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ASX Limited
Company Announcements Office
Announcement

1st September 2010

Notice to Option Holders Concerning the Exercise and Expiry of Listed Company Options and Corporate Update

The Company wishes to advise all holders of listed options (ASX:FNT0) that in accordance with the ASX Listing Rules, a letter and notice of exercise of options form has been sent to all option holders for the purpose of allowing an election to exercise those options.

The details of the listed options are as follows:

Expiry date: 5.00pm (AEST) on 3rd December 2010
Exercise price: \$0.045

Option holders may elect to:

- I. Sell their options;
- II. Exercise their options prior to expiry to acquire fully paid ordinary shares; or
- III. Do nothing and allow the options to expire.

Note that the quotation of the options will cease at the close of trading 26th November 2010.

Option holders are under no obligation to exercise their options.

FRONTIER RESOURCES LTD

P.A. McNeil, M.Sc.

MANAGING DIRECTOR



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1st September 2010

Dear Optionholder

EXPIRY OF LISTED OPTIONS (ASX:FNT)

Frontier Resources Ltd is writing to you as a registered holder of the Company's options exercisable at 4.5 cents on or before **5pm AEST 3 December 2010**. Whilst there is no obligation to exercise your options, the Company requests that you consider converting them to shares to provide additional short term working capital for conducting enhanced exploration programs.

In accordance with ASX Listing Rule 6.24, the Company provides you with the following information:

- Each Option entitles you to subscribe for one fully paid ordinary share in the capital of the Company
- The exercise price payable to exercise your Option is \$0.045 per Option
- The expiry date of the Option is 3rd December 2010. If you fail to exercise your Options prior to the expiry date, those Options will lapse and you shall have no further right or entitlement to those Options
- Quotation of the Options on ASX will end 26th November 2010
- The latest available closing price of FNT listed shares prior to the date of this letter was \$0.06 on 31/8/10.
- The latest available closing price of FNT Options prior to the date of this letter was \$0.02 on 20/8/10.
- The highest & lowest market sale price of shares on the ASX during the three months immediately preceding the date of this letter & their respective dates were: Highest \$0.075 on 16/7/10 & Lowest \$0.05 on 5/7/10.
- The highest & lowest market sales price of Options on the ASX during the three months immediately preceding the date of this letter and their respective dates were: Highest \$0.027 on 27/7/10 and Lowest 0.01 on 30/6/10.

To exercise your Options simply complete the attached exercise notice and forward, with the required payment in the Rely Paid envelope. Please make cheques payable to "Frontier Resources Ltd" crossed "Not Negotiable". A BPAY facility is also available.

Options may be exercised in whole or in part by the payment of 4.5 cents for each option (to convert it to a fully paid ordinary share that then can be held or sold) at any time prior to the option expiry date. Directors recommend that you exercise your Options before the expiry date. For additional information please contact: Registries Ltd 1300 737 760, +61 2 9290 9600 or registries@registries.com.au

Frontier continues to explore the Andewa Gold Project, New Britain PNG, utilising 3DIP geophysical technology, soil geochemical sampling and geophysical evaluation/reconnaissance. Results are anticipated to be announced progressively upon completion commencing early in the fourth quarter of 2010.

Ok Tedi Mining Ltd (OTML) has completed the first airborne geophysical program at EL1351, Likuranga, New Britain PNG and plans to undertake ground work forthwith. Geophysical surveys are planned for EL1597 - Leonard Schultz and subsequently at EL1595 - Bulago and the East and Central New Britain Applications as granted.

Frontier has engaged an Exploration Manager in Tasmania and a diamond drill program is planned at Elliott Bay/SMRV in Nov 2010 - Feb 2011. Further drilling will also be conducted on the Narrawa Deposit and the tungsten potential of the district will be systematically evaluated for the first time.

FRONTIER RESOURCES LTD

P.A. McNeil, M.Sc.
Chairman /Managing Director