

Regulatory Announcement

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Company	Frontier Mining Ltd
TIDM	FML
Headline	1st Quarter Results
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Quarterly Update for the period ended 31 December 2004

The following financial statements are believed by management to fairly represent the financial position of Frontier Mining Ltd. for the fiscal year ended 31 December 2004.

The financial statements for the fiscal year ended December 31, 2003 were audited by Ernst & Young Kazakhstan in accordance with International Accounting Standards (IAS).

Persons relying on these financial statements for any type of analysis or decision making are cautioned that the final audited financial statements may be materially different than presented here.

Summarized Unaudited Consolidated Financial Statements

For the period ended December 31, 2004

CONSOLIDATED BALANCE SHEET (in US Dollars)

	Notes	December 31, 2004 (unaudited)	December 31, 2003
		US\$	US\$
ASSETS			
Non-current assets			
Property, plant and equipment, net		229,368	65,075
Exploration and Development costs		4,072,660	1,308,658
Intangible assets, net		3,873	40,035
Investments		-	-
Total Non-current assets		4,305,901	1,413,768
Current assets			
Cash and cash equivalents		3,014,284	882
Other current assets		338,035	13,752
Total Current assets		3,352,319	14,634
TOTAL ASSETS		7,658,220	1,428,402
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		605,709	15,928
Additional paid-in-capital		14,423,367	3,931,766
Retained earnings		(6,287,754)	(5,311,533)
Net income/loss		(2,491,275)	(976,221)
Total Shareholders' equity		6,250,047	(2,340,060)
Provision for exploration expense		98,402	90,985
		98,402	-
Current liabilities			
Short term debt		752,106	2,613,334
Demand notes payable		-	495,823
Accounts payable		145,603	208,594
Other current liabilities and interest accrued		412,063	359,726
Total Current Liabilities		1,309,772	3,677,477
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		7,658,220	1,428,402

Unaudited Statement of Operations	<i>Notes</i>	<i>December 31, 2004 (unaudited)</i>	<i>December 31, 2003</i>
General and administrative expenses		742,922	237,805
Gain from disposal of investment in associate		-	(706)
IPO expenses		1,997,358	-
Loss from operations		<u>2,740,280</u>	<u>237,099</u>
Finance cost		52,428	739,030
Foreign exchange gain (loss), net		(301,433)	(14)
Loss before taxation		<u>2,491,275</u>	<u>976,115</u>
Taxation		-	106
Consolidated Net Loss		<u><u>2,491,275</u></u>	<u><u>976,221</u></u>

Unaudited Statement of Cash Flows

	December 31, 2004 (unaudited)	December 31, 2003
Cash flows from operating activities:		
Loss before income tax	(2,491,275)	(976,115)
<i>Adjustments for:</i>		
Depreciation	51,152	32,710
Finance costs	52,428	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)
	<hr/>	<hr/>
Operating (loss) profit before working capital changes	(2,343,140)	(555,723)
<i>Changes in operating assets and liabilities:</i>		
Decrease (increase) in trade accounts receivable	(368,838)	369,712
Increase (decrease) in trade accounts payable	(70,775)	3,465
Increase (decrease) in other current liabilities	59,754	51,001
Cash used in operations	(379,860)	424,178
Income tax paid	-	-
Net cash flows from operating activities	<hr/> (2,723,000) <hr/>	<hr/> (131,545) <hr/>
Cash flows from investing activities:		
Increase decrease in exploration and development costs	(2,764,002)	(18,722)
Proceeds from disposal of associate	-	600
Purchase of property and equipment	(179,283)	-
Net cash flows from (used in) investing activities	<hr/> (2,943,285) <hr/>	<hr/> (18,122) <hr/>
Cash flows from financing activities:		
Capital contributions	11,081,382	30,000
Repayment of short term debts	(1,861,228)	238,128
Repayment of notes payable	(540,467)	(130,769)
Proceeds from convertible notes	-	10,000
Net cash used in financing activities	<hr/> 8,679,687 <hr/>	<hr/> 147,359 <hr/>
Net increase/(decrease) in cash and cash equivalents	3,013,402	(2,308)
Cash and cash equivalents at the beginning of year	<hr/> 882 <hr/>	<hr/> 3,190 <hr/>
Cash and cash equivalents at the end of year	<hr/> 3,014,284 <hr/>	<hr/> 882 <hr/>

Notes to the Accounts

- **General**

Frontier Mining Ltd (“FML” or ‘the Company’) was incorporated under the laws of the state of Delaware on August 5, 1998, for the purpose of exploring, and if warranted, developing gold and copper deposits in the Republic of Kazakhstan.

