

30 January 2017



ASX Code: SEG

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

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

DECEMBER QUARTER HIGHLIGHTS

- Rock chip sampling at Barlee Gold Project confirms potential for high grade, near surface gold mineralisation. Project-wide BLEG survey completed – results expected February 2017
- Stream sediment sampling at the Gascoyne Lithium Project has identified five lithium prospects. Detailed soil sampling at the Reid Well and Camel Hill prospects to commence in February 2017
- An ultra-high resolution aeromagnetic survey has commenced at the Plumridge Gold Project. Results of the survey will be integrated with existing data to define drill targets in 1H 2017
- MMG has continued the MLEM survey at the Plumridge Nickel Project, with 15 targets tested. MMG has met its requirement to spend \$1.5 million by December 2016



Figure 1: Segue Projects Location Map

Segue Resources Limited

ASX Code:	SEG
Share price (30/1/17):	0.2¢
52 week range:	0.1 - 0.6¢
Shares on issue:	3,866m
Market cap.:	\$7.7m

Exploration Projects

Project	Interest	Location	Size
Barlee Gold	100%	Southern Cross	1,000km ²
Gascoyne Lithium	100% ²	Mortimer Hills	1,100km ²
Plumridge Gold	100%	Fraser Range	450km ²
Plumridge Nickel	100% ¹	Fraser Range	2,450km ²
Deralinya Nickel	70%	Fraser Range	775km ²
Pardoo Nickel	100% ¹	Pilbara	330km ²

1. Subject to farm-out joint venture.
2. Subject to farm-in joint venture.

BARLEE GOLD PROJECT

Eastern Goldfields, Western Australia

During the quarter Segue announced it had acquired three additional exploration licences which contain numerous untested near surface gold anomalies in the Yerilgee Greenstone Belt (**Figure 2**). The new tenements were acquired after Segue completed the initial phase of exploration at its Barlee Gold Project, 180km north of Southern Cross in the Eastern Goldfields of Western Australia. The exploration programme was designed to test the outcropping greenstone belts and included rock chip and multi-element geochemical orientation surveys.

The Barlee Gold Project covers +120 strike kilometres of the Evanston, South Elvire and Yerilgee Greenstone Belts which straddle the Evanston and Yuinmery Shear Zones. Segue now controls the majority of the Yerilgee Greenstone Belt, which is adjacent to the Illaara Greenstone Belt, over which global gold mining company, Newmont Mining Corporation, has recently been granted 750km² of exploration licences.

