

FRONTEER DEVELOPMENT GROUP INC

Form 40-F

March 30, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 40-F**

(Check One)

o REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OR

þ ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008

Commission File Number 001-32557

FRONTEER DEVELOPMENT GROUP INC.

(Exact name of Registrant as specified in its charter)

Ontario, Canada

(Province or other jurisdiction of incorporation or organization)

1040

(Primary Standard Industrial Classification Code Number (if applicable))

98-0489614

(I.R.S. Employer Identification Number (if applicable))

1650-1055 West Hastings Street

Vancouver, British Columbia

Canada V6E 2E9

(604) 632-4677

(Address and telephone number of Registrant's principal executive offices)

Troutman Sanders LLP

222 Central Park Avenue, Suite 2000

Virginia Beach, VA 23462

(757) 687-7715

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of each exchange on which registered
Common Shares (no par value)	NYSE Amex

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

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Annual information form

Audited annual financial statements

At December 31, 2008, the Registrant had outstanding 83,551,050 Common Shares (no par value).

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, as amended (the Exchange Act). If Yes is marked, indicate the file number assigned to the Registrant in connection with such Rule.

YES NO

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES NO

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EXPLANATORY NOTE

Fronteer Development Group Inc. (the Corporation) is a Canadian issuer eligible to file its annual report pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), on Form 40-F. The Corporation is a foreign private issuer as defined in Rule 3b-4 under the Exchange Act and Rule 405 under the Securities Act of 1933, as amended (the Securities Act). Equity securities of the Corporation are accordingly under the Exchange Act exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3. The Corporation prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles (GAAP) and reconciles such statements to U.S. GAAP. Unless otherwise indicated, all dollar amounts in this report are in Canadian dollars. The exchange rate of Canadian dollars into United States dollars, on December 31, 2008, based upon the noon buying rate in New York City for cable transfers payable in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York, was U.S.\$1.00 = CDN\$1.2240.

FORWARD-LOOKING STATEMENTS

This annual report and the exhibits attached hereto contain forward-looking statements within the meaning of applicable laws concerning the Corporation's plans at its properties, plans related to its business and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and in the case of mineral reserves or resources, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as expects, anticipates, plans, estimates or intends, or the negative or other variations of these words or other comparable words or phrases or stating that certain actions, events or results may, could, would, might or will be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

risks and uncertainties relating to the exploration, and development of gold, copper and uranium mines;

development risks, including risks related to accidents, equipment breakdowns, labor disputes or other unanticipated difficulties with or interruptions in operations, which may or may not be insured;

uncertainties in the estimation of ore mineral reserves and resources;

need for additional reserves and additional capital to fund the processing, development and exploration of certain mining operations;

commodity prices, commodity hedging and exchange rate fluctuations;

risks related to environmental regulation and liability;

risks related to permitting and licensing requirements;

risks associated with the Corporation's lack of historical mineral production;

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risks related to competition from other energy sources and the public acceptance of nuclear energy;

risks related to insurance and uninsured risks;

foreign political, economic and regulatory risks associated with mining and exploration;

risks associated with inadequate infrastructure to support sustainable mining operations;

uncertainty of title;

costs associated with land reclamation;

risks associated with foreign operations;

risks associated with conducting operations through foreign subsidiaries;

risks associated with joint ventures entered into by the Corporation, in particular with the Corporation's Turkish gold properties, the Sandman property and the Long Canyon properties;

risks associated with labor relations and other employment matters;

competition;

the Corporation's acquisition strategy and integration of new acquisitions into the Corporation's operations;

the volatility of the market price of the Corporation's common shares;

risks associated with certain legal proceedings;

risks related to enforcement of civil liberties under United States Securities Laws;

risks related to the possibility that the Corporation is a passive foreign investment company;

risks related to the Corporation being a foreign private issuer

risks related to the remediation action at the Zaca Project property being conducted by the United States Forest Service under the Comprehensive Environmental Response, compensation and Liability Act;

risks related to potential conflicts of interest in certain directors and / or officers;

risks related to the Corporation's history of non paying dividends; and

other risks and uncertainties related to the Corporation's prospects, properties and business strategy.

Some of the important risks and uncertainties that could affect the Corporation's forward-looking statements are described further in the Corporation's Annual Information Form for the year ended December 31, 2008, a copy of which is filed as an exhibit hereto, under the heading "Risk Factors". Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described

in forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by law. Investors are cautioned against placing undue reliance on forward-looking statements.

NOTE TO UNITED STATES READERS

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Corporation is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this annual report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Corporation prepares its financial statements, which are filed with this report on Form 40-F, in accordance with Canadian GAAP, and they may be subject to Canadian auditing and auditor independence standards. They may not be comparable to financial statements of United States companies. Significant differences between Canadian GAAP and United States GAAP are described in Note 19 of the audited consolidated financial statements of the Corporation.

RESOURCE AND RESERVE ESTIMATES

The terms mineral reserve, proven mineral reserve and probable mineral reserve used in the Corporation's disclosure are Canadian mining terms that are defined in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) under the guidelines set

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out in the Canadian Institute of Mining, Metallurgy and Petroleum (the CIM) Best Practice Guidelines for the Estimation of Mineral Resource and Mineral Reserves (the CIM Standards), adopted by the CIM Council on November 23, 2003. These definitions differ from the definitions in the United States Securities and Exchange Commission (the Commission) Industry Guide 7 under the Securities Act. Under Industry 7 standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Under Industry Guide 7 standards, a final or bankable feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

The terms mineral resource, measured mineral resource, indicated mineral resource and inferred mineral resource in the Corporation s disclosure are Canadian mining terms that are defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards; however, these terms are not defined terms under Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the Commission. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

Inferred mineral resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of contained ounces in a resource is permitted disclosure under Canadian regulations; however, the Commission normally only permits issuers to report mineralization that does not constitute reserves by Commission Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this report and the documents incorporated by reference herein containing descriptions of the Corporation s mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

ANNUAL INFORMATION FORM

The Corporation s Annual Information Form for the year ended December 31, 2008 is filed as Document 1 and incorporated by reference in this annual report on Form 40-F.

**AUDITED ANNUAL FINANCIAL STATEMENTS AND
MANAGEMENT S DISCUSSION AND ANALYSIS**

Audited Annual Financial Statements

The audited consolidated financial statements of the Corporation for the years ended December 31, 2008, 2007 and 2006, including the report of the Independent Registered Chartered Accountants with respect thereto, are filed as Document 2 and incorporated by reference in this annual report on Form 40-F. For a reconciliation of important differences between Canadian and U.S. GAAP, see Note 19 of the Corporation s audited consolidated financial statements.

Management s Discussion and Analysis

Management s Discussion and Analysis of Financial Condition and Results of Operations is filed as Document 3 and incorporated by reference in this annual report on Form 40-F.

Purchasing, holding, or disposing of securities of the Corporation may have tax consequences under the laws of the United States and Canada that are not described in this annual report on Form 40-F.

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CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation of the effectiveness of the design and operations of the Corporation's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) of the Exchange Act) was carried out by the Corporation's management, including its principal executive officer and principal financial officer. Based upon that evaluation, the Corporation's principal executive officer and principal financial officer have concluded as of the end of the period covered by this report that the design and operation of the Corporation's disclosure controls and procedures are effective at the reasonable assurance level to ensure that information required to be disclosed by the Corporation in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Commission rules and forms, and is accumulated and communicated to management, including the Corporation's principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Notwithstanding the foregoing, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that the Corporation's disclosure controls and procedures will detect or uncover every situation involving the failure of persons within the Corporation and its subsidiaries to disclose material information otherwise required to be set forth in the Corporation's periodic reports. The Corporation's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objective of ensuring that information required to be disclosed in the reports that the Corporation files or submits under the Exchange Act is communicated to management to allow timely decisions regarding required disclosure.

Management Report on Internal Control Over Financial Reporting

Management of the Corporation is responsible for establishing and maintaining adequate internal control over financial reporting, and has designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with Canadian GAAP, including a reconciliation to U.S. GAAP.

Management has used the Internal Control - Integrated Framework to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. In 2007, the internal controls of NewWest were not included in management's testing since the acquisition of NewWest was only completed in September 2007. In 2008, these controls of NewWest were evaluated as part of management's assessment of the effectiveness of controls. Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. As a result, management concluded that the Company's internal control over financial reporting was effective as at that date.

The Corporation's independent registered public accounting firm, PricewaterhouseCoopers LLP, has issued an attestation report on management's assessment of the Corporation's internal control over financial reporting as of December 31, 2008. The report can be found in the Independent Auditor's Report included in the Corporation's financial statements for the years ended December 31, 2008 and 2007 and is incorporated herein by reference.

Mark O Dea, Chief Executive Officer

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Sean Tetzlaff, Chief Financial Officer

Changes in Internal Control Over Financial Reporting

During the period covered by this report, no changes occurred in the Corporation's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Corporation sent during the year ended December 31, 2008 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

CORPORATE GOVERNANCE

The Corporation's Board of Directors (the Board), is responsible for the Corporation's corporate governance policies and has separately designated standing Compensation, Governance and Nominating and Audit Committees. The Board has determined that all the members of the Compensation, Governance and Nominating and Audit Committees are independent, based on the criteria for independence and unrelatedness prescribed by Section 10A(m)(3) under the Exchange Act and Section 803 of the NYSE AMEX Company Guide. Additionally, only independent members of the Board participate in the nomination of individuals for election to the Board. Finally, the Board has determined that a majority of its members are independent directors under Section 803 of the AMEX Company Guide. Such independent directors are Oliver Lennox-King, George Bell, Jo Mark Zurel, Donald McInnes, Scott Hand and Lyle Hepburn.

AUDIT COMMITTEE AND FINANCIAL EXPERTS

The Board has a separately-designated standing Audit Committee established in accordance with section 3(a)(S8)(A) of the Exchange Act, for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the Corporation's annual financial statements. As of the date of this annual report on Form 40-F, the members of the Audit Committee are Messrs. Zurel, Bell and McInnes.

The Corporation's Board of Directors has determined that the Corporation has more than one audit committee financial expert, as defined in Form 40-F. The Board has determined that its audit committee financial expert, Jo Mark Zurel, is independent within the meaning of corporate governance standards of the NYSE Amex applicable to the Corporation. The Corporation's Audit Committee complies with the corporate governance requirements as prescribed by the Toronto Stock Exchange (the TSX). The TSX requirement is that the Audit Committee be composed only of directors who are independent under Multilateral Instrument 52-110 Audit Committees (MI 52-110), being directors who are free of any material relationship with the Corporation. The Board has determined that all of the members of the Corporation's Audit Committee are independent pursuant to MI 52-110.

CODE OF ETHICS

The Corporation has adopted written codes of ethics for its directors and employees and entitled Directors Code of Ethics, Code of Business Conduct and Ethics and Code of Ethics for Senior Financial Officers (collectively, the Codes). The Codes include, among other things, written standards for the Corporation's principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions that are required by the Commission for a code of ethics applicable to such officers. Copies of the Codes are posted on the Corporation's website at www.frontiergroup.com under Investor Centre / Corporate Governance.

