

## Supplementary Notice of General Meeting

### Fraser Range Metals Group Limited ABN 65 098 236 938

Notice was given on 24 April 2014 that a general meeting of Fraser Range Metals Group Limited will be held in the Amberley Business Centre, IBM Building, 1060 Hay St, West Perth 6005 Western Australia on 26 May 2014 at 10:00 am (Western Standard Time) (*Original Notice*).

This supplementary Notice of General Meeting and Explanatory Memorandum (together the *Supplementary Notice*) is supplementary to the Original Notice and should be read in conjunction with the Original Notice.

Other than as set out below, all details in relation to the Original Notice remain unchanged. To the extent of any inconsistency between this Supplementary Notice and the Original Notice, this Supplementary Notice will prevail. Unless otherwise indicated, terms defined and used in the Original Notice have the same meaning in this Supplementary Notice.

The Company clarifies that each Eligible Shareholder will receive two Segue Shares for every one Share held on the Record Date, as set out in section 4 of the Original Notice, and not one Segue Share for every two Shares as set out in section 3.3(b) of the Original Notice.

This Supplementary Notice deletes section 3.4 of the Original Notice in its entirety and replaces it with the following:

#### 3.4 The effect of the Distribution on Segue

As at the date of this Explanatory Memorandum, Segue has 1,598,412,797 shares on issue, including 125 million Segue Shares issued to the Company under the JV and Option Agreement, with the Company having a voting power of 7.82% in Segue. Following the Distribution, the Company's voting power will reduce to 4.19%.

The Distribution will result in the following increases in the voting power by Segue's existing substantial shareholders who are also Shareholders:

Holding <sup>1</sup>	6466 Investments Pty Ltd		N&J Mitchell Holdings Pty Ltd	
	Number	%	Number	%
<b>Current</b>				
Fraser Range <sup>2</sup>	5,611,025	19.37	5,438,585	18.77
Segue	262,930,944	16.45	298,500,000	18.67
<b>Following Distribution</b>				
Fraser Range	No change		No change	

Segue	274,152,994	17.15	309,377,170	19.36
-------	-------------	-------	-------------	-------

<sup>1</sup> Includes shares held by associates.

<sup>2</sup> 6466 Investments Pty Ltd and N&J Mitchell Holdings Pty Ltd have separately underwritten the Rights Issue, with a maximum of 3,984,035 shortfall Shares (of the total shortfall of 7,968,069 Shares) to be issued to each of them prior to the Record Date. This assumes each will subscribe for the maximum shortfall Shares allocated to them under the Rights Issue and otherwise have not acquired any Shares since the replacement prospectus for the Rights Issue was lodged with ASIC on 27 March 2014.



## Notice of General Meeting

A General Meeting of Fraser Range Metals Group Limited (ACN: 098 236 938) will be held in the Amberley Business Centre, IBM Building, 1060 Hay St, West Perth 6005 Western Australia on 26 May 2014 at 10:00 am (WST).

This notice of general meeting should be read in its entirety. If Shareholders are in any doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

Please contact the Company Secretary on +61 8 9486 4036 if you wish to discuss any matter concerning the Meeting.

**Fraser Range Metals Group Limited**  
**ABN 65 098 236 938**

## Notice of General Meeting

Notice is hereby given that a general meeting of the Shareholders of Fraser Range Metals Group Limited will be held in the Amberley Business Centre, IBM Building, 1060 Hay St, West Perth 6005 Western Australia on 26 May 2014 at 10:00 am (Western Standard Time) (Meeting).

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

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than 10:00am on 24 May 2014.

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in section 5 of the Explanatory Memorandum.

## Agenda

---

### 1 RESOLUTION 1 - IN SPECIE DISTRIBUTION

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

*"That, for the purposes of sections 256B and 256C of the Corporations Act and for all other purposes, Shareholders approve an equal reduction in Fraser Range Metals Group Limited share capital by way of a pro rata 'in specie' distribution by Fraser Range Metals Group Limited of approximately 57,948,568 fully paid ordinary shares in the capital of Segue Resources Limited held by the Company to Eligible Shareholders and on the terms and conditions set out in the Explanatory Memorandum."*

By order of the Board of Directors



Daniel Smith  
Fraser Range Metals Group Limited  
24 April 2014

**Fraser Range Metals Group Limited**  
**ABN 65 098 236 938**

## **Explanatory Memorandum**

---

### **1 INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Amberley Business Centre, IBM Building, 1060 Hay St, West Perth 6005 Western Australia on 26 May 2014 at 10:00 am. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding how to vote on the Resolution set out in the Notice.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice, and includes the Proxy Form located at the end of Explanatory Memorandum.

Please contact the Company Secretary on +61 8 9486 4036 if you wish to discuss any matter concerning the Meeting.

---

### **2 ACTION TO BE TAKEN BY SHAREHOLDERS**

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

#### **2.1 Proxies**

All Shareholders are invited and encouraged to attend the Meeting. If a Shareholder is unable to attend in person, they can appoint a proxy to attend on their behalf by signing and returning the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form. The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on the Resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 10:00am on 24 May 2014. Any Proxy Form received after that time will not be valid for the Meeting.

A Proxy Form may be lodged in the following ways:

By Mail	PO Box 7653, Cloisters Square WA 6850, Australia
By Facsimile	+61 8 9486 4799
By Hand	Office J, Level 2, 1139 Hay Street West Perth, WA 6005

Shareholders lodging a Proxy Form are not precluded from attending and voting in person at the Meeting.

## 2.2 Corporate representatives

Shareholders who are body corporates may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry <http://www.computershare.com.au>.

## 2.3 Eligibility to vote

The Directors have determined that, for the purposes of voting at the Meeting, Shareholders are those persons who are the registered holders of Shares at 10:00am (WST) on 24 May 2014.

---

# 3 BACKGROUND ON THE DISTRIBUTION

## 3.1 Introduction and rationale for the Distribution

On 26 March 2014 the Company announced that it had executed definitive agreements with Segue Resources Limited (ASX:SEG) (**Segue**) in relation to a joint venture over the Company's Plumridge East Projects (**JV**). The Plumridge East Project area straddles the highly prospective central domain of the layered Fraser Complex (equivalent to the Fraser Range Zone) providing the Company with an arguably unique nickel sulphide exploration opportunity within the Northern Fraser Complex.

Pursuant to the JV agreement, Segue has paid \$100,000 (\$25,000 on 12 March 2014 and \$75,000 on 31 March 2014) and will issue the Company 100,000,000 Segue Shares (at a deemed issue price of \$0.009 per share) following Segue's shareholder meeting which was held on 17 April 2014.

