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## **Ok Tedi Mining Ltd Proposes Exploration Budgets Totalling Approximately US\$37 million on the Two Joint Ventures - Five Tenements for 2012 - 14**

Frontier Resources Ltd (the 'Company') is pleased to announce that Ok Tedi Mining Ltd ('OTML') has budgeted approximately US\$13.5 million on exploration relating to the alliances' two Joint Ventures ('JVs'), covering 5 Exploration Licences in Papua New Guinea for 2012.

In addition, OTML anticipates budgets of approximately US\$12 million per annum for both JVs for 2013 and 2014 (refer to Table 1 and Figure 17).

Chairman and Managing Director Peter McNeil M.Sc. commented:

*Ok Tedi Mining are now exploring in earnest on four of Frontier's five Joint Venture Exploration Licences in PNG, with the current programme of more than 21,000m of drilling having commenced from late 2011 extending through 2012. The total budget is estimated to be about US\$13.5 million for 2012 and about US\$24 million for 2013/2014. This high level of exploration activity should ultimately be very beneficial to Frontier and its shareholders.*

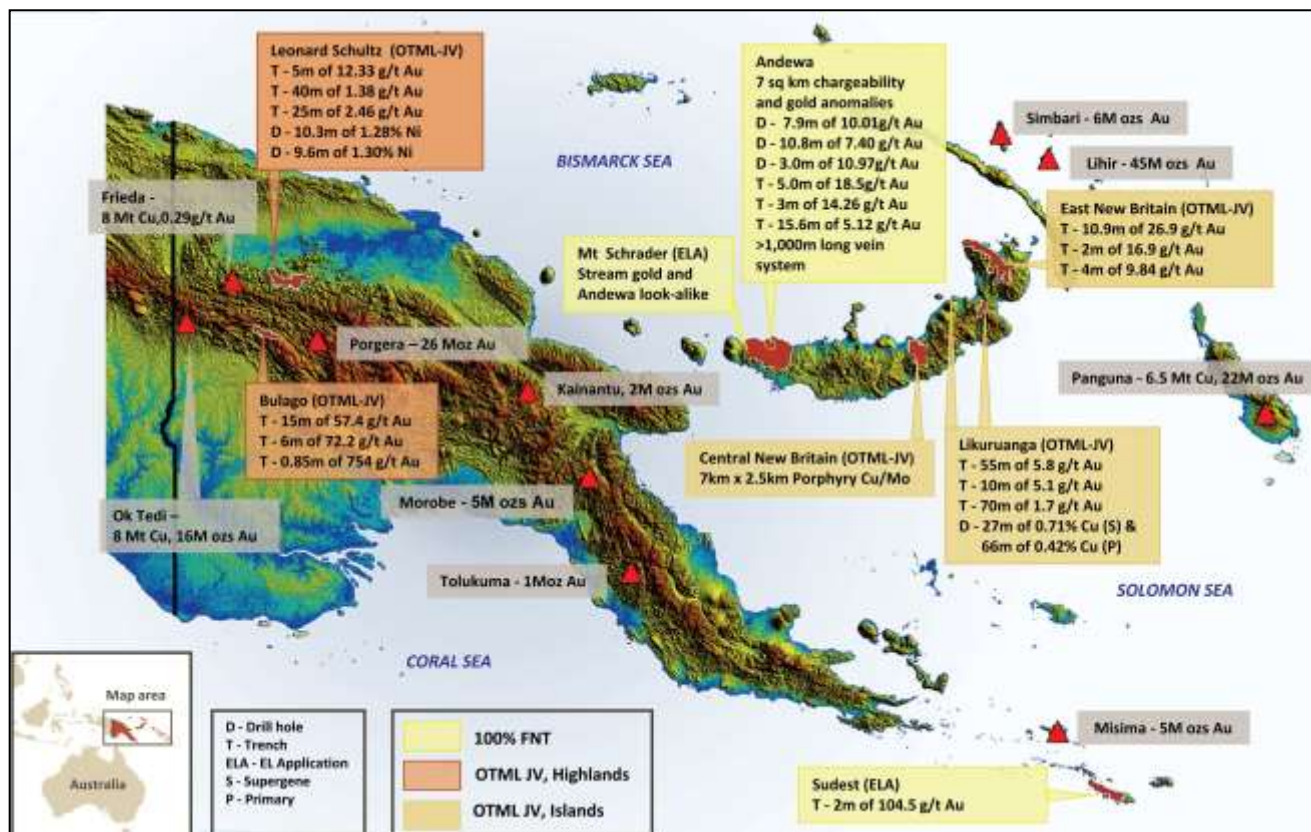
EL Number	EL Name	Proposed Budget for 2012	Planned Drilling	Planned Geophysics	Comments
1351	Likuruanga (Esis)	\$ 6,330,000	11,200 m	NIL	Drill 5,600m at Esis and allocate 5,600m for Pele and Bukuam etc
1592	East New Britain	\$ 280,000	Nil	\$ 280,000	Aeromagnetics and radiometrics planned for approx. 5/2012.
1595	Bulago	\$ 2,325,000	3,600 m	NIL	Drilling underway with 2 rigs
1597	Leonard Schultz (Sumwari)	\$ 2,235,000	3,600 m	NIL	Soil sampling, trenching and subsequent drilling
1598	Central New Britain	\$ 2,495,000	2,800 m	\$ 320,000	Aeromagnetics and radiometrics completed 2/2012, ground IP and drilling planned
	<b>TOTAL</b>	<b>~\$ 13,665,000</b>	<b>21,200 m</b>		

