



ABN 49 112 609 846

**Half-Year Financial Report
31 December 2013**

CORPORATE INFORMATION

Directors

Steven Michael	Managing Director
Howard Carr	Technical Director
Nicholas Ong	Non-Executive Director
Matthew Foy	Non-Executive Director

Company Secretary

Matthew Foy

Registered Office

Office J, Level 2, 1139 Hay St

West Perth WA 6005

Telephone: (08) 9486 4699

Facsimile: (08) 9486 4799

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Auditors

Pitcher Partners Corporate & Audit (WA) Pty Ltd

1 / 914 Hay Street

Perth WA 6000

Bankers

National Australia Bank

Level 1, 1238 Hay Street

West Perth WA 6005

Share Registry

Advanced Share Registry Service

150 Stirling Highway

Nedlands WA 6009

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Ltd (**ASX**)

ASX Code: SEG

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DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2013 (“**Period**”).

DIRECTORS AND MANAGEMENT

The names of Segue Resources Limited’s (“**Segue**” or the “**Company**”) directors that held office during the period and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Steven Michael	Managing Director	
Howard Carr	Technical Director	(12 September 2013 – present)
Nicholas Ong	Non-Executive Director	
Matthew Foy	Non-Executive Director	(17 July 2013 – present)
Robert van Zyl	Non-Executive Director	(resigned 17 July 2013)

REVIEW AND RESULTS OF OPERATIONS

The principal activity of the Company and its subsidiaries during the Period was mineral exploration. The net operating loss for the half-year ended 31 December 2013 was \$335,250 (31 December 2012: \$3,522,080).

OVERVIEW & HIGHLIGHTS

During the half-year ended 31 December 2013, the Company continued its development activities at its newly acquired projects in the Fraser Range Province, Western Australia.

Fraser Range Province, Western Australia

During the reporting period, Segue completed the acquisition of three companies which control exploration licences totalling 3,538km² 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.

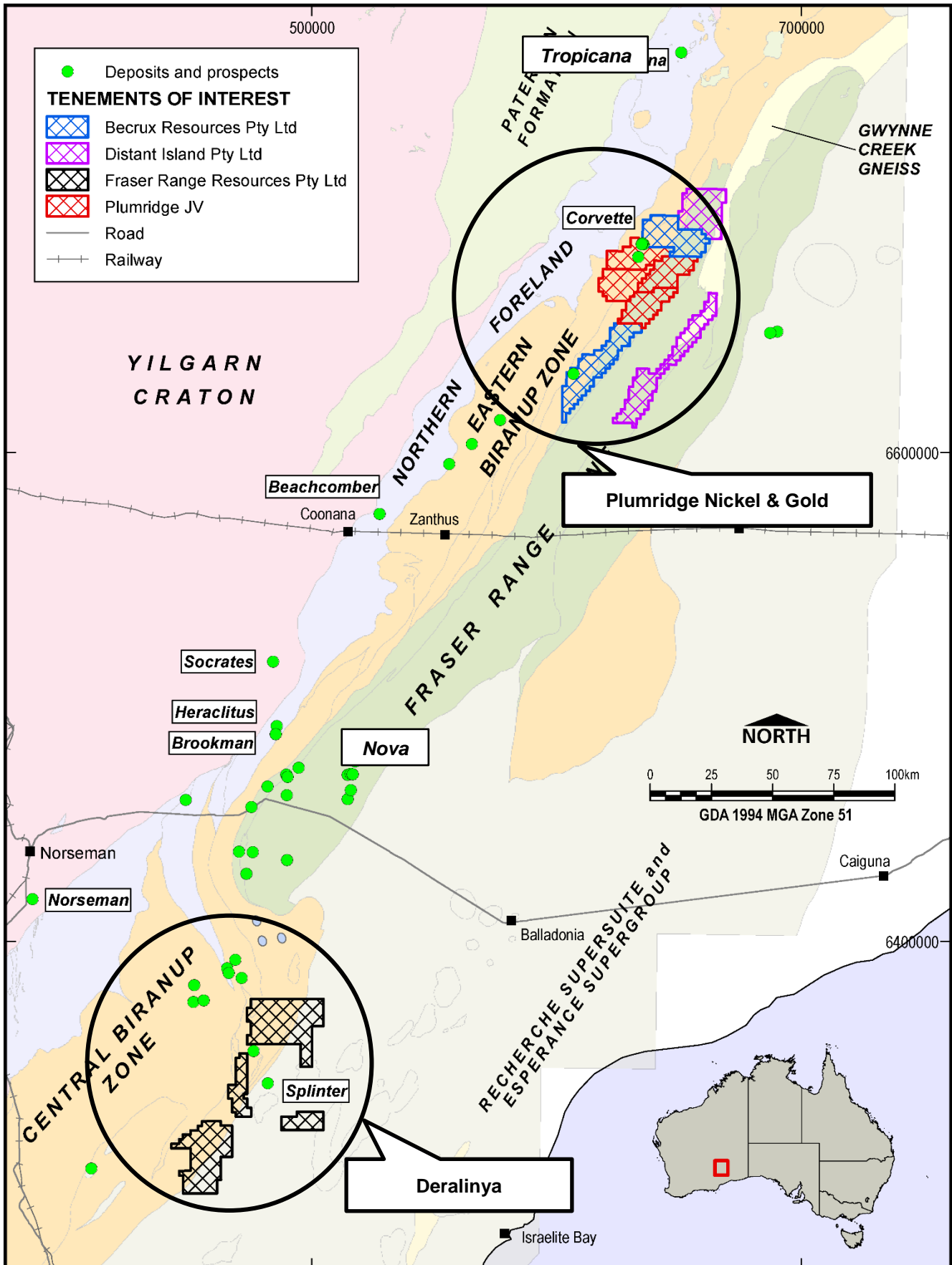
The tenements contain the Plumridge Nickel and Gold Projects (2,240km²) in the northern portion of the Fraser Range and the Deralinya Project (1,298km²) in the southern Fraser Range. The Plumridge Nickel Project is Segue’s immediate exploration focus as it is highly prospective for Nova-style nickel-copper 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.

The consideration for the acquisition of all three private companies was 550 million Segue shares, with a nominal value of \$1.1 million (at Segue’s 20-day VWAP price of \$0.002 per share). In addition, Segue paid a cash sum of \$200,000 to one of the companies to repay its existing liabilities.

DIRECTORS' REPORT

Figure 1 – Fraser Range Exploration Tenements



DIRECTORS' REPORT

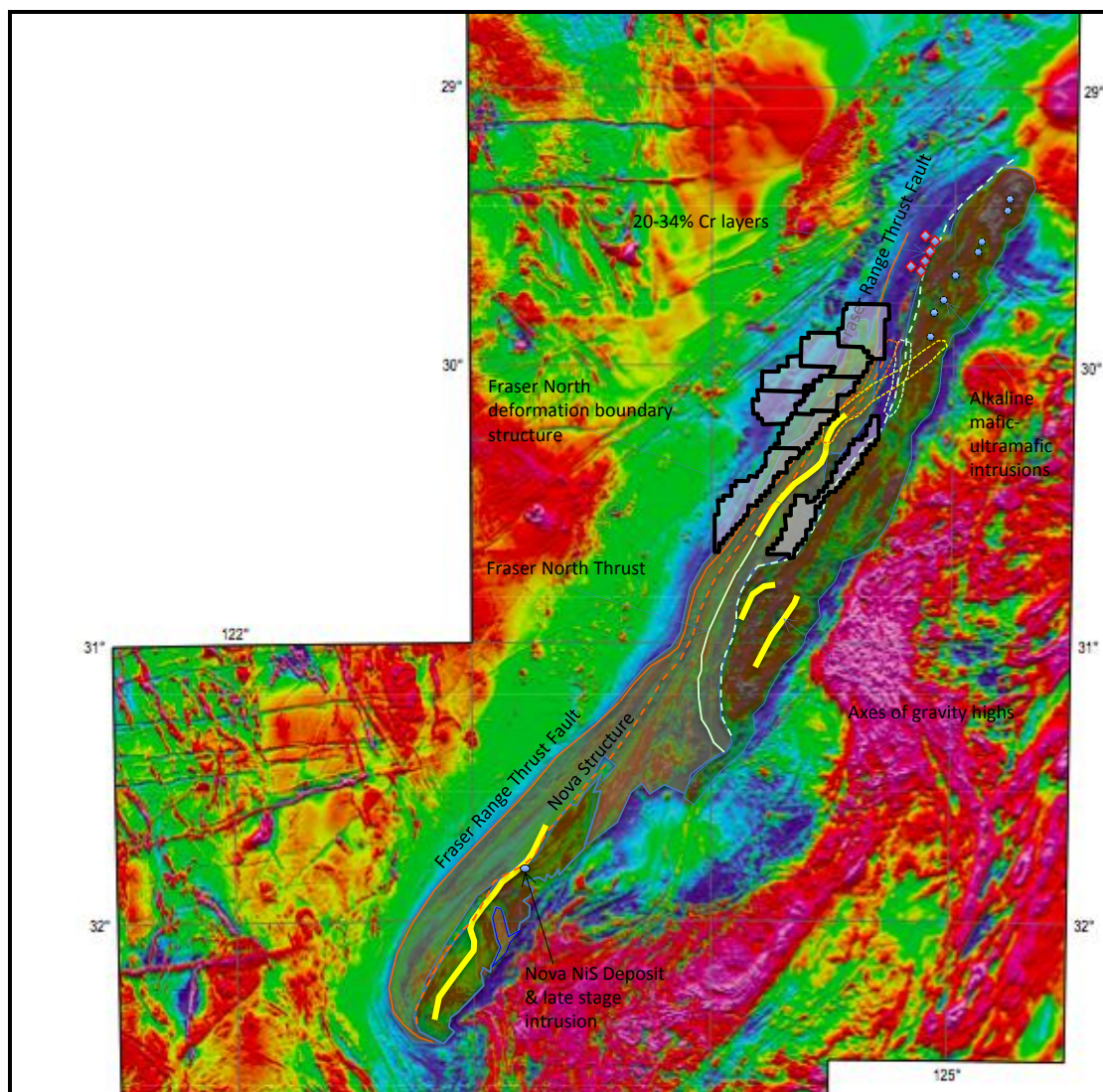
Plumridge Project (Nickel and Gold)

