

FRASER RANGE METALS GROUP LIMITED
ACN 098 236 938

NOTICE OF GENERAL MEETING

**For the General Meeting of the Company to be held on
Wednesday 20 January 2016 at Suite 9, 330 Churchill Avenue
Subiaco WA 6008 at 11:00am (WST).**

This Notice and the accompanying Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or another professional adviser before voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6489 1600.

FRASER RANGE METALS GROUP LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Fraser Range Metals Group Limited will be held at Suite 9, 330 Churchill Avenue, Subiaco WA 6008 on 20 January 2016 at 11:00am (WST).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined under regulations 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 18 January 2016 at 5:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Change to Nature and Scale of Activities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 11.1.2 and for all other purposes, the Company be authorised to make a significant change to the nature and scale of its activities resulting from the Acquisition and the Capital Raising on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if this Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Approval of issue of Capital Raising Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 7.1, and for all other purposes, Shareholders approve and authorise the Directors to issue up to 250,000,000 Shares (**Capital Raising Shares**) at an issue price of \$0.02 per Share (**Capital Raising**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue of the Capital Raising Shares and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Approval of Proposed Director's Participation in Capital Raising

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise Mr Glenn Whiddon (or his nominee) to participate in the Capital Raising to the extent of up to 25,000,000 Shares at an issue price of \$0.02 per Share on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Glenn Whiddon (or his nominee) and any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Resolution 4 – Approval of Issue of Adviser Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to issue up to 25,000,000 Shares at a deemed issue price of \$0.001 per Share to the Advisers (or their nominees) (**Adviser Shares**) on the terms and conditions of the Explanatory Memorandum."*

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by the Advisers (or their nominees), and by any person who may obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities), if the Resolution is passed, and an associate of such persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 – Approval of Issue of Adviser Shares to Mr Glenn Whiddon

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Acquisition Resolutions being passed, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 7,500,000 Adviser Shares to Mr Glenn Whiddon (or his nominee) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Glenn Whiddon (or his nominee) and any of his associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Appointment of Mr Glenn Whiddon as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to each of the Acquisition Resolutions being passed, in accordance with Article 13.3 and 13.4 of the Constitution and for all other purposes, with effect from Completion, Mr Glenn Whiddon be appointed as a Director."

7. Resolution 7 – Appointment of Mr Josh Puckridge as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to each of the Acquisition Resolutions being passed, in accordance with Article 13.3 and 13.4 of the Constitution and for all other purposes, with effect from Completion, Mr Josh Puckridge be appointed as a Director."

8. Resolution 8 – Appointment of Mr Ian Prentice as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to each of the Acquisition Resolutions being passed, in accordance with Article 13.3 and 13.4 of the Constitution and for all other purposes, with effect from Completion, Mr Ian Prentice be appointed as a Director."

9. Resolution 9 – Election of Miss Loren Jones as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, pursuant to Article 13.5 of the Constitution and for all other purposes, Miss Loren Jones, Director, who was appointed as an addition to the Board on 20 November 2015, being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."

BY ORDER OF THE BOARD



Loren Jones
Non-Executive Director and Company Secretary

Dated: 22 December 2015

FRASER RANGE METALS GROUP LIMITED

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EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Suite 9, 330 Churchill Avenue, Subiaco, WA 6008 on 20 January 2016 at 11:00am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Overview of the Acquisition and Change of Nature and Scale of Activities
Section 4:	Resolution 1 - Change to Nature and Scale of Activities
Section 5:	Resolution 2 – Issue of Capital Raising Shares
Section 6	Resolution 3 – Approval of Proposed Director's Participation in Capital Raising
Section 7	Resolution 4 – Approval of Issue of Adviser Shares
Section 8:	Resolution 5 – Approval of Issue of Adviser Shares to Mr Glenn Whiddon
Section 9:	Resolutions 6 to 8 – Appointment of Mr Glenn Whiddon, Mr Josh Puckridge and Mr Ian Prentice as Directors
Section 10:	Resolution 9 – Election of Miss Loren Jones as a Director
Schedule 1:	Definitions and Interpretation
Schedule 2:	Risk Factors
Schedule 3:	Independent Geologist's Report
Schedule 4:	Economic Considerations: Relevant Commodity Market Outlooks in relation to Project Acquisition

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum.

2. Action to be taken by Shareholders

The business of the Meeting affects your shareholding and your vote is important.

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by:

- (a) by post to PO Box 866, Subiaco WA 6904;
- (b) in person to Suite 9, 330 Churchill Avenue Subiaco WA 6008
- (c) by email to loren@cicerocorporate.com.au; or
- (d) by facsimile to the Company on + 61 8 6489 1601,

so that it is received not later than 48 hours prior to the Meeting. Proxy Forms received later than this time will be invalid.

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate's representative. The authority may be sent to the Company or the Share Registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

3. Overview of the Acquisition and Change of Nature and Scale of Activities

3.1 Background of the Company

The Company (formerly known as Australis Aquaculture Limited and AAQ Holdings Limited) was admitted to the official list of the ASX on 30 July 2004. On 6 February 2013, the Company changed its name from AAQ Holdings Limited to Fraser Range Metals Group Limited (ASX: FRN).

Since 31 January 2013, the Company has been suspended from official quotation, pending re-compliance with Chapters 1 and 2 of the Listing Rules. The Company does not currently have a main undertaking.

3.2 Background to the Change of Nature and Scale of Activities

The Company announced on 20 November 2015 that it has entered into a deed of variation with Segue Resources Limited (**Segue**) (**Deed of Variation**) to vary the transfer obligations of the tenement sale agreement between the Company, and Segue executed on 26 March 2014 (**Tenement Sale Agreement**).

Under the Tenement Sale Agreement, the Company agreed to sell Segue the following pending licences: E28/2384, E28/2385, E28/2386, E28/2387, E28/2388, E28/2389, E28/2390, E28/2391, E28/2392 and E28/2393. In consideration for the sale of these licences, Segue agreed to issue the Company 25,000,000 Segue shares and pay for costs associated with the transfers. The Tenement Sale Agreement contains terms and conditions standard for an agreement of this nature and was completed 28 April 2014.

Pursuant to the Deed of Variation, the Company will re-acquire the following Western Australian exploration licenses from Segue:

- (a) E28/2385 (11.76km²);
- (b) E28/2390 (17.60km²); and
- (c) E28/2392 (14.67km²),

totalling approximately 44.03km² (together the **Tenements** or **Project**).

The Tenements will provide the Company with an opportunity to explore across an area that is considered prospective for both mafic-ultramafic related nickel - copper and gold deposits (refer to Schedule 3 and Schedule 4 for further details of the Project).

There are no known published exploration results solely relating to the Tenements

In consideration for entering into the Deed of Variation, the Company has agreed to pay Segue a one-off cash payment of \$15,000 on the earlier of:

- (a) the completion of the Capital Raising; or
- (b) 17 May 2016.

Upon the successful acquisition of these Tenements and the completion of the Capital Raising, the Company will be focused on the exploration of these Tenements as a mineral exploration company.

Mr Nick Ong is a Non-Executive Director of both the Company and Segue. Mr Ong, to avoid any potential conflicts of interest, has not, and will not, vote on any board or shareholder resolution of either the Company or Segue, relating to the acquisition of the Tenements.

Please refer to Schedule 3, the Independent Geologist's Report, for a technical review of the Tenements and a summary of historical exploration and an overview of intended exploration.

Please refer to Schedule 4, Economic Considerations: Relevant Commodity Market Outlooks, for an executive summary of the rationale for the Company's acquisition of the Project.

3.3 Board Changes and Management at Completion

Following Completion, the Board of the Company will consist of Mr Josh Puckridge, Mr Glenn Whiddon, Mr Ian Prentice and Miss Loren Jones. For further details regarding the qualifications and experience of Mr Puckridge, Mr Whiddon, Mr Prentice and Miss Jones, please refer to Sections 9 and 10.

The Company will not consist of any full time executive Directors following completion, and this is a risk highlighted in Schedule 2 (Risk Factors).

Mr Puckridge will serve as the Company's Executive Chairman (on a part-time basis), and Mr Whiddon, Mr Prentice and Miss Jones will serve as non-executive Directors.

Mr Puckridge is an experienced director of ASX listed companies. There is no proposed Managing Director or Chief Executive Officer. Consequently, Mr Puckridge will be responsible for all responsibilities that would otherwise be performed by a Managing Director or Chief Executive Officer. Mr Puckridge took on a similar position with Windward Resources Limited, another Fraser Range exploration company listed on the ASX, and was also Chief Executive Officer and Executive Director of Discovery Resources Limited (now Aquis Entertainment Limited, ASX: AQS), a company that conducted exploration for rare earth elements in northern Namibia, Africa.

Mr Puckridge will be directly responsible for all mineral exploration activities of the Company ahead of appointing a Managing Director or Chief Executive Officer in the future (should the Company's activities warrant such an appointment). Mr Puckridge will engage consultants, as appropriate and economical, to conduct exploration programs and subsequent interpretation of the data of these programs'. Mr Prentice will, in a non-executive Director capacity and commitment of time, work under, and as directed by, Mr Puckridge for the purposes of providing an objective and propriety opinion regarding the exploration activities and results of the Company.

Messrs Puckridge and Prentice will hold the sole responsibility for preparing and executing the Company's mineral exploration strategy, programs, results and interpretations (by the use of internal or external human resources).

3.4 Capital Raising

Subject to Shareholder approval, the Company is proposing to raise a minimum of \$3,500,000 (**Minimum Subscription Amount**) and a maximum of \$5,000,000 (**Maximum Subscription Amount**) (before costs) by way of an offer to the public of a minimum of 175,000,000 Shares and a maximum of 250,000,000 Shares at an issue price of \$0.02 per Share, for the purposes of:

- (a) satisfying the requirements of Chapters 1 and 2 of the Listing Rules (refer to Section 4);

- (b) funding the exploration of the Project (refer to Section 3.7);
- (c) further business development following Completion; and
- (d) satisfying the costs associated with the Acquisition and the Capital Raising.

The Capital Raising will be undertaken pursuant to a prospectus to be issued by the Company in accordance with section 710 of the Corporations Act (**Prospectus**).

Refer to Section 5 for details of the Capital Raising and Section 3.7 for details of the proposed use of funds raised pursuant to the Capital Raising.

If the Minimum Subscription Amount is not subscribed, the Capital Raising will not proceed.

3.5 Pro-forma Capital Structure

Upon Completion, the capital structure of the Company will be as follows:

	Number of Shares Minimum Subscription	Number of Shares Maximum Subscription
Securities on issue as at the date of this Notice	31,625,441	31,625,441
Issue of Shares to Advisors	25,000,000	25,000,000
Issue of Shares pursuant to the Capital Raising	175,000,000	250,000,000
TOTAL^{1,2}	231,625,441	306,625,441

Notes:

1. At the date of this Notice, there are no securities other than fully paid ordinary shares on issue in the Company.
2. Following Completion, the Company will not have any securities on issue other than fully paid ordinary shares.

3.6 Effect of the Acquisition on control and substantial Shareholders

As at the date of the Notice, the following persons have a Relevant Interest in 5% or more of the Shares on issue:

	Number of Shares	Percentage of Shares
N&J Mitchell Holdings Pty Ltd <ORD Street Properties A/C> ¹	3,078,733	9.73%
Getmeoutofhere Pty Ltd <Sinking Ship Super Fund A/C> ²	2,109,034	6.67%

Notes:

1. Based on information lodged with ASX on 29 October 2015, this Shareholder also holds an interest in approximately 10.11% of the issued Shares of Segue.
2. An entity controlled by Mr Glenn Whiddon.

Based on the information known at the date of the Notice, upon Completion, and assuming only the Minimum Subscription Amount is raised pursuant to the Capital Raising, the following persons will have a Relevant Interest in 5% or more of the Shares on issue:

	Number of Shares	Percentage of Shares
Mr Glenn Whiddon ¹	34,609,034	14.94%

Note:

1. Including Shares held by Getmeoutofhere Pty Ltd <Sinking Ship Super Fund A/C>, an entity controlled by Mr Glenn Whiddon.

Based on the information known at the date of the Notice, upon Completion, and assuming the Maximum Subscription Amount is raised pursuant to the Capital Raising, the following persons will have a Relevant Interest in 5% or more of the Shares on issue:

	Number of Shares	Percentage of Shares
Mr Glenn Whiddon ¹	34,609,034	11.28%

Note:

1. Including Shares held by Getmeoutofhere Pty Ltd <Sinking Ship Super Fund A/C>, an entity controlled by Mr Glenn Whiddon.

3.7 Proposed Use of Funds

The Company intends to apply funds raised from the Capital Raising, together with existing cash reserves post-Completion, in the next two years following re-admission to the Official List of the ASX as follows:

Funds Available	Minimum Subscription (\$3,500,000)	Percentage of Funds (%)	Maximum Subscription (\$5,000,000)	Percentage of Funds (%)
Existing cash reserves of the Company ¹	\$80,000	2.23%	\$80,000	1.57%
Proceeds from Capital Raising	\$3,500,000	97.77%	\$5,000,000	98.43%
TOTAL	\$3,580,000	100.00%	\$5,080,000	100.00%
Allocation of Funds	Minimum Subscription (\$3,500,000)	Percentage of Funds (%)	Maximum Subscription (\$5,000,000)	Percentage of Funds (%)
Working Capital, General Administration Costs and Business Development ²	\$1,385,000	38.69%	\$2,240,000	44.09%
Estimated Exploration budget for 2016 and 2017 ³	\$1,750,000	48.88%	\$2,300,000	45.28%
Estimated Cost of Capital Raising ⁴	\$445,000	12.43%	\$540,000	10.63%
TOTAL	\$3,580,000	100.00%	\$5,080,000	100.00%

Notes:

1. These funds represent existing cash held by the Company at or around the date of this Notice of Meeting. The Company could incur costs within the ordinary course of its business that may diminish this amount before Completion.
2. Working capital and corporate administration costs include the general costs associated with the management and operation of the business including administration expenses, management salaries, directors' fees, rent and other associated costs. It is approximated that, over the two-year period, no more than \$200,000 per year would be spent on the development of the business including the assessment and application for new tenements in the region, the

- assessment of potential new geological staff and/or executives, the attendance of relevant trade or industry conferences and any other activity related to the progression of the Company as a mineral exploration company.
3. Please refer to Schedule 3, the Independent Geologist's Report, for an explicit breakdown of the estimated exploration budget for 2016 and 2017.
 4. Refer to the table below for the itemised costs of the expenses associated with the Acquisition:

Estimated Costs of the Transaction	Minimum Subscription (\$3,500,000)	Maximum Subscription (\$5,000,000)
ASIC Fees	\$2,320	\$2,320
ASX Fees	\$41,979	\$50,229
Broker Fees	\$175,000	\$250,000
Corporate Fee	\$40,000	\$40,000
Independent Auditors Report	\$20,000	\$20,000
Legal and Due Diligence Expenses	\$150,000	\$150,000
Miscellaneous	\$7,201	\$14,951
Printing and postage	\$5,000	\$5,000
Shareholder Meeting / Share Registry Costs	\$3,500	\$7,500
TOTAL	\$445,000	\$540,000

On completion of the minimum raising of \$3,500,000 under the Capital Raising, the Board believes the Company will have sufficient working capital to achieve the objectives set out in this Notice of Meeting.

