



FRONTIER RESOURCES LIMITED

ACN 095 684 389

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

TIME: 10:00am (WST)
DATE: Thursday, 12 May 2022
PLACE: 104 Colin Street
West Perth, WA 6005

This Notice of Meeting and Explanatory Statement should be read in its entirety.

If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9420 8208.

Based on the information available at the date of the Notice of Meeting, the Board considers that it will be in a position to hold a physical meeting with appropriate measures in place to comply with Federal and State COVID-19 restrictions regarding gatherings. However, the Company strongly encourages Shareholders to submit completed Proxy Forms prior to the Meeting in accordance with the instructions set out in the Proxy Form and the Notice of Meeting. The Board will continue to monitor the Covid-19 situation and details of any alternative arrangements for the meeting will be issued to Shareholders by no later than 14 days prior to the date of the Meeting or at shorter notice, depending on the circumstances.

In accordance with sections 110C and 110D of the Corporations Act, the Company will not dispatch physical copies of the Notice of Meeting and Explanatory Statement. Instead, these documents will be emailed to all Shareholders who have provided an email address to the Company's share register and are otherwise available on the ASX company announcements platform at:

<https://frontierresources.net.au/investor-centre/asx-announcements/>

How Shareholders Can Participate

1. Shareholders are urged to appoint the Chair as their proxy. Shareholders can complete the Proxy Form to provide specific instructions on how a Shareholder's vote is to be cast on each item of business and the Chair must follow the Shareholder's instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting. Your proxy voting instructions must be received by 10.00am (WST) on Tuesday, 10 May 2022.
2. Shareholders may submit questions in advance of the Meeting by email to the Company Secretary at matt.foy@ftcorporate.com.au. Responses will be provided at the Meeting in respect of all valid questions received prior to 5.00pm (WST) on 10 May 2022. Shareholders who physically attend the Meeting, will also have the opportunity to submit questions during the Meeting.

Shareholders should contact the Company Secretary on +61 8 9420 8208 or by email at matt.foy@ftcorporate.com.au if they have any queries in relation to the Meeting arrangements.

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform and on the Company's website at:

<https://frontierresources.net.au/investor-centre/asx-announcements/>

IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the Meeting will be held at 10:00am (WST) on Thursday, 12 May 2022 104 Colin Street, West Perth, WA 6005.

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5.00pm (WST) on 10 May 2022.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the Chair at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and

- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the Chair is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

AGENDA

1. RESOLUTION 1 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following resolution, as a **special resolution**:

That, for the purposes of section 157(1)(a) of the Corporations Act, and for all other purposes, the name of the Company be changed from 'Frontier Resources Limited' to 'Lanthanein Resources Limited', with effect from the date that ASIC alters the details of the Company's registration.

2. RESOLUTION 2 - APPROVAL OF ISSUE OF OPTIONS TO DAVID FRANCES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 11,250,000 Options to Mr David Frances (or his nominee(s)) for the purposes and on the terms set out in the Explanatory Statement accompanying this Notice of Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of David Frances and any other person who will obtain a material benefit as a result of the issue of securities (except a benefit solely by reason of being a holder of Ordinary Securities in the Company), or an Associate of those persons. However, the Company need not disregard a vote if:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast on this Resolution by any member of the Key Management Personnel of the Company, or a Closely Related Party of such member, acting as proxy if their appointment does not specify the way the proxy is to vote on Resolution. However, the Company will not disregard any votes cast on this Resolution by such person if:

- (a) the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected with the remuneration of the Key Management Personnel of the Company.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,823,582 Shares, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or any Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4. RESOLUTION 4 – DISPOSAL OF FRONTIER COPPER (PNG) LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

That, for the purposes of ASX Listing Rule 11.4 and for all other purposes, approval is given for the Company to dispose of all of its interests in its wholly owned subsidiary Frontier Copper (PNG) Limited on the terms and conditions described in the Explanatory Statement accompanying this Notice of General Meeting.

Voting exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the acquirer of the asset and any other person who will obtain a material benefit as a result of the disposal of the asset (except a benefit solely by reason of being a holding of ordinary shares in the Company) or an Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair acting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 8 April 2022

**By order of the Board Matthew Foy
Company Secretary**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – CHANGE OF COMPANY NAME

1.1 Background

Resolution 1 seeks approval for the Company to change its name from 'Frontier Resources Limited' to 'Lanthanein Resources Limited'.

Pursuant to section 157(1)(a) of the Corporations Act, the Company may change its name by special resolution, which requires the approval of 75% of the Shareholders attending and entitled to vote at the Meeting.

This change will not, in itself, affect the legal status of the Company or any of its assets or liabilities.

Resolution 1 will immediately take effect when ASIC alters the details of the Company's registration.

The Company has reserved the name 'Lanthanein Resources Limited' with ASIC. The Company has also reserved the ASX Code 'LNR' to take effect following the change of name.

1.2 Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 - APPROVAL OF ISSUE OF OPTIONS TO DAVID FRANCES

2.1 Background

Shareholders are being asked to approve Resolution 2 to allow Options to be issued to Mr David Frances, a Non-Executive Director of the Company. The proposed issue of Options to Mr Frances was announced to ASX on 21 March 2022.

