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

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

SEPTEMBER QUARTER HIGHLIGHTS

- Segue to acquire over 3,500km² of exploration licences in the Fraser Range Province
- Fraser Range exploration to focus on the Plumridge Nickel Project
- Pardoo Nickel Project review highlights new areas of prospectivity for Ni-Cu deposits
- Completion of the sale of the Emang Manganese Project for A\$2.1 million

Fraser Range Province, Western Australia

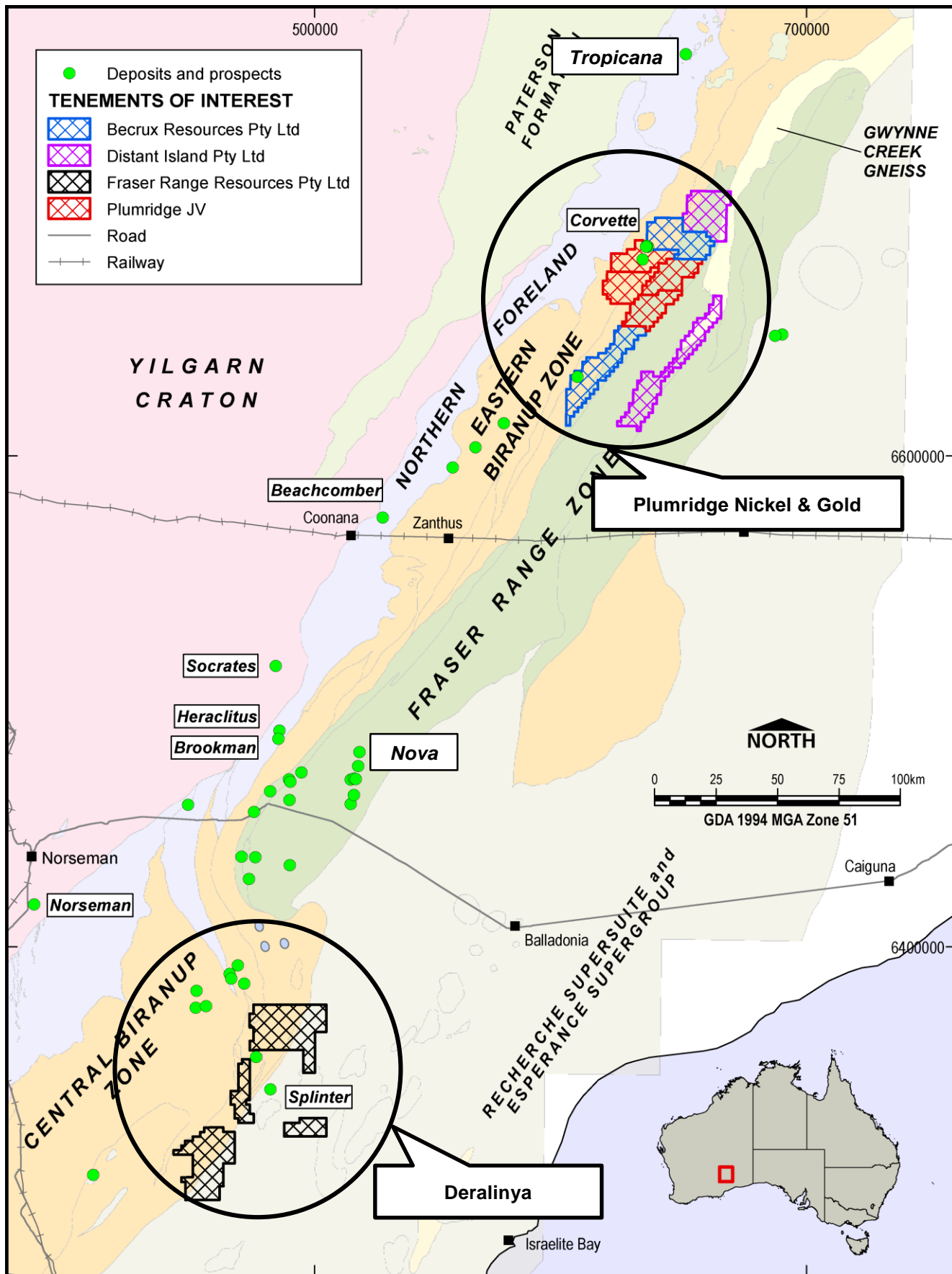
Subsequent to the quarter, Segue Resources Limited (**Segue** or the **Company**) announced that it had entered into agreements to acquire 12 exploration licences totalling 3,538km² in the highly prospective Albany-Fraser Range Province of Western Australia (the **Transaction**). Following completion of the Transaction, Segue will become one of the largest tenement holders in the Fraser Range Province. For more information, refer to the Company's announcement on 8 October 2013.

