segue

RESOURCES LTD

ABN 49 112 609 846

Annual Financial Report
30 June 2015

CORPORATE DIRECTORY

Directors

Steven Michael	Managing Director & CEO
Nicholas Ong	Non-Executive Director
Frazer Tabeart	Non-Executive Director

Company Secretary

Matthew Foy

Registered Office

Unit 16, 40 St Quentin Avenue

Claremont WA 6010

Telephone:	(08) 9383 3330
Facsimile:	(08) 9486 4799
Email:	info@segueresources.com

Auditors

Pitcher Partners Corporate & Audit (WA) Pty Ltd

Level 1

914 Hay Street

Perth WA 6000

Bankers

ANZ Banking Group Limited

32 St Quentin Avenue

Claremont WA 6010

Share Registry

Advanced Share Registry Service

150 Stirling Highway

Nedlands WA 6009

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Ltd (**ASX**)

ASX Code: SEG

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MANAGING DIRECTOR'S LETTER

Dear Shareholder,

On behalf of your Directors, I am pleased to present Segue's 2015 Annual Report and Financial Statements.

The past year has seen Segue consolidate, expand and explore its extensive tenement package at the Plumridge Nickel Project in the Fraser Range Province of Western Australia. Segue is one of the largest tenement holders in the Fraser Range and has continued its systematic exploration approach focussed on discovering a massive nickel sulphide deposit, akin to the world-class Nova-Bollinger nickel-copper deposits.

During the year, Segue completed its maiden deep drilling programme at the E21 Target, which was a high priority bedrock conductor identified from a ground electromagnetic survey conducted in 2013/14. The drilling programme was designed to test the conductor plate and also provide a better understanding of the stratigraphy surrounding the target area. A diamond hole at the E21 Target intersected several horizons of pyroxenitic intrusive rocks hosting magmatic sulphides. However, the source of the electromagnetic conductor was ultimately deemed to be a graphitic schist around 630m below surface.

A review of historic drilling at Plumridge and recent drilling by exploration companies in the Fraser Range confirmed the prevalence of graphitic schists throughout the region, which have been the source of many false-positive electromagnetic conductors. Segue determined that an additional layer of fundamental data was required before continuing with direct targeting through ground electromagnetic surveys. As such, a project-wide gravity survey was commenced in December 2014, taking around six months to complete.

The gravity survey was instrumental in identifying key deep-seated structural areas of deformation which are believed to represent pathways for large scale intrusion of fertile mafic-ultramafic magmas. In addition, the integration of the gravity survey data with existing aeromagnetic and drilling data has identified a suite of high priority target areas for immediate shallow drilling, followed by deeper drilling and/or ground electromagnetic surveys.

Ultimately, the recipe for exploration success at the Plumridge Nickel Project requires a mixture of prospective tenements, skilled people, time and money. It is with the singular aim of discovering a world-class nickel deposit that Segue announced in September 2015 it had entered into the Plumridge Nickel Joint Venture with international base metals company, MMG Limited. Under the joint venture, MMG can earn up to a 70% interest in the Project by investing $14 million in exploration over several years. This is the first exploration joint venture with a major mining or exploration company in the Fraser Range, and was possible due to the large, 100%-owned tenement package assembled by Segue and the quality exploration work undertaken so far. The joint venture enables Segue's shareholders to be free-carried through to discovery.

Segue's shareholder base has continued to grow and reflect the Company's move into the Fraser Range. I thank the shareholders of Segue for their support over the past year, including participation in the recent Share Purchase Plan, which raised approximately $1 million in very difficult market conditions. With the Plumridge Nickel Joint Venture in place, the Company is now in a robust financial position and I look forward to MMG commencing its exploration programme at Plumridge and Segue continuing activities at Deralinya.

Steven Michael

Managing Director
Segue Resources Ltd

DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2015.

DIRECTORS AND MANAGEMENT

The names of Segue Resources Limited's (**Segue** or the **Company**) directors that held office during the year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Steven Michael	Managing Director & CEO
Mr Nicholas Ong	Non-Executive Director
Dr Frazer Tabeart	Non-Executive Director (appointed 1 September 2014)
Mr Matthew Foy	Non-Executive Director (resigned 1 September 2014)
Dr Howard Carr	Technical Director (resigned 15 July 2014)

Mr Steven Michael – Managing Director & CEO

Mr Michael has extensive experience in the global resources sector specialising in corporate finance and equity capital markets. He has over 20 years' experience in natural resources with RBC Capital Markets, Macquarie Bank and NM Rothschild & Sons.

Mr Michael holds a B.Com, is a Member of the Institute of Chartered Accountants in Australia and is a member of the Australia Institute of Company Directors.

Other current directorships

Nil.

Former directorships in last 3 years

Nil.

Mr Nicholas Ong – Non-Executive Director

Mr Ong was a Principal Adviser at the ASX in Perth and brings ten years' experience in listing rules, compliance and corporate governance to the board. Mr Ong was an active member of the ASX JORC Group and has overseen the admission of in excess of 100 companies to the official list of the ASX.

Mr Ong is a member of Governance Institute Australia and has a MBA from the University of Western Australia.

Mr Ong is a member of the Company's Remuneration, Audit and Risk Committees.

Other current directorships

Mr Ong is an Executive Director of ASX-listed Excelsior Gold Limited and Non-Executive Director of Auroch Minerals NL, Minerals Corporation Limited and Fraser Range Metals Group Limited.

Former directorships in last 3 years

Nil.

DIRECTORS' REPORT

Dr Charles (Frazer) Tabeart – Non-Executive Director

Dr Tabeart is a graduate of the Royal School of Mines with a PhD and Honours in Mining Geology. He has over 25 years' experience in international exploration and mining projects, including 16 years with WMC Resources and 9 years with the Mitchell River Group of Companies. Whilst at WMC, Dr Tabeart managed Cu-Au and Ni-Cu exploration portfolios in the Philippines, Mongolia and southern Africa. At Mitchell River Group, Dr Tabeart has led African Energy Resources through the discovery and acquisition of several coal and uranium deposits in Botswana and Zambia, building a portfolio comprising 8.7 billion tonnes of thermal coal.

Dr Tabeart is a member of the Australian Institute of Geoscientists and a member of the Society of Economic Geologists.

Dr Tabeart is the Chair of the Company's Remuneration, Audit and Risk Committees.

Other current directorships

Dr Tabeart is currently Managing Director of African Energy Resources Limited, an ASX listed power development and generation company, Director of Mitchell River Group (a private project generation and development company) and principal of Geogen Consulting Pty Ltd, a consultant to the minerals industry.

Former directorships in last 3 years

Nil.

Matthew Foy – Non-executive Director (resigned 1 September 2014) continues as Company Secretary

Mr. Foy, previously a Senior Adviser at the ASX, has seven years' experience in facilitating the compliance of listed companies. Mr. Foy is a qualified Chartered Secretary and has reviewed and approved the listing of over 40 companies during his tenure at the ASX. Mr. Foy is also Company Secretary of ASX-listed Stonehenge Metals Limited, Frontier Resources Limited, Omni Market Tide Limited, XTD Limited and Auroch Minerals NL.

Mr Foy is a member of Governance Institute Australia, has a Graduate Diploma (Applied Finance) from FINSIA and a B.Com from the University of Western Australia.

Mr Foy is a member of the Company's Remuneration, Audit and Risk Committees.

Other current directorships

Director of Auroch Minerals NL and Minerals Corporation Limited.

Former directorships in last 3 years

Director of Omni Market Tide Limited (resigned 22 July 2015).

Auditor

Mr Paul Mulligan is the signing partner for Segue Resources Limited. Mr Mulligan is an Executive Director of Pitcher Partners Corporate & Audit (WA) Pty Ltd who continue in office in accordance with Section 327 of the *Corporations Act 2001*.

Principal Activities

The principal activities of the Company during the year were mineral exploration, identification of potential mining assets for acquisition and development, and raising capital to fund those opportunities.

There were no significant changes in the nature of the Company's principal activities during the year.

Plumridge Project - Fraser Range Province, Western Australia

Segue has continued to explore, expand and consolidate its exploration tenement package at the Plumridge Project in the Fraser Range Province, with Segue now controlling over 3,000km^2 of contiguous exploration licences (**Figure 1**). During the Period, Segue acquired its minority partner's interest in the Plumridge East Joint Venture and the third party royalty at the Plumridge Gold Project. Segue now owns a 100% interest in all of its Plumridge tenements with no third party royalties.

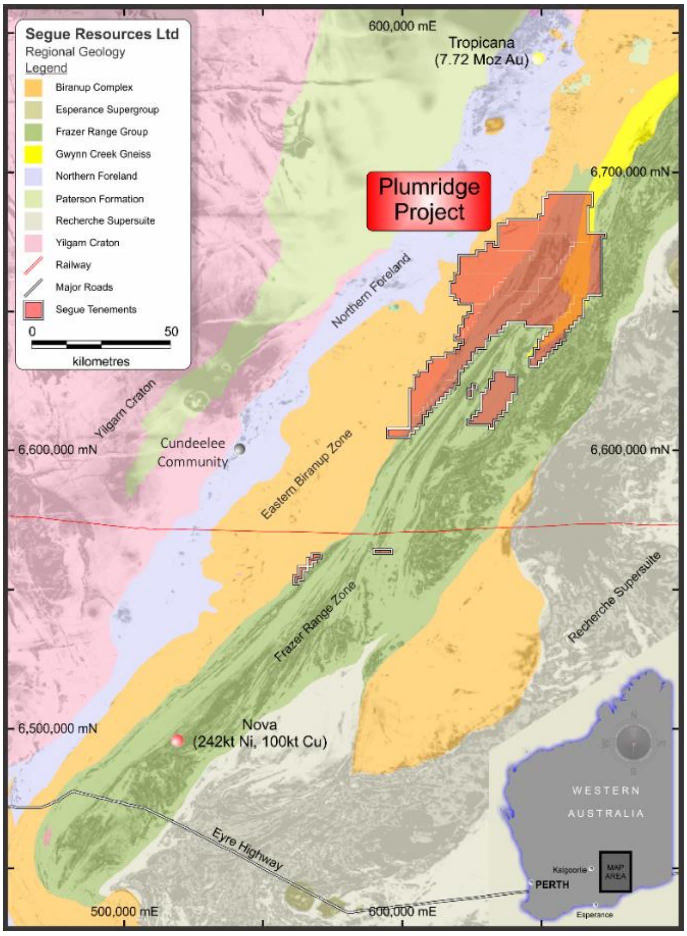

Figure 1: Plumridge Nickel Project location map

The Plumridge Project is located in the highly prospective Fraser Range Province of Western Australia. The Fraser Range contains the Nova-Bollinger nickel-copper deposit (Sirius Resources NL) which was discovered in July 2012 and contains resources of over 325,000 tonnes of contained nickel and 134,000 tonnes of contained copper (May 2014 resource estimate). Sirius Resources NL was acquired by Independence Group NL in September 2015 via a merger, valuing the company at $1.8 billion.

Segue's Plumridge Project covers a large extent of the northern Fraser Range, approximately 120km north of the Nova-Bollinger deposit and 50 kilometres south of the multi-million ounce Tropicana Gold Project (AngloGold Ashanti/Independence Group). The Company has retained a team of highly experienced nickel geologists and geophysicists to effectively and efficiently explore the Plumridge Project.

The Plumridge Project is also prospective for gold mineralisation where drilling by previous tenement owners has identified a 12km, semi-continuous gold anomaly with several gold prospects identified (Corvette, Camaro, Mustang and Stingray). Furthermore, the Plumridge Project area contains a 20 km section of the Salt Creek Complex which is a series of magnetic anomalies, possibly representing mafic intrusions that may be prospective for nickel-copper mineralisation.

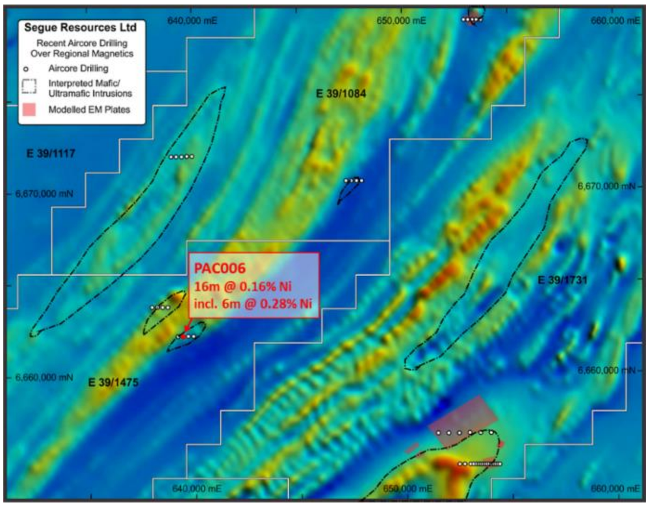

Figure 2: Aircore drill collars over regional magnetics

A 48 hole aircore drilling programme (2,162m) was completed in July 2014 over seven targets that had been identified in airborne magnetic and Ground Moving Loop EM (**MLEM**) data (**Figure 2**). The objective of the drilling was to collect geological and lithogeochemical data prior to undertaking additional MLEM surveys. Hole PAC006 returned assay results including a maximum value of 3,130ppm nickel (0.31% Ni), with associated elevated chromium, within a broader intersection of 16m at 0.16% Ni from 20m.

During the Period, Segue acquired high resolution (100m line spaced) aeromagnetic data on exploration licence E39/1731 to bring the data asset of this block up to the same standard as the rest of the Plumridge Nickel portfolio. The survey was completed in August and the data processed and interpreted by Segue's geophysical consultants.

The aeromagnetic survey over the E39/1731 tenement identified a large, ovoid magnetic feature at the E21 Target which is interpreted to be an intrusion or series of intrusions in a major fold structure (**Figure 3**). Moving Loop Electromagnetic (**MLEM**) and Fixed Loop Electromagnetic (**FLEM**) surveys were completed at the E21 Target and five bedrock conductors were defined. Segue completed a maiden diamond and reverse circulation (**RC**) drilling programme at the E21 Target to test the three highest priority conductors (C1, C2 and C4) (**Table 1**).

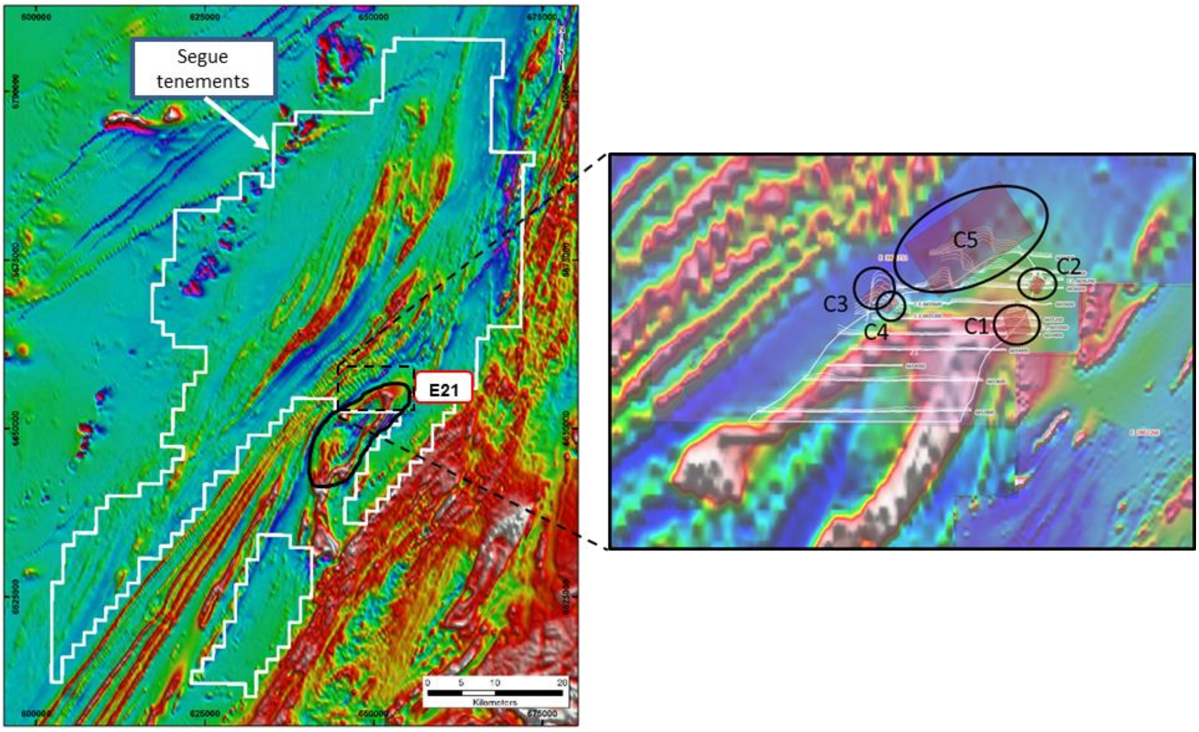

Figure 3: E21 Target (left) and EM conductor targets (right)

Table 1 – Plumridge drill hole information

Hole ID	Type	Easting	Northing	Dip	Azimuth	EOH
PD001	RC pre-collar	653,798	6,655,102	-80°	105°	346.1m
	Diamond			-80°	105°	843.5m
PRC002	RC	650,603	6,655,552	-60°	140°	196m
PRC003	RC	654,456	6,656,057	-65°	290°	298m

Diamond hole PD001 intersected 7 horizons (up to 15m thick) of pyroxenite (ultramafic intrusive rocks). These rocks confirmed the presence in the sequence of the target mafic-ultramafic rocks that are considered the prospective host to nickel-copper sulphides. The pyroxenite intrusions contained disseminated sulphides that are magmatic and are predominantly pyrrhotite and pyrite (iron sulphides) with trace chalcopyrite (copper sulphide). The sulphides demonstrate that the critical process of sulphur saturation has occurred within the magmatic system (**Figure 4**).

However, drilling of the E21 Target also intersected several layers of graphitic schists, which were the source of two of the electromagnetic conductors. Exploration to date in the Fraser Range by various exploration companies has highlighted the proliferation of graphitic schists throughout the region which can provide electromagnetic responses but no nickel-copper sulphides (i.e. false-positive conductors).

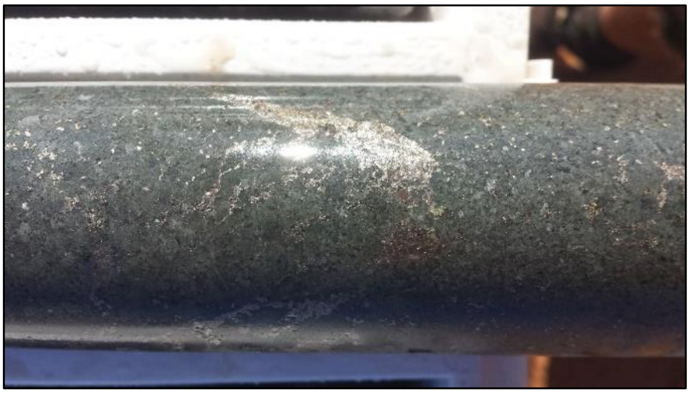

Figure 4: Magmatic sulphides in diamond core from PD001

Following the drilling programme at the E21 Target, Segue commenced one of the largest gravity surveys in the Fraser Range, with a project-wide survey to be completed at a spacing of 1,600m lines with 100m stations. The survey was designed to provide immediate detailed coverage over key target areas (E21 Target and E28 Target) whilst also collecting regional data across the majority of the project area (**Figure 5**). The purpose of the survey was to capture a high quality data set that can be integrated with the existing detailed airborne magnetic data to generate and better define quality targets for follow-up drilling and electromagnetic surveys.

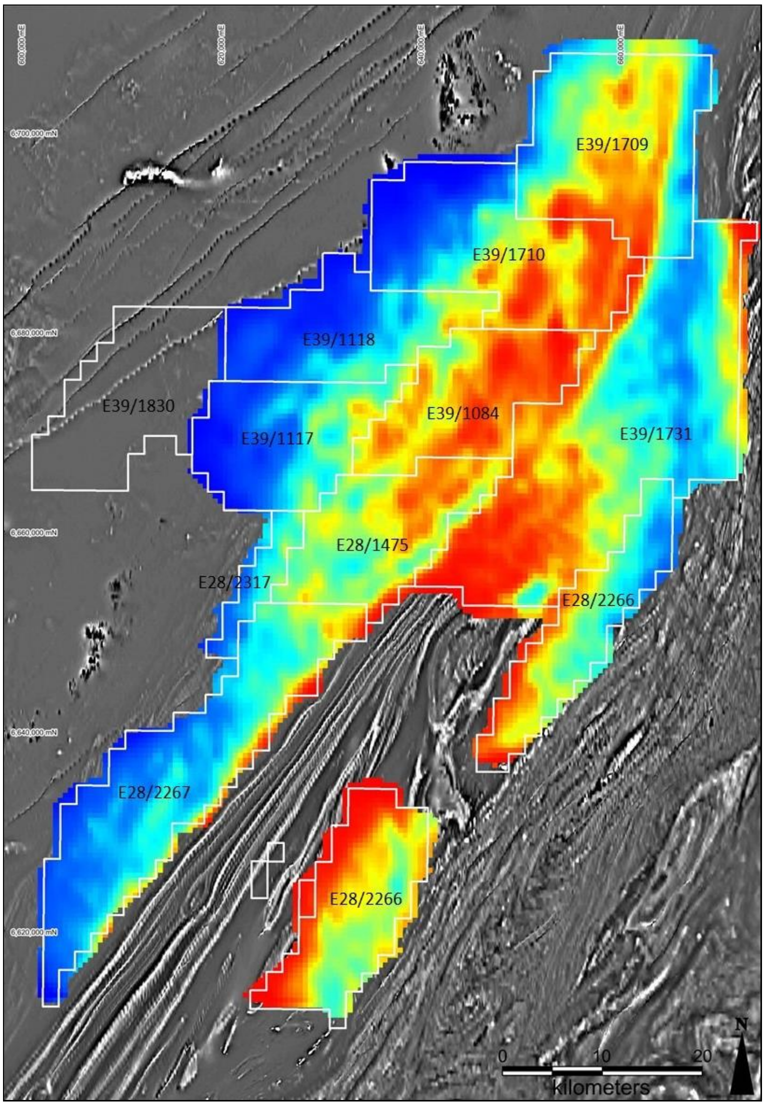

Figure 5: Gravity survey (colour) over regional magnetics

This approach is based on the understanding taken from published data on the Nova Nickel-Copper Deposit that whilst the magnetic data indicates key geological features of interest (e.g. the Nova "Eye"), the intrusions that host the Nova-Bollinger deposits can be identified in the gravity data. Electromagnetic surveys can then be focused on priority coincident gravity-magnetic features to produce direct drilling targets.

In total, the gravity survey consisted of 19,406 stations covering an area of over 3,000km^2. 3D inversion modelling of the gravity and magnetic datasets provided insight into the tectonic architecture of the area to better understand likely mechanisms and pathways for large scale intrusive events of fertile mafic-ultramafic magmas. The modelling also identified gravity anomalies (dense bodies) in near surface positions that may represent mafic intrusions capable of hosting nickel sulphides. A particular focus was given to dense bodies that are associated with ovoid magnetic features or major structural intersections that provide magma pathways to deeper feeder bodies.

The key outcomes of the 3D inversion modelling include:

- Confirmation of a major gravity high that "under-plates" the Plumridge Project. This is consistent with the existing regional gravity work;
- The geometry of this deep gravity high indicates the presence of crustal scale dislocations in the Fraser Range which have been interpreted to represent possible mantle tapping structures;
- The near-surface dense bodies are linked to much deeper dense bodies by a number of discordant pipe-shaped features which are interpreted to represent feeder zones between mafic to ultramafic magma chambers (**Figure 6**);
- A major zone of complexity has been identified which is interpreted as a "Transform Graben Zone" (**TGZ**). This zone is reflected in the near surface magnetic data that clearly shows a major north-west trending corridor containing numerous sub-linear faults (**Figure 7**);
- Intersections of sub-vertical faults (such as those in the TGZ) with the major thrust faults are likely to be preferential pathways for large-scale mantle derived magma chambers. These have the potential to be the feeders for the higher-level intrusions that may host nickel-copper sulphide mineralisation; and
- There appears to be a grouping of gravity targets within and immediately adjacent to the TGZ that supports the interpretation of this being a focus of crustal scale magmatic activity.