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No substantive amendments to the Codes were adopted during the year ended December 31, 2008. No waiver or implicit waiver, as such terms are defined in the Form 40-F, was granted relating to any provision of the Codes during the year ended December 31, 2008.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

PricewaterhouseCoopers LLP has served as the Corporation's auditing firm since June 8, 2004. Aggregate fees billed to the Corporation for professional services rendered by PricewaterhouseCoopers LLP and its affiliates during the fiscal years ended December 31, 2008 and 2007 are detailed below (stated in Canadian dollars):

	Fiscal 2008	Fiscal 2007
Audit Fees	\$ 210,000	\$ 137,800
Audit-Related Fees	\$ Nil	\$ 47,350
Tax Fees	\$ 20,741	\$ 32,000
All Other Fees	\$ Nil	\$ Nil
Total Fees	\$ 231,741	\$ 217,150

The nature of each category of fees is as follows:

Audit Fees:

Audit fees were paid for professional services rendered by the auditors for the audit of the Corporation's annual consolidated financial statements, reviews of the Corporation's interim financial statements and attestation services provided in connection with statutory and regulatory filings or engagements, including the Corporation's filing of a short-form prospectus offering of units in 2007. Audit fees increased over 2007 due to the complexity of the Corporation and the need for the auditors to attest to Management's assessment of the effectiveness of internal controls.

Audit-Related Fees:

Audit-related fees are defined as the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under the Audit Fees item above. No Audit-related services were provided during fiscal 2008 or fiscal 2007.

Tax Fees:

Tax fees were paid for tax compliance, tax advice and tax planning professional services related to payroll matters in 2007 in respect of employees who were U.S. residents.

All Other Fees:

Other fees were paid for accounting, advisory and consulting services performed with respect to the acquisition by the Corporation of all the issued and outstanding shares of NewWest and the preparation of the information circular of NewWest distributed to its shareholders in connection therewith.

Pre-Approval Policies and Procedures:

All services to be performed by the Corporation's auditor must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence and has adopted a policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any *de minimis* non-audit services allowed by applicable law or regulation.

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Pre-approval from the Audit Committee can be sought for planned engagements based on budgeted or committed fees. No further approval is required to pay pre-approved fees. Additional pre-approval is required for any increase in scope or in final fees.

Of the total aggregate fees paid by the Corporation to its accountants during the fiscal year ended December 31, 2008, \$nil, or 0% of the aggregate fees, were approved by the Audit Committee pursuant to the *de minimis* exception provided by Section (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has approximately \$3,072,038 in standby Letters of Credit for the completion of reclamation on its mineral properties in the United States. These standby letters of credit are backed for the most part by Certificates of Deposits.

The Corporation has no other off-balance sheet arrangements.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

Contractual obligations of the Corporation are filed as Document 4 and incorporated by reference in this annual report on Form 40-F.

NYSE ALTERNEXT-US CORPORATE GOVERNANCE

The Corporation's common shares are listed on NYSE Amex. Section 110 of the Amex Company Guide permits NYSE Amex to consider the laws, customs and practices of the foreign issuer's country of domicile in relaxing certain Alternext-US listing criteria, and to grant exemptions from NYSE Amex listing criteria based on these considerations. A corporation seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Corporation's governance practices differ from those followed by domestic companies pursuant to NYSE Amex standards is as follows:

Shareholder Meeting Quorum Requirement: The Alternext-US minimum quorum requirement for a shareholder meeting is one-third of the outstanding common shares. In addition, a Corporation listed on NYSE Amex is required to state its quorum requirement in its bylaws. The Corporation's quorum requirement as set forth in its bylaws is two persons entitled to vote at a meeting of shareholders whether present in person or represented by proxy.

Proxy Delivery Requirement: NYSE Amex requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings, and requires that these proxies shall be solicited pursuant to a proxy statement that conforms to Commission proxy rules. The Corporation is a foreign private issuer as defined in Rule 3b-4 under the Exchange Act and Rule 405 under the Securities Act, and the equity securities of the Corporation are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Corporation solicits proxies in accordance with applicable rules and regulations in Canada.

Shareholder Approval Requirement: The Corporation will follow TSX rules for shareholder approval of new issuances of its common shares. Following TSX rules, shareholder approval is required for certain issuances of shares that: (i) materially affect control of the Corporation; or (ii) provide consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer and have not been negotiated at arm's length. Shareholder approval is also required, pursuant to TSX rules, in the case of private placements: (x) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per

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security is less than the market price; or (y) that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the closing of the first private placement to an insider during the six month period.

The foregoing are consistent with the laws, customs and practices in Canada.

In addition, the Corporation may from time-to-time seek relief from NYSE Amex corporate governance requirements on specific transactions under Section 110 of the NYSE Amex Company Guide by providing written certification from independent local counsel that the non-complying practice is not prohibited by the Corporation's home country law.

UNDERTAKING

The Corporation undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Corporation filed an Appointment of Agent for Service of Process and Undertaking on Form F-X on March 28, 2007, with respect to the class of securities in relation to which the obligation to file this annual report on Form 40-F arises. The Form F-X is incorporated herein by reference.

Any further change to the name or address of the agent for service of process of the Corporation shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the Corporation.

DOCUMENTS FILED AS PART OF THIS ANNUAL REPORT

1. Annual Information Form of the Corporation for the year ended December 31, 2008.
 2. The following audited consolidated financial statements of the Corporation are exhibits to and form a part of this annual report:

Report of Independent Registered Chartered Accountants:

Consolidated Balance Sheets as of December 31, 2008 and 2007;

Consolidated Statements of Operations and Deficit for the years ended December 31, 2008, 2007 and 2006;

Consolidated Statements of Cash Flows for the years ended December 31, 2008, 2007 and 2006; and

Notes to Consolidated Financial Statements (which include reconciliation with United States generally accepted accounting principles).
 3. Management Discussion and Analysis of Financial Conditions and Results of Operations.
 4. Contractual Obligations of the Corporation.
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EXHIBIT INDEX

Exhibit No.	Title of Exhibit
99.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the United States Securities Exchange Act of 1934
99.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the United States Securities Exchange Act of 1934
99.3	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the United States Sarbanes Oxley Act of 2002
99.4	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the United States Sarbanes Oxley Act of 2002
99.5	Appointment of Agent for Service of Process and Undertaking on Form F-X filed on March 27, 2007, and hereby incorporated by reference herein.
99.6	Consent of Independent Auditors PricewaterhouseCoopers LLP
99.7	Consent of Gary Giroux
99.8	Consent of Ian Cunningham-Dunlop
99.9	Consent of Christopher Lee
99.10	Consent of Dr. D.H.C. Wilton
99.11	Consent of Peter Grieve
99.12	Consent of Dr. Mark O Dea
99.13	Consent of Jim Lincoln
99.14	Consent of Michael M. Gustin
99.15	Consent of George Lanier
99.16	Consent of Steve Ristorcelli
99.17	Consent of David Griffith
99.18	Consent of Jim Ashton
99.19	Consent of Moira Smith

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SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report on Form 40-F to be signed on its behalf by the undersigned, thereunto duly authorized.

**FRONTEER DEVELOPMENT GROUP
INC.**

By: **/s/ Mark O Dea**

Name: Mark O Dea

Title: President and Chief Executive
Officer

By: **/s/ Sean Tetzlaff**

Name: Sean Tetzlaff

Title: Chief Financial Officer

Date: March 26, 2009

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**ANNUAL INFORMATION FORM
OF
FRONTEER DEVELOPMENT GROUP INC.
Suite 1650, 1055 West Hastings Street
Vancouver, B.C.
Canada
V6E 2E9
1 (604) 632-4677
For the fiscal year ended December 31, 2008
Dated March 30, 2009**

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PRELIMINARY NOTES

Throughout this Annual Information Form (AIF), Fronteer Development Group Inc. is referred to as Fronteer or the Corporation . All information contained herein is as at December 31, 2008, unless otherwise stated.

CURRENCY AND EXCHANGE RATES

All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This AIF contains forward-looking information and forward-looking statements which include, but are not limited to, statements or information concerning the future financial or operating performance of the Corporation and its business, operations, properties and condition, the future price of uranium, iron oxide, copper, gold and other metal prices, the estimation of mineral resources or potential expansion of mineralization, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production and mine life of the various mineral projects of Fronteer, the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration and development activities, estimated exploration budgets and timing of expenditures and community relations activities, requirements for additional capital, government regulation of mining operations, environmental risks and reclamation expenses, title disputes and other claims or existing, pending or threatened litigation or other proceedings, limitations of insurance coverage and the timing and possible outcome of regulatory and permitting matters and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements, and involve known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of Fronteer to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements and information. Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward-looking statements and forward-looking information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as plans , expects , is expected , budget , scheduled , estimates , forecasts , intends , anticipates , will , projects , or believes or variations (including variations) of such words and phrases, or statements that certain actions, events, results or conditions may , could , would , might or will be taken, occur or be achieved. Forward-looking statements and forward-looking information are based upon a number of estimates and assumptions of management at the date the statements are made, and are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information. Many assumptions are based on factors and events that are not within the control of Fronteer and there is no assurance they will prove to be correct. Such factors include, among others: general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; fluctuations in the value of Canadian and United States dollars relative to each other; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future prices of uranium, iron oxide, copper, gold and other metal prices; changes in worldwide price of other commodities such as coal, fuel, electricity and fluctuations in resource prices, currency exchange rates and interest rates; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and

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losses; political instability, hostilities, insurrection or acts of war or terrorism; delays in obtaining governmental approvals or financing or in the completion of exploration, development or construction activities; changes in government legislation and regulation; changes in ownership interest in any project; increased infrastructure and/or operating costs; Fronteer's ability to renew existing licenses and permits or obtain required licenses and permits; changes in market conditions; variations in ore grade or recovery rates; risks relating to international operations and joint ventures; changes in project parameters; disruptions or changes in the credit or securities markets; inflationary or deflationary pressures; the need to obtain and maintain licenses and permits and comply with laws and regulations or other regulatory requirements; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; contests over title to properties; and the risks involved in the exploration, development and mining business generally; and the factors discussed in the section entitled "Risk Factors" in this AIF. Although the Corporation has attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward-looking statements or forward-looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended. Forward-looking statements and forward-looking information contained herein are made as of the date of this AIF and the Corporation disclaims any obligation to update any forward-looking statements or forward-looking information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

**CAUTIONARY NOTE CONCERNING ESTIMATES OF MEASURED, INDICATED AND
INFERRED RESOURCES**

Information in this AIF, including any information incorporated by reference, and disclosure documents of Fronteer that are filed with Canadian and United States securities regulatory authorities concerning mineral properties have been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws.

Without limiting the foregoing, these documents use the terms "measured resources", "indicated resources" and "inferred resources". Shareholders in the United States are advised that, while such terms are recognized and required by Canadian securities laws, the United States Securities and Exchange Commission (the "SEC") does not recognize them. Under United States standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility, pre-feasibility or other technical reports or studies, except in rare cases. Therefore, United States investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of contained ounces is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report resources as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in these documents may not be comparable to information made public by United States companies subject to the reporting and disclosure requirements of the SEC.

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National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) is a rule developed by the Canadian Securities Administrators, which has established standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates of Fronteer contained in this AIF, including any information incorporated by reference, have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System.

CORPORATE STRUCTURE OF THE CORPORATION

Name and Incorporation

Fronteer Development Group Inc. (Fronteer or the Corporation) was incorporated under the name 1334970 Ontario Inc. under the *Business Corporations Act* (Ontario), as amended or supplemented, on January 11, 1999. On February 2, 1999, the Corporation filed Articles of Amendment to change its name to Fronteer Development Group Inc. .

The registered office of the Corporation is located at 40 King Street West, 2100 Scotia Plaza, Toronto, ON M5H 3C2, and the head office and principal place of business of the Corporation is located at Suite 1650, 1055 West Hastings Street, Vancouver, British Columbia V6E 2E9.

Fronteer is a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Fronteer Common Shares are listed and posted for trading on the TSX and the NYSE Amex under the symbol FRG .

For further information regarding Fronteer, reference is made to Fronteer s filings with the Canadian securities regulatory authorities available on SEDAR at www.sedar.com and Fronteer s filings with the SEC available at www.sec.gov.

