



FRONTIER RESOURCES LIMITED

A.B.N. 96 095 684 389

CONSOLIDATED INTERIM FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2020

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Frontier Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Frontier Resources Limited (the Company) and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The following persons were directors of the Company during the whole of the half-year and up to the date of this report, unless otherwise indicated:

Alec Pismiris (Non-Executive Director)
Peter Swiridiuk (Non-Executive Director)
Jessica O'Neil (Non-Executive Director)

RESULTS AND DIVIDENDS

The consolidated entity loss after income tax for the half-year is \$403,672 (2019: \$430,939). There is no dividend paid or recommended. The result for this half-year included exploration expenditure of \$273,770 (2019: \$182,930).

REVIEW OF OPERATIONS

The Company is focused on mineral exploration in Papua New Guinea (**Figure 1**) with a 100% interest in the Tolumkuma Exploration Licence (EL2351), that is highly prospective for the discovery and delineation of intrusive related high grade gold, copper-gold porphyries and epithermal gold deposits.

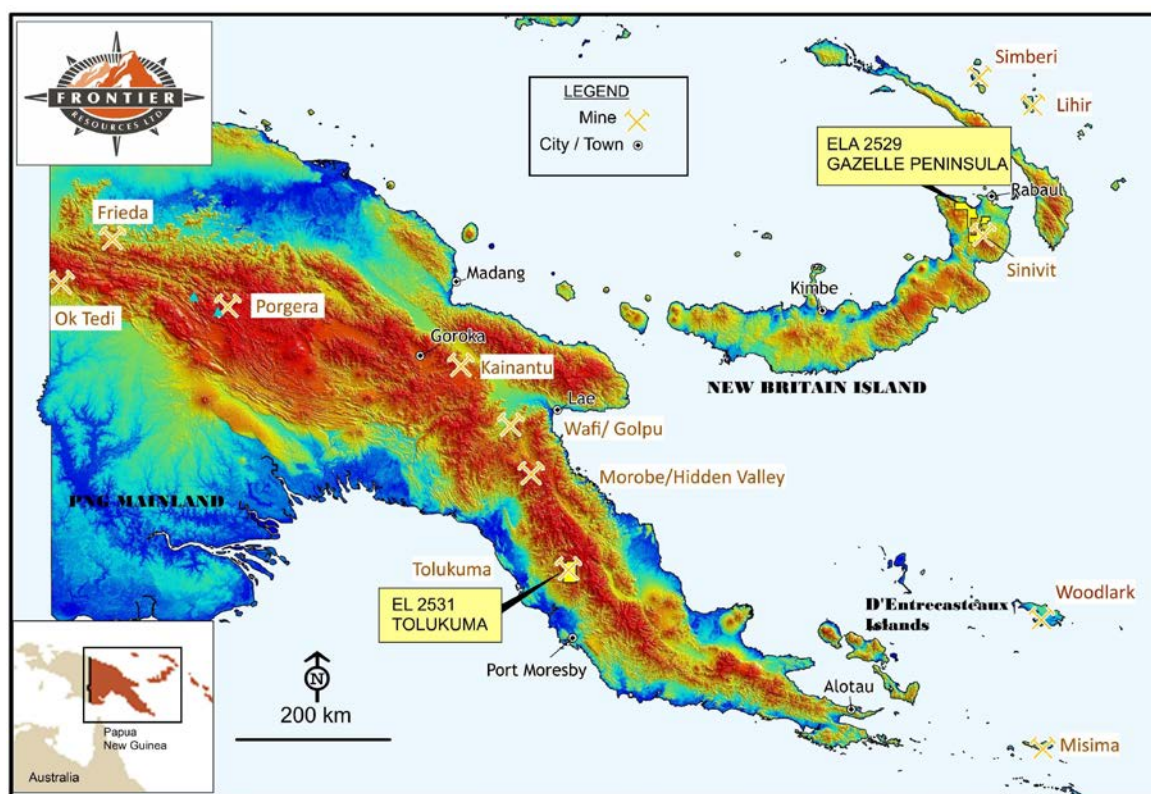


Figure 1: Location Map of Frontier Resources Tenements

Tolumkuma EL 2531

During the period, the Company mobilised a team of highly experienced geologists to the Kimono Village for landowner awareness meetings and to begin a sampling and mapping program over the highly prospective Kimono vein system, 1km east of the Tolumkuma Mine.

The Kimono system of gold veins extends for over 4.0km, including the 120 and Dudu veins (Figure 2). Field mapping and sampling by Frontier identified the newly discovered 'Tassy Vein' as well as follow-up extensions and continuity of historical gold veins identified by Newmont.

A total of **102 soil, 102 rock chip (51 float and 51 outcrop) and 205 chip-channel trench samples were collected.** The **Tassy vein** was discovered in the upper reaches of the main Holsiga Creek. It pinches and swells between 8cm and 2.7m in width with a strike length of 151m trending 300-353 degrees and steeply dipping towards the SSW (Figure 2).

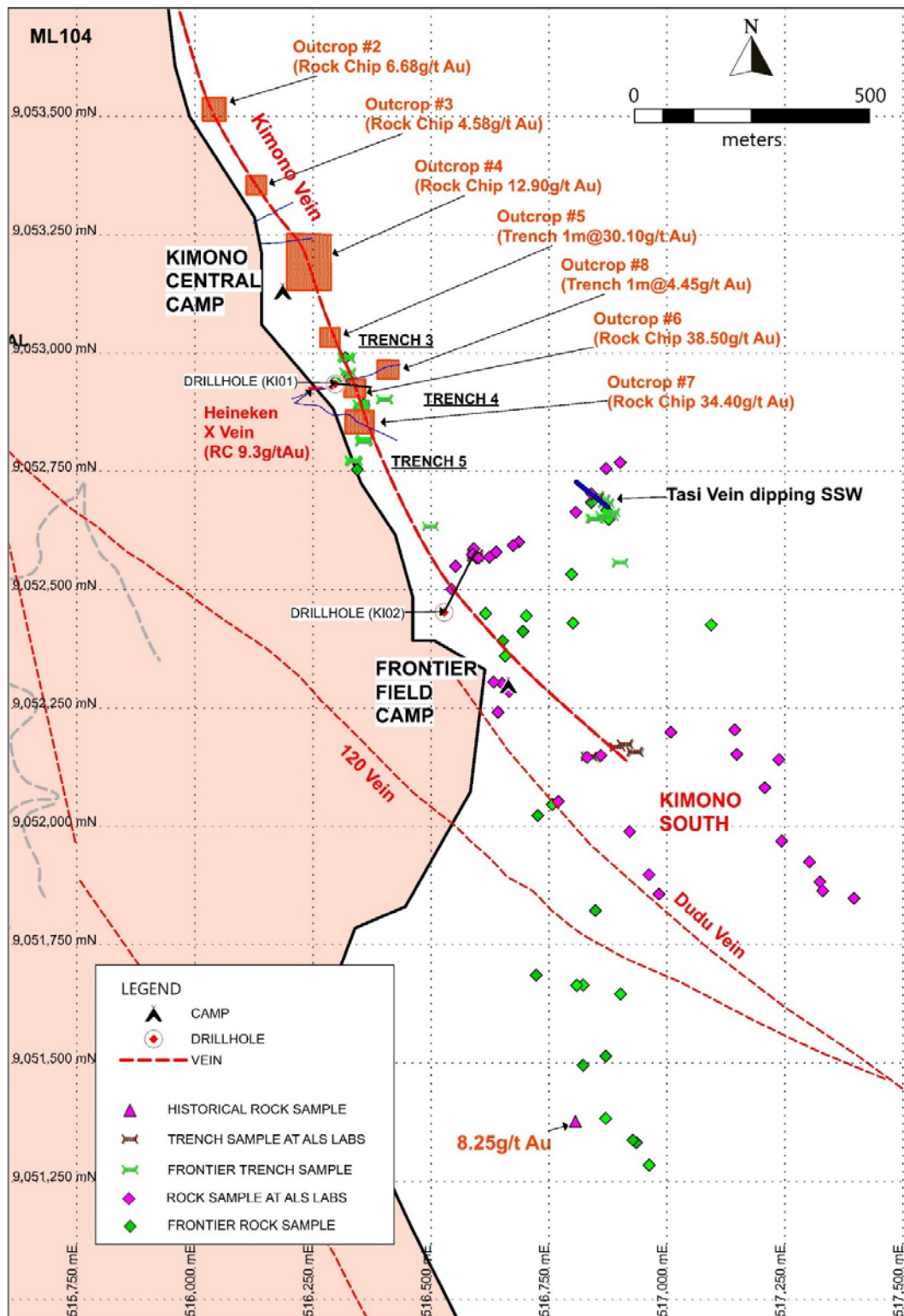


Figure 2: Kimono Rock and Trench Sample Locations

The geological mapping, rock sampling, ridge-spur soil sampling and hand trenching was designed to:

1. Test the continuity and strike extensions of the known historical gold-mineralised veins.
2. Validate selected historical trench assay results and trench geology, and to define, if possible, a drill target at Kimono Central.
3. Map and sample the projected intersection zone of the known mineralised veins.
4. Follow-up historical anomalous gold-in-soil anomalies and complete some additional in-fill soil sampling.

