

30 October 2017



ASX Code: SEG

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2017

SEPTEMBER QUARTER HIGHLIGHTS

- **Barlee Gold Project** – maiden drill programme at T1 intersected 15m @ 1.48g/t Au from 12m including 3m @ 6.73g/t Au and a 1.2km x 300m aircore anomaly (+50ppb Au) defined at T2
- **Malinda Lithium Project** – first pass drilling intersected significant lithium mineralisation and XRD analysis has confirmed spodumene as the primary lithium mineral at the Blade Prospect
- **Pilbara Gold Project** – reconnaissance exploration commenced for alluvial gold shedding off prospective conglomerate horizons



Figure 1: Segue Projects Location Map

Segue Resources Limited

ASX Code:	SEG
Share price (27/10/17):	5.9¢
52 week range:	2.3 – 10.5¢
Shares on issue:	172.6m

Exploration Projects

Project	Interest	Location	Size
Barlee Gold	100%	Southern Cross	1,200km ²
Malinda Lithium	100%	Mortimer Hills	1,100km ²
Pilbara Gold	100%	Pilbara	615km ²
Plumridge Nickel	100% ¹	Fraser Range	2,450km ²
Plumridge Gold	100%	Fraser Range	450km ²
Pardoo Nickel	20%	Pilbara	330km ²

1. Subject to farm-out joint venture.

BARLEE GOLD PROJECT (Eastern Goldfields, Western Australia)

During the quarter, Segue announced the results of its maiden aircore (AC) and reverse circulation (RC) drilling programme at the highly prospective T1a and T2 gold prospects (Figures 2 & 3) which had been identified through BLEG, soil sampling, magnetic interpretation and geological mapping over the past 12 months. The drill programme was designed to target gold mineralisation at the base of weathering and collect fresh rock samples for multi-element and hyperspectral analysis. Drilling was initially carried out at 80m spacings to determine the presence of saprolite and depth to fresh rock.

Following interpretation of the wide spaced 80m holes at T1, three areas were chosen for close spaced 20m shallow RC drilling to test the weathered/fresh rock interface. Drilling at T1 resulted in 10 anomalous results of over 100ppb Au (0.1g/t Au) in close proximity to Banded Iron Formations and lithological boundaries within an ultramafic-mafic-intermediate volcanic sequence (Figures 4 & 5). Aircore hole BARAC0136 intersected **15m @ 1.48g/t Au from 12m including 3m @ 6.73g/t Au from 12m.**

