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31st January 2007

COMPANY ANNOUNCEMENTS OFFICE

TECHNICAL REPORT - QUARTER ENDED 31st DECEMBER 2006

- Frontier are focused on exploring the highly mineralised Pacific 'Rim of Fire', Papua New Guinea and the major Kodu copper-gold-molybdenum Deposit, Bukuam copper-gold-silver-molybdenum and Andewa gold Projects. Kodu contains 507,000 tonnes of copper equivalent in 108Mt grading 0.47% copper equivalent (0.33% copper, 0.42g/t gold and 60ppm molybdenum) and its exploration potential is very good.

- The Company's objective is to advance the Kodu Deposit rapidly and cost effectively, by confirming, delineating and expanding the existing resource base. Then, subject to economic conditions and exploration results, undertake a pre-feasibility study to assess possible exploration and development paths forward.

- Frontier is also advancing, trenching and continuing to extend the major recently discovered copper-gold-silver-molybdenum system defined at Bukuam, further evaluating the nearby Esis porphyry copper occurrence and exploring for commercial grade gold resources at the Andewa gold Project.

- Frontier has a 100% interest in a 7,500 km^2 portfolio of quality copper and gold properties in PNG, with 3 Exploration Licences (ELs) (Kodu, Andewa and Likuruanga) and 8 EL applications. The Company also has a 100% interest in 3 ELs and 2 Retention Licences (RLs) and 90% in 2 ELs in Tasmania. The intent is to explore, advance and/or seek joint ventures for all non-core properties.

- The Company is an ASX listed junior mineral explorer whose shares also trade on the Frankfurt, Berlin and Munich Stock Exchanges. The Company operates with a general policy of 'DRILLING' our quality projects using our self manufactured, cost effective, environmentally friendly, man-portable diamond core rigs.

- Frontier's Directors / Management team have more than 100 years combined experience in PNG.

HIGHLIGHTS OF THE QUARTER

- KODU DEPOSIT
  - Commenced a 10,000m resource delineation and expansion drilling program at the Kodu Deposit and drilled 3 holes for a total of 948m. Each hole contained varying quantities of visually typical porphyry copper-gold-molybdenum mineralisation plus related alteration, suggesting that the target zone was successfully intersected. Analytical results from the holes are expected forthwith.

  - Completed a ground magnetic survey at the Kodu Deposit to define additional drilling targets.

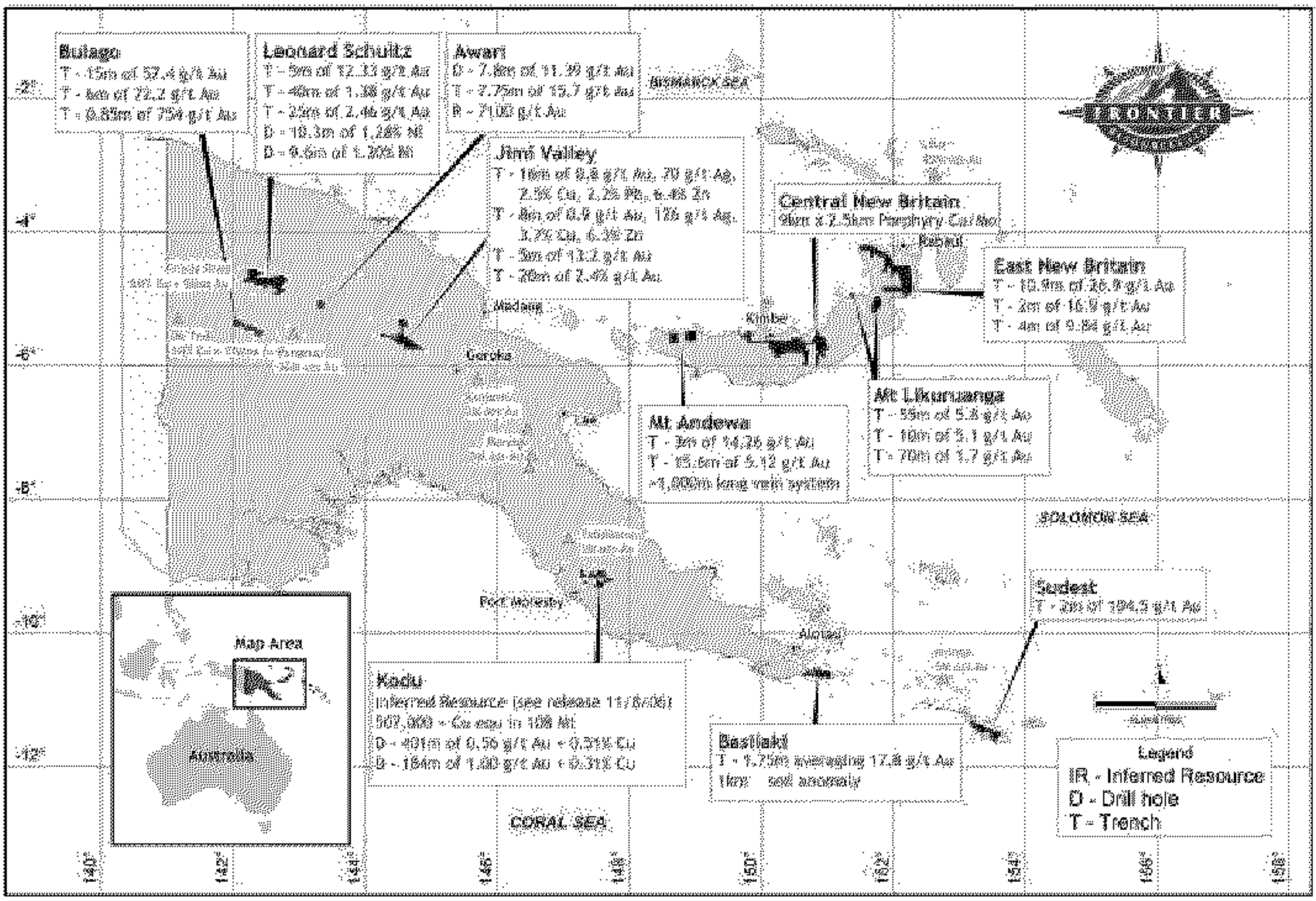
  - Recommenced the drilling program at Kodu in mid January 2007 by re-entering and deepening hole KFD003, to further test the width of the deposit.

  - Intend to accelerate the drilling program at Kodu with a second diamond drill rig.

- **BUKUAM PROSPECT**
  - Prospectivity of this major precious and base metal mineralised system significantly enhanced, with copper-gold-silver-molybdenum in soils extended 33% to over 2,000m total length (still open to the north and south along strike).
  - Trench results included: 2m grading 128g/t silver (coincident with peak gold of 19.8g/t in Costean One), 30m grading 42g/t silver + 4.9g/t gold (including 5m grading 93g/t silver + 8.43g/t gold), 10m grading 4.05g/t gold, 45g/t silver and 0.18% copper in the Kapea Shear Zone and 17.3% zinc + 8.05g/t gold from rock float.
  - Commenced a Ground Magnetic Survey and Hand Trenching Program at Bukuam to Define Drilling Targets for later in 2007.
  - Additional Grid Soil Sampling is being completed to cover the remainder of the 5.5 km long anomaly. The trenches are located along strike of this soil anomaly at the south of the grid showing excellent mineralised strike possibilities further to the south.

- **OTHER EXPLORATION**
  - Soil sampling and ground magnetic geophysical surveys were completed at the Elo and NW Kodu copper/gold molybdenum porphyry Prospects, EL 1348.
  - Channel sampling completed in creeks and trenches at the Esis porphyry copper occurrence.

- **CORPORATE**
  - Raised a total of $855,020.80 (before costs), pursuant to a private placement, with the issue of 7,125,173 fully paid ordinary shares to professional investors, on 14th December 2006.



DETAILS
PAPUA NEW GUINEA

EL 1348 - Mt Bini
Kodu Deposit

The photograph (right) shows the Kodu Project site looking to the south down the copper-gold deposit and the brown spot near the creek is the drill pad for holes KFD001-004.

Three holes were drilled in the central sector of the Kodu Deposit during the fourth quarter of 2006, for 948m. Holes KFD001-003 were drilled from the same pad to produce a cross section of potential mineralisation that can be systematically evaluated, while minimising physical disturbance and drill setup time/mobilisation costs.

Each hole contained varying quantities of visually typical porphyry copper-gold-molybdenum mineralisation (see photo below of KFD001), plus related alteration, suggesting that the target zone was successfully intersected. Analytical results from the holes are expected forthwith.

