

Regulatory Announcement

Company Frontier Mining Ltd
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Frontier Mining Ltd
(“Frontier” or “the Company”)

Interim Results for the six months to 30 June 2008 and Operational Update

Frontier Mining Ltd (“Frontier” or “the Company”; AIM: FML), the mining exploration and development company with gold and copper properties in Kazakhstan, announces its unaudited interim results for the six months ended 30 June 2008.

Highlights:

- Income of US\$376,523 from sale of 402 ounces of gold and 3,300 ounces of silver
- Extension of exploration period at Koskuduk, Baritovy, Beschoku, and Yubileiny
- Approval of Naimanjil 2008/9 exploration work program
- Appointment of a technical and financial advisory team to fast track the development of Benkala towards pre-feasibility

Post-Period End:

- Total year-to-date income of US\$787,074 from sale of 780 ounces of gold and 8,319 ounces of silver
- Application for further exploration and pilot production at Koskuduk, Beschoku, Yubeleiny & Baitemir commenced
- Licence transfer of the rights and obligations for the Benkala project to KazCopper LLP
- Metallurgical test work indicates viability of heap leaching methods and SX-EW processing for the oxidized part of Benkala deposit
- Three drill rigs mobilized to Benkala

Brian Savage, Chairman & CEO of Frontier, commented:

“Naimanjil has proved to be a more challenging project than anticipated as we referred to in the annual report. However, as the issues identified are not technical in nature, we are progressing the regulatory approvals for continued exploration and commercial production. We continue to strengthen our operating and exploration capabilities across our Naimanjil license commercial discovery areas. We remain convinced that Benkala is a company-transforming asset that will drive Frontier’s valuation in the future. Recent metallurgical test work has been encouraging and, having mobilized three drill rigs to Benkala, drilling will commence shortly. We are delighted to have Coville as our joint venture partner in Benkala, given their extensive mining experience in Kazakhstan. We have a number of additional prospective assets in our portfolio, which are expected to contribute to the valuation of the Company longer term.”

Notes to Editors

Frontier currently owns two licenses in Kazakhstan. They are the Naimanjil exploration and mining licence, held by FML Kazakhstan, and, 50% of U.S. Megatech BVI, which holds the Benkala, licence. FML Kazakhstan is a wholly owned subsidiary of Frontier Mining Ltd. Frontier has one producing gold mine, Naimanjil; one pre-feasibility stage gold project, Koskuduk; and the recently acquired 50% interest in the Benkala copper mine.

Frontier owns a 50% interest in KazCopper LLP, the joint venture Company that owns the Benkala copper-molybdenum-gold deposit located in northwestern Kazakhstan within the Urals gold/copper ore belt. A Competent Persons 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 mineralization, and 873.75 Mt at an average grade of 0.30% Cu for the sulphide mineralisation, representing some 2.8 million tonnes of contained copper. A conceptual study team and advisory team have both been appointed to fast track the development of this project forward towards a pre- feasibility study, with a view to beginning production at the end of 2010.

For further information, please visit the website at www.frontiermining.com.

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Chairman's Statement

On behalf of Frontier's Board of Directors, I am pleased to present our unaudited interim results for the six months ending 30 June 2008 and to provide shareholders with an operational update. Whilst the accounts are unaudited, they have been reviewed and verified by local independent accountants. Revenue for the period continues to be offset against capitalized development costs reflecting the test status of Naimanjal pilot production.

Operational Review

Naimanjal Complex

The Naimanjal Complex ("Naimanjal") is a highly mineralized commercial discovery covering an area of about 170 square kilometres, of which the existing Naimanjal mine represents only a small section. Naimanjal comprises 6 identified satellite prospects and more than 100 exploration targets.

On 22 September, 2008 the Regional Subsoil Usage office for the Karaganda oblast approved the Frontier Mining exploration work program for 2009. The program outlines the exploration program for the areas contiguous with the Naimanjal deposit and for Frontier's other outlying deposits in the area. We are optimistic that this will allow us to increase our reserves.

At a gold equivalent 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 resources 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. See Table 1 and Table 2 below.

