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EL20/96 - Elliot Bay,

Annual Report to 11th June, 2009

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Contents

Summary	3
Introduction.....	4
Location/Access.....	4
Land Status/Usage	5
Environmental Concerns.....	7
Tenure	8
Work Conducted	8
Recommendations.....	9
References.....	10
Appendix.....	11
Appendix 1.....	
List of appended digital data files.....	12
Appendix 2.....	
Specific Gravity Determinations.....	13

List of Figures and Tables

Figure 1: Location of Frontier’s Exploration Licences (AGD66, Zone 55).....	6
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Summary

No geological field work or drilling was undertaken in the field during the tenure year. Frontier equipment, including camp and drill rig was not demobilised at the end of the 2007/8 field season. Subsequently, Frontier suffered difficulty raising finances since the timing of a fund raising rights issue unfortunately coincided with onset of the “Global Financial Crisis”. This resulted in the companies share price falling below the offer price and consequently few rights issue offers were taken up. In light of this no exploration/drilling was undertaken during the 2008/9 field season. Frontier attempted to demobilise it’s exploration equipment during the 2008/9 field season but was unsuccessful, due to ocean swell related and barge/helicopter issues. Financial contingency is in place to cover this exercise when conditions permit.

A consultant was engaged to undertake a JORC compliant resource calculation for V19 mineralisation, in association with work on other Tasmanian tenements. Unfortunately financial circumstances, resulted in the V19 work being postponed. Eighty eight specific gravity determinations were recorded for various significant intersections with the mineralised zone to aid this planned work.

Down hole EM on the southern most drill holes at V19 and South Wart as well as deepening of the prematurely terminated SWD004 will likely be undertaken in the coming field season. Further the potential for a revised gravity survey utilising the new DGPS located grid is to be assessed. Ground magnetics cover is planned to be extended in the Wart Hill area and surrounding prospective areas. Drilling is likely to be undertaken following new targeting survey interpretation.

Introduction

The following report details Frontier Resources Ltd.'s work undertaken on EL20/1996, for the tenure year to 11th June, 2009. No field work was undertaken during the year due to financial constraints. The limited work conducted is presented below with the reader referred to past company reports (eg. Reid, 2008 & 2006) for detail regarding the geology, mineralisation models and past exploration within the license area.

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 were also tested during the 2007/8 field season. To-date, Frontier drilling on EL20/96 comprises 44 holes for 8432m.

Drilling has focused upon evaluating the resource potential of the V19 prospect at Wart Hill, defining an extensive base / precious metal mineralised horizon with locally high grades, showing the prospect has excellent potential for a major deposit to be discovered. The continuity of base/ precious metal mineralisation has now been documented by drilling over a minimum 290m distance down plunge on the host horizon, but is faulted off to the south. Best Frontier drill assays include 7m @55.6g/t Ag, 6.16% Zn, 3.33% Pb, 0.22% Cu & 1.81g/t Au from 197m in WD009 (2005 field season).

Renewed geological interpretation detailed in Reid (2008) leads Frontier to believe they are poised to drill the inferred fault offset of the V19 mineralisation during the coming 2009/10 field season. Principal among the geological advances is the recognition and characterisation of a NNE orientated dextral offset wrench fault, combined with better understanding of alteration distribution with regard to volcanic facies.

A key target area is a promising coincident gravity high and electromagnetic (UTEM) anomaly in the West Wart to Wart Hill area. SWD004 targeted this anomaly which is apparently sourced down dip from the surface mapped "Lower Host Horizon" and lies adjacent to a recently characterised NNE aligned fault with interpreted dextral wrench offset of mineralisation from V19. Unfortunately, SWD004 was temporarily terminated at 297.1m, largely due to logistical timing reasons with the end of hole still in promising mineralisation, as evidenced by two near end of hole extensive low grade intervals of 13.5m @ 0.2% Zn equiv from 265m and 10m of 0.1% Zn to 297.1m (EOH) from disseminated sulphide zones. Down hole EM and continued drilling after re-entry is the first priority for the next field campaign.

Location/Access

EL 20/96 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.

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.

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.

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 aircraft. Previous exploration campaigns have commonly 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 January 2005/6 and 2007/8 mobilisations 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. Other equipment and supplies were sling loaded from the river mouth to the Wart Hill drill site and camp.

