



ASX Code: SEG

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

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

### DECEMBER QUARTER HIGHLIGHTS

- Acquisition of over 3,500km<sup>2</sup> of exploration licences in the Fraser Range Province complete
- Fraser Range exploration to focus on the Plumridge Nickel Project
- Aeromagnetic survey identified 16 Nova-style eye targets at Plumridge
- Ground EM and aircore drilling programme to commence 1Q 2014

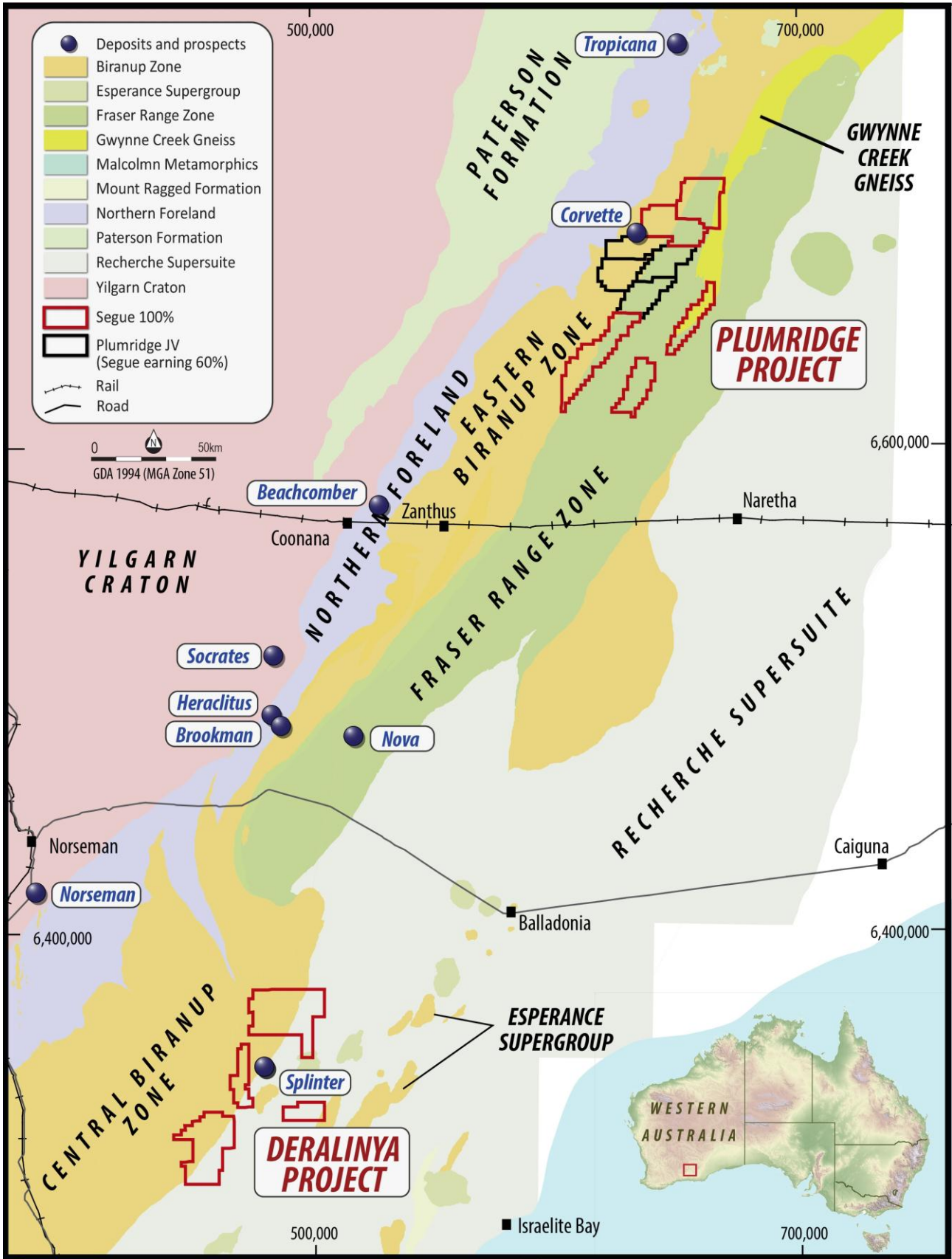
### Fraser Range Province, Western Australia

