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31<sup>st</sup> October, 2007

ASX LIMITED  
COMPANY ANNOUNCEMENTS OFFICE

## TECHNICAL REPORT - QUARTER ENDED 31st October 2007

### HIGHLIGHTS OF THE QUARTER

- The Resource at the Kodu porphyry copper - gold - molybdenum Deposit was re-estimated, initially as Inferred with an increase from 108 million tonnes to 203 million tonnes, then later as Indicated and Inferred to total 276 million tonnes. This amounts to a total tonnage increase during the quarter of 156%.
  - The Total Resource (Indicated + Inferred) contains 1,241,000 tonnes of copper equivalent\* grading 0.45%, within 276 million tonnes grading 0.27% copper + 0.30g/t gold + 77ppm molybdenum + 1.7g/t silver.
  - The Total Resource contains 754,000 tonnes of copper, 83.4 tonnes of gold, 21,200 tonnes of molybdenum and 475 tonnes of silver (or 1.66 billion pounds of copper, 2.68 million ounces of gold, 46.7 million pounds molybdenum and 15.3 million ounces of silver).
  - An Indicated Resource has now been estimated for the first time at Kodu and it contains 507,000 tonnes of copper equivalent\* grading 0.48%, within 105 million tonnes grading 0.30% copper + 0.35g/t gold + 68ppm molybdenum + 2.0g/t silver.
  - The revised Inferred Resource contains 171 million tonnes (in addition to the Indicated Resource), containing 734,000 tonnes of copper equivalent\* grading 0.43%, consisting of 0.26% copper + 0.27g/t gold + 82ppm molybdenum + 1.6g/t silver.
  - A Conceptual Mining Study (CMS) is being undertaken to evaluate various parameters associated with possible development paths forward for the deposit and its further exploration. It is due to be reported early to mid November.
  
- Diamond drilling continued at the Komsen Prospect, Andewa Gold Project and high grade gold + zinc and moderate grade silver assays have been returned.
  - The best drill result to date is a 4.5m weighted interval from hole AFD005 grading 5.81 g/t gold + 28 g/t silver + 3.2% zinc + 0.5% lead, with up to 1m of 19.0 g/t gold + 119 g/t silver + 10.3% zinc.

- The assays confirm the existence of primary high grade gold in the Komsen structure at about 130m vertical depth; very importantly, they also confirm that previously reported high grade trench assays are not just due to supergene (mechanical) surface enrichment.
  - Downhole assay results (true width yet to be estimated) include:
    - AFD001 - 1.2m of 4.06g/t gold
    - AFD002 - 3.1m of 0.93g/t gold (incl. 0.9m of 2.62g/t gold),  
- plus 0.2m with 11.1% zinc + 2.31% lead + 95g/t silver + 0.12% copper
    - AFD003 - 2.5m of 1.43g/t gold + 16g/t silver + 0.10% arsenic
    - AFD004 - 6.9m of 1.60g/t gold + 5g/t silver + 0.14% arsenic (including 0.7m grading 6.28g/t gold)  
- plus 3.0m grading 1.46g/t gold + 6g/t silver + 0.11% arsenic
    - AFD005 - 4.5m of 5.81 g/t gold + 28 g/t silver + 3.2% zinc + 0.5% lead, with 1m of 19.0 g/t gold + 119 g/t silver + 10.3% zinc  
- plus 1.0m of 3.2% zinc + 0.5% lead
  - The best grades of mineralisation encountered in the drilling to date are at the greatest depth tested. The significance of this is yet to be determined, but it is highly encouraging. In addition, the wider zone of gold mineralisation (21.65m of 4.4g/t gold) in trench located toward the eastern end of the present work zone (with previously noted visible gold), remains to be drill tested.
  - Assay results are expected forthwith for holes AFD006 and 007 that targeted relatively near surface intersections, while drilling towards the higher gold grade trenches located to the east of the collar. The higher grade surface gold mineralisation, targeted by holes AFD001 to 005, may be plunging in this direction providing a good target for additional drill evaluation.
  - Total drilling to date at Komsen consists of 11 holes for approximately 1,300m. Hole 12 commenced yesterday.
- Diamond drilling of 2 holes was completed at the Elo porphyry copper-gold-molybdenum mineralised system and assays from hole EFD001 documented potentially economic grades of copper and molybdenum +/- gold mineralisation.
- The highest grade intersection was 12m grading 0.49% copper equivalent\*, within 46m grading 0.38% copper equivalent\*, within 319.4m grading 0.19% copper equivalent\* (see Table 1 for a complete list of intersections and component metals).
  - The mineralised interval extends from 54 to 373.4m at the end of hole, with the final 11.4m interval returning an average grade of 0.14% copper equivalent\* (weak but still significantly mineralised).
  - Peak individual 2m assay values were: 0.31% copper, 470ppm molybdenum and 0.54g/t gold.
  - The mineralised system at Elo is enriched in molybdenum compared to the average noted at the Kodu Deposit. Molybdenum in EFD001 averaged 74ppm over the 319.4m interval, which is slightly more than the average grade in the entire Kodu Inferred Resource.
  - More than half the width of the equant composite soil anomaly remains to be drill tested near surface. The strong (>30ppm) molybdenum in soil anomalism continues for an additional 300m to the west of the end of hole EFD001. This anomalism has not yet been tested at any significant depth below surface.

- Similar tenor assay results are possible/expected for hole EFD002, based on megascopic examination of the drill core. These results are still awaited.
  - An access track is being pushed to site to reduce exploration costs and enable systematic bulldozer trenching of the large gold in soil anomaly on the south flank of Elo hill and ground supported drill rig shifts.
  - The drill intersection in hole EFD001 has confirmed porphyry style mineralisation at Elo and documented the existence of higher grade zones. There is good potential to locate a cohesive, higher grade and possibly economic core to this large base / precious metal mineralised system.
- Excellent gold and locally silver + lead assay results, covering an 800m apparent strike length, were returned from the first round of bulldozer trenching at the Sirimu /SW Kodu Epithermal Prospect. In addition, a possible >300m extension to the Kodu Deposit was defined from >600ppm copper anomalism in trenches at the eastern end of this zone. These are exciting advances in the exploration of EL 1348.
- Higher grade bulldozer trench assay results include:
    - 4.4m grading 19.95g/t gold + 47g/t silver + 3.2% lead
    - 10m grading 11.40g/t gold + 40g/t silver + 0.4% lead
    - 10m grading 4.82g/t gold + 0.75% lead
    - 10m grading 5.10g/t gold
    - 10m grading 2.19g/t gold
    - 10m grading 1.06g/t gold
    - 5m grading 1.18g/t gold
  - Entire gold anomalous bulldozer trench intervals (including the above results) are:
    - 34.8m grading 8.64g/t gold + 36g/t silver + 1.01% lead
    - 107.7m grading 2.23g/t gold + 11g/t silver
    - 201.4m grading 0.54g/t gold (true widths of these intervals are unknown)
  - The first stage bulldozer trenching and access program consisted of a total of 2,575m cut and sampled in 8 trenches, in the gold anomalous ridge/spur soil zones.
  - Frontier rock chip sampling of float in the vicinity that was reported to the ASX 27 June 2007, returned high grades of epithermal style of mineralisation, with assays to 5.73g/t gold + 8.49% lead + 19 g/t silver, 3.3 g/t gold + 6.81% lead + 491 g/t silver and 0.13% molybdenum.
  - The trenching has confirmed epithermal mineralisation occurs over a large area, centred about 1km WSW of Kodu. The only historic drill hole in this area returned 2m of 15.5g/t gold + 8 lower grade gold zones to 10m of 0.5 g/t gold.
  - This exciting prospect strongly warrants concerted exploration, including infill and extension bulldozer trenching followed by drilling. Additional trenching, mapping and more detailed sampling is now underway.
  - The Sirimu/SW Kodu high-grade epithermal precious and base-metal mineralisation provides a first class exploration and possible development target near Kodu. If such a deposit were discovered, it could be easier and faster to bring into production, than the World Class copper-gold-molybdenum deposit itself.

- Frontier is blazing a new trail of Social Responsibility and positive landowner engagement in Papua New Guinea, with the policy centrepiece being a partnership between the Company and all deposit landowners, whereby they will become 5% equity partners in all mines developed on future Mining Leases derived from the Company's Exploration Licences in PNG.
  - The 5% equity will be carried to production, with the landowners' pro-rated capital expenditure to be repaid from their pro-rated mine profits. Mechanisms to accomplish this and other details are being investigated, but could be through the granting of equity in the holding company established specifically to own the Mining Lease and develop the deposit.
  - This policy is being implemented for altruistic and commercial reasons, in anticipation of a positive Conceptual Mining Study for the Kodu Deposit, that would likely lead to the commencement of a full Feasibility Study in early 2008.

## ABOUT FRONTIER RESOURCES

- The Company is focused on exploring the highly mineralised Pacific 'Rim of Fire', Papua New Guinea and the major Kodu copper - gold - molybdenum Deposit. The Company is also successfully exploring the Andewa gold Project, Elo and Bukuam copper +/- gold/moly porphyries, plus the SMRV zinc-lead-silver-gold Project in the highly prospective Mt Read volcanics of Tasmania. Frontier's objective is to advance the Kodu Deposit rapidly and cost effectively.
- The Company has a 100% interest in 3 Exploration Licences (Kodu, Likuruanga and Andewa) covering approx. 804 km<sup>2</sup> of quality copper and gold properties in PNG and 5 Exploration Licences + 2 Retention Licences covering 211 km<sup>2</sup> in Tasmania.
- The portfolio offers excellent mineral deposit potential, with primary Targets being World Class copper/gold/molybdenum porphyry, gold/silver epithermal and polymetallic VMS (zinc/lead/silver/gold) deposits. The projects all have high-grade exploration results in rock, trenches and/or drill hole and are in the same or similar geological terranes as existing World Class and/or major mines.
- Frontier's Directors and management team have more than 200 years combined experience in PNG and Australia to serve the interests of the Company and its shareholders.
- Frontier operates with a general policy of 'DRILLING' our quality projects using our purpose built and self manufactured, cost effective, environmentally friendly, man-portable diamond core rigs. We 'own' and operate all the major required means of exploration including a long term and very competent human resources team, drilling, earth moving and transport equipment, magnetic surveys, to maximise exploration success, while minimising costs in a very competitive environment.
- The Company is an ASX listed junior mineral explorer whose shares also trade on the Frankfurt, Berlin and Munich Stock Exchanges.

