

FRONTIER MINING LTD.

30 September 2004

Frontier Mining Ltd.

Interim Results (Unaudited) to 30 June 2004

Highlights

- £1.27 million raised in February/March 2004 in a private placement
- SRK completed an independent report that valued our assets between \$16 and \$20 million
- Admitted to AIM and commenced trading on September 2, 2004
- £3.5 million proceeds raised before commissions
- 10,300 metres of drilling completed at the Naimanjil complex, confirming thickness and grades
- Detailed engineering study commenced at Naimanjil - expected by end of 2004
- Pre-feasibility study started at Koskuduk
- New P2 category resource estimate of 1 million ounces of gold at Baltemir
- Commenced confirmation work for 1 billion lbs of oxide copper at copper/gold projects

Chairman's Announcement

On behalf of the Frontier Mining Ltd. Board of Directors, I am pleased to present our first interim financial results since being admitted to AIM on 2 September, 2004. I also want to take this opportunity to restate the near term objectives we defined in our Prospectus, offer a status report on our projects and summarize our progress to date.

Near Term Objectives: Gold Projects

Naimanjil Complex

Complete the ongoing in-fill diamond drilling programme on the near surface gold oxide mineralization at Naimanjil: The first phase of the drill program that commenced in February 2004 has been completed wherein a total of 7,418 metres of drilling has been completed within a total of 78 drill holes along a 1.5 km strike length. Mineralization is still open along strike and at depth. Assay results have been received from 76 of the 78 holes and confirm the oxidized mineralized thicknesses and grades defined in the 2002 pre-feasibility study that incorporated 15,000 metres of percussion and core drilling in the oxide and sulphide mineralization and 8,200 metres of trenching and confirmed by the Kazakhstan State Reserve Committee. See drill results below.

Complete a detailed engineering study on Naimanjil based on heap leach processing: Detailed engineering work has begun and is being undertaken by Western Services Engineering, Inc. (a geological and mine consulting company based in Danville, California) and GBM Minerals Engineering (a process design and construction company based in Twickenham, England). Both of these companies have extensive experience working in Kazakhstan, Russia, and other Central Asian countries.

Produce gold at an annual rate of 25,000 ounces within 9 months (May 2005) of Admission: Design of the heap leach pads and ponds is underway with construction planned to begin in November 2004. This will allow production to commence as planned in May 2005.

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Expand current reserve and resource at Naimanjal and satellites: 2,460 metres of percussion and core drilling have been completed at Baritovy and 400 metres of core drilling have been completed at Naiman. 220 geochemical samples have been collected at Baritovy at 320 geochemical samples have been collected at Naiman. We expect the analytical results of the drilling and geochemical program by mid-October.

Evaluate the potential of the deep sulphide mineralisation at Naimanjal: During the confirmation drilling of the oxide resources within the Naimanjal deposit and where appropriate, holes were extended to greater depths permitting the first evaluation of the deeper sulphide potential. The results of these holes support historical results with regard to mineralized thicknesses and grade. Western Services Engineering, Inc. will develop a resource estimate of the sulphide potential in connection with metallurgical testing. Resources from this sulphide host have never been reported as a part of our resource base in the past.

Trigger a Commercial Discovery on the 160,000 ounces of C category reserves already confirmed by the Kazakhstan State Reserve Committee: Work has commenced on all aspects of final permitting for the Naimanjal mine construction, development, and regulatory requirements.

Koskuduk

Pre-feasibility study of East Koskuduk and exploration programme in remaining part of deposit: Identified historical drill results suitable for a preliminary in-situ geological resource estimate are being computerized at this time. Approximately 2,400 geochemical samples have been collected with analytical results expected by mid-October. Drilling to confirm previously identified C2 category resources of 180,000 ounces and test other known mineralized bodies on the property will commence in the next few weeks. We are awaiting the final draft of a report indicating metallurgical recoveries in the sulfide portion of mineralization exceeding 80% for lead, zinc, and gold. Metallurgical test work on the oxide portion of the orebody will be based on the results of the confirmation drilling.

