



22 April 2016

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

ASX Code: SEG

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 MARCH 2016

### MARCH QUARTER HIGHLIGHTS

- MMG commenced Phase 2 in-fill gravity survey over the remaining Plumridge Nickel tenements
- Interpretation of Pardoo Nickel aeromagnetic and gravity data complete
- Gascoyne Lithium exploration tenements acquired
- Mortimer Hills Lithium Joint Venture Agreement with Zeus Resources Limited



Figure 1: Segue Projects Location Map

### Key Facts:

#### Segue Resources Limited

ASX Code:	SEG
Share price (21/4/16):	0.3¢
52 week range:	0.1 - 0.6¢
Shares on issue:	2,819m
Market cap.:	\$8.5m

#### Plumridge Nickel Project (100%)<sup>1</sup>

Location:	Fraser Range, WA
Tenement holding:	2,450km <sup>2</sup>

#### Plumridge Gold / Salt Creek Project (100%)

Location:	Eastern Biranup Zone, WA
Tenement holding:	450km <sup>2</sup>

#### Deralinya Nickel Project (70%)

Location:	Fraser Range, WA
Tenement holding:	775km <sup>2</sup>

#### Gascoyne Lithium Project<sup>2</sup>

Location:	Mortimer Hills, WA
Tenement holding:	410km <sup>2</sup>

#### Pardoo Nickel Project (100%)<sup>1</sup>

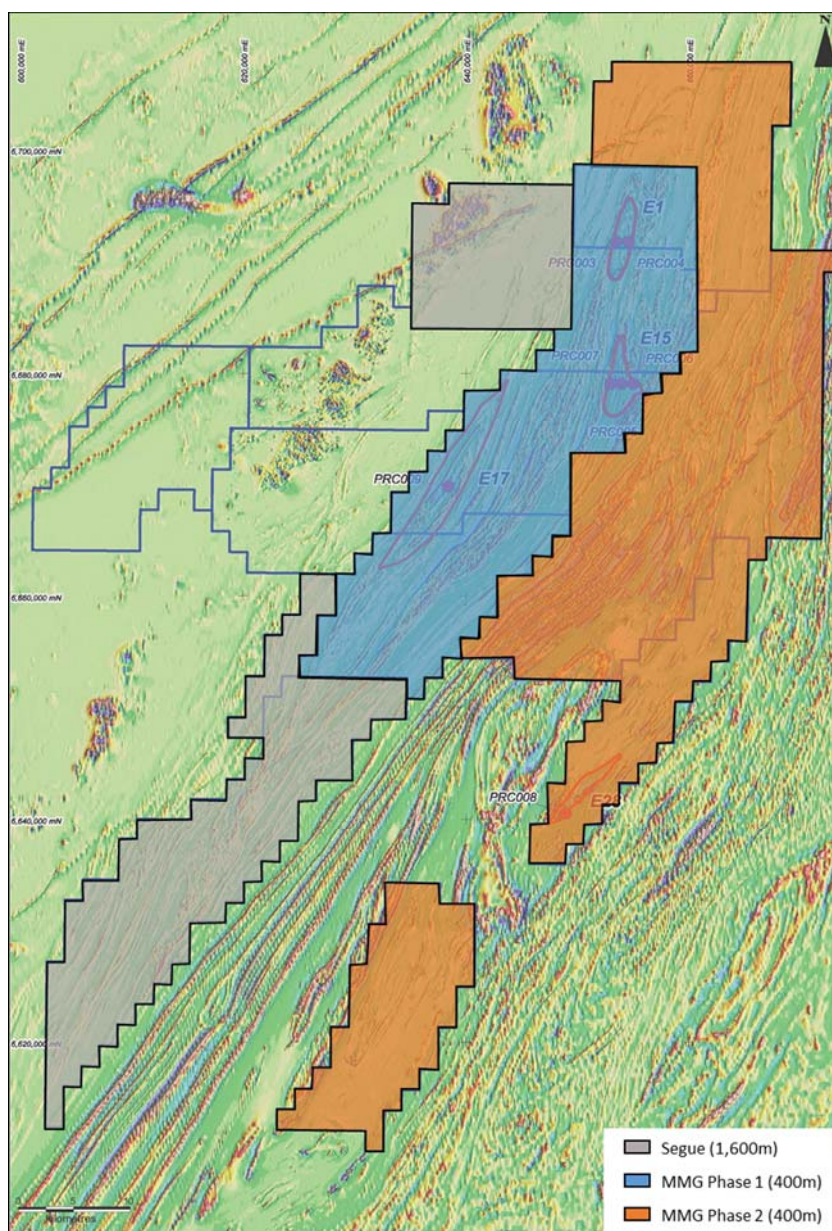
Location:	Pilbara, WA
Tenement holding:	330km <sup>2</sup>

