FRASER RANGE
METALS GROUP

ACN 098 236 938

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

FINANCIAL REPORT
for the year ended 30 June 2016

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Josh Russell Puckridge (Executive Chairman)
Glenn Ross Whiddon (Non-Executive Director)
Ian Prentice (Non-Executive Director)

COMPANY SECRETARY

Loren Jones

REGISTERED OFFICE

C/- Cicero Corporate Services Pty Ltd
Suite 9, 330 Churchill Avenue
Subiaco, WA 6008

POSTAL ADDRESS

PO Box 866
Subiaco, WA 6904

PRINCIPAL PLACE OF BUSINESS

Suite 9, 330 Churchill Avenue
Subiaco, WA 6008

CONTACT INFORMATION

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AUDITORS

Bentleys Audit & Corporate (WA) Pty Ltd
Level 3, 216 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
Alexandrea House
Suite 1, 770 Canning Highway
Applecross, WA 6153
Tel: (61 8) 9315 2333
Fax: (61 8) 9315 2233

BANKER

National Australia Bank
Level 1 / 1238 Hay Street
West Perth WA 6005

HOME STOCK EXCHANGE

Australian Securities Exchange Limited (**ASX**)
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code: **FRN**

DIRECTORS' REPORT

The directors of Fraser Range Metals Group Limited (ASX: FRN, **Company** or **FRN** or **Fraser Range**) submit herewith the annual report of the Company for the financial year ended 30 June 2016. In order to comply with the provisions of the *Corporations Act 2001*.

The names, appointment periods and particulars of the Company directors who held office during the financial year and/or since the end of the financial year are:

Director	Position	Date Appointed	Date Resigned
Mr Josh Russell Puckridge	Executive Chairman	3 Mar 2016	-
Mr Glenn Ross Whiddon	Non-Executive Director	3 Mar 2016	-
Mr Ian Prentice	Non-Executive Director	3 Mar 2016	-
Miss Loren Anne Jones	Non-Executive Director	20 Nov 2015	29 July 2016
Mr Daniel Smith	Non-Executive Director	5 Feb 2013	20 Nov 2015
Mr Chen Chik Ong	Non-Executive Director	1 July 2013	8 Mar 2016
Mr Nicholas Bishop	Non-Executive Director	2 Aug 2013	8 Mar 2016

The names of the secretaries in office at any time during or since the end of the year are:

Company Secretary	Position	Date Appointed	Date Resigned
Mr Samuel Edis	Company Secretary	1 July 2013	24 Sept 2015
Mr Daniel Smith	Company Secretary	24 Sept 2015	24 Nov 2015
Miss Loren Jones	Company Secretary	24 Nov 2015	-

Directors have been in office since 1 July 2015 up until the date of this report unless otherwise stated.

INFORMATION ON DIRECTORS

Information on Directors as at the date of this report is as follows:

MR JOSH PUCKRIDGE
EXECUTIVE CHAIRMAN *(Appointed 3 March 2016)*

Mr. Puckridge is a Corporate Finance Executive at Cicero Advisory Services, a Corporate Advisory and Funds Management firm based in Perth, Western Australia. He has significant experience within funds management, capital raising, mergers, acquisitions and divestments of projects by companies listed on the Australian Securities Exchange.

He currently serves as Non-Executive Director of MCS Services Group Limited (ASX: MSG) and Alcidion Group Limited (ASX: ALC) and as Non-Executive Chairman of Blaze International Limited (ASX: BLZ). Mr. Puckridge also holds various positions on private company boards. In the past three years, Mr Puckridge has been a Non-Executive Director of TopTung Limited (ASX: TTW), Windward Resources Limited (ASX: WIN) and was the former Executive Director and CEO of Discovery Resources Limited (now Aquis Entertainment Limited) (ASX: AQS).

Mr. Puckridge has also acted as a Company Secretary for multiple listed Companies and is also an experienced Australian Financial Services Licence Responsible Manager (currently Director and Responsible Manager of AFSL 482 173).

MR GLENN WHIDDON
NON-EXECUTIVE DIRECTOR *(Appointed 3 March 2016)*

Glenn has an extensive background in equity capital markets, banking and corporate advisory with specific focus on natural resources, enabling project origination and financing. He has a significant contact network throughout the world which has led to the development of a number of projects. Glenn holds an economics degree and has extensive corporate and management experience. He has global banking experience with The Bank of New York in Australia, Europe and Russia.

Mr Whiddon is currently a director of Auroch Minerals Limited (ASX: AOU), Azonto Petroleum Ltd (ASX: APY) and Statesman Resources Ltd. Mr Whiddon has not been a director on any other public company board in the past three years.

MR IAN PRENTICE
NON-EXECUTIVE DIRECTOR *(Appointed 3 March 2016)*

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 career extends from exploration and operational roles across a variety of commodities and geographical locations, including Australia, New Zealand, South East Asia and Africa, to the listing and management of Australian Securities Exchange listed resource companies.

In the past three years, Mr Prentice served as a Non-Executive or Director of Minquest Limited (ASX: MNQ) (formerly Merah Resources Limited). He has gained invaluable experience in all facets of exploration and mining having worked with a number of other 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.

