



ASX Code: SEG

2 June 2016

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

APPENDIX 3B AND CLEANSING STATEMENT

Segue Resources Limited (**Segue** or the **Company**) is pleased to announce that as part of its ongoing capital management plan, it has completed a placement of 80,000,000 shares at 0.27¢ per share to Acuity Capital to raise net proceeds of \$216,000 pursuant to the Controlled Placement Agreement (**CPA**) announced on 19 August 2015 (**Placement Shares**). The key terms of the CPA and a summary of the current placement are contained in Appendix A.

The placement was made utilising the Company's existing placement capacity under ASX Listing Rule 7.1A.

Information required under ASX Listing Rule 3.10.5A

Segue provides the following information as required under ASX Listing Rule 3.10.5A as follows:

1. Dilution to existing shares as a result of the issue made under 7.1A:
 - a. The percentage of the existing issued capital represented by the Placement Shares made under 7.1A is 2.84%.
 - b. The percentage of the post-placement issued capital held by the pre-placement security holders is 97.24%.
2. The participant in the Placement Shares was an existing shareholder of the Company and was issued the Placement Shares as part of the Controlled Placement Agreement announced 19 August 2015 with Acuity Capital.
3. No fees were paid in relation to the issue of the Placement Shares.

Confirmation under section 708(5)(e) of the Corporations Act (Act)

The Company hereby notifies ASX under section 708A(5)(e) of the Act in compliance with the requirements of section 708A(6) of the Act. The Company also advises that as at the date of this notice:

1. The shares were issued without disclosure to investors under Part 6D.2 of the Act;
2. the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
3. the Company has complied with section 674 of the Act; and

4. As at the date of this notice, there is no information:

- a. That has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules;
- b. That investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. The assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. The rights and liabilities attaching to the shares.

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

Segue Resources Limited

Mr Steven Michael

Managing Director

T: +61 8 9383 3330

E: info@segueresources.com

Appendix A

Summary of Key Terms of the Controlled Placement Agreement

1. Standby equity capital of up to \$1,000,000 available at the Company's sole discretion;
2. No obligation on the Company to utilise the CPA;
3. The CPA provides Segue with full control over the placement process, including the right to determine the following for each new placement:
 - a. Maximum Placement Amount to be issued for any particular Placement Period, minimising dilution of existing shareholders;
 - b. Placement Period, being the period over which Acuity may choose to hedge its position; and
 - c. Floor Price, being the minimum hedge price over the Placement Period.
4. Each new placement is issued at a 10% discount to the Acuity hedged price over the Placement Period, subject to the Floor Price determined by the Company;
5. The actual issue price per share may be higher than the Floor Price set by the Company for a Placement Period. This will occur where the discounted VWAP of Segue shares over the relevant Placement Period is above the Floor Price;
6. There are no fees for Segue entering into the CPA and there are no options required to be issued;
7. Segue has the right to cancel the CPA at any time for no fee;
8. No restrictions on Segue entering into debt financing arrangements or from undertaking additional private placements, rights issues or shareholder purchase plans;
9. No restrictions on Segue entering into strategic industry partnerships or undertaking acquisitions of assets and shares in the future; and
10. Utilisation of the CPA is dependent on Segue's available placement capacity under the ASX listing rules.

Option Exercise Terms – 2 June 2016

CPA Placement Period	21 April – 31 May 2016
CPA Floor Price	0.30¢
CPA Maximum Hedge Shares	100,000,000
Actual hedged shares	80,000,000
Acuity traded price	0.30¢
Market VWAP over Placement Period	0.30¢
Acuity CPA Exercise Price	0.27¢
CPA Exercise Consideration	\$216,000.00
15-day VWAP prior to placement	0.30¢
75% of 15-day VWAP	0.23¢
Placement Price premium to 75% of 15-day VWAP	18.1%

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Segue Resources Limited

ABN

81 112 609 846

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	80,000,000
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>0.27¢</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued pursuant to Acuity Capital Controlled Placement Agreement announced 19 August 2015</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>11 November 2015</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>80,000,000</p>

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	N/A	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. 15-day VWAP: \$0.0030 75% of 15-day VWAP: \$0.0023 Source: IRESS	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1	
7	+Issue date Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	2 June 2016	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 2,899,070,242	+Class Ordinary shares

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	238,071,398	Options exercisable at \$0.01 on or before 31 July 2017
	15,000,000	Options exercisable at \$0.01 on or before 18 February 2018
	25,000,000	Options exercisable at \$0.0036 on or before 3 August 2018
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There is currently no dividend policy in place for the Company.

Part 2 - Pro rata issue

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000

+ See chapter 19 for defined terms.

10,001 - 100,000
100,001 and over

- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought

- 39 +Class of +securities for which quotation is sought

- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
- If the additional +securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another +security, clearly identify that other +security)
-

- | | Number | +Class |
|--|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38) | | |

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: *(lodged electronically)* Date: 2 June 2016
 (Company secretary)

Print name: Matthew Foy

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	2,055,650,985
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	12,849,999 571,615,875 Nil
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	2,640,116,859

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	396,017,528
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	52,500,000
“C”	52,500,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	396,017,528
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	52,500,000
Total [“A” x 0.15] – “C”	343,517,528 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	2,640,116,859
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	264,011,685
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	206,570,049
“E”	206,570,049
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	263,601,686
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	206,570,049
Total [“A” x 0.10] – “E”	57,441,636 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.