Baltemir

Explore 7 km-long mineralized gold trend by geophysical, geochemical, core drilling and metallurgical test work: During the planning stages of this program, further data acquisition was also conducted wherein previously unavailable documentation was obtained. These documents indicate that the mineralized trend may be as much as twice the strike length (approaching 15 kilometres) than originally thought. Additional historical drill results that were not available were also identified which we are now analyzing and will use to modify our original exploration programme. The documentation also included a P2 resource statement (geochemically based estimate) of 32 tonnes (1 million oz) of contained gold. This is a substantial increase in the previously believed potential. A program of geologic mapping and sampling is underway and a new mineralized area identified. Drilling will be undertaken based on mapping and sampling results.

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Near Term Objectives: *Copper/gold deposits*

Yubileiny, Besschoku, Baitimir

Geophysical, geochemical, core drilling and metallurgical test work to confirm 1 billion pounds of copper over two prospects: Alteration mapping using a PIMA spectrometer has started. Gaiascan, a Canadian geophysical contractor with substantial experience in Kazakhstan, has started a detailed IP survey at Yubileiny and will include Besschoku and Baitimir. This survey is expected to be completed in early November. A soil geochemical survey has commenced and will include all 3 projects. Drilling and trenching will commence in the next few weeks in geologically identified mineralized zones with further drilling based on the results of the geochemical and geophysical surveys. Bulk metallurgical samples of oxide copper ore from historic shafts are being collected. The samples will be tested for leachability on fine material over a 30-day period. If warranted, this will be followed by a 90-day leach test on run of mine material.

The Company

Frontier Mining Ltd. (FML) is a mineral exploration and development company that was incorporated in the state of Delaware, USA, on August 5, 1998 for the purpose of exploring and developing gold and copper deposits in the Republic of Kazakhstan. Through its subsidiaries and affiliates, FML locates, evaluates, acquires, explores and develops mineral properties.

FML has two licenses, over a total area of 4,326 km², owned by its wholly owned subsidiaries in Kazakhstan. They are the Naimanjal exploration and mining license, held by FML Kazakhstan and the Baltemir exploration license, held by Baltemir LLP. FML is currently focused on 3 gold projects with more than 2 million ounces of oxide gold resource and 2 copper/gold projects with more than 1 billion pounds of copper resource.

In a report dated December 2003, reporting geologists SRK stated that the Frontier licence area "represents a remarkable concentration of precious and base metal prospects". SRK prepared the Competent Person's Report for the Prospectus, comprising an independent geological evaluation and associated valuation report on the Group's assets, and has valued such assets at US\$53 million, discounted to take account of the exploration status of the Projects to a range of US\$16 million to US\$20 million.

FML has 60,570,911 ordinary shares issued and 20,142,767 outstanding options and warrants, giving 80,713,678 fully diluted ordinary shares.

Progress to Date

On behalf of the Board I am pleased to report that we are making significant progress against our declared strategy. The Board and I will continue to make further announcements to shareholders in relation to our progress in the coming months.

Brian Savage
30 September 2004

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Frontier Mining Ltd.

Interim Summarised Consolidated Financial Statements

For period ended June 30, 2004

Consolidated Balance Sheet

	Notes	Jun 30, 2004 (unaudited)	Jun 30, 2003 (unaudited)	December 31, 2003
		US\$	US\$	US\$
ASSETS				
Non-current assets				
Property, plant and equipment, net		113,724	54,741	65,075
Exploration and development assets		1,969,142	1,293,658	1,308,658
Intangible assets, net		5,167	49,722	40,035
Total Non-current assets		2,088,032	1,398,120	1,413,768
Current assets				
Cash and cash equivalents		572,377	2,263	882
Other current assets		62,747	14,021	13,752
Total Current assets		635,124	16,284	14,634
TOTAL ASSETS		2,723,157	1,414,404	1,428,402
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital		18,428	11,387	15,928
Additional paid-in-capital		4,882,720	2,075,334	3,931,766
Retained earnings		(6,363,007)	(4,209,641)	(5,311,533)
Net income/loss		(1,774,478)	(245,793)	(1,051,474)
Total Shareholders' equity		(3,236,337)	(2,122,921)	(2,415,313)
Provision for site restoration		98,402	-	90,985
		98,402	-	90,985
Current liabilities				
Short term debt	4	4,757,598	2,252,293	2,688,587
Demand notes payable	5	513,024	1,206,966	495,823
Accounts payable		511,178	208,053	208,594
Other current liabilities and interest accrued		79,292	115,806	359,726
Total Current Liabilities		5,861,091	3,783,117	3,752,730
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,723,157	1,414,404	1,428,402