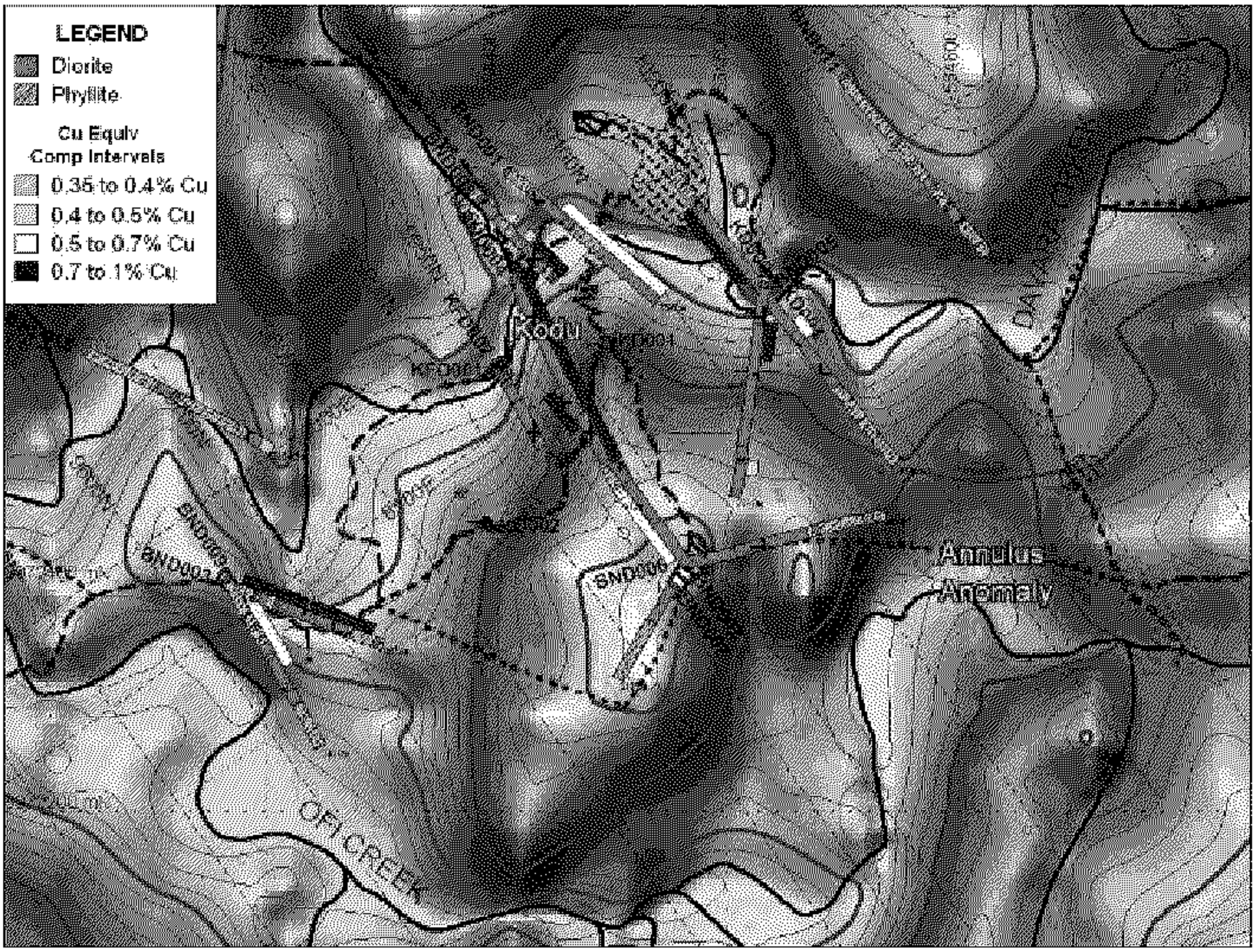
Hole		Collar Coordinates (m)			Hole Orientation	
Number	Depth (m)	Easting	Northing	RL	Azimuth	Dip
KFD001	366.4	564401.0	8972582.0	934	145	-85
KFD002	370.5	564401.1	8972581.9	934	145	-65
KFD003	211.1	564401.2	8972581.8	934	145	-50

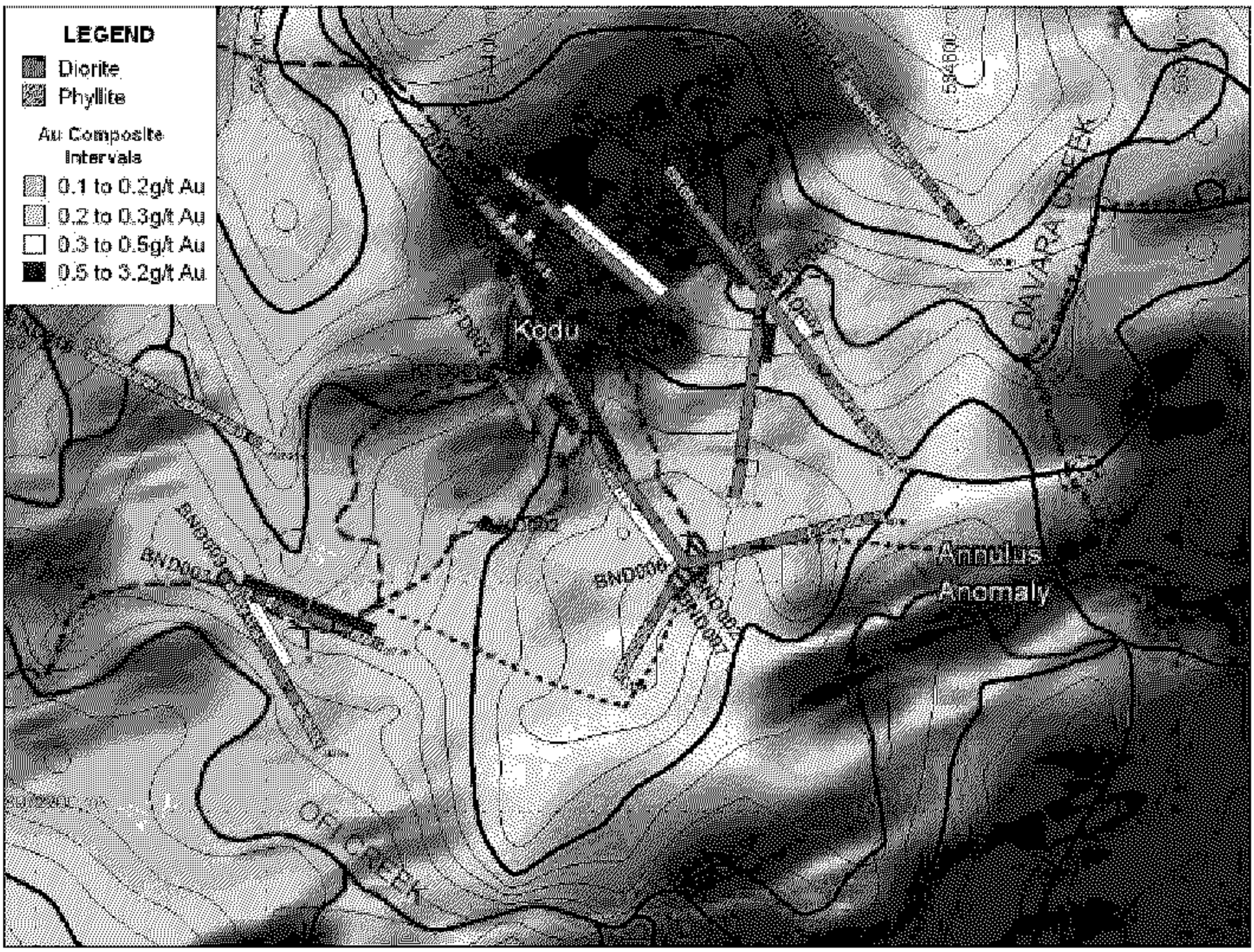
The plans on the following page are copper equivalent composited intervals for the drill holes at Kodu on a topographic base and gold equivalent composited intervals on a ground magnetic image.
The drilling recommenced mid-January 2007 with a re-entry of hole KFD003, deepening it to a total of

344.6m. Hole KFD004 is now drilling in the opposite direction to the first 3 holes (to 325m) at an inclination of 65°, to test the width of the deposit. The Company's second drill rig arrives on-site this week and will commence operations in the southern sector of the deposit in the near surface higher grade gold section of the deposit.

A ground magnetic geophysical survey was completed early December at the Kodu copper-gold-molybdenum Deposit to define along strike and intrusive annulus targets for resource expansion drilling. The Annulus anomaly is well defined by the ground magnetics as a linear peak and trough.

A soil sampling program and ground magnetic survey was completed at the Kodu NE Prospect (located about 1.5km along strike to the NE of the Kodu Deposit), however, no significant geochemical anomalism was noted.