The tenements contain the Plumridge Nickel and Gold Projects in the northern portion of the Fraser Range and the Deralinya Project in the southern Fraser Range. The Plumridge Nickel Project is Segue's immediate exploration focus as it is highly prospective for Nova-style nickel-copper deposits.

The consideration for the acquisition of all three private companies is 550 million Segue shares, with a nominal value of \$1.1 million (at Segue's 20-day VWAP price of \$0.002 per share). In addition, Segue has paid a cash sum of \$200,000 to one of the companies to repay its existing liabilities.

The Transaction is subject to approval by Segue shareholders and a Notice of Meeting containing an Independent Expert's Report by BDO Corporate Finance and Independent Specialist Valuation by CSA Global has been sent to all shareholders. The Independent Expert's Report concluded that the transaction is fair and reasonable to Segue shareholders.

Figure 1 – Fraser Range Exploration Tenements



Acquisition Terms

Segue is acquiring three companies (the **Vendors**) which have large, contiguous exploration tenements in the Fraser Range Province. Total consideration is \$1.1 million in Segue shares and \$0.2 million in cash to repay existing liabilities. Segue will issue the Vendors with 550 million shares, which are being issued at Segue's 20-day VWAP of \$0.002 per share.

Table 1 – Key Acquisition Terms

Company	Cash (Deposit)	Shares ¹	Tenement Area
Fraser Range Resources Pty Ltd	\$200,000	\$700,000	2,130km ²
Becrux Pty Ltd	-	\$200,000	698km ²
Distant Island Pty Ltd	-	\$200,000	710km ²
Total	\$200,000	\$1,100,000	3,538km²

1. All shares are being issued at a nominal price of \$0.002 per share.

The majority of the tenements are owned 100% by the respective companies, except for four tenements in the Plumridge Nickel and Gold project area which are subject to a farm-in joint venture with International Goldfields Ltd (**Plumridge Joint Venture**). Under the joint venture agreement, Segue can earn a 60% interest in the Plumridge Joint Venture by spending \$1.0 million by 31 January 2015. Following completion of the farm-in, standard dilution provisions will apply.