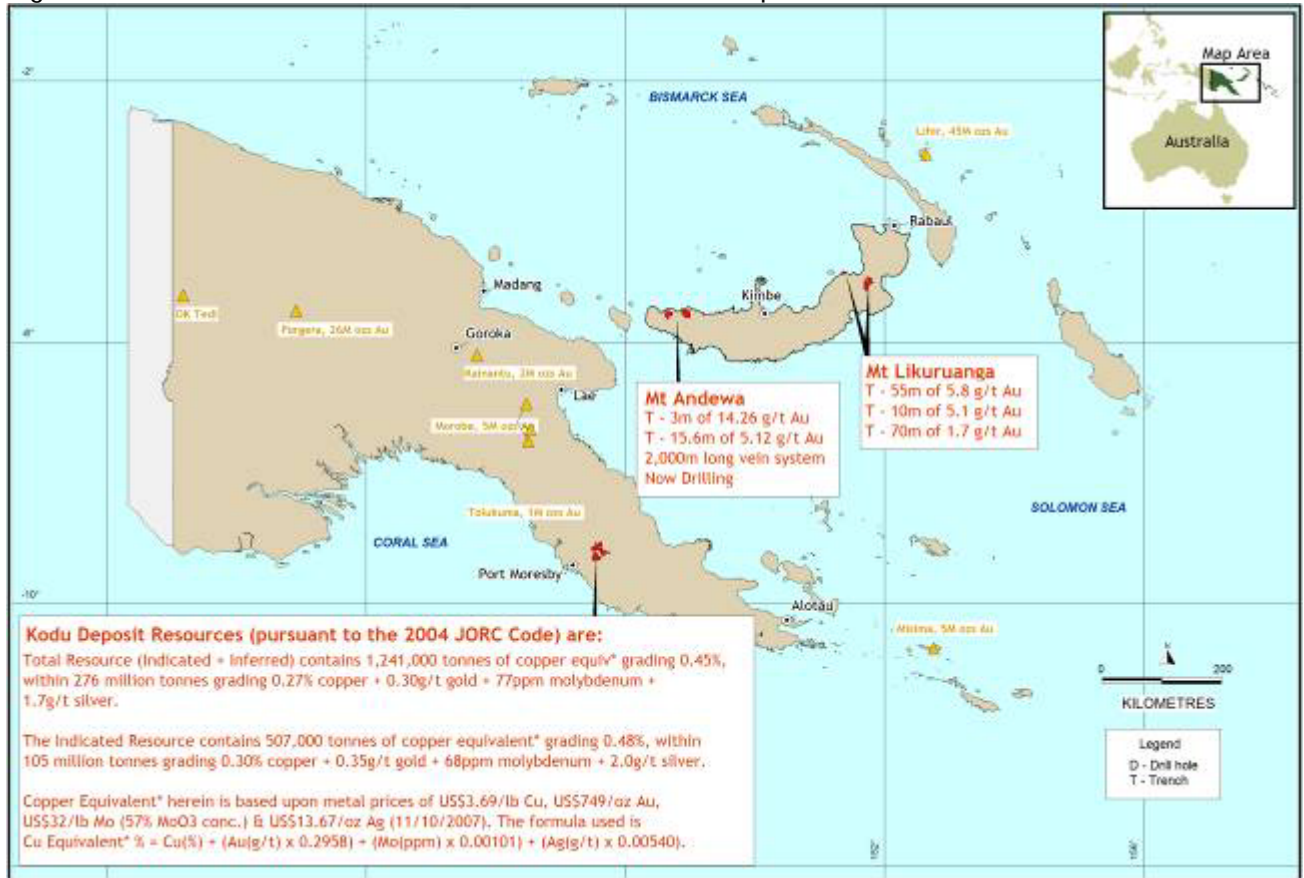
## SUMMARY OF ASX ANNOUNCEMENTS RELEASED SINCE THE LAST QUARTER

- 14<sup>th</sup> August -- Exploration and Corporate Update.
- 21<sup>st</sup> August 2007 -- Inferred Resources Estimated at Higher Cut-Off Grades Define a Higher Grade Core Containing 70 Million Tonnes Grading 0.68% Copper Equivalent\*, Within the Reported 203 Million Tonne Inferred Resource Grading 0.47% Copper Equivalent\* at the Kodu Deposit, Papua New Guinea and Indicated/Inferred Resource Estimation Set to Commence (Pending Final Hole Assays) & the Potential for an Increase to the Total Tonnage Is Very Good.
- 27<sup>th</sup> August -- Kodu Deposit Widens and Improves at Depth in Hole KFD014.
- 4<sup>th</sup> September - Presentation in Germany.
- 18<sup>th</sup> September -- Hole EFD001 Drills 46m Grading 0.4% Copper Equivalent\*, Within 319.4m of Low Grade Copper - Molybdenum +/- Gold, at the Elo Porphyry System, EL 1348, Papua New Guinea.
- 20<sup>th</sup> September -- Annual Report to Shareholders.
- 25<sup>th</sup> September -- Highest Grade Gold (70 g/t) to Date Intersected By Trenching Komsen Prospect, Andewa Project, PNG.
- 3<sup>rd</sup> October -- Exploration Update.
- 12<sup>th</sup> October -- Moderate Grade Gold & Also High Grade Zinc + Lead / Silver (to 4.06 g/t Gold, 95 g/t Silver, 11.1% Zinc, 2.03% Lead & 0.12% Copper), Intersected in Holes at Komsen Prospect, Andewa Project, EL 1345, Papua New Guinea.
- 17<sup>th</sup> October -- Notification Re 30 November 2007 Option (FNTO) Expiry and Pending ASX Announcements Regarding the Indicated / Inferred Resource Estimation, Conceptual Mining Study, Andewa Drilling and Sirimu Trenching Assay Results.
- 18<sup>th</sup> October - Notice of Annual General Meeting/Proxy Form.
- 19<sup>th</sup> October - Issue of Options (Employee Incentive Option Plan).
- 23<sup>rd</sup> October -- 36% Tonnage Increase to the Total Resource at the Kodu Deposit to Contain 1.24 Million Tonnes of Copper Equivalent\* Grading 0.45%, Including 105 Million Tonnes of Indicated Grading 0.48% Copper Equivalent\*.
- 25<sup>th</sup> October -- High Grade and Also Wide Gold Assay Results in Multiple Locations From the First Bulldozer Trenching at the Sirimu Prospect, PNG, Plus a Possible SSW extension to the Kodu Deposit Defined.
- 25<sup>th</sup> October - Allotment of Securities.
- 29<sup>th</sup> October -- High Grade Gold, Zinc and Silver Assays at Komsen Prospect to 19.0 g/t Gold, 119 g/t Silver, 10.3% Zinc Over 1m), Plus Additional Lower Grade Intercepts in Holes 003, 004 & 005 Andewa Project, Papua New Guinea.
- 30<sup>th</sup> October -- Landowners to Become 5% Equity Partners in All Mine Developments, as Frontier Enhances its 'Social Licence to Operate' in Papua New Guinea.
- 30<sup>th</sup> October -- Notification of 30 November 2007 Option FNTO Expiry.
- 30<sup>th</sup> October -- Presentation in Papua New Guinea.

## DETAILS

### PAPUA NEW GUINEA

Figure 1. Location of the Frontier Resource Ltd's PNG Exploration Licences.



#### EL 1348 - MT BINI

#### KODU PORPHYRY COPPER - GOLD - MOLYBDENUM DEPOSIT

Frontier hold all of the recently defined Mt Bini porphyry copper/gold/molybdenum district in PNG, with 5 known, but mostly unexplored, mineralised porphyry occurrences, plus the Sirimu gold Prospect.

The Flagship Kodu porphyry copper/gold/molybdenum Deposit has an Inferred and Indicated Resource containing 1,241,000 tonnes copper equivalent\* grading 0.45%, in 276 Mt of rock grading 0.27% copper + 0.30g/t gold + 77ppm molybdenum + 1.7g/t silver and is located 55km north-east of Port Moresby.

The Total Resource contains 754,000 tonnes of copper, 83.4 tonnes of gold, 21,200 tonnes of molybdenum and 475 tonnes of silver (or 1.66 billion pounds of copper, 2.68 million ounces of gold, 46.7 million pounds molybdenum and 15.3 million ounces of silver).

An Indicated Resource was estimated for the first time at Kodu and it contains 507,000 tonnes of copper equivalent\* grading 0.48%, within 105 million tonnes grading 0.30% copper + 0.35g/t gold + 68ppm molybdenum + 2.0g/t silver.

The revised Inferred Resource contains 171 million tonnes (in addition to the Indicated Resource), containing 734,000 tonnes of copper equivalent\* grading 0.43%, consisting of 0.26% copper + 0.27g/t gold + 82ppm molybdenum + 1.6g/t silver.

The Kodu region is a fertile area for the discovery of additional polymetallic mineralisation which could add to the overall Resource base. In addition, the area is highly prospective for medium to large sized, lower to higher grade epithermal gold resources that could potentially be developed separately from the Kodu Deposit.

The Indicated and Inferred Resource includes assay data from 27 holes totalling 8,967m. Four holes were outside the wireframes (mineralisation/lithology boundaries) and were not used. Thirty drill holes in total have been completed to date for 10,235.2m, with 19 holes being terminated in mineralisation.

Table 1 lists the Indicated, Inferred and Total tonnages and grades of the component metals at the base 0.2% copper equivalent\* cutoff grade, plus at 3 additional higher cutoffs. The slightly lower copper equivalent\* grade from the prior estimation (18 June 2007) at the 0.2% cutoff results mainly from variations in component metal prices.

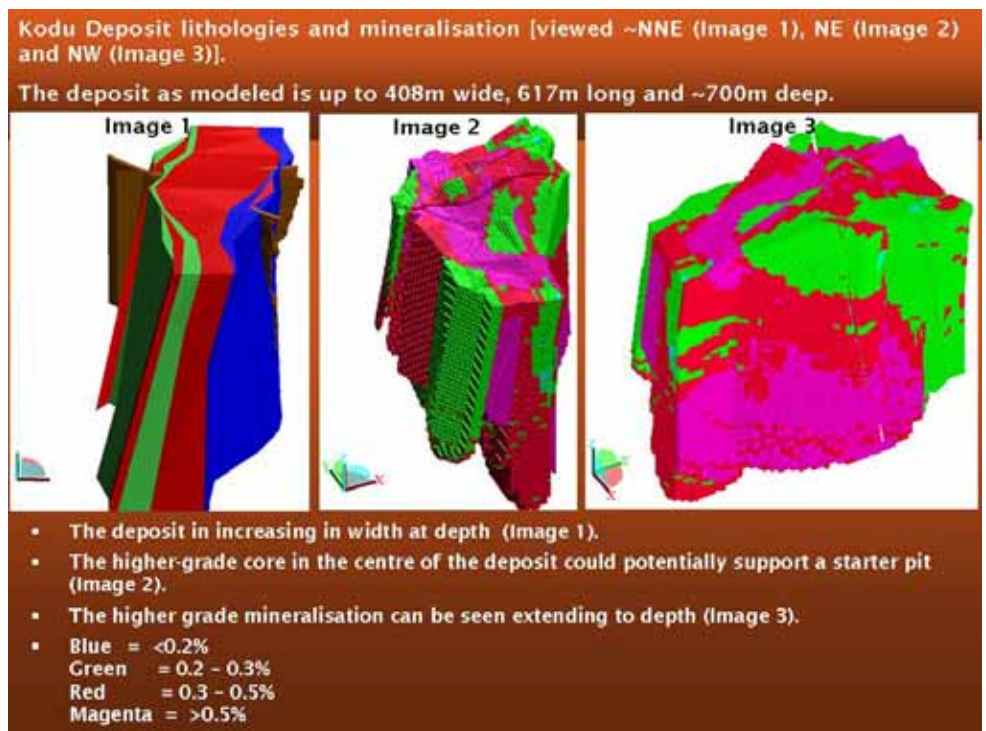
| Cu Eq % Cutoff | INDICATED   |           |        |          |          |          | INFERRED    |           |        |          |          |          | TOTAL       |           |        |          |          |          |
|----------------|-------------|-----------|--------|----------|----------|----------|-------------|-----------|--------|----------|----------|----------|-------------|-----------|--------|----------|----------|----------|
|                | Tonnes (Mt) | Cu Eq (%) | Cu (%) | Au (g/t) | Mo (ppm) | Ag (g/t) | Tonnes (Mt) | Cu Eq (%) | Cu (%) | Au (g/t) | Mo (ppm) | Ag (g/t) | Tonnes (Mt) | Cu Eq (%) | Cu (%) | Au (g/t) | Mo (ppm) | Ag (g/t) |
| 0.2            | 105.3       | 0.48      | 0.30   | 0.35     | 68       | 2.0      | 171.0       | 0.43      | 0.26   | 0.27     | 82       | 1.6      | 276.3       | 0.45      | 0.27   | 0.30     | 77       | 1.7      |
| 0.3            | 86.9        | 0.53      | 0.33   | 0.40     | 68       | 2.0      | 126.8       | 0.49      | 0.30   | 0.33     | 85       | 1.6      | 213.6       | 0.51      | 0.31   | 0.35     | 78       | 1.8      |
| 0.4            | 64.6        | 0.59      | 0.38   | 0.45     | 67       | 2.1      | 78.6        | 0.58      | 0.36   | 0.41     | 86       | 1.8      | 143.2       | 0.59      | 0.37   | 0.43     | 77       | 1.9      |
| 0.5            | 44.6        | 0.66      | 0.43   | 0.50     | 67       | 2.1      | 56.5        | 0.63      | 0.40   | 0.45     | 89       | 1.8      | 101.2       | 0.64      | 0.41   | 0.47     | 80       | 1.9      |

There is very good scope to significantly increase the Inferred Resource at Kodu. The mineralisation is open:

- o at depth;
- o along strike to the south-west and possibly fault offset in the north; and
- o to the east contained within the host wallrock.

