

**FRONTIER RARE EARTHS PROVIDES AN UPDATE ON ITS ZANDKOPSDRIFT  
RARE EARTH ELEMENT PROJECT IN SOUTH AFRICA  
- Preliminary Economic Assessment at advanced stage –  
- Strategic partnership discussions in progress -**

**Toronto, Ontario, July 11, 2011** Frontier Rare Earths Limited (TSX: FRO) (TSX: FRO.WT) is pleased to provide an update on the progress of the exploration, evaluation and development activities at its Zandkopsdrift rare earth element project in South Africa.

*“We have made significant progress at Zandkopsdrift in 2011, and are on track to complete our preliminary economic assessment in the fourth quarter of this year,”* said Mr. James Kenny, President and CEO of Frontier Rare Earths. *“We believe that the results of this study will confirm that Frontier has the potential to not only be one of the first new large scale producers of rare earths outside China after Molycorp and Lynas, but also become one of the world’s most economically viable. This potential has led to discussions with a number of potential strategic partners as a means to accelerate the development of our Zandkopsdrift project.”*

Zandkopsdrift is one of the largest rare earth deposits in the world measured under international mineral reporting standards. The Zandkopsdrift B Zone, which is estimated to contain circa 450,000 tonnes TREO <sup>(1)</sup>, has the highest TREO grade and the highest grade of high value HREOs <sup>(2)</sup> of significant advanced rare earth deposits <sup>(3)</sup> outside China after Molycorp’s Mountain Pass and Lynas’s Mount Weld projects.

**SELECTED HIGHLIGHTS OF FRONTIER’S PROGRESS:**

**Preliminary Economic Assessment at advanced stage**

- Preliminary Economic Assessment at advanced stage and scheduled for completion in Q4 of 2011

**Strategic Partnership Discussions Initiated**

- Approaches received from a number of potential strategic partners
- High levels of interest generated in Zandkopsdrift and negotiations on-going
- Strategic partnership agreement expected to be concluded in the near term

**Metallurgical Testwork Progressing**

- Metallurgical testing underway at SGS Minerals Services
- Initial results expected shortly

**Resource Development Significantly Advanced**

- A total of 11,448 meters drilled since January 2011
- Additional 6,500 meters expected to be completed on schedule by end September 2011
- 5,326 samples submitted for assay, with a further 3,200 samples to be submitted by end July 2011
- Resource estimate to be updated in conjunction with Preliminary Economic Assessment

**Preliminary Economic Assessment**

Work on a Preliminary Economic Assessment (“PEA”) on Zandkopsdrift commenced in mid-Q1 2011, and is now at an advanced stage. The Company expects that results of the PEA will be available in early Q4 2011. A team of highly qualified and experienced consultants has been appointed by the

Company to undertake the PEA on Zandkopsdrift. Details of the key consultants that have been appointed are provided in Table 1 below.

**Table 1: Zandkopsdrift PEA Consultants**

<b>Consultant</b>	<b>Area of Responsibility</b>
Venmyn	Review of mineral resource estimate, preparation of financial model and compilation of NI 43-101 Technical Report on the PEA
MSA Group	Geology and resource estimation
Genalysis Laboratory Services	Sample assay
SNC Lavalin	Process engineering
SGS Minerals Services	Metallurgical test work
Sound Mining Solutions	Mine design and geotechnical analysis
Epoch Resources	Tailings disposal
Africa Geo-Environmental Services	Water and environmental
Corli Havenga Transportation Engineers	Logistics
RCE Consultants	Transport
EHL Consulting Engineers	Power
Benchmark Risk Advisory	Risk assessment

### **Strategic Partnership**

During 2011 the Company has received a number of approaches from organizations who have expressed interest in developing a strategic partnership with Frontier in relation to Zandkopsdrift. These organizations have the capability to provide financial, technical, marketing and other assistance to Frontier to help accelerate the development and operation of a large scale rare earth mining and processing operation at Zandkopsdrift. The Company expects that these discussions will lead to a strategic partnership being formally agreed in the near term.

### **Metallurgical Test Work**

In April 2011 approximately 5,500 kg of core from Zandkopsdrift was shipped to SGS Minerals Services in Lakefield, Ontario. A large composite sample of 1,000kg, representative of the overall Zandkopsdrift deposit, was selected from this material, as well as a number of smaller variability samples from the higher and lower grade sections and from different rock types in the core samples. A bench scale metallurgical test program comprising mineralogical analysis, ore characterisation, bench scale flotation, leaching and separation tests commenced in mid-May 2011, with the objective of identifying the optimal flow sheet for the recovery of the contained rare earth elements. Initial results from the SGS work are expected to be available shortly and will be one of the important inputs to the PEA.