Table 2 – Fraser Range Tenement Details

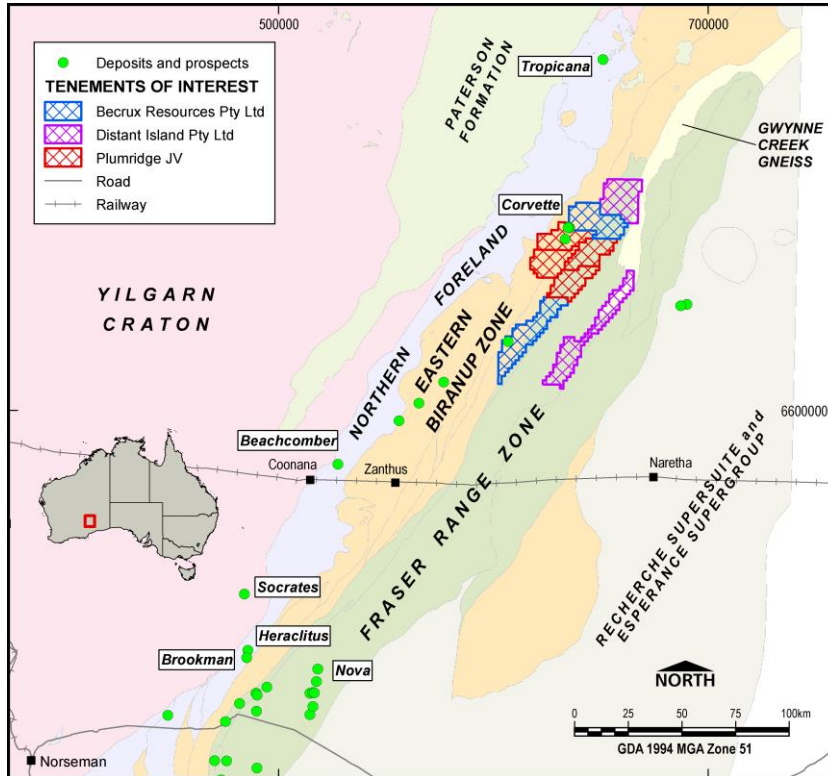
Tenement	Owner	Interest	Size	Granted	Expiry
E28/1475	Fraser Range	0% ¹	208km ²	17/11/04	16/11/13
E39/1084	Fraser Range	0% ¹	208km ²	11/01/06	10/01/15
E39/1117	Fraser Range	0% ¹	208km ²	25/11/05	24/11/14
E39/1118	Fraser Range	0% ¹	208km ²	11/01/06	10/01/15
E28/2267	Becrux	100%	385km ²	23/04/13	22/04/18
E39/1710	Becrux	100%	313km ²	09/04/13	08/04/18
E28/2266	Distant Island	100%	397km ²	25/07/13	24/07/18
E39/1709	Distant Island	100%	313km ²	Pending	
Total Plumridge Nickel and Gold Projects			2,240km²		
E63/1521	Fraser Range	100%	571km ²	28/06/12	27/06/17
E63/1522	Fraser Range	100%	147km ²	28/06/12	27/06/17
E63/1523	Fraser Range	100%	115km ²	28/06/12	27/06/17
E63/1524	Fraser Range	100%	465km ²	28/06/12	27/06/17
Total Deralinya Project			1,298km²		

1. Fraser Range Resources Pty Ltd can earn a 60% interest in the Plumridge Joint Venture by spending \$1.0m by 31 January 2015.

Plumridge Project (Nickel and Gold)

Segue is acquiring rights over eight tenements in the northern portion of the Fraser Range Province totalling 2,240km², which together form the Plumridge Project. Four of the tenements are owned 100% and the remaining four tenements are subject to the Plumridge Joint Venture, where Segue (via Fraser Range Resources) is earning a 60% interest through the expenditure of \$1.0 million by 31 January 2015.

Figure 2 – Plumridge Project Tenements



The Plumridge Project has previously been explored for gold, however very little base metal exploration has been conducted to date. The Plumridge Project is highly prospective for nickel-copper deposits, similar to Sirius Resources' Nova-Bollinger deposit, which lies approximately 120km south-west along the Fraser Range Belt.

Segue has recently engaged Newexco Mining & Exploration Services (**Newexco**) to review, improve and evaluate the Company's nickel sulphide exploration programme. Newexco was involved in the discovery of Western Areas' Forrestania and Sirius' Nova-Bollinger nickel sulphide deposits and brings a wealth of highly pertinent industry knowledge and experience to our team and exploration effort.

The initial exploration programme at the Plumridge Project will take approximately six months and be funded out of existing cash reserves. Segue is planning a phased geophysical programme to evaluate all of its Fraser Range tenements and to develop a manageable suite of nickel sulphide prospective drill targets. Interpretation of previously acquired aeromagnetic data over the Plumridge Project area has identified a large number of "Eye" type targets for more detailed geophysical surveys and analysis.

The exploration programme will include a significant programme of ground EM, bedrock drill sampling, multi-element geochemistry and down-hole EM to systematically reduce the number of targets whilst increasing the nickel sulphide prospectivity. "Eye" targets with coincident ground EM conductors and anomalous nickel (and pathfinder elements) will be drill tested during the third quarter of 2014. A summary of the initial nickel sulphide exploration programme is provided in Table 3.