The Board has determined that the issue of Options is an appropriate form of incentive for Mr Frances.

The Board considers that Options are an important tool in rewarding, retaining and incentivising directors, employees and advisers of the Company.

The Directors consider it is appropriate for the Options under Resolution 2 to be issued for the reasons set out below:

- (a) the Directors consider it is important for the Company to be able to attract and retain experienced personnel and that the proposed grant of Options to Mr Frances is appropriate taking into account his level of experience and contribution to the Company;
- (b) the Company has previously issued options to Company's Directors and Key Management Personnel and Resolution 2 ensures a congruent and consistent remuneration philosophy;
- (c) the Directors consider that the proposed number of Options to be granted to Mr Frances is appropriate and in accordance with the Company's remuneration policy to:
 - (i) motivate the Company's Directors;
 - (ii) align the interests of key leadership with the long-term interests of the Shareholders; and
 - (iii) ensure a clear correlation between performance and remuneration.

If the Company is unable to issue the proposed Options under Resolution 2 then it may need to consider whether, in order to attract and retain appropriate Directors and Key Management Personnel, it needs to increase the level of cash fees payable. By issuing the Options, the Company will be able to preserve a greater portion of its cash reserves operating expenditure than it would if additional cash remuneration were given to the Company's Directors and Key Management Personnel.

2.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed entity must not issue or agree to issue securities to any of the following, unless it obtains shareholder approval by ordinary resolution:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity;
- (c) person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in items (a) - (c) above; or
- (e) a person whose relationship with the entity, or a person referred to items (a) - (d) above is such that in ASX's opinion, the issue or agreement should be approved its Shareholders.

Mr Frances is a Director of the Company and is considered a related party under item (a) above and accordingly, shareholder approval is required under ASX Listing Rule 10.11.

Resolution 2 seeks the requisite shareholder approval to the issue of Options under and for the purposes of ASX Listing Rule 10.11.

If shareholders approve Resolution 2, the Company will be able to proceed with the issue of Options to Mr Frances and/or his nominee on the terms and conditions as set out in this Notice of Meeting.

If shareholders do not approve Resolution 2, the Company will not be able to issue Options to Mr Frances and/or his nominees and the Board would need to consider alternative remuneration arrangements.

To ensure Frontier can attract and retain the right talent and align the interests of directors with those of shareholders, the Board considers it is important for Frontier to offer incentives to its Directors that are in line with market practice.

2.3 Section 208 of the Corporations Act

Section 208(1) of the Corporations Act provides that a public company must not, without the approval of the Company's members, give a financial benefit to a related party unless an exception to the prohibition as set out in sections 210 to 216 of the Corporations Act applies to that issue.

As a Director of the Company, Mr Frances is a related party of the Company for the purposes of section 228(2) Corporations Act. The issue of the Options proposed under Resolution 2 will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Corporations Act.

The Board has resolved that the grant of Options to Mr Frances, (with Mr Frances abstaining from the approval of the issue of the Options) constitutes reasonable remuneration within the meaning of section 211(1) of the Corporations Act as the Company wishes to maximise the use of its cash resources towards the Company's development and equity based incentives, such as options, are used to supplement cash based remuneration.

For the reasons set out above, shareholder approval is not required under section 208(1) of the Corporations Act, however approval is still required for the purposes of ASX Listing Rule 10.11.

Information required by ASX Listing Rule 10.13

In accordance with ASX Listing Rule 10.13, the Company provides the following information in relation to the proposed issue of the Options under Resolution 2 to Mr Frances:

- (a) **Name of the person to receive securities**
The Options the subject of Resolution 2 are proposed to be issued to David Frances.
- (b) **Which category in rules 10.11.1 - 10.11.5 the person falls within and why**
Mr Frances falls within the description of ASX Listing Rule 10.11.1 and is a related party of the Company as he is a director of the Company.
- (c) **The number and class of securities to be issued to the person**

Under Resolution 2 the Company proposes to issue 11,250,000 Options to Mr Frances.

(d) **Terms of the securities**

A summary of the material terms of the Options is set out in Schedule 1.

(e) **The date or dates on or by which the entity will issue the securities**

If approved under Resolution 2, the Company expects to issue securities approved on/around 20 May 2022 but in any event, not later than 1 month after the Meeting.

(f) **The price the entity will receive for the issue**

The Options will be issued for no financial consideration and have an exercise price of \$0.045.

(g) **Purpose of the issue**

As detailed at 2.1 above, the purpose of the issues is part of the package to remunerate Mr Frances.

(h) **Remuneration**

In FY22 it is anticipated that Mr Frances will be paid a total remuneration of \$23,000 comprising cash salary and superannuation.

(i) **Relevant agreement**

The Options will be issued under an offer letter. The terms of the Options are set out in Schedule 1.

(j) **Voting exclusion statement**

A voting exclusion statement is included in the Notice of Meeting preceding this Explanatory Statement.

2.4 Board Recommendation

David Frances declines to make a recommendation to Shareholders in relation to Resolution 2 due to his material personal interest in the outcome of the Resolution on the basis that he is to be issued the Options should Resolution 2 be passed.