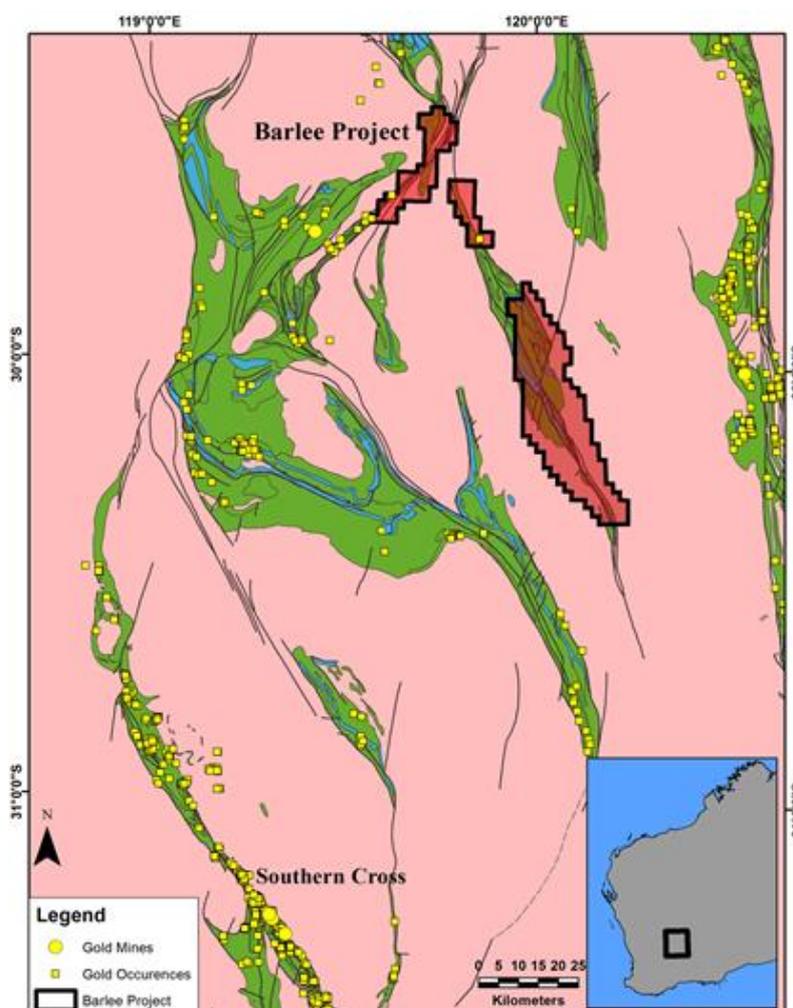


Figure 2: Barlee Project tenement map

Segue completed an orientation survey at the Barlee Gold Project in October 2016. During this programme, several rock chip samples were collected around historical workings at Rainy Rocks, in the southern portion of exploration licence E77/2403. The Rainy Rocks prospect is located on the north-eastern limb of a tightly folded anticline containing a banded iron formation (**BIF**) and ultramafic sequence within the Evanston Greenstone Belt (**Figure 3**). This sequence extends to along the Evanston Shear Zone towards the historical Evanston Gold Mine, approximately 12km the south-west from Rainy Rocks.