The best rock chip sampling results were from the Kimono Vein (Figure 3). Anomalous assays greater than 1.0g/t Au ranged from **101g/t Au** to **1.42g/t Au** and include values of **80.9g/t**, **52.7g/t** and **22.2g/t** indicating this is a high-grade segment of the Kimono Vein. Elsewhere the best rock chip results were **2.13g/t Au** at the Tassy Vein, **1.15g/t Au** in lower Holsiga Creek, **1.42g/t Au** in Fala Creek and **1.62g/t Au** near Soil Line 5. Mineralisation includes gold and silver as electrum, pyrite/marcasite, fine dark, stibnite, rare arsenopyrite and minor copper, lead, zinc base metal sulphides.

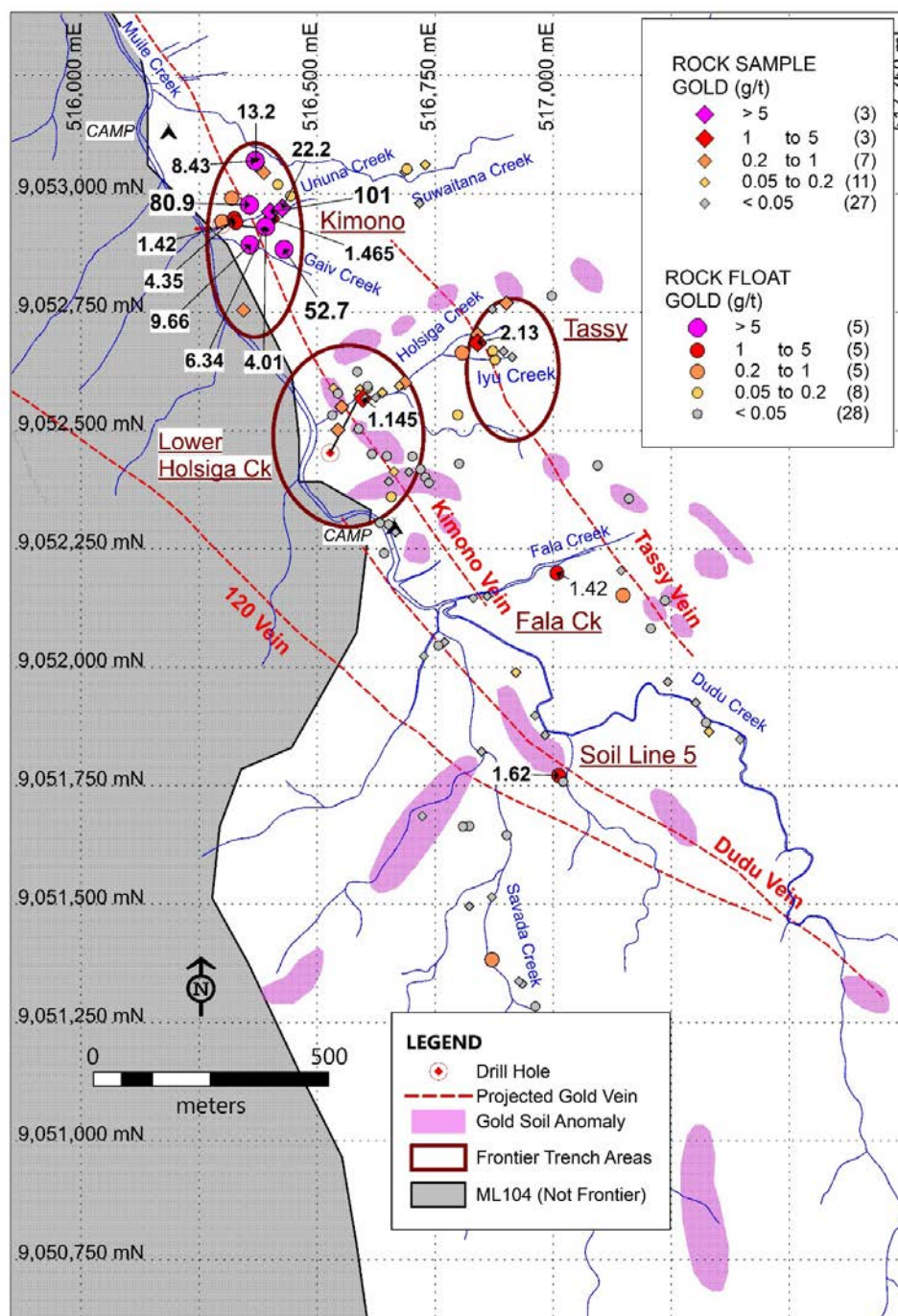


Figure 3: Frontier Rock and Soil Sampling Results at Kimono

Hand trenching was carried out in five separate areas at Kimono, Lower Holsiga Creek, Fala Creek, Soil Line 5 Dudu Vein and also at the newly discovered Tassy vein. The best results were:

| | |
|-------------------------|--|
| <u>Kimono Vein</u> | 2.1m @ 24.68g/t Au + 36.85g/t Ag, including 1.1m @ 42.70g/t Au + 60.30g/t Ag; 10.0m @ 1.99g/t Au + 8.45g/t Ag, including 2m @ 3.46g/t Au + 15.13g/t Ag; |
| <u>Tassy Vein</u> | 4.0m @ 4.78g/t Au + 17.94g/t Ag, including 3.0m @ 6.32g/t Au + 23.22g/t Ag, including 1.0m @ 15.5g/t Au + 24.6g/t Ag; |
| <u>Lower Holsiga Ck</u> | 5.0m @ 1.25g/t Au + 6.40g/t Ag, including 1.0m @ 4.48g/t Au + 13.8g/t Ag; 11.0m @ 0.86g/t Au + 0.80g/t Ag, including 2.0m @ 3.18g/t Au + 3.8g/t Ag; |
| <u>Kimono South</u> | 6.0m @ 1.48g/t Au + 2.30g/t Ag, including 2.0m @ 3.36g/t Au + 5.58g/t Ag. |

The gold mineralisation at Kimono is dominantly associated with a pyrite-marcasite-arsenopyrite sulphide assemblage, hosted by quartz veins, stringers or zones of veining, which typically range from 2cm to 10m in width. Veins commonly dip steeply and are mainly controlled by the dominant NW & NNW trending structures.

Quartz textures include colloform-crustiform, comb (or dogtooth), vuggy and massive crystalline, typical of the upper levels of a low sulfidation epithermal system. Fine **visible gold** was observed in several places at Kimono Central. Saccaroidal quartz veins commonly contain cavities lined with fine-coarse grained comb quartz ± crustiform quartz. Sample 40113 (**1.42g/t Au + 10.25g/t Ag**) is a float sample that contains all the typical epithermal boiling zone textures (Figure 4).

At Kimono Central anomalous gold-in-soils can be correlated with the trends of mapped and projected mineralised veins and indicate additional targets for follow up sampling (Figure 2). At Kimono South a roughly 250m long NW-trending irregular anomalous soil zone (As-Mo-Ba-Au) straddles and is sub-parallel to the projected strike extension of the historical Dudu Vein (refer to ASX Announcement dated 17 December 2020).

Trenching (and limited pitting) at the Kimono Vein (*Trenches KC-01 to KC-12, KC-18 to KC-20 & Pits KP-01*) was undertaken with the aims of locating historical trench locations

and to test for continuity of the Kimono vein. The trenches were sited mainly to intersect the major NW/NNW-trending structures. Trench KC-08 intersected **2.1m @ 24.7g/t Au + 36.6g/t Ag; including 1.0m @ 42.7g/t Au + 60.3g/t Ag** within a brecciated quartz-sulphide vein (Figure 5).

Six trenches (*Trenches KC-13 to KC-17 & KC-21*) were sampled near lower Holsiga Creek and on the ridge near camp to test for extensions of the known Kimono Vein to the SSE. The best results include Trench KC-13, intersecting **5.0m at 1.3g/t Au, 6.4g/t Ag** within crackle breccia and **2.0m at 3.2g/t Au, 3.8g/t Ag** within abundant 3mm-4.5cm saccharoidal milky quartz veins and dog tooth quartz (Figure 6).



