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EL20/2006 – LEWIS RIVER

ANNUAL REPORT TO 11th SEPTEMBER 2007

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October 29th, 2007

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The Annual Report for EL 20/2006 provides details of Frontier's exploration progress on the SMRV tenements during the year to 22nd August, 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. Regardless, a significant exploration program is planned for the coming 2007/8 field season, which will be funded from the current rights issue.

Significant work, including drilling, geological mapping, soil sampling and a 38.4 line km 3D IP survey, has been undertaken by Frontier on nearby EL's in recent years, resulting in a strong understanding of the area's stratigraphy and mineralisation. Evaluation of this data has yielded improved targeting vectors to base metal-rich VHMS mineralisation in the overall SMRV area.

Work on all the SMRV prospects is planned to commence in late November/early December. Field work and up to 500m of drilling is anticipated on the Lewis River area in conjunction with activities planned for EL 20/1996 (Elliott Bay), EL 21/1999 at V34 (Aldebaran) and in Innes Peak area on 19/2006.

Regionally, Frontier's primary focus is the NE Osmund Prospect, where highly anomalous gold stream geochemistry coincident with a porphyry contact, airborne EM conductor, as well as radiometric and magnetic highs will be tested by grid based soil sampling and ground magnetics. Subsequent follow up ground EM and drilling will be conducted as warranted. Geological mapping, rock chip and soil sampling will be undertaken at other stream sediment and GIS interpretation focused prospects to the north along the Low Rocky Point Porphyry contact, extending into the Innes Peak EL19/2006 area.

Introduction

The following report details Frontier Resources Ltd.'s exploration within EL 20/2006 during the tenure year to 11th September 2007. No field work was undertaken by Frontier Resources Ltd. within EL 20/2006 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. A request for a variation of expenditure commitments was submitted to MRT to cover the company's current position. Planning for exploration in the 2007/2008 field season is at an advanced stage with approval for work having been sought.

The company has already developed an insightful understanding of the geology and mineralisation of the area, resulting in a technically sound work program that's likely to successfully delineate gold and base metal resources in the area.

Key target deposit styles for the EL 20/2006 are high grade polymetallic sulfide VHMS deposits, Henty-style high grade gold deposits and other Hybrid VHMS types. Evaluation of prospectivity has been based upon GIS data collection and amalgamation with existing geochemical and geophysical data, stream sediment surveying, soil surveying and sound geological and structural mapping.

Detailed core logging, mapping and re-interpretation of all available information has substantially increased the understanding of the mineralised system at Wart Hill in the neighbouring Elliott Bay tenement, refining the mineralisation model of the whole SMRV area and improving drill hole targeting ability. Frontier Resources intend to capitalise upon these advances during the up coming field season.

Frontier Resources also plan to expand their efforts more regionally. Selection of target areas within EL 20/1996 outside the Wart Hill environs is primarily based upon MRT (Mineral Resources Tasmania) geological mapping, stream sediment geochemistry and regional magnetics and radiometrics surveys. These areas will be assessed via field disciplines including geological mapping, structural and GIS interpretation, stream sediment sampling, ground magnetics and soil sampling during the coming field season.

Location, Access and Land Use

EL 20/2006 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 Lewis River 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 45 tonnes 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 (on EL20/1996). 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

EL 21/1999, Wanderer River, which originally contained a southern block similar to that now known as EL 20/2006, Lewis River, was granted to Exploration & Management Consultants Pty Ltd and McNeil Associates Pty Ltd on 5th February, 2001, with the exploration licence expiry date being 26th January 2006. TasGold Ltd. (now Frontier Resources Ltd.) acquired a 90% interest in this and the adjoining EL 20/96 from Exploration & Management Consultants Pty Ltd and McNeil Associates Pty Ltd. The vendors retain a 10% free carried interest in the tenement to completion of a bankable feasibility study. A partial voluntary relinquishment for EL21/1999 occurred in 2005 and acquisition via the ERA process of Lewis River (EL20/2006) and Innes Peak (EL19/2006) followed. The location of the licences is shown in Figure 1. Presently, Frontier Resources is the sole tenement holder in the Elliott Bay area.

