

31 July 2017



ASX Code: SEG

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

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2017

### JUNE QUARTER HIGHLIGHTS

- Multiple gold targets identified at the Barlee Gold Project with initial soil sampling programme underway and aircore drilling to commence in July 2017
- Discovery of lithium-caesium-tantalum mineralisation at the Reid Well Prospect with rock chips up to 3.77% Li<sub>2</sub>O and 669ppm Ta<sub>2</sub>O<sub>5</sub>
- MMG completed a HELITEM survey over the Plumridge Nickel Project to identify EM conductors
- 1 for 35 share consolidation and placement completed, SPP and UMP buy-back launched



Figure 1: Segue Projects Location Map

### Segue Resources Limited

ASX Code: SEG  
Share price (31/7/17): 2.7¢  
52 week range: 2.5 – 17.5¢  
Shares on issue: 138.1m

### Exploration Projects

| Project          | Interest          | Location       | Size                 |
|------------------|-------------------|----------------|----------------------|
| Barlee Gold      | 100%              | Southern Cross | 1,200km <sup>2</sup> |
| Gascoyne Lithium | 100% <sup>2</sup> | Mortimer Hills | 1,100km <sup>2</sup> |
| Plumridge Gold   | 100%              | Fraser Range   | 450km <sup>2</sup>   |
| Plumridge Nickel | 100% <sup>1</sup> | Fraser Range   | 2,450km <sup>2</sup> |
| Pardoo Nickel    | 100% <sup>1</sup> | Pilbara        | 330km <sup>2</sup>   |

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

### BARLEE GOLD PROJECT (Eastern Goldfields, Western Australia)

The Barlee Gold Project is situated 180km north of Southern Cross in the Eastern Goldfields of Western Australia and covers +120 strike kilometres of the Evanston, South Elvire and Yerilgee Greenstone Belts which straddle the Evanston and Yuinmery Shear Zones (**Figure 2**). Segue controls the majority of the Yerilgee Greenstone Belt with 1,200km<sup>2</sup> of exploration licences. The Southern Cross region hosts over 20 million ounces of known gold endowment.

