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EL20/96 – Elliott Bay

Annual Report to April 11th 2007.

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April 11, 2007**

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Summary

The Annual Report for EL20/96 provides details Frontier's exploration progress during the year to 11th April, 2007. No field work was undertaken due to Frontier's company commitments in Papua New Guinea. Joint venture opportunities were unsuccessfully sought during the year; efforts are ongoing in this regard. Regardless, a significant exploration program is planned for the coming 2007/8 field season, which will be funded from the current rights issue.

Further evaluation of the 38.4 line km 3D IP survey was conducted to yield vectors to base metal-rich VHMS mineralisation in the Wart Hill area. Interpretation of the geophysical results is an evolving process, with past seasons drilling providing ground truthing of modelled geophysical character. Targeting has subsequently been re-evaluated using a combination of geophysics and Frontier's strong understanding of the stratigraphy and mineralisation gleaned from previous drilling and mapping. Analysis of results was undertaken using Frontier's GIS coverage's in conjunction with three dimensional viewing software.

Previous drilling has focused upon evaluating the resource potential of the V19 prospect helped define an extensive base / precious metal mineralised horizon. The continuity of base/ precious metal mineralisation has now been documented by drilling over a minimum 270m distance down plunge on the host horizon, effectively from surface (Figure 1). The V19 mineralisation apparently plunges moderately to the south, on an overturned east facing and west dipping fold limb. This open mineralisation will be drill targeted during the 2007/8 field season. Drill targets are to be generated from structural and stratigraphic understanding, as well as the 2005/6 3D IP survey results and possibly down hole EM to provide a vector to the faulted off mineralisation. Approximately 1200m or more drilling is planned for the V19 area.

Work on EL20/96 is to be undertaken in conjunction with field work on adjacent EL's in the V34 (Aldebaran), NE Osmund area (EL's 21/1999 & 20/2006) and two sites within the Innes Peak area EL19/2006. A further ~450m of drilling at the V34 Prospect on the adjacent EL21/99 and ~500+m in regional prospects (EL's 21/1999, 19 & 20/2006) is anticipated. Work is planned to commence in Late November / Early December 2007.

Introduction

The following report details Frontier Resources Ltd.'s exploration within EL20/1996 during the tenure year to 11th April 2007. No field work was undertaken by Frontier Resources Ltd. within EL20/1996 during the 2006/7 field season, the work being postponed while a significant exploration commitment was underway in Papua New Guinea. The latter absorbed considerable funds prior to capital raising, just undertaken. A request for a variation of expenditure commitments on EL's 20/96 and 21/99 was submitted to MRT to cover the company's current position. Planning for exploration in the 2007/8 field season is at an advanced stage with approval for work having been sought for the planned 2006/7 field season.

The primary targets are high-grade gold (such as Henty) and high-grade polymetallic volcanic hosted massive sulphide deposits (such as Rosebery). Hybrid VHMS models for mineralisation are also to be further tested during the 2006/7 field season, particularly in the Wart Hill area. The exploration philosophy will also be open to include other deposit styles, such as Iron Oxide Copper Gold (IOCG) style, as well as structure and porphyry intrusion-related gold styles.

Location, Access and Land Use

EL20/96 is located in the remote southwest of Tasmania (see Figure 1) around 40 kilometres west of Strathgordon and ~70 kilometres south of Strahan. Access to the area is difficult as infrastructure is minimal to non-existent. The southwest of Tasmania is exposed to the roaring forties and is often windy and wet even in mid-summer.

Much of the southwest of Tasmania is listed as a World Heritage Area and the land tenure is classified as National Park. However the strip of land between Elliott Bay in the south and the southern shore of Macquarie Harbour to the north has been deliberately excluded from the World Heritage Area on the basis of its prospectivity (and lesser wilderness values).

The Elliott Bay area remains classified as Conservation Area and as such is open to mineral exploration. The Tasmanian Government proclaimed the prospective rocks south of Macquarie Harbour to be within the Sorell Peninsula Prospectivity Zone, a recognition of the mineral potential of the area. Under this act any change in the status of the land within the zone requires the approval of both houses of the Tasmanian parliament with any affected party entitled to compensation (this does not cover any decisions of the Federal government).