Segue has the ability to earn up to 80% of the Plumridge East Projects, located in the Fraser Range Province, by spending \$500,000 on exploration. The Company has also granted options over its interests in ten ongoing license applications in the Fraser Range area for an additional 25,000,000 Segue Shares. Segue can exercise the options to acquire 100% of any additional licenses awarded to Fraser Range through the re-imbusement of application costs.

After repayment of debt of approximately \$500,000, the transaction values the Company at about \$0.025 per Share, which is a premium to the issue price under the rights issue recently undertaken by the Company.

Under the JV, the Company has agreed to seek shareholder approval to conduct an in-specie distribution of at least 55,000,000 of the total Segue consideration shares amongst Fraser Range Shareholders (**Distribution**).

The purpose of the Meeting is to approve the Distribution.

If completed, the transaction will leave the Company with a minority interest in its existing tenements and approximately 68 million Segue Shares, and allow the Company to restructure existing loans and pursue alternative investments.

### **3.2 Segue Resources Limited**

Segue Resources Ltd (ASX code: SEG) is a Western Australian focused minerals exploration company exploring for nickel and gold at the Plumridge Project in the Fraser Range Province and nickel-copper at the Pardoo Project. Segue controls over 2,800km<sup>2</sup> of exploration tenements at the Plumridge Project located in the Fraser Range Province. The Plumridge Project is highly prospective for massive nickel sulphide mineralisation, similar to the recently discovered Nova nickel-copper deposit. Segue has commenced a detailed and systematic exploration programme aimed at defining drill-ready nickel targets by mid-2014.

Segue has a 100% interest in 340km<sup>2</sup> of exploration tenements (granted and pending) at the Pardoo Project in the Pilbara region of Western Australia. The Pardoo Project is prospective for both nickel sulphide and buried magnetite.

Mr Nicholas Ong, a Director of the Company, is also a director of Segue.

The terms and conditions of fully paid ordinary shares in the capital of Segue are summarised in annexure 1 of this Explanatory Memorandum.

Further information on Segue can be obtained from [asx.com.au](http://asx.com.au) or [www.segueresources.com](http://www.segueresources.com).

### **3.3 The effect of the Distribution on Fraser Range**

#### **(a) Pro forma balance sheet**

Attached as Annexure 2 to this Explanatory Memorandum is the consolidated financial position of Fraser Range and the consolidated pro forma statement of financial position (both reviewed), as at 31 December 2013, and on the basis of the following assumptions:

- (i) The non-renounceable pro rata offer to eligible Shareholders of 1 new Share for every one 1 existing Share held on the rights issue record date at an issue price of \$0.01 per new Share to raise approximately \$144,871 is completed in full.
- (ii) Completion of the JV has occurred, with the Company being paid \$100,000 and issued 125m Segue Shares.
- (iii) The Distribution was effected on 31 December 2013.

The significant accounting policies upon which the Statement of Financial Position and the Pro-Forma Statement of Financial Position are based are contained in the reviewed half yearly financial report for period ended 31 December 2013.

(b) Impact on Fraser Range's Shareholders

Assuming no further Shares are issued prior to the Record Date other than under the Rights Issue (which was fully underwritten and will result in the issue of 14,487,142 new Shares), Eligible Shareholder will each receive one Segue Share for every two Shares held on the Record Date, with a deemed reduction in value of approximately \$0.018 for each Fraser Range Share on issue (**Reduction Amount**). The precise Reduction Amount will depend upon the number of Shares on issue on the Record Date, and the Board will announce the amount of the proposed Reduction Amount by ASX announcement as soon as possible after the Record Date.

Shareholders are not required to pay any consideration for the Distribution Shares received. See section 3.11 for details on the treatment of foreign Shareholders who may not be eligible to be distributed Distribution Shares under the Distribution.

There will be no change to Shareholders' holding in Fraser Range as a result of the Distribution.

See section 3.9 for details of the tax implications for Shareholders as a result of the Distribution.

### 3.4 The effect of the Distribution on Segue

As at the date of this Explanatory Memorandum, Segue has 1,048,412,797 shares on issue, including the 125 million Segue Shares to be issued to the Company under the JV and Option Agreement, with the Company having a voting power of 11.92% in Segue. Following the Distribution, the Company's voting power will reduce to 6.40%.

The Distribution will result in the following increases in the voting power by Segue's existing substantial shareholders who are also Shareholders:

Holding <sup>1</sup>	6466 Investments Pty Ltd		N&J Mitchell Holdings Pty Ltd	
	Number	%	Number	%
Current				
Fraser Range <sup>2</sup>	5,617,490	19.39	5,438,585	18.77
Segue	270,750,944	25.82	311,330,833	29.70
Following Distribution				

Fraser Range <sup>3</sup>		No change		No change
Segue	281,628,114	26.86	322,565,813	30.77

<sup>1</sup> Includes shares held by associates.

<sup>2</sup> 6466 Investments Pty Ltd and N&J Mitchell Holdings Pty Ltd have separately underwritten the Rights Issue, with a maximum of 3,984,035 shortfall Shares (of the total shortfall of 7,968,069 Shares) to be issued to each of them prior to the Record Date. This assumes each will subscribe for the maximum shortfall Shares allocated to them under the Rights Issue and otherwise have not acquired any Shares since the replacement prospectus for the Rights Issue was lodged with ASIC on 27 March 2014.

<sup>3</sup> The Distribution will become effective on 17 June 2014, and 6466 Investments Pty Ltd and N&J Mitchell Holdings Pty Ltd will rely upon the "3% creep" exception to acquire their Segue Shares under the Distribution.

### 3.5 Advantages and disadvantages of the Distribution

Fraser Range considers that the Distribution has the following advantages for its Shareholders:

- (a) Shareholders will continue to retain a direct interest in the Plumridge East Project through their individual pro-rata shareholding in Segue and also indirectly through the shareholding in Segue retained by the Company. The Board considers the Plumridge East Project to have significant potential.
- (b) Shareholders will continue to retain their shareholding in the Company in the same proportion in which it is held prior to the Distribution.
- (c) The Distribution provides Shareholders with a liquid investment in a well-established resource company with further exposure to Segue's other Fraser Range tenements and the Pardoo Project.
- (d) Following the Distribution, Shareholders will be able to participate in any future Segue priority offers to its shareholders.

Fraser Range considers that the Distribution has the following disadvantages for its Shareholders:

- (a) There is no guarantee that Segue Shares will retain their value or increase in value.
- (b) There are costs associated with the Distribution, including the preparation of this Notice, which will be incurred by Fraser Range. There is also a small but identifiable tax risk as set out below.

Fraser Range cannot and does not make any prediction as to what the value or price of Segue Shares will be at the time of the Distribution of Segue Shares to Fraser Range Shareholders or subsequently.