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

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

During the quarter, MMG commenced Phase 2 of the high resolution ground gravity survey at the Plumridge Nickel Project in the Fraser Range Province, Western Australia. Over 10,600 stations are to be completed on a 400m x 200m grid over the remaining Plumridge JV area (**Figure 2**). MMG has four crews operating at the Plumridge JV and the gravity survey is expected to be completed by the end of April 2016.

Upon completion of the Phase 2 survey, approximately 90% of the Plumridge JV tenement package will be covered with high-resolution gravity data (400m line spacing) and the remaining 20% with 1,600m line spaced gravity data. MMG plans on merging the new gravity data with existing gravity, magnetic, drilling and geochemical data to identify potential Ni-Cu sulphide bearing mafic-ultramafic intrusions. The highest ranked anomalies will be selected for ground EM (moving-loop) to test for any conductive response associated with the anomalies, i.e. direct detection of potential massive Ni-Cu sulphides. Initial ground EM is expected to commence in 2Q 2016 and be completed by June/July 2016.



**Figure 2: Bouguer 1VD gravity image (Segue 1,600m x 100m on left, MMG 400m x 200m on right)**



## PARDOO NICKEL PROJECT

### Pilbara Region, Western Australia

Segue entered into the Pardoo Joint Venture (**Pardoo JV**) with Port Exploration Pty Ltd (**Port**) in August 2015, covering the Company's Pardoo Nickel Project (**Pardoo Project**) in the Pilbara region of Western Australia. On 17 December 2015, Caeneus Minerals Ltd (ASX: CAD) (**Caeneus**) completed the acquisition of Port and has assumed all rights and obligations under the Pardoo JV.

Caeneus advised that the interpretation of the recently completed aeromagnetic and gravity data defined a large coincident magnetic and gravity anomaly in the north of the project area that may represent a significant layered mafic/ultramafic intrusive complex with potential for nickel-copper mineralisation (**Figure 3**). The anomaly is approximately five kilometres by four kilometres in size and shows patterns possibly indicating internal layering which heightens the intrusive complexes prospectivity for nickel-copper mineralisation.

Caeneus intends to re-evaluate data from electromagnetic surveys completed by previous explorers and to drill selected anomalies and high priority areas of the intrusive complex by aircore drilling.

