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

MULTIPLE EM CONDUCTORS IDENTIFIED AT E21 TARGET

Segue Resources Limited (**Segue** or the **Company**) is pleased to announce that an initial reconnaissance Ground (Moving Loop) Electromagnetic (**MLEM**) survey over the E21 target at the Plumridge Nickel Project in the Fraser Range has identified two significant bedrock conductors.

The MLEM survey was undertaken by Segue's geophysical consultants, Newexco, who have reported:

Six lines of high-power MLEM, with an initial line spacing of 800m, have been completed over the interpreted E21 intrusion. Anomalous responses were identified on the northern three lines consistent with conductors sourced from bedrock geology.

*Modelling of the data collected to date indicates two conductive horizons present on the northwestern (**NW**) and northeastern (**NE**) margins of the interpreted intrusion. The NW conductor is both strike and depth extensive with an extremely high amplitude response on line 6656800. The NE conductor is not depth extensive and responds on adjacent lines 6655200 and 6656000. It forms an encouraging anomaly worthy of follow-up EM and bedrock drilling.*

Infill MLEM will be acquired to ensure blanket 400m line-spaced coverage of E21, including extended margins to east and west. This will allow comprehensive modelling of the identified conductