



Regulatory Announcement

Company Frontier Mining Ltd
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**Frontier Mining Ltd
("Frontier" or "the Company")**

Interim Results (Unaudited) to 30 June 2007

Projects Update to 27 September 2007

Highlights:

- Increased gold and silver resources at Naimanjal
- Applied for commercial production at Naimanjal commencing 2008
- Revenue of \$569,447 from sale of 816 ounces of gold and 5,585 ounces of silver providing gross operating profit of \$211,067 from production of 813 ounces of gold and 5,528 ounces of silver at Naimanjal
- Received two year exploration extension for the evaluation of a commercial discovery at the Baltemir License, our fifth since listing in September 2004
- Strengthened technical and corporate management teams

Post Period Highlights

- Currently acquiring a 50% interest in the Wardell Armstrong estimated 2.79 million tonne contained copper resource project, Benkala, located in northwestern Kazakhstan pending government approvals
- \$25,317,174 Placing conditional on registration of the Benkala contract
- Revenue of \$1,712,540 from sale of 2,471 ounces of gold and 14,898 ounces of silver from 1 January 2007 to 27 September 2007
- Produced 2,150 ounces of gold and 13,351 ounces of silver 1 January 2007 to 27 September 2007
- Revised gold production target for 2007 to 5,000 ounces of gold at Naimanjal
- Applied for pilot production at Koskuduk, Baitimir, Yubileiny, and Beshoki commencing 2008

Brian Savage, CEO of Frontier commented, "We will complete pilot production test mining phase at Naimanjal at the end of this year and have applied for a commercial production license. We continue to produce gold and silver from Naimanjal, albeit at lower levels than forecast, and are confident that Naimanjal will reach its full potential. We are also very pleased to be in the process of acquiring 50% of Benkala which is pending final government approval and are planning a feasibility



study that will confirm resources and reserves to a JORC standard with the intent of placing Benkala into production as soon as possible..

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Chairman's Statement and Operations Update

On behalf of Frontier's Board of Directors, I am pleased to present our unaudited interim results for the six months ending 30 June 2007 and projects update to 27 September 2007.

We are coming to the end of our pilot production phase at Naimanjal and have applied for commercial production. We are limited to producing 360,000 tonnes of ore under the pilot production phase and had expected to have already received the commercial production license to allow us to produce more gold. As a result of the delay, we are revising our gold production for the year ending 31 December 2007 to 5,000 ounces.

During the six months through to 30 June 2007, we have produced 813 ounces of gold and 5,528 ounces of silver and sold 816 ounces of gold and 5,585 ounces of silver generating revenue of \$569,447 and operating profit of \$211,067. This is an increase in both revenue and profit from the same period last year where we had no revenue during the first half of the year. Year to date, we have produced 2,150 ounces of gold and 13,351 ounces of silver and sold 2,471 ounces of gold and 14,898 ounces of silver generating revenue of \$1,712,540.

The planned exploration programme for 2007 was phased to allow for an initial drilling campaign to expand the resource base and convert resources to reserves, drill test previously established but untested exploration targets, and with trenching, better define exploration targets where previous efforts were very encouraging.

13,610 metres of RC (reverse circulation) drilling have been completed at Naimanjal and Baritovy with 9,633 metres of exploration RC drilling at Naimanjal and 997 metres of exploration drilling at Baritovy, and 2,980 metres of in-pit or adjacent-to-pit mine planning RC drilling at Naimanjal.

43 trenches totaling over 5,800 metres have been excavated. 23 trenches encountered strongly-anomalous to ore-grade gold and/or silver values, particularly east and south of Pit 1 and far to the west of Pit 6. Initial RC drilling near Pit 1 is underway and assays are pending.

Previous press releases reported over 100 targets at Naimanjal and the satellite prospects. For ease of evaluation, many individual targets have been consolidated into geologically and structurally consistent high-priority target areas. At Naimanjal, over two dozen large high-priority target areas have been established. Those that have been extensively drilled developed into the new resource areas mentioned below. Those with minimal drilling have returned encouraging results. More than half of the high-priority targets have not yet been drilled. These targets however do not form a part of the resource estimates.

The initial RC drilling exploration programme has been very successful in expanding the resource base east of Pit 4, Grassy Knoll South, and Pit 3 West targets as well as proving continuity at Area 124. All holes are drilled inclined and approximately at right angles to the vein zone strike direction.



