



ASX Code: SEG

30 July 2014

Market Announcements Platform
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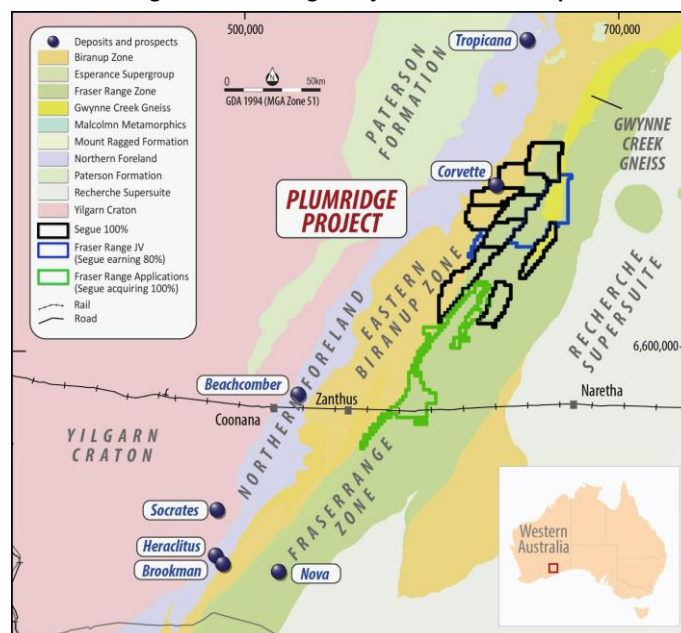
QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2014

JUNE QUARTER HIGHLIGHTS

- Ground EM survey completed at Plumridge – multiple EM conductors identified
- Plumridge East tenements acquired – E21 Target now highest priority
- Two Share Purchase Plans completed raising over \$3 million

During the June quarter, Segue Resources Limited (**Segue** or the **Company**) continued exploration at the Plumridge Nickel and Gold Project in the Fraser Range Province of Western Australia. Segue now controls almost 3,000km² of contiguous granted exploration licences and 740km² of exploration licence applications at the Plumridge Project (**Figure 1**) and is one of the largest ASX-listed tenement holders in the region.

Figure 1: Plumridge Project Tenement Map



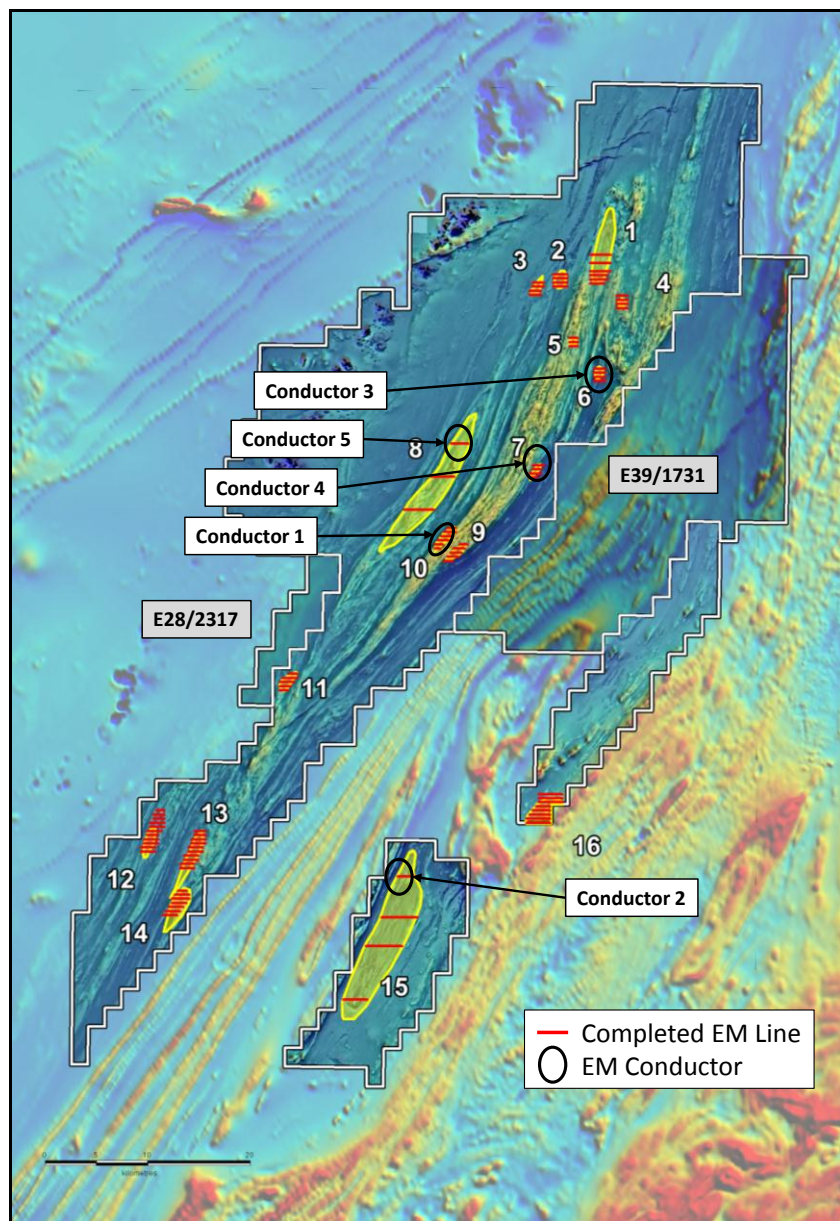
Plumridge Nickel Project, Fraser Range Province, Western Australia