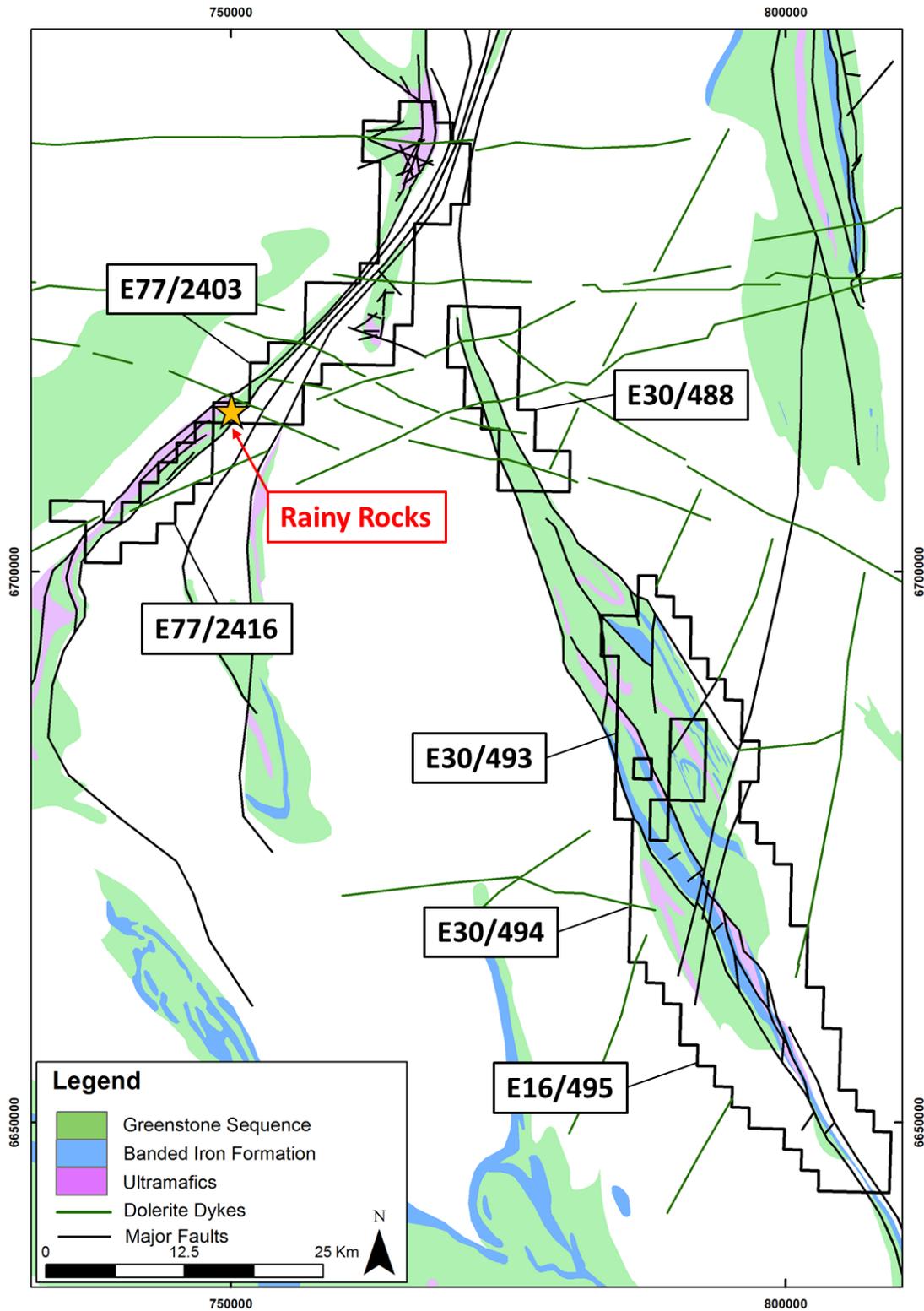


Figure 3: Barlee Gold Project simplified geology showing Rainy Rocks prospect

A total of 24 rock chip samples (weighing 2-3kg per sample) were collected from the Rainy Rocks workings, over a strike length of 100m. Significant assay results of >1g/t Au were returned from 12 of the samples, with a peak value of 23.7g/t Au in a brecciated BIF (Table 1). Significant assay results were also received from samples of mullock dumps and schists (Figure 4). In addition, historical RAB drill hole LRRB12 (drilled in 2004), intersected 18m @ 1.18g/t Au, including 4m @ 3.8g/t Au from 16m.