3.8 Pro-forma Statement of Financial Position

	FRASER RANGE METALS GROUP AUDITED 30 June 2015 (\$)	PRO-FORMA UNAUDITED 30 June 2015 Minimum (\$3,500,000)	PRO-FORMA UNAUDITED 30 June 2015 ¹ Maximum (\$5,000,000)
CURRENT ASSETS			
Assets			
Cash and cash equivalents	167,402	3,232,402 ¹	4,637,402 ²
Trade and other receivables	3,730	3,730	3,730
TOTAL CURRENT ASSETS	171,132	3,236,132	4,641,132
Non-Current Assets			
Mineral exploration and evaluation expenditure	-	15,000	15,000
TOTAL NON-CURRENT ASSETS	-	15,000	15,000
TOTAL ASSETS	171,132	3,251,132	4,656,132
LIABILITIES			
Current Liabilities			
Trade and other payables	21,976	21,976	21,976
Total Current Liabilities	21,976	21,976	21,976
TOTAL LIABILITIES	21,976	21,976	21,976

	FRASER RANGE METALS GROUP AUDITED 30 June 2015 (\$)	PRO-FORMA UNAUDITED 30 June 2015 Minimum (\$3,500,000)	PRO-FORMA UNAUDITED 30 June 2015 ¹ Maximum (\$5,000,000)
NET ASSETS	149,156	3,229,156	4,634,156
EQUITY			
Contributed equity	28,368,164	31,448,164	32,853,164
Accumulated profit/(losses)	(28,219,008)	(28,219,008)	(28,219,008)
TOTAL EQUITY	149,156	3,229,156	4,634,156

Notes:

1. Anticipated cost of the Acquisition and Capital Raising of \$445,000; and
2. Anticipated cost of the Acquisition and Capital Raising of \$540,000.

3.9 Advantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's determination on how to vote on the Acquisition Resolutions:

- (a) the Project represents an opportunity for the Company to explore prospective ground in the under-explored Fraser Range;
- (b) the Acquisition will likely support a raising of funds between \$3,500,000 and \$5,000,000, which will allow the Company to undertake its exploration program on the Project; and
- (c) the Acquisition and the Capital Raising, if completed, provides an opportunity for the Company to re-comply with the requirements of ASX and seek quotation on ASX. If the Company does not obtain Shareholder approval for the Acquisition Resolutions and lodge the Prospectus to re-comply with the Listing Rules by 31 January 2016, ASX will de-list the Company.

3.10 Disadvantages of the Acquisition

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's determination on how to vote on the Acquisition Resolutions:

- (a) the Project is an early stage exploration project with no known JORC compliant resource and there is no certainty that exploration on the Project by the Company will result in the discovery of economically viable mineral deposits;
- (b) there are numerous risks associated with a change in scale of the Company's activities, including significant additional annual exploration expenditure;
- (c) there is an implicit opportunity cost associated with the Company acquiring the Project and not acquiring other projects that may be more prospective for Shareholders;
- (d) should the Acquisition be completed, the Company will be exposed to the risks of the mineral exploration in Western Australia's Fraser Range Region (refer to Schedule 2 for further information);

- (e) the issue of the Shares under the Acquisition and Capital Raising will result in existing Shareholders being diluted to 13.65% of the total Shares on issue, if the Company raises the Minimum Subscription Amount;
- (f) the issue of the Shares under the Acquisition and Capital Raising will result in existing Shareholders being diluted to 10.31% of the total Shares on issue, if the Company raises the Maximum Subscription Amount;
- (g) the Company will incur one-off transaction costs as a result of the Acquisition and Capital Raising; and
- (h) the Company will be changing the nature and scale of its activities and, following Completion will become a mineral exploration Company. This may not be consistent with the investment objectives of some Shareholders.

3.11 Risk Factors

Shareholders should be aware that if the Resolutions are approved, the Company will be changing the nature and scale of its activities which will result in it being subject to various risk factors (in addition to those that are presently applicable). These risks are both specific to the industry of mineral exploration and also relate to the general business and economic environment. Based on the information available, a non-exhaustive list of these risk factors is detailed in Schedule 2.

3.12 Restricted Securities

Chapter 9 of the Listing Rules prohibits holders of Restricted Securities from disposing of those securities or an interest in those securities, or agreeing to dispose of those securities or an interest in those securities, for the relevant restriction periods.

It is anticipated that the 25,000,000 Shares issued to the Advisers will be classified as Restricted Securities for the purposes of the Listing Rules and will likely be subject to 24 months escrow from the date on which the Shares re-admitted to quotation on ASX.

3.13 Additional Reporting

ASX has advised the Company that, if it is reinstated to quotation on ASX, ASX will require that the Company provide monthly expenditure reporting. ASX has advised the Company that this additional reporting will likely take the form of an Appendix 5B. The Company will also be required to state in its annual report that it has spent funds consistent with its business objectives.

These additional reporting requirements will be imposed at ASX's discretion, and will continue to apply until such time as ASX has agreed with the Company that additional reporting is no longer required.

3.14 Plans for the Company if the Acquisition is not completed

If the Company does not complete the Acquisition, it will continue with its current business activities and will investigate, and as required, undertake due diligence on, new opportunities to complement its existing business. In addition, if the Company does not complete the Acquisition, the Capital Raising will not be completed. However, the Company may need to undertake an alternative capital raising in the near future to ensure that it can continue as a going concern.

Shareholders should note that ASX has advised the Company that, due to its extended period of suspension, if the Company does not obtain Shareholder approval for the acquisition of a new asset and lodge a prospectus with ASIC, for the purpose of re-

compliance with Chapters 1 and 2 of the Listing Rules, by 31 January 2016, ASX will delist the Company.

3.15 Indicative Timetable

The following is an indicative timetable for Completion and re-compliance with Chapters 1 and 2 of the Listing Rules.

	Indicative Date*
Lodgement of Prospectus with ASX	18 January 2016
Meeting	20 January 2016
Capital Raising offer closes	27 January 2016
Completion of the Acquisition	27 January 2016
Expected date for reinstatement of the Company's securities to trading on ASX	5 February 2016

* The above timetable is indicative only and subject to change. The Directors reserve the right to amend the timetable without notice and will keep Shareholders updated (via ASX announcements) on the timing of Completion.

3.16 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of all Resolutions.

3.17 Interdependence of Resolutions

Resolutions 1 to 8 (inclusive) are interdependent, meaning that Shareholders must pass each of the Resolutions for the Acquisition and the Capital Raising to proceed.

3.18 Forward Looking Statements

The forward looking statements in this Explanatory Memorandum are based on the Company's current expectations about future events. However, they are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Explanatory Memorandum. These risks include but are not limited to, the risks detailed in Schedule 2. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

4. Resolution 1 – Change to Nature and Scale of Activities

4.1 General

Resolution 1 seeks approval from Shareholders for a change to the nature and scale of the activities of the Company as a result of the Acquisition and the Capital Raising.

Resolution 1 is an ordinary resolution. Resolution 1 is subject to the approval of each of the other Acquisition Resolutions.

The Chairperson will cast all available proxies in favour of Resolution 1.

4.2 Listing Rule 11.1

Chapter 11 of the Listing Rules requires Shareholders to approve any significant change in the nature or scale of an ASX-listed company's activities. The Acquisition and the Capital Raising will have the effect of changing the nature, and increasing the scale, of the Company's activities.

Accordingly, the Company must:

- (a) under Listing Rule 11.1.1, notify ASX of the proposed change;
- (b) under Listing Rule 11.1.2, obtain shareholder approval to undertake the change, if required by ASX; and
- (c) under Listing Rule 11.1.3, meet the requirements of Chapters 1 and 2 of the Listing Rules as if the Company was applying for admission to the official list of ASX, if required by ASX. ASX has confirmed that the Company will need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules. The Company proposes to undertake the Capital Raising pursuant to Resolution 2 as part of the process of satisfying the requirements of re-compliance.

If Shareholders pass all of the Acquisition Resolutions, trading of Shares on ASX will remain suspended until the Company satisfies the requirements of Chapters 1 and 2 of the Listing Rules, in accordance with Listing Rule 11.1.3. It is anticipated that the re-quotation of the Company's securities will occur in mid-February 2016 (refer to Section 3.15).

See Section 3 for further information on the Acquisition and the Capital Raising and the likely effect they will have on the Company.

A voting exclusion statement in respect of Resolution 1 is included in the Notice.

5. Resolution 2 – Approval of issue of Capital Raising Shares

5.1 General

Resolution 2 seeks Shareholder approval, pursuant to Listing Rule 7.1, for the issue of up to 250,000,000 Shares each at an issue price of \$0.02 per Share to raise up to \$5,000,000 (before costs of the Capital Raising).

The Company intends to undertake the Capital Raising to the general public pursuant to the Prospectus, issued in accordance with the Corporations Act. As set out in Section 3.4, the Company will seek to raise a minimum of \$3,500,000 and a maximum of \$5,000,000. The proposed use of funds is set out in Section 3.7.

Resolution 2 is an ordinary resolution and is subject to the approval of each of the other Acquisition Resolutions.

The Chairperson will cast all available proxies in favour of Resolution 2.

5.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount

which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue the Capital Raising Shares during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

5.3 Specific Information Required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of the Capital Raising Shares and the requirements of Listing Rule 7.3, information is provided as follows:

- (a) The minimum number of Shares the Company will issue under the Capital Raising is 175,000,000 Shares.
- (b) The maximum number of Shares the Company will issue under the Capital Raising is 250,000,000 Shares.
- (c) The Company will issue the Capital Raising Shares no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The Capital Raising Shares will be issued at an issue price of \$0.02 each.
- (e) The Capital Raising Shares will be issued to the general public which will exclude related parties of the Company, other than Mr Glenn Whiddon whose proposed participation in the Capital Raising is the subject of Resolution 3. Refer to Section 3 for further information.
- (f) The Capital Raising Shares will be fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (g) The funds raised from the issue of the Capital Raising Shares will be applied towards:
 - (i) the exploration of the Project;
 - (ii) the business development activities of the Company; and
 - (iii) general working capital and administration costs of the Company.
- (h) The issue of the Capital Raising Shares may occur progressively, subject to Section 5.3(c) above.
- (i) A voting exclusion statement in respect of Resolution 2 is included in the Notice.

5.4 ASX Waiver

Listing Rule 2.1 Condition 2 provides that the issue price or sale price of all securities for which an entity seeks quotation (except options) must be at least \$0.20. The Company will apply for a waiver from Listing Rule 2.1 Condition 2 to the extent necessary to allow the issue price of the Shares to be issued pursuant to the Capital Raising to be less than \$0.20, on the condition that the issue price is not less than \$0.02 each and Shareholders approve the issue price.

Completion of the Capital Raising (including the Company meeting the re-compliance requirements pursuant to Chapters 1 and 2 of the Listing Rules) will be conditional on the

waiver being granted. The Company will make an announcement once the result of ASX's decision on the waiver application is notified to the Company.

6. Resolution 3 – Approval of Director's Participation in Capital Raising

6.1 General

Resolution 3 seeks Shareholder approval pursuant to Listing Rule 10.11 to enable Mr Glenn Whiddon (or his nominee) to participate in the Capital Raising on the same terms and conditions as offered to the other investors (retail, professional and sophisticated) under the Capital Raising.

Subject to obtaining the approval of Shareholders, an aggregate of up to 25,000,000 Shares will be issued to Mr Whiddon (or his nominee) under the Capital Raising.

If Shareholders do not approve Resolution 3, Mr Whiddon (or his nominee) will not be issued any Shares under the Capital Raising.

Resolution 3 is an ordinary resolution. Resolution 3 is subject to the approval of the Acquisition Resolutions.

The Chairperson will cast all available proxies in favour of Resolution 3.

6.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party the Company must obtain Shareholder approval, unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr Glenn Whiddon, a proposed Director, is a related party of the Company for the purposes of section 208 of the Corporations Act.

The issue of Shares to Mr Whiddon (or his nominee) constitutes the giving of a financial benefit for the purposes of section 208 of the Corporations Act.

The Directors have formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of Shares to Mr Whiddon (or his nominee) under the Capital Raising, as the exception in section 210 of the Corporations Act applies. The Directors have determined that the Shares will be issued to Mr Whiddon (or his nominee) on arms' length terms.

6.3 Listing Rule 10.11

Listing Rule 10.11 restricts the Company's ability to issue securities to a related party unless the Company obtains Shareholder approval or an exception applies.

As a proposed Director, Mr Glenn Whiddon is regarded as a related party of the Company for the purposes of Listing Rule 10.11.

The Directors are of the view that none of the exceptions detailed in Listing Rule 10.12 apply in the current circumstances. Accordingly, Shareholder approval is sought for the allotment and issue of Shares to Mr Whiddon (or his nominee).

The effect of passing Resolution 3 will be to allow the Company to issue and allot up to 25,000,000 Shares to Mr Whiddon (or his nominee) within one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allows) without

breaching Listing Rule 10.11 or using up the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholder approval is obtained pursuant Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1 (refer to Listing Rule 7.2 exception 14).

