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ASX : FNT

1st April 2011

Dear Shareholder

The Board today announced a Shareholder Share Purchase Plan (**The Plan**), to raise a maximum of \$8.5 million.

Invitation to Participate in Shareholder Share Purchase Plan

The Board of Directors of Frontier Resources Limited (**Frontier Resources** or **The Company**) has approved the introduction of the Plan.

Shareholders Eligible to Participate in the Plan

The right to participate in the Offer under the Plan is available exclusively to shareholders who are registered as holders of fully paid ordinary shares in the capital of Frontier Resources (**Shares**) at 5:00pm (WST) on the Record Date of **31st March 2011** and whose registered address is in Australia and New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Board is pleased to offer to all Eligible Shareholders an opportunity to participate in the Plan. Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Entitlement and Acceptance Form.

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$14,999.91 worth of Shares at \$0.23 per Share, free of brokerage and commission (the price equals a **20% discount** to the volume weighted average market price of the Company's shares on ASX during the 5 trading days immediately prior to the announcement date of the offer - being 31st March 2011) (**Offer**).

The volume weighted average market price of the Shares on Australian Stock Exchange Limited (**ASX**) during the 5 trading days immediately prior to 1st April 2011 was \$0.28.

Current Projects and Intended Use Of Proceeds

Details of the Company's current activities are set out in the announcements made by Frontier Resources to the ASX and are available from the ASX or the Company's website at www.frontierresources.com.au.

Operational capital is being raised by this Share Purchase to advance the Company's highly prospective properties in Papua New Guinea and Tasmania, as noted below. If the full subscription is not raised, it is likely that some of the programs noted below will be modified.

PAPUA NEW GUINEA

Andewa - EL1345

Funds raised by the Share Purchase Plan will be used to further advance the massive Andewa geophysical and geochemical anomalies utilising targeted, systematic and cost effective exploration and drilling, with the intent of rapidly defining substantial mineral resources.

Frontier's exploration in 2010 (subsequent to announcing the excellent Joint Venture with OTML), focussed solely on the Andewa licence and the program was remarkably successful, rewarding directors and shareholders for their faith in the concept and the project. The 3D-IP geophysical program demonstrated 3 very strong to intense chargeability anomalies covering a total area of 7 sq km, plus numerous related and proximal (or coincident) resistivity and conductivity anomalies. The associated grid-based gold in soil anomaly is 9.3 sq km, with the strongly mineralised soils covering a total area of approximately 1.2 sq km and a peak at 18 g/t gold. Rock chip-channel outcrop results show

widely distributed gold mineralisation on surface, including two new highly significant outcrops with up to 15m grading 15.48 g/t gold, plus the drilled Komsen Prospect.

Hand trenching of conductivity anomalies (likely representing concentrations of semi-massive sulphides), chargeability anomalies and gold anomalies is currently being undertaken, along with infill soil sampling to better define the gold anomalous zones and assist in discriminating drilling targets.

Andewa's geological / structural location is conceptually identical to Lihir's (based on my own experience working there) and Frontier have now geochemically and geophysically demonstrated the potential for a similar, large scale World Class epithermal gold deposit. Frontier intend to aggressively and rapidly demonstrate Andewa's excellent gold potential, with drilling commencing in late May.

TASMANIA

SMRV Project

Scout drilling at Wart Hill commenced earlier in 2011 and is continuing, currently targeting a highly prospective triple geophysical anomaly for a significant orebody (target is 10 to 40 million tonnes grading 10 to 25% zinc, 50 to 700 g/t silver and 6 to 14% lead, with significant gold and copper credits (this target is based on exploration to date, including assay and geophysical information noted below, but is speculative and may not be achieved)).

In addition, the known mineralised massive sulphide zone and the faulted off depth extension to the south of the deposit are being targeted by drilling during the 2011 season.

Moina Project (Cethana -EL 29/2009, Narrawa - RL 3/2005 and Stormont EL 42/2010)

Frontier will utilise appropriate funding from the Share Purchase Plan to target and drill tungsten plus precious and base metal prospects in this highly mineralised district during the winter.

The Moina Project covers an E-W spine of the highly mineralised Dolcoath Granite and a number of skarn and vein deposits, from east to west (proximal to distal) including silver, tin, tungsten, molybdenum, gold+ silver + zinc + lead (Narrawa), zinc+ gold, fluor spar and gold + bismuth (Stormont).

There are at least 55 historic workings (shafts, adits and small open pits) within the targeted area testifying to its highly prospective and mineralised status. The primary commodity mined in the district was tungsten in at least 23 workings, tin in 9 workings and gold in 7 workings (many are unspecified).

Frontier own two small gold resources and is now specifically targeting tungsten along with other metals in this highly mineralised district. Previous Frontier tungsten drill intersections included 1m grading 1.98% WO₃ near the NW end of the Narrawa Deposit, within a broad low grade geochemical halo that averaged 14m of 0.20% WO₃ (from 21m).

GENERAL

Capital Purchases -Drill Rigs & Earthmoving Equipment

The Company has historically benefited from the manufacture and operation of its own drill rigs. The known anomalies at Andewa surpass 800m below surface and as such, Frontier intends to purchase 2 larger drilling rigs capable of drilling to a maximum depth of approximately 1,100m. These rigs will be shipped to site as soon as possible and enable the Company to undertake deep drill testing of the highly prospective Andewa Project.

Frontier will also finalise construction of 2 additional diamond drilling rigs this year for general exploration drilling. The bases/frames have been completed and they will be fitted out and have drill strings and consumables purchased as appropriate. The Company would then own six diamond drilling rigs to employ as best required on its projects.

