



ADDRESS  
PO Box 35  
North Perth  
WA 6906 Australia  
ABN 96 095 684 389

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

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

ASX Limited  
Company Announcements Office

31st October, 2008

## TECHNICAL REPORT - QUARTER ENDED 31st OCTOBER 2008

Several high quality, cost effective drilling and exploration programs, plus pre-feasibility type studies were completed at various deposits and projects during the September Quarter 2008.

Income from commercial drilling contracts has assisted markedly and resulted in this work being accomplished for a nett cash flow of only \$165,000.

- A Conceptual Mining Study on the Narrawa Deposit showed positive cash flow for a A\$12.4 million capital cost, which improves significantly with an increase in resources and hence mine life.
  - An Inferred Resource was estimated for the Narrawa Deposit to contain 30,850 ounces of gold equivalent, in 192,250 tonnes grading 5.05 g/t gold equivalent.
  - The mineralisation was shown to have excellent metallurgical recoveries.
  - 11 diamond core drill holes were completed at Narrawa during the quarter for 726.9m. Best results to date are NC43 with 24.7m of 3.42 g/t gold equivalent and NC44 with 24.3m of 4.42 g/t gold equivalent.
- Frontier's first drilling program was completed 28/10/2008 at the Stormont Deposit.
  - 16 holes were drilled for 565.4m and initial assay results are expected forthwith.
  - Frontier's diamond saw check sampling of the historic small open cut returned an 8m vertical channel sample grading 6.63 g/t gold equivalent.
  - At the end of the historic adit, diamond saw sampling showed it stopped in a greater than 1.3m wide zone grading 26.7g/t gold plus 0.54% bismuth.
- The Bulago and Jimi Exploration Licenses were granted in Papua New Guinea.
  - Bulago contains historic very high gold grades in trench sampling, including 0.85m of 754g/t gold, 2m of 188g/t gold, 15m of 57.4g/t gold and 6m of 72.2g/t gold.
  - Jimi contains historic very high polymetallic results in trench sampling including 16m grading 2.5% copper + 6.4% zinc + 2.2% lead + 70 g/t silver + 0.8 g/t gold and 8m grading 3.7% copper + 6.3% zinc + 126 g/t silver + 0.9 g/t gold.
  - A program of trench re-sampling and evaluation has been completed at Jimi.
- An exploration program at the Esis copper Deposit confirmed copper (+/-gold) anomalous intervals in creeks/historic trenches and Frontier is highly encouraged that a significant porphyry copper deposit could be defined with drilling.
- A Rights Issue Prospectus was issued on 28/10/2008, to raise approximately \$1.7 million (if fully subscribed) at 3.5 cents /share, plus one free New Option/share, exercisable at 4.5 cents on or before 3 December 2010. Proceeds will be used to:
  - Initiate feasibility studies on the Narrawa and Stormont Deposits,
  - Continue exploration activities in PNG and Tasmania,
  - Continue legal action in the PNG courts, regarding the refusal to renew the Exploration Licence for the Kodu Deposit despite commitments being exceeded and
  - Complete construction of 3 new diamond drilling rigs (frame construction is nearly complete) for Frontier's own use, hire or sale.

## SUMMARY

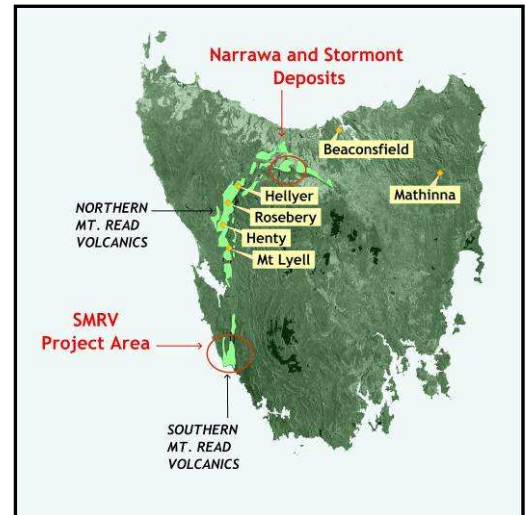
### Narrawa Deposit (RL 4/2005)

An Inferred Resource was estimated for the Narrawa Deposit, in northern Tasmania (see location plan below) hosted within 3 on or near surface and potentially open-pitabile lodes, containing:

- 30,850 ounces of gold equivalent, grading 5.05 g/t gold equivalent,
- Within 192,250 tonnes grading 2.74 g/t gold + 1.21% zinc + 1.59% lead + 22g/t silver,
- Consisting of 16,740 ounces of gold + 2,300 tonnes of zinc + 3,020 tonnes of lead + 134,400 ounces of silver.

Excellent metallurgical recoveries have been obtained for the Narrawa mineralisation by flotation (average of 95%), with Stormont yet to be metallurgically evaluated. This information was incorporated into a Conceptual Mining Study (CMS) that evaluated Narrawa's potential to be placed into development.

The CMS showed that the Narrawa Deposit can be economically mined and concentrated at site, with toll smelting at the Risdon refinery. However, Narrawa alone would have a short mine life and the project would be substantially more robust with a larger resource. Increasing the total resources will be attempted with the next drilling program, but the same effective result will be achieved when a resource is estimated for the results of the recent drilling at the Stormont Deposit.



Frontier's immediate goal is completion of pre-feasibility evaluations at the Narrawa and Stormont deposits.

10 gold /base-metal resource definition holes and one scout hole for tungsten (ultimately abandoned) were drilled at Narrawa in August/September for 726.9m. The objective of the program was to improve the confidence level of the database to allow future re-estimation of the resource. Frontier anticipates a likely upgrade in classification of the resource to Measured, Indicated and Inferred status when re-estimated later in Q4, 2008.

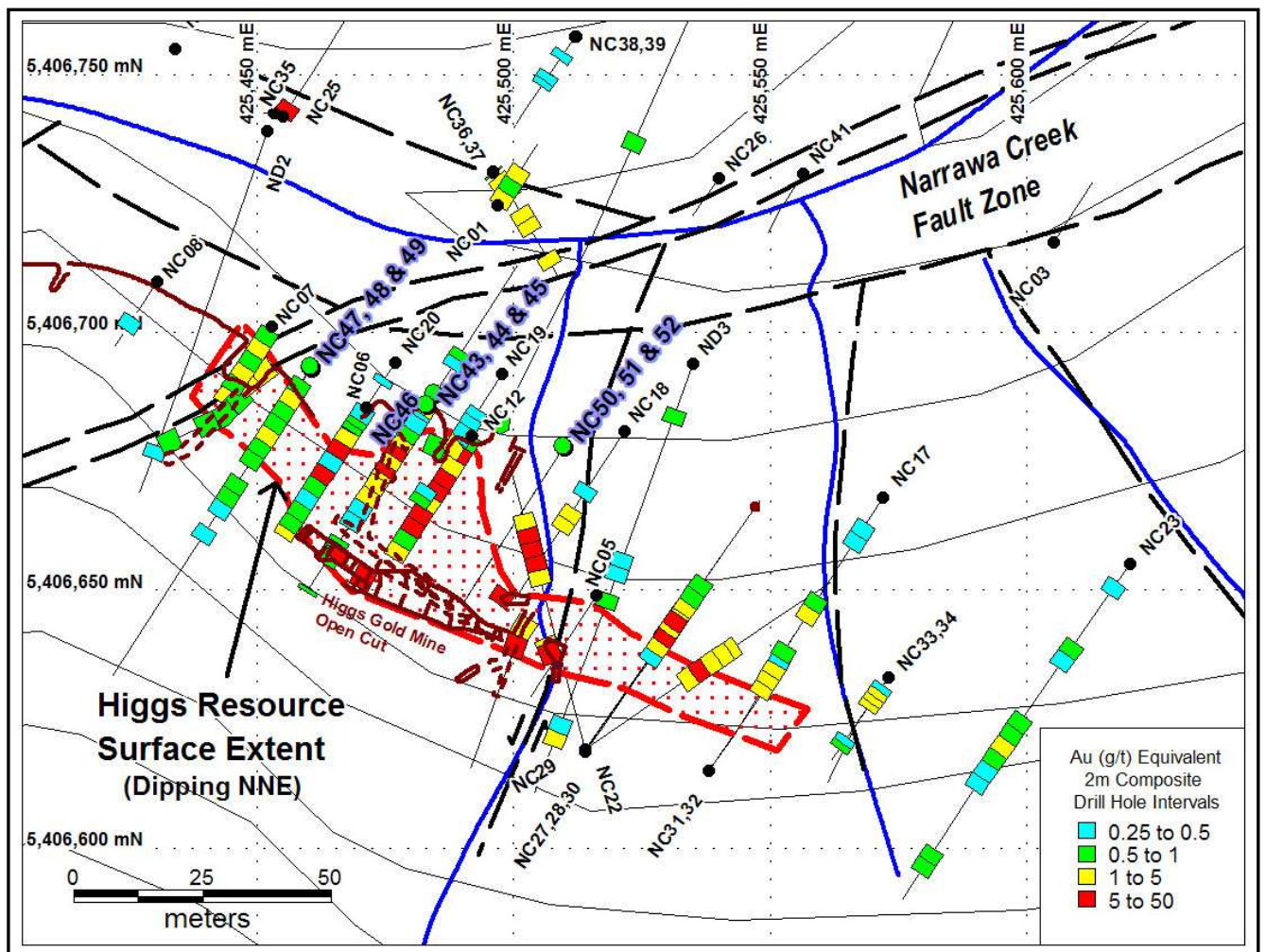
The best results returned to date for Narrawa are: NC43 with 24.7m grading 3.42 g/t gold equivalent, NC44 with 24.3m of 4.42 g/t gold equivalent, NC45 with 9m of 1.17 g/t gold equivalent, NC46 with 7.6m of 0.6 g/t gold equivalent and NC47 with 52.3m of 0.82 g/t gold equivalent (bulking in several barren intervals) (see table below).

