



31 July 2015

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

ASX Code: **SEG**

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2015

### JUNE QUARTER HIGHLIGHTS

- Gravity survey identifies high priority nickel targets at the Plumridge Nickel Project
- RC drilling programme commenced at the Plumridge Nickel Project for up to 1,500 metres
- Binding term sheet signed for a farm-out of the Pardoo Project
- Placement completed and share purchase plan open to raise up to \$2.5 million for exploration

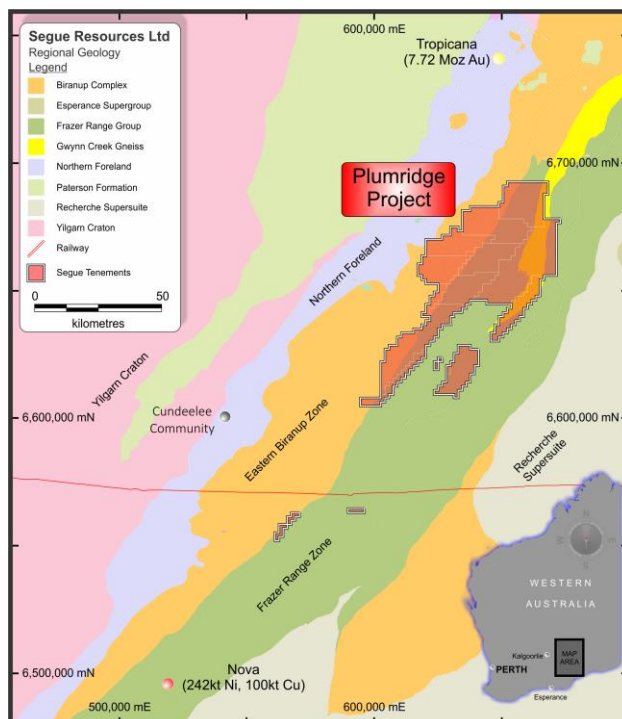


Figure 1: Plumridge Nickel Project location map

### Key Facts:

#### Segue Resources Limited

ASX Code:	SEG
Share price (31/7/15):	0.4¢
52 week range:	0.2¢-1.8¢
Shares on issue:	2,250.5m
Market cap.:	\$9.0m

#### Plumridge Nickel Project

Location:	Fraser Range, WA
Primary commodity:	Nickel-copper
Tenement holding (100%):	3,154km <sup>2</sup>

#### Board and Management

Steven Michael	Managing Director
Dr Frazer Tabearth	Non-Exec. Director
Nicholas Ong	Non-Exec. Director
Matthew Foy	Company Secretary
Peter Langworthy	Consulting Geologist

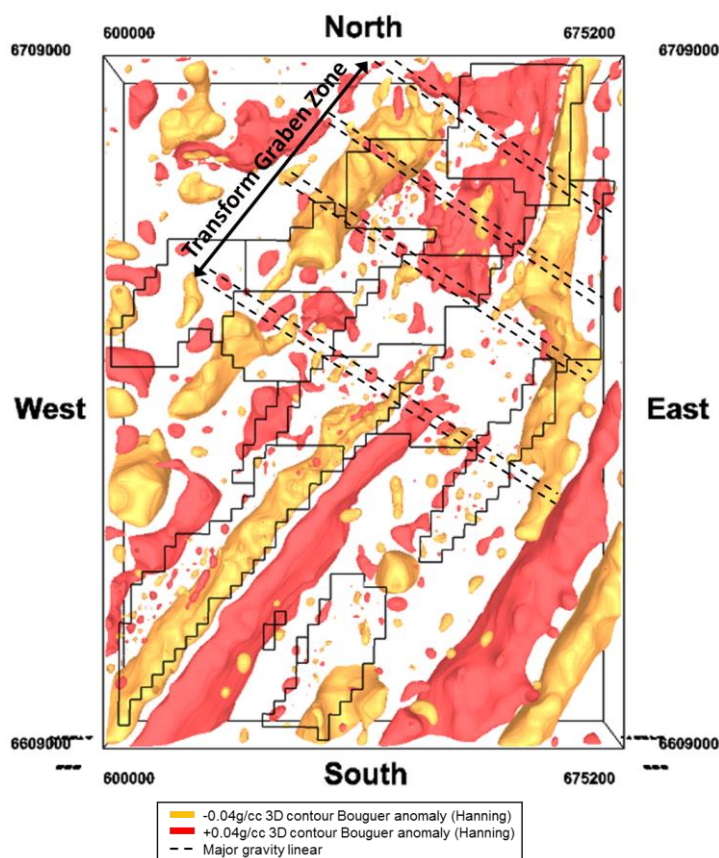
**PLUMRIDGE NICKEL PROJECT**  
**Fraser Range Province, Western Australia**