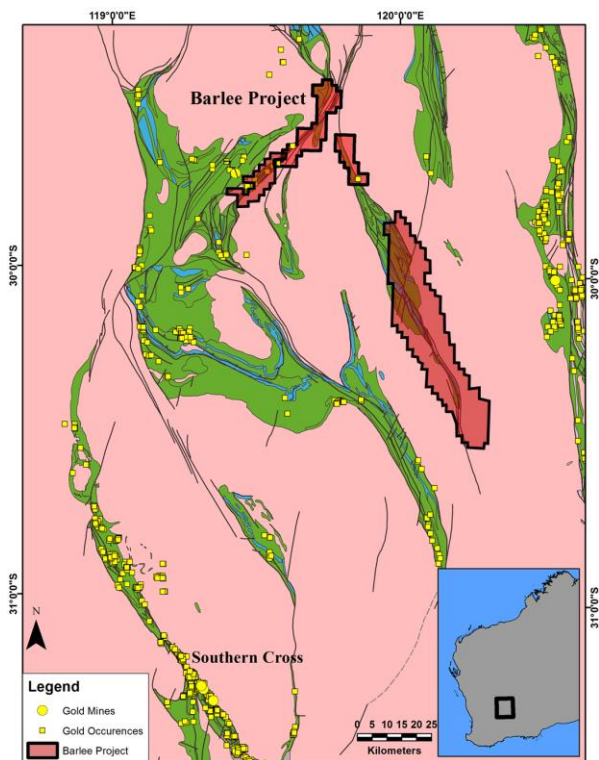


Figure 2: Barlee Project tenement map

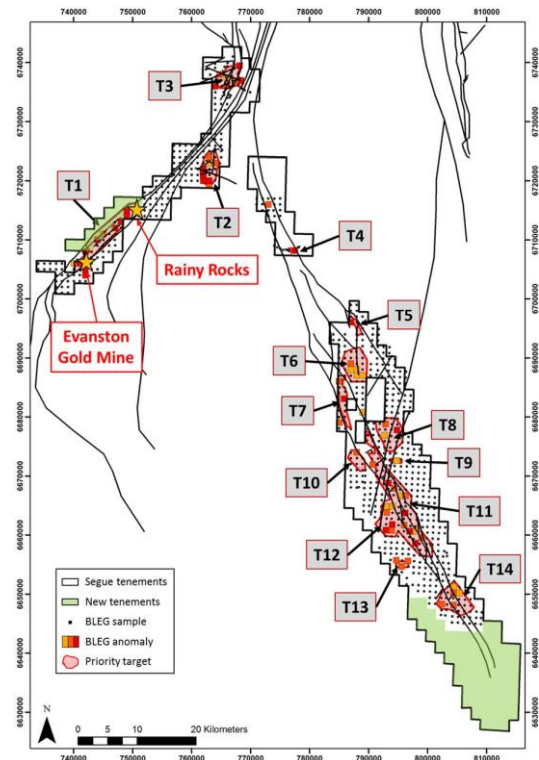


Figure 3: Tenement map and exploration target areas

In early 2017, Segue identified 14 gold targets through a combination of a project-wide BLEG (bulk leach extractable gold) survey, geochemical and geophysical data, litho-structural interpretation and historical exploration results (**Figure 3**).