MISS LOREN JONES
NON-EXECUTIVE DIRECTOR *(Appointed 20 November 2015 and resigned 29 July 2016)*
COMPANY SECRETARY *(Appointed 24 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 Brookside Energy Limited (ASX: BRK) and Blaze International Limited (ASX: BLZ). Additionally, Miss Jones currently serves as the Company Secretary of Wangle Technologies Limited (ASX: WGL) and Alcidion Group Limited (ASX: ALC). In the past three years she has been the Non-Executive Director of Intiger Group Limited (ASX: IAM) and MMJ Phytotech Limited (ASX: MMJ), and Company Secretarial of ZipTel Limited (ASX: ZIP). Miss Jones also holds various positions on private company boards.

Miss Jones is a BIA Accredited Bookkeeper and a member of the Institute of Certified Bookkeepers, holds a Certificate IV Financial Services (Bookkeeping), has a Bachelor of Psychology from Curtin University and is currently completing her Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.

DIRECTORS MEETING

During the period 1 July 2015 to 30 June 2016, 2 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number Eligible to Attend	Number Attended
Mr Chen Chik Ong	1	1
Mr Daniel Smith	-	-
Mr Nicholas Bishop	1	1
Mr Josh Puckridge	1	1
Mr Glenn Whiddon	1	1
Mr Ian Prentice	1	1
Miss Loren Jones	2	2

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The Company is a mineral exploration company currently operating with early stage nickel, copper and gold exploration tenements in Western Australia's Fraser Range region. The Company is committed to the exploration of its Fraser Range tenements.

The Company is mindful that it must constantly assess new opportunities for the Company to ensure the long term creation of shareholder value.

REVIEW OF OPERATIONS

CORPORATE ACTIVITIES

Shareholder Meeting and Capital Raise

During the Period the Company held a General Meeting of its shareholders on 20 January 2016 (**General Meeting**) to consider resolution proposed in its Notice of Meeting dispatched 22 December 2015 (**NoM**). Prior to the General Meeting the Company issued a Prospectus dated 19 January 2016 (**Prospectus**) to raise new equity capital at $0.02 per new share.

At the General Meeting, Shareholders of the Company passed all resolutions detailed in the NoM. The passing of these resolutions allowed the Company to undertake all necessary actions to re-comply and satisfy Chapter 1 and Chapter 2 of the Australian Securities Exchange (**ASX**) Listing Rules and seek re-quotation of its Shares.

The Company closed the offer under the Prospectus on 4 March 2016, having raised $3,867,491.18 to issue 193,374,559 new shares, and on 15 March 2016 the Shares of Fraser Range Metals Group re-commenced trading. Currently, at the date of release of this Annual Report to Shareholders, the Company maintains 250,000,000 shares on issue, no debt or convertible securities and approximately $3.15 million in cash at bank.

Board Composition

During the Period Miss Loren Jones, Mr Josh Puckridge, Mr Glenn Whiddon and Mr Ian Prentice joined the Board of the Company. Refer to the Information on Directors component of this report as well as the Remuneration Report for the qualifications and terms of engagement of these new Directors. Mr Puckridge has assumed the role of Executive Chairman of the Company.

Mr Nicholas Ong and Mr Nicholas Bishop retired as Directors of the Company.

EXPLORATION ACTIVITIES

New Tenement Application

Dundas Project – ELA 63/1792

During the Period the Company lodged an application for a full sized exploration licence, covering an area of approximately 202km^2, approximately 100km south south-west of Independence Group's Nova nickel – copper deposit (see **Appendix A**). The application covers metagranitic and gneissic rocks of the Biranup Zone adjacent to a structurally emplaced sequence of metamorphosed mafic rocks; Archean granite and greenstone of the Northern Foreland.

Previous explorers have identified cobalt, base metal and precious metal occurrences within the tenement area, with varying levels of drilling completed to follow up these targets. The Company has commenced a comprehensive collation and review of historic exploration data with the aim of identifying drill targets for testing once the tenement has been granted.

<u>Fraser Range Project</u>

E28/2385, E28/2390 & E28/23922

During the Period, the Company continued to progress its exploration strategy across the Fraser Range Project, with targets for gold and nickel mineralisation identified and planning proceeding for the next phase of activity, which is expected to involve low level or ground based geophysical surveys.

The Fraser Range Project, situated within the Albany-Fraser Orogen, is divided in to a Western set of tenements (E28/2390 and E28/2392) and a single Eastern tenement (E28/2385) (**Project**). The Project is located on a major tectonic suture between the Eastern Biranup Zone and the Fraser Complex on the Western edge of the major Fraser Range Gravity High and is positioned within a major north West trending linear structural corridor that creates a distinct break in the Fraser Range Gravity High. The Western tenements are located on, or adjacent to, the regionally extensive Harris Lake Shear Zone which hosts Segue Resources Limited's Corvette gold prospect, approximately 140km to the North of the Project.