FRONTIER MINING LTD.

Consolidated Statements of Operations

	<i>Notes</i>	<i>6 month period ended June 30, 2004 (unaudited) US\$</i>	<i>6 month period ended June 30, 2004 (unaudited) US\$</i>	<i>the year ended December 31, 2003 US\$</i>
General and administrative expenses		(544,144)	(195,909)	(312,338)
Shares granted to directors and officers		(600,000)	-	-
AIM admission fees		(588,415)	-	-
Loss from operations		(1,732,560)	(195,909)	(312,338)
Finance cost		(41,918)	(49,884)	(739,030)
Loss before taxation		(1,774,478)	(245,793)	(1,051,368)
Taxation		-	-	(106)
Consolidated Net Loss		(1,774,478)	(245,793)	(1,051,474)

FRONTIER MINING LTD.

Consolidated Statements of Cash Flows

	<i>June 30,</i> <u>2004</u>	<i>December 31,</i> <u>2003</u>
	US\$	US\$
Cash flows from operating activities:		
Loss before income tax	(1,528,686)	(976,115)
<i>Adjustments for:</i>		
Depreciation	39,904	32,710
Finance costs	41,918	739,030
Gain from disposal of investment in associate	-	(706)
Loss from disposal of property and equipment	-	8,958
(Recovery of) provision for bad debts	44,555	(359,600)
	<u> </u>	<u> </u>
Operating (loss) profit before working capital changes	(1,402,308)	(555,723)
<i>Changes in operating assets and liabilities:</i>		
Decrease (increase) in trade accounts receivable	(48,726)	369,712
Increase (decrease) in trade accounts payable	303,125	3,465
Increase (decrease) in other current liabilities	175,017	51,001
	<u> </u>	<u> </u>
Cash used in operations	429,415	424,178
Income tax paid	-	-
	<u> </u>	<u> </u>
Net cash flows from operating activities	<u>(972,893)</u>	<u>(131,545)</u>
Cash flows from investing activities:		
Increase decrease in exploration and development costs	(675,484)	(18,722)
Proceeds from disposal of associate	-	600
Purchase of property and equipment	(98,887)	-
	<u> </u>	<u> </u>
Net cash flows from (used in) investing activities	<u>(774,371)</u>	<u>(18,122)</u>
Cash flows from financing activities:		
Capital contributions	661,062	30,000
Proceeds received from short term debt	-	238,128
Repayment of notes payable	(693,942)	(61,557)
	<u> </u>	<u> </u>
Proceeds from convertible notes	2,350,258	10,000
	<u> </u>	<u> </u>
Net cash used in financing activities	<u>2,317,378</u>	<u>147,359</u>
Net increase/(decrease) in cash and cash equivalents	570,115	(2,308)
Cash and cash equivalents at the beginning of year	<u>2,263</u>	<u>3,190</u>
Cash and cash equivalents at the end of year	<u>572,377</u>	<u>882</u>

FRONTIER MINING LTD.

Notes to the Accounts

1. General

Frontier Mining Ltd. ("FML" or the "Company") is a mineral exploration and development company that was incorporated in the state of Delaware, USA, on August 5, 1998 for the purpose of exploring and developing gold and copper deposits in the Republic of Kazakhstan. Through its wholly owned subsidiaries and affiliates, FML Kazakhstan LLP ("FMLK") and Baltemir LLP ("Baltemir"), FML holds interest in, or is the beneficial owner of, non-producing gold and copper properties in Kazakhstan. FML is actively exploring its wholly owned Naimanjal and Baltemir contract and license areas.