Segue acquired the rights over eight tenements in the northern portion of the Fraser Range Province totalling 2,240km², 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.

Four of the tenements are owned 100% and the remaining four tenements are subject to the Plumridge Joint Venture, where Segue (via Fraser Range Resources) is earning a 60% interest through the expenditure of \$1.0 million by 31 January 2015.

Segue's 2,240km² of tenements at the Plumridge Project straddle the Fraser Complex covering most of the complex across strike (East-Southeast 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



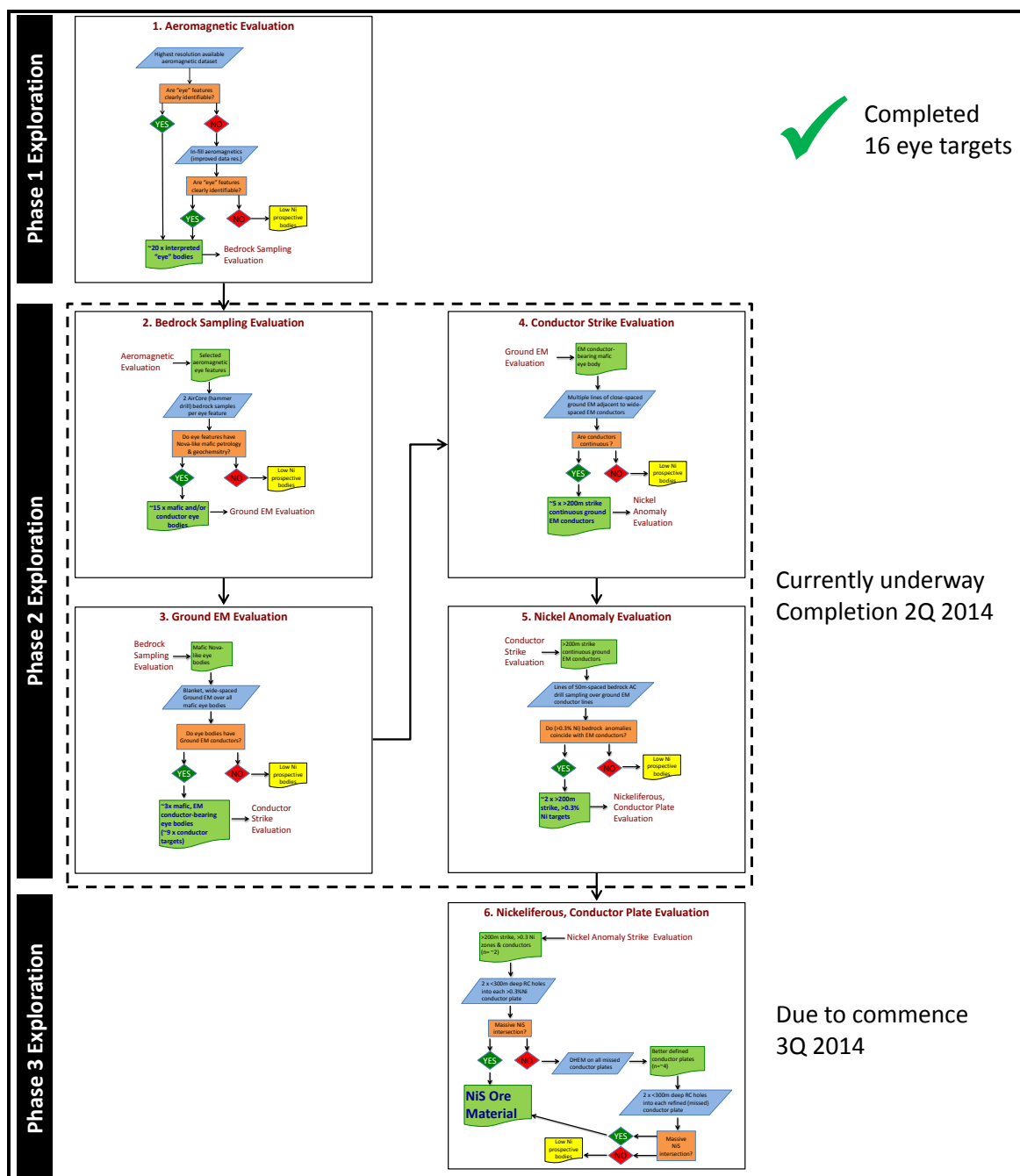
DIRECTORS' REPORT

Plumridge Nickel

During the reporting period, Segue engaged Newexco Mining & Exploration Services (“**Newexco**”) to review, improve and evaluate the Group’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



