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ASX Limited
Company Announcements Office

Announcement

INFERRED RESOURCES ESTIMATED AT HIGHER CUT-OFF GRADES DEFINE A HIGHER GRADE CORE CONTAINING 70 MILLION TONNES GRADING 0.68% COPPER EQUIVALENT*, WITHIN THE REPORTED 203 MILLION TONNE INFERRED RESOURCE GRADING 0.47% COPPER EQUIVALENT* AT THE KODU DEPOSIT, PAPUA NEW GUINEA

AND

INDICATED/INFERRED RESOURCE ESTIMATION SET TO COMMENCE (PENDING FINAL HOLE ASSAYS) AND THE POTENTIAL FOR AN INCREASE TO THE TOTAL TONNAGE IS VERY GOOD

- ❖ The Inferred Resource has been estimated at cut-off grades between 0.3 and 0.9% (using the same holes and parameters as reported 18/6/2007 at a 0.2% copper equivalent* cut-off) and this has shown the existence of a higher grade 'core' zone of mineralisation at the Kodu porphyry copper - gold - molybdenum ("moly") Deposit.
- ❖ The zone has 45% higher than deposit average grades (at 0.5% compared to 0.2% copper equivalent* cut-off grades).
- ❖ 84% of all holes (21 of 25) drilled and utilised in the current Inferred Resource estimation at Kodu were terminated in copper, gold and molybdenum mineralisation greater than the 0.2% copper equivalent* cut-off grade utilised, indicating good possibilities for continued tonnage expansion potential.
- ❖ A resource evaluation consultancy has been engaged to undertake an Indicated and Inferred Resource estimation for Kodu, that should be released late-September.
- ❖ Additional tonnage in the upcoming resource estimation is certain from mineralised holes previously/recently announced (but not included in the current estimation) and is possible from the last hole with outstanding assays - KFD014), including up to:
 - 150m extra depth potential, in the north of the deposit, from hole KFD008 plus 50m extra width plus extra depth potential, from KFD010 and 011 (all on Section 10100N).
 - 50 to 100m extra width, plus extra depth potential, from porphyry and mineralised wallrock, in the central eastern sector of the deposit, from hole KFD014 (Section 9950-10000N), testing for annulus and/or east dipping mineralisation.

Higher Grade Inferred Resource

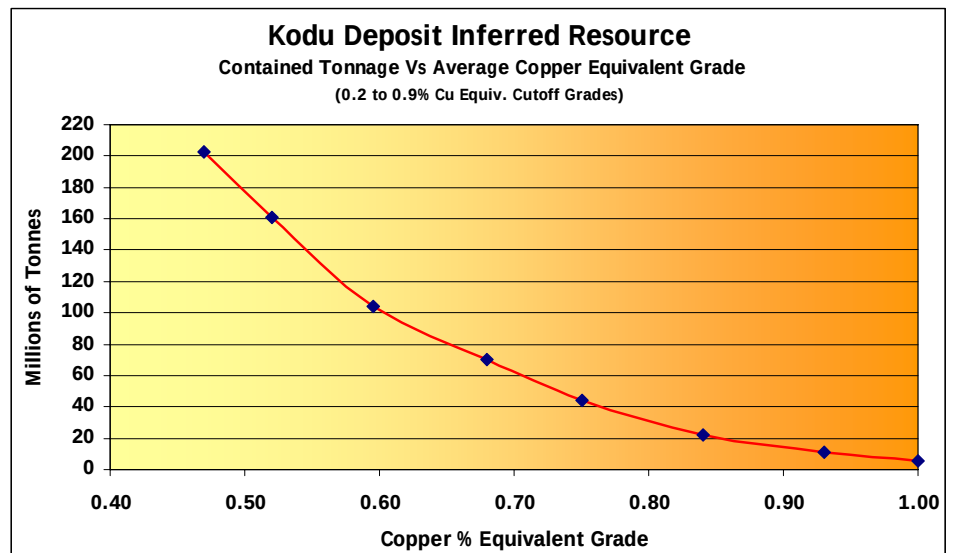
Frontier Resources Ltd is pleased to announce that a substantial higher - grade zone of mineralisation has been defined within the 203 million tonne global Inferred Resource at the Kodu Deposit, using 0.3% through 0.9% copper equivalent* cut-off grades. This mineralisation commences locally on surface and may be utilisable for a 'starter' pit to aid early cash flow if the project is developed.