2. Basis of preparation

The interim Financial Statements have been summarized in accordance with the accounting policies set out in the Company's audited financial statements for the year to December 31, 2003.

3. Share Capital

On February 27, 2004, the Shareholders approved an increase in the authorized capital to 100,000,000 common shares.

On March 31, 2004 the Company issued 250,037 common shares at US \$ 3 each, including 200,000 common shares that were granted to the directors and officers.

4. Short-Term Debt

As of June 30, 2004 short-term debt, including accrued interest, comprised the following:

	June 30, 2004	2003
	US\$	US\$
Loans from directors and management	1,519,700	1,725,695
Convertible Loan Notes	2,350,259	-
Debt to Degelen Company	412,106	412,106
Loans from Small World Associates Company ("SWA")	135,533	135,533
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	4,417,598	2,273,334
Debt to the Trade Development Agency of the United States of America ("TDA")	340,000	340,000
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	4,757,598	2,613,334

From January to March 2004 the company raised £1,271,994 (US\$ 2,350,259) in a private placement, prior to its admission to the Alternative Investment Market of the London Stock Exchange ("AIM"), through the issue of convertible loan notes. The proceeds from the placement were used by the Company to enable it to finance anticipated expenses in relation to the AIM admission, repay minor outstanding debt, advancement of feasibility and engineering studies and drilling for reserve definition and for general working capital.

5. Notes Payable

As of June 30, 2004 notes payable, comprised:

	June 30, 2004	2003
Notes payables to legal entities	297,942	297,942
Interest accrued on notes payable	126,290	109,089
Notes payables to individuals	88,792	88,792
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	513,024	495,823

6. Subsequent Events

IPO placing

The Company was admitted to the Alternative Investment Market of the London Stock Exchange ("AIM") and commenced trading on September 2, 2004. The Company placed 23,333,334 common shares at 15p, for gross proceeds of £3.5M bringing the total number of outstanding shares to 60,570,911.

Convertible Loan Notes

From January to March 2004 the company raised approximately £1,271,994 in a private placement through the issue of convertible loan notes. The loans notes were converted to 12,656,657 common shares at 10.05p upon admission to AIM on September 2, 2004.

Share Capital

Prior to admission to AIM, FML split its existing common shares on a 10 for 1 forward basis.

Loan from Directors and management

Loans from directors and management were converted into shares upon AIM admission.

Demand Notes payable

The Demand Notes' principal amount and accumulated interest were repaid in September 10th, 2004. None of those Demand Notes were converted into common shares.

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2004 In Fill Diamond Drill Core Results: Mineral Intervals