A rough 4WD track (Low Rocky Pt Track) runs from the southern end of Birches Inlet (south-eastern corner of Macquarie Harbour) to the unmanned lighthouse at Low Rocky Point. The track was initially constructed by Exploration companies in the 1950's and 1960's but has been rarely used since. Barging of heavy equipment across Macquarie Harbour to access the track has occurred successfully in the past. Previous exploration has seen bombardiers, excavators and drilling rigs (L38's) unloaded here and driven down to the Elliott Bay area. 4WD bike and motorbike enthusiasts occasionally use the track.

The alternative access is by air. The Moores Valley airstrip (10 kilometres north of Mt Osmund) was constructed in the 1950's and is serviceable by light fixed wing aircraft.

Previous exploration campaigns have accessed the area by helicopter and light plane either from Strathgordon or Strahan. Large equipment has been transported down the coast by boat or barge and airlifted from the deck whilst the boat/barge is sheltered in the mouth of the Mainwaring River or Cowrie Beach. TasGold's 2004 exploration campaign was mobilised in this manner.

TasGold's (now Frontier Resources Ltd.) January 2005 mobilisation efficiently utilised the Hobart Ports barge "Kalundra" with some 45tonnes of gear loaded in Hobart and boated to the Lewis River mouth. The barge doors were lowered onto an outcropping point, allowing unloading of tracked vehicles which included an 7.5t excavator and two 3.5t rubber tracked crawler dumpers. Other equipment and supplies were sling loaded from the river mouth to the Wart Hill drill site and camp. Demobilisation followed the reverse procedure late in the 2005/6 field season.

A semi-permanent camp is located just south of Wart Hill. The Camp was first constructed by Geopeko Ltd. and is currently managed by Mineral Resources Tasmania. This facility was re-established by TasGold Ltd after it was vandalised and burned in 2003. No Frontier property remains on site at present.

Tenure

E.L. 20/1996 was granted to Exploration and Management Consultants (EMC) in 1997. After reviewing the historic data, EMC joint ventured the EL to Fimiston Ltd in 1998 who completed two drill holes at Wart Hill and then withdrew from the JV in 1999. Much of the former EL20/1996 has been relinquished with the current EL occupying a remnant 11 km² (Figure 1). Much of the former EL has been acquired by TasGold Ltd as EL21/1999. Terms of extension for the remaining EL20/1996 have been granted to TasGold Ltd annually on the proviso they completed expenditure commitments and return significant results. Presently, Frontier Resources Ltd. (formerly TasGold Ltd.) is the sole tenement holder in the Elliott Bay Region.