Table 1 shows the results of this estimation at the various increasing copper equivalent* cut-off grades and there is an obvious trend of systematically increasing copper and gold values with decreasing molybdenum values.

Contained Millions of Tonnes	Grade					Cu Eq. Cut-Off Grade
	Copper Equivalent	Copper	Gold	Moly (Mo)	Silver	
203 Mt	0.47 %	0.28 %	0.32 g/t	73 ppm	1.8 g/t	0.2 %
161 Mt	0.52 %	0.32 %	0.36 g/t	75 ppm	1.9 g/t	0.3 %
104 Mt	0.60 %	0.38 %	0.44 g/t	73 ppm	2.0 g/t	0.4 %
70 Mt	0.68 %	0.44 %	0.50 g/t	73 ppm	2.1 g/t	0.5 %
44 Mt	0.75 %	0.50 %	0.56 g/t	71 ppm	2.1 g/t	0.6 %
22 Mt	0.84 %	0.58 %	0.63 g/t	61 ppm	2.3 g/t	0.7 %
11 Mt	0.93 %	0.66 %	0.68 g/t	54 ppm	2.2 g/t	0.8 %
5.6 Mt	1.00 %	0.73 %	0.72 g/t	51 ppm	2.0 g/t	0.9 %

This is because the higher grades are mostly porphyry hosted and located away from the wallrock margins (margins of the deposit) that contain higher average molybdenum assays.

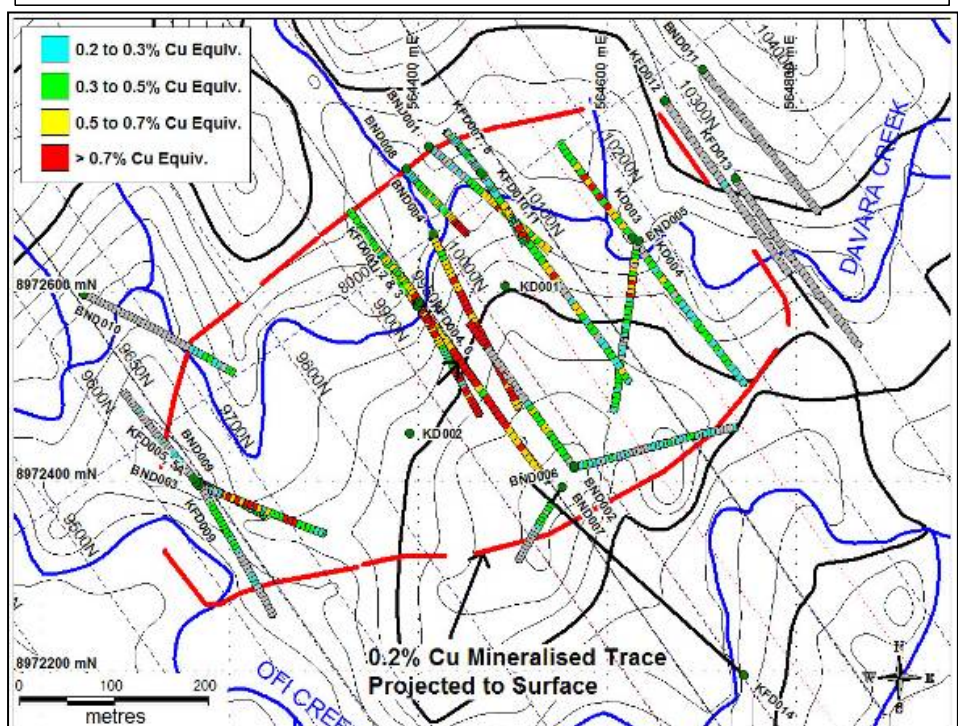
The relationship between copper percentage equivalent and tonnage is shown graphically in Figure



1(right).