Table 3 – Plumridge Nickel Exploration Programme

Activity	Timing	Comments
High Resolution Aeromagnetic Survey	4Q 2013	<ul style="list-style-type: none"> High resolution aeromagnetic surveys over ~40 “eye” targets identified from existing magnetic data Selection of 15-20 most prospective “eye” targets for field work
Ground EM traverses	1Q 2014	<ul style="list-style-type: none"> Ground EM traverses over each “eye” target Selection of mafic and/or conductor-bearing “eye” targets for follow-up air core bedrock drill sampling
Bedrock air core drilling programme	1Q 2014	<ul style="list-style-type: none"> Drill lines across selected mafic and/or conductor bearing bodies Selection of high bedrock nickel, mafic and/or conductor bodies for follow up detailed EM and air core drilling
Ground EM surveys and air core drill lines	2Q 2014	<ul style="list-style-type: none"> Ground EM traverses and air core drill lines over each selected high bedrock nickel target Selection of strike continuous high bedrock nickel conductor plates for RC drill testing in 2H 2014

The Plumridge Project has previously been explored for gold along the western portion of the Plumridge Joint Venture tenements, which contain the Eastern Biranup Zone of the Albany Fraser Orogen. Several gold prospects have been discovered in the project area, including the Corvette gold prospect located approximately 60km southwest of the +5 million ounce Tropicana gold project. The Corvette gold prospect is a >5km long gold anomaly defined by air core drilling, with multiple intercepts of significant gold mineralisation in localised areas of reverse circulation drilling.

Segue has completed a review of previous bedrock drilling and oriented diamond drill-core which has allowed for the Company to better understand the local to district-scale structural controls on gold mineralisation in the Corvette area. To further improve the exploration model, Segue is currently re-analysing over 16,000 drill-chip samples for gold-associated alteration mineral chemistry (PIMA study).

The integration of the alteration and structural studies may result in the definition of a number of new targets proximal to areas of known mineralisation. Segue plans to drill these targets after the initial nickel sulphide exploration programme is complete.

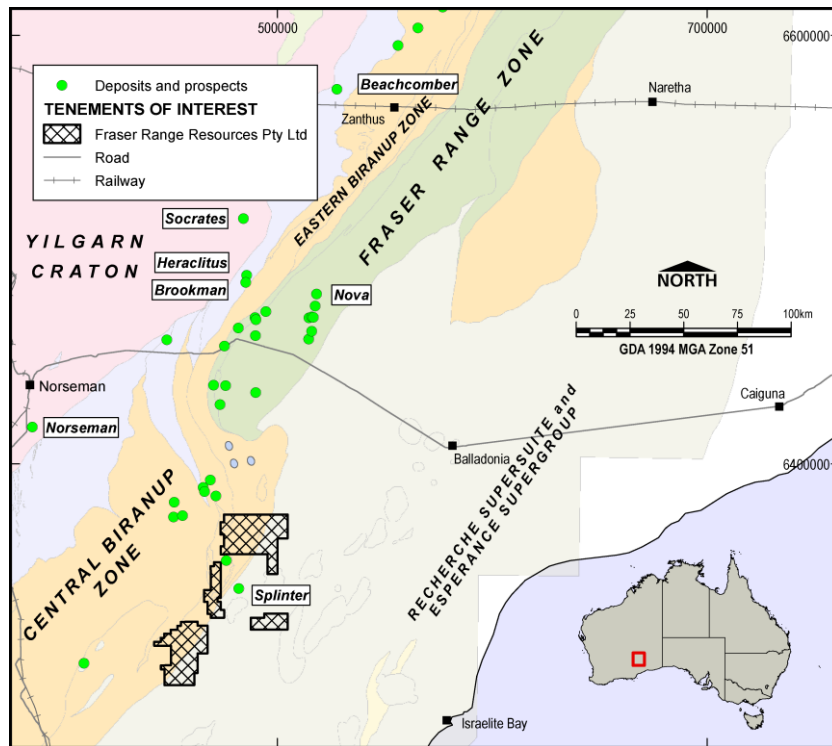
Deralinya Project

Segue is acquiring rights over four 100%-owned tenements in the southern portion of the Fraser Range Province totalling 1,298km², which form the Deralinya Project. The tenements overlay the Central Biranup Zone of the Albany Fraser Orogen. The tenements are prospective for:

- “Ida Fault extension” type gold;
- Shear zone hosted gold;
- Palaeochannel/shoreline mineral sands and;
- Palaeodrainage/salt lake hosted Mulga Rocks style uranium mineralisation.

