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Australian Stock Exchange
Company Announcements Office

Announcement

**PROSPECTIVITY OF THE MAJOR PRECIOUS AND BASE METAL MINERALISED
SYSTEM AT THE BUKUAM PROSPECT SIGNIFICANTLY ENHANCED,
WITH HIGHER GRADE SILVER [TO 128 g/t], ZINC [TO 17.3%], MOLYBDENUM [TO 0.11%] AND COPPER [TO 1.5%]
MINERALISATION IN ROCK AND TRENCH, IN ADDITION TO GOLD [TO 19.9 g/t]**

Frontier Resources is pleased to announce that exploration at the Bukuam Prospect is documenting that the area contains a highly significant and major precious / base metal mineralised system. The mineralised system is known to cover an area of approximately 6km² based on copper in stream sediment geochemistry and to date, Frontier have only worked in the northern sector of this anomaly, with the southern half to two-thirds of the zone still to be examined, soil sampled and evaluated.

Outcrop channel sampling completed in October returned copper-molybdenum mineralisation grading to 1.49% copper with 1136 ppm molybdenum (reconnaissance sampling only) in Bukuam Creek, plus 3m grading 0.45% copper in outcrop in the Sai River. These results confirm the copper - molybdenum potential at Bukuam associated with the soil anomalies that are known to be in excess of 1,500m long.

Additional highlights from the basemetal and silver results include: 2m grading 128g/t silver (coincident with peak gold of 19.8g/t in Costean One), 30m grading 42g/t silver + 4.9g/t gold (including 5m grading 93g/t silver + 8.43g/t gold), 10m grading 4.05g/t gold, 45g/t silver and 0.18% copper in the Kapea Shear Zone and 17.3% zinc + 8.05g/t gold from rockchip float in Gupa Creek.

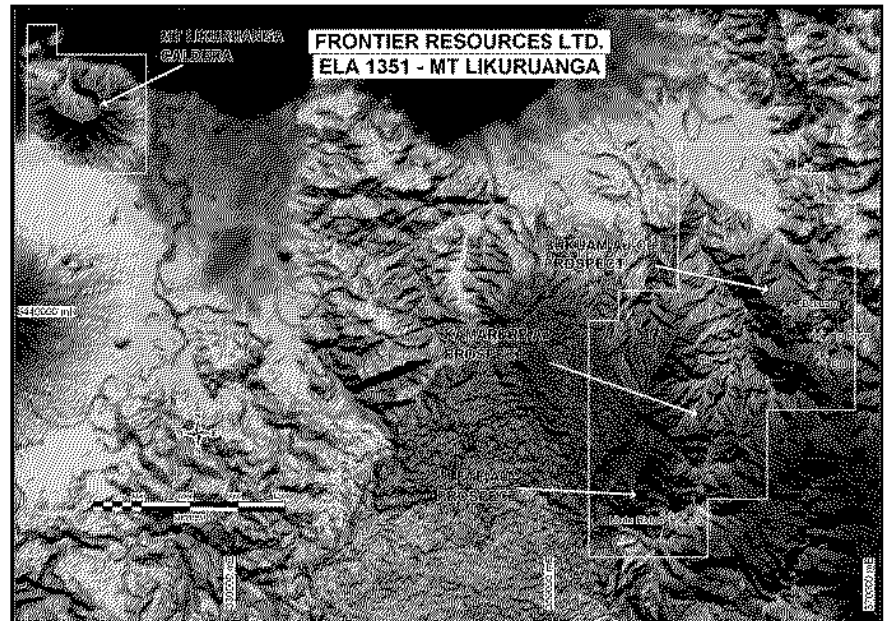
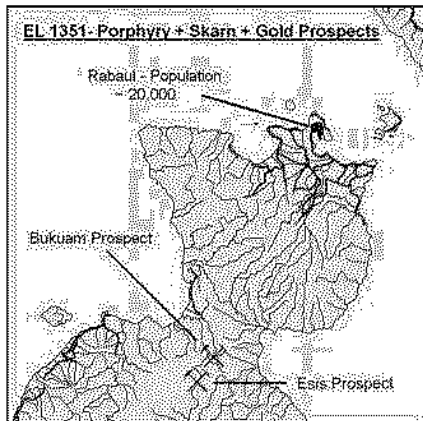
These results reinforce the Target at Bukuam (described in an ASX release dated 25th October) of 200 to 300M tonnes grading 0.8% to 1.0% copper equivalent, from near surface in copper - gold - molybdenum - silver mineralised porphyries. In respect to the above Target we caution that the potential quantity and grade is conceptual in nature, no mineral resource has been defined on the property and it is uncertain if a mineral resource will be defined on the property. The results also highlight the shear hosted plus skarn related gold mineralisation possibilities.