The highest grade internal drill intervals from the above intersections at Narrawa included: 2.1m of 15.63 g/t gold equivalent, 1.1m of 15.92 g/t gold equivalent, 1.1m of 12.4g/t gold equivalent and 1.1m of 11.11 g/t gold equivalent. All significant results are tabulated to the right.

Assays are yet to be returned for holes NC48-52.

Hole ID	Interval Length (m)	Gold Equivalent (g/t)	Au (g/t)	Zn (%)	Pb (%)	Ag (g/t)	From (m)
NC43	24.7	3.42	1.77	1.05	1.02	15	7.3
incl.	13.6	4.97	2.29	1.73	1.67	23	18.4
incl.	1.1	15.92	10.00	3.44	3.99	52	23.0
NC44	24.3	4.42	3.06	0.93	0.78	13	11.6
incl.	3.9	6.61	3.05	3.27	1.62	22	11.6
plus	2.1	15.63	11.97	1.71	2.81	32	21.0
plus	1.1	12.40	6.29	3.95	3.72	56	34.0
also	1.1	3.89	3.83	0.03	0.06	-	0.0
also	0.5	3.58	0.13	2.26	2.43	18	7.6
NC45	9.0	1.17	0.96	0.07	0.12	4	14.0
incl.	6.0	1.49	1.25	0.09	0.18	3	14.0
incl.	1.0	3.10	3.00	0.10	0.03	1	18.0
NC46	7.6	0.59	0.31	0.11	0.12	6	13.4
incl.	1.0	2.51	0.89	0.71	0.72	36	17.0
NC47	52.3	0.82	0.27	0.29	0.34	7	3.1
incl.	2.9	1.73	0.58	0.51	0.67	20	7.6
incl.	6.8	2.97	1.48	0.96	0.92	13	18.2
incl.	1.1	11.11	3.69	4.75	4.81	58	21.0
plus	16.0	0.58	0.02	0.33	0.50	9	30.0

NB: Au(g/t) Equivalent is based upon metal prices on 28/8/2008, being US\$828.1/oz Au, US\$0.8069/lb Zn, US\$0.8691/lb Pb, US\$13.47/oz Ag; The formula used is Au(g/t) Equivalent = Au(g/t) + 0.00022 x ppm Bi + 0.66815 x %Zn + 0.71965 x %Pb + 2.86429 x %Cu + 0.01627 x g/t Ag



The re-estimated Narrawa resource should be released in December and the Conceptual Mining Study will also be updated. The Stormont studies and those assessing the economics of a combined mining and treatment operation will likely be completed in early 2009.

Frontier will undertake feasibility studies on the Narrawa and Stormont Deposits (subsequent to the Entitlements Issue), with the view to then seeking a Mining Lease.

Future drilling will target extensions to the mineralisation to increase the total size of the resource and thus improve the economics of any future processing operation/ mines. There is excellent exploration potential at both deposits and additional mineralisation is likely to also be defined in the general project region, from the numerous additional prospects and drill targets.

See the ASX release dated 20/8/2008, Narrawa Deposit Review and 1/10/2008 Drill Results for further information.

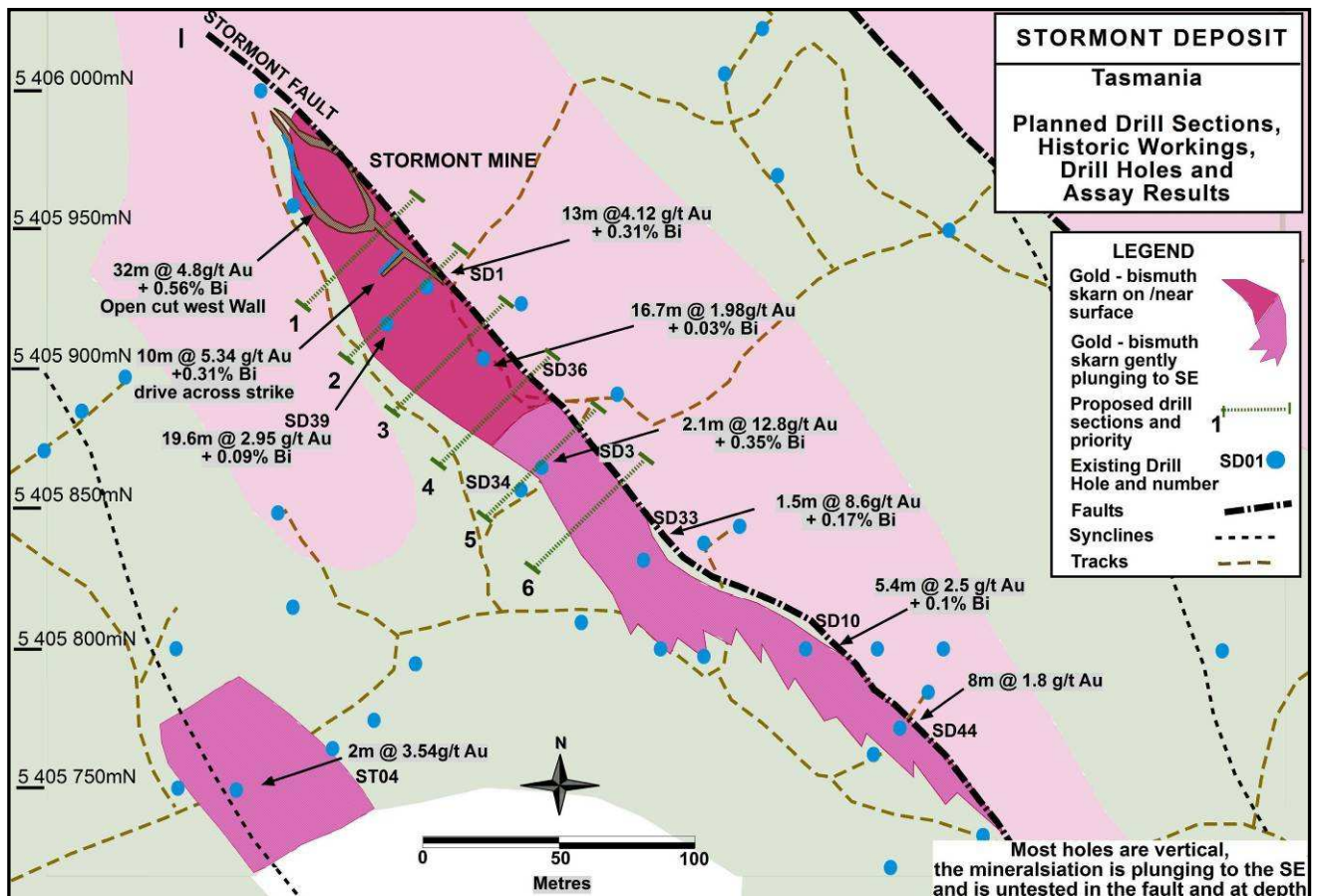
### Stormont Deposit (RL 3/2005)

The known mineralised length of the Stormont Deposit is more than 300m, in 7 historic, approximately 70 to 80m spaced drill holes. The open cut and historic adit cover a minimally worked strike length of about 80m.