Figure 1. Wireframe lithological and mineralisation model of the Kodu Resource. Image 1 shows mineralised porphyry (red), wallrock (green or blue) and unmineralised dykes (brown), viewed approximately to the north. Note that the deposit is widening at depth and still open to the SSW (closest to the reader). The X/Y/Z bars represent E, N and vertical. Images 2 and 3 show copper equivalent\* mineralisation in the various grade domains and viewed to the NE and NW, respectively. Image 2 shows the central 'core' of higher grade (magenta coloured) mineralisation that could potentially host a starter pit and Image 3 is closer to a side on view, that shows persistence of higher grade mineralisation to depth. For scale, the length of all wireframes is 617m (north-south) and the width is 408m (east-west).

The strike of the deposit runs broadly northeast - southwest with a dyke/plug like composite stock occupying the central part of the resource with mineralised phyllite on either side of the mineralised porphyry. The porphyry has been modelled as one unit with two narrow unmineralised dykes modelled crosscutting it in a NW-SE direction. The mineralised phyllite boundaries were determined using a 0.2% copper equivalent\* cut-off grade.



Statistical analysis of the Resource model showed that the best continuity of mineralisation in the deposit was down dip or vertically, indicating very good possibilities of further extensions of mineralisation to greater depth.

Several factors contributed negatively to reduce the magnitude of the total increase in the Resource, relative to the parameters used in previous estimations (that is the Resource would have been bigger), being:

- Bulk densities utilised for the different rock types in the estimation were reduced, after a large number of samples were evaluated (approx. 4% relative tonnage loss).
- Smoothing of the margins of the deposit (unknown relative loss probably <5%).
- Topcuts were applied to selected domains for this model as compared to the use of uncut data in the last model.
- The Resource is reported to a depth of 350m RL, whereas the model was projected to 205m RL or an additional 145m vertical depth (approx. 5% relative tonnage loss).
- The contained amount of molybdenum is likely to be understated by the assay method that has been utilised (by Frontier and historically) and will be re-evaluated as part of the likely Feasibility Study (if/when commenced).
- Copper percentage equivalent\* is slightly lower than the previous Inferred Resource, because the present copper price is slightly higher proportionately compared to the contributions from other component metals, particularly molybdenum and silver.

Exceeding the 250 million tonne 'hurdle' is important because it indicates Kodu could have sufficient size to move to production. The Conceptual Mining Study (CMS) is presently evaluating possible development paths forward and associated order of magnitude data on physical parameters, capital expenditure and operating costs. It is scheduled for finalisation in early to mid November 2007. Continuing exploration requirements at Kodu will also be assessed relative to the findings of the CMS.

Hole KFD014 (9950N Section) was reported during the quarter and it returned 136.9m grading 0.36% copper + 0.31g/t gold + 147ppm molybdenum, from 352m to the end of hole at 488.9m. The end of the hole was more highly mineralised than the average, with the final 10.9m composite returning 0.48% copper, 0.47g/t gold, 33ppm molybdenum and 9.64g/t silver. The position of the assay results shows the mineralisation contact/host rock is steeply easterly dipping, not westerly dipping as previously modelled, making the deposit wider at depth.

Figure 2. Drill hole traces on contoured ground magnetics (RTP) at Kodu showing 10m downhole composited copper equivalent\* grades.

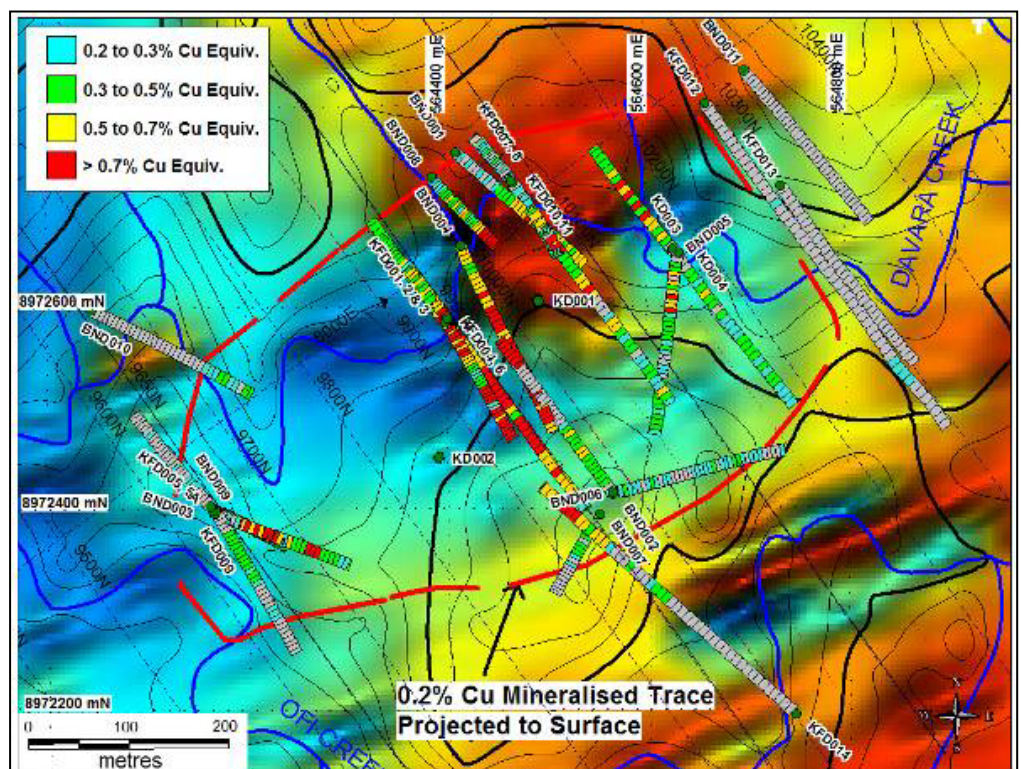




Figure 3. Cross Section (9950N) showing the trace of hole KFD014 and 10m downhole composited copper equivalent\* sample grades. Note the mineralisation is now widening and increasing in volume at depth in the east.

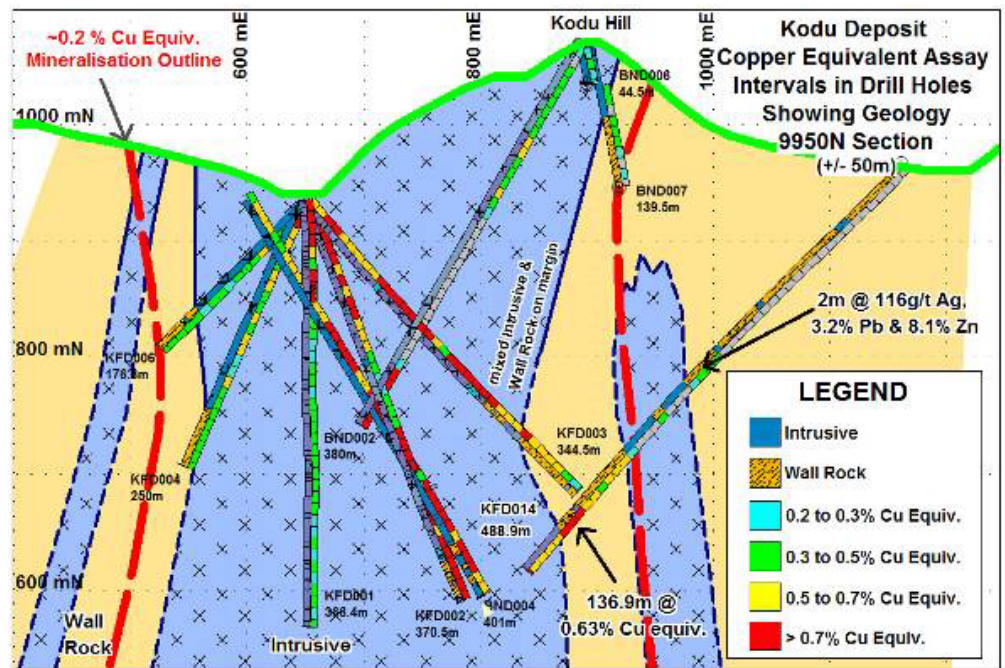
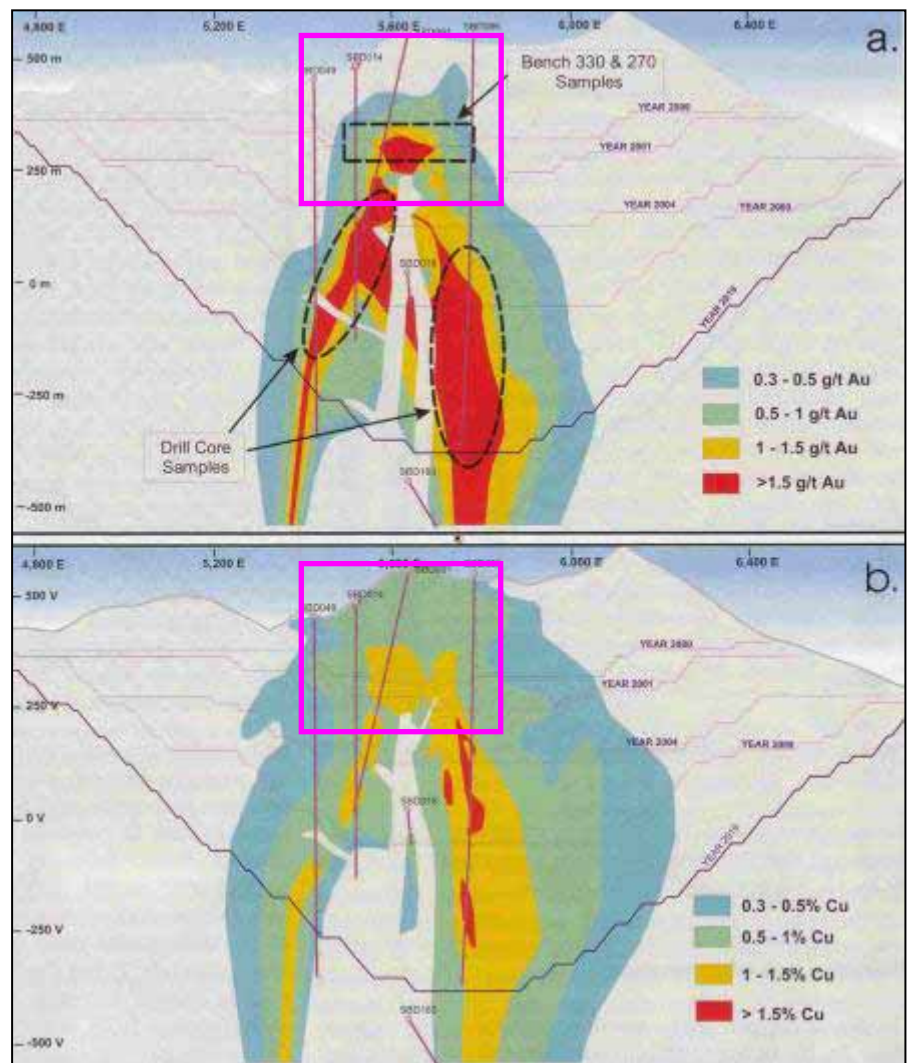


Figure 4. The Kodu Deposit is modelled on the giant Batu Hijau porphyry copper-gold-molybdenum mine (which has surface soil geochemical, geological and geophysical similarities). Gold (top) and copper (bottom) distributions for a section of the Batu Hijau Deposit is shown for comparative purposes (from Arif and Baker, 2004). Frontier use this as an exploration model because of significant geological, geochemical and geophysical similarities to the Kodu Deposit. The pink boxes on the figures shows the general extent of Frontier's drilling at Kodu, as a comparison to where the mineralisation is located at Batu Hijau. Of note is that the most significant zones of higher grade mineralisation at Batu Hijau occur below the depth Frontier have been exploring at Kodu, showing dramatically how under-explored Kodu is, relative to its overall possible depth potential.