LEGEND
Diorite
Phyllite
Cu Equiv
Comp Intervals
0.35 to 0.4% Cu
0.4 to 0.5% Cu
0.5 to 0.7% Cu
0.7 to 1% Cu
Kodu
Annulus
Anomaly
OFI CREEK


LEGEND
Diorite
Phyllite
Au Composite
Intervals
0.1 to 0.2g/t Au
0.2 to 0.3g/t Au
0.3 to 0.5g/t Au
0.5 to 3.2g/t Au
Kodu
DAVARA CREEK
Annulus
Anomaly
OFI CREEK

EL 1351 - Mt Likuruanga

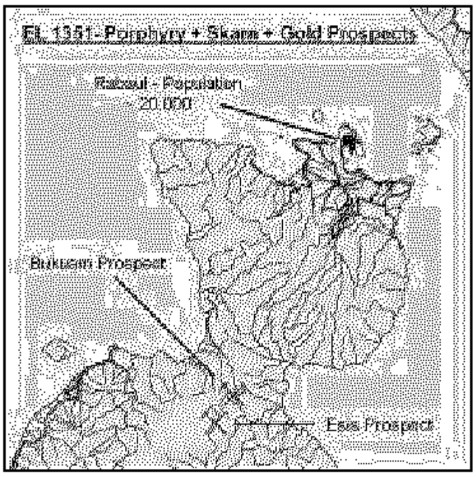
Exploration results from Bukuam were released to the ASX on 24th January, 2007 noting:

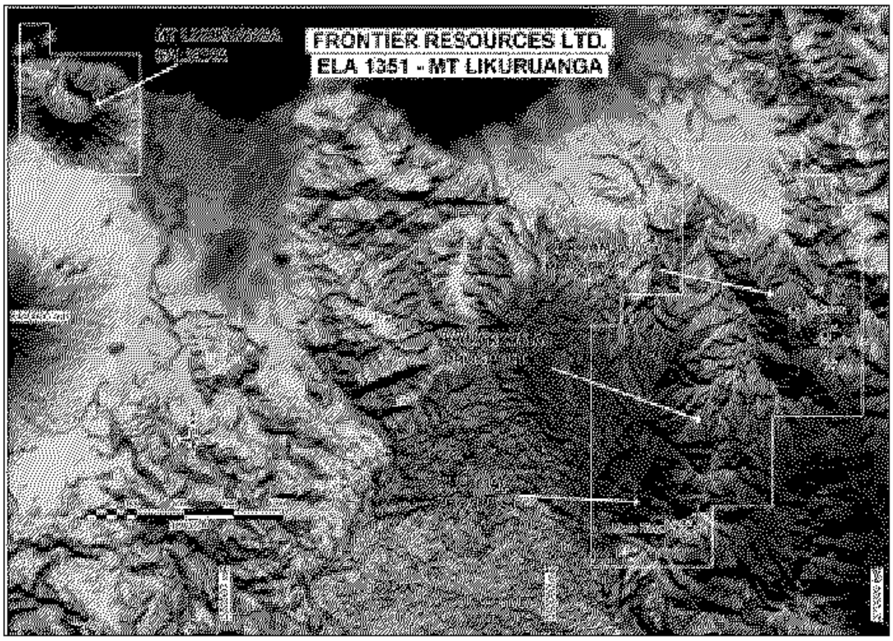
- **BUKUAM COPPER-GOLD-SILVER-MOLYBDENUM MINERALISED SYSTEM IN SOILS EXPANDED 33% TO OVER 2,000M TOTAL LENGTH AND IS STILL OPEN TO THE NORTH AND SOUTH ALONG STRIKE**

- **GROUND MAGNETIC SURVEY AND HAND TRENCHING COMMENCED TO DEFINE DRILLING TARGETS**

- **GRID SOIL SAMPLING COMMENCED TO COVER THE REMAINDER OF THE 5.5KM LONG ANOMALY**

The Bukuam mineralised system is located in a 5.5km long x 1.2km wide copper and gold in stream sediment anomaly in EL 1351, East New Britain, Papua New Guinea.





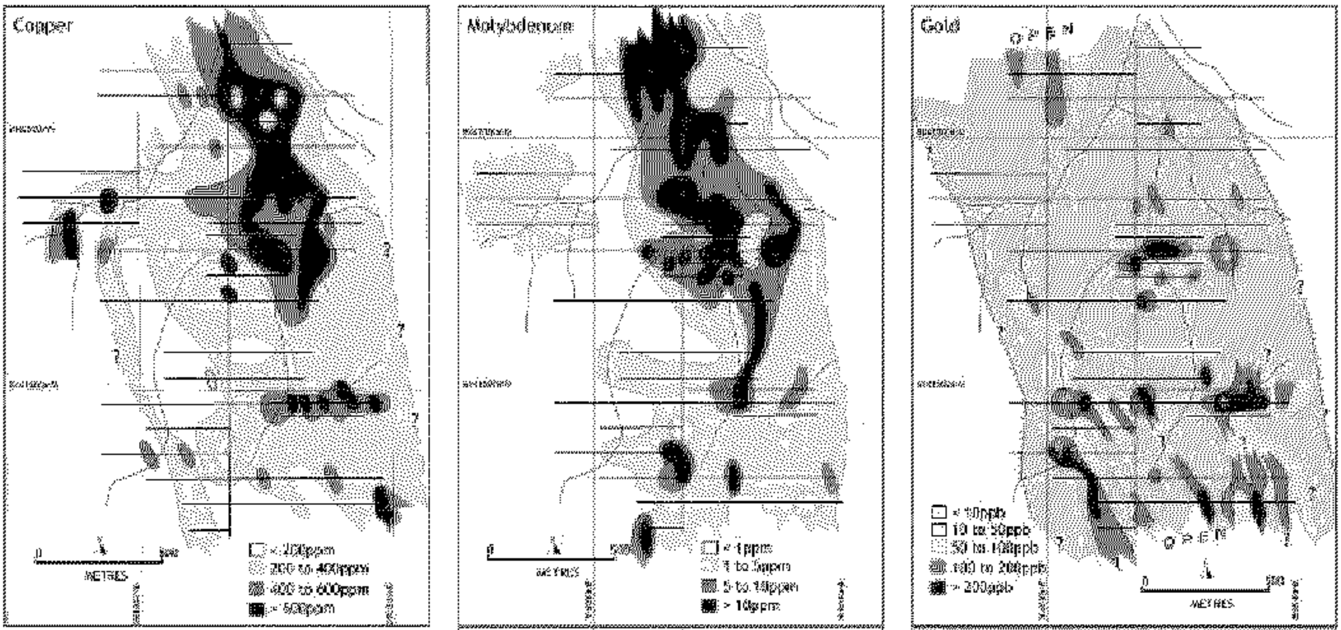
Major targets are near surface copper-gold-molybdenum-silver mineralised porphyries, high-grade base/precious metal skarns and epithermal gold deposits. The main exploration target is 200 to 300M tonnes grading 0.8% to 1.0% copper equivalent, from near surface. This target is based on the size and tenor of the soil geochemical anomaly, plus alteration patterns noted near the 3 drill holes historically drilled at Bukuam. The regional example is the Esis porphyry copper occurrence that is also within EL 1351 and is located on the SW margin of the Esis- Sai complex, about 14km to the SW (with extensive historic trenching, creek channel sampling and 4 diamond drill holes).

Bukuam Soil Sampling

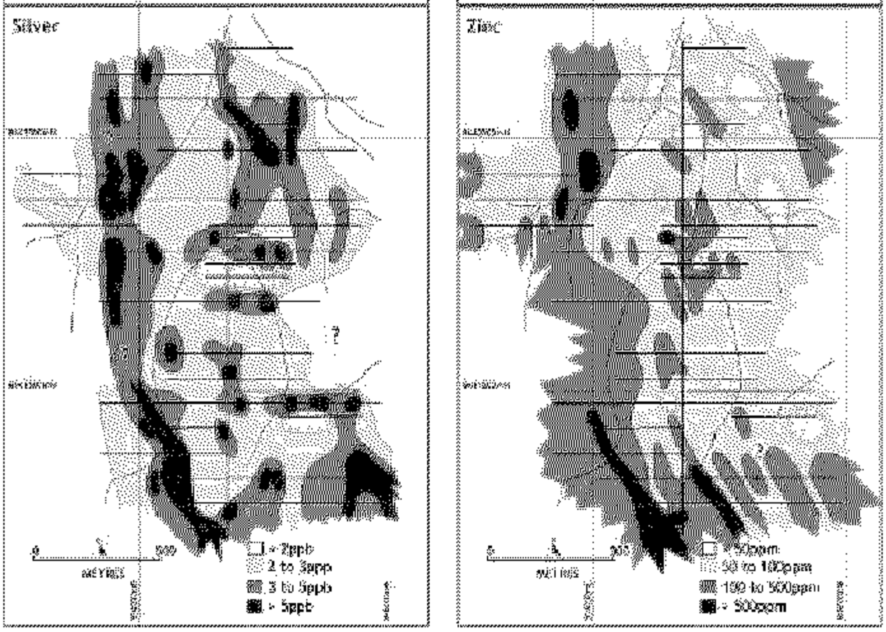
Grid-based along strike soil sampling at the Bukuam Prospect has extended the base and precious metal mineralised zone by 500m (or 33%), to more than 2,000m in overall length. A new peak value for gold in soils of 1.18 g/t, was located along the trend of the Kapea Creek Shear Zone. The system is still completely open to the north and at the far southern end of the anomaly, Costean 1 has trench samples grading up to 20m of 6.99 g/t gold (announced 5/12/2006), indicating probable additional extensions in that direction.