The Inferred Resource is currently defined by a total of 24 drill holes (Table 2) for 8,151m and the block model was run using the same interpolation parameters as in the June 2007 and August 2006 resource estimations.

Data density, and geological confidence are good, however the resource has all been classified as inferred at this stage.

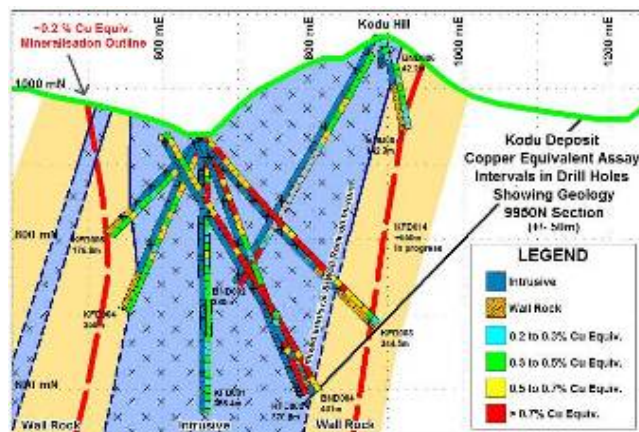
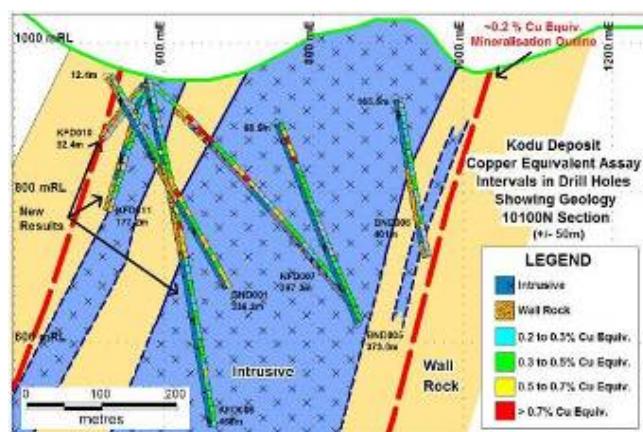


Extrapolation of end sections of the model are 50m to the south west and 75m to the north-east.

Table 2 lists all drill intersections at Kodu for comparative purposes and the hole traces can be seen on the plan above and cross sections below.