During the quarter, Segue Resources Limited (**Segue** or the **Company**) completed the acquisition of three companies which control exploration licences totalling 3,538km<sup>2</sup> in the highly prospective Fraser Range Province of Western Australia (**Figure 1**). Segue is now one of the largest publically-listed tenement holders in the Fraser Range Province.

The tenements contain the Plumridge Nickel and Gold Projects (2,240km<sup>2</sup>) in the northern portion of the Fraser Range and the Deralinya Project (1,298km<sup>2</sup>) in the southern Fraser Range. The Plumridge Nickel Project is Segue's immediate exploration focus as it is highly prospective for Nova-style nickel-copper deposits.

The majority of the tenements are owned 100% by Segue, except for four tenements in the Plumridge Nickel and Gold project area which are subject to a farm-in joint venture with International Goldfields Ltd (**Plumridge JV**). Under the joint venture agreement, Segue can earn a 60% interest in the Plumridge JV by spending \$1.0 million by 31 January 2015. Following completion of the farm-in, standard dilution provisions will apply.

Figure 1 – Fraser Range Exploration Tenements

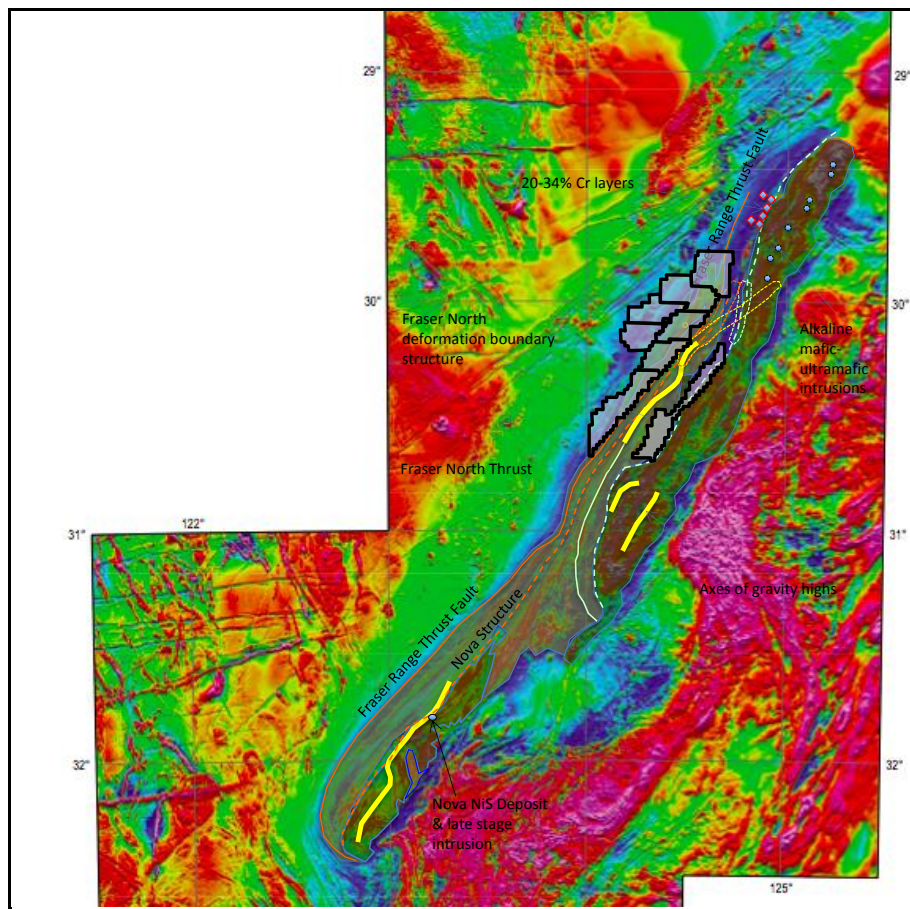


## Plumridge Project

Segue acquired the rights over eight tenements in the northern portion of the Fraser Range Province totalling 2,240km<sup>2</sup>, which together form the Plumridge Project. The Plumridge Project has previously been explored for gold, however very little base metal exploration has been conducted to date. The Plumridge Project is highly prospective for nickel-copper deposits, similar to Sirius Resources' Nova-Bollinger deposit, which lies approximately 120km south-west along the Fraser Range Belt.