The 366km<sup>2</sup> area is virtually all gold anomalous in drainages, with zones that have only had varying but generally limited follow-up completed. Logistics for exploration and development are very good relatively, being located 55km north-east of the National capital of Port Moresby and 20 linear km from blacktop road access, with a 'tracked vehicle' track to site complete.

Please see individual releases for additional and consecutive results and information.

**EL 1348 - MT BINI  
ELO PORPHYRY COPPER - GOLD - MOLYBDENUM PROSPECT**

The Elo project area is prospective for porphyry copper-gold-molybdenum and epithermal gold deposits. The exploration target is 300 to 500M tonnes grading 0.5% to 0.8% copper equivalent\*, from near surface (based on the size and tenor of the soil geochemical anomaly, plus alteration noted). The regional example is the Kodu porphyry copper deposit (in respect to the above Target we caution that the potential quantity and grade is conceptual in nature, no mineral resource has been defined on the property and it is uncertain if a mineral resource will be defined on the property).

The drill intersection in hole EFD001 confirmed porphyry style mineralisation at Elo and documented the existence of higher grade zones. There is good potential to locate a cohesive, higher grade and possibly economic core to this large base / precious metal mineralised system.

The highest grade intersection in hole EFD001, was 12m grading 0.47% copper equivalent\*, within 46m grading 0.37% copper equivalent\*, within 319.4m grading 0.18% copper equivalent\*. The mineralised interval extends from 54 to 373.4m at the end of hole, with the final 11.4m interval returning an average grade of 0.13% copper equivalent\* (weak but still significantly mineralised). Peak individual 2m assay values were: 0.76% copper equivalent\*, 0.31% copper, 470ppm molybdenum and 0.54g/t gold.

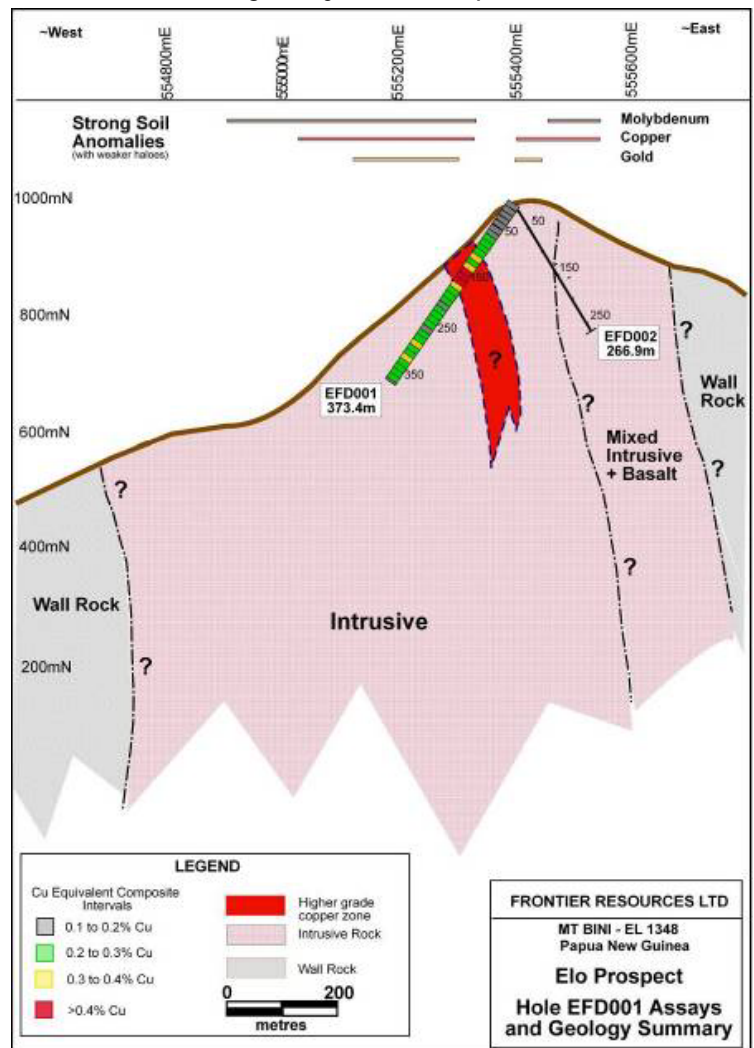
The mineralised system at Elo is enriched in molybdenum compared to the average noted at the Kodu Deposit. Molybdenum in EFD001 averaged 74ppm over the 319.4m interval, which is slightly more than the average grade in the entire Kodu Inferred Resource.

Similar tenor assay results are possible for hole EFD002, based on megascopic examination of the drill core. The assay results for this hole are still outstanding and yet to be reported.

More than half the width of the equant composite soil anomaly remains to be drill tested near surface. The strong (>30ppm) molybdenum in soil anomalism continues for an additional 300m to the west of the end of hole EFD001. This anomalism has not yet been tested at any significant depth below surface.

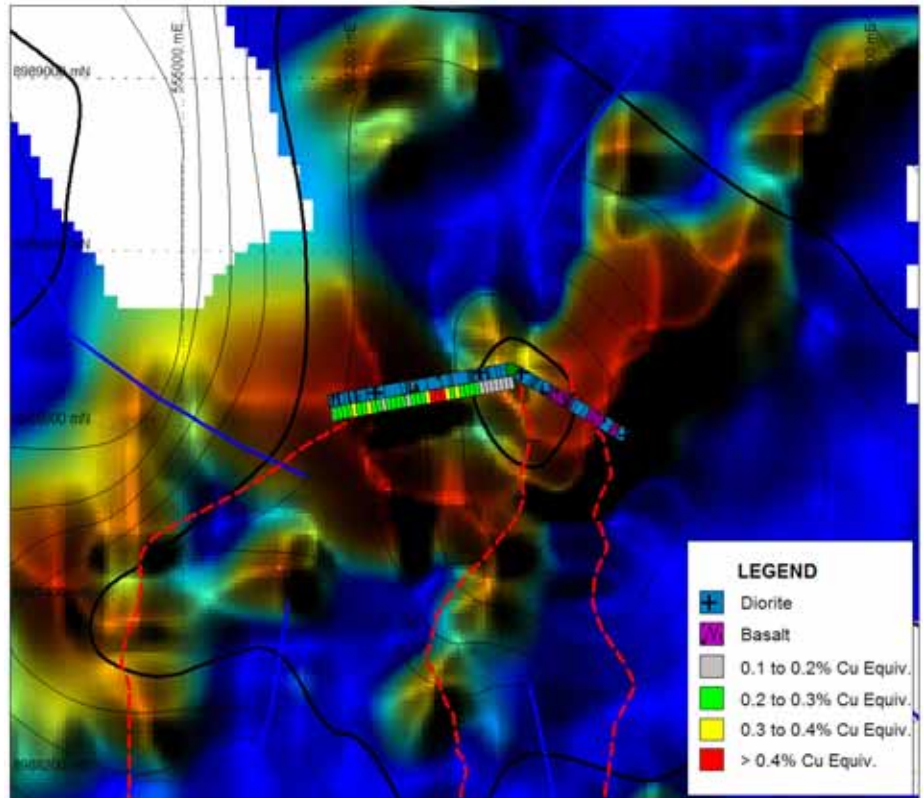
Figure 5. Cross section on line 8,988,650N showing:

- o The traces of holes EFD001 and 002.
- o 10m composite copper equivalent\* mineralised intervals downhole (EFD001 only).
- o The spatial relationship between the mineralised porphyry intrusive, a mixed zone on the eastern margin and the wallrock.
- o Approximate locations of strong copper/ molybdenum/ gold soil anomalies.
- o The location of the higher grade mineralised zone, located from 136 to 182m downhole.



Access track cutting to Elo (by a Company owned bulldozer) is proceeding smoothly along a major ridgeline, with approx. 9km of logging tracks cleaned up, approx. 5 km of new cutting completed and approx. 4km of track cutting remaining. This will enable a cost effective rig shift, plus exploration and trenching of the large gold in soil anomaly on the south slope of Elo Hill.

Figure 6. Contoured copper in soils (a different representation of the same data at the same scale as figure 2), plus drill hole traces showing 10m composite copper equivalent\* mineralised intervals downhole. The copper in soil assay values are represented by gradational colours with red being high and blue indicating low assay values. Grid spacing is 200m.



An additional long hole is contemplated to test deeper in the core of the system for potentially economic grades and widths of copper-gold-molybdenum mineralisation. This could commence in about 3 weeks, after completion of track access to the site.

Table 2. Weighted assay averages for individual metals in hole EFD001, plus hole collar location and orientation information.

| Hole_ID | Intercept Length | Copper Equiv. (%) | Copper (%) | Gold (g/t) | Moly (Mo) (ppm) | Silver (g/t) | Interval |        | Easting AMG (m) | Northing AMG (m) | RL (m) | Azimuth (True) | Dip (deg) | EOH Depth (m) |
|---------|------------------|-------------------|------------|------------|-----------------|--------------|----------|--------|-----------------|------------------|--------|----------------|-----------|---------------|
|         |                  |                   |            |            |                 |              | From (m) | To (m) |                 |                  |        |                |           |               |
| EFD001  | 373.4 m          | 0.17              | 0.07       | 0.06       | 66              | 0.2          | 0.0      | 373.4  | 555379          | 8988664          | 1001   | 260            | -55       | 373.4         |
|         | incl. 319.4 m    | 0.19              | 0.08       | 0.07       | 74              | 0.3          | 54.0     | 373.4  |                 |                  |        |                |           |               |
|         | incl. 46.0 m     | 0.38              | 0.18       | 0.17       | 133             | 0.6          | 136.0    | 182.0  |                 |                  |        |                |           |               |

Elo is located 54km NNE of the national capital, Port Moresby, and 18km to the NW of the Kodu Deposit; it is far removed from the Kokoda Track (which is located 13km to the SE). The project area is within 5km of existing logging tracks, a bulldozer track is within about 10 days of reaching the camp to provide good access and logistics during exploration and for any possible future development.