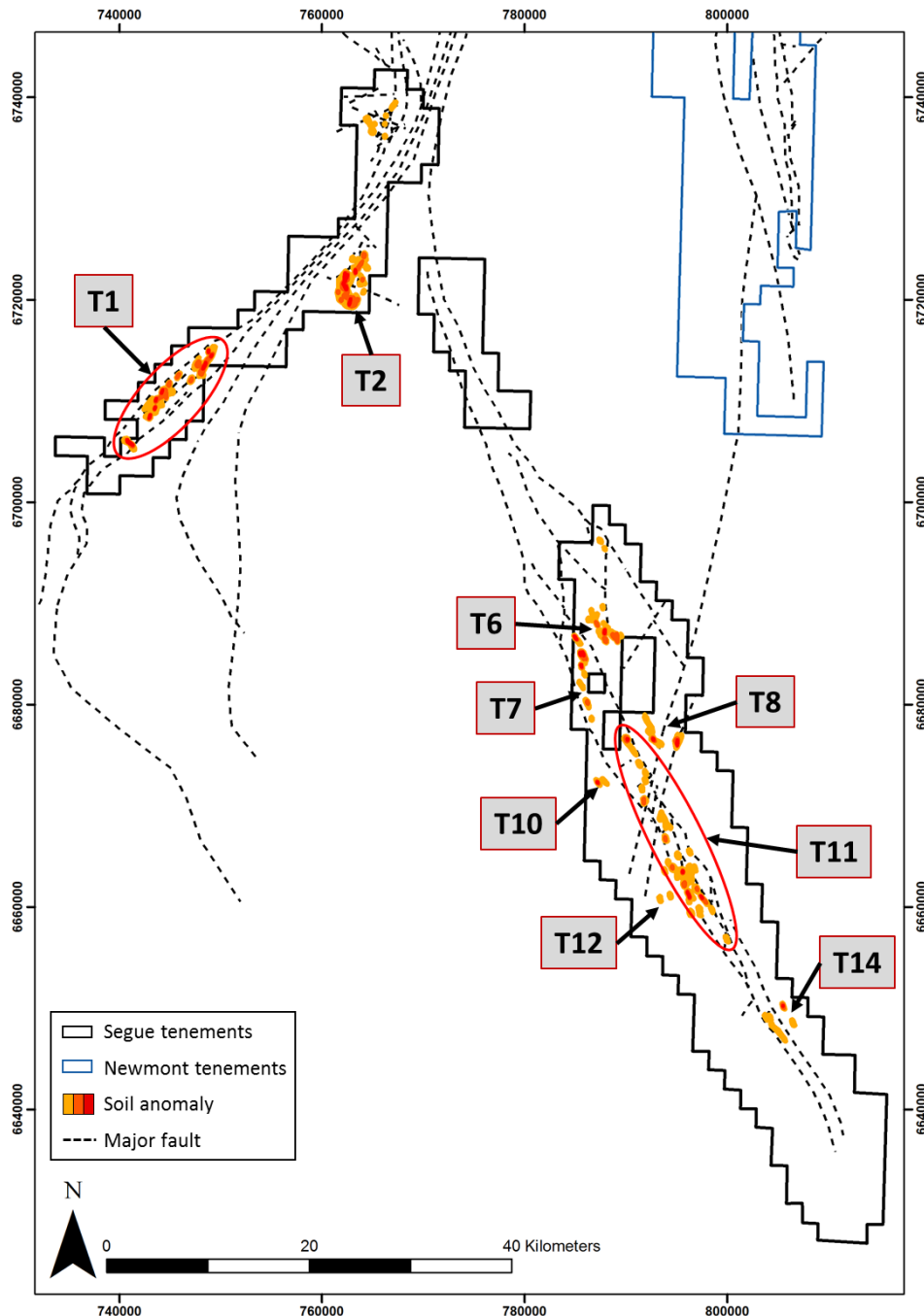
During the quarter, Segue completed a 400m x 100m soil sampling programme over each of the 14 target areas. The soil sampling delineated nine significant gold anomalies at T1, T2, T6, T7, T8, T10, T11, T12 and T14 (**Figure 4**). Follow up in fill soil sampling (200m x 50m) has been undertaken at T1 and T2, with the remaining seven anomalies to be completed in 3Q 2017.