The remaining Board members recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – RATIFICATION OF ISSUE OF SHARES

3.1 Background to issue

On 22 March 2022 the Company advised it had issued 12,823,582 ordinary shares in consideration for eighteen months of marketing services from S3 Consortium Pty Ltd (**S3 Consortium**).

3.2 Regulatory Requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The issue of the Ratification Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Ratification Shares.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made without shareholder approval under Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 and so it does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

If Resolution 3 is passed, the issue of the Ratification Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the date of issue of the Ratification Shares.

If Resolution 3 is not passed, the issue of the Ratification Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Ratification Shares.

3.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

(a) **Identity of the persons to whom securities were issued or agreed to be issued or the basis on which those persons were identified or selected:**

The Ratification Shares were issued to S3 Consortium in return for the provision of eighteen months marketing services to the Company. S3 Consortium is not a related party to the Company nor a material investor.¹

(b) **The number and class of securities issued or agreed to issue**

12,823,582 fully paid ordinary shares (being the Ratification Shares) were issued pursuant to Listing Rule 7.1.

(c) **A summary of the material terms of the securities, if not all fully paid ordinary securities**

The Ratification Shares are fully paid shares in the Company and rank equally with all other fully paid ordinary shares in the Company.

(d) **Issue date**

The Ratification Shares were issued on 22 March 2022.

(e) **Issue price & Purpose of the Issue**

The shares were issued at a deemed issue price of \$0.0292 in satisfaction of \$375,000 (ex GST) of marketing fees for an eighteen month period to February 2023.

(f) **Voting exclusion**

A voting exclusion statement for this Resolution is included in the Notice of General Meeting preceding this Explanatory Statement.

3.4 Board Recommendation

The Board believes that the ratification of the above issue of the Ratification Shares is beneficial for the Company as it allows the Company to retain the flexibility to issue further securities representing up to 15% annual placement capacity under Listing Rule 7.1 without the requirement to obtain prior Shareholder approval. Accordingly, the Board recommends Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – DISPOSAL OF FRONTIER COPPER (PNG) LIMITED

4.1 Background

Frontier is an Australian minerals exploration company with the following Projects:

- (a) the Murraydium rare earth elements project in the Murray Basin region in South Australia (**Murraydium Project**);

¹ ASX consider the following to be material investors:

(i). a related party of the entity;
(ii). a member of the entity's key management personnel;
(iii). a substantial holder in the entity;
(iv). an adviser to the entity; or
(v). an associate of any of the above,
where such person or entity is being issued more than 1% of the entity's current issued capital.

- (b) the Gascoyne rare earth elements project in the Gascoyne region in Western Australia (**Gascoyne Project**);
- (c) the Mt Clere rare earth elements and lithium pegmatites project in the eastern Gascoyne Province, Western Australia (**Mt Clere Project**);
- (d) the Koolya high purity alumina project located 460km east of Perth, Western Australia (**Koolya Project**);
- (e) the Kalgoorlie gold project located 50km east of Kalgoorlie, Western Australia (**Kalgoorlie Project**); and
- (f) Tolukuma Exploration Licence EL2531 and the applicant for Exploration Licence ELA2529 in Papua New Guinea (**PNG Tenements**).

Frontier Copper (PNG) Limited (**FCPNG**), a wholly owned subsidiary of Frontier, is the holder of the PNG Tenements.

As announced on 18 March 2022, the Company has entered into a binding terms sheet (**Binding Terms Sheet**) with Lole Mining Limited (**Lole**) to sell to Lole all of its interests in FCPNG and in turn its interest in the PNG Tenements (**Proposed Transaction**).

4.2 Summary of the Proposed Transaction

Under the Binding Terms Sheet:

- (a) Lole will pay consideration of A\$2 million comprised of A\$500,000 cash and a further A\$1.5 million either in cash or by way of issue of fully paid ordinary shares in Lole (**Lole Shares**), or a combination of cash and Lole Shares, at the election of Lole (**Initial Consideration**); and
- (b) further consideration of A\$1 million is payable if within 5 years of payment of the Initial Consideration, an aggregate minimum of 500,000 oz of gold of not less than JORC (2012) indicated category of resource is identified on the PNG Tenements (**Further Consideration**). The Further Consideration is payable in either cash or Lole Shares or a combination of both, at the election of Lole.

Completion under the Binding Terms Sheet is conditional on:

- (a) completion of due diligence enquiries by Lole in relation to FCPNG, the PNG Tenements and the transaction generally;
- (b) Lole obtaining renewal of ML104;
- (c) Lole either successfully completing an initial public offering and listing on an Exchange (including potentially the ASX); and
- (d) Frontier obtaining the approval of its shareholders including under ASX Listing Rule 11.4 (if required) and Frontier obtaining all other required approvals and authorisations required for the Proposed Transaction.

Each of the above conditions are to be satisfied by 31 July 2022, or such later date as the parties agree, acting reasonably. If Lole does not successfully complete its planned listing on an Exchange, then the Proposed Transaction will not proceed.

Under the Binding Terms Sheet, Lole has the option, instead of pursuing a listing on an Exchange, to arrange the disposal of all of the securities in Lole to another company (**Alternate Purchaser**) that is listed on an Exchange (**Alternate Transaction**). In these circumstances, although the cash consideration payable to Frontier would remain the same, to the extent that Frontier was, at the election of Lole, to receive some of the Initial Consideration or Further Consideration in Lole Shares, Frontier would instead receive shares in the Alternate Purchaser.