#### EL 1348 - MT BINI SIRIMU / SW KODU / NW KODU EPITHERMAL GOLD PROSPECTS

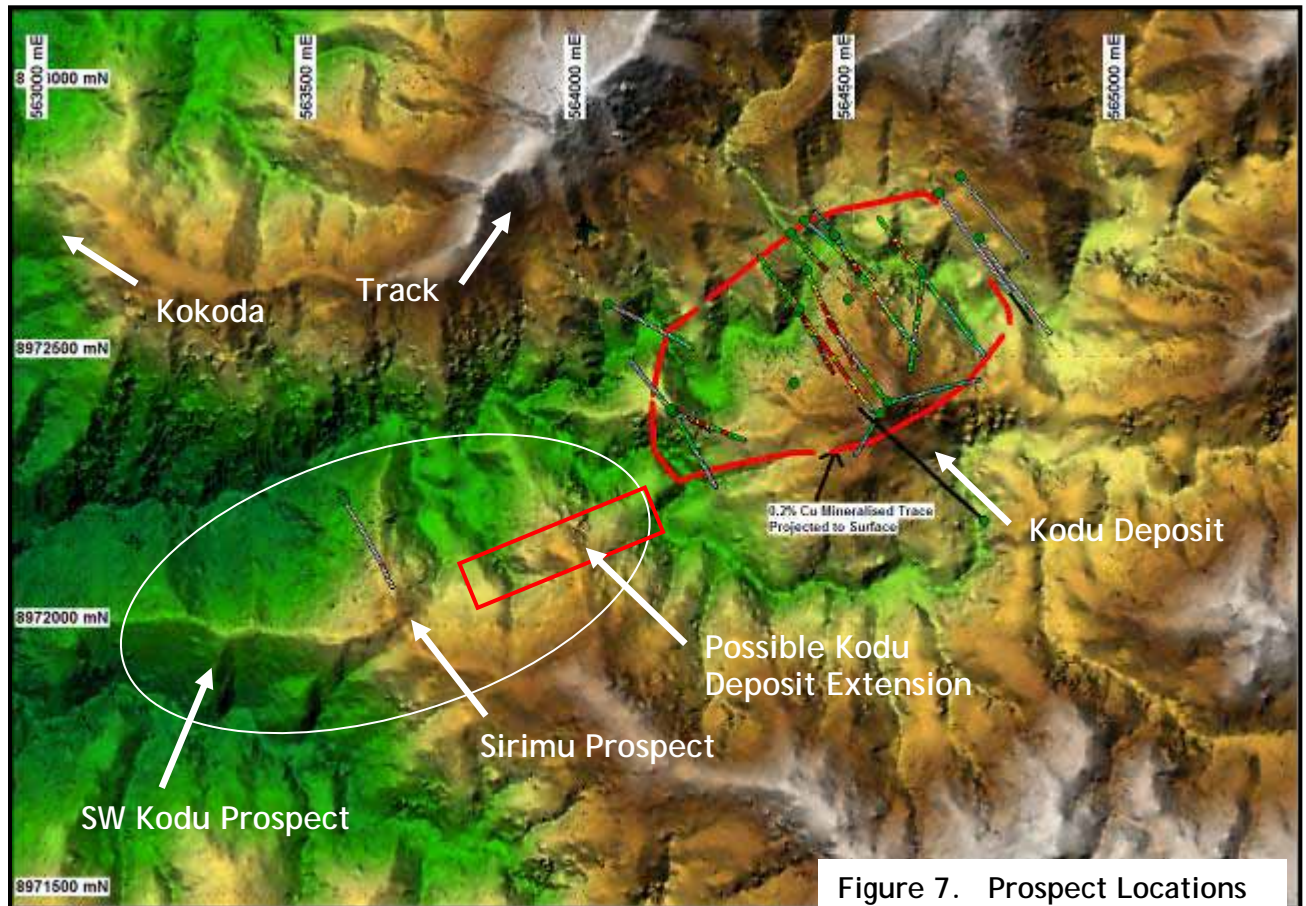
High grade and also wide gold assay results were returned in multiple locations from the first bulldozer trenching at the Sirimu Prospect, PNG, plus a possible SSW extension to the Kodu Deposit was defined. The excellent gold and locally silver + lead assay results, cover an 800m apparent strike length trench assay results include:

- 4.4m grading 19.95g/t gold + 47g/t silver + 3.2% lead
- 10m grading 11.40g/t gold + 40g/t silver + 0.4% lead

- 10m grading 4.82g/t gold + 0.75% lead
- 10m grading 5.10g/t gold
- 10m grading 2.19g/t gold
- 10m grading 1.06g/t gold
- 5m grading 1.18g/t gold

Entire gold anomalous bulldozer trench intervals (including the above results) are:

- 34.8m grading 8.64g/t gold + 36g/t silver + 1.01% lead
- 107.7m grading 2.23g/t gold + 11g/t silver
- 201.4m grading 0.54g/t gold (true widths of these intervals are unknown)



The first stage bulldozer trenching and access program consisted of a total of 2,575m cut and sampled in 8 trenches, in the gold anomalous ridge/spur soil zones.

Frontier rock chip sampling of float in the vicinity that was reported to the ASX 27 June 2007, returned high grades of epithermal style of mineralisation, with assays to 5.73g/t gold + 8.49% lead + 19g/t silver, 3.3g/t gold + 6.81% lead + 491g/t silver and 0.13% molybdenum.

The trenching confirmed that epithermal mineralisation occurs over a large area, centred about 1km WSW of Kodu. The only historic drill hole in this area returned 2m of 15.5g/t gold + 8 lower grade gold zones to 10m of 0.5g/t gold.

Table 3 is a complete list of all anomalous trench assay results from Sirimu, including trench sampling intervals. The trench assays have been bulked (weighted averages) over their entire mineralised intervals (>0.05, but generally >0.1 g/t gold).

| Trench Number | Anomalous Length | Assay Results |              |            |              |            |               |                | Anomalous Interval |        |
|---------------|------------------|---------------|--------------|------------|--------------|------------|---------------|----------------|--------------------|--------|
|               |                  | Gold (g/t)    | Silver (g/t) | Lead (ppm) | Copper (ppm) | Moly (ppm) | Arsenic (ppm) | Antimony (ppm) | From (m)           | To (m) |
| Trench 7      | 107.7m           | 2.23          | 11.4         | 814        | 221          | 2          | 300           | NA             | 80.0               | 187.7  |
| Trench 6      | 34.4m            | 8.64          | 35.7         | 1.01%      | 641          | -          | 0.31%         | 873            | 340.0              | 374.4  |
| Trench 4      | 201.4m           | 0.54          | -            | 599        | 132          | 3          | 200           | 59             | 109.1              | 310.5  |
| Trench 3      | 90m              | 0.37          | -            | 362        | 51           | -          | 155           | 10             | 50.0               | 140.0  |
| Trench 2      | 116m             | 0.30          | 2.2          | 403        | 735          | 32         | 83            | 81             | 280.1              | 396.1  |

NB: NA = not analysed

Table 4 is a list of the highest grade assay results in each trench from Sirimu / SW Kodu.

This exciting prospect warrants concerted exploration, including infill and extension trenching followed by drilling. Additional trenching, mapping and more detailed sampling is now underway.

| Trench Number | Anomalous Length | Assay Results |              |          |            | Anomalous Interval |        |
|---------------|------------------|---------------|--------------|----------|------------|--------------------|--------|
|               |                  | Gold (g/t)    | Silver (g/t) | Lead (%) | Copper (%) | From (m)           | To (m) |
| Trench 7      | 10m              | 11.40         | 40.0         | 0.38     | 0.04       | 130.0              | 140.0  |
| plus          | 10m              | 5.10          | -            | -        | 0.01       | 177.7              | 187.7  |
| Trench 6      | 4.4m             | 19.95         | 47.0         | 3.23     | 0.12       | 340.0              | 344.4  |
| Trench 4      | 10m              | 4.82          | -            | 0.75     | 0.05       | 159.5              | 169.5  |
| Trench 3      | 10m              | 2.19          | -            | -        | -          | -                  | 306.0  |
| Trench 2      | 5m               | 1.18          | -            | -        | 0.18       | -                  | 8.0    |
| plus          | 10m              | 1.06          | -            | 0.12     | 0.09       | 15.0               | 208.5  |

The Sirimu/SW Kodu high-grade epithermal precious and base-metal mineralisation provides a first class exploration and possible development target near Kodu. If such a deposit were discovered, it could be easier and faster to bring into production, than the World Class copper-gold-molybdenum deposit itself.

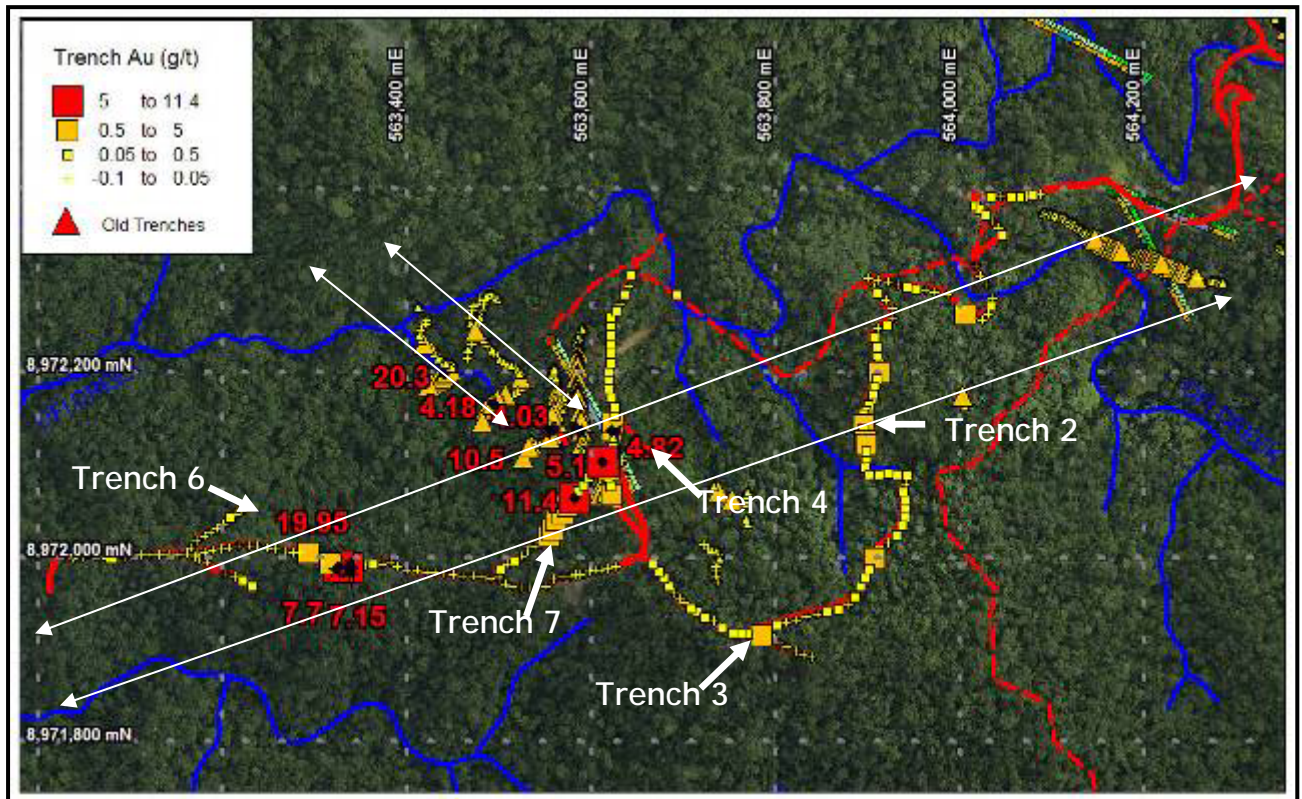
The continuous channel chip trench rock sampling was undertaken on 10m long reconnaissance style intervals, but narrowed to 5m or less in obvious mineralisation. Higher grade sections are now being re-sampled at smaller intervals.