Detailed infill grid-based soil sampling was also conducted within the grid and on its eastern and western margins for 7.425 extra line kilometres in total. This exploration has refined and improved our spatial understanding of this system, and located significant new anomalies.

A new peak molybdenum in soil value of 124 ppm occurs at the northern most point of the soil grid. Soil anomalism for copper, molybdenum, gold and silver are all variably open in this direction and also to the south. Copper in soil maxima are located coincident with the new gold target in the SE of the grid and in the west of the grid near rock chip samples containing visible copper minerals.



A strong correlation is noted between copper, molybdenum and silver (with less cohesive, but still highly significant gold) in soils in the area of the postulated porphyry mineralisation. This geochemistry is supported by an appropriate style of alteration, being phyllic alteration with overprinting propylitic veins. Mapping has indicated the presence of dykes of intrusive rock penetrating and altering the volcanic andesites and limestone country rocks. Frontier has previously documented porphyry copper - molybdenum style mineralisation in outcrop in creeks draining the relatively linear, cohesive and coherent soil anomalies.

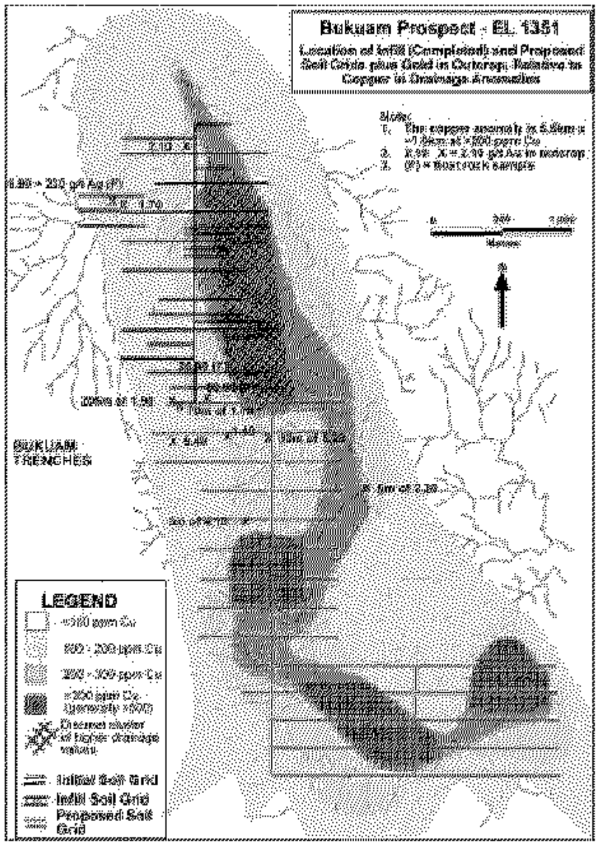


Zinc has now been analysed for all the soil samples and forms a distinctive halo around the copper-molybdenum anomalism. This alteration pattern is typical of porphyry copper systems and also indicates zinc-gold-silver skarn targets. The possibility of skarn targets have been confirmed by the location of these anomalies relative to the known mineralisation in Costean 1. The strongest zinc in soils with a peak value of 0.55% (which is strongly anomalous) occurs peripheral to the gold mineralisation sampled in Costean 1. This costean returned a 6m zone of mineralisation containing 3.12% zinc and 7.06g/t gold, with sampling terminated to the west in 0.8% zinc and 0.93g/t gold (see release dated 5/12/2006 for full Costean 1 results).

Bukuam Ground Magnetics and Additional Grid Based Soil Sampling
Follow-up exploration that commenced on January 10th will include:

- Extensive hand trenching in the two discrete known gold, copper, silver +/- molybdenum geochemical anomalies, plus a ground magnetic survey to assist in defining the porphyry copper mineralisation and to track/direct detect the gold auriferous magnetite skarns to define drilling targets and

- A major soil geochemical grid extension (covering about 2.6 kilometres of strike length) over the southern unsampled approximately two-thirds of the drainage anomaly, with the goal of significantly extending the already known laterally extensive zone of base and precious metal mineralisation.



The trenching, ground magnetic survey and additional soil sampling will enable a thorough evaluation of the area and provide good targeting vectors to potentially mineralised zones for drill testing with one of Frontier's diamond drilling rigs (scheduled to commence in the second or third quarter of 2007).

The large (and increasing) relative size of the Bukuam system, which is completely open to the north and the south, could reasonably reflect highly significant prospectivity for the discovery of a major body of copper - gold - molybdenum mineralisation, base and precious metal skarns and/or high grade shear hosted gold.

The Company notes that this project is located about 650km from the Kodu Deposit and Kokoda Track and has no known cultural, social or environmental issues.

The Bukuam Prospect contains significant exploration potential for precious and base metals that is now being evaluated by Frontier to define drilling targets for testing later in 2007.

Exploration results from Bukuam were released to the ASX on 5th December 2006 noting:

PROSPECTIVITY OF THE MAJOR PRECIOUS AND BASE METAL MINERALISED SYSTEM AT THE BUKUAM PROSPECT SIGNIFICANTLY ENHANCED (WITH HIGHER GRADE SILVER [TO 128 G/T], ZINC [TO 17.3%], MOLYBDENUM [TO 0.11%] AND COPPER [TO 1.5%] MINERALISATION IN ROCK AND TRENCH, IN ADDITION TO GOLD [TO 19.9 G/T])

Frontier Resources is pleased to announce that exploration at the Bukuam Prospect is documenting that the area contains a highly significant and major precious / base metal mineralised system. The mineralised system is known to cover an area of approximately 6km^2 based on copper in stream sediment geochemistry and to date, Frontier have only worked in the northern sector of this anomaly, with the southern half to two-thirds of the zone still to be examined, soil sampled and evaluated.

Outcrop channel sampling completed in October returned copper-molybdenum mineralisation grading to 1.49% copper with 1136 ppm molybdenum (reconnaissance sampling only) in Bukuam Creek, plus 3m grading 0.45% copper in outcrop in the Sai River. These results confirm the copper - molybdenum potential at Bukuam associated with the soil anomalies that are known to be in excess of 1,500m long.

Additional highlights from the basemetal and silver results include: 2m grading 128g/t silver (coincident with peak gold of 19.8g/t in Costean One), 30m grading 42g/t silver + 4.9g/t gold (including 5m grading 93g/t silver + 8.43g/t gold), 10m grading 4.05g/t gold, 45g/t silver and 0.18% copper in the Kapea Shear Zone and 17.3% zinc + 8.05g/t gold from rockchip float in Gupa Creek.

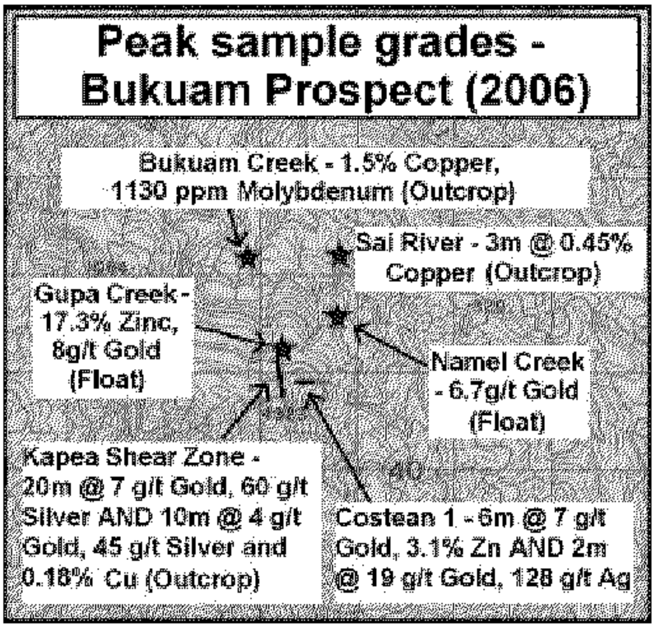
These results reinforce the Target at Bukuam (described in an ASX release dated 25th October) of 200 to 300M tonnes grading 0.8% to 1.0% copper equivalent, from near surface in copper - gold - molybdenum - silver mineralised porphyries. In respect to the above Target we caution that the potential quantity 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 results also highlight the shear hosted plus skarn related gold mineralisation possibilities.