### 3.6 Risks relating to Fraser Range

The Distribution creates certain risks with respect to both Fraser Range and Segue. Following are certain risks with respect to Fraser Range following the Distribution:

(a) **Suspension from trading on ASX**

The Company's Shares are currently suspended from trading on the ASX and cannot be traded on market. The suspension will only be lifted if the Company complies with conditions imposed by ASX, including potentially re-compliance with Chapters 1 and 2, including through raising sufficient funds to fund its business objectives and activities, and for working capital). There is a risk that there may be significant delays in this occurring, if at all.

(b) **Ability to continue as a going concern and dilution**

The ability of the Company to continue as a going concern is dependent on the Company being able to raise additional funds as required to meet ongoing exploration commitments and for working capital. Should the Company be unsuccessful in undertaking additional raisings or being reinstated, there is a risk that the Company may not be able to continue as a going concern.

Furthermore, raising additional capital may be dilutive to existing Shareholders.

As at the date of this Notice, the Directors believe that the Company has sufficient funds so that it can continue to review potential transactions which may allow the Company to re-comply with Chapters 1 and 2 of the Listing Rules.

(c) **Joint Venture**

If the JV transaction completes, the Company will be exposed to the risks as a minority participant under the joint venture.

(d) **Lack of Executive Management**

The Company's management currently consists of three non-executive directors. The Board is aware of the need to have sufficient management to properly supervise the exploration and (if successful) the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company.

However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its preferred exploration programmes in its preferred timetable. The responsibility of overseeing the day-to-day operations and the strategic management of the Company

depends substantially on the Board. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these Directors cease their employment.

### **3.7 Risks relating to Segue**

Following are certain risks with respect to Segue and holding its shares following the Distribution:

#### **(a) License Renewal**

Segue has various projects within Western Australia which require minimum expenditure commitments to be met to maintain all licenses in good standing. There is a risk that Segue may not satisfy its requirements for license renewal.

#### **(b) Exploration Success**

Segue's tenements are at various stages of exploration, and investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the tenements, or any other licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Segue has not yet published resource estimates for any prospects in the Fraser Range. There is no assurance that exploration or project studies by Segue will result in the definition of an economically viable mineral deposit or that the exploration tonnage estimates and conceptual project developments are able to be achieved.

#### **(c) Development and Operating Risks**

Development of any mineral deposit will require obtaining the necessary licences or clearances from the necessary authorities which may require conditions to be satisfied and/or the exercise of discretion by such authorities. It may or may not be possible for such conditions to be satisfied.

The operations of Segue may be affected by various factors, including without limitation, failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortage or increases in the costs of consumables, spare parts, plant and equipment.

(d) **Commodity Price Volatility and Exchange Rate Risks**

Should Segue commence production most of Segue's revenues would potentially be derived from the sale of minerals. Consequently, Segue's expected earnings will be closely related to the price of minerals sold by Segue. Mineral prices fluctuate and are affected by numerous factors beyond the control of Segue. These factors include world demand, forward selling producers, and production costs levels in major mineral-producing regions.

Moreover, mineral prices are also affected by macro-economic factors such as expectations regarding inflation, interest rates and global and regional demand for and supply of specific minerals as well as general global economic conditions. These factors may have an adverse effect on Segue's exploration, development and production activity as well as on its ability to fund these activities.

(e) **Environmental Risks**

The operations and proposed activities of Segue are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and production projects and mining operations, Segue's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is Segue's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in Segue's activities which could subject Segue to extensive liability.

(f) **Competition**

Segue will be competing with other companies in the resource sector many of which may well have access to greater resources than Segue and may be in a better position to compete for future business opportunities. There can be no assurance that Segue can compete effectively with these companies.

(g) **Insurance**

Insurance against all risks associated with mineral exploration production is not always available or affordable. Segue will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(h) **Reliance on Key Personnel**

The loss of any one or more of the directors could have adverse impact on the performance and prospects of Segue.

(i) **Future Capital Needs and Funding**

Further funding may be required by Segue to support its future activities and operations. Segue's ability to raise further capital (equity or debt) within an acceptable time, of sufficient quantum and on terms acceptable to Segue will vary according to a number of factors, including:

- (i) prospectively of new projects;
- (ii) the results of exploration and subsequent feasibility studies;
- (iii) sharemarket and industry conditions; and
- (iv) the price of the relevant commodities.

There can be no assurance that such funding will be available on satisfactory terms or at all.

Any inability to obtain finance will adversely affect the business and financial condition of Segue and, consequently, its performance. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities.

Shareholders should note that certain risks referred to above may be mitigated through the use of safeguards and appropriate controls, whereas others are outside the control of Fraser Range and Segue and may not be mitigated. Shareholders should have regard to their own investment objectives and financial circumstances before deciding on how to vote on the Distribution, and if appropriate seek their own independent advice.

### 3.8 Timetable

The proposed Distribution is expected to occur in accordance with the following timetable approved by the ASX.

Event	Date
Notice of Meeting and Prospectus dispatched to Shareholders	24 April 2014
Meeting of Shareholders to approve the Distribution	26 May 2014
Last day for trading of Shares on a "cum" return of capital basis (Shares acquired after this date will not be entitled to participate in the Distribution)	28 May 2014
Start of trading of Shares on an "ex" return of capital basis	29 May 2014

Record Date to determine entitlement under the Distribution	2 June 2014
In specie distribution to Shareholders of Segue Shares	17 June 2014
Expected commencement of trading of Distribution Shares on ASX	17 June 2014

The above dates are indicative and may change, subject to the Corporations Act and ASX Listing Rules.

### 3.9 Tax Consequences of Capital Reduction for the Company and its Shareholders

The Distribution has potential taxation issues for the Company and its Shareholders, as explained below.

The following summary only applies to Australian resident Shareholders who hold their Shares on capital account for tax purposes, and not on revenue account.

The application of tax legislation can vary according to the individual circumstances of each Shareholder. This summary is not intended, and should not be relied upon, as specific taxation advice to any particular Shareholder. The comments in this summary are of a general nature only, may not apply to your specific circumstances and cannot be relied upon for accuracy or completeness. Each Shareholder should seek and rely on their own professional taxation advice, specific to their particular circumstances, in relation to the taxation consequences of the proposed transaction. Neither the Company, nor any of its officers or advisers, accepts liability or responsibility with respect to such consequences or the reliance by any Shareholder on any part of the following summary.

The return of capital arising from the distribution process results in a capital gains tax (CGT) event under the Income Tax Assessment Act 1997 (the 1997 Tax Act).

Shareholders should be eligible for rollover relief in respect of the return of capital component under the distribution rules in the 1997 Tax Act (distribution rollover relief). Broadly, distribution rollover relief will allow Shareholders to elect to disregard any capital gain arising from the return of capital.