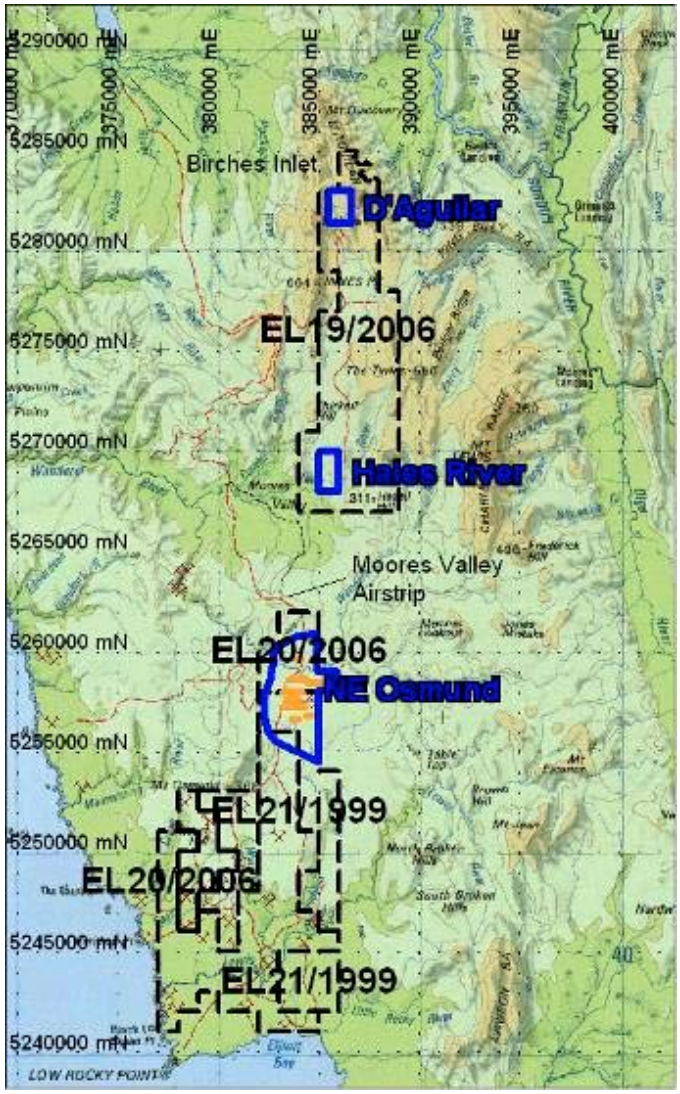

Figure 1: Location of Frontier licence areas – EL 19/2006, Innes Peak; EL 20/2006 Lewis River; EL 21/1999 Wanderer River; EL 20/1996 Elliott Bay

Environmental Concerns

The company is well aware of the environmental obligations in the EL area's. Frontier Resources Ltd. believe they can conduct further exploration programs within this context, having established contact with appropriate contractors and met the conditions set out by the MEWG for past environmental surveys.

Frontier was required to undertake several expensive environment surveys to comply with the requirements of the MEWG (Mineral Exploration Working Group), prior to exploration commencement for the 2004 and 2005 field seasons. Orange bellied parrot surveys conducted by independent consultants in December 2003 and from 28/12/2004 to 3/1/2005, investigated areas of planned exploration activity, finding no evidence of these rare parrots. A wedge tailed eagle accompanied the latter. An Aboriginal heritage survey by independent consultants from 19/12/2004 to 22/12/2004 investigated the proposed Lewis River landing and route to camp. This survey found no aboriginal relicts in the area covered.

Exploration during the 2007/8 summer field season will utilise quad bike transport along pre-existing tracks from rudimentary/temporary camps to be located near the NE Osmund Syncline anomaly primary target area. Movement of camp equipment to this site will be helicopter supported. Alternatively, gear can be transported via fixed wing to Moores valley and ferried to camp sites.

Quad bike movements will be minimised to essential traffic where possible. Most regional exploration will be undertaken by foot with minimal environmental impact anticipated from related activities, including mapping, geophysical surveys, rock chip, stream sediment and GPS located soil grid sampling.

Approval may be sought for narrow trenching across highly anomalous soil samples if warranted.

All equipment (including quad bikes) are to be washed 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.

Exploration Model

A conceptual model for VHMS-related mineralisation in the Lewis River area involves:

1. The potential to discover any of a variety of mineralization styles (Pb-Zn-Ag, Cu-Au, Au only, etc.);
2. Recognising potential to discover VHMS ore at a number of different levels (likely 2, as at V34) within the prospective volcanic stratigraphy, including at identifiable palaeoseafloor interfaces as well as sub-seafloor replacement ore bodies, and ore deposits formed deep within the volcanic

pile. Proximity to volcanic centres (with abundant debris flows and extrusive porphyry) is shown to be a critical character of the most prospective areas; Volcano-stratigraphic mapping is important in this regard;

3. Identifying broad zones of peripheral alteration (including chlorite-pyrite, sericite-pyrite, silica and hydrothermal carbonates) related to the economic mineralization either in crosscutting structures or in semi conformable zones underlying or enveloping the deposits. These peripheral zones significantly increase the chance of honing in on a deposit and can potentially be used as vectors to ore. Notably, the main host horizon and hanging wall are shown to correspond to radiometric highs in the Wart Hill area.