Segue's 2,240km<sup>2</sup> of tenements at the Plumridge Project straddle the Fraser Complex covering most of the complex across strike (ESE trend). More importantly, however, the tenement package provides around 80km of strike exposure to the "Nova structure" and other parallel regionally-extensive, strike-slip structures deemed critical to the emplacement of Nova-type bodies into the Fraser Complex (**Figure 2**).

**Figure 2 – Structural Architecture of the Fraser Range Complex**

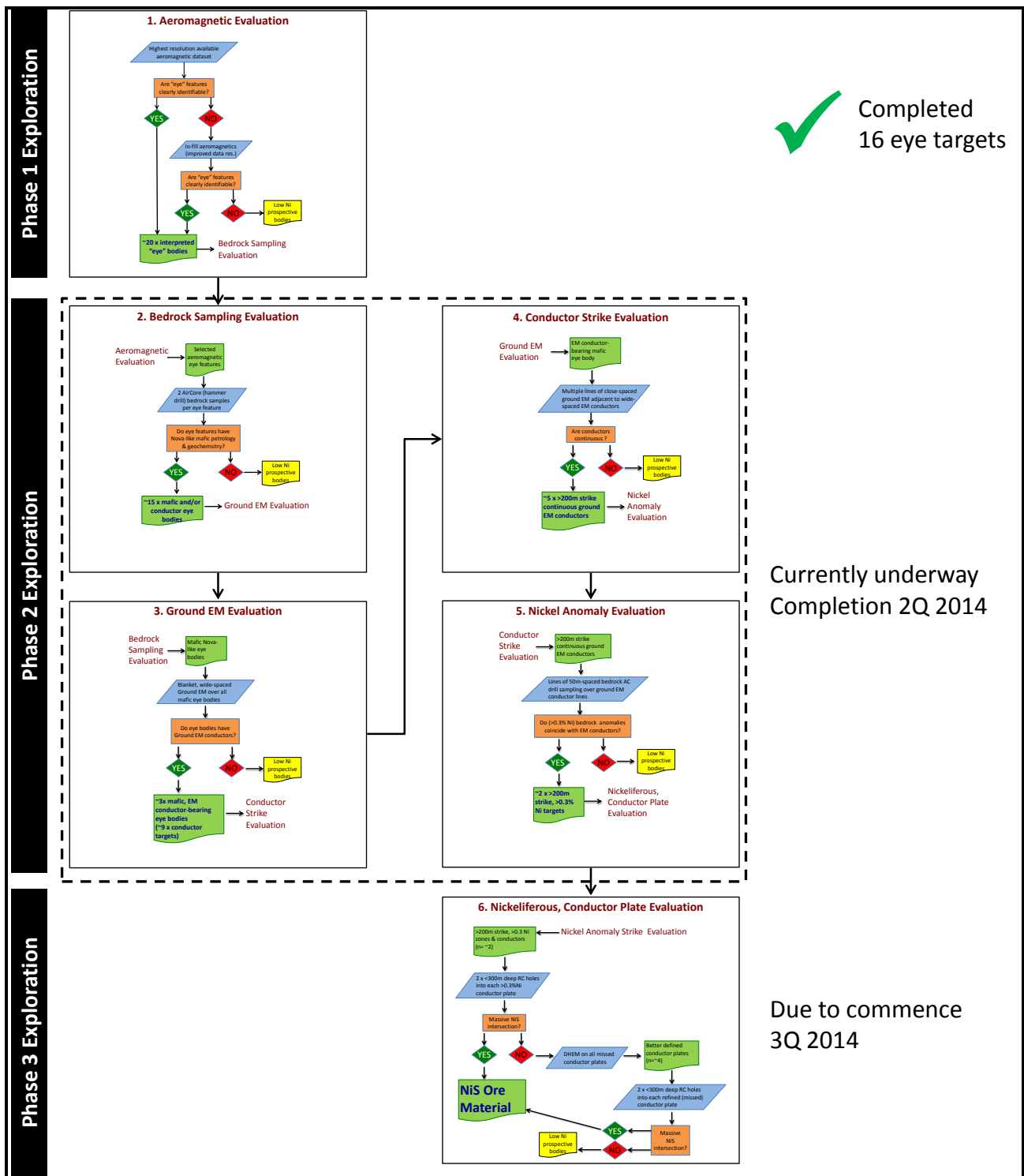


## Plumridge Nickel Project

Segue engaged Newexco Mining & Exploration Services (**Newexco**) to review, improve and evaluate the Company's nickel sulphide exploration programme. Newexco was involved in the discovery of Western Areas' Forrestania and Sirius' Nova-Bollinger nickel sulphide deposits and brings a wealth of highly pertinent industry knowledge and experience to our team and exploration effort.

The exploration programme at the Plumridge Nickel Project is a continuous prioritisation process, where less prospective targets are progressively dropped from the active work list, allowing more intensive work to be conducted on a smaller number of progressively more prospective targets. This process is summarised in the exploration programme flow diagram below (**Figure 3**).