6.4 Information required by Listing Rule 10.13

For the purposes of Shareholder approval for the issue of the Shares the subject of Resolution 3 and the requirements of Listing Rule 10.11

- (a) The Shares will be issued to Mr Glenn Whiddon, a proposed Director, or his nominee.
- (b) The maximum number of securities to be issued to Mr Whiddon (or his nominee) is 25,000,000 Shares.
- (c) The Company will issue the Shares no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Shares will have an issue price of \$0.02 each. Accordingly, the maximum amount to be paid by Mr Whiddon is \$500,000.
- (e) The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (f) All Directors recommend that Shareholders approve Resolution 3 on the basis that the participation of Mr Whiddon in the Capital Raising aligns his interests with the Company and will enable the Company to raise additional funding under the Capital Raising.
- (g) The funds raised from the issue of the Shares to Mr Whiddon, in conjunction with all other funds raised from the Capital Raising, will be applied by the Company:
 - (i) to conduct exploration in relation to the Project;
 - (ii) towards the business development activities of the Company; and
 - (iii) towards general working capital and administration costs of the Company.
- (h) Subject to 6.4(c), the allotment and issue of the Shares may occur progressively.
- (i) A voting exclusion statement in respect of Resolution 3 is included in the Notice.

7. Resolution 4 – Approval of Issue of Adviser Shares

7.1 General

As announced on 20 November 2015, the Company is proposing to issue up to 25,000,000 Shares to the Advisers assisting with the Capital Raising.

Resolution 4 seeks Shareholder approval, pursuant to Listing Rule 7.1, for the issue of the Adviser Shares to the Advisers (or their nominees).

A summary of Listing Rule 7.1 is provided in Section 5.2 above.

Shareholder approval of the issue of the Adviser Shares means that this issue will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 is an ordinary resolution. Resolution 4 is subject to the approval of each of the other Acquisition Resolutions.

The Chairperson will cast all available proxies in favour of Resolution 4.

7.2 Specific information required by Listing Rule 7.3

For the purposes of Shareholder approval of the issue of the Adviser Shares and the requirements of Listing Rules 7.3, information is provided as follows:

- (a) The maximum number of Shares the Company will issue under Resolution 4 is 25,000,000 Shares.
- (b) The Company will issue and allot the Adviser Shares no later than three months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (c) The Adviser Shares will be issued at a deemed issue price of \$0.001 per Share to the Advisers.
- (d) The Adviser Shares will be issued to the following advisers (or their nominees) who, other than Mr Glenn Whiddon, are not related parties of the Company and in the following proportions:

Adviser	Quantity
Bushwin Pty Limited	500,000
OMNI GeoX Pty Limited	750,000
Riverstone Corporate Pty Ltd	1,250,000
Stations Nominees Pty Ltd <Station Superfund A/C>	3,000,000
The Twentieth Century Motor Company Pty Ltd <Twentieth Century Superfund A/C>	4,500,000
Seamist Enterprises Pty Ltd	7,500,000
Mr Glen Whiddon (subject to the approval of Resolution 5)	7,500,000
TOTAL	25,000,000

- (e) The Adviser Shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The allotment of the Adviser Shares will occur in one allotment at the time of allotment of the Capital Raising Shares.
- (g) A voting exclusion statement is included in the Notice.

8. Resolution 5 – Approval of Issue of Adviser Shares to Glenn Whiddon

8.1 Background

It is proposed that Mr Glenn Whiddon (or his nominee) will be issued 7,500,000 Adviser Shares. The Adviser Shares to be issued pursuant to this Resolution 5 will form part of the aggregate total of 25,000,000 Adviser Shares to be issued pursuant to Resolution 4.

8.2 General

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of Shares to a related party. Mr Glenn Whiddon, a proposed Director, is a related party of the Company.

The Company seeks to issue 7,500,000 Adviser Shares to Mr Glenn Whiddon (or his nominee) for assisting with the Capital Raising.

Resolution 5 is an ordinary resolution. Resolution 5 is subject to the approval of each of the other Acquisition Resolutions.

The Chairperson will cast all available proxies in favour of Resolution 5.

8.3 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

Mr Glenn Whiddon, a proposed Director, is a related party of the Company.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Adviser Shares to Mr Whiddon (or his nominee), as the exception in section 210 of the Corporations Act applies. The Directors have determined that the Adviser Shares will be issued to Mr Glenn Whiddon (or his nominee) on arms' length terms.

8.4 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 5 will be to allow the Company to issue 7,500,000 Adviser Shares (which will form part of the aggregate total of 25,000,000 Adviser Shares to be issued under Resolution 4) to Mr Glenn Whiddon (or his nominee) without using up the Company's 15% placement capacity under Listing Rule 7.1.

8.5 Specific information required by Listing Rule 10.13

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The Adviser Shares will be issued to Mr Glenn Whiddon (or his nominee).
- (b) The number of Adviser Shares to be issued to Mr Glenn Whiddon (or his nominee) is 7,500,000 Adviser Shares.

- (c) The Adviser Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The Adviser Shares will be issued for \$0.001 per Share to Mr Glenn Whiddon (or his nominee).
- (e) The Adviser Shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) All Directors recommend that Shareholders approve Resolution 5 on the basis that the Directors have determined that the Adviser Shares will be issued to Mr Glenn Whiddon (or his nominee) on arm's length terms.
- (g) The allotment of Adviser Shares will occur in one allotment at the time of allotment of the Capital Raising Shares.
- (h) A voting exclusion statement is included in the Notice in relation to Resolution 5.
- (i) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 5.

9. Resolutions 6 to 8 – Appointment of Mr Glenn Whiddon, Mr Josh Puckridge and Mr Ian Prentice as Directors

9.1 Background

Articles 13.3 and 13.4 of the Constitution provide that the Company in general meeting may by ordinary resolution appoint any person as a Director.

Messrs Whiddon's and Puckridge's qualifications and experience are outlined below.

Messrs Whiddon and Puckridge, having consented to act, seek approval to be appointed as Directors with effect from Completion.

Resolutions 6 to 8 (inclusive) are ordinary resolutions. Resolutions 6 to 8 (inclusive) are subject to the approval of the Acquisition Resolutions.

The Chairman intends to exercise all available proxies in favour of Resolutions 6 to 8 (inclusive).

9.2 Proposed Director Profile - Mr Glenn Whiddon

Glenn Whiddon has extensive experience in equity capital market, banking and corporate advisory having lived and worked in Australia, Asia, Russia and Europe, initially with the Bank of New York and then as an entrepreneur focusing on natural resource investment, project origination and financing. He has been a director and chairman of a number of AIM, ASX and TSX listed companies, a number of which have been merged or acquired by third parties.

9.3 Proposed Director (and Executive Chairman) Profile - Mr Josh Puckridge

Mr Puckridge was formerly executive director of Discovery Resources Limited (ASX: DIS) and is a non-executive director of TopTung Limited (ASX: TTW), Naracoota Resources Limited (ASX: NRR) and Blaze International Limited (ASX: BLZ). Mr Puckridge is currently an executive director of Red Gum Resources Limited (ASX: RGX). Mr Puckridge has robust experience within funds management, mergers and acquisition. Mr Puckridge was

a former founding director and company secretary of Windward Resources Limited (ASX: WIN), a significant Fraser Range explorer.

9.4 Proposed Director Profile - Mr Ian Prentice

Mr Prentice has extensive global resource industry and equity capital markets experience, with a proven track record of high quality corporate management and technical excellence. His broad ranging 25 year-plus career extends from exploration and operational roles across a variety of commodities, focused on gold, nickel and copper, in Australia, New Zealand, South East Asia and Africa, to the listing and management of ASX-listed resource companies. Mr Prentice has had extensive experience in nickel – copper and gold exploration in the Yilgarn of Western Australia and has evaluated a range of operational nickel-(copper) mines throughout Western Australia.

Mr Prentice has served as a Director for a number of ASX-listed resource companies, with activities ranging from exploration and project acquisition in Asia and Africa through to gold production in Australia. He has broad experience in identifying and reviewing resource projects for potential acquisition.

Mr Prentice is a Member of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science (Geology) from the University of Western Australia.

10. Resolution 9 – Election of Miss Loren Jones as a Director

10.1 Background

Article 13.5 of the Constitution provides that the Directors may at any time appoint a person as an addition to the Board but only if the total number of Directors does not exceed the maximum number specified in the Constitution.

Under Listing Rule 14.4 and Article 13.3 and 13.4 of the Constitution, any Director so appointed shall only hold office until the next annual general meeting of members of the Company and shall then be eligible for re-election.

Miss Loren Jones was appointed to the Board on 20 November 2015 as an addition to the Board. Resolution 9 seeks Miss Jones' re-election as Director.

The Chairperson will cast all available proxies in favour of Resolution 9.

10.2 Director Profile - Miss Loren Jones

Miss Loren Jones was appointed as a Non-Executive Director on 20 November 2015. As well as being a Partner at and Company Secretary of Cicero Corporate Services, Miss Jones holds the positions of Non-Executive Director and Company Secretary at both Brookside Energy Limited (ASX: BRK) and Blaze International Limited (ASX: BLZ). She is also a Non-Executive Director of Star Striker Limited (ASX: SRT) and Red Fox Capital Limited. Additionally, Miss Jones currently serves as the Company Secretary of VTX Holdings Limited (ASX: VTX), Naracoota Resources Limited (ASX: NRR) 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.

Schedule 1 – Definitions and Interpretation

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

Acquisition means the acquisition of the Tenements.

Acquisition Resolutions means Resolutions 1 to 8.

Adviser means the individuals and entities set out in Section 7.2(d) (or their nominees).

Adviser Shares has the meaning given in Resolution 4.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors from time to time.

Capital Raising has the meaning given in Resolution 2.

Capital Raising Shares has the meaning given in Resolution 2.

Chairperson means the person appointed to chair the Meeting.

Company means Fraser Range Metals Group Limited ACN 098 236 938.

Completion means the completion of the Acquisition and the Capital Raising.

Corporations Act means the *Corporations Act 2001* (Cth).

Deed of Variation has the meaning given in Section 3.2.

Director means any director of the Company and **Directors** means all of them.

Explanatory Memorandum means this explanatory memorandum.

Fraser Ranges means the general southern extending area between Norseman (32.1960° S, 121.7780° E) and Balladonia (32.4581° S, 123.8661° E) within Western Australia.

Independent Geologist's Report means the report prepared by

Listing Rules means the official listing rules of ASX.

Maximum Subscription Amount has the meaning given in Section 3.4.

Meeting means the general meeting of the Company to be held at Suite 9, 330 Churchill Avenue, Subiaco, WA 6008 on 20 January 2016 at 11:00am (WST).

Minimum Subscription Amount has the meaning given in Section 3.4.

Notice means the notice convening the Meeting which accompanies this Explanatory Memorandum.

Project has the meaning given in Section 3.2.

Prospectus has the meaning given in Section 3.4.

Proxy Form means the proxy form attached to the Notice.

Relevant Interest has the meaning given in the Corporations Act.

Resolution means a resolution in the Notice.

Restricted Securities has the meaning given in the Listing Rules.

Schedule means a schedule to this Explanatory Memorandum.

Section means a section of this Explanatory Memorandum.

Segue means Segue Resources Limited.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Share Registry means Computer Share Investor Services Pty Limited.

Tenements has the meaning given in Section 3.2.

Tenement Sale Agreement has the meaning given in Section 3.2.

WST means Western Standard Time, being the time in Perth, Western Australia.

In the Notice and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice and this Explanatory Memorandum and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in the Notice or this Explanatory Memorandum have a corresponding meaning;
- (d) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (e) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (f) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (g) “**include**” and “**including**” are not words of limitation; and
- (h) “**\$**” is a reference to Australian currency.

Schedule 2 – Risk Factors

There are a number of risks associated with the Acquisition that may have an impact on the financial returns received by Shareholders. These risks are important for Shareholders to understand.

Shareholders are already exposed to a number of risks through their existing shareholding in the Company. A number of these risks are inherent in investing in securities generally.

The risk factors include, but are not limited to, those detailed below. Additional risks not presently known to the Company, or if known, not considered material, may also have an adverse impact.

Specific Risks

1. Re-compliance with Chapters 1 and 2 of the Listing Rules

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. A Prospectus will be issued to assist the Company to re-comply with these requirements. The Shares will remain suspended until Completion, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Shares will consequently continue to remain suspended from quotation.

Further, if any of the Conditions are not satisfied (or waived), the Acquisition and the Capital Raising will not proceed.

2. Exploration risk

The Project comprises early stage exploration tenements with limited exploration undertaken on them to date.

Exploration is a high risk undertaking. The Company does not give any assurance that the exploration of the Project will result in the delineation or discovery of a significant or economic mineral resource. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited. In addition, the resources may become depleted, resulting in a reduction of the value of those tenements.

The exploration costs of the Company will be estimated based on certain assumptions which are subject to significant uncertainties. The actual costs may materially differ from these estimates. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realized. The Company may be materially and adversely affected if the actual costs are substantially greater than the estimated costs.

3. Future capital needs and additional funding

Acquiring the Project will result in a significant increase in the Company's budget and expenditure obligations.

The funds raised by the Capital Raising will be, in part, used to fund exploration of the Project. There is a risk that these funds will not be sufficient to complete the proposed exploration and that further funding will be required.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration,

subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop the Project and it may impact on the Company's ability to continue as a going concern.

4. Gold, base metal and other commodity prices

As an explorer for gold, base metals and potentially other minerals, any future earnings of the Company are expected to be closely related to the price of those commodities.

Commodities prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for commodities, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

5. Environmental

The Project is subject to rules and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mineral projects, the Project is expected to have a variety of environmental impacts should development proceed. Development of the Project will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

6. Lack of Executive Management

The Company's management, on completion, will consist of three non-executive Directors and one part-time Executive Chairman. The Board is aware of the need to have competent management to supervise properly exploration and (if successful) the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. To this end, Mr Josh Puckridge is proposed to fulfill the role of Executive Chairman on a part-time basis and will take on the responsibilities of the Company's mineral exploration activities, and intends to appoint reputable consultants to manage relevant aspects of these exploration activities.