Table 1							
Measured and Indicated Resource							
Ore type	Cut-off	Tonnes	Au (g/t)	Ag (g/t)	Au eq	Au (oz)	Ag (oz)
Oxide	0.3	2,435,633	0.67	12.83	0.81	52,466	1,004,684
Transition	0.3	376,455	0.81	20.62	1.03	9,804	249,570
Sulfide	0.3	690,305	0.89	31.29	1.22	19,752	694,445
Total	0.3	3,502,393	0.73	17.31	0.91	82,022	1,948,699

Table 2							
Inferred Resource							
Ore type	Cut-off	Tonnes	Au (g/t)	Ag (g/t)	Au eq	Au (oz)	Ag (oz)
Oxide	0.3	4,339,907	0.53	12.88	0.67	73,952	1,797,162
Transition	0.3	1,223,431	0.69	19.61	0.89	27,141	771,344
Sulfide	0.3	2,737,601	0.79	28.29	1.07	69,533	2,489,970
Total	0.3	8,300,939	0.64	18.95	0.84	170,626	5,058,476

The Measured, Indicated, and Inferred resource at Naimanjal, using a cut-off grade of 0.3 g/t gold equivalent 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 calculate 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 6,134,872 ounces of silver. See Table 3 and Table 4 below.

Table 3							
Measured and Indicated Resource							
Ore type	Cut-off	Tonnes	Au (g/t)	Ag (g/t)	Au eq	Au (oz)	Ag (oz)
Oxide	0.5	1,253,947	1.03	16.78	1.21	41,525	676,491
Transition	0.5	239,919	1.13	25.82	1.40	8,716	199,164
Sulfide	0.5	514,903	1.11	37.10	1.50	18,376	614,172
Total	0.5	2,008,769	1.06	23.07	1.31	68,617	1,489,827

Table 4							
Inferred Resource							
Ore type	Cut-off	Tonnes	Au (g/t)	Ag (g/t)	Au eq	Au (oz)	Ag (oz)
Oxide	0.5	1,894,303	0.82	20.30	1.03	49,941	1,236,336
Transition	0.5	730,114	0.94	27.43	1.23	22,065	643,884
Sulfide	0.5	2,020,627	0.96	34.31	1.31	62,366	2,228,937
Total	0.5	4,645,044	0.90	27.52	1.19	134,372	4,109,157

The gold equivalent grades discussed above were derived by converting silver grades to gold equivalent by dividing them by a factor of 92.5. This factor is derived from gold and silver metallurgical recoveries of 74% and 40% respectively and gold and silver prices of US \$600 per ounce and US \$12 per ounce, respectively.

Koskuduk

At least three zones of mineralization are present at our gold prospect at Koskuduk. The first is a gold-dominant oxide mineralization occurring from surface to depth of approximately 50 metres, where minor zinc and lead may be present. Positive silver grades are also closely associated with the presence of lead. Secondly, there is a higher-grade gold-silver-lead-zinc and less lead mineralization associated with discreet veins and feeder zones. These zones are generally narrow (<2 metres), but have excellent depth potential. Thirdly, there is a relatively thick (>10 metres) lower grade gold-silver-lead-zinc and lesser lead mineralization occurring as disseminated stratigraphically controlled bodies associated with some tuff horizons. All these mineralization types are attractive and management has confidence in the potential of this project.

The Ministry of Energy and Mineral Resources of the Republic of Kazakhstan (“MEMR”) has extended the exploration period for the appraisal of commercial discoveries at Koskuduk by a further two years.

We have received preliminary approval for test mining of up to 100,000 tonnes of ore at Koskuduk. This will facilitate additional metallurgical test work on bulk samples from these three main zones of mineralization to determine leaching characteristics and identify potential processing options. Plans for these tests are being developed for implementation in 2009.

Beschoku

Beschoku is the most promising copper prospect in the 20-kilometre Copper Trend. It is a high grade gold-copper breccia pipe complex with a variably developed oxide zone that is within the same structural corridor as Yubileiny.

The MEMR has also extended the exploration period for the appraisal of commercial discoveries at Beschoku for two more years.

We have received preliminary approval for test mining up to 100,000 tonnes of ore at Beschoku. This will facilitate additional metallurgical test work on bulk samples to determine leaching characteristics of both gold and copper. The results will be used to determine potential processes to recover both the gold and copper. Plans for these tests are being developed for implementation in 2009.

Benkala

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 town of Zhitikara, an area close to the Russian border with a long history of mining operations. 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 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.

All rights and obligations relating to the project have been transferred from U.S. Megatech, Inc, a New York corporation and wholly owned subsidiary of U.S. Megatech BVI, to the Kazakhstan based legal entity KazCopper LLP. KazCopper LLP is also a wholly owned subsidiary of US Megatech BVI, which in turn is a 50/50 Joint Venture between Frontier and Coville.