Segue is currently reviewing available exploration data to define the most appropriate exploration model to pursue at the Deralinya Project. Segue has already identified a number of radiometric uranium/thorium anomalies on the margins of salt lakes which are readily accessible and easy to test.

Figure 3 – Deralinya Project Tenements



Capital Structure and Transaction Approval

Following completion of the Transaction, Segue will issue 550 million new shares to the Vendors' shareholders. Table 4 outlines the pro-forma capital structure as a result of the Transaction.

Table 4 – Pro-Forma Capital Structure

	Shares	% of Total
Current shares on issue	536.9m	50%
Fraser Range Resources Pty Ltd	350.0m	32%
Becrux Pty Ltd	100.0m	9%
Distant Island Pty Ltd	100.0m	9%
Total	1,086.9m	100%

The Transaction is conditional on approval by Segue shareholders under ASX Listing Rule 11.1.2. In addition, certain Vendors' shareholders will acquire an interest in more than 20% of the share capital of Segue. Accordingly, Segue will seek approval from shareholders for an exemption under section 611 of the Corporations Act which relates to takeovers.

The Notice of Meeting in relation to the Transaction has been sent to all shareholders with a shareholder meeting scheduled for 29 November 2013.

Pardoo Project, Western Australia (Segue 100%)

During the quarter, Segue appointed mineral exploration consultants OMNI GoeX (**GeoX**) to undertake a review and evaluation of the Company's Pardoo Nickel and Copper Project (**Pardoo Project**) in the Pilbara region of Western Australia.

GeoX completed an initial review of the historical exploration data available across the Pardoo Project area, including gravity and airborne magnetic surveys, geological mapping and drilling results. The review concluded that the Pardoo Project remains highly prospective for the discovery of new magmatic sulphide nickel and copper deposits associated with a series of mafic-ultramafic intrusions. The existing Highway Nickel-Copper Deposit is likely the result of structural remobilisation and detachment of sulphides within the Pardoo Fault zone.

The key results of the review include:

- Interpretation of a large mafic-ultramafic intrusive body(s), part of which has been caught up in the Pardoo Fault Zone, from drilling, gravity and magnetic data (Figures 4 and 5);
- The presence of the Highway Nickel-Copper Deposit clearly demonstrates the presence of a significant mineralising nickel and copper system that is may be associated with the mafic-ultramafic intrusions; and
- The interpreted basal unit has been identified as the priority area for the next phase of evaluation; however it is likely that thrust faulting and folding, has resulted in the remobilisation and detachment of nickel-copper sulphides throughout the intrusion and even into the surrounding country rocks (as already demonstrated by the Highway Deposit).