As the Company's operations require an increased level of involvement by suitable executives, the Board will appoint additional management and, or, consultants when, and where, appropriate to ensure proper management of the Project.

There is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its preferred exploration programmes within its preferred timetable.

General Risks

7. Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resources related stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

8. Taxation

There is the potential for further changes to tax laws and changes in the way tax laws are interpreted. Any change to the current rates of taxes imposed on the Company is likely to affect returns to Shareholders.

The Company obtains external expert advice on the application of the tax laws to its operations. An interpretation of taxation laws by a revenue authority that is contrary to the Company's interpretation of those laws may increase the amount of tax to be paid.

In addition, an investment in the Shares involves tax considerations which may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

9. Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the mining exploration industry including, but not limited to, the following:

- (a) general economic conditions in jurisdictions in which the Company operates;
- (b) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (c) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the mining exploration sector;
- (d) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (e) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

Schedule 3 – Independent Geologist’s Report

INDEPENDENT GEOLOGIST REPORT

Fraser Range Project, WA E28/2385, E28/2390 & E28/2392 (“Project” or “Tenements”)

OMNI GeoX Pty Ltd (ABN 93 157 875 744)

22 December 2015

The Directors

Fraser Range Metals Group Limited
Office J, Level 2
1139 Hay Street
WEST PERTH WA 6005

Dear Sirs,

INDEPENDENT GEOLOGIST REPORT ON MINERAL EXPLORATION PROPERTIES

I, Peter Langworthy of OMNI GeoX Pty Ltd have been engaged by Fraser Range Metals Group Limited (“FRMG”) to prepare an Independent Geologist’s Report (“Report”) for FRMG’s proposed mineral exploration properties which are further identified in the Report. The purpose of the Report is for it to be relied upon in a Prospectus document and Notice of Meeting dated 22 December 2015 (“Notice”) for FRMG to issue up to 250,000,000 new shares to raise \$5,000,000 (“Maximum Capital Raise”) and no less than 175,000,000 new shares to raise \$3,500,000 (“Minimum Capital Raise”).

This Report was prepared by Mr Peter Langworthy (“Principal” or “Author”) of OMNI GeoX Pty Ltd. The Report has been prepared in accordance with the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports also known as the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral and Petroleum Assets; collectively known as the VALMIN Code of 2005 (“VALMIN” or “VALMIN Code”). The Author of this Report is a Member of the Australasian Institute of Mining and Metallurgy (“AusIMM”) and, as such, is obliged to prepare mineral asset valuations in accordance with the Australian reporting guidelines as set out in the VALMIN Code. All monetary references are presented in Australian dollar terms.

For the purpose of Section 716 of the Corporations Act 2001, Peter Langworthy was involved in the preparation of the Report for inclusion in Fraser Range Metals Group Limited’s Prospectus and has not been involved in the preparation, authorisation or issuance of any other part of the Prospectus or Notice.

Peter Langworthy, BSc Hons and MAusIMM, assumes responsibility for the Report having more than 28 years relevant experience and being a member of the Australasian Institute of Mining and Metallurgy.

The Author has no material interest in any of the mineral assets under review, nor has he held any material interest in the past. The Author is receiving a fee for the production of this report, the deemed fee for the production of this Report is \$15,000 and it is payable in shares of FRMG as set out in the Notice. Should Shareholder approval, or the conditions for the Minimum Capital Raise, not be met the fee payable to the Author will be invoiced for cash.

The Author has had no input into any of the mineral Tenements under review. The Report has been prepared strictly as an independent report. It has been prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report, nor on the outcome of the proposed Prospectus issue or Notice of Meeting.

The contents of the Report are based on reports and data provided by FRMG and additional open file information. Documents and reports reviewed in preparation of this Report are cited in the Bibliography, which constitutes part of this Report. Unpublished material, not publicly available is held at the office of FRMG. During the course of this review a site visit was not undertaken as the Author was of the opinion that such a site visit would not add to the Author's knowledge of the project. The Author has worked extensively on other projects within the Fraser Range region.

The Directors of FRMG have confirmed the full disclosure of all material information in FRMG's possession and further confirmed that FRMG has made disclosures, to the best of its Director's knowledge and understanding, completely, accurately and truly. FRMG Directors, and advisers, have stated that all the information provided may be presented in this Report and that none of it is regarded as confidential. FRMG has reviewed a draft of the Report for correction and matters of fact and notification of material omissions.

All material used in preparation of this Report is judged to be reliable. In instances where work undertaken is poorly documented and potentially not reliable; such instances will be noted in the body of the Report.


FRMG has a satisfactory and clearly defined exploration and expenditure program which is reasonable having regard to its stated objectives. This exploration budget is set out in the Report.

This Report does not deal with the legal ownership status of the Tenements; however the Author has confirmed that the Tenements are in good standing with all relevant regulatory bodies. Investigations relating to present or future native title claims, and agreements with freehold landowners have not been undertaken in this Report. Potential consequences of exploration and mining on areas containing rare and endangered flora and fauna have not been assessed.

Matters related to the Company's potential responsibility for environmental rehabilitation arising from previous mining activity in the project areas have not been examined.

Peter Langworthy has given his consent in writing to the inclusion of this Report in the Notice of Meeting, and to the issue of the Prospectus, including this Report in the form and context in which it appears and has not withdrawn consent prior to the lodgement of the Prospectus or Notice of Meeting with the ASX or ASIC.

Commissioned as true and accurate,



Peter Langworthy
Director and Principal
OMNI GeoX Pty Ltd
22 December 2015

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1. OVERVIEW

FRMG has entered into agreements to acquire a 100% interest in the Fraser Range tenements E28/2385, E28/2390 and E28/2392 from Segue Resources Limited (already defined as the “Project” and “Tenements”). The Project consists of three recently granted exploration licences that cover 44km² of prospective geology in two areas within the Fraser Range Complex.

2. INTRODUCTION AND LOCATION

The Project is located approximately 215 kilometres east of Kalgoorlie in Western Australia (Figure 1), and is accessed via the Trans Australian Railway Access Road (“Transline”). The Transline is a well maintained gravel road with excellent access, except during heavy rain events. The Project is accessed south from the Transline by secondary access tracks.

The Project is located on vacant crown land (no pastoral leases) and is subject to a partially determined Native Title Claim Application (Ngadju #WC1999/002. The WA Heritage Act (1993) also applies in all cases. Kalgoorlie is a well established transport and support hub.

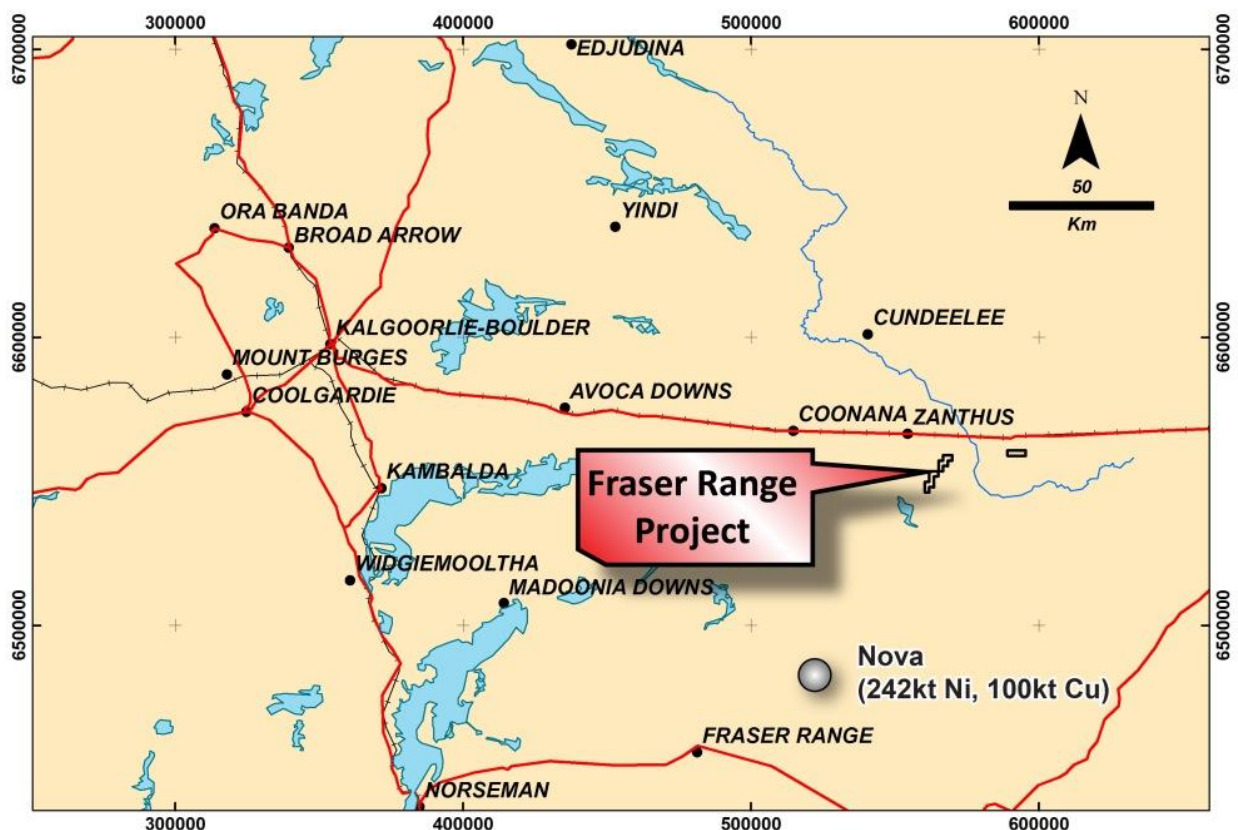


Figure 1 – Project Location

3. TENURE

The Project comprises three recently granted exploration licences (Table 1) split into two distinct areas and covers a total of 44km². The Tenements are currently in their first year of

grant with a first anniversary date of March and April 2016. Total project minimum expenditure is \$50,000 per annum.

TENEMENT	OWNERSHIP	GRANTED	EXPIRY	BLOCKS	MIN. EXP.	RENT	SIZE
E28/2385	FRMG	27/03/2015	26/03/2020	4	\$15,000	\$501.00	11.7km ²
E28/2390	FRMG	27/03/2015	26/03/2020	6	\$20,000	\$751.50	17.6km ²
E28/2392	FRMG	16/04/2015	15/04/2020	5	\$15,000	\$625.25	14.6km ²

Table (1) – Tenement Details

4. REGIONAL GEOLOGY

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 which is interpreted to be a major domain boundary between the Fraser Range Complex and the Eastern Biranup Zone (Figure 2).

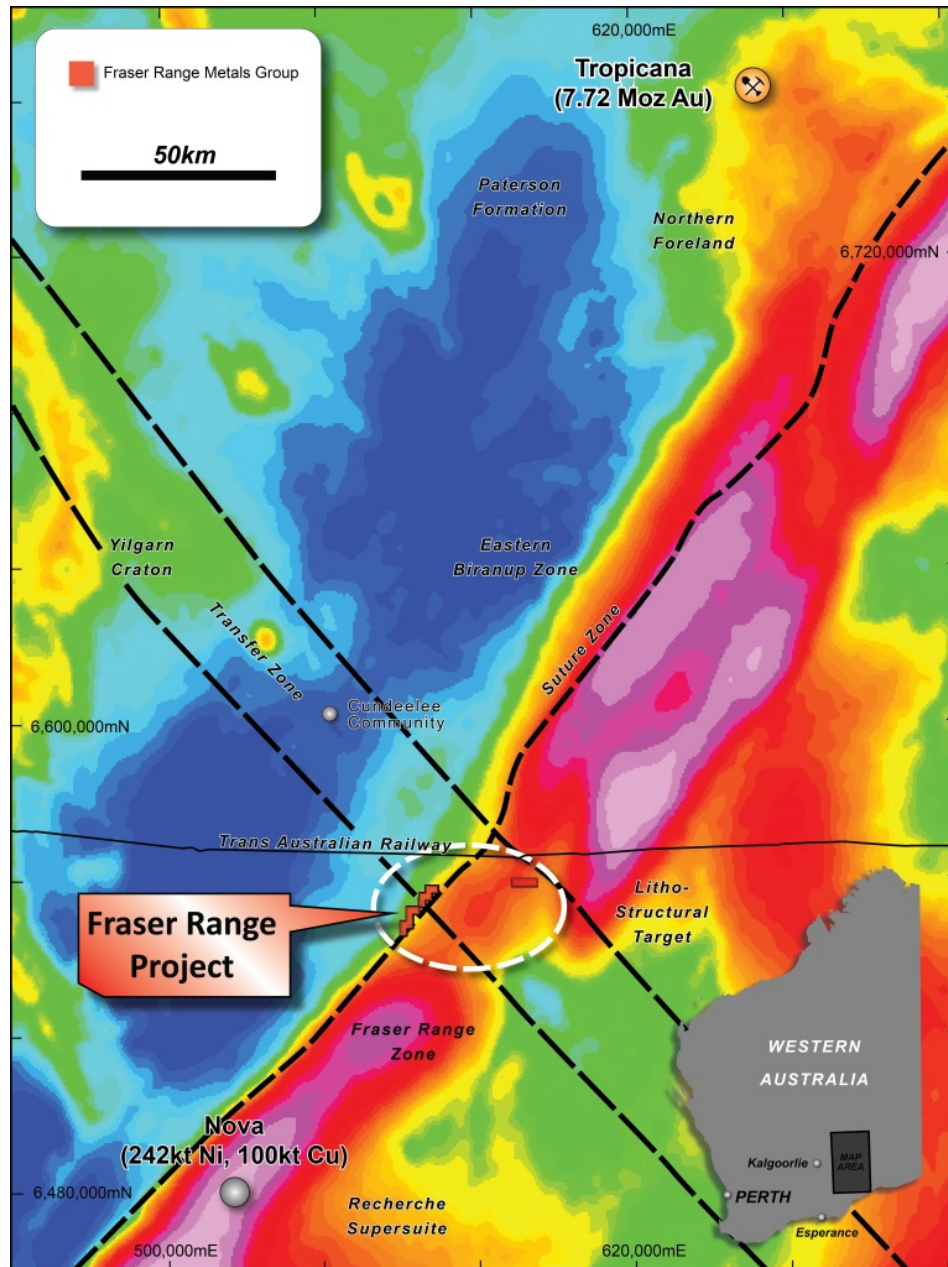


Figure 2 – Tectonic Setting: (GSWA Bouger Gravity)

It is also worth noting that 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. A similar corridor is recognised at the Nova nickel-copper sulphide discovery to the south.

