

Frontier Rare Earths (TSX: FRO) is an exploration and development company that is exclusively focused on rare earth elements - critically important minerals in high demand in the fast growing electronics, automotive, energy and clean-tech sectors.

Frontier's flagship asset is the Zandkopsdrift rare earth deposit, which is located in the Northern Cape Province of South Africa and is one of the largest, code compliant, undeveloped rare earth deposits worldwide. Zandkopsdrift's favourable location and geological setting are 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 Frontier well positioned to become one of the significant new producers of separated rare earths globally, commencing in 2015. In December 2011, Frontier signed a definitive joint venture agreement with Korea Resources Corporation (KORES), which is controlled by the Korean Government, in relation to the development of Zandkopsdrift. KORES has a policy mandate to source strategically important raw materials for Korean industry and has a stated objective of becoming a global top 20 miner by 2020. This joint venture positions Frontier as the only advanced Western rare earth developer with a major strategic partner. KORES is forming a consortium of leading Korean industry groups including Samsung, Hyundai, GS Group, Daewoo Shipbuilding & Marine Engineering (DSME) and Aju Global to participate in the Frontier/KORES Joint Venture.



Rare earths possess a range of distinctive physical properties which make them indispensable for many new technologies

Rare Earths – A Primer

Rare earths is a term commonly used to describe the 15 chemically similar lanthanide elements which appear together at the bottom of the periodic table, together with Yttrium and Scandium.

Rare earths are widely recognized as being among the most valuable and strategically important minerals in the world. Among their key properties, rare earths have high thermal and electrical conductivity, magnetism, luminosity, catalytic and optical properties. Current rare earth applications include hybrid electric vehicles, cell phones, mp3 players, personal digital assistant devices, wind turbines, fiber optics, computer and television screens and compact fluorescent lighting. Rare earths are critical to maintaining a modern, functioning green economy.

Demand growth for rare earths averaged 5% per annum between 2005-2010 and is expected to grow at 7-9% overall through 2015, and potentially, grow at a higher rate beyond.

The supply of rare earths has been dramatically impacted by new trade restrictions and policies introduced by China, which in 2011 is estimated to have accounted for 94% of global rare earths supply.

Frontier's Growth Strategy & Upcoming Milestones

Frontier's mid-term strategy is focused on accelerating the development of its Zandkopsdrift Project. Key upcoming milestones include:

- Complete a preliminary economic assessment in Q1 2012
- Complete a pre-feasibility study in Q3 2012
- Complete a definitive feasibility study in Q2 2013
- Advance the existing Zandkopsdrift Rare Earth resource into the Indicated & Measured classification (Q1 & Q3 2012)
- Undertake regional scale exploration elsewhere in the Namaqualand area, where Frontier controls prospecting rights, totalling 135,000 hectares

Frontier is fully funded to achieve these objectives.

Over the longer term, Frontier will be focused on:

- Targeting production of 20,000 tons of separated rare earth oxides per annum commencing in 2015
- Secure long term off-take agreement for Zandkopsdrift rare earth production in addition to the 30% offtake agreed with KORES
- Working closely with its strategic partner, Korea Resources Corporation and other leading Korean industry groups to advance the development of Zandkopsdrift and the establishment of downstream opportunities in the areas of rare earth metals, alloys and magnets
- Expand the Company's rare earth exploration and project portfolio in South Africa and, selectively, elsewhere in Africa

Developing a world-class rare earth deposit in South Africa



Zandkopsdrift

- Located in Namaqualand, South Africa's oldest mining province
- 947,000 tons of total rare earth oxides already identified (NI 43-101 compliant resource estimate – 2010)
- Approximately 60% of the deposit at the indicated resource category
- More than 20,000 metres drilled at Zandkopsdrift in 2011 which is expected to advance the existing resource significantly into the Indicated & Measured classification.
- Lower cost environment with good access to modern infrastructure (road, rail, port, power and water)
- Elevated levels of the highest value heavy and light rare earths present: Praseodymium, Neodymium, Europium, Terbium, and Dysprosium
- Low levels of thorium and uranium present at Zandkopsdrift, which reduces potential permitting and process complexity
- Well positioned to be an early, significant producer of separated rare earths
- Targeting production of 20,000 tonnes of separated rare earth oxides commencing in 2015 and the development of downstream opportunities in the area of rare earths metals, alloys and magnets.



Investment Highlights

Zandkopsdrift is one of the largest, highest grade rare earth deposits in the world.

Demand for rare earths is being driven by their increased use in electronics, automotive, clean-tech and other sectors. Prices have been driven dramatically higher by increased demand and limited supply, exacerbated by Chinese export restrictions, and industry consolidation.

Frontier is focused on accelerating the development of the Zandkopsdrift rare earth deposit and the exploration of other highly prospective rare earth targets in the region where Frontier holds prospecting rights over 135,000 hectares.

Frontier is the only major advanced rare earth developer to have concluded a strategic partnership agreement which will considerably de-risk the development of Zandkopsdrift.

Frontier's experienced Board and management team has extensive expertise in exploration and mine development in Southern Africa.

Frontier is well positioned to become one of the significant producers of separated rare earths globally, commencing in 2015.

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