The approx. 7,500m of soil grid infill and extension geochemical assay data has just been received and will be plotted, assessed and released as soon as practical.

The Bukuam Project is becoming a very important area for the Company and exploration commensurate with this status is being planned for early in the first quarter of 2007. This work will include extensive hand trenching of gold, copper, silver and molybdenum geochemical anomalies, a major soil geochemical grid extension to the south to define additional mineralisation and ground magnetic survey to track/direct detect magnetite skarns (that are gold auriferous).

DETAILS

The Bukuam Prospect is located in a 5.5km long x approx. 1km wide copper in stream sediment anomaly located adjacent to the eastern margin of the approx. 20km long x 6km wide Esis-Sai intrusive granitoid complex in the headwaters of the Sai River in the Kol Mountains of East New Britain, Papua New Guinea.



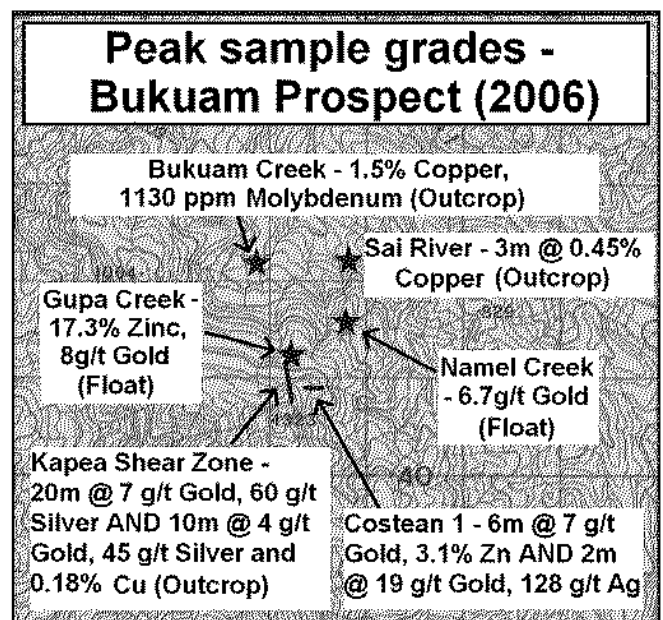
The project area is prospective for porphyry copper-gold-silver-molybdenum deposits, plus epithermal gold and gold-base metal skarns. The exploration

Target is 200 to 300M tonnes grading 0.8% to 1.0% copper equivalent, from near surface. This Target is based on the size and tenor of the soil geochemical anomaly, plus alteration patterns noted near the 3 drill holes historically drilled at Bukuam. The regional example is the Esis porphyry copper occurrence that is also within EL 1351 and is located on the SW margin of the Esis-Sai complex, about 14km to the SW (with extensive historic trenching, creek channel sampling and 4 diamond drill holes).

The plan to the right shows the peak assay grades recorded from the recent sampling program, with the squares representing 1km blocks.

NEW CU-MO MINERALISATION DISCOVERED IN BUKUAM CREEK

Composite rock chip sampling a copper oxide stained (see photo) intrusive outcrop in Bukuam Creek of a 1m interval returned 1.49% copper with 0.1136% molybdenum. The mineralisation was discovered during a very brief first pass reconnaissance of Bukuam Creek for silver potential along the northward projection of the gold-silver mineralized Kapea Shear Zone. Bukuam Creek has only been minimally explored and Frontier believes this to be a very good Target.