Segue continued to explore, expand and consolidate its exploration tenement package at the Plumridge Nickel Project in the Fraser Range. Segue now controls 2,880km² of contiguous granted exploration licences at Plumridge, with nearly all the tenements owned 100%. Two tenements are subject to the Plumridge East JV (80% Segue, 20% Fraser Range Metals Group).

Ground (Moving Loop) EM Survey

Segue completed the Phase 1 Ground EM survey over 16 “Eye” targets at the Plumridge Nickel Project. The survey, which totalled 123 line kilometres of Moving Loop EM, was one of the largest and most comprehensive Ground EM surveys undertaken in the Fraser Range. Five conductors were identified from the EM survey, with extensional and additional lines of EM to be completed in Phase 2 to assess the potential of each of these conductors. Conductors which have the potential to be from a bedrock source will be prioritised for aircore drilling.

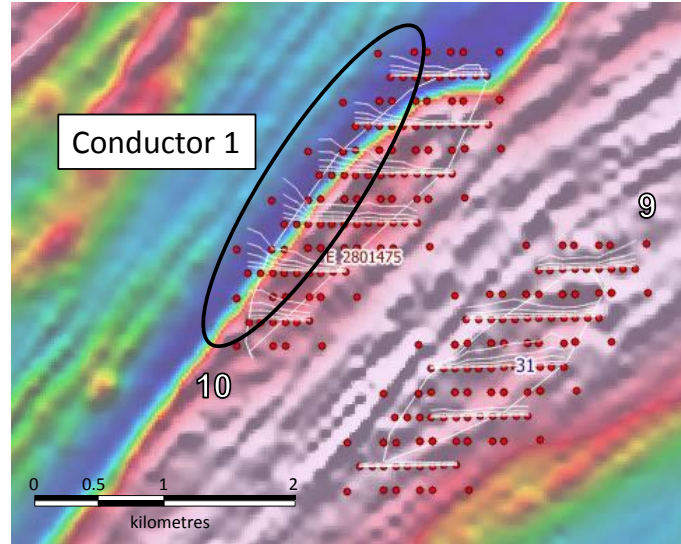
Figure 2: Plumridge Nickel Project Eye Targets and EM Survey



Conductor 1

Conductor 1, hosted by eye feature #10 shows a medium to strong response in the 2-5ms time delay channels, indicating it is a relatively shallow body (**Figure 3**). Regional aircore drilling conducted by previous explorers indicates eye #10 has around 43 metres of cover and is not sited within a lignite-bearing palaeo-drainage system. On this basis it is interpreted that Conductor 1 lies close to the bedrock surface.

Figure 3: Bz coverage of Conductor 1 within eye #10, overlain on 1st vertical derivative magnetic image

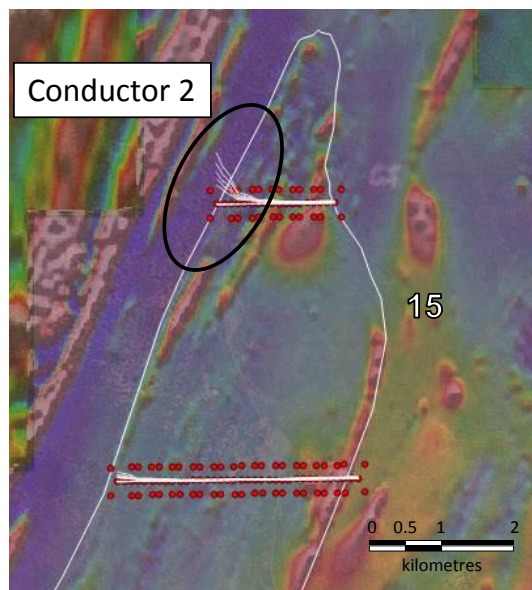


Conductor 1 is observed on the western end of five adjacent MLEM traverses located 400 metres apart. The conductor remains open to the west, and as such the five traverses will be extended around 400 metres further to the west prior to data processing and plate modelling.

