



22 December 2008

AIM: FML

FRONTIER MINING LTD
(“Frontier” or “the Company”)

Proposed Financing & Director Appointments

Further to the announcement made on 18 December, the Board of Frontier (“the Board”) updates the market on several key issues.

Proposed Financing

Frontier announces that it has signed indicative heads of terms with a lender relating to the provision of a proposed £9 million mezzanine debt facility (“the Facility”). Under the heads of terms for the proposed Facility, an initial arrangement fee has been paid. The availability of funding under the Facility will be subject to legal and financial due diligence and the satisfaction of certain terms and conditions. The Board is fully committed to satisfying the drawdown conditions of the Facility, the proceeds of which are expected to be available by 18 January 2009. Under the terms of the Facility, the lender will be granted warrants to subscribe for ordinary shares in the Company representing 50.1% of the enlarged share capital of the Company at an exercise price of 1.5p per warrant, subject to shareholder approval for an increase in the Company’s authorised share capital. The Board believes that the drawdown of the Facility will provide the Company with sufficient working capital for the foreseeable future.

Coville Intercorp Ltd (“Coville”)

The Company has announced that Coville has agreed to defer repayment of the US\$7.7 million Convertible Loan Note until 18 January 2009. Part of the proceeds of the Facility will be utilised to redeem the Coville Loan Note in full. The Board anticipates that, simultaneous to the closing of the Facility, a subscription of up to US\$4 million in cash for new US\$0.01 voting shares at a price of 1.5 pence will be completed, full details of which will be announced at the time of the closing of the Facility.

Proposed Acquisition of Assets

As the first step in the Company’s new strategy of expanding and diversifying its operations in Central Asia, Frontier has entered into heads of terms with Silk Route Resources Limited (“Silk Route”) to acquire certain of Silk Route’s assets, principally anthracite resources but including some gold opportunities. This acquisition is subject to due diligence and a fair valuation opinion.

It is the Board’s intention to examine opportunities to acquire further mining assets in the Central Asian region.

Board Appointments

Mark Callaway and George Cole have today joined the Board of Frontier as Executive Directors. On completion of the financing, Mark Callaway will become the Chief Executive Officer and Brian Savage will continue as a director in a technical advisory role.

Mark Callaway FCA

Mark has an established track record in the management of natural resource businesses, including a 25 year international career with Royal Dutch Shell, where he was the Chief Financial Officer for the Kazakhstan Caspian Sea discovery, Kashagan. Subsequently he was a Vice President with Nelson Resources Ltd, working in Kazakhstan for 8 years in total. More recently he has worked with a number of AIM listed and private companies in the natural resources sector.

Mark Callaway, aged 56, is, or has been within the previous five years, a director of the following companies:

Current Directorships

Silk Road Oil and Gas Limited
Silk Road Minerals Limited
East African Oil Company Limited
East Africa Minerals Limited
IM Minerals Limited, formerly EFG
(Investment Management) Limited
Finmore Limited

Somnet Limited

Oman Resources Limited
RAM Investment Group Plc

Previous Directorships

Elko Business Services Limited
Elko (UK) Limited
Elko Energy Inc
Elko Americas (Cayman Islands)
Elko Europe (Cayman Islands)

Elko Energy International (Cayman
Islands)
Elko Middle East and Africa (Cayman
Islands)
North Caspian Solutions Limited
FirstAfrica Oil PLC

Mr. Callaway has confirmed that there is no further information to be disclosed in accordance with the requirements of Schedule Two (g) of the AIM Rules.

George Cole

George Neville Ralph Cole, aged 44, is a New Zealand Qualified Accountant, and has been Financial Controller of Frontier Mining Ltd since April 2008. He has worked in Kazakhstan and Russia since 1994 in a number of senior financial and administrative roles with a variety of resource and services companies.

Mr. Cole has confirmed that there is no further information to be disclosed in accordance with the requirements of Schedule Two (g) of the AIM Rules.

Further Board appointments are expected to be made on completion of the financing.

Commenting on these developments, Brian Savage, Frontier's CEO, said:

"Completion of this proposed financing, together with the proposed acquisition of the Silk Route assets, will place Frontier on a sound footing and provide a platform for growth via the acquisition and development of additional resource assets in Central Asia, and the continued development of Naimanjal and Benkala in Kazakhstan."

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Notes to Editors:

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

About Silk Route Resources Limited

Silk Route Resources Limited (“Silk Route”) is a limited company registered in England and Wales (no: 05550593; registered office 109 Gloucester Place, London W1U 6JW). The company was created to identify and pursue undervalued, but with high reward potential, natural resource projects in Central Asia. This has resulted in the acquisition of a 7.65% interest in Saddleback Corporation Ltd which operates in Tajikistan, and an 8.39% interest in the Komorab joint-venture operated by Saddleback. The resources are principally anthracite but include some gold opportunities. Silk Route also owns a 3.3% interest in Frontier Mining. Silk Route has recently been pursuing further opportunities in Kyrgyzstan and Uzbekistan.