OUTCROPPING COPPER - GOLD MINERALISATION DISCOVERED IN MAIN TARGET/ ANOMALY AREA

A three metre channel sample of silicified and pyritised andesites proximal to a thin diorite intrusion in the Sai River returned 0.45 % copper and 0.165g/t gold and confirmed the presence of copper-gold mineralisation related to the intermediate intrusives mapped previously in the Target area. Copper- gold grades of this tenor could potentially be economic if appropriate tonnages can be located. Soil anomalism defined to date suggests that the system could be large enough to host economic mineralisation and strongly warrants detailed follow up work.

KAPEA SHEAR ZONE SAMPLING

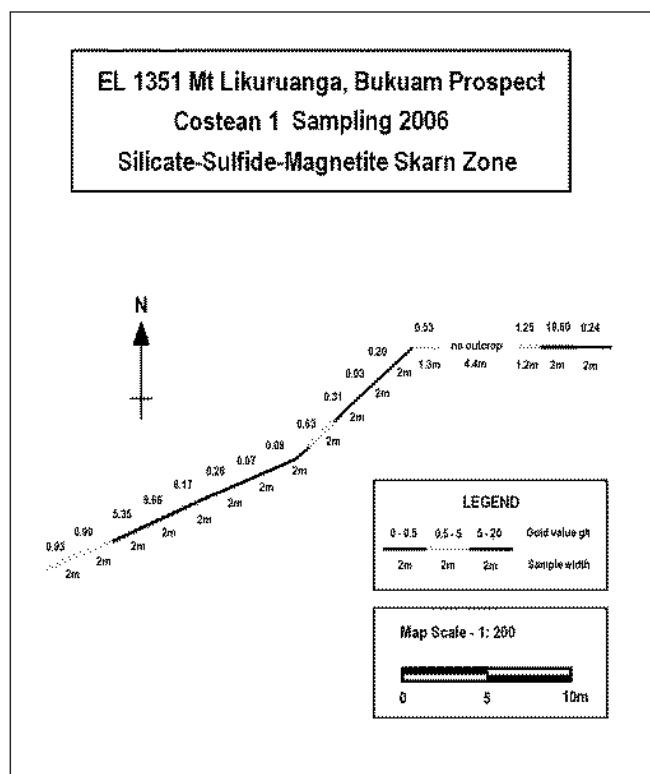
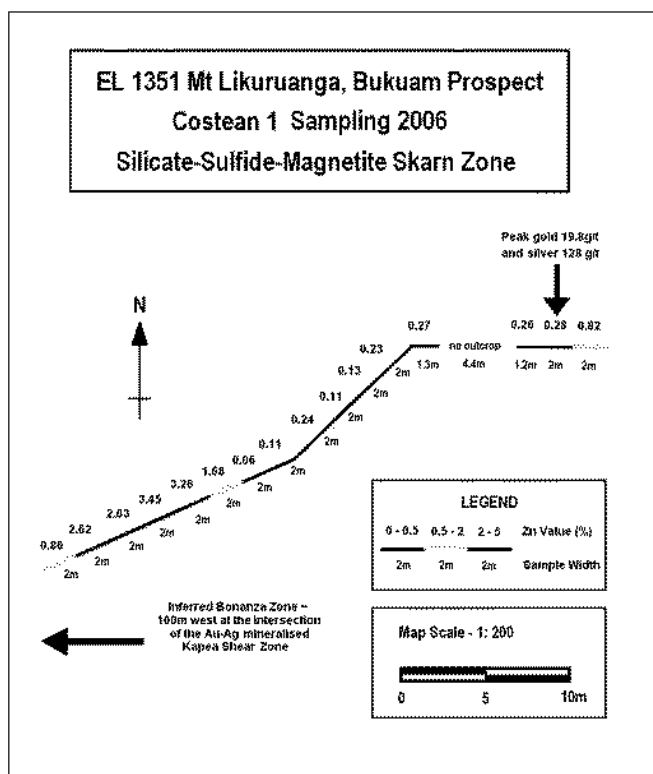
Resampling select intervals of the Kapea Shear Zone has confirmed the potential of the zone with significant silver and basemetal assays returned from several intervals of composite rock chip sampling. The peak result was 110g/t silver within a broader interval of copper and silver anomalism of 10m grading 4.05g/t gold, 45g/t silver and 0.18% copper. These results are particularly encouraging, as this suggests that the mineralised system has the potential to develop to the tenor of the Target grade. Peak silver is coincident with the peak gold results released last week, with the interval grading 2.5m of 6.39g/t gold + 110g/t silver.