The gold - bismuth skarn mineralisation is contained in remanent synclinal cores, that are flat lying to gently SE plunging. The width of the mineralisation is inferred to be about 40m wide at the NW narrowing to the SE, where the width is only known in single drill holes.

Historic drill results have included 19.6m grading 2.95 g/t gold + 0.09% bismuth (from surface), 16.7m grading 1.98 g/t gold + 0.03% bismuth (from surface) and 13m of 4.12g/t gold + 0.46% bismuth (from 4.5m). See the plan below showing historic drill traces and originally planned Frontier drill fences.





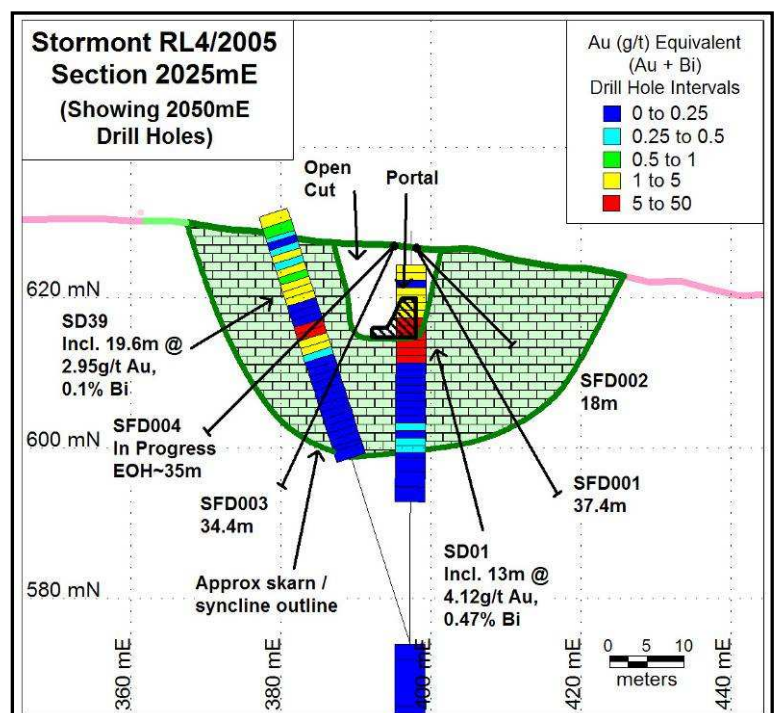
Diamond saw sampling along the strike of the open pit wall previously returned 32m grading 4.8 g/t gold + 0.56% bismuth, and sampling in a cross cut returned 10m grading 5.34 g/t gold + 0.31% bismuth and also showed the adit was terminated in greater than 1 ounce/tonne gold. Frontier undertook vertical channel sampling in the open cut plus horizontal channel sampling in the adit to confirm these grades.

Frontier's check sampling of the open cut confirmed Stormont's residual anomalous gold and bismuth grades, with an 8m vertical channel sample that assayed 6.63 g/t gold equivalent. In addition, at the end of the historic adit, the Company confirmed through channel sampling that the miners stopped in a greater than 1.3m wide zone of 'ounce' dirt (sample FRSTCO4 assayed 28.01 g/t gold equivalent).

The drilling program was completed 28/10/2008 and consisted of 4 x 25m to 50m spaced fences covering a strike length of about 150m of known mineralisation (in drill hole).

Sections 1,3,4 and 6 (see plan above) were completed. Each fence had multiple holes to test the mineralised zone. The section at the right shows initially planned holes and existing drill results from an adjoining section.

The target size for mineralisation at Stormont is 180,000 to 250,000 tonnes grading 3 to 5 g/t gold equivalent. The potential quantity and grade of this target is conceptual in nature and may not be achieved, but is based on assay and geological information from 7 historic drill holes and two samples of



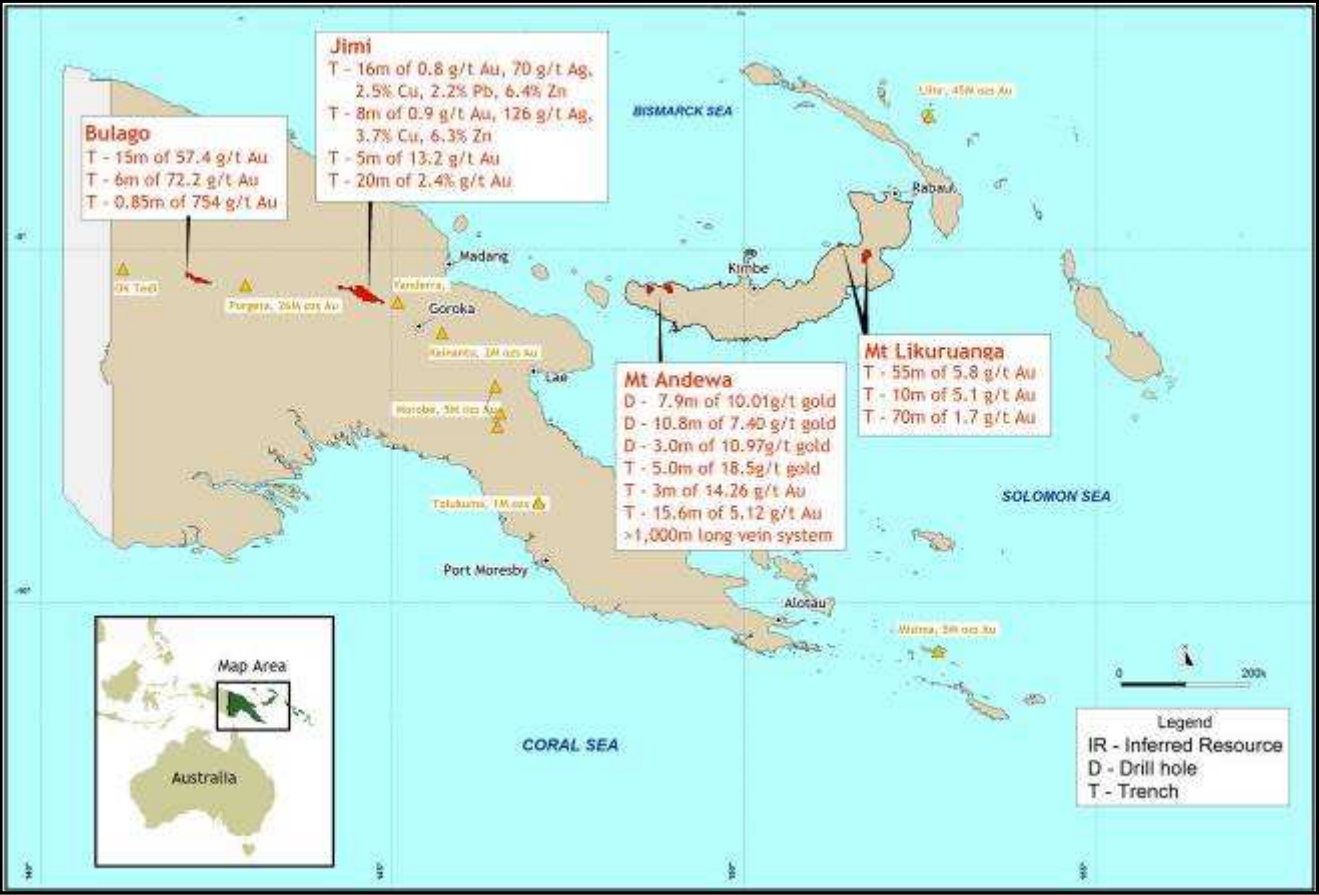
the historic workings. Prior to the Frontier program, there had been 57 holes completed in the vicinity of Stormont by previous explorers, for a total of 2640m.