Much of Frontier's field gear, the drill rig, 3 quad bikes, an excavator and crawler dumper was left on site at the completion of the 2008 field season, thus minimising costs associated with mobilisation the next season. A minimal demobilisation to Strahan was undertaken via helicopter internal loads at seasons end. Mobilisation for the anticipated 2008/9 season would then largely involve sling loading of fuel. However, as noted above, no mobilisation was possibly due to due to ocean swell related and barge/helicopter issues.

Land Status/Usage

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.

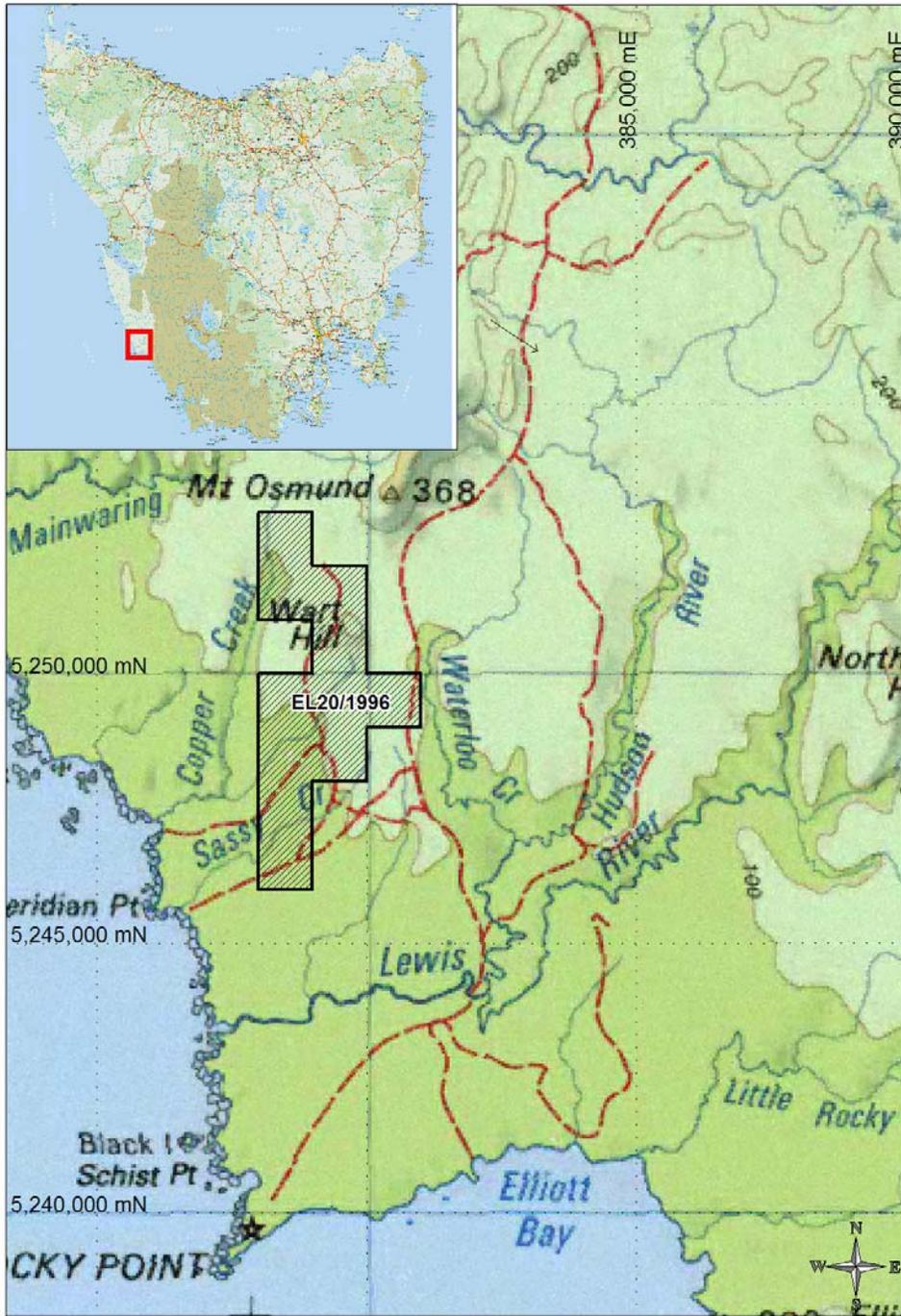


Figure 1: Location of Frontier's Exploration Licences (AGD66, Zone 55).