The higher grade gold mineralisation appears to occur on the margins of the Sirimu dyke, the same as the 15.5g/t gold intercept in drill hole, or as veins/structures within the dyke itself. There appear to be 2 dominant mineralisation trends, as shown schematically by the arrows.

The gold anomalous assays in trenches 2, 4 and 7 appear to trend generally east-northeast and appear to correlate well with the Sirimu dyke. Measurements of mineralised structures are generally (more similar to Kodu itself), especially in Trenches 4, 6 and 7, but the local trends could be influenced by topography and limited slumping. The zone is also modelled as having a west-north west trending splay on the centre. Remapping and sampling in these mineralised intervals should establish the lithological and structural controls on the mineralisation.

The Sirimu dyke is more strongly gold, silver and lead anomalous in the west and trends to being more copper anomalous in the east, where it approaches the Kodu Deposit (towards hole KFD005 that returned 450m grading about 0.5% copper equivalent\*). This anomalous copper >600ppm in trench is likely to represent the strike extension of the Kodu Deposit. This interpretation is also supported by a magnetic signal anomaly from ground magnetic interpretation and normal metals trends and haloes in porphyry deposits.

Figure 8 (below) shows gold in trench assay results plotted as red / orange coloured shapes at various cut-off levels, drainages in blue and 200m squares for scale on an airphoto base. The south-southwest end of the Kodu Deposit is located near Ofi Creek, toward the upper right hand corner of the image at 564200mE / 8972300mN.



**EL 1345 - ANDEWA  
KOMSEN EPITHERMAL GOLD PROSPECT**

Excellent hand trench assay results, containing the highest grade gold (to 70g/t) and silver assays were returned from the Komsen Prospect, in a series of short, relatively closely spaced (approx. 20m) infill and extension hand trenches that were cut and sampled between existing trenches and along strike.

Approximately true width results included:

- o 5.0m of 18.5 g/t gold (with 1m grading 70 g/t).
- o 3.7m of 12.6 g/t gold
- o 3.7m of 9.1 g/t gold
- o 0.9m of 22.4 g/t gold
- o 5.0m of 5.0 g/t gold and
- o 3.8m of 5.8 g/t gold (with all higher grade results listed in Table 5 to the right)

Silver was sporadically anomalous at less than a 1:1 level, but with results locally as high as 1m of 155 g/t.

The mineralisation at Komsen has been confirmed for the first time to have gold-telluride affinities, potentially similar to other high grade, structurally related deposits (such as the recently commissioned Sinivit Mine on the same island of New Britain, the Kainantu Mine on the PNG Mainland and the long lived Emperor Mine in Fiji).

| Trench No. | Width (m) | Gold Grade (g/t) | Interval |        |
|------------|-----------|------------------|----------|--------|
|            |           |                  | From (m) | To (m) |
| AFT004     | 0.7       | 6.30             | 0.0      | 0.7    |
| AFT005     | 3.7       | 12.60            | 0.0      | 3.7    |
| AFT007     | 4.9       | 4.82             | 0.0      | 4.9    |
| incl.      | 0.9       | 22.35            | 3.0      | 3.9    |
| AFT008     | 5.0       | 5.01             | 0.0      | 5.0    |
| AFT009     | 5.0       | 18.54            | 3.0      | 8.0    |
| incl.      | 1.0       | 70.00            | 4.0      | 5.0    |
| AFT010     | 3.0       | 1.30             | 1.0      | 4.0    |
| AFT011     | 3.0       | 2.99             | 2.0      | 5.0    |
| AFT012     | 1.0       | 1.42             | 0.0      | 1.0    |
| AFT013     | 11.0      | 0.89             | 0.0      | 11.0   |
| incl.      | 2.0       | 1.66             | 0.0      | 2.0    |
| incl.      | 2.0       | 1.94             | 7.0      | 9.0    |
| AFT014A    | 3.8       | 5.80             | 2.2      | 6.0    |
| plus       | 4.0       | 4.50             | 8.0      | 12.0   |
| AFT015     | 6.8       | 0.45             | 0.0      | 6.8    |
| incl.      | 1.3       | 1.63             | 1.3      | 2.6    |
| AFT023     | 0.9       | 4.39             | 1.9      | 2.8    |
| AFT024B    | 5.0       | 1.42             | 0.0      | 5.0    |
| incl.      | 2.0       | 2.16             | 3.0      | 5.0    |
| DriII PAD1 | 3.7       | 9.08             | 0.0      | 3.7    |
| plus       | 0.6       | 1.13             | 0.0      | 0.6    |

High grade gold + zinc and moderate grade silver assays have been returned from drilling at the Komsen Prospect, within the best result to date being a 4.5m weighted interval grading 5.81g/t gold + 28 g/t silver + 3.2% zinc + 0.5% lead. The drilling has confirmed trench assays and shown that that multiple gold mineralised structures exist to at least 130m vertical depth with locally associated high grade zinc and moderate grade lead and silver veins.

Ten diamond core holes have intersected the main vein (Vein 1) to date, at varying but generally increasing depths downhole (see Figures 9 and 10, plus Tables 6 and 7) and eleven holes have been completed for approximately 1,300m.

Assay results (downhole length - true width yet to be estimated) include:

- AFD001 - 1.2m of 4.06g/t gold
- AFD002 - 3.1m of 0.93g/t gold (incl. 0.9m of 2.62g/t gold),  
- plus 0.2m with 11.1% zinc + 2.31% lead + 95g/t silver + 0.12% copper
- AFD003 - 2.5m of 1.43g/t gold + 16g/t silver + 0.10% arsenic
- AFD004 - 6.9m of 1.60g/t gold + 5g/t silver + 0.14% arsenic (including 0.7m grading 6.28g/t gold)  
- plus 3.0m grading 1.46g/t gold + 6g/t silver + 0.11% arsenic
- AFD005 - 4.5m of 5.81 g/t gold + 28 g/t silver + 3.2% zinc + 0.5% lead, with 1m of 19.0 g/t gold + 119 g/t silver + 10.3% zinc  
- plus 1.0m of 3.2% zinc + 0.5% lead

Hole AFD005 has shown that the best grades of mineralisation encountered in the drilling to date are at the greatest depth tested. The significance of this is yet to be determined, but it is highly encouraging. In addition, the wider zone of gold mineralisation (21.65m of 4.4g/t gold) in trench located toward the eastern end of the present work zone (with previously noted visible gold), remains to be drill tested.

The assay results confirm the existence of primary high grade gold in the Komsen structure at about 130m vertical depth; very importantly, they also confirm that previously reported high grade trench assays are not just due to supergene (mechanical) surface enrichment.

Assay results are expected forthwith for holes AFD006 and 007 that targeted relatively near surface intersections, while drilling towards the higher gold grade trenches located to the east of the collar. The higher grade surface gold mineralisation, targeted by holes AFD001 to 005, may be plunging in this direction providing a good target for additional drill evaluation.

Hole AFD011 was drilled to intersect the structure at depth below hole AFD005. The structure is steeply dipping and the projected zone of mineralisation has not yet been intersected (in the anticipated width), but many narrow mineralised alteration zones were noted between 180-320m.

A ground magnetic survey was completed, as a first pass to assist in defining the location and extent of the mineralised structures, then later recommenced, undertaking infill in key areas plus additions to the survey.

The bulldozer was successfully mobilised to site and has now cleared approximately 4,000m of track towards the drill site and camp.

Figure 9 (below) is a cross section at the Komsen Prospect, showing the gold grades reported for holes AFD001-005. It shows the hole traces in the subsurface, with visually altered and mineralised intervals (observed in core) highlighted in pink plus actual assay grades. The mineralised structure shows very good vertical continuity and consistency to a currently known vertical depth of about 130m. It also highlights that there are many other nearby structures/veins to be assessed. Grades are known to vary rapidly along strike and down dip in these types of deposits and this is normal, but it makes assessment somewhat more difficult due to the 'nugget effect'.

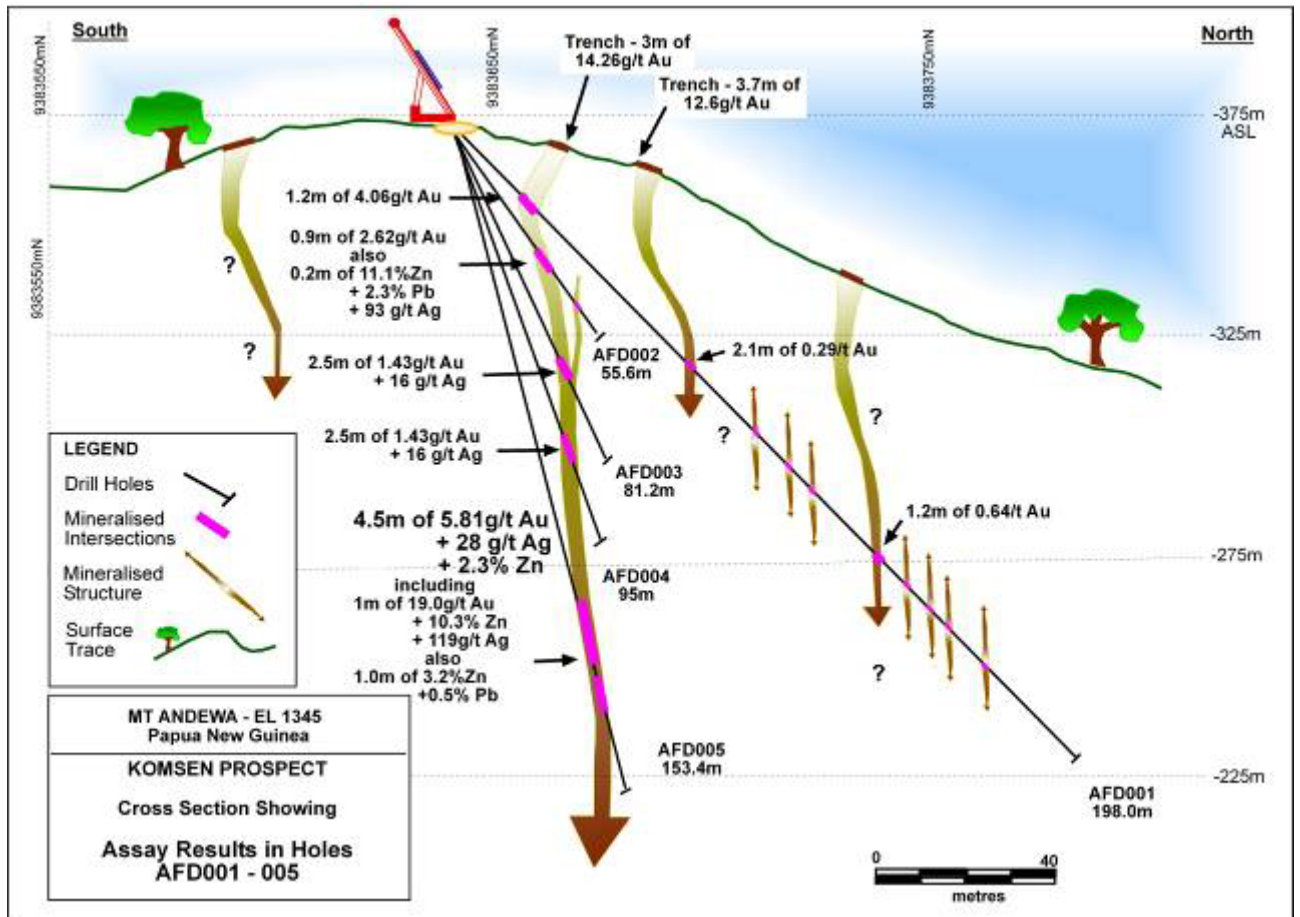
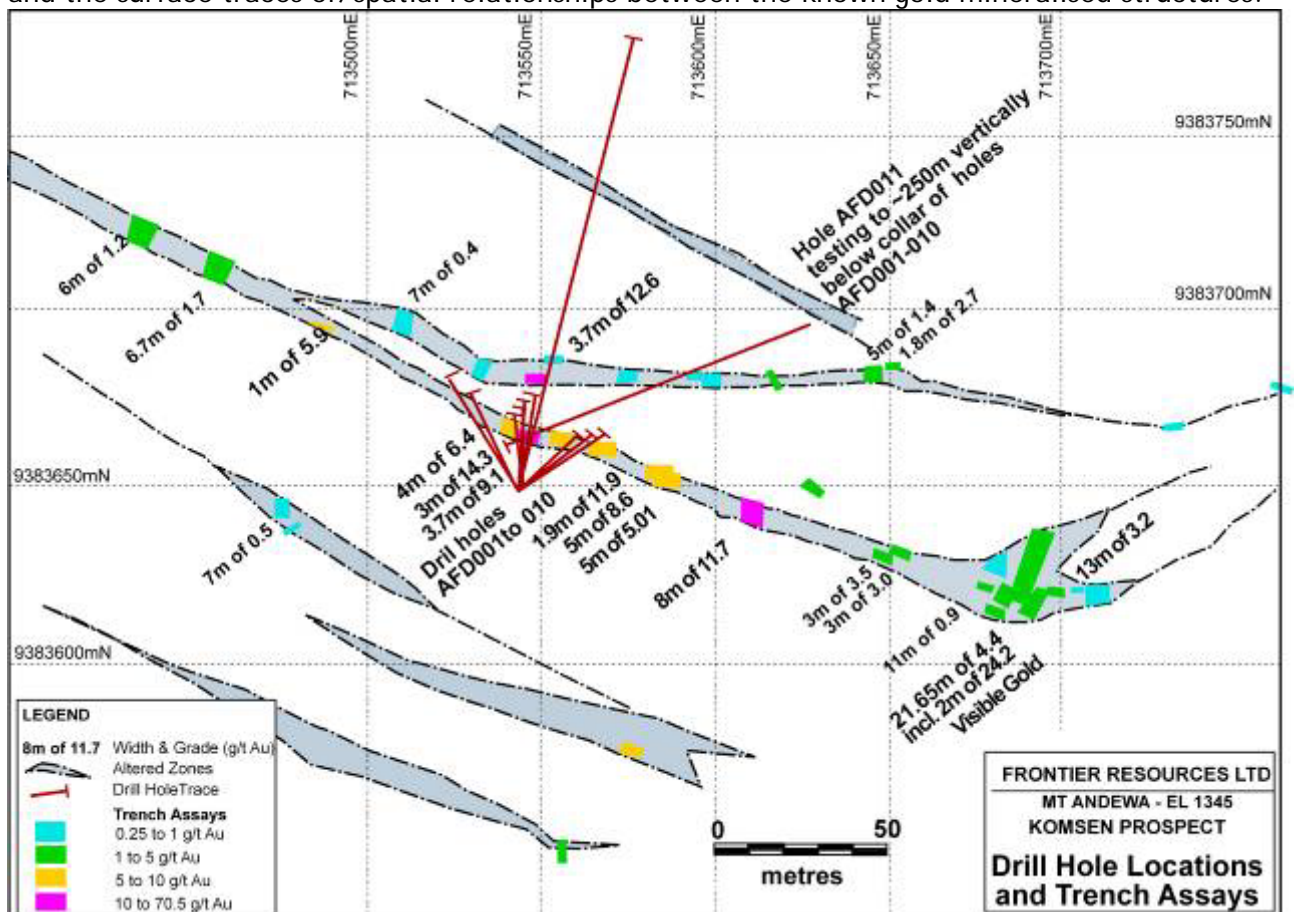