78 Completed Holes at Naimanjil along a 1.5 km strike length. 63 of which showed +0.5g/t gold (listed below)

Hole	From (m)	To (m)	Interval (m)	gpt	Hole	From (m)	To (m)	Interval (m)	gpt	
C0E1	42.00	43.50	1.50	1.21	C2S3	18.00	19.50	1.50	1.61	
	44.80	46.00	1.20	0.69			36.00	37.50	1.50	0.82
	53.50	56.50	3.00	3.47		78.90	79.90	1.00	1.47	
	65.50	67.00	1.50	1.01	C2S4	28.00	29.40	1.40	1.47	
77.50	79.00	1.50	1.16			31.20	32.40	1.20	0.61	
97.10	97.40	0.30	0.9			49.90	51.10	1.20	1.23	
C0E2	0.00	1.50	1.50	0.51	C3AS1	27.60	28.80	1.20	1.69	
	36.00	39.00	3.00	0.88			81.50	82.90	1.40	3.49
	40.50	43.20	2.70	0.85			85.30	87.00	1.70	1.17
	84.00	86.50	2.50	1.81	C3S1	35.00	36.50	1.50	0.88	
C0E3	3.50	5.00	1.50	0.6		C5AS1	63.60	65.60	2.00	0.81
	43.00	44.50	1.50	1.8			73.10	77.00	3.90	2.74
	61.50	64.50	3.00	1.88			83.00	84.50	1.50	0.85
C0E4	9.00	10.50	1.50	0.63		95.50	97.40	1.90	2.53	
	15.00	16.20	1.20	4.53	C5S1	40.00	41.50	1.50	0.7	
	61.60	62.30	0.70	0.69			43.00	44.10	1.10	0.5
	63.70	64.10	0.40	0.75		48.50	50.00	1.50	2.45	
	65.50	67.30	1.80	0.87		68.00	69.00	1.00	0.52	
	72.10	73.20	1.10	0.64	C6AS9	25.50	27.00	1.50	0.54	
96.40	96.70	0.30	0.55			81.30	83.90	2.60	0.75	
C0E5	29.30	30.30	1.00	0.51	C7AS1	0.00	2.00	2.00	1.11	
	41.70	42.70	1.00	0.59			18.00	19.50	1.50	0.83
	53.00	54.60	1.60	0.97		54.00	55.00	1.00	2.18	
	60.10	61.20	1.10	0.9		76.50	82.00	5.50	1.63	
	63.20	64.70	1.50	1.84	C7S4	32.00	33.60	1.60	0.55	
96.00	97.50	1.50	0.88			44.50	52.00	7.50	2.14	
C0S2	55.30	57.00	1.70	0.56	C9AS1	18.00	19.50	1.50	1.23	
	68.50	70.00	1.50	0.6			58.80	60.60	1.80	12
	73.20	77.20	4.00	1.11			66.00	67.00	1.00	0.8
C0S4	3.00	4.00	1.00	0.75	C9S2	37.50	40.50	3.00	1.41	
	26.50	28.80	2.30	0.65		PC0S1	83.50	86.50	3.00	0.73
	49.00	50.10	1.10	0.57			92.50	95.50	3.00	0.96
	53.00	54.00	1.00	1			100.50	101.80	1.30	0.61
	70.00	71.50	1.50	0.69	PC0S3		1.00	11.50	10.50	2.26
	76.30	78.10	1.80	2.62			24.00	24.90	0.90	0.54
C0W1	49.90	53.20	3.30	1.76		41.00	45.50	4.50	0.68	
	90.40	94.00	3.60	0.79		47.00	50.80	3.80	0.62	
C0W2	9.00	10.50	1.50	0.94		54.00	55.10	1.10	0.6	
	13.50	24.00	10.50	1.48		59.10	60.50	1.40	0.69	
	25.50	27.00	1.50	0.99	R-01	86.00	87.20	1.20	1.48	
67.80	69.20	1.40	4.13			89.70	91.20	1.50	2.46	
88.00	89.50	1.50	0.7	R-02		18.00	19.50	1.50	0.54	
C0W3	16.60	18.00	1.40		0.54		21.00	22.50	1.50	0.51
	29.50	32.50	3.00	1.7		90.50	91.00	0.50	0.58	
	40.20	42.00	1.80	2.12	R-03	64.30	65.50	1.20	1.47	
	43.50	50.80	7.30	1.05		R-04	34.00	36.40	2.40	0.73
	64.00	65.50	1.50	0.7			72.00	73.80	1.80	2.1
68.50	70.00	1.50	1.23	R-05	6.00	7.20	1.20	8.01		
92.50	94.00	1.50	3.36			84.50	85.50	1.00	0.58	
						86.20	87.10	0.90	1.56	
					R-07	39.40	41.30	1.90	3.48	