Figure 4: Rock float (SN# 40113) from Kimono Central displaying comb, crustiform, colloform, lattice bladed and botryoidal quartz textures typical of the boiling zone of an epithermal system

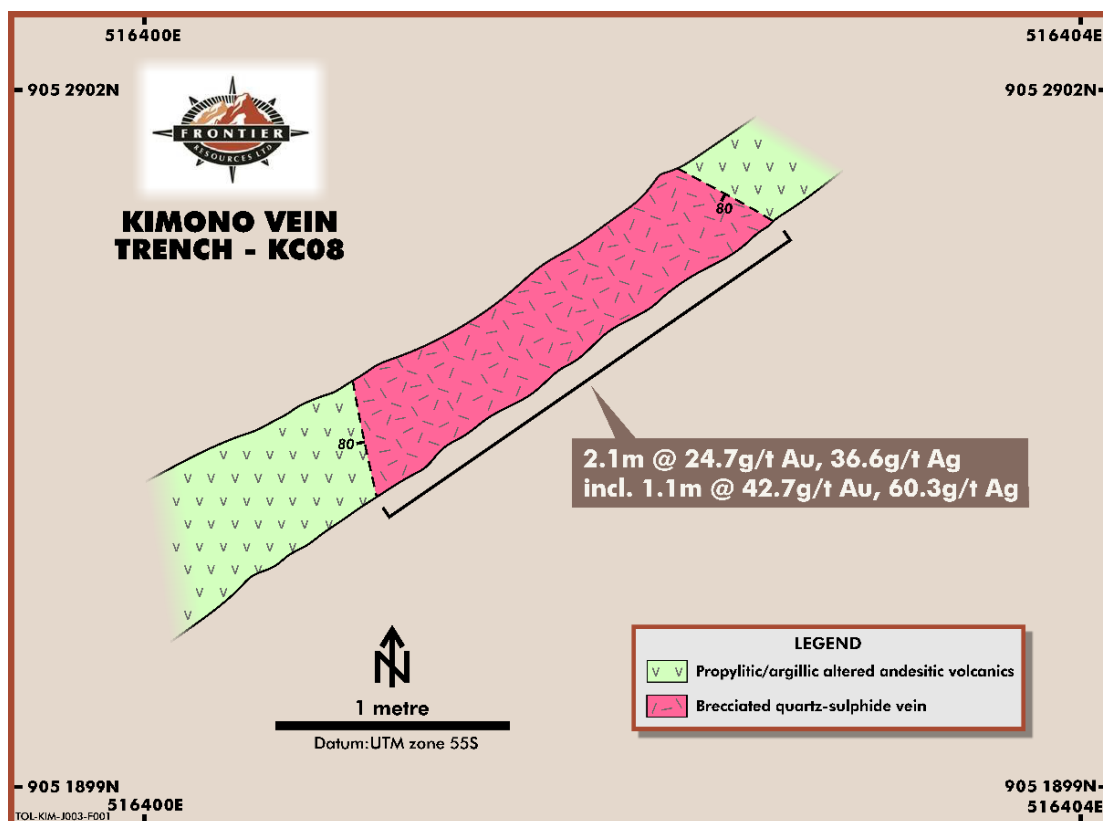


Figure 5: Kimono Trench KC08 Geology and Mineral Intercepts

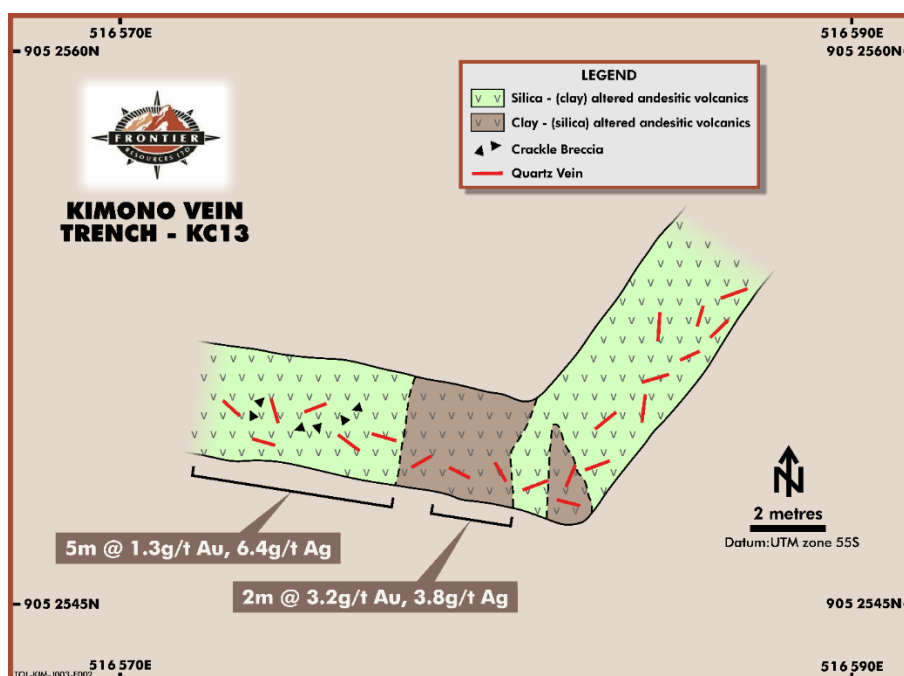


Figure 6: Lower Holsiga Creek Trench KC13 Geology and Mineral Intercepts

Only one trench was completed at Kimono South, a 20m trench (KT-09) located at the southeastern end of Soil Line 5. The trench was oriented NNW-SSE and sampled at 1.0m intervals. The trench exposed a 14m wide zone of clay-silica altered quartz veined andesitic volcanics cut by a clay shear zone about 5.0m wide.

Discontinuous quartz veins with no defined orientations were also noted. This zone of alteration and mineralisation includes values of **6m @ 1.5g/t Au + 2.3g/t Ag** and **1m @ 2.8g/t Au + 4.0g/t Ag**. It is believed to be the south eastern extension of the historical Dudu Vein, perhaps located where a NE-trending cross structure intersects the main vein.

Kimono Vein Trench 3 (between historical Outcrop#5 and Outcrop#8)

Two trenches (6m and 2m in length) were opened with 7 samples collected. Abundant quartz ± sulfide vein floats were encountered. Alteration consists of quartz>sericite-smectite clays>>fine sulfides, hosted in andesitic volcanic rocks intercalated with volcanic breccia. The trenches appear to have intersected the surface expressions of the Kimono vein at Outcrop #6, where historical rock chip samples returned **38.5g/t Au** (refer to ASX Announcement dated 2 July 2020).

Kimono Vein Trench 4 (between historical Outcrop#6 and Outcrop#7)

Trenching was carried out a further 27m SE and 75m E from historical trench locations at Outcrop #6 and #7 (Figure 2). A total of 3 samples were collected in the first trench over 2.6m in length where a 2.1m wide quartz ± sulfide vein trending 115-170° was intersected. At the second trench, a total of 3.1m was opened with 3 samples collected. Mineralised intersections include quartz>MnO and clay-sulphide>quartz veins trending 160°.

Kimono Vein Trench 5 (south of historical Outcrop#7)

Trenching was carried out 46m and 80m southwest of historical trench locations at Outcrop#7 (Figure 2). A series of four pits averaging 1.2m depth were dug and all encountered quartz-clay altered andesitic volcanic rocks with stringers of quartz-MnO-hematite-goethite present. The first trench sampled a 0.8m wide vein trending 010° to 020° and a 0.4m wide vein trending 105°. A total of 3.0m was cleared with 3 samples collected. At the second trench, the 010°-020° vein was again intersected and a total of 5.0m was cut with 4 samples collected. Veins appear to be splays from the main Kimono vein. In total at this site, 10.3m of trenching was dug and 11 samples collected.

Nagai Creek

Approximately 360m northwest from the Frontier Field Camp, a 1.0m wide vein trending 75° crops out as a series of sheeted to stockwork crackled-brecciated veins (<1-5cm thick). These rocks are altered to quartz>clay (hematite-goethite). An additional five interpreted mineralised zones were identified representing cross-cutting splays from the main Kimono vein.

Ridge and Spur Soil Sampling

Ridge soil lines were established to intersect the general trend of mineralisation seen in historical soil samples (refer to ASX Announcement dated 4 September 2020). Ridges trending SW were traversed and geological data such as rock type, alteration, mineralisation and structural data collected to aid in identifying the source of the soil anomaly. A significant observation was a zone of argillic alteration trending 280deg and dipping steeply at 80deg.

Results from seven ridge and spur soil sampling lines indicate an **extension of the newly discovered Tassy vein to over a 1km strike length**. Trench sampling results announced during the period along this vein system include **4m @ 4.78g/t Au** including **1m @ 15.5g/t Au**. Over twenty soil sampling anomalous zones and mapped alteration are interpreted to reflect continuous undiscovered vein systems throughout the Kimono area that require follow-up trench sampling. Trace pathfinder elements confirm continuity along the main **Kimono vein to over 200m strike length** and also along the parallel **Dudu vein to over 360m strike length**.

As was found during the Saki soil sampling program, anomalous trace pathfinder elements As, Ba, Mo and Sb help in tracing sub-surface gold mineralised veins. Along the Kimono Central vein, where historical drillhole KI02 was encountered near trench KC17, anomalous gold (Figure 7) and pathfinder elements from the soil sampling confirm a 200m zone of vein continuity.

