

29 July 2016

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



ASX Code: SEG

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2016

### JUNE QUARTER HIGHLIGHTS

- Rock chip samples from the Gascoyne Lithium Project confirmed the Thirty Three Supersuite is fertile for lithium with Mg/Li ratios and fractionation trends similar to known lithium deposits
- 3,800m aircore drilling commenced at the Plumridge Gold Project to test the southern extent of the Harris Lake Shear Zone, which hosts several known gold prospects
- Stage 2 in-fill gravity survey completed at the Plumridge Nickel Project with a Ground Moving Loop Electromagnetic (MLEM) survey underway to test at least 10 targets



Figure 1: Segue Projects Location Map

### Segue Resources Limited

ASX Code:	SEG
Share price (29/07/16):	0.5¢
52 week range:	0.1 - 0.6¢
Shares on issue:	2,899m
Market cap.:	\$14.5m

### 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>

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

Location:	Mortimer Hills, WA
Tenement holding:	1,100km <sup>2</sup>

### Deralinya Nickel Project (70%)

Location:	Fraser Range, WA
Tenement holding:	775km <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, Segue’s joint venture partner, MMG Exploration Pty Ltd (**MMG**), completed the Stage 2 detailed gravity survey at the Plumridge Nickel Project in the Fraser Range Province of Western Australia. MMG has completed a 400m x 200m gravity survey to infill the broader gravity survey undertaken by Segue in 2015. The detailed survey consisted of over 16,000 stations and provides a significant increase in data resolution across the majority of the Plumridge Nickel Project area (**Figure 1**).

MMG combined the newly acquired gravity data with existing datasets, including regional magnetics, drilling and geochemistry to identify potential nickel-copper sulphide bearing mafic-ultramafic intrusions. In mid-June, MMG commenced a detailed Ground Moving Loop Electromagnetic (**MLEM**) survey to test an initial portfolio of at least 10 target areas (**Figure 1**) for a conductive response, i.e. direct detection of potential massive Ni-Cu sulphides. The MLEM survey is expected to be completed in August 2016.