The Albany-Fraser Orogen is an arcuate belt of rocks extends along the southern and south-eastern margin of the Yilgarn Craton, which is part of the West Australian Craton. It is characterised by high-grade mafic and felsic gneiss together with granite produced in the collision of the Yilgarn and the East Antarctic Cratons between 1345 and 1100 Ma (figure 3).

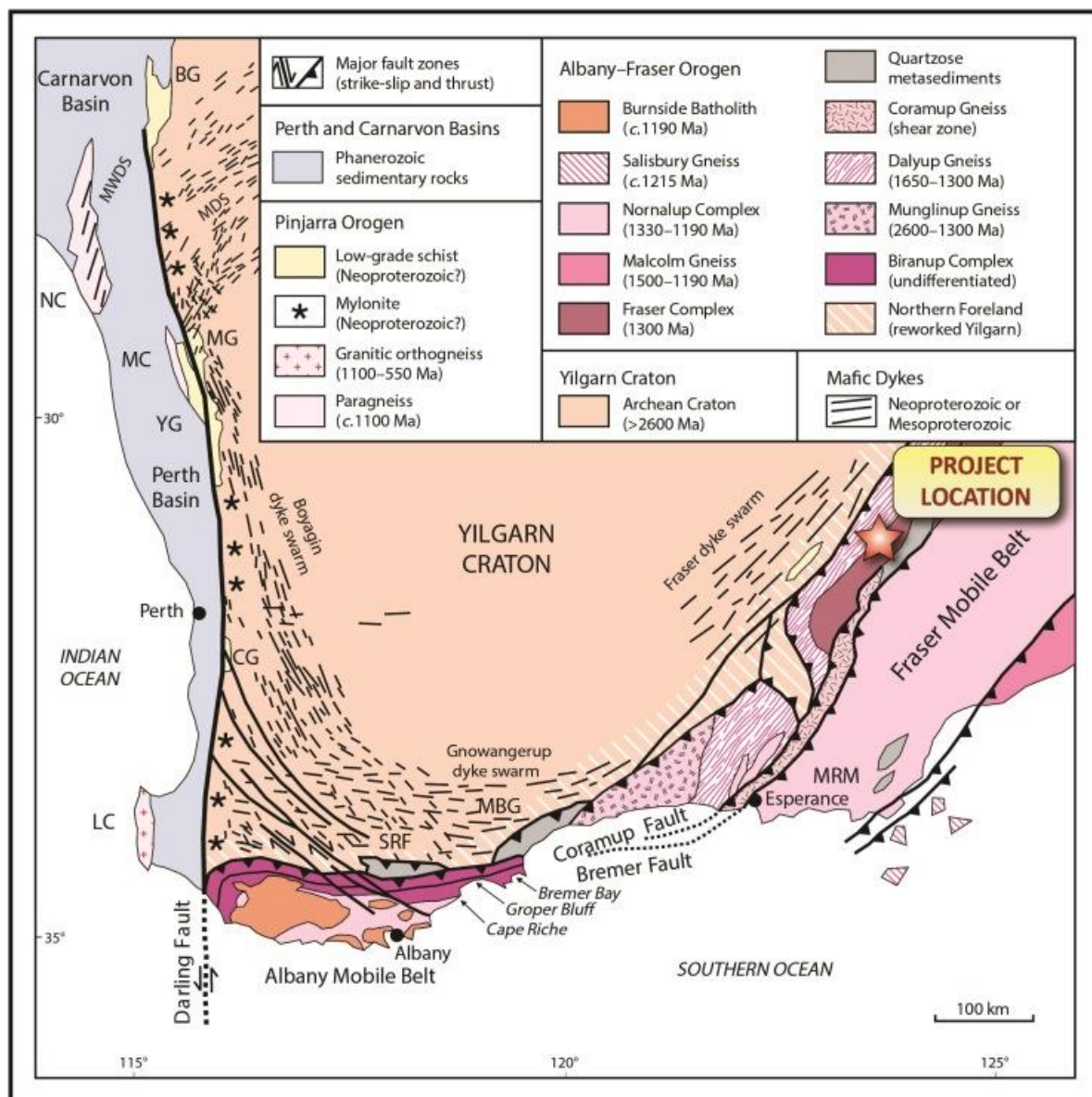


Figure 3 – Generalised Geology of the Fraser Range Orogen
(Map from Fitzsimmons and Buchan 2005)

The following summary is précised from Spaggiari et al (2009, 2011): The Albany–Fraser Orogen is interpreted to be part of the larger Australo-Antarctic, Albany-Fraser–Wilkes Orogen that was linked prior to the breakup of Gondwana.

To the west, the Albany–Fraser Orogen is truncated by the late Mesoproterozoic to Neoproterozoic Darling Fault Zone and Pinjarra Orogen. To the northeast, it is overlain by the Officer and Gunbarrel Basins, but shares a similar temporal Mesoproterozoic history with the Musgrave Province. The eastern margin of the Albany–Fraser Orogen is obscured by the Eucla Basin.

The Albany–Fraser Orogen is divided (Spaggiari et al., 2009) into:

1. A foreland component (the Northern Foreland),
2. A younger, pre-Stage I amalgamation basement component (the Kapa Kurl Booya Province, which is further divided into the fault-bound tectonic units of the Biranup Zone, the Fraser Zone, and the Nornalup Zone),

3. The Recherche and Esperance Supersuites, and
4. Three major basins.

The *Northern Foreland* is defined as the portion of the Yilgarn Craton reworked during the Albany–Fraser Orogeny, thereby reflecting its proximity to the collisional orogenic belt. It includes the dominantly granitic rocks of the Munglinup Gneiss. The Munglinup Gneiss is interpreted as a higher-grade, more strongly reworked component of the Northern Foreland, bound by major faults.

Reworking of the Yilgarn Craton in the Northern Foreland varied from moderate- to high-strain ductile deformation under amphibolite- to granulite-facies metamorphic conditions (Munglinup Gneiss and the southern part of the Mount Barren Group), to low- to moderate-strain, brittle to semi-brittle, and greenschist to amphibolite conditions. This variation in conditions generally reflects lower strain conditions and lower metamorphic grade with increasing distance from the Orogen (i.e. northwards), or the exhumation of shallower crustal levels of the Northern Foreland.

The Jerdacuttup and Cundeelee Faults are two linked, major, thrust faults separating Archaean rocks of the Yilgarn Craton that show very minor to no Albany–Fraser Orogeny - related deformation effects, from the more strongly deformed, mixed Archaean and Proterozoic rocks of the Northern Foreland.

Myers (1990) divided the Albany–Fraser Orogen into two major tectonic units: an inboard, intensely deformed component named the Biranup Complex, and an outboard component named the Nornalup Complex.

In light of new data and interpretations, the Biranup Complex was recently renamed the *Kepa Kurl Booya Province* (Spaggiari et al., 2009), and defined as the crystalline basement of the Albany–Fraser Orogen. It includes three fault-bound geographical and structural zones: the Biranup, Fraser, and Nornalup Zones, each contains rocks with variable protolith ages and geological histories.

The south eastern part of the Biranup Zone and most of the Nornalup Zone contain granitic intrusions of the 1330–1280 Ma *Recherche Supersuite* and the 1200–1140 Ma *Esperance Supersuite*. Various Mesoproterozoic cover rocks also locally overlie the Nornalup Zone.

The *Biranup Zone* is a belt of predominantly mid-crustal rocks that lies along the entire southern and south eastern margin of the Yilgarn Craton. In the eastern part of the Orogen, the Biranup Zone is in fault contact to the southeast with the Mesoproterozoic Fraser and Nornalup Zones. In an area denoted the ‘S-bend’ (near the Fraser Range Project area), it is tectonically interlayered with reworked rocks of the Yilgarn Craton within the Northern Foreland.

The Biranup Zone is dominated by intensely deformed orthogneiss, metagabbro, and paragneiss, with ages ranging from c. 1800–1625 Ma. There are fragments of Archaean granite, and possibly greenstones within the Biranup Zone. These fragments occur in the ‘S-bend’ area around, and to the southwest of, Mount Andrew, and possibly include rocks associated with the Splinter prospect (i.e. around the Fraser Range Project area).

The *Fraser Zone* is bounded by the Fraser Fault along its north western edge and southern tip, and by the Newman Shear Zone and Boonderoo Fault along its south eastern. It is dominated by high-grade meta-gabbroic rocks that have a strong, distinct, geophysical signature in both aeromagnetic and gravity data. Most of the north eastern part of the Fraser Zone is obscured by younger rocks of the Eucla Basin, but geophysical data show that it is a north easterly trending, fault-bounded unit that is approximately 425 km long and up to 50 km wide.

The Fraser Zone contains the 1305–1290 Ma *Fraser Range Metamorphics* (Spaggiari et al., 2009), which are dominated by sheets of meta-gabbroic rocks, interlayered with sheets of granitic material, and layers or slivers of pelitic, semi-pelitic, and calcic meta-sedimentary rocks of the Arid Basin. The meta-sedimentary rocks were deposited just prior to the intrusion of the mafic and felsic magmatic rocks, and all have been metamorphosed at high temperatures (granulite facies), with some locally retrogressed to amphibolite facies. The meta-sedimentary rocks mostly occur along the north western side of the Fraser Zone, and are typically intercalated with layers of mafic granulite or amphibolite that were probably originally dykes, sills, or sheets related to the main gabbroic intrusions.

The Fraser Range Metamorphics are typically dominated by a well-developed, north easterly-trending, steeply dipping, foliation, although massive rocks can locally be found in the centre of the zone's exposed, southern part. The Fraser Range Metamorphics are strongly mylonitised and have a dextral shear sense along, and close to, the Fraser Fault Zone. Elsewhere, they are tightly to isoclinally folded along north easterly-trending axes, and are cut by thrust faults and shear zones. Crystallization of gabbro within the Fraser Zone has been dated at 1291 Ma.

The 1330–1280 Ma *Recherche Supersuite* and the 1200–1140 Ma *Esperance Supersuite* mark two major magmatic events that coincided with Stages I and II of the Albany–Fraser Orogeny, respectively. Igneous rocks belonging to the Recherche Supersuite are generally metamorphosed to amphibolite or granulite conditions, contain a gneissic fabric, and include synmagmatic mafic rocks. Deformation and metamorphism occurred during Stages I, II, or both.

Igneous rocks belonging to the Esperance Supersuite are generally metamorphosed up to greenschist or amphibolite facies, and are generally less pervasively deformed than rocks of the Recherche Supersuite, but may locally contain a foliation or be mylonitic.

Strongly magnetic, variably deformed granitic bodies in aeromagnetic images are correlated with the Esperance Supersuite.

Three major tectonic events have been recognized in the Albany–Fraser Orogen:

- A. The newly defined Palaeoproterozoic *Biranup Orogeny*, which includes the c. 1680 Ma *Zanthus Event*, covers the period 1710–1650 Ma; which are marked by widespread magmatism, the formation of sedimentary basins, and high-temperature metamorphism and deformation; and,
- B. The Mesoproterozoic *Albany–Fraser Orogeny*, which took place in two stages: 1345–1260 Ma (Stage I) and 1215–1140 Ma (Stage II).

Stage I has been interpreted to reflect the northwest-directed convergence and subsequent collision of the combined South Australian and Mawson Cratons with the West Australian Craton, whereas Stage II is interpreted to reflect intracratonic orogenesis.

Stage I is dominantly represented by voluminous mafic and felsic magmatism forming both the Recherche Supersuite and magmatic rocks of the Fraser Zone, and was accompanied by high-temperature metamorphism and deformation.

The presence of c. 1300 Ma granitic intrusions within each of the Northern Foreland, and Biranup, Fraser, and Nornalup Zones suggests a spatial link, or stitching, of these tectonic units by the end of Stage I. This in turn indicates that high-temperature metamorphism during Stage II — which was widespread in both the central and eastern Biranup Zone, and is recorded in the Munglinup Gneiss, Gwynne Creek Gneiss, and Recherche Supersuite — took place within an intracratonic setting.

These events, and in particular Stage II, have formed the preserved crustal architecture, dominated by craton-directed, fault-bound thrust slices of largely mid-crustal, high grade-rocks. Major, dominantly thrust faults (e.g. Jerdacuttup Fault, Cundeelee Fault, Red Island Shear Zone), which juxtapose different tectonic units and internal fault-bound sequences, are also interpreted to have been active during Stage II.

5. PROJECT GEOLOGY

The youngest geological units in the area are the widespread weakly vegetated aeolian dunes and intervening alluvial and colluvial deposits. These longitudinal dunes have been produced by an arid climate and presence of generally westerly winds during periods of aridity in the Quaternary. These units are largely seen as a thin (1-10m) covering unit across the Project area.