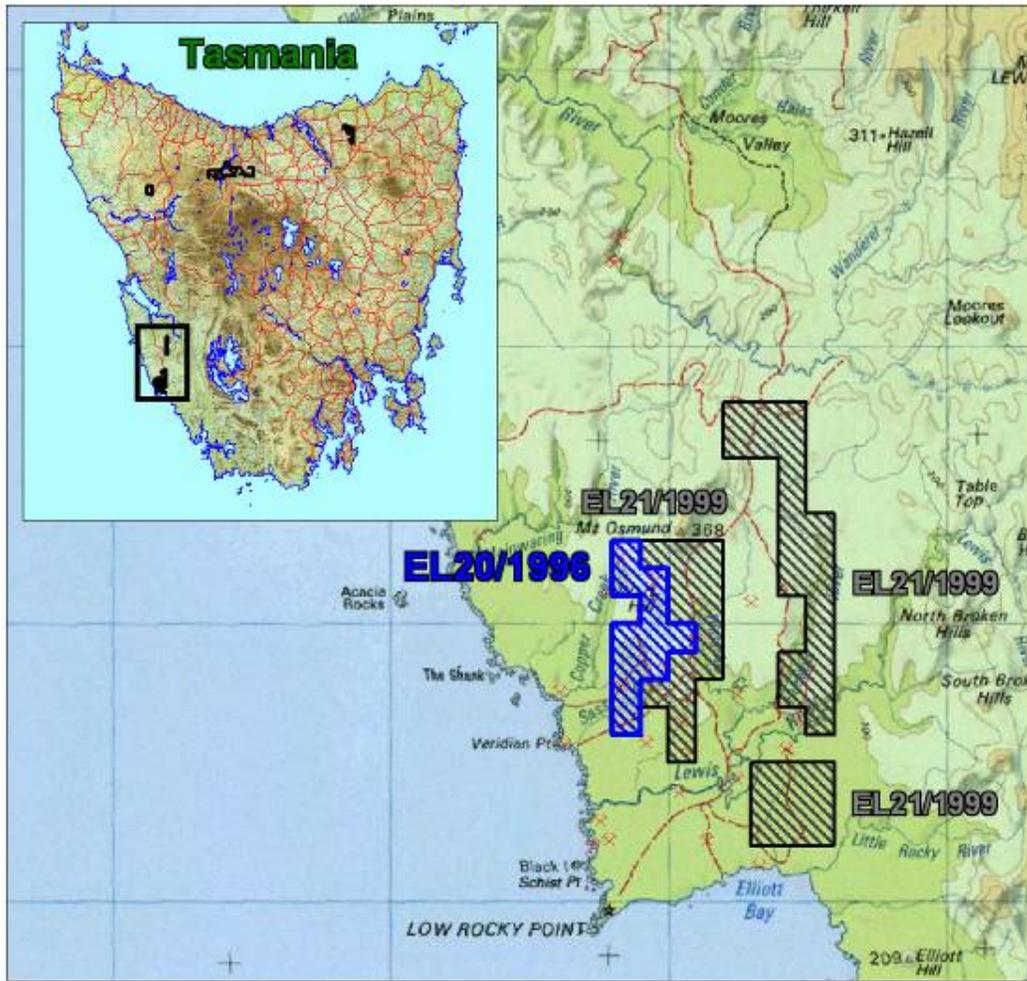


Figure 1: Location of EL20/1996

Environmental Concerns

TasGold has undertaken environment surveys on an annual basis since 2003/2004 to comply with the requirements of the MEWG (Mineral Exploration Working Group). Orange Bellied Parrot and Wedge Tailed Eagle surveys investigating areas of planned exploration activity have been conducted by independent consultants prior to commencing work each field season. An Aboriginal heritage survey by independent consultants was also undertaken in late 2004, investigating the Lewis River landing and route to the Wart Hill camp.

Most recently, an Orange Bellied Parrot and Wedge Tailed Eagle was conducted from 22/11/2005 to 25/11/2006. As with past surveys, no parrots were sited and whilst eagles were seen, no evidence of nests has been observed. TasGold completely rehabilitated drill sites and access tracks in the Wart Hill area at the end of the 2006 field season.

All equipment (including quad bikes) are washed down prior to mobilisation to minimise the threat of phytophthora infection. All activities are undertaken within the

guidelines outlined in Mineral Resources Tasmania's Mineral Exploration Code of Practice.

Geology and Mineralisation

The regional geology of the Elliott Bay area is discussed in TasGold's Annual Report on Exploration for EL20/96 for 2004 (Callaghan, 2004). The geology, structure, mineralisation and alteration of the Wart Hill area is discussed by Reid (et. al. 2005), with further detail provided in Poltock (1989).

Mapping and interpretation is on going with significant advances in the understanding of the geology providing confidence and direction for further exploration. This work to-date suggests that the massive sulphide hosting polymict volcanoclastic unit in the Wart Hill area probably lies at the equivalent of the MRV's (Mount Read Volcanics) CVC – Tyndall Group boundary. The V19 mineralisation apparently plunges moderately to the south, on an overturned east facing and west dipping fold limb. Mapping indicates that the alteration over Wart Hill itself is located up dip and peripheral to the indicated mineralisation plunge.

The targeted mineralisation style within EL20/1996 is VHMS - related base metal mineralisation. Models for mineralisation are developing with geological assessment continuing to unravel the complex nature of mineralisation at V19. Continuity is now demonstrated between intersections with semi-massive to massive primary ore consistently identified in the same stratigraphic position, in part disproving the debris flow breccia model put forward by previous workers. Note that the debris flow model is still valid locally, but such mineralised intersections are spotty, irregular and generally of low grade.