DIRECTORS' REPORT

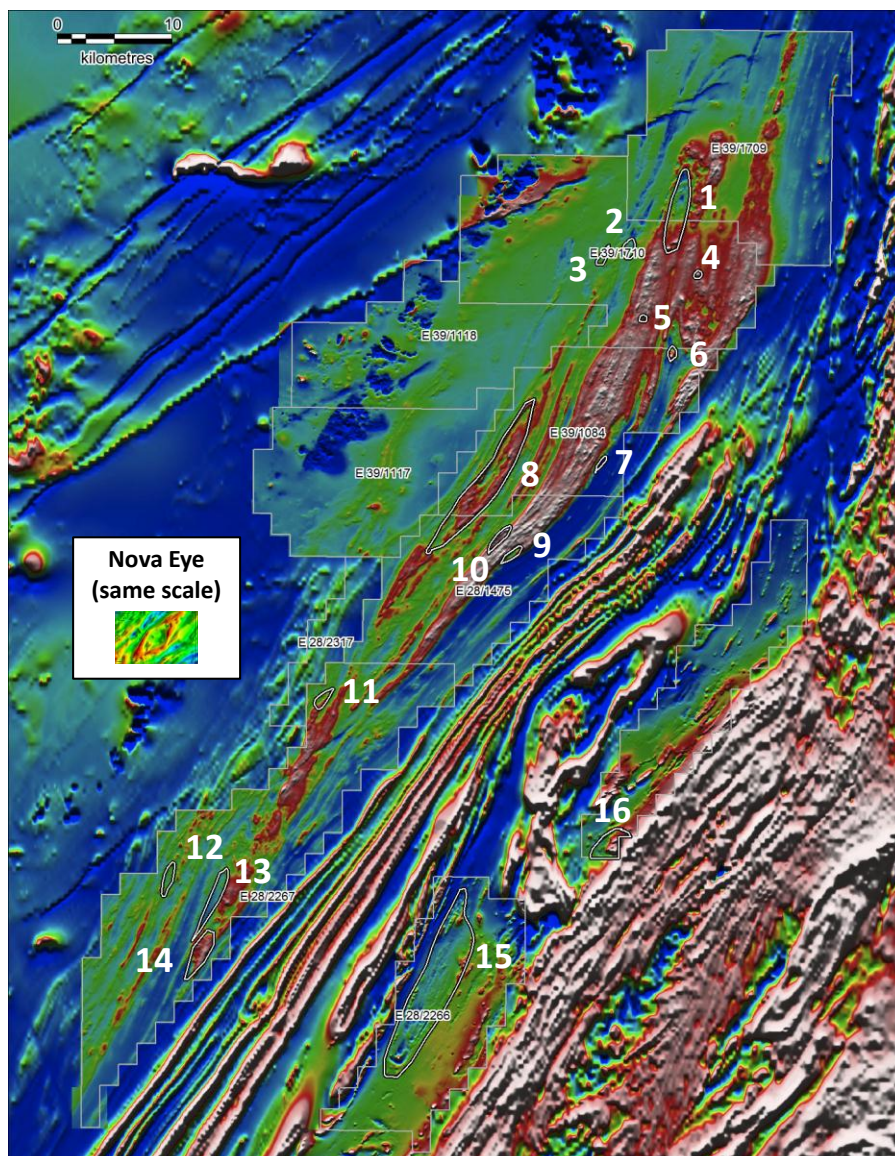
Phase 1 Exploration Programme

During the period, 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 2,200km² 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



DIRECTORS' REPORT

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 Quarter one and Quarter two 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 Group’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 Quarter two 2014.

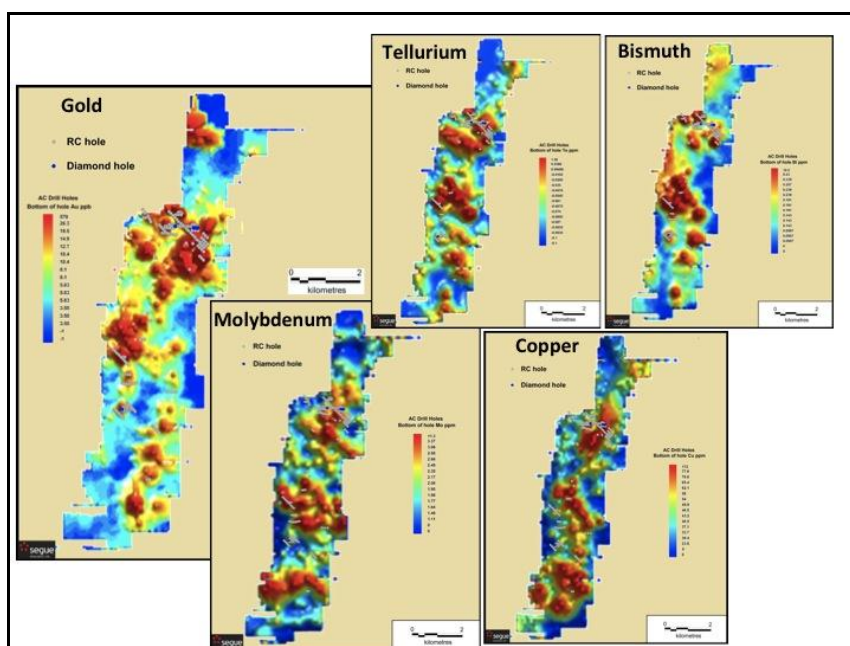
The strongest, most strike extensive ground EM conductors coincident with the highest value, most strike extensive bedrock nickel anomalies will be prioritised for deeper reverse circulation (“RC”) drilling, planned to commence in June/July 2014.

Plumridge Gold

The Plumridge Project 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.

Gold mineralisation at the Plumridge Project was discovered in 2007 by previous tenement holders, Corvette Resources. The northern Fraser Range district is characterised by transported cover around 35m thick, making surface or near-surface sampling and geochemistry an unreliable exploration tool. From 2007 to 2012, around 20,000m of AirCore drilling identified a 12km, NNE-SSW trending zone of semi-continuous bedrock gold >0.1g/t, and coincident, highly anomalous, mesothermal gold deposit (structurally hosted), pathfinder element geochemistry (Figure 5).

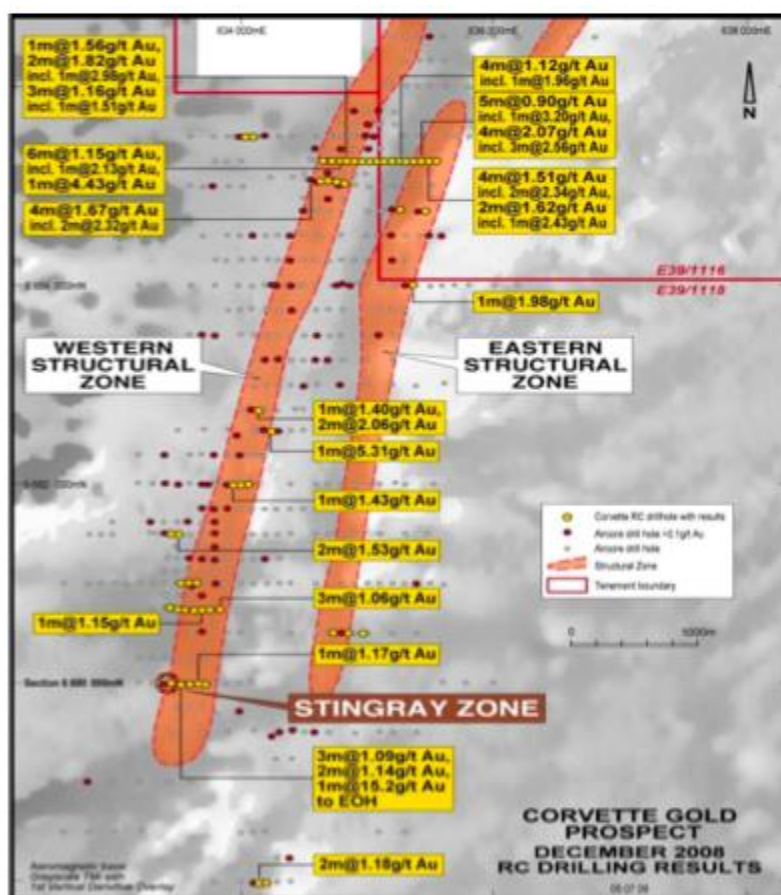
Figure 5 – Gold and associated pathfinder elements BoH distribution, Plumridge Gold Project



DIRECTORS' REPORT

AirCore drill intersections up to 4.34g/t Au were reported within the Corvette prospect (Figure 6) and follow-up RC drilling confirmed the presence of discrete zones of high grade, supergene and bedrock gold mineralisation (Figure 6).

Figure 6 – High grade gold intersections from RC Drilling (Corvette Resources, 2008). The Eastern and Western Structural Zones are incorporated into Segue's new structural interpretation of Corvette.



The great majority of percussion drilling was either vertical or angled towards the West, across the strong North-Northeast-trending magnetic fabric (reflecting lithological, metamorphic, structural lineations) of the regionally-extensive ductile shear zones.

Around 2011 the new operators completed 5 Diamond Drill Holes adjacent to a selection of the best RC intersections. The oriented core was assayed and high grade intersections submitted to Jigsaw Geoscience for detailed structural and petrological analysis. This study determined that high grade intersections are free gold associated with pyrite, chalcopyrite, and bismuth-tellurides (as reflected in the multi-element geochemistry of Figure 5), hosted by narrow, albite-dominated sub-vertical, veins striking East-Northeast to West-Southwest.