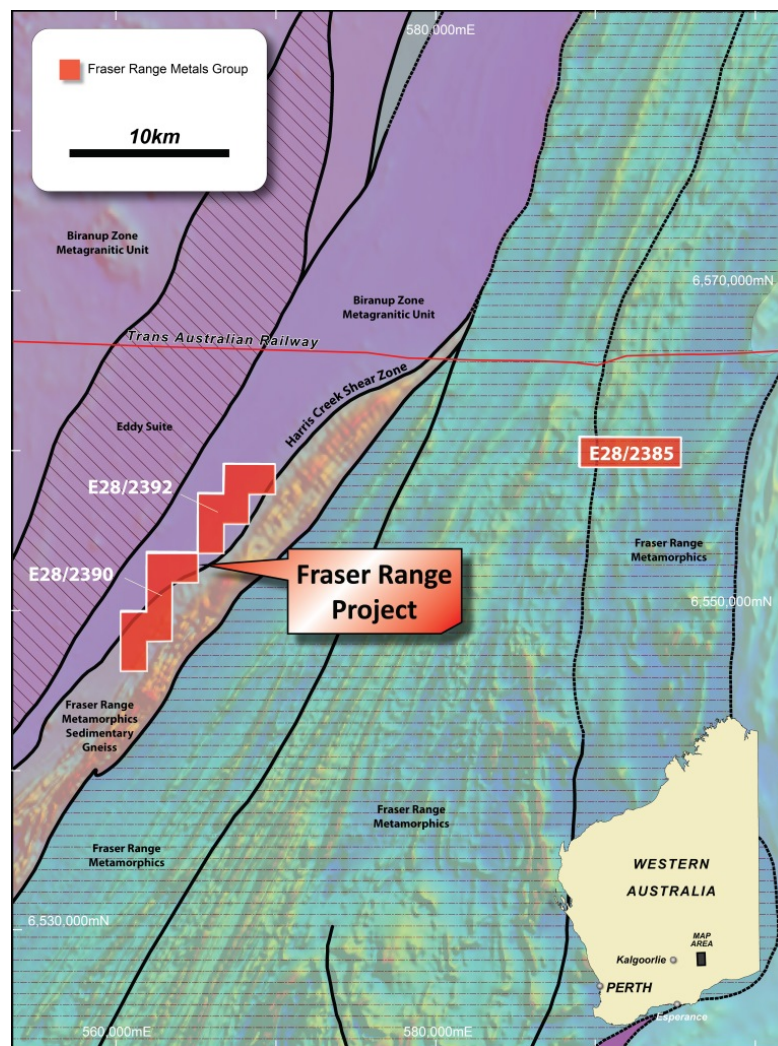


Figure 4 - Fraser Range Project Local Geology

Underlying these most recent unconsolidated surficial sediments is a sequence of essentially flat-lying Palaeogene and Neogene age semi to unconsolidated sediments most likely deposited as part of the Eucla Basin. The basin formed on the southern passive margin of the Australian continent as it divided from Antarctica in the mid-Cretaceous (96 Ma). In the

project area these sediments range are expected to be 20-40 metres thick and totally obscure the targeted basement rocks.

Due to the fact that only five shallow exploration drill holes have been located within the project area little detail is known of the underlying Proterozoic rocks. However, given results from nearby areas it is likely that the geology will include orthogneiss, metagabbro, and paragneiss lithologies.

6. PREVIOUS EXPLORATION

The Project area has been explored in the past by multiple companies targeting a wide range of commodities. Work has generally been done as part of a larger regional program and not to solely target the exact Project.

Exploration programs have been completed for the following commodities:

- Gold, base-metals (Cu-Pb-Zn-Ag), nickel and platinum group elements (PGE) and graphite in crystalline rocks of the Proterozoic basement;
- Mineral sands (zircon, rutile, ilmenite) and detrital gold in Miocene or Eocene unconsolidated sediments;
- Uranium and other chemically precipitated elements (e.g. vanadium) associated with redox boundaries in palaeochannels where oxidised water is in contact reduced sediments; and
- Lignitic coal in carbonaceous sediments.

A review of all open file data (WAMEX) was undertaken upon the Project area and is summarised in the Table (2).

Pertinent information to the exploration for nickel-copper deposits within the Tenements, include auger samples that have identified a surface nickel anomaly within tenement E28/2385 that remains untested (Figure 6). Drilling is limited to 5 aircore holes drilled within the Tenements, with only one assayed for multiple elements (FRAC001) returning peak results of 392ppm Ni and 43ppm Cu. Given the limited dataset this result is viewed as significant and requires further review. No detailed magnetic, gravity or electromagnetic surveys have been completed over the Tenements.

Key information for gold exploration relates to 626 auger holes that were completed by Ponton Minerals Pty. Ltd. and Lake River Gold Pty. Ltd. A peak result of 46ppb Au was returned. Within this data set three untested targets have been identified (Figure 5) that require additional assessment. In particular, the western target within tenement E28/2392 sits within the mineralised Harris Lake Shear Zone that hosts the Corvette Gold Prospect (Segue) to the north.

CRA Exploration and Geographe Resources Ltd completed five reconnaissance aircore holes within the Project targeting targeting various commodities. Four of the five holes were not assayed for gold. None of the Tenements have undergone systematic drill testing of their existing gold anomalies.

FRMG and Segue have not published any results in relation to the Tenements.

Exploration Years	Exploration Company	Commodity	Exploration Undertaken	Comments
1973-1979	Consolidated Goldfields, Uranex Australia Pty. Ltd., Magnet Metals Ltd.	Uranium	Airborne spectrometer survey, seismic refraction survey, RC drilling (only uranium assays), water sampling, 1:100,000 geological mapping	Testing Cretaceous and tertiary sediment for Uranium - No economic intercepts
1980	CRA Exploration Pty. Ltd.	Diamonds	Aeromagnetic test survey	Too difficult to explore for with available exploration techniques at that time
1981-1982	CRA Exploration Pty. Ltd.	Copper, Uranium, Lignite	Airborne magnetic survey, gravity survey, soil sampling, mud-rotary drilling	Geophysical target (Olympic Dam Style) identified and tested - un-mineralised granite-gneiss
1981-1982	Griffin Coal Mining Co. Ltd.	Lignite, Uranium	Geological mapping, 98 RC holes (5000m) (only coal, uranium and phosphate assayed)	Testing Cretaceous and Tertiary sediments for lignite and uranium - deemed un-prospective
1988-1990	Growth Resources Ltd	Nickel, Copper, Chrome, PGE's	Aerial photograph acquisitions, geological mapping, rock chip sampling, stream sediment sampling	Stream sediment and rock chip assays report significant Ni, Cr, Au, Pt, Zn, V, Cu associated with chromite rich rocks mapped in area
1990-1991	BHP & Eucla Mining NL	Mineral Sands	59 Aircore holes (1,372m)	Drilling failed to identify commercially viable mineral sand deposit
1997	MG Creasy	Nickel	28 carbonate samples assayed for base & precious metals & PGE's, GEOTEM survey (~200km)	Surficial conductive sources identified, no significant results
1996-1998	Geographe Resources Ltd.	Gold	Project Scale aero-magnetics (20,070 line km), ~5,000 calcrete samples (multi-element assays), 3,224m of aircore drilling (68 holes), structural and geological interpretation, petrology	Gold and base metal targets identified with only one gold target drill tested returning significant gold assays
1999	Homestake of Australia Ltd.	Gold	Regolith mapping 1:100,000, 998 calcrete samples (multi-element assays) and aeromagnetic survey	No precious or base metal anomalies identified
2008-2015	Lake River Gold Pty. Ltd., Ponton Minerals Pty. Ltd., Winward Resources Ltd.	Base Metals, Precious Metals, Iron, PGE's, REE's	Aeromagnetic survey, soil sampling, aircore drilling	Partial relinquishments over adequately explored/less prospective areas, operators are still active in the region

Table (2) – Summary of Previous Exploration

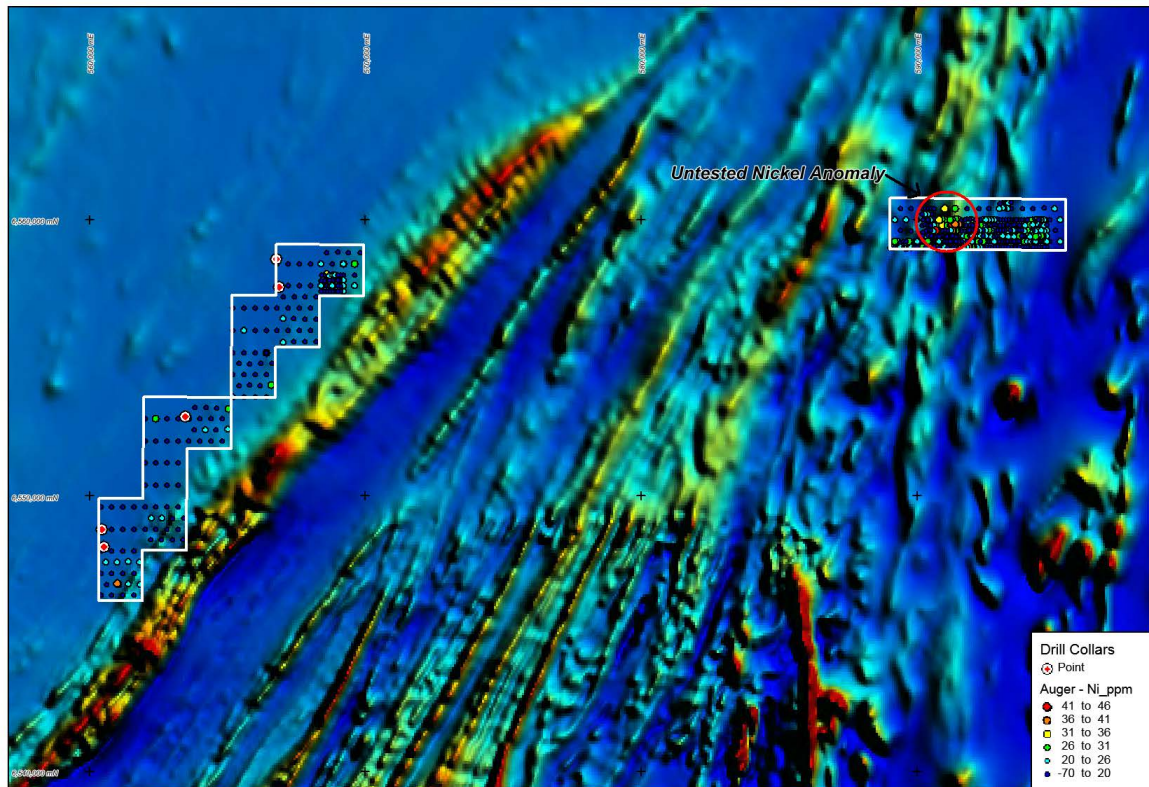


Figure 5 – GSWA Magnetics With Previous Nickel Exploration

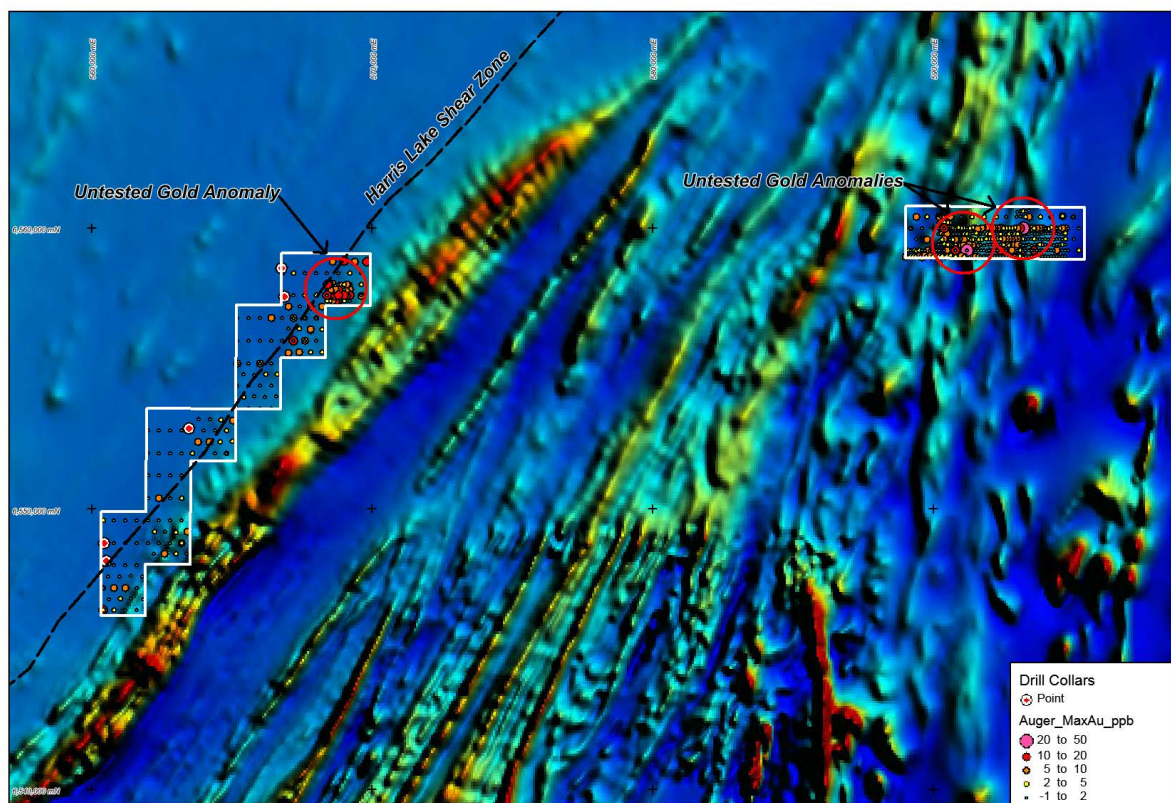


Figure 6 – GSWA Magnetics With Previous Gold Exploration

7. TARGET GENERATION

Mineralisation within the Albany-Fraser Orogen is varied, with significant discoveries of a variety of minerals. Commodities such as nickel-copper (Nova, RAV8), gold (Tropicana, Elverdton, Trilogy and Corvette), lateritic nickel (Ravensthorpe), magnetite (Southdown), and lithium (Cattlin Creek) have been identified across the Orogen.

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.

Given the overall lack of exploration data over the Tenements, specific targeting is currently limited and, as such, this proposes a focus for future exploration.

Nickel-Copper Exploration

The Project covers the intersection of the domain boundary suture and 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 (figure X). As mentioned previously a similar corridor is recognised at the Nova nickel-copper sulphide discovery to the south. These intersection points have the potential to provide pathways for intrusive activity from the lower crust-upper mantle.