At Kimono South, anomalous gold and pathfinder elements along Soil Line 5 (Figure 3) are continuous over a 360m zone along the projected Dudu vein. The soil line is located on a low-lying ridge where geological reconnaissance mapping found local gossanous capping on the ridge and the field sampling crew reported intersecting fragmented quartz veins and clay alteration. **Soil Line 3 and 4** demonstrated a 200m zone of weakly anomalous gold pathfinder elements Sb, As, Ba and Mo but no anomalous Au.

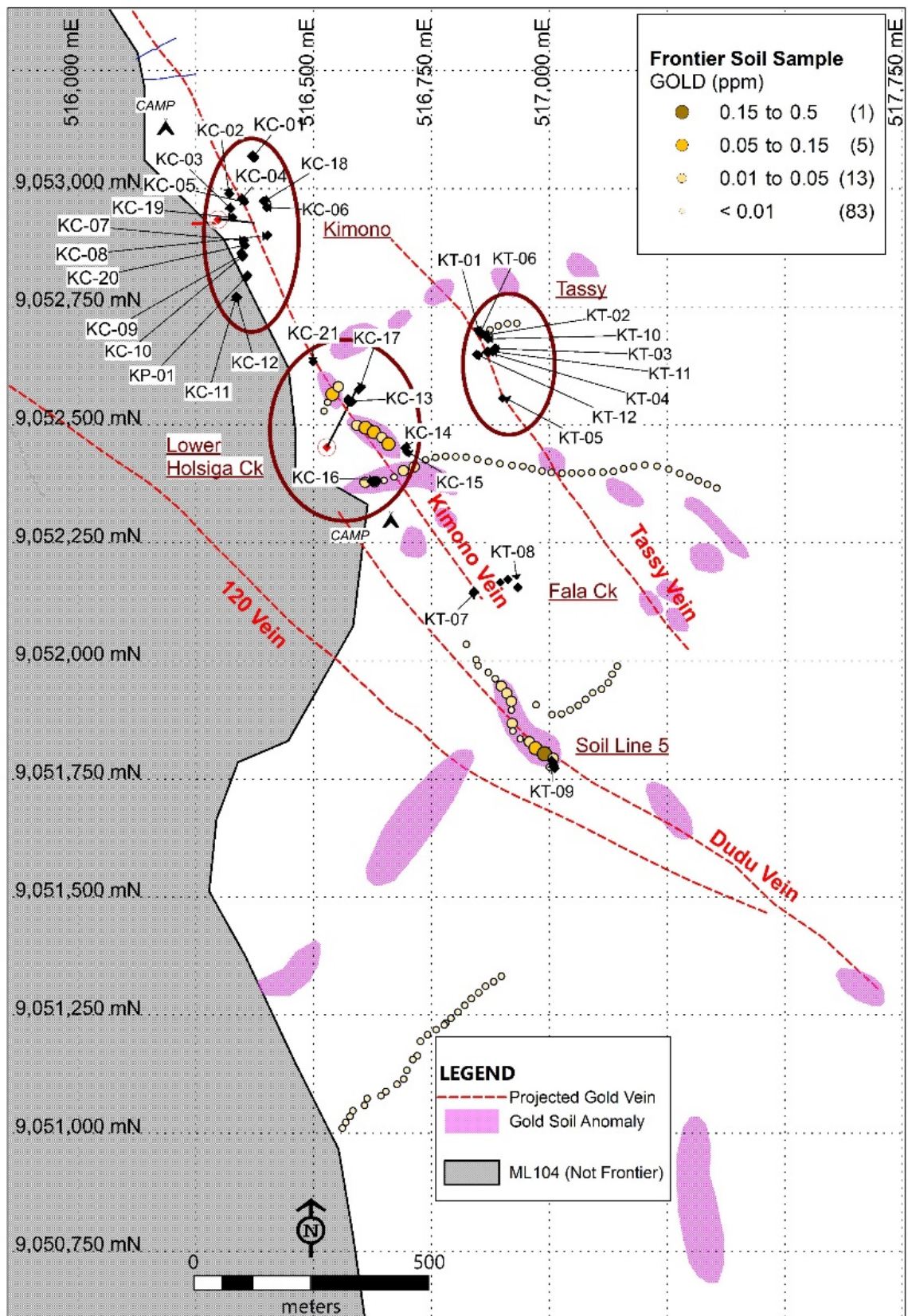


Table 1: Kimono Vein Trenches (and Pits) – Gold & Silver Assay Highlights (0.1g/t Au cut off)

| Trench No | Assay Highlights | Lithology |
|------------------|--|--|
| KC-01 | 10.0m @ 1.99g/t Au + 8.45g/t Ag incl: 2.0m @ 3.46g/t Au + 15.13g/t Ag | Quartz veining in phyllic-argillic-silica altered volcanics; veins up to 70cm wide. |
| KC-02 | 1.0m @ 0.25g/t Au + 0.36g/t Ag 1.0m @ 0.29g/t Au + 0.62g/t Ag | Within ~5.0m zone of phyllic/argillic altered volcanics; quartz-MnO stockwork & veinlets. |
| KC-04 | 1.2m @ 3.13g/t Au + 18.7g/t Ag | Quartz-sulphide vein in phyllic/argillic altered volcanics |
| KC-06 | 3.0m @ 4.46g/t Au + 14.11g/t Ag | Quartz-sulphide veining + quartz-MnO stringers in phyllic/argillic altered volcanics. |
| KC-08 | 2.1m @ 24.68g/t Au + 36.85g/t Ag incl: 1.1m @ 42.70g/t Au + 60.30g/t Ag | Massive quartz-sulphide vein in phyllic/argillic altered volcanics. |
| KC-09 | 10.0m @ 0.76g/t Au + 0.83g/t Ag incl: 5.0m @ 1.14g/t Au + 0.80g/t Ag | Quartz veined argillic/phyllic altered volcanics. |
| KC-10 | 3.0m @ 0.24g/t Au + 0.48g/t Ag | Quartz veined argillic/phyllic altered volcanics. |
| KC-11 | 4m @ 0.51g/t Au + 6.57 g/t Ag | Zone of silicification & quartz veining in phyllic/argillic altered volcanics. |
| KC-12 | 0.8m @ 0.15g/t Au + 0.28g/t Ag | Zone of silicification & quartz veining in phyllic/argillic altered volcanics. |
| KC-18 | 5.4m @ 1.81g/t Au + 10.18g/t Ag incl: 0.3m @ 5.89g/t Au + 38.7g/t Ag | Partly oxidized quartz-sulphide vein in brecciated silica-sericite-hematite altered volcanics with quartz-MnO veins/stringers/stockwork. |
| KC-19 | 2m @ 0.43g/t Au + 7.68g/t Ag | Silica-sericite-hematite-fuschite-smectite altered volcanics with quartz-MnO-sulphide veining . |
| KC-20 | 0.70m @ 0.82g/t Au + 2.74g/t Ag | 10cm quartz vein in silica-sericite-fuschite-smectite-hematite altered volcanics. |
| KPit-02 | 0.11g/t Au + 0.29g/t Ag | 10cm quartz vein in silica-sericite-fuschite-smectite-hematite altered volcanics. |

Table 2: Tassy Vein Trenches – Gold & Silver Assay Highlights (0.1g/t Au cut off)

| Trench ID | Assay Highlights | Lithology |
|------------------|---|--|
| KT-01 | 3.0m @ 2.87g/t Au + 7.07g/t Ag | Silica-clay-fuschite altered andesite porphyry; abundant 1mm-1.7cm quartz-limonite veins. |
| KT-03 | 1.0m @ 0.31g/t Au + 13.15g/t Ag | Partly oxidised silica-clay-fuschite-pyrite altered andesitic volcanic; weak crackle breccia; 0.5-2% pyrite dissemination. |
| KT-04 | 1.0m @ 0.12g/t Au + 1.19g/t Ag | Partly oxidised silica-clay-fuschite altered andesite porphyry; disseminated pyrite (1-2%). |
| KT-05 | 1.0m @ 0.20g/t Au + 0.40g/t Ag | Partly oxidised silica-clay altered andesitic volcanic; weak crackle breccia; irregular <1-8mm quartz-limonite veins. |
| KT-06 | 4.0m @ 4.78g/t Au + 17.94g/t Ag, incl: 3.0m @ 6.32g/t Au + 23.22g/t Ag, incl: 1.0m @ 15.50g/t Au + 24.60g/t Ag | Partly oxidised quartz veined silica-clay-pyrite-(fuchsite) altered andesite porphyry (dyke?) and pyroclastics; 1mm-3cm limonite-quartz veins; saccharoidal & comb quartz textures; trace to 1.5% fine pyrite in pyroclastics and 3-5% in andesite porphyry. |
| KT-10 | 1.0m @ 1.09g/t Au + 119g/t Ag | Partly oxidised andesitic porphyry; strong pervasive silica alteration; 5mm to 2.3cm quartz veins with comb texture; 0.3 to 0.5% fine disseminated pyrite. |
| KT-11 | 3.0m @ 0.31g/t Au + 19.32g/t Ag, incl: 1.0m @ 0.66g/t Au + 35.10g/t Ag | Partly oxidised andesite porphyry dyke in andesitic pyroclastics; strong pervasive clay-silica-pyrite-sericite-(fuschite) alteration; 1mm to 3cm quartz |

| | | |
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| | | veins with comb textures; 2-5% fine pyrite; rare adularia. |
| KT-12 | 5.0m @ 1.13g/t Au + 11.39g/t Ag, incl: 1.0m @ 2.59g/t Au + 35.30g/t Ag | Partly oxidised quartz veined to 3cm in andesitic volcanic; strong pervasive silica-clay-(fuchsite) alteration; Irregular saccroidal quartz infilling fractures. All sulphides oxidised. |