There is still substantial scope to increase the resource in several areas. These areas include the SE strike extension of the known deposit, the untested western sector of the western syncline and also areas proximal to the eastern thrust.

Assays from the 16 hole (565.4m) Stormont drilling program will be compiled (when returned) and an Inferred Resource should be estimated by the end of the year. The Conceptual Mining Study will be updated in early 2009 (after the Narrawa and Stormont resources have been re-estimated and estimated, respectively), utilising long term projected metal prices and other significant changes to the project’s recommended development path forward.

Stormont is located 20km southwest of Sheffield, 40km from Devonport and 6.5 km from Narrawa.

See the ASX release dated 2/10/2008, Stormont Deposit Review for further information.



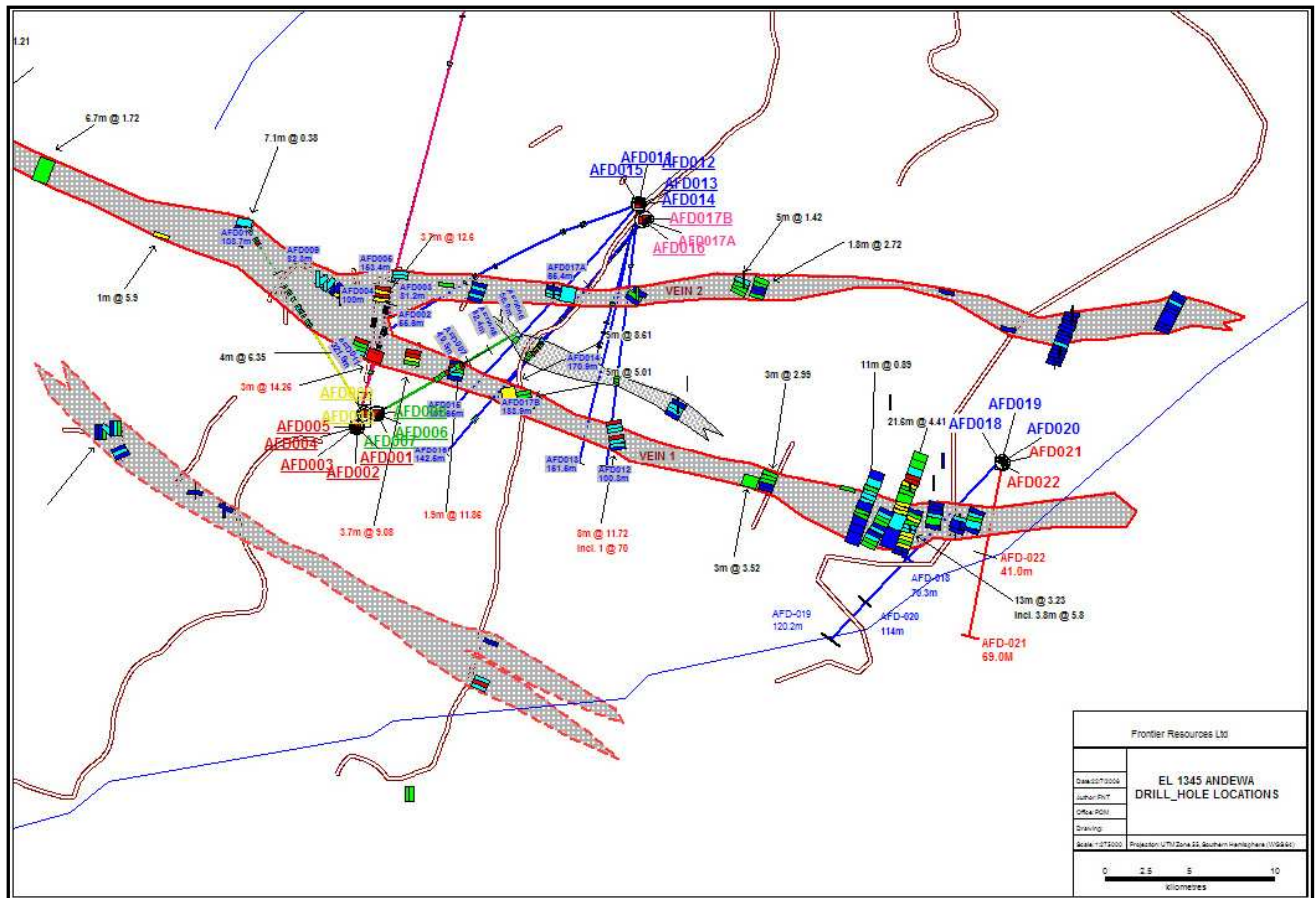
**Komsen Prospect (EL 1345)**

The Komsen Prospect at Mt Andewa in PNG contains several sub-parallel base-metal quartz-carbonate veins, within a 1km long structural zone.

The structure is consistently gold mineralised and it remains open along strike in both directions on surface and at depth (to the NW and SE). Drill intersections show increasing gold grade and width (total contained gold) at depth in several cases, with a higher grade gold mineralised zone running the length of the system at shallow to moderate depths. The gold mineralisation has a drilled strike length of 180m and is known in a single hole to about 320m vertical depth. The higher grade gold is extensive and could run the length of the system.

The figure below is a plan of part of the Komsen Prospect, showing surface traces of drill holes, the approximate true width of hand trenched gold mineralised intervals and their locations and the surface traces of and spatial relationships between the known gold mineralised structures.





Frontier completed 22 diamond holes at Komsen in 2007 and earlier 2008, for a total of 2,353.9m. Drilling has confirmed the continuity of higher gold grades at various depths in the main mineralised structure.

The later holes in the program suffered shipping issues and time delays. During the Quarter, hole AFD 018 returned 17.9m grading 2.09 g/t gold (including 2.9m of 5.23 g/t gold), plus 5m of 2.51 g/t gold a further 2m downhole. AFD020 returned 7.5m grading 3.76 g/t gold (including 3.5m of 6.54 g/t gold). True widths are yet to be determined. Hole AFD 019, 021 and 022 are yet to be reported. The table below lists all drill results to date, plus hole location and orientation information.

The widest part of the Komsen structure (at its eastern end) was targeted by holes AFD018 -022. Previous trenching here returned 4.4 g/t gold over 21.65m, including the only known visible gold in the prospect area. Hole AFD018 confirmed the surface widths of mineralisation with a 24.9m wide intersection of gold mineralisation (including 2m of 'barren' material).

Historic surface trenches included 5.0m of 18.5g/t gold, 3.7m of 12.6g/t gold, 3m of 14.3g/t gold and 21.65m of 4.4g/t gold and previous Frontier drill results have included 7.9m of 10.01g/t gold, 10.8m of 7.4g/t gold, 3m of 10.97g/t, 1m of 19.0 g/t gold + 119.0g/t silver+ 10.3% zinc.

Close inspection of the high grade zones in some of the holes at Andewa indicates that some of the elevated gold assays are related to medium grained pervasively silicified and brecciated andesites/diorite dykes.

Systematic core sampling has been undertaken for petrological evaluation to develop a better understanding of the mineralised system and its genesis. This study should assist with future drill targeting by providing vectors to zones of stronger mineralisation.

Hole AFD-022 was prematurely terminated at 35.0m, prior to the target zone, to enable the drill rig to be demobilised to undertake a commercial drilling contract.