Conductor 2

Conductor 2, hosted by eye feature #15 shows a medium response in the 18-43ms time delay channels, indicating it is a relatively deep body, well below the 28 metres of cover in the area (**Figure 4**). Conductor 2 is observed on the western end of a single reconnaissance MLEM traverse over this large eye feature. The nearest reconnaissance MLEM traverse over eye #15 is around 4 kilometres to the south.

Figure 4: Bz coverage of Conductor 2 within eye #15, overlain on 1st vertical derivative magnetic image

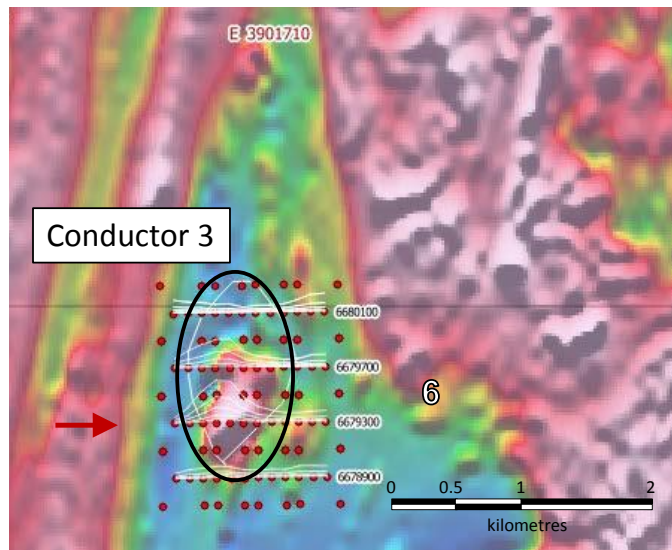


Conductor 2 remains open to the west and the conductive traverse will be extended around 400 metres further to the west. At least two more parallel MLEM traverses will be completed 400 metres to the north and south of the conductive traverse prior to data processing and modelling.

Conductor 3

Conductor 3 is classified as one of the most promising conductors identified to date (**Figure 5**). It is hosted by eye #6, a cluster of discrete magnetic anomalies within a broad zone of flat magnetic signature. The conductor lies midway from the centre to the boundary of the interpreted intrusion and shows a medium to strong response in the 2-5ms time delay channels, suggestive of a shallow, medium conductance (conductivity x thickness) body. Depth of cover in this area is around 38 metres.

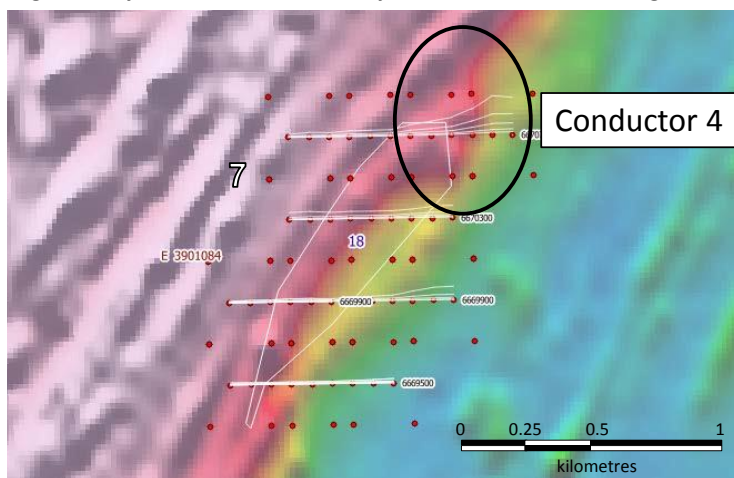
Figure 5: Bz data of the high density MLEM traverses over eye overlain on Total Magnetic Intensity-Reduced to Pole



Conductor 4

Conductor 4 is on the NE margin of eye #7 and shows a low to medium response in the 2-5ms time delay channels, indicating it is a relatively shallow body (**Figure 6**). This conductor remains open to the east and the conductive traverse will likely be extended around 400 metres further to the east to close it off. Early indications are that this body warrants more data acquisition, data processing and plate modelling.