Segue completed one of the largest gravity surveys in the Fraser Range Province, comprising over 19,000 gravity stations and 2,345 line kilometres, during the quarter. The gravity survey covered the entire Plumridge Nickel Project area on a spacing of 1,600m x 100m, with a more detailed survey over the E21 Target area on spacing of 800m x 100m.

Project-wide gravity and magnetic data was imaged by the Company’s geophysical consultants through 3D inversion modelling methods to:

- Provide insight into the tectonic architecture of the Project area to better understand mechanisms and pathways for large scale intrusion of fertile mafic-ultramafic magmas;
- Identify gravity anomalies (dense bodies) in near surface positions that may represent mafic intrusions capable of hosting nickel sulphides;
- Focus on dense bodies associated with near-surface disruptive (ovoid) magnetic features and major structural intersections that provide magma pathways to deeper bodies; and
- Remove the large number of false positive EM conductors associated with graphitic schists that are pervasive throughout the region.

3D inversion modelling of the gravity data has highlighted a major corridor of deep-seated NW-SE structures which cross-cut the general SW-NE linear stratigraphy seen in the Fraser Range Complex (**Figure 2**). This major zone of disruption in the basement architecture (Transform Graben Zone (**TGZ**)) is of primary importance in providing a potential magma pathway from the mantle to the upper crust.

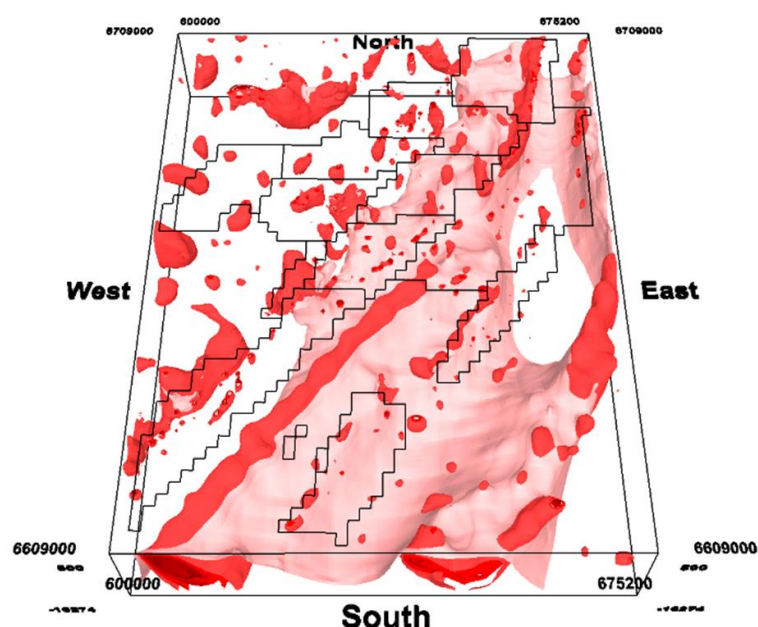


**Figure 2: 3D gravity inversion model showing major gravity lineaments**

Segue has conducted a thorough review of all available datasets, including gravity (2D images and 3D inversion modelling), magnetic data and geological mapping to create a portfolio of prioritised exploration targets at the Plumridge Nickel Project.

Segue applied several criteria to rank the target areas, including:

- High-density anomalies with depth extent evident in the 3D gravity inversion modelling (**Figure 3**);
- Priority given to anomalies within the Fraser Range Complex geological domain;
- Proximity to dense bodies within 2.5km of the major NW/SE cross-cutting structures;
- Coincidence with a near-surface disruptive magnetic feature; and
- Size, shape and depth of gravity anomaly able to be adequately explored and assessed through shallow drilling and ground-EM surveying, and large enough to host a significant nickel-sulphide deposit.



**Figure 3: 3D gravity inversion model (Bouguer anomaly >0.04g/cc)**

Segue identified fifteen (15) exploration targets within two district-scale clusters in the northern and central parts of the Project area (**Figure 4**). All targets lie within the Transform Graben Zone (TGZ) identified from the recently completed gravity survey and are consistent with the Company's geological and mineral emplacement models.