Table 1. Komsen Prospect - Complete Weighted Drill Hole Assay Results and Hole Information

Hole Number	Gold Equiv. Gram Metres	Interval Length	Weighted Assay Grades						Downhole Interval		Hole Information					
			Gold Equivalent (g/t)	Gold (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	From (m)	To (m)	EOH Depth (m)	Easting	Northing	RL	Azimuth (TN)	Incl. Degrees
AFD001	4.87	1.2 m	4.06	4.06	-	-	0.00	0.01	20.6	21.8	197.9m	713542	9383644.5	374	14	-45
plus	1.79	0.5 m	3.58	2.55	36.0	0.48	0.14	0.19	165.4	165.9						
AFD002	3.41	0.2 m	17.07	5.52	95.0	11.10	2.30	0.12	35.7	35.9	55.6	713542	9383644.5	374	14	-55
plus	2.35	0.9 m	2.62	2.62	-	0.08	0.01	0.02	38.7	39.6						
AFD003	4.36	2.5 m	1.74	1.43	16.4	0.25	0.05	0.10	60.8	63.3	81.2	713542	9383644.5	374	14	-65
AFD004	12.98	6.9 m	1.88	1.60	4.6	0.12	0.02	0.03	76.8	83.7	97.8	713542	9383644.5	374	14	-70
incl.	4.44	0.7 m	6.34	6.28	3.0	0.39	0.07	0.02	76.8	77.5						
plus	4.71	3.0 m	1.57	1.46	5.6	0.05	0.02	0.03	80.7	83.7						
AFD005	2.76	1.0 m	2.76	0.09	1.0	3.20	0.49	0.05	115.5	116.5	153.4	713542	9383644.5	374	14	-75
plus	35.90	4.5 m	7.98	5.81	27.8	2.34	0.06	0.06	121.4	125.9						
incl.	29.05	1.0 m	29.05	19.00	119.0	10.30	0.24	0.22	122.4	123.4						
AFD006	18.88	2.9 m	6.51	6.39	6.2	-	-	-	30.4	33.3	56.9	713547	9389648	374	60	-45
incl.	9.50	0.9 m	10.55	10.55	-	-	-	-	32.4	33.3						
AFD007	79.76	7.9 m	10.10	10.01	4.5	0.11	-	-	31.5	39.4	49.5	713547	9389648	374	60	-55
incl.	77.82	5.9 m	13.19	13.07	6.0	0.14	-	-	33.5	39.4						
incl.	65.33	2.0 m	32.67	32.55	6.0	0.22	-	-	37.4	39.4						
AFD008	0.19	0.9 m	0.21	0.21	-	-	-	-	71.2	72.1	82.4	713547	9389648	374	60	-65
AFD009	3.45	1.0 m	3.45	2.44	16.0	1.00	0.20	0.11	52.8	53.8	82.3	713544	9389652	374	328	-42.5
AFD010	32.92	3.0 m	10.97	10.97	-	-	-	-	99.0	102.0	108.7	713544	9389646	374	328	-57.5
incl.	30.50	2.0 m	15.25	15.25	-	-	-	-	99.0	101.0						
plus	3.01	1.0 m	3.01	3.01	-	-	-	-	107.0	108.0						
AFD011	4.78	2.0 m	2.39	2.39	-	0.17	-	-	78.4	80.4	321.6	713617	9383704	322	248.5	-75
plus	1.50	1.3 m	1.16	1.06	5.0	-	-	-	174.3	175.6						
plus	3.22	1.0 m	3.22	2.73	7.0	0.51	-	-	279.6	280.6						
plus	4.06	2.0 m	2.03	1.39	7.5	0.71	0.28	-	282.4	284.4						
AFD012	6.44	3.0 m	2.15	2.10	2.3	0.34	-	-	65.7	68.7	100.3	713617	9383704	322	194	-45
incl.	3.02	1.0 m	3.02	3.02	-	-	-	-	67.7	68.7						
AFD013	0.14	1.2 m	0.12	0.12	-	-	-	-	97.9	99.1	151.5	713617	9383704	322	194	-60
AFD014	5.47	2.6 m	2.10	2.10	-	-	-	-	109.0	111.6	170.4	713617	9383704	322	194	-70
AFD015	5.37	2.4 m	2.24	2.14	5.0	0.14	-	-	70.0	72.4	107.6	713617	9383704	322	217	-45
AFD016	12.04	3.8 m	3.17	3.06	5.5	0.17	-	-	80.5	84.3	142.5	713617	9383704	322	217	-55
incl.	6.44	1.0 m	6.44	6.41	1.5	-	-	-	80.5	81.5						
AFD017	78.08	10.8 m	7.23	6.99	12.4	0.17	-	-	127.4	138.2	183.9	713617	9383704	322.00	220	-70
incl.	77.47	9.8 m	7.90	7.65	13.2	0.10	-	0.10	128.4	138.2						
incl.	76.43	8.8 m	8.68	8.40	14.7	0.11	-	0.10	128.4	137.2						
incl.	49.81	3.6 m	13.84	13.51	16.8	0.20	-	0.12	132.4	136.0						
incl.	21.55	0.8 m	26.94	26.13	42.0	-	-	0.25	135.2	136.0						
AFD018	37.30	17.9 m	2.09	2.09	-	-	-	-	30.7	48.6	70.5	713729.3	9383635.9	253.00	227	-45
incl.	27.84	9.9 m	2.82	2.79	1.2	0.13	-	-	30.7	40.6						
incl.	15.29	2.9 m	5.31	5.23	4.1	0.38	-	-	30.7	33.6						
plus	12.53	5.0 m	2.51	2.51	-	-	-	-	35.6	40.6						
AFD-019	Assay Results Still Outstanding										120.2	713729.3	9383635.9	253.00	227	-60
AFD020	28.17	7.5 m	3.76	3.73	1.5	-	-	-	69.5	77.0	114.0	713729.3	9383635.9	253.00	227	-75
incl.	22.87	3.5 m	6.54	6.51	1.5	-	-	-	69.5	73.0						
incl.	13.62	0.9 m	15.13	15.10	1.7	-	-	-	69.5	70.4						
AFD021	Assay Results Still Outstanding										69.0	TBDE	TBDE	TBDE	170	-50
AFD022	Assay Results Still Outstanding										35.0	TBDE	TBDE	TBDE	170	-65

TBDE = To be determined exactly

The primary focus of Frontier's exploration work at Komsen was to increase the number of drill intersections (and thus possible tonnage) in the gold mineralised structure, both along strike and at depth. This has been successful and a resource will be estimated in early 2009.

See the ASX release dated 22/9/2008, Komsen gold Zone Increased by Drilling for further information.

## TWO EXPLORATION LICENSES GRANTED IN PAPUA NEW GUINEA

The Licences occur along a major 'structural corridor', which hosts six or more World Class, and other additional major porphyry copper-gold-molybdenum and epithermal or intrusive related gold-silver deposits(Grasberg, Ok-Tedi, Porgera, Yanderra, Kainantu, Wafi-Golpu, Morobe).

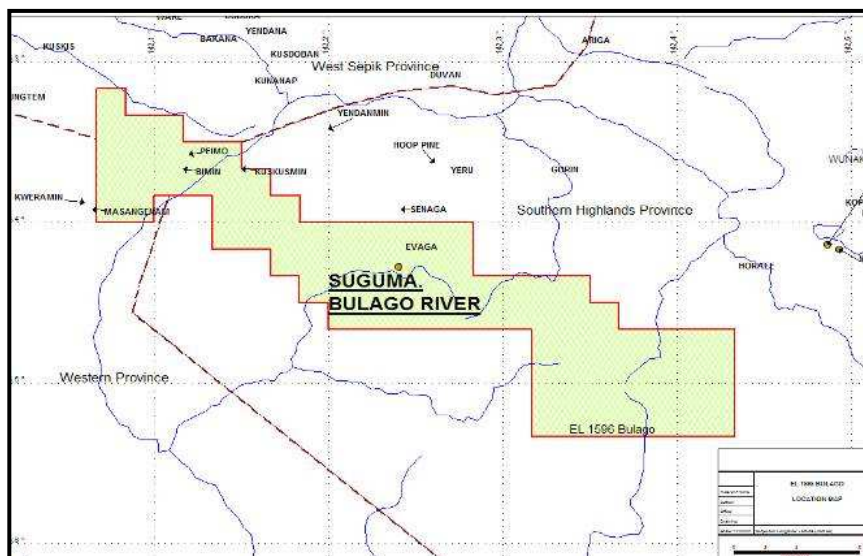
The Bulago licence is located between the OK-Tedi porphyry copper-gold Deposit and the Porgera epithermal/intrusive related gold Deposit and the Jimi licence between Porgera and the Yanderra copper-molybdenum Deposit.