Frontier is not aware if the Alternative Transaction will be pursued by Lole. In the event the Alternative Transaction is pursued by Lole, then the approval of Shareholders under Listing Rule 11.4 will not be a pre-condition to completion under the Alternative Transaction. The disclosures set out in this Explanatory Statement are on the assumption that the Binding Terms Sheet completes with Lole and that Listing Rule 11.4 approval is accordingly required.

A summary of the Binding Terms Sheet is set out in Schedule 2.

4.3 Regulatory requirements

Resolution 4 seeks Shareholder approval pursuant to Listing Rule 11.4 for the Company to complete the transactions under the Binding Terms Sheet and to effect the Proposed Transaction under which it will dispose of all of its shares in FCPNG to Lole, following which Lole will seek to list on an Exchange.

Together, FCPNG and the PNG Tenements comprise major assets of the Company but are not considered by ASX to be the Company's main undertaking pursuant to Listing Rule 11.2. This is on the basis of the Company's other existing projects, namely, the Murraydium Project, the Gascoyne Project, the Koolya Project, the Mt Clere Project and the Kalgoorlie Project (**Existing Projects**).

Listing Rule 11.4

Pursuant to Listing Rules 11.4 and 11.4.1, a listed entity must not, without shareholder approval, dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed. As set out above, Lole is proposing to list on an Exchange, either directly or indirectly, as a condition precedent to completion of the Binding Terms Sheet.

The effect of passing Resolution 4 will be to allow the Company to undertake the Proposed Transaction in compliance with Listing Rule 11.4, in the event that the securities in Lole are listed on an Exchange.

If Resolution 4 is passed, the Company will be able to proceed with the Proposed Transaction and will be permitted to dispose of its interests in FCPNG to Lole which will enable it to focus on the Company's Existing Projects.

If Resolution 4 is not passed and Lole intends to list on an Exchange, then the Company will not be permitted to proceed with the Proposed Transaction, it will not be able to dispose of its interests in FCPNG to Lole and completion of the Binding Terms Sheet will not occur.

4.4 Background to Lole

Lole is incorporated in Papua New Guinea (**PNG**).

Lole has the rights to acquire the Tolukuma Gold Project, in PNG (**Tolukuma Gold Project**). Lole has also secured the Mt. Penck copper/gold exploration license on New Britain Island in PNG.

Lole is focusing its efforts on developing the Tolukuma Gold Project. The Tolukuma Gold Project was an operating gold mine until 2015 and Lole plans to recommence operations. Frontier's Tolukuma Exploration Licence EL2531 surrounds the Tolukuma Gold Project.

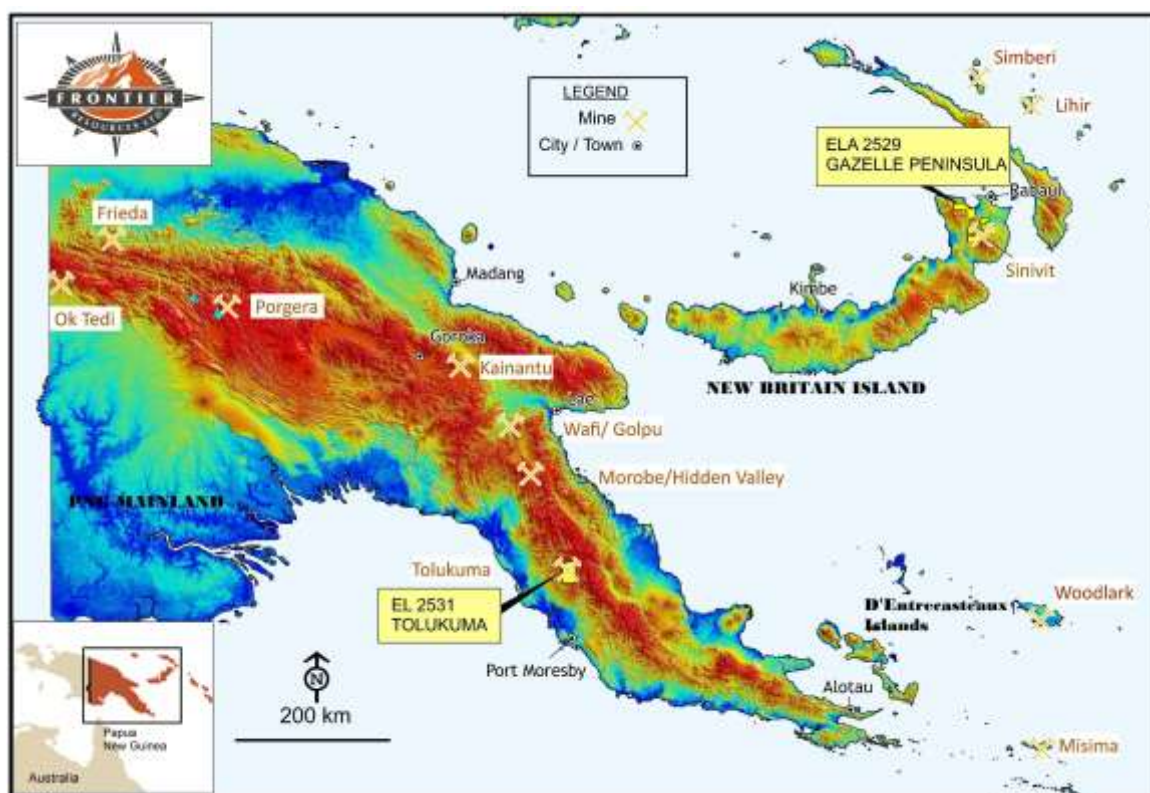


Figure 1: Location of Tolukuma E2531 and Gazelle ELA2529

The issued and paid-up share capital of Lole is \$458,251 comprising 55,963,600 shares.

