



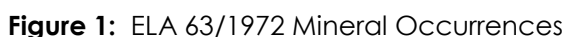
For the 3 months ending 31 December 2017 (**Period**)

EXPLORATION ACTIVITIES

The Company progressed the preparation of an environmental management plan as part of the tenement application process. It is expected that the plan will be completed and submitted to the Department of Parks and Wildlife for review during the current period.

Cobalt, base metal and precious metal occurrences have been identified within the application area by previous explorers.

The collation and review of historic exploration data continues, with the aim of identifying targets for testing upon grant of the tenement.



Fraser Range Project - E28/2385, E28/2390, E28/2392

The Fraser Range Project is located on a major tectonic suture between the Eastern Biranup Zone and the Fraser Complex on the western edge of the major Fraser Range Gravity High and is positioned within a major north west trending linear structural corridor that creates a distinct break in the Fraser Range Gravity High. E28/2390 and E28/2392 are located proximal to the regionally extensive Harris Lake Shear Zone which hosts Segue Resources Limited's Corvette Gold Prospect approximately 140km to the north of the project.

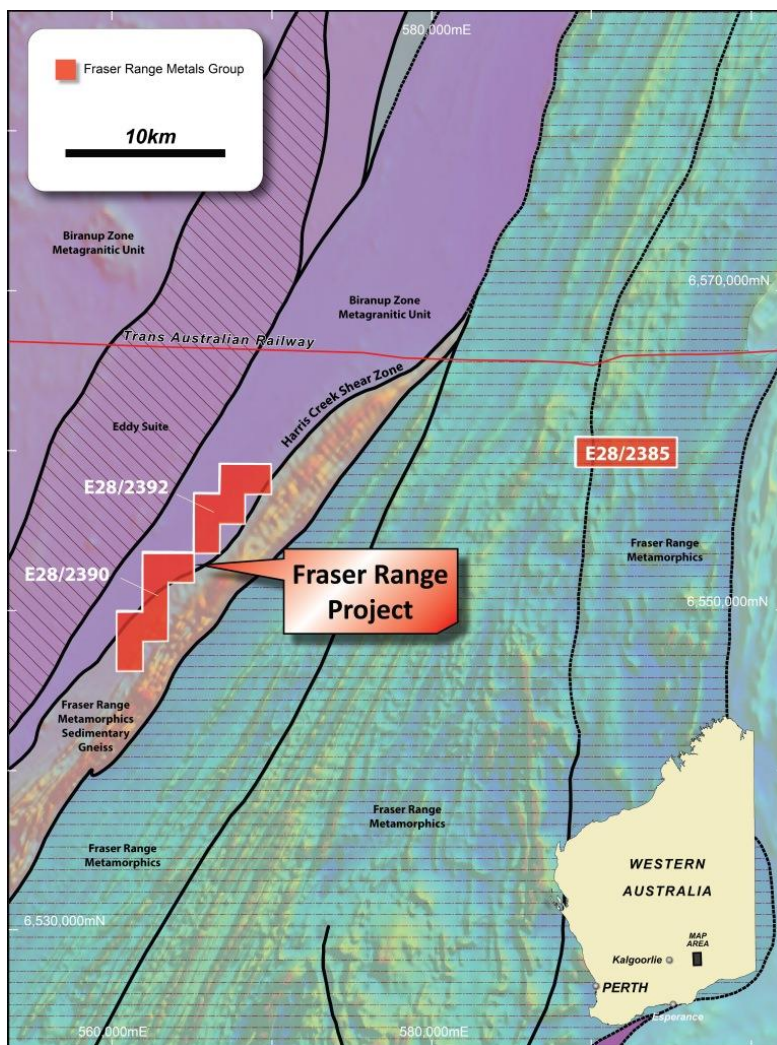


Figure 2: Fraser Range Project, Geological Setting

Four geochemical anomalies have been identified from shallow auger drilling over the project; one nickel and two gold anomalies on E28/2385 and a gold anomaly on E28/2392, which sits within the Harris Lake Shear Zone.

The Company continues to progress its plans to conduct ground based surveying and truthing to confirm the reliability of the auger anomalies prior to undertaking further exploration activity, which will likely involve low level or ground based geophysical surveys designed to assist in the mapping of the underlying geological sequences and structures in the area of the defined geochemical anomalies. Timing of the ground based activity will be subject to land access, weather and finalising agreements with relevant contractors.

CORPORATE ACTIVITIES

Business Development

The Company continues to assess new projects and acquisition opportunities that may be suitable to the Company to acquire for the purposes of creating shareholder value.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Fraser Range Metals Group Limited

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Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Fraser Range Metals Group Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Fraser Range Metals Group Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent person statement

*Exploration or technical information in this release has been prepared by **Mr Ian Prentice BSc**, who is a director of Fraser Range Metals Group Limited and a Member of the Australian Institute of Mining and Metallurgy. Mr Prentice has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Prentice consents to the report being issued in the form and context in which it appears.*

-END-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Fraser Range Metals Group Limited

ABN

65 098 236 938

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter (Dec 2016) \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(52)	(109)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(56)	(81)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	11
1.5 Interest and other costs of finance paid	(0)	(0)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	10	26
1.9 Net cash from / (used in) operating activities	(93)	(153)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter (Dec 2016) \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,149	3,209
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(93)	(153)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,055	3,055

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,055	3,149
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,055	3,149

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

(29)

-

Payment of director's fees, rent, administration expenses and reimbursements.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

-

8. Financing facilities available
Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	80
9.2 Development	-
9.3 Production	-
9.4 Staff costs	27
9.5 Administration and corporate costs	60
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	167

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



 Company Secretary

Date: 31 January 2017

Print name: Loren King

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.