Intercorporate Relationships

The following chart sets forth the names of the significant subsidiaries and investments under significant influence of the Corporation as at December 31, 2008, the percentage of ownership of each such company by the Corporation (directly or indirectly) and the respective jurisdictions of incorporation of each such company:

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1. As discussed in this AIF further below, subsequent to December 31, 2008, Fronteer formally commenced an offer by way of take-over bid to acquire all of the outstanding common shares of Aurora Energy Resources Inc. (Aurora) not already owned by Fronteer. On March 2, 2009, the expiry date of such offer, Fronteer took up and accepted for payment an aggregate of 36,526,336 common shares of Aurora, with the result that, together with the 30,947,336 Aurora common shares already owned by Fronteer, Fronteer currently owns an aggregate of 67,473,672 Aurora common shares representing approximately 92.1% of the total number of issued and outstanding Aurora common shares.
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GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

In February 2005, the Corporation completed a private placement financing, pursuant to which it issued 7,270,000 units at a price of \$1.75 per unit to raise aggregate gross proceeds of approximately \$12,700,000. Each unit consisted of one common share (Common Share) of the Corporation and one-half of one common share purchase warrant. Each whole warrant entitled the holder thereof to acquire one additional Common Share at a price of \$2.75 until February 17, 2007.

In May 2005, the Corporation completed another private placement financing pursuant to which it issued 1,500,000 flow-through Common Shares at a price of \$2.75 per share to raise aggregate gross proceeds of \$4,125,000.

In June 2005, the Corporation and Altius Minerals Corporation (Altius), agreed to restructure their investment in the uranium assets, known as the CMB Uranium Property located in the Central Mineral Belt of Labrador, Canada, which assets were the subject of their previously established joint venture. Each of the Corporation and Altius transferred their respective 50% interest in these assets to a new corporation named Labrador Uranium Co. Ltd. which was subsequently renamed Aurora Energy Inc. and subsequently renamed again as Aurora Energy Resources Inc. (Aurora). Aurora was initially owned as to 52% by the Corporation and as to 48% by Altius, while Altius retained an interest in the property through a 2% net smelter royalty on precious and base metals and a 2% net sales royalty from uranium produced from properties which were subject to the joint venture. In June and August 2005, the Corporation subscribed for an additional 4,444,440 Class B common shares of Aurora (which were subsequently converted into Class A Common Shares, which were in turn converted into Common Shares of Aurora), thereby increasing its ownership percentage to 56.8%.

Also in June 2005, the Corporation listed its Common Shares on the Amex Stock Exchange now known as the NYSE Amex under the symbol FRG .

In January 2006, the Corporation announced an agreement between the Corporation and Rimfire Minerals Inc. (Rimfire) (together, the Buyers) and Newmont Exploration of Canada Limited and NMVI Mining Inc. whereby the Buyers were granted the right to acquire a 100% interest in 700 mineral claims and a geological data set in the Yukon, Canada, known as the Wernecke Breccias, in consideration of incurring aggregate exploration expenditures thereon in the amount of \$2,000,000. To date, these requirements have been fully satisfied and the Corporation presently owns 80% and Rimfire owns 20% of the claims and data as a result (subject to a 2% net smelter royalty and a 7% to 15% net profits royalty, retained by the vendors and previous owners of the property over a specified area of interest).

On March 22, 2006, Aurora completed an initial public offering. The Corporation began to account for its investment in Aurora using the equity method as its ownership dropped below 50%.

In April 2006, the Corporation received notification from Teck-Cominco Arama ve Madencilik Sanayi Ticaret A.Ş. (TCAM), Teck Cominco Limited 's Turkish subsidiary and Fronteer 's joint venture partner, of an early earn-back election to earn-back to a 60% interest in each of the Ađi Dađı and Kirazlı Properties. During 2007, TCAM completed its earn-back requirements on each of Ađi Dađı and Kirazlı, earning a 60% interest in each property.

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On June 1, 2006, the Corporation completed a bought deal short form prospectus offering (the Short Form Offering), pursuant to which the Corporation issued 6,000,000 Common Shares at a price of \$6.40 per share to raise aggregate gross proceeds of \$38,400,000.

On October 5, 2006, the Corporation purchased an additional 956,938 common shares of Aurora at a price of \$10.45 per share on a private placement basis. This private placement financing occurred concurrently with the closing of a larger \$30,000,000 bought deal financing by Aurora. Upon conclusion of the private placement and bought deal financing, the Corporation's interest in Aurora was reduced to 47.8%. Fronteer subsequently increased its ownership interest in Aurora to approximately 92.1% of the issued and outstanding Aurora common shares, as discussed further below.

On November 30, 2006, the Corporation received notification from TCAM of an early earn-back election to earn-back a 60% interest in each of the Halilağa, Pirentepe, Dedi Daği and TV Tower projects, each of which TCAM and the Corporation had designated as a separate project within the Biga regional area. In 2007, TCAM completed its earn-back on Halilağa and owns 60% of Halilağa at December 31, 2007. TCAM has agreed to solely fund US\$3,000,000 in exploration at the Halilağa property during 2008 and in turn, TCAM was granted an extension to December 31, 2008 on its election whether to earn an additional 10% interest in the Halilağa Property. In December 2008, the parties agreed to further extend this deadline to December 31, 2009, as permitting delays rendered TCAM unable to complete its US\$3,000,000 expenditure requirement during 2008. TCAM has agreed to solely fund an estimated 5,000 metre drill exploration program at Halilağa in 2009, as consideration for this second extension. In 2008, the Corporation and TCAM agreed to include the Pirentepe Property with the Halilağa Property. As a result, TCAM was deemed to have earned a 60% interest in Pirentepe. In 2008, TCAM also completed its earn-back requirements on the Dedi Daği and TV Tower projects, thereby earning its 60% interest.

On December 1, 2006, the Corporation completed the acquisition of 5,310,000 units (each a 2006 Unit) of Latin American Minerals Inc. (LA), a public corporation listed on the TSX Venture Exchange. This strategic investment gave the Corporation exposure to a pipeline of advanced stage projects in Argentina. Each 2006 Unit was purchased for \$0.25 and was comprised of one common share in the capital of LA (each an LA Share) and one half of one common share purchase warrant (each whole such share purchase warrant an LA Warrant). Each LA Warrant entitled the Corporation to acquire one additional LA Share at an exercise price of \$0.35 for a period of 12 months from the closing of the private placement. These warrants expired unexercised by the Corporation.

In April 2007, the Corporation acquired a further 900,000 LA Shares directly from an LA shareholder at a price of \$0.45 per share. In June 2007, Fronteer acquired a further 2,000,000 units (the 2007 Units) of LA at a price of \$1.00 per 2007 Unit as part of a larger private placement of 12,000,000 2007 Units by LA. Each 2007 Unit is comprised of one common share in the capital of LA and one-half of one common share purchase warrant. Each whole warrant entitles Fronteer to acquire one additional LA Share at a price of \$1.25 for a period of 12 months from closing of the offering. The Corporation's entire investment in LA was sold in March 2008 for \$0.65 per share.

On March 15, 2007, the Corporation announced it had closed a short form prospectus offering pursuant to which the Corporation issued 4,100,000 Common Shares at a price of \$14.75 per share to raise gross proceeds of \$60,475,000. The over-allotment option granted by the Corporation in connection with this offering was subsequently partially exercised on April 5, 2007, pursuant to which the Corporation issued an additional 398,000 Common Shares at a price of \$14.75 per share to raise additional aggregate gross proceeds of \$5,870,500.

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On and as of June 30, 2005, a U.S. Delaware corporation, WSMC Gold Corp. (WSMC), a wholly-owned subsidiary of Western States Minerals Corporation (Western States Minerals), consolidated the rights to possess, explore, develop and mine the precious metals mineral interests (collectively, the Mineral Interests) of Western States Minerals, Zaca Resources Corp. (Zaca Resources) and 26 Ranch Inc. (Ranch) and together with Western States Minerals and Zaca Resources, the Safra Companies). In addition, Western States Royalty Corporation (Western States Royalty), an affiliate of WSMC, acquired a portfolio of royalties (the Mineral Royalties) on the properties of NewWest Gold Corporation (NewWest), subject to the right of Zaca Resources to retain a 3% royalty on one of those properties as a lessor (the Zaca Royalty).

As part of various transactions completed prior to or as of July 5, 2006 (the Pre-IPO NewWest Restructuring), such Mineral Interests and Mineral Royalties (including the Zaca Royalty) were sold or contributed to four new Delaware limited liability corporations as follows: NWG Royalty LLC, NewWest Gold LLC, Nevada Western Gold LLC and Zaca Mining LLC (collectively, the LLCs). The LLCs were in turn sold to a Barbados company, NWG Investments Inc. (NWG) that is, indirectly, wholly-owned by Mr. Jacob Safra. Following these transactions, pursuant to a contribution agreement amongst NewWest and NWG (the LLC Purchase Agreement), NWG and therefore indirectly Mr. Jacob Safra, acquired all of the issued and outstanding shares of NewWest in exchange for the acquisition by NewWest of a 100% interest in each of the LLCs. Under a further contribution agreement (the LLC Sale Agreement), NewWest acquired all of the issued and outstanding shares of a newly formed Delaware corporation, NewWest Gold USA Inc. (NewWest USA), in exchange for the acquisition by NewWest USA of 100% of NewWest's interests in the LLCs. In October 2006, NewWest Gold LLC and Zaca Mining LLC were merged into NewWest USA. After giving effect to these transactions and Fronteer's subsequent acquisition of NewWest described below, Fronteer acquired and continues to hold all Mineral Interests through Fronteer Development (USA) Inc. (Fronteer USA) (formerly NewWest USA) and Fronteer Gold LLC (formerly Nevada Western Gold LLC), and holds all Mineral Royalties (including the Zaca Royalty) through Fronteer Royalty LLC (formerly NWG Royalty LLC). See also Interest of Management and Others in Material Transactions . On August 29, 2006, NewWest completed an initial public offering after which Mr. Safra's indirect interest in NewWest was reduced to approximately 86%.

On September 24, 2007, Fronteer announced that it had closed its acquisition of 100% of the common shares of NewWest. As part of the acquisition agreement, the Corporation exchanged 0.26 of a Common Share of Fronteer for each NewWest share acquired. As a result of this acquisition, Fronteer presently holds 100% of the common shares of NewWest. Upon completion of the acquisition of all of the issued and outstanding shares of NewWest by the Corporation as discussed above, Mr. Safra, primarily through NWG, currently owns approximately 11.4% of all of the issued and outstanding Common Shares of Corporation as of the date of this AIF according to Mr. Safra's insider reports on file with the System for Electronic Data on Insiders (SEDI). For further details of this acquisition, please refer to the Business Acquisition Report of the Corporation dated November 7, 2007, a copy of which is available on SEDAR at www.sedar.com.

On February 6, 2008, Fronteer announced that Newmont Mining Corporation (Newmont) notified the Corporation that it would not be fulfilling its earn-in obligation at the Northumberland project. As a result, the Corporation regained 100% control of Northumberland. Newmont agreed to grant the Corporation a free license to use Newmont's patented N₂TEC flotation process technology. In return, Fronteer has granted Newmont preferential ore processing rights for any ore developed from Northumberland. On February 6, 2008, the Corporation also announced that it had signed a letter of intent with Newmont outlining terms with respect to a new joint venture on the Corporation's Sandman project. This letter of intent was subsequently replaced by a definitive option and joint venture agreement between Fronteer and Newmont dated June 1, 2008. For further details, please see the section of this AIF entitled Material Contracts below. Under the terms of this agreement, Newmont may earn an initial 51% interest in the Sandman project within 36 months by:

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1. Spending a minimum US\$14,000,000 on exploration;
2. Making a production decision supported by a bankable feasibility study;
3. Reporting reserves;
4. Making a commitment to fund and construct a mine;
5. Advancing the necessary permits; and
6. Contributing an adjacent mineral interest to the joint venture.