More specifically the following tax implications arise for Shareholders who, being eligible for distribution rollover relief, choose to apply it:

- (a) Any capital gain arising from the return of capital will be disregarded.
- (b) The original cost base of Shares held before the Distribution will be apportioned between Fraser Range Shares and Segue Shares held after the Distribution according to their relative market values. Fraser Range intends to advise Shareholders of the relative market values after the Distribution is complete.
- (c) The Segue Shares received under the Distribution will be taken to have been acquired when the Shareholder's Fraser Range Shares were acquired.

The following tax implications arise for Shareholders who, being eligible for distribution rollover relief, choose not to apply it:

- (a) Fraser Range Shareholders will realise a capital gain to the extent that the return of capital exceeds the cost base of their Fraser Range Shares. In these circumstances, the cost base of each Fraser Range Share is reduced to nil and the balance of the return of capital will be a capital gain for Fraser Range Shareholders.
- (b) Where the return of capital does not exceed the cost base of the Fraser Range Shares, the cost base of the Fraser Range Shares is reduced by the amount of the return of capital. Fraser Range Shareholders cannot realise a loss as a result of the return of capital.
- (c) The original cost base of Fraser Range Shares held before the Distribution will be apportioned between Fraser Range and Segue Shares held after the Distribution according to their relative market values. Fraser Range intends to advise Shareholders of the apportionment percentage after the Distribution is complete.
- (d) For CGT discount purposes (see below), the Segue Shares received will be taken to have been acquired when the Shareholder's Fraser Range Shares were acquired. For general CGT purposes, the Segue Shares received will be considered acquired on the date they are received by Shareholders.

The return of capital does not result in a disposal of the Fraser Range Shares. On a future disposal of the Fraser Range Shares and Segue Shares, certain Shareholders (such as individuals and complying superannuation funds) may be entitled to a CGT discount if they have held their Shares for at least 12 months. For these purposes, Shareholders can treat their Segue Shares as having been acquired on the date that they acquired the corresponding original Fraser Range Shares.

Rollover relief will only be available to non-resident Shareholders as a result of the Distribution in limited circumstances. In this regard, non-resident Shareholders should seek advice from their professional tax advisers and also confirm the tax implications in their country of residence.

Any capital gain Fraser Range would otherwise make on the disposal of shares in Segue arising from the Distribution may be disregarded if distribution rollover relief applies. If not, then Fraser Range would be required to include in its assessable income such a gain.

Accompanying this Notice of Meeting is a request to Shareholders to complete the enclosed Tax File Number Request in order to allow Fraser Range to transfer to you 100% of the Distribution Shares to which you are entitled. Failure to return the Tax File Number to Fraser Range could mean that Fraser Range may need to retain part of the Distribution for taxation purposes.

### 3.10 Directors' Interests and Remuneration

Set out below is a table which indicates the securities in which the Directors each have an interest in prior to the proposed capital reduction and the number of Segue Shares they are likely to have an interest in if the Resolutions are passed and implemented.

	Nicholas Ong	Daniel Smith	Nicholas Bishop
Fraser Range Shares	Nil	Nil	Nil
Segue Shares Director will receive under the Distribution	Nil	Nil	Nil

Mr Ong is a director of Segue and currently has a relevant interest in 10,250,000 fully paid ordinary shares in the capital of Segue. During the previous 2 years Mr Ong was paid the following benefits as a director of Segue:

- (a) \$36,000 in the year ended 30 June 2013; and
- (b) \$36,875 and \$60,000 worth of equity shares (1,500,000 equity shares) in the year ended 30 June 2012.

Remuneration paid to Directors of Fraser Range in the two years prior to the date of this Notice <sup>1</sup>		
	2013	2012
Nicholas Ong	21,536	48,000
Daniel Smith	16,536	-
Nicholas Bishop	-	-

#### Notes:

- 1 This does not include any reimbursements that the Directors may receive for work related expenses.

The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company. The Deeds were entered into as part consideration for the Directors agreeing to hold office as directors of the Company.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the non-executive directors and in default of agreement then in equal shares.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

### **3.11 Foreign Shareholders**

The Distribution will be made to those Shareholders on the Record Date with a registered address in Australia, or a person who, in the Directors' opinion, the transfer of Distribution Shares can be made without imposing undue burden and cost on Fraser Range (**Eligible Shareholders**). Other Shareholders on the Record Date are **Ineligible Shareholders**.

The Company will take reasonable steps to sell the Distribution Shares to which Ineligible Shareholders are entitled under the Distribution as soon as practicable after the effective date for the Distribution and for the highest price, having regard to the circumstances at the time. In accordance with clause 9.2(b) of the Company's constitution, each Ineligible Shareholder has appointed the Company as its agent to execute a transfer or other document required to effect the sale of Ineligible Shareholders' Distribution Shares.

The proceeds of sale (in Australian dollars) will be distributed to Ineligible Shareholders in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale and the distribution of the proceeds).

### **3.12 Lodgement with ASIC**

Fraser Range has lodged with ASIC a copy of this Notice of Meeting and the Explanatory Memorandum in accordance with section 256C of the Corporations Act.

### **3.13 Other Material Information**

There is no information material to a decision by a Shareholder whether or not to approve the Distribution (being information that is known to any of the Directors and which has not previously been disclosed to Shareholders) other than as disclosed in this Explanatory Memorandum and the Prospectus which accompanies the Notice of Meeting.

Shareholders should seek professional advice in relation to any questions they may have arising out of this Explanatory Memorandum or the Distribution generally.

### **3.14 Responsibility**

Segue is responsible for the information in sections 3.2 and 3.6 and Annexure 1 of this Explanatory Memorandum.

### 3.15 Directors' Recommendation

After considering all the relevant factors (including the advantages and disadvantages, and risks, as set out above), the Directors recommend that the Shareholders vote in favour of Resolution 1 for the following reasons:

- (a) after a full and proper assessment of all available information, the Directors believe that the Distribution is in the best interests of Fraser Range Shareholders, and
- (b) in the opinion of the Directors, the benefits of the Distribution outweigh its disadvantages.

---

## 4 RESOLUTION 1 - DISTRIBUTION

The Distribution will be effected by way of an equal reduction in capital through a pro-rata in specie distribution of at least 55 million Segue Shares held by the Company to Eligible Shareholders, on the basis of two Segue Shares for each Share held on the Record Date (assuming no further Shares are issued prior to the Record Date other than under the Rights Issue).

### 4.1 Corporations Act

Pursuant to section 256C of the Corporations Act, an equal reduction must be approved by an ordinary resolution passed at a general meeting of a company. As provided in section 256B of the Corporations Act, the Company may only reduce its share capital if the reduction:

- (a) is fair and reasonable to shareholders as a whole; and
- (b) does not materially prejudice the Company's ability to pay its creditors; and
- (c) is approved by Shareholders under section 256C of the Corporations Act.

In addition the Company must give Shareholders all information known to the Company that is material to the decision on how to vote on the Resolution.

