

6th August 2014

ASX Release

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

Market Update

The Directors of Fraser Range Metals Group Limited (ASX:FRN) (**Fraser Range** or the **Company**) advise that the Company has settled all outstanding convertible loans (**Loans**) by issuing shares in Segue Resources Limited (**Segue**) to the lenders at \$0.01 per share. Fraser Range had been funded and supported by these loans over the last 18 months, which enabled the Company to secure the tenements which now form the Company's Joint Venture (**JV**) with Segue.

Following the retirement of the Loans the Company is now debt free, has 16,413,342 Segue shares remaining, and will retain a 20% interest in the highly prospective Fraser Range tenements E39/1731 & E28/2317 through the JV with Segue. Segue is expected to shortly commence drilling at E28/1731, where MLEM targets have been identified¹.

The Company has allocated part of its working capital budget to the identification and evaluation of new opportunities in Australia and overseas. No decision to invest in any of the projects currently being reviewed has been made at this stage.

Yours faithfully,

Samuel Edis
Company Secretary

¹ Refer to SEG announcement 3 July, 2014