The form and distribution of alteration and mineralisation suggests that the V19 mineralisation defined to-date lies at the periphery of a larger VHMS deposit, originally located at depth to the south. Mineralisation is demonstrated to extend from surface, down dip to the south for approximately 270m. The width of mineralised intersections typically varies up to 8m, with some reaching ~16m (eg. WD001 & 2). Near surface, fingers of VHMS are mixed with weaker or poorly mineralised intercepts, whilst thicker high-grade massive sulphide intersections are evident at depth, particularly in the vicinity of 13080mN (WD009). Also at depth beyond the main VHMS intersections is a broad zone of strong silica-pyrite alteration in WH12A. Overall, mineralisation and alteration weaken to the north. These factors possibly reflect proximity to a stronger hydrothermal focus for VHMS mineralisation to the south. The likely form of mineralisation is schematically represented in long projection (Figure 2). Similarities in style to the late stage discordant mineralisation at Hercules are evident. i.e. replacement of fold hinges.

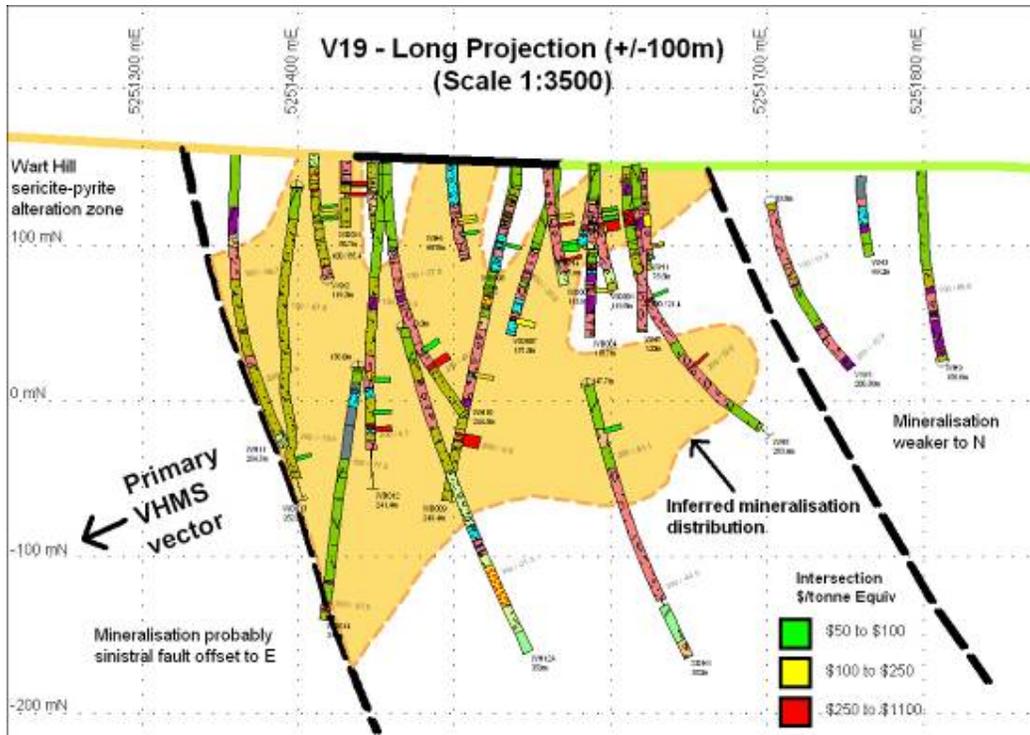


Figure 2: V19 Long Projection showing drill hole traces from a 10000mE (baseline) +/-100m search radius, inferred mineralisation distribution and intersection value per tonne equivalent.

Work Completed

Frontier did not complete any field work on EL20/1996 during the 2006/7 field season, where work over past seasons has focused upon extending the V19 base-metal sulphide resource and follow up of 3D IP targets. In total, Frontier have drilled 34 drill holes for 5477.2m on EL20/1996.