Please see the releases dated 2/9/2008 and 14/10/2008.

### Bulago (EL 1595)

The 365 km<sup>2</sup> Exploration Licence encompasses a 45km strike length of the regional structural trend covering 3 multiphase and lightly explored composite quartz monzonite -quartz diorite stocks. Sub-economic porphyry copper (gold?) molybdenum mineralisation was noted in reconnaissance exploration in the early 1970's.

The Suguma Prospect has very high gold grades that are associated with intrusives in narrow to moderate width (1 to 7m) structures and the contact aureole sediments.



- It is located on the NW side of a large (1km x 1km) copper and disjointed gold in soil anomaly, within a large (4.5km x 6km), well defined sub-circular, gold, zinc and copper drainage anomaly. The drainage anomaly covers the recessive intrusive filling a circular drainage basin (the Au<sub>K</sub>-1 Prospect), with anomalism continuing up to the peripheral limestones (i.e. skarn potential).
- Sulphidic breccia/intrusive outcrop channel samples (true width unknown) include: 15m of 57.4 g/t gold, 6m of 72.2 g/t gold, 0.85m of 754 g/t gold, 2m of 188 g/t gold (re-assay of 220 g/t gold) and 1.4m of 55 g/t gold + 34 g/t silver.
- Historically five holes were drilled for about 800m, but did not intersect any comparable high-grade gold. Drill hole sectional evaluation shows opportunity for an alternate model (steeper dip to mineralisation) with the prospectivity remaining high.

The Au<sub>K</sub>-1 Prospect gold in soil anomaly is part of the soil anomaly noted above and is 300 x 400m in size centred on a hill, with a highest assay of 0.45 g/t gold. Copper is weakly anomalous and pitting consistently yielded samples greater than 0.1 g/t gold, to a peak of 3.38 g/t gold. It appears to represent a porphyry copper prospect and requires re-evaluation.

4 km to the SE of the Suguma Prospect at the Funutu Prospect, there were very high grade precious and base metal outcrop intrusive /breccia rock samples collected, that have never mapped, soil sampled, trenched or drilled. These include:

- 197 g/t gold + 363 g/t silver + 0.55% copper + 5.72% zinc + 5.5% lead
- 108 g/t gold + 200 g/t silver + 0.38% copper + 4.8% zinc + 2.63% lead
- 43 g/t gold +120 g/t silver + 0.49% copper + 1.7 % zinc + 0.86% lead

2 km to the SE of Suguma a boulder of skarn assayed 145 g/t gold + 11g/t silver + 0.78% copper + 8.6% zinc + 0.34% lead. The skarn potential of the region has never been evaluated and it obviously warrants it.

The Suguma and Funutu Prospects and will be targeted for follow-up initially, then the high grade skarn. Ultimately, the high grade gold potential in structures and metamorphic aureoles plus porphyry copper-gold-molybdenum potential of the other stocks within the EL will also be assessed.

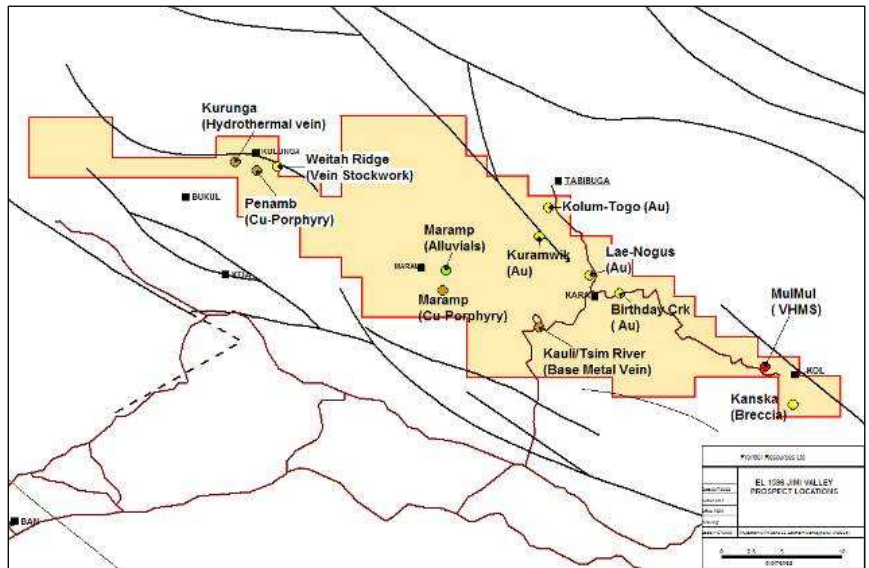


### Jimi (EL 1596)

The carefully selected 657 km<sup>2</sup> Exploration Licence has more than 18 named prospects, some never tested for gold.

Surface geochemical anomalies are 850m and 200m long respectively at the Mul Mul Prospect and were never closed off.

- Trenching on a massive sulphide target revealed 16m of 2.5% copper, 6.4% zinc, 2.2% lead, 70 g/t silver and 0.8 g/t gold and also 8m of 3.7% copper, 6.3% zinc, 126 g/t silver and 0.9 g/t gold.
- 2.3 g/t gold was located in a soil sample (but never followed up) near another trench with 6% copper + 16% zinc + 7 g/t silver.
- Base metal / precious metals are located in a 100m wide clay-silica altered zone controlled by a splay fault off the major Kol Fault. Gossan assayed 4.5 g/t gold with nearby gold in soil values of 0.19 g/t gold.
- Reconnaissance drill holes did not intersect similar tenor mineralisation, but it is a large system as presently known and the mineralisation could be plunging.



The Kolum-Togo Prospect has channel sample results to 5m of 13.2 g/t gold and float samples to 2.9% copper.

Shear hosted pyrite veins at the Lower Rioron Prospect assay up to 20m of 2.4 g/t gold and 3m of 2.7 g/t gold.

Several 2 to 5m zones at the Weitah Ridge Prospect assay up to 7.3 g/t gold. Channel sampling resulted in 17m of 1.2 g/t gold.

Mineralised brecciated rock with a clay matrix occurs in fault zones with rock chips assay to 0.5% zinc, 0.1% copper and 2 -3 oz silver/tonne at the Kanska Prospect. The prospect has not been tested for gold.

### Esis Porphyry Copper Prospect (EL 1351)

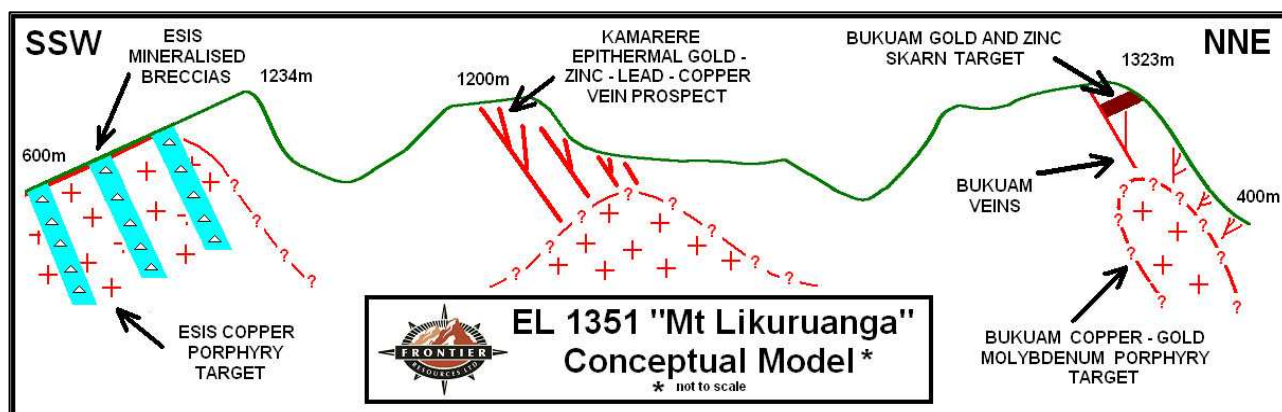
A 2 month exploration program at the Esis copper Deposit (EL1351- Mt Likuruanga) confirmed copper (+/-gold) anomalous intervals in creeks/historic trenches and Frontier is highly encouraged that a significant porphyry copper deposit could be defined.