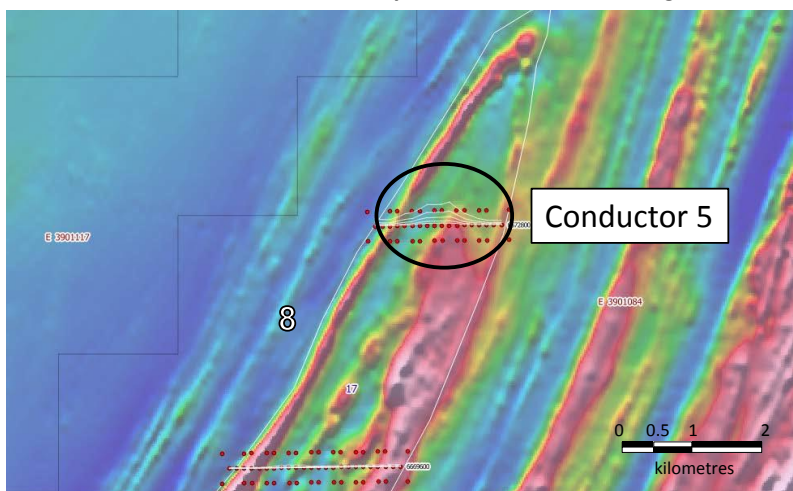
Figure 6: Bz data of the high density MLEM traverses over eye #7 overlain on Total Magnetic Intensity-Reduced to Pole



Conductor 5

Conductor 5 has been identified in the northern most reconnaissance MLEM traverse across eye #8 (**Figure 7**). The conductor towards the centre of interpreted intrusion eye shows a low to medium response in the 2-5ms time delay channels, indicating it is a relatively shallow body. This conductor remains open to the south, and north, and parallel MLEM traverses on our high density EM specifications (400m transmitter loops, 100m stations), data processing and plate modelling appear to be justified at this stage. Depth of cover in this area is around 41 metres.

Figure 7: Bz data of northern most MLEM traverse over eye #8 overlain on Total Magnetic Intensity-Reduced to Pole



Phase 2 Ground EM Survey

The Phase 2 Ground EM survey which has commenced over those conductors which require additional or extensional EM lines. The Phase 2 Ground EM programme will be completed once the EM crew finishes the current programme at the E21 Target (see below).

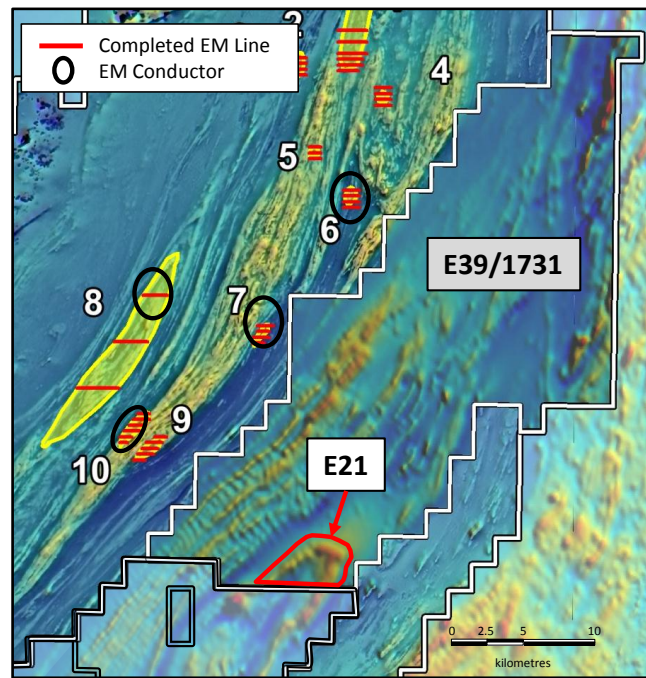
The 16 “Eye” targets included in the Phase 1 Ground EM survey were selected from a suite of 30 “Eye” targets chosen, in part, due to there being no interpreted lignite in the cover sequence. Following the success of the Phase 1 Ground EM survey, Segue is now selecting and prioritising new untested “Eye” targets from the remaining 14 targets for EM surveying and first pass aircore drilling.