Environmental Concerns

A considerable quantity (~45tonnes) of Frontier drilling equipment and associated camp and field gear remains in the licence area following an unsuccessful attempt to demobilise over the past summer. Note that the barge requires a swell of less than 2m with long period to enable safe entry to the Lewis River mouth. A clear window of at least two days is required for the barge loading exercise, with slight to moderate conditions being preferable for barge mobilisation, which takes approximately one day either side of the loading days (~4-5 days in total).

All drill pads created during the 2007/8 field season were re-covered following drilling with the peat and button grass set aside before drilling. An exception is the SWD004 drill pad which was left open, with HQ casing left in the hole in preparation for anticipated re-entry during the 2008/9 field season. This pad area was subsequently cleaned up in late 2008. Water grips on the main base line track extending from camp to Wart Hill were reformed and access to this track was blocked. All gear is now demobilised to the Wart Hill Camp. Some drill rods are also located near the Lewis River mouth, awaiting demobilisation.

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. No Orange Bellied Parrot or Eagle surveys were required to be undertaken for the 2007/8 field season.

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.

During past field seasons, quad bike support has been utilised for daily employee movements between the camp and work sites, with foot access beyond the existing tracks. Quad and other vehicle movements are minimised to essential traffic, particularly with regard to short new drill pad accessing tracks.

All equipment (including quad bikes) is washed down prior to mobilisation to minimise the threat of phytosphthora infection. All activities have been undertaken within the guidelines outlined in Mineral Resources Tasmania's Mineral Exploration Code of Practice.

Tenure

Presently, Frontier Resources Ltd. are the sole tenement holders in the Elliott Bay Region. The location of the licences is shown in Figure 1.

E.L. 20/96 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. EL20/96 now occupies 11 km², with much of the relinquished area acquired by TasGold Ltd as EL21/99. A term of extension for the remainder of EL20/96 was granted to TasGold Ltd on the proviso they completed expenditure commitments after capital raising on the share market in early 2003. TasGold subsequently changed its name to Frontier Resources Ltd in 2006. Frontier has actively continued exploration on EL20/96 with annual extension requests being granted for tenure years ending up to 11th June, 2009.

Work Conducted

No geological field work or drilling was undertaken in the field during the tenure year.

Frontier initiated the services of a consultant to undertake a JORC compliant resource calculation for mineralisation at V19 in early 2009. The required data was transferred, however changes in the company's financial circumstances, related to the "Global Financial Crisis", resulted in the work being put off to a later date. This was in favour of ongoing resource calculation work on other Frontier Tasmanian tenements.

This planned work was intended to aid conceptual mining studies and followed an in house inferred non JORC compliant resource estimation for V19, that had previously been calculated utilising a simple block model by Reid (2006). Two inferred resource outcomes were generated; being a conservative 460,000tonnes @ 41.5g/t Ag, 0.72g/t Au, 1.81% Pb and 3.41% Zn and optimistic 600,000tonnes @ 40.5g/t Ag, 0.67g/t Au, 1.74% Pb and 3.30% Zn.

Eighty eight specific gravity determinations were recorded for various significant intersections with the mineralised zone at V19 – Wart Hill to aid resource calculation (Data is appended). Data returned a mean of 2.83g/cm³, within a range of 2.48 to 3.86g/cm³.

Field personnel cleaned and packed up both the camp and Wart Hill drill sites during late 2008 in preparation for barge and helicopter demobilisation, which was not possible prior to Christmas due to persistent ground swells. Efforts to demobilise during summer and autumn were unsuccessful. This was due to a series of events whereby barge and helicopter availability unfortunately did not coincide with weather windows. Among these was the barge's unavailability for a whole month centred on the often calmer month of March (2009).