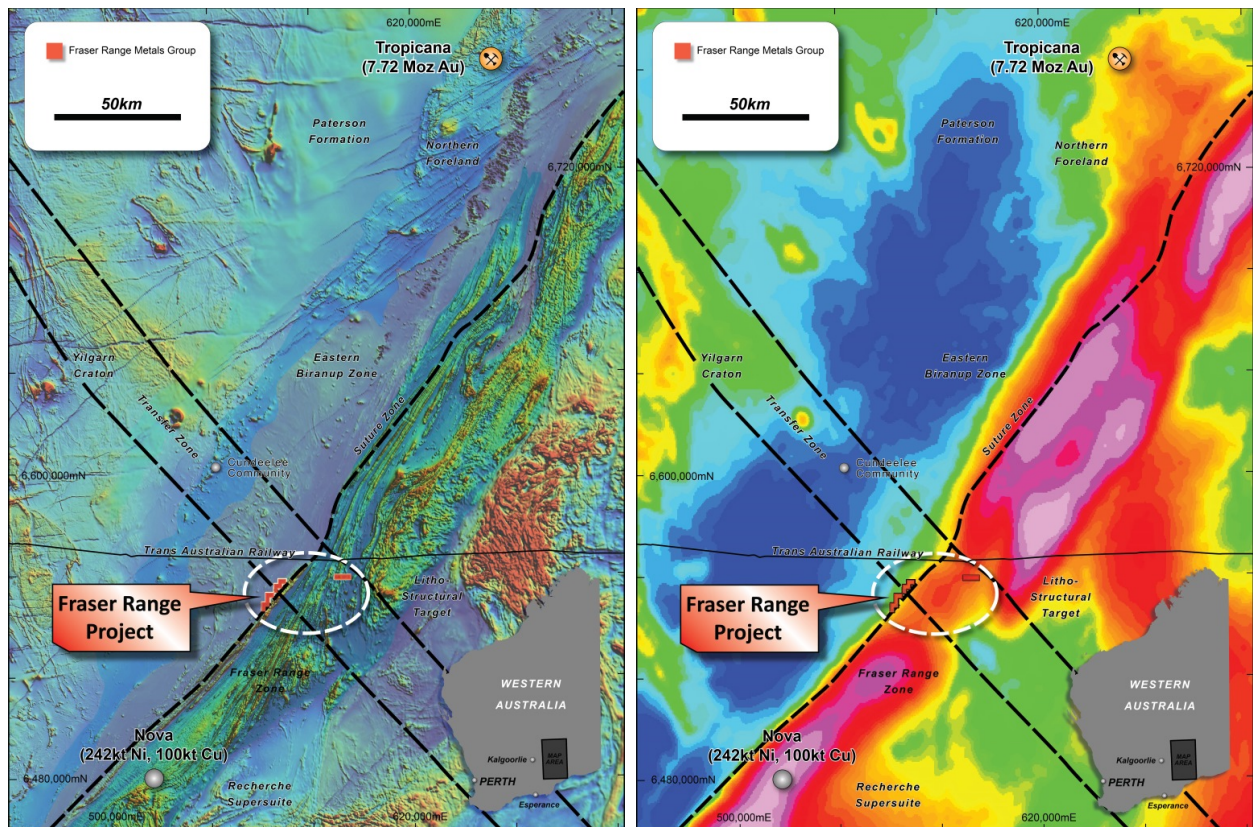


Figure 7 – Fraser Range Project Targeting Summary

Recommended exploration for nickel-copper within the Project includes the collection of high quality data sets including detailed airborne magnetic, gravity and electromagnetic data to generate targets for initial drill testing.

Gold Exploration

The gold potential within the Project is considered high. The existing auger drill datasets have identified three targets that justify additional detailed evaluation. In particular, the western target within tenement E28/2392 sits within the mineralised Harris Lake Shear Zone that hosts the Corvette Gold Prospect (Segue) to the north.

8. CONCLUSION

There has been very little focussed exploration for nickel-copper and gold across the Project. The available data sets suggest a prospective tectonic setting based on the location of structural elements.

The existing ground based data is limited and the collection of high-quality datasets including detailed airborne magnetic, gravity and electromagnetic data will need to be considered to generate targets for drill testing.

The lack of magnetic data over the Tenements is a clear point for future exploration and the proposed exploration by FRMG will aid in the progression of the geological understanding of the region in the attempt to discover economically viable mineral deposits.

The Project is well located logistically, with access to the regional support hub of Kalgoorlie, and no operational impediments are understood to exist, which would inhibit FRMG from beginning the exploration activities outlined in the Report, once appropriate funds are made available.

9. PROPOSED EXPLORATION PROGRAM

During the first year, it is proposed that geophysical surveys (airborne magnetic, gravity and electromagnetic) will be undertaken to generate nickel-copper targets for initial drill testing. Reconnaissance aircore drilling will also be undertaken as an initial test of the previously identified gold targets.

The second year programs will involve additional aircore drilling, reverse circulation and/or diamond drilling supported by downhole geophysical surveys.

The following exploration budget have been prepared on the basis on either a \$3.5 million Capital Raise scenario or a \$5.0 million Capital Raise scenario

EXPLORATION ACTIVITY	YEAR 1	YEAR 2
Regional Geophysical Surveys	\$400,000	--
Downhole Geophysical Surveys	\$20,000	\$120,000
Drilling	\$200,000	\$600,000
Data Compilation and Review	\$30,000	\$30,000
Geological and Administration Services	\$100,000	\$250,000
TOTALS	\$750,000	\$1,000,000

Table (3A) – Proposed Exploration Program (\$3.5m Capital Raise)

EXPLORATION ACTIVITY	YEAR 1	YEAR 2
Regional Geophysical Surveys	\$450,000	--
Downhole Geophysical Surveys	\$50,000	\$160,000
Drilling	\$300,000	\$800,000
Data Compilation and Review	\$60,000	\$60,000
Geological and Administration Services	\$140,000	\$330,000
TOTALS	\$1,000,000	\$1,325,000

Table (3B) – Proposed Exploration Program (\$5.0m Maximum Raise)

GLOSSARY OF TERMS

Aeolian Dunes	Wind blown sand dunes in an arid environment
Aeromagnetic Survey	Data collected about the earth's magnetic field from an aircraft
Aircore (AC)	A method of rotary drilling in which rock chips are brought to the surface inside drill rods, thus reducing potential for contamination of samples: usually restricted to softer rocks.
Alluvial	Surface material created by water movement
Altered	Change in mineralogical composition of a rock, commonly brought about by reactions with hydrothermal fluids.
Amphibolite	A metamorphic rock consisting mainly of amphibole and feldspar - usually derived from a mafic rock
Anomaly	A value that is either higher or lower than the expected average
Archaeon	An era of geologic time - older than 2,500 million years
Auger	A small drilling rig designed to take shallow samples
Base Metals	Accumulation of
Banded Iron Formation (BIF)	A chemically precipitated siliceous sedimentary rock composed of layers of chert, chalcedony, jasper or quartz and iron oxides.
Craton	A major structural unit of the earth's crust consisting of a large stable mass of rock generally igneous in nature
Cretaceous	Geologic period from 145 to 66 million years ago.
Deformation	A structural term used to describe a change in attitude, shape or volume of a formation
Dolerite	A mafic igneous rock that has resulted from the cooling of magma beneath the earth's surface
Dyke	A tabular igneous intrusion that cuts across pre-existing rocks
Fault	A feature in rocks in which observable displacement has taken place
Feldspar	A very common silicate mineral found commonly in igneous and metamorphic rocks
Felsic	An igneous rock which has a high proportion of light coloured minerals
FRMG	Fraser Range Metals Group Limited
g/t	Grams per tonne (1 g/t = 1 ppm)
Gabbro	Coarse grained mafic igneous intrusive rock
Gneiss	Metamorphic rocks which display coarse banding. Arise from high grade regional metamorphism
Granite	A coarse grained felsic rock consisting essentially of quartz, feldspar and some mica
Granitoid	Coarse-grained felsic igneous rock, resembling granite.
Granodiorite	A granite with a lower silica content
Granulite	A metamorphic rock of regional metamorphic origin having a granular texture
Graphite	A form of carbon
Gravity High	Geophysical expression of dense rock mass
Holocene	A period of geological time from about 12,000 years ago to the present
Igneous	Rocks which have formed from the cooling and consolidation of molten rock material
Induced Polarisation (IP)	A geophysical technique used to identify sulphides below the earth's surface
Intrusives	A body of igneous rock which invades older rocks
Jurassic	A period of geological time from about 200 million to 150 million years ago.
Laterite	Highly weathered residual material rich in secondary oxides of iron and/or aluminium
Layered	Banding, especially in sedimentary rocks
Lignite	Brown coal
Mafic	An igneous rock type that is dark in colour and consists essentially of minerals rich in iron and magnesium
Magma	Molten rock material
Mesoproterozoic	Middle Proterozoic - approximately 1,500 to 1,700 million years ago
Meta	Prefix for "metamorphosed"
Metasediment	Metamorphosed sedimentary rock
Mica	Platy minerals common in many igneous and metamorphic rocks
Mineralisation	The process and concentration of minerals within a rock which may be of economic significance

Monzogranite	A granite with equal amounts of orthoclase and plagioclase feldspars
Neogene	Geologic period from 23 to 2.6 million years ago.
Notice	Notice of Meeting issued by Fraser Range Metals Group Limited dated 22 December 2015.
Orogen	A period of mountain building, leading to the formation of intensely deformed belts
Palaeozoic	The period of geologic time ranging from 230 to 600 million years ago
Palaeochannel	Remnant of an inactive river or stream channel that has been filled or buried by younger sediments
PGE	Platinum Group Elements - a group of elements which include platinum, palladium and rhodium
Polymetallic	More than one metal
Porphyry	An intrusive igneous rock containing large crystals in a fine groundmass
PPM	Measurement of concentration in parts per million.
Proterozoic	An era of geologic time - between 570 and 2,500 million years ago
Project	E28/2385, E28/2390 and E28/2392
Prospectus	Means a prospectus document sufficient to accept investment funds from the general public as allowed by the Corporations Act (2001). See the Notice for further information.
Palaeogene	Geologic period from 66 to 23 million years ago.
Palaeoshoreline	An iron sulphide mineral.
Quartz	A mineral composed of silicon dioxide (SiO ₂).
Quartzite	A metamorphosed sandstone
Radiometric Survey	A study of the earth's radiation either from an aerial or a ground survey
Sandstone	A sedimentary rock made up of sand sized particles
Schist	A metamorphic rock showing sub-parallel orientation of platy or mica related minerals
Sedimentary Rock	A rock which has formed from the cementation of sediments
SEDEX	<ul style="list-style-type: none"> Sedimentary exhalative deposit that are interpreted to have been formed by release of ore-bearing hydrothermal fluids into a water reservoir (usually the ocean), resulting in the precipitation of stratiform ore A sedimentary rock made up of silt sized particles
Siltstone	
Segue	Segue Resources Limited
Spongolite	A rock made from the consolidation of the skeletal remains of sponges
Subduction Zone	An area where part of the earth's crust is forced beneath another due to tectonic plates movement
Suture	Major crustal structural zone
Syenite	A coarse grained intermediate igneous rock
Thrust	A low angle fault
Unconformity	A break in geological time
Ultramafic	Igneous rocks which contain a large proportion of mafic minerals and high in iron and magnesium
<ul style="list-style-type: none"> VALMIN or VALMIN Code 	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports also known as the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral and Petroleum Assets

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Schedule 4 - Economic Considerations: Relevant Commodity Market Outlooks in relation to Project Acquisition

1. Executive Summary and Cautionary Statement

The Company has prepared this schedule to better inform Shareholders of the potential economic merits of acquiring the Project further to those presented in Schedule 3 (Independent Geologist's Report). This schedule is intended to aid shareholders understanding the economic rationale of the acquisition of the Project.

Schedule 4 makes constant reference to commodity markets and both current and forecast prices of Gold, Copper and Nickel (being the primary minerals of interest to the Company).

Shareholders and readers of this schedule should understand that should the Company complete the Acquisition it will be an early stage, and high risk, mineral exploration company and there is no certainty or guarantee of successful exploration by it. References to future commodity price values and, or, any other forward-looking statements that may imply successful exploration, future mining activities or any other economic success by the Company does not constitute a forecast of the Company. Schedule 4 has been produced for the purposes of identifying the initial economic rationale for the Acquisition and illustrating to Shareholders a potential outcome should the Company's proposed exploration plan be successful.

Having regard to the above, the Company believes it may take advantage of a depressed commodity and mineral exploration market to acquire tenements, or rather the Project, which is prospective for gold, copper and/or nickel.

The Company has predicted the Acquisition on the basis of a low-cost base (being a cash acquisition consideration of \$15,000) – thus greatly reducing the risk to the Company from a "sunk cost" perspective but still providing the same potential return profile as it would have in a more buoyant market where the acquisition consideration (and thus risk) would have been significantly greater to the Company and yet the potential return would remain the same.

Secondly, the Company believes that there is evidence of a potential revival of commodities markets, and this may provide the Company with advantageous timing to increase the Company's exposure to early stage mineral exploration.

The Company has also assessed, or identified, other secondary characteristics of the Project that have influenced its decision to acquire the Project.

These points are outlined in the remaining sections of this Schedule.

2. Australian Economic Analysis

The Australian economy has continued to grow over the past year, but at a rate somewhat below its long-term average. The rate of unemployment has been little changed recently. Overall, the economy is likely to be operating with a degree of spare capacity, which is not being utilised by the broader economy. With slow growth in labour costs, inflation is forecast to remain consistent with the target over the next one to two years, even with a lower exchange rate.

A likely reason for slow growth is weakened in business capital expenditure in all sectors (including mining and exploration) and this anticipated to continue.

This has created an opportunity to acquire assets, such as that of the Project, for consideration significantly lower than during more buoyant periods.

Source: Lonsec, *Investment Outlook Report, October 2015*

3. Interest Rates

The Reserve Bank of Australia (**RBA**) refrained from easing Interest Rates in early October (2015) despite the counter cycle mortgage rate hikes by the banks and low inflation results for the September quarter.

The Australian macro-economy is relatively stable, though it is observed that large-cap Australian listed companies are struggling for growth and increased unemployment may be a following observation. Unemployment is at a risk to rise in 2016 and the RBA may consider future interest rate reductions.

