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ASX Limited  
Company Announcements Office

ASX : FNT

31<sup>st</sup> January 2014

## QUARTERLY ACTIVITY REPORT

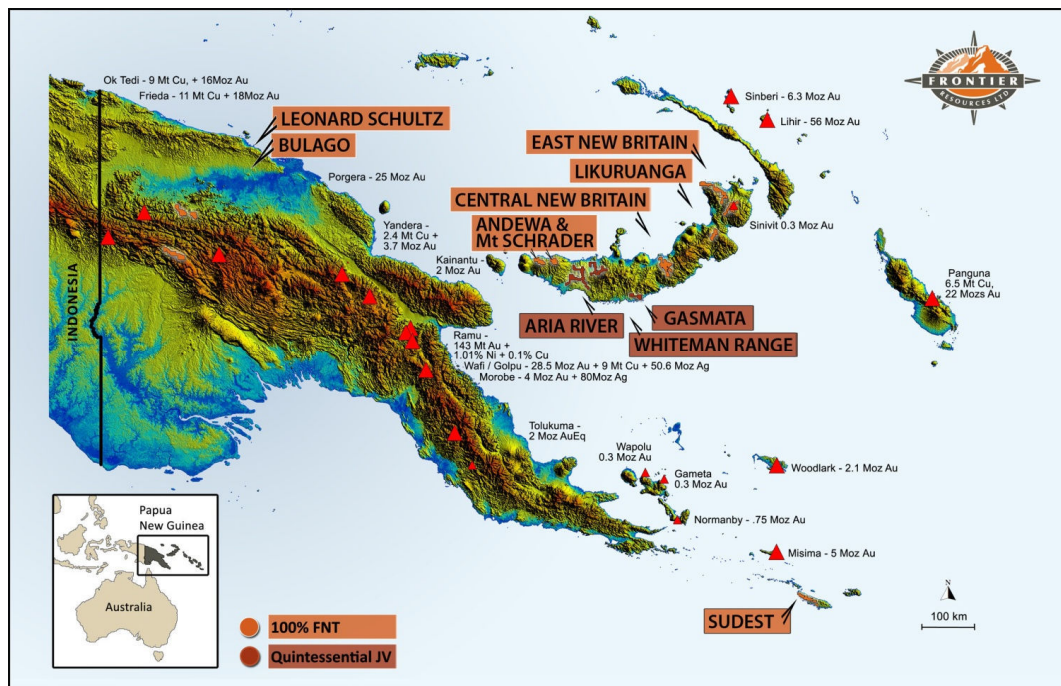
### TECHNICAL REPORT – QUARTER ENDED 31<sup>ST</sup> DECEMBER 2013

Frontier Resources Ltd is focussed on mineral exploration in Papua New Guinea (Figure 1) with a 100% interest in 9 Exploration Licences (ELs) that are highly prospective for the discovery and delineation of porphyry copper +/- gold +/- molybdenum, porphyry gold and epithermal gold deposits. No field work was conducted during the Quarter.

The Company also has a 50%-50% contributing Joint Venture with Quintessential Resources Ltd on 3 Exploration Licences on the island of New Britain, PNG. No field work was conducted during the Quarter.

The geological and assay database for the 5 projects returned from former Joint Venture partner Ok Tedi Mining Ltd is being evaluated.

Frontier has a 5% Nett profits Interest in the Stormont Gold Deposit in Tasmania, Australia, where mining of ore and stripping of waste rock commenced in December 2013. A substantial stockpile of ore was built up and is being processed through BCD Resources Ltd's Beaconsfield Mill. Frontier also has a 10% Free Carried Interest to completion of 'Bankable' Feasibility Study in Torque's adjacent Moina Project and will be repaid long term debt from Torque when Stormont mining/processing is completed.



The following had been achieved by early January 2014:

- Approximately 6,200t of ore mined
- Approximately 3,700t of ore trucked to Beaconsfield for processing
- Approximately 2,500t of ore is on the Run of Mine pad at Stormont awaiting trucking to Beaconsfield.



Frontier Resources Ltd Exploration Licence Information						
	Licence No.	Date From	Date To	Ownership	Area (SQ KM)	Latitudinal Sub Blocks
Bulago River	EL 1595	7/07/2012	6/7/2014	100% Frontier Copper PNG Ltd	140	42
Mt Andewa	EL 1345	13/08/2012	12/8/2014	100% Frontier Copper PNG Ltd	100	30
Mt Likuruanga	EL 1351	13/08/2012	12/8/2014	100% Frontier Copper PNG Ltd	123	37
East New Britain	EL 1592	21/03/2013	20/3/2015	100% Frontier Copper PNG Ltd	493	148
Central New Britain	EL 1598	21/03/2013	20/3/2015	100% Frontier Copper PNG Ltd	347	104
Leonard Schultz	EL 1597	13/02/2013	12/2/2015	100% Frontier Copper PNG Ltd	590	177
Mt Schrader	EL 1951	13/03/2012	12/3/2014	100% Frontier Copper PNG Ltd	127	38
Sudest Island	EL 1594	13/03/2012	12/3/2014	100% Frontier Copper PNG Ltd	133	40
Aria River	EL 2045	28/09/2012	27/09/2014	50% Frontier - Quintessential Resources Ltd contributing JV	553	166
Whiteman Range	EL 2047	28/09/2012	27/09/2014	50% Frontier - Quintessential Resources Ltd contributing JV	83	25
Gasmata	EL 2057	28/09/2012	27/09/2014	50% Frontier - Quintessential Resources Ltd contributing JV	107	32
Cethana	EL 29/2009	13/09/2010	12/09/2015	10% Free Carried to BFS Frontier -Torque Mining Ltd JV	109	NA
River Lea	EL 42/2010	3/04/2011	2/04/2016	10% Free Carried to BFS Frontier -Torque Mining Ltd JV	9	NA
Narrawa Creek	RL 3/2005	12/05/2006	12/05/2014	10% Free Carried to BFS Frontier -Torque Mining Ltd JV	2.8	NA
Stormont Mine	ML 1/2013	3/11/2013	13/08/2018	5% Nett Profits Interest Frontier -Torque / BCD Mining Ltd JV	0.13	NA
<b>Total Area</b>					<b>2,918</b>	<b>Sq Km</b>
NB: 1. The Papua New Guinea Mining Act of 1992 stipulates that ELs are granted for renewable 2 year Terms (subject to Work and Financial Commitments) 2. The PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease is granted. 3. BFS = Completion of a positive and hence "Bankable" Feasibility Study into the viability of any proposed mining operation						