For additional information relating to Frontier Resources, please visit the Company's website at [www.frontierresources.com.au](http://www.frontierresources.com.au) or feel free to contact me.

**FRONTIER RESOURCES LTD**

P.A. McNeil, M.Sc.  
 CHAIRMAN / MANAGING DIRECTOR

The information in this report that relates to Exploration Results and Mineral Resources 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 the Managing Director of Frontier Resources, who consults to the Company. Peter McNeil 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, Mineral Resources and Ore Resources. Peter McNeil consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.



## About the Ok Tedi Mining Ltd Joint Venture

### FRONTIER HAS AN EXCELLENT STRATEGIC ALLIANCE CONSISTING OF TWO EARN-IN JOINT VENTURES WITH PNG BASED WORLD CLASS COPPER PRODUCER OK TEDI MINING LTD (OTML) ON FIVE HIGHLY PROSPECTIVE TENEMENTS

- OTML's total earn-in requirement is US\$60 million over 6 years, consisting of US\$12 million for each project.
- Frontier is then deferred carried to completion of a Bankable Feasibility Study on each tenement, repayable from 50% of future cash flow.
- OTML has the option to purchase an additional 14% of the Bulago and Leonard Schultz ELs (EL 1595 and 1597) for 14% of a future Feasibility Study's Net Present Value.
- The JVs cover a total area of 2,690 km<sup>2</sup>.
- 21,200m of drilling is planned on 4 ELs in 2012; it commenced at EL 1595 in late 2011 and at EL 1597 early 2012.
- OTML has completed large and detailed aeromagnetic and radiometric programs at the Bulago, Leonard Schultz, Likuruanga and Central New Britain (recently) ELs, to discriminate and rank targets for follow up exploration.
- OTML is a major producer of copper concentrate from the Ok Tedi mine (that started operations in 1984) and has become the single largest business contributor to the economy of PNG. For the years 2010 and 2011, OTML's export earnings were K4.7 billion and 4.2 billion, representing 30% and 25% of PNG's total export earnings respectively. The contributions of the mine to PNG are wide reaching improving opportunities for employment, education and health services.
- OTML holds its interests in the JVs on behalf of its largest shareholder, PNG Sustainable Development Program Limited, but has an option to acquire that interest. However, OTML personnel manage the JVs and associated exploration activities.

### Exploration results from the OTML JV projects have included:

- The Bulago JV has 10 zones of high-grade gold in outcrop channel samples at the Suguma and Funutu Prospects from continuous chip outcrop channel samples. Trench intercepts included 27m of 66.8 g/t gold, 4m of 135.6 g/t gold, 9m of 64.0 g/t gold, 16m of 36.5 g/t gold, 18m of 40.3 g/t gold, 7.5m of 67.0 g/t gold and 9m of 24.0 g/t gold.
- The Kru and nearby Wasi Prospects in the Leonard Schultz JV have excellent gold outcrop trench channel sample assay results including 16m of 18.60 g/t gold contained within 76m of 5.35 g/t gold. Additional significant assay results included 22m of 2.71 g/t and 36m of 1.15 g/t (within 384.3m of 0.67 g/t gold) in outcrop trench.
- Likuruanga JV - Esis Prospect has 27m of supergene mineralisation grading 0.71% copper (from 33m depth), plus 66m of primary grading 0.42% copper (from 86.6m to end of hole), with the last 7.6m of the hole grading 0.49% copper. The Bukuam porphyry copper-gold-molybdenum soil anomaly is over 4.8km long and has not yet been drilled.