Newmont may earn an additional 9% interest in the Sandman project by spending a further US\$9,000,000 on development. Fronteer retains a 2% net smelter return royalty on production of the first 310,000 ounces at the Sandman project. Fronteer can also elect to have Newmont arrange financing for its 40% share of development costs.

For further details, please refer to the material change report of the Corporation dated February 6, 2008, a copy of which is available on SEDAR at www.sedar.com and on the Corporation's Form 6K filed on the same date with the SEC.

On April 8, 2008, Aurora Energy Resources Inc. (Aurora) (AXU Toronto Stock Exchange (TSX)), in which Fronteer then held an approximate 42.3% interest, announced that the Nunatsiavut Government voted eight to seven in favour of implementing a three-year moratorium on uranium mining on Labrador Inuit Lands, but will continue to allow uranium exploration. Aurora reported that it believed the basis for the mining moratorium is to allow time for the Nunatsiavut Government and the Government of Newfoundland and Labrador, through the Regional Planning Authority, to formulate a Land Use Plan as required by the Labrador Inuit Land Claims Agreement.

In September 2008, the Corporation announced that it had completed its expenditure requirement on the Long Canyon Project, thereby earning a 51% interest. The Corporation is now the manager of a joint venture with AuEX Ventures Inc. (AuEX) and both parties contribute their proportionate share of the funding for the project or face dilution.

On December 22, 2008, the Corporation announced its intention to make an offer (the Offer) to acquire all of the issued and outstanding common shares of Aurora other than common shares already owned by Fronteer, including common shares that became issued and outstanding after the date of the Offer but before the expiry time of the Offer upon the conversion, exchange or exercise of options or other securities of Aurora that are convertible into or exchangeable or exercisable for common shares of Aurora (the Aurora Shares) on the basis of 0.825 of a Fronteer Common Share for each Aurora Share. Fronteer formally commenced its Offer by mailing a take-over bid circular to Aurora shareholders on January 23, 2009.

In connection with the Offer, certain institutional shareholders of Aurora entered into lock-up agreements pursuant to which they agreed, subject to certain exceptions, to deposit under the Offer and not withdraw Aurora Shares representing in the aggregate 19,234,700 Aurora Shares representing approximately 26% of the then issued and outstanding Aurora Shares.

Subsequently, on March 2, 2009, the expiry date of the Offer, Fronteer took up and accepted for payment a total of approximately 36,526,336 Aurora Shares. Fronteer has now increased its ownership interest from approximately 42.3% to approximately 92.1% of the issued and outstanding Aurora Shares. The Offer expired at 8:00 p.m. (Toronto time) on March 2, 2009. Fronteer issued 30,134,229 common shares as payment for the Aurora Shares acquired under the Offer. Fronteer is currently taking such actions as are necessary, including calling a special meeting of Aurora shareholders, to effect a subsequent acquisition transaction that will enable Fronteer to acquire the remaining outstanding Aurora Shares not

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acquired under the Offer, resulting in Fronteer's ownership of 100% of the Aurora Shares. Fronteer currently expects that the subsequent acquisition transaction will be completed during the second quarter of 2009.

DESCRIPTION OF THE BUSINESS

The Corporation is principally engaged in the acquisition, exploration and development of mineral properties or interests in corporations controlling mineral properties of interest to the Corporation. The Corporation began concentrating its efforts in the area of mineral exploration in June of 2001. Prior to that, it was involved in the development, building and marketing of residential real estate properties, primarily in the Province of Ontario. Fronteer's principal exploration properties are located in Nevada, U.S.A. and in the Biga region of northwestern Turkey, and it holds additional properties in California, U.S.A. and Yukon Territory, Canada. Through its approximate 92.1% ownership interest in Aurora, Fronteer also has exposure to uranium projects in Newfoundland and Labrador, Canada (including the Michelin uranium deposit, the Jacques Lake deposit and four other deposits (known as the Gear, Nash, Inda and Rainbow deposits)), and has an option to earn a majority interest in the Baker Lake Basin property located in Nunavut, Canada (through an agreement with Pacific Ridge Exploration Ltd.).

Fronteer is focused on discovering and advancing deposits with strong production potential. Fronteer's vision is to advance a robust pipeline of projects stretching from exploration through to production. In particular, Fronteer has an interest in several major gold projects throughout Nevada, United States and gold and copper-gold projects in northwest Turkey. Among its large portfolio of precious metal mineral rights in Nevada, Fronteer's key projects include a 100% interest in Northumberland, one of the largest undeveloped Carlin-style gold deposits in the state; a 51% interest in Long Canyon as part of a joint venture with AuEx Ventures Inc., a discovery defining an entirely new gold trend in the Eastern Great Basin; and Sandman, a property in which Newmont Mining Corporation has the option to acquire up to a 60% interest by advancing the project to a production decision by 2011. In Turkey, as part of a joint venture with a subsidiary of Teck Cominco Limited, Fronteer has built and retains a 40% interest in a new mineral district that includes two gold deposits and a third copper-gold porphyry deposit.

Fronteer has no debt and is not invested in any short-term commercial paper or asset-backed securities. Fronteer has approximately \$75,000,000 in cash and cash equivalents primarily held with large Canadian and US commercial banks. For further details concerning the Corporation's material mineral properties, please see Mineral Properties below.

Employees

As at March 30, 2009 the Corporation had 64 employees, including employees of Aurora.

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. The Corporation competes with a number of other entities in the search for and the acquisition of potentially productive mineral properties. As a result of this competition, the majority of which is with companies with greater financial resources than the Corporation, the Corporation may be unable to acquire attractive properties in the future on terms it considers acceptable. The Corporation also competes with other resource companies, many of whom have greater financial resources and/or more advanced properties, in attracting equity and other capital necessary for the Corporation to advance the exploration and development of its mineral properties.

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The ability of the Corporation to acquire additional properties depends on, among other things, its available working capital, its ability to explore and develop its existing properties, its ability to attract and retain highly-skilled employees, and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. Factors beyond the control of the Corporation may affect the marketability of minerals mined or discovered by the Corporation. Mineral prices have historically been subject to fluctuations and are affected by numerous factors beyond the control of the Corporation. See Risk Factors for further details concerning various factors that may cause Fronteer's actual performance, achievements, actions, events, results or conditions to differ materially from those anticipated, estimated or intended.

RISK FACTORS

An investment in securities of the Corporation involves a significant degree of risk and should be considered speculative due to the nature of the Corporation's business and the present stage of its development. In addition to the other information set forth elsewhere in this AIF, the following risk factors should be carefully reviewed by prospective investors. These risks may not be the only risks faced by Fronteer. Risks and uncertainties not presently known by Fronteer or which are presenting considered immaterial may also adversely affect Fronteer's business, properties, results of operations and/or condition (financial or otherwise). All references to Fronteer or the Corporation in this section entitled Risk Factors include Fronteer and its subsidiaries and joint ventures, except where the context otherwise requires. Additional risks specific to Aurora are discussed in or referred to in the documents filed by Aurora with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com.

Exploration, Development and Operating Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral resources and reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs currently planned by the Corporation will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which include: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical and subject to fluctuation; actual costs required to bring a deposit into production; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, permitting, importing and exporting of minerals, and environmental protection and reclamation. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Corporation's properties and operations.

Mining operations generally involve a high degree of risk. The operations of the Corporation are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or the failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

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There is no certainty that the expenditures made by the Corporation towards the search and evaluation of precious metals and other minerals will result in discoveries of mineral resources, mineral reserves or any other mineral occurrences.

Reliability of Resource Estimates

There is no certainty that any of the mineral resources identified on any of the Corporation's properties to date will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, precious metal prices. Any material change in quantity of mineral resources, grade, or stripping ratio may also affect the economic viability of any project undertaken by the Corporation. In addition, there can be no assurance that metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

Fluctuations in gold, uranium and other precious or base metal prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Corporation's properties, results of operations and financial condition.

Environmental Risks and Hazards

All phases of the Corporation's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's business, condition or operations. Environmental hazards may exist on the properties on which the Corporation holds interests which are unknown to the Corporation at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals, approval of aboriginal people and other members of surrounding communities and licenses and permits are currently and will in the future be required in connection with the operations of the Corporation. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in exploration expenses, capital expenditures or production costs, or reduction in levels of production at producing properties, or require abandonment or delays in development of new mining properties.

Permits and Licenses

The Corporation cannot be certain that it will receive the necessary permits and licenses or on acceptable terms required to conduct further exploration and to develop its properties. The failure to obtain such permits or licenses, or delays in obtaining such permits or licenses, could increase the Corporation's costs and delay its activities, and could adversely affect the business or operations of the Corporation.

Government approvals, approval of aboriginal people and other members of surrounding communities and permits and licenses are currently and will in the future be required in connection with the operations of the Corporation. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from continuing its mining operations or from proceeding with planned exploration or development of mineral properties. In October 2007, the Nunatsiavut Government initiated the next steps towards formulating its policy on uranium mining on Labrador Inuit Lands, and struck a committee to further study the issue. In March 2008, Aurora reported that the Nunatsiavut Assembly passed on first reading a bill to institute a three-year moratorium on uranium mining and milling. In April 2008, the bill was considered again on second reading by the Assembly, at which time the Nunatsiavut Government approved a three year moratorium on mining of uranium, but continues to allow uranium exploration at this stage. As a result, Aurora has dramatically altered its development schedule and has scaled back operations in Labrador. Aurora continues to actively engage the local community in Labrador, and continues to assess the impact this legislation would have on its exploration and development schedule. However, any amendments to this legislation or an extension to the moratorium could have a material adverse effect on Aurora and its operations and, therefore, on the business and operations of Fronteer.

The Corporation has also experienced permitting delays on the Kirazlı and Halılağa Properties in Turkey. Fronteer understands that TCAM currently anticipates that permits could be issued by the applicable regulators later in April 2009, following the upcoming elections in Turkey, however, there can be no guarantee that such permits will be issued or be granted on the required terms. If the required permits in respect of the Kirazlı and Halılağa Properties are not granted, Fronteer will be unable to undertake drilling at the main Kestane zone at Halılağa or on the Kirazlı Property.

Government Regulation

The mining, processing, development and mineral exploration activities of the Corporation are subject to various laws, rules and regulations governing prospecting, development, production, taxes, employment and labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people, and other matters. Although the Corporation believes its exploration and development activities are currently carried out in accordance with all applicable material rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could limit or curtail exploration, production or development. Amendments to current laws, rules and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Corporation.

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No History of Mineral Production

The Corporation has never had any interest in mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at any of the properties of the Corporation or any future properties, nor is there any assurance that the exploration programs of the Corporation thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any property of the Corporation will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the ability of the Corporation to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources which are currently being explored for, availability of additional capital and financing, the actual costs of bringing properties into production, and the nature of any mineral deposits.

Competition from Other Energy Sources and Public Acceptance of Nuclear Energy

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Lower prices of oil, natural gas, coal and hydro-electricity may result in lower demand for uranium concentrate and uranium conversion services. Furthermore, the growth of the uranium and nuclear power industry beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. As a result, the interest of the Corporation in Aurora and the CMB Uranium Property, which is engaged primarily in uranium exploration, may be materially adversely affected.

Insurance and Uninsured Risks

The business of the Corporation is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Corporation or others, delays in mining, monetary losses and possible legal liability.

Although the Corporation may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining Corporation's operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which it may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its business, financial performance and results of operations.

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Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable roads, bridges, power sources, fuel and water supply and the availability of skilled labour and other infrastructure are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the business, operations, condition and results of operations of the Corporation.

