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ASX Release

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

ACQUISITION OF FRASER RANGE PROJECT

Highlights:

- FRN to effectively *re-acquire* exploration licences E28/2385, E28/2390 and E28/2392;
- FRN to raise between \$3,500,000 and \$5,000,000 at \$0.02 per share (**Capital Raise**);
- Board to be re-constituted beginning with the appointment of Ms Loren Jones and the eventual appointments of Mr Glenn Whiddon and Mr Josh Puckridge; and
- FRN to seek re-quotation on the Australian Securities Exchange (**ASX**).

Fraser Range Metals Group Limited (**FRN**) (**Company**) is pleased to advise that it has today entered into a Deed of Variation to reclaim exploration licences E28/2385, E28/2390 and E28/2392 (**Tenements**) from Segue Resources Limited (**Segue**). FRN and Segue have effectively re-acquired the Tenements by varying the transfer obligations of the Tenement Sale Agreement executed and announced 26 March 2014. See page 6 for the commercial terms.

The Company is currently preparing a Notice of Meeting to be sent to shareholders to approve the acquisition of the Tenements and the proposed Capital Raise, with the proceeds being used to fund the exploration of the Tenements.

PROJECT OVERVIEW

The Tenements (or **Project**) comprise three granted exploration licences located approximately 215km east of Kalgoorlie, WA in the central part of the Albany-Fraser Orogen (Figure 1). The Project provides FRN with an opportunity to explore across an area that has little previous exploration and is considered highly prospective for both mafic-ultramafic related nickel-copper (e.g. Nova Nickel-Copper Deposit) and gold deposits (e.g. Corvette Gold Prospect).

The discoveries of the Nova nickel-copper and the Tropicana gold deposits have clearly demonstrated the potential for the Albany-Fraser Orogen to host world-class mineral deposits and has led to a major new phase of exploration in the region.

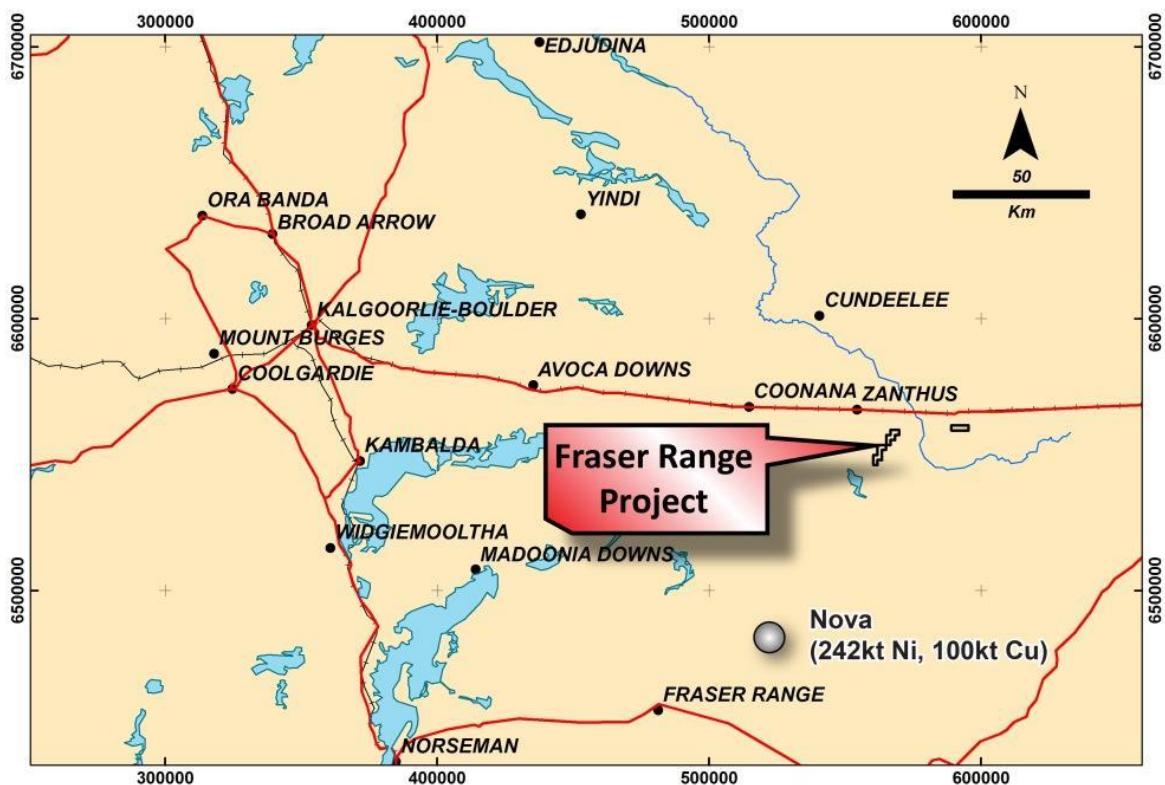


Figure 1 – Project Location

Project Highlights:

