



Prospectus

Fraser Range Metals Group Limited

ABN 65 098 236 938

For a non-renounceable pro rata offer to Eligible Shareholders of one (1) New Share for every one (1) Existing Share held by Eligible Shareholders on the Record Date at an issue price of \$0.01 per New Share to raise approximately \$144,871.

ASX Code: FRN

The Offer is conditionally fully underwritten. See section 8.4 for details of the Underwriting Agreements.

This Prospectus provides important information about the Company. You should read the entire document including the Entitlement and Acceptance Form. If you have any questions about the New Shares being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. An investment in the New Shares offered under this Prospectus is highly speculative.

This Prospectus is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice: This Prospectus is dated 17 February 2014 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares within 7 days of this 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 allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Nature of this Prospectus: The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 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 New Shares on the Company and the rights attaching to the New 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 and New Zealand can obtain a copy of this Prospectus during the Offer period on the Company's website at 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.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus (refer to section 7.4 of this Prospectus for further information).

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. Applicants 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 contains 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 6 of this Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

Privacy: Please read the privacy information located in section 8.16 of this Prospectus. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Definitions: Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary.

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

Table of Contents

| | | |
|----|---|----|
| 1 | TIMETABLE TO THE OFFER | 4 |
| 2 | KEY OFFER TERMS AND CAPITAL STRUCTURE..... | 4 |
| 3 | INVESTMENT OVERVIEW AND KEY RISKS | 5 |
| 4 | PURPOSE AND EFFECT OF THE OFFER..... | 8 |
| 5 | PROJECT OVERVIEW..... | 12 |
| 6 | RISK FACTORS | 14 |
| 7 | ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS | 19 |
| 8 | DETAILS OF THE OFFER..... | 22 |
| 9 | RIGHTS AND LIABILITIES ATTACHING TO SECURITIES..... | 28 |
| 10 | ADDITIONAL INFORMATION..... | 30 |
| 11 | DIRECTORS' RESPONSIBILITY AND CONSENT | 36 |
| 12 | GLOSSARY | 37 |

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.frmotals.com.au

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

1 TIMETABLE TO THE OFFER

| | |
|--|------------------|
| Lodgement Date | 17 February 2014 |
| Notice sent to Shareholders | 19 February 2014 |
| Ex Date - Shares ex Entitlement | 20 February 2014 |
| Record date to determine Entitlement | 26 February 2014 |
| Prospectus with Entitlement and Acceptance Form dispatched | 4 March 2014 |
| Offer opens for receipt of Applications | 4 March 2014 |
| Closing date for acceptances | 19 March 2014 |
| New Shares quoted deferred but suspended | 20 March 2014 |
| Notify ASX of under-subscriptions | 24 March 2014 |
| Allotment and issue of New Shares | 27 March 2014 |
| Dispatch of shareholding statements | 27 March 2014 |

Note:

The Directors may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

2 KEY OFFER TERMS AND CAPITAL STRUCTURE

| | |
|--|------------|
| Shares currently on issue | 14,487,142 |
| New Shares offered under this Prospectus at an issue price of \$0.01 each ¹ | 14,487,142 |
| Amount raised under this Prospectus (before costs) ¹ | \$144,871 |

¹ This assumes no further Shares are issued prior to the Record Date.

3 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

| Question | Response | Where to find more information |
|---|---|--------------------------------|
| What is being offered? | 14,487,142 New Shares are being offered to Eligible Shareholders at an issue price of \$0.01 on the basis of 1 New Share for every 1 Existing Share held on the Record Date. | Section 4 |
| What is the dilution effect of the Offer? | Eligible Shareholders will not be diluted if they take up their Entitlement. The dilutive effect of the Offer for Shareholders who do not take up their Entitlement is 100% as the Offer is fully underwritten. | |
| How will the proceeds of the Offer be used? | The Company intends to use the funds raised from the Offer broadly as follows: <ul style="list-style-type: none">• \$70,000 for repayment of loans;• \$39,871 for general working capital; and• \$35,000 to pay the costs of the Offer. | Section 4.2 |
| What are the key risks of a subscription under the Offer? | An investment in the Company has risks that you should consider before making a decision to invest. These risks include: <ul style="list-style-type: none">• Suspension from trading on ASX - The Company's Shares are currently suspended from trading on the ASX and as such, cannot be traded on market. The Company must comply with conditions imposed by ASX (including potentially re-compliance with Chapters 1 and 2 of the Listing Rules) for the suspension to be lifted. There is a risk that may not occur for some time, or at all, in which case New Shares offered under this prospectus will not be traded on ASX.• 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 raising further capital, there is a risk that the Company may not be able to continue as a going concern. | Section 6 |

-
- The Company's proposed intentions in relation to the Tenements will be subject to a review of funding alternatives.
 - Lack of executive management - The Company's management currently consists of three non-executive directors. 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.
 - As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks.

Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.

| | | |
|----------------------------|--|-------------|
| Is the Offer underwritten? | The Offer is severally fully underwritten by N&J Mitchell Holdings Pty Limited and 6466 Investments Pty Limited. The underwriting is subject to certain customary terminating events. The Company will pay an underwriting fee of 6% on the amount underwritten. The Underwriters may set off their underwriting obligations against amounts owed by the Company to them. | Section 8.4 |
|----------------------------|--|-------------|

| | | |
|--|--|-------------|
| What will be the effect on control of the Offer? | N&J Mitchell Holdings' current voting power in the Company is 5.02%. Assuming no further Shares are issued, and no Shareholders take up their Entitlement, N&J Mitchell Holdings' voting power will increase to 27.51%. 6466 Investments' current voting power in the Company is 5.62%. Assuming no further Shares are issued, and no Shareholders take up their Entitlement, 6466 Investment's voting power will increase to 27.81%. No other Shareholder may increase their voting power | Section 4.7 |
|--|--|-------------|

| | | |
|---|--|-------------|
| | above 20% as a result of the Offer. | |
| How do I apply for Shares under the Offer? | Applications can be made by Eligible Shareholders completing the personalised Entitlement and Acceptance Form and sending it to the Company. | Section 7.2 |
| Can foreign Shareholders participate? | The Offer is only made to Shareholders with a registered address in Australia or New Zealand. | Section 8.9 |
| How will any Shortfall Shares be allocated? | The Shortfall Shares will be allocated at the Directors' and Underwriters' discretion. | Section 8.7 |
| How can I obtain further advice? | Contact the Company Secretary on +61 8 9486 4036 at any time between 8.30am and 5.00pm (WST time) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional advisor. | |

4 PURPOSE AND EFFECT OF THE OFFER

4.1 Introduction

The Company is seeking to raise approximately \$144,871 (before costs) under the Offer to Eligible Shareholders at a price of \$0.01 per Share on the basis of one New Share for every one Existing Share held as at the Record Date.

The Offer is fully underwritten by the Underwriters. See section 8.4 for details.

4.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer as follows:

| Use of funds ¹ | (\$) |
|--|-----------|
| Partial repayment of Loan Facilities owed to the Underwriters ² | 70,000 |
| Working capital | 39,871 |
| Costs of the Offer ³ | 35,000 |
| Total | \$144,871 |

Notes:

1. This table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds will be applied. The Board reserves the right to vary the way funds are applied on this basis.
2. See section 4.3.
3. See section 10.5 for further details relating to the estimated expenses of the Offer.

4.3 Loan Facilities

As announced to ASX on 5 February 2013 and 17 May 2013, the Company has borrowed \$250,000 and \$200,000 respectively from entities associated with N&J Mitchell Holdings Pty Ltd and 6466 Investments Pty Ltd, whom have severally agreed to fully underwrite the Offer (*Loan Facilities*).

The proceeds were used to fund ongoing exploration and working capital. The loans were unsecured and accrued interest of 10% per annum. The Loan Facility established in January was repayable in August 2013 and the Loan Facility established in May was repayable on 15 November 2013. The parties subsequently agreed to increase the principal of the Loan Facility established in May to \$290,000 and further agreed extend the repayment date of both Loan Facilities to 15 August 2014. The balance of the Loan Facilities at 10 February 2014 was \$544,782.

The Underwriters have the right to set off their underwriting obligations in partial satisfaction of the Loan Facilities.

4.4 Effect of the Offer on the Company's securities

The effect of the Offer will be that:

- (a) cash reserves will increase by approximately \$39,871 (after costs of the Offer and the partial repayment of the Loan Facilities); and

(b) the number of Shares on issue will increase from 14,487,142 to 28,974,284.

4.5 Statement of unaudited financial position

Set out below is the Consolidated Statement of Financial Position of the Company and the Consolidated Pro-Forma Statement of Financial Position (both unaudited), as at 31 December 2013 and on the basis of the following assumptions:

- (a) the Offer was effective in full on 31 December 2013 with costs of approximately \$35,000;
- (b) the Loan Facilities are reduced by \$70,000; and
- (c) no further Shares are issued other than all Shares offered under this Prospectus.