Hole ID	Intercept Length	Copper Equiv. (%)	Copper (%)	Gold (g/t)	Moly (Mo) (ppm)	Silver (ppm)	From (m)	To (m)	Easting (m)	Northing (m)	RL (m)	Azimuth (true)	Dip (°)	EOH Depth (m)
BND001	329.2	0.43	0.24	0.37	68	1.4	10.0	339.2	564411	8972754	965	131	-60	339.2
BND002	163.0	0.45	0.23	0.42	61	4.1	3.0	166.0	564565	8972414	1072	324	-60	380.0
plus	60.0	0.83	0.54	0.79	45	2.1	320.0	380.0						
BND003	229.9	0.51	0.31	0.83	29	1.7	58.0	287.9	564167	8972396	966	111	-60	287.9
BND004	399.0	0.75	0.52	0.57	45	2.8	2.0	401.0	564416	8972662	938	160	-60	401.0
BND005	359.8	0.39	0.22	0.28	68	2.0	20.0	379.8	564633	8972654	951	194	-60	379.8
BND006	391.0	0.24	0.10	0.08	92	3.1	10.0	401.0	564565	8972416	1072	83	-60	401.0
BND007	94.6	0.28	0.08	0.08	134	5.0	43.4	138.0	564552	8972394	1071	215	-60	210.7
BND008	296.0	0.54	0.35	0.32	87	N/A	4.0	300.0	564387	8972730	946	142	-70	300.0
BND009	218.0	0.30	0.21	0.24	17	N/A	54.0	272.0	564167	8972399	966	150	-60	340.8
BND010	99.0	0.28	0.16	0.12	77	N/A	248.0	347.0	564045	8972598	924	116	-61	347.0
BND011	396.0	0.06	0.03	0.04	19	N/A	0.0	396.0	564700	8972835	1042	145	-60	398.1
KD001	442.0	0.23	0.13	0.22	20	1.7	64.0	506.0	564492	8972606	996	0	-90	543.8
KD002	510.3	0.46	0.26	0.24	108	1.7	2.0	512.3	564391	8972451	989	0	-90	512.3
KD003	260.0	0.35	0.16	0.21	105	1.8	40.0	300.0	564627	8972658	951	140	-50	300.0
KD004	182.0	0.58	0.34	0.41	105	1.6	12.0	194.0	564627	8972658	951	320	-50	195.0
KD005*	300.0	N/A	0.01	0.20	3	0.6	0.0	300.0	563555	8972235	888	150	-50	300.0
KFD001	366.4	0.45	0.27	0.28	79	2.3	0.0	366.4	564399	8972588	935	145	-85	366.4
KFD002	366.5	0.72	0.49	0.47	65	2.9	4.0	370.5	564399	8972588	935	145	-65	370.5
KFD003	338.6	0.74	0.49	0.47	83	2.9	6.0	344.6	564399	8972588	935	145	-50	344.6
KFD004	246.2	0.53	0.32	0.30	105	1.3	4.0	250.2	564401	8972590	935	325	-65	250.2
KFD005A	450.0	0.48	0.32	0.39	31	1.5	50.0	500.0	564164	8972398	966	110	-80	500.0
KFD006	174.8	0.47	0.27	0.22	117	1.2	2.0	176.8	564399	8972585	935	325	-45	176.8
KFD007	188.0	0.53	0.33	0.38	74	1.5	8.0	196.0	564468	8972724	946	143	-45	397.3
plus	163.3	0.38	0.22	0.26	64	1.4	234.0	397.3						
KFD008	454.6	0.37	0.23	0.22	63	1.1	14.0	468.6	564468	8972724	946	145	-80	468.3
including	312.0	0.42	0.26	0.25	75	1.2	66.0	378.0						
plus	80.3	0.36	0.26	0.28	19	1.2	388.0	468.3						
KFD009	38.0	0.23	0.17	0.11	19	0.5	50.0	88.0	564162	8972403	969	325	-65	286.8
KFD010	40.0	0.25	0.11	0.06	99	1.3	8.0	48.0	564466	8972726	946	325	-50	92.4
KFD011	171.2	0.28	0.11	0.06	131	1.0	6.0	177.2	564466	8972726	946	325	-75	177.2
KFD012	Awaiting Assays from 190m to EOH								564661	8972802	1008	145	-45	519.1
KFD013	12.0	0.21	0.04	0.27	69	1.5	22.0	34.0	564736	8972720	985	145	-45	350.4
KFD014	Awaiting Assays								564745	8972195	971	312	-45	488.9

Note: KFD008 has 34m of rock <0.2% Cu Equiv. included in the weighted assay average interval 2 zones