- The Project is located on a major tectonic “suture” between the Eastern Biranup Zone and the Fraser Complex in the central part of the Albany-Fraser Orogen. In particular, the Project is located on the western edge of the major Fraser Range Gravity High that is interpreted to be a major domain boundary between the Fraser Range Complex and the Eastern Biranup Zone (Figure 2).
- Importantly the Project is positioned within a major north west to south east trending linear structural corridor that creates a distinct break in the Fraser Range Gravity High and is also manifested within the rocks of the Yilgarn Craton. These intersection points have the potential to provide pathways for intrusive activity from the lower crust-upper mantle. A similar corridor is recognised at the Nova nickel-copper sulphide discovery to the south.

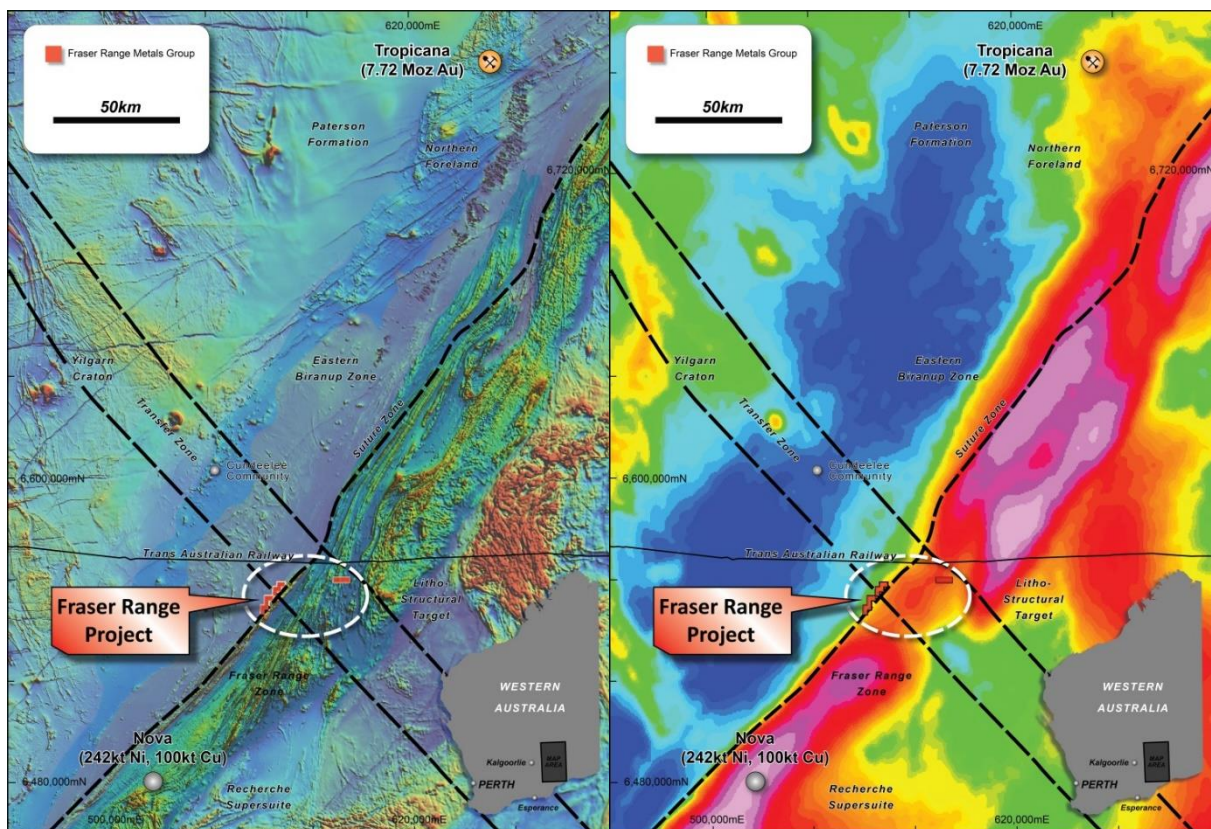


Figure 2 – Tectonic Setting: (GSWA magnetics and Bouguer Gravity)

- The western group of exploration licences (E28/2392 and E28/2390) is located on or adjacent to what is considered to be a major domain boundary between the Eastern Biranup Zone and the Fraser Range Complex over an approximate 13km strike length (Figure 2).

This boundary is well defined in the regional gravity datasets and in airborne magnetic data. The suture is recognised locally as the regionally extensive Harris Lake Shear Zone.