### **Resource Development and Estimation**

In October 2010, the Company reported an indicated resource estimate for Zandkopsdrift of 22.92m tonnes containing 532,000 tonnes TREO at an average grade of 2.32% and an additional inferred resource of 20.81 m tonnes containing 415,000 tonnes TREO at an average grade of 1.99%, applying a 1% cut-off. The current phase of resource drilling commenced at Zandkopsdrift in February 2011 with the primary objective of increasing the confidence level of this resource estimate. Drilling progress over the last five months has been very good, with 165 core and reverse circulation holes drilled for a total of 11,448 meters. A further 6,500 meters of core and reverse circulation drilling is planned for completion by the end of September 2011. On completion of this phase of drilling it is expected that the majority of the Zandkopsdrift resource will be advanced to the measured and indicated categories. As previously announced, a total of approximately 4,011 samples were

submitted for assay by Genalysis Laboratory Services in Perth, Australia at the end of April 2011. A further 1,313 samples were shipped at the end of June 2011 and a final batch of approximately 3,200 samples are due for shipment before the end of July 2011. Initial results from the assay programme have been received from Genalysis and will be combined with the results of the remaining sample assays and integrated into a revised resource model for Zandkopsdrift. Dependent on the timing of completion of the resource modelling work that will be undertaken with the assay results, an updated Zandkopsdrift resource model is expected to be published either before or in conjunction with the PEA.

**Notes:**

(1)TREO = total rare earth oxides and includes the elements lanthanum to lutetium expressed as trivalent oxides

(2)HREOs = heavy rare earth oxides; high value HREOs are Europium, Terbium and Dysprosium

(3)Significant advanced deposits are those with >200,000 tonnes TREO under SAMREC, JORC, CIM or equivalent international codes

**Qualified Person**

Certain technical information in this release has been summarized or extracted from the Amended NI 43-101 Resource Estimate and Technical Report on the Zandkopsdrift Rare Earth Element (REE) Project, located in the Republic of South Africa dated October 29, 2010 (the "Technical Report"). Scientific and technical information contained in this release has been prepared under the supervision of P.R. Siegfried (B.Sc., M.Sc., MAusIMM) who is a "Qualified Person" in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. Readers are cautioned not to rely solely on the summary of information contained in this release, but should read the Technical Report which is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and any future amendments to such report. Readers are also directed to the cautionary notices and disclaimers contained therein.

For further information visit [www.frontierrareearths.com](http://www.frontierrareearths.com), e-mail the Company at [IR@frontierrareearths.com](mailto:IR@frontierrareearths.com) or contact James Kenny, CEO, at +352 208 80249.

**About Frontier Rare Earths Limited (TSX: FRO) (TSX: FRO.WT)**

Frontier Rare Earths Limited ([www.frontierrareearths.com](http://www.frontierrareearths.com)) is a mineral exploration and development company exclusively focused on the development of rare earths projects in Southern Africa. Frontier's flagship asset is the Zandkopsdrift rare earth project (95% economic interest held), which is located in the Northern Cape Province of South Africa and is one of the largest undeveloped rare earth deposits worldwide. After Molycorp's Mountain Pass and Lynas' Mount Weld projects, the Zandkopsdrift B Zone has the highest TREO<sup>(1)</sup> grade and the highest grade of high value HREOs<sup>(2)</sup> of significant advanced deposits<sup>(3)</sup> outside China. Zandkopsdrift's favourable location is expected to provide significant advantages in relation to capital costs, operating costs and development time compared to other rare earth projects currently being evaluated, and makes it well positioned to become one of the first significant new producers of rare earths outside China after Molycorp and Lynas.

Frontier filed a NI 43-101 report on Zandkopsdrift dated October 29, 2010, which included a resource estimate of circa 43m tonnes at an average grade of 2.2% containing 950,000 tonnes TREO applying a 1% cut-off, of which 56% is in the Indicated Resource category. Frontier is well funded with approximately \$50m cash and no debt and this strong working capital position will finance the proposed work programme of the Company and the expected completion of a Preliminary Economic Assessment, Preliminary Feasibility Study and Definitive Feasibility Study on Zandkopsdrift by the end of 2012. Frontier listed on the main board of the Toronto Stock Exchange in November 2010 and currently has 89,562,781 shares outstanding.

**Forward-looking Information**

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements

are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company, including, but not limited to the impact of general economic conditions, industry conditions, commodity prices, availability of financing, results of feasibility studies and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.