Four moderate tenor geochemical anomalies have been identified from shallow auger drilling over the project; one nickel and two gold anomalies on E28/2385 and a gold anomaly on E28/2392, which sits within the Harris Lake Shear Zone. The geology of the area consists of weakly vegetated aeolian dunes and intervening alluvial and colluvial deposits seen as a thin (1-10m) covering unit across the Project area, underlying flat-lying Palaeogene and Neogene age semi to unconsolidated sediments that are expected to be 20-40 metres thick in the Project area and Proterozoic basement rocks that are interpreted to consist of orthogneiss, metagabbro, and paragneiss lithologies.

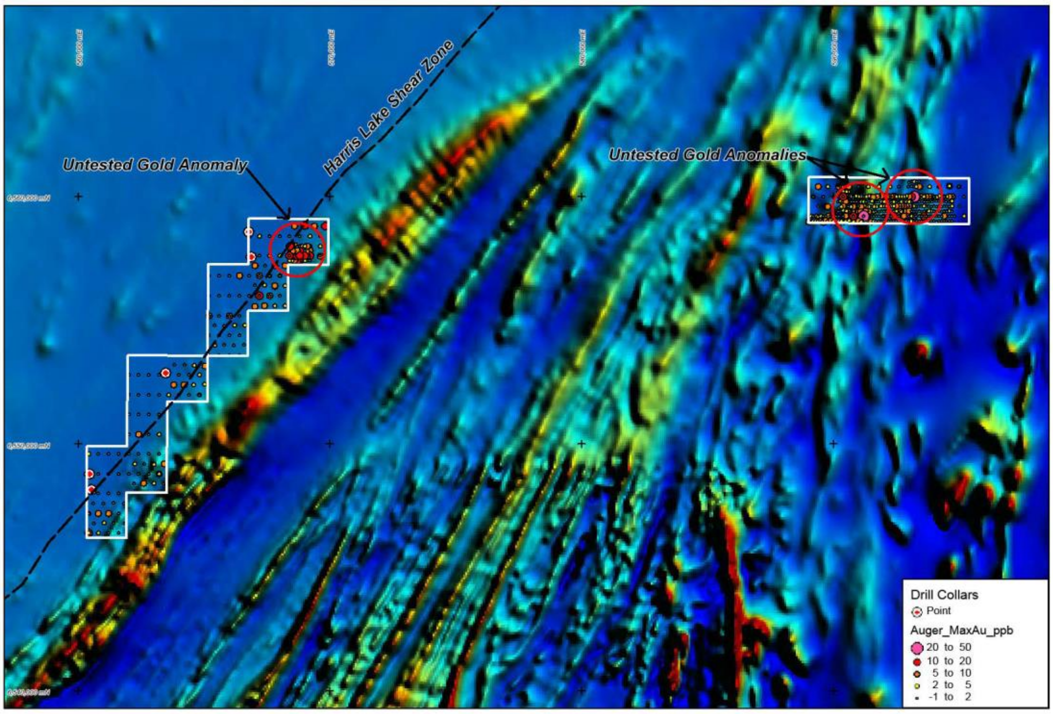

Figure 1: Auger Drilling – Gold Anomalies

The Company proposes to collect high quality geophysical data sets to assist in the mapping of the underlying geological sequences and structures in the area of the defined geochemical anomalies.

A program of detailed low level (heliborne), or ground based, surveys to collect magnetic, gravity and/or electromagnetic data is proposed with timing of execution subject to land access and availability of geophysical contractors.

New Opportunities

The Company acknowledges its obligation to shareholders to assess all new opportunities and potentials for growth to drive shareholder value. This obligation may see the Company look to invest in, or acquire, new projects. The Company, from time to time, reviews potential new projects for acquisition that may be held and operated in conjunction with the Company's current project.

The Company will inform the market accordingly of any such new opportunity should it present a genuine opportunity for shareholders.

SUBSEQUENT EVENTS

Board Changes

On 29 July 2016 Miss Loren Jones has resigned as a Director of the Company. Miss Jones remains the Company Secretary for Fraser Range.

Capital Preservation

The Board of the Company agreed to reduce Directors' fees to $33,000 p.a. (fully inclusive) for Non-Executive Directors from 1 July 2016.

Mr. Puckridge, Executive Chairman of the Company, has agreed to reduce his executive services fees to $44,000 p.a. (fully inclusive).

FINANCIAL POSITION

The loss for the financial year after providing for income tax amounted to $366,965 (2015: profit $2,596).

DIVIDENDS

No dividends were paid or declared since the start of the financial year.

OPTIONS ON ISSUE

There were no options on issue at the date of this report.

INDEMNIFYING OFFICERS

The Company has entered into Indemnity Deeds with each Director. Under the Deeds, the Company indemnifies each Director to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the Directors in connection with being a Director of the Company, or breach by the Company of its obligations under the Deed.

During the year the amount paid for Directors and Officers insurance was $8,031 (2015: $4,440).

PROCEEDING ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

REMUNERATION REPORT (AUDITED)

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Share-based payments
D. Director's Equity Holdings

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The whole Board form the Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific long term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.

- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.

- The directors and executives receive a superannuation guarantee contribution required by the government, which for the year ended 30 June 2016 is 9.5% of base salary and do not receive any other retirement benefits.

