



**14 December 2009**

**FRONTIER MINING LTD  
("Frontier" or "the Company")**

**Pre-close Operational Update**

Frontier Mining Ltd (AIM: FML) today provides an operational update for the 2009 year to date. Significant progress has been achieved on all the Company's projects since the refinancing in April, with Benkala in particular having achieved substantial progress in the last seven months. Ensuring initial production occurs at Benkala in 2011 remains the Company's primary focus.

Work carried out in 2009 has yielded valuable information which has enabled the Company to review its strategy for the advancement of Benkala as well as the continued progress on other assets. The Company's wider strategic focus is on those assets most likely to yield optimum shareholder value in return for resources (time and money) invested into them. Accordingly, a decision has been taken to shift resources from Naimanjal to Koskuduk and Beschoku. As part of this decision, the mining fleet has been relocated from Naimanjal to Koskuduk, with all further mining at Naimanjal halted for an initial period of 6 months whilst resources are dedicated to Koskuduk and Beschoku. However the processing of existing mined and stacked ore will continue at Naimanjal in 2010.

With higher gold grades at Koskuduk and Beschoku and larger and more solid ore bodies, achieving production at these deposits in the next 12 months is a more effective and attractive use of the Company's resources than advancing production at the Naimanjal deposit further, which with an average grade of only 1.1 grams per tonne and significantly thinner ore veins remains a far more challenging mining environment.

**Corporate**

The \$7.7 million Convertible Loan Note that was outstanding to Coville Intercorp Ltd, ("Coville") has now been repaid in full with the majority of funds received by Coville being reinvested into the Benkala joint venture.

**Benkala**

The infill drilling program on the oxide zone is now nearing completion. 54 holes totalling over 6,700 metres have been drilled and drill rigs have recently been refurbished and winterised to ensure that the remaining 1,000 meters will be completed by the end of February. The Company has sent 4,000 samples to the Geoplazma certified laboratory in Aktobe with independent sampling checks to be carried out by the Alex Stewart Laboratory in Kyrgyzstan.

Whilst no formal assay results have yet been released, initial indications are that the results are in line with Company expectations and confirm the original drilling results obtained during Soviet times. The Company still expects to be able to issue a JORC compliant resource statement for the oxide/supergene zone in the second quarter of 2010.

The work required connecting the power supply to the site and the construction of a 70 person camp has now been completed. Preparation of the site for further construction will continue over the winter period to ensure that in spring 2010, further plant infrastructure can be promptly assembled.

Permission has been received from the local authorities for overburden stripping to commence in 2010 and a total of 3 million cubic metres has been approved for initial removal. This approval enables the Benkala pit construction to start as scheduled in the summer of 2010.

Kazcopper, the joint venture management company, has in 2009 purchased \$3.5m of equipment for the project. Equipment purchases to date include 4 excavators, 9 trucks and supporting vehicles. The majority of this equipment has been obtained from German suppliers. The Company anticipates spending another \$3m in the upcoming December to February period to acquire the remaining mining fleet for Benkala.

The total cost of acquiring this equipment had originally been budgeted at \$13.5m. The actual sum paid therefore represents an approximate saving of 50%. Frontier remains confident that further significant savings can be achieved in its Benkala project budget through opportunities available due to the current international economic climate. The Company's latest estimates are that the capital expenditure for the initial production plan will be in the region of \$7–10m.

Frontier's management remains committed to progressing towards full production and near term-cash flow on the oxide/supergene and mixed sulphide ores at Benkala in 2011. With plant infrastructure on track, mining fleet acquisition completed by early summer 2010 and overburden removal and pit construction starting late summer 2010, indicative Solvent extraction/electro-winning (SX/EW) production of copper for Kazcopper in 2011 is now forecast to be in the region of 7,000 tonnes.