The T1 target area occurs in the Evanston Greenstone Belt which has been deformed by the crustal scale Evanston Shear Zone and sits immediately along strike from the historic Evanston Gold Mine and Rainy Rocks prospector workings. Initial soil sampling at the T1 area has delineated three extensive gold anomalies with associated pathfinder elements indicative of an orogenic gold system (**Table 1**).

The T2 target area occurs in the Mt Elvire Greenstone Belt which has been deformed by the crustal scale Evanston Shear Zone. Initial soil sampling at the T2 area has delineated two gold anomalies with associated pathfinder elements (**Table 1**).

Table 1: T1 and T2 gold prospects and associated pathfinder elements

| Prospect | Dimensions    | Pathfinders Present                   |
|----------|---------------|---------------------------------------|
| T1a      | 4.5km x 1.0km | Ag, As, Bi, Cd, Cu, Mo, Pb, Te, W, Zn |
| T1b      | 4.5km x 1.2km | As, Bi, Mo, Pb, Sb, Te, W, Zn         |
| T1c      | 1.5km x 0.5km | As, Mo, Sb                            |
| T2a      | 2.5km x 1.2km | Ag, As, Bi, Te, Tl, W                 |
| T2b      | 3.6km x 1.5km | Ag, Bi, W                             |

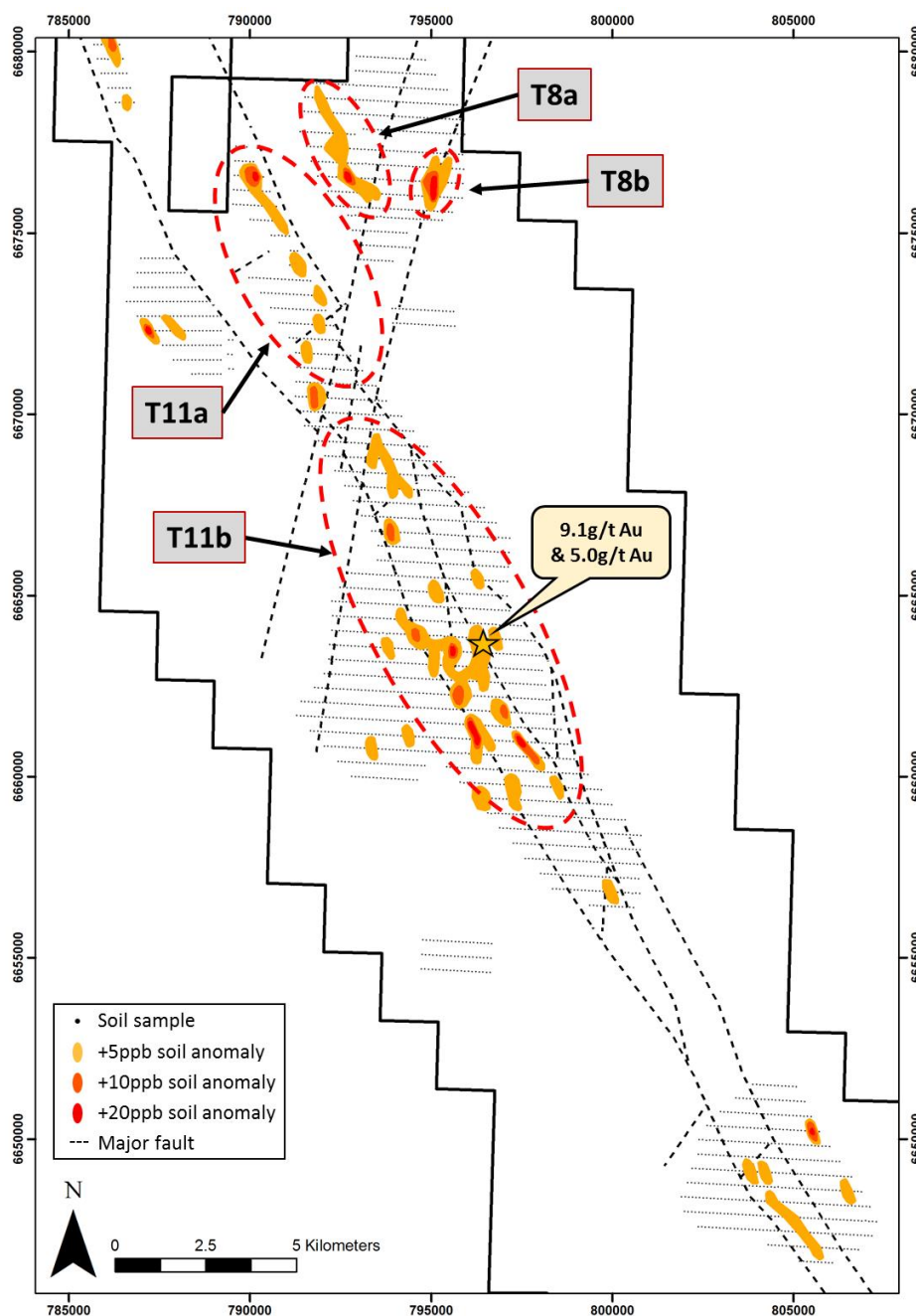


**Figure 4: Gold results from the T1 – T14 target areas, highlighting significant anomalies and major structures**

The T6 target area sits near the centre of the Yerilgee Greenstone belt adjacent to a late-stage granitic intrusion and a significant jog in an interpreted NW-SE trending thrust associated with intense deformation and alteration. The area returned a 4.2km x 1.3km gold anomaly situated at the contact of overlapping reduced (As, Sb) and oxidised (Mo, Bi, W) anomalies.

The T7 target area sits within a thickened part of the Yerilgee greenstone belt within a wide, thrust-banded iron package near a significant regional jog with associated late brittle structures. The soil programme delineated a 4.2km x 1.0km gold anomaly with associated reduced fluid pathfinders.

The T8 target area is located in the Yerilgee Greenstone belt adjacent to a late-stage granitic intrusion and a significant NE trending structure associated with known gold mineralisation on the Illara Greenstone belt. The area returned two anomalous gold prospects – T8a and T8b (**Figure 5**). T8a is a 3.6km x 0.8km gold anomaly associated with Bi, Te, Tl and W pathfinder elements and enriched Cs, which can indicate sericite alteration. Anomaly T8b is a 1.7km x 0.8km gold anomaly associated with As, Sb, Mo and Tl pathfinder elements and enriched in K and Rb.



**Figure 5: Gold anomalies at T8 and T11**

The T11 target area sits near the centre of the Yerilgee Greenstone belt along a regionally significant shear zone and several late stage granitic intrusions (**Figure 5**). T11a is a 7.0km x 0.5km gold anomaly associated with As, Bi and Tl pathfinder elements. T11b is an 11.2km x 1.3km gold anomaly with associated As, Sb, Bi, Mo, Te, Tl and W pathfinder elements along with enriched Cs, K, Rb.

During the quarter, Segue received the necessary approvals to commence its maiden drill programme at the T1 and T2 prospects (**Figure 6**). The 4,000m aircore drilling programme commenced in mid-July 2017 and is expected to be completed by early August. Assay results are expected in late August.