- All remuneration paid to directors and executives is valued at the cost to the Company and expensed.

- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executive performance. Currently, this is facilitated through the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Company currently has no performance based remuneration component built into director and executive remuneration packages.

Non-Executive directors

The remuneration of Non-Executive directors consists of directors' fees, payable in arrears. The total aggregate fee pool to be paid to directors (excluding Executive directors) is set at $200,000 per year. Remuneration of Non-Executive directors is based on fees approved by the Board of directors and is set at levels to reflect market conditions and encourage the continued services of the directors. Non-Executive directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The Company's Non-Executive directors are eligible to receive fees for their services and the reimbursement of reasonable expenses. A monthly fee of $12,000 (exc. GST) is paid to Cicero Corporate Services Pty Ltd ("CCS"), a company related to Miss Jones for corporate administration services including financial reporting, company secretarial services, rent and administrative operations.

B. DETAILS OF REMUNERATION

Details of remuneration of the directors and key management personnel (as defined in *AASB 124 Related Party Disclosures)* of Fraser Range Metals Group Limited are set out in the following table.

The key management personnel of Fraser Range Metals Group Limited are the directors as listed on pages 2 to 3.

The Company does not have any other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

The table below shows the 2016 and 2015 figures for remuneration received by the Company's directors and executives:

	Short Term			Post-employment		Share-based Payments Equity settled		
	Salary & Fees $	Bonus $	Other benefits $	Super-annuation $	Prescribed benefits $	Shares $	Options $	Total $
2016								
Directors								
Mr Daniel Smith (i)	-	-	-	-	-	-	-	-
Mr Chen Chik Ong (ii)	-	-	-	-	-	-	-	-
Mr Nicholas Bishop (ii)	-	-	-	-	-	-	-	-
Miss Loren Anne Jones (iii)	24,444	-	-	-	-	-	-	24,444
Mr Josh Russell Puckridge (iv)	20,000	-	41,705	-	-	-	-	61,705
Mr Glenn Ross Whiddon (v)	13,118	-	-	-	-	142,500 (vi)	-	155,618
Mr Ian Prentice (v)	17,849	-	7,000	-	-	-	-	24,849
Executives								
Nil	-	-	-	-	-	-	-	-
	75,411	**-**	**48,705**	**-**	**-**	**142,500**	**-**	**266,616**
2015								
Directors								
Mr Daniel Smith (i)	6,000	-	-	-	-	-	-	6,000
Mr Chen Chik Ong (ii)	2,500	-	-	-	-	-	-	2,500
Mr Nicholas Bishop (ii)	2,000	-	-	-	-	-	-	2,000
Executives								
Nil	-	-	-	-	-	-	-	-
	10,500	**-**	**-**	**-**	**-**	**-**	**-**	**10,500**

(i) Mr Smith resigned as Non-Executive Director on 20 November 2015.
(ii) Mr Ong and Mr Bishop resigned as Non-Executive Directors on 8 March 2016.
(iii) Miss Jones was appointed as a Non-Executive Director on 20 November 2015.
(iv) Mr Puckridge was appointed as Executive Chairman on 3 March 2016.
(v) Messrs Whiddon and Prentice were appointed as Non-Executive Directors on 3 March 2015.
(vi) In accordance with share-based payment accounting principles, shares issued to advisors at a deemed issue price of $0.001 per share have been fair valued being the offer price of $0.02 per share.

C. SHARE-BASED PAYMENTS

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest with a corresponding increase in equity.

Equity settled share based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably in which case they are measured at the fair value of the equity instruments granted measured at the date the entity obtains the good or counterparty renders the service.

D. DIRECTORS' EQUITY HOLDINGS

(i) Fully paid ordinary shares of Fraser Range Metals Group Limited:

	Balance at 1 July No.	Granted as remuneration No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
2016					
Directors					
Mr Daniel Smith (i)	-	-	-	-	-
Mr Chen Chik Ong (ii)	-	-	-	-	-
Mr Nicholas Bishop (ii)	-	-	-	-	-
Miss Loren Anne Jones (iii)	-	-	-	-	-
Mr Josh Russell Puckridge (iv)	-	-	-	-	-
Mr Glenn Ross Whiddon (v)	3,000,000	7,500,000 (vi)	5,000,000	-	15,500,000
Mr Ian Prentice (v)	-	-	-	-	-
	3,000,000	**7,500,000 (vi)**	**5,000,000**	**-**	**15,500,000**
2015					
Directors					
Mr Daniel Smith (i)	-	-	-	-	-
Mr Chen Chik Ong (ii)	-	-	-	-	-
Mr Nicholas Bishop (ii)	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

(i) Mr Smith resigned as Non-Executive Director on 20 November 2015.
(ii) Mr Ong and Mr Bishop resigned as Non-Executive Directors on 8 March 2016.
(iii) Miss Jones was appointed as a Non-Executive Director on 20 November 2015.
(iv) Mr Puckridge was appointed as Executive Chairman on 3 March 2016.
(v) Messrs Whiddon and Prentice were appointed as Non-Executive Directors on 3 March 2015.
(vi) In accordance with share-based payment accounting principles, shares issued to advisors at a deemed issue price of $0.001 per share have been fair valued being the offer price of $0.02 per share.