The most significant results from the composite rock chip, channel and float sampling program are listed below.

Bukuam Prospect: Rock Assay Results (Continuous Intervals are in blue and grey)							
Au (g/t)	Ag (g/t)	Cu ppm	Mo ppm	Pb ppm	Zn ppm	Sample Type	Sub-Prospect
0.09	14.8	14900	1136	64	238	Comp RC	Bukuam Creek
0.20	2.5	5392	3	<2	73	1.5m channel	Sai River No.1
0.13	2	3672	2	<2	84	1.5m channel	Sai River No.1
0.93	<0.1	270	33	7	8620	2m Costean	Costean 1
0.90	<0.1	308	3	<2	26200	2m Costean	Costean 1
5.35	<0.1	257	1	7	26300	2m Costean	Costean 1
9.66	0.3	120	1	<2	34500	2m Costean	Costean 1
6.17	<0.1	244	<1	31	32600	2m Costean	Costean 1
0.26	1.4	497	<1	<2	16800	2m Costean	Costean 1
0.63	6.4	1372	1	5	2412	2m Costean	Costean 1
0.53	8.4	565	1	384	2700	1.3m Costean	Costean 1
1.25	5.3	801	1	407	2592	1.2m Costean	Costean 1
19.60	128	757	6	10	2796	2m Costean	Costean 1
0.24	0.2	366	1	<2	8200	2m Costean	Costean 1
0.15	1.3	472	4	127	16400	Comp RC	Left fork -Kapea Ck
1.12	9.9	680	4	19	1292	Comp RC	Kapea Shear Zone
5.69	49.5	1600	5	55	1228	Comp RC	Kapea Shear Zone
2.40	35	1984	5	57	587	Comp RC	Kapea Shear Zone
6.39	110	922	32	211	1796	Comp RC	Kapea Shear Zone
0.72	5.9	239	1	4	3076	Comp RC	Kapea Shear Zone
2.09	20.1	1824	5	26	5392	Comp RC	Kapea Shear Zone
10.40	87.5	2852	15	933	5612	Comp RC	Kapea Shear Zone
7.03	39.9	799	150	793	20900	Comp RC	Kapea Shear Zone
8.43	93.2	2792	91	965	6860	Comp RC	Kapea Shear Zone
0.94	17.9	1252	4	5	1612	Float grab	Gupa Creek
0.07	<0.1	41	1	<2	4016	Float grab	Gupa Creek
8.05	0.2	133	<1	3	172700	Float grab	Gupa Creek
0.11	10.5	953	1	19	3424	Float grab	Gupa Creek
0.38	17.6	2376	2	<2	4288	Float grab	Gupa Creek