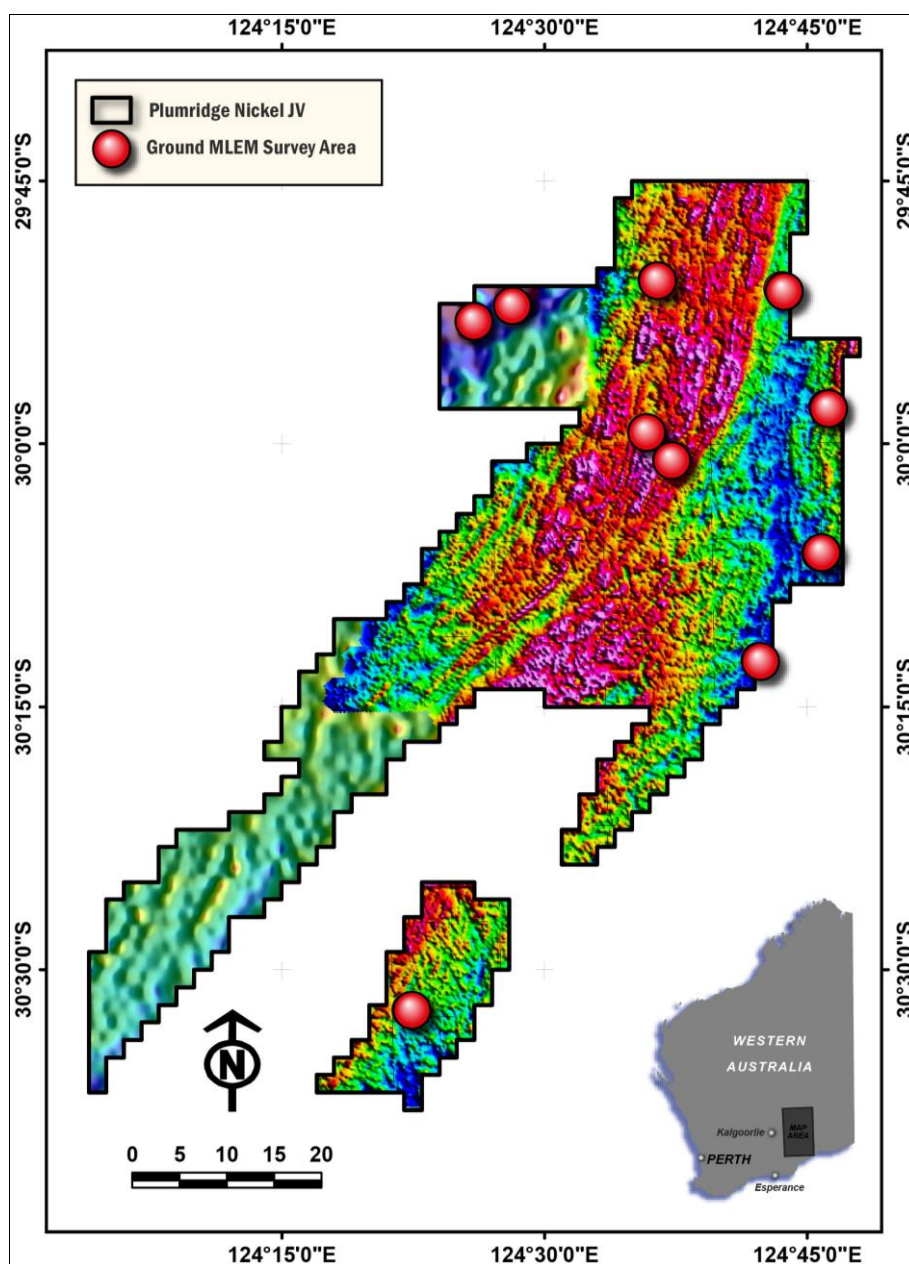


Figure 1: Plumridge Nickel Project showing 1VD gravity image with MLEM targets

## PLUMRIDGE GOLD PROJECT

### Fraser Range Province, Western Australia

Segue has a 100% interest in three exploration licences immediately to the west of the Plumridge Nickel Project. Exploration by previous tenement owners has identified a significantly mineralised shear zone, the Harris Lake Shear Zone (HLSZ), which is visible on magnetic imagery and which runs north-south through tenements E39/1117 & E39/1118.

Historical exploration predominantly focused on a 12km semi-continuous zone of gold endowment at the northern end of the HLSZ, which contains the Corvette, Stingray, Mustang and Camaro gold prospects. Drilling at Corvette and Stingray intersected significant gold mineralisation in narrow, high-grade veins, including 4m @ 32g/t, 13m @ 6.7g/t and 4.5m @ 10.2g/t.

The southern extent of the HLSZ has undergone minimal gold exploration as the structure is overlain by the post-mineral Paterson Formation (up to 30m thick), rendering previous shallow auger sampling of little exploration value. Of the approximately 165,000m of drilling (19,200 holes) at the Plumridge Gold Project, less than 5% of drilling has been conducted on the southern extent of the HLSZ (**Figure 2**).