The exploration target is 150 to 500 million tonnes grading 0.4 to 0.7% copper or better, from surface. This is based on extensive historic trenching, creek channel sampling, four diamond holes (152.5 to 153.35m each) historically drilled to test the supergene zone and 15 (1 abandoned) shallow 'Winkie' drill holes. This is a target only and may not be achieved. The Regional Conceptual model showing the relationship to the other prospects in EL 1351 is shown in the figure below.

The objectives were to:

- Evaluate logistical and access issues.
- Sample and confirm copper (+/-gold) anomalous intervals in creeks/historic trenches.
- Evaluate the potential for a significant porphyry copper deposit to be defined.

Frontier's trench and outcrop channel / composite rock chip sampling at Esis confirmed broad zones of copper mineralisation north and east of historic BHP diamond drill hole MD23, which intersected 152.6m at a weighted average of 0.39% copper plus 24ppm molybdenum to end of hole (was terminated in 0.37% copper).



Highlights of Frontier's sampling includes 20m grading 0.43% copper, 20m grading 0.38% copper and 10m grading 0.35% copper in historic Trench 4. Channel /rock chip sampling in creeks included 30m grading 0.32% copper, 30m grading 0.29% copper and 20m grading 0.28% copper, in 3 different creeks.

Esis is typical of many porphyry copper systems in tropical weathering environments and these results are considered to be highly encouraging. This is because leaching of the bedrock at surface over time results in reduced copper grades (at surface), with the leached copper concentrating at depth in "supergene enrichment zones."

Copper and molybdenum in historic trenches show that the mineralised zone is known to be more than 1,000m long and up to 1,000m wide, but is generally about 400m wide.

Extensive historic costeaning returned significant results including 90m grading 0.4% copper and 20ppm molybdenum (weighted average) in magnetite breccia at 7750mE and 7400mN on the local grid.

Best results from the historic diamond core drilling included 152.6m grading 0.39% copper + 24ppm molybdenum and 152.4m of 0.28% copper + 12ppm molybdenum, with highest grades of 1.62% copper and 124 ppm molybdenum. Gold content is unknown, but assumed relatively low.

The best holes from the Winkie program included DW7 (21.6m of 0.50% copper), DW15 (30.3m of 0.41% copper), located at opposite ends of the ridge. This means that the 1,000m strike extent of the mineralized zone remains open to the north and south.

BHP's drill testing of the marginal copper grades at surface showed significant increases in copper grades down hole.

There is very good potential for copper-bearing oxide material, with gold credits, lying above an RL of 530m, as well as a potential for hypogene copper mineralisation below the supergene cap. A resource was never estimated by previous workers.

Frontier is encouraged by the high prospectivity noted and are contemplating drill testing the copper mineralization at the Esis Prospect in 2009, subject to funding.

Please see the Esis Deposit Summary release to the ASX dated 17/10/2008 for further information.

### **KODU DEPOSIT - MT BINI (Former EL1348)**

The Minister for Mining in Papua New Guinea - Dr Puka Temu MP refused to renew Exploration Licence 1348 in late May, citing 'after considering a recommendation by the National Executive Council'. The Managing Director of the Mineral Resource Authority cited National Interest regarding water and power supplies in a letter to Frontier.

Legal proceedings in the PNG courts have commenced, with a Hearing for Leave for a Judicial Review heard on October 15<sup>th</sup> and 16<sup>th</sup>. The Judicial Review, if the application for Leave is successful, would request an Order for Certiorari and that the decision made by the Minister to not renew EL 1348 be quashed and re-made (after proper consideration of all relevant information). This process is the first required to seek the re-instatement of the EL and/or to be able to commence the process of suing the PNG National Government for sunk costs and compensation.

The decision on the application for Leave was deferred and should be handed down 31/10/2008.

### **SMRV PROJECT (EL20/96, 21/99 AND 20/06)**

Frontier has commissioned a Resource estimation for the Wart Hill Deposit, to satisfy a Minerals Resources Tasmania directive.

### **CORPORATE**

Directors announced a Prospectus Entitlement Issue on 28/10/2008, to ensure that all existing shareholders have the opportunity to participate in the continued growth and development of their company, with a significant incentive or bonus.

The issue will raise up to approximately \$1.7 million (if fully subscribed) to:

- o Initiate feasibility studies on the Narrawa and Stormont Deposits, in northern Tasmania
- o Continue exploration activities in PNG and Tasmania
- o Continue legal action in the PNG courts, regarding the refusal to renew the Exploration Licence for the Kodu Deposit despite commitments being exceeded and
- o Complete construction of 3 new diamond drilling rigs (frame construction has already commenced) for Frontier's own use, hire or sale.

Shareholders are offered one New Share at 3.5 cents (with one free attaching New Option for every New Share purchased) for every three Shares held on the Record Date. The free attaching New Options are exercisable at 4.5 cents on or before 3 December 2010. On 27 October 2008 the closing price of Shares was 4.0 cents.

**Shareholders may apply for more New Shares in addition to your entitlement and are strongly encouraged to do so.**

Any shortfall will be distributed by the Board having regard to the order of receipt of applications. The Directors reserve the right to place any shortfall with investors. This is an excellent opportunity for Frontier's many small shareholders to purchase additional shares without brokerage costs.

The recommended use of proceeds from the capital raising is to the right.

Substantial feasibility and exploration programs are planned during the coming year and for them to

	<b>Period to 31.12.2009</b>
Feasibility Studies at the Narrawa + Stormont Deposits	\$650,000
Exploration on PNG Projects	\$400,000
Exploration on Tasmanian Projects	\$200,000
Drill Rig Construction	\$250,000
Working Capital	\$200,000
<b>Total</b>	<b>\$1,700,000</b>



be successful, Frontier asks shareholders to seriously consider participating in the Entitlements Issue.

Mr Ces lewago resigned from the Board of Directors for personal and family reasons on 27th October 2008. The Board thanks Ces for his assistance and contributions during the last 10 months.

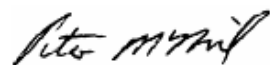
Frontier owns 4 drilling rigs and has just completed a 3,300m commercial drilling contract with 2 rigs and is scheduled to commence a 1,000m drilling program on November 7, 2008, Frontier intends to continue its present policy of obtaining commercial drilling contracts as a means of maintaining our team, while generating significant cash flow to offset some of Frontier's own exploration costs.

Please refer to the following ASX announcements released during the September 2008 quarter.

27/10/2008	Narrawa Conceptual Mining Study
27/10/2008	Director Resigns
24/10/2008	Legal Proceedings Update
20/10/2008	Legal Proceedings Update - Amended
20/10/2008	Legal Proceedings Update
17/10/2008	Esis Copper Deposit Summary
14/10/2008	Legal Proceedings Update - Kodu
14/10/2008	Notice of Annual General Meeting/Proxy Form
14/10/2008	Initial Jimi EL Exploration Program Completed
02/10/2008	Stormont Deposit Summary
01/10/2008	Gold Continuity Confirmed at Narrawa
01/10/2008	Annual Report to shareholders
26/09/2008	Hearing Date Set for Application of Leave Re Kodu
22/09/2008	Komsen Gold Zone Increased by Drilling
05/09/2008	Inferred Resource - Narrawa Project Tasmania
02/09/2008	Portfolio Significantly Enhanced with Grant of 2 ELs in PNG
19/08/2008	Narrawa Deposit Review
31/07/2008	Quarterly Activity and Cash Flow
21/07/2008	Corporate Direction and Portfolio Update - Amended
18/07/2008	Corporate Direction and Portfolio Update
11/07/2008	Wart Hill Drilling Assay Results - SMRV Project Tasmania
10/07/2008	Legal Proceedings Commenced

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.