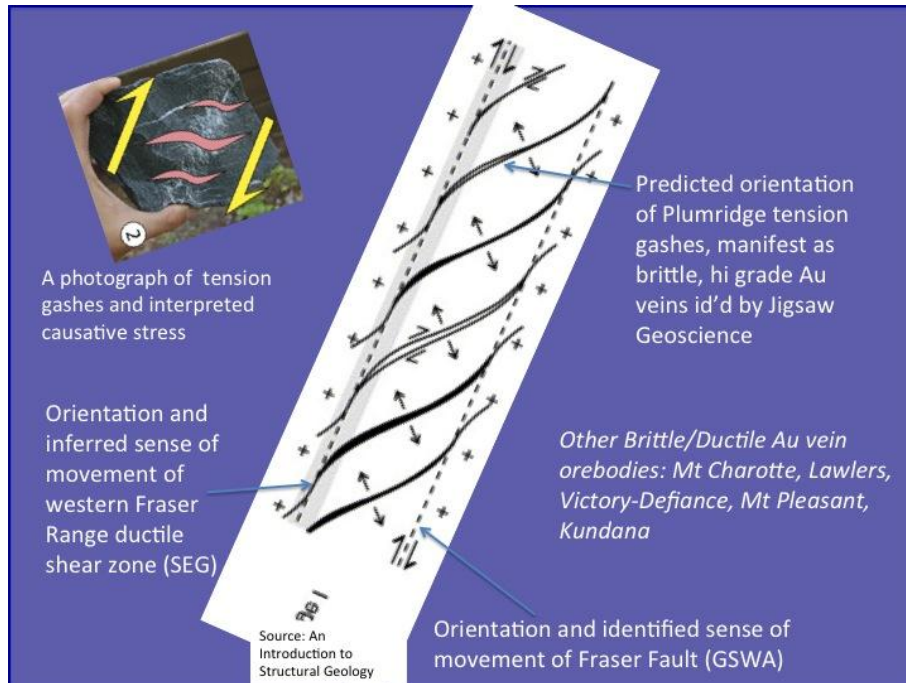
One of the key conclusions of Segue's study is that the great majority of drilling was oriented sub-parallel to the high-grade gold veins. Given that it is best practice to drill-intersect vein mineralisation at right angles, this study helps to explain the inability of previous operators to define continuous ore zones around high grade intersections. The coincidence of widespread low-grade gold and elevated pathfinder elements hosted by intensively altered gneisses, is interpreted to reflect variably overlapping alteration haloes enveloping a swarm of high-grade gold (albite) veins.

Subsequent to the reporting period, Segue completed a new interpretation of the structural setting of Corvette/Plumridge gold mineralisation, based upon Jigsaw's identification of brittle East-Northeast-trending high grade gold veins, the architecture of other brittle-ductile gold ("Au") systems (Figure 7), Geological Survey of

DIRECTORS' REPORT

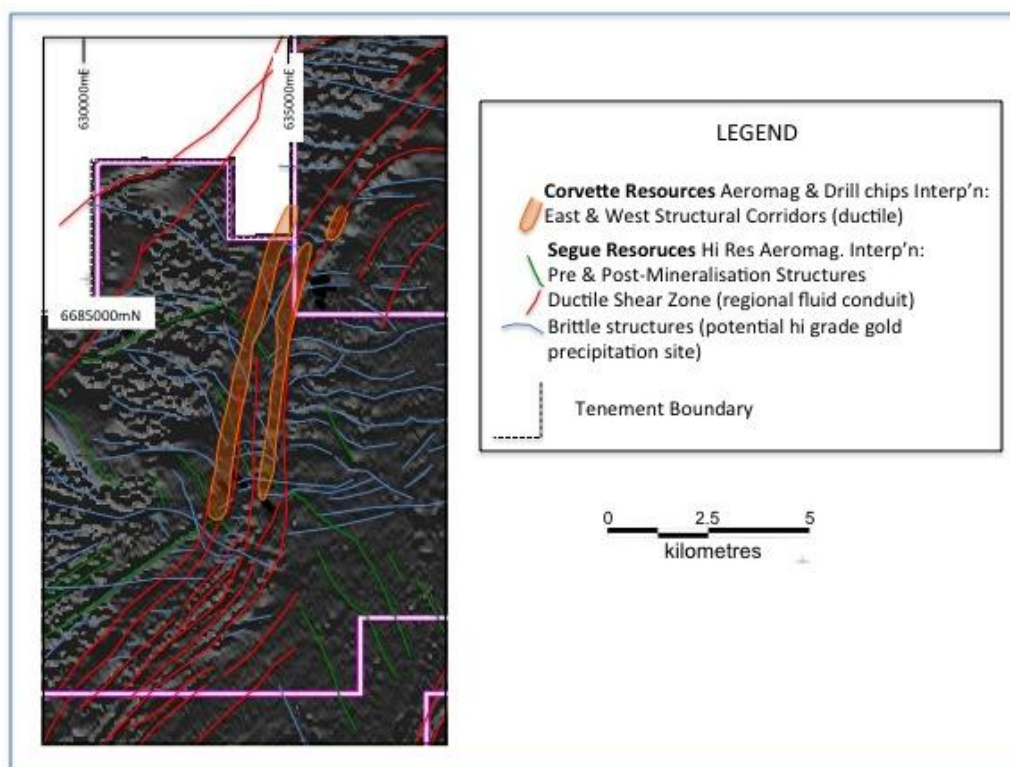
Western Australia ("GSWA") structural observations and measurements from the Fraser Range and an internal re-interpretation of the 100m line-spaced aeromagnetic data (Figure 8).

Figure 7 – Predicted orientation of tension gashes (brittle veins) within a ductile shear zone)



DIRECTORS' REPORT

Figure 8 – Segue's new interpretation the structural setting of Corvette prospect mineralisation



Segue's new structural interpretation (Figure 8) shows the potential of the Corvette Prospect and greater Plumridge Gold project to host a major system of easterly trending, brittle (high grade gold in albite) veins, such as those identified by Jigsaw, between identified, multiple, parallel ductile shear zones. The distribution (density and extent) of such veins, will strongly impact the economics of exploiting such a system. The very large and strong alteration system with elevated gold and pathfinder elements, centred on the ductile shear zones, suggests they (the ductile shear zones) acted as significant gold-bearing hydrothermal fluid conduits. The abundance of easterly trending magnetic lineaments between the shear zones, suggests widespread brittle fracturing favourable to high grade gold mineralisation.

It is important to note that gold is largely within albite-veined mixed gneisses at Beadell's Tropicana East Gold Project around 60km east of Tropicana; the same GSWA description of the gold host rocks at Plumridge. Further, the high-grade gold bearing albite veins at Plumridge have a logical nearby source in regionally extensive, northerly trending belt of syntectonic granitoids on the western margin of known mineralisation.

Segue has completed the Plumridge Project's historical data review and reinterpretation which will strongly influence the new gold exploration strategy. To define and prioritise the next round of drill targets, Segue engaged Model Earth Geoscience (formerly Jigsaw Geoscience) to design and deliver a comprehensive alteration mineral composition study. All historical bedrock drill chips (>14,000 in total) have recently been analysed by Portable Infra-Red Mineral Analysis (PIMA); a relatively new technology that measures the composition of alteration minerals intimately associated with gold mineralisation. Gold is often closely associated with rapid changes in alteration mineral composition. Model Earth have received the raw PIMA database and are integrating it with previous Au and pathfinder geochemistry and new structural data and interpretations to develop prioritised gold target zones.

Segue and Model Earth will refine these target zones into a number of prioritised drill targets, from which Segue will ultimately develop the next Plumridge Gold drill programme(s). It is anticipated that these drill programme(s) will be announced to the market during Quarter Two for execution as soon as is practical thereafter.