Consolidated Statement of Financial Position

| | Unaudited 31 December 2013 \$ | Unaudited Pro forma 31 December 2013 \$ |
|------------------------------------|-------------------------------------|---|
| Current Assets | | |
| Cash Assets | 20,573 | 60,444 |
| Receivables and prepayments | 8,226 | 8,226 |
| Total Current Assets | 28,799 | 68,670 |
| Non-Current Assets | | |
| Plant and equipment | 981 | 981 |
| Exploration expenditure | 3,914 | 3,914 |
| Prepayment - tenement applications | 29,560 | 29,560 |
| Total Non-Current Assets | 34,455 | 34,455 |
| TOTAL ASSETS | 63,254 | 103,125 |
| Current Liabilities | | |
| Trade and other payables | 121,234 | 121,234 |
| Borrowings | 536,303 | 466,303 |
| Total Current Liabilities | 657,537 | 587,537 |
| TOTAL LIABILITIES | 657,537 | 587,537 |
| NET ASSETS | (594,283) | (484,412) |
| EQUITY | | |
| Issued capital | 28,746,689 | 28,856,560 |
| Accumulated losses | (29,340,972) | (29,340,972) |
| TOTAL EQUITY | (594,283) | (484,412) |

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 audited financial report for year ended 30 June 2013.

4.6 Consolidated capital structure

At the close of the Offer, assuming no Shares are issued prior to the Record Date, the capital structure of the Company will be:

| | Shares No. | Shares % |
|--|-------------------|------------|
| Existing Shares | 14,487,142 | 50 |
| New Shares offered under this Prospectus | 14,487,142 | 50 |
| Total Shares | 28,974,284 | 100 |

4.7 Effect on control and potential dilution

(a) Underwriters

6466 Investments Pty Ltd (**6466**), an entity controlled by Jane Whiddon, and N&J Mitchell Holdings Pty Ltd (*N&J Mitchell Holdings*) have each separately agreed to underwrite the Offer for up to \$72,436, or 50% of the New Shares offered. The underwriting agreements are on the same terms and conditions, and are set out in section 8.4.

Each Underwriter may set off their underwriting obligation against liabilities owed by the Company to them, including under the Loan Facilities and underwriting fees, up to a maximum of \$39,346.14 each.

Assuming no further Shares are issued prior to the Record Date, the maximum number of Shares each Underwriter will have a relevant interest in and their voting power will be as follows:

| | N&J Mitchell Holdings | 6466 |
|--|-----------------------|-----------|
| Current | | |
| Shares ¹ | 727,275 | 813,495 |
| Voting power (%) | 5.02 | 5.62 |
| Full Subscription | | |
| Shares ¹ | 7,970,846 | 8,057,066 |
| Voting power (%) | 27.51 | 27.81 |
| Performance by only one Underwriter¹ | | |
| Shares ¹ | 7,970,846 | 8,057,066 |
| Voting power (%) | 38.11 | 38.36 |

¹ Includes Shares held by associates.

² The Underwriter's obligations are several and not conditional upon each other's performance. This scenario assumes only one Underwriter performs and no further Shares are issued under the Offer.

Each Underwriter has informed the Company that, in the event of a Shortfall and they increase their voting power in the Company and based upon the Company's present circumstances, they currently do not intend:

- (i) to become involved in decisions regarding any acquisition by the Company; or
- (ii) for any property to be transferred between the Company and an entity that the Underwriter controls, or any of its associates.

The above statements are of current intention only, and may change as new information becomes available or circumstances change. Implementing the current intention is also subject to the legal obligations of the Directors at the time.

In addition, the Company has granted each Underwriter a call option, under which, in the event any Entitlement taken up by, and Shortfall issued to, each Underwriter is less than 5 million Shares, the Underwriter may require the Company to issue them additional Shares up to 5 million Shares on the same terms as made under the Offer (**Top Up Shares**). The offer of Top Up Shares is made under this Prospectus. The issue of Top Up Shares is subject to obtaining any shareholder approvals under the Corporations Act and Listing Rules.

(b) Others

As the Offer is fully underwritten, Eligible Shareholders who take up their Entitlement in full will not increase their voting power in the Company.

Other than as set out in section 4.7(a), no other person will increase their voting power in the Company to more than 20% as a result of the Offer.

(c) Dilution

Shareholders who do not participate in the Offer will have their holdings diluted by 50%. Following is a table which sets out the dilutionary effect:

| Holder | Holding at Record Date | | Entitlement | Holding following the Offer if no Entitlement taken up | |
|--------|------------------------|------|-------------|--|------|
| | Number | % | | Number | % |
| 1 | 1,000,000 | 6.9 | 1,000,000 | 1,000,000 | 3.45 |
| 2 | 500,000 | 3.45 | 500,000 | 500,000 | 1.7 |
| 3 | 250,000 | 1.73 | 250,000 | 250,000 | 0.86 |
| 4 | 100,000 | 0.69 | 100,000 | 100,000 | 0.35 |

5 PROJECT OVERVIEW

The Company's Plumridge East Project, comprising two granted exploration licenses E39/1731 & E28/2317 (641km² in aggregate), is situated approximately 280km east-northeast of Kalgoorlie and located within the Proterozoic Albany-Fraser Orogen on the eastern edge of the Yilgarn Craton (Figure 1).