Table 3: Lower Holsiga Creek Trenches – Gold & Silver Assay Highlights (0.1g/t Au cut off)

| Trench ID | Assay Highlights | Lithology |
|-----------|--|--|
| KC-13 | 5.0m @ 1.25g/t Au + 6.40g/t Ag incl: 1.0m @ 4.48g/t Au + 13.8g/t Ag; 11.0m at 0.86g/t Au + 0.80g/t Ag Incl: 2.0m at 3.18g/t Au + 3.80g/t Ag | Partly oxidised strongly silicified silica-clay altered volcanic; local crackle breccia; abundant 3mm-4.5cm saccharoidal milky quartz veins; comb & dog tooth quartz. Clay-silica altered andesitic volcanic with quartz veins, comb quartz in cavities. |
| KC-16 | 1.0m @ 1.42g/t Au + 0.32g/t Ag | Earthy orange-yellow limonitic oxidised tuff; local remnant chlorite-sericite alteration; intense fracture oxidation. |
| KC-17 | 10.0m @ 0.95g/t Au + 11.06g/t Ag Incl: 3.0m @ 2.31g/t Au + 25.75g/t Ag Incl: 1.0m @ 4.03g/t Au + 46.30g/t Ag | Partly oxidised strong silica-clay-pyrite altered andesitic volcanic; local crackle breccia; 2mm-3cm irregular quartz-(adularia) veins; local quartz-pyrite veining; 0.5-5% pyrite dissemination>veins. |
| KC-21 | 1.0m @ 0.17g/t Au + 0.22g/t Ag | 1.0m zone of brecciation in andesitic volcanics; 1 to 5cm quartz veins/stockwork; rare adularia; one grain of visible Au ; colloform-crustiform-crystalline quartz textures; <1% sulphides |

Table 4: Kimono South Trench – Gold & Silver Assay Highlights (0.01g/t Au cut off)

| Trench ID | Assay Highlights | Lithology |
|-----------------------|---|---|
| KT-08 | 0.2m @ 0.39g/t Au + 0.77g/t Ag | Fala Creek. Structurally controlled shear and brecciated quartz-MnO vein. Strongly oxidised. A spec of gold was observed. <1% sulphides. |
| KT-09 Dudu Vein | 2.0m at 0.21g/t Au, 0.08g/t Ag 1.0m @ 0.27g/t Au + 3.48g/t Ag 1.0m @ 0.45g/t Au + 5.01g/t Ag 1.0m @ 2.82g/t Au + 4.03g/t Ag 6.0m @ 1.48g/t Au + 2.30g/t Ag, incl: 2.0m @ 3.36g/t Au + 5.58g/t Ag | Strongly oxidised, bleached clay altered volcanics; local silicification & quartz veining; 1-5cm quartz veins and stringers; massive to comb quartz in 2.0m @ 3.36 g/t Au interval. |

Mobilisation of Fieldcrew to the Saki Gold Prospect

In December 2020, the Company advised that two senior geologists had mobilised to the Saki Gold Prospect ahead of a planned trench sampling and mapping program that began subsequent to the period in February 2021.

During the 10 day site visit, the fieldcrew:

- Undertook successful landowner meetings;
- Established field camp satellite internet communications and food stores;
- Completed a geotechnical review of historically proposed drill pads;
- Evaluated a historically proposed hydro-electric power plant site location;
- Completed a geotechnical review of road access to the mine;
- Completed water quality testing from five drainages for regular monitoring;
- Visited proposed trench sites for a future sampling and geological mapping program;
- Logged historical Kimono drill KI002 (refer to ASX Announcement dated 25 September 2020);
- Completed Bulk Density readings from 11 sections of Saki drill core as partial required for a future JORC Resource; and
- Collect six Saki drill core samples for metallurgical analysis.

The Company further advised that PNG Mineral Resources Authority (MRA) had approved a variation to the EL2531 Work Program commitments that will better enable Frontier to advance the Saki gold project. An application of tenement renewal for a further two year term on EL2531 was also lodged with the MRA with a required landowner Warden's hearing re-scheduled for 24th March 2021.

EL2531 Regional Targets Defined for Follow-Up

During the period, the Company released a series of announcements that detailed independent reviews of regional regional geology, geochemistry and geophysics over EL2531. The reviews demonstrated five regional target areas selected for follow-up fieldwork and retain as part of the 50% reduction in tenement size required in the tenement renewal process.

Target areas defined include north of the Tolukuma gold mine including Mt.Sen, southern extensions of the Tolukuma vein system, the Evese and Diakoku porphyry targets along the Ijav fault and "Spot" Thorium geophysical anomalies.

The Soju-Yava prospect (Figure 9) has historical trench sampling results including 1.5m @ 10.96g/t Au. The system is a 3km wide zone of continuous gold mineralised veins over the Saki-Yava-Soju-Salat prospects. Best surface rock samples include 1,750g/t Au and with drilling results of 0.3m @ 6.13 g/t Au.

The combined resultant interpretation map (Figure 8) shows the main features interpreted from the geophysical magnetic (Figure 10), radiometric (Figure 11), topographic and Landsat imagery. In summary:

- 1) Magnetic imagery (Figure 10) highs (red) shows magnetite-bearing intrusive rocks that are mostly un-exposed at surface. Most of the known gold prospects cluster around the larger magnetic "Tolukuma Magnetic Intrusive Complex" (TIC), believed to be the feeder system and source of the **gold-bearing fluids** at and around the Tolukuma mine within ML104 (Figure 9). Near-surface magnetic lows (blue) may define zones of hydrothermal alteration related to gold mineralisation;
- 2) Discrete "Spot" geophysical Thorium radiometric highs are possibly intrusive related;
- 3) Potassium/Thorium (K/Th) ratio highs are interpreted to represent zones of shoshonitic volcanics and/or intrusives, which are associated with most of the large gold deposits in PNG. Most of the gold prospects within EL2531 are located on or near linear (K/Th) highs (Figure 11);
- 4) Historical reports that suggested combined (K/Th) high and magnetic low anomalies were a successful strategy for locating new areas of mineralisation. Selected linear or curvilinear (K/Th) ratio highs require further field evaluation north of Tolukuma-Kimono. This area is also coincident with the zone of possible high-K volcanics and pronounced magnetic lows (Figure 10) which may be related to alteration. Most of this area has not been sampled by earlier workers and requires further fieldwork;
- 5) Lineaments and curvilinear structures at Diakoku (Figure 8) may be the eroded remnants of volcanic edifices where gold-bearing low sulphidation veins are known to form distal to intrusive volcanics sources. However, Diakoku is described as high sulphidation style mineralisation, which forms proximal to the source, providing a different style of target that requires further evaluation;
- 6) Interpreted NNW-trending structures associated with the known mineralisation may be reactivation of older basement structures; and
- 7) Gold-anomalous rock chip samples at the Evese Prospect (refer to ASX Announcement dated 14 October 2020) in the southeast are associated with coincident magnetic & (K/Th) anomalies and linear/curvilinear structures that may define a volcanic-intrusive centre. Further work is recommended.