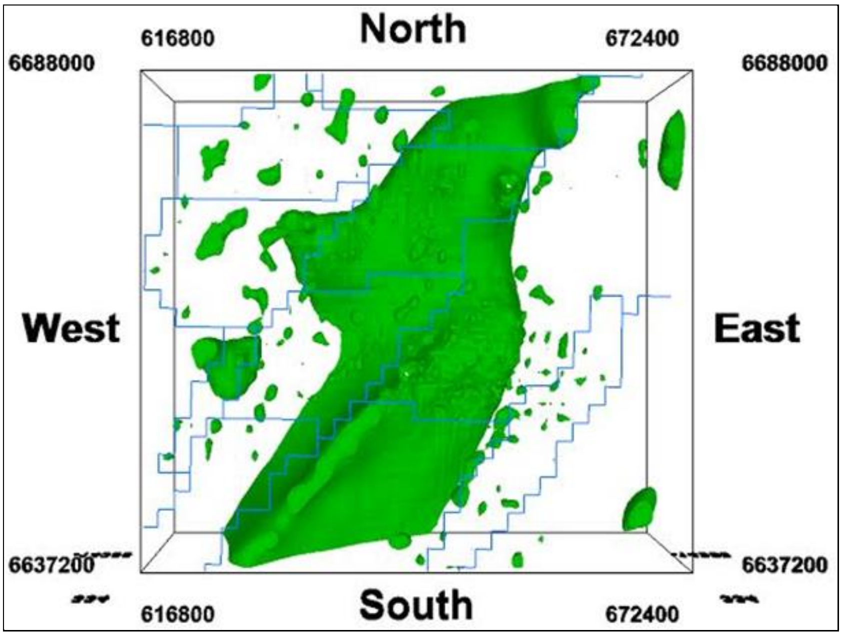

Figure 6: 3D Inversion Modelling of Gravity Data (plan view)

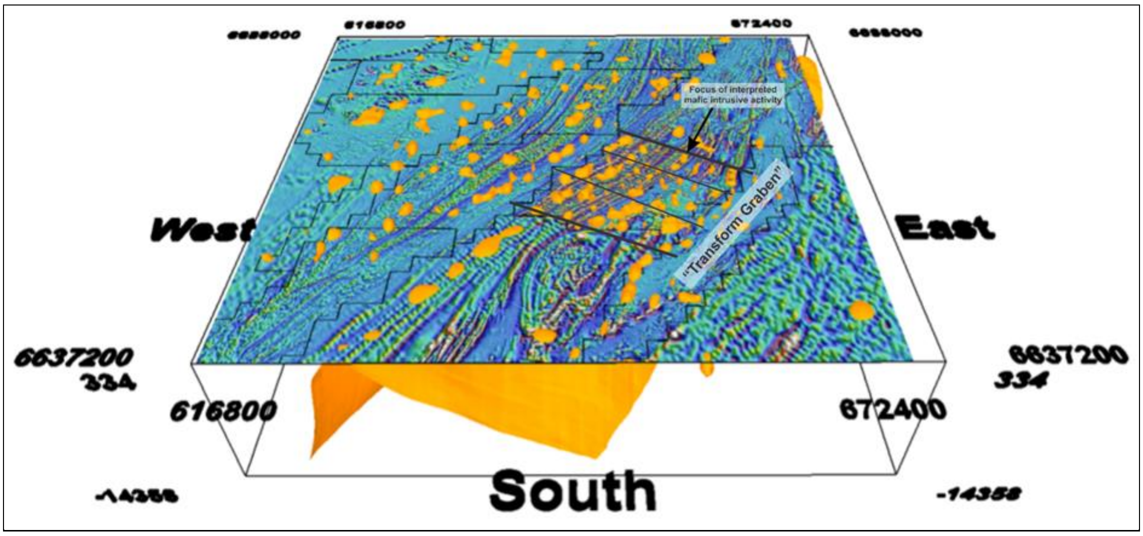

Figure 7: 3D Gravity Inversion (+1.0g/cc shell) with overlain magnetic image (RTP 1VD NE shade)

A detailed review of all the gravity modelling, magnetic data and geological mapping was undertaken to create a portfolio of prioritised exploration targets at the Plumridge Nickel Project. Segue identified fifteen (15) exploration targets within two district-scale clusters in the northern and central parts of the Project area (**Figure 8**). All targets lie within the TGZ and are consistent with the geological and mineral emplacement models.

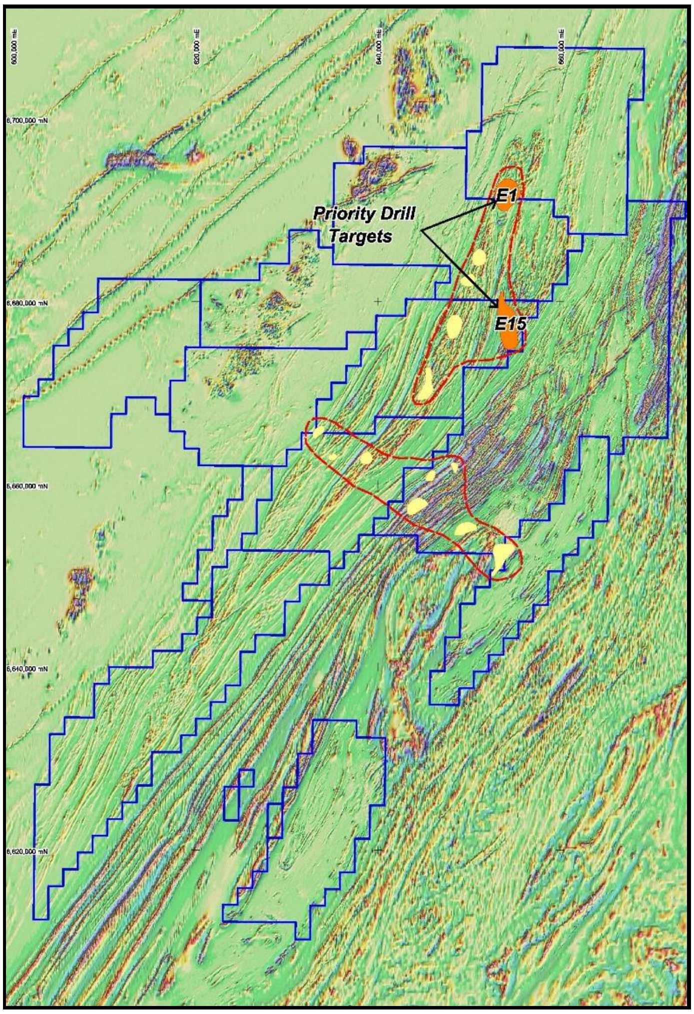

Figure 8: Location map showing high priority exploration targets

Subsequent Events

Subsequent to the Period, Segue completed seven RC drill holes for a total of 985m across four target areas. The drilling was primarily aimed at testing a number of gravity anomalies to provide information to allow more detailed modelling of this key data set. In addition, single drill holes were targeted to test a previously identified MLEM conductor (E28) and a distinct magnetic target (E17).

The results of the drilling were very positive, in particular at the E1 Target where mafic rocks with a favourable litho-geochemical signature (including low TiO_2 and Zr) were intersected in drill hole PRC003 (**Figure 9**). The intersection of the mafic lithologies has confirmed the validity of recently acquired gravity data to target for prospective nickel-copper bearing lithologies within the Fraser Range. Samples from PRC003 are currently being assayed and a petrographic analysis completed.

The E1 Target, which is a 10km long "ovoid" structure with an underlying coincident gravity high, will now become the focus for the next phase of exploration. With the identification of prospective mafic rocks in this recent drilling it is important that a focussed, systematic approach is now taken to define the prospectivity of this target. The next phase of exploration will include aircore drilling to define geology and geochemistry beneath the transported cover.


Figure 9: RC chip trays from PRC003 showing mafic rock samples

In September 2015, Segue announced it had entered into the Plumridge Nickel Joint Venture with leading base metals company, MMG Limited (**MMG**), covering the majority of the Plumridge Project area. Under the farm-in agreement, MMG can acquire a 51% interest in the Plumridge Nickel Joint Venture through the expenditure of $6.5 million in exploration (**Stage 1**). Upon completing the Stage 1 earn-in, MMG can increase its interest by 19% to 70% through the additional expenditure of $7.5 million (**Stage 2**). MMG will manage all exploration activities under the Plumridge Nickel Joint Venture. The Plumridge Nickel Joint Venture represents the first farm-in joint venture with a major mining or exploration company in the Fraser Range.

Pardoo Project - Pilbara Region, Western Australia

The Pardoo Project is located in the Northern Pilbara, 100km east of the regional centre of Port Hedland (**Figure 10**). The project is prospective for magmatic nickel-copper sulphides. A current inferred resource of 44.7mt @ 0.3% Ni & 0.13% Cu exists at the sedimentary hosted Highway Deposit. The exploration model is that the source of the nickel and copper mineralisation at Highway was derived from what is interpreted to be a large scale mafic-ultramafic intrusive complex to the north of the major fault zone (Pardoo Fault).

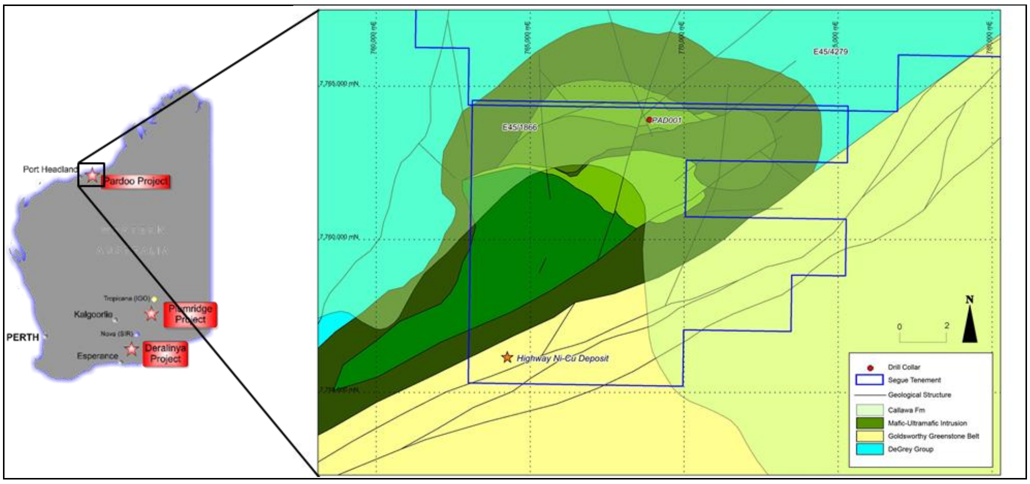

Figure 10: Pardoo location map and interpreted geology

A revitalised exploration effort at the project over the previous year has defined a coincident geophysical anomaly identified through various phases of airborne magnetic, gravity and fixed loop electromagnetic surveying. The regional gravity anomaly of interest, interpreted as a series of gabbroic, mafic-ultramafic intrusions is covered by a sequence (50-100m) of sedimentary rocks, the Callawa Formation. To provide an initial test of this concept a single diamond drill hole was completed in November 2014 (**Table 2**).

Table 2 – Pardoo drill hole information

Hole ID	Type	Easting	Northing	Dip	Azimuth	EOH
PAD001	Diamond	768,872	7,763,903	-90°	360°	522.2m

Diamond hole PAD001 was drilled to a total depth of 522.3m and successfully intersected a 225m thick mafic intrusion (gabbro) hosting trace amounts of disseminated pyrite-pyrrhotite-magnetite (**Figure 11**). The mafic intrusion is hosted within a sequence of basalts and volcanoclastic sediments. The results confirm that the large-scale geophysical target is most likely a multi-phase mafic-ultramafic intrusive complex. These types of intrusions are highly prospective for mafic-ultramafic hosted nickel-sulphide deposits.

During the Period, Segue entered into the Pardoo Nickel Joint Venture with Port Exploration Pty Ltd (**Port**) covering the Company's Pardoo Project. Port can acquire a 51% interest in the Pardoo Project by spending $250,000 on exploration within 12 months of signing the Agreement (**Stage 1 Interest**). Port can acquire an additional 29% interest in the Pardoo Project (increasing its interest to 80%) by spending a further $250,000 on exploration by no later than 12 months after earning the Stage 1 Interest (**Stage 2 Interest**).

Figure 11: Diamond Hole PAD001 Drill Core

Upon Port earning the Stage 2 Interest, Segue has the right for a period of 18 months to sell its 20% Joint Venture interest to Port for shares in Port (or any listed head company of Port), subject to necessary shareholder, ASX and other regulatory approvals.

Deralinya Project

Segue acquired a 100% interest in the Deralinya Project in November 2013, as part of its larger Fraser Range acquisitions. The Deralinya Project comprises 760km^2 of granted exploration licences and sole applications, 120km south of the Nova-Bollinger nickel-copper deposit and immediately adjacent to the Mt Ridley Project (**Figure 12**).

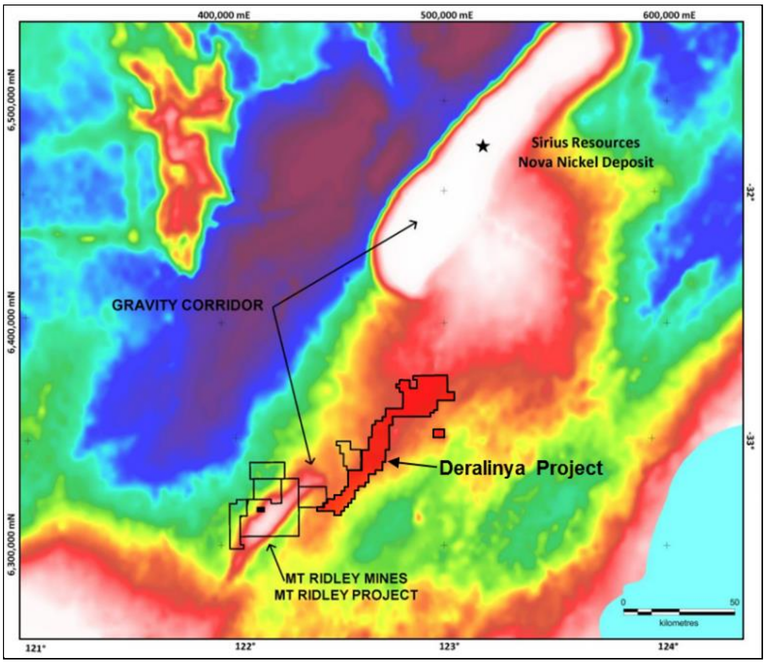

Figure 12: Deralinya Project location map over regional gravity

The Deralinya Project is located within the Proterozoic aged Fraser Range and covers approximately 80km of the Newman and Coramup Shear Zones. The recent identification of nickel bearing intrusives within the southern Fraser Range has led to a technical review of the Deralinya Project and the prospectivity for mafic–ultramafic intrusive related nickel-copper mineralisation similar to the Nova-Bollinger deposit.