78 Completed Holes at Naimanjil along a 1.5 km strike length. 63 of which showed +0.5g/t gold (listed below)

Hole	From (m)	To (m)	Interval (m)	gpt	Hole	From (m)	To (m)	Interval (m)	gpt
C0W4	7.50	9.00	1.50	0.5	R-08	0.00	1.50	1.50	0.54
	60.00	69.00	9.00	1.79		3.00	4.50	1.50	0.5
	73.00	74.00	1.00	0.66		9.00	10.50	1.50	0.51
	83.50	88.00	4.50	2.49		76.00	77.40	1.40	1.05
C0W5	5.50	7.00	1.50	2.09	R-09	70.60	71.30	0.70	1.92
	17.50	19.00	1.50	0.61	R-10	86.50	88.00	1.50	0.7
	20.50	22.00	1.50	0.67	R-11	6.00	9.00	3.00	1.59
	25.00	26.50	1.50	0.63		13.80	15.60	1.80	1.06
	32.50	34.00	1.50	0.73		53.20	55.20	2.00	1.7
	44.50	52.00	7.50	1.18		63.90	65.60	1.70	0.52
	56.50	59.50	3.00	0.67		70.50	72.40	1.90	1.82
C0W6	10.30	11.50	1.20	0.64	R-12	9.00	10.60	1.60	0.67
	63.50	65.00	1.50	3.85		32.10	33.60	1.50	0.61
C11AS1	51.50	53.40	1.90	0.9		50.70	52.30	1.60	0.8
	56.50	58.00	1.50	0.63	R-13	22.00	23.50	1.50	0.53
	59.50	61.00	1.50	0.76		42.00	43.50	1.50	0.61
C11S1	15.00	16.50	1.50	1.13		81.00	83.00	2.00	0.56
	77.00	80.00	3.00	0.97		87.60	90.50	2.90	0.85
C11S2	45.50	51.50	6.00	2.26	R-14	24.00	25.50	1.50	0.78
C13AS1	21.00	24.00	3.00	1.75		30.60	33.30	2.70	6.35
	25.50	27.00	1.50	1.15		40.00	41.50	1.50	0.78
	28.50	30.00	1.50	0.81		58.20	59.70	1.50	0.98
	32.50	37.60	5.10	1.79		64.20	68.70	4.50	0.68
	40.60	41.10	0.50	1.89		98.70	105.90	7.20	2.97
	42.50	45.40	2.90	0.62	R-15	12.50	20.50	8.00	1.09
C13S3	32.80	34.10	1.30	0.53		37.00	42.80	5.80	9.94
	41.00	42.50	1.50	2.25		85.00	86.50	1.50	0.72
C15AS1	23.50	25.20	1.70	0.63	R-17	34.80	36.00	1.20	0.92
	79.60	81.00	1.40	0.98		81.00	82.20	1.20	0.52
C15S2	43.70	45.20	1.50	0.6	R-21	99.80	102.60	2.80	1.28
	46.60	49.20	2.60	2.45		122.00	122.90	0.90	1.16
	73.60	75.10	1.50	0.7	R-22	16.20	17.70	1.50	1.64
	93.50	94.50	1.00	0.81		20.70	22.20	1.50	8.11
C17S1	53.50	57.40	3.90	2.24		37.70	39.20	1.50	3.83
C1AS1	60.50	68.80	8.30	3.61	R-23	64.00	71.60	7.60	1.98
	70.00	78.40	8.40	1.2		107.00	111.20	4.20	0.85
C1AS2	14.50	16.00	1.50	2.07	R-24	30.60	31.55	0.95	1.06
	50.00	55.20	5.20	1.06	R-28	198.30	199.80	1.50	1.25
	56.20	58.50	2.30	0.69	RC1S7	33.00	35.40	2.40	1.8
	61.50	64.90	3.40	2.41		70.20	71.60	1.40	2.13
C1S6	33.80	39.80	6.00	1.17	RT-2	3.00	6.00	3.00	0.91
C2N5	16.00	19.00	3.00	2.27		15.00	19.50	4.50	1.75
	64.50	66.00	1.50	2.09		21.00	37.50	16.50	1.94
C2N6	12.00	13.00	1.00	0.55		39.00	42.70	3.70	0.63
	29.30	30.90	1.60	0.86	RT-3	31.60	32.90	1.30	1.16
	42.90	43.90	1.00	0.65					
	59.00	60.00	1.00	0.9					
C2S2	12.50	14.00	1.50	1.33					
	50.00	51.70	1.70	1.63					
	56.20	60.00	3.80	2.73					
	61.50	64.00	2.50	0.94					
	69.00	72.00	3.00	1.1					