DIRECTORS' REPORT

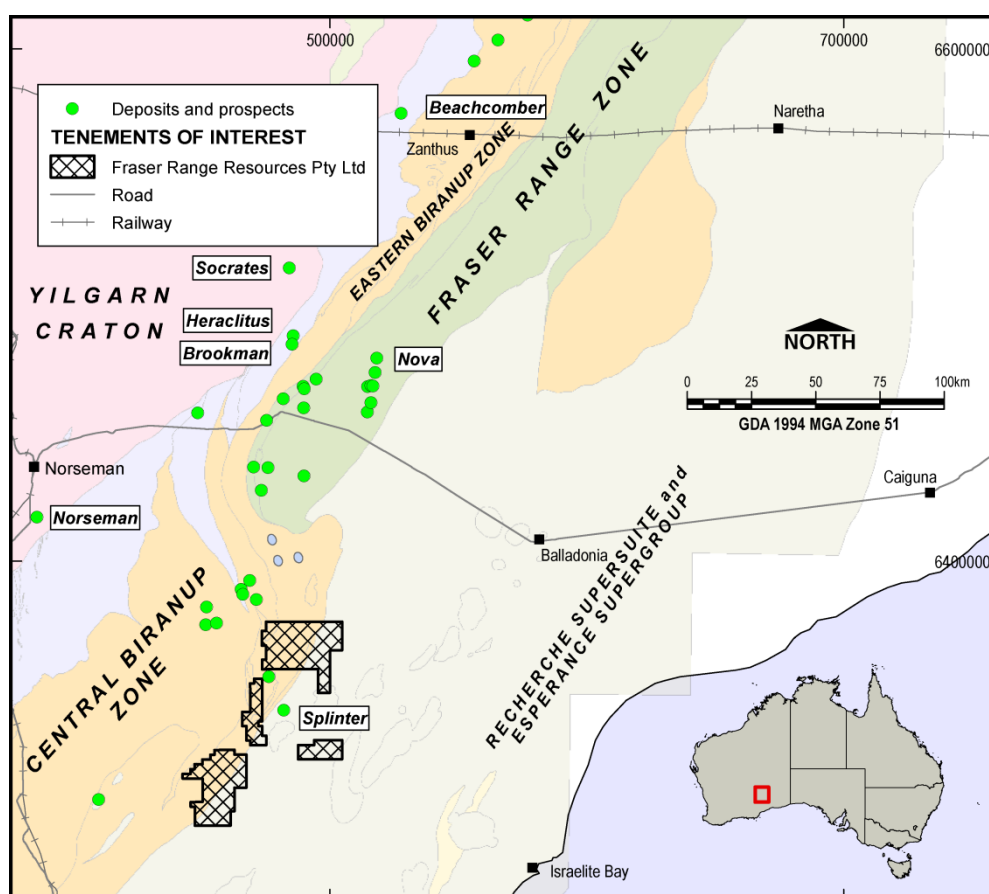
Deralinya Project

Segue has acquired the rights over four 100%-owned tenements in the southern portion of the Fraser Range Province totalling 1,298km², which form the Deralinya Project. The tenements (refer Figure 9) 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.

Figure 9 – Deralinya Project Tenements



DIRECTORS' REPORT

Pardoo Project, Western Australia (Segue 100%)

During the period, Segue appointed mineral exploration consultants OMNI GeoX (“**GeoX**”) to undertake a review and evaluation of the Pardoo Project (“**Pardoo Project**”) in the Pilbara region of Western Australia.

GeoX completed an initial review of the historical exploration data available across the Pardoo Project area, including gravity and airborne magnetic surveys, geological mapping and drilling results. The review concluded that the Pardoo Project remains highly prospective for the discovery of new magmatic sulphide nickel and copper deposits associated with a series of mafic-ultramafic intrusions. The existing Highway Nickel-Copper Deposit is likely the result of structural remobilisation and detachment of sulphides within the Pardoo Fault zone.

The key results of the review include:

- Interpretation of a large mafic-ultramafic intrusive body(s), part of which has been caught up in the Pardoo Fault Zone, from drilling, gravity and magnetic data (Figures 10 and 11);
- The presence of the Highway Nickel-Copper Deposit clearly demonstrates the presence of a significant mineralising nickel and copper system that is may be associated with the mafic-ultramafic intrusions; and
- The interpreted basal unit has been identified as the priority area for the next phase of evaluation; however it is likely that thrust faulting and folding, has resulted in the remobilisation and detachment of nickel-copper sulphides throughout the intrusion and even into the surrounding country rocks (as already demonstrated by the Highway Deposit).

During the reporting period, Segue completed a re-assessment of the airborne electromagnetic survey data and reconnaissance field checking, including mapping and orientation geochemical sampling across the top of each of the 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 Versa tile Time Domain Electromagnetic Surveying (“**VTEM**”) targets that warrant verification via fixed-loop electromagnetic (“**FLEM**”) surveys.

The next phase of exploration planned for the Pardoo Project is a FLEM survey over the highest ranked VTEM targets. This programme is planned for the second half of 2014.

Figure 10 – Gravity survey showing the extent of the interpreted intrusion

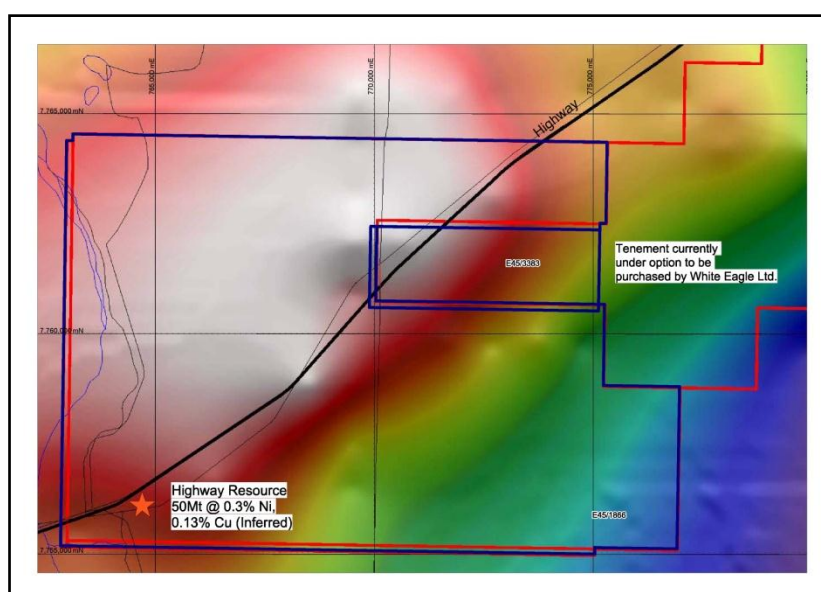
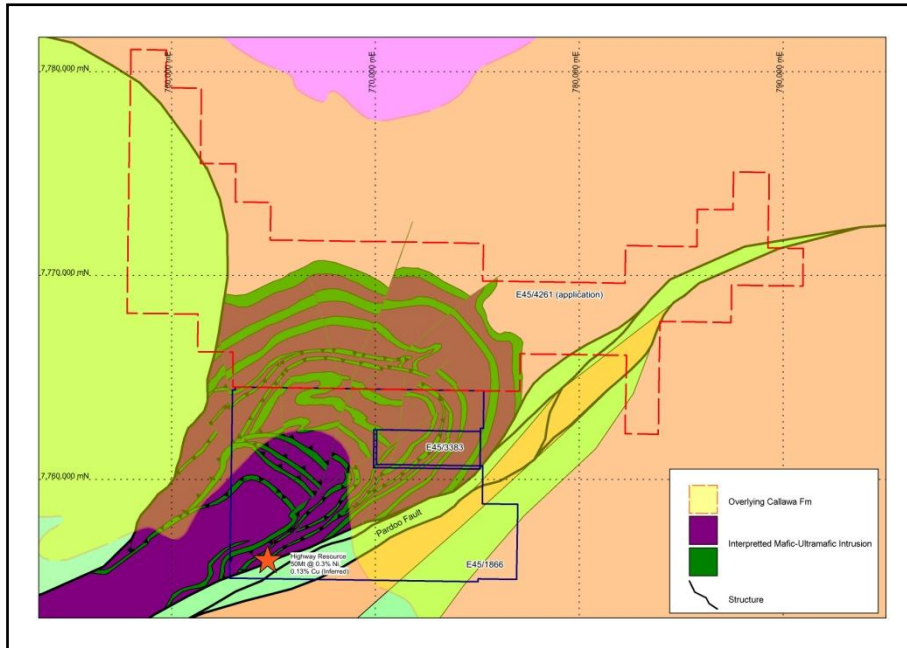


Figure 11 – Interpreted Geology and Tenements

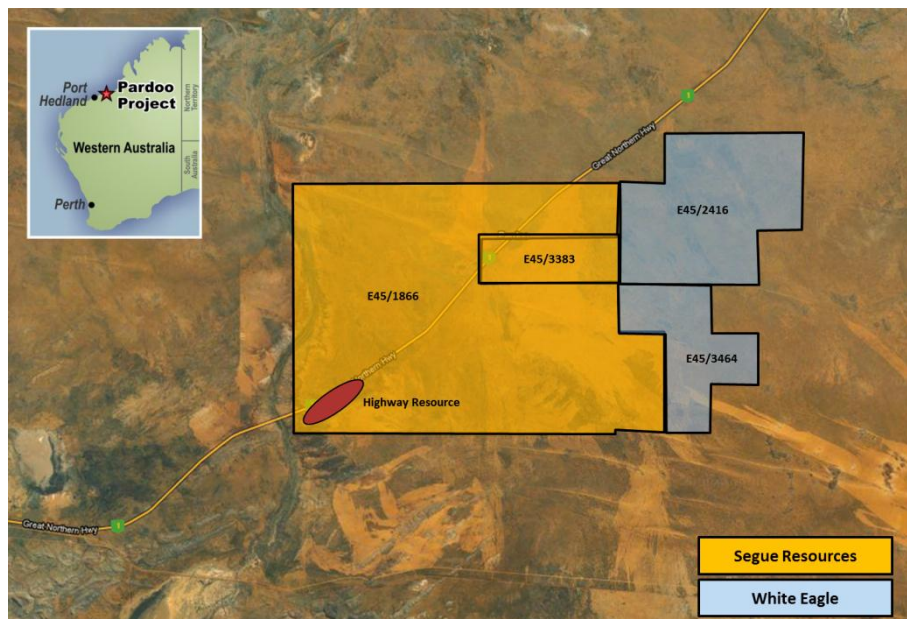


As a result of the review and initial geological interpretation Segue applied for an additional exploration licence covering 225km² adjacent to the northern boundary of Segue’s existing tenement E45/1866 (see Figure 11).