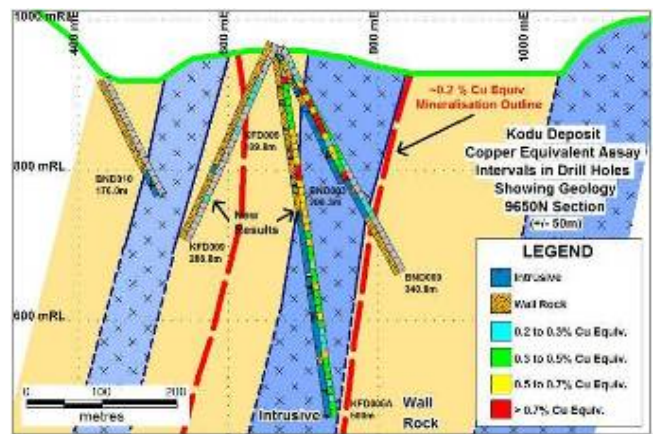


Additional Resource Potential

An analysis was completed to assess the additional tonnage potential outside the boundaries of resource model that was utilised for the revised (June 2007) Inferred Resource and results are considered very encouraging.

The weighted assay averages, for the last 10m or so of every hole at the Kodu Deposit, were calculated and the results tabulated. Table 3 shows that most holes (84%) utilised in the resource estimation were terminated in mineralisation greater than the cut-off grade of 0.2% copper equivalent*.

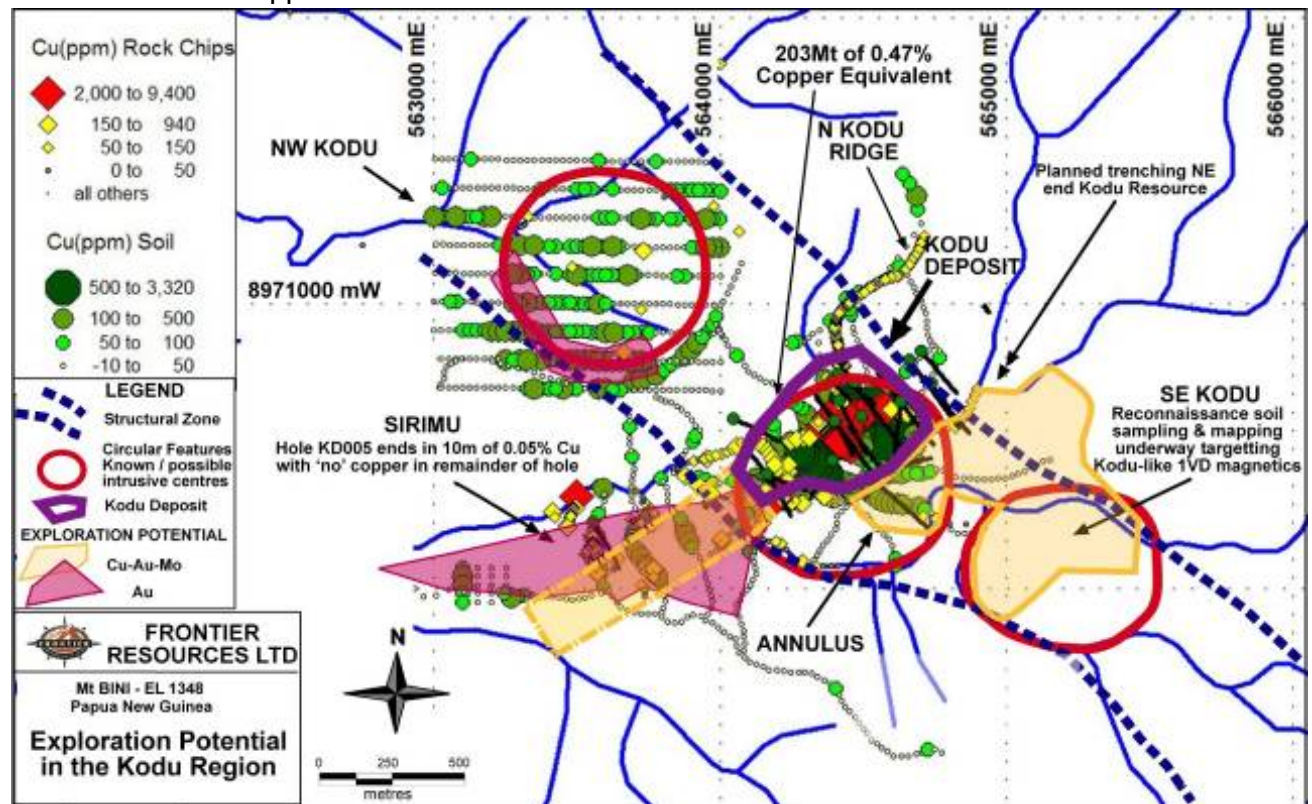
This is encouraging because it shows that the limits of the mineralised envelope are yet to be reached in general.