Recommendations

- Repeating the gravity survey over the Wart Hill area at locally tighter line spacing is recommended, particularly considering the initial survey is not well height corrected or located. The gravity data reprocessed in 2008 revealed a number of NE aligned gravity lineaments that possibly reflect Cambrian graben margin rift faults; VHMS focus is likely where the host horizon intersects these potential fluid focusing faults. Further gravity survey work is recommended to better define both structure and potentially relatively high density VHMS targets at V19 and other SMRV prospects.
- Downhole EM is recommended to test new Frontier drill holes, particularly those in the Wart Hill and South Wart vicinities where better drill coverage now exists. This is particularly important considering that DHEM is considered to detect VHMS targets only within 50m and certainly less than 100m at Hellyer (K Denwar, pers. comm.). This technique obviously allows better detection of deep responses, given that the surface SIROTEM soundings likely reach a maximum depth of <200m. Surface electromagnetic surveys (Geopeko UTEM and Plutonic moving loop SIROTEM) have been shown to produce moderately useful vectors to VHMS (see Reid, 2008), but no positive vectors have been determined from previous explorer's downhole EM surveys.
- Ground magnetics extending and infilling the existing survey is recommended. The ground magnetics survey undertaken over the V19 area during late November to Early December 2007 proved to be a great advancement upon previous ground magnetic and aeromag surveys. Interpretation has shown clear NE trends, at odds to previously gridded N and NW trends.
- Drill targeting following evaluation of vector generating surveys in the Wart Hill area.
- A key drill target area is the promising coincident gravity high and electromagnetic (UTEM) anomaly in the West Wart to Wart Hill area. SWD004 targeted this anomaly which is apparently sourced down dip from the surface mapped "Lower Host Horizon" and lies adjacent to a recently characterised NNE aligned fault with interpreted dextral wrench offset of mineralisation from V19. Unfortunately, SWD004 was temporarily terminated at 297.1m, largely due to logistical timing reasons with the end of hole still in promising mineralisation, as evidenced by two near end of hole extensive low grade intervals of 13.5m @ 0.2% Zn equiv from 265m and 10m of 0.1% Zn to 297.1m (EOH) from disseminated sulphide zones. Down hole EM and continued drilling after re-entry is a high priority for the next field campaign.
- Re-evaluation (including gravity and magnetics surveys) of the VHMS and Hybrid Au – VHMS potential of the V24 Prospect, with possible drill testing.

References

Reid, R. O., 2005. TasGold Annual Report on Exploration EL21/99– Elliott Bay: Annual Report to January 27, 2005.

Reid, R. O., 2006. Frontier Resources Ltd. Annual Report on Exploration EL20/96– Elliott Bay: Annual Report to July 11, 2006.

Reid, R. O., 2008. Frontier Resources Ltd. Annual Report on Exploration EL20/96– Elliott Bay: Annual Report to July 11, 2008.

