

Regulatory Announcement

Company Frontier Mining Ltd
TIDM FML
Headline Update on Deferral of Loan Note
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Frontier Mining Ltd
(“Frontier” or “the Company”)

Update on Deferral of \$7.7m Convertible Loan Note

Further to the announcement on 14 November 2008, the Board wishes to update shareholders regarding the Convertible Loan Note agreement ("Loan Note") that is due for repayment on 19 December 2008.

Coville InterCorp Ltd. ("Coville"), the Company's Joint Venture partner on the Benkala deposit has today agreed to defer repayment of the \$7.7m due from Frontier until 18 January 2009 ("Extension").

To date, the Board has entered into various discussions to arrange an alternative source of funding to repay the Loan Note. These negotiations are currently ongoing. The Company is seeking sufficient time to conclude these alternative funding arrangements. The Extension serves to give us a more comfortable timeframe to conclude negotiations that may allow the Company to repay the Loan Note.

The Company's internal financial resources are presently inadequate to repay the Loan Note, therefore it is imperative that an extension of the repayment date for the Loan Note is agreed and alternative funding arrangements completed to ensure that Frontier Mining remains a going concern.

A further announcement will be made in due course.

~ Ends ~

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About Frontier Mining Ltd:

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 currently owns two licenses in Kazakhstan. They are the Naimanjal 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, Naimanjal; one pre-feasibility stage gold project, Koskuduk; and the recently acquired 50% interest in the Benkala copper mine.

Frontier also has a 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.

Frontier owns a 50% interest in KazCopper LLP, the joint venture Company that owns the Benkala copper-molybdenum-gold deposit located in north-western 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.

Issued and Fully Diluted Ordinary Shares

Frontier Mining's shares are traded on the AIM market of the London Stock Exchange.

Frontier currently has 218,120,095 issued and 21,812,009 reserved and outstanding options giving 239,932,104 fully diluted ordinary shares.

For further information please visit: www.frontiermining.com

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