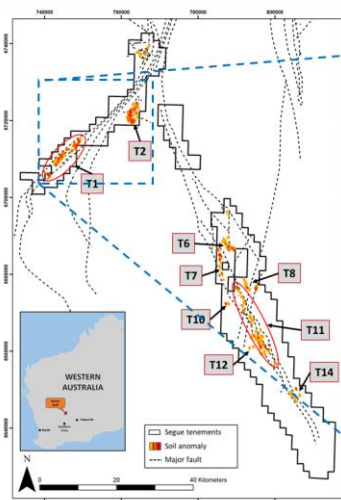


Figure 2: Barlee Gold Project location map

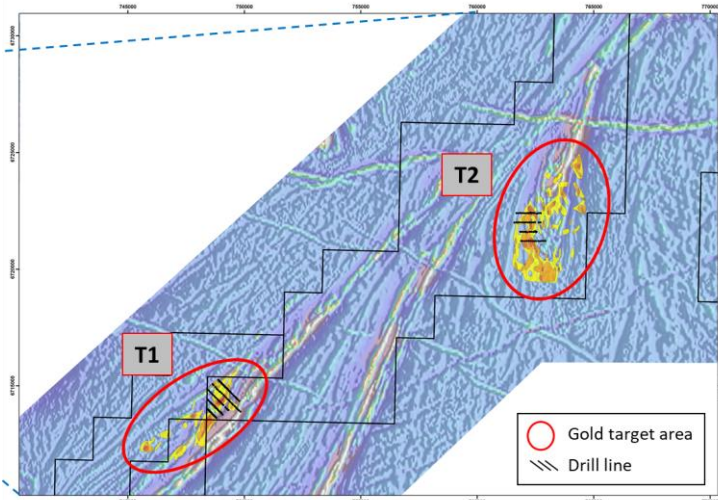


Figure 3: T1 and T2 gold prospects

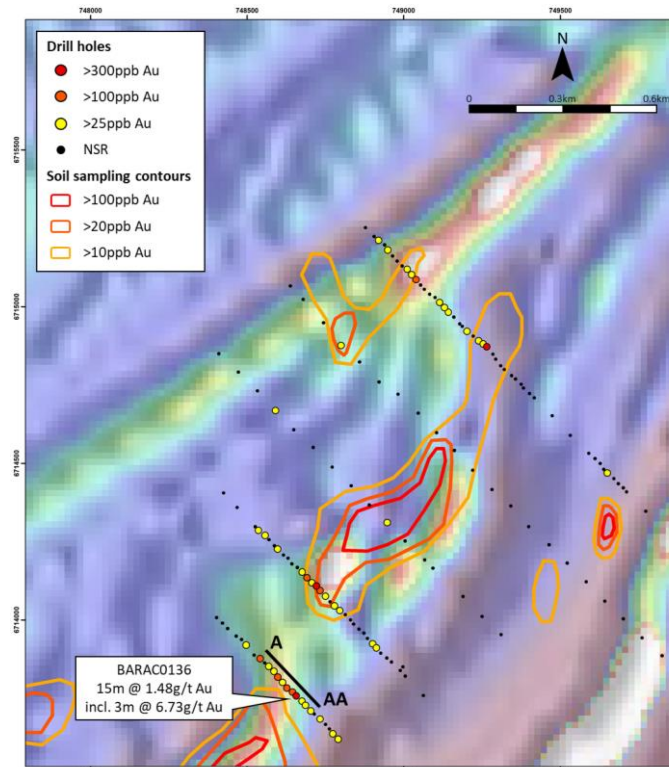


Figure 4: T1 prospect showing drill holes and soil contours over magnetic image

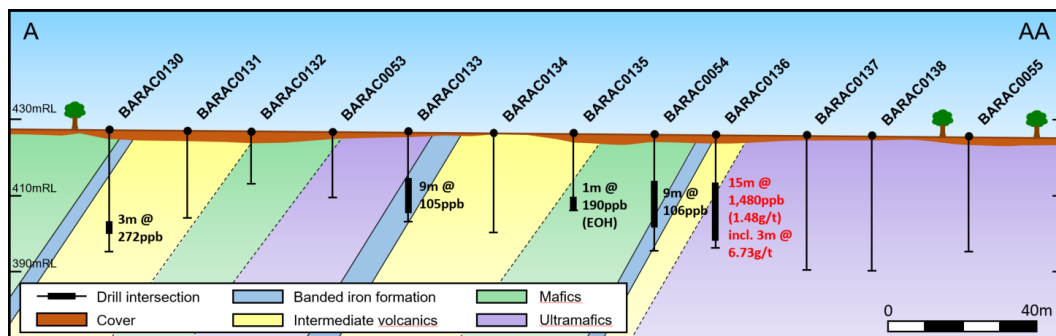


Figure 5: Section A-AA at T1 prospect

At T2, the aircore drilling programme delineated a **1.2km x 350m mineralised corridor** which remains open along strike to the north and south (**Figure 6**). Eighteen (18) drill holes returned values over 50ppb Au. Segue then completed two RC fence lines over a prospective structure in the northern end of T2. Each fence line consisted of four 120m deep angled RC holes.

RC drilling at T2 has resulted in 10 anomalous results over 100 ppb Au (**Figures 6 & 7**) with the best intercept of **48m @ 0.67g/t Au from 27m including 21m @ 1.13 g/t Au from 54m and 3m @ 2.28 g/t Au from 63m** in hole BARRC007. Other significant intercepts include **3m @ 0.8 g/t Au from 42m** in hole BARRC005 and **3m @ 0.44 g/t Au from 93m** in hole BARRC001.

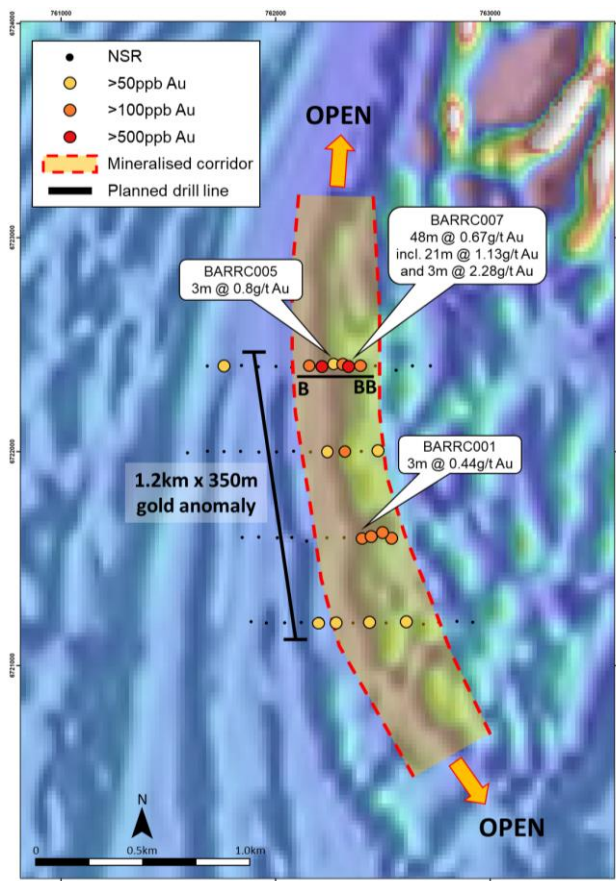


Figure 6: T2 prospect showing drill holes and 1.2km long gold anomaly (+50ppb Au) over regional magnetic image

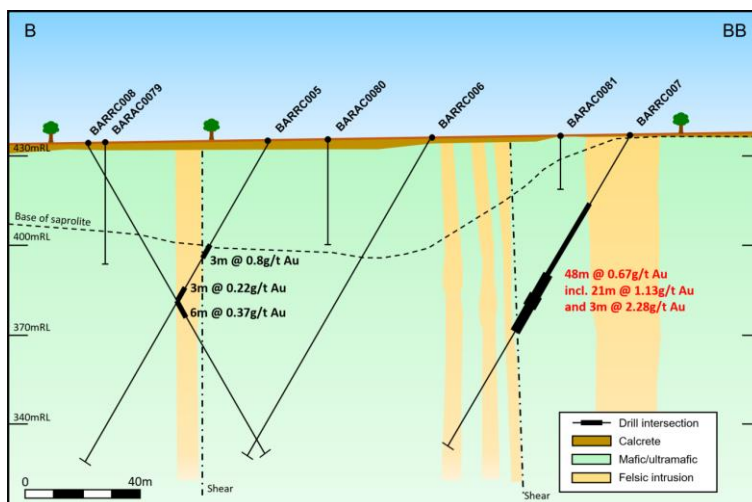


Figure 7: Section B-BB at T2 prospect

Subsequent to the end of the Quarter, Segue announced it had commenced a 7,000m RC drilling programme at the T2, T6, T8 and T11 Prospects (**Figure 8**). This will be the first significant gold drilling ever undertaken at the Barlee South Prospects. A total of 5,500m will be drilled at the T6, T8 and T11 Prospects, targeting gold anomalies defined from previous soil sampling combined with structural and geological interpretation. An additional 1,500m of infill and step out drilling will also be undertaken at the T2 Prospect to extend the 1.2km x 350m gold anomaly to the north and south. It is anticipated that the drilling programme will be completed by the end of October, with assay results received by the end of November 2017.