(ii) Share options of Fraser Range Metals Group Limited:

During and since the end of the financial year, no options were granted to directors and senior management (2015: NIL).

- - END OF REMUNERATION REPORT - -

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Further information, other than as disclosed the Directors' report, about likely developments in the operations of the Company and the expected results of those operations in future periods has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL ISSUES

The Company's operations were subject to significant environmental regulation under the law of the Commonwealth and State in relation to discharge of hazardous waste and materials arising from any activities and development conducted by the Company. To date there have been no known breaches of any environmental obligations.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. Given the divestment of the Projects, the directors have determined that the NGER Act will have no effect on the Company for the current, or subsequent financial period. The directors will reassess this position as and when the need arises.

EVENTS AFTER THE REPORTING PERIOD

At the time of this report there were no further events subsequent to the reporting date that required disclosure**.**

ADOPTION OF REMUNERATION REPORT BY SHAREHOLDERS

The adoption of the remuneration report for the financial year ended 30 June 2015 was put to the shareholders of the Company at the Annual General Meeting (AGM) held on 25 November 2015. All proxies received were in favour of the resolution and the resolution was passed without amendment on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration, as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2016 has been received and can be found on page 11.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

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

Josh Russell Puckridge
Executive Chairman
Perth, Western Australia this 29th day of September 2016

Bentleys
THINKING AHEAD

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Fraser Range Metals Group Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 29th day of September 2016

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 15 to 34 in accordance with the *Corporations Act 2001*:

(a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;

(b) As stated in Note 2.1.1, the financial statements also comply with International Financial Reporting Standards; and

(c) Give a true and fair view of the financial position of the entity as at 30 June 2016 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Fraser Range Metals Group Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declaration required to be made by the Chairman to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ended 30 June 2016.

This declaration is made in accordance with a resolution of the directors.

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

Josh R. Puckridge

Josh Russell Puckridge
Executive Chairman
Perth, Western Australia this 29th day of September 2016

Independent Auditor's Report

To the Members of Fraser Range Metals Group Limited

Bentleys

THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd

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We have audited the accompanying financial report of Fraser Range Metals Group Limited ("the Company"), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of accounting policies, other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2.1.1, the directors also state, in accordance with Accounting Standards AASB 101: *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

a. The financial report of Fraser Range Metals Group Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. The financial statements also comply with *International Financial Reporting Standards* as disclosed in Note 2.1.1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Fraser Range Metals Group Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Bentleys

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 29th day of September 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2016

	Note	2016 $	2015 $
Continuing operations			
Interest income	3	13,724	-
Other income	3	-	204,816
Audit fees		(17,000)	(16,054)
Corporate compliance costs		(84,482)	(36,744)
Corporate fees	4	(146,750)	(10,500)
Directors' fees and consulting costs		(75,412)	(42,500)
Finance costs		(236)	(2,598)
Impairment of Financial Assets		-	(12,300)
Legal fees		(2,120)	(6,160)
Other expenses from ordinary activities		(41,830)	(4,040)
Professional Fees		-	(49,620)
Project evaluation		(12,859)	(21,704)
Loss before income tax expense		**(366,965)**	**2,596**
Income tax (benefit)/expense	6	-	-
Loss after tax from continuing operations		**(366,965)**	**2,596**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(366,965)**	**2,596**
Earnings/(Loss) Per Share			
Basic and diluted loss per share (cents)	13	(0.36)	0.01

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 19 to 34.

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STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

	Note	2016 $	2015 $
Current assets			
Cash and cash equivalents	18	3,208,545	167,402
Trade and other receivables	10	30,540	3,730
Total current assets		3,239,085	171,132
Non-current assets			
Exploration assets	5	23,184	-
Total Non-current assets		23,184	-
Total assets		**3,262,269**	**171,132**
Current liabilities			
Trade and other payables	12	12,225	21,976
Total current liabilities		12,225	21,976
Total liabilities		**12,225**	**21,976**
Net assets		**3,250,044**	**149,156**
Equity			
Issued capital	14a	31,836,017	28,368,164
Accumulated losses		(28,585,973)	(28,219,008)
Total equity		**3,250,044**	**149,156**

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 19 to 34.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2016

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2014	28,368,164	(28,221,604)	146,560
Profit for the year	-	2,596	2,596
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**2,596**	**2,596**
Shares issued during the year	-	-	-
Capital Raising Costs	-	-	-
Balance as at 30 June 2015	**28,368,164**	**(28,219,008)**	**149,156**
Balance as at 1 July 2015	28,368,164	(28,219,008)	149,156
Loss for the year	-	(366,965)	(366,965)
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**(366,965)**	**(366,965)**
Shares issued during the year	4,367,491	-	4,367,491
Capital Raising Costs	(899,638)	-	(899,638)
Balance as at 30 June 2016	**31,836,017**	**(28,585,973)**	**3,250,044**

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 19 to 34.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Payments to suppliers and employees		(403,526)	(240,197)
Net cash used by operating activities	18	(403,526)	(240,197)
Cash flows from investing activities			
Proceeds from disposal of other non-current assets		-	314,513
Exploration and evaluation expenditure	5	(23,184)	-
Net cash generated by investing activities		(23,184)	314,513
Cash flows from financing activities			
Proceeds from issues of shares		3,892,491	-
Payments of share issue costs		(424,638)	(8,882)
Net cash generated by financing activities		3,467,853	(8,882)
Net increase in cash and cash equivalents		**3,041,143**	**65,434**
Cash and cash equivalents at the beginning of the year		167,402	101,968
Cash and cash equivalents at the end of the year	18	**3,208,545**	**167,402**

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 19 to 34.