The Kodu mineralisation is still completely open to the SW (see plan below) and at depth. The NE strike extent now appears closed, but mineralisation in that sector may be fault dislocated to the NE.

Surface gold and base metals anomalism lies adjacent to a blind (non-outcropping) analytical signal anomaly located to the SW of Kodu, that is yet to be drill tested for porphyry copper - gold - molybdenum mineralisation. Hole KD005 (drilled to test for gold mineralisation and returned 2m of 15.5 g/t) is nearly 'on strike' of the known copper - gold - molybdenum mineralisation at the SW end of Kodu (KFD005A) and the hole was terminated by the former JV partner approximately 50m laterally from an adjacent analytical signal anomaly.

A similar analytical signal anomaly at Kodu has been correlated with a chlorite - magnetite - pyrite - chalcopyrite alteration assemblage which tends to be strongly mineralised in both copper and gold. Interestingly, the two highest copper results in KD005 (maximum 0.173% copper) were both located in the bottom 10m interval of KD005, perhaps indicating proximity to more substantial copper mineralisation.



Additional porphyry copper - gold - molybdenum mineralisation potential also exists immediately to the SE of the Kodu Deposit, associated with an untested circular feature (similar to the Kodu Hill), that contains similar magnetic and radiometric anomalies to the Kodu Deposit and is located in an obvious NW trending structural zone located within the NE trending Mt Bini Transfer Structure.

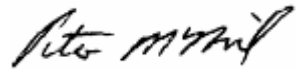
Table 3. Approximately 10m Long Weighted Assay Averages From the End of Drill Holes at the Kodu Deposit Documenting Mineralisation Potential Continuing at Depth and Possible Width & Strike Extensions