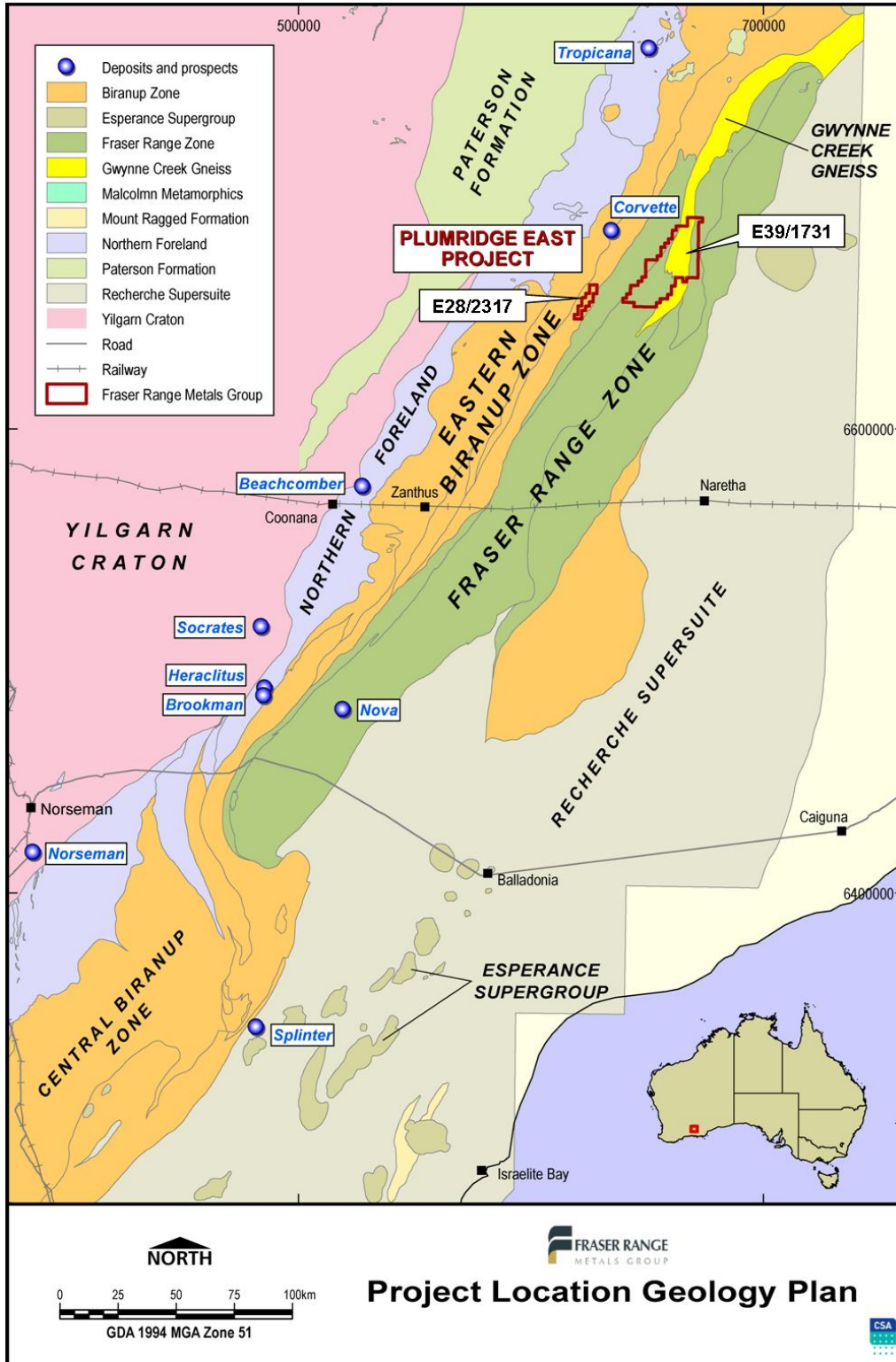


Figure 1 - Simplified Regional Geology of the Eastern Albany Fraser Orogen

The Company has also lodged a number of applications for other tenements near the Company's existing tenements which are subject to a ballot procedure.

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.

6 RISK FACTORS

The New Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Company specific

(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 Prospectus, the Directors believe that the Company will raise sufficient funds under the Offer 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) Exploration on Tenements

There are minimum expenditures to be met for its granted tenements and the Company is considering various forms capital injection to develop the projects. However, if it is unsuccessful in raising additional capital the Company will consider various options in realising value for its shareholders, such as a farm out, JV or outright sale of its assets.

(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.