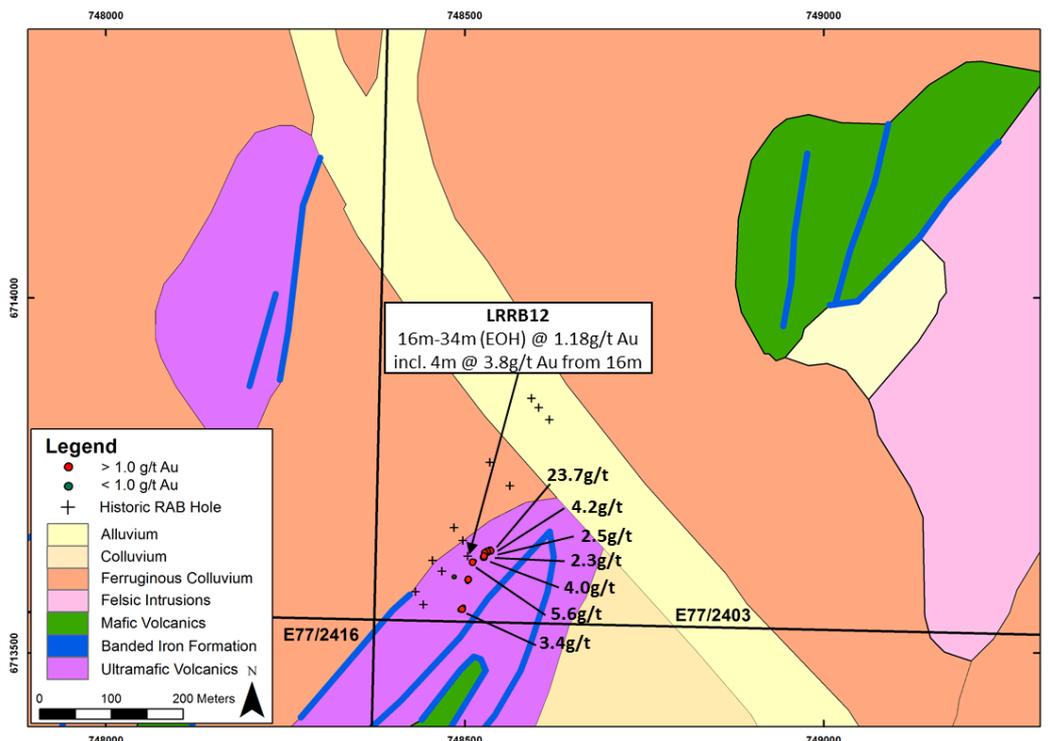


Figure 4: Rock chip sample locations showing +1g/t Au assay results

The geological setting of the Rainy Rocks prospect and wider Evanston Greenstone Belt is characteristic of BIF-hosted brittle vein gold deposits within the Southern Cross Domain. Combined historical production and current resources from these types of deposits in the Southern Cross District include Copperhead (7.4mt @ 5.53g/t Au), Cornishman (3.3mt @ 4.56g/t Au), Golden Pig (1.5mt @ 4.87g/t Au) and Nevoria (8.8mt @ 3.2g/t Au)¹.

Table 1: Rock chip sample assays from Rainy Rocks prospect

Sample ID	Easting (m)	Northing (m)	Gold (g/t Au)
GAS00325	748536	6713644	4.18
GAS00326	748535	6713645	2.31
GAS00327	748536	6713644	23.70
GAS00328	748530	6713640	0.33
GAS00329	748530	6713639	0.09
GAS00330	748532	6713642	3.99
GAS00331	748531	6713643	1.94
GAS00332	748528	6713641	2.49
GAS00333	748527	6713635	5.56
GAS00334	748526	6713635	2.29
GAS00335	748527	6713637	1.76
GAS00336	748512	6713628	0.29

Sample ID	Easting (m)	Northing (m)	Gold (g/t Au)
GAS00337	748512	6713627	0.46
GAS00338	748511	6713628	1.29
GAS00339	748513	6713629	0.07
GAS00340	748504	6713601	0.04
GAS00341	748503	6713603	0.45
GAS00342	748505	6713604	1.08
GAS00343	748493	6713561	0.02
GAS00344	748494	6713561	0.82
GAS00345	748496	6713562	3.40
GAS00346	748497	6713563	0.88
GAS00347	748498	6713563	0.29
GAS00348	748498	6713565	0.66

>1g/t Au assay

¹ Resources at Copperhead, Cornishman and Nevoria are from Hanking Gold Mining Pty Ltd, as at July 2016.

Segue commenced its next major exploration programme at the expanded Barlee Gold Project in December 2016. The work programme included drainage BLEG (Bulk Leach Extractable Gold) sampling over areas without historical coverage and gridded multi-element soil surveys over identified prospects. The fieldwork programme was completed in late December and assay results are expected to be received in February 2017.

The surface geochemical work has been undertaken in conjunction with the acquisition and interpretation of geophysical and geological data which will be used to rank prospects to define drill targets. Prospective areas will be followed up with detailed multi-element soil sampling in 2Q 2017 with the aim of defining drill targets to coincide with the granting of the tenements.

GASCOYNE LITHIUM PROJECT/MORTIMER HILLS JV

Gascoyne Region, Western Australia

In November 2016, Segue completed a stream sediment survey over the 1,100 km² Gascoyne Lithium Project to identify areas prospective for lithium-caesium-tantalum (LCT) pegmatites. Previous work undertaken by Segue has identified highly fertile and fractionated granites (Thirty Three Supersuite) which have the potential to produce LCT pegmatites.

The Project area has a well-developed drainage system and the stream sediment programme was designed to identify lithological packages with anomalous LCT pegmatite pathfinder elements (Li, Cs, Ta, Nb, Be, Rb) which may indicate the erosion of an outcropping or sub-cropping mineralised LCT pegmatite. The survey consisted of ~1,300 samples collected at a density of 1-3 samples per square kilometre. The results were reviewed by Segue's consulting geochemist and five prospects have been identified with LCT pathfinder element anomalism in the correct geological setting proximal to fertile granite intrusions of the Thirty Three Supersuite (**Figure 5**).