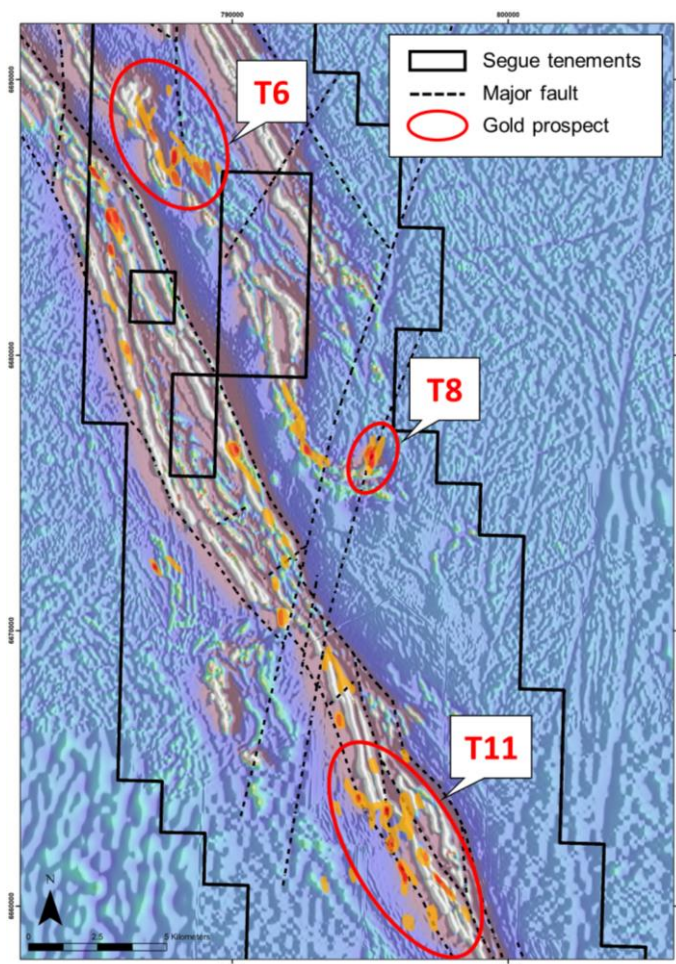


Figure 8: Barlee South showing T6, T8 and T11 Prospects

MALINDA LITHIUM PROJECT (Gascoyne Region, Western Australia)

During the quarter, Segue announced assay results from the first six (6) holes of the maiden RC drill programme at the 100% owned Malinda Lithium Project (previously Gascoyne Lithium Project). The 2,430m RC drill programme was designed to test the lateral extent, depth and orientation of four lithium-caesium-tantalum (LCT) prospects which had been defined by previous soil sampling and rock chip programmes.

The maiden RC drill programme was designed to test each of these pegmatite swarms, with 17 RC holes for 2,430m drilled over 5 lines to confirm the orientation and thickness of mineralisation (**Figure 9**). The drilling has resulted in the identification of thick moderately dipping pegmatites at three of the main prospects and assays have confirmed the mineralisation potential at the Tomahawk (**Figure 10**), Blade (**Figure 11**) and T-Bone (**Figures 12 & 13**) Prospects. Assay results included **2m @ 1.71% Li₂O (GASRC0016)**, **4m @ 1.42% Li₂O (GASRC0011)** and **12m @ 335ppm Ta₂O₅ (GASRC0005)**.