For additional information relating to Frontier Resources and/ or its projects, please refer to previous quarterly reports, ASX releases and visit the Company's website at [www.frontierresources.com.au](http://www.frontierresources.com.au).

#### FRONTIER RESOURCES LTD

P.A. McNeil, M.Sc.  
CHAIRMAN / MANAGING DIRECTOR

The information in this report that relates to Exploration Results is based on information compiled by, or compiled under the supervision of Peter A. McNeil - B.Sc., M.Sc. and Member of the Aust. Inst. of Geoscientists. Peter McNeil is the Managing Director of Frontier Resources and consults to the Frontier Resources Ltd. Peter McNeil 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 McNeil consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

FRONTIER RESOURCES LIMITED

ACN

095 684 389

Quarter ended ("current quarter")

December 2013

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 6 Months \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(103)	(560)
(b) development		
(c) production		
(d) administration	(134)	(337)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other Expenditure reimbursable by others		
<b>Net Operating Cash Flows</b>	<b>(237)</b>	<b>(894)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects		
(b) investment in listed entity		
(c) other fixed assets		
1.9 Proceeds from sale of:		
(a) prospects		
(c) other fixed assets		
1.10 Loans to other entities	(1)	24
1.11 Loans repaid by other entities	100	100
1.12 Other (provide details if material)	(1)	4
Cash held by subsidiary no longer consolidated		
JV contributions on tenements		
JV spending on tenements		
<b>Net investing cash flows</b>	<b>98</b>	<b>128</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(139)</b>	<b>(766)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(139)	(766)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc. net of costs	95	95
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	95	95
<b>Net increase (decrease) in cash held</b>			
		(44)	(671)
1.20	Cash at beginning of quarter/year to date	108	734
1.21	Exchange rate adjustments to item 1.20	-	1
1.22	<b>Cash at end of quarter</b>	64	64

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	69
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Consulting Fees and Director Fees

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	
4.3 Production	
4.4 Administration	40
<b>Total</b>	<b>50</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	64	27
5.2 Deposits at call	-	81
5.3 Bank overdraft		
5.4 Other – cash held by subsidiary		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>64</b>	<b>108</b>

### Changes in interests in mining tenements

#### Interests in Mining Tenements

Disclosure in accordance with ASX Listing Rule 5.3.3

6.1	Project/ Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	EL 1345 – Andewa	Papua New Guinea	100%	-	-
	EL 1591 – Mt Schrader	Papua New Guinea	100%	-	-
	EL 1595 – Bulago	Papua New Guinea	100%	-	-

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

EL 1597 – Leonard Schultz	Papua New Guinea	100%		
EL 1531 – Likuruanga	Papua New Guinea	100%		
EL 1592 – East New Britain	Papua New Guinea	100%		
EL 1598 – Central New Britain	Papua New Guinea	100%		
EL 1594 – Sudest	Papua New Guinea	100%		

6.2	<b>Farm-in Agreements / Tenements</b>	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
	ELA 2047 – Whiteman Range	Papua New Guinea	50%		
	ELA 2057 – Gasmata	Papua New Guinea	50%		
	ELA – 2058 – Nakanai Mountains	Papua New Guinea	0%		Disposed of
	ELA 2045 – Aria River	Papua New Guinea	50%		
	ELA 2046 – Open Bay	Papua New Guinea	0%		Disposed of

6.3	<b>Farm-out Agreements / Tenements</b>	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	Nil	Nil		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	317,645,774	317,645,774		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	13,599,092	13,599,092	0.007	0.007
7.5	<b>+Convertible debt securities (description)</b>	Nil	Nil		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options (description and conversion factor)</b>			<i>Exercise price</i>	<i>Expiry date</i>
		4,500,000		11.0 cents	30-Dec-14
		2,220,000		16.5 cents	30-Dec-14
		2,320,000		11 cents	30-Dec-14
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	200,000		4.0 cents	19-Oct-13
7.11	<b>Debentures (totals only)</b>	Nil	Nil		
7.12	<b>Unsecured notes (totals only)</b>	Nil	Nil		

+ See chapter 19 for defined terms.

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 January 2014  
(Company secretary)

Print name: Jay Stephenson

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.