The Albany-Fraser Terrane consists of two Proterozoic mobile belts that flank the southern margins of the Archaean Southwest Gneiss Terrane and southern and eastern margins of the Yilgarn block. The Deralinya Project area straddles a complex structural zone interpreted to bridge both Proterozoic and Archaean rocks in major crustal suture zone.

A litho-tectonic assessment of the Deralinya Project confirmed the project area as having potential to host nickel-copper mineralisation and has also resulted in the identification of six target areas. Targets were identified using the following criteria:

- Magnetic 'bulls-eye' or magnetic low cross cutting stratigraphy;
- Association with a gravity high that cross cuts stratigraphy; and
- Proximal to regional NE and NW orientated fundamental structures.

A soil sampling program was completed across two target areas to test for geochemical anomalism that could be associated with potential mineralisation. The programme consisted of 308 samples collected on a 500m x 250m grid with regional traverses continuing on 250m sample spacing.

Subsequent to the Period, Segue entered into the Deralinya Joint Venture with its geological consultants, Omni GeoX (**Omni**), over the Company's Deralinya Project in the southern portion of the Fraser Range Province in Western Australia. Under the terms of the Joint Venture, Omni acquired a 30% interest in the Deralinya Project through the expenditure of $130,000 on exploration activities.

Corporate and Financial

Board and Management Changes

During the Period, Dr Howard Carr and Mr Matthew Foy resigned from the Board (Mr Foy remains as Company Secretary). On 1 September 2014 Segue announced the appointment of Dr Frazer Tabeart as a Non-Executive Director of the Company. Dr Tabeart is a geologist with 25 years' global exploration and resource development experience. After graduating from the Royal School of Mines, London with a degree and PhD in mining geology, he emigrated to Australia and spent 16 years with the Exploration Division of WMC Resources Limited (**WMC**). Dr Tabeart is the Managing Director of ASX-listed African Energy Resources (ASX: AFR).

Acquisition of 100% Interest in Plumridge Gold Joint Venture and Plumridge East Joint Venture

During the Period, Segue advised that it had entered into an unconditional agreement to acquire Fraser Range Metals Group Limited's interest in the Plumridge East Joint Venture (**Joint Venture**) for $200,000. Segue was earning an 80% interest in the Joint Venture which covered two tenements (E39/1731 and E28/2317) at the Plumridge Nickel Project. Following completion of the transaction Segue now owns a 100% interest in the Joint Venture.

Segue also completed the acquisition of a 100% interest in four exploration tenements at the Plumridge Gold Joint Venture from International Goldfields Limited (**IGS**). Segue initially acquired a 65% joint venture interest in the four tenements and acquired the remaining 35% interest (increasing its stake to 100%) by the payment of $200,000 and granting IGS a 1% net smelter royalty. Segue and IGS agreed to terminate the royalty agreement for consideration of 3.75 million Segue shares.

Share Purchase Plan 2014 and Unmarketable Parcel Share Sale Facility

On 30 June 2014, the Company announced its intention to raise up to $2 million via a Share Purchase Plan (**SPP14**) followed by a Share Sale Facility (**Share Sale**) for those shareholders who do not hold a "marketable parcel" of Segue shares. SPP14 was priced at 0.8¢ per share and was not underwritten. SPP14 closed heavily oversubscribed with applications for 369.25 million shares totalling $3.0 million. The Company issued 250.0 million shares for $2 million and refunded the balance of application funds to participants.

On 28 July 2014, Segue advised of the establishment of a share sale facility for the holders of unmarketable parcels of the Company's shares. Approximately 2,133 of the Company's then 3,727 shareholders held unmarketable parcels making up approximately 0.27% of the Company's fully paid ordinary shares on issue. The Company facilitated the sale of a total of 4,171,898 shares representing over 90% of shareholders of unmarketable parcels.

Placement and Share Purchase Plan 2015

In June 2015 the Company raised a total of $500,000 by the issue of 166,666,667 ordinary shares at 0.3¢ per share together with a 1 for 2 attaching option exercisable at 1.0¢ per share on or before 31 July 2017 via a placement to Australian institutional and sophisticated investors (**Placement**).

In conjunction with the Placement, Segue offered eligible shareholders the opportunity to participate in a Share Purchase Plan (**SPP15**) to raise up to $2.0 million. SPP15 was priced at 0.3¢ per share and included a 1 for 2 attaching option exercisable at 1.0¢ per share on or before 31 July 2017. Subsequent to the period, on 19 August 2015 Segue advised that SPP15 had closed with applications for 309,242,685 shares totalling $928,428.

Controlled Placement Agreement

On 19 September 2014 the Company advised it had entered into a Controlled Placement Agreement (**CPA**) with Acuity Capital Pty Ltd (**Acuity**) to provide Segue with up to $1 million of equity capital over 12 months. Importantly, Segue retains full control of the placement process, including having sole discretion as to whether or not to utilise the CPA. Further, there are no restrictions or conditions on other capital raising activities the Company may wish to undertake.

Segue entered into the CPA to complement its funding initiatives and to strengthen its overall capital management program by adding a further capital raising tool. The CPA provides Segue with the flexibility to quickly and efficiently raise capital, including the ability to take advantage of suitably attractive opportunities if they arise.

During the period the Company raised approximately $560,000 through the CPA together with reinvestment of consultant fees through the following issues:

- On 24 October 2014 the Company raised $200,000 through the issue of 16,148,648 shares at 1.238¢;
- On 27 January 2015 the Company raised $110,000 through the issue of 22,347,561 shares at 0.492¢ which included the participation of Segue's geological consultant, Omni GeoX;
- On 8 April 2015 the Company raised $150,000 through the issue of 27,042,027 shares at 0.555¢; and
- On 3 June 2015 the Company raised $100,000 through the issue of 24,456,523 shares at 0.409¢.

Segue is under no obligation to raise capital under the CPA and there are no break fees if the CPA is not utilised.

Share Capital

As at 30 June 2015 the Company had 2,250,524,175 ordinary shares on issue. The Company also had 15,000,000 options exercisable at 1.0¢ on or before 18 February 2018 and 76,500,000 options exercisable at 1.8¢ on or before 31 January 2016 outstanding.

Subsequent to the period on 3 August 2015 the Company issued 80,000,000 ordinary shares and 25,000,000 options exercisable at 0.36¢ on or before 3 August 2018 in connection with the Segue Employee Share Plan. Furthermore, on 20 August 2015 the Company issued 309,242,685 ordinary shares and 237,954,732 options exercisable at 1.0¢ on or before 31 July 2017 pursuant to the Placement and SPP15.

During the Period the Company advised that 11,800,000 options exercisable at 5.1¢ on or before 8 November 2014 had lapsed unexercised.

Competent Persons Statement

The information in this report that relates to Exploration Results & Mineral Resources is based on information compiled by Mr Peter Langworthy who is a Member of The Australian Institute of Geoscientists. Mr Langworthy has more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Langworthy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

CORPORATE

During the year the Company had the following changes to its issued capital:

- Segue raised $1.2 million from the placement of 262,828,093 shares to institutional and sophisticated investors and technical consultants;
- 10 million options were exercised raising $100,000;
- The Company bought back and cancelled 25,000,000 ordinary shares pursuant to an Employee Share Scheme buy back;
- A Deed of Termination and Release in relation to a royalty obligation was entered into in exchange for the issue of 3,750,000 shares;
- A share purchase plan at 0.8¢ per share raised $2 million for the issue of 250,000,000 shares; and
- 2,000,000 ordinary shares were issued in consideration for tenements relating to the Pardoo Project.

BOARD CHANGES

On 1 September 2014 Segue advised that Mr Matthew Foy had stepped down from the Board and Dr Frazer Tabeart had been appointed as Non-Executive Director of the Company. Dr Tabeart is a geologist with 25 years' global exploration and resource development experience. Frazer is currently Managing Director of African Energy Resources Limited, an ASX listed power development and generation company, Director of Mitchell River Group (a private project generation and development company) and principal of Geogen Consulting Pty Ltd, a consultant to the minerals industry.

Dr Howard Carr resigned from the Board on 15 July 2014 to pursue other interests.

REVIEW AND RESULTS OF OPERATIONS

The principal activity of the Company and its subsidiaries during the year was mineral exploration. The net loss for the year ended 30 June 2015 was $2,438,493 (2014: loss of $1,456,132) the net loss included the following items:

- Impaired exploration and evaluation expenditure of $1,422,529 (2014: $406,212); and
- Non-executive director's fees excluding share based payments of $45,727 (2014: $27,645).

Summary of Financial Position

At 30 June 2015 the Group's cash reserves were $502,080 (2014: $738,685). The decrease in cash was due to net cash used in operating activities of $835,108 (2014: $729,967), net cash used in investing activities of $2,567,687 (2014: $498,624), and net cash from financing activities of $3,166,190 (2014: $935,170). Net assets of the Group as at 30 June 2015 were $6,118,292 (2014: $5,171,745).

Significant Changes in the State of Affairs

There were no changes in the state of affairs of the Group other than those referred to elsewhere in this report or the financial statements or notes thereto.

Significant Events after Balance Date

On 22 June 2015 the Company announced a Share Purchase Plan to raise up to $2.0 million at 0.3¢ per share. The Plan closed on Friday, 14 August 2015 and raised $928,428 via the issue of 309,242,685 shares and 154,624,343 options exercisable at 1.0¢ on or before 31 July 2017.

DIRECTORS' REPORT

On 3 August 2015 the Company issued 80 million shares and 25,000,000 options exercisable at 0.36¢ each on or before 3 August 2018 under the Employee Share Plan to Messrs Michael, Tabeart and Ong through limited recourse loans secured against the shares. Issue of the shares is subject to the satisfaction of key milestones and will be repaid within 3 years of issue. The issue price of the shares was a 1% discount to the volume weighted average of the Company's shares over the 5 days of trading immediately prior to their issue.

On 3 August 2015 the Company advised it had entered into the Deralinya Joint Venture with its geological consultants, Omni, over the Company's Deralinya Project in the southern portion of the Fraser Range Province in Western Australia. Under the terms of the Joint Venture, Omni acquired a 30% interest in the Deralinya Project through the expenditure of $130,000 on exploration activities.

On 4 August 2015 the Company advised it had entered into the Pardoo Nickel Joint Venture with Port covering the Company's Pardoo Project. Port can acquire a 51% interest in the Pardoo Project by spending $250,000 on exploration within 12 months of signing the Agreement (Stage 1 Interest). Port can acquire an additional 29% interest in the Pardoo Project (increasing its interest to 80%) by spending a further $250,000 on exploration by no later than 12 months after earning the Stage 1 Interest (Stage 2 Interest).

On 18 September 2015, the Company announced a farm-in joint venture with a subsidiary of MMG Limited covering eight exploration tenements at the Plumridge Nickel project. MMG Limited may earn a 51% interest in the project through the investment of $6.5 million to December 2019 and may increase this interest to 70% by investing an additional $7.5 million.

Other than the above and as disclosed elsewhere within this report, there were no other subsequent events after the reporting date.

Environmental Regulation

The Company is subject to and compliant with all aspects of environmental regulation of its exploration activities. The Directors are not aware of any environmental law that is not being complied with.

Future Developments

- The Group will continue to explore its Plumridge Gold, Salt Creek and Deralinya Projects in the Fraser Range region of Western Australia;
- The Group will, through various exploration joint ventures, continue to explore its Plumridge Nickel and Pardoo Projects in Western Australia; and
- The Group continues to review new project venture opportunities which are consistent with its strategy to become a diversified minerals explorer.

Dividends

No dividend has been paid since the end of the financial period and no dividend is recommended for the current year.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

REMUNERATION REPORT (Audited)

Remuneration of directors and executives is referred to as compensation throughout this report. Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company including directors of the Company and other executives. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

The following were key management personnel of the Company at any time during the previous and current financial year and have been in office for the entire period unless indicated otherwise:

Mr Steven Michael	Managing Director & CEO
Mr Nicholas Ong	Non-executive Director
Dr Frazer Tabeart	Non-executive Director (appointed 1/09/2015)
Mr Matthew Foy	Company Secretary Non-executive Director (resigned 1/09/2014)
Dr Howard Carr	Technical Director (resigned 15/07/2014)

Compensation levels for directors and key management personnel of the Company are competitively set to attract and retain appropriately qualified and experienced directors and executives.

The Board is responsible for compensation policies and practices. The Board, where appropriate, seeks independent advice on remuneration policies and practices, including compensation packages and terms of employment.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company.

A remuneration consultant has not been employed by the Company to provide recommendations in respect of remuneration, given the size of the Group and its current structure.

Cash bonuses equal to a maximum of 50% of salary may be paid, at the discretion of the Board, as part of the Short Term Incentive Plan.

Non-Executive Directors

Total remuneration for all Non-executive Directors, is not to exceed $250,000 per annum as approved by shareholders. This does not include Consulting Fees.

Non-executive directors, received a fixed fee for their services of $24,000 per annum (excl. GST) for services performed.

There is no direct link between remuneration paid to any Non-executive directors and corporate performance. There are no termination or retirement benefits for non-executive directors (other than statutory superannuation).