Through its wholly owned subsidiaries, FML Kazakhstan LLP (“FMLK”) and Baltemir LLP, FML holds interest in, or is the beneficial owner of, non-producing gold and copper properties in Kazakhstan. The Company is actively exploring its wholly owned Naimanjal and Baltemir contract and license areas.

- **Basis of preparation**

The preliminary unaudited 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.

- **Share Capital**

As of 31 December 2004 the Company’s authorized share capital is comprised of 100,000,000 million ordinary shares of \$0.01 par value each. As of 25 April 2005 there were 88,196,461 ordinary shares issued and 11,777,217 outstanding options and warrants giving 99,973,678 fully diluted ordinary shares of \$0.01 par value each.

To 25 April 2005, 9,552,240 Warrants were exercised at 16.5 pence each providing the Company with £1,576,119.62 additional proceeds. The ordinary shares issued upon exercise of warrants are admitted to trading on the Alternative Investment Market of the London Stock Exchange (“AIM”) as soon as possible after their issuance.

On 4 March 2005 the Company placed 17,500,000 ordinary shares of \$0.01 each (“New Ordinary Shares”) with institutional investors in the United Kingdom at a price of 25 pence per ordinary share to raise £4.375 million before expenses. These New Ordinary Shares were admitted to trading on AIM on March 10, 2005.

On 2 September 2004 the Company placed 23,333,334 ordinary shares of \$0.01 each with institutional investors in the United Kingdom at a price of 15 pence per ordinary share to raised £3.5 million before expenses. These ordinary shares were admitted to trading on AIM on 2 September 2004.

On 2 September 2004 £1,271,994 face value Convertible Loan Notes were converted into 12,656,657 ordinary shares of \$0.01 each at a price of 10.05 pence per ordinary share and 12,656,657 warrants to purchase one ordinary shares of \$0.01 each at a price of 16.5 pence per ordinary share at any time on or before 31 December 2005. The 12,656,657 ordinary shares were admitted to trading on AIM on 2 September 2004.

On 2 September 2004 24,580,920 ordinary shares of \$0.01 each already issued and outstanding were admitted to trading on AIM.

On 2 August 2004 each of the existing ordinary shares of \$0.01 par value each in the capital of the Company was subdivided into 10 ordinary shares of \$0.01 par value each.

On 31 March 2004 the Company issued 250,037 ordinary shares of \$0.01 each at a price of \$3.00 per ordinary share, including 200,000 ordinary shares that were granted to management.

On 27 February 2004, by a vote of its shareholders, the Company increased its authorized share capital from 2,000,000 ordinary shares to 100,000,000 ordinary shares of \$0.01 par value each.

- **Short-Term Debt**

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

	September 30, 2004	2003
Loans from directors and management	-	1,725,695
Debt to related parties	412,106	547,639
	<hr/>	<hr/>
	412,106	2,273,334
Debt to the Trade Development Agency of the United States of America ("TDA")	340,000	340,000
	<hr/>	<hr/>
	752,106	2,613,334
	<hr/>	<hr/>

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

- **Notes Payable**

The Demand Notes' principal amount and accumulated interest were repaid on 10 September 2004. None of the Demand Notes were converted into the Company's ordinary shares of \$0.01 each

- **Subsequent events**

To 25 April 2005, 9,552,240 Warrants were exercised at 16.5 pence each providing the Company with £1,576,119.62 additional proceeds. The ordinary shares issued upon exercise of warrants are admitted to trading on the Alternative Investment Market of the London Stock Exchange as soon as possible after their issuance.

On 4 March 2005 the Company placed 17,500,000 ordinary shares of \$0.01 each ("New Ordinary Shares") with institutional investors in the United Kingdom at a price of 25 pence per ordinary share to raise £4.375 million before expenses. These New Ordinary Shares were admitted to trading on the Alternative Investment Market of the London Stock Exchange on March 10, 2005.

Enquiries

Frontier Mining Ltd	Brian Savage	020 7849 6530
Parkgreen Communications	Cathy Malins / Annabel Leather	020 7493 3713

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