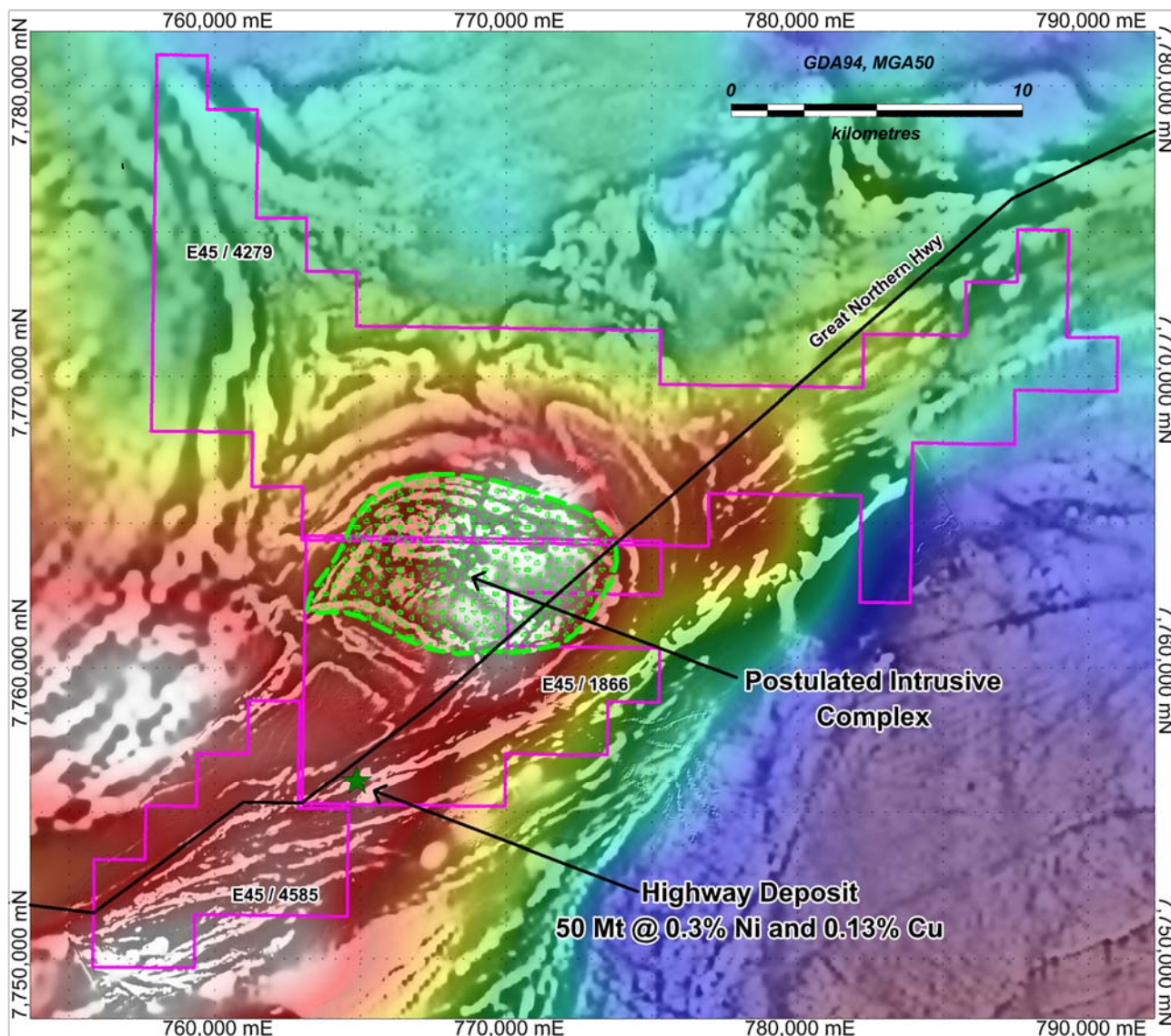


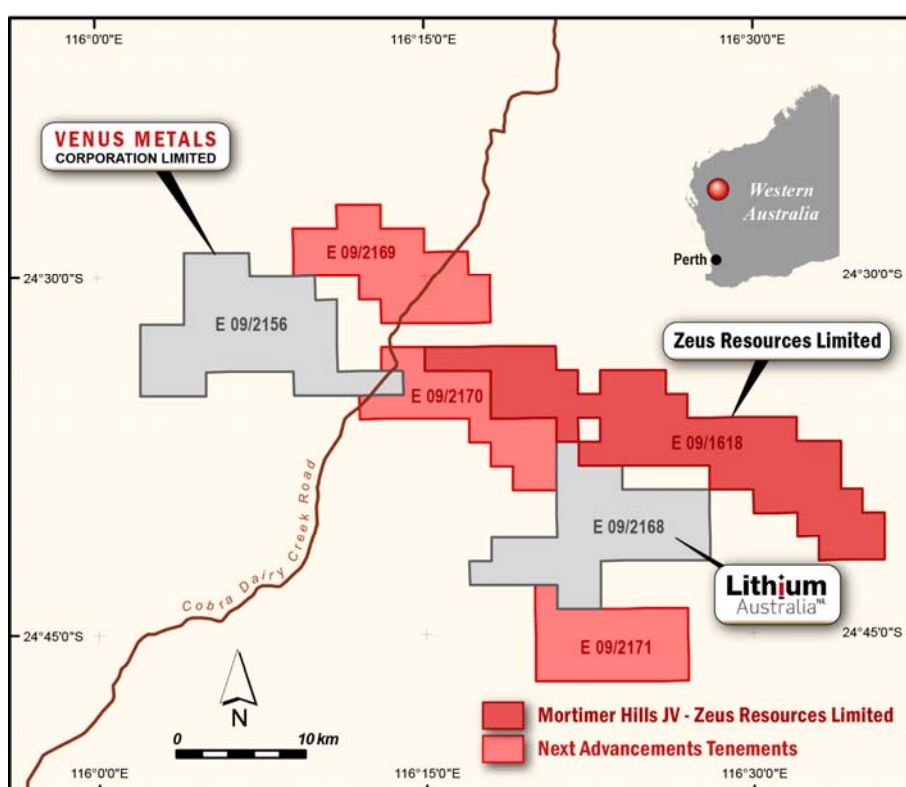
Figure 3: Pardoo Gravity - Magnetics

## MORTIMER HILLS/GASCOYNE LITHIUM PROJECT

### Gascoyne Region, Western Australia

On 31 March 2016, the Company advised it had entered into an option and purchase agreement (**Agreement**) to acquire 100% of the share capital of Next Advancements Pty Ltd (**Next Advancements**). Next Advancements owns three exploration licence applications covering approximately 220km<sup>2</sup> at Morrissey Hill in the Gascoyne region of Western Australia. Subsequent to the quarter, the Company announced it had increased its lithium