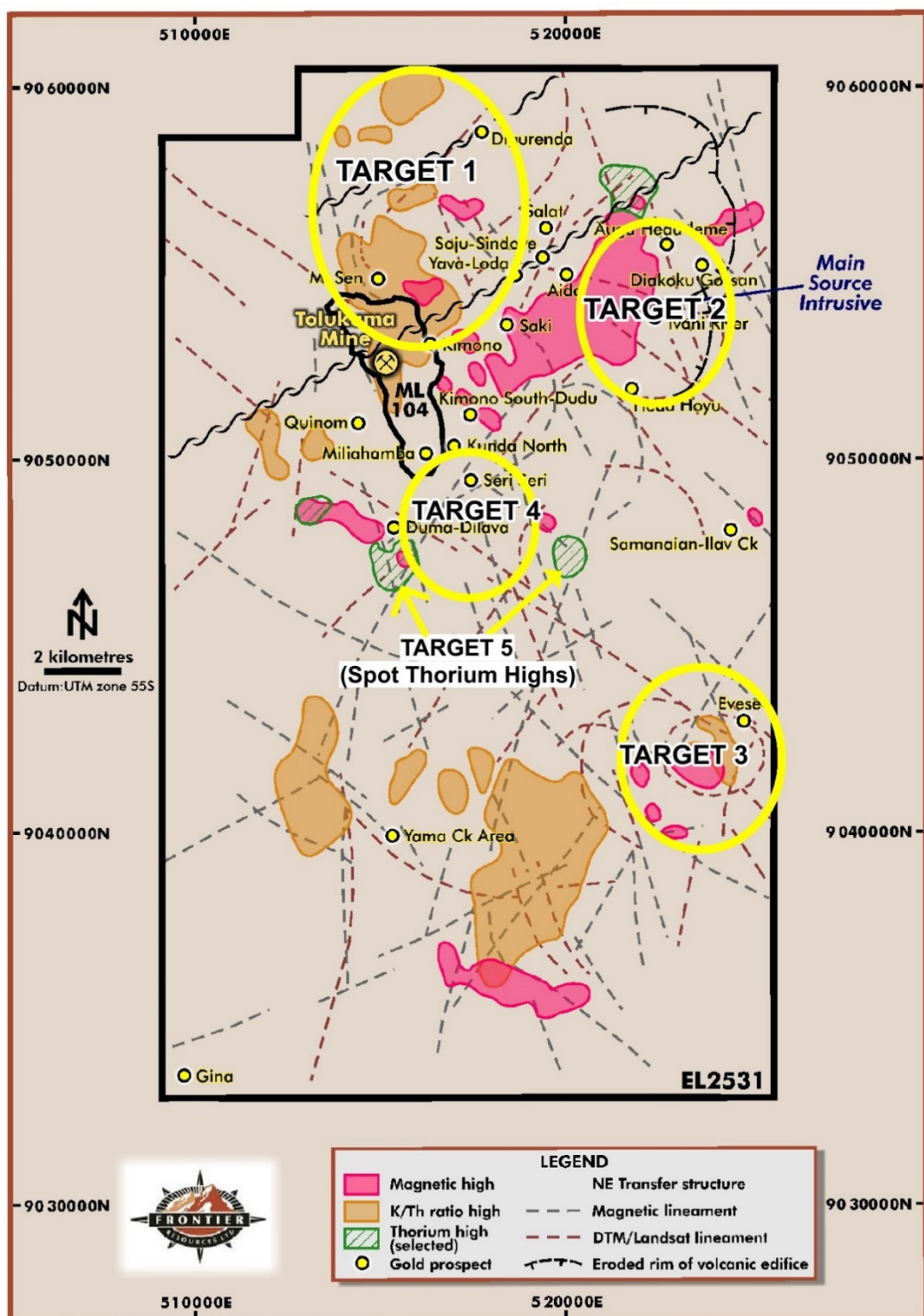
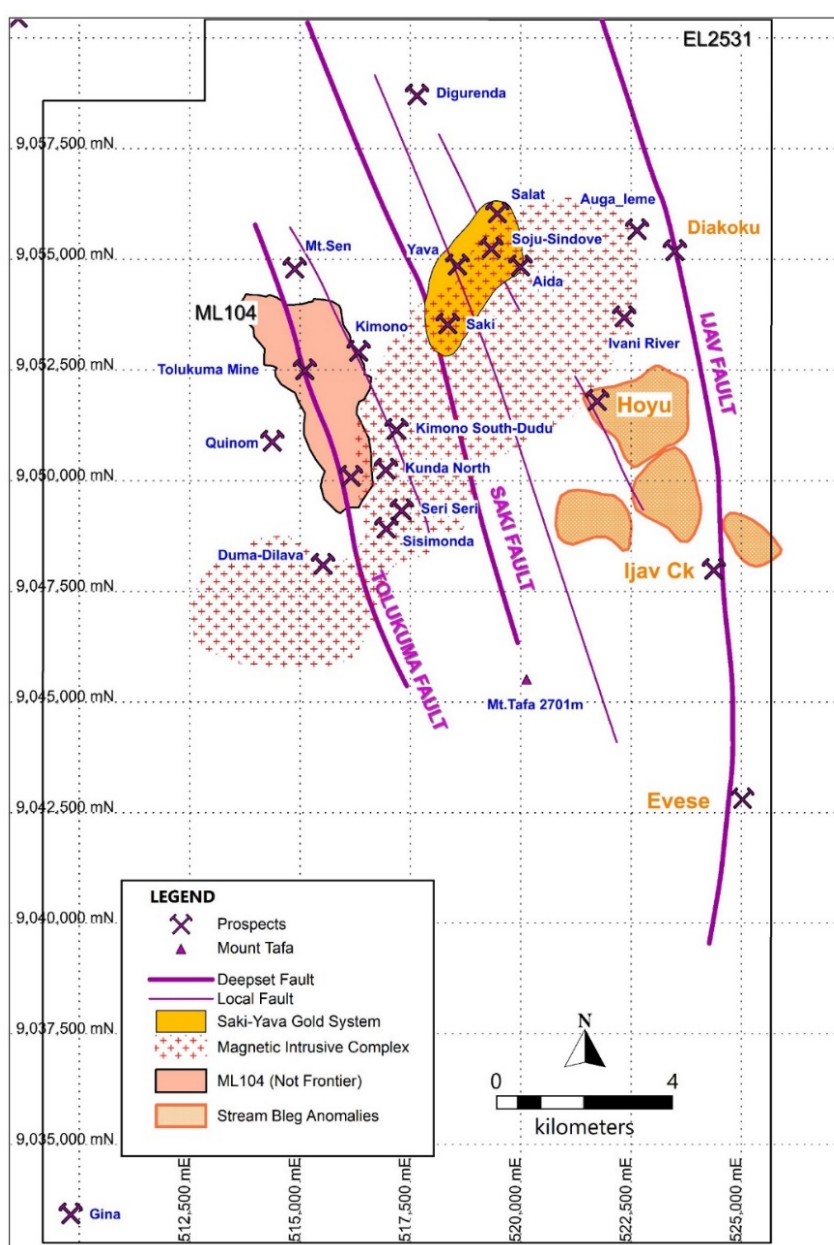


Figure 8: EL2531 Regional Target Areas

Table 5: EL2531 – Regional Targets Selected for Follow Up

| Area | Location | Reasons for Selection |
|----------|---|---|
| TARGET 1 | North of Tolukuma-Kimono (including Mt. Sen Prospect) | Area of anomalous K/Th (possible high K volcanics). Magnetic highs indicating possible intrusives. Magnetic lows possibly related to alteration. Interpreted linear & circular structures. Possible transfer structure. |
| TARGET 2 | Diakoku-Ivani-Hoyu | Possible high sulphidation style mineralisation. Magnetic lows possibly related to alteration. Possible NE transfer structure. |

| | | |
|----------|--|--|
| | | Underexplored, limited historical sampling. |
| TARGET 3 | Evese Prospect | Coincident magnetic & (K/Th) ratio anomalies. Possible structural intersection. Interpreted volcanic-intrusive centre. Anomalous gold in ALL historical rock chip samples. Underexplored (e.g. no soil sampling or trenching). |
| TARGET 4 | Southern Extensions of Tolukuma-Kimono | Extensions of elongate K/Th highs coincident with known Au prospects. Under explored, limited historical sampling. |
| TARGET 5 | "Spot" Thorium Highs | "Spot" Th highs at or near structural intersections. Coincident with magnetic high (west) or magnetic low (east). No historical sampling. |