## About Frontier Resources

- Frontier is focused on exploring for and developing mineral deposits in the highly mineralised Pacific 'Rim of Fire' in Papua New Guinea and the highly prospective Mt Read Volcanics of Tasmania.
- The Company is presently evaluating the possible development of the Narrawa and Stormont Deposits in Tasmania and is undertaking commercial drilling to assist cash-flow.
- Frontier has a 100% interest in 4 Exploration Licences covering approx. 1,460 km<sup>2</sup> in PNG and 3 Exploration Licences + 2 Retention Licences covering 134 km<sup>2</sup> in Tasmania.
- The portfolio offers excellent mineral deposit potential, with primary targets being World Class gold/silver epithermal, gold- base metal skarn, copper-gold-molybdenum porphyry 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.
- The Inferred Resource for the Narrawa Deposit contains 30,850 ounces of gold equivalent\* grading 5.05 g/t gold equivalent, within 190,000 tonnes grading 2.74 g/t gold + 1.21% zinc + 1.59% lead + 22g/t silver.
  - ◆ The Inferred Resource contains 16,740 ounces of gold + 2,300 tonnes of zinc + 3,020 tonnes of lead + 134,400 ounces of silver.
  - ◆ It is contained within 3 on or near surface, potentially open-pitabile lodes and is based on all historic drilling to date and estimated in accordance with the 2004 JORC code.
  - ◆ Excellent metallurgical testwork results have been obtained. This information has been incorporated into a Conceptual Mining Study (CMS) to evaluate the project's potential to be placed into development. The CMS (and metallurgical testwork results) will be released forthwith.
  - ◆ Future drilling will target extensions to the mineralisation to increase the total size of the resource and thus improve possible 'economics'. There is excellent exploration potential, particularly to the NW. Additional mineralisation is likely to be documented in the general project region also, from the many existing drill targets.
  - ◆ The resource will be re-estimated when the current exploration program has been completed and will likely be re-classified as Measured, Indicated and Inferred. The CMS will then be updated to evaluate changes in the projects' economics. The nearby Stormont Deposit will be included in the revised CMS, following completion of its drilling and estimation of a resource.
  - ◆ The Tasmanian Government is very supportive of mining and exploration. The RLs are in 'good' locations for possible development and there are no known social or alternative land use issues.
- Frontier's Directors and management team have more than 300 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 etc, 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.

## Notes:

- Gold Equivalent is the contained gold, zinc, lead, silver, bismuth that are converted to an equal amount of pure gold and summed (based on mineralised rock with assays above various cut off grades and actual metal prices).
- Narrawa and Stormont Gold Equivalent (g/t) is based upon metal prices on 28/8/2008 (to be consistent with previous results), being US\$828.1/oz Au, US\$0.8069/lb Zn, US\$0.8691/Lb Pb, US\$13.47/oz Ag and US\$14.1/Lb Bi; The formula used is Au(g/t) Equivalent = Au(g/t) + 0.66815 x %Zn + 0.71965 x %Pb + 0.01627 x g/t Ag + 0.00024 x ppm Bi
- Skarn gold- silver -basemetal deposits such as the Narrawa and Stormont Deposits typically recover contained gold, silver and basemetals if in sufficient quantities (subject to metallurgical characteristics and prevailing metal prices).
- The ASX requires a metallurgical recovery be specified for each metal and for Narrawa, they are 96.7% for gold, 98.5% for zinc, 95.6% for lead and 92.4% for silver. No testwork has been conducted at Stormont and recoveries can only be assumed to be typical for these skarn deposits.
- Drill core at the Narrawa and Stormont Deposits was sampled as half core for the entire length of mineralized intervals. Sample intervals within the confines of the resource are typically no greater than one metre and constrained by appropriate lithological or mineralization boundaries. Quality control was assessed via submission of known standards approximately every 20 to 25 samples / metres downhole. Laboratory quality control reported very good repeatability for in-house standards, as well as for duplicate drill core analysis. Assaying was carried out at Analabs, Burnie using the AAS technique, with analysis for Narrawa for copper, lead, zinc, silver, arsenic and fire assays for gold and copper, lead, zinc, silver, antimony, cobalt and fire assays for gold.

- Komsen Gold Equivalent is based upon metal prices of US\$931/oz Au, US\$17.90/oz Ag, US\$1.04/lb Zn and US\$1.28/lb Pb (29/3/2008). In terms of value at those prices, 1g/t Au = 52.01 g/t Ag, 1g/t Au = 1.432% Zn/t, 1g/t Au = 1.164%Pb/t and 1g/t Au = 0.385% Cu/t.
- The formula used to calculate Au Equivalent\* g/t = Au(g/t) + (Ag(g/t)/52.01) + (Zn(%)/1.432 + (Pb(%)/1.164) + (Cu(%)/0.385). In any particular interval, all silver was utilised in the estimation, however, zinc and lead were only utilised if >0.5% and Cu >0.2%. The metal prices have not been updated, because previous gold equivalent results were released using these parameters and it is used only as a comparative tool.
- Epithermal gold- silver -basemetal deposits such as Komsen typically recover contained gold, silver and basemetals if in sufficient quantities (subject to metallurgical characteristics and prevailing metal prices).
- The ASX requires a metallurgical recovery be specified for each metal, however, no testwork has been reported for Narrawa and recoveries can only be assumed to be typical for these gold- silver -basemetal deposits.
- It is the Company's opinion that each of the elements included in the metal equivalents calculation have a reasonable potential to be recovered if the project proceeds to mining.
- Drill core at Komsen was sampled as half core for the entire length of mineralized intervals. Sample intervals within the confines of the mineralised zone are typically no greater than one metre and constrained by appropriate lithological or mineralization boundaries. Laboratory quality control was assessed via submission of known standards approximately every 20 to 25 samples / metres downhole. Laboratory quality control reported very good repeatability for in-house standards, as well as for duplicate drill core analysis. For Komsen, assaying was carried out at SGS laboratories in Townsville, QLD using the ICP technique with analysis for silver, arsenic, copper, molybdenum, lead, antimony, zinc and 25 gram fire assays for gold.
- Island Arc epithermal gold- silver -basemetal deposits such as apparent at Komsen typically recover contained Au, Ag and basemetals if in sufficient quantities (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 Komsen and recoveries can only be assumed to be typical for Island Arc epithermal gold- silver -basemetal deposits.
- It is the Company's opinion that each of the elements included in the Komsen metal equivalent calculations have a reasonable potential to be recovered if the project proceeds to mining.



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

FRONTIER RESOURCES LIMITED

ACN

095 684 389

Quarter ended ("current quarter")

September 2008

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date 3 Months \$A'000
1.1 Receipts from product sales and related debtors	665	665
1.2 Payments for (a) exploration and evaluation	(631)	(631)
(b) development		
(c) production		
(d) administration	(141)	(141)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other Expenditure reimbursable by others		
<b>Net Operating Cash Flows</b>	<b>(104)</b>	<b>(104)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	(61)	(61)
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 (provide details if material)		
<b>Net investing cash flows</b>	<b>(61)</b>	<b>(61)</b>
1.13 Total operating and investing cash flows (carried forward)	(165)	(165)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(165)	(165)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc. net of costs		
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 (provide details if material)		
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(165)	(165)
1.20	Cash at beginning of quarter/year to date	528	528
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	363	363

**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 \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	77
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Director 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

--

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

--

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	
<b>Total</b>	<b>50</b>

### 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 \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	40	28
5.2 Deposits at call	323	500
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	<b>363</b>	<b>528</b>

### 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			

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**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> <i>(description)</i>	Nil	Nil		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	145,759,293	145,759,293		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	12,177,409	12,177,409	8.5 cents	
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	1,330,000		10 cents	01-Dec-08
	1,560,000		14 cents	20-Oct-11
	2,830,000		16 cents	19-Oct-10
	3,200,000		20 cents	30-Nov-10
	740,000		15 cents	11-Dec-10
7.8 Issued during quarter				

+ See chapter 19 for defined terms.

7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>	Nil	Nil		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	Nil	Nil		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....

(Director/Company secretary)

Date: 31 October 2008

Print name: Jay Stephenson

## 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. An 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 percentage 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.

---

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

---

- 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.

== == == == ==