The major shareholders in Lole are:

No	Name of Lole Shareholder	Number of Shares
1	Gusaba Company Limited	15,880,980
2	Allen John Tyson as Trustee for The Tyson Family Trust	7,500,000
3	Vernon Alan Wills as Trustee for The Wills Family Trust	7,500,000
4	Promaco Consulting Services Limited	7,500,000
5	LLA Investment Ltd	3,818,190
6	Stanburgh Pty Ltd	3,300,000
7	Ando One Pty Ltd as Trustee for The Ando Family Trust	3,300,000
8	Geneva Management Group (BVI) Ltd as Trustee for the Macpherson Family Trust	2,500,000

The current board of Lole is comprised:

- John Anderson (Chairman);
- Iain Macpherson (Managing Director & CEO);
- Howard Lole (Executive Director);
- Larry Andagali (Non-Executive Director); and
- Brian Moller (Non-Executive Director).

4.5 Proposed Transaction

Under the Binding Terms Sheet, the Company proposes to sell the whole of its shares in FCPNG to Lole for the consideration set out in section 4.2 above. A summary of the Binding Terms Sheet is set out in Schedule 2.

Lole is intending to list on an Exchange (including potentially the ASX) and is currently seeking to raise up to \$12 million via a pre-listing seed raising. The funds raised will allow Lole to complete the purchase of the Tolukuma Gold Project and conduct further development of the Tolukuma Gold Project and the PNG Tenements.

Any future interest of Frontier in Lole is not currently known. This will be a function of:

- (a) the extent to which part of the Initial Consideration of A\$1.5m is paid in Lole Shares (and the issue price of those shares);
- (b) whether the milestone associated with the Further Consideration is satisfied and if so, the extent to which the Further Consideration is paid in Lole Shares (and the issue price of those shares); and
- (c) the extent to which other parties invest in Lole either before or as part of any listing of Lole on an Exchange.

Completion of the Binding Terms Sheet is required to occur by 31 July 2022, unless this date is extended by agreement of Frontier and Lole.

4.6 Value of FCPNG

At 31 December 2021, FCPNG did not have a carrying value on the balance sheet of Frontier.

The accounting policy of the Company is to fully expense exploration expenditure relating to its PNG Tenements. Total exploration expenditure on its PNG Tenements over the last 3 years amounts to A\$1,804,261 all of which has been expensed and capitalised in accordance with this policy.

4.7 Impact of the Proposed Transaction on the Company

If the Proposed Transaction is approved by Shareholders and completion of the Binding Terms Sheet occurs, the Company will no longer have an interest in FCPNG or the PNG Tenements. The Company will receive the Initial Consideration and potentially the Further Consideration. See section 4.2 above and Schedule 2 for further information.

If the Proposed Transaction is approved by Shareholders and completion of the Binding Terms Sheet occurs, it will have an effect on the total assets of the Company. Further details of these effects are set out in this Section.

(a) Impact of the Proposed Transaction on the financial position of the Company

Set out below is a summary of the Company's reviewed consolidated statement of financial position as at 31 December 2021 together with an unaudited pro forma statement of financial position as at 31 December 2021 giving effect to the Proposed Transaction (together the **Financial Information**).

The Financial Information is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in the Annual Report prepared in accordance with the applicable accounting standards and therefore cannot be expected to provide as full an understanding of the financial position of the Company as a statement of financial position in the Annual Report.

The pro forma statement below is indicative only and is not intended to be a statement of the Company's current or future financial position.

Frontier Resources Ltd Proforma Balance Sheet at 31 December 2021			
	Frontier Resources Ltd 31-Dec-21 Reviewed	Proforma Adjustments	Revised Proforma 31-Dec-21
	\$	\$	\$
Current Assets			
Cash assets	4,968,041	2,000,000	6,968,041
Receivables and prepayments	32,069	0	32,069
Total Current Assets	5,000,110	2,000,000	7,000,110
Non Current Assets			
Trade and other receivables	145	0	145
Exploration and evaluation expenditure	2,902,292	0	2,902,292
Total Non Current Assets	2,902,437	0	2,902,437
Total Assets	7,902,547	0	9,902,547
Current Liabilities			
Trade and other payables	198,572	0	198,572
Total Current Liabilities	198,572	0	198,572
Non Current Liabilities			
Total Non Current Liabilities	0	0	0
Total Liabilities	198,572	0	198,572
Net Assets	7,703,975	0	9,703,975
Equity			
Issued capital	43,896,849	0	43,896,849
Reserves	4,423,444	0	4,423,444
Accumulated losses	(40,616,318)	2,000,000	(38,616,318)
Total Equity	7,703,975	2,000,000	9,703,975

The Pro-Forma Statement of Financial Position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 31 December 2021 and the date of this Explanatory Statement other than as follows:

- (i) Frontier receives cash of A\$2m as the Initial Consideration.
- (ii) Excludes any payment of the Further Consideration.