East of Pit 4 target, substantial gold and silver mineralization has been discovered over a width of 200 metres, and the zone remains open-ended to the east. At Grassy Knoll South, drilling has proven both internal continuity and continuity of mineralization on the northern portion of the vein zone. A width of 90 metres of mineralization is indicated. Here again, the mineralized zone is open-ended along strike. At Pit 3 West, the mineralized vein zones have been extended further west, while in-fill drilling has shown continuity of gold and silver values. Here also, mineralization is open-ended to the west.

At Baritovy, approximately 9 kilometres north of Naimanjal, an RC drilling programme is underway. Initial assay results are encouraging with several holes returning strong gold and silver values.

Utilizing a composite cutoff grade of 0.50 g/t gold equivalent, for the 2007 RC drilling programme through August, the average width per hole (measured down-hole length) of mineralization for the five Naimanjal deposits is 5.195 metres, 1.2 g/t gold, 35.9 g/t silver, and 1.559 g/t gold equivalent while the average width per intercept is 3.91 metres. Including Baritovy, the average width per hole of all six deposits is 5.195 metres, 1.229 g/t gold, 39.081 g/t silver, and 1.62 g/t gold equivalent while the average width per intercept is 3.86 metres.

At all deposits, substantial thicknesses of lower grade mineralization (0.2 to 0.499 g/t gold equivalent) surround these highlighted values.

At a gold cut-off grade of 0.3 grams per tonne ("g/t") there are 3,502,393 tonnes of Measured and Indicated resource at an average grade of 0.73 g/t gold and 17.31 g/t silver containing 82,022 ounces of gold and 1,948,699 ounces of silver. In addition, the model indicates that there are 8,300,939 tonnes of Inferred resource at an average grade of 0.64 g/t gold and 18.95 g/t silver containing 170,626 ounces of gold and 5,058,476 ounces of silver.

The Measured, Indicated, and Inferred resource at the Naimanjal deposit using a cut-off grade of 0.3 g/t gold totals 11,803,332 tonnes at an average grade of 0.67 g/t gold and 18.46 g/t silver containing 252,648 ounces of gold and 7,007,175 ounces of silver.

The Company also asked Behre Dolbear to audit and affirm Frontier's calculations of the gold and silver resources using a cut-off grade of 0.50 g/t gold. At a cut-off grade of 0.5 grams per tonne ("g/t") there are 2,008,769 tonnes of Measured and Indicated resource at an average grade of 1.06 g/t gold and 23.07 g/t silver containing 68,617 ounces of gold and 1,489,828 ounces of silver. In addition, the model indicates that there are 4,645,044 tonnes of Inferred resource at an average grade of 0.90 g/t gold and 27.52 g/t silver containing 134,372 ounces of gold and 4,109,157 ounces of silver.

The Measured, Indicated, and Inferred resource at the Naimanjal deposit using a cut-off grade of 0.5 g/t gold totals 6,653,813 tonnes at an average grade of 0.95 g/t gold and 26.17 g/t silver containing 202,989 ounces of gold and 5,598,985 ounces of silver.

The results of this season's positive exploration results are not included in the above resource statements.

Koskuduk

We have applied for a pilot production license at Koskuduk, which is similar to Naimanjal where zinc-lead dominant gold-silver vein mineralization has been intercepted below the oxide zone. At least three styles of mineralization are present at Koskuduk. The first is gold-dominant oxide mineralization occurring from surface to depths of approximately 50 metres where minor zinc and lead may be present and positive silver grades are closely associated with the presence of lead. Second is high



grade gold-silver-lead-zinc and lesser lead mineralization associated with discrete veins and feeder zones. These zones are generally narrow (<2 metres) but have excellent depth potential. Third, relatively thick (>10 metres) lower grade gold-silver-zinc and lesser lead mineralization occurs as disseminated stratigraphically-controlled bodies associated with some tuff horizons. All styles of mineralization are attractive.

Baltemir

The Ministry of Energy and Mineral Resources of the Republic of Kazakhstan approved a two year exploration extension for the evaluation of a commercial discovery at Baltemir. The exploration license is now valid until 5 March 2009.

Baltemir is about 56km east of Frontier's producing gold mine, Naimanjal. The License covers an area of 154km². So far, the Baltemir exploration programme has identified the potential for a small gold resource of narrow high grade vein material at West Baltemir occurring within a zone 1km wide and 7km long.

Behre Dolbear has recommended a limited three phase exploration programme to test the potential of three key targets.