The approx. 7,500m of soil grid infill and extension geochemical assay data have been received and will be plotted, assessed and released as soon as practical.

The Bukuam Project is becoming a very important area for the Company and exploration commensurate with this status is being planned for early in the first quarter of 2007. This work will include extensive hand trenching of gold, copper, silver and molybdenum geochemical anomalies, a major soil geochemical grid extension to the south to define additional mineralisation and ground magnetic survey to track/direct detect magnetite skarns (that are gold auriferous).

DETAILS

The plan to the right shows the peak assay grades recorded from the recent sampling program, with the squares representing 1km blocks.



New Cu-Mo Mineralisation Discovered in Bukuam Creek

Composite rock chip sampling a copper oxide stained (see photo) intrusive outcrop in Bukuam Creek of a 1m interval returned 1.49% copper with 0.1136% molybdenum. The mineralisation was discovered during a very brief first pass reconnaissance of Bukuam Creek for silver potential along the northward projection of the gold-silver mineralized Kapea Shear Zone. Bukuam Creek has only been minimally explored and Frontier believes this to be a very good Target.

Outcropping Copper - Gold Mineralisation Discovered in Main Target/ Anomaly Area

A three metre channel sample of silicified and pyritised andesites proximal to a thin diorite intrusion in the Sai River returned 0.45 % copper and 0.165g/t gold and confirmed the presence of copper- gold mineralisation related to the intermediate intrusives mapped previously in the Target area. Copper-gold grades of this tenor could potentially be economic if appropriate tonnages can be located. Soil anomalism defined to date suggests that the system could be large enough to host economic mineralisation and strongly warrants detailed follow up work.

Kapea Shear Zone Sampling

Re-sampling select intervals of the Kapea Shear Zone has confirmed the potential of the zone with significant silver and basemetal assays returned from several intervals of composite rock chip sampling. The peak result was 110g/t silver within a broader interval of copper and silver anomalism of 10m grading 4.05g/t gold, 45g/t silver and 0.18% copper. These results are particularly encouraging, as this suggests that the mineralised system has the potential to develop to the tenor of the Target grade. Peak silver is coincident with the peak gold results released last week, with the interval grading 2.5m of 6.39g/t gold + 110g/t silver.

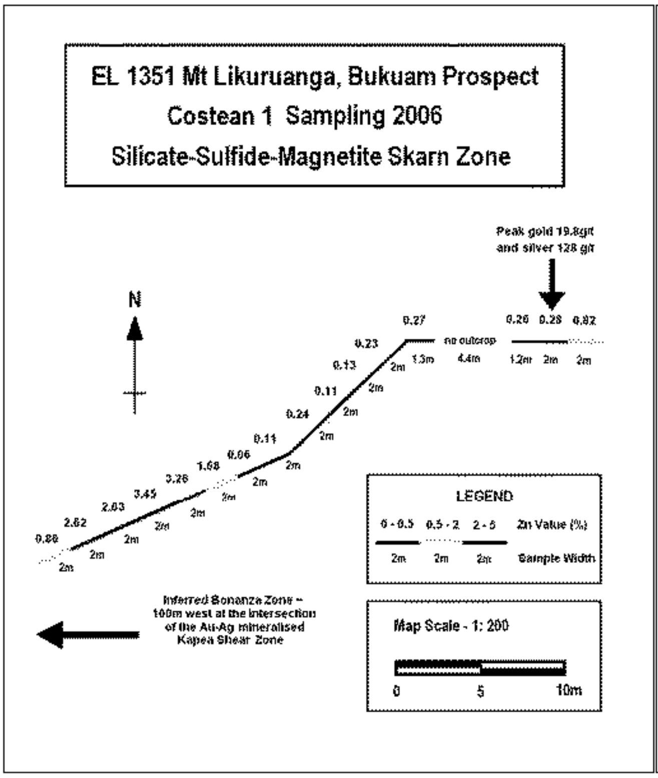
Significant results from the composite rock chip, channel and float sampling program are listed below.

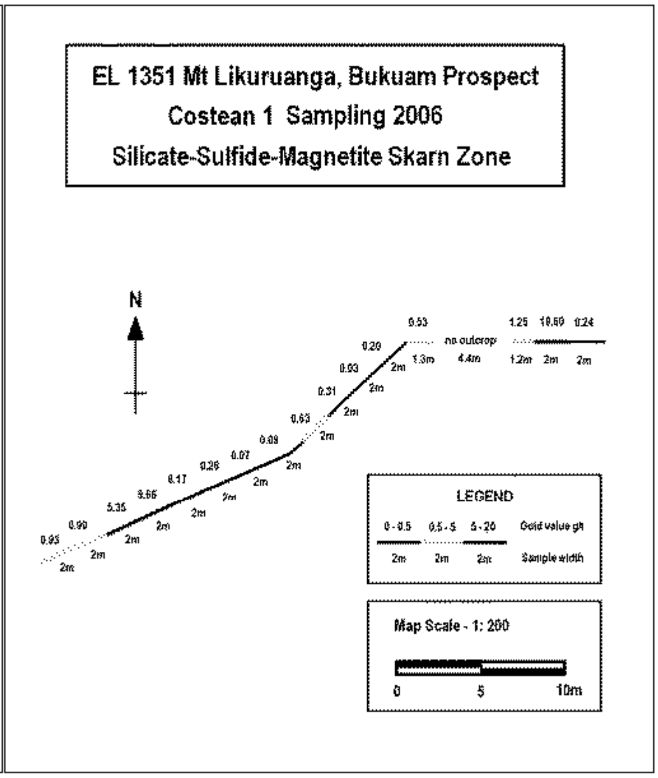
Costean One Sampling

Selective channel re-sampling of Costean One zone has confirmed the base and precious metal potential of the magnetite skarns. A 10m zone of mineralisation contains 2.72% zinc in leached skarn outcrop. The central sector of this zone contains 6m grading 3.12% zinc and 7.06g/t gold (See release dated 28 November 2006). CRA Drill hole DD89BU3 tested 10m of primary Costean One skarn mineralisation from 60m grading 4.8% zinc, 1.7g/t gold and 2.7g/t silver. Frontier's Costean One sampling terminates to the west in 0.93g/t gold and 0.8% zinc.

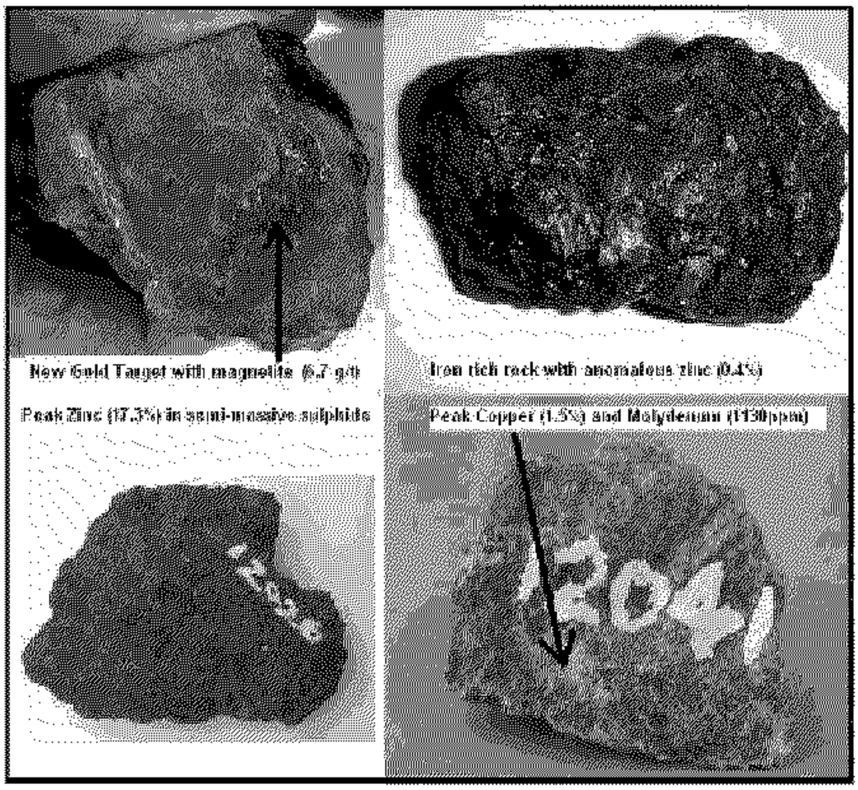
Rio Tinto geologists suggested the potential of a "bonanza zone" at the contact between the sulphide-silicate skarn and the Kapea Creek Shear Zone. The shear zone is believed to be the conduit for the mineralising fluids which produced the skarn. This contact zone has never been drill tested.