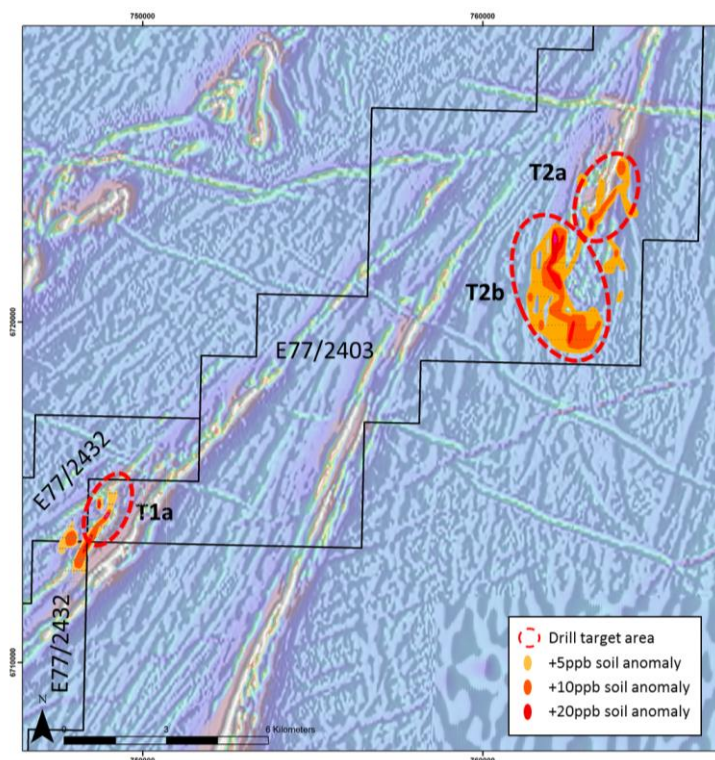


Figure 6: Proposed drilling locations at T1a, T2a and T2b over regional magnetics

### GASCOYNE LITHIUM PROJECT (Gascoyne Region, Western Australia)

During the quarter, Segue announced additional high grade rock chips from the Reid Well lithium-caesium-tantalum (LCT) Prospect at the 100% owned Gascoyne Lithium Project in Western Australia (**Figure 7**). Several rock chips returned over 1% Li<sub>2</sub>O with peak values of 3.77% Li<sub>2</sub>O, 2.22% Li<sub>2</sub>O and 1.89% Li<sub>2</sub>O. In addition, over half of the rock chips returned values greater than 100ppm Ta<sub>2</sub>O<sub>5</sub> including 669ppm Ta<sub>2</sub>O<sub>5</sub> and 636ppm Ta<sub>2</sub>O<sub>5</sub>.

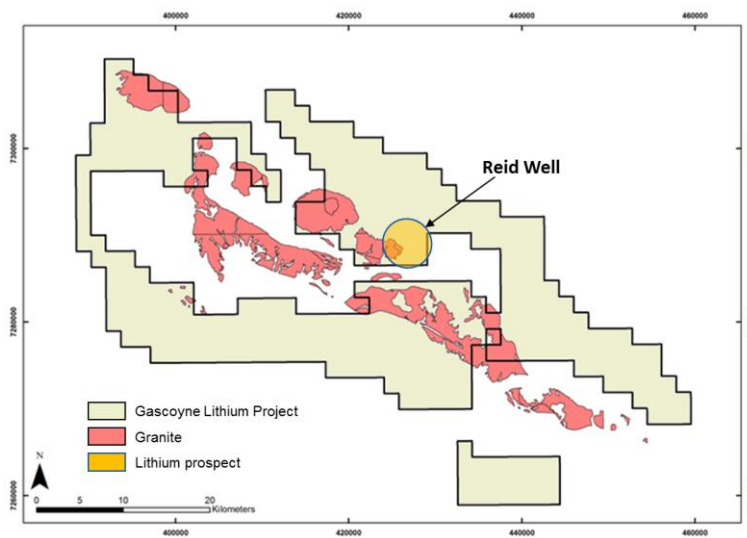
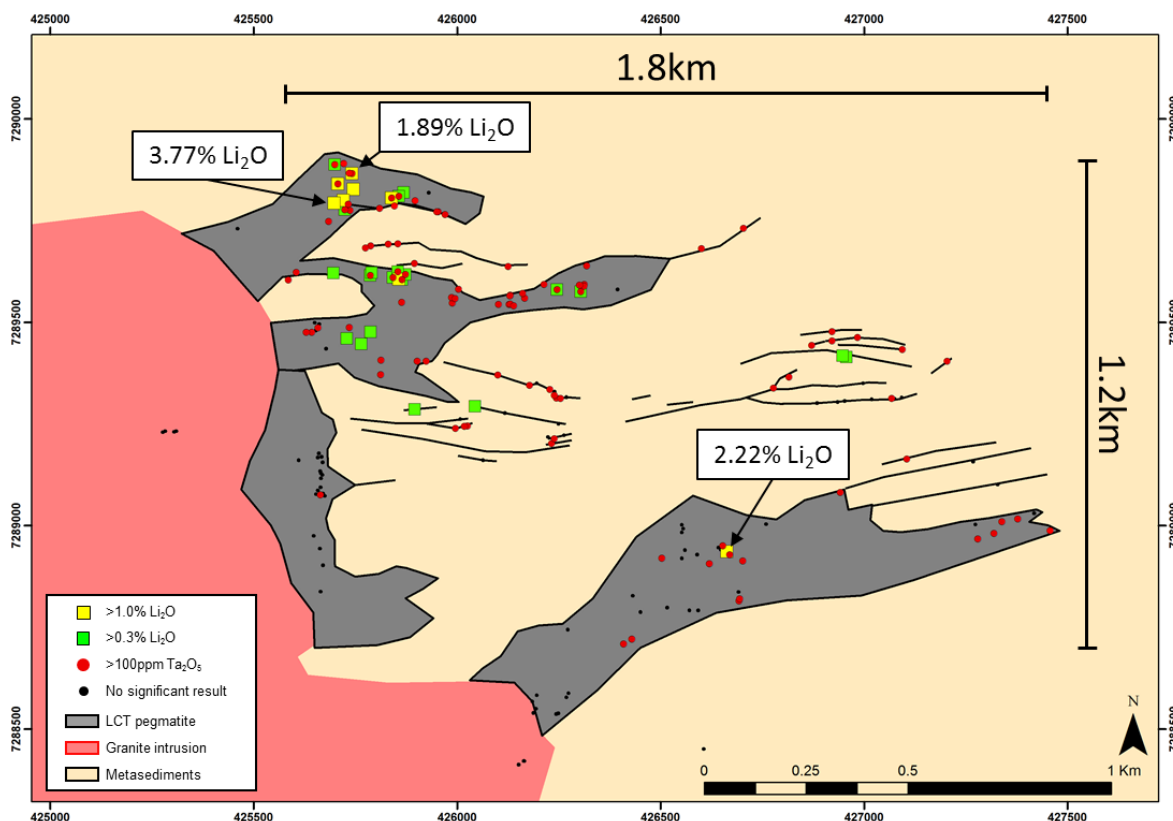