Figure 10 is a plan of part of the Komsen Prospect, showing surface traces of holes drilled to date, the approximate true width of hand trenched gold mineralised intervals and their locations and the surface traces of/spatial relationships between the known gold mineralised structures.





| Hole Number | Interval Length | Assay Grades |              |          |          |            |             |                | Downhole Interval |        |
|-------------|-----------------|--------------|--------------|----------|----------|------------|-------------|----------------|-------------------|--------|
|             |                 | Gold (g/t)   | Silver (g/t) | Zinc (%) | Lead (%) | Copper (%) | Arsenic (%) | Antimony (ppm) | From (m)          | To (m) |
| AFD003      | 2.5m            | 1.43         | 16.4         | 0.25     | 0.05     | 0.10       | 0.10        | 66             | 60.8              | 63.3   |
| AFD004      | 6.9m            | 1.60         | 4.6          | 0.12     | 0.02     | 0.03       | 0.14        | -              | 76.8              | 83.7   |
| incl.       | 0.7m            | 6.28         | 3.0          | 0.39     | 0.07     | 0.02       | 0.50        | -              | 76.8              | 77.5   |
| plus        | 3.0m            | 1.46         | 5.6          | 0.05     | 0.02     | 0.03       | 0.11        | -              | 80.7              | 83.7   |
| AFD005      | 1.0m            | 0.09         | 1.0          | 3.20     | 0.49     | 0.05       | 0.01        | -              | 115.5             | 116.5  |
| plus        | 4.5m            | 5.81         | 27.8         | 2.34     | 0.06     | 0.06       | 0.14        | -              | 121.4             | 125.9  |
| incl.       | 1.0m            | 19.00        | 119.0        | 10.30    | 0.24     | 0.22       | 0.23        | -              | 122.4             | 123.4  |

| Hole ID                                 | From  | To    | Apparent Width | True Width | Azimuth | Incl. | EOH Depth | Easting  | Northing | RL   |
|---|-------|-------|----------------|------------|---------|-------|-----------|----------|----------|------|
| AFD001                                  | 21.3  | 24.5  | 3.2            | 3.1        | 14      | -45   | 198.0     | 713543.5 | 9383647  | 374m |
| AFD002                                  | 34.6  | 40.1  | 5.5            | 3.4        | 14      | -55   | 55.6      | 713543.5 | 9383647  | 374m |
| AFD003                                  | 60.2  | 67.8  | 7.6            | 2.8        | 14      | -65   | 81.2      | 713543.5 | 9383647  | 374m |
| AFD004                                  | 76.8  | 84.3  | 7.5            | 2.8        | 14      | -70   | 97.8      | 713543.5 | 9383647  | 374m |
| AFD005*                                 | 111.3 | 129.0 | 17.7           | 5.8        | 14      | -75   | 153.4     | 713543.5 | 9383647  | 374m |
| AFD006                                  | 26.1  | 34.8  | 8.7            | 4.5        | 60      | -45   | 56.9      | 713543.5 | 9383647  | 374m |
| AFD007                                  | 31.4  | 40.3  | 8.9            | 3.6        | 60      | -55   | 49.5      | 713543.5 | 9383647  | 374m |
| AFD008                                  | 67.2  | 74.9  | 7.7            | 2.2        | 60      | -65   | 82.4      | 713543.5 | 9383647  | 374m |
| AFD009                                  | 48.6  | 65.0  | 16.4           | 8.5        | 328     | -45   | 82.3      | 713543.5 | 9383647  | 374m |
| AFD010*                                 | 96.0  | 105.0 | 9.0            | 3.4        | 328     | -55   | 108.7     | 713543.5 | 9383647  | 374m |
| Total Andewa Drilling to Date = ~1,300m |       |       |                |            |         |       |           |          |          |      |

NB: AFD005 and AFD010 intersections are in 2 closely separated intervals

#### EL 1351 - LIKURUANGA BUKUAM PORPHYRY COPPER - GOLD - MOLYBDENUM PROSPECT

No field work was conducted at EL1351 during the quarter.

#### TASMANIAN EXPLORATION LICENCES AND RETENTION LICENCES (Narrawa, Stormont and Wart Hill Projects - RL3/2006, RL4/2006 and EL 20/96)

No field work was conducted in Tasmania during the quarter, however, Geostat and Frontier commenced data compilation and the physical parameter testwork required to complete resource estimations for each of the above prospects. This work is anticipated to be completed by year end.

Narrawa/Higgs contains gold-silver-zinc-lead mineralisation, Stormont contains gold-bismuth mineralisation (both are skarn related and a few kilometres apart) and Wart Hill contains zinc-lead-silver-gold mineralisation (massive sulphides in the Tasmania's Mount Read Volcanics). Each deposit is relatively small but all have good continuing exploration and possible development potential, as they all occur from surface.

Encouraging results from the resource estimations would likely see the commencement of a Conceptual Mining Study on Narrawa and Stormont, to evaluate possible development opportunities and costs, including centrally located/shared processing facilities or toll milling.

Planning is well advanced for the proposed exploration program to define additional drilling targets at the NE Osmund Prospect (airborne electromagnetic anomaly) in the SMRV Project and it is scheduled to commence in about 2 weeks. Drilling is planned to commence at the Wart Hill Prospect in early/mid January 2008.

## CORPORATE

Frontier is blazing a new trail of Social Responsibility and positive landowner engagement in Papua New Guinea. The centrepiece of this policy will be a partnership between the Company and all deposit landowners, whereby they will become 5% equity partners in all mines developed on future Mining Leases derived from the Company's Exploration Licences in PNG.

The 5% equity will be carried to production, with the landowners' pro-rated capital expenditure to be repaid from their pro-rated mine profits. Mechanisms to accomplish this and other details are being investigated, but could be through the granting of equity in the holding company established specifically to own the Mining Lease and develop the deposit.

This policy is being implemented for altruistic and commercial reasons, in anticipation of a positive Conceptual Mining Study for the Kodu Deposit, that would likely lead to the commencement of a full Feasibility Study in early 2008.

Managing Director Peter McNeil commented:

*"Frontier is very pleased to be the first mineral exploration company operating in Papua New Guinea to offer such a generous and all encompassing equity partnership to landowners from all the areas where we operate and hope to discover, delineate and develop mines.*

*Directors anticipate that this policy will result in a much easier eventual transition from exploration (potentially) to development at Kodu and we also feel that it is the correct moral outcome for the affected landowners, who in general have very few material possessions and little hope for near or longer term development in their individual regions.*

*The landowners will be empowered as equity partners and joint participants in any development and this will result in more open dialogue and understanding between the parties, many fewer 'issues', plus increased transparency in the operation.*

*This policy will promote a positive legacy for the Company with trust, understanding and respect from all landowners. It will enable hope for a positive future and deliver real and tangible fiscal benefits to landowners whose lives and property will be affected by any mine developments.*

*The Kodu Landowners have embraced the Company and its exploration activities 100% and they believe that a mine (at Kodu) is their only chance this generation for significant development in their area capable of improving their standards of living and health, bringing a reduction in infant and general mortality rates.*

*Frontier and the Kodu Landowners (the 'Kodu Partners') wish to see the Kodu Deposit advance from exploration to mining in conjunction with so called 'Eco Trekking' on the Kokoda Track and hope all stakeholders will come to accept this logical and rational conclusion. The Kodu Partners want sustainable development that operates in conjunction with tourism and respects the legal rights of the Company, the moral and economic rights of the landowners and the history of the 96 kilometre long, privately PNG owned Kokoda Track. We hope that all stakeholders can work together to promote this end with respect to the possible exploitation of the Kodu Deposit, however, this is now in the hands of the other stakeholders.*

*The Governor of Central Province (the Hon A.Moroi MP) told the Kodu landowners on Sunday, during the Kodu Deposit site visit, that he supported their aspirations and wants to see development of such projects in his Province. The Vice Minister for Mining (the Hon. A.Pala MP) concurred and stated that he would like to see the project 'fast-tracked' to development and that he would suggest such to the PNG National Government.*

*I personally am very proud to have advocated and implemented this policy and challenge other mineral exploration and mining companies operating in Papua New Guinea to do the same."*

Frontier currently supply basic first aid and school supplies to local landowners on an annual basis, are building an Aid-Post with attached nurse accommodation with timber milled by the

Company from trees pushed over while making the access tracks. Sustainability is an important part of our Corporate culture. Trekkers may enjoy the challenge of a difficult hike while on a very expensive holiday, however, it is not pleasant if it is a normal requirement of existence. As such, we also attempt to assist with better access to/from urban areas via our access tracks and will finalise a track connection to the site selected by the Kodu Landowners for their new village of Nauro in later November. In addition we purchase local produce to assist their communities, train local people (drillers, operators and field technicians etc) and provide them with the skills required to assist our exploration programs. Frontier is easily the largest and normally the only source of wages to the communities where we operate.