The next phase of evaluation will include a review and re-modelling of the existing airborne and ground based electromagnetic data, and a program of field work to be completed in quarter two of 2014.

During the period, Segue completed the sale of two tenements previously in the Pardoo Project to White Eagle Resources Ltd (“**White Eagle**”). The tenements sold to White Eagle were E45/2146 and E45/3464 on the eastern portion of the Pardoo project area and included the Supply Well zinc prospect. Segue retains a 100% interest in E45/1866 and E45/3383 which contain the Highway nickel/copper resource (refer Figure 12).

Figure 12 – Pardoo Iron and Nickel Project Area



DIRECTORS' REPORT

Emang Manganese Project, South Africa

During the reporting period, Segue concluded the sale of its 30% interest in the Emang Manganese Project to its joint venture partner, Emang Mmogo Mining Resources (Pty) Ltd for R19.8 million (A\$2.14 million¹).

The sale proceeds were used to repay the Company's loan facilities of \$825,000.

Corporate and Financial

Placement

Subsequent to the reporting period, Segue completed a placement to Australian institutional and sophisticated investors to raise a total of \$900,000 by the issue of 150,000,000 ordinary shares at \$0.006 per share ("**Placement**") together with a 1 for 2 attaching option exercisable at \$0.018 per share on or before 31 January 2016.

The Placement was made to institutional investors including specialist microcap resources investment manager, Acorn Capital Limited, which will own approximately 8.1% of the issued capital of Segue.

The proceeds from the Placement will be used to fund the current exploration at the Plumridge Nickel Project. The Placement was made using the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A.

Board Changes

During the Period, Dr Howard Carr (Technical Director) and Mr Matthew Foy (Non-Executive Director) were appointed to the board of Segue.

Dr Carr will be responsible for overseeing the recently announced exploration programme at the Fraser Range and Pardoo Projects.

Dr Carr has been on the boards of several public companies in Australia and Canada, including Mintails Ltd (ASX: MLI), Maudore Minerals (TSVX: MAO) and Vital Metals Ltd (ASX: VML). Dr Carr has a PhD in Economic Geology (UWA) and a Graduate Diploma of Management from the Australian Institute of Management.

Dr Carr was awarded the Jubilee Medal from the South African Geological Society for his work on the Bushveld Complex in South Africa. Dr Carr has a wide range of mineral exploration and development experience in Australia, China, Canada and West and South Africa.

Mr Foy is Segue's Company Secretary and has five years' experience in facilitating the compliance of listed companies. Mr Foy is a member of Governance Institute of Australia, has a Graduate Diploma (Applied Finance) from FINSIA and a B.Com from the University of Western Australia.

Following the completion of the sale agreement between Segue and Emang Mmogo, Segue's South African director Mr Rob van Zyl resigned as director of the Company.

¹ Based on an exchange rate of A\$1=R9.0 as at 4 August 2013 and foreign currency exchange contracts.

DIRECTORS' REPORT

Fraser Range Acquisition Terms

Table 1 – Key Acquisition Terms

Company	Cash (Deposit)	Shares ¹	Tenement Area
Fraser Range Resources Pty Ltd	\$200,000	\$700,000	2,130km ²
Becrux Pty Ltd	-	\$200,000	698km ²
Distant Island Pty Ltd	-	\$200,000	710km ²
Total	\$200,000	\$1,100,000	3,538km²

1. All shares are being issued at a nominal price of \$0.002 per share.

Table 2 – Fraser Range Tenement Details

Tenement	Owner	Interest	Size	Granted	Expiry
E28/1475	Fraser Range	0% ¹	208km ²	17/11/04	16/11/13
E39/1084	Fraser Range	0% ¹	208km ²	11/01/06	10/01/15
E39/1117	Fraser Range	0% ¹	208km ²	25/11/05	24/11/14
E39/1118	Fraser Range	0% ¹	208km ²	11/01/06	10/01/15
E28/2267	Becrux	100%	385km ²	23/04/13	22/04/18
E39/1710	Becrux	100%	313km ²	09/04/13	08/04/18
E28/2266	Distant Island	100%	397km ²	25/07/13	24/07/18
E39/1709	Distant Island	100%	313km ²	Pending	
Total Plumridge Nickel and Gold Projects			2,240km²		
E63/1521	Fraser Range	100%	571km ²	28/06/12	27/06/17
E63/1522	Fraser Range	100%	147km ²	28/06/12	27/06/17
E63/1523	Fraser Range	100%	115km ²	28/06/12	27/06/17
E63/1524	Fraser Range	100%	465km ²	28/06/12	27/06/17
Total Deralinya Project			1,298km²		

1. Fraser Range Resources Pty Ltd can earn a 60% interest in the Plumridge Joint Venture by spending \$1.0m by 31 January 2015.

Table 3 -Segue Pardoo Tenement Schedule

Tenement	Holder	Interest	Granted	Expiry
E45/1866	Segue (Pardoo) Limited	100%	9/2/2004	8/2/2015
E45/3383	Segue (Pardoo) Limited	100%	20/10/2009	19/10/2014

DIRECTORS' REPORT

Competent Persons Statement

The information in this report that relates to Exploration Results or Mineral Resources at the Pardoo Nickel Project is based on information compiled or reviewed by Mr Peter Langworthy, Consulting Geologist, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Langworthy has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Langworthy consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources at the Plumridge and Deralinya Projects 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.

EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the reporting period on 3 February 2014, Segue advised completion of a placement to Australian institutional and sophisticated investors to raise a total of \$900,000 by the issue of 150,000,000 ordinary shares at \$0.006 per share together with a 1 for 2 attaching option exercisable at \$0.018 per share on or before 31 January 2016.

On 12 February 2014 Segue Advised of the issue of 21,499,999 ordinary shares and 1,500,000 options exercisable at \$0.018 per share on or before 31 January 2016 in consideration for consultant geological, marketing, research and investor relations services.

Apart from the matters set out above, there have been no events subsequent to balance date of a nature that would require disclosure.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the Period, Segue concluded the sale of its 30% interest in the Emang Manganese Project to its joint venture partner, Emang Mmogo Mining Resources (Pty) Ltd for R19.8 million (A\$2.14 million²). The sale proceeds were used to repay the Company's loan facilities of \$825,000.

On 29 November 2013 shareholders approved a change of the Company's activities and on or around 13 December 2013 Segue completed the acquisition of three companies which control exploration licences totalling 3,538km² in the highly prospective Fraser Range Province of Western Australia.

Apart from the matters set out above, there are no other events of a material nature that have affected significantly the results or state of affairs of the Company.

² Based on an exchange rate of A\$1=R9.0 as at 4 August 2013 and foreign currency exchange contracts.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307c of the *Corporation Act 2001*, we have obtained an independence declaration from our auditors, Pitcher Partners, which is included on page 19.

Signed in accordance with a resolution of the Directors.



Steven Michael

Managing Director

Perth, 14 March 2014

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Segue Resources Limited and its controlled entities.

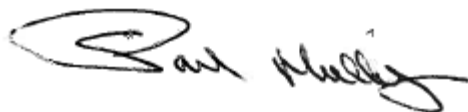
In relation to the independent review for the half-year ended 31 December 2013, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.
- (ii) No contraventions of any applicable code of professional conduct.