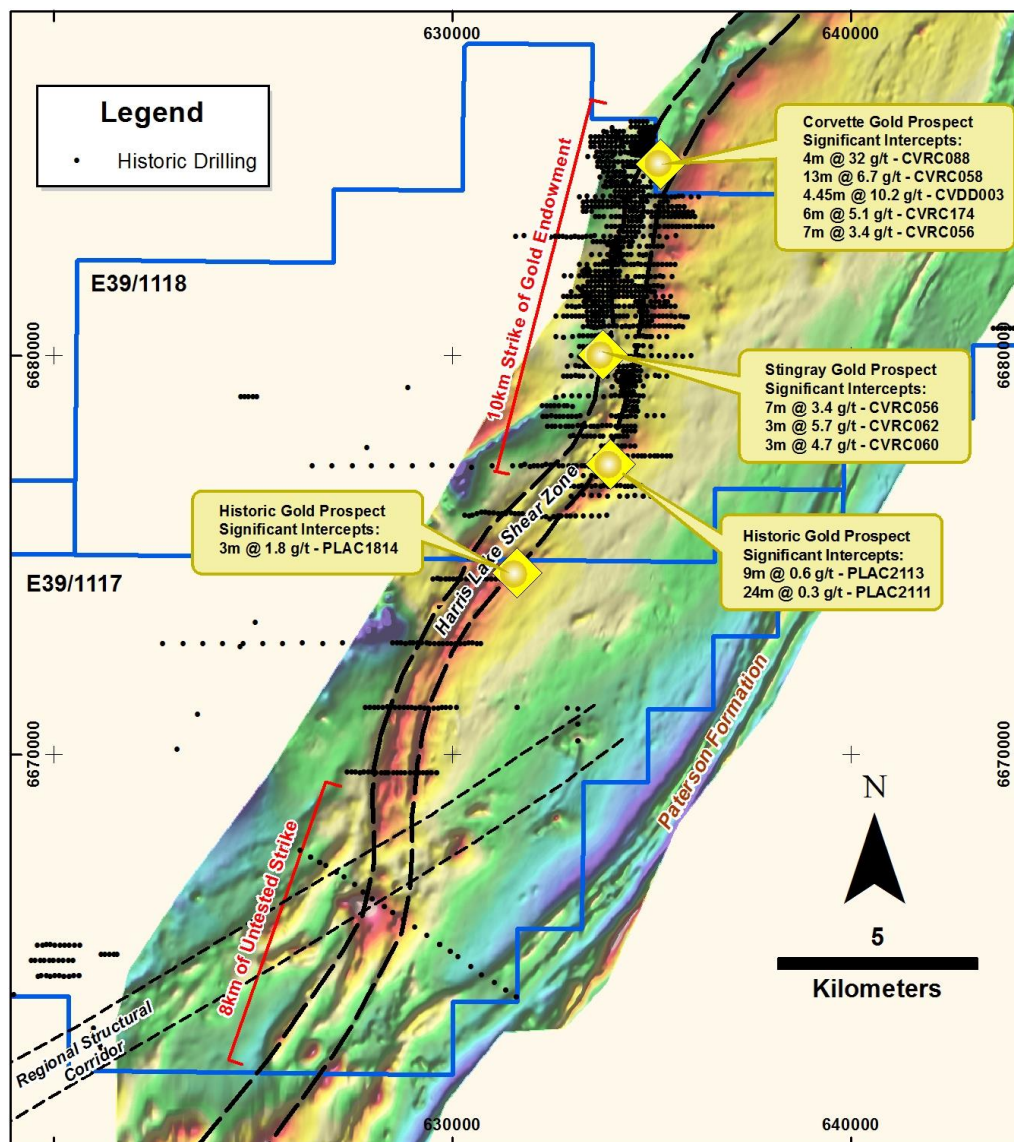


Figure 2: Plumridge Gold Project with historic drill collar locations



Segue has reprocessed historic magnetic data and incorporated the recently acquired gravity survey data to gain a better understanding of the southern extent of the HLSZ under the Paterson Formation. The southern extent of the HLSZ contains a zone of unique complexity where the HLSZ is crossed by a regional structural corridor and may represent an antiformal fold that forms a trap for mineralisation. The intersection of this structure with the HLSZ creates a 'jog', representing a high priority regional target for mineralisation.

A 3,800m aircore drilling programme commenced in mid-July 2016 consisting of 58 holes across five traverses (**Figure 3**), with results expected by the end of August 2016. The northern traverses will test the intersection of the HLSZ and a zone of unique magnetic and geological complexity.

The central traverses will cover a magnetic anomaly at the intersection of the HLSZ and the interpreted structural corridor. This magnetic anomaly is interpreted to represent an intrusion into the HLSZ, and may form a brittle host for gold mineralisation.

The southern traverse will test the southern extent of the HLSZ within the tenement.