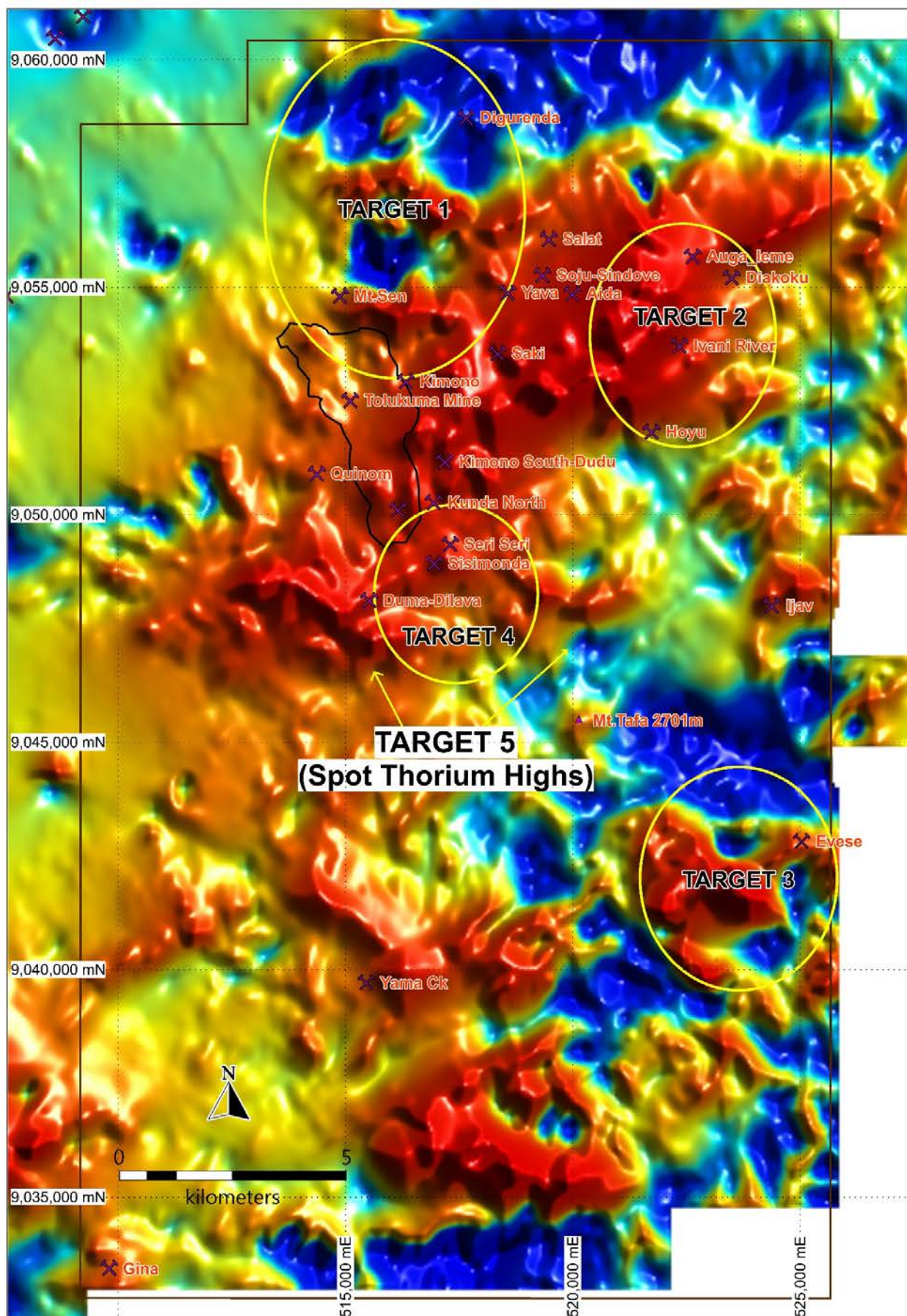
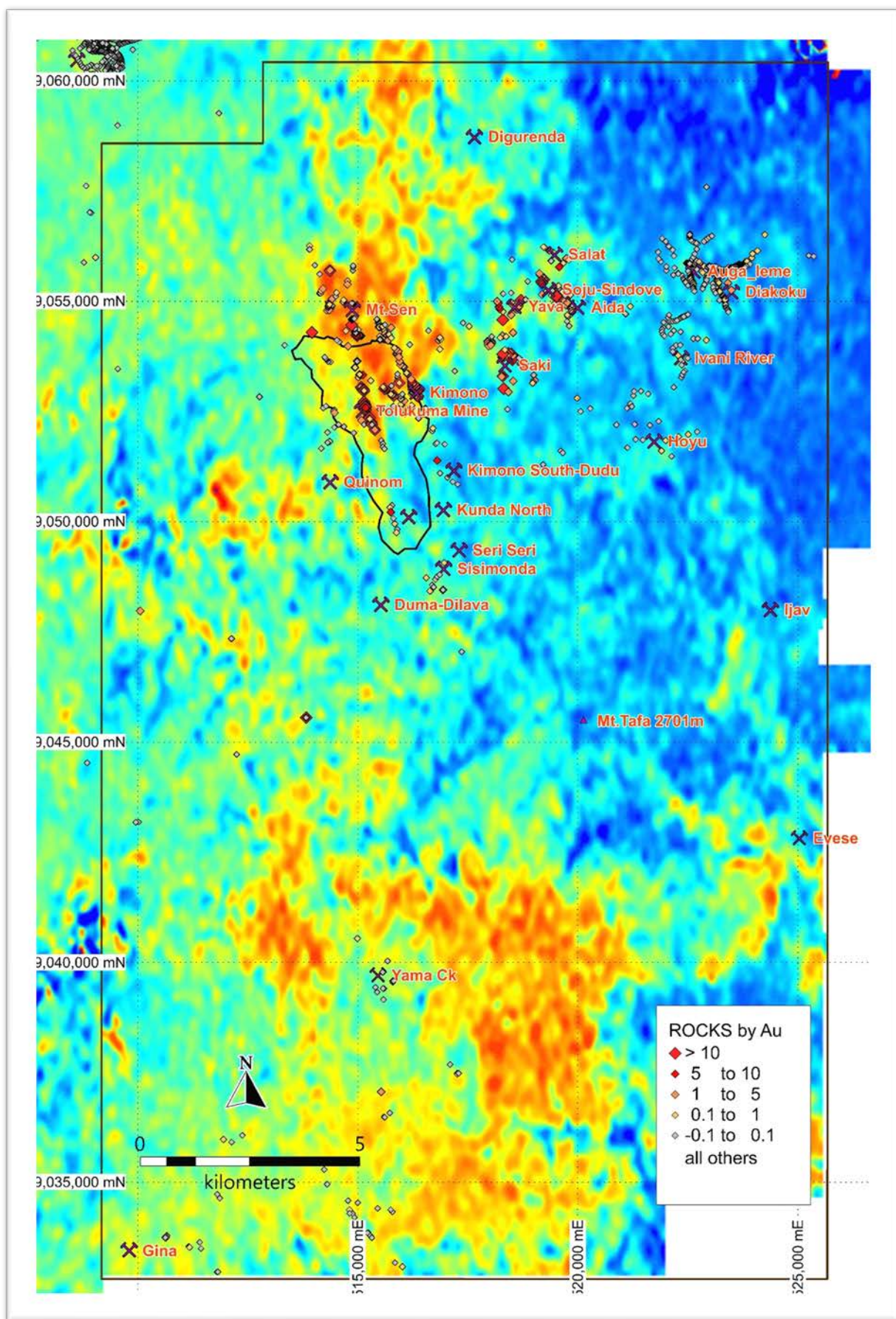


Figure 10: Target Areas on Airborne Geophysical Magnetics Image (RTP UPC 200m height)



CORPORATE

Change of Registered Office Address

During the period, the Company advised that its registered office address had changed to:

Frontier Resources Limited
Level 11, BGC Centre
28 The Esplanade
Perth WA 6000
www.frontierresources.net.au

All other contact details remain unchanged.

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by or compiled under the supervision of Peter Swiridiuk - Member of the Aust. Inst. of Geoscientists. Peter Swiridiuk is a Technical Consultant and Non-Executive Director for Frontier Resources. Peter Swiridiuk 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 Swiridiuk consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Additionally, Mr Swiridiuk confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

Frontier Resources Ltd Exploration Licence Information

| Exploration Licence Number and Name | Ownership | sub-blocks | AREA (sq.km)* | Grant Date | Expiry Date |
|-------------------------------------|------------------------------|------------|---------------|------------|-------------|
| EL2531 - Tolukuma | 100% Frontier Copper PNG Ltd | 130 | 441.72 | 25-Feb-19 | 24-Feb-21 |
| ELA2529 - Gazelle | 100% Frontier Copper PNG Ltd | 211 | 719.51 | N/A | N/A |
| Total of Granted EL's | | 130 | 441.72 | | |

*1 sub-block

approx. 3.41 sq.km

NB: The PNG Mining Act-1992 stipulates that EL's are granted for a renewable 2 year term (subject to satisfying work and expenditure commitments) and the PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease is granted.

SIGNIFICANT EVENTS OCCURRING AFTER REPORTING DATE

There were no significant events after reporting date.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* immediately follows this report.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Alec Pismiris', with a stylized flourish at the end.

Alec Pismiris
Non-Executive Director

10th March 2021

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307c OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS
OF FRONTIER RESOURCES LIMITED**

As lead auditor for the review of Frontier Resources Limited for the half-year ended 31 December 2020,
I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



SHAUN WILLIAMS
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 10th day of March 2021.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF FRONTIER RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Frontier Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of Frontier Resources Limited (the Company) are responsible for the preparation and fair presentation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF FRONTIER RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES (CONTINUED)**

Auditor's Responsibility (continued)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of *the Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if provided to the directors as at the time of this auditor's review report.



SHAUN WILLIAMS
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 10th day of March 2021.