Subsequent to the quarter, Segue announced that the next phase of drilling at the Plumridge Nickel Project was approved and due to commence imminently.

Segue completed modelling of detailed line data over each target in the northern cluster and determined the average depth to the interpreted intrusive body to be around 80 metres below surface. As a result of the shallowness of the target areas, Segue is commencing a 1,000 metre (up to 1,500 metre) RC drilling programme to test the priority target areas in the northern cluster. RC drilling has been selected for these targets as it will provide direct evidence of mafic-ultramafic intrusions, "fertile" litho-geochemistry and potential nickel-copper sulphides.

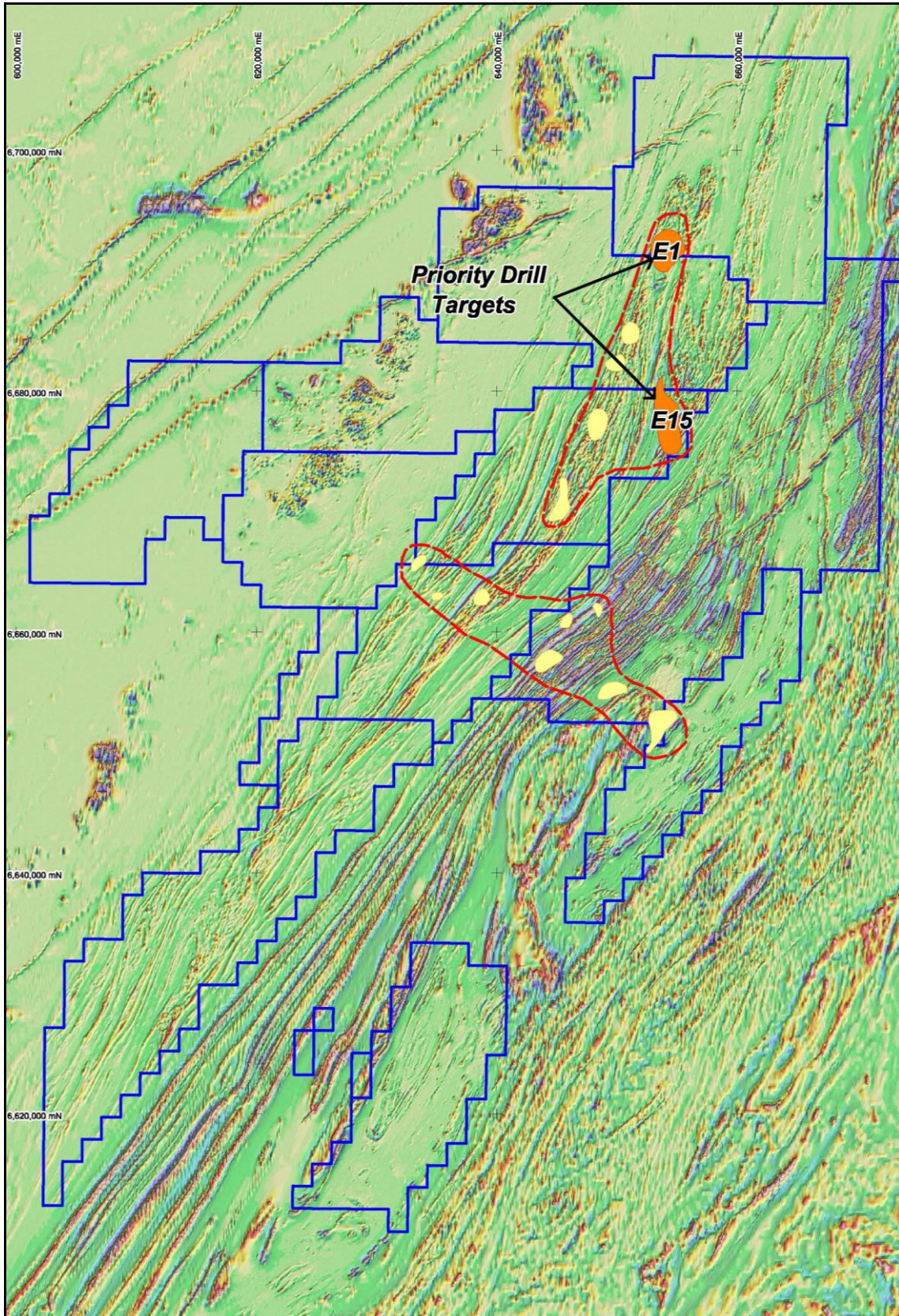


Figure 4: Location map showing high priority exploration targets

## **PARDOO NICKEL PROJECT**

### **Pilbara Region, Western Australia**

At the beginning of the quarter Segue advised that it had entered into a binding term sheet (**Term Sheet**) to enter into a joint venture with Port Exploration Pty Ltd (**Port**) over the Company's Pardoo Project in the Pilbara Region of Western Australia.