This licence transfer of the rights and obligations in the Benkala project was recognized by the MEMR in the form of Addendum 1 to contract #2482 dated 15 November 2007, which governs exploration and mining of the Benkala deposit in the Aktobe Oblast.

KazCopper LLP now has the necessary title and regulatory approvals for the project, allowing it to begin an advanced confirmation drilling program in preparation for the JORC reserves and resource pre-feasibility development stage of the project.

KazCopper LLP has mobilized three drill rigs to site, equipped with Boart Longyear equipment and have commenced confirmation drilling. A field camp for 30 people has also been deployed. It is intended that by the end of 2008, up to 5,000 metres will have been drilled at Benkala, with a further 15,000 metres scheduled for 2009.

Recently conducted preliminary technological studies on samples obtained during verification drilling, indicate the viability of heap leaching methods and SX-EW processing on oxidized ores from Benkala. The results included up to 65.3% copper extraction over a period of 70 days. To increase technological indicators and to clarify process variables, the Institute has recommended continued studies on larger samples of ore, which has been preliminarily agreed.

Financial Results

In the 6 month period ended 30 June 2008, we received income of US \$376,523 from the sale of 402 ounces of gold and 3,300 ounces of silver, compared to 2007 first half revenues of US \$569,447 from the sale of 816 ounces of gold and 5,585 ounces of silver. The reduction in income compared with the same period last year was due primarily to regulatory delays. Year to date we have sold 780 ounces of gold and 8,319 ounces of silver, generating income of US \$737,074.

Nevertheless, we have managed to contain losses for the period to US \$1.4 million, a level similar to those in the first half of 2007.

The increase in total assets in the balance sheet to US \$52 million (2007: US \$26 million) reflects the acquisition of a 50% ownership in Benkala at the end of 2007. This figure compares favourably with total liabilities of US \$17 million as at 30 June 2008.

Outlook

Once the regulatory issues are resolved, Naimanjal's production will meet management expectations. The disappointing results to date are not technical in nature and we therefore hope to resolve all issues shortly. We are confident of additional potential at Koskuduk and Beschoku and look forward to implementing bulk metallurgical tests at both projects in 2009 to determine future development plans. Whilst Naimanjal is an important near-term value driver for Frontier, we remain convinced that Benkala is a company-transforming asset. Recently announced recovery rates of up to 65.3% of copper in oxidized ore over 70 days are very promising for the potential development of a low capital cost heap leach and SX-EW processing operation. We look forward to the results of the current drilling and anticipate further confirmation of the existing resource.

Brian Savage, Chairman
29 September 2008

Frontier Mining Ltd
Interim Summarised Financial Statements

CONSOLIDATED INCOME STATEMENT

For the six month period ended June 30, 2008 (unaudited)

US\$'s

	June 30, 2008	June 30, 2007	December 31, 2007
Revenue	-	569,447	-
Cost of sales	-	(358,380)	-
Gross profit		<u>211,067</u>	<u>-</u>
Selling, general and administrative expenses	1,462,826	1,418,509	3,526,071
Write-off of exploration and evaluation assets	-	-	695,056
Operating loss	<u>1,462,826</u>	<u>1,207,442</u>	<u>4,221,127</u>
Finance costs		43,881	88,540
Other income	(37,683)		(37,314)
Foreign exchange loss	(5,353)	2,388	41,920
Loss before taxation	<u>(43,036)</u>	<u>1,253,711</u>	<u>4,314,273</u>
Taxation	-	-	(60,199)
Loss for the period	<u><u>1,419,790</u></u>	<u><u>1,253,711</u></u>	<u><u>4,254,074</u></u>

Frontier Mining Ltd
Interim Summarised Financial Statements

CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2008 (unaudited)