Fixed Compensation

Fixed compensation consists of base compensation and includes statutory superannuation.

Key management personnel compensation

The key management personnel compensation included employee benefit and director compensation expenses are as follows:

	2015 $	2014 $
Short-term employee benefits	371,000	470,774
Bonuses	80,227	-
Post employment benefits	36,205	37,474
Termination benefits	27,173	6,000
Equity compensation benefits	210,100	193,846
	724,705	**708,094**

Remuneration

Details of the remuneration of the Key Management Personnel of Segue are set out in the following table. Currently, directors are responsible for the management of the Company.

30 June 2015	***Short term benefits*** *Salary and Fees*	*Cash Bonuses*	***Post employment benefits Superannuation***	***Termination benefits***	***Share based payments Equity Shares[4]***	***Total***	***Proportion of shares***
	$	$	$	$	$	$	%
Directors							
S Michael	275,000	62,500	26,125	-	178,092	541,717	33%
F Tabeart	20,000	-	-	-	-	20,000	-
N Ong	23,000	2,727	-	-	16,004	41,731	38%
H Carr[2]	-	-	3,715	27,173	-	30,888	-
R van Zyl[3]	-	-	-	-	-	-	-
Company secretary							
M Foy[1]	53,000	15,000	6,365	-	16,004	90,369	18%
	371,000	**80,227**	**36,205**	**27,173**	**210,100**	**724,705**	**29%**
30 June 2014							
Directors							
S Michael	250,000	-	23,125	-	85,463	358,588	24%
N Ong	11,645	-	-	-	11,460	23,105	50%
M Foy[1]	54,000	-	-	-	11,460	65,460	18%
H Carr[2]	155,129	-	14,349	-	85,463	254,941	34%
R van Zyl[3]	-	-	-	6,000	-	6,000	-
	470,774	-	**37,474**	**6,000**	**193,846**	**708,094**	**27%**

1. Resigned as director 01/09/2014, continues as company secretary
2. Resigned 15/07/2014
3. Resigned 17/07/2013
4. Messrs Michael, Ong, Foy & Carr participated in the ESP. See Note 16 Share Based Payments for further details.

Share Based Remuneration

Options

No options were granted to directors during the financial year.

Details of options over ordinary shares in the Company provided as remuneration to each director of Segue Resources Limited as at the date of this report is set out below. When exercisable, each option is convertible into one ordinary share of Segue Resources Limited.

2015	Opening balance of Options	Granted during the year	Lapsed during the Year	Closing Balance of options
Directors				
S. Michael	11,800,000	-	(11,800,000)	-
F. Tabeart	-	-	-	-
N. Ong	-	-	-	-
M. Foy (resigned as director 01/09/2014, continues as company secretary)	-	-	-	-

2014	Opening balance of Options	Granted during the year	Lapsed during the Year	Closing Balance of options
Directors				
S. Michael	11,800,000	-	-	11,800,000
N. Ong	-	-	-	-
M. Foy	-	-	-	-

Shares

On 17 April 2014, shareholder approval was received for the adoption of an employee incentive scheme, known as the Employee Share Plan (**ESP**).

The objective of the ESP is to attract directors with suitable qualifications, skills and experience to plan, carry out and evaluate the Company' strategy and to motivate and retain those directors. A full summary of the ESP was set out in the Notice of General Meeting dated 18 March 2014.

A material feature of the Plan is the issue of Shares pursuant to the Plan may be undertaken by way of provision of a limited-recourse, interest free loan to be used for the purposes of subscribing for the Shares. The term of each loan will be 3 years from the date of issue of the Shares, subject to earlier repayment in accordance with the terms of the Plan (e.g. ceasing to be an employee of the Company or an event of insolvency).

The Shares issued to the Eligible Participants will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares, other than being subject to a holding lock until such time as the respective restriction conditions have been satisfied, including the completion of any restriction period, and any Loan has been extinguished or repaid under the terms of the Plan.

Although these are shares for legal and taxation purposes, Accounting Standards require they be treated as options for accounting purposes.

See Note 16 Share Based Payments for further details.

ESP Terms and Conditions

Participants in the ESP may be directors of the Company or any of its subsidiaries or any other related body corporate of the Company.

Issue price: the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 5 trading days up to and including the date of issue of the Shares offered under the Plan, or such other price as the Board determines

Restriction Conditions: Shares may be subject to restriction conditions relating to milestones (such as a period of employment) or escrow restrictions that must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.

Extension of Escrow Condition: If an Eligible Participant ceases to be an Eligible Participant as a result of an occurrence other than certain bad leaver occurrences prior to the satisfaction of all Restriction Conditions, the escrow restriction applied under the Escrow Condition in relation to the Plan Shares held by the Participant will be extended by 6 months.

Where a Milestone Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company may, unless the Milestone Condition is waived by the Board, either:

(i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act in consideration for the cancellation of any Loan granted;

(ii) cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act in consideration for the cancellation of any Loan granted; or

(iii) in the event that such a buy-back or cancellation of Shares cannot occur, require the Participant to sell the Shares as soon as reasonably practicable either on the ASX and give the Company the sale proceeds (**Sale Proceeds**), which the Company will apply in the following priority:

    (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;

    (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and

    (C) lastly, any remainder to the Company to cover its costs of managing the Plan.

Restriction on transfer: Other than as specified in the Plan, Participants may not sell or otherwise deal with a Share until the Loan Amount in respect of that Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.

Shareholding:
The number of ordinary shares in the Company held during the financial period by each Director of Segue Resources Limited and any other key management personnel of the Company, including their personally related parties, are set out below:

2015	**Opening balance**	**Granted as remuneration**	**Options exercised**	**Net other change**	**Closing balance**
	Nos.	*Nos.*	*Nos.*	*Nos.*	*Nos.*
Directors					
Mr Steven Michael	89,050,000	-	-	-	89,050,000
Dr Frazer Tabeart	-	-	-	-	-
Mr Nicholas Ong	10,250,000	-	-	-	10,250,000
Dr Howard Carr [1*]	75,000,000	-	-	*(75,000,000)	-
Company secretary					
Mr Matthew Foy [2]	8,750,000	-	-	-	8,750,000
	183,050,000	**-**	**-**	**(75,000,000)**	**108,050,000**

2014	**Opening balance**	**Granted as remuneration**	**Options exercised**	**Net other change**	**Closing balance**
	Nos.	*Nos.*	*Nos.*	*Nos.*	*Nos.*
Directors					
Mr Steven Michael	14,050,000	75,000,000	-	-	89,050,000
Mr Matthew Foy	1,250,000	7,500,000	-	-	8,750,000
Mr Nicholas Ong	2,750,000	7,500,000	-	-	10,250,000
Mr Robert van Zyl [3*]	3,000,000	-	-	*(3,000,000)	-
Dr Howard Carr	-	75,000,000	-	-	75,000,000
	21,050,000	**165,000,000**	**-**	**(3,000,000)**	**183,050,000**

* at date of resignation

1. Resigned 15/07/2014
2. Resigned as director 01/09/2014, continues as company secretary
3. Resigned 17/07/2013

Following the resignation of Dr Carr on 15 July 2014, Dr Carr is no longer eligible to receive shares associated with Milestones 5 to 8, which total 25 million shares. The Shares to be issued to each of Mr Michael and Dr Carr will remain restricted until the later of the satisfaction of Milestones 1 - 8 and the completion of the voluntary escrow period set out in the table below or extended escrow period for Dr Carr.

The Shares to be issued to each Messrs Ong and Foy will remain restricted until the later of the satisfaction of Milestones 2 - 4 and 6 - 8 and the completion of the voluntary escrow period set out in the table below:

Milestone	**Number of Shares**	**Completion of voluntary escrow**
Identification of 3 ground EM bedrock conductor targets by no later than 31 December 2015 (**Milestone 1**)	20 million	31 December 2014
Completion of an acquisition or farm-in agreement in respect of at least 500km^2 of tenements in the Fraser Range or Eastern Biranup Complex by no later than 30 June 2014 (**Milestone 2**)	34 million	31 December 2014
Completion of capital raising/s totalling $4 million, at an average price of at least $0.007 per Share by no later than 31 December 2014 (**Milestone 3**)	24 million	30 June 2015

Milestone	Number of Shares	Completion of voluntary escrow
Market capitalisation of the Company being at least $20 million for 20 consecutive trading days by no later than 30 June 2015 (**Milestone 4**)	34 million	31 December 2015
Milestone 1 achieved and the Eligible Participant is a director of the Company at 31 December 2015 (**Milestone 5**)	10 million	Nil
Milestone 2 achieved and the Eligible Participant is a director of the Company at 31 December 2015 (**Milestone 6**)	16 million	Nil
Milestone 3 achieved and the Eligible Participant is a director of the Company at 30 June 2016 (**Milestone 7**)	11 million	Nil
Milestone 4 achieved and the Eligible Participant is a director of the Company at 30 June 2016 (**Milestone 8**)	16 million	Nil
	165 million	

Service Agreements

As at the date of this report, the Company had service agreements with the following executives:

Steven Michael

Commencement on 5 June 2015 with no set term. If the Company wishes to terminate the contract, other than if Mr Michael commits any act of serious misconduct, the Company is obliged to give three months' written notice or pay out three months' of Annual Salary and pay a termination payment equivalent of three months' annual salary. If Mr Michael wishes to terminate the contract he must provide three months' notice.

Other Financial Information

The tables below set out summary information about the Group's earnings and movements in shareholder wealth for the four years to 30 June 2015:

	30 June 2015 $	30 June 2014 $	30 June 2013 $	30 June 2012 $	30 June 2011 $
Revenue	9,040	14,330	5,842	39,195	25,080
Net loss before tax	2,438,493	1,456,132	5,772,168	5,852,656	611,950
Net loss after tax	2,438,493	1,456,132	5,772,168	5,852,656	611,950
Share price at start of year (cents)	1.0	0.2	1.0	3.1	1.7
Share price at end of year (cents)	0.2	1.0	0.2	1.0	3.1
Basic loss per share (cents)	0.12	0.19	0.52	1.27	0.26
Diluted loss per share (cents)	0.12	0.20	0.52	1.27	0.26

Adoption of Remuneration Report by Shareholders

The adoption of the Remuneration Report for the financial year ended 30 June 2014 was put to the shareholders of the Company at the Annual General Meeting held 27 November 2014. The resolution was passed without amendment on a show of hands (99.7% of proxies voted in favour). The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Remuneration Report

Directors' Interests in the Shares and Options of the Company

As at the date of this report, the relevant direct and indirect interest of each director in the shares and options of Segue Resources Limited were:

	Ordinary shares *Nos.*	Share options *Nos.*
Mr Steven Michael	119,050,000	-
Mr Nicholas Ong	22,750,000	-
Dr Frazer Tabeart	25,000,000	-

Shares under Options

As at 30 June 2015 there were no options to take up ordinary shares in the Company held by Directors (2014: 11,800,000).

No options were exercised during the 2015 financial year and no shares have been issued from the exercise of options since year-end to the date of this report. No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate. The names of all holders of options are entered into the Company's register, inspection of which may be made free of charge.

Meetings of Directors

The following directors' meetings (including meetings of committees of directors) were held during the year and the number of meetings attended by each of the directors during the year were:

2015	Directors' meetings eligible to attend	Directors' meetings attended	Remuneration committee meetings eligible to attend	Remuneration committee meetings attended
Directors				
Steven Michael	6	6	-	-
Nicholas Ong	6	6	1	1
Frazer Tabeart	6	6	1	1
Howard Carr (resigned 15/07/2014)	-	-	-	-
Matthew Foy (resigned 01/09/2014)	-	-	1	1

Officers' Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors' and Officers' Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company or a related body corporate.

The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the premium paid is subject to a confidentiality clause under the insurance policy.

The Company has entered into an agreement with the Directors and certain officers to indemnify these individuals against any claims and related expenses which arise as a result of work completed in their respective capabilities.

The Company nor any of its related bodies corporate have provided any insurance for any auditor of the Company or a related body corporate.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important.

Details of the amount paid or payable to the auditor (Pitcher Partners Corporate & Audit (WA) Pty Ltd) or its associates for the audit and non-audit services provided during the year are set out in Note 3 and as per below.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or its associates) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

None of the services provided undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*.

	2015	2014
Auditors' remuneration - for audit or review of financial report		
Pitcher Partners Corporate & Audit (WA) Pty Ltd, Australia	30,800	29,000
Auditors' remuneration - for other services		
Pitcher Partners (WA) Pty Ltd - Taxation	21,126	14,650

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from our auditors which is included on page 26.

Signed in accordance with a resolution of the directors

Steven Michael

Managing Director
Perth, 30 September 2015

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Segue Resources Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Segue Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Segue Resources Limited's corporate governance practices were in place throughout the year ended 30 June 2015 and were compliant with the ASX Governing Council's best practice recommendations, unless otherwise stated.