In addition, the Proposed Transaction is likely to have the following financial effect on the Company:

	Pre-completion of the Proposed Transaction	Post-completion of the Proposed Transaction	% change
Consolidated total assets	7,902,547	9,902,547	25%
Consolidated total equity interests	7,703,975	9,703,975	26%
Annual revenue	9,605	2,009,605	20,822%
Annual expenditure	1,945,273	1,365,273	29%
Annual profit before tax	(1,355,668)	644,332	148%

- (b) Impact of the Proposed Transaction on the capital structure of the Company:

The Proposed Transaction will not have any impact on the capital structure of the Company as it is anticipated that the Company will retain all proceeds from any sale of FCPNG rather than engaging in any equity based transaction with shareholders.

- (c) Use of funds raised from the Proposed Transaction:

If completion occurs under the Binding Terms Sheet, the Company will receive the Initial Consideration and potentially in the future the Further Consideration as set out in section 4.2.

To the extent Frontier receives the Initial Consideration in cash this will be used for working capital purposes. If Frontier receives cash and Lole Shares then, subject to any applicable exchange-imposed restriction arrangements, Frontier will look to realise those shares in the ordinary course and use any resultant cash for working capital purposes. The same approach would be taken to the extent that the Company receives the Further Consideration in Lole Shares.

Please see Schedule 2 for a summary of the Binding Terms Sheet.

4.8 Impact of the Proposed Transaction on Shareholders

The Proposed Transaction will:

- (a) not impact the capital structure of the Company;
- (b) not have a dilutionary effect on the Shareholders;
- (c) not result in any changes to the Board; and
- (d) not result in any taxation related implication or effects for Shareholders.

Shareholders will not be impacted by the Proposed Transaction, other than to the extent of the Company's divestment of its interest in FCPNG.

4.9 Advantages and disadvantages associated with the Proposed Transaction

Shareholders should consider the various advantages and disadvantages set out below in assessing the impact of the Proposed Transaction on the Company.

Advantages of the Proposed Transaction

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Proposed Transaction:

- (a) the Proposed Transaction will be beneficial to the Company and its Shareholders as a continuation of the Company's ongoing strategy to focus on the Existing Projects;
- (b) increase to the Company's cash position by at least A\$500,000 plus any Lole Shares received as part of the Initial Consideration;
- (c) the Company will be free to focus on developing the Existing Projects and seek other investment opportunities;
- (d) the disposal of FCPNG will relieve the Company of the requirement to fund the costs on the PNG Tenements, thereby reducing the financial burden of the Company whilst potentially still allowing the Company to maintain an interest in the PNG Tenements (through a shareholding in Lole in the event that Lole provides consideration for the Proposed Transaction by the issue of Lole Shares to the Company);
- (e) the impact of the sale of FCPNG will be to reduce the estimated exploration expenditure of the Company for the period to 31 December 2022 from \$1,945,273 to \$1,365,273, or by 29%. Should the Proposed Transaction proceed, the intention of the Company will be to apply funds earmarked for exploration on the PNG Tenements to the Existing Projects of the Company in any event; and
- (f) the sale of FCPNG will have no impact on the annual profit (or loss) of the Company.

Disadvantages of the Proposed Transaction

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Proposed Transaction:

- (a) the Company will no longer be the direct legal and beneficial holder of the PNG Tenements;
- (b) the Proposed Transaction involves disposal of a major asset, which may not be consistent with the investment objectives of all Shareholders; and
- (c) the Company will lose control in respect of FCPNG.

4.10 Intentions following completion of the Proposed Transaction

The Company will focus on the development of its Existing Projects, as well as reviewing other opportunities in the resources exploration and project development space with a view to maximising Shareholder value.

4.11 Implications if the Proposed Transaction does not proceed

In the event that Resolution 4 is not passed, completion of the Binding Terms Sheet does not occur or for any other reason the Proposed Transaction does not take place as described in the Explanatory Statement, the Company will:

- (a) continue to hold a 100% interest in FCPNG and the PNG Tenements;
- (b) continue to develop and maintain its Existing Projects; and
- (c) explore opportunities to raise equity capital to enable the Company to fund further exploration and development on the PNG Tenements and the Existing Projects.

4.12 Indicative Timetable

Subject to the ASX Listing Rules and Corporations Act requirements, the Company anticipates completion of the Proposed Transaction in accordance with the following timetable (which is subject to change by the Company and Lole):

Event	Date
Execution of the Binding Terms Sheet	18 March 2022
Announcement of the Proposed Transaction	18 March 2022
Despatch of Notice of General Meeting	13 April 2022
General Meeting to of Shareholders	18 May 2022

Settlement of the Proposed Transaction (estimated)	By end of July 2022
Proposed listing date of Lole (estimated)	By end of July 2022

Shareholders of Frontier will have no priority rights regarding applications for shares in Lole as part of its listing on an Exchange.