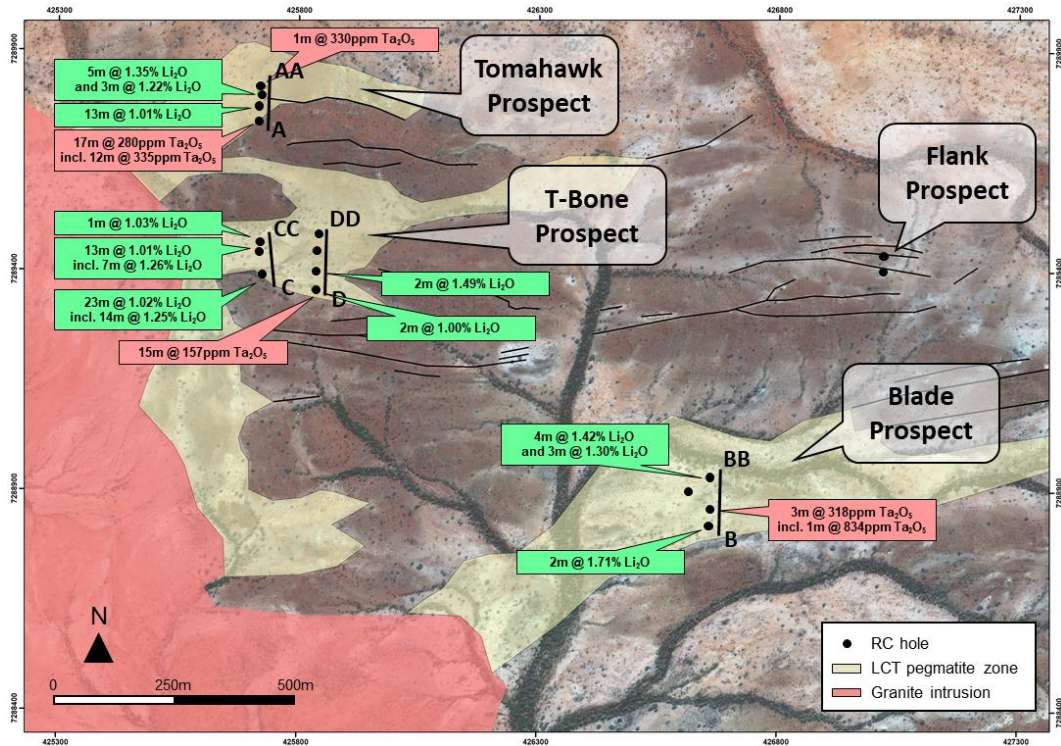


Figure 9: Lithium prospects showing drill collar locations and significant lithium and tantalum intersections

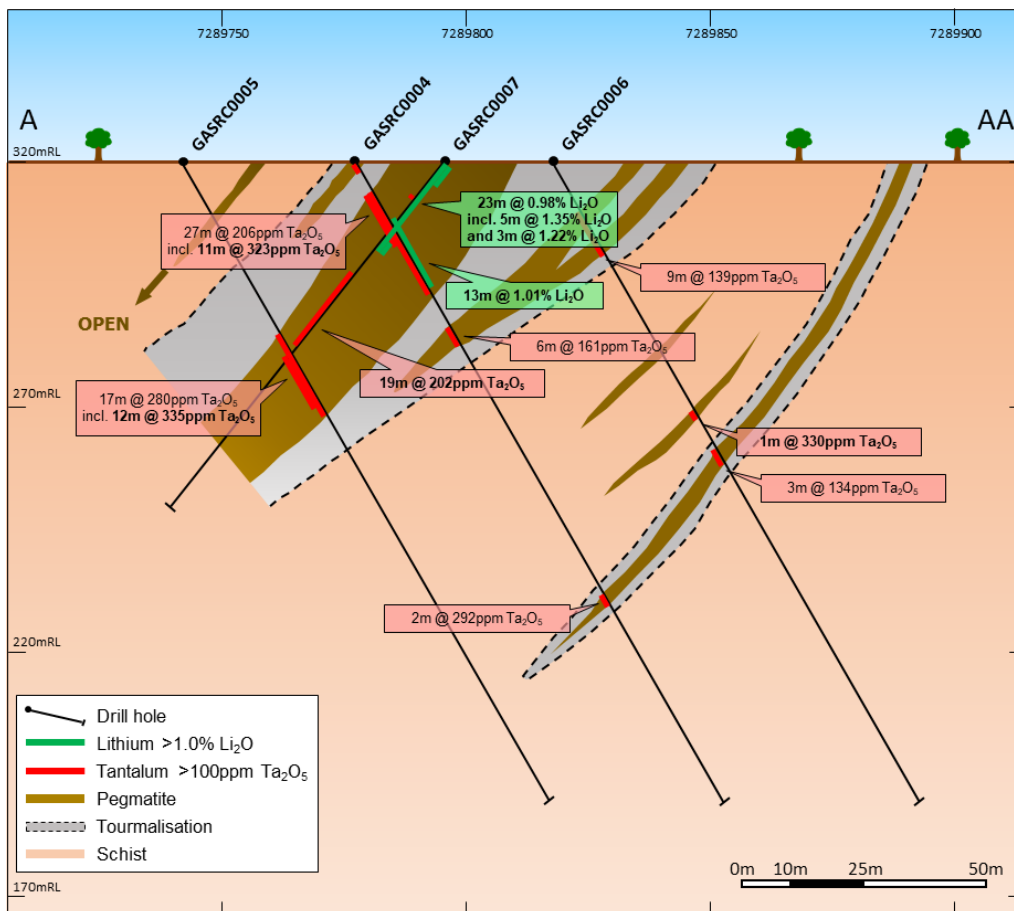


Figure 10: Tomahawk Prospect - cross section A-AA showing significant lithium and tantalum intersections