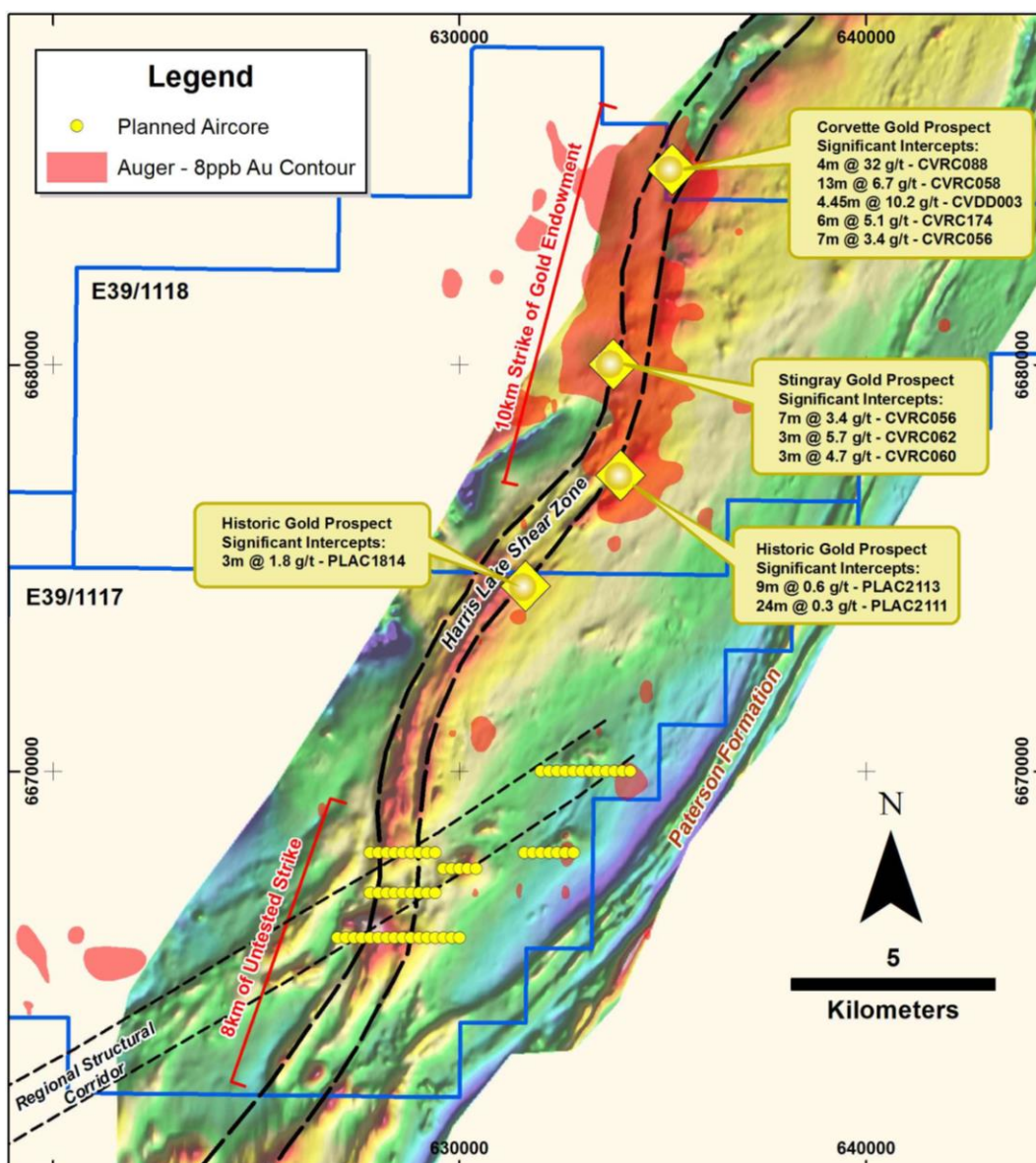