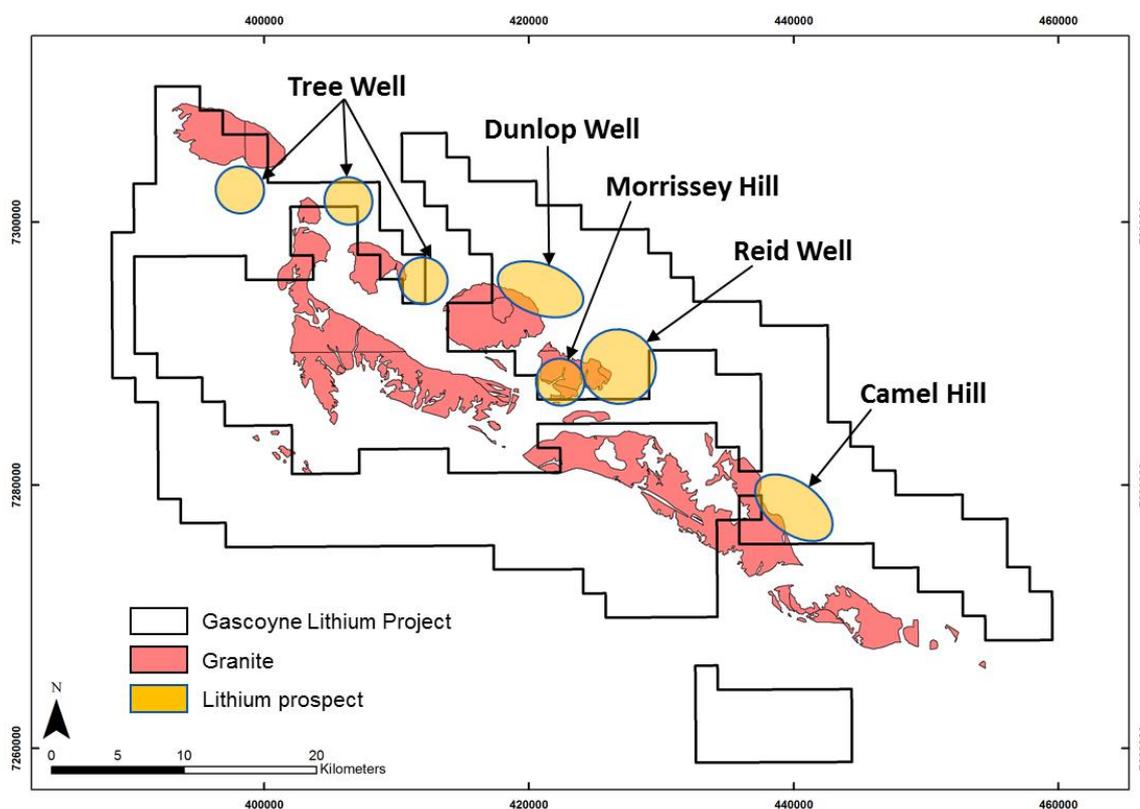


Figure 5: Simplified geology with lithium prospects

A high priority prospect has been identified at Reid Well where a 10km², multipoint anomaly has been defined in sediments within 3km of a fertile and fractionated granite of the Thirty Three Supersuite. This anomaly shows zonation from a caesium outer halo to an inner core of Li-Cs-Ta + Nb, Be and Rb (**Figure 6**). The geological setting of this anomaly is highly significant and consistent with major lithium deposits, such as Pilgangoora in Western Australia and Tanco, Mavis Lake and Raleigh Lake in Canada.