BHID	From	To	Significant Interval
WD001	55	62	7m @78g/t Ag, 7.8% Zn, 4.4% Pb & 0.4g/t Au
incl.	55	58.9	3.9m @123g/t Ag, 12.6% Zn, 7.2% Pb & 0.6g/t Au
WD001	105	106	1m @3g/t Ag, 0.1% Zn, 0.1% Pb & 4.9g/t Au
WD002	58.1	71.5	13.4m @54g/t Ag, 4.9% Zn, 2.7% Pb & 0.3g/t Au
incl.	65.7	68.5	2.8m @122g/t Ag, 10.5% Zn, 5.1% Pb & 0.3g/t Au
WD003	80	81	1m @8g/t Ag, 1.1% Zn, 0.5% Pb & 0.1g/t Au
WD004	84	89	5m @43g/t Ag, 0.8% Zn, 0.4% Pb & 0.1g/t Au
incl.	84	85	1m @82g/t Ag, 1.6% Zn, 0.8% Pb & 0.2g/t Au
WD004	101.2	108	6.8m @1g/t Ag, 0.3% Zn, 0.2% Pb
WD005	76	78.2	2.2m @52g/t Ag, 1.3% Zn, 0.6% Pb & 0g/t Au
incl.	76	77	1m @108g/t Ag, 1.9% Zn, 0.8% Pb & 0g/t Au
WD006	73	82	9m @14g/t Ag, 1.3% Zn, 0.7% Pb & 0g/t Au
incl.	76	78.5	2.5m @20g/t Ag, 2.8% Zn, 1.6% Pb & 0g/t Au
WD007	133	134	1m @53g/t Ag, 0.5% Zn, 0.2% Pb & 0.6g/t Au
WD007	137	138	1m @15g/t Ag, 1% Zn, 0.5% Pb & 0.1g/t Au
WD007	140.8	144.3	3.5m @49g/t Ag, 3% Zn, 1.9% Pb & 0.2g/t Au
incl.	141.8	142.8	1m @94g/t Ag, 4.6% Zn, 3.3% Pb & 0.3g/t Au
WWD001			No Significant Intervals
WWD002			No Significant Intervals
WWD003			No Significant Intervals; Host horizon weakly mineralised
WD008	47.5	48.5	1m @7g/t Ag, 1.19% Zn, 0.48% Pb & 0.04g/t Au from 47.5m
WD008	47.5	50.5	3m @14g/t Ag, 0.74% Zn, 0.35% Pb & 0.05g/t Au from 47.5m
WD008	72	73	1m @25g/t Ag, 1.9% Zn, 1.03% Pb & 0.08g/t Au from 72m
WD009	152	153	1m @27g/t Ag, 3% Zn, 1.79% Pb & 0.05g/t Au from 152m
WD009	197	204	7m @55.6g/t Ag, 6.16% Zn, 3.33% Pb, 0.22% Cu & 1.81g/t Au from 197m
incl.	198	199	1m @117g/t Ag, 19% Zn, 8.9% Pb, 0.88% Cu & 5.63g/t Au from 198m
incl.	197	199	2m @80.5g/t Ag, 11.82% Zn, 5.62% Pb, 0.56% Cu & 3.73g/t Au from 197m
incl.	202	204	2m @15g/t Ag, 0.96% Zn, 0.75% Pb & 0.16g/t Au from 202m
WD010	22.6	25	2.4m @162g/t Ag, 9.81% Zn, 5.11% Pb & 0.4g/t Au from 22.6m
incl.	24.5	25	0.5m @306g/t Ag, 27.9% Zn, 15.9% Pb & 0.95g/t Au from 24.5m
WD011	24.5	25	0.5m @158g/t Ag, 6.21% Zn, 3.87% Pb & 0.31g/t Au from 24.5m
WD011	17	18	1m @28g/t Ag, 2.75% Zn, 1.42% Pb & 0.09g/t Au from 17m
WD012	193	195	2m @47g/t Ag, 7.34% Zn, 3.64% Pb & 0.97g/t Au from 193m
WD012	181	182	1m @7g/t Ag, 1.77% Zn, 0.56% Pb from 181m
WD013	218	219	1m @ 6g/t Ag, 1.28% Zn & 0.41% Pb; Host horizon faulted off
WD014			No Significant Intervals; Host Horizon possibly faulted off
WD015			3m @18.7g/t Ag, 0.1% Pb & 1.45% Zn; pyritic chert intervals
WD016			No Significant Intervals; Polymict host horizon weakly mineralised

Table 1: EL20/1996 2005/6 significant drill intersections (2006 results in bold)

Work Program 2007/8 Field Season

Interpretation of past exploration results and subsequent drill hole targeting needs to strongly consider Frontier's existing data, geological understanding and mineralisation models. The 3D_IP survey from the 2005/6 field season provides three new data sets, chargeability, resistivity and conductivity, to utilise for mineralisation targeting (Figure 3). Other targeting work is likely to involve detailed ground magnetics to add to and expand the existing coverage is planned utilising Frontier's GPS enabled ground magnetometer. Further, down hole EM on the southern most drill holes at V19 may be undertaken to obtain vectors to VHMS ore, but this possibility has not been scoped at this stage. The Wart Hill Camp would be utilised along with quad bike support.