In particular, water rights and access to water at the Long Canyon Property is important for the ongoing success of the project. The Great Basin area of Nevada has many competing demands for water and access to sufficient water will need to be negotiated by the Corporation, often with a number of different water rights holders. There is no guarantee that the Corporation will secure this water access going forward or on reasonable terms.

Land Title

Title insurance generally is not available, and the ability of the Corporation to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Corporation has not conducted surveys of the claims in which it holds interests and, therefore, the precise area and location of such claims may be in doubt or challenged. Accordingly, the Corporation's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Corporation's business operations, condition and results of operations. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Costs of Land Reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Corporation holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the business, financial condition and results of operations of the Corporation.

Competition

The mining industry is competitive in all of its phases. The Corporation faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Corporation. As a result of this competition, the Corporation may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the revenues, operations and financial condition of the Corporation could be materially adversely affected. See also the section of this AIF entitled

Competitive Conditions above.

Hedging

The Corporation does not have a hedging policy and has no current intention of adopting such a policy. Accordingly, the Corporation has no protections from declines in mineral prices.

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Additional Capital

The exploration and development of the Corporation's properties will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all such properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation. In addition, any future financing may be dilutive to existing shareholders of the Corporation.

Fluctuations in Metal Prices

There can be no assurance that metal prices received, if any, will be such that any property of the Corporation can be mined at a profit. The price of the Common Shares, and the financial results and exploration, development and mining activities of the Corporation may in the future be significantly and adversely affected by declines in the price of uranium, iron oxide, copper, gold and other minerals and base metals. The price of uranium, iron oxide, copper, gold and other minerals and base metals fluctuates widely and is affected by numerous factors beyond the control of the Corporation, including but not limited to, the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the Canadian and United States dollars and foreign currencies, global and regional supply and demand, the political and economic conditions and production costs of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. With respect to uranium, such factors include, among other things, the demand for nuclear power, political, social and economic conditions and governmental regulation in uranium producing and consuming countries, uranium supply from secondary sources, uranium production levels and costs of production. Future price declines in the market value of uranium, iron oxide, copper, gold and other minerals and base metals could cause development of and commercial production from the Corporation's properties to be impracticable. Depending on the price of uranium, iron oxide, copper, gold and other minerals and base metals, cash flow from mining operations may not be sufficient and the Corporation could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Corporation's mining properties, if any, is dependent upon the prices of uranium, iron oxide, copper, gold and other minerals and base metals being adequate to make these properties economic.

In addition to adversely affecting any resource and reserve estimates of the Corporation and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Exchange Rate Fluctuations

Exchange rate fluctuations may affect the costs that the Corporation incurs in its operations. Precious metals and other minerals are generally sold in U.S. dollars and the costs of the Corporation are incurred in Canadian dollars, Mexican Pesos and Turkish Lira. The appreciation of non-U.S. dollar currencies against the U.S. dollar can increase the cost of exploration and production in U.S. dollar terms, which could materially and adversely affect the Corporation's profitability, results of operations and financial condition.

In addition, the Company has a significant US dollar denominated future income tax liability that, when translated to Canadian dollars, can result in significant swings to the foreign exchange gain or loss on the Company's Statement of Operations. This future income tax liability, primarily relates to

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the difference between the accounting and tax values of the assets acquired on the acquisition of NewWest. The Company does not have any immediate plans to reduce this liability and as a result the swings in foreign exchange gain or loss may continue.

The size of the future income tax liability is also affected by the recognition of future income tax assets, primarily relating to loss carryforwards. There is uncertainty whether the losses will expire, unused, which may affect the amount of the future income tax liability realized.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares of the Corporation in the public markets, or the potential for such sales, could decrease the trading price of such Common Shares and could impair the ability of the Corporation to raise capital through future sales of such Common Shares. The Corporation has previously issued Common Shares at an effective price per share which is lower than the current market price of its Common Shares. Accordingly, a significant number of shareholders of the Corporation have an investment profit in such Common Shares that they may seek to liquidate.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Fronteer is currently subject to threatened litigation and may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If Fronteer is unable to resolve these disputes favourably, it could have a material adverse effect on our financial position, results of operations or the Corporation's property development. See **Legal Proceedings and Regulatory Actions** below for further details.

Passive Foreign Investment Company (PFIC)

The Corporation is in the process of determining whether it meets the definition of PFIC, within the meaning of Sections 1291 through 1298 of the U.S. Internal Revenue Code of 1986, as amended, for the 2008 tax year. For the 2007 and 2006 tax years, the Corporation determined that it was a PFIC. The Corporation may or may not be a PFIC in the future, depending on changes in its assets and business operations. A U.S. shareholder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to numerous special U.S. federal income taxation rules, which may have adverse tax consequences to such shareholder and such shareholder may elect to be taxed under two alternative tax regimes. A U.S. shareholder should consult their own U.S. tax advisor with respect to an investment in the Corporation's shares and to ascertain which of the alternative tax regimes, if any, might be beneficial to the U.S. shareholder's own facts and circumstances.

Foreign Private Issuer Status

In order to maintain the Corporation's current status as a foreign private issuer, as such term is defined in Rule 3b-4 under the U.S. Securities Exchange Act of 1934, as amended, for U.S. securities law purposes, the Corporation must not have any of the following as of the last business day of its most recently completed second fiscal quarter (as assessed in accordance with SEC requirements): (i) a majority of its executive officers or directors are U.S. citizens or residents, (ii) more than 50% of its assets are located in the U.S., or (iii) the business of the Corporation is principally administered in the U.S. The Corporation may in the future lose its foreign private issuer status if it fails to meet any of the aforementioned criteria.

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The regulatory and compliance costs to the Corporation under U.S. securities laws as a U.S. domestic issuer may be significantly more than the costs the Corporation incurs as a Canadian foreign private issuer eligible to use the Multi-Jurisdictional Disclosure System (MJDS). If the Corporation is not a foreign private issuer, it would not be eligible to use MJDS or other foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. In addition, the Corporation may lose the ability to rely upon exemptions from the NYSE Amex (previously American Stock Exchange) corporate governance requirements that are available to foreign private issuers. Further, if the Corporation engages in capital raising activities after losing its foreign private issuer status, there is a higher likelihood that investors may require the Corporation to file resale registration statements with the SEC as a condition to any such financing.

Key Executives

The Corporation is dependent upon the services of key executives, including the directors of the Corporation and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Corporation, the loss of these persons or the inability of the Corporation to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

Comprehensive Environmental Response, Compensation and Liability Act

The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) in the United States imposes strict, joint and several liability on parties associated with releases or threats of releases of hazardous substances. Liable parties include, among others, the current owners and operators of facilities at which hazardous substances were disposed or released into the environment and past owners and operators of properties who owned such properties at the time of such disposal or release. This liability could include response costs for removing or remediating the release and damages to natural resources. Since early 1999, the United States Forest Service (USFS) has been conducting a CERCLA remediation action at the Corporation's Zaca Property under its Interdepartmental Abandoned Mine Lands Watershed Cleanup Initiative (IAMLWCI) program. The focus of the cleanup efforts is on relatively low-volume acid mine drainage from historic mine tunnels, a portion of which are on patented lands owned by one of the Safra Companies, and tailings on land at the Zaca Property, all of which pre-date the Corporation's acquisition of its leasehold interest in the Zaca Property. The cleanup efforts are being administered by the USFS. To date, the USFS has not sought contribution from the Corporation, WSMC or any of the Safra Companies for the cleanup. However, the Corporation cannot rule out the possibility that the Corporation, WSMC or any of the Safra Companies or any of their respective successors may be held liable to contribute to the USFS's remediation or other CERCLA response costs at some time in the future. Any liability could adversely affect the Corporation's properties, financial condition and results of operations.

Political Stability and Government Regulation Risks

Some of the operations of the Corporation are currently conducted in Turkey and the Corporation may acquire or invest in additional properties located in less stable jurisdictions in the future and, as such, the operations of the Corporation are and may increasingly be exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; military repression; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; and changing political conditions and governmental regulations, including changing environmental legislation.

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Changes, if any, in mining or investment policies or shifts in political attitudes in Turkey or elsewhere may adversely affect the operations or profitability of the Corporation. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on operations, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the business operations or financial condition of the Corporation.

Price and Volatility of Public Stock

The market price of securities of Fronteer has experienced wide fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of Fronteer. It may be anticipated that any market for Fronteer Common Shares will be subject to market trends generally and the value of Fronteer Common Shares on the TSX or the NYSE Amex may be affected by such volatility.

Enforcement of Civil Liabilities

The Corporation is a corporation existing under the laws of the Province of Ontario, Canada. Some of the Corporation's assets are located outside the United States and many of its directors and officers are residents of countries other than the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Corporation and its directors and officers, or to realize in the United States upon judgments of courts of the United States predicated upon civil liability of the Corporation and its directors and officers under United States federal securities laws.

Conflicts of Interest

Certain of the directors and officers of the Corporation also serve as directors and/or officers of other companies involved in natural resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Corporation should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws, as amended or supplemented from time to time. The Corporation has also adopted a formal code of ethics to govern the activities of its directors, officers and employees.

Dividend Policy

No dividends on the Common Shares of the Corporation have been paid by the Corporation to date. Payment of any future dividends, if any, will be at the discretion of the Corporation's board of directors after taking into account many factors, including the Corporation's operating results, financial condition, and current and anticipated cash needs.

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Investment Company Act Status

The Corporation could become subject to regulation as an investment company under the *United States Investment Company Act of 1940*, as amended (Investment Company Act) in the future. If the Corporation becomes subject to regulation under the Investment Company Act and an exemption from such regulation is not available, the consequences to the Corporation and its operations could be material and adverse. In addition, the costs associated with the Corporation avoiding any such regulation under the Investment Company Act could be significant and result in a material change in the operations of the Corporation.

MINERAL PROPERTIES

The Corporation holds an interest in eight (8) mineral properties that are considered to be material within the meaning of applicable Canadian securities laws: (i) the Northumberland Property; (ii) the Long Canyon Property; (iii) the Sandman Property; (iv) the Zaca Property; (v) the Ađi Dađi Property; (vi) the Kirazlı Property, (vii) the Halilađa Property, and; (viii) the CMB Uranium Property (in which the Corporation currently holds an approximate 92.1% indirect interest through its investment in Aurora).

Northumberland Property

The Northumberland project is located near the geographic centre of Nevada in northern Nye County, approximately 300-road miles northwest of Las Vegas and 250-road miles east-southeast of Reno. Northumberland can be accessed from State Highway 376 on the western margin of Big Smoky Valley by way of a well-maintained dirt road through West Northumberland Canyon. This dirt road intersects Highway 376 eighteen-road miles south of State Highway 50, and 85-road miles north of State Highway 6.

The climate at the project site is typical of central Nevada's mid-latitude high-desert environment with warm dry summers and relatively cold winters. Average temperatures range from 74° F in July to 30° F in January. Precipitation is generally less than 12 inches per year with the bulk of it accumulating during winter storms and summer thunderstorms. Annual snowfall varies from year to year depending on the intensity and severity of individual storms. Vegetation ranges from sagebrush and grass at the Lower Site to juniper, pinion, and mountain cedar at the Upper Site.

The topography is moderately rugged with elevations across the property ranging from approximately 7,700 feet to 9,165 feet at Mount Gooding. The Cyprus and WSMC open pits in the Upper Site are at about 8,600 feet.

The town of Austin, located approximately 53-road miles to the northwest of Northumberland, and the Round Mountain area, located about 25-road miles to the south, are the nearest population centres to the project. The Round Mountain and Tonopah communities currently support mining operations at the Round Mountain gold mine. A 230 kV transmission line that traverses Big Smoky Valley is the nearest power line to the project. It is situated at the eastern edge of the Lower Site, approximately 11 miles from the Upper Site. Power for the Cyprus and WSMC mining and processing activities at the Upper Site was provided by on-side generators. The private lands in the Upper and Lower Sites provide sufficient space for mining infrastructure required for extraction of the currently defined resources. There is sufficient space in the area of the resources to allow the construction of needed mining infrastructure.