Exploration License Applications

Frontier currently holds 2 EL applications in PNG (totalling 3,027 sq km) that are not associated with the OTML JV, plus 5 EL applications in Tasmania (totalling 640 sq km). The work program and future expenditure requirements are not onerous (approx. \$1 million total) and are not applicable until the licences are granted.

Ok Tedi Mining Ltd Joint Venture

Three ELs and two ELAs (total area of 2,763 km²) are subject to 2 joint ventures that require a total earn-in of US\$60 million over 6 years by OTML (consisting of US\$12 million for each of the 5 projects). Frontier then has a deferred carry to completion of a Bankable Feasibility Study on each tenement. The Company will retain a 42% interest (dilutable) in the Bulago and Leonard Schultz ELs and a 19.9% interest (non-dilutable) in the Likuruanga EL + Central and East New Britain ELAs, to the completion of a Bankable Feasibility Study.

OTML has completed large aeromagnetic and radiometric programs at each EL to discriminate and rank targets for follow up exploration, including **13,000m of Joint Venture drilling in the coming year**. Frontier has no fiscal obligations in relation to the JV until completion of a Bankable Feasibility Study on each EL.

Subscription and Application Procedure

If you would like to participate in the Offer, please return your completed Entitlement and Acceptance Form (enclosed), together with your cheque or BPAY confirmation for the subscription monies for the Shares you wish to acquire to Registries Ltd, on or before the **Closing Date of 5:00pm (WST) on 29th April 2011**.

The number of Shares to which you are entitled will be calculated by dividing the subscription amount you have elected by the purchase price of \$0.23 per Share.

Eligible Shareholders may apply for a specified number of Shares under one of the following alternatives:

Amount Payable	Shares Applied For
\$14,999.91	65,217
\$13,000.06	56,522
\$9,999.94	43,478
\$8,000.09	34,783
\$4,999.97	21,739
\$2,000.08	8,696
\$1,000.04	4,348

Please note the maximum investment per shareholder is \$14,999.91 and the minimum investment is \$1000.04.

The maximum investment any shareholder may apply for will remain is \$14,999.91 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Acceptance of Risk Factors

On the trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.28. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer. This means that the subscription price you pay for the Shares may exceed the market price of the Shares at the date of allotment of Shares under this Offer.

By accepting the Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the purchase price is at a discount to the market price immediately prior to the announcement, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the price and/or value and/or number of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject any application over \$14,999.91. Shares allotted under the Plan will be issued no later than 5 business days after the Closing Date of the Offer. Application for quotation on the ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum number of Shares that may be issued pursuant to this Offer is 36,956,522. In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, accept them in order of receipt or scale-back all applications.

If the Company scales-back or rejects an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

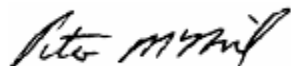
Indicative Timetable

Record Date (5:00pm WST)	31st March 2011
Announcement Date of Plan	1st April 2011
Opening Date of Offer	8th April 2011
Closing Date of Offer	29th April 2011
Issue of Shares under the Plan	6th May 2011
Dispatch date for holding statements	9th May 2011
Quotation of Shares on ASX	11th May 2011

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact the Company Secretary on +61 8 9295 0388

Sincerely,



**PETER MCNEIL, M.SC.
MANAGING DIRECTOR
FRONTIER RESOURCES LIMITED**

FRONTIER RESOURCES LIMITED
ABN 96 095 684 389
Shareholder Share Purchase Plan - Terms and Conditions

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**) is to offer shareholders of Frontier Resources Limited (**Frontier Resources**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Frontier Resources Shares**) up to a maximum of \$14,999.91 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at a discount to the volume weighted average market price of Frontier Resources Shares on the financial market operated by ASX Limited (**ASX**) without the need to pay brokerage costs and without the need for Frontier Resources to issue a Prospectus, upon such terms and conditions as the Board of Directors of Frontier Resources, in its absolute discretion, sees fit.

Shareholders eligible to participate

Eligible shareholders of Frontier Resources Shares that are registered with an Australian or New Zealand address at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable (i.e. eligible shareholders may not transfer their rights to any Frontier Resources Shares offered under the Plan).

An offer may, at the discretion of the Directors of Frontier Resources, be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is A\$15,000. The Directors of Frontier Resources may also determine in their discretion the minimum amount for participation, the multiple of Frontier Resources Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

Price of Frontier Resources Shares

The price of Frontier Resources Shares to be issued under the Plan will be \$0.23 per Share.

Applications and Notices

At the discretion of the Directors of the Company, Frontier Resources will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Frontier Resources Shares under the Plan, and accompanied by the terms and conditions of the Plan and an entitlement & acceptance form. Applications will not be accepted after the closing date of an offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by Frontier Resources to participants may be given in any manner prescribed by its Constitution.

Underwriting

The Plan is not underwritten.

Issue of Frontier Resources Shares

Frontier Resources Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of Frontier Resources in the relevant offer.

Frontier Resources Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in Frontier Resources from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Frontier Resources Shares issued under the Plan. The Company will, promptly after the issue of Frontier Resources Shares under the Plan, make application for those Frontier Resources Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

Frontier Resources may modify or terminate the Plan at any time.

Frontier Resources will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Frontier Resources may issue to any person fewer Frontier Resources Shares than the person applied for under the Plan if the issue of the Frontier Resources Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

Frontier Resources may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Frontier Resources Shares. The decision of Frontier Resources in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

Frontier Resources reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Frontier Resources under these conditions may be exercised by the Directors of Frontier Resources or any delegate of the Directors of Frontier Resources.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Company Secretary on +61 8 9295 0388.