Figure 4 – Gravity survey showing the extent of the interpreted intrusion

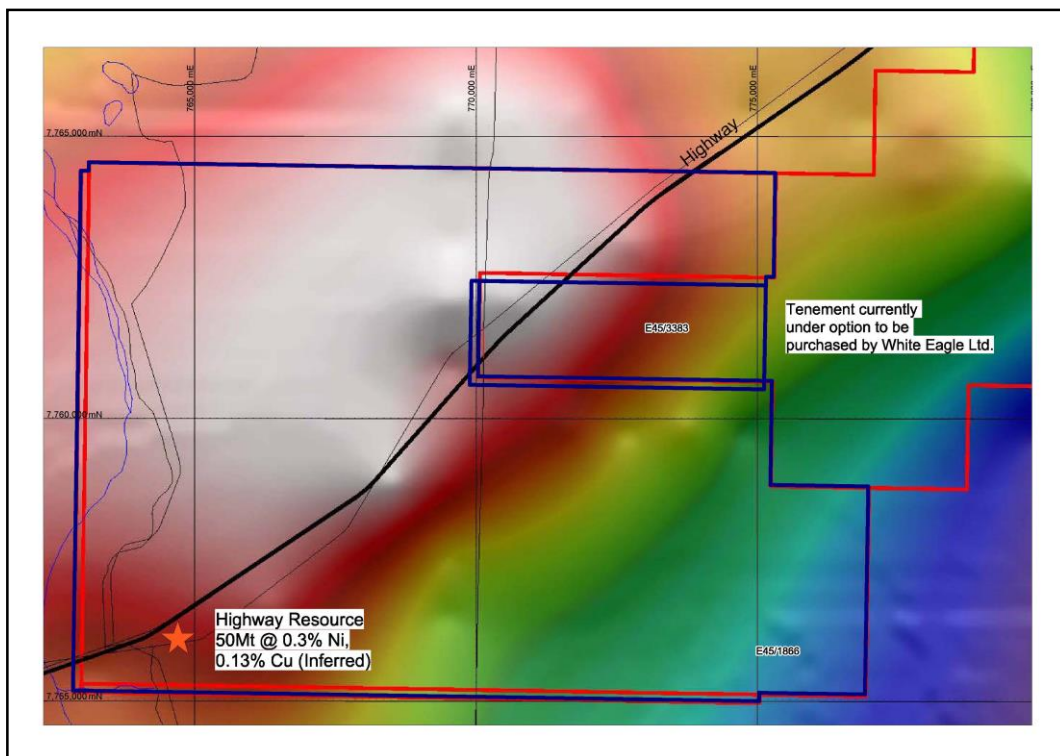
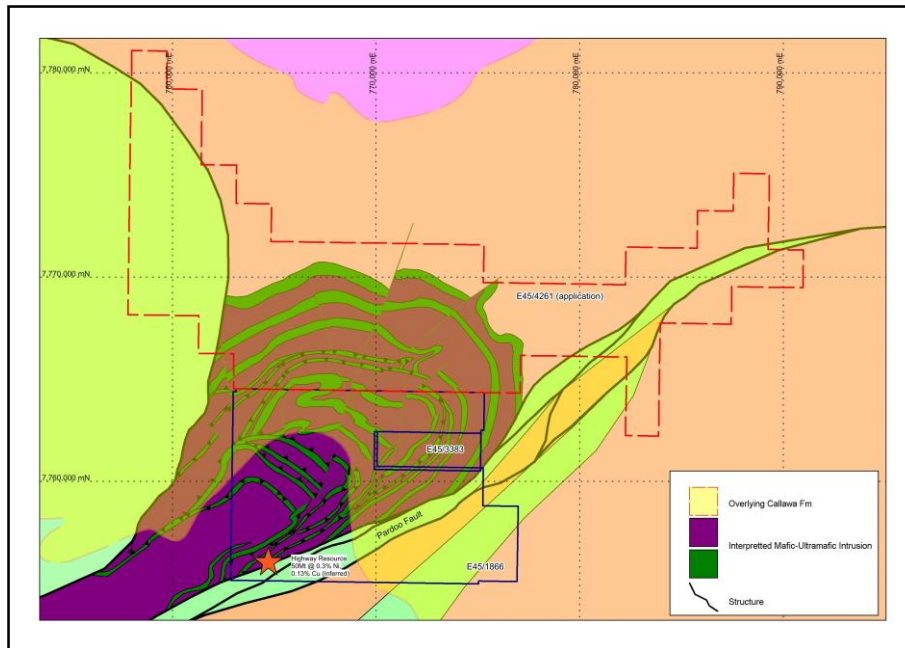


