



FRASER RANGE METALS GROUP LIMITED

A.C.N. 098 236 938

Interim Report December 2014

Fraser Range Metals Group Limited

A.C.N. 098 236 938

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Corporate Directory

DIRECTORS

Mr (Nicholas) Chen Chik Ong (Non-executive Director)
Mr Daniel Smith (Non-executive Director)
Mr Nicholas Bishop (Non-executive Director)

COMPANY SECRETARY

Mr Samuel Edis

REGISTERED OFFICE

Office J, Level 2, 1139 Hay Street
West Perth WA 6005
Telephone: (08) 9486 4036
Facsimile: (08) 9486 4799

AUDITORS

Bentleys Audit and Corporate (WA) Pty Ltd
Level 1
12 Kings Park Road
West Perth WA 6005
Telephone: (08) 9226 4500
Facsimile: (08) 9226 4300

STOCK EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: FRN

SOLICITORS

Kings Park Corporate
Suite 8, 8 Clive Street,
West Perth WA 6005
Telephone: (08) 9420 0000

SHARE REGISTRY

Security Transfer Registrars
770 Canning Highway
Applecross WA 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

Directors' Report

Your directors submit the financial report of Fraser Range Metals Group Limited (**FRN** or the **Company**) for the half-year ended 31 December 2014.

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

NAME OF PERSON	POSITION	DATE APPOINTED	DATE RESIGNED
Mr (Nicholas) Chen Chik Ong	Non-executive Director	1 July 2013	-
Mr Daniel Smith	Non-executive Director	5 February 2013	-
Mr Nicholas Bishop	Non-executive Director	2 August 2013	-

The name of the Company Secretary in office at any time during or since the end of the year is:-

NAME OF PERSON	POSITION	DATE APPOINTED	DATE RESIGNED
Mr Samuel Edis	Company Secretary	1 July 2013	-

RESULTS

The operating loss after income tax for the half year amounted to \$140,866 (2013: \$168,974).

REVIEW OF OPERATIONS

Sale of Remaining interest in Plumridge East Project

Towards the end of the reporting period, on 22 December 2014, the Company announced that it had executed definitive agreements with Segue Resources Limited (ASX:SEG) (**Segue**) in relation to the sale of the Company's remaining interest in the Plumridge East Projects (**Projects**) for \$200,000 in cash. The transaction settled on 5 January 2015.

FRN and Segue simultaneously agreed to terminate the joint venture over the Projects.

Subsequent to the sale of Projects and the reporting period, the Company has been actively reviewing alternative investment opportunities as they arise with a view to recapitalising the Company and will keep the market updated on its progress throughout this process.

CORPORATE

Settlement of Loan Facilities

During the reporting period, the Company announced that it had settled all outstanding convertible loans (**Loans**) by issuing Segue shares to the lenders at \$0.01 per share. FRN had been funded and supported by these loans over the last 18 months, which enabled the Company to secure the tenements which previously formed the Company's Joint Venture (**JV**) with Segue.

EVENTS SUBSEQUENT TO BALANCE DATE

Sale of Remaining interest in Plumridge East Project

After the end of the reporting period, on 5 January 2015, the Company received \$200,000 in cash in relation to the sale of the Company's remaining interest in the Plumridge East Projects (**Projects**).

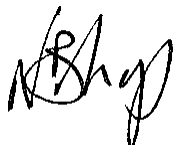
On 12 January 2015 the Company transferred responsibility for the maintenance of its share register to Security Transfer Registrars.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2014.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board of Directors.

A handwritten signature in black ink, appearing to read 'N Bishop', is positioned above the printed name of the signatory.

