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Announcement

NEW EXPLORATION RESULTS FROM BUKUAM

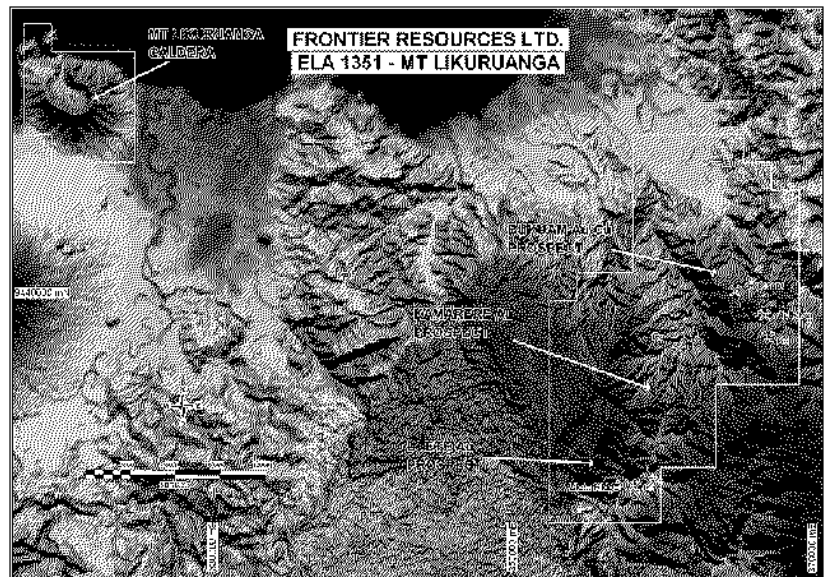
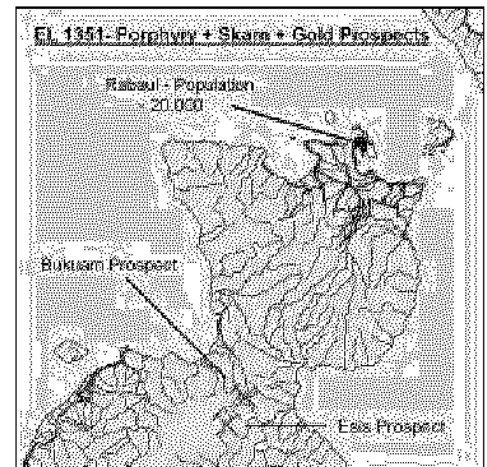
- **BUKUAM COPPER-GOLD-SILVER-MOLYBDENUM MINERALISED SYSTEM IN SOILS EXPANDED 33% TO OVER 2,000M TOTAL LENGTH AND IS STILL OPEN TO THE NORTH AND SOUTH ALONG STRIKE**
- **GROUND MAGNETIC SURVEY AND HAND TRENCHING COMMENCED TO DEFINE DRILLING TARGETS**
- **GRID SOIL SAMPLING COMMENCED TO COVER THE REMAINDER OF THE 5.5KM LONG ANOMALY**

The Bukuam mineralised system is located in a 5.5km long x 1.2km wide copper and gold in stream sediment anomaly in EL 1351, East New Britain, Papua New Guinea. Major targets are near surface copper-gold-molybdenum-silver mineralised porphyries, high-grade base/precious metal skarns and epithermal gold deposits.