The Northumberland project is comprised of approximately 34,000 acres (13,760 hectares (ha)) of unpatented lode claims and 3,885 acres (1,572 ha) of patented mining claims, patented mill site claims, and fee lands, all of which are owned or controlled by Nevada Western Gold LLC (Nevada Western), a wholly-owned subsidiary of NewWest, which is in turn wholly-owned by Fronteer. The Northumberland

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Property also consists of unpatented claims controlled by Nevada Western by means of a lease agreement with Sterling Gold Mining Corporation. The lands 100%-owned by Nevada Western were acquired by staking and through a series of purchases and agreements. The fee lands include two blocks: the Upper Site and Lower Site. The Upper Site is entirely surrounded by lands administered by the USFS and the Lower Site is surrounded by public lands administered by the U.S. Bureau of Land Management. All mining activities have taken place at the Upper Site, while some of the processing and other mining infrastructure from modern mining operations is located at the Lower Site. The unpatented claims are held in three discrete blocks, the largest of which surrounds the fee lands at the Upper Site. All of the mineral resources described in this section of the AIF lie within the fee lands owned by Nevada Western. Title to the property was verified in an independent title report that was commissioned by NewWest, completed in June 2005, and supplemented most recently in July 2007.

A small portion of the mineral resources (less than 1%) summarized below are subject to a 1% net smelter return (NSR) royalty on production payable to the Kohlmoos family.

The Northumberland mineralization occurs as stacked, sediment-hosted, finely disseminated, Carlin-type gold-silver deposits. Intrusive rocks also host significant mineralization. This deposit type and the overall geologic setting of the mineralization are quite similar to the Goldstrike deposit of the northern Carlin Trend. The gold-silver mineralization at Northumberland occurs in a cluster of eight more-or-less spatially distinct deposits that form an arcuate belt approximately 1.6 miles long in an east-west direction and 0.3 miles wide. The deposits are generally stratiform and follow three low-angle tectono-stratigraphic host horizons near the crest and within the west limb of the Northumberland anticline. The host horizons are structural discontinuities that include the intersection zone of the Prospect and Mormon thrusts and two bedding-plane faults. The overall geometry of the deposits and the higher-grade zones within the deposits appears to be locally influenced by east-trending high-angle structures in the area of the crest of the anticline.

The regional geology of Northumberland consists of Paleozoic sedimentary rocks and Mesozoic plutons exposed in an erosional window through Tertiary rhyolitic ash-flow tuff in the central portion of the Toquima Range, in which Northumberland is situated near the centre. A number of Jurassic plutons have also been identified and dated in the Northumberland area. Oligocene and Miocene tuffs, welded tuffs, and tuffaceous lacustrine sediments unconformably overlie the Paleozoic and Mesozoic units. These Tertiary rocks appear to have been deposited in part after the precious metal deposits were emplaced. Tertiary megabreccias that may have been landslide and talus deposits are exposed west of the divide between East and West Northumberland canyons. Folding and faulting, probably part of the Paleozoic Antler Orogeny, have complexly deformed the Paleozoic rocks in the Toquima Range. Paleozoic sedimentary and the Jurassic intrusive rocks have been folded and cut by high-angle normal, high-angle oblique-slip and low-angle thrust and bedding-plane faults. Tertiary and younger rocks were subjected to block faulting, which produced moderate tilting of the bedded Tertiary units. In addition, there are prominent volcanic structures, such as the partially collapsed Northumberland caldera, which lies on the western flank of the range.

The local geology in the area that includes the Northumberland open pits and surrounding gold deposits is underlain by lower Paleozoic sedimentary and metasedimentary rocks exposed in an erosional window through Tertiary volcanic rocks. In general, the Paleozoic stratigraphic units occur within a folded low-angle shear zone. The area includes cherty limestone with alternating bands of cherty and argillaceous limestone and siltstone at its base, limy shale with a cherty dolostone bed at its base, and a carbonate assemblage with upper dolostone and lower limestone members. The Paleozoic rocks have been intruded by the Jurassic Mount Gooding pluton and related apophyses, dikes and sills. Tertiary intrusive rocks are also present in the Northumberland mine area, while a thick sequence of volcanic rocks is exposed west of the Northumberland Paleozoic window.

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Gold occurs as micron- to sub-micron-size particles that are intimately associated with sulfides. The gold is disseminated primarily within sedimentary units, although intrusive rocks host a significant portion of the mineralization. Silver occurs in a complex assemblage of copper-antimony sulfides and arsenic sulfosalts. The total sulfide content is less than five percent; pyrite, arsenopyrite, and marcasite are the most abundant species present. The mineralization is associated with both silicification and decalcification of carbonate hosts, and quartz-illite-pyrite alteration of igneous hosts.

The Northumberland Property was in production under the operatorship of Northumberland Mining Company from 1939 to 1942, Cyprus Mining Company (Cyprus) from 1981 to 1984, and WSMC from 1985 to 1990. The Northumberland Mining Company production details are not documented. WSMC's interests in the Northumberland project were held by Nevada Western, its wholly-owned subsidiary. Nevada Western entered into a joint venture with Newmont on the Northumberland project in December 2003. Through a series of transactions, Nevada Western became a wholly-owned subsidiary of NewWest in 2005 (and NewWest was subsequently acquired by Fronteer in 2007). Newmont, as operator of the joint venture from December 2003 to 2007, conducted exploration work and completed soil geochemical sampling, geological mapping, geophysical surveys, metallurgical testing and drilling. From 2004 through 2007, Newmont spent US\$8,700,000 exploring the Northumberland property. Cyprus and WSMC mined over seven-million tons of ore from several open pits and produced over 230,000 ounces of gold and 485,000 ounces of silver by heap leaching of oxidized and partially oxidized ore that was either crushed or run-of-mine. Gold recoveries for crushed oxide ore and run-of-mine and partially oxidized ore from these operations has been estimated at approximately 75% and 50%, respectively.

Metallurgical studies indicate that differences in the amenability of the Northumberland mineralization to direct cyanidation are primarily due to the degree of oxidation, as opposed to deposit-specific characteristics or crush size. Oxide material appears to be amenable to direct cyanidation by heap leaching, while sulfide mineralization requires oxidation prior to cyanidation. Sulfide mineralization is refractory due the close association of micron-size gold with sulfides and the relatively minor presence of preg-robbing carbonaceous material. Diagnostic metallurgical testing completed to date indicates that gold and silver extractions from sulfide mineralization can be optimized by utilizing the N₂TEC flotation technology of Newmont with autoclaving of the concentrates. Extractions in excess of 90% for both gold and silver in the flotation concentrate were attained in the samples tested. The Corporation currently believes that processing of oxide material would likely include both crush and run-of-mine heap leach. Reviews of existing metallurgical tests suggest several processing alternatives for the sulfide ores, including N₂TEC flotation combined with autoclave or roaster.

The Northumberland gold (Au) and silver (Ag) resources were estimated in April and May 2008 by Fronteer personnel (see table below¹). Resource cut-off grades were chosen to define material that might have a reasonable prospect of economic extraction under the following scenarios: open-pit mining and heap leaching of oxide mineralization 0.3 grams per ton (g/t) Au (0.01 ounce per ton (opt)) cut-off); open-pit mining and treatment of sulfide material 1.0 g/t Au (0.03 opt cut-off); and underground mining and processing of sulfide material 2.5 g/t Au (0.07 opt cut-off). Only silver lying within the modeled gold zones was tabulated. Silver resources are compiled from all modeled blocks that exceed the gold cut-offs; no silver cut-off is applied.

¹ These resources are from a NI-43-101 Technical Report entitled *Technical Report on the Northumberland*

*Project, Nye
County, Nevada,
USA: Resource
Update 2008
dated July 28,
2008 and
Amended
August 8, 2008,
by Fronteer
Development
Group Inc.,
available on
SEDAR at
www.sedar.com.
Christopher Lee,
P.Ge., Chief
Geoscientist for
Fronteer, is the
designated
Qualified Person
for the
Northumberland
resource
estimate.*

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The Northumberland resource estimate contains approximately 27 million tonnes of mineralized material at a grade of 1.77 g/t Au (0.05 opt), or approximately 1.5 millions ounces Au, that was formerly assigned to the Measured Mineral Resource category to reflect the high confidence levels in that portion of the resource. However, due to less rigorous sampling of the silver contained in these blocks, the silver grade estimates do not meet the requirements of a Measured Mineral Resource classification and the combined gold-silver resource is here amended and re-classified as an Indicated Mineral Resource. Fronteer is currently collecting the necessary information to upgrade the combined gold-silver resource to the Measured Mineral Resource category.

Northumberland Classified Gold and Silver Resources (August 2008)

Resource Type	Cut-off Grade		Tonnes	g/t	INDICATED					Gold Equivalent*
	(Au g/t)	(Au opt)			Gold		Silver			
					g/t	opt	oz	g/t	opt	
Open Pit Oxide	0.3	0.01	13,627,000	1.23	0.036	538,000	7.31	0.213	3,202,000	602,000
Open Pit Sulfide	1.0	0.03	22,575,000	2.32	0.068	1,687,000	8.01	0.234	5,815,000	1,803,000
Underground	2.5	0.07	316,000	3.35	0.098	34,000	4.43	0.129	45,000	35,000
TOTAL			36,518,000	1.92	0.06	2,259,000	7.72	0.23	9,062,000	2,440,000

Resource Type	Cut-off Grade		Tonnes	g/t	INFERRED					Gold Equivalent*
	(Au g/t)	(Au opt)			Gold		Silver			
					g/t	opt	oz	g/t	opt	
Open Pit Oxide	0.3	0.01	17,000	2.38	0.069	1,300	10.98	0.320	6,000	1,400
Open Pit Sulfide	1.0	0.03	1,335,000	2.59	0.075	111,000	7.69	0.224	330,000	118,000
Underground	2.5	0.07	5,574,000	3.70	0.108	664,000	5.95	0.174	1,067,000	685,000
TOTAL			6,926,000	3.49	0.10	776,300	6.30	0.18	1,403,000	804,400

* *AuEq calculated at a Au:Ag ratio of 50:1, and assumes 100% recovery of both metals.*

In 2004, Newmont compiled all available geological, geochemical, geophysical, and drilling data, defined drilling targets, and drilled 26 reverse circulation (RC) holes for a total of 32,595 feet. All 2004 drilling was completed in and around the area of the currently known deposits. In 2005, Newmont drilled 20 RC drill holes totaling 22,200 feet. In 2006, Newmont drilled 48 holes totaling 53,691 feet. In 2007, Newmont drilled 22 holes totaling 27,748 feet. Most of Newmont's 2005, 2006, and 2007 drilling was completed in and around the existing resource area. Newmont's drilling

better defined deposit geometries, demonstrated consistency within the Zanzibar and other deposits, and added to the understanding of some district targets. The drilling also provided samples for metallurgical and waste characterization test work.

From 2004 through 2007, Newmont collected soil samples and retrieved and re-assayed certain assay pulps from WSMC soil samples. Multi-element geochemical analyses were completed on all of the geochemical samples. Based on a detailed analysis of the results of the soil sampling in and around the deposit area, in 2004 the Northumberland system was described as being characterized by strong enrichment of elements known to be associated with Carlin deposits on the Carlin Trend and exhibiting many of the element zonation relationships observed on the Trend.