1. GENERAL INFORMATION

Fraser Range Metals Group Limited (the "Company") is a for-profit company limited by shares, domiciled and incorporated in Australia. These financial statements comprise of the Company and its subsidiaries (collectively the "Group"). The financial statements are presented in the Australian currency.

The nature of operations and principal activities of the Company are described in the Directors' Report.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the financial statements of the Company.

The financial statements were authorised for issue by the directors on 29 September 2016.

2.1. BASIS OF PREPARATION

2.1.1. Reporting Basis and Conventions

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Fraser Range Metals Group Limited is a listed public company, incorporated and domiciled in Australia. All amounts are presented in Australian dollars.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2.1.2. Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2.2. INCOME TAX

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

2.3. INVESTMENTS AND OTHER FINANCIAL ASSETS

2.3.1. Classification

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluate this designation at each reporting date.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets quoted in an active market with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

2.3.2. Financial assets - reclassification

The Company may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Company may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Company has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

2.3.3. Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.
When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

2.3.4. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.
Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial investments are determined are disclosed in Note 18.

2.3.5. Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

2.4. IMPAIRMENT OF ASSETS

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.5. EMPLOYEE BENEFITS

Provision is made for the Company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year, have also been measured at their nominal amount.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

2.6. PROVISIONS

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

2.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

2.8. REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

2.9. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

2.10. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

2.11. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year.

In the current year, the Company has applied a number of amendments to AASBs and a new interpretation issued by the Australian Accounting Standards Board (AASB) that is mandatorily effective from an accounting period on or after 1 July 2014.

The application of these amendments and interpretation does not have any material impact on the Company's financial statements.

2.12. STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

2.13. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

2.13.1. Key Judgment – Environmental Issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Company's development and its current environmental impact the directors believe such treatment is reasonable and appropriate.

2.13.2. Key Estimate – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

2.13.3. Key Estimate – Impairment

The Company assesses impairment at each reporting date by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

3. REVENUE

	2016 $	2015 $
Revenue from continuing operations		
Gain on farm out (i)	-	203,000
Finance income	13,724	1,816
	13,724	204,816

(i) *Consideration received in relation to a joint venture with Segue Resources Ltd over the Company's Plumridge East Project:*

Cash consideration	-	203,000

4. EXPENSES

Profit / (Loss) before income tax includes the following specific expenses:

	2016 $	2015 $
Administration expenses	18,804	10,571
Insurance	8,031	10,554

5. EXPLORATION ASSETS

	2016 $	2015 $
Opening balance	-	-
Additions during the period	23,184	-
Closing balance	23,184	-

6. INCOME TAX

(a) Income tax expense/benefit

	2016 $	2015 $
Income tax expense/(benefit)		
Current tax (benefit)/expense	-	-
Deferred tax expense/(benefit)	-	-
Deferred income tax expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	-

(b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on losses from ordinary activities before income tax is reconciled to the income tax expense as follows:

	2016 $	2015 $
Profit from continuing operations before income tax expense	(366,965)	2,596
Australian tax rate	30%	30%
Tax amount at the Australian tax rate	(110,090)	779
Add / (Less)		
Tax effect of:		
Unrecognised income tax benefit in respect of current year losses	-	-
Non-deductible expenses	512	-
Deferred tax asset not brought to account	109,578	(779)
Total income tax expense/(benefit)	-	-

(c) Deferred tax assets

	2016 $	2015 $
Accrued expenses	3,300	3,300
Capital Raising Costs	263,337	92,088
Tax Losses	453,381	238,773
Total deferred tax assets	720,017	334,161
Set-off deferred tax liabilities pursuant to set-off provisions	(6,955)	-
Less deferred tax assets not recognised	(713,062)	(334,161)
Net deferred tax assets	-	-

(d) Deferred tax liabilities

	2016 $	2015 $
Exploration assets	6,955	-
Total deferred tax liabilities	6,955	-
Set-off deferred tax assets pursuant to set-off provisions	(6,955)	-
Net deferred tax liabilities	-	-
Less deferred tax liabilities not recognised	-	-
Net tax liabilities	-	-

(e) Tax losses

	2016 $	2015 $
Unused tax losses for which no deferred tax asset has been recognised	1,511,268	795,909
Potential tax benefit @ 30%	453,381	238,773

The benefit for tax losses will only be obtained if:

(i) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) The Company continues to comply with the conditions for deductibility imposed by law; and

(iii) No changes in tax legislation adversely affect the ability of the Company and consolidated entity to realise these benefits.