Bukuam Soil Sampling

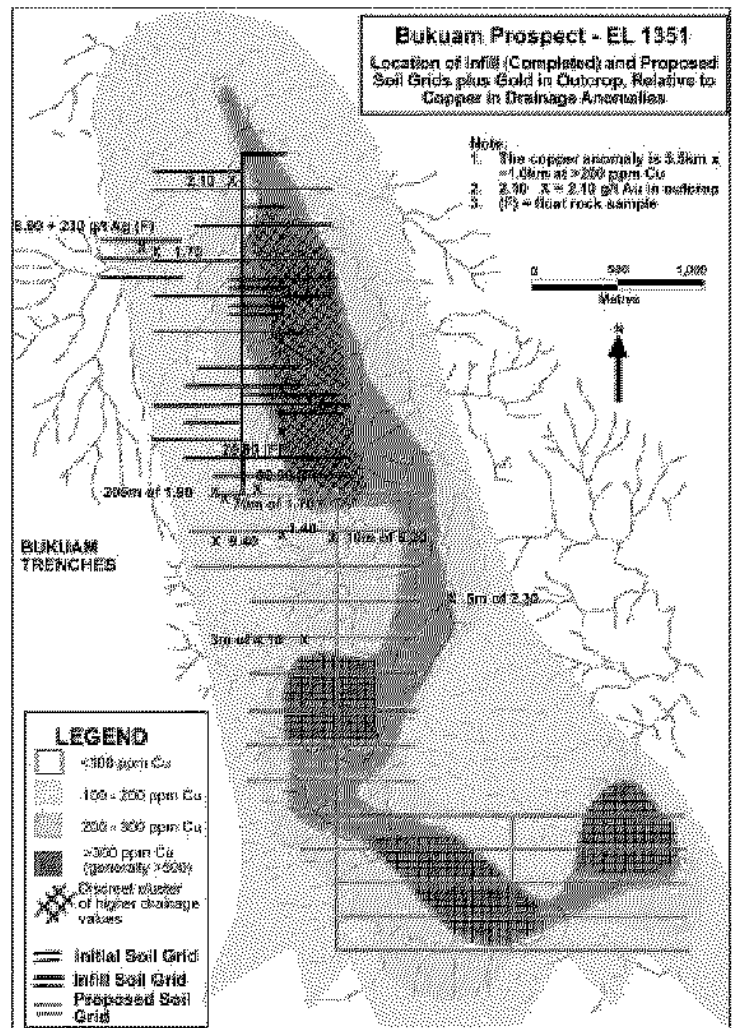
Grid-based along strike soil sampling at the Bukuam Prospect has extended the base and precious metal mineralised zone by 500m (or 33%), to more than 2,000m in overall length. A new peak value for gold in soils of 1.18 g/t, was located along the trend of the Kapea Creek Shear Zone. The system is still completely open to the north and at the far southern end of the anomaly, Costean 1 has trench samples grading up to 20m of 6.99 g/t gold (announced 5/12/2006), indicating probable additional extensions in that direction.

Detailed infill grid-based soil sampling was also conducted within the grid and on its eastern and western margins for 7.425 extra line kilometres in total. This exploration has refined and improved our spatial understanding of this system, and located significant new anomalies.



A new peak molybdenum in soil value of 124 ppm occurs at the northern most point of the soil grid. Soil anomalism for copper, molybdenum, gold and silver are all variably open in this direction and also to the south. Copper in soil maxima are located coincident with the new gold target in the SE of the grid and in the west of the grid near rock chip samples containing visible copper minerals.

A strong correlation is noted between copper, molybdenum and silver (with less cohesive, but still highly significant gold) in soils in the area of the postulated porphyry mineralisation. This geochemistry is supported by an appropriate style of alteration, being phyllic alteration with overprinting propylitic veins. Mapping has indicated the presence of dykes of intrusive rock penetrating and altering the volcanic andesites and limestone country rocks. Frontier has previously documented porphyry copper - molybdenum style mineralisation in outcrop in creeks draining the relatively linear, cohesive and coherent soil anomalies.



Zinc has now been analysed for all the soil samples and forms a distinctive halo around the copper-molybdenum anomalism. This alteration pattern is typical of porphyry copper systems and also indicates zinc-gold-silver skarn targets. The possibility of skarn targets have been confirmed by the location of these anomalies relative to the known mineralisation in Costean 1. The strongest zinc in soils with a peak value of 0.55% (which is strongly anomalous) occurs peripheral to the gold mineralisation sampled in Costean 1. This costean returned a 6m zone of mineralisation containing 3.12% zinc and 7.06g/t gold, with sampling terminated to the west in 0.8% zinc and 0.93g/t gold (see release dated 5/12/2006 for full Costean 1 results).

Bukuam Ground Magnetics and Additional Grid Based Soil Sampling

Follow-up exploration that commenced on January 10th will include:

- Extensive hand trenching in the two discrete known gold, copper, silver +/- molybdenum geochemical anomalies, plus a ground magnetic survey to assist in defining the porphyry copper mineralisation and to track/direct detect the gold auriferous magnetite skarns to define drilling targets and
- A major soil geochemical grid extension (covering about 2.6 kilometres of strike length) over the southern unsampled approximately two-thirds of the drainage anomaly, with the goal of significantly extending the already known laterally extensive zone of base and precious metal mineralisation.