This declaration is in respect of Segue Resources Limited and the entities it controlled during the year.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD



Paul Mulligan
Executive Director
Perth, 14 March 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31 Dec 2013	31 Dec 2012
	\$	\$
Continuing operations		
Finance income	8,101	4,615
Other income	35,000	-
<i>Expenses</i>		
Employee benefits expenses	(164,348)	(281,677)
Consultancy fees	(918)	(39,427)
Occupancy expenses	(10,580)	(52,518)
Finance costs	(12,418)	(12,500)
Depreciation expenses	(330)	(1,276)
Impairment expenses	(21,325)	(2,900,456)
Administration and other expenses	(168,432)	(238,841)
Loss before income tax	(335,250)	(3,522,080)
Income tax expense	-	-
Loss from continuing operations for the period	(335,250)	(3,522,080)
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange loss on translation of foreign operations	(31,062)	(135,853)
Total other comprehensive loss	(31,062)	(135,853)
Total comprehensive loss for the period	(366,312)	(3,657,933)
Loss per share		
	Cents	Cents
- Basic loss	(0.057)	(0.64)
- Diluted loss	(0.057)	(0.64)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	31 Dec 2013 \$	30 Jun 2013 \$
ASSETS			
Current assets			
Cash and cash equivalents		311,816	34,858
Trade and other receivables		58,392	5,425
Prepayments		-	7,505
Assets held for sale		-	2,136,460
Total current assets		370,208	2,184,248
Non-Current Assets			
Exploration and evaluation costs	3	2,325,366	520,000
Property, plant and equipment		1,679	2,009
Total non-current assets		2,327,044	522,009
TOTAL ASSETS		2,697,252	2,706,257
LIABILITIES			
Current liabilities			
Trade and other payables		288,953	157,002
Interest bearing liabilities	4	-	873,567
Total current liabilities		288,953	1,030,569
TOTAL LIABILITIES		288,953	1,030,569
NET ASSETS		2,408,300	1,675,688
EQUITY			
Contributed Equity	5	19,632,656	18,533,731
Reserves		136,384	167,446
Accumulated losses		(17,360,740)	(17,025,490)
TOTAL EQUITY		2,408,299	1,675,688

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

CONSOLIDATED	Contributed equity	Share based payment reserve	Foreign currency translation reserve	Investment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$
At 1 July 2012	18,500,731	714,427	(350,141)	(150)	(11,253,322)	7,611,545
Comprehensive Income:						
Loss for the half year	-	-	-	-	(3,522,080)	(3,522,080)
Other comprehensive income	-	-	(135,853)	-	-	(135,853)
Total comprehensive income	-	-	(135,853)	-	(3,522,080)	(3,657,933)
Transactions with owners in their capacity as owners:						
Issue of shares	-	-	-	-	-	-
Transaction with equity holders	-	-	-	-	-	-
At 31 December 2012	18,500,731	714,427	(485,994)	(150)	(14,775,402)	3,953,612
At 1 July 2013	18,533,731	726,927	(559,331)	(150)	(17,025,490)	1,675,687
Comprehensive Income:						
Loss for the half year	-	-	-	-	(335,250)	(335,250)
Other comprehensive income	-	-	(31,062)	-	-	(31,062)
Total comprehensive income	-	-	(31,062)	-	(335,250)	(366,312)
Transactions with owners in their capacity as owners:						
Issue of shares	1,100,000	-	-	-	-	1,100,000
Share Buy-backs	(1,075)	-	-	-	-	(1,075)
Transaction with equity holders	1,098,925	-	-	-	-	1,098,925
At 31 December 2013	19,632,656	726,927	(590,393)	(150)	(17,161,626)	2,408,300

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	31 Dec 2013	31 Dec 2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(409,618)	(475,054)
Interest received	8,101	4,615
Interest paid	-	(12,500)
Other payments	(27,189)	-
Net cash outflow from operating activities	(428,706)	(482,939)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of prospects	2,133,851	-
Payment for exploration costs	(291,530)	(109,130)
Payment for acquisition of mining assets	(289,113)	-
Proceeds from sale of investments	-	33,333
Net cash outflow from investing activities	1,553,208	(75,797)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for shares bought back	(950)	-
Proceeds from related party loans	-	500,000
Repayment of borrowings	(873,567)	-
Net cash inflow from financing activities	(874,517)	500,000
Net decrease in cash and cash equivalents	249,985	(58,736)
Effect of exchange rate movement	26,973	-
Balance at the beginning of the period	34,858	233,354
Balance at the end of the period	311,816	174,618

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

1. CORPORATE INFORMATION

The financial report of Segue Resources Limited (the "Company") and its controlled entities (the "Group") for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 14 March 2014. Segue Resources Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The principal activities of the Group are to explore for mineral resources in Australia and South Africa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'. The consolidated financial statements of the Company for the half-year ended 31 December 2013 include the Company and its controlled entities, together referred to as the "Consolidated Entity" or "Group".

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Segue Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the Consolidated Entity and are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

Due to new or revised accounting standards which became operative for the annual reporting period commencing 1 January 2013, Segue Resources Ltd has changed some of its accounting policies as described below.

(i) AASB 10 Consolidated Financial Statements

The consolidated financial statements are those of the Consolidated Entity comprising the financial statements of the parent entity and of all entities the parent control.

Under AASB 10, the group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The group has applied AASB 10 retrospectively in accordance with the transition provisions. The group has determined that AASB 10 has no impact on the composition of the consolidated group. Therefore, no adjustments to any of the carrying amounts are required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

(ii) AASB 11 Joint Arrangements

Under AASB 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the rights and obligations of the parties to the arrangement, rather than the legal structure of joint arrangements.

If the parties share the right to the net assets of the joint arrangement, these parties are parties to a joint venture. A joint venturer accounts for an investment in the arrangement using the equity method, and the choice to proportionately consolidate will no longer be permitted.

If the parties share the right to the separate assets and obligations for the liabilities of the joint arrangement, these parties are parties to a joint operation. A joint operator accounts for assets, liabilities and corresponding revenues and expenses arising from the arrangement by recognising their share of interest in each item.

The group has applied AASB 11 retrospectively in accordance with the transition provisions. The group has determined that AASB 11 has no impact on the composition or performance of the consolidated group. Therefore, no adjustments to any of the carrying amounts are required.

(iii) AASB 13 Fair Value Measurement

AASB 13 introduces a fair value framework for all fair value measurements as well as the enhanced disclosure requirements. Application of AASB 13 does not materially change the group's fair value measurements.

(iv) Impact of Changes in Accounting Policies

All other accounting policies applied in this half-year financial report are the same as those used in the annual financial report for the year ended 30 June 2013.

Going Concern

The interim condensed consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half-year ended 31 December 2013 of \$335,250 (31 December 2012: \$3,522,080), and a net cash inflow from operating and investing activities of \$1,124,502 (31 December 2012: net outflows \$558,918). Net assets of the Group as at 31 December 2013 were \$2,408,300 (30 June 2013: \$1,675,688).

The Group's ability to continue as a going concern and pay its debts as and when they fall due is dependent upon the Group raising additional capital via any means available to it inclusive of, but not limited to, placements, option conversions, rights issues, or joint venture arrangement in a timely manner in order to fund the ongoing exploration and operation activities.

The Directors have reviewed the business outlook and cash flow forecasts after taking into account the above matters and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Group will achieve the matters set out above and be able to pay its debts as and when they fall due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

The interim condensed consolidated financial statements are normally prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future. Hence it is assumed that the Group has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the interim condensed consolidated financial statements may have to be prepared on a different basis and, if so, the basis used will be disclosed.”

3. EXPLORATION AND EVALUATION COSTS

	31 Dec 2013	30 Jun 2013
	\$	\$
Balance at the beginning of the period	520,000	7,427,180
Exploration expenditure incurred	779,178	(351,087)
Fair Value of tenements on acquisition (i)	1,026,188	-
Cost recouped from the JV Partner	-	193,111
Impairment of exploration assets	-	(4,366,610)
Transferred to asset held for sale classification	-	(2,136,460)
Effect of foreign currency translation	-	(246,134)
Balance at the end of the period	2,325,366	520,000

Tenement acquisition costs consist of the following initial consideration in respect of the acquisition of the three companies that hold the Fraser Range Tenements :

<i>Exploration asset acquired through acquisition of the Fraser Range Project</i>	31 Dec 2013	30 Jun 2013
	\$	\$
Exploration and evaluation recognised on acquisition of Fraser Range Resources Pty Ltd	704,852	-
Exploration and evaluation recognised on acquisition of Becrux Pty Ltd	160,666	-
Exploration and evaluation recognised on acquisition of Distant Island Pty Ltd	160,670	-
	1,026,188	-

At the date of acquisition the directors assessed the fair value of the Fraser Range Project at \$1,026,188. The value of the equity issued as part of the acquisition totaling \$1,100,000 was valued based on the Company’s 20-day VWAP of \$0.002 per share.

The Fraser Range Project has been accounted for as an asset acquisition and recognised at the above fair value at acquisition.

Refer to Note 11 for further details.