A 200-sample stream-sediment survey was conducted in the various drainages within the Northumberland caldera northwest of the Northumberland deposit area in 2004. Additional stream sediment sampling was undertaken in 2005 to infill and follow-up results obtained in the 2004 survey. Detailed geological mapping was also completed over about 10-square miles that included the fee ground and USFS lands south to the property boundary. Preliminary mapping was also completed at specific target areas. A total of 301 ten-foot channel samples were collected from certain trenches; these samples, as well as road-cut samples from the same area, were used to identify drill targets for potential drill testing. Newmont also conducted a reconnaissance gravity survey over much of the property, and an infill gravity survey was also completed to attempt to define the eastern margin of the Northumberland caldera and improve the resolution around the Mount Gooding pluton. A five-line CSAMT geophysical survey was completed over the Mount Gooding intrusion and an IP survey in the Zuggurat target area was completed to infill existing data. Newmont conducted a district-scale ground gravity survey in 2007 and a helicopter

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magnetic and radiometric survey. These surveys helped form the basis for the drilling targets defined by Newmont and the subsequent drilling activities undertaken.

From 2004 through 2006, Nevada Western and the Corporation incurred costs of approximately US\$506,000 in connection with the exploration of the Northumberland Property. Newmont incurred costs of approximately US\$1,900,000 in 2004, US\$1,400,000 in 2005, US\$3,000,000 in 2006, and US\$2,400,000 in 2007 for a total of US\$8,700,000 in connection with the exploration of the Northumberland Property. It failed to meet all of its earn-in obligations in 2007. In February 2008, the Corporation and Newmont entered into a letter of intent (which was subsequently replaced by a definitive option and joint venture agreement effective June 1, 2008) on the Sandman Property (discussed below), which saw Newmont return a 100%-interest in Northumberland to the Corporation and granted the Corporation a right to Newmont's proprietary NTEC processing technology for future processing of Northumberland ore in exchange for Newmont obtaining the first right to process ores developed from Northumberland (as further discussed below), in exchange for credit of its expenditures on Northumberland against the right to earn a 60% interest in the Sandman Property.

Under the agreement, Newmont has the right to process ores from Northumberland on the following basis:

- (i) if Fronteer USA does not build a refractory ore treatment plant of its own and elects to use another third party's processing facilities (excluding heap or dump leaching facilities) under toll milling or processing arrangement;
- (ii) prior to contracting with a third party for toll mining or processing technology facilities (other than oxide heap or dump leaching) such as oxide milling for pressure oxidation, roasting, floatation or biooxidation for sulphide ore, Fronteer USA shall notify Newmont and provide Newmont with the intended production rates, timing and technology to be used, provided that Newmont shall keep such information strictly confidential;
- (iii) Newmont shall have thirty days within which to notify Fronteer USA that Newmont is interested in negotiating a processing agreement, or Newmont shall be deemed to have waived its preferential right;
- (iv) promptly upon receipt of Newmont's notice of intent, Fronteer USA and Newmont shall use commercially reasonable best efforts and good faith to negotiate the terms of a mutually agreeable toll milling/processing agreement; and
- (v) Fronteer USA and Newmont shall enter into such agreement except that Fronteer USA may opt out if, before entering the agreement, it is able to obtain more favourable pricing from a third party processor.

In 2008, the Corporation conducted an exploration and development drilling program to explore for additional shallow oxide mineralization adjacent to the existing Chipmunk pit, and to explore for additional high grade sulfide mineralization in the Zanzibar and Rockwell zones. The Corporation also drilled 6 metallurgical core holes and 2 water level monitoring wells to support engineering studies. The 2008 program consisted of 27 drill holes totaling 17,642 feet of RC and 11,278 feet of core drilling for a grand total of 28,920 feet. Total expenditure by the Corporation for 2008 was approximately US\$4,810,000.

Fronteer has no information concerning the RC and rotary sampling methods or approaches by operators at Northumberland prior to WSMC in 1989, other than the sample lengths stored in the master digital database, or on the sample handling, security, or preparation for operators prior to WSMC's work in

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1989. Essentially, prior rotary and air-track samples were taken from 5-foot or 10-foot intervals, while drill holes in the Northumberland database are predominantly vertical, and sample intervals are usually within the range of 5 to 10 feet. Fronteer believes the orientation and length of these samples are appropriate for the style of mineralization at Northumberland.

Drill samples collected for use in geologic modelling and mineral resource estimation are under the direct supervision of external laboratories. Many of the details of the analytical procedures used in the assaying of drill-hole samples prior to WSMC's acquisition of Northumberland are undocumented, although assay laboratories and analytical techniques were used for a series of drill holes through 1997. The lack of comprehensive fire assay data precipitated the initiation of a program in mid-1989 to obtain complete gold and silver fire assays for all drill intervals, which were analyzed at the WSMC laboratory at Northumberland. Due to multiple analytical gold and silver values for many of the drill-hole intervals, and that averaging of values is statistically inappropriate, WSMC created a set of rules to govern the selection of a single assay value for use in the digital database for any given drill interval. These rules were followed closely and are unlikely to have introduced any material bias into the database. Documentation reviewed by Fronteer indicates that the drill-hole database was audited, corrected and updated several times by WSMC. Drill sample assays (based on rotary, RC and core drilling) from several major mining companies are included in the assay database, including assays from all the Newmont holes, and these companies used multiple recognized assay laboratories. The assay data from these operators are consistent with the results generated by the WSMC drilling programs. Fronteer personnel are very familiar with the Northumberland project and have actively participated in every facet of exploration and related work and believe the data to be satisfactory and up to industry standards. Systematic, consistently implemented data checks and validation procedures appear to be lacking in many of the prior drilling programs conducted at Northumberland. While this may be partially due to the inability of WSMC to obtain all of the data from previous operators, many QA/QC procedures were either not commonly followed or not completely documented prior to WSMC's acquisition and during early WSMC exploration programs. While the available check assays do not indicate serious problems with the assay database, more check data are needed before definitive conclusions can be made. Selected pulps and rejects from those that remain in WSMC storage should be re-assayed in order to augment the existing check-assay database. The early WSMC drilling data, in particular, warrant careful review and further verification by check assaying. All further drilling programs at Northumberland should continue to follow a sound QA/QC procedure. Older drill holes have been entirely removed from the database due to sample quality and assay reliability issues. The quality assurance procedures and assay protocols used by Fronteer in connection with drilling and sampling on the Northumberland Property conform to industry accepted quality control methods.

A number of metallurgical tests have been conducted on mineralized sulphide samples and mixed sulphide/oxide samples. Metallurgical testing completed to-date indicates that the N₂TEC flotation technology may be the most promising method to achieve a viable processing option for the sulphide mineralization at Northumberland.

There are ongoing environmental liabilities at the Northumberland Property that are primarily related to prior mining activities. The most important of these environmental liabilities include the closure of heaps and process ponds and sites with hydrocarbon-impacted soils. During 2008, re-grading on some of the historic heaps was completed and work was conducted to pump water from the process ponds and an attempt was made to remove the sludge at the bottom of the pond in order to repair and/or replace existing pond liners. Some material was removed but this effort was not completed. In addition to the environmental liabilities attributable to past mining activities at Northumberland, there are lesser liabilities related to both prior and ongoing exploration activities, including drill access roads and drill sites.

Current reclamation bonding with the Nevada Division of Environmental Protection, Bureau of Mining Regulation and Reclamation to cover disturbances at Northumberland currently stands at approximately US\$2,592,216. This amount is comprised of two approved Nevada State Reclamation

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Permits which allow for exploration activities on Northumberland and covers mine site reclamation along with several exploration roads. In 2005, the United States Forest Service (USFS) also approved four plan of operation permits to cover anticipated exploration of various targets in 2005 through 2007, which Fronteer is currently in the process of having transferred to it. The Corporation believes that all necessary permits are current at Northumberland and that the required reclamation bond is in place to cover the disturbances at the Upper and Lower Sites.

The potential to find additional gold resources at Northumberland is considered to be excellent, both within the deposit area and in other portions of the large property holdings. The possibility of high-grade gold mineralization within structurally controlled zones in the core areas of the deposits warrants careful evaluation and drill testing. There is also potential to discover additional mineralization in the general area of the deposits in geologic settings similar to the known deposits. There are a number of targets well beyond the limits of the mineral resources that are defined by soil and/or rock gold anomalies and favorable geology. Fronteer currently plans to drill test a number of targets within, and outside, the main resource area.

Plans for 2009 at Northumberland are currently focused on district exploration of lands surrounding the resource area and ongoing studies to optimize potential development of the resource. Target generation will include stratigraphic, structural, and geochemical studies on the large body of existing information, and on new data acquired to further explain the large gold occurrence at Northumberland. Reclamation of the historic mine facilities will be ongoing. The budget for the 2009 program is estimated at approximately US\$1,100,000.

Further details regarding the Northumberland Property are available in the technical report entitled *Technical Report on the Northumberland Project, Nye County, Nevada, USA: Resource Update 2008* , dated July 28, 2008 and Amended August 8, 2008, by Christopher Lee, P.Geo. and Jim Ashton, P.Eng., of Fronteer, available on SEDAR at www.sedar.com.

Long Canyon Project, Nevada

The Long Canyon Project is located in Elko County, northeast Nevada, on the east flank of the Pequop Mountains, approximately 37 kilometres southeast of the town of Wells, Nevada. The project may be accessed via Interstate Highway 80, proceeding thereafter 6 kilometres south on a county-maintained all-weather gravel road. Several short, unimproved dirt roads exist to provide access to the drill grid area. The drill grid area is located approximately 1.5 kilometres west of the Big Spring Ranch, a local, privately-owned ranch. A spur road around the ranch allows for access of drilling equipment without having to pass through the ranch proper.

Elevations in the project area range from 1650 metres above sea level in the valleys on the east and west sides of the Pequop Mountains, to elevations of over 2700 metres on the ridge tops. Elevations for Long Canyon exploration drill hole collars range from 1890 to 2040 metres. The lower slopes of the project area are covered by sage brush, progressing up-slope to Pinion Pine and Juniper woodlands typical of high desert mountain vegetation in northeast Nevada. Locally scattered Sub-Alpine Fir, Limber Pine, and Mountain Mahogany woodland stands are present at higher elevations, giving way to sage brush and grasses on ridge tops. The majority of the Long Canyon exploration activities to date have been in tree-covered (pinion pine and juniper) areas on the lowermost, eastern slopes of the range.

Climate is typical for the high desert regions of northeastern Nevada with hot, dry summers and cold, snowy winters. Summer high temperatures range from 30° C to 37° C, with winter low temperatures typically between -17° C to -10° C, and winter high temperatures of 0° C to 4° C. Most of the precipitation in the region falls as snow in the winter months with lesser precipitation as rain in the spring and as thunderstorms during the late summer. Winter storms can deposit many feet of snow in the upper

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mountains with elevations above 2100 metres being continually snow covered from November through April. The highest elevations can have snow accumulations of up to ten metres.

In the absence of all-weather road access to drill sites, a typical exploration-operating season for the Long Canyon Project is from mid-May through early November. Drilling activities are commonly conducted from June through October. Improved road access and road maintenance/snow removal equipment could extend the exploration-operating season through the winter months if necessary.

At present, service providers for the Long Canyon Project are located in Elko, Nevada and are able to provide equipment and technical personnel required for exploration activities. Should an economic gold deposit be delineated on the Long Canyon Project area, experienced mining personnel and equipment suppliers are available in Elko as well as elsewhere in Nevada. Electric power (for domestic use) extends to the Big Spring Ranch. The nearest major power grid is near an east-west rail line, both located approximately 16 kilometres north of the Long Canyon Project, north of Interstate Highway 80. Water for drilling at Long Canyon is available at the Big Spring Ranch and at the Oasis freeway interchange six kilometres to the north.