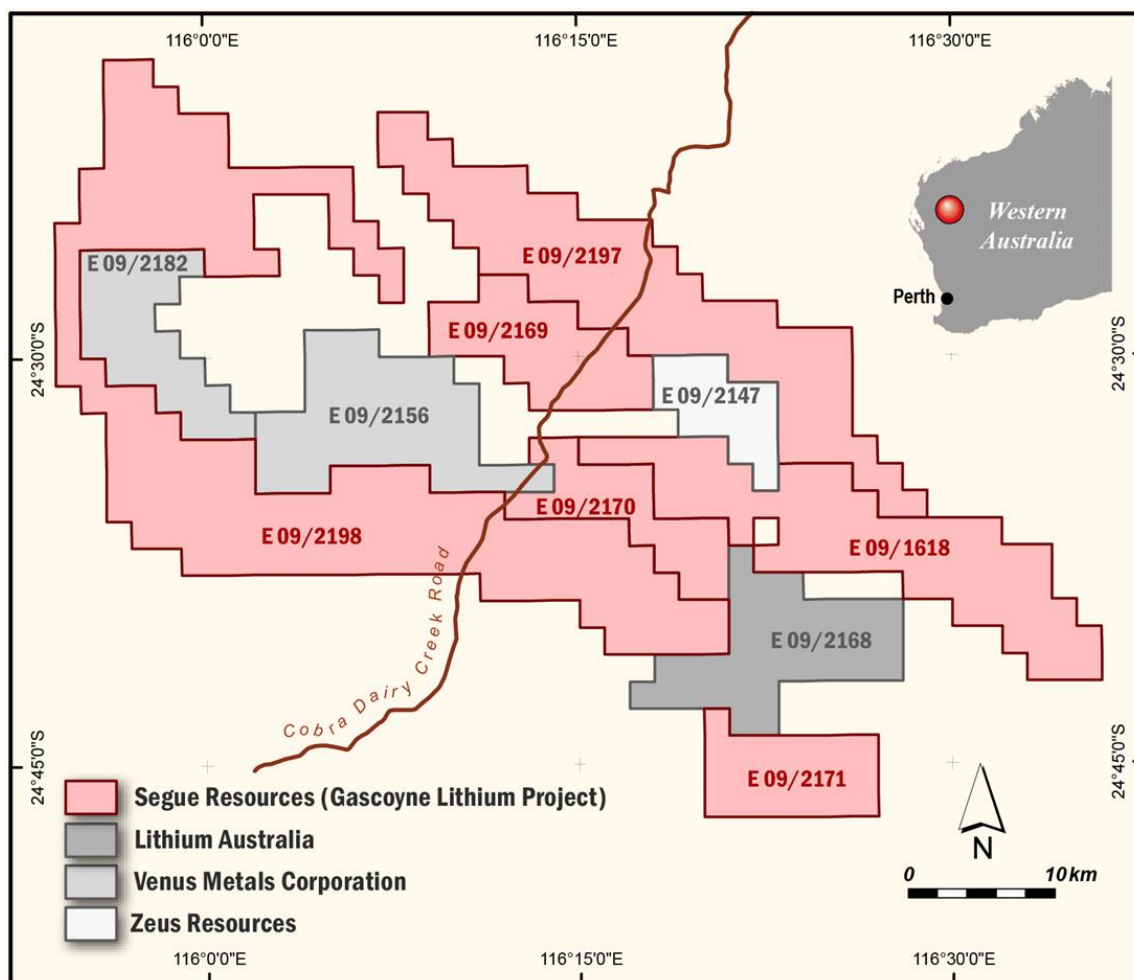