7. REMUNERATION OF AUDITORS

	2016 $	2015 $
Audit and review of the financial report	17,000	16,054

The auditor of Fraser Range Metals Group Limited is Bentleys Audit & Corporate (WA) Pty Ltd.

8. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

The aggregate compensation made to key management personnel of the Company is set out below:

	2016 $	2015 $
Short-term employee benefits	75,412	10,500
Corporate administration services (ii) (iii)	76,750	42,500
Share-based payments (i)	142,500	-
	294,662	53,000

(i) In accordance with share based payment accounting principles, shares issued to advisors at a deemed issue price of $0.001 per share have been fair valued being the offer price of $0.02 per share.

(ii) From 15 February 2016, a monthly fee of $12,000 (exc. GST) is paid to Cicero Corporate Services Pty Ltd (CCS), a Company related to Miss Jones for corporate administration services including financial reporting, company secretarial services, rent and administrative operations (2016: 54,000) (2015: Nil).

(iii) Until 15 February 2016 a monthly fee of $2,500 (exc. GST) was paid to Minerva Corporate Pty Ltd), a company related to Mr Smith and Mr Ong for corporate administration services including rent and administrative operations (2016: 22,750) (2015: 42,500).

The compensation of each member of the key management personnel of the Company is set out in the Directors' Remuneration report on pages 7 to 9.

9. CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash at bank	3,208,545	167,402

10. TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Current		
Other debtors	30,540	3,730

Trade receivable are non-interest bearing and generally on terms of 14-60 days. No provision for impairment at year end is considered necessary.

11. HELD FOR TRADING FINANCIAL ASSETS

	2016 $	2015 $
Listed securities		
Fair value at 1 July	-	620,086
Sale of financial assets	-	(570,466)
Loss on sale of financial assets	-	(49,620)
Fair value at 30 June	-	-

Held for trading financial assets comprise of one class being listed securities and are at fair value. Fair value was determined by reference to published price quotations in an active market with the fair value loss recognised in the statement of profit or loss and other comprehensive income.

12. TRADE AND OTHER PAYABLES

Current		
Unsecured liabilities:		
Trade creditors and accrued expenses	12,225	21,976

13. EARNINGS PER SHARE

	2016 $	2015 $
Earnings used in calculating basic and diluted earnings per share	(366,965)	2,596

	No.	No.
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	101,757,129	31,625,441

14. ISSUED CAPITAL

(a) Issued capital

	2016 $	2015 $
250,000,000 Fully paid ordinary shares with no par value (2015: 31,625,441)	31,836,017	28,368,164

	2016		2015	
	No.	$	No.	$
Balance at beginning of financial year	31,625,441	28,368,164	31,625,441	28,368,164
Shares issued	218,374,559	4,367,491	-	-
Share issue costs	-	(899,638)	-	-
Balance at end of the financial year	250,000,000	31,836,017	31,625,441	28,368,164

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Capital Management

The Directors' objectives when managing capital are to ensure that the Company can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet business development and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Company at 30 June 2016 and 30 June 2015 are as follows:

	2016 $	2015 $
Working Capital		
Cash and cash equivalents	3,208,545	167,402
Trade and other receivables	30,540	3,730
Non-current assets (tenements)	23,184	-
Trade and other payables	(12,225)	(21,976)
Working capital position	3,250,044	149,156

15. SHARE BASED PAYMENTS

Pursuant to the prospectus issued on 19 January 2016, 25,000,000 advisor shares at a discounted price of $0.001 were issued to various advisors for assisting in the capital raising including 7,500,000 shares to Mr Glen Whiddon. The fair value of these shares were considered to be $0.02 being the issue price of the public offer.

16. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Commitments

The Company is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration licences. These obligations may be subject to re-negotiation, may be farmed-out or may be relinquished and have not been provided for in the statement of financial position. A summary of aggregate commitments is as follows:

	2016 $	2015 $
Within one year	51,879	-
After one year but not more than five years	155,636	-
More than five years	-	-
	207,515	-

(b) Contingent assets and liabilities

Contingent liabilities

No contingent liabilities exist as at the date of this report.

Contingent assets

No contingent assets exist as at the date of this report

17. SEGMENT REPORTING

The Company has identified one reportable segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segment on this basis.

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	2016 $	2015 $
Cash and cash at bank	3,208,545	167,402
	3,208,545	167,402

(b) Reconciliation of Cash Flow from Operations with Operating Profit after Income Tax

Operating profit/(loss) after income tax	(366,965)	2,596
Profit (Loss) on disposal of other Non-Current Assets	-	(200,000)
Non-cash flows in profit from ordinary activities		
Net (gain) loss on sale of non-current assets		-
Interest expense	236	4,040
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(13,222)	6,089
Increase/(decrease) in trade and other payables	(23,575)	(52,922)
	(403,526)	(240,197)

19. SUBSEQUENT EVENTS

At the time of this report there were no further events subsequent to the reporting date that required disclosure.

20. FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, other receivables and accounts payable. The main purpose of non-derivative financial instruments is to raise finance for Company operations.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

The Company does not have any derivative instruments at 30 June 2016.