- The single eastern exploration licence (E28/2385) is located within the Fraser Range Complex and is central to the gravity high. The Prospect area is considered prospective for both mafic-ultramafic intrusive related nickel-copper deposits (i.e. Nova) and shear zone hosted gold deposits.
- Examination of historical open file data indicates that exploration has been limited to shallow auger geochemical drilling and 5 aircore holes. A number of targets have been identified in this data that require further assessment (Figure 3 and 4).

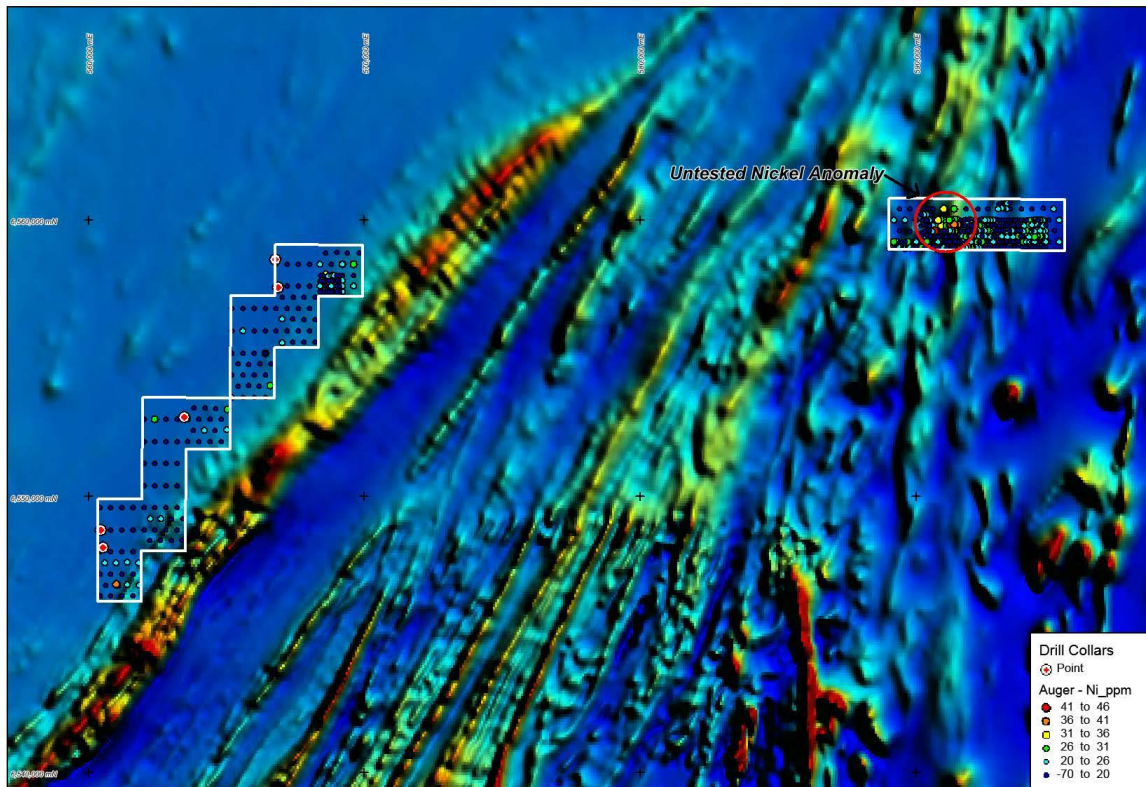


Figure 3 – GSWA Magnetics with Previous Nickel Exploration

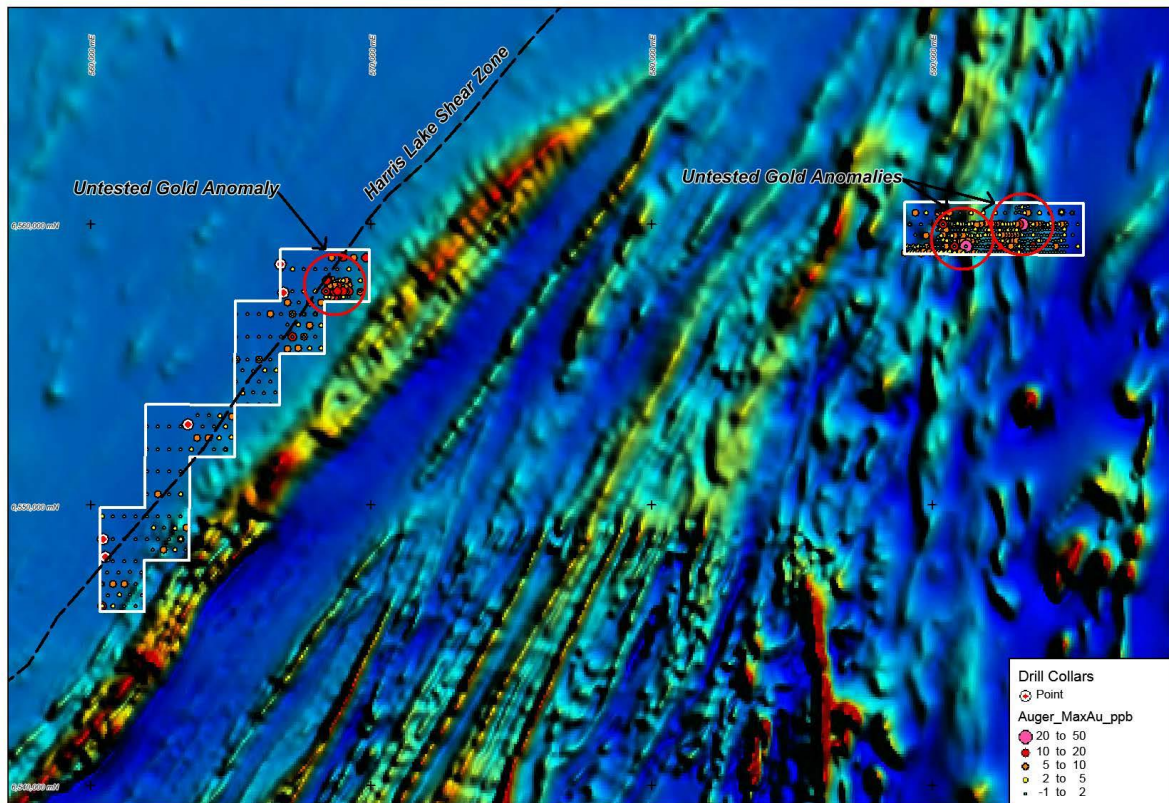


Figure 4 – GSWA Magnetics with Previous Gold Exploration

Exploration Plan

The proposed exploration program will be based on the collection of project wide quality datasets. The programs are still being finalized but will include the collection of detailed airborne magnetic data, gravity data and electromagnetic data. The results of this work will then be used to generate targets for detailed follow-up exploration.

COMMERCIAL TERMS AND PRO-FORMA CAPITAL STRUCTURE

Deed of Variation

For entering into the deed of variation for FRN to re-acquire the tenements, FRN will pay to Segue \$15,000 on the earlier of the Company completing the Capital Raise or 17 May 2016.

Capital Raise and Issue of Securities

The Company intends to issue up to 250,000,000 new shares at \$0.02 per share to retail investors and up to 25,000,000 new shares to advisors in lieu of fees for work done in association with the Capital Raise and preparation of Notice of Meeting and Prospectus to complete the Capital Raise.

Pro-Forma Capital Structure

	Min Capital Raise	Max Capital Raise
Current FRN Shares	31,625,441	31,625,441
Shares Issued to Advisor	25,000,000	25,000,000
Shares Issued at Capital Raise	175,000,000	250,000,000
Total Shares on Issue	<u>231,625,441</u>	<u>306,625,441</u>