Hole ID	End of Hole		Depth Downhole		Copper (%)	Gold (g/t)	Moly (Mo- ppm)	Silver (g/t)
	Copper Equivalent	Intercept Length	From (m)	To (m)				
BND001	0.54 %	9.2 m	330.0	339.2	0.33	0.66	18	1.35
BND002	1.06 %	10.0 m	370.0	380.0	0.68	0.68	146	2.60
BND003	0.33 %	9.9 m	278.0	287.9	0.17	0.17	91	1.00
BND004	0.54 %	11.0 m	390.0	401.0	0.33	0.42	73	0.99
BND005	0.26 %	9.8 m	370.0	379.8	0.13	0.12	74	1.00
BND006	0.23 %	11.0 m	390.0	401.0	0.08	0.03	104	3.91
BND007	0.11 %	10.7 m	200.0	210.7	0.02	0.03	64	1.00
BND008	1.15 %	10.0 m	290.0	300.0	0.82	0.90	59	NA
BND009	0.06 %	10.0 m	328.0	338.0	0.04	0.05	12	NA
BND010	0.35 %	11.0 m	336.0	347.0	0.20	0.20	81	NA
BND011	0.14 %	10.0 m	386.0	396.0	0.06	0.03	62	NA
KD001	0.06 %	9.8 m	534.0	543.8	0.03	0.04	16	0.41
KD002	0.55 %	10.3 m	502.0	512.3	0.33	0.40	82	1.81
KD003	0.28 %	10.0 m	290.0	300.0	0.14	0.06	101	2.18
KD004	0.37 %	11.0 m	184.0	195.0	0.13	0.06	182	0.72
KD005	0.09 %	10.0 m	290.0	300.0	0.05	0.09	1	2.34
KFD001	0.32 %	10.4 m	356.0	366.4	0.14	0.15	106	0.97
KFD002	0.80 %	10.5 m	360.0	370.5	0.45	0.22	239	1.88
KFD003	0.30 %	9.6 m	335.0	344.6	0.15	0.07	102	1.75
KFD004	0.47 %	10.1 m	240.0	250.1	0.26	0.20	126	1.20
KFD005	0.58 %	10.9 m	98.0	108.9	0.44	0.39	19	1.16
KFD005A	0.37 %	10.0 m	490.0	500.0	0.19	0.30	76	1.20
KFD006	0.37 %	10.8 m	166.0	176.8	0.19	0.10	129	0.92
KFD007	0.27 %	9.3 m	388.0	397.3	0.12	0.07	111	0.50
KFD008	0.30 %	10.0 m	458.0	468.0	0.20	0.16	39	0.80
KFD009	0.08 %	10.8 m	276.0	286.8	0.05	0.04	17	0.04
KFD010	0.10 %	10.4 m	82.0	92.4	0.04	0.05	44	0.00
KFD011	0.61 %	9.2 m	168.0	177.2	0.11	0.05	418	0.64
KFD012	Awaiting end of hole assays			519.10				
KFD013	%	m		350.40				
KFD014	Awaiting all assays			488.90				
NB:	1	Hole BND011 and KD005 are holes that are interpreted to be just entering mineralisation on the NE and possible SW deposit strike extensions, respectively.						
	2	Holes KFD008-014, BND011 and KD005 were not utilised in the Inferred Resource estimation.						
	3	The same colour highlights are used as on table 2.						

Assay results are expected forthwith for the remainder of hole KFD012 and all of KFD014 (being all Kodu drill assays still outstanding). Megascopic mineralisation observed in hole KFD014 suggest that the mineralisation may have a more significant (high angle) easterly dip than previously recognised and this would have the potential to add tonnage to the Resource also.

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



P.A. McNeil, M.Sc.

MANAGING DIRECTOR

The information in this report that relates to Exploration Results, Mineral Resources is based on information compiled by, or compiled under the supervision of Peter A. McNeil - Member of the Aust. Inst. of Geoscientists and Robert D. McNeil - Fellow of the Aust I.M.M. Peter McNeil and Robert McNeil are Managing Director and Chairman of Frontier Resources, respectively and neither is a full time employee of Frontier. Peter McNeil and Robert McNeil, have collectively 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, Mineral Resources and Ore Resources. Peter McNeil and Robert McNeil consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

About Frontier Resources

- **Frontier is focused on exploring the highly mineralised Pacific 'Rim of Fire', Papua New Guinea and the major Kodu copper - gold - molybdenum Deposit. The Company is also exploring the Andewa gold Project, Elo and Bukuam porphyries, plus the SMRV zinc - lead - silver - gold Project in Tasmania.**
- **Frontier's objective is to advance the Kodu Deposit rapidly and cost effectively, by confirming, delineating and expanding the Resource base. A Scoping Study is being undertaken to evaluate various parameters associated with possible development paths forward for the deposit and its further exploration.**
- **The Company has a 100% interest in 3 Exploration Licences (Kodu, Likuruanga and Andewa) covering approx. 804 km² of quality copper and gold properties in PNG and 5 Exploration Licences + 2 Retention Licences covering 211 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/or drill hole and are in the same or similar geological terranes as existing World Class and/or major mines.**
- **The global Inferred Resource at the Kodu Deposit contains 945,000 tonnes of copper equivalent* grading 0.47%, within 203 million tonnes grading 0.28% copper + 0.32g/t gold + 73ppm molybdenum + 1.8g/t silver. It contains 570,000 tonnes of copper, 65 tonnes of gold, 15,000 tonnes of molybdenum and 365 tonnes of silver (or 1.25 billion pounds of copper, 2.1 million ounces of gold, 33 million pounds molybdenum and 12 million ounces of silver).**
- **A higher grade core appears to run the length of the deposit and could provide the basis for a 'Starter Pit'. Additional drilling will clarify this.**
- **Frontier's Directors and management team have more than 200 years combined experience in PNG and Australia.**
- **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.**
- **The Company is an ASX listed junior mineral explorer whose shares also trade on the Frankfurt, Berlin and Munich Stock Exchanges.**