Employee accommodation is based in Wells, Nevada; the town of West Wendover, Nevada could serve as an alternative. Currently there are no housing facilities located on the project site. Two office trailers have been located to the site, with more expected to follow in 2009. Electricity and telephone service will be provided to the trailers in the future. An alternative site has been leased at the Oasis freeway interchange six kilometres to the north.

Fronteer controls much of the subsurface private mineral rights in the Long Canyon Project area and as such enjoys broad rights to use the surface of these lands for minerals exploration and development. Surface and Mineral rights on other parts of the Project are controlled by the US Federal Government, with minerals controlled by the Long Canyon Venture through location of lode mining claims. Access and disturbance in these areas is regulated by the BLM.

The Long Canyon Project is an advanced-stage gold exploration property, on which potentially economic grade gold mineralization has been encountered in both surface outcrops and in exploration drill holes to relatively shallow depths of 200 metres vertically. The Long Canyon Property is categorized as an advanced-stage exploration property by virtue of the following: approximately US\$8,200,000 in exploration expenditures to-date, extensive surface geological/geochemical work, 231 drill holes completed, and a resource estimate completed. Gold mineralization is oxide, sediment-hosted gold mineralization hosted in decalcified, silicified and hematitic limestone. Mineralization is focused on the edges of 100 to 150-metre thick dolomite megaboudins as well as boudin necks, forming elongate, shallowly northeast-plunging zones of mineralization. Gold mineralization has been encountered in drilling over a width of up to 400 metres and down-plunge direction of approximately 1700 metres.

The property consists of approximately 46 square kilometres of unpatented federal lode claims and private fee mineral land. The approximate geographic centre of the Long Canyon Property gold exploration drilling is located at 40° 58' 23.70" North Latitude and 114° 31' 52.33" West Longitude.

A total of 304 unpatented claims are held by Pittston Nevada Gold Company (PNGC), a wholly-owned subsidiary of AuEX Ventures, Inc. (AuEx), a Nevada corporation, subject to completion of a Members Interest Purchase Agreement dated August 18, 2004. A total of 134 claims are held by Fronteer USA, for a total of 438 claims. Approximately 32 claims in two parcels within the Joint Venture area of interest were not included in the above-mentioned Members Interest Purchase Agreement, and continue to be held outside of the AuEX/Fronteer USA Joint Venture by Pittston Mineral Ventures. An agreement with Pittston Mineral Ventures has been negotiated and these claims will be included in the Joint Venture pending approval of the agreement by all parties.

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As of March 1, 2009, Fronteer USA holds 134 unpatented federal lode mining claims in the Joint Venture area of interest, bringing the total number of claims in the Joint Venture to 438 claims.

A Joint Venture agreement (the Venture Agreement) was signed, effective May 23, 2006, between AuEX and Fronteer USA. At that time, Fronteer USA held 36 unpatented mining claims and fee mineral rights that were included in the Venture Agreement. The Venture Agreement had the following key components:

each Party retains a 3% NSR (Net Smelter Receipt) royalty on respective lands contributed to the Venture Agreement;

to maintain a 51% interest in the Long Canyon Property, Fronteer USA was required to expend the first US\$5,000,000 on the joint properties, which was completed in September 2008. Fronteer USA elected not to earn an additional 14% by completing all subsequent expenditures through to completion of a feasibility study;

Fronteer was required to accrue a minimum annual expenditure of \$250,000 in project expenditures during the earn-in period.

the Joint Venture will remain a 51% Fronteer / 49% AuEX Joint Venture unless the respective interest of either party is diluted for failure to participate in funding an approved program; and

Fronteer was entitled to earn an additional 14% to increase its interest to a 65% maximum by completing all subsequent expenditures through to completion of a feasibility study. Fronteer has elected not to earn this additional interest, and continues to operate the exploration program on the property.

Fronteer USA has operated and has conducted all exploration expenditures on the Long Canyon Property since May 23, 2006. In September 2007, the Corporation acquired a 100% interest in NewWest USA (now Fronteer USA).

Four permits obtained from the BLM and the BMRR currently govern exploration activity at the Long Canyon Property. These permits authorize an aggregate of approximately 65 acres (26 hectares) of surface disturbance at various portions of the project area. At present, reclamation bonds in the aggregate amount of approximately US\$210,000 are in place in respect to these surface disturbance activities.

Fronteer submitted a draft plan of operations for expanded exploration activities on federal lands at Long Canyon in mid-2007 and a final plan of operations in August 2007. Approval by the BLM was received on September 15, 2008. Fronteer submitted an amendment to the state permit for work on private mineral lands on February 9, 2009, and will also file an amendment to the plan of operations later in spring of 2009 in order to permit additional disturbance pursuant to exploration drilling.

Environmental liabilities at the Long Canyon Project are limited to reclamation of disturbed areas resulting from exploration work conducted by PNGC, AuEX and Fronteer since 2005. Evidence of previous mineral exploration activity consists of several small, widely-spaced shallow prospect pits of unknown origin and age. Class III cultural resource surveys, conducted in 2000, 2006, 2007 and 2008, recorded a number of minor prehistoric and historic artifact sites within the project area. In accordance with applicable permits, exploration activities will avoid or mitigate cultural resources.

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Mineralization at Long Canyon, in the form of gold-bearing jasperoids, was discovered in 1999 by PNGC (then a subsidiary of Pittston Mineral Ventures before subsequently being acquired by AuEX) through follow-up of bulk leach extractable gold (BLEG) stream sediment anomalies. A soil grid over the area revealed a 1400-metre-long by 300-metre-wide area with gold in soil greater than 25 parts per billion (ppb). Seven drill holes tested the soil anomaly in 2000; one returned in excess of 2 grams per tonne (g/t) over 26.7 metres. No further work was done until 2005, when AuEX acquired the claims. They drilled seven additional holes, of which six contained significant mineralization. The Venture Agreement was signed in 2006 with Fronteer USA when it was discovered that some of the claims owned by AuEX were invalid and that Fronteer USA owned the mineral rights in these areas. Fronteer USA completed approximately 7300 metres of drilling in 2006 and 2007 in connection with earning its 51% interest in the project. The first NI 43-101 technical report for the project was issued by AuEX in January 2008. In late 2007, NewWest Gold was acquired by Fronteer. Fronteer USA drilled over 24,400 metres in 2008, completing their earn-in in September 2008.

The Pequop Mountains comprise an uplifted block of regionally east-dipping, Paleozoic carbonates and siliciclastic rocks. Of particular interest to the Long Canyon Project are the Cambrian Notch Peak Formation massive limestone and dolomite and the overlying Pogonip Group. The lower part of the Pogonip Group comprises mainly thin bedded to laminated, variably cherty, silty limestone. These rocks were metamorphosed, likely during the mid-Jurassic Elko Orogeny, which imparted a foliation, northwest-southeast stretching lineation, thrust faults, attenuation faults and northeast-plunging upright folds. In the Long Canyon area, a dolomite horizon at the top of the Cambrian section deformed brittlely, resulting in a series of northeast-elongate megaboudins that strongly control the distribution of mineralization at the Long Canyon deposit. Subsequent deformation was more brittle in nature, and includes high angle reverse faults and folds (Cretaceous) as well as manifestations of Tertiary extension, including large, low angle, west-dipping normal faults and basin-and-range faulting evident on the eastern side of the project area.

Gold mineralization at Long Canyon occurs mainly along the Cambro-Ordovician contact between the extended and boudinaged dolomite horizon at the top of the Notch Peak Formation and the overlying silty limestone of the Pogonip Formation. Mineralization is focused along boudin block margins and in boudin neck areas. Significant karsting, likely both meteoric and hydrothermal in origin, is localized along the boudin margins and boudin necks, resulting in large, silt-filled collapse cavities. Much of the higher-grade mineralization at Long Canyon is hosted in the hematitic matrix of dissolution collapse breccias.

Mineralized areas discovered to-date are almost entirely oxidized. Alteration associated with mineralization includes:

Decalcification in limestone/sanding in dolomite;

Hematite, including stratabound hematite, breccia matrix, and fracture hosted;

Jarosite, mainly fracture and breccia matrix-hosted;

Scorodite, mainly late and overprinting pervasive hematite alteration;

Silica, as pervasive partial replacement of limestone;

Jasperoid, along structures;

Clay, in association with faults and altered mafic intrusive rocks; and

Calcite in late veins and breccia cement.

Gold mineralization is associated with elevated As, Hg, Tl and Sb.

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Alteration, mineralization and geochemistry at the Long Canyon deposit are similar in nature to Carlin type sediment-hosted gold deposits. Attributes of Long Canyon mineralization typical of this deposit type include decalcification, gold-bearing arsenical rims on pyrite, gold-bearing jasperoid, similar host rocks (silty carbonates) and geochemical association of gold with As, Sb, Hg and Tl. One distinct difference is that nearly all Carlin type deposits are located well to the west of Long Canyon in continental slope and platform margin facies rocks, whereas the Long Canyon deposit is hosted in platform carbonate rocks.

Gold mineralization is present in at least two forms at Long Canyon: 1) as submicron particles associated with arsenical rims on pyrite, and 2) as discrete, 2 to 5 micron grains often associated with oxidized pyrite grains.

Aside from a few, small, historical lead-zinc prospects located to the north of the Long Canyon project, there is no evidence of any historical mineral prospecting, mining or modern-day mineral exploration until 1999 when mineralization in the Long Canyon area was initially discovered by follow-up of anomalous BLEG samples of dry stream sediment collected along the eastern flank of the Pequop Range. This was followed by detection of gold and associated elements in soils and rock chip sampling of road cuts. Rock chip and soil sample analyses for gold and trace elements (Hg, As, Sb) have been shown to be direct guides to defining drill targets at Long Canyon. A gold-in-soil anomaly in excess of 100 ppb Au extends for over 1200 metres in a northeast direction, with a corresponding width of up to 300 metres at Long Canyon.

Surface exploration and sampling activities completed in 2008 included: (1) rock chip surface sampling carried out as variable length samples, most approximately 3 metres in length, as continuous chip sampling across altered rock units in road cut embankments; (2) two grid-based soil sampling programs with samples taken at 61 metre by 61 metre intervals and analyzed for Au by fire assay with AA finish and for other elements by ICP; (3) detailed mapping of areas previously mapped by AuEX as well as additional areas of the property; (4) a ridge and soil sampling and prospecting program carried out by a consultant during October 2008, the purpose of which survey was to obtain baseline geochemical data for previously unsampled areas located in the southwest part of the property, to prospect certain areas of interest identified by the mapping program discussed above, and to uncover new areas of alteration or mineralization; (5) a ground gravity survey carried out on a 100-metre-by-100-metre grid covering the northern half of the drill grid and areas to the northeast; and (6) IP/Resistivity (IP/R) surveys carried out over the drill grid and areas to the northeast and southwest.

Concurrently with the surface exploration program, Fronteer carried out a drilling program employing both RC (Reverse Circulation) and core drilling techniques

RC holes were drilled drilled wet, with collection of samples of appropriate size (5 – 10 kg) over 1.52 metre intervals obtained through use of a rotary splitter. The chips were logged into a digital template, recording lithology, alteration, mineralogy and other parameters. Samples were collected from the drill sites by American Assay Labs for sample preparation and analysis. All samples were subject to fire assay with AA finish using a 30 gram pulp and multiple element ICP. In addition, all samples returning >10,000 ppb gold were subject to fire assay with gravimetric finish and all samples >300 ppb gold were assayed for cyanide soluble gold.

Core holes were subject to geological and geotechnical logging using a digital template, photographed and marked for cutting in the field. Sample intervals were generally 1.52 metres unless geological breaks dictated otherwise. Samples were transported to Fronteer's Elko warehouse for sawing, with one half sent to American Assay Labs for preparation and analysis and the other retained at the warehouse. These sample collection procedures are consistent with industry standard practices. Sample

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