Appendix

Appendix 1

List of appended digital data files

EL201996_200906_01_Digital_Files.txt

EL201996_200906_02_Report.pdf

EL201996_200906_03_SpecificGravity.txt

Appendix 2

Specific Gravity Determinations

Hole No.	Sample Depth (m)	Weight in air(g)	Weight Saturated Sample in Air(g)	Weight in water(g)	SG (g/cm3)
WD001	42	488	308.1	488.2	2.71
WD001	42.8	426.8	269.4	426.9	2.71
WD001	46	482.4	303.9	482.6	2.7
WD001	46.75	361.1	228.1	361.3	2.71
WD001	50.1	250.2	159.1	250.3	2.74
WD001	51.45	359.9	225.1	360.5	2.66
WD001	55.1	451.1	282.4	451.4	2.67
WD001	56.3	463.1	290.1	463.6	2.67
WD001	58.3	435.6	272.9	436	2.67
WD001	59.25	327	204.6	327.3	2.67
WD001	60	260.6	162.9	260.9	2.66
WD002	58.7	317.9	201.4	318.1	2.72
WD002	59.7	339.5	216	339.7	2.74
WD002	60.6	241.1	153.6	241.3	2.75
WD002	61.9	401.6	261.8	402.1	2.86
WD002	63.25	464.2	293.3	464.8	2.71
WD002	65.5	485.2	316.9	486.9	2.85
WD002	68.5	375.9	239.8	376.2	2.76
WD002	69.6	491	316.3	491.4	2.8
WD002	71.5	527.3	332.8	528.6	2.69
WD006	73.15	425.8	272.8	426.2	2.78
WD006	73.9	325.2	208	325.4	2.77
WD006	76.05	433.3	278.1	433.9	2.78
WD006	76.3	186.7	132.8	187	3.44
WD006	77.5	140.7	91.8	140.9	2.87
WD006	78.4	324.5	204.2	324.9	2.69
WD006	80.1	431.5	279.7	432.1	2.83
WD006	80.9	295.2	188.9	295.7	2.76
WD008	47.5	232	145.1	238.4	2.49
WD008	48.5	433.8	272.1	441.8	2.56
WD008	72	347.8	223.5	348.2	2.79
WD008	72.9	180.3	113.6	180.7	2.69
WD009	151.75	390.7	248.5	390.7	2.75
WD009	152.9	432.1	274.8	432.2	2.75
WD009	197.2	248.9	160.1	249	2.8
WD009	198.3	433.8	318.6	433.9	3.76
WD009	201.1	398.4	250.1	398.5	2.68
WD009	203.8	756.2	552.1	756.4	3.7
WD011	17.4	324.4	211.6	325.1	2.86
WD011	24.9	213.4	137.6	214.2	2.79
WD012	156.45	632.7	403.7	632.9	2.76
WD012	181.65	216.8	139.3	217	2.79
WD012	193.3	446.3	314.6	446.5	3.38
WD012	194.8	681.1	462	681.4	3.1
WD013	218	149.3	96.1	149.3	2.81
WD013	218.85	205.9	132.6	206	2.81
WH10	169	349.2	221.5	349.7	2.72
WH10	170.05	332.3	216.7	332.8	2.86
WH10	170.6	551.4	347.3	551.9	2.7
WH10	172	189.7	119.9	190	2.71
WH10	185	311.9	197.3	312.3	2.71
WH10	186.15	249	159.2	249.2	2.77
WH10	186.75	563.5	382.9	564.2	3.11
WH10	187.65	454.3	324.6	454.8	3.49

Hole No.	Sample Depth (m)	Weight in air(g)	Weight Saturated Sample in Air(g)	Weight in water(g)	SG (g/cm ³)
WH10	188.6	280.7	181.1	280.9	2.81
WH10	189.45	318.4	205.9	318.7	2.82
WH2	31.9	170.4	107.1	170.9	2.67
WH2	32.25	274	173.8	275.9	2.68
WH2	33.3	297.4	188.5	298.1	2.71
WH2	35.25	382.3	247.3	382.6	2.83
WH2	36	240	147.9	240.8	2.58
WH2	43.35	261.5	169	261.9	2.81
WH2	44	315.7	208.3	316	2.93
WH2	45.5	307.1	197.7	307.3	2.8
WH2	46.8	406.6	258.5	407.3	2.73
WH2	49.2	316.9	201.2	320	2.67
WH2	50.6	409.4	262.6	410.9	2.76
WH4	46.7	440.4	282	440.9	2.77
WH4	54.05	671	446.1	671.7	2.97
WH4	84.6	737.5	542.6	737.9	3.78
WH6	46.9	160.2	97.1	161.7	2.48
WH6	47.35	301.7	184.8	303	2.55
WH6	48.3	223.3	143.3	226.4	2.69
WH6	48.85	327.1	206.8	330.5	2.64
WH6	50.05	298.7	188.4	302.7	2.61
WH6	50.55	277	174.1	284.4	2.51
WH6	60.1	357.9	220.4	359.9	2.57
WH6	60.7	252.3	160	254.3	2.68
WH8	108.05	392.2	250.8	392.4	2.77
WH8	109	330	215.9	330.1	2.89
WH8	184.75	250.2	159	250.3	2.74
WH8	185.1	725.5	537.9	725.7	3.86
WH8	185.6	652.9	482.6	653.1	3.83
SDH1	179.15	238.3	238.4	153.5	2.81
SDH1	179.85	268.1	268.4	179.5	3.02
V19/2	50.2	195.8	195.9	122.4	2.66
V19/2	55.9	212	212.8	132.3	2.63
V19/2	62.5	86.2	86.3	54	2.67