The key points of the Term Sheet are:

- Segue will receive a non-refundable fee of \$50,000 within 60 days;
- Segue and Port have agreed to enter into a Farmin and Joint Venture Agreement (**Agreement**) within 90 days and Port must become a subsidiary of an ASX-listed company or assign its interest to an ASX-listed company within six months;
- 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**); and
- 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**).

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.

The transaction is proceeding in line with the Term Sheet and Segue has received the non-refundable fee and is negotiating the final Agreement.

## **CORPORATE AND FINANCIAL**

### **Placement and Share Purchase Plan**

During the quarter, Segue 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 private placement to Australian institutional and sophisticated investors (**Placement**).

In conjunction with the Placement, Segue is offering eligible shareholders the opportunity to participate in a Share Purchase Plan (**SPP**) to raise up to \$2.0 million. The SPP is priced at 0.3¢ per share and includes a 1 for 2 attaching option exercisable at 1.0¢ per share on or before 31 July 2017. The SPP will enable Segue's large retail shareholder base to participate in the growth of the Company and drive the upcoming exploration and drilling programme.

The SPP provides eligible shareholders, being shareholders who were recorded on the share register as at 7:00pm (EST) on 19 June 2015 with a registered address in Australia or New Zealand, with an opportunity to acquire up to \$15,000 worth of fully paid ordinary shares plus a 1 for 2 attaching option without incurring brokerage or any other transaction costs.

The maximum amount to be raised under the SPP is \$2.0 million and all new shares issued under the SPP will rank equally with existing ordinary shares in the Company. The SPP is due to close on 14 August 2015. The Board of Segue reserves the right to place any shortfall from the SPP.

For further information visit [www.segueresources.com](http://www.segueresources.com) or contact:

**Segue Resources Limited**

Mr Steven Michael

*Managing Director*

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E: [info@segueresources.com](mailto:info@segueresources.com)

**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 as at 30 June 2015

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	Granted	100%	0%	100%
E28/2266	Granted	100%	0%	100%
E28/2267	Granted	100%	0%	100%
E28/2317	Granted	100%	0%	100%
E28/2385	Granted	100%	0%	100%
E28/2387	Granted	100%	0%	100%
E28/2388	Granted	100%	0%	100%
E28/2390	Granted	100%	0%	100%
E28/2391	Granted	100%	0%	100%
E28/2392	Granted	0%	100%	100%
E28/2393	Pending	0%	0%	0%
E39/1084	Granted	100%	0%	100%
E39/1117	Granted	100%	0%	100%
E39/1118	Granted	100%	0%	100%
E39/1709	Granted	100%	0%	100%
E39/1710	Granted	100%	0%	100%
E39/1731	Granted	100%	0%	100%
E39/1830	Granted	100%	0%	100%

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

E63/1521 <sup>1</sup>	Granted	100%	0%	100%
E63/1522 <sup>2</sup>	Granted	100%	0%	100%
E63/1523	Granted	100%	(100%)	0%
E63/1524 <sup>3</sup>	Granted	100%	0%	100%
E63/1736	Pending	0%	0%	0%

<sup>1</sup> During the quarter the Company reduced the tenement size from 198 graticular blocks to 132 graticular blocks.

<sup>2</sup> During the quarter the Company reduced the tenement size from 51 graticular blocks to 38 graticular blocks.

<sup>3</sup> During the quarter the Company reduced the tenement size from 162 graticular blocks to 38 graticular blocks.