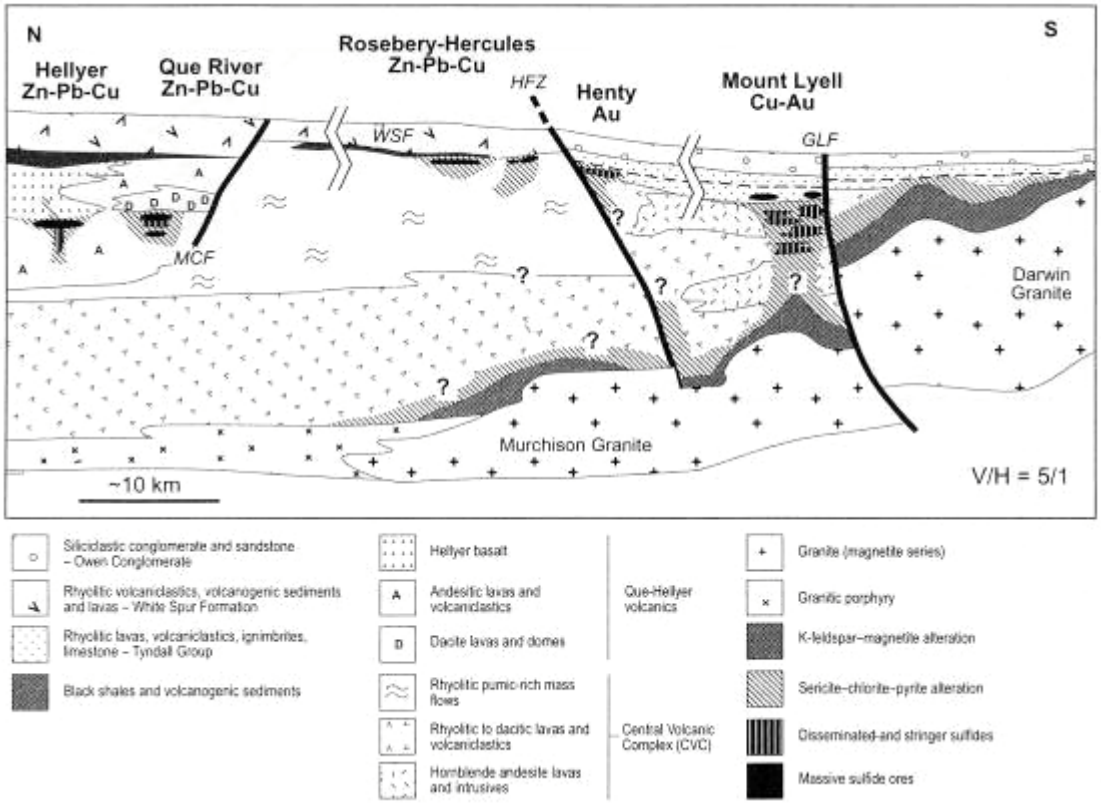

Figure 2: Long Section of the Northern Mount Read Volcanics displaying stratigraphic position of significant ore bodies, their morphology and associated alteration zones (From Large et al., 2001).

In Summary, key target deposit styles for the area are high-grade polymetallic volcanic hosted massive sulphide (VHMS) deposits (such as Rosebery), high-grade gold deposits (such as Henty) as well as other hybrid VHMS types of mineralization like Mt Lyell (Cu-Au).

Work Program

Frontier's primary regional focus is the NE Osmund area (Figure 2), where highly anomalous gold stream geochemistry coincident with a porphyry contact, airborne EM conductor, as well as radiometric and magnetic highs will be tested by geological mapping, rock chip sampling, informal GPS grid based soil sampling and ground magnetics. Subsequent follow up ground EM, possibly IP and drilling will be conducted as warranted.

Soil grids with 25m spaced sampling will be wider spaced for the initial broad focus phase (200m), with infill immediately on key targets identified from geological mapping, ground magnetics and soil sample logging. Approximately >8000m of soil sampling will be undertaken. A cursory examination of the area indicates that a power auger would most efficiently sample the area. Most of the country is relatively open enabling soil sampling via a single pass of a quad bike mobilised power auger with GPS located sample sites on an informally located grid. Strongly vegetated areas can be hand auger in-filled. Grid cutting is planned to be minimised.