Nicholas Bishop
Non-executive Director

DATED this 26th day of February 2015

**Bentleys Audit & Corporate
(WA) Pty Ltd**

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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 review of the financial statements of Fraser Range Metals Group Limited for the half-year ended 31 December 2014, 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



DOUG BELL CA
Director

Dated at Perth this 26th day of February 2015

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2014

	31.12.2014	31.12.2013
	\$	\$
Revenue	309	594
Administration expense	-	(3,664)
Advertising and marketing	-	(2,123)
Audit fees	(5,054)	(4,200)
Accounting fees	(10,800)	(12,470)
Corporate compliance costs	(31,872)	(23,800)
Corporate expenses	(15,000)	(15,000)
Finance costs	(4,040)	-
Legal fees	(1,653)	(2,650)
Directors fees	(4,000)	-
Insurance expense	(6,023)	(8,539)
Pre-acquisition costs	-	(9,233)
Rent expense	-	(35,939)
Unrealised loss on financial assets	(27,500)	-
Loss on disposal of financial assets	(21,818)	-
Other expenses	(7,539)	(51,950)
Loss from ordinary activities before income tax expense	(134,990)	(168,974)
Income tax expense	-	-
Loss for the period	(134,990)	(168,974)
Other Comprehensive Income		
Items that may be reclassified to profit or loss		
Changes in the fair value of available-for-sale financial assets	-	-
Items that will be reclassified subsequently as profit or loss	-	-
Total comprehensive income attributable to members of the Company	(134,990)	(168,974)
Overall Operations		
Basic loss per share (cents per share)	(0.4268)	(0.0117)

The accompanying notes form part of these financial accounts

Condensed Consolidated Statement of Financial Position

as at 31 December 2014

	Note	31.12.2014 \$	30.06.2014 \$
CURRENT ASSETS			
Cash and cash equivalents		58,752	101,968
Trade and other receivables		4,724	11,205
Held for trading financial assets	6	27,500	620,086
TOTAL CURRENT ASSETS		90,976	733,259
TOTAL ASSETS		90,976	733,259
CURRENT LIABILITIES			
Trade and other payables		79,406	134,787
Borrowings	8	-	451,912
TOTAL CURRENT LIABILITIES		79,406	586,699
TOTAL LIABILITIES		79,406	586,699
NET ASSETS		11,570	146,560
EQUITY			
Issued capital		28,368,164	28,368,164
Accumulated losses		(28,356,594)	(28,221,604)
TOTAL EQUITY		11,570	146,560

The accompanying notes form part of these financial accounts

Condensed Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2014

	Issued Capital \$	Accumulated Losses \$	Total \$
Balance at 1.7.2013	28,746,689	(29,169,600)	(422,911)
Loss for the period	-	(168,974)	(168,974)
Other comprehensive income	-	-	-
Total comprehensive income	-	(168,974)	(168,974)
<i>Transactions with owners, in their capacity as owners, and other transfers:</i>			
Issue of share capital	-	-	-
Less: Capital raising costs	-	-	-
Balance at 31.12.2013	28,746,689	(29,338,574)	(591,885)
Balance at 1.7.2014	28,368,164	(28,221,604)	146,560
Loss for the period	-	(134,990)	(134,990)
Other comprehensive income	-	-	-
Total comprehensive income	-	(134,990)	(134,990)
<i>Transactions with owners, in their capacity as owners, and other transfers:</i>			
Issue of share capital	-	-	-
Less: Capital raising costs	-	-	-
Balance at 31.12.2014	28,368,164	(28,356,594)	11,570

The accompanying notes form part of these financial accounts

Condensed Consolidated Statement of Cash Flows

for the half-year ended 31 December 2014

	31.12.2014	31.12.2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(123,608)	(158,796)
Interest received	309	594
Net cash used in operating activities	(123,299)	(158,202)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for physical non-current assets	-	(583)
Payments for exploration and evaluation expenditure	-	(6,312)
Proceeds from disposal of equity investments	87,316	-
Net cash used in financing activities	87,316	(6,895)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings	-	154,884
Proceeds from share issue	-	-
Cost of share issue (prior year)	(7,233)	-
Net cash provided by financing activities	(7,233)	154,884
Net decrease in cash held	(43,216)	(10,213)
Cash at beginning of period	101,968	30,786
Cash at end of period	58,752	20,573

The accompanying notes form part of these financial accounts

Notes to the Condensed Financial Statements

for the half-year ended 31 December 2014

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. AASB 134 ensures compliance with International Financial Reporting Standards IAS 134 "Interim Financial Reporting".