Benkala

We entered into a conditional purchase agreement on 6 September 2007 with Coville Intercorp Ltd ("Coville") to acquire a 50 percent interest in the Benkala copper-molybdenum-gold deposit ("Benkala", or "the Benkala Project") located in north-western Kazakhstan within the Urals gold/copper ore belt. The aggregate consideration payable for the interest in Benkala is US\$21 million comprising \$18.5m payable in cash and the issue of 6,250,000 shares of Frontier common stock of US\$0.01 each ("Ordinary shares").

Rights to the Benkala deposit were won in January 2006 by a subsidiary of Coville in an open government tender. Upon government approval, the contract will cover an area of 1.194 km² and will be effective for a 4 year exploration period followed by a 25 year mining licence.

Frontier and Coville have entered into a shareholders agreement relating to their joint ownership of the Benkala project. We are acquiring a 50% ownership in the Benkala copper project and are awaiting the registration of the contract with the government to make the final payment of approximately \$7.7 million and issue 6,250,000 shares of stock to Coville.

The Benkala Project, a porphyry copper project, is situated in north-western Kazakhstan in the Urals gold/copper ore belt, north east of Aktobe Oblast and 100km south east of the Zhitikara town, an area close to the Russian border with a long regional mining history. Benkala is in an attractive position for mine development given that it already contains developed infrastructure, including a main line railway, an all weather highway and excellent power supply to the site.

The property was discovered in 1968. Between 1976 and 1980, 70 holes totalling 21,800 metres were drilled, with depths of up to 700 metres and with core recovery between 70% and 75%. Metallurgical test work was conducted between 1973 and 1979 and determined that that the oxide ores were amenable to heap leaching using sulphuric acid as well as flotation.

A Competent Person Report ("CPR") on the Benkala Project completed by Wardell Armstrong International ("WAI") in March 2007 estimates 47.75 Mt at an average grade of 0.36% Cu for the oxide mineralisation, and 873.75 Mt at an average grade of 0.30% Cu for the sulphide mineralisation.



Placing for the interest in Benkala

The board of Frontier has authorised the issuance of an aggregate amount of 94,034,929 Ordinary Shares.

87,784,929 Ordinary Share have been placed at 14p to a combination of new and existing shareholders raising a total of \$25,317,174. In addition, 6,250,000 Ordinary Shares are to be issued to Coville as referred to above.

Frontier anticipates that the net proceeds available to the company will be approximately \$7.6 million for working capital and to proceed through to the feasibility phase as indicated below.

The Placing is conditional on government approval and admission of the placing shares to trading on the AIM market of the London Stock Exchange.

Frontier currently has 132,581,587 common shares issued. Following the transaction, the company will have 226,616,516 common shares issued.

Appointments

We appointed a team of key technical and financial advisors to the company with extensive experience in both mining and undertaking business in Kazakhstan has made a considerable contribution to current project development. They bring an impressive array of skills and experience to our technical and financial team and will be of great value to the Company as we look to develop our portfolio of projects.

Future Prospects

I would like to take this opportunity to thank our shareholders for their continued support. We believe Naimanjal and our other commercial discoveries will reach their full potential and are excited about the positive exploration results we have achieved to date. We are very pleased to be in the process of acquiring 50% of the Benkala copper project pending government approvals. We are planning a feasibility study that will confirm resources and reserves to a JORC standard with the intent of placing Benkala into production as soon as possible.

Brian Savage, Chairman
28 September 2007



Frontier Mining Ltd.

Interim Summarised Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2007 (unaudited)

In US Dollars

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)	December 31, 2006
Exploration and Development costs	9,950,515	9,919,725	9,745,844
Property Plant and equipment	9,594,636	7,889,710	9,620,499
Long-term portion of VAT receivable	760,983	626,512	756,159
Cash restricted for restoration expenses	112,000	112,000	112,000
Deferred tax asset	1,100,856	-	1,100,856
Total Non-current assets	<u>21,518,990</u>	<u>18,547,947</u>	<u>21,335,358</u>
Current assets			
Inventory	3,648,714	2,095,283	2,984,369
Trade receivables	27,944	414,610	586,404
Other receivables	541,607	953,565	160,979
Cash and cash equivalents	383,253	6,103,890	1,253,063
Total Current assets	<u>4,601,518</u>	<u>9,567,348</u>	<u>4,984,815</u>
TOTAL ASSETS	<u><u>26,120,508</u></u>	<u><u>28,115,295</u></u>	<u><u>26,320,173</u></u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	1,325,816	1,325,816	1,325,816
Additional paid-in-capital	36,440,425	36,440,425	36,440,425
Accumulated deficit	(15,526,570)	(11,993,118)	(14,272,859)
	<u>22,239,671</u>	<u>25,773,123</u>	<u>23,493,382</u>
Non-current liabilities			
Site restoration provision	59,477	119,187	59,477
Due to Government of the Republic of Kazakhstan	731,774	821,751	731,774
	<u>791,251</u>	<u>940,938</u>	<u>791,251</u>
Current liabilities			
Trade accounts payable	399,816	95,382	959,720
Debt to the US Trade Development Agency	340,000	340,000	340,000
Other current liabilities	2,349,770	965,852	735,820
	<u>3,089,586</u>	<u>1,401,234</u>	<u>2,035,540</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	<u><u>26,120,508</u></u>	<u><u>28,115,295</u></u>	<u><u>26,320,173</u></u>