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

4. INTEREST BEARING LIABILITIES

	31 Dec 2013	30 Jun 2013
	\$	\$
Loan (i)	-	538,394
Loan (ii)	-	335,173
	<u>-</u>	<u>873,567</u>

- (i) During 2013, the Group borrowed \$500,000 from a non-related party to meet the working capital requirements. The facility fee was 5% of the loan advanced and interest is payable @ 9.25% pa. The facility has been fully settled in August 2013.
- (ii) During 2013, the Group borrowed \$332,644 from a non-related party to meet the working capital requirements. The interest is payable @ 9.25% pa. The lender was granted first right to acquire 15 million shares in White Eagle Resources Limited held by the Company @ \$0.005 per share. The facility has been fully settled in August 2013.

5. CONTRIBUTED EQUITY

Issued Capital	31 Dec 2013	30 June 2013	31 Dec 2013	30 Jun 2013
	Nos.	Nos.	\$	\$
(a) Share capital				
Fully Paid Ordinary Shares	<u>1,086,912,798</u>	<u>547,662,798</u>	<u>19,632,656</u>	<u>18,533,731</u>

(b) Movements in share capital

	CONSOLIDATED	
	Nos.	\$
Balance at 1 July 2013	547,662,798	18,533,731
Employee Share Scheme Buy Back issued 07/10/2013	(10,750,000)	(1,075)
Shares issued 16/12/2013 (Acquisition of Fraser Range tenements)		
Ordinary Shares	50,000,000	100,000
Escrowed by ASX 16/12/2013	500,000,000	1,000,000
Balance at 31 December 2013	<u>1,086,912,798</u>	<u>19,632,656</u>

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(c) Options outstanding at 31 December 2013

The following options over ordinary shares of the Company existed at reporting date:

	Expiry date	Nos.	Exercise price
			\$
Balance at 1 July 2013			
Options	08/11/2014	11,800,000	0.0510
Options	18/02/2018	25,000,000	0.0100
		<u>36,800,000</u>	

These options are unlisted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

6. SEGMENT INFORMATION

AASB 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is more specifically focused on the geographical location of the exploration program.

On 26 June 2013, the Group entered into an agreement with Emang Mmogo Mining Resources Pty Ltd (a South African based company that held 70% interest in Emang Manganese Project) to sell its 30% share in Emang Manganese Project for cash consideration of ZAR 19.80 million (approximately \$2,136,460).

The sale was approved by the members on 24 July 2013 and the settlement occurred on 5 August 2013.

The Emang Manganese Project has been classified as "asset held for sale" under the requirements of AASB 5 and the results of its operations (including the 2012 comparative) has been presented separately in the Condensed Consolidated Statement of Financial Position.

The Group's reportable segments under AASB 8 are therefore as follows:

- Mineral Exploration – Western Australia

SEGMENT RESULTS

	Western Australia	Total
	\$	\$
Half year ended 31 December 2013		
Segment revenue	-	-
<i>Unallocated revenue</i>		
Finance income	-	8,101
Other Income	-	35,000
Segment expenses	(21,325)	(21,325)
Segment results	(21,325)	21,776
<i>Unallocated expenses</i>		
Share based payments	-	-
Other expenses	-	(357,026)
Loss for the half year	<u>(21,325)</u>	<u>(335,250)</u>

SEGMENT RESULTS

	Western Australia	South Africa	Total
	\$	\$	\$
Half year ended 31 December 2012			
Segment revenue	-	-	-
<i>Unallocated revenue</i>			
Finance income	-	-	4,615
Segment expenses	(1,714,223)	(1,186,223)	(2,900,456)
Segment results	(1,714,223)	(1,186,223)	(2,895,841)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

6. SEGMENT INFORMATION (continued)

	Western Australia	South Africa	Total
<i>Unallocated expenses</i>			
Share based payments	-	-	-
Other expenses	-	-	(626,239)
Loss for the half year	(1,714,223)	(1,186,223)	(3,522,080)

SEGMENT ASSETS AND LIABILITIES

	Western Australia \$	South Africa \$	Total \$
At 31 December 2013			
Exploration and evaluation assets	2,325,366	-	2,325,366
Unallocated items	-	-	371,887
Total assets	2,325,366	-	2,697,253
Segment liabilities	-	-	-
Unallocated items	-	-	288,953
Total liabilities	-	-	288,953
At 30 June 2013			
Exploration and evaluation assets	520,000	2,136,460	2,656,460
Unallocated items	-	-	49,797
Total assets	520,000	2,136,460	2,706,257
Segment liabilities	-	-	-
Unallocated items	-	-	1,030,569
Total liabilities	-	-	1,030,569

7. COMMITMENTS

(i) Tenement Expenditure Commitments

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.

	2013 \$	2012 \$
Up to 1 year	1,545,117	-
Between 1 and 5 years	-	-
Later than 5 years	-	-
	1,545,117	-

The expenditure commitment for the Group for later than two years but not later than 5 years is uncertain as the tenements require re-application prior to this date of which the outcome is not certain.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

7. COMMITMENTS (continued)

(ii) Rental Lease Commitments

During the reporting period, Segue entered into lease agreement with Carnegie Wave Energy Limited to sublease part of premise at Unit 1, 124 Stirling Highway, North Fremantle. The annual cost of the lease agreement is \$20,072.50.

8. CONTINGENCIES

Contingent Assets

During the reporting period, Segue completed the acquisition of three companies which control exploration licences totalling 3,538km² in the highly prospective Fraser Range Province of Western Australia.

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.

The consideration for the acquisition of all three private companies was 550 million Segue shares, with a nominal value of \$1.1 million (at Segue’s 20-day VWAP price of \$0.002 per share). In addition, Segue paid a cash sum of \$200,000 to one of the companies to repay its existing liabilities.

At the date of acquisition the directors assessed the fair value of the Fraser Range Project at \$1,225,302. The value of the equity issued as part of the acquisition totaling \$1,100,000 was valued based on the Company’s 20-day VWAP of \$0.002 per share.

The Fraser Range Project has been accounted for as an asset acquisition and recognised at the above fair value at acquisition.

9. FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Consolidated Entity does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short term nature, the carrying amount of current receivables, current trade and other payables and current interest-bearing liabilities is assumed to approximate their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

10. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the reporting period on 3 February 2014, Segue advised completion of a placement to Australian institutional and sophisticated investors to raise a total of \$900,000 by the issue of 150,000,000 ordinary shares at \$0.006 per share together with a 1 for 2 attaching option exercisable at \$0.018 per share on or before 31 January 2016.

On 12 February 2014 Segue Advised of the issue of 21,499,999 ordinary shares and 1,500,000 options exercisable at \$0.018 per share on or before 31 January 2016 in consideration for consultant geological, marketing, research and investor relations services.

Apart from the matters set above, there have been no events subsequent to the balance date of a nature that would require disclosure.

11. RELATED PARTY DISCLOSURES

The parent entity and the ultimate parent entity of the Group is Segue Resources Limited, a company listed on the Australian Securities Exchange.

On 12 December 2013, Segue acquired 100% of the share capital of Fraser Range Resources Pty Ltd, Becrux Resources Pty Ltd and Distant Island Pty Ltd. All acquired entities are registered in Australia.

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors, I state that:

In the opinion of the Directors:

1. The consolidated financial statements and accompanying notes are in accordance with the *Corporations Act 2001*, including:
 - a. giving a true and fair view of the Consolidated Entity's financial position at 31 December 2013 and of their performance for the half year ended on that date: and
 - b. complying with Accounting Standards and *Corporations Regulations 2001*; and
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
3. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001*.

On behalf of the Board



Steven Michael

Managing Director

Perth, 14 March 2014

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
SEGUE RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Segue Resources Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Segue Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
SEGUE RESOURCES LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Segue Resources Limited is not in accordance with the Corporations Act 2001 including:

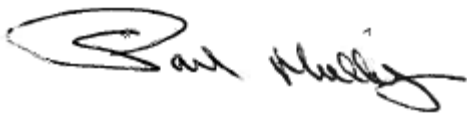
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial report, which indicates that the Segue Resources Limited incurred a net loss of \$335,250 for the half-year ended 31 December 2013. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Segue Resources Limited's ability to continue as a going concern and therefore, the Segue Resources Limited may be unable to realise its assets and discharge its liabilities in the normal course of business.

Pitcher Partners Corporate & Audit (WA) Pty Ltd

PITCHER PARTNERS CORPORATE & AUDIT (WA) PTY LTD



Paul Mulligan
Executive Director
Perth, 14 March 2014