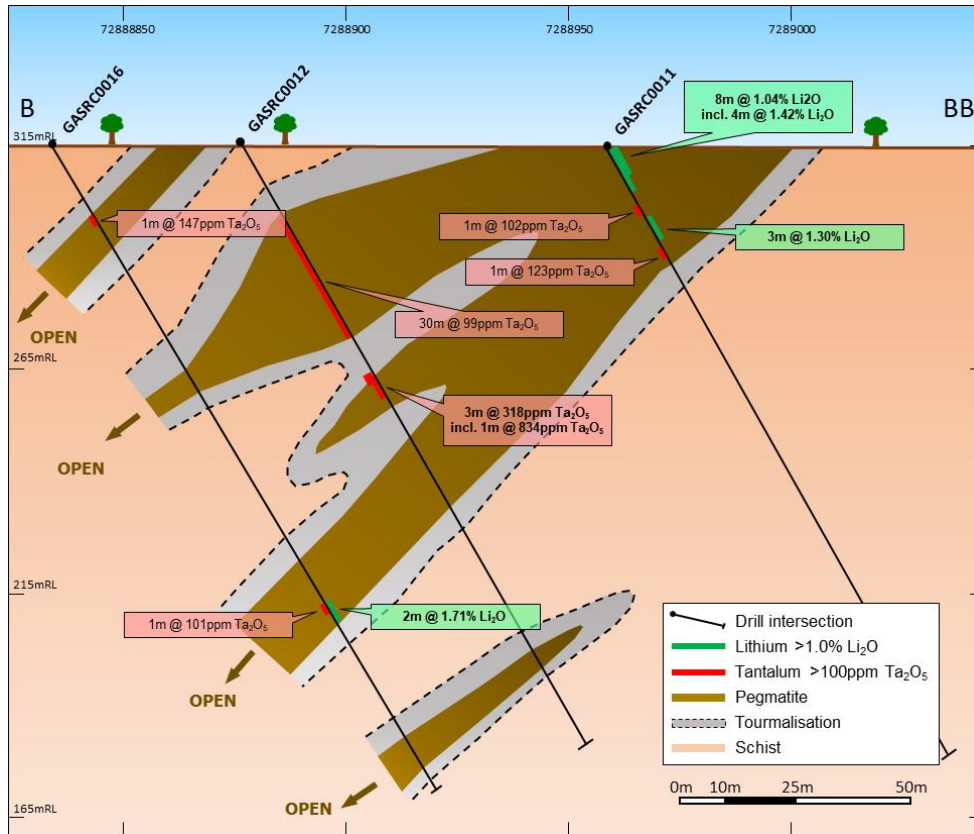


Figure 11: Blade Prospect - cross section B-BB showing significant lithium and tantalum intersections

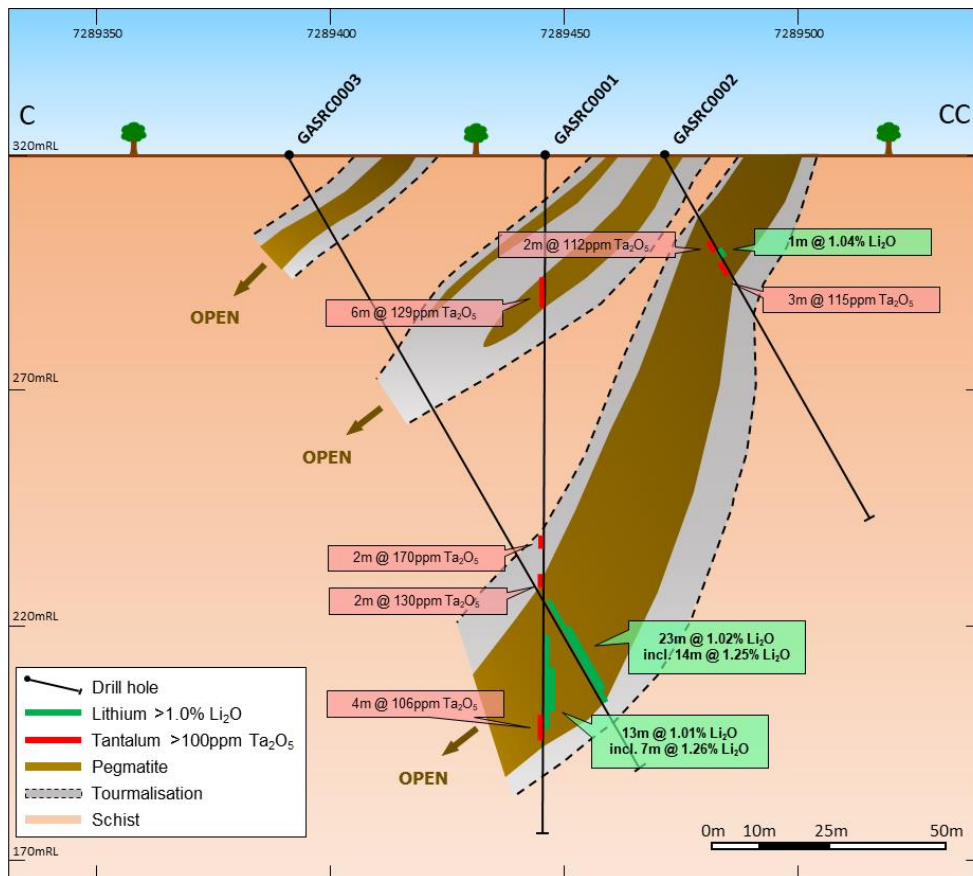


Figure 12: T-Bone Prospect - cross section C-CC showing south dipping pegmatite swarm

