-excavate, map and re-sample selected historical trenches;
5. Dig, map and sample additional trenches along strike extensions of the existing veins; and
6. Deep hand augering for tracing vein extensions in areas of thick overburden.

Next steps on the existing project portfolio:

- Review remaining regional historical data within EL2531.
- Landowner discussions for upcoming fieldwork programs at Kimono and Saki gold prospects.
- Undertake planned mapping and geochemical sampling programs at the Kimono and Kimono South gold mineralised zone along the eastern boundary of the Tolukuma mining lease.
- Seek strategic partners to more rapidly advance gold prospect within EL2531.
- Continue to assess additional project opportunities that fit within the Company strategy.

ASX Additional Information

1. ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the quarter was \$38,000 Full details of exploration activity during the June quarter are set out in this report.
2. ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the quarter.
3. ASX Listing Rule 5.3.5: Payment to related parties of the Company and their associates during the quarter: \$77,186. The Company advises that this relates to non-executive directors' fees and consulting fees only. Please see the Remuneration Report in the Annual Report for further details on Directors' Remuneration.

Releases Submitted to the ASX During the Quarter Included:

| | |
|---------------|--|
| 21 April 2020 | Rock Samples up to 14.5 g/t Gold Confirm High Tenor of Saki Mineralisation |
| 1 May 2020 | Soil Sampling Increases Interpreted Vein System at Saki |
| 14 May 2020 | Saki Trench Sampling Identifies Surface Leaching of Gold |
| 9 June 2020 | Mt.Sen Veins up to 432g/t Au with Visible Gold |
| 17 June 2020 | Saki Target Areas Identified from Geochemical Modelling |
| 25 June 2020 | Tolukuma Mine to Resume Operations |
| 2 July 2020 | 4km Zone of Gold Mineralisation Identified at Kimono |
| 2 July 2020 | Change of Registered Office Address |

Authorised by the Board of Frontier Resources. For additional information please visit our website at www.frontierresources.com.au

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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 |
|-------------------------------------|------------------------------|------------|---------------|------------|-------------|
| EL2531 - 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 | | 130 | 441.72 | | |

*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.

| Location | Project | Tenement No. | Previous Interest | Current Interest |
|----------|---------|--------------|-------------------|------------------|
| PNG | Bulago | EL1595 | 100% | 0% |