exploration tenement holding by entering into a farm-in joint venture (**Mortimer Hills JV**) with Zeus Resources Limited (ASX: ZEU) (**Zeus**). The Mortimer Hills JV covers granted exploration licence E09/1618 which is along strike from the three Next Advancements tenements (**Figure 4**).

The Mortimer Hills and Gascoyne tenements are highly prospective for tantalum-lithium minerals and are adjacent to exploration licence applications held by Lithium Australia NL (ASX: LIT) and Venus Metals Corporation Limited (ASX: VMC).



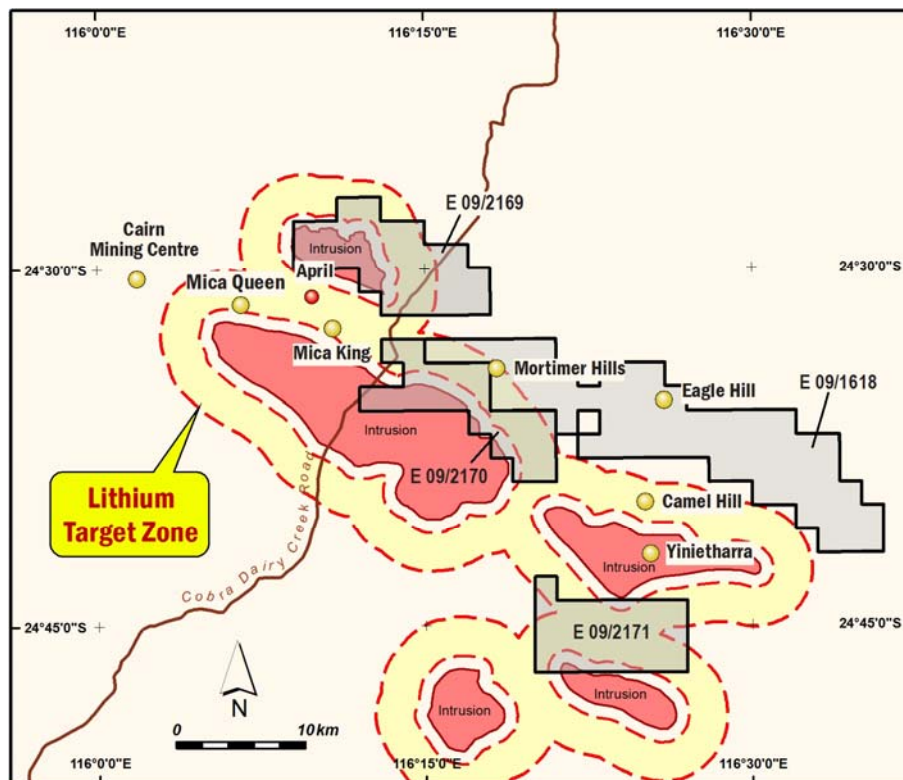
**Figure 4: Mortimer Hills/Gascoyne Lithium Project tenement location map**