Specific Financial Risk Exposures and Management

(a) Market Risks

Interest rate risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the short-term deposits with a floating interest rate. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk. Instead consideration is given to a mixture of fixed and variable interest rates.

The cash amounts and interest rates effective at the reporting date are:

Rate Type	Amount $	Effective Rate %	Maturity Date
Variable	3,208,545	-	At-call

Foreign currency risk

Foreign currency risk does not have a material impact on the Company.

Price risk

The Company is not exposed to any material commodity price risk.

(b) Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash on hand is maintained.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally cash and cash equivalents. All cash balances are held with recognised institutions limiting the exposure to credit risk. There are no formal credit approval processes in place. However, the Company reviews management information for subsidiaries to ensure early detection of risks.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

All cash holdings within the Company are currently held with AA rated financial institution.

(d) Accounting classifications and fair value values

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.
As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(e) Valuation techniques

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability, The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2016		2015	
	Carrying Amount $	Net Fair Value $	Carrying Amount $	Net Fair Value $
Financial Assets				
Cash and cash equivalents	3,208,545	3,208,545	167,402	167,402
Trade and other receivables	30,540	30,540	3,730	3,730
Total Financial Assets	3,239,085	3,239,085	171,132	171,132
Financial Liabilities				
Trade and other liabilities	12,225	12,225	21,976	21,976
Total Financial Liabilities	12,225	12,225	21,976	21,976

(f) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

<u>Level 1</u>

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

<u>Level 2</u>

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

<u>Level 3</u>

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Company would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Company recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

ADDITIONAL SECURITIES EXCHANGE INFORMATION
for the year ended 30 June 2016

Fraser Range Metals Group Limited's issued capital is as follows:

ORDINARY FULLY PAID SHARES

At the date of this report there are the following number of Ordinary fully paid shares

	Number of shares
Balance at the beginning of the year	31,625,441
Movements of share options during the year and to the date of this report	218,374,559
Total number of shares at the date of this report	**250,000,000**

SHARES UNDER OPTION

At the date of this report there are no listed or unissued ordinary shares in the Company.

SUBSTANTIAL SHAREHOLDERS

Fraser Range Metals Group Limited has the following substantial shareholders as at 28 September 2016:

NAME	Number of shares	Percentage of issued capital
N&J MITCHELL HOLDINGS PTY LTD <ORD STREET PROPERTIES A/C>, CROESUS MINING PTY LTD <STEINEPREIS SUPER FUND A/C> + <SECOND SUPER FUND A/C> AND LINDA STEINEPREIS	19,318,292	7.73%
GETMEOUTOFHERE PTY LTD <SINKING SHIP SUPER FUND A/C>	15,500,000	6.20%

RANGE OF SHARES AS AT 28 SEPTEMBER 2016

Range	Total Holders No.	Units No.	Issued Capital %
1 - 1,000	1,952	180,276	0.07%
1,001 - 5,000	98	278,755	0.11%
5,001 - 10,000	64	465,789	0.19%
10,001 - 100,000	230	12,243,792	4.90%
100,001 - > 100,001	253	236,831,388	94.73%
Total	**2,597**	**250,000,000**	**100.00**

UNMARKETABLE PARCELS AS AT 28 SEPTEMBER 2016

	Minimum parcel size No.	Holders No.	Units %
Minimum $500.00 parcel at $0.022 per unit	2,170	1,796,038	0.72%

TOP 20 HOLDERS OF ORDINARY SHARES AS AT 28 SEPTEMBER 2016

#	Name	Units	% of Issued Capital
1	GETMEOUTOFHERE PTY LTD	15,500,000	6.20%
2	CROESUS MINING PTY LTD	12,074,000	4.83%
3	SYRACUSE CAPITAL PTY LTD	8,958,737	3.58%
4	NAUTICAL HOLDINGS WA PTY LTD	8,954,546	3.58%
5	SEAMIST ENTERPRISES PTY LTD	7,500,000	3.00%
6	6466 INVESTMENTS PTY LTD	6,192,774	2.48%
7	W M + D J MITCHELL	5,000,000	2.00%
8	TWO TOPS PTY LTD	5,000,000	2.00%
9	TALEX INVESTMENTS PTY LTD	4,809,092	1.92%
10	THE TWENTIETH CENTURY MOTOR COMPANY PTY LTD	4,500,000	1.80%
11	N & J MITCHELL HOLDINGS PTY LTD	4,259,440	1.70%
12	IBT HOLDINGS PTY LTD	4,000,000	1.60%
13	MGL CORP PTY LTD	4,000,000	1.60%
14	MR ANTHONY MICHAEL MALYNIAK	3,700,000	1.48%
15	M J + M P BAHEN	3,253,032	1.30%
16	AEGEAN CAPITAL PTY LTD	3,150,000	1.26%
17	MDC FUNDS PTY LTD	3,000,000	1.20%
18	SANCOAST PTY LTD	3,000,000	1.20%
19	STATION NOMINEES PTY LTD	3,000,000	1.20%
20	TROCA ENTERPRISES PTY LTD	3,000,000	1.20%
Total of Top 20 Holders of ORDINARY SHARES		**112,851,621**	**45.14%**