Figure 7: Gascoyne Lithium Project tenement map



The rock chips were collected from areas which had not been previously sampled and are the highest results to date from the Reid Well Prospect. The geological mapping and rock chipping programme was following up LCT soil anomalies and have confirmed further outcropping LCT pegmatites and expanded the footprint of the pegmatite to 1.8km x 1.2km (**Figure 8**).



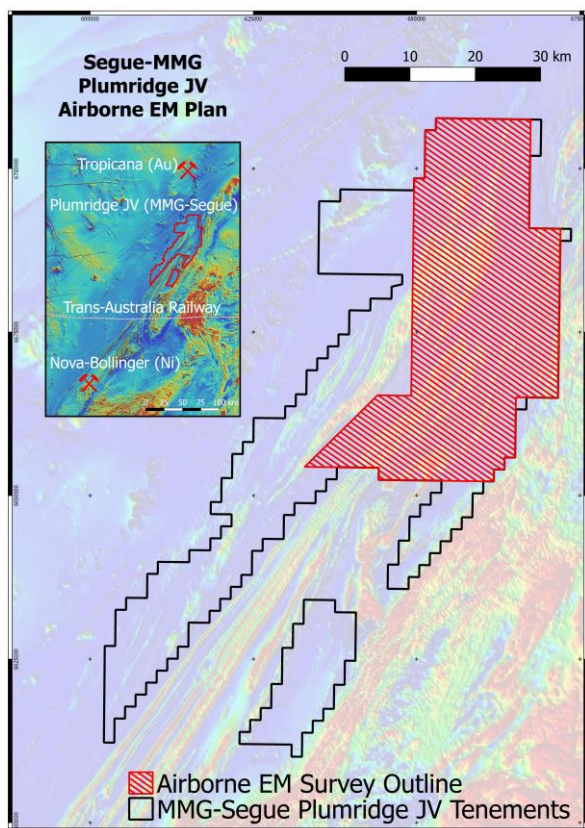
**Figure 8: Interpreted geological map showing rock chips from Reid Well**

Subsequent to the quarter, Segue announced that all approvals had been received to undertake a maiden drilling programme at the Reid Well lithium-caesium-tantalum (LCT) Prospect. The Company will complete a 2,500m RC drill programme to test the lateral extent, depth and orientation of the Reid Well prospect. Drilling is planned to commence in mid-August 2017 and will take 3-4 weeks to complete. Assay results are expected to be received by the end of September 2017.