Figure 3 – Plumridge Nickel Exploration Programme Flow Diagram



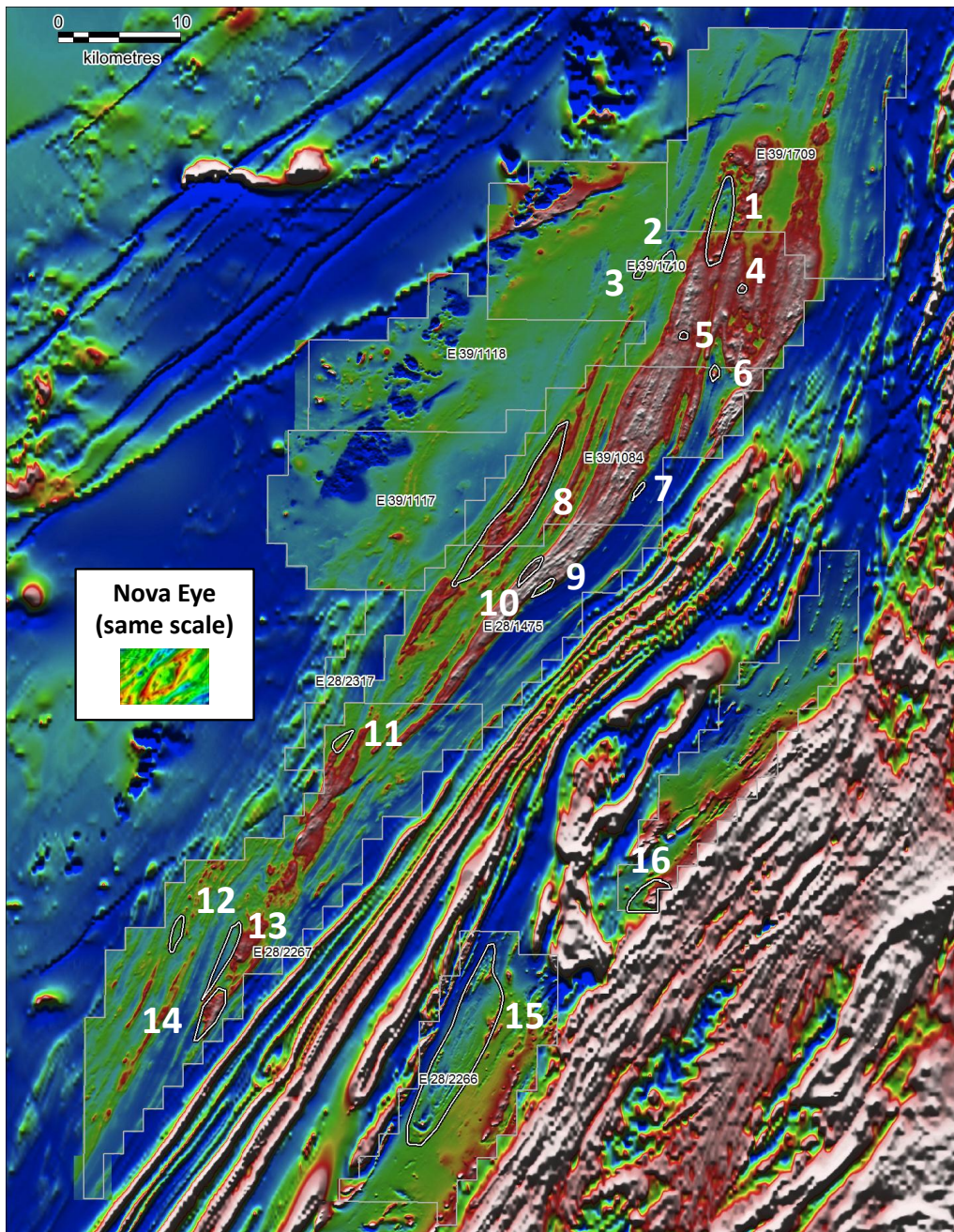
**Phase 1 Exploration Programme**

During the quarter, Segue and Newexco completed the Phase 1 Exploration Programme, which involved a review of the high resolution aeromagnetic data and depth-to-bedrock topography of the Plumridge Nickel Project. The review identified 16 “eye” targets with a similar magnetic signature to the Nova-Bollinger nickel deposit (Figure 4).

The identification of 16 “eye” targets is a significant milestone for Segue in exploring for Nova-Bollinger style nickel deposits at the Plumridge Project.

- 1) Based upon the Nova-model, each one of Segue’s 16 eye targets represents a small, discrete area of enhanced nickel sulphide prospectivity;
- 2) While Segue will control over 2,200km<sup>2</sup> of tenements at the Plumridge Project, focussing on the eye targets allows the Company to conduct intensive ground-based exploration for a modest cost; and
- 3) This is currently the largest number of eye targets released by an explorer in the Fraser Range. Further, the average size of Segue’s eye targets is more than five (5) times larger than that of the Nova eye, with the largest eye identified at the Plumridge Project over 20km long.

**Figure 4 – Magnetic “Eye” Targets at the Plumridge Project**



## ***Phase 2 Exploration Programme***

The Phase 2 Exploration Programme includes a 123 line-kilometre Ground (Moving Loop) Electro-Magnetic (**EM**) survey, to be undertaken in 1Q and 2Q 2014. The ground EM survey is one of the largest and most