As the Company's projects require an increased level of involvement the Board will look to appoint additional management and or consultants when and where appropriate to ensure proper management of the Company's projects.

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.

6.2 Mineral Exploration Industry specific

(a) **Exploration costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Exploration success**

The Tenements are at various stages of exploration, and potential 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.

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

(c) **Mineral Price Volatility**

Should the Company commence production most of the Company's revenues would potentially be derived from the sale of minerals. Consequently, the Company's expected earnings will be closely related to the price of minerals sold by the Company. Mineral prices fluctuate and are affected by numerous factors beyond

the control of the Company. 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 the Company's exploration, development and production activity as well as on its ability to fund these activities.

(d) **Aboriginal Heritage**

Although no specific archaeological or ethnographic sites of significance (**Sites**) have been registered with the Department of Indigenous Affairs in respect of Sites on the Tenements, Sites may exist over the area covered by the Tenements. If Sites are found on the Tenements, or later registered with the Department of Indigenous Affairs, authorisations will be required if the Sites will be impacted by exploration or mining activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(e) **Environmental**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(f) **Native title and Aboriginal Heritage**

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(g) **Tenure and access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved.

Tenements are subject to the applicable mining acts and regulations in Western Australia. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

6.3 General investment risks

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) **Securities investments and share market conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) **Liquidity risk**

The market for the Company's Shares is illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) **Economic risk**

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

(d) Investment speculative

The above listed risk factors are not exhaustive and other potential risks factors may in future materially affect the performance of the Company and the value of securities of the Company. The New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisors before deciding whether to subscribe for the New Shares pursuant to this Prospectus.

7 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

7.1 What you may do

As an Eligible Shareholder, you may:

- (a) subscribe for all or part of your Entitlement (see section 7.2); or
- (b) allow all or part of your Entitlement to lapse (see section 7.3).

7.2 To subscribe for all of your Entitlement

Applicants should read this Prospectus in its entirety in order to make an informed decision on the prospects of the Company and the rights attaching to the New Shares offered by this Prospectus before deciding to apply for Shares. If you do not understand this Prospectus you should consult your stockbroker, accountant or other professional adviser in order to satisfy yourself as to the contents of this Prospectus.

If you wish to subscribe for all or part of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. The Entitlement and Acceptance Form sets out the number of New Shares you are entitled to subscribe for.

7.3 Entitlements not taken up

If you are an Eligible Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement will become Shortfall Shares.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the accompanying Entitlement and Acceptance Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

7.4 Payment methods

The completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order made payable to 'Fraser Range Metals Group Limited - Application Funds A/C' and crossed 'Not Negotiable' for the appropriate application money in Australian dollars calculated at \$0.01 per New Share accepted. Your cheque, bank draft or money order must be paid in Australian currency and be drawn on an Australian branch of an Australian financial institution. The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. You must ensure that your cheque account has sufficient funds to cover your payment, as your cheque will be presented for payment on receipt. If your bank dishonours your cheque your application will be rejected. Dishonoured cheques will not be represented.

If the amount of your cheque(s), bank draft(s) or money order(s) for application money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New

Shares as your cleared application money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

The Entitlement and Acceptance Form must be received at the following address by no later than 5.00 pm Eastern Standard Time (3.00pm (WST)) on the Closing Date:

By Post To:

Fraser Range Metals Group Limited
PO Box 7653, Cloisters Square
Perth WA 6850

7.5 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form together with a cheque, bank draft or money order for the application monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Entitlement and Acceptance Form with the requisite application monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian or New Zealand resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not

subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Entitlement and Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon allotment of the New Shares.

If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment of the application moneys is for the wrong amount, it may still be treated as a valid Application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the application moneys.

8 DETAILS OF THE OFFER

8.1 Shares offered for subscription

By this Prospectus the Company makes a non-renounceable pro rata offer of 1 New Share for every 1 Existing Share held on the Record Date at a price of price of \$0.01 per New Share to raise \$144,871 before issue costs (**Offer**). Fractional entitlements will be rounded down to the nearest whole number.

The Offer is only open to Eligible Shareholders. The Company reserves the right to reject any application that it believes comes from a person who is not an Eligible Shareholder.

Details of how to apply for New Shares are set out at section 7.

All New Shares offered under this Prospectus will rank equally with Existing Shares. The rights and liabilities of the New Shares offered under this Prospectus are summarised in section 9.

8.2 No minimum subscription

The Offer is fully underwritten, and there is no minimum subscription for the Offer.

8.3 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period.

Instructions for accepting your Entitlement are set out in section 7 and on the Entitlement and Acceptance Form which accompanies this Prospectus.