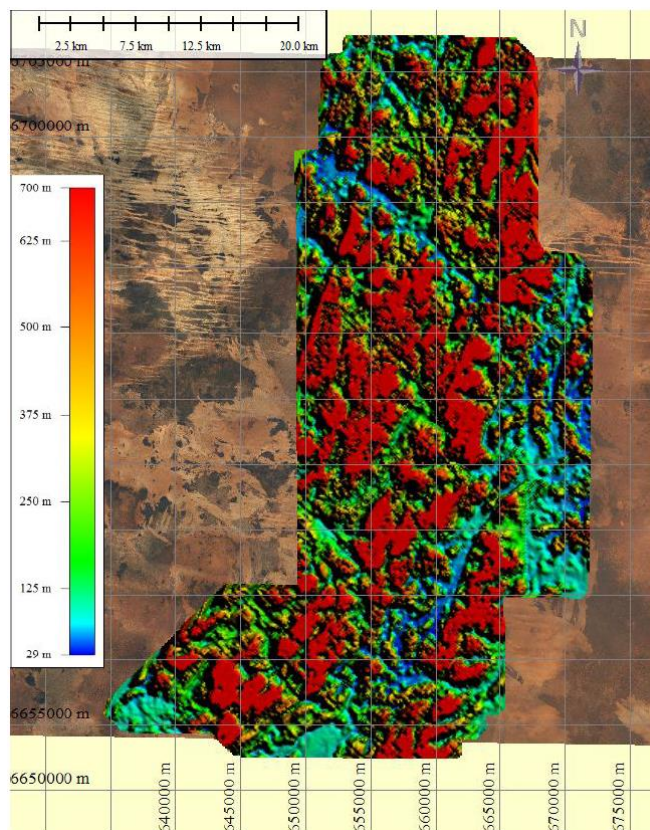
### **PLUMRIDGE NICKEL PROJECT (Fraser Range Province, Western Australia)**

The Plumridge Nickel Project comprises ~2,500km<sup>2</sup> of exploration licences, 200km north of the Nova Ni-Cu mine. Segue owns a 100% interest in the Project, with MMG Exploration Pty Ltd (**MMG**), a wholly-owned subsidiary of international base metals company MMG Limited (HKEx: 1208, ASX: MMG), earning a 51% interest in the Project by funding \$6.5m of exploration (**Stage 1**). Following Stage 1, MMG has the right to increase its interest in the Project to 70% through funding an additional \$7.5m of exploration.

Following a project-wide detailed gravity survey undertaken in 2016, MMG completed a HELITEM survey over a large portion of the Project area during the quarter (**Figure 9**), with a total of 5,970 line kilometres flown. All data was sent to AarhusGeo for inversion modelling with the aim of drill testing high priority targets in September 2017. A sizeable portion of the survey has surveyed depths of up to 600m (**Figure 10**).



**Figure 9: Plumridge Project HELITEM survey plan**



**Figure 10: Estimated depth of investigation (recovered signal)**

MMG has identified over 15 electro-magnetic (EM) targets and GAP Geophysics has commenced a ground SAMSON Fixed Loop EM (FLEM) survey in July of selected high priority targets to refine the orientation of bedrock conductor plates prior to drilling. The ground FLEM programme will cover at least 15 targets and is expected to be completed in late August.

MMG is planning to drill test any high priority conductors identified from the ground FLEM programme with reverse circulation drilling in September 2017. All holes will be cased for downhole EM (DHEM) surveying to be undertaken in a short campaign during the latter stages of drilling.

### **DERALINYA NICKEL PROJECT (Fraser Range Province, Western Australia)**

During the quarter, Segue surrendered three exploration licences which comprised the Deralinya Nickel Project (Segue 70%, Omni GeoX 30%).

### **CORPORATE AND FINANCIAL**

#### **Consolidation of Capital**

On 19 April 2017, shareholders approved a consolidation of the Company's share capital on a 1 for 35 basis (**Consolidation**). The Consolidation reduced the number of shares on issue from 3,866.0 million to 109.9 million.

#### **2014 Employee Share Plan Cancellation of Shares**

During the quarter Segue cancelled a total of 4.0 million shares (post-consolidation) from participants in the 2014 Segue Employee Share Plan (**Plan Shares**). The Plan Shares were cancelled following the time period for eligible participants to acquire the Plan Shares expiring.

### **Placement, Share Purchase Plan and Share Sale Facility**

During the quarter, Segue advised it had completed a private placement to raise \$825,000 through the issue of 27.5 million ordinary shares at an issue price of 3.0¢ per share (**Placement**) together with a 1 for 2 option (exercisable at 7.0¢, expiry 31 December 2019). The proceeds from the Placement will be used to fund maiden drilling programmes at the Barlee Gold and Gascoyne Lithium Projects.