Plumridge East JV – Multiple EM Conductors Identified at E21 Target

During the quarter Segue entered into the Plumridge East Joint Venture with Fraser Range Metals Group Limited (**FRMG**). Under the JV, Segue can earn up to an 80% interest in two granted exploration licences (E39/1731 and E28/2317) totalling 641km². The Plumridge East JV tenements are adjacent to Segue’s existing Plumridge Project tenements and provide Segue with over 50km of east-west contiguous tenement coverage over the Fraser Complex.

E39/1731 contains a large magnetic anomaly (**E21 Target**) which covers approximately 25km² on the southern end of the tenement and is transected by the axis of the Fraser Range gravity high and major regional structures parallel, and in close proximity, to the Nova Structure (**Figure 8**). Further, E39/1731 is located within the eastern margin of the Fraser Complex, a terrain characterised by lower strain than that of the western Fraser Complex and is interpreted to be more amenable for the preservation of massive nickel sulphide ore bodies.

Figure 8: E21 Magnetic Anomaly on Tenement E39/1731



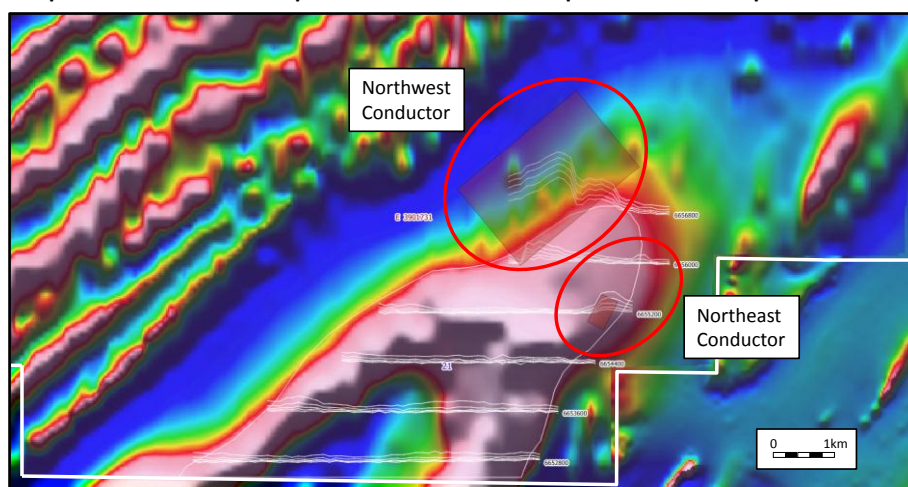
During the quarter Segue completed a reconnaissance Ground (Moving Loop) EM survey over the E21 Target at the Plumridge Nickel Project in the Fraser Range identified two significant bedrock conductors. The MLEM survey was undertaken by Segue's geophysical consultants, Newexco, who reported:

Six lines of high-power MLEM, with an initial line spacing of 800m, have been completed over the interpreted E21 intrusion. Anomalous responses were identified on the northern three lines consistent with conductors sourced from bedrock geology.

Modelling of the data collected to date indicates two conductive horizons present on the northwestern (NW) and northeastern (NE) margins of the interpreted intrusion. The NW conductor is both strike and depth extensive with an extremely high amplitude response on line 6656800. The NE conductor is not depth extensive and responds on adjacent lines 6655200 and 6656000. It forms an encouraging target.

Further infill MLEM will be acquired to ensure blanket 400m line-spaced coverage of E21, including extended margins. This will allow comprehensive modelling of the identified conductors.

Figure 9: E21 interpreted intrusion. White profiles indicate the Z component B-Field response overlaid on the TMI RTP



Segue lodged a Programme of Work (**POW**) with the Department of Mines and Petroleum for a proposed aircore drilling programme covering the E21 Target in mid-June 2014. The POW was amended following the identification of the two bedrock conductors at E21. Segue has received approval of the POW and an initial aircore drilling programme will commence immediately.

Segue has also engaged Thomson Aviation to acquire high resolution (100m line spaced) aeromagnetic data on E39/1731 to bring the data asset of this block up to the same standard as the rest of the Plumridge Nickel portfolio. Data acquisition is scheduled for August 2014, with data processing completed thereafter.

Following processing of the aeromagnetic data on E39/1731, Segue will carry out its “stage-gate” exploration programme on any targets developed by Segue and Newexco. This process has proven highly successful in enabling Segue to undertake cost-effective exploration on its large Fraser Range exploration licence area.

Plumridge Gold Acquisition

During the quarter, Segue announced it had signed definitive agreements with International Goldfields Limited (**IGS**) to acquire a 100% interest in four exploration tenements which were previously subject to the Plumridge Joint Venture. The four tenements total 832km² and are highly prospective for Nova-style nickel sulfide deposits and contain the Corvette gold prospect.