### Pardoo Project

E45/1866	Granted	100%	0%	100%
E45/4279	Granted	100%	0%	100%



# JORC Code, 2012 Edition – Table 1 report template

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"><li>• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li><li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li><li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li><li>• <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li></ul>	<p>Sampling consisted of 3m composite samples of quarter core from all core. Samples were cut using a diamond blade core saw. Duplicate samples were collected every ~20th sample for QAQC purposes. Sampling is considered to be comprehensive and representative. Remaining core was retained as a permanent reference. - Assay results and Down Hole Electro-magnetic (DHEM) results are outstanding at the time of writing this report.</p>

Criteria	JORC Code explanation	Commentary
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	Diamond drilling was undertaken. Core sizes collected were HQ and NQ in 3m intervals. Core was orientated.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	Core recovery was routinely recorded every metre by a trained geologist. Core recovery was deemed poor through the sedimentary Callawa Fm, 65% recovery, whilst from 55.4m (Arcaean) onwards recovery typically ranged between 98-100%. At this stage it is unsure whether a relationship exists between grades and core loss.
<i>Logging</i>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	All holes were logged by a qualified and experienced geologist. All logging included descriptions of geotechnical, mineralisation, structural and lithological aspects of the core and was digitally recorded using an industry standard code system. Core was formally photographed. Data collected offers sufficient detail for the purpose of interpretation and further studies.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> </ul>	Quarter core was cut using a diamond core saw and collected for assay. 3 metre composite sampling was deemed to be comprehensive and representative for the style/type of mineralisation under investigation. Duplicate samples were taken (remaining quarter core) approximately every ~20th sample for QAQC purposes

Criteria	JORC Code explanation	Commentary
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<p>Samples were submitted to ALS laboratories (Perth). Samples will be pulverised to 80 microns. Samples will dissolve with 4 acids and analysed via ICP with Mass spectrometer. The laboratory procedures are considered to be appropriate for reporting multi-element assays.. The insertion of CRM's and duplicates every ~20 samples by SEG will be used as an internal means of QAQC of laboratory standards. No issues were encountered.</p>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<p>Significant intersections have been verified by consulting geologists to the group, OMNI GeoX Pty. Ltd. No holes have been twinned. All data has been captured digitally upon logging and stored digitally securely within the Perth head office database.</p>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<p>All XYZ surveying was collected using a handheld Garmin GPS accurate to ±4m. Projection and Grid system used: GDA94 MGAZ50.</p>
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> <li><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<p>A single hole exploration hole was undertaken.</p>

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	The orientation of the drilling is not expected to introduce sampling bias.
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	Samples were packaged and stored in secure storage from the time of gathering through to submission. Laboratory best practice methods were employed by the laboratory upon receipt.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	An audit of the sampling technique and data was carried out by consulting geologists to the group, OMNI GeoX Pty. Ltd. and deemed to have been satisfactory.

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<p>Work was undertaken upon permit E45/1866</p> <ul style="list-style-type: none"> <li>• The tenements are located in the North Pilbara of Western Australia, 100km East of Port Hedland within the Pardoo pastoral lease.</li> <li>• Tenements are held 100% by Segue (Pardoo) Pty. Ltd. A wholly owned subsidiary of Segue Resources Ltd.</li> <li>• No overriding royalties are in place</li> <li>• There is no native title agreement required</li> <li>• Tenure does not coincide with any historical sites or national parkland</li> <li>• Semi-arid, thinly vegetated, relatively flat to low lying hills with sub-cropping rock.</li> <li>• Tenements are currently secure and in good standing.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<p>Various phases of exploration by CRA, Mithril and Segue focussing upon the Pardoo Fault Zone and Highway Resource.</p>
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<p>Geologically, the project is located on the northern edge of the Achaean East Pilbara Granite-Greenstone terrane. The DeGrey structural zone (known at a project scale as the Pardoo Fault), a large regionally pervasive structure, runs through the project and is believed to be integral to mineralisation at the Highway Deposit. The relatively thin (0-100m), flat lying, Mesozoic aged Callawa Formation covers nearly all prospective stratigraphy. Style of mineralisation under investigation is Ni-Cu sulphide hosted within mafic-ultramafic intrusions.</p>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<p>Refer to table within text.</p>

Criteria	JORC Code explanation	Commentary
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	To be stipulated once results are received.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	Most drilling has intersected mineralised zones at a near perpendicular angle and as so true widths can be inferred by the reader.
<i>Diagrams</i>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	Refer to figures within text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	Representative reporting of low and high will be effected within future report.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<p>All previous exploration reported within previous ASX releases.</p> <hr/> <p>Assay and DHEM results followed by potential gravity and or FLEM surveys over key targets.</p>

Criteria	JORC Code explanation	Commentary
<i>Further work</i>	<ul style="list-style-type: none"><li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li><li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li></ul>	