Information on Corporate Governance is available on the Company's website at:
http://www.segueresources.com/index.php?id=160

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Segue Resources Ltd

In relation to the independent audit of Segue Resources Ltd and its controlled entities for the year ended 30 June 2015, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 30 September 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
Continuing Operations			
Finance income		9,040	14,330
Other income		125,948	-
Profit on sale of Shares		67,500	-
Employee benefits expenses		(585,488)	(261,562)
Occupancy costs		(31,895)	(30,807)
Impairment of exploration and evaluation assets		(1,422,529)	(406,212)
Exploration expenditure		(65,915)	-
Finance costs		-	(8,136)
Profit / (loss) on disposal of non-current assets		-	13,645
Depreciation		(25,167)	-
Share based payment expenses		(210,100)	(193,845)
Administration and other expenses		(404,687)	(472,903)
Loss before tax from continuing operations	3	**(2,543,293)**	**(1,345,490)**
Income tax benefit	4	**104,800**	**-**
Loss after tax from continuing operations		**(2,438,493)**	**(1,345,490)**
Discontinued operations			
Profit / (Loss) from discontinued operations, net of tax	2	-	(110,642)
Loss for the year attributable to members of the company		**(2,438,493)**	**(1,456,132)**
Other comprehensive income / (loss)			
Items that may be classified subsequently to profit or loss			
Movement in foreign currency translation reserve		-	82,361
Other comprehensive loss for the year		**-**	**82,361**
Total comprehensive loss for the year attributable to members of the company		**(2,438,493)**	**(1,373,771)**
Basic and diluted loss per share:	11	*Cents*	*Cents*
- From continuing operations		(0.12)	(0.19)
- From total operations		(0.12)	(0.20)

The above statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	2015 $	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	5	502,080	738,685
Trade and other receivables	6	28,469	22,926
Prepayments		6,487	7,051
Total current assets		**537,036**	**768,662**
Non-current assets			
Exploration and evaluation assets	7	5,774,691	4,806,558
Property, plant and equipment		10,980	-
Total non-current assets		**5,785,671**	**4,806,558**
TOTAL ASSETS		**6,322,707**	**5,575,220**
LIABILITIES			
Current liabilities			
Trade and other payables	8	204,415	403,475
Total current liabilities		**204,415**	**403,475**
TOTAL LIABILITIES		**204,415**	**403,475**
NET ASSETS		**6,118,292**	**5,171,745**
EQUITY			
Issued capital	9	26,384,654	23,209,714
Reserves	10	653,752	443,652
Accumulated losses		(20,920,114)	(18,481,621)
TOTAL EQUITY		**6,118,292**	**5,171,745**

The above statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Issued capital $	Option reserve $	Foreign currency translation reserve $	Investment reserve $	Accumulated losses $	Total Equity $
At 1 July 2013	18,533,731	726,927	(559,331)	(150)	(17,025,490)	1,675,688
Loss for the year 2014	-	-	-	-	(1,456,132)	(1,456,132)
Other comprehensive loss	-	-	82,361	-	-	82,361
Total comprehensive loss	-	-	82,361	-	(1,456,132)	(1,373,771)
Issue of Shares (net of costs)	4,675,983	-	-	-	-	4,675,983
Share based payments	-	193,845	-	-	-	193,845
Total transaction with equity holders	4,675,983	193,845	-	-	-	4,869,828
At 30 June 2014	**23,209,714**	**920,772**	**(476,970)**	**(150)**	**(18,481,621)**	**5,171,745**
At 1 July 2014	23,209,714	920,772	(476,970)	(150)	(18,481,621)	5,171,745
Loss for the year 2015	-	-	-	-	(2,438,493)	(2,438,493)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(2,438,493)	(2,438,493)
Issue of Shares (net of costs)	3,174,940	-	-	-	-	3,174,940
Share based payments	-	210,100	-	-	-	210,100
Total transaction with equity holders	3,174,940	210,100	-	-	-	3,385,040
At 30 June 2015	**26,384,654**	**1,130,872**	**(476,970)**	**(150)**	**(20,920,114)**	**6,118,292**

The above statement should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payment to suppliers and employees		(1,043,001)	(736,491)
Interest income received		9,040	14,660
Other income		125,948	-
Other payments		(31,895)	(8,136)
Income tax refund		104,800	-
Net cash used in operating activities	**5**	(835,108)	(729,967)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of shares		67,500	-
Proceeds from sale of assets		-	2,096,376
Payment for exploration and evaluation activities		(2,599,040)	(1,597,752)
Payment for property, plant & equipment		(36,147)	-
Net cash used in investing activities		(2,567,687)	498,624
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,166,190	1,808,736
Repayment of borrowings		-	(873,566)
Net cash from financing activities		3,166,190	935,170
Net increase / (decrease) in cash and cash equivalents		(236,605)	703,827
Cash and cash equivalents at the beginning of the year		738,685	34,858
Cash and cash equivalents at the end of the year	**5**	**502,080**	**738,685**

The above statement should be read in conjunction with the accompanying notes

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. CORPORATE INFORMATION

Segue Resources Limited (the "Company") is a limited company incorporated in Australia. The consolidated financial report of the Company for the year ended 30 June 2015 comprises the Company and its subsidiaries (together referred to as the "Group").

The financial report was authorised for issue by the directors on 30 September 2015.

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

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report and by all entities in the consolidated entity.

A. Statement of Accounting Policies

These are for-profit general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of Preparation

Historical cost convention

The financial report has been prepared under the historical cost convention as modified by the revaluation to fair value of certain classes of assets as described in the accounting policies

These financial statements have been prepared on an accruals basis and are based on historical costs except where stated otherwise in the notes. Cost is based on the fair values of the consideration given in exchange for assets.

Going Concern

The financial report has been prepared on a going concern basis.

The statement of Comprehensive Income shows that the Group incurred a net loss of $2,438,493 during the year ended 30 June 2015 (2014: Loss of $1,345,490). The Statement of Financial Position shows that the Company had cash and cash equivalents of $502,080 (2014: $738,685).

The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding. Subsequent to year end, the Group completed a share purchase plan raising $1 million. Subsequent to the balance date, the Company entered into three separate farm in arrangements that will provide cash flow to maintain exploration assets, specifically:

- On 3 August 2015 the Company advised it had entered into the Deralinya Joint Venture with its geological consultants, Omni, over the Company's Deralinya Project in the southern portion of the Fraser Range Province in Western Australia. Under the terms of the Joint Venture, Omni acquired a 30% interest in the Deralinya Project through the expenditure of $130,000 on exploration activities;

- On 4 August 2015 the Company advised it had entered into the Pardoo Nickel Joint Venture with Port covering the Company's Pardoo Project. Port can acquire a 51% interest in the Pardoo Project by spending $250,000 on exploration within 12 months of signing the Agreement (Stage 1 Interest). Port can acquire an additional 29% interest in the Pardoo Project (increasing its interest to 80%) by spending a further $250,000 on exploration by no later than 12 months after earning the Stage 1 Interest (Stage 2 Interest); and

1. CORPORATE INFORMATION (continued)

- On 18 September 2015, the Company announced a farm-in joint venture with a subsidiary of MMG Limited covering eight exploration tenements at the Plumridge Nickel project. MMG Limited may earn a 51% interest in the project through the investment of $6.5 million to December 2019 and may increase this interest to 70% by investing an additional $7.5 million.

The Directors are confident that the Group will be able to continue as a going concern and meet its current liabilities as and when they fall due.

B. Functional and Presentation of Currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the presentation currency of the consolidated entity.

Translation of foreign operations:

As at the reporting date the assets and liabilities of foreign operations are translated into the presentation currency at the rate of exchange ruling at the reporting date and the statement of comprehensive income, statement cash flows and statement of changes in equity are translated at the weighted average exchange rates for the year. The exchange differences arising on the retranslation are recognised in other comprehensive income and accumulated balances are carried forward as a separate component of equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

C. Use of Estimates and Judgements

The preparation of financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(K). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the profit or loss.

Share based payments (refer Note 16)

The Group measures the cost of equity settled share based payments at fair value at the grant date using the Binomial model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

1. CORPORATE INFORMATION (continued)

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Commitments - Exploration

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

(iii) Benefit from carried forward tax losses

The future recoverability of the carried forward tax losses are dependent upon Group's ability to generate taxable profits in the future in the same tax jurisdiction in which the losses arise. This is also subject to determinations and assessments made by the taxation authorities. The recognition of a deferred tax asset on carried forward tax losses (in excess of taxable temporary differences) is dependent on management's assessment of these two factors. The ultimate recoupment and the benefit of these tax losses could differ materially from management's assessment.

D. Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

E. Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

- Interest income is recognised as it accrues using the effective interest method.
- Government grants are recognised at fair value when there is reasonable certainty that the grant will be received and all grant conditions met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to depreciable assets are credited to deferred income and are recognised in profit and loss over the period and in the proportions in which depreciation expense on those assets is recognised.

1. CORPORATE INFORMATION (continued)

F. Income Tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

G. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

H. Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the profit or loss.

I. Investments and Other Financial Assets

The consolidated entity determines the classification of its financial instruments at initial recognition.

Fair value is the measurement basis, with the exception of held-to-maturity investments and loans and receivables which are measured at amortised cost using the effective rate method. Changes in fair value are either taken to the profit or loss or to an equity reserve.

1. CORPORATE INFORMATION (continued)

Fair value is determined based on current bid prices for all quoted investments. If there is not an active market for a financial asset fair value is measured using established valuation techniques.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets are impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists the cumulative loss is removed from equity and recognised in the profit or loss.

J. Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent Costs

The Company recognises in the carrying amount of an item of Property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the profit or loss on a straight-line or diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

Plant and equipment over 3 to 10 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

De-recognition

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

K. Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including the costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

1. the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
2. activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

1. CORPORATE INFORMATION (continued)

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

L. Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

M. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

N. Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

O. Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivable and payable are stated with the amount of GST included.

The amount of GST recoverable from the taxation authority is included as part of the receivables in the Statement of financial position. The amount of GST payable to the taxation authority is included as part of the payables in the Statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

P. Share based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value of shares are measured by reference to the quoted market price. Fair value of options are measured by use of valuation techniques. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

1. CORPORATE INFORMATION (continued)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

Q. Earnings per Share

Basic Earnings per Share – is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

Diluted Earnings per Share – adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

R. Comparatives

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

S. New standards and Interpretations

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Adoption of these standards has had no impact on the Group's Financial Statements:

New Standards and Interpretations Not Yet Adopted

Pronouncement	Nature of Change	Effective Date
AASB 9 Financial Instruments (December 2014)	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2018
AASB 15 Revenue from Contracts with Customers	AASB 15: - replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations: - establishes a new revenue recognition model - changes the basis for deciding whether revenue is to be recognised over time or at a point in time - provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing) - expands and improves disclosures about revenue	1 January 2017 (however note that both the IASB & AASB have recently issued Exposure Drafts, proposing to defer the effective date to 1 January 2018)

The above new standards and interpretations are not expected to have a material impact on the Group's financial statements.

2 DISCONTINUED OPERATIONS

(a) Sale of Emang Manganese Project

On 26 June 2013, the Group entered into an agreement with Emang Mmogo Mining Resources Pty Ltd (a South African based company that held 70% interest in Emang Manganese Project) to sell its 30% share in Emang Manganese Project for cash consideration of ZAR 19.80 million (approximately $2,136,460).

The sale was approved by the members on 24 July 2013 and the settlement occurred on 5 August 2013.

The Emang Manganese Project has been classified as "asset held for sale" under the requirements of AASB 5 and the results of its operations (including the 2013 comparative) has been presented separately in the Statement of Comprehensive Income.

(b) Analysis of loss from discontinued operations

	2015 $	2014 $
Interest income	-	329
Occupancy	-	(526)
Loss on asset disposal	-	(55,227)
Administration and other expenses	-	(55,218)
Loss before tax	**-**	**(110,642)**
Income tax benefit		
Loss after tax	**-**	**(110,642)**

3 REVENUE AND EXPENSES

	2015 $	2014 $
Loss from continuing operations includes:		
Depreciation expense	25,167	508
Employee benefits expense includes:		
Employee benefits, including directors fees	585,488	261,562
Share based payments	210,100	193,845
	795,588	455,407
Finance costs includes:		
Interest charge	-	8,136
	-	8,136
Auditors' remuneration - for audit or review of financial report		
Pitcher Partners Corporate & Audit (WA) Pty Ltd, Australia	30,800	29,000
	30,800	29,000
Auditors' remuneration - for other services		
Pitcher Partners (WA) Pty Ltd - Taxation	21,126	14,650

4 INCOME TAX

	2015 $	2014 $
(a) The major components of income tax expense / (benefit) comprise of:		
Current tax benefit	-	-
Deferred tax benefit	-	-
	-	**-**
(b) Reconciliation of prima facie tax on continuing operations to income tax benefit:		
Profit / (loss) before tax for the year	(2,543,293)	(1,456,132)
Tax benefit @ 30% tax rate (Australia)	(762,988)	(403,647)
Tax benefit @ 28% tax rate (SA)	-	(30,979)
Adjustments for:		
Research & Development	(58,021)	-
Non-deductible expenses	63,304	58,814
Unrecognised DTA on tax losses	757,705	375,812
Tax benefit recognised in profit or loss	**-**	**-**
(c) Components of deferred taxes		
Deferred tax asset:		
Tax losses	7,507,196	7,313,475
Provisions & Accruals	11,878	14,381
Capital & Borrowing costs	62,880	48,111
Offset against deferred tax liability / not recognised	(7,581,954)	(7,375,967)
Deferred tax liability:		
Investments	(1,185,537)	(1,129,122)
Offset against deferred tax assets / not recognised	(1,185,537)	1,129,122
Net deferred tax asset / (liability)	**-**	**-**
	7,581,954	**7,375,967**

4	INCOME TAX (continued)	2015	2014
		$	$
(d)	**Deferred tax assets / liabilities not brought to account**		
	Temporary differences	(1,110,859)	(1,066,631)
	Operating tax losses	7,507,196	7,102,944
		6,396,337	**6,036,313**

The tax benefits of the above deferred tax assets will only be obtained if:
- the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the company in utilising the benefits.