4.13 Material information

The disclosure required by ASX Guidance Note 13 regarding the Proposed Transaction is as follows:

- (a) subject to the comments under section 4.2 above regarding the Alternative Transaction and the Alternative Purchaser, Lole is the 'spin-out' vehicle;
- (b) how the spin-out is intended to be effected is set out in sections 4.2 and 4.5 above;
- (c) information about the asset to be spun-out, FCPNG, including a description of the asset and its valuation is set out in sections 4.1 and 4.6;
- (d) the impact the Proposed Transaction will have on the Company is set out in section 4.7;
- (e) the impact the Proposed Transaction will have on Shareholders is set out in section 4.8;
- (f) the reasons why the Directors consider that the Proposed Transaction without the offer, issue or transfer referred to in Listing Rule 11.4.1(a) being made is in the interests of the Company and Shareholders are set out in section 4.9;
- (g) a summary of the material terms of the Binding Terms Sheet is set out in section 4.2 and Schedule 2; and
- (h) a voting exclusion statement for this Resolution is included in the Notice of General Meeting preceding this Explanatory Statement.

4.14 Board Recommendation

The Directors do not have any material personal interest in the outcome of this Resolution other than as a result of their interest arising solely in the capacity of Shareholders of the Company.

Each of the Directors intend to vote their Shares in favour of the Resolution, subject to any voting exclusions.

Based on the information available, all of the Directors consider that the Proposed Transaction is in the best interests of the Company. The Directors have approved the proposal to put the Resolution to Shareholders and separately approved the information contained in this Notice.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

GLOSSARY

\$ means Australian dollars.

Alternate Purchaser has the meaning given to that term in section 4.2.

Alternate Transaction has the meaning given to that term in section 4.2.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Ltd (ACN 008 624 691) or the financial market operated by ASX Ltd, as the context requires.

ASX Listing Rules means the ASX Listing Rules of ASX.

Binding Terms Sheet has the meaning given to that term in section 4.1.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or **Frontier** means Frontier Resources Limited (ACN 095 684 389).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Equity Securities has the same meaning as in the ASX Listing Rules.

Exchange means an internationally recognized and reputable exchange and includes the ASX, TSX and AIM.

Existing Projects means the Murraydium Project, the Gascoyne Project, the Koolya Project, the Mt Clere Project and the Kalgoorlie Project.

Explanatory Statement means the explanatory statement accompanying the Notice.

FCPNG means Frontier Copper (PNG) Limited.

Financial Information has the meaning given to that term in section 4.7.

Further Consideration has the meaning given to that term in section 4.2.

Gascoyne Project means the Company's Gascoyne rare earth elements project in the Gascoyne region in Western Australia.

General Meeting or **Meeting** means the meeting convened by the Notice.

Initial Consideration has the meaning given to that term in section 4.2.

JORC (2012) means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") 2012 Edition.

Kalgoorlie Project means the Company's Kalgoorlie gold project located 50km east of Kalgoorlie, Western Australia.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Koolya Project means the Company's Koolya high purity alumina project located 460km east of Perth, Western Australia.

Lole means Lole Mining Limited.

Lole Shares means fully paid ordinary shares in Lole.

Mt Clere Project means the Company's Mt Clere rare earth elements and lithium pegmatites project in the eastern Gascoyne Province, Western Australia.

Murraydium Project means the Company's Murraydium rare earth elements project in the Murray Basin region in South Australia.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to purchase a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

PNG means Papua New Guinea.

PNG Tenements means the Tolukuma Exploration Licence EL2531 and Exploration Licence ELA2529 in PNG.

Proposed Transaction has the meaning given to that term in section 4.1 and summarised in section 4.2

Proxy Form means the proxy form accompanying the Notice.

Ratification Shares has the meaning given to that term in section 3.1.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

S3 Consortium means S3 Consortium Pty Ltd (ACN135 239 968).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Tolukuma Gold Project has the meaning given to that term in section 4.4.

SCHEDULE 1 – MATERIAL TERMS OF OPTIONS

- (a) **(Entitlement)** Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price)** Subject to paragraph (a), the amount payable upon exercise of each Option will be \$0.045
(Exercise Price)
- (c) **(Expiry Date)** Each Option will expire at 5:00 pm (WST) on the date being 3 years after the date of issue
(Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period)** The Options are exercisable at any time on or prior to the Expiry Date **(Exercise Period)**.
- (e) **(Notice of Exercise)** The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate **(Notice of Exercise)** and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **(Exercise Date)** A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds **(Exercise Date)**.
- (g) **(Timing of issue of Shares on exercise)** Subject to the Company obtaining any necessary Shareholder approval or regulatory approvals for the issue of the underlying Shares, within 15 Business Days after the Exercise Date, the Company will:
 - (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (h) **(Shares issued on exercise)** Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (i) **(Reconstruction of capital)** If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (j) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (k) **(Change in exercise price)** An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (l) **(Transferability)** The Options are not transferable except as follows:
 - (i) to transferees who are sophisticated or professional investors in accordance with section 708 of the Corporations Act or other persons who do not require a prospectus under the Corporations Act; and

- (ii) provided that on or before the transfer the holder gives notice of the transfer to the Company specifying the number of Options being transferred, the date of the transfer and the name and address of the transferee.