Bukuam Prospect: Rock Assay Results (Continuous Intervals are in blue and grey)							
Au (g/t)	Ag (g/t)	Cu ppm	Mo ppm	Pb ppm	Zn ppm	Sample Type	Sub-Prospect
0.09	**14.8**	**14900**	**1136**	64	238	Comp RC	Bukuam Creek
0.20	2.5	**5392**	3	<2	73	1.5m channel	Sai River No.1
0.13	2	**3672**	2	<2	84	1.5m channel	Sai River No.1
0.93	<0.1	270	**33**	7	**8620**	2m Costean	Costean 1
0.90	<0.1	308	3	<2	**26200**	2m Costean	Costean 1
5.35	<0.1	257	1	7	**26300**	2m Costean	Costean 1
9.66	0.3	120	1	<2	**34500**	2m Costean	Costean 1
6.17	<0.1	244	<1	31	**32600**	2m Costean	Costean 1
0.26	1.4	497	<1	<2	**16800**	2m Costean	Costean 1
0.63	6.4	**1372**	1	5	2412	2m Costean	Costean 1
0.53	8.4	565	1	384	2700	1.3m Costean	Costean 1
1.25	5.3	801	1	407	2592	1.2m Costean	Costean 1
19.60	**128**	757	6	10	2796	2m Costean	Costean 1
0.24	0.2	366	1	<2	**8200**	2m Costean	Costean 1
0.15	1.3	472	4	127	**16400**	Comp RC	Left fork -Kapea Ck
1.12	**9.9**	680	4	19	1292	Comp RC	Kapea Shear Zone
5.69	**49.5**	**1600**	5	55	1228	Comp RC	Kapea Shear Zone
2.40	**35**	**1984**	5	57	587	Comp RC	Kapea Shear Zone
6.39	**110**	922	**32**	211	1796	Comp RC	Kapea Shear Zone
0.72	5.9	239	1	4	3076	Comp RC	Kapea Shear Zone
2.09	**20.1**	**1824**	5	26	5392	Comp RC	Kapea Shear Zone
10.40	**87.5**	**2852**	15	933	**5612**	Comp RC	Kapea Shear Zone
7.03	**39.9**	799	**150**	793	**20900**	Comp RC	Kapea Shear Zone
8.43	**93.2**	**2792**	**91**	965	**6860**	Comp RC	Kapea Shear Zone
0.94	**17.9**	**1252**	4	5	1612	Float grab	Gupa Creek
0.07	<0.1	41	1	<2	**4016**	Float grab	Gupa Creek
8.05	0.2	133	<1	3	**172700**	Float grab	Gupa Creek
0.11	**10.5**	953	1	19	**3424**	Float grab	Gupa Creek
0.38	**17.6**	**2376**	2	<2	**4288**	Float grab	Gupa Creek





Gold results released 28th November 2006 included 20m grading 6.99g/t Au, 12.5m grading 4.04g/t gold and 2.5m grading 6.39 g/t gold. All these results highlight the potential for Targets of different styles on mineralisation in this area, more particularly shear hosted and epithermal mineralisation of higher grades than the ultimate porphyry copper-gold-silver-molybdenum Target. Drill testing the shear zone will also be a priority for follow up work at Bukuam in 2007.



Exploration results from Bukuam were released to the ASX on 28th November 2006 noting:

TRENCHING TO 20M OF 6.99G/T GOLD, PLUS 30.5M OF 2.99G/T GOLD (INCL. 2M OF 19.6G/T GOLD) PLUS 12.5M OF 4.04G/T GOLD, BUKUAM PROSPECT, LIKURUANGA EL, PAPUA NEW GUINEA

Rockchip gold assay results from Frontier Resources' Bukuam Prospect (EL1351) in East New Britain Province, Papua New Guinea have confirmed the new gold target associated with the major gold (plus copper, silver, molybdenum) in soil anomaly the Company discovered and announced last month. These results are in addition to those reported in a release dated 25 October 2006.

In addition, the sampling confirmed the significant gold potential in the historically identified Kapea Shear Zone and Costean One Zone. Soil line extensions and infill to the original Frontier grid that was designed to further define the gold-copper-molybdenum-silver anomaly have also been completed. Results from this soil sampling are still awaited.

Sustained follow-up exploration is strongly warranted and will include a detailed ground magnetics survey, trenching and possible drill pad construction that is scheduled to commence in mid-January 2007.

The most significant results from the composite rockchip, channel and float sampling program are listed in the Table.

New Gold Target at Bukuam
Gossanous magnetite altered rockchips collected from the sidehill on gold-anomalous soils line 11400 assayed 6.7g/t gold. Geologic reconnaissance of soils line 11400 shows a broad zone of propylitic, argillic and magnetite alteration in andesitic volcanics coincident with open ended gold-anomalism in soils to 1.06g/t gold (Figure 1 and 2).

The auriferous float and gold in soil anomaly lies directly in line with a structural trend (NNW) in Namel Creek which parallels the gold anomalous Kapea Creek Shear Zone and an auriferous skarn (10m grading 5.2g/t gold) to the southeast previously sampled by Rio Tinto geologists in 1987.

The gold is directly associated with magnetite and as such, a geophysical survey conducted with Frontier's new Magnetometers should directly identify the bedrock location of the newly discovered gold mineralization quickly and provide the target for immediate trenching and sampling.

Kapea Shear Zone Sampling:
Re-sampling select intervals of the Kapea Shear Zone has confirmed the potential of the zone with significant assays returned from several intervals of composite rock chip sampling. These included 20m grading 6.99g/t gold, 12.5m grading 4.04g/t gold and 2.5m grading 6.39g/t gold, in sheared, weakly quartz veined and variably illitic and pyritic andesites. The trenched area is located toward the central sector of the grid, but about 300m further south, showing possible minimum dimensions to this large system.

Historic sampling of the Kapea Shear Zone by Rio Tinto produced results of 205m of non-contiguous sampling grading 1.90g/t gold, including 55m grading 5.8g/t gold. This zone shows excellent gold potential that has never been drill tested, but will be a high priority for follow-up work in 2007.

Costean One Sampling:
Selective channel re-sampling of the silicate-sulphide-magnetite skarn identified by Rio Tinto geologists in Costean One has also produced significant results of 30.5m grading 2.99g/t gold, including 2m grading 19.6g/t gold and 2m grading 9.66g/t gold.

Historic sampling of Costean One by CRA produced results of 70m grading 1.7g/t gold. Costean One mineralisation was drill tested in 1989 by two diamond drill holes. DD89BU1 intersected 6m of silicate-sulphide skarn from 36 to 42m grading 2.2g/t gold, 9.5g/t silver and 1.2% zinc. Drill hole DD89BU3 intersected 10m of silicate-sulphide skarn from 60m at 1.7g/t gold, 2.7g/t silver & 4.8% zinc.

Rio Tinto geologists suggested the potential of "bonanza grade" gold at the contact between the sulphide-silicate skarn and the Kapea Creek Shear Zone. The shear zone is believed to be the conduit for the mineralizing fluids which produced the skarn. This contact zone has never been drill tested and will be a focus for Frontier's follow up work at Bukuam.

Costean One:

From	To	Interval	Gold g/t
0	34.9	30.5m	2.99
Incl. 6	8	2m	9.66
Also incl. 30.9	32.9	2m	19.60

Kapea Shear Zone:

From	To	Interval	Gold g/t
236	246	12.5m	4.04
250	252.5	2.5m	6.39
340	360	20m	6.99

Rock Chip Samples:

Location	Type	Gold g/t
Soils Line 11400	Float	6.7
Kapea Creek	Grab Rock Chip	6.08
Kapea Creek	2m composite Rock Chip	5.61
Gupa Creek	Float	8.05

Bukuam Soils Grid Extensions and Infill Completion
The soils grid at Bukuam has been extended and infilled for a total of 7.425 line kilometres of additional coverage at 25 metre sample spacings to further define copper-gold-molybdenum-silver anomalism defined by the initial survey. The complete grid coverage is shown on the drainage plan. Samples are in the laboratory being processed and assays are awaited.

