



CONTACTS
PO Box 52
West Perth
WA 6872 Australia

ABN 96 095 684 389
ASX : FNT

PHONE
+61 (08) 9295 0388
FAX
+61 (08) 9295 3480

EMAIL
info@frontierresources.com.au
WEBSITE
www.frontierresources.com.au

ASX Limited
Company Announcements Office
Announcement

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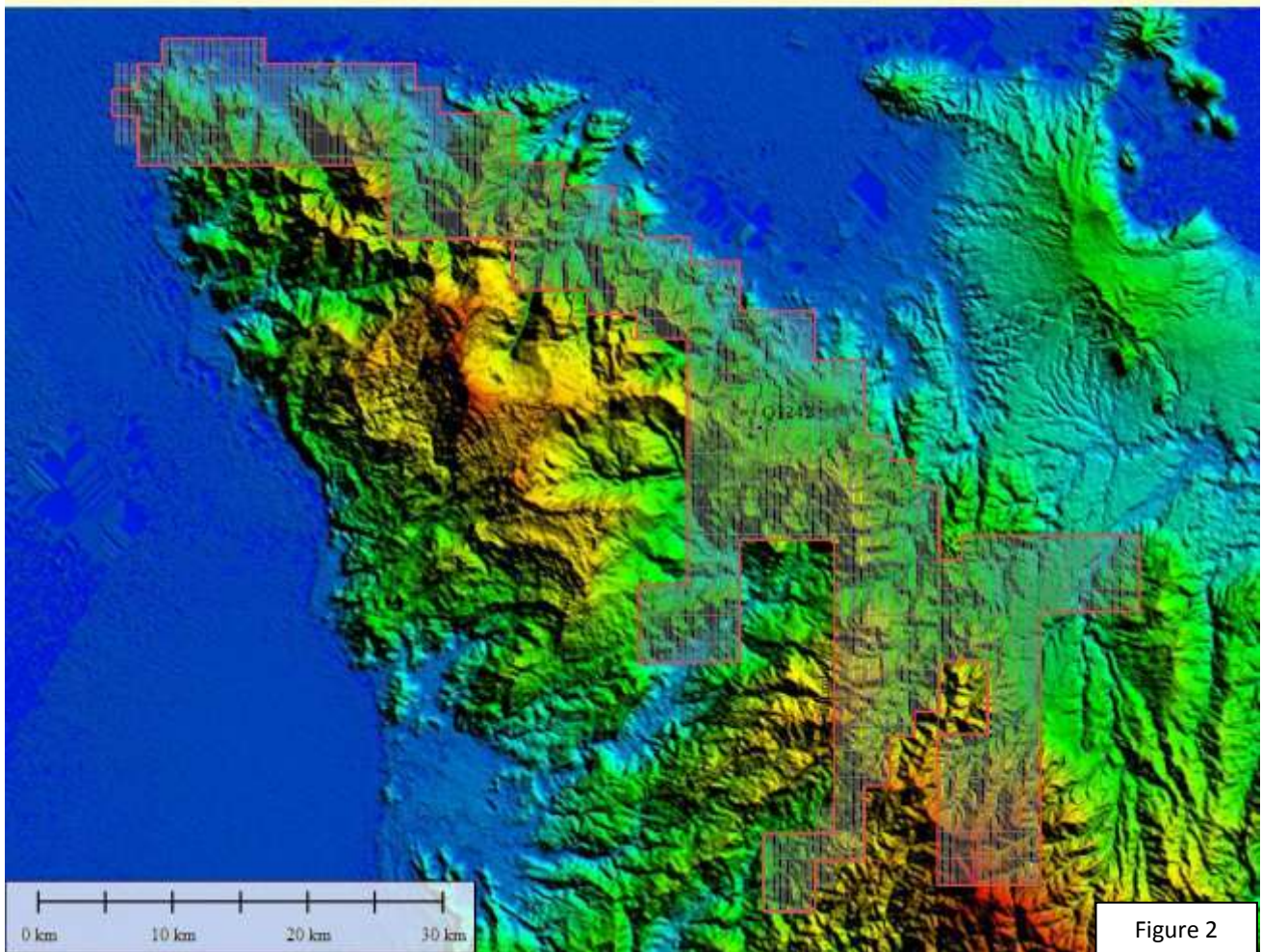
1,000 Sq Km Aeromagnetic - Radiometric Geophysical Survey Initiated by Ok Tedi Mining Ltd at the East New Britain Joint Venture in PNG

- **A very large aeromagnetic and radiometric geophysical survey has been initiated by OTML Ltd at the East New Britain Joint Venture (EL 1592), located on the Gazelle Peninsula of New Britain Island, in the NE of Papua New Guinea (figure 1).**
- **The geophysical survey covers the entire 1,003 sq km area of Exploration License 1592 at a 50m sensor height on 200m traverse spacing, with 2,000m spaced tie lines, for 5,959 line kilometres total (refer to figure 2 for the EL and proposed survey boundaries).**
- **The exploration program is budgeted to cost at least US\$ 600,000.**
- Interpretation of the survey data will be undertaken by specialist geophysical consultants in conjunction with OTML and should become available in about 3 months.
- In addition to the digital aeromagnetic and radiometric data, images will be produced of Total Magnetic Intensity -TMI (and derivative enhanced TMI), radiometrics and the digital elevation model for evaluation.
- The geophysical data will then be integrated with the existing geological and geochemical information to discriminate and rank targets for follow up exploration, potentially including drilling.
- In May 2010 Frontier and OTML established a Joint Venture that relates to 3 ELs and 2 EL Applications in PNG (that have since been granted).
 - OTML have the option to earn 80.1% of EL 1592 by spending US\$12 million within 6 years (from 21/3/2011).
 - Frontier is carried from completion of earn-in to the completion of a Bankable Feasibility Study, with pro-rata (carried) repayments from 50% of its future metal sales.
 - Frontier's equity is non-dilutable if the PNG government elect to participate in the project at the time of granting of a Mining Lease.
- For additional information relating to Frontier Resources please visit our website at www.frontierresources.com.au or feel free contact me.



Figure 1

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