(e) Tax consolidation

For the purposes of income tax legislation, the Company and its 100% controlled Australian entity have elected to form a tax consolidated group.

5	CASH AND CASH EQUIVALENTS	2015	2014
		$	$
	Cash at bank and on hand	487,080	718,244
	Deposits at call	15,000	20,441
		502,080	**738,685**

Reconciliation of loss for the year to operating cash flows

	2015	2014
Loss for the year	(2,438,493)	(1,456,132)
Adjustments for non-cash items:		
Impairment of assets	1,422,529	406,212
Share based payment expenses	210,100	193,845
Depreciation expense	25,167	508
Loss on disposal of non-current assets	-	53,728
Net foreign exchange movements	-	82,362
Movement in working capital items:		
(Increase) / decrease in trade and other receivables	(5,543)	(17,501)
(Increase) / decrease in prepayments	564	454
Increase / (decrease) in trade and other payables	(49,432)	6,557
Net cash used in operating activities	**(835,108)**	**(729,967)**

6	TRADE AND OTHER RECEIVABLES	2015	2014
		$	$
	Bond	2,825	6,737
	GST receivable	25,644	16,189
		28,469	**22,926**

7 EXPLORATION AND EVALUATION ASSETS

	2015 $	2014 $
Balance at the beginning of the year	4,806,558	520,000
Expenditure incurred during the year	2,210,662	3,666,582
Fair Value of tenements on acquisition	-	1,026,188
Impairment recognised during the year	(1,422,529)	(406,212)
Balance at the end of the year	**5,774,691**	**4,806,558**
The asset balance comprise of:		
Plumridge Project	5,349,691	4,093,760
Deralinya Project	300,000	462,798
Pardoo Project, Western Australia	125,000	250,000
	5,774,691	**4,806,558**
Impairment expense relate to:		
Pardoo Project, Western Australia	379,037	406,212
Deralinya Project	1,043,492	
	1,422,529	**406,212**

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation

8 TRADE AND OTHER PAYABLES

	2015 $	2014 $
Trade creditors and accruals	204,415	403,475
	204,415	**403,475**

Trade creditors are generally settled on 30 to 90 day terms

9 ISSUED CAPITAL

	2015 $	2014 $
Ordinary shares full paid	26,384,654	23,209,714

(a) Movement in ordinary share capital

	Nos.	
Balance at 1 July 2014	**1,743,612,749**	**$23,209,714**
24 July 2014 Share Purchase Plan	250,000,000	2,000,000
19 September 2014 - Technical Consultants Placement	9,500,000	118,750
13 October 2014 Options exercised	5,000,000	50,000
14 October 2014 - Share buy back	(25,000,000)	(2,500)
21 October 2014 Options exercised	5,000,000	50,000
24 October 2014 - Controlled Placement Deed	16,148,648	200,000
27 January 2015 - Controlled Placement Deed	16,265,000	80,000
30 January 2015 - Shares issued	6,097,561	30,000
8 April 2015 - Controlled Placement Deed	27,027,027	150,000
8 April 2015 - Acquisition of Pardoo tenements	2,000,000	11,312
3 June 2015 - Controlled Placement Deed	24,456,523	100,000
3 June 2015 - Royalty termination	3,750,000	11,250
22 June 2015 - Private Placement	163,333,334	488,688
Costs of issue		(112,560)
Balance at 30 June 2015	**2,247,190,842**	**$26,384,654**

9 ISSUED CAPITAL (continued)

Terms and conditions of ordinary shares
Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held.
Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(b) Unexpired share options
The following options over ordinary shares of the Company existed at reporting date:

Expiry date	*Nos.*	*Exercise price* $
31/01/2016	76,500,000	0.018
18/02/2018	15,000,000	0.01
	91,500,000	

These options are unlisted.

10 RESERVES

	2015 $	2014 $
Option reserve - (i)	1,130,872	920,772
Foreign currency translation reserve - (ii)	(476,970)	(476,970)
Investment reserve - (iii)	(150)	(150)
	653,752	**443,652**

(i) The option reserve relates to shares & options granted by the Company to its employees and suppliers.

(ii) Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation

(iii) The investment reserve represents fair value gains / (losses) on available for sale investments recognised in equity.

11 LOSS PER SHARE

The following data reflect the income and share numbers used in calculation of the basic and diluted loss per share:

	Unit	2015	2014
Weighted average number of shares	*Nos.*	2,006,508,752	715,521,062
Loss from continuing operations	$	(2,438,493)	(1,345,490)
Loss from total operations	$	(2,438,493)	(1,456,132)
Basic and diluted loss per share:			
- From continuing operations	Cents	(0.12)	(0.19)
- From total operations	Cents	(0.12)	(0.20)

Anti-dilutive equity instruments not considered in diluted loss per share	*Nos.*	91,500,000	113,300,000

The Company's options over ordinary shares could potentially dilute basic earnings per share in the future, however they have been excluded from the calculation of diluted earnings per share because they are anti dilutive for both of the years presented.

12 CONTINGENT ASSETS AND LIABILITIES

The Group had no contingent assets or liabilities at reporting date or in subsequent periods.

13 SUBSEQUENT EVENTS

On 22 June 2015 the Company announced a Share Purchase Plan to raise up to $2.0 million at 0.3¢ per share. The Plan closed on Friday, 14 August 2015 and raised $928,428 via the issue of 309,242,685 shares and 154,624,343 options exercisable at $0.01 on or before 31 July 2017.

On 3 August 2015 the Company issued 80 million shares and 25,000,000 options exercisable at 0.36₵ each on or before 3 August 2018 under the Employee Share Plan to Messrs Michael, Tabeart and Ong through limited recourse loans secured against the shares. Issue of the shares is subject to the satisfaction of key milestones and will be repaid within 3 years of issue. The issue price of the shares was a 1% discount to the volume weighted average of the Company's shares over the 5 days of trading immediately prior to their issue.

On 3 August 2015 the Company advised it had entered into the Deralinya Joint Venture with its geological consultants, Omni, over the Company's Deralinya Project in the southern portion of the Fraser Range Province in Western Australia. Under the terms of the Joint Venture, Omni acquired a 30% interest in the Deralinya Project through the expenditure of $130,000 on exploration activities.

On 4 August 2015 the Company advised it had entered into the Pardoo Nickel Joint Venture with Port covering the Company's Pardoo Project. Port can acquire a 51% interest in the Pardoo Project by spending $250,000 on exploration within 12 months of signing the Agreement (Stage 1 Interest). Port can acquire an additional 29% interest in the Pardoo Project (increasing its interest to 80%) by spending a further $250,000 on exploration by no later than 12 months after earning the Stage 1 Interest (Stage 2 Interest).

On 18 September 2015, the Company announced a farm-in joint venture with a subsidiary of MMG Limited covering eight exploration tenements at the Plumridge Nickel project. MMG Limited may earn a 51% interest in the project through the investment of $6.5 million to December 2019 and may increase this interest to 70% by investing an additional $7.5 million.

Other than the above, there were no other subsequent events after the reporting date.

14 COMMITMENTS

Exploration & evaluation commitments
The Group has certain minimum obligations in pursuance of the terms and conditions of tenement licences in the forthcoming year. Whilst these obligations are capable of being varied from time to time, in order to maintain current rights of tenure to mining tenements, the Group will be required to outlay $2,093,000 in 2015/16. ($1,757,761 in 2014/15).

Leasing commitments
The company has entered into a 12 month office lease from 1 September 2014 at an annual cost of $33,902.

The expenditure commitment for the Group for later than 2 years but not later than 5 years is uncertain as the tenements require re-application prior to this date of which the outcome is not certain.

	2015	**2014**
	$	**$**
Up to 1 year	2,127,284	1,763,828
Between 1 and 5 years	5,650	34,284
Later than 5 years	-	-
	2,132,934	**1,798,112**

15 RELATED PARTY & KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Parent and subsidiaries

The parent entity and the ultimate parent entity of the Group is Segue Resources Limited, a company listed on the Australian Securities Exchange.

The components of the Group are:

	Incorporation	Extent of control 2015	Extent of control 2014
Parent			
Segue Resources Limited	Australia	-	-
Controlled entities			
Segue (Pardoo) Limited	Australia	100%	100%
Edurus Resources SA	South Africa	100%	100%
Segue (Deralinya) Pty Ltd	Australia	100%	100%
Segue (Plumridge East) Pty Ltd	Australia	100%	100%
Segue (Plumridge) Pty Ltd	Australia	100%	100%
Plumridge Gold Pty Ltd[i]	Australia	100%	65%
Plumridge East Pty Ltd[i]	Australia	100%	-

[i] Details of the Plumridge Gold Pty Ltd and Plumridge East Pty Ltd acquisitions are disclosed in the Directors' report.

(b) Key management personnel disclosures

Information regarding key management personnel has been provided in the Remuneration Report

(c) Transactions with key management personnel

The Company entered into a service agreement with Minerva Corporate Pty Ltd effective 2 April 2014 for the provision of Directorial and Company Secretarial services for approximately $19,800 per quarter (inclusive of GST). Messrs Ong & Foy are related parties of Minerva Corporate Pty Ltd and Segue Resources Ltd.

This service agreement was amended in August 2014 to exclude Company Secretarial services.

During the year an amount of $31,655 (2014:$211,665) inclusive of GST was paid or payable in relation to these services. There is no amount is included in trade creditors on account of these services (2014: $34,182).

A portion of the Director and Company secretary fees for Messrs Ong & Foy was remitted to Minerva Corporate Pty Ltd during the year. $23,000 of Mr Ong's & $5,000 of Mr Foy's remuneration was paid to their related parties. In 2014, their full remuneration was paid to Minerva Corporate Pty Ltd (as detailed above).

Mr Tabeart's remuneration for the year was paid directly to his related party, Geogen Consulting Pty Ltd.

16 SHARE BASED PAYMENTS

Share based payments are provided to directors, consultants and other advisors.

The issue to each individual director, consultant or advisor is controlled by the Board and the ASX Listing Rules. Terms and conditions of the payments, including the grant date, vesting date, exercise price and expiry date are determined by the Board, subject to shareholder approval where required.

The following share-based payments were made during the financial year.

	Beneficiary	Expense	Shares	Options	Value
			Nos.	*Nos.*	$
2015					
	Omni GeoX Pty Ltd	Acquisition of Pardoo Tenements	2,000,000	-	$11,312
	International Goldfields Limited	Deed of Termination & Release for Royalty Commitment	3,750,000	-	$11,250
			5,750,000		**$22,562**

16 SHARE BASED PAYMENTS (continued)

	Beneficiary	Expense	Shares	Options	Value
			Nos.	*Nos.*	$
2014					
	Other Vendors	Acquisition of Plumridge & Deralinya Projects	675,000,000	-	$2,225,000
	International Goldfields Limited	Acquisition of Plumridge & Deralinya tenements	50,000,000	-	$450,000
	Trim Consulting	Consultants Expense	3,333,333	-	$53,247
	Matlock Geological	Consultants Expense	3,333,333	-	$50,000
	RM Research Pty Ltd	Consultants Expense	5,833,333	-	$35,000
	GMP Securities Australia Pty Ltd	Consultants Expense	9,000,000	1,500,000	$54,000
			746,499,999	**1,500,000**	**$2,867,247**

Valuation

Share based payments to directors and KMP during 2015 related to the Employee Share Plan put in place in April 2014. Shareholder approval was received on 17 April 2014 for the issue of 165 million shares to directors and KMP.

The issue of Shares pursuant to the Plan may be undertaken by way of provision of a limited-recourse, interest free loan to be used for the purposes of subscribing for the Shares

The Shares issued to the Eligible Participants will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares, other than being subject to a holding lock until such time as the respective restriction conditions have been satisfied, including the completion of any restriction period, and any Loan has been extinguished or repaid under the terms of the Plan.

Although these are shares for legal and taxation purposes, Accounting Standards require they be treated as options for accounting purposes.

The 2014 shares have been valued applying a Binomial model using the following inputs:

	2014
Number of shares	165,000,000
Grant date	17/04/2014
Dividend yield (%)	0.00%
Expected volatility (%)	115%
Risk-free interest rate (%)	2.97%
Vesting date	Various
Expected life (years)	3.0
Share price ($)	0.07
Share price at grant date ($)	0.04
Valuation of shares – Milestones 1-3,5-7 (¢)	0.486 (115m)
Valuation of shares – Milestones 4 & 8 (¢)	0.249 (50m)

Refer to the remuneration Report for full details of vesting periods and restrictive conditions to be achieved.