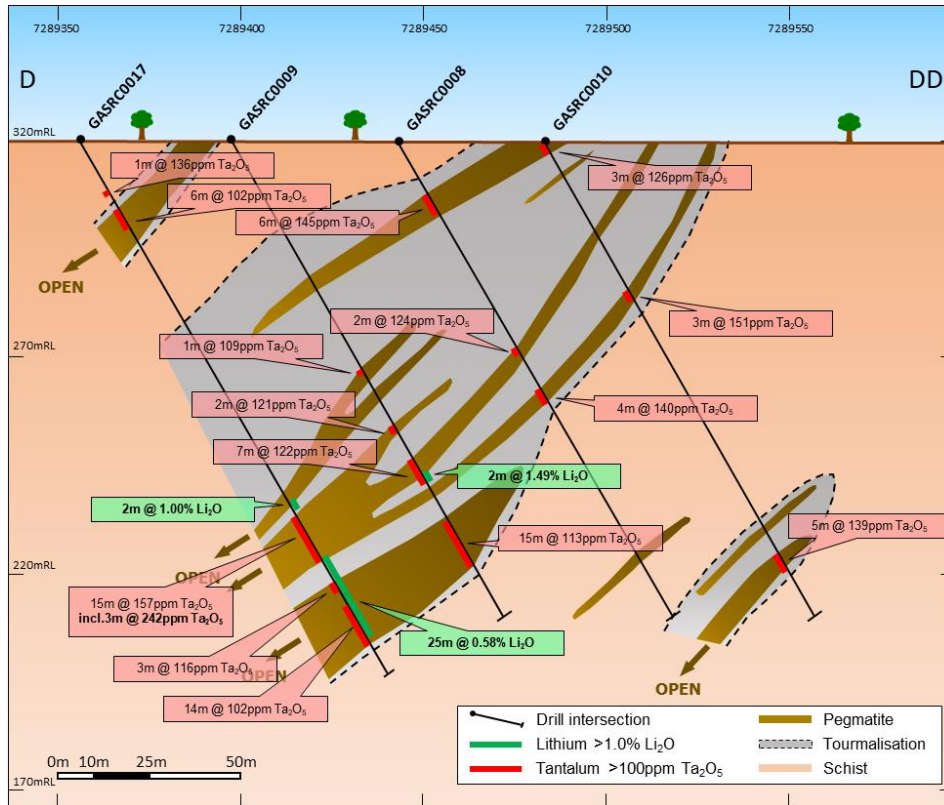


Figure 13: T-Bone Prospect - cross section D-DD showing south dipping pegmatite swarm

Segue submitted 10 samples >1.48% Li₂O for mineralogical determination by X-ray Diffraction (XRD) which has **confirmed the presence of spodumene** and holmquistite as well as lithium micas (lepidolite, muscovite). The highest grade **1m samples of 2.01% Li₂O and 1.98% Li₂O both contain spodumene**. Holmquistite is a lithium amphibole which is intimately associated with alteration around spodumene bearing pegmatites and has been used globally as a vector towards high-grade spodumene mineralisation. **Figure 14** shows the location of the samples sent for XRD analysis and the main lithium minerals identified.

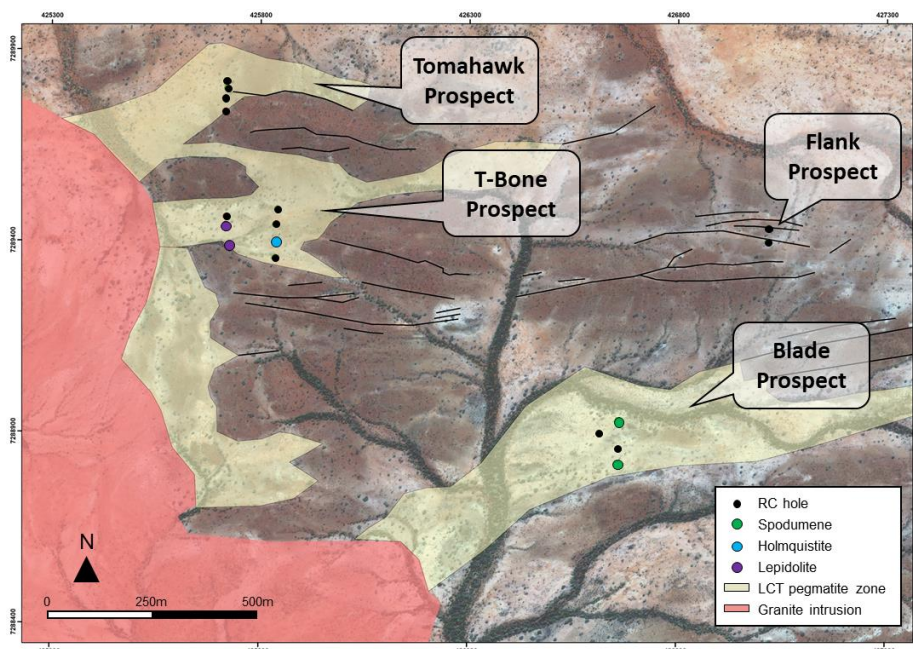


Figure 14: Lithium prospects showing samples sent for XRD analysis and lithium minerals identified.

PLUMRIDGE NICKEL PROJECT (Fraser Range Province, Western Australia)

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, 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.

MMG has identified over 15 electro-magnetic (EM) targets and GAP Geophysics 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 covered 15 targets and was completed in September.

Subsequent to the quarter Segue advised that MMG will commence a 4,000m RC drilling programme at the Plumridge Nickel Project. The drilling programme will commence by the end of October 2017 and consist of 11 holes targeting seven electro-magnetic (EM) conductors.

The seven targets will each have at least one RC hole completed with downhole EM (**Figure 15**). Additional holes are planned to be drilled at Targets 1 and 6. The drill programme is expected to be completed by the end of November, including downhole EM. The 4,000m RC programme will be the first drilling completed at the Project since mid-2015.