Segue initially acquired a 65% interest in the four tenements for \$100,000 in cash and the issue of 50 million Segue shares. Subsequent to the end of the quarter, Segue acquired the remaining 35% interest in the four tenements (increasing its stake to 100%) by paying \$200,000 to IGS and granting a 1% net smelter royalty.

Completion of the Plumridge East JV and Plumridge Gold acquisition has increased Segue’s Plumridge Project area by over 25% to 2,880km². Segue is now the third largest ASX-listed tenement holder in the Fraser Range Province with 4,180km² of granted exploration licences (Plumridge and Deralinya Project areas). Importantly, Segue owns a 100% interest in nearly all of its tenements.

Corporate and Financial

Share Purchase Plan 1

During the quarter the Company announced its intention to raise up to \$3.0 million via a Share Purchase Plan (**SPP1**) for existing shareholders to accelerate its exploration programme at the Plumridge Nickel Projects. SPP1 was priced at 0.75¢ per share and was partially underwritten by specialist microcap investment fund, Acorn Capital Limited (**Acorn Capital**).

On 24 June 2014 Segue advised that SPP1 had closed and the Company issued 78,533,285 fully paid ordinary shares raising \$589,000. With the partial underwriting by Acorn Capital the Company successfully raised a total of \$1.1 million.

Share Purchase Plan 2

On 30 June 2014 the Company announced its intention to raise up to \$2.0 million via a second Share Purchase Plan (**SPP2**) followed by a Share Sale Facility (**Share Sale**) for those shareholders who do not hold a “marketable parcel” of Segue shares. SPP2 was priced at 0.8¢ per share and was not underwritten.

Subsequent to the end of quarter, Segue announced that SPP2 closed heavily oversubscribed with applications for 369.25 million shares totalling \$3.0 million. Segue has since issued 250.0 million shares for \$2 million and refunded the balance of application funds to SPP2 participants.

The funds raised through SPP1 and SPP2, which total \$3.1 million, will enable Segue to undertake a very significant exploration programme at the Plumridge Nickel Project, including the Company's maiden drilling campaign which is set to commence before the end of July.

Share Capital

At the end of the quarter the Company had 1,743,612,749 ordinary shares on issue. The Company also had 11,800,000 options exercisable at \$0.051 on or before 8 November 2014; 25,000,000 options exercisable at \$0.01 on or before 18 February 2018 and 76,500,000 options exercisable at \$0.018 on or before 31 January 2016 outstanding.

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Competent Persons Statement

The information in this report that relates to Exploration Results 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.

Appendix A – Schedule of Tenements

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
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Plumridge Project

E28/1475 ¹	Granted	0%	65%	65%
E28/2266	Granted	100%	0%	100%
E28/2267	Granted	100%	0%	100%
E39/1084 ¹	Granted	0%	65%	65%
E39/1117 ¹	Granted	0%	65%	65%
E39/1118 ¹	Granted	0%	65%	65%
E39/1709	Granted	0%	100%	100%
E39/1710	Granted	100%	0%	100%

1. Segue acquired an initial 65% interest in the four tenements for \$100,000 in cash and the issue of 50 million Segue shares. Subsequent to the quarter Segue acquired the remaining 35% (for a total of 100%) by the payment of \$200,000 to IGS.

Plumridge East JV

E28/2317 ²	Granted	0%	0%	0%
E39/1731 ²	Granted	0%	0%	0%

2. Segue can earn an 80% interest in the Plumridge East JV by spending \$500,000 within two years of the date of agreement

Plumridge Exploration Licence Applications

E28/2384	Pending	0%	0%	0%
E28/2385	Pending	0%	0%	0%
E28/2386	Pending	0%	0%	0%
E28/2387	Pending	0%	100%	100%
E28/2388	Pending	0%	100%	100%
E28/2390	Pending	0%	0%	0%
E28/2391	Pending	0%	100%	100%
E28/2392	Pending	0%	0%	0%
E28/2393	Pending	0%	0%	0%

Deralinya Project

E63/1521	Granted	0%	100%	100%
E63/1522	Granted	0%	100%	100%
E63/1523	Granted	0%	100%	100%
E63/1524	Granted	0%	100%	100%

Pardoo Project

E45/1866	Granted	100%	100%	100%
E45/3383	Granted	100%	100%	100%
E45/4279	Pending	0%	-	-