FRONTIER

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ASX Limited
Nicholas Ong
Principal Adviser, Issuers (Perth)
2 The Esplanade
Perth WA 6000

Via Facsimile

14th August 2009

Dear Nicholas

In response to your correspondence dated 10th August 2009, concerning the Appendix 5B for the period ending 30 June 2009, I note,

1. The factors that should be taken into account in assessing the Company's cash position include;
   a. the pending cash sale of EL1596, "Jimi", to Harmony Gold PNG Ltd for the consideration of A$300,000 as released to the ASX on 8th June 2009
   b. the announcement advising a Non-Renouncable Entitlement Issue to raise up to A$5.2 million which was released to the ASX on 14th August 2009.

2. The Company expect to have negative operating cash flow until such time as a cash flow positive mining operation is established, which is considered normal for a junior mineral exploration company.

3. The Company proposes to meet its business objectives as;
   a. the A$300,000 cash payment from the "Jimi" tenement sale is expected forthwith.
   b. a successful Non-Renouncable Entitlements Issue will raise up to A$5.2 million. Please refer to Section 4.1 of the Prospectus released to the ASX on 14th August 2009 for details regarding the Company's ongoing strategy and the use of proceeds.

4. I confirm that the Company complies with Listing Rule 3.1 and the guidance note.

5. The Company confirms it is in compliance with the Listing Rule 12.2 for the following reasons:
   a. as disclosed in the Company's Prospectus dated 14 August 2009 section 4.2, the Company has a net asset position of $2,981,548 as at 30 June 2009;
   b. the Company is due to receive $300,000 from the sale of EL1596 as advised in 1a above;
   c. the Company has announced a non-Renounceable Entitlement Issue to raise up to A$5.2 million as advised in 1b above.

The Company has a reasonable expectation, based on the above that it will be able to fund its planned business activities. The Company will keep the market fully informed.

Sincerely
FRONTIER RESOURCES LTD

Paige McNeil
COMPANY SECRTARY (joint)

ASX
AUSTRALIAN SECURITIES EXCHANGE

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FAXED
10 August 2009

Jay Stephenson
Company Secretary
Frontier Resources Ltd
Unit 6, 34 York Street
North Perth WA 6006

By Facsimile: 9228 0704

Dear Jay,

Frontier Resources Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 June 2009, released to ASX Limited ("ASX") on 30 July 2009, (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Net negative operating cash flows for the quarter of $194,000.

2. Cash at end of quarter of $190,000.

3. Estimated cash outflows for next quarter of $50,000.

In light of the information contained in the Appendix 5B, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may only have sufficient cash to fund its activities for the quarter ending September 2009. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on **facsimile number 9221 2020.** It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 5.00 p.m. W.S.T. on Friday, 14 August 2009.**

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries regarding any of the above, please contact me on 9224 0017.

Yours sincerely,

Nicholas Ong
Principal Adviser, Issuers (Perth)