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 23 to 30 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Frontier Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Alec Pismiris
Non-Executive Director

10th March 2021

FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

| | Half-year | |
|--|------------------|------------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Continuing Operations | | |
| Revenue | - | - |
| Other income | - | - |
| Interest income | 15,963 | 14,359 |
| | <u>15,963</u> | <u>14,359</u> |
| Exploration expenditure | (273,770) | (182,930) |
| Administration and insurance | (62,766) | (100,407) |
| Consultancy | (56,165) | (122,129) |
| Corporate compliance and shareholder relations | (23,756) | (39,528) |
| Depreciation | - | (304) |
| Office rental, communications and consumables | (3,178) | - |
| Loss from continuing operations | <u>(403,672)</u> | <u>(430,939)</u> |
| Income tax expense | - | - |
| Loss after income tax | <u>(403,672)</u> | <u>(430,939)</u> |
| Loss for the half-year is attributable to: | | |
| Equity holders of Frontier Resources Limited | (403,672) | (430,939) |
| Non-controlling interest | - | - |
| Total loss for the half-year | <u>(403,672)</u> | <u>(430,939)</u> |
| Other comprehensive income | | |
| Items that may be subsequently reclassified to profit or loss: | | |
| Movement in foreign currency reserve | (2,559) | (10,243) |
| Total comprehensive loss for the half-year attributable to owners of Frontier Resources Limited | <u>(2,559)</u> | <u>(10,243)</u> |
| Total comprehensive loss for the half-year is attributable to: | | |
| Equity holders of Frontier Resources Limited | (406,231) | (441,182) |
| Non-controlling interest | - | - |
| Total comprehensive loss for the half-year | <u>(406,231)</u> | <u>(441,182)</u> |
| Loss per share for loss attributable to the ordinary equity holders of Frontier Resources Limited | Cents | Cents |
| Basic and diluted loss per share | (0.08) | (0.09) |

This Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| | Notes | 31-Dec-20 \$ | 30-Jun-20 \$ |
|-----------------------------|-------|-----------------|-----------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | | 3,548,476 | 3,956,910 |
| Trade and other receivables | | 15,327 | 41,488 |
| Total Current Assets | | 3,563,803 | 3,998,398 |
| Non-Current Assets | | | |
| Trade and other receivables | | 137 | 5,209 |
| Plant and equipment | | 152 | 152 |
| Total Non-Current Assets | | 289 | 5,361 |
| Total Assets | | 3,564,092 | 4,003,759 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | | 85,721 | 119,157 |
| Total Current Liabilities | | 85,721 | 119,157 |
| Total Liabilities | | 85,721 | 119,157 |
| Net Assets | | 3,478,371 | 3,884,602 |
| EQUITY | | | |
| Contributed equity | 4 | 39,219,988 | 39,219,988 |
| Reserves | 5 | 3,519,013 | 3,521,572 |
| Accumulated losses | | (39,260,630) | (38,856,958) |
| Total Equity | | 3,478,371 | 3,884,602 |

This Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2020

| Consolidated Entity | Contributed Equity | Accumulated Losses | Share Based Payment Reserve | Options Premium Reserve | Foreign Exchange Reserve | Total |
|---|---------------------------|---------------------------|------------------------------------|--------------------------------|---------------------------------|--------------|
| Balance at 30 June 2019 | 39,219,988 | (38,073,018) | 3,939,885 | 179,640 | (582,457) | 4,684,038 |
| Loss for the half-year | - | (430,939) | - | - | - | (430,939) |
| Other comprehensive income - | | | | | | |
| Foreign currency translation | - | - | - | - | (10,243) | (10,243) |
| Total Comprehensive Income/(Loss) for the period | - | (430,939) | - | - | (10,243) | (441,182) |
| Transactions with equity holders - | | | | | | |
| Option issued during the period | - | - | - | - | - | - |
| Share issued during the period | - | - | - | - | - | - |
| Balance at 31 December 2019 | 39,219,988 | (38,503,957) | 3,939,885 | 179,640 | (592,700) | (4,242,856) |
| Balance at 30 June 2020 | 39,219,988 | (38,856,958) | 3,939,885 | 179,640 | (597,953) | 3,884,602 |
| Loss for the half-year | - | (403,672) | - | - | - | (403,672) |
| Other comprehensive income - | | | | | | |
| Foreign currency translation | - | - | - | - | (2,559) | (2,559) |
| Total Comprehensive Income/(Loss) for the period | - | (403,672) | - | - | (2,559) | (406,231) |
| Transactions with equity holders - | | | | | | |
| Share issued during the period | - | - | - | - | - | - |
| Cost of Share issued | - | - | - | - | - | - |
| Balance at 31 December 2020 | 39,219,988 | (39,260,630) | 3,939,885 | 179,640 | (600,512) | 3,478,371 |

This consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

| | Half-year | |
|---|------------------|------------------|
| | 2020 | 2019 |
| | \$ | \$ |
| Cash Flows from Operating Activities | | |
| Receipt of interest | 15,963 | 14,359 |
| Payments to suppliers and employees | (150,930) | (274,895) |
| Payments for exploration and evaluation activities | (272,839) | (186,795) |
| Net cash outflow from operating activities | (407,806) | (447,331) |
| Cash Flows from Investing Activities | | |
| Payments for purchase of plant and equipment | - | - |
| Net cash flow from investing activities | - | - |
| Cash Flows from Financing Activities | | |
| Proceeds from issue of shares (net of share issue costs) | - | - |
| Net cash flow from financing activities | - | - |
| Net decrease in cash and cash equivalents | (407,806) | (447,331) |
| Cash and cash equivalents at the beginning of the half-year | 3,956,910 | 4,751,102 |
| Effect of exchange rates on cash holdings in foreign currencies | (628) | 149 |
| Cash and cash equivalents at end of the half-year | 3,548,476 | 4,303,920 |

This Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Frontier Resources Limited and its controlled entities. As such, Frontier Resources Limited and its controlled entities (the Group) does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The same accounting policies and methods of computation have been followed in these interim financial statements as were applied in the most recent annual financial statements except as described below.

Application of new and revised accounting standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

2. LOSS FOR THE PERIOD

| | Half-year | |
|--|------------------|-------------|
| | 2020 | 2019 |
| | \$ | \$ |
| The following expense items are relevant in explaining the financial performance for the interim period: | | |
| Exploration expenditure | 273,770 | 182,930 |

FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2020

3. OPERATING SEGMENTS

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of gold, silver and base metals projects. Inter-segment transactions are priced at cost to the Group.

Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

| | Papua New Guinea Exploration \$ | Treasury \$ | Consolidated \$ |
|--|--|------------------------|----------------------------|
| For the Half-Year to 31 December 2020 | | | |
| Segment revenue | - | 15,963 | 15,963 |
| Segment results | (277,359) | 15,963 | (261,396) |
| Amounts not included in segment results but reviewed by the Board: | | | |
| Corporate expenses | | | (142,276) |
| Loss before income tax | | | (403,673) |
| As at 31 December 2020 | | | |
| Segment assets | 4,090 | 3,560,001 | 3,564,092 |
| Segment liabilities | 6,749 | 78,972 | 85,721 |

FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2020

3. OPERATING SEGMENTS (continued)

| | Papua New Guinea Exploration \$ | Treasury \$ | Consolidated \$ |
|--|--|----------------|--------------------|
| For the Half-Year to 31 December 2019 | | | |
| Segment revenue | - | 14,359 | 14,359 |
| Segment results | (98,788) | 14,359 | (84,429) |
| Amounts not included in segment results but reviewed by the Board: | | | |
| Corporate expenses | | | (346,510) |
| Loss before income tax | | | (430,939) |
| As at 31 December 2019 | | | |
| Segment assets | 8,061 | 4,322,906 | 4,330,967 |
| Segment liabilities | 14,223 | 73,888 | 88,111 |

4. EQUITY SECURITIES

| | Dec 2020 Shares | Jun 2020 Shares | Dec 2020 \$ | Jun 2020 \$ |
|------------------------------------|--------------------|--------------------|----------------|----------------|
| Balance at beginning of the period | 489,101,938 | 489,101,938 | 39,219,988 | 39,219,988 |
| Share issue (net of costs) | - | - | - | - |
| Balance at end of the period | 489,101,938 | 489,101,938 | 39,219,988 | 39,219,988 |

FRONTIER RESOURCES LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2020

5. RESERVES

| | Dec 2020 | Jun 2020 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| Share based payment reserve | 3,939,885 | 3,939,885 |
| Options premium reserve | 179,640 | 179,640 |
| Foreign currency translation reserve | (600,512) | (597,953) |
| | 3,519,013 | 3,521,572 |

Movements – Share based payment reserve

| | | |
|------------------------------------|------------------|------------------|
| Balance at beginning of the period | 3,939,885 | 3,939,885 |
| Option expense | - | - |
| Balance at end of the period | 3,939,885 | 3,939,885 |

Movements – Options premium reserve

| | | |
|------------------------------------|----------------|----------------|
| Balance at beginning of the period | 179,640 | 179,640 |
| Options issued to directors | - | - |
| Balance at end of the period | 179,640 | 179,640 |

Movements – Foreign currency translation reserve

| | | |
|--|------------------|------------------|
| Balance at beginning of the period | (597,953) | (582,457) |
| Currency translation differences arising during the period | (2,559) | (15,496) |
| Balance at end of the period | (600,512) | (597,953) |

6. COMMITMENTS AND CONTINGENT LIABILITIES

The Group's commitments remain consistent with those noted at 30 June 2020. The Group has no contingent liabilities at 31 December 2020.

7. DIVIDENDS

There were no dividends paid or recommended during the financial period ended 31 December 2020.

8. SIGNIFICANT EVENTS OCCURRING AFTER REPORTING DATE

There were no significant events after reporting date.