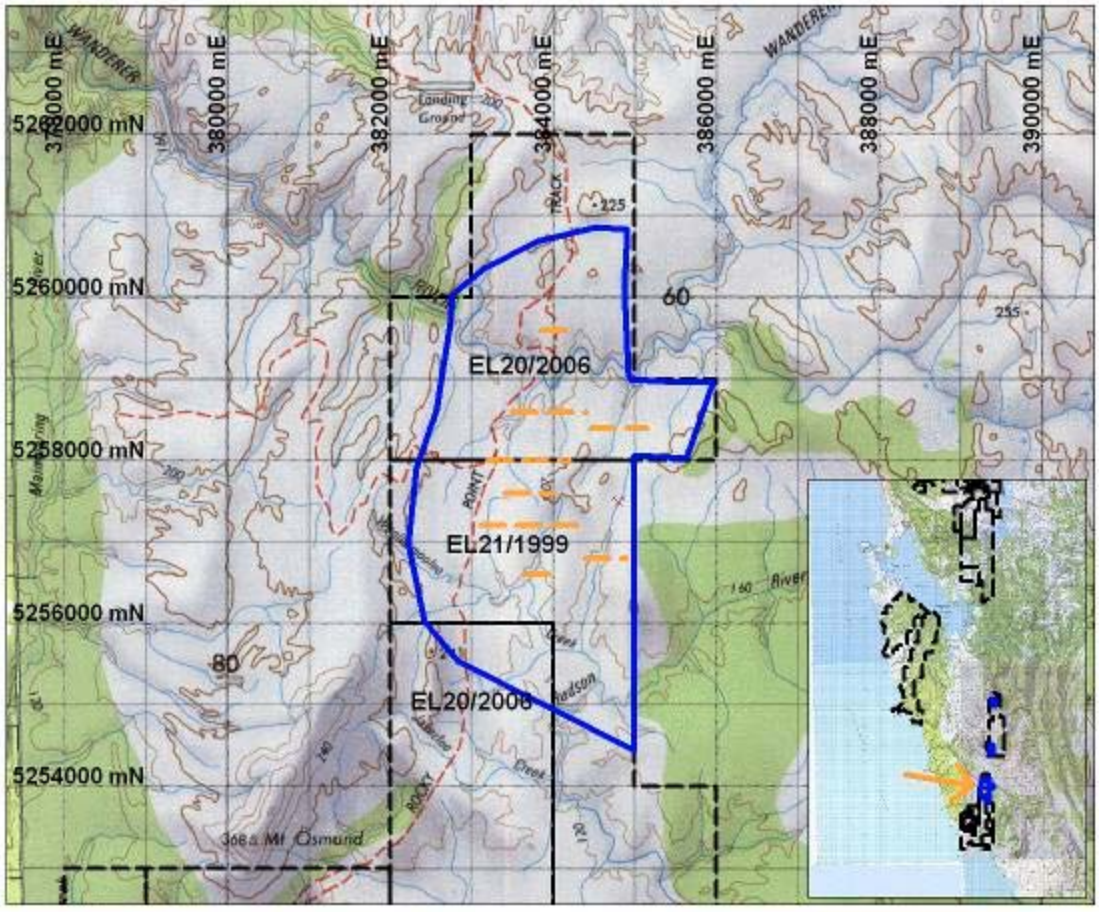

Figure 3: Location of the main exploration area – NE Osmund (EL's 20/06 & 21/99)

The proposed work program is outlined below. The decision to proceed with drilling will be finalised after results of initial programs are known.

• NE Osmund first pass (Mid Nov/Dec 2007) focused toward GIS generated targets via geological mapping, rock chip, as well as limited panned concentrate and minor -80# sampling. Gridding (~7000m) to support soil sampling and ground magnetics to be undertaken on specific targets.

• NE Osmund follow up (Feb-Apr, 2007), more detailed geological mapping, soil sampling infill and possibly ground electromagnetic, IP and down hole EM surveys (V19) late in the season to further assess targets generated.

• Drilling (~1000m; Mar-Apr, 2008)

The rest of the tenement will be addressed with a detailed GIS assessment to determine other priority areas requiring field scrutiny. Much of the area is also likely to be subject to low impact mapping, stream sediment and opportunistic rock chip sampling activities.

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