The Distribution is an equal reduction because it is applicable to each Shareholder in proportion to the number of Shares held and the terms of the reduction are the same for each holder of ordinary Shares. An ordinary resolution is therefore necessary to approve the proposed equal reduction of capital, under section 256C of the Corporations Act.

In accordance with ASIC *Regulatory Guide 188 (Disclosure in Reconstructions)*, the invitation to vote on the Distribution is an offer for the transfer of securities that requires disclosure under the Corporations Act.

Accompanying this Notice of Meeting is the Prospectus, which has, amongst other things, been prepared by the Company for the purposes of giving disclosure on the Distribution. The Prospectus will allow:

- (a) the Company to invite Shareholders to vote on the Distribution; and

- (b) Eligible Shareholders to offer for on-sale Distribution Shares within 12 months of receiving them under the Distribution.

In dispatching this Notice of Meeting, the Company relies upon ASIC [CO 07/10] for certain technical relief.

#### **4.2 The Company's Constitution**

Clause 9.2 of the Company's Constitution permits the Company to conduct a distribution in specie of shares in another company, with the Company's Shareholders being deemed to have agreed to be bound by the constitution of a company in which shares are distributed to the Company's Shareholders as part of a capital reduction.

This means that by approving Resolution 1, all Eligible Shareholders will be deemed to have agreed to be bound by Segue's constitution of Segue by virtue of the resolution having been passed. A summary of the rights and obligations attaching to Segue Shares is set out Annexure 1.

#### **4.3 ASX listing rules**

On 25 March 2014 ASX confirmed that the Company was not required to seek shareholder approval under Listing Rule 11.2 or Listing Rule 10.1 as a result of the JV transaction.

The Distribution satisfies the requirements of Listing Rule 7.17 because the issue of Segue Shares is being made on a pro rata basis and there is no restriction on the number of Shares a Shareholder must hold before the entitlement to the Segue Shares accrues.

#### **4.4 Directors' recommendation**

The Board considers that the proposed Distribution is fair and reasonable to the Company Shareholders as a whole because they are all treated in the same manner given that the distribution of Segue Shares is on a pro rata basis. The Directors consider that the proposed Distribution does not materially prejudice Fraser Range's ability to pay its creditors and it will not result in Fraser Range being insolvent at the time of or after the Distribution. The disadvantages and advantages of the Distribution are assessed above in more detail.

---

5     **DEFINITIONS**

In this Notice and Explanatory Memorandum:

<b>ASX</b>	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
<b>Board</b>	means the board of Directors.
<b>Constitution</b>	means the constitution of the Company as amended.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) as amended.
<b>Director</b>	means a director of the Company.
<b>Distribution</b>	has the meaning given in section 3.1.
<b>Distribution Shares</b>	means the Segue Shares to be distributed to Shareholders.
<b>Eligible Shareholders</b>	has the meaning given in section 3.11.
<b>Explanatory Memorandum</b>	means the explanatory memorandum attached to this Notice.
<b>Fraser Range or Company</b>	means Fraser Range Metals Group Limited (ACN: 098 236 938).
<b>Ineligible Shareholders</b>	has the meaning given in section 3.11.
<b>Joint Venture Agreement</b>	means the asset sale agreement between Segue and the Company dated 25 March 2014 and summarised in section 3.1 .
<b>Listing Rule</b>	means the listing rules of the ASX.
<b>Meeting or General Meeting</b>	means the meeting convened by this Notice (as adjourned from time to time).
<b>Notice</b>	means this notice of meeting.
<b>Official List</b>	means the official list of ASX.
<b>Option Agreement</b>	means the option agreement over ten license applications between Segue and the Company dated 25 March 2014 and summarised in section 3.1 .
<b>Prospectus</b>	means a prospectus dated the date of this Notice and

lodged by the Company with ASIC, and which accompanies this Notice of Meeting.

<b>Proxy Form</b>	means the proxy form attached to this Notice.
<b>Rights Issue</b>	means the pro rata issue announced to ASX on 17 February 2014.
<b>Record Date</b>	means 2 June 2014.
<b>Reduction Amount</b>	has the meaning given in section 3.3.
<b>Resolution</b>	means the resolution set out in the Notice.
<b>Segue</b>	means Segue Resources Limited (ACN: 112 609 846).
<b>Segue Director</b>	means a director of Segue.
<b>Segue Share</b>	means a fully paid ordinary share issued by Segue.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of a Share.
<b>WST</b>	means Australian Western Standard Time.

---

## **1 ANNEXURE 1 TERMS AND CONDITIONS OF SEGUE SHARES**

The share capital of Segue consists of ordinary shares. A summary of the more significant rights attaching to the Segue Shares is set out below. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Segue shareholders.

Full details of the rights attaching to all Segue Shares are set out in Segue's constitution, a copy of which is available on request.

### **1.1 Share holder liability**

The acceptance of shares in Segue does not contractually bind the shareholder to make any contribution towards the debts and liabilities of Segue or to pay calls in respect of shares.

### **1.2 Calls on Shares**

The directors may make a call on a shareholder for some or all of the money unpaid on a partly paid share held by the shareholder. A call may be made payable by instalments and a call may be revoked, postponed or extended by directors. If a shareholder fails to pay a call or instalment of a call, the subject to the Corporations Act and the Listing Rules, the shares in respect of the call may be forfeited in accordance with the constitution.

### **1.3 Voting Rights**

Subject to any rights or restrictions attached to any class of shares and Segue's constitution, at a meeting of shareholders, on a show of hands, every shareholder has one vote.

On a poll, each shareholder has one vote for each share held.

The vote may be exercised in person or by proxy, body corporate representative or attorney.

A holder of shares has no right to vote if calls due and payable on those shares have not been paid. No person is entitled to any vote in respect of forfeited shares.

### **1.4 Variation of rights**

If shares of another class are issued, the rights, privileges and restrictions attaching to the shares may be subject to the Listing Rules be varied with sanction of special resolution passed as a separate general meeting of the shareholders of the shares or with the written consent of at least three quarters of the shareholders of the shares.

### **1.5 Dividends**

Subject to the Corporations Act and the rights of holders (if any) of shares issued with any special preferential or qualified rights, the profits of Segue which the directors may from time to time determine to distribute by way of dividend will be paid to shareholders in

proportion to the number of shares held by them irrespective of the amount paid up or credited as paid up on the shares.

#### **1.6 Future Issues of Securities**

Subject to the Corporations Act and any other regulatory requirements, the issue of shares in Segue is under the control of the directors. The directors may issue shares to persons at times and on terms and conditions and having attached to them preferred, deferred or other special rights or restrictions as the directors see fit. The directors may grant to any person options or other securities with rights of conversion to shares or pre-emptive rights to any shares for any consideration for any period.