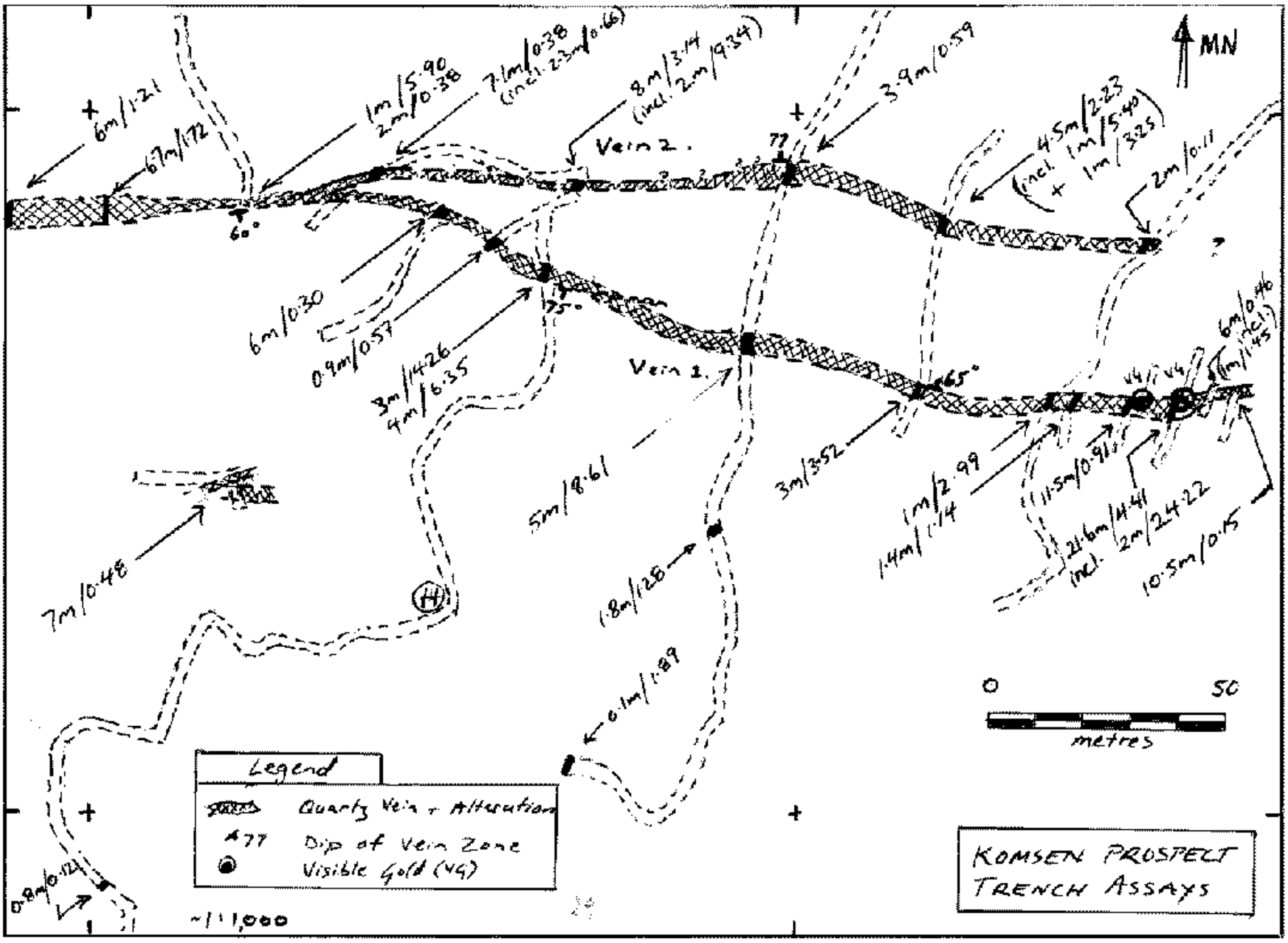
Please refer to the Company's ASX release dated 25/10/2005 for background and additional details relating to the Bukuam prospect.

EL 1345 - Mt Andewa

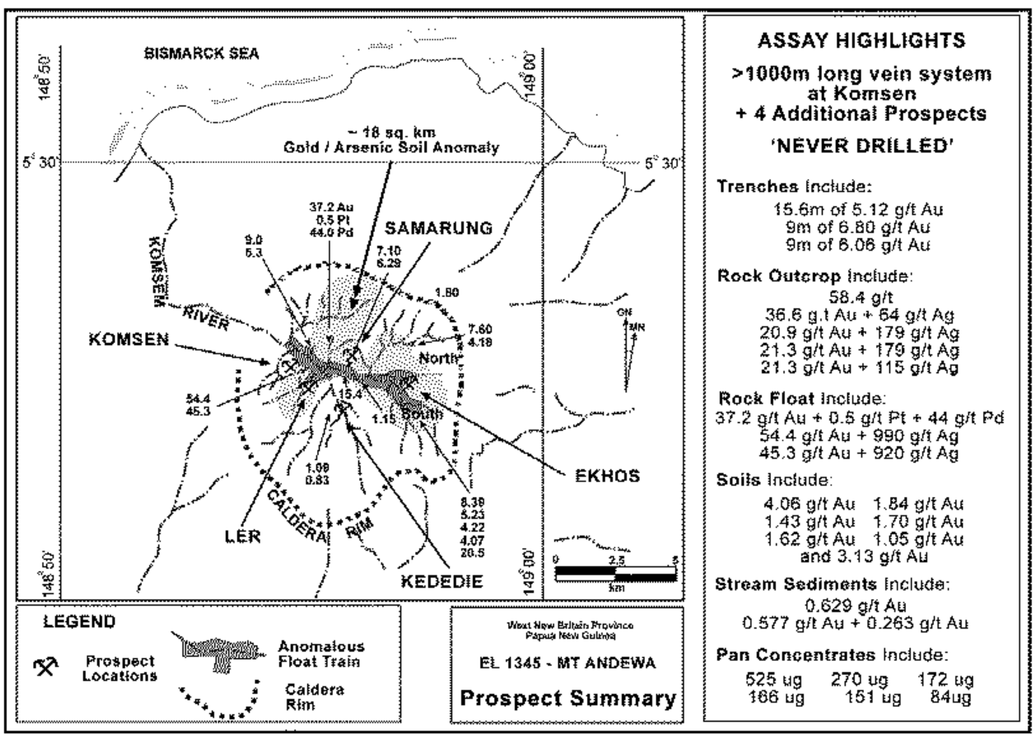
Exploration results from Bukuam were released to the ASX on 24th October 2006 noting:

TRENCHING TO 21.6M OF 4.41G/T GOLD (INCL. 2M OF 24.22G/T GOLD), WITH VISIBLE GOLD DOCUMENTED IN 3 TRENCHES, KOMSEN PROSPECT, ANDEWA EL, PAPUA NEW GUINEA

Visible Gold has been located in 3 different hand trenches at EL 1345 - Andewa and channel sampling returned 21.6m of 4.41g/t gold (incl. 2m of 24.2g/t gold), 11.5m of 0.91g/t gold and 32.7m of 0.66g/t gold (incl. 15.3m of 1.07g/t gold. The relatively low tenor of gold noted in the latter 2 trenches indicates a nugget effect is likely associated with the free gold and this will be further evaluated.

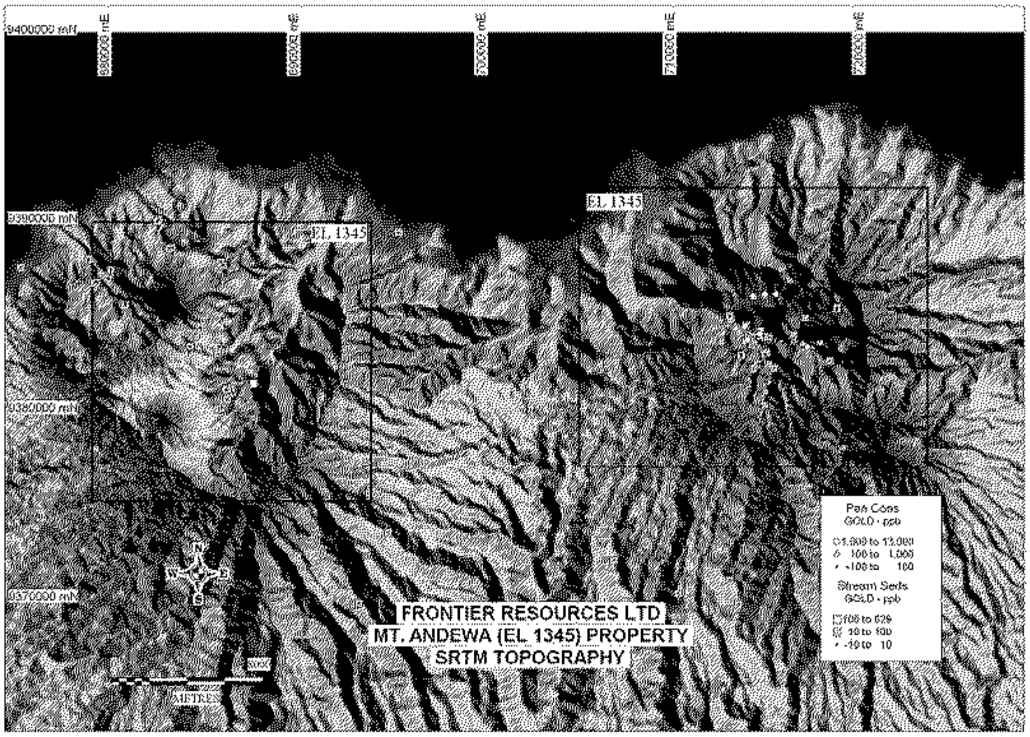


Good continuity has noted in the vein/alteration system, with additional assay results including: 32.7m of 0.66g/t gold (incl. 15.3m of 1.07g/t gold), 3.0m of 8.28g/t gold (re-sample of the 3m of 14.3g/t gold), 8.0m of 3.14g/t gold (with >4g/t gold as last sample on each end), 4.5m of 2.23g/t gold and many other narrower or lower grade intervals. A peak of 43g/t silver in a 1m channel sample was noted and most of the samples collected were mineralised at >0.1g/t gold.