Figure 5 – Interpreted Geology and Tenements

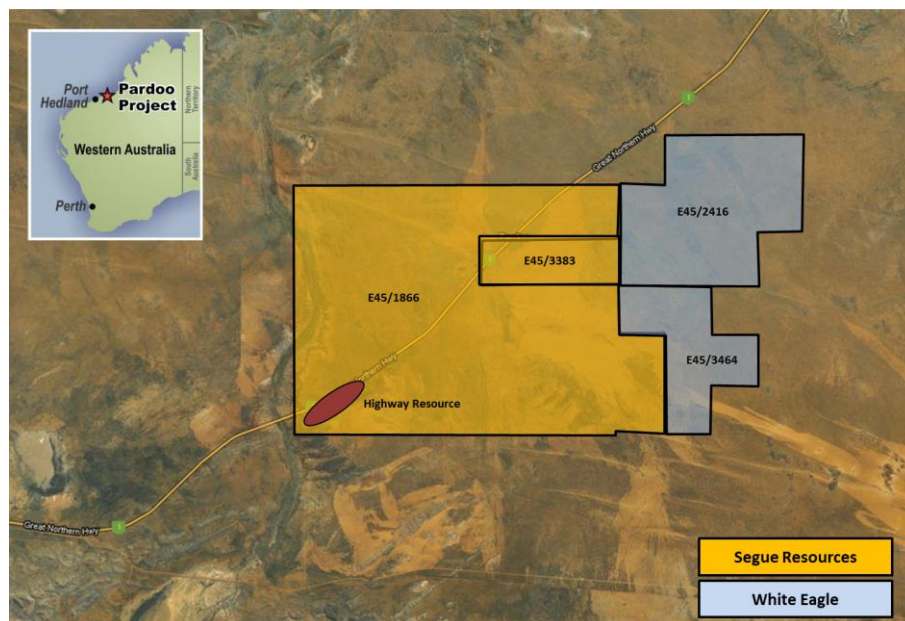


As a result of the review and initial geological interpretation Segue applied for an additional exploration licence covering 225km² adjacent to the northern boundary of Segue’s existing tenement E45/1866 (see Figure 5). Segue expects to be notified of the outcome of the application in 4Q 2013.

The next phase of evaluation will include a review and re-modelling of the existing airborne and ground based electromagnetic data, and a program of field work to be completed in the current quarter.

During the quarter, Segue completed the sale of two tenements in the Pardoo Project to White Eagle Resources Ltd (**White Eagle**). The tenements sold to White Eagle were E45/2146 and E45/3464 on the eastern portion of the Pardoo project area and included the Supply Well zinc prospect. Segue retains a 100% interest in E45/1866 and E45/3383 which contain the Highway nickel/copper resource.

Figure 6 – Pardoo Iron and Nickel Project Area



Emang Manganese Project, South Africa

Segue concluded the sale of its 30% interest in the Emang Manganese Project to its joint venture partner, Emang Mmogo Mining Resources (Pty) Ltd for R19.8 million (A\$2.14 million¹).

The sale proceeds were used to repay the Company's loan facilities of \$825,000.

Corporate and Financial

Board Changes

During the quarter, Dr Howard Carr (Technical Director) and Mr Matthew Foy (Non-Executive Director) were appointed to the board of Segue.

Dr Carr will be responsible for overseeing the recently announced exploration programme at the Fraser Range and Pardoo Projects.

Dr Carr has been on the boards of several public companies in Australia and Canada, including Mintails Ltd (ASX: MLI), Maudore Minerals (TSVX: MAO) and Vital Metals Ltd (ASX: VML). Dr Carr has a PhD in Economic Geology (UWA) and a Graduate Diploma of Management from the Australian Institute of Management.

Dr Carr was awarded the Jubilee Medal from the South African Geological Society for his work on the Bushveld Complex in South Africa. Dr Carr has a wide range of mineral exploration and development experience in Australia, China, Canada and West and South Africa.

Mr Foy is Segue's Company Secretary and has five years' experience in facilitating the compliance of listed companies. Mr Foy is a member of Chartered Secretaries Australia, has a Graduate Diploma (Applied Finance) from FINSIA and a B.Com from the University of Western Australia.

Following the completion of the sale agreement between Segue and Emang Mmogo, Segue's two South African directors, Mr Ian Benning and Mr Rob van Zyl resigned as directors of the Company.

Share Capital

At the end of the quarter, the Company had 536,912,798 shares on issue. The Company also has 11,800,000 options exercisable at \$0.051 on or before 8 November 2014 and 25,000,000 options exercisable at \$0.01 on or before 18 February 2018 outstanding.

For further information visit www.segueresources.com or contact:

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¹ Based on an exchange rate of A\$1=R9.0 as at 4 August 2013 and foreign currency exchange contracts.

Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources at the Pardoo Nickel Project is based on information compiled or reviewed by Mr Peter Langworthy, Consulting Geologist, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Langworthy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources at the Plumridge and Deralinya Projects is based on information compiled by Dr Howard Carr, Technical Director, who is a Member of The Australian Institute of Geoscientists. Dr Carr 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Dr Carr consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.