#### **1.7 Transfer of Shares**

Except where required or permitted by law or any other regulatory requirements or Segue's constitution, there is no restriction on the transfer of shares generally. Segue and its directors must not in any way prevent, delay or interfere with the generation of a proper transfer or the registration of a paper-based transfer in registrable form.

#### **1.8 Meetings and Notices**

Written notice of a meeting of shareholders must be given to each shareholder entitled to vote at the meeting. Any notice by Segue to a shareholder, other than a notice in connection with a call, may be given in the same way as a notice of meeting.

Shareholders may requisition meetings in accordance with the Corporations Act.

#### **1.9 Winding Up**

If Segue is wound up, the liquidator may, with the sanction of a special resolution, divide among the shareholders in kind the whole or any part of the property of the company and may for that purpose set the value the liquidator considers fair upon any property so divided and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the sanction of a special resolution, vest the whole or any part of the property in trustees on trusts for the benefit of the shareholders as the liquidator sees fit.

Subject to the rights of shareholders (if any) entitled to shares with special rights in winding up:

- (a) all moneys and property that are to be distributed among shareholders on a winding up shall be distributed in proportion to the shares held by them, irrespective of the amount paid up or credited as paid up on the shares; and
- (b) a shareholder who is in arrears of payment of a call on a share but whose share has not been forfeited is not entitled to participate in the distribution on the basis of holding that share until the amount owing in respect of the call has been fully paid and satisfied.

## 1.10 Paramount effect of the Listing Rules

While Segue remains on the Official List, then despite anything contained in the constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing contained in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the constitution to contain a provision and it does not contain such a provision the constitution must be treated as containing that provision. If the Listing Rules require the constitution not to contain a provision and it contains such a provision, the constitution must be treated as not containing that provision, if any provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution must be treated as not containing the provision to the extent necessary of the inconsistency.

2 ANNEXURE 2 - PRO FORMA CONSOLIDATED FINANCIAL STATEMENT

	Reviewed 31 December 2013 \$	Pro-forma pre return of capital \$	Reviewed Pro forma 31 December 2013 \$
<b>Current Assets</b>			
Cash Assets	20,783	160,654	160,654
Receivables and prepayments	8,226	8,226	8,226
Total Current Assets	29,009	168,880	168,880
<b>Non-Current Assets</b>			
Plant and equipment	981	981	981
Exploration expenditure	6,103	6,103	6,103
Prepayment - tenement applications	29,560	29,560	29,560
Total Non-Current Assets	36,644	1,125,981	604,445
<b>TOTAL ASSETS</b>	65,653	1,294,861	773,325
<b>Current Liabilities</b>			
Trade and other payables	121,234	121,234	121,234
Borrowings	536,303	476,303	476,303
Total Current Liabilities	657,537	597,537	597,537
<b>TOTAL LIABILITIES</b>	657,537	597,537	597,537
<b>NET ASSETS</b>	(591,884)	697,324	175,788
<b>EQUITY</b>			
Issued capital	28,746,689	29,264,912	28,743,376
Accumulated losses	(29,338,573)	(29,169,900)	(29,169,600)
<b>TOTAL EQUITY</b>	(591,884)	697,324	175,788

## Supplementary Prospectus

### Fraser Range Metals Group Limited ABN 65 098 236 938

#### Important Information

This is a supplementary prospectus (*Supplementary Prospectus*) intended to be read with the prospectus dated 24 April 2014 (*Prospectus*) issued by Fraser Range Metals Group Ltd.

This Supplementary Prospectus is dated 2 May 2014 and was lodged with the Australian Securities and Investments Commission (*ASIC*) on that day. ASIC, ASX Limited and their respective officers do not take any responsibility for the contents of this Supplementary Prospectus.

Other than as set out below, all details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Company's website at [www.frmetals.com.au](http://www.frmetals.com.au). This is an important document and should be read in its entirety. If you do not understand it you should consult your professional advisors without delay.

#### Incorporation of supplementary notice of meeting

The Company's Supplementary Notice of Meeting dated 2 May 2014 is incorporated into the Prospectus by reference under section 712(1) of the Corporations Act. The Supplementary Notice of Meeting corrects the number of Segue Share on issue, and corrects the voting power of Segue's existing substantial shareholders who are also Shareholders, following the Distribution and also corrects the Company's voting power.

The Supplementary Notice of Meeting has been lodged with ASIC. Fraser Range will provide, free of charge, a copy of the Supplementary Notice of Meeting to anyone contacting Fraser Range's registered office during normal business hours whilst the Prospectus is open.

#### Directors' authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgment of this Supplementary Prospectus with ASIC.

Dated: 2 May 2014



Daniel Smith - Director  
for and on behalf of Fraser Range Metals Group Limited



## Prospectus

Fraser Range Metals Group Limited

ABN [65 098 236 938](#)

For an offer to transfer Segue Shares to Shareholders pursuant to a reduction of capital and distribution in specie contained in the Notice of Meeting

ASX Code:      FRN

**Important Notice:** This Prospectus is dated 24 April 2014 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No securities will be transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.

**Incorporation by reference:** The Company's Notice of Meeting dated 24 April is incorporated into this Prospectus by reference under section 712(1) of the Corporations Act. The Notice of Meeting has previously been lodged with ASIC. Fraser Range will provide, free of charge, a copy of the Notice of Meeting, or the relevant part, to anyone contacting Fraser Range's registered office during normal business hours whilst the Prospectus is open.

**Nature of this Prospectus:** The Segue Shares offered pursuant to this Prospectus are in the same class of Shares of Segue Resources Limited that have been quoted on the official list of the ASX during the 3 months prior to the date of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Segue Shares on the Company and the rights attaching to the Segue Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisors to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

**Prospectus availability:** Shareholders with a registered address in Australia can obtain a copy of this Prospectus during the Offer period on the Company's website at [www.frmetals.com.au](http://www.frmetals.com.au) or by contacting the Company. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

**Foreign jurisdictions:** The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Shareholders who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This

Prospectus does not constitute an offer in any place in which, or to any person to whom, it should not be lawful to make such an offer.

**Disclaimer of representations:** No person is authorised to provide any information or make any representation in connection with the Offer which is not contained in this Prospectus.

**Forward looking statements:** This Prospectus may contain forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward-looking statements in this Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 3.5 and 3.6 of the Notice of Meeting. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

**Definitions:** Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Notice of Meeting.

**Enquiries:** If you have any questions please call the Company secretary of Fraser Range on +61 8 9486 4036 at any time between 8.30am and 5.00pm (WST time) Monday to Friday. Alternatively, consult your broker, accountant or other professional advisor.