The Company's exploration activities (like every other exploration company) can on occasion have slightly adverse, short term effects on stream water quality through increased runoff resulting in siltation and discoloured water. We do not affect water quality in any other way at all as we recognise that water is precious for all life. Frontier is pro-active in supplying basic water systems to landowner villages to redress this situation.

Achieving the confidence of the public (including shareholders and potential shareholders) is very important to Frontier and something we strive constantly to accomplish, in addition to the core business of exploration for and exploitation of mineral resources.

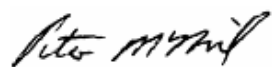
The now former PNG Minister for Mining refused to grant the Company's 8 Papua New Guinea Exploration Licence Applications early in the quarter and no reasons were given.

- o The applications have been re-lodged/applied for and legal clarification sought.
- o Reasons for the refusals were requested (but denied) for transparency, as:
  - The Company had and has more than double the cash reserves required to fund all the exploration commitments for their first full 2 year terms.
  - Frontier's existing ELs are all in good standing (with more than 15 times the required minimum and 5 times actual commitment expended on them since granting).
  - The previous work programs committed to on the ELAs were well considered, with proposed expenditure to average 309% of the minimum required.
- o Frontier has always regarded these ELAs as secondary future potential (referred to as 'Blue Sky') but nonetheless is disappointed by the Minister's decision. There will be no change to the Company's exploration plans, which are focused on its existing Mt Bini (Kodu), Mt Andewa and Mt Likuruanga Exploration Licences.

If not exercised, the FNT0 class of options will cease trading on the ASX at 5.00pm 23 November and expire 30 November 2007(as required by the ASX listing rules). The share price now is slightly lower than the 20c exercise price of the options, but it could change in a positive manner in the near future. If the outstanding FNT0 options are exercised, a substantial amount of capital will be generated and be used to progress Kodu to a full feasibility study (assuming positive outcomes in the Resource Estimation and Mining Study) and to continue drill advancing the Company's other highly prospective prospects.

For additional information relating to the Company and its projects please visit our 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.

**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 their information in the form and context in which it appears.

**Notes:**

- The Indicated and Inferred Resource at Kodu was estimated by Ms Fleur Muller BSc(Hons) MAusIMM, MAIG, a fulltime employee of Geostat Services Pty Ltd, under the supervision of P.McNeil and R.Reid (Managing Director and Exploration Manager of Frontier Resources Ltd, respectively,) using Surpac geological modelling software. Ms Muller has considerable experience in the estimation of resources over a wide variety of commodities and mineralisation styles including porphyry copper-gold deposits and as such, meets the formal requirements as defined in the JORC Code (Joint Ore Reserves Committee, 2004) to be a Competent Person for the estimation of the Kodu Deposit Mineral Resources. Ms Muller has consented to the inclusion in this report of the matters based on her information in the form and context in which it appears.
- \*Copper Equivalent is the contained copper, gold, silver and molybdenum that are converted to an equal amount of pure copper and summed (based on assays of mineralised rock and actual metal prices). It is used to allow interpretation of the possible theoretical 'value' of mineralised rock, without consideration of the ultimate extractability any of the metals.
- Copper Equivalent\* herein is based upon metal prices of US\$3.69/lb Cu, US\$749/oz Au, US\$32/lb Mo (57% MoO<sub>3</sub> conc.) & US\$13.67/oz Ag (11/10/2007). The formula used is  $\text{Cu Equivalent}^* \% = \text{Cu}(\%) + (\text{Au}(\text{g/t}) \times 0.2958) + (\text{Mo}(\text{ppm}) \times 0.00101) + (\text{Ag}(\text{g/t}) \times 0.00540)$ .
- Island Arc related porphyry copper- gold- molybdenum deposits such as Kodu typically recover contained Cu, Au, Mo and Ag (subject to metallurgical characteristics and prevailing metal prices).
- The ASX requires a metallurgical recovery be specified for each metal, however, no testwork has ever been undertaken at Kodu and recoveries can only be assumed to be typical for Island Arc porphyry copper - gold - molybdenum - silver deposits. The Conceptual Mining Study expected to be announced in early to mid November will clarify this.
- It is the Company's opinion that each of the elements included in the metal equivalents calculation has good potential to be recovered if the project proceeds to mining.

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**FRONTIER RESOURCES LTD**

ACN OR ARBN

**095 684 389**

Quarter ended ("current quarter")

**30 September 2007**

### Consolidated statement of cash flows

|   | Current quarter<br>\$A'000 | Year To Date<br>(3 Mths)<br>\$A'000 |
|---|----------------------------|-------------------------------------|
| <b>Cash flows related to operating activities</b>               |                            |                                     |
| 1.1 Receipts from product sales and related debtors             | -                          | -                                   |
| 1.2 Payments for (a) exploration and evaluation                 | (1,225)                    | (1,225)                             |
| (b) development   | -                          | -                                   |
| (c) production  | -                          | -                                   |
| (d) administration  | (107)                      | (107)                               |
| 1.3 Dividends received  | -                          | -                                   |
| 1.4 Interest and other items of a similar nature received       | 29                         | 29                                  |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                   |
| 1.6 Income taxes paid   | -                          | -                                   |
| 1.7 Other - Expenditure reimbursable by JV partner              | -                          | -                                   |
| Other - Expenditure reimbursable by others                      | (141)                      | (141)                               |
| <b>Net Operating Cash Flows</b>                                 | <b>(1,444)</b>             | <b>(1,444)</b>                      |
| <b>Cash flows related to investing activities</b>               |                            |                                     |
| 1.8 Payment for purchase of: (a) prospects                      | -                          | -                                   |
| (b) equity investments  | -                          | -                                   |
| (c) other fixed assets  | (62)                       | (62)                                |
| 1.9 Proceeds from sale of: (a) prospects                        | -                          | -                                   |
| (b) equity investments  | -                          | -                                   |
| (c) other fixed assets  | -                          | -                                   |
| 1.10 Loans to other entities                                    | -                          | -                                   |
| 1.11 Loans repaid by other entities                             | -                          | -                                   |
| 1.12 Other - Mines Dept deposits                                | -                          | -                                   |
| <b>Net Investing Cash Flows</b>                                 | <b>(62)</b>                | <b>(62)</b>                         |
| 1.13 Total operating and investing cash flows (carried forward) | <b>(1,506)</b>             | <b>(1,506)</b>                      |

|   |  |         |         |
|---|--|---------|---------|
| 1.13  | Total operating and investing cash flows (brought forward) | (1,506) | (1,506) |
| <b>Cash flows related to financing activities</b> |  |         |         |
| 1.14  | Proceeds from issue of shares, options, etc.               | 24      | 24      |
| 1.15  | Proceeds from sale of forfeited shares                     | -       | -       |
| 1.16  | Proceeds from borrowings                                   | -       | -       |
| 1.17  | Repayment of borrowings                                    | -       | -       |
| 1.18  | Dividends paid   | -       | -       |
| 1.19  | Other - Subscriptions re Rights issue                      | -       | -       |
| <b>Net financing cash flows</b>                   |  | 24      | 24      |
| <b>Net increase (decrease) in cash held</b>       |  | (1,482) | (1,482) |
| 1.20  | Cash at beginning of quarter/year to date                  | 4,160   | 4,160   |
| 1.21  | Exchange rate adjustments to 1.20                          |         |         |
| 1.22  | <b>Cash at end of quarter</b>                              | \$2,678 | \$2,678 |

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

|      |   | Current quarter<br>\$A'000 |
|------|---|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2  | 65                         |
| 1.24 | Aggregate amount of payments to the parties included in item 1.10 | Nil                        |

1.25 Explanation necessary for an understanding of the transactions

Directors: salaries and consulting fees

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

|  |
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|  |
|--|

2.2 Details of outlays made by other entities to establish or increase their shares in projects in which the reporting entity has an interest.

|  |
|--|
|  |
|--|

**Financing facilities available**

Add notes as necessary for an understanding of the position

|                                 | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities             |                             |                        |
| 3.2 Credit standby arrangements |                             |                        |

**Estimated cash outflows for next quarter**

|                                | \$A'000 |
|--------------------------------|---------|
| 4.1 Exploration and evaluation | 1,000   |
| 4.2 Development                | -       |
| <b>Total</b>                   | 1,000   |

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

|  | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 678                        | 4,160                       |
| 5.2 Deposits at call                             |                            |                             |
| 5.3 Bank overdraft                               |                            |                             |
| 5.4 Other : fixed term deposits                  | 2,000                      |                             |
| <b>Total: cash at end of quarter</b> (item 1.22) | 2,678                      | 4,160                       |

**Changes in interests in mining tenements**

| Tenement Reference | Nature of Interest (note(2))                                  | Interest at beginning of Quarter | Interest at end of Quarter |
|--------------------|---|----------------------------------|----------------------------|
| 6.1                | Interests in mining tenements relinquished, reduced or lapsed |                                  |                            |
| 6.2                | Interests in mining tenements acquired or increased           |                                  |                            |

**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates

|   | Total number                                      | Number quoted | Issue price per security (see note 3) (cents)                  | Amount paid up per security (see note 3) (cents)                |
|---|---|---------------|--|---|
| 7.1 <b>Preference +securities</b><br>(description)  | Nil   | Nil           |  |   |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs redemptions                   |   |               |  |   |
| 7.3 <b>+Ordinary securities</b>   | 132,931,373                                       | 132,931,373   |  |   |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>38,461<br>90,000<br>70,000<br>(b) Decreases through returns of capital, buy-backs |   |               | 20 cents<br>10 cents<br>14 cents                               |   |
| 7.5 <b>+Convertible debt securities</b><br>(description)  | Nil   | Nil           |  |   |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted                               |   |               |  |   |
| 7.7 <b>Options</b><br>(description and conversion factor)   | 83,054,359<br>1,600,000<br>1,555,000<br>1,560,000 | 83,054,359    | Exercise price<br>20 cents<br>20 cents<br>10 cents<br>14 cents | Expiry date<br>30-Nov-07<br>31-Dec-07<br>01-Dec-08<br>20-Oct-11 |
| 7.8 Issued during quarter   | -   | -             | 20 cents   | 30-Nov-07   |
| 7.9 Exercised during quarter  | 38,461<br>90,000<br>70,000                        |               | 20 cents<br>10 cents<br>14 cents                               | 01-Dec-08<br>01-Dec-08<br>20-Oct-11                             |
| 7.10 Expired/cancelled during quarter   |   |               |  |   |
| 7.11 <b>Debentures</b><br>(totals only)   | Nil   | Nil           |  |   |
| 7.12 <b>Unsecured notes</b><br>(totals only)  | Nil   | Nil           |  |   |



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4)
- 2 This statement does / ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: .....  
 (Director/Company secretary)

Print name: Garry M. Edwards .....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. Any entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and Quoted Securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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