comprehensive surveys to be conducted in the Fraser Range and will cover all 16 eye targets with appropriate density ground EM to maximise the likelihood of identifying a Nova-style conductor for minimum cost. Segue's geophysics consultant, Newexco, has designed and will manage the ground EM programme to achieve the Company's objectives.

Tracks used for the EM survey will be re-used for a follow-up air core drilling programme which will test the bedrock nickel geochemistry above identified ground EM conductors which have been interpreted to be buried massive sulphide bodies. The air core drilling programme will be undertaken at substantially the same time as the EM survey and is expected to be finished in 2Q 2014.

The strongest, most strike extensive ground EM conductors coincident with the highest value, most strike extensive bedrock nickel anomalies will be prioritised for deeper reverse circulation (**RC**) drilling, planned to commence in June/July 2014.

## ***Plumridge Gold Project***

The Plumridge Project area has previously been explored for gold along the western portion of the Plumridge Joint Venture tenements, which contain the Eastern Biranup Zone of the Albany Fraser Orogen. Several gold prospects have been discovered in the project area, including the Corvette gold prospect located approximately 60km southwest of the +5 million ounce Tropicana gold project. The Corvette gold prospect is a >5km long gold anomaly defined by air core drilling, with multiple intercepts of significant gold mineralisation in localised areas of reverse circulation drilling.