## Table of Contents

<b>1</b>	<b>THE OFFER .....</b>	<b>2</b>
<b>2</b>	<b>INFORMATION REQUIRED BY SECTION 713 OF THE CORPORATIONS ACT.....</b>	<b>3</b>
<b>3</b>	<b>DIRECTORS' INTERESTS.....</b>	<b>7</b>
<b>4</b>	<b>CONSENTS .....</b>	<b>8</b>
<b>5</b>	<b>SIGNATURE.....</b>	<b>8</b>

## Corporate Directory

### Directors

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

### Company Secretary

Mr Samuel Edis

### Registered and Business Office

Office J, Level 2, 1139 Hay Street  
West Perth WA 6005  
Tel: +61 8 9486 4036  
Fax: +61 8 9486 4799

### Share Registry\*

Computershare Investor Services Pty Limited  
Tel: 1300 730 273  
Fax: +61 8 9323 2033

### Auditor\*

Bentleys Audit & Corporate (WA) Pty Ltd  
Level 1, 12 Kings Park Road  
West Perth Western Australia 6005

### Solicitors to the Offer

Kings Park Corporate Lawyers  
Suite 8, 8 Clive Street  
West Perth WA 6005

### Website

[www.frmetals.com.au](http://www.frmetals.com.au)

\*This party is named for informational purposes only and was not involved in the preparation of this Prospectus

---

## 1 THE OFFER

### 1.1 Purpose, terms and conditions of the Offer

Pursuant to Resolution 1 of the Notice of General Meeting, the Company is inviting Shareholders to vote on a reduction of capital by way of an in specie distribution of approximately 57,948,568 Segue Shares to eligible Shareholders on a pro rata basis. This represents approximately two (2) Segue Shares for every one (1) Share held.

ASIC Regulatory Guide 188 provides that the invitation to approve a capital reduction constitutes an offer to transfer the Segue Shares for the purposes of section 707(3) of the Corporations Act (**the Offer**). Except in limited circumstances, an offer to transfer securities requires a prospectus under the Corporations Act. Accordingly, the Company has prepared this Prospectus. In doing so, it has had regard to the regulatory requirement for the Prospectus and that this Prospectus must only contain the information prescribed by section 713 of the Corporations Act to the extent to which it is reasonable for investors and their professional advisors to expect to find the information in this Prospectus.

### 1.2 Action required by Shareholders

No action is required by Shareholders under this Prospectus.

Should Shareholder approval be obtained for the Distribution, the Segue Shares will be transferred to Shareholders in accordance with the terms set out in the Notice of Meeting.

A prospectus is normally required to include an application form for shares. ASIC has granted relief from the requirement in ASIC Class Order [CO 07/10] so that the application form is not required to be included in this Prospectus. If Resolution 1 is passed, the Company will sign the share transfer forms for the transfer of the Segue Shares to Shareholders on behalf of Shareholders. Shareholders will receive a holding statement for the Segue Shares to which they are entitled.

If you have any queries regarding this Prospectus, please contact the Company Secretary on (08) 9486 4036.

### 1.3 Indicative timetable

Notice of Meeting and Prospectus dispatched to Shareholders	24 April 2014
General Meeting to approve Distribution	26 May 2014
Company notifies ASX that Shareholders approve the in specie distribution	26 May 2014
Last day for trading shares on a "cum" return of capital basis (Shares acquired after this date will not be entitled to participate in the Distribution)	28 May 2014
Ex Date	29 May 2014
Record date to determine entitlements of Shareholders to Segue Shares under the in specie distribution	2 June 2014
In specie distribution to Shareholders of Segue Shares	17 June 2014

---

## 2 INFORMATION REQUIRED BY SECTION 713 OF THE CORPORATIONS ACT

### 2.1 Effect of the Distribution on the Company

The Distribution will result in:

- (a) the Company reducing the amount of Segue Shares it will own (following completion of the Joint Venture Agreement with Segue) from 125,000,000 to approximately 67,051,432; and
- (b) the Company's share capital and total and net assets being reduced by the fair value of those shares, as determined by the Directors. The Directors will notify Shareholders of the actual reduction in due course.

### 2.2 Effect of the Distribution on Segue

Following completion of the Joint Venture Agreement, Segue will have issued the Company 125 million Segue Shares, giving Fraser Range a voting power of approximately 8.07% in Segue and making it a substantial holder in Segue. Following the Distribution, the Company will no longer be a substantial shareholder in Segue.

The effect of the Distribution on Segue's substantial shareholders who hold Shares is set out in the Notice of Meeting.

### 2.3 Rights and liabilities attaching to Segue Shares

The rights and liabilities of Segue Shares are set out in the constitution of Segue. Annexure 1 of the Notice of Meeting summarises those rights and liabilities.

Segue Shares proposed to be distributed to Shareholders will be quoted on ASX and will be able to be traded on ASX once the shares are registered in the name of the Shareholder as a result of this Prospectus being issued by the Company.

### 2.4 Segue is a Disclosing Entity

Segue is a disclosing entity under the Corporations Act and as such is subject to regular reporting and disclosure obligations. A copy of the documents lodged with ASIC in relation to Segue may be obtained from, or inspected at, an ASIC office.

Shareholders have the right to obtain a copy of Segue's 2013 annual financial report, any half year report since the annual report and any continuous disclosure notices given by Segue lodged with the ASIC since the annual report, free of charge, from the Company at its registered office during normal business hours before the General Meeting is held or before the Distribution is undertaken. The following documents have been lodged with ASX for Segue since the Segue 2013 annual report was lodged with ASX as follows:

DATE	DOCUMENT
22/04/2014	Change in Director's Interest Notices
22/04/2014	Appendix 3B
17/04/2014	Results of Meeting

DATE	DOCUMENT
09/04/2014	IGS: Sale of Fraser Range Tenements to Segue
9/04/2014	Segue Consolidates Plumridge Tenements
28/03/2014	Mines and Money Hong Kong Investor Update
26/03/2014	Segue Significantly Increases Plumridge Nickel Tenements
26/03/2014	FRN: Definitive JV Agreements Executed
19/03/2014	Notice of General Meeting/Proxy Form Replacement
18/03/2014	Notice of General Meeting/Proxy Form
14/03/2014	Half Yearly Report and Accounts
06/03/2014	Plumridge Gold Project Update
19/02/2014	Investor Presentation February 2014
19/02/2014	RIU Explorers Conference Presentation
14/02/2014	Change in substantial holding
12/02/2014	Appendix 3B
06/02/2014	Becoming a substantial holder
05/02/2014	Change in substantial holding
03/02/2014	Institutional Placement Completed
03/02/2014	Change in substantial holding
31/01/2014	Quarterly Cashflow Report
31/01/2014	Quarterly Activities Report
30/01/2014	Trading Halt
29/01/2014	Ground EM Survey Commenced at Plumridge Nickel Project
24/01/2014	Response to ASX Query
15/01/2014	Research Coverage Initiated on Segue Resources
13/01/2014	De-Risking Fraser Range Exploration Strategy - Webcast
19/12/2013	Change in substantial holding