8.4 Underwriting

6466 Investments and N&J Mitchell Holdings have each separately agreed to underwrite the Offer for up to \$72,436, or 50% of the New Shares offered. Each Underwriter's obligations are reduced only once the Company receives Applications in excess of the difference between the total number of New Shares offered and the number of New Shares underwritten by each Underwriter. The Underwriters reserve the right to nominate third party entities to subscribe for the Shortfall Shares allocated to the Underwriters.

The underwriting agreements are on the same terms and conditions, which are summarised below. Each Underwriter will be paid a fee of 6% on the underwritten amount and will be reimbursed all reasonable costs incurred. Each Underwriter may set off their underwriting obligation against liabilities owed by the Company to them, including under the Loan Facilities and underwriting fees, up to a maximum of \$39,346.14 each.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- (a) the Company has (subject to certain limitations) agreed to indemnify the Underwriters, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Offer;
- (b) the Company and the Underwriters have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer; and

- (c) the Company will also be required to reimburse the Underwriters for all of the reasonable costs incurred by the Underwriters in relation to the Offer.

An Underwriter may terminate the Underwriting Agreements and be released from their underwriting obligations on the occurrence of certain events, including (but not limited to) where:

- (a) a statement contained in the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive, or the Prospectus omit any information it is required to contain;
- (b) ASIC or any other person proposes to conduct any enquiry, investigation or proceedings, or to take any regulatory action or to seek any remedy, in connection with the Offer or the Prospectus, or publicly foreshadows that it may do so;
- (c) the Company ceases to be admitted to the official list of ASX;
- (d) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to the official quotation of the New Shares on ASX, or if granted, the approval is subsequently withdrawn, qualified or withheld;
- (e) an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Prospectus or the Offer or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Prospectus or the Offer;
- (f) the Company withdraws the Offer or the Offer will not otherwise proceed as disclosed in the Prospectus; and
- (g) any of the following events:
 - (i) any information supplied by or on behalf of Company to Underwriter in relation to the Company, or the Offer, is misleading or deceptive or likely to mislead or deceive;
 - (ii) the Company, the Offer or the Prospectus do not comply with any applicable law or regulatory requirement or there is a contravention by Company of the Corporations Act, its Constitution, or any of the Listing Rules;
 - (iii) a default by Company in the performance of any of its obligations under the Underwriting Agreement occurs;
 - (iv) a warranty or representation contained in the Underwriting Agreements on the part of Company is or becomes not true or correct;
 - (v) any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company including:
 - (A) any change in the earnings, future prospects or forecasts of the Company from those disclosed in the Prospectus; or
 - (B) any change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company from those respectively disclosed in the Prospectus; or

- (C) any government agency commences any enquiry, investigation or proceedings or takes a public regulatory action or seeks any remedy in relation to the Offer or the Prospectus against Company or any of its directors in their capacity as a director of Company, or announces that it intends to take such action,

if the event:

- (vi) has, or is likely to have, a material adverse effect on:
 - (A) the marketing or promotion, success or settlement of the Offer; or
 - (B) the performance of the secondary trading market of the New Shares at any time during the 30 day period following the Trading Date; or
- (vii) has given, or could give rise, to a liability of the Underwriters under any applicable law or regulation or the Underwriters being involved in a contravention of applicable law or regulation

The effect of the Offer on control of the Company is detailed in section 4.7.

In addition, the Company has granted each Underwriter a call option, under which, in the event any Entitlement taken up by, and Shortfall issued to, each Underwriter is less than 5 million Shares, the Underwriter may require the Company to issue them additional Shares up to 5 million Top Up Shares. The issue of Top Up Shares is subject to obtaining any shareholder approvals under the Corporations Act and Listing Rules.

8.5 Entitlement to Offer

The Offer is made to Eligible Shareholders, who are those Shareholders that:

- (a) are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and
- (b) have a registered address in Australia or New Zealand.

8.6 Rights trading

The Offer is non-renounceable. This means that the rights of Eligible Shareholders to subscribe for New Shares under this Prospectus are not transferable and there will be no trading of rights on ASX. Eligible Shareholders who choose not to take up their rights will receive no benefit and their shareholding in the Company will be diluted as a result.

8.7 Shortfall Shares

Any Shares not applied for under the Offer are Shortfall Shares. If the Underwriters are released from their underwriting obligations on the occurrence of a termination event as set out in Section 8.4, the Directors reserve the right to issue any Shortfall Shares at their discretion within 3 months after the Closing Date (**Shortfall Offer**).

It is possible that there may be no Shortfall Shares available for issue as the Offer is fully underwritten. The Company will allocate Shortfall Shares at the Directors' and Underwriters' discretion.