Segue has completed a review of previous bedrock drilling and oriented diamond drill-core which has allowed for the Company to better understand the local to district-scale structural controls on gold mineralisation in the Corvette area. To further improve the exploration model, Segue is currently re-analysing over 16,000 drill-chip samples for gold-associated alteration mineral chemistry (PIMA study).

The integration of the alteration and structural studies may result in the definition of a number of new targets proximal to areas of known mineralisation. Segue plans to drill these targets after the initial nickel sulphide exploration programme is complete.

## ***Deralinya Project***

Segue acquired the rights over four 100%-owned tenements in the southern portion of the Fraser Range Province totalling 1,298km<sup>2</sup>, which form the Deralinya Project. The tenements overlay the Central Biranup Zone of the Albany Fraser Orogen. The tenements are prospective for:

- "Ida Fault extension" type gold;
- Shear zone hosted gold;
- Palaeochannel/shoreline mineral sands and;
- Palaeodrainage/salt lake hosted Mulga Rocks style uranium mineralisation.

Segue is currently reviewing available exploration data to define the most appropriate exploration model to pursue at the Deralinya Project. Segue has already identified a number of radiometric uranium/thorium anomalies on the margins of salt lakes which are readily accessible and easy to test.

## **Pardoo Project, Western Australia**

The Pardoo Project has been identified as a highly prospective target for mafic-ultramafic nickel-copper-platinum group metal deposits. Previous exploration has largely focused on identifying extensions or repeats of the sediment-hosted hydrothermally remobilised Highway Deposit within the Pardoo Fault Zone rather than primary magmatic sulphides associated with the mafic-ultramafic intrusive complex.

During the quarter, Segue completed a re-assessment of the airborne electromagnetic survey data (VTEM) and reconnaissance field checking, including mapping and orientation geochemical sampling across the top of each of the VTEM targets. The results of this work are:

- The interpretation of a multi-phase mafic ultramafic intrusion with defined basal contacts and potential feeder positions; and
- Identification of six VTEM targets that warrant verification FLEM surveys.

The next phase of exploration planned for the Pardoo Project is a fixed-loop electromagnetic survey (FLEM) over the highest ranked VTEM targets. This programme is planned for 2H 2014.

## **Corporate and Financial**

During the quarter Segue issued 550 million shares (500 million are subject to a 12-month escrow) as consideration for the acquisition of the Plumridge and Deralinya Projects.

At the end of the quarter, the Company had 1,086,912,798 shares on issue. The Company also has 11,800,000 options exercisable at \$0.051 on or before 8 November 2014 and 25,000,000 options exercisable at \$0.01 on or before 18 February 2018 outstanding.

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 Dr Howard Carr, Technical Director, who is a Member of The Australian Institute of Geoscientists. Dr Carr 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". Dr Carr 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

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

E28/2267	Granted	0%	100%	100%
E39/1710	Granted	0%	100%	100%
E28/2266	Granted	0%	100%	100%
E39/1709	Pending	0%	-	-
E28/1475 <sup>1</sup>	Granted	0%	0%	0%
E39/1084 <sup>1</sup>	Granted	0%	0%	0%
E39/1117 <sup>1</sup>	Granted	0%	0%	0%
E39/1118 <sup>1</sup>	Granted	0%	0%	0%

1. Segue can earn a 60% interest in the Plumridge Joint Venture by spending \$1.0 million by 31 January 2015.

### Deralinya Project

E63/1521	Granted	0%	100%	100%
E63/1522	Granted	0%	100%	100%
E63/1523	Granted	0%	100%	100%
E63/1524	Granted	0%	100%	100%

### Pardoo Project

E45/1866	Granted	100%	100%	100%
E45/3383	Granted	100%	100%	100%
E45/4279	Pending	0%	-	-