



Frontline announces an increase to the Loan funding to advance production at its Keban and Kambertepe Tailing Projects

TSX-V: FGC

For Immediate Release

Toronto, Ontario – (June 22, 2016) – Frontline Gold Corporation (TSX-V:FGC) (“Frontline” or the “Company”) is pleased to announce that it has negotiated a \$200,000 increase to the previously announced unsecured loan (“Loan”) in the amount of \$250,000 that was highlighted in its April 20, 2016 press release (*“Frontline secures funding to advance to production at its Kambertepe and Keban Tailings Projects”*) www.stockwatch.com/News/Item.aspx?bid=U-nf20193_136-U%3AFLDPF-20160420&symbol=FLDPF®ion=U. The Loan, which will now total \$450,000, is being advanced by two private investors (the “investors”) who are both arm’s length to the Corporation. The additional funds will be used primarily to allow the Company to expedite production from its tailings projects at Kambertepe.

The proceeds from the \$450,000 loan will be used for the following:

- 1) a minimum of \$360,000 will be used for developing the Tailings Projects. Work at the Kambertepe copper tailings, up to 20,000 tonnes, as previously announced, is underway. Preparation for work at Keban started as well;
- 2) up to \$45,000 can be used to fund the pursuit of additional tailings projects that exist in Turkey, and;
- 3) up to \$45,000 can be used to make option payments and advance exploration on the Company’s Red Lake and Rainy River projects, in addition to acquiring additional strategic land positions within the Red Lake Mining Camp.

Commentary

Mr. Walter Henry, President and CEO of Frontline commented, “Given the increase in the Kambertepe tailing tonnage from 6,000 tonnes to approximately 20,000 as previously reported, the \$200,000 increase in the Loan funding is warranted to continue the ongoing transportation of the tailings to the processing site. Based upon the significant increase in tailings tonnage and overall grade at both Keban and Kambertepe, the economic in-situ value of both tailings projects has dramatically increased, resulting in continued interest in funding the on-going development of our tailings operations in addition to the other tailings projects that exist within the Elazig region.

As previously highlighted, and given Frontline’s balance sheet, the signing of an unsecured loan with 1) no debt or working capital covenants, and 2) a six-month principal and interest holiday is an ideal funding structure for the Company to fund and expedite work at both the Kambertepe and Keban projects.

The Company's current tailings projects, combined with the potential to add two to three new tailings areas are rapidly transforming the Company into a tailings processor with the ability to generate positive cash flow in the near future.

Highlights of the Amended Loan:

- 1) Will be unsecured and no debt or working capital covenants.
- 2) The additional \$200,000 will be fully advanced by June 20, 2016. The original \$250,000 was fully advanced by April 30, 2016. The term on the Loan will be for a term of 18 months from June 30, 2016 and will bear interest at the rate of 12%, payable monthly in arrears, which remains unchanged from the original Loan terms. FGC shall start repaying the Loan at the end of December 2016, by way of 12 monthly payments of \$37,500.
- 3) FGC will also pay to the Investors a royalty (the "Royalty") equal to 3.5% of the net proceeds, calculated as gross revenue less excavating and transportation costs and processing costs, received from the Keban and Kambertepe tailings projects in Turkey. This is an increase of 1.5% from the 2% previously announced. FGC shall have the right to buy back of 0.5% of the Royalty at a purchase price of \$90,000 for a 30-day period following the first anniversary of the first Royalty payment.
- 4) FGC will issue to the Investors a total of 10 million common share purchase warrants (the "Warrants"). The Warrants shall have an exercise price of 2 cents and a term of 3 years from the date of issue. The Warrants are subject to the approval of the TSX Venture Exchange. FGC shall use its best effort to obtain regulatory approval to issue the Warrants with an exercise price of 2 cents, but if it is unable to do so, then FGC shall, within a year, use its best efforts to cause its common shares to be consolidated on a 5-1 basis, subject to shareholder approval, and the Warrants shall be issued with an exercise price of 10 cents. If, during the term of the Warrants, the shares of FGC trade at 5 cents or higher for a period of 30 consecutive trading days, then FGC shall be entitled to give notice that half the Warrants have been accelerated to a date not less than 20 business days after such notice has been provided.
- 5) FGC shall provide the Investors with a two-year right of first refusal ("ROFR") to provide financing to FGC in connection with any additional tailing deposits acquired by FGC in Turkey.