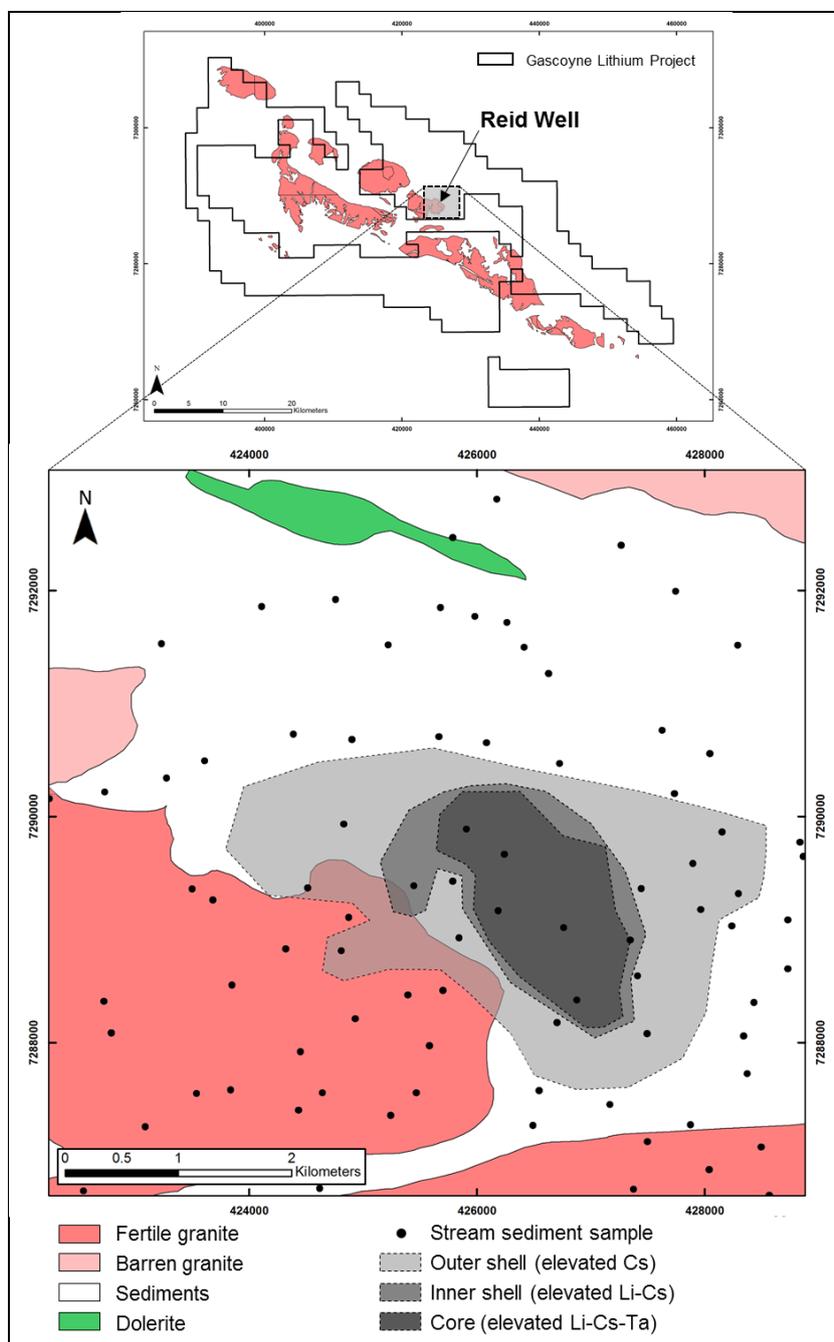


Figure 6: Reid Well LCT element zonation patterns

Segue will undertake a detailed soil sampling, rock chipping and stream sediment sampling programme at the Reid Well and Camel Hill prospects in February 2017. The programme will include systematic close-spaced soil sampling (50m x 50m) at Reid Well. Assay results are expected to be received in April 2017. The aim of the programme is to identify lithium-bearing pegmatites and geochemical targets for drill testing in 2Q 2017, which should coincide with exploration licences being granted.

PLUMRIDGE NICKEL PROJECT Fraser Range Province, Western Australia

During the quarter, Segue's joint venture partner, MMG Exploration Pty Ltd (**MMG**), continued with a detailed Ground Moving Loop Electromagnetic (**MLEM**) survey at the Plumridge Nickel Project in the Fraser Range Province of Western Australia. By the end of December 2016, a total of 1,069 stations had been completed, including 412 stations in 4Q 2016. MLEM has tested 15 targets as well as one grid of fixed loop EM over the north-east tip of grid 8 (**Figure 7**).

