



**18 January 2010**

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

**Exercise of Warrants**

Frontier Mining Ltd, the AIM listed gold and copper exploration and Development Company focused on Kazakhstan, announces today that on 15 January 2010, pursuant to a warrant deed to subscribe for Ordinary Shares of US\$0.01 ("Shares") of the Company dated 30 April 2009 ("Warrants"), River House Consultants Limited and Casterwal Invest Ltd exercised rights to subscribe for 372,540,430 and 35,000,000 new Shares respectively at an exercise price of 1.5 pence per Share, resulting in the issue and allotment of 407,540,430 new Shares, representing 44.4 per cent. of the Company's total issued share capital post exercise of the Warrants. The Warrants were originally granted pursuant to the \$10 million debt facility with Zere Group JSC ("Zere Group") announced on 30 April 2009.

River House Consultants Ltd, a company affiliated to the Zere Group and controlled by Mr Erlan Sagadiev, the Chairman and CEO of Frontier, has agreed to a new lock-in period of 12 months from admission of the new Shares to AIM during which they will not dispose of their interests in the issued share capital of the Company.

Casterwal Invest Ltd has an existing undertaking that up to 30 April 2010 any disposal will only be effected through the Company's broker in such orderly manner as the Nominated Adviser may reasonably require with a view to maintaining an orderly market in the shares of the Company.

Following this transaction, Erlan Sagadiev has an interest of 470,040,030 Shares in the Company, representing 51.2% of the issued share capital of the Company. Casterwal Invest Ltd has an interest in 37,500,000 Shares in the Company, representing 4.09% of the issued share capital of the Company.

Application has been made for these Shares to be admitted to trading on AIM on 21 January 2010. Following this allotment, the Company's issued ordinary share capital is now comprised of 917,336,219 Shares.

Frontier advises that the total funds received amounting to approximately £6.1 million have been immediately used to partially repay the outstanding loan received from JSC Zere Group but that the \$10 million debt facility remains in place for further drawings until 30 April 2011.

**Tom Sinclair, CFO comments:** *“The exercise of all the outstanding warrants in the Company by Casterwal and Riverhouse is a positive move for Frontier. It has allowed us to retire a significant amount of debt but still retain access to the \$10 million debt facility to fund the working capital and project requirements of the Company and removed the perceived uncertainty in the market that investors have advised us a large number of warrants can create.”*

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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 now has 917,336,219 issued and 21,812,009 reserved options giving 939,148,228 fully diluted ordinary shares.

The interests (all of which are beneficial unless otherwise stated) of the Directors and persons connected with the Directors (within the meaning of section 346 of the Companies Act 1985) in the issued share capital of the Company and the existence of which is known to any Director as at the date of this document and is expected to be immediately following the Placing are as follows:

<b>Name of Director</b>	<b>Current Shareholding</b>
Erlan Sagadiev	470,040,030 (51.2%)
Brian Savage	111,885,997 (12.2%)*
Thomas Sinclair	109,605,697 (12.0%)*
Boyd Bishop	787,560 (0.1%)

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