17 OPERATING SEGMENTS

AASB 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is more specifically focused on the geographical location of the exploration program.

The company has one operating segment that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

17 OPERATING SEGMENTS (continued)

The Company operates in one operating and geographic segment being mineral exploration, and evaluation in Western Australia for the year ended 30 June 2015.

In 2014 the Group operated under two operating segments.

(i) South Africa - representing the Emang Manganese Project (refer to Note 2 for discontinued operations)

(ii) Western Australia - representing the exploration of iron ore and base metals.

(a) Segment results

2015
There were no segment results in 2015

2014	**South Africa $**	**Western Australia $**	**Total $**
Finance income	329	14,330	14,669
P&L on sale of investment	(55,229)	-	(55,229)
Impairment expenses	-	(406,212)	(406,212)
Administration and other expenses	(55,742)	(750,272)	(806,014)
Segment results before tax	**(110,642)**	**(1,142,152)**	**(1,252,796)**
Unallocated expenses:			
Finance costs			(8,136)
Share based payments			(193,845)
Loss on disposal of non-current assets			(1,355)
Loss before tax for the year			**(1,456,132)**

(b) Segment assets and liabilities

There were no segment assets or liabilities in 2014 or 2015.

18 FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from their use of financial instruments:
- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from receivables from customers and cash and cash equivalents.

All cash balances are held with recognised institutions limiting the exposure to credit risk. There are no formal credit approval processes in place.

Exposure to credit risk
The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

18 FINANCIAL RISK MANAGEMENT (continued)

	2015 $	2014 $
Cash and cash equivalents	502,080	738,685
Trade and other receivables	28,469	22,926
	530,549	**761,611**

Financial assets are neither past due nor impaired.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The maturity profile of Group's financial assets and liabilities are:

2015	**Carrying amount** $	**Up to 6 months** $
Cash and cash equivalents	502,080	502,080
Trade and other receivables	28,469	28,469
Trade and other payables	(204,415)	(204,415)
	326,134	**326,134**

2014	**Carrying amount** $	**Up to 6 months** $
Cash and cash equivalents	738,685	738,685
Trade and other receivables	22,926	22,926
Trade and other payables	(403,475)	(403,475)
	358,136	**358,136**

The maturity profile disclosed are the contractual undiscounted cash flows.

(c) Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments.

Foreign currency risk:
The Group is exposed to foreign exchange risk through its operations in South Africa. However, the financial instruments are held by the parent entity in Australia. Hence the foreign currency risk exposure at the reporting date is minimal.

Interest rate risk
The Group holds the majority of its cash and cash equivalents within a current account attracting an interest rate of 2.00% pa.

18 FINANCIAL RISK MANAGEMENT (continued)

The Group's sensitivity to movement in interest rates is shown in the summarised sensitivity analysis table below.

30 June 2015		Interest rate risk			
		+100 bps		-100 bps	
	Carrying amount	Profit	Equity	Profit	Equity
Cash and cash equivalents	502,080	970	(970)	(970)	970

30 June 2014		Interest rate risk			
		+100 bps		-100 bps	
	Carrying amount	Profit	Equity	Profit	Equity
Cash and cash equivalents	738,685	1,409	(1,409)	(1,409)	1,409

Commodity price risk:
The Group is still under exploration stage and does not have exposure to commodity prices.

(d) Fair value of financial instruments

The fair value of Group's financial instruments at reporting date are:

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
	$	$	$	$
Cash and cash equivalents	502,080	502,080	738,685	738,685
Trade and other receivables	28,469	28,469	22,926	22,926
Trade and other payables	(204,415)	(204,415)	(403,475)	(403,475)
	326,134	**326,134**	**358,136**	**358,136**

The directors consider the carrying amount of the financial instruments to be a reasonable approximation of their fair value on account of the short maturity cycle.

(e) Capital management policy

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The Group defines capital as cash and cash equivalents plus equity. The Board of Directors monitors capital on an ad-hoc basis. No formal targets are in place for return on capital, or gearing ratios as the Group has not derived any income from their mineral exploration.

19 PARENT ENTITY INFORMATION

(a) Financial position

	2015 $	2014 $
ASSETS		
Current assets	536,490	741,918
Non-current assets	5,782,567	3,755,027
TOTAL ASSETS	**6,319,057**	**4,496,945**
LIABILITIES		
Current liabilities	207,661	405,555
TOTAL LIABILITIES	**207,661**	**405,555**
NET ASSETS	**6,111,396**	**4,091,390**
EQUITY		
Issued capital	26,384,654	23,209,714
Reserves	1,130,722	920,622
Accumulated losses	(21,403,980)	(20,038,946)
TOTAL EQUITY	**6,111,396**	**4,091,390**

(b) Financial performance

	2015 $	2014 $
Loss for the year	1,365,484	816,139
Other comprehensive income for the year	-	-
	1,365,484	**816,139**

(c) Commitments

The company has entered into a 12 month office lease from 1 September 2014 at an annual cost of $33,902.

(d) Contingencies

The Company has no contingent assets or liabilities at the reporting date.

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

1. The consolidated financial statements and accompanying notes set out on pages 27 to 49 are in accordance with the *Corporations Act 2001*, including:
    a. giving a true and fair view of the Consolidated Entity's financial position at 30 June 2015 and of their performance for the year ended on that date: and
    b. complying with Accounting Standards and *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.
4. The consolidated financial statements and notes are also in compliance with International Financial Reporting Standards as disclosed in Note 1 (a).

On behalf of the Board

Steven Michael

Managing Director

Perth, 30 September 2015

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SEGUE RESOURCES LTD

Report on the Financial Report

We have audited the accompanying financial report of Segue Resources Ltd and controlled entities, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1 (A), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with *International Financial Reporting Standards.*

Auditor's Responsibility

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

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

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

Independence

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

PITCHER PARTNERS

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SEGUE RESOURCES LTD

Opinion

In our opinion:

(a) the consolidated financial report of Segue Resources Ltd is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

(b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1 (A).

Emphasis of Matter

Without further modifying our opinion, we draw attention to Note 1 (A) to the consolidated financial report which indicates that the consolidated entity incurred a net loss of $2,438,493 during the year ended 30 June 2015, and as of that date, the consolidated entity net current assets of $332,621. These conditions, along with other matters as set forth in Note 1 (A), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 22 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Segue Resources Ltd for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 30 September 2015

ADDITIONAL INFORMATION

Shareholders Information

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

Information as at 7 September 2015.

1. Shares on Issue

Total number of issued fully paid ordinary shares was 2,639,766,860.

2. Distribution of Holders

Shares Held	Number of Shareholders	Percentage of Issued Capital
1 - 1,000	154	0.00%
1,001 - 5,000	15	0.00%
5,001 - 10,000	10	0.00%
10,001 - 100,000	652	1.61%
> 100,000	1,846	98.39%
Total	**2,677**	**100.00%**

3. Unmarketable Parcels

The number of holders of less than a marketable parcel of fully paid shares is 1,380.

4. Substantial Shareholders (i.e. shareholders who hold 5% or more of the issued capital);

Name	Number of Shares Held	Percentage Held
MIMO Strategies Pty Ltd <MIMO A/C>	162,451,189	6.15%
Ascent Capital Holdings Pty Ltd	135,833,333	5.14%

5. Restricted Securities

There are no restricted securities currently on issue.

6. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

There are no voting rights attached to any class of options that is on issue.

7. On-market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

ADDITIONAL INFORMATION

8. Top 20 Shareholders – Ordinary Shares

Rank	Name	Units	% of Units
1	MIMO STRATEGIES PTY LTD <MIMO A/C>	162,451,189	6.2%
2	ASCENT CAPITAL HOLDINGS PTY LTD	135,833,333	5.1%
3	N & J MITCHELL HOLDINGS PTY LTD <ORD STREET PROPERTIES>	91,500,000	3.5%
4	MR STEVEN MICHAEL	80,000,000	3.0%
5	DR HOWARD CARR	50,000,000	1.9%
6	ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD	48,800,266	1.8%
7	CROESUS MINING PTY LTD <STEINEPREIS SUPER FUND A/C>	46,166,666	1.7%
8	CHARLES FRAZER TABEART	25,000,000	0.9%
9	PROMETHEUS CORPORATION PTY LTD <PAY IT FORWARD FOUNDATION>	25,000,000	0.9%
10	FOBIRA PTY LTD	20,000,000	0.8%
11	MR MATTHEW FOY	20,000,000	0.8%
12	MS TOW LOY SUN <QUPIT FAMILY A/C>	20,000,000	0.8%
13	L & D FARRINGTON HOLDINGS PTY LTD	20,000,000	0.8%
14	MR DAVID JOHN HANKS	18,000,000	0.7%
15	MR PAUL MALCOLM KOSHY	17,833,333	0.7%
16	OMNI GEOX PTY LTD	17,830,894	0.7%
17	MOTTE & BAILEY PTY LTD <BAILEY SUPER FUND A/C>	16,630,084	0.6%
18	CITICORP NOMINEES PTY LTD	16,407,290	0.6%
19	MR PAUL ALAN WINFIELD	15,581,815	0.6%
20	MS R. SHERIDAN	15,400,793	0.6%
Totals: Top 20 holders of SEG ORDINARY FULLY PAID		**862,435,663**	**32.7%**
Total Remaining Holders Balance		**1,777,331,197**	**67.3%**
Total Holders Balance		**2,639,766,860**	**100.00%**

9. Company Secretary

The name of the Company Secretary is Matthew Foy.

10. Registered Address

The address of the principal registered office is Unit 16, 40 St Quentin Avenue, Claremont WA 6010. Telephone (08) 9383 3330.

11. Registers

The register of securities are held at the following address:

Advance Share Registry
150 Stirling Highway
Nedlands WA 6009

ADDITIONAL INFORMATION

12. Unquoted Securities

As at 7 September 2015 the following options over un-issued shares were on issue:

- 76,500,000 options exercisable at 1.8 cents on or before 31 January 2016.
- 237,954,732 options exercisable at 1.0 cent on or before 31 July 2017.
- 15,000,000 options exercisable at 1.0 cent on or before 18 February 2018.
- 25,000,000 options exercisable at 0.36 cents on or before 3 August 2018.

13. Unquoted Equity Security Holders with Greater than 20% of an Individual Class

As at 7 September 2015 the following class of unquoted securities had holders with greater than 20% of the class on issue.

Unquoted Options exercisable at $0.018 on or before 31 January 2016

Name	Number of Securities held	Percentage Held %
JP Morgan Nominees Australia Limited	27,578,792	36.05%
HSBC Custody Nominees (Australia) Limited	22,421,208	29.31%

Unquoted Options exercisable at $0.01 on or before 18 February 2018

Name	Number of Securities held	Percentage Held %
6466 Investments Pty Ltd	15,000,000	100%

Unquoted Options exercisable at $0.0036 on or before 3 August 2018

Name	Number of Securities held	Percentage Held %
Omni Geox Pty Ltd	25,000,000	100%

ADDITIONAL INFORMATION

14. Tenement Schedule as at 7 September 2015

Tenement	Holder	Interest	Granted	Expiry
E28/1475	Segue (Plumridge) Pty Ltd	100%	17/11/2004	16/11/2015
E39/1084	Segue (Plumridge) Pty Ltd	100%	11/01/2006	10/01/2016
E39/1117	Segue (Plumridge) Pty Ltd	100%	25/11/2005	24/11/2015
E39/1118	Segue (Plumridge) Pty Ltd	100%	11/01/2006	10/01/2016
E39/1830	Segue (Plumridge) Pty Ltd	100%	19/03/2015	18/03/2020
E28/2267	Segue (Plumridge) Pty Ltd	100%	23/04/2013	22/04/2018
E39/1710	Segue (Plumridge) Pty Ltd	100%	9/04/2013	8/04/2018
E28/2266	Segue (Plumridge) Pty Ltd	100%	25/07/2013	24/07/2018
E39/1709	Segue (Plumridge) Pty Ltd	100%	30/05/2014	29/05/2019
E39/1731	Plumridge East Pty Ltd (49%) & Segue Plumridge East Pty Ltd (51%)	100%	24/09/2013	23/09/2018
E28/2317	Plumridge East Pty Ltd (49%) & Segue Plumridge East Pty Ltd (51%)	100%	22/01/2014	21/01/2019
E63/1521	Segue (Deralinya) Pty Ltd	100%	28/06/2012	27/06/2017
E63/1522	Segue (Deralinya) Pty Ltd	100%	28/06/2012	27/06/2017
E63/1524	Segue (Deralinya) Pty Ltd	100%	28/06/2012	27/06/2017
E45/1866	Segue (Pardoo) Limited	100%	09/02/2004	08/02/2016
E45/4279	Segue (Pardoo) Limited	100%	03/12/2014	02/12/2019
E28/2385	Fraser Range Metals Group Ltd	100%	27/03/2015	26/03/2020
E28/2390	Fraser Range Metals Group Ltd	100%	27/03/2015	26/03/2020
E28/2392	Fraser Range Metals Group Ltd	100%	21/04/2015	20/04/2020

segue

RESOURCES LTD