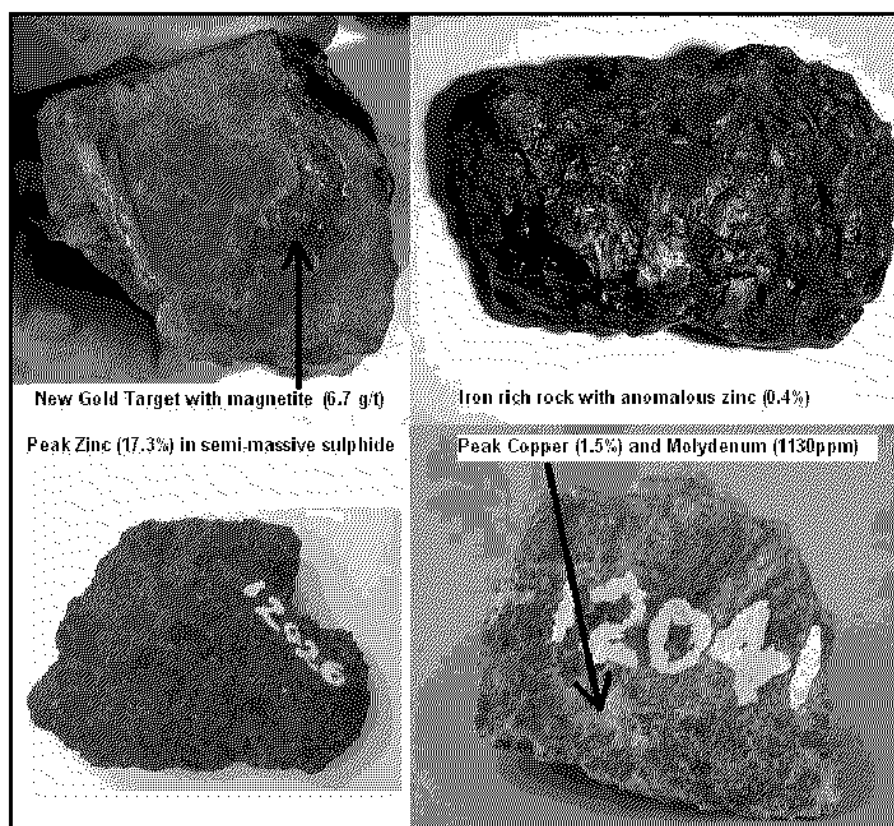
COSTEAN ONE SAMPLING

Selective channel resampling of Costean One zone has confirmed the base and precious metal potential of the magnetite skarns. A 10m zone of mineralisation contains 2.72% zinc in leached skarn outcrop. The central sector of this zone contains 6m grading 3.12% zinc and 7.06g/t gold (See release dated 28 November 2006). CRA Drill hole DD89BU3 tested 10m of primary Costean One skarn mineralisation from 60m grading 4.8% zinc, 1.7g/t gold and 2.7g/t silver. Frontier's Costean One sampling terminates to the west in 0.93g/t gold and 0.8% zinc.



Rio Tinto geologists suggested the potential of a "bonanza zone" at the contact between the sulphide-silicate skarn and the Kapea Creek Shear Zone. The shear zone is believed to be the conduit for the mineralising fluids which produced the skarn. This contact zone has never been drill tested.

Gold results released 28th November 2006 included 20m grading 6.99g/t Au, 12.5m grading 4.04g/t gold and 2.5m grading 6.39 g/t gold. All these results highlight the potential for Targets of different styles on mineralisation in this area, more particularly shear hosted and epithermal mineralisation of higher grades than the ultimate porphyry copper-gold-silver-molybdenum Target. Drill testing the shear zone will also be a priority for follow up work at Bukuam in 2007.



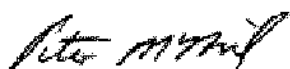
Please refer to the Company's ASX releases dated 25th October and 28th November 2006 for background and additional details relating to the Bukuam Prospect.

Frontier is focused on the Kodu Deposit and Andewa plus Bukuam Projects in Papua New Guinea.

- ❖ The Company has a 100% interest in an approx. 7,500km² portfolio of quality copper and gold properties in PNG, with 3 Exploration Licences (Kodu, Andewa and Likuruanga) and 8 applications, plus 5 Exploration Licences and 2 Retention Licences covering 210 km² in Tasmania.
- ❖ The portfolio offers excellent mineral deposit potential, with primary Targets being World Class copper/gold/molybdenum porphyry, gold/silver epithermal and polymetallic - zinc/lead/silver VHMS deposits.
- ❖ The projects all have high-grade exploration results in rock, trenches and drill hole and are in the same or similar geological terranes as existing World Class and/or major mines.
- ❖ Frontier is an ASX listed junior mineral explorer whose shares also trade on the Frankfurt, Berlin and Munich Stock Exchanges.
- ❖ The Company operates with a general policy of 'DRILLING' our quality projects using our self manufactured, cost effective, environmentally friendly, man-portable diamond core rigs.
- ❖ Frontier's Director/Management team have more than 100 years combined experience in PNG.

For additional information relating to the Company and its projects please visit our website at www.frontierresources.com.au or feel free call me on +61 (0) 8 9295 0388.

FRONTIER RESOURCES LTD



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MANAGING DIRECTOR

The information in this report that relates to Exploration Results is based on information compiled by, or compiled under the supervision of Peter A. McNeil, Member of the Aust. Inst. of Geoscientists. Peter McNeil is Managing Director of Frontier Resources and is a consultant to Frontier Resources; he has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting Exploration Results and consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.