Figure 3: Plumridge Gold detailed drilling plan

## MORTIMER HILLS/GASCOYNE LITHIUM PROJECT

### Gascoyne Region, Western Australia

During the quarter, the Company increased its lithium exploration tenement holding in the Gascoyne Region to over 1,100km<sup>2</sup> by entering into a farm-in joint venture with Zeus Resources Limited (ASX: ZEU) (**Mortimer Hills JV**) and applying for an additional 700km<sup>2</sup> of exploration licences. The Mortimer Hills JV covers granted exploration licence E09/1618 which is along strike from the three exploration tenements Segue acquired an option over in March 2016. Segue is now the largest tenement holder in this newly identified lithium exploration province (**Figure 4**).



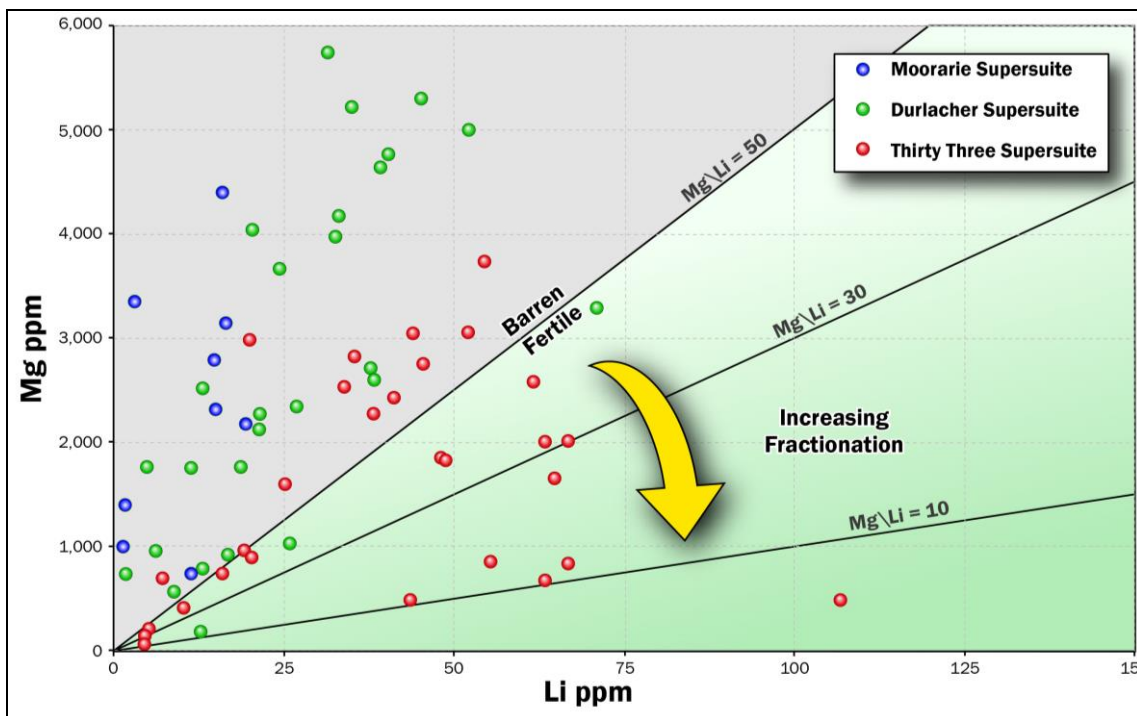
**Figure 4: Mortimer Hills/Gascoyne Lithium Project tenement location map**

The Gascoyne Lithium Project is highly prospective for tantalum-lithium deposits, with several granitic intrusions identified as the potential source rock for LCT (Lithium-Caesium-Tantalum) rare-earth pegmatites. The Project area contains three main suites of granitic intrusions - Moorarie Supersuite (c1830-1780 Ma), Durlacher Supersuite (c1680-1620 Ma) and Thirty Three Supersuite (c995-954 Ma).

During the quarter, Segue completed a field work and surface sampling programme, with rock chip samples collected to determine which granitic suites were fertile and held the potential to form lithium deposits. Key indicators of fertile granites useful in exploration include:

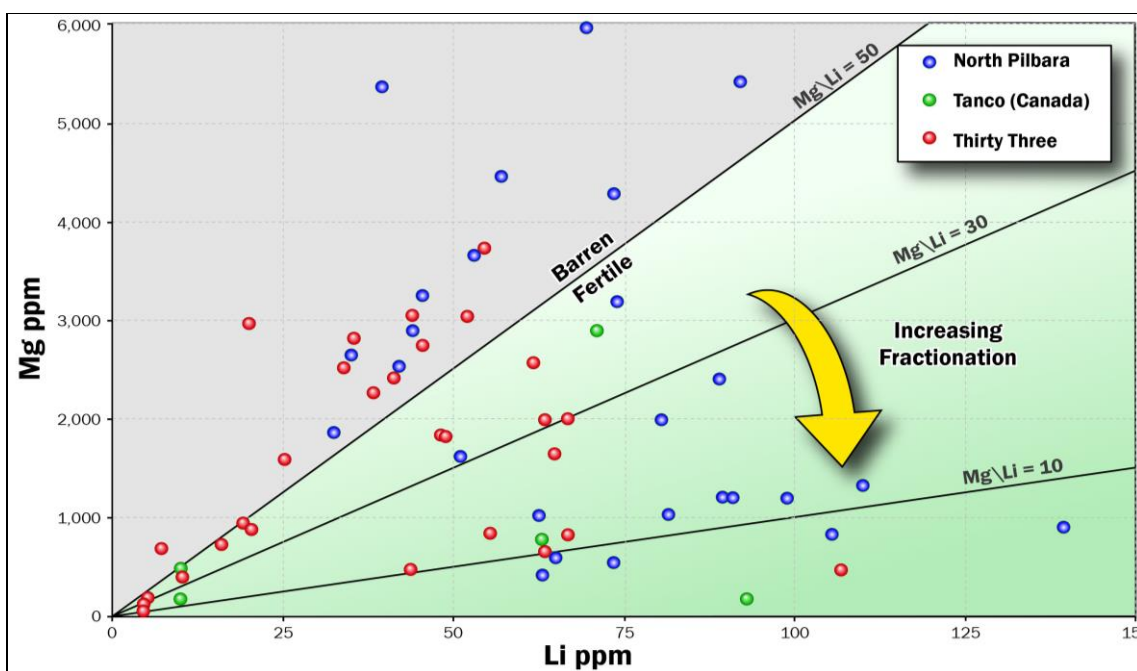
- Mg/Li ratios <50;
- Nb/Ta ratios <8; and
- Contain garnet, tourmaline and fluorapatite/cordierite characteristic of peraluminous granite.

