

EX-1 2 exhibit1.htm ANNUAL INFORMATION FORM

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OF



(FORMERLY FRONTEER DEVELOPMENT GROUP INC.)

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For the fiscal year ended December 31, 2010

Dated March 25, 2011

In November 2010, the Corporation settled allegations raised by a class action law firm with respect to certain of the Corporation's stock options. The Corporation resolved this matter by, among other things, paying the class action law firm and its client a modest amount and amending the exercise prices of certain out-of-the-money options unrelated to any concerns raised.

The Corporation believes that the threatened claims have no merit and will vigorously defend itself and its directors should any claim be filed. No amounts have been accrued for any potential loss under the foregoing complaints.

On March 5, 2010 Fronteer USA filed a complaint (the "Complaint") initiating an action against Big Spring Ranch LLC, Star Living Trust, Fred Sadri, Elias Abrishami, Ray Koroghly and Gholamreza Zandian Jazi, Jerry Goodwin, Black Stone Minerals Company L.P. and all other persons unknown claiming right, title, estate, lien or interest in the real property described in the complaint. The complaint was filed in the Fourth District Court of the State of Nevada in and for the County of Elko. In addition, Fronteer filed a Motion for Order Permitting Immediate Occupancy the same day to secure areas where immediate and continuous access is necessary to the Long Canyon Project.

The filing sought to verify Fronteer's use of certain surface rights under and in connection with its Mineral Reservation at the Long Canyon Project; and also, to condemn certain interests in Big Spring Ranch surface lands overlying Fronteer's dominant mineral rights and Big Spring Ranch Fee land for access for hydrology and engineering drilling and testing.

In August 2010, Fronteer reached a settlement with respect to the Complaint which resulted in Fronteer and its then joint venture partner AuEx acquiring the Big Springs Ranch, for a total price of US\$12 million. The acquisition included the purchase of approximately 37,540 acres of surface rights, nearly all of the water rights appurtenant to the ranch, mineral rights and dwellings and improvements on the ranch.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below and elsewhere in this AIF, no director, executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any associate or affiliate of any of the foregoing, has or has had any material interest, directly or indirectly, in any transaction involving the Corporation within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Corporation.

Acquisition of Aurora

As described elsewhere in this AIF, on January 23, 2009, Fronteer commenced its Offer by way of take-over bid to acquire all of the outstanding Aurora Shares not already owned by Fronteer. Subsequently, in April 2009, Fronteer acquired the remaining outstanding Aurora Shares that it had not acquired under its Offer by way of a subsequent amalgamation transaction. For further details, see the section of this AIF entitled "General Development of the Business - Three Year History" above. Each of Oliver Lennox-King, the Chairman and a Director of Fronteer, and Mark O'Dea, the President and Chief Executive Officer and a Director of Fronteer, were also directors on the board of Aurora (Mr. Lennox-King was the Chairman of the Aurora board and Mr. O'Dea was the Deputy Chairman of the Aurora board), at the time the Offer and the subsequent amalgamation transaction were completed with Aurora. In connection with the Offer, the board of directors of Aurora struck a special committee comprised of independent directors and, accordingly, neither Mr. Lennox-King nor Mr. O'Dea participated in deliberations by the board of Aurora in respect of the Offer. In addition, each such individual, along with certain other directors and executive officers of Fronteer, held Aurora Shares and/or options to acquire Aurora Shares at the time of the Offer and the subsequent amalgamation transaction.