The loan and warrants remain subject to the receipt of all regulatory approvals, including approval of the Toronto Stock Venture Exchange.

Update

The following is a brief summary of the current developments of the Company both in Turkey and the Red Lake:

- 1) The excavating and transportation of the Kambertepe tailings to the processing site continues; The completion of the processing and receipt of revenue is expected within the next two months;
- 2) We are currently in final negotiations regarding the signing of a process agreement for the processing of the Kambertepe copper tailings;
- 3) Third party metallurgical testing on both the Kambertepe and Keban are underway to identify the optimal process of recovery of both the Kambertepe and Keban tailings. Additional information on the ideal recovery processes will be provided when the metallurgical testing is completed; and
- 4) The Company is continuing to evaluate other potential tailings opportunities in Turkey in addition to evaluating strategic land packages within the Red Lake mining camp in northern Ontario.

Keban Tailings Project

The Keban tailings project is located approximately 45 km northwest from the city of Elazig, via paved highway, is fully permitted, and includes the exclusive rights to process a minimum 114,000 tonnes of mineralized milled tailings stored in two areas within the defined tailings boundaries. Current tailings tonnage is now estimated to be approximately 150,000 tonnes.

Kambertepe Tailings Project

The Kambertepe Tailings Project includes the exclusive rights to process mineralized tailings, initially estimated at approximately 6,000 tonnes, with the following average reported grades per tonne of tailings: 2.1% Copper, 21 g/t Silver, 1.9% Zinc, 0.5% Titanium and over 50% Iron, as noted from a Firat University report on the project dated March 15th, 2016. As discussed above, current tailings tonnage is now estimated to be in the range of 15,000 to 20,000 tonnes.

Frontline did not complete the work required to verify the historical mining estimates noted above and is not treating these historical estimates as being compliant with current standards under NI 43-101 and as such these historical estimates should not be relied upon. *Caution should be used when evaluating these resources as they were calculated prior to NI 43-101 existing and a qualified person has not done work to classify the historical estimate as a current mineral resource.*

Frontline continues to actively seek additional investor/partner(s) 1) to continue to expedite the full tailings and contained metal recovery at both the Keban and Kambertepe tailings projects; 2) to jointly fund the new tailings projects that the Company has been in discussions to acquire and 3) to fund development on all its properties in the Red Lake and Rainy River areas. To contact Frontline, please call Walter Henry at 416-414-5825 or visit the company's website.

The technical information herein was reviewed by Mr. Greg Isenor, P. Geo., who acts as Frontline's Qualified Person as defined by National Instrument 43-101.

About Frontline Gold Corporation

Frontline is a Canadian junior mineral exploration company with an experienced discovery team and a proven record of accomplishment. The Company's principal properties include the Menderes gold project in the Izmir province of Western Turkey, the Flint Lake and Sandhill Lake gold projects which are adjacent to Chalice Gold's Cameron Lake Gold Deposit in Ontario and the Niaouléni gold project in southern Mali in the heart of West Africa's prolific gold belt. Other Canadian exploration properties include its Red Lake (gold) property groups that include the Whitehorse Island Mining Patents.

Further information about the Company is available on the Company's website, www.frontlinegold.com, or our social media sites listed below:

Facebook: <https://www.facebook.com/Frontline Gold Corp./>

Twitter: <https://twitter.com/frontlinegold>

This news release contains forward-looking statements, which address future events and conditions, which are subject to various risks and uncertainties. The Company's actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company's control. These factors include: the availability of funds; the timing and content of work programs; results of exploration activities and development of mineral properties, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimations, receipt and security of mineral property titles; project cost overruns or unanticipated costs and expenses, fluctuations in metal prices; currency fluctuations; and general market and industry conditions.

Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

"Walter Henry"

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