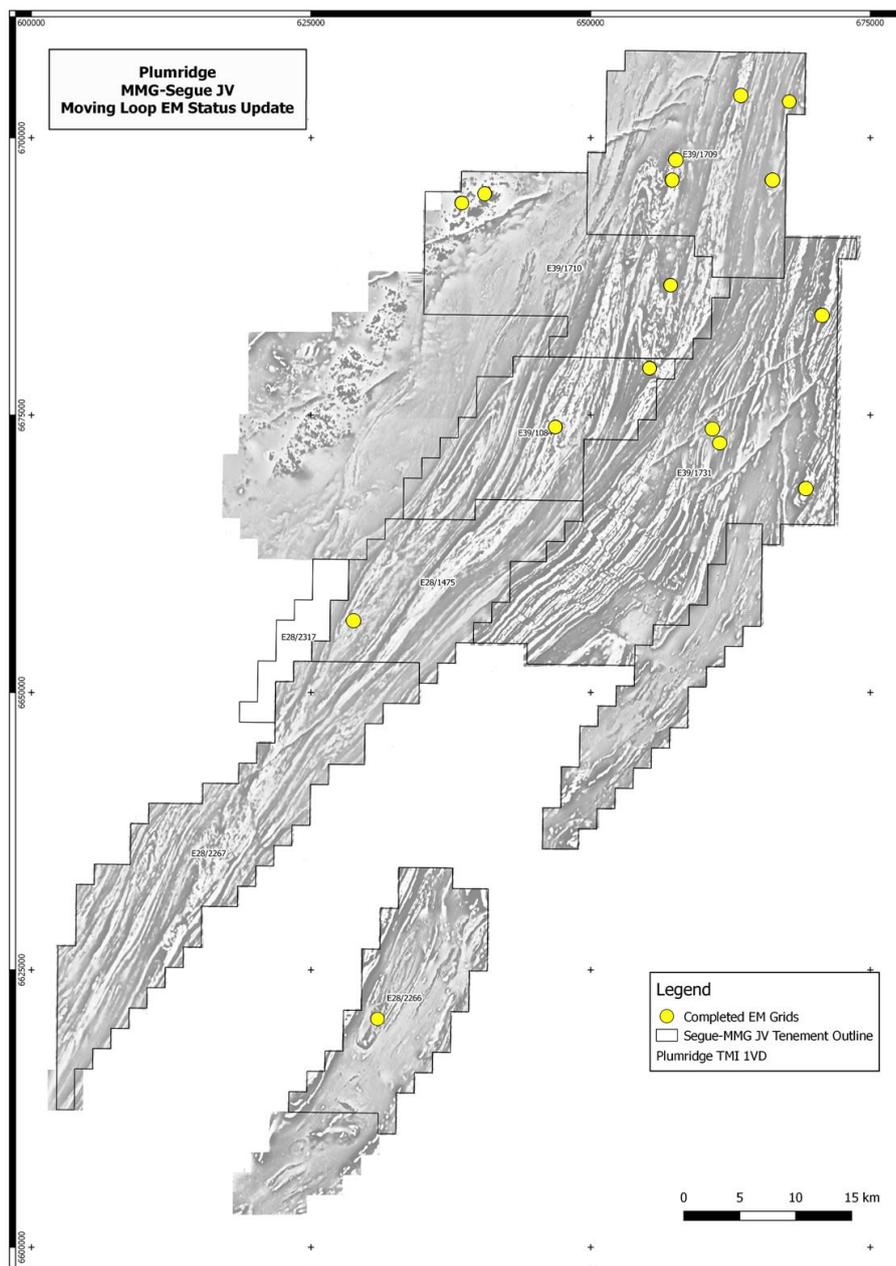


Figure 7: Plumridge Nickel Project showing 1VD gravity image with MLEM targets

MMG has ensured all tenements remain in good standing and expenditure on the JV tenements to the end of December 2016 was \$1.6 million. Under the terms of the Plumridge Nickel JV, MMG was required to spend at least \$1.5 million on exploration by 31 December 2016. MMG can earn a 51% interest in the Plumridge Nickel JV through the expenditure of \$6.5 million on exploration by 31 December 2019.

