



10 June 2014

Market Announcements Platform
ASX Limited
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Sydney NSW 2000

ASX Code: SEG

DRILLING TO COMMENCE AT PLUMRIDGE NICKEL PROJECT

- High priority exploration target identified on newly acquired tenement E39/1731
- 2,000m AirCore drilling programme and ground EM to commence this month
- Detailed aeromagnetic survey to be completed over entire tenement by July

Segue Resources Limited (**Segue** or the **Company**) is pleased to announce that a review of existing aeromagnetic and gravity data combined with recently released GSWA 2014/6 multi-disciplinary research report (deep seismic traverses, high precision dating, multi-element geochemistry and structural interpretations) over the Company's recently acquired tenement (E39/1731) has identified a very large and highly anomalous magnetic feature which warrants immediate on-ground exploration. The feature (E21) covers approximately 25km² on the southern end of E39/1731 and is transected by the axis of the Fraser Range gravity high and major regional structures parallel, and in close proximity, to the Nova Structure.

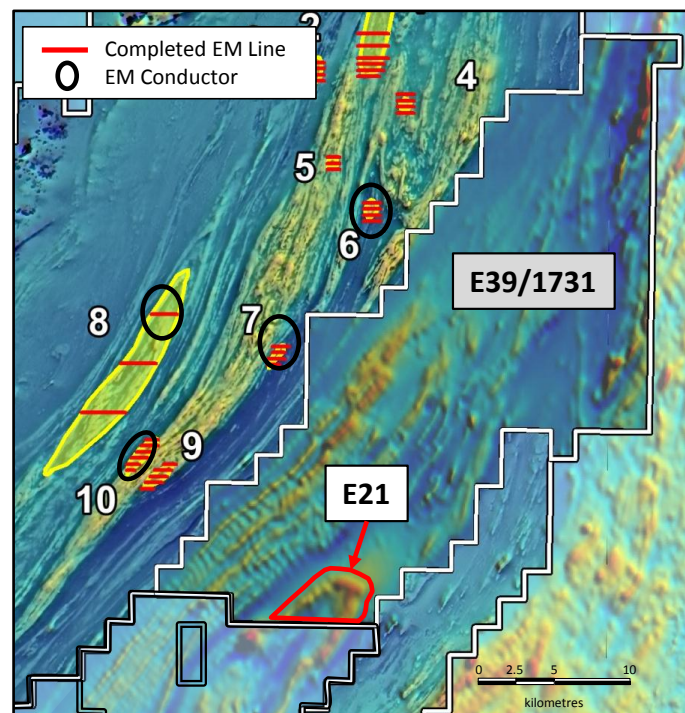


Figure 1 – E21 Magnetic Anomaly on Tenement E39/1731

Segue believes E21 has all of the hallmarks of a very large mafic/ultramafic intrusive body, similar to the “eye” which hosts the Nova-Bollinger nickel deposit – but several orders of magnitude larger. Combined AirCore drilling and ground EM will rapidly increase our geological knowledge of E21 and identify target areas for more focussed and intense exploration.

Segue and geophysical consultants, Newexco, reviewed the geophysics-dominated data covering E21, and designed an immediate on-ground exploration programme to test this high priority target. Subject to obtaining necessary regulatory approvals, which are underway, Segue will undertake at least 2,000 metres of reconnaissance AirCore drilling. Specific target areas will be tested, as well as several reconnaissance drill traverses across the feature (**Figure 2**). Depth of cover at E21 averages approximately 30 metres and the AirCore drill programme will provide bottom of the hole nickel pathfinder geochemistry from samples of fresh bedrock.

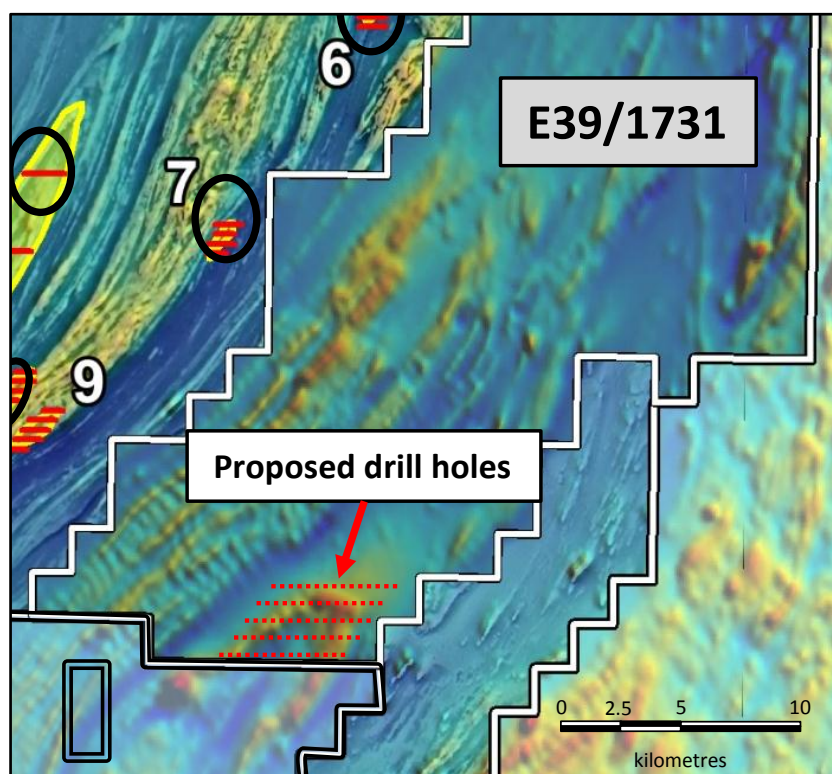


Figure 2 – Proposed AirCore Drilling Programme at E21

Segue has completed the Phase 1 Ground EM programme over 16 “eye” targets, resulting in five EM conductors being identified. Phase 2 follow-up of priority targets has commenced with line extensions and additional EM lines planned to better define the EM conductors. Following completion of the Phase 2 Ground EM programme, the crew will move immediately to E21 and will undertake a Ground (Moving Loop) EM survey with 800 metre spaced lines and 100 metre spaced receiver stations.

Commenting on the importance of E21 and the immediate exploration programme, Segue’s Technical Director, Dr Howard Carr, said:

E21 is a high priority nickel exploration target due to the size and shape of the magnetic feature, its position on the Fraser Range gravity high and the structural setting adjacent to the Nova structure. These are important reasons why Segue recently acquired the E39/1731 tenement and we plan to rapidly test E21 and other new targets via targeted AirCore drilling and Ground EM programmes.

In addition to the immediate exploration to be carried out on E21, Segue has engaged Thomson Aviation to acquire high resolution aeromagnetic data on E39/1731 to bring the data asset of this block up to the same standard as the rest of the Plumridge Nickel portfolio (see announcement on 28 May 2014). Data acquisition is scheduled for June/July 2014, with data processing completed in August.

Following processing of the aeromagnetic data on E39/1731, Segue will carry out its “stage-gate” exploration programme on any “eye” targets developed by Segue and Newexco. This process has proven highly successful in enabling the Company to undertake cost-effective exploration on its large Fraser Range exploration licence area.

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Competent Persons Statement

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.