Lower interest rates may see an influx of investment funds to riskier investments such as the Project.

Source: Lonsec, *Investment Outlook Report, October 2015*

4. Foreign Exchange

Foreign exchange markets have continued to be influenced by current and prospective monetary policy in the main advanced economies. The Australian dollar has declined against a rising US dollar over the past year, though less so against a basket of currencies. Further depreciation seems likely, particularly given the significant decline in key commodity prices. A lower exchange rate is likely to be needed to achieve balanced growth in the economy. **Source:** *Statement by Governor, Glenn Stevens: Monetary Policy Decision 7 July 2015* www.rba.gov.au

For Australian companies, a lower exchange rate favours a company with copper, nickel or gold interests as these commodities are generally denominated in US dollars and thus, all other variables being equal, increases the Australian dollar value of future earnings.

5. Commodity Markets

Global commodity production and prices have been largely influenced by the slowdown of economic growth in China. Production is being scaled back to rebalance the demand and supply of commodities.

The implementation of the Indonesian export ban on nickel ore that took effect in January 2014 has seen China rely on its nickel reserves. Once inventories are drawn, the nickel market is expected to tighten, as the Philippines cannot entirely replace the losses from Indonesia.

Limited nickel production is expected in Indonesia as progress in building up production facilities remains slow. Although, the effects of the above on both the supply and demand for nickel are not fully known, nickel prices are expected to improve due to the decline in China's stockpiles, the fear of export disruptions from Russia and the closure of some mines in the Shandong province.

Source: *Commodity Markets Outlook, World Bank Group, April 2015*,
https://www.worldbank.org/content/dam/Worldbank/GEP/GEPcommodities/GEP2015b_commodity_Apr2015.pdf

The following sections each talk to relevant factors, risks and expectations of the Nickel, Copper and Gold markets.

6. Nickel Prices

Nickel prices are projected to increase gradually in the future with refining capacity expected to increase further in emerging economies such as China. Projected higher prices are more likely to be supported by moderate increases in raw material costs and, unlike other commodity markets where cost cutting has resulted in substantial reductions in operating costs, the cost of nickel mine production is expected to increase as nickel sulphide deposits are depleted. **Source:** Resources and Energy Quarterly, March 2015 available www.industry.gov.au

Thus, one of the underlying commodities is anticipated to rise in price in future years and this assumption supports the concept of acquiring the Project ahead of a strengthening of commodity prices from current levels.

According to the Economist Intelligence Unit, nickel is anticipated to rise in price during 2016 until 2018 (see Figure 1).

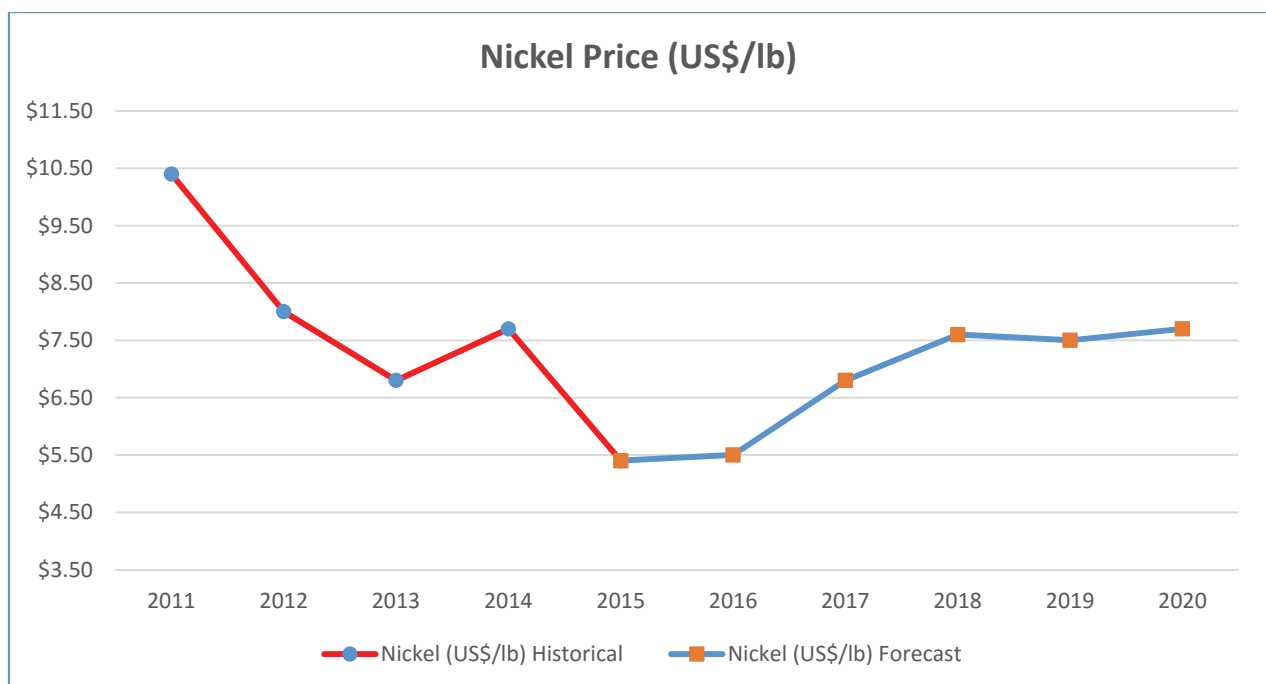


Figure 1

Source: Global Forecasting Service, The Economist Intelligence Unit (www.gfs.eiu.com) published 18 November 2015.

7. Copper Prices

The copper price is likely to remain constricted as refined production growth is adversely affected by a lack of ore availability due to mine production target downgrades across the world. These include downgrades of up to 30 per cent in producing operations such as Olympic Dam (South Australia); declining ore grades in the world's largest copper mine (Escondida, Chile) and the remaining effects of the 2013 landslides of the Bingham Canyon mine in the United States.

Source: Resources and Energy Quarterly, March 2015 available www.industry.gov.au

Hence the copper price will likely be sustained in the foreseeable future with the below figure anticipating a small appreciation.

According to the Economist Intelligence Unit, copper is anticipated to rise in price during 2016 (see Figure 2).

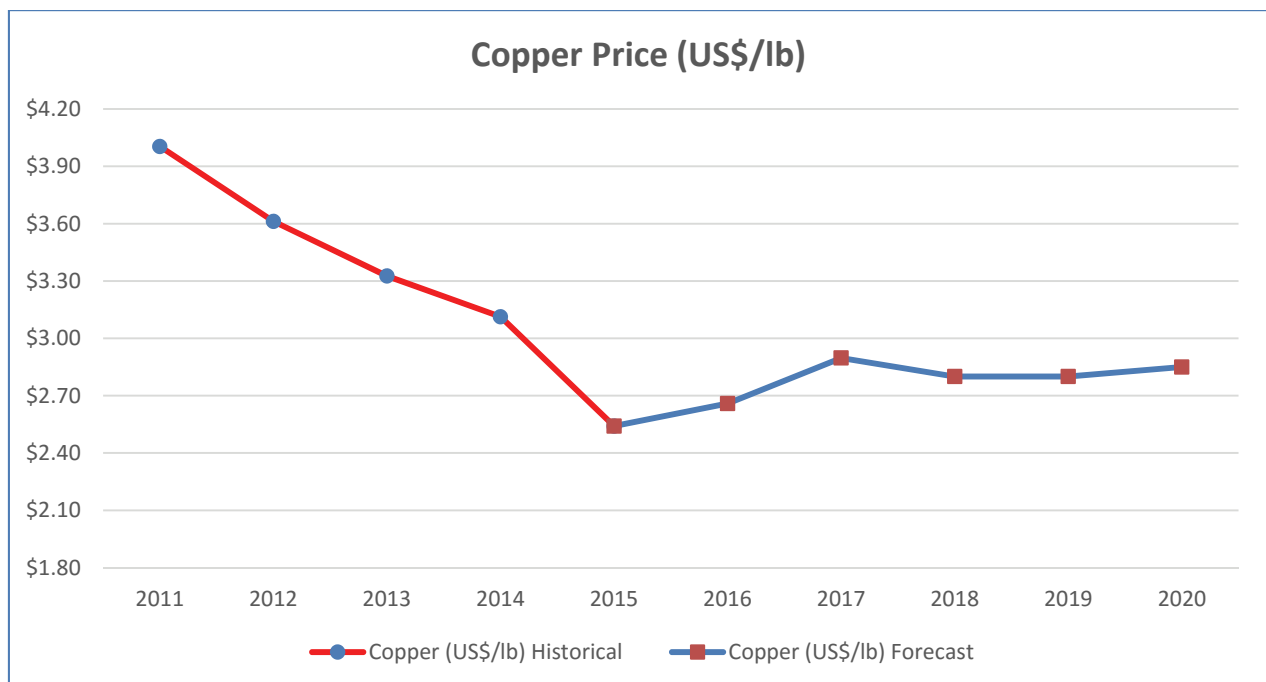


Figure 2

Source: Global Forecasting Service, The Economist Intelligence Unit (www.gfs.eiu.com) published 18 November 2015.

8. Gold Prices

The softening of gold price over the last two years can be seen as a reflection of the recovery of the global economic system. The value of gold peaked in September 2011 and this peak was largely caused by the debt market crisis in Europe, equally this peak was driven by the Standard and Poor's downgrade of the US credit rating. The financial crisis sent global stock markets tumbling and a flood of investors towards perceived safe havens such as gold. Prices contracted in December 2011 reached a low of US\$1,545 per ounce followed by a recovery in 2012, reaching US\$1,790 per ounce on 4 October 2012 before declining to US\$1,675 per ounce at 31 December 2012. Gold prices modestly declined over 2013 and 2014. **Source:** Global Forecasting Service, The Economist Intelligence Unit (www.gfs.eiu.com) published 18 November 2015

Should the Company achieve exploration results which indicate the occurrence of gold, the Company may benefit from the anticipated appreciation of the gold price over the next two to three years.

Source: FRN Director opinions

According to the Economist Intelligence Unit, Gold is anticipated to rise in price in 2016 (see Figure 3).

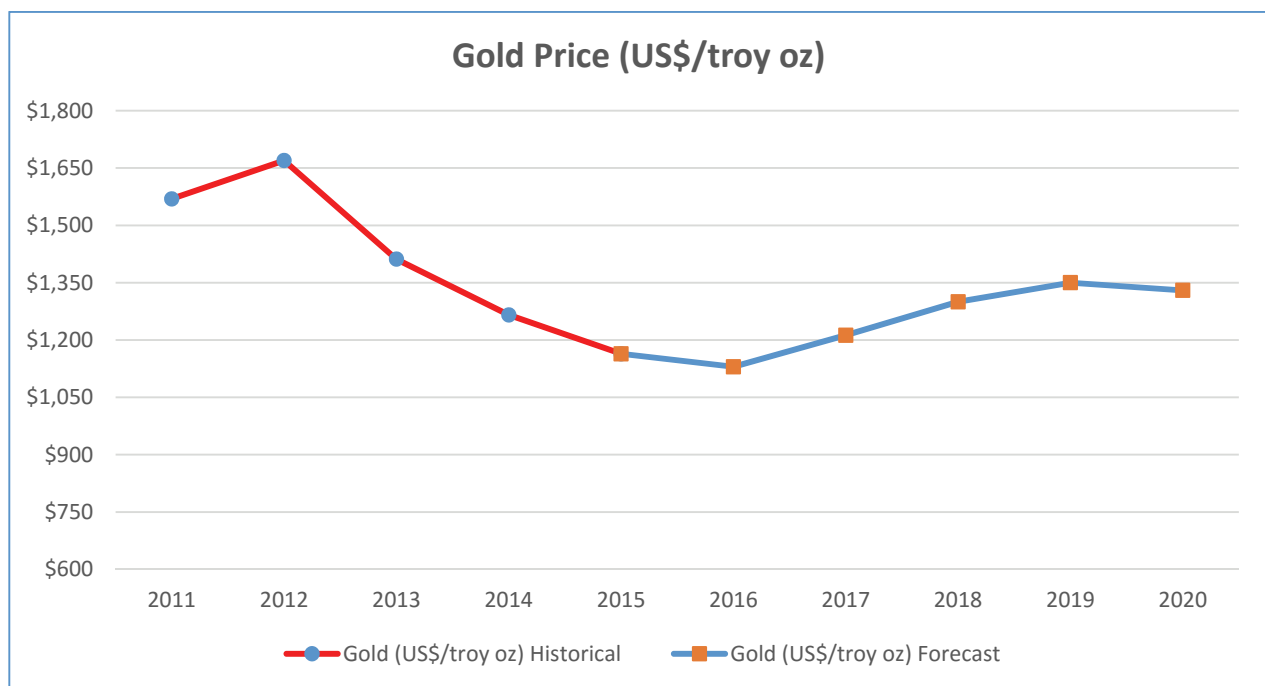


Figure 3

Source: Global Forecasting Service, The Economist Intelligence Unit (www.gfs.eiu.com) published 18 November 2015.

PROXY FORM

FRASER RANGE METALS GROUP LIMITED
ACN 098 236 938

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at the offices of Suite 9, 330 Churchill Ave, Subiaco, WA 6008 on 20 January 2016 at 11:00am (WST), and at any adjournment thereof.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Change to Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of issue of Capital Raising Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Proposed Director's Participation in Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Issue of Adviser Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Issue of Adviser Shares to Mr Glenn Whiddon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Mr Glenn Whiddon as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Appointment of Mr Josh Puckridge as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Appointment of Mr Ian Prentice as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Election of Miss Loren Jones as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is:

%

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail
in relation to this Proxy Form:

YES ☐ NO ☐

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified, each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting, the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) may be submitted, by:

1. Being presented to the Company at Suite 9, 330 Churchill Ave, Subiaco, WA 6008;
2. Being sent by facsimile transmission on +61 (8) 6489 1601 ;
3. Being emailed to loren@cicerocorporate.com.au; or
4. Being mailed to PO Box 866, Subiaco, WA, 6904.

For the Proxy Form to be valid it must be received by the Company not less than 48 hours prior to the time of commencement of the Meeting (WST) by any of the above means.