### **Koskuduk**

As stated above, the successful launch of the Koskuduk deposit is now the Company's main focus for its gold operations. The Company has transferred its Naimanjil fleet and equipment to this area and begun construction of power supply, production plant, leach pads and the removal of overburden from the ore bodies. To date the Company has removed 75,000 cubic metres of overburden, erected the plant frame structure and began foundations for the main crusher facility. Construction and the stripping of the overburden will continue throughout the winter period and mining and stacking operations are on schedule to commence in April 2010.

Capital expenditure of \$800K has been committed in the year to date with an additional \$2.8m expenditure budgeted in 2010. Management expects that Koskuduk will provide approximately 10,000oz of gold from 500,000 tonnes of ore in 2010. The Company will operate Koskuduk under the existing test production licence.

## **Naimanjal**

The State Reserve Committee of the Ministry of Energy and Natural Resources has recently confirmed the mineral reserve balance for both the Naimanjal and Baritovy deposits and these assets have been added to the Kazakhstan State balance of mineral assets.

As outlined above, the Company has decided to defer further production activities at Naimanjal for 6 months in order to focus resources on Koskuduk and Beschoku. As such, no new mining activities are planned at Naimanjal for the first half of 2010. Stacking of existing mined ore will recommence in spring 2010 along with the leaching of existing stacked ore.

With the reserves approved, the commercial license application remains ongoing. However due to the large capital commitment associated with its approval, the Company has asked the Ministry of Natural Resources to defer determining the commercial license work program at Naimanjal until the second half of 2010, to allow it to concentrate on deploying its resources on its other richer deposits at Koskuduk and Beschoku.

Year to date production from Naimanjal totals \$2.6m from the sale of 2,442 ounces of gold and 8,896 ounces of silver and there remains, as at 30 November, 158,427 tonnes of ore stacked at an average grade of 1.1 g/t (containing approx 4,355 ounces gold and 72,000 ounces of silver). The Company expects to produce an additional 1,500 ounces of gold at Naimanjal in 2010.

## **Beschoku**

Frontier has conducted two metallurgical tests on Beschoku ore to determine the best process method to maximise the copper and gold return. Whilst both tests produced good economic results for successive copper and gold leach technology from the oxide ores, the Company believes producing a concentrate may be a more productive scenario and has therefore undertaken a further series of tests to fully understand the economics of producing a gold/copper concentrate from both oxide and primary ores. It is expected that these will be concluded in the first quarter of 2010. The Company is confident that production of at least 3,000 ounces of gold and/or gold equivalents is achievable in the second half of 2010.

**Erlan Sagadiev, CEO comments:** "During the last six months, our new management team has undertaken a full evaluation of the Company's gold assets in order to develop the most appropriate production strategy. The Company's initial gold production commenced at Naimanjal due to the fact that that deposit was the most readily exploitable from a regulatory perspective. It is now clear that Koskuduk and Beschoku are superior deposits and therefore a much better use of Company resources and so that is where we will focus in 2010. The Company will recommence stacking of existing mined ore and leaching of existing stacked ore at Naimanjal in spring 2010, and the Company will keep the licence in good standing to allow decisions to be made later in the year.

At Benkala, excellent progress has been achieved in 2009. The infill drilling is beginning to confirm the Company's belief that Benkala is a world class asset. We have made good progress in assembling a mining fleet, components for the mill and permits for overburden stripping. We are committed to achieving production at Benkala in 2011 and this is currently on track with the overburden stripping due to commence in summer 2010."

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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 estimated 47.75 Mt at an average grade of 0.36% Copper ("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, and at a 10% Discount Rate and a \$1.5/lb Cu price, the Benkala Project has an NPV approaching \$500M. 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 in 2011.

**Issued Share Capital**

Frontier Mining's shares are traded on the AIM market of the London Stock Exchange. Frontier currently has 509,795,789 issued and 21,812,009 reserved and outstanding options giving 531,607,798 fully diluted ordinary shares. In addition, there are 407,540,430 Warrants issued and outstanding pursuant to the financing agreement announced on 30 April 2009.

For further information please visit; [www.frontiermining.com](http://www.frontiermining.com)