Approximate Cash after costs	<u>\$3,120,000</u>	<u>\$4,525,000</u>

The Company anticipates that it will have no debt or any other securities on issue at completion of the Capital Raise.

Timetable

The Company is currently preparing the required Notice of Meeting to effect the Capital Raise and re-acquisition of Tenements, and will advise an indicative timetable in due course.

BOARD COMPOSITION

Miss Loren Jones has today accepted a position as Non-Executive Director of the Company. Miss Jones is a Partner at and Company Secretary of corporate administration firm Cicero Corporate Services Pty Ltd, a Non-Executive Director and Company Secretary of Brookside Energy Limited (ASX: BRK), a Non-Executive Director of Blaze International Limited (ASX: BLZ) and a Non-Executive Director of Red Fox Capital Pty Ltd. She also currently serves as the Company Secretary of ASX listed company VTX Holdings Limited (ASX: VTX) and Aphex Minerals Pty Ltd. Past Non-Executive Director and/or Company Secretarial positions include ZipTel Limited (ASX: ZIP), MMJ Phytotech Limited (ASX: MMJ) and Jernigan Commodities Limited.

With the appointment of Miss Jones, Non-Executive Director Dan Smith has resigned from the board.

It is anticipated that Mr Josh Puckridge and Mr Glenn Whiddon will join the board as Non-Executive Directors at the completion of the Capital Raise and that the remaining current Directors will retire.

For, and on behalf of, the Board of Directors,



Nick Ong

Non-Executive Director

Fraser Range Metals Group Limited

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr. Peter Langworthy. Mr. Peter Langworthy is a Principal Consultant of geoscience consulting group OMNI GeoX Pty Ltd. and has been retained by Fraser Range Metals Group Limited to complete an Independent Geologists Report on the Fraser Range Project. Mr. Peter Langworthy is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Peter Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.