This interim financial report is intended to provide users with an update on the latest annual financial statements of Fraser Range Metals Group (the "Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2014, together with any public announcements made during the half-year.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2014.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

The above standards have extensive disclosure requirements, however these do not effect this half year financial report other than as disclosed in note 9 Financial Instruments.

The adoption of the above standards have not had a material impact on this half year financial report.

Going concern

The half year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred a loss for the period of \$134,990 (2013: \$168,974) and net cash outflows of \$123,299 (2013: \$158,202). As at 31 December 2014 the Consolidated Entity had a working capital surplus of \$11,570 (30 June 2014: \$146,560).

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors have prepared a cash flow forecast, which indicates that the Consolidated Entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Notes to the Financial Statements

for the half-year ended 31 December 2014

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Going Concern (continued)

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date and the support of its financiers and major shareholders, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Entity be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Consolidated Entity be unable to continue as a going concern and meet its debts as and when they fall due.

NOTE 2. ISSUED CAPITAL

	31.12.2014	30.06.2014
	\$	\$
31,625,441 (2014: 31,625,441) Fully paid ordinary shares with no par value	28,368,164	28,368,164
(a) Ordinary shares:	No.	No.
At the beginning of the reporting period	31,625,441	31,625,441
At reporting date	31,625,441	31,625,441

NOTE 3. RELATED PARTIES

	31.12.2014	31.12.2013
	\$	\$
During the period the following related party transaction took place with director related entities:		
Minerva Corporate Pty Ltd	30,210	25,051
	30,210	25,051

NOTE 4. EVENTS SUBSEQUENT TO REPORTING DATE

Sale of Remaining interest in Plumridge East Project

After the end of the reporting period, on 5 January 2015, the Company received \$200,000 in cash in relation to the sale of the Company's remaining interest in the Plumridge East Projects (**Projects**).

On 12 January 2015 the Company transferred responsibility for the maintenance of its share register to Security Transfer Registrars.

NOTE 5. SEGMENT REPORTING

The Group 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.

Notes to the Financial Statements

for the half-year ended 31 December 2014

NOTE 6. HELD FOR TRADING FINANCIAL ASSETS

	31.12.2014	30.06.2014
	\$	\$
Listed securities		
Fair value at 1 July	620,086	-
Investments at cost (125m Segue Resources Ltd shares)	-	1,125,000
In-Specie distribution	-	(503,931)
Debt Settlement	(455,952)	-
Disposal of listed securities	(87,316)	-
Loss on financial assets	(21,818)	(983)
Unrealised loss on financial assets	(27,500)	-
	<u>27,500</u>	<u>620,086</u>

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.

NOTE 7. CONTINGENT ASSETS AND LIABILITIES

To the best of the knowledge of the current directors there are no contingent liabilities or assets for the period ending 31 December 2014.

NOTE 8. BORROWINGS

	31.12.2014	30.06.2014
	\$	\$
Unsecured loans	-	451,912
	<u>-</u>	<u>451,912</u>

The above loans were settled in full during the period via the issue of shares in listed investments (refer note 6).

NOTE 9. FINANCIAL INSTRUMENTS

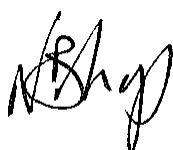
The Company's Financial Instruments consist of trade and other receivables, trade and other payables and borrowings. These financial instruments are measured at amortised cost, less any provision for non-recovery. The carrying amount of the financial assets and liabilities approximate their fair value. Held for trading financial assets are measured at fair value through profit or loss.

Directors' Declaration

The Directors of the Company are declare that:

1. The financial statements and notes, as set out on pages 5 to 11, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2014 and of the performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Nicholas Bishop
Non-executive Director

DATED this 26th day of February 2015

Independent Auditor's Review Report

To the Members of Fraser Range Metals Group Limited

We have reviewed the accompanying half-year financial report of Fraser Range Metals Group Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2014, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Review Report

To the Members of Fraser Range Metals Group Limited (Continued)



Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fraser Range Metals Group Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 1 in the half-year financial report which indicates that the Consolidated Entity incurred a net loss of \$134,990 during the period ended 31 December 2014. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

BENTLEYS
Chartered Accountants

DOUG BELL CA
Director

Dated at Perth this 26th day of February 2015