PLUMRIDGE GOLD PROJECT

Fraser Range Province, Western Australia

Segue has a 100% interest in three exploration licences immediately to the west of the Plumridge Nickel Project. Previous exploration has identified a significantly mineralised shear zone, Harris Lake Shear Zone, which is visible on magnetic imagery and which runs north-south through tenements E39/1117 & E39/1118.

Following a successful aircore drilling programme at the Plumridge Gold Project in September 2016, Segue has undertaken an ultra-high resolution aeromagnetic survey over the project area in December 2016/January 2017. The survey data is currently being processed and will be combined with existing magnetic, drilling and geochemical data to define targets for an RC drill programme in 1H 2017.

CORPORATE AND FINANCIAL

\$1.2 Million Placement to Accelerate Gold and Lithium Exploration

During the quarter Segue raised \$1.2 million through a placement of 600m shares at an issue price of 0.2¢ per share plus 300m options (exercise price 0.5¢, expiry 30 June 2019) (**Placement**). The Placement was heavily supported by existing and new shareholders with the initial capital raising target of \$1.0m increased by 20% to \$1.2m.

The proceeds of the Placement will be used to accelerate exploration at the Barlee Gold Project, Gascoyne Lithium Project and Plumridge Gold Project.

Shareholder Meetings

On 18 October 2016, the Company held a meeting of shareholders at which shareholders approved, amongst other things, the issue of performance-based incentive shares to each of the Directors of the Company. Accordingly, on 19 October 2016 the Company issued a total of 130 million ordinary shares to Directors and management pursuant to the Segue Employee Share Loan Plan on the terms and conditions set out in the Notice of General Meeting dated 16 September 2016.

On 22 November 2016 the Company held its Annual General Meeting where all resolutions put to shareholders were passed on a show of hands.

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Dean Tuck who is a Member of the Australian Institute of Geoscientists. Mr Tuck 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 Tuck 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 31 December 2016

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
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Gold Projects

E16/495	Application	0%	0%	0%
E30/488	Application	0%	0%	0%
E30/493	Application	0%	0%	0%
E30/494	Application	0%	0%	0%
E39/1117	Granted	100%	0%	100%
E39/1118	Granted	100%	0%	100%
E39/1830	Granted	100%	0%	100%
E39/1979	Application	100%	0%	100%
E77/2403	Application	0%	0%	0%
E77/2416	Application	0%	0%	0%

Lithium Projects

E47/3476	Application	0%	0%	0%
E47/3477	Application	0%	0%	0%
E47/3478	Application	0%	0%	0%
E09/1618	Granted	0%	0% ¹	0%
E09/2169	Application	0%	0%	0%
E09/2170	Application	0%	0%	0%
E09/2171	Application	0%	0%	0%
E09/2197	Application	0%	0%	0%
E09/2198	Application	0%	0%	0%

Nickel Projects

E28/1475	Granted	100%	0%	100%
E28/2266	Granted	100%	0%	100%
E28/2267	Granted	100%	0%	100%
E28/2317	Granted	100%	0%	100%
E39/1084	Granted	100%	0%	100%
E39/1709	Granted	100%	0%	100%
E39/1710	Granted	100%	0%	100%
E39/1731	Granted	100%	0%	100%
E45/1866	Granted	100%	0%	100%
E45/4279	Granted	100%	0%	100%
E45/4671	Application	0%	0%	0%
E63/1522	Granted	100%	0%	100%
E63/1524	Granted	100%	0%	100%
E63/1736	Granted	100%	0%	100%
P45/3011	Application	0%	0%	0%
P45/3012	Application	0%	0%	0%

1. Segue has the option to earn up to a 50% interest subject to the Mortimer Hills JV.