Segue has commenced a maiden exploration programme to test the Yinnietharra, Pyramid Hill-Wabli Creek, Mortimer Hills and Camel Hill pegmatite fields. The Camel Hill pegmatites have known beryl and other mineral occurrences and exploration for tantalum in 2001 showed evidence of fractionation zonation. Recent exploration by Zeus at E09/1618 was focussed on uranium, therefore many pegmatites remain untested or unexamined for lithium.

The field work and surface sampling will seek to identify pegmatites which are more fractionated and have the potential to host tantalum-lithium deposits.

Segue now has an interest in over 400km<sup>2</sup> of exploration licences in the Gascoyne region and is the largest explorer in this potential lithium province. Importantly, E09/1618 is the only granted exploration licence currently being explored for lithium minerals. The tenement has an abundance of outcropping pegmatites which may lead to drill targets following the current field programme.

By mapping and sampling the pegmatites it is possible to develop a zonation map to assist with vectoring in on any potential lithium bearing pegmatites in the region (**Figure 5**). Segue's tenements in and around Morrissey, Mortimer and Camel Hills cover a large portion of the lithium target zone around the known intrusions. The April Pegmatite, immediately adjacent to tenement E09/2169, contains a previously logged lithium occurrence and sits within the potential lithium target zone.



**Figure 5: Simplified geological map showing target zone for lithium potential**

The key terms of the Next Advancements Agreement are:

- Option fee of \$25,000 in cash and \$25,000 in Segue shares (at an issue price of 0.1¢ per share);
- Segue can acquire 100% of Next Advancements through the issue of \$100,000 in Segue shares (at an issue price of 0.1¢ per share) following the granting of two exploration licences; and
- Segue will issue Next Advancements with \$100,000 in Segue shares upon announcement of a JORC-compliant resource of 1mt at 1.2% Li. The issue price of the Segue shares will be the 10-day VWAP immediately prior to the resource announcement.

The key terms of the Mortimer Hills JV are:

- Segue to spend \$30,000 on exploration prior to 15 May 2016 (**Initial Exploration**);
- Following completion of the Initial Exploration, Segue can earn a 35% interest in the Joint Venture through the expenditure of \$125,000 within 12 months (**Stage 1 Farmin**);
- Following completion of the Stage 1 Farmin, Segue can increase its interest to 50% through the expenditure of \$125,000 within 12 months (**Stage 2 Farmin**); and
- Following completion of the Stage 2 Farmin, standard joint venture terms apply, including contributions in proportion to equity holdings, dilution and pre-emptive rights.

## **CORPORATE AND FINANCIAL**

### **Lapse of Options**

During the quarter 76,500,000 unquoted options exercisable at \$0.018 on or before 31 January 2016 lapsed unexercised.

### **Placement and R&D Rebate**

On 20 April 2016, Segue completed a placement of 100,000,000 shares at 0.25¢ per share to raise net proceeds of \$250,000 to Acuity Capital Pty Ltd pursuant to the Controlled Placement Agreement announced on 19 August 2015.

Further, subsequent to the quarter the Company received a research and development (R&D) rebate net of fees of \$337,000 cash following a successful claim with the Australian Tax Office.

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

### **Segue Resources Limited**

Mr Steven Michael

*Managing Director*

T: +61 8 9383 3330

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 31 March 2016

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

### 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%
E39/1084	Granted	100%	0%	100%
E39/1709	Granted	100%	0%	100%
E39/1710	Granted	100%	0%	100%
E39/1731	Granted	100%	0%	100%

### Salt Creek Project

E39/1117	Granted	100%	0%	100%
E39/1118	Granted	100%	0%	100%
E39/1830	Granted	100%	0%	100%

### Deralinya Project

E63/1521	Granted	100%	0%	100%
E63/1522	Granted	100%	0%	100%
E63/1524	Granted	100%	0%	100%
E63/1736	Granted	100%	0%	100%

### Pardoo Project

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