Segue has identified several intrusive bodies in the north of the Project area which are unequivocally “fertile”, with Mg/Li ratios less than 10, Nb/Ta ratios less than 8 and most rock chips containing garnets and/or tourmaline (**Figure 5**). The samples also show fertile fractionation trends within the Thirty Three Supersuite. The older Moorarie and Durlacher Supersuites do not appear to be fertile for lithium-bearing minerals.



**Figure 5: Mg/Li ratio of rock chip samples showing fractionation and fertility**

The Mg/Li ratios from the Thirty Three Supersuite have been compared to similar data for North Pilbara lithium deposits (including Wodgina) and the Tanco pegmatite in Manitoba, Canada (**Figure 6**). The Thirty Three Supersuite displays the same range of fractionation from barren to highly fractionated as the known lithium deposits. This demonstrates the fertility of the Project to contain lithium-bearing minerals.



**Figure 6: Mg/Li ratio comparison of the Thirty Three Supersuite with known lithium deposits**





## CORPORATE AND FINANCIAL

### Exploration Development Incentive Scheme Distribution

During the quarter Segue advised that it had participated in the Federal Government's Exploration Development Incentive (**EDI**) Scheme for the 2015 tax year. The EDI legislation is effective from 1 July 2014 and will run for three years, based on annual application. The process is administered by the Australian Taxation Office (**ATO**).

The EDI enables eligible exploration companies to create exploration credits (**EDI Credits**) by giving up a portion of its tax losses and distributing these EDI Credits to its shareholders. Australian tax resident shareholders that are issued with an EDI Credit will be entitled to a refundable tax offset (for shareholders who are individuals or superannuation funds) or franking credits (for shareholders who are companies). The Company's carry forward tax losses will be reduced by the amount of EDI Credits created.

Segue claimed EDI expenditure of \$1,377,910 for the 2015 income tax year. Segue shareholders received a pro-rata distribution of \$413,373 of EDI Credits, which equates to 0.0143¢ per share.

### Share Placements

During the quarter, Segue completed two placements totalling \$466,000 to Acuity Capital Pty Ltd pursuant to the Controlled Placement Agreement announced on 19 August 2015. On 21 April 2016 Segue completed a placement of 100,000,000 shares at 0.25¢ per share to raise net proceeds of \$250,000 and on 2 June 2016 a further placement of 80,000,000 shares was completed at 0.27¢ per share to raise net proceeds of \$216,000.

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 30 June 2016**

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

**Plumridge Nickel 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%

**Plumridge Gold/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%	100%	0%
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%
E45/4671	Application	0%	0%	0%
P45/3011	Application	0%	0%	0%
P45/3012	Application	0%	0%	0%

**Lithium Projects**

E09/1618	Granted	0%	0% <sup>1</sup>	0%
E09/2169	Application	0%	0% <sup>2</sup>	0%
E09/2170	Application	0%	0% <sup>2</sup>	0%
E09/2171	Application	0%	0% <sup>2</sup>	0%
E09/2197	Application	0%	0%	0%
E09/2198	Application	0%	0%	0%
E47/3476	Application	0%	0%	0%
E47/3477	Application	0%	0%	0%
E47/3478	Application	0%	0%	0%

1. Segue has the option to earn up to a 50% interest subject to the Mortimer Hills JV.
2. Option to acquire a 100% interest from Next Advancements Pty Ltd.