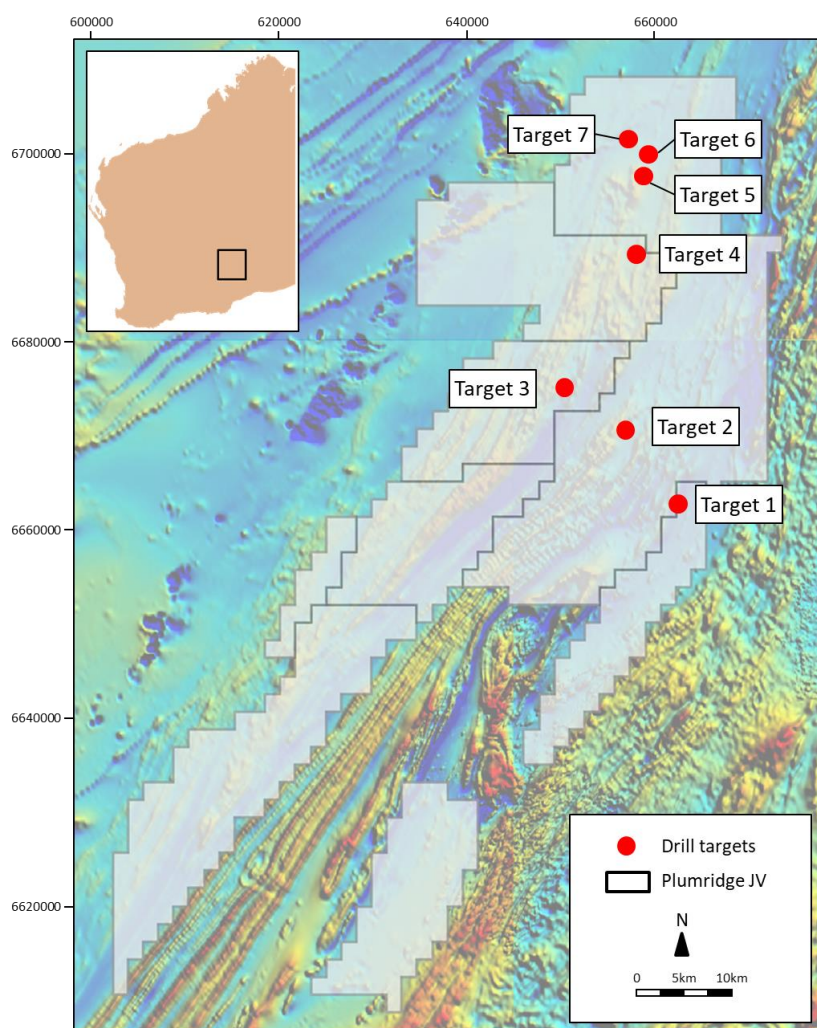


Figure 15: Plumridge Nickel Project – drill targets over regional magnetics

PILBARA GOLD PROJECT (Pilbara Region, Western Australia)

Subsequent to the quarter, Segue advised it had completed a geological review of its exploration tenements in the Pilbara Region (**Figure 16**), where companies including Novo Resources Corp. (TSXV: NOV), Artemis Resources Limited (ASX: ARV) and De Grey Mining Limited (ASX: DEG) have announced significant conglomerate and orogenic gold mineralisation. Segue’s review has confirmed the presence of sediments and conglomerates which are the stratigraphic equivalent of the Central and West Rand Formations which host the majority of the gold deposits in the Witwatersrand Basin, South Africa.

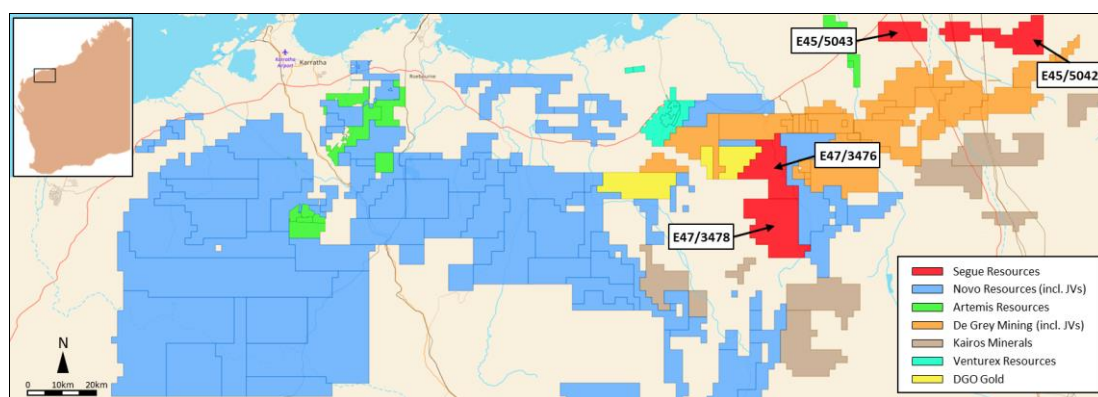


Figure 16: Segue’s central tenements (red) over interpreted bedrock geology and major linear structures

In October 2017, Segue commenced a reconnaissance exploration programme at its central tenements to explore for alluvial gold shedding off prospective conglomerate horizons (**Figure 17**). In addition, first pass exploration will be conducted over several major SW-NE faults (Wohler Fault) which are associated with the Mallina Shear which is known to host several gold deposits (Indee Gold Project).