SCHEDULE 2 – SUMMARY OF THE BINDING TERMS SHEET

- (a) **(Parties)** The Parties to the Binding Terms Sheet are Lole Mining Limited 1-125888 (**Lole**), Frontier Resources Limited (ACN 095 684 389) (**Frontier**) and Frontier Copper (PNG) Limited (**FCPNG**). FCPNG is the wholly owned subsidiary of Frontier and is the holder of Exploration Licence EL2531 and the applicant for Exploration Licence ELA2529 in Papua New Guinea (**PNG Tenements**).
- (b) **(Proposed Transaction)** Frontier proposes to sell all of its shares in FCPNG (**FCPNG Shares**).
- (c) **(Conditions Precedent)** The following Conditions Precedent must be either met or waived by 31 July 2022 (unless extended by the Parties in writing) for completion of the Binding Terms Sheet to occur:
- (i) Lole completing due diligence enquiries in relation to FCPNG, the PNG Tenements and the transaction generally;
 - (ii) Lole obtaining renewal of Mining Lease ML104;
 - (iii) Lole either successfully completing an initial public offering (**IPO**) and listing on a recognized stock exchange (**Exchange**), or selling all of its securities to another company (**Alternate Purchaser**) that is listed on an Exchange (**Alternate Transaction**);
 - (iv) Frontier obtaining shareholder approval under ASX Listing Rule 11.4 for the sale of the FCPNG Shares to Lole (if required); and
 - (v) Frontier obtaining all other required approvals and authorisations required for the Proposed Transaction.
- (d) **(Initial Consideration)** The consideration payable by Lole for the FCPNG Shares is A\$2,000,000 as follows:
- (i) A\$500,000 cash; and
 - (ii) A\$1,500,000 payable at Lole's election, as follows:
 - a. cash;
 - b. if Lole completes an IPO, the issue of shares in Lole (**Lole Shares**) at the IPO issue price; or
 - c. if Lole does not complete an IPO but the Alternate Transaction occurs, shares in the Alternate Purchaser (**Alternate Purchaser Shares**) at an issue price being the 20-day Volume Weighted Average Price for Alternate Purchaser Shares immediately prior to the Alternate Transaction; or
 - d. a combination of cash and Lole Shares or Alternate Purchaser Shares as the context requires.
- (e) **(Further Consideration)** If within five years of the Initial Consideration, an aggregate minimum of 500,000 oz of gold of not less than JORC (2012) indicated category of resource is identified on the PNG Tenements, Frontier will be entitled to Further Consideration of A\$1,000,000 from Lole. The Further Consideration is payable at Lole's election in either cash, Lole Shares, Alternate Purchaser Shares or a combination of cash and shares.
- (f) **(Completion)** Within five business days of satisfaction of the Conditions Precedent:
- (i) Frontier will transfer the FCPNG Shares to Lole;
 - (ii) Frontier will cause the resignation of its nominees on the FCPNG board and the appointment of Lole's nominees to the FCPNG board; and
 - (iii) Lole will pay the Initial Consideration to Frontier.
- (g) **(Transaction Documents)** The Parties will negotiate in good faith to execute a Share Purchase Agreement and any other further documents required to more fully document the arrangements the subject of the

Binding Terms Sheet. The Transaction Documents will contain terms that are standard for agreements of that nature, including warranties, undertakings and indemnities. The Binding Terms Sheet is binding on the Parties until it is replaced by the Transaction Documents or is terminated.

- (h) **(Termination)** The Binding Terms Sheet will terminate upon the earlier of the Conditions Precedent not being satisfied or waived by 31 July 2022 (unless extended by the Parties in writing) and the Parties entry into the Transaction Documents.
- (i) **(Costs)** Subject to (j) below, each party shall be liable for their own costs and expenses incurred with respect to the Proposed Transaction, including preparation of the Transaction Documents, unless otherwise agreed.
- (j) **(Stamp Duty)** Lole will pay any stamp duty that may be payable in respect of the acquisition of the FCNPG Shares.
- (k) **(Exclusivity)** A 30 day exclusivity period applies following execution of the Binding Terms Sheet.
- (l) **(Governing law)** The Binding Terms Sheet is governed by the laws of Western Australia.
- (m) **(Confidentiality)** The terms of the Binding Terms Sheet are confidential unless:
 - (i) the other Party provides prior written consent to the disclosure; or
 - (ii) disclosure is expressly permitted by the Binding Terms Sheet; or
 - (iii) the information disclosed is publicly available; or
 - (iv) disclosure is required by law or the ASX Listing Rules; or
 - (v) disclosure is made on a confidential basis to an officer, employee or advisor of the Party for the purpose of obtaining advice.



ABN 96 095 684 389

Need assistance?



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+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Tuesday, 10 May 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 186710

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Frontier Resources Limited hereby appoint

☐ the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Frontier Resources Limited to be held at 104 Colin Street, West Perth, WA 6005 on Thursday, 12 May 2022 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 2 (except where I/we have indicated a different voting intention in step 2) even though Resolution 2 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of Options to David Frances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Disposal of Frontier Copper (PNG) Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