DATE	DOCUMENT
18/12/2013	Cleansing Statement
17/12/2013	Becoming a substantial holder
16/12/2013	Appendix 3B
13/12/2013	Change in substantial holding
29/11/2013	Results of General Meeting
29/11/2013	Results of Annual General Meeting
20/11/2013	Aeromagnetic Survey Identifies Multiple Nova-Style Targets
01/11/2013	Quarterly Cashflow Report
01/11/2013	Quarterly Activities Report
28/10/2013	Notice of General Meeting/Proxy Form
28/10/2013	Notice of Annual General Meeting/Proxy FORM
18/10/2013	Change in substantial holding
09/10/2013	Major Tenement Acquisition in the Fraser Range Province
09/10/2013	Fraser Range Acquisition Investor Presentation
09/10/2013	Webcast - Fraser Range Tenement Acquisition
07/10/2013	Replacement Final share buy-back notice Appendix 3F
04/10/2013	Trading Halt
25/09/2013	ASIC Form 484 - Cancellation of Shares
24/09/2013	Annual Report to shareholders
24/09/2013	Final share buy-back notice - Appendix 3F

ASX maintains files containing publicly available information for all listed companies. Segue's file is available for inspection at ASX during normal office hours or from [www.asx.com.au](http://www.asx.com.au).

## 2.5 Information excluded from continuous disclosure notice

The Company is required to prepare this Prospectus to facilitate the transfer by way of in specie distribution of Segue Shares to Shareholders.

On the basis that the Directors do not believe that it is reasonable for investors and their advisors to expect to find such information in this Prospectus, this Prospectus does not include information excluded from a continuous disclosure notice in accordance with the Listing Rules and which is information that investors and their professional advisors would reasonably require to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of Segue.

## **2.6 Market information on Segue Shares**

In the last three months the closing price of Segue Shares on ASX has varied from a low of 0.5 cents to a high of 1.2 cents. The closing price of Segue Shares on the last ASX trading day prior to the date of this Prospectus was 0.8 cents.

## **2.7 Risk factors for holding Segue Shares**

Shareholders should be aware that an investment in Segue is speculative and Segue is subject to various risk factors. A list of the identified major risk factors is set out in section 3.6 of the Explanatory Memorandum to the Notice of Meeting and that Section is incorporated by reference into this Prospectus.

The list of risk factors ought not to be taken as exhaustive of the risks faced by Segue or by investors in Segue. Those factors, and others not specifically referred to, may in the future materially affect the financial performance of Segue and the value of the Segue Shares offered under this Prospectus. The Segue Shares offered pursuant to this Prospectus carry not guarantee with respect to the payment of dividends, return of capital or their market value.

## **2.8 Quotation of Distribution Shares**

The Distribution Shares will be issued on or about 28 April 2014. Segue will apply for quotation of those shares at or about that time and in any event within 7 days of the date of this Prospectus. If ASX does not grant permission for the quotation of the Distribution Shares within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the Distribution Shares will be transferred and the Distribution will not occur. A decision by ASX to grant official quotation of the Segue Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the Segue Shares.

## **2.9 Pro-forma financial position**

A reviewed pro-forma consolidated financial position of the Company's as at 31 December 2013 as a result of the assumptions set out in section 3.3 of the Notice of Meeting which includes the Distribution is set out in Annexure 2 to the Notice of Meeting.

## **2.10 Tax implications for Shareholders**

There may be tax implications for Shareholders arising from the Distribution. A general summary of the potential tax consequences is set out in Section 3.8 of the Explanatory Statement to the Notice of Meeting. That summary is general in nature and Shareholders should obtain and rely on their own taxation advice in relation to the Distribution. The Company does not accept any responsibility or liability in respect of the tax consequences for Shareholders.

---

### 3 DIRECTORS' INTERESTS

Other than as set out in the Notice of Meeting, no Fraser Range Director holds at the date of this Prospectus, or held at any time during the last 2 years before the date of lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company or Segue; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (d) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (e) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Offer.

#### 3.1 Interests of promoters and named persons

Except as disclosed in the Notice of Meeting or this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Kings Park Corporate Lawyers has acted as solicitors to the Distribution. In respect of this work, the Company will pay approximately \$5,000 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Kings Park Corporate Lawyers has received fees from the Company totalling approximately \$18,000 (exclusive of GST).

Minerva Corporate Pty Ltd, a company controlled by Nicholas Ong and Daniel Smith, has agreed to provide prospectus management and administration services to the Company in respect of the Offer. The Company has agreed to pay Minerva a corporate fee of \$5,000 (excluding GST) on successful completion of the Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Minerva Corporate Pty Ltd has received fees from the Company totalling \$51,558 (inclusive of GST).

---

## 4 CONSENTS

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn their written consent:
  - (i) to be named in the Prospectus in the form and context which it is named; and
  - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (d) has not caused or authorised the issue of this Prospectus;
- (e) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (f) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

Name	Role
Kings Park Corporate Lawyers	Lawyers
Minerva Corporate Pty Ltd	Corporate advisor

### 4.1 Directors' consent

Each Director of the Company has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

### 4.2 Segue's directors' consents

The directors of Segue as at the date of this Prospectus are Steven Michael, Howard Carr, Matthew Foy and Nicholas Ong. Each Segue director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

---

## 5 SIGNATURE

Dated: 24 April 2014



.....

Signed for and on behalf of  
Fraser Range Metals Limited by  
**Dan Smith**  
Director

# FRASER RANGE METALS GROUP LIMITED

ACN 098 236 938

## PROXY FORM

The Company Secretary  
Fraser Range Metals Group Limited

**By post:**

PO Box 7653 Cloisters Square Perth WA 6850

**By facsimile:**

(08) 9486 4799

### Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We <sup>1</sup> \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder/Shareholders of the Company and entitled to \_\_\_\_\_  
votes in the Company, hereby appoint:

**The Chairman of the Meeting (mark box)**  **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally on my/our behalf at the Meeting of the Company to be held at the Amberley Business Centre, IBM Building, 1060 Hay Street, West Perth WA 6005 at 10.00am (WST) on 26 May 2014 and at any adjournment or postponement of the Meeting and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law as the proxy sees fit.

**Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.**

**Please read the voting instructions overleaf before marking any boxes with an .**

### Step 2 – Instructions as to Voting on Resolutions

#### INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

	For	Against	Abstain
Resolution 1      In specie Distribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

#### Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

#### The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact Daytime Telephone

\_\_\_\_\_  
Date

<sup>1</sup>Insert name and address of Shareholder

**Proxy Notes:**

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

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

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

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

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

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

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

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the General Meeting (WST).

**Postal address:** PO Box 7653 Cloisters Square, Perth WA 6850

**Facsimile:** (08) 9486 4799 if faxed from within Australia or +618 9486 4799 if faxed from outside Australia.