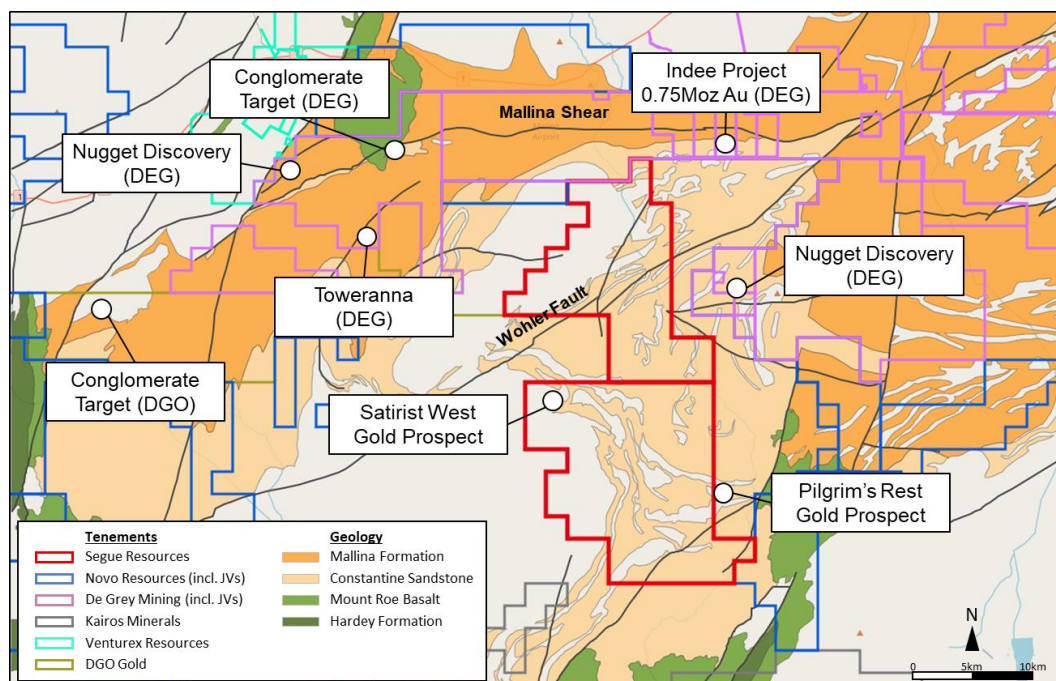


Figure 17: Segue’s central tenements (red) over interpreted bedrock geology and major linear structures

Following a review of the regional gold potential, Segue has acquired an additional 230km² of tenure (E45/5042 and E45/5043) overlying the Mallina Formation, approximately 40km north-east of the Indee Gold Project. Segue’s exploration licences in the Pilbara Region now total 615km² and represent a significant tenement position in this rapidly emerging gold province.

PARDOO NICKEL PROJECT (Pilbara Region, Western Australia)

During the period the Company entered into a variation agreement with its joint venture partner Caeneus Minerals Limited (**Caeneus**) in relation to the Pardoo Nickel Project. Caeneus held a 51% interest in the Project and could acquire an additional 29% interest by spending a further \$250,000 on exploration no later than 12 months after earning the Stage 1 Interest (**Stage 2 Interest**).

Pursuant to a variation agreement executed during the quarter, the parties agreed that Caeneus can satisfy the Stage 2 Interest requirement by spending \$75,000 on exploration and issuing Segue 58,333,333 fully paid ordinary shares in Caeneus. The shares were issued on 28 September 2017 at a deemed issued price of 0.3¢ per share and the expenditure commitment has been met.

Following Caeneus earning the Stage 2 Interest, Segue has the right for a period of 18 months to sell its 20% joint venture interest to Caeneus.

CORPORATE AND FINANCIAL

Share Purchase Plan

During the quarter, the Company advised that the Share Purchase Plan (**SPP**) announced on 8 June 2017 had closed following receipt of valid applications totalling \$138,500 for 4,616,696 new shares. The Directors reserved the right to place the shortfall from the SPP of 28,374,831 shares at their absolute discretion. The shortfall shares were placed on 8 September 2017 along with an additional placement (see below).

Unmarketable Share Sale Facility Complete

On 8 June 2017, the Company advised it had established a Share Sale Facility for holders of shares valued at less than \$500 as at close of trade on 7 June 2017. The Company received and accepted an offer to acquire 10,196,572 shares being the balance of unmarketable share sale facility shares (refer ASX announcement 8 June 2017) at a price of 3.4¢ per share pursuant to the Authorised Price in the Company's Constitution.

Option Expiry

On 31 July 2017, the Company advised that 6,801,868 unquoted options exercisable at \$0.35 on or before 31 July 2017 had lapsed unexercised.

Placement to Accelerate Drilling

On 8 September 2017, the Company advised it had raised \$1.035 million through a placement of 34,510,552 shares at an issue price of 3.0¢ per share (**Placement**). The Placement comprised the shortfall from the SPP (see above) of 28,374,831 shares and an additional placement of 6,135,721 shares.

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

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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 September 2017

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Barlee Gold Project				
E16/495	Granted	0%	100%	100%
E16/498	Application	0%	0%	0%
E30/488	Granted	100%	0%	100%
E30/493	Granted	0%	100%	100%
E30/494	Granted	0%	100%	100%
E77/2403	Granted	100%	0%	100%
E77/2416	Granted	0%	100%	100%
E77/2432	Application	0%	0%	0%
Pilbara Gold Project				
E47/3476	Granted	100%	0%	100%
E47/3478	Granted	100%	0%	100%
Plumridge Gold Project				
E39/1117	Granted	100%	0%	100%
E39/1118	Granted	100%	0%	100%
E39/1830	Granted	100%	0%	100%
E39/1979	Granted	100%	0%	100%
Malinda Lithium Project				
E09/1618	Granted	35%	0%	35%
E09/2169	Granted	100%	0%	100%
E09/2170	Granted	100%	0%	100%
E09/2171	Granted	100%	0%	100%
E09/2197	Granted	100%	0%	100%
E09/2198	Granted	100%	0%	100%
Plumridge Nickel Project¹				
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%
Pardoo Nickel Projects				
E45/1866	Granted	100%	0%	100%
E45/4279	Granted	100%	0%	100%
E45/4671	Granted	100%	0%	100%

1. MMG has the right to earn up to a 70% interest in the Plumridge Nickel JV