In the Wart Hill area (EL20/96), approximately 1200m of drilling will focus upon targets generated from stratigraphic and structural understanding, combined with the 2005/6 3D IP survey results. A further 450m of drilling is likely in the adjacent EL21/99 at the Aldebaran (V34) prospect to follow up this survey and 500m is likely to be undertaken in the NE Osmund area and other regional prospects as warranted.

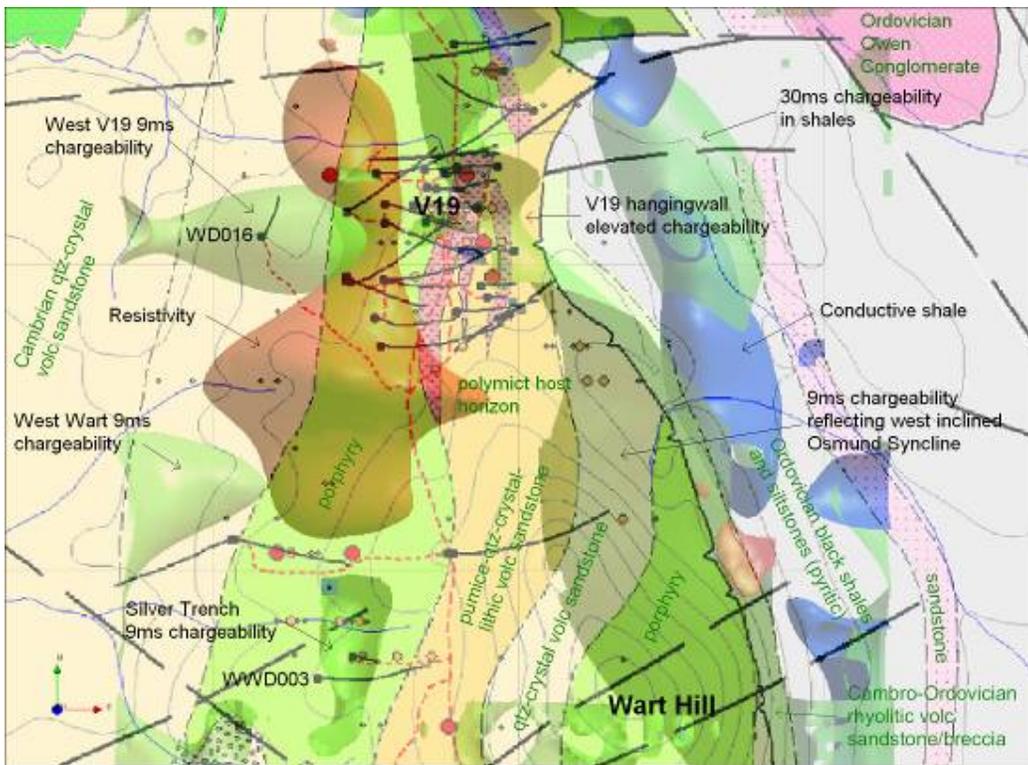


Figure 3: Summary Wart Hill 3D IP showing principal anomalies and surface geology; Resistivity (red, 4200ohmm), Chargeability (green, 9 & 30ms) and Conductivity (blue, 0.0024sm⁻¹).

References

Callaghan, T., 2004. Annual Report on Exploration EL20/96 – Elliot Bay: Annual Report to March 31 2004. TasGold Ltd.

Poltock, R. 1989. Progress report, twelve months to June 1989, Exploration Licence 40/85, Elliott Bay, Tasmania. Cyprus Gold Australia Corporation (Tasmanian Company Report 89-3032).

Reid, R., 2005. EL20/96 – Elliot Bay, Annual Report to March 31 2005. TasGold Ltd.

Appendices

Appendix 1: Digital Data

List of appended digital data files:-

EL201996_200704_01_Digital_Files.txt

EL201996_200704_02_Report.pdf