CONSOLIDATED STATEMENT OF OPERATIONS
For 6 months period ended June 30, 2007 (unaudited)

In US Dollars

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)	December 31, 2006
Revenue	569,447	-	2,974,472
Cost of sales	<u>(358,380)</u>	-	<u>(1,968,840)</u>
Gross profit / (loss)	211,067	-	1,005,632
Selling, General and administrative expenses	1,418,509	1,213,659	3,340,652
Legal and related fees	-	-	576,404
Operating Loss	<u>1,207,442</u>	<u>1,213,659</u>	<u>2,911,424</u>
Other Income	43,881	40,762	(75,155)
Foreign exchange gain, net	<u>2,388</u>	<u>(1,990,536)</u>	<u>(191,786)</u>
Loss/(gain) from operation	1,253,711	(736,115)	2,644,483
Taxation	-	-	(1,051,840)
Consolidated Net loss/(income)	<u><u>1,253,711</u></u>	<u><u>(736,115)</u></u>	<u><u>1,592,643</u></u>



STATEMENTS OF CASH FLOWS
For 6 month period ended June 30, 2007

In US Dollars

	6 month period ended June 30, 2007	6 month period ended June 30, 2006
OPERATING ACTIVITIES:		
Income/(Loss) from operations	(1,253,711)	736,115
Adjustments for non cash flow items:		
Depreciation of property and equipment	25,863	32,096
Operating cash flows before movement in working capital	(1,227,848)	768,211
Increase in value added tax receivable	(4,824)	(225,890)
Increase in inventory	(664,345)	(1,160,448)
Increase in trade accounts receivable	558,460	(693,850)
Decrease/ (increase) in other receivable	(380,628)	-
Increase in accounts payable	(559,904)	(767,905)
Increase /(decrease) in other current liabilities	1,613,950	134,098
NET CASH USED IN OPERATING ACTIVITIES	(665,139)	(1,945,784)
INVESTING ACTIVITIES:		
Additions to exploration and development costs	(204,671)	(3,036,118)
Purchase of property and equipment	-	(2,872,246)
Purchase of intangible assets	-	-
NET CASH USED IN INVESTING ACTIVITIES	(204,671)	(5,908,364)
Net decrease/(increase) in cash and cash equivalents	(869,810)	(7,854,148)
Cash and cash equivalents at beginning of year	1,253,063	14,070,038
Cash and cash equivalents at end of year	383,253	6,215,890



About Frontier

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

Frontier has two licenses in Kazakhstan. They are the Naimanjal exploration and mining licence, held by FML Kazakhstan, and the Baltemir exploration licence, held by Baltemir LLP. Both companies are wholly-owned subsidiaries of Frontier Mining Ltd. Frontier has one producing gold mine, Naimanjal; one pre-feasibility stage gold project, Koskuduk; and one exploration stage gold prospect, Baltemir.

Frontier also has one potential copper porphyry deposit with associated gold and molybdenum, Baitimir; and several copper/gold prospects along a 25-km trend including both VMS and porphyry types. Metallurgical tests on its Beschoku and Yubileiny copper projects confirm the oxide copper ore is amenable to extraction using low cost SX-EW technology.

Issued and Fully Diluted Ordinary Shares

Frontier shares are traded on the AIM market of the London Stock Exchange. Prior to the completion of the Placing, Frontier has 132,581,587 ordinary shares issued and 6,057,091 reserved and outstanding options and warrants, giving 138,638,678 fully diluted ordinary shares.

Further company information may be accessed at the Frontier Mining Ltd. website at:
www.frontiermining.com

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