US\$'s	June 30, 2008	June 30, 2007	December 31, 2007
Assets			
<i>Non-current assets</i>			
Exploration and evaluation assets	35,125,012	5,727,753	32,220,409
Mine development costs	6,241,675	4,222,762	6,213,086
Property, plant and equipment	6,838,051	9,594,636	6,922,788
Intangible assets	30,106		36,043
Value added tax receivable	847,692	760,983	797,707
Restricted cash	112,000	112,000	112,000
Deferred tax asset	1,112,038	1,100,856	1,112,038
Total non-current assets	50,306,574	21,518,990	47,414,071
<i>Current assets</i>			
Inventories	598,893	3,648,714	422,463
Trade accounts receivables	26,453	27,944	41,762
Value added tax receivable	-	541,607	-
Prepaid expenses	159,830		136,585
Other receivables	79,560		39,738
Cash and cash equivalents	382,516	383,253	2,473,952
Total current assets	1,247,252	4,601,518	3,114,500
Total assets	51,553,826	26,120,508	50,528,571
<i>Shareholders' equity and liabilities</i>			
Share capital	2,181,201	1,325,816	2,181,201
Additional paid-in-capital	51,824,776	36,440,425	51,824,776
Option premium on convertible notes	425,185		425,185
Equity settled employee benefits reserve	232,925		232,925
Accumulated losses	(19,995,740)	(15,526,570)	(18,575,950)
Total shareholders equity	34,668,347	22,239,671	36,088,137
<i>Non-current liabilities</i>			
Site restoration provision	624,423	59,477	624,423
Due to Government of the Republic of Kazakhstan	708,135	731,774	708,135
Due to US Trade and Development Agency	340,000		340,000
Borrowings	2,112,963		1,962,963
Deferred tax liability	182,222		182,222
Total non-current liabilities	3,967,743	791,251	3,817,743
<i>Current liabilities</i>			
Trade accounts payable	184,371	399,816	117,456
Debt to the US Trade Development Agency	-	340,000	-
Borrowings	7,129,630		7,129,630
Due to Government of the Republic of Kazakhstan	64,120		64,120
Other current liabilities	5,539,616	2,349,770	3,311,485
Total current liabilities	12,917,737	3,089,586	10,622,691
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	51,553,827	26,120,508	50,528,571
	0	-	-

Frontier Mining Ltd
Interim Summarised Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended June 30, 2008 (unaudited)

US\$'s	June 30, 2008	June 30, 2007	December 31, 2007
<i>Operating Activities</i>			
Loss for the period	(1,419,790)	(1,253,711)	(4,254,074)
<i>Adjustments for non cash flow items:</i>			
Income tax benefit recognised in profit or loss	-		(60,199)
Depreciation of property and equipment	84,736	25,863	1,490,973
Amortization of intangible assets	5,937		7,436
Equity settled employee benefit reserve	-		232,925
Foreign Exchange loss/(gain)	(5,353)		41,920
Loss from disposal of property and equipment	-		-
Finance costs	-		88,540
Operating cash flows before movement in working capital	<u>(1,334,470)</u>	<u>(1,227,848)</u>	<u>(2,452,479)</u>
Increase in value added tax receivable	-	(4,824)	-
Decrease/(increase) in inventory	(176,430)	(664,345)	61,695
Decrease/(increase) in trade accounts receivable	15,309	558,460	544,642
(Increase)/decrease in prepaid expenses	(23,245)	-	(1,707)
(Increase)/decrease in other receivable	(39,822)	(380,628)	(13,637)
(Decrease)/increase in accounts payable	66,915	(559,904)	(842,264)
Increase/(decrease) in other current liabilities	2,378,131	1,613,950	2,738,038
Net cash provided by/(used in) operating activities	<u>886,388</u>	<u>(665,139)</u>	<u>34,288</u>
<i>Investing Activities</i>			
Increase in exploration and evaluation assets	(2,904,603)	(204,671)	(4,601,647)
Increase in mine development assets	(221,021)		(1,413,839)
Cash proceeds from test production sales	192,432		2,353,016
Bernkala acquisition costs	-		(1,032,715)
Purchase of property and equipment	-		(55,919)
Purchase of intangible assets	-		
Net cash used in investing activities	<u>(2,933,192)</u>	<u>(204,671)</u>	<u>(4,751,104)</u>
<i>Financing Activities</i>			
Proceeds from share placement	-		7,400,000
Cost of share placement	-		(1,216,454)
Increase in value added tax receivable	(49,985)		(41,548)
Net cash flows from financing activities	<u>(49,985)</u>	<u>-</u>	<u>6,141,998</u>
Net increase/(decrease) in cash and cash equivalents	(2,096,789)	(869,810)	1,425,182
Effects of exchange rate changes on the balance of cash held in foreign currencies	5,353		(204,293)
Cash and cash equivalents at the beginning of year	2,473,952	1,253,063	1,253,063
Cash and cash equivalents at the end of year	<u>382,516</u>	<u>383,253</u>	<u>2,473,952</u>
	-	-	-

For further information please visit; www.frontiermining.com

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