In conjunction with the Placement, Segue offered eligible shareholders the opportunity to participate in a Share Purchase Plan (**SPP**) to raise up to \$1.0 million. The SPP is priced at 3.0¢ per share and provides eligible shareholders, being shareholders recorded on the share register as at 7 June 2017 an opportunity to subscribe for up to \$15,000 worth of fully paid ordinary shares without incurring brokerage or any other transaction costs. The minimum SPP subscription is \$500. The SPP closed on Wednesday, 26 July 2017.

Immediately following completion of the SPP, Segue intends to implement a Share Sale Facility for those shareholders whose shareholding does not constitute a “marketable parcel” (under the ASX Operating Rules a “marketable parcel” is a shareholding with a market value of at least \$500).

The Record Date for the purposes of establishing holders of unmarketable parcels was set at 7:00pm EST on Wednesday, 7 June 2017. An unmarketable parcel will be any shareholding of 16,667 shares or less and is calculated based upon the Placement and SPP offer price.

Segue is offering this facility to assist shareholders of unmarketable parcels to sell their Segue shares without having to use a broker or incurring brokerage costs. Segue will organise remittance of sale proceeds for those shareholders who take advantage of the facility. Any tax consequences from the sale will be the shareholder’s responsibility. The shares will be sold at a price pursuant to the Company’s constitution for the sale of minimum shareholdings.

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

#### **Segue Resources Limited**

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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 30 June 2017**

| Tenement ID             | Status      | Interest at beginning of quarter | Interest acquired or disposed | Interest at end of quarter |
|-------------------------|-------------|----------------------------------|-------------------------------|----------------------------|
| <b>Gold Projects</b>    |             |                                  |                               |                            |
| E16/495                 | Application | 0%                               | 0%                            | 0%                         |
| E16/498                 | Application | 0%                               | 0%                            | 0%                         |
| E30/488                 | Granted     | 0%                               | 100%                          | 100%                       |
| 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                | Granted     | 100%                             | 0%                            | 0%                         |
| E77/2403                | Granted     | 0%                               | 100%                          | 100%                       |
| E77/2416                | Application | 0%                               | 0%                            | 0%                         |
| E77/2432                | Application | 0%                               | 0%                            | 0%                         |
| <b>Lithium Projects</b> |             |                                  |                               |                            |
| E47/3476                | Granted     | 100%                             | 0%                            | 100%                       |
| E47/3477                | Granted     | 100%                             | 0%                            | 100%                       |
| E47/3478                | Granted     | 100%                             | 0%                            | 100%                       |
| E09/1618                | Granted     | 0%                               | 35% <sup>1</sup>              | 35%                        |
| E09/2169                | Granted     | 0%                               | 100%                          | 100%                       |
| E09/2170                | Granted     | 0%                               | 100%                          | 100%                       |
| E09/2171                | Granted     | 0%                               | 100%                          | 100%                       |
| E09/2197                | Granted     | 0%                               | 100%                          | 100%                       |
| E09/2198                | Granted     | 0%                               | 100%                          | 100%                       |
| <b>Nickel Projects</b>  |             |                                  |                               |                            |
| E28/1475                | Granted     | 100% <sup>2</sup>                | 0%                            | 100%                       |
| E28/2266                | Granted     | 100% <sup>2</sup>                | 0%                            | 100%                       |
| E28/2267                | Granted     | 100% <sup>2</sup>                | 0%                            | 100%                       |
| E28/2317                | Granted     | 100% <sup>2</sup>                | 0%                            | 100%                       |
| E39/1084                | Granted     | 100% <sup>2</sup>                | 0%                            | 100%                       |
| E39/1709                | Granted     | 100% <sup>2</sup>                | 0%                            | 100%                       |
| E39/1710                | Granted     | 100% <sup>2</sup>                | 0%                            | 100%                       |
| E39/1731                | Granted     | 100% <sup>2</sup>                | 0%                            | 100%                       |
| E45/1866                | Granted     | 100%                             | 0%                            | 100%                       |
| E45/4279                | Granted     | 100%                             | 0%                            | 100%                       |
| E45/4671                | Granted     | 100%                             | 0%                            | 100%                       |
| E63/1522                | Granted     | 100%                             | (100%)                        | 0%                         |
| E63/1524                | Granted     | 100%                             | (100%)                        | 0%                         |
| E63/1736                | Granted     | 100%                             | (100%)                        | 0%                         |

1. Segue has the option to earn up to a 50% interest subject to the Mortimer Hills JV.
2. MMG has the right to earn up to a 70% interest in the Plumridge Nickel JV