8.8 Offer outside Australia and New Zealand

This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No

action has been taken to register or qualify the New Shares or the Offer or otherwise to permit an offering of the New Shares in any jurisdiction outside Australia and New Zealand.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the *US Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

8.9 Treatment of overseas Shareholders

Given the small number of Shareholders with registered addresses outside Australia or New Zealand and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would be unreasonable to extend the Offer to any Shareholder, as at the Record Date, whose registered address is not situated in Australia and New Zealand. The Prospectus will not be sent to those Shareholders.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Recipients may not send or otherwise distribute this Prospectus or the Entitlement and Acceptance Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).

8.10 Beneficial holders, nominees, trustees and custodians

The foreign selling restrictions under the Offer summarised in sections 8.8 and 8.9 of this Prospectus apply to the underlying beneficial holder. Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia or New Zealand are responsible for ensuring that applying for New Shares does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

8.11 Allotment and application money

New Shares will be issued only after all application money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 25 March 2014.

All application moneys will be deposited into a separate bank account of the Company and held in trust for Applicants until the Shares are issued or application moneys returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

8.12 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. ASX has confirmed that official quotation of the New Shares will be granted subject to compliance with certain customary conditions precedent for a rights issue.

In the event these conditions are not satisfied within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application moneys without interest.

A decision by ASX to grant official quotation of the New 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 New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

8.13 Market prices of Existing Shares on ASX

The Company has been suspended from trading since 3 January 2013. The last traded market price for the Shares was \$0.006 on 30 January 2013.

8.14 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

8.15 Taxation and duty implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Offer or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offer. Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

8.16 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

8.17 Enquiries

Any queries regarding the Offer, Entitlement and Acceptance Form should be directed to Samuel Edis, Company Secretary on +61 8 9486 4036.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offer.

9 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The New Shares issued will be fully paid and rank equally with existing Shares. Full details of the rights and liabilities attaching to the Shares are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the Directors may from time to time declare a dividend to be paid to Shares entitled to the dividend. No dividend will be payable except out of profits. All Shares currently on issue and the shares to be issued under this Prospectus are fully paid Shares.

(c) Future issues of securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) Meetings and notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act.

(f) Liquidation rights

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) Variation of rights

Subject to the Listing Rules, the rights attached to the Shares may be varied with the consent in writing of shareholders holding three-quarters of the Shares or by a special resolution passed at a separate meeting of the holders of the Shares in accordance with the Corporations Act

(h) Election of directors

There must be a minimum of 3 and a maximum of 9 Directors. At every annual general meeting one third of the Directors (rounded to the nearest whole number) must retire from office. Any Director who would have held office for more than 3 years if that Director remains in office until the next general meeting must retire. These retirement rules do not apply to certain appointments including the managing director.

(i) Indemnities

To the extent permitted by law the Company must indemnify each past and present Director and secretary against any liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(j) Winding up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be divided among the shareholders of the Company.

(k) Shareholder liability

As the Shares under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will not become liable for forfeiture.

(l) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(m) Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing 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 is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10 ADDITIONAL INFORMATION

10.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue 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 three 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 New Shares on the Company and the rights attaching to the New 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 is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial statements of the Company for the financial year ended 30 June 2013 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial statements of the Company for the financial year ended 30 June 2013 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
- (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of that annual report and before the lodgement of this Prospectus; and
- (iii) any continuous disclosure notices given by the Company after the lodgement of the financial statements referred to in paragraph (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since 30 June 2013 audited financial statements:

| Date | Description of Announcement |
|------------|---|
| 24/01/2014 | Appendix 4C - quarterly |
| 28/11/2013 | Results of Annual General Meeting |
| 24/10/2013 | Appendix 4C - quarterly |
| 17/10/2013 | Notice of Annual General Meeting/Proxy Form |
| 02/10/2013 | Market Update |
| 25/09/2013 | Annual Report to shareholders |
| 16/09/2013 | Share Registry Update |
| 06/09/2013 | Appendix 4E - Preliminary Final Report |
| 05/09/2013 | Change in substantial holding |
| 02/09/2013 | Change of Share Registry |
| 29/08/2013 | Extension to Loan Facilities |
| 07/08/2013 | Market Update |
| 02/08/2013 | Initial Director's Interest Notice |
| 02/08/2013 | Final Director's Interest Notice |
| 02/08/2013 | Board Changes |
| 03/07/2013 | Status Update |

| Date | Description of Announcement |
|------------|--|
| 01/07/2013 | Initial Director's Interest Notice |
| 01/07/2013 | Final Director's Interest Notice |
| 01/07/2013 | Director and Secretary Appointment/Resignation |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from www.asx.com.au.

10.2 Directors' interests

As at the date of this Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

| Director | Nicholas Ong | Daniel Smith | Nicholas Bishop |
|-------------|--------------|--------------|-----------------|
| Shares | nil | nil | nil |
| Entitlement | nil | nil | nil |

| Remuneration paid to Directors in the two years prior to the date of this Prospectus ¹ | | |
|---|--------|--------|
| | 2013 | 2012 |
| Nicholas Ong | 21,536 | 48,000 |
| Daniel Smith | 16,536 | - |
| Nicholas Bishop | - | - |

Notes:

- 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.