Mt Andewa is an eroded strata volcano with gold mineralisation related to past volcanic/intrusive activity such as has occurred at the Lihir Gold Deposit.

Deeply excavated hand trenching, plus re-opening/sampling of selected previous trenches and geological reconnaissance, was completed at the Komsen Prospect by the former JV partner last year. The goal was to track the gold mineralised clay-silica-



quartz veins and document their gold grades. The results from 317 trench channel and rock chip samples, plus 27 composited soil samples have now all been analysed, received and compiled.

In addition, the former JV partner completed a grid based soil sampling program on an area 3.0km long x 1km wide covering strongly gold anomalous drainages that have never been seriously evaluated. This work was to define additional discrete gold mineralised exploration/ trenching/drilling targets. Six new silicified structures to 3.3m width were located within the soil grid area, some on the basis of an Aster Satellite imagery interpretation. These samples were lost by the shipper and sample bag degradation occurred before they were re-located, forcing compositing of samples. A total of 328 soils were collected, but they were composited into 27 different samples. An additional 564 soil samples plus 15 rock chip samples (testing the silicified structures) were collected in late 2005, but unfortunately Frontier has not been able to locate these samples and will have to repeat the program.

Gold mineralisation is located in an area of approx. 2,500 x 500m contained within a prominent east-west and northeast trending fracture/vein system. Silica-clay veins are documented over a total 2km strike length and have historic gold grades ranging from a few grams gold over a few metres to 9m of 6.44 g/t gold.

The main vein (Vein 2) is consistent in size, grade and alteration characteristics and contains a higher-grade core averaging approximately 5g/t gold over approx. 250m of strike length. The best previous continuous chip channel trench samples of the mineralised structures included: 5.6m of 5.12g/t gold, 9m of 6.44g/t gold, 9m of 5.64g/t gold, 6m of 8.49g/t gold, 15m of 1.83g/t gold and 5.9m of 3.86g/t gold + 5.1m of 3.27g/t gold, 3m of 14.26g/t gold (containing 1m of 21.9g/t gold), 5m of 8.61 g/t gold, 2m of 4.86g/t gold, 6.7m of 1.2g/t gold, 6m of 1.21g/t gold, 1m of 5.90g/t gold & 1m of 5.41g/t gold.

Work to date has shown continuity on the vein system at Komsen, with continuity appearing to continue to East Kehedie where visible gold was located (being the eastern strike extent of Komsen).

Management believe the gold mineralised silica-clay veins at Komsen offer attractive exploration targets. There is also the possibility that large-tonnage, bulk-mineable lower-grade epithermal gold mineralisation could occur in a favourable tuff horizon proximal to the silica-clay veins, that are hosted by more competent overlying andesites.

EL 1345 covers approx. 492km^2 and is located in West New Britain Province. Five high stratigraphic level prospects have been defined but none have yet been drilled. Gold/arsenic anomalous soil geochemistry is reported to cover an embayed triangular shaped area of 18km^2). Mt Andewa is a deeply eroded strato-volcano that is breached to the northwest. The caldera is characterised by multiphase intrusions with a long history of differentiation accompanied by areas of hydrothermal alteration, within a major east-west corridor 7 kilometres long by 2-3 kilometres wide.

The hand drawn figure for trench sample weighted assay averages and refer to the Company's ASX release dated 28/9/2005 for background and additional details relating to the Andewa prospects.

TASMANIA

Tasmania has high mineral prospectivity, hosts several World Class deposits and has become a sought after exploration destination in Australia, because it has effectively no Native Title issues.

Frontier holds or is acquiring 90% to 100% interests in 5 ELs and 2 RLs totalling approximately 211km^2 and it is our intent to continue to advance these projects through joint ventures (to be established) and/or sole funding.

No exploration was conducted during the quarter.

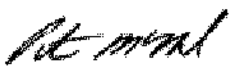
CORPORATE / GENERAL

A total of 7,125,173 fully paid ordinary shares were issued to professional investors on 14th December 2006, pursuant to a private placement, raising $855,020.80 before costs. This funding will allow the Company to continue its approximately 10,000m Resource Delineation and Expansion Drilling Program at the Kodu Deposit, near Port Moresby in Papua New Guinea. The funds will also be utilised for general working capital and the advancement of other prospects such as the Bukuam and Esis Prospects within the Company's large portfolio of high-quality, advanced copper and gold projects.

Frontier Resources announced to the ASX on 18 July 2006 that it had signed a Letter of Intent to option EL application 1360 in Papua New Guinea with Teck Cominco, however, both parties agreed on December 20, 2006 that Teck Cominco will not to proceed.

Frontier is featured in the December edition of the Australian Bluebook Research Series (Aegis) Exploration Review Quarterly.

For additional information relating to the Company and its projects please visit our website at www.frontierresources.com.au or feel free call me on +61 (0) 8 9295 0388, or email me on pmcneil@frontierresources.com.au.



P.A. McNeil, M.Sc.
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Peter McNeil of Exploration and Management Consultants Pty Ltd, who is a Member of the Australian Institute of Geoscientists. Mr McNeil has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr McNeil consents to the inclusion in this report of the matters based on his information in the form and context in which it appear.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Name of entity

FRONTIER RESOURCES LTD

ACN OR ARBN	Quarter ended ("current quarter")
095 684 389	**31 December 2006**

Consolidated statement of cash flows

			Current quarter $A'000	Year To Date (6 Mths) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		54	88
1.2	Payments for	(a) exploration and evaluation	(819)	(1,108)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(172)	(347)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		7	12
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other - Expenditure reimbursed by JV partner		-	-
	Other - Expenditure reimbursed by others		(7)	(7)
	Net Operating Cash Flows		(937)	(1,362)
Cash flows related to investing activities				
1.8	Payment for purchase of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	(78)	(285)
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	449	449
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other - Mines Dept deposits		-	-
	Net Investing Cash Flows		371	164
1.13	Total operating and investing cash flows (carried forward)		(566)	(1,198)

1.13	Total operating and investing cash flows (brought forward)	(566)	(1,198)
Cash flows related to financing activities			
1.14	Proceeds from issue of shares, options, etc.	849	1,938
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	-	-
	Net financing cash flows	849	1,938
Net increase (decrease) in cash held		283	740
1.20	Cash at beginning of quarter/year to date	757	300
1.21	Exchange rate adjustments to 1.20		
1.22	**Cash at end of quarter**	$1,040	$1,040

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	95
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.

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 $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	750
4.2	Development	-
	Total	750

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	1,040	757
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other : fixed term deposits		
	Total: cash at end of quarter (item 1.22)	1,040	757

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	RL3/2005 RL4/2005	Direct interest - Narrawa Direct interest - River Lea	0% 0%	100% 100%

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	**Preference +securities** *(description)*	Nil	Nil		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs redemptions				
7.3	**+Ordinary securities**	88,078,608	88,078,608		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,135,173	7,135,173	$0.120	
7.5	**+Convertible debt securities** *(description)*	Nil	Nil		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		38,958,516	38,958,516	20 cents	30-Nov-07
		1,600,000		20 cents	31-Dec-07
		2,165,000		10 cents	01-Dec-08
		1,630,000		14 cents	20-Oct-11
7.8	Issued during quarter	1,630,000		14 cents	20-Oct-11
7.9	Exercised during quarter	10,000	10,000	20 cents	30-Nov-07
7.10	Expired/cancelled during quarter	250,000		10 cents	01-Dec-08
7.11	**Debentures** *(totals only)*	Nil	Nil		
7.12	**Unsecured notes** *(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: January 31, 2007
(~~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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