Notes:

- o ***Copper Equivalent** is the contained copper, gold, silver and molybdenum that are converted to an equal amount of pure copper and summed (based on assays of mineralised rock and actual metal prices). It is used to allow interpretation of the possible theoretical 'value' of mineralised rock, without consideration of the ultimate extractability any of the metals.
- o Copper Equivalent* is based upon metal prices of US\$3.32/lb Cu, US\$654/oz Au, US\$32/lb Mo (57% MoO₃ conc.) & US\$13.20/oz Ag (12/6/2007). The formula used is $\text{Cu Equivalent}^* \% = \text{Cu}(\%) + \text{Au}(\text{g/t}) \times 0.28728 + \text{Mo}(\text{ppm}) \times 0.00115 + \text{Ag}(\text{g/t}) \times 0.00580$.
- o Island Arc porphyry copper- gold- molybdenum deposits such as Kodu, typically recover contained Cu, Au, Mo and Ag (subject to metallurgical characteristics and prevailing metal prices).
- o The ASX requires a metallurgical recovery be specified for each metal, however, no testwork has ever been undertaken at Kodu and recoveries can only be assumed to be typical for Island Arc porphyry copper - gold - molybdenum - silver deposits.
- o It is the Company's opinion that each of the elements included in the metal equivalents calculation have a reasonable potential to be recovered if the project proceeds to mining.
- o **Gold Equivalent** is the contained gold, silver and lead that are converted to an equal amount of pure gold and summed (based on assays of mineralised rock and actual metal prices). It is used to allow interpretation of the possible theoretical 'value' of mineralised rock, without consideration of the ultimate extractability any of the metals.
- o Gold Equivalent is based upon metal prices of US\$654/oz Au, US\$13.20/oz Ag and US\$1.05/lb Pb (12/6/2007). In terms of value at those prices, 1g/t Au = 49.55 g/t Ag and 1g/t Au = 0.908%Pb. The formula used to calculate Au Equivalent* g/t = $\text{Au}(\text{g/t}) + (\text{Ag}(\text{g/t})/49.55) + (\text{Pb}(\%) / 0.908)$.
- o Island Arc epithermal gold- silver -basemetal deposits such as apparent at SW Kodu, Sirimu and NW Kodu typically recover contained Au, Ag and basemetals if in sufficient quantities (subject to metallurgical characteristics and prevailing metal prices).
- o The ASX requires a metallurgical recovery be specified for each metal, however, no testwork has ever been undertaken at SW Kodu and recoveries can only be assumed to be typical for Island Arc epithermal gold- silver - basemetal deposits.
- o It is the Company's opinion that each of the elements included in the metal equivalents calculation have a reasonable potential to be recovered if the project proceeds to mining.
- o Drill core was sampled as 2m half core composites for the entire length of the hole. Quality control was assessed via submission of known standards every 10 samples (~20m downhole). Laboratory quality control reported good repeatability for in-house standards, as well as for duplicate drill core analysis undertaken every ~35th sample. Assaying was carried out at ALS Chemex in Townsville using the ICP technique with analysis for Ag, As, Cu, Mo, Pb, S, Sb and Zn and 25 gram fire assays for Au.