Other than as set out above or elsewhere in this Prospectus, no Director or proposed 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
- (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.

10.3 Interests of promoters and named persons

Except as disclosed in 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 Offer. In respect of this work, the Company will pay approximately \$3,500 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 \$1,287 (inclusive of GST).

Minerva Corporate Pty Ltd, a company controlled by Nicholas Ong and Daniel Smith, has agreed to provide prospectus management and Issue administrationservices to the Company in respect of the offer. The Company has agreed to pay Minerva a corporate fee of \$9,000 (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 \$41,658 (inclusive of GST).

10.4 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;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) 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 |
| Computershare Investor Services Pty Limited | Share Registry |
| Minerva Corporate Pty Ltd (a company controlled by Nicholas Ong and Daniel Smith) | Corporate Advisory |
| 6466 Investments and N&J Mitchell Holdings | Underwriters |

10.5 Expenses of the Offer

The total expenses of the Offer are estimated to be \$35,000 (including GST), consisting of the following:

| Cost | \$ |
|--|-----------------|
| Legal fees | 3,850 |
| Share Registry and printing fees | 8,370 |
| ASX and ASIC fees | 4,188 |
| Prospectus management and Issue administration | 9,900 |
| Underwriting fees | 8,692 |
| Total | \$35,000 |

These expenses have or will be paid by the Company.

10.6 Litigation

As at the date of this Prospectus, the Company is not involved in any other legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

11 DIRECTORS' RESPONSIBILITY AND CONSENT

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

Dated: 17 February 2014

.....

Signed for and on behalf of

Fraser Range Metals Group Limited by

Daniel Smith

12 GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

| | |
|--|---|
| 6466 | 6466 Investments Pty Ltd (ACN: 151 780 540). |
| \$, A\$ or Dollars | Australian dollars unless otherwise stated. |
| Applicant | a person who submits a valid Entitlement and Acceptance Form pursuant to this Prospectus. |
| Application | a valid application made on an Entitlement and Acceptance Form to subscribe for New Shares pursuant to this Prospectus. |
| ASIC | the Australian Securities & Investments Commission. |
| ASX | the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited. |
| Board | the board of Directors. |
| Closing Date | the date set out in section 1. |
| Company | Fraser Range Metals Group Limited (ABN 65 098 236 938). |
| Constitution | the constitution of the Company. |
| Corporations Act | the <i>Corporations Act 2001</i> (Cth). |
| Deeds | the indemnity, insurance and access deeds between the Company and each of the Directors. |
| Director | a director of the Company. |
| Eligible Shareholders | a Shareholder as at the Record Date with a registered address in Australia or New Zealand. |
| Entitlement | a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus. |
| Entitlement and Acceptance Form | the personalised entitlement and acceptance Entitlement and Acceptance Form attached to this Prospectus. |
| Ex Date | the date set out in section 1. |
| Existing Share | a Share issued as at 5.00pm (WST) on the Record Date. |
| Ineligible Shareholder | a Shareholder who is not an Eligible Shareholder. |
| Listing Rules | the listing rules of the ASX. |

| | |
|----------------------------------|---|
| Loan Facilities | has the meaning given in section 4.3 of this Prospectus. |
| N&J Mitchell Holdings | N&J Mitchell Holdings Pty Ltd (ACN: 008 756 483). |
| New Shares | Shares issued pursuant to this Prospectus. |
| Offer | an invitation made in this Prospectus to subscribe for New Shares. |
| Offer Price | \$0.01. |
| Official List | the official list of the ASX. |
| Opening Date | the date set out in section 1. |
| Prospectus | this Prospectus and includes the electronic prospectus. |
| Record Date | the date set out in section 1. |
| Share | a fully paid ordinary share in the Company. |
| Share Registry | Computershare Investor Services Pty Limited (ABN 48 078 279 277). |
| Shareholder | the registered holder of Shares in the Company. |
| Shortfall | will occur if the Company does not hold successful valid Applications for all the New Shares by the Closing Date. |
| Shortfall Offer | the offer for Shortfall Shares made under this Prospectus. |
| Shortfall Shares | Entitlement for which valid Applications have not been received by the Closing Date. |
| Top-up Shares | has the meaning given in section 4.7(a). |
| Underwriters | the persons listed in section 8.4. |
| Underwritten Amount | \$144,871. |
| US person | has the meaning given to that term in Regulation S under the US Securities Act. |
| US Securities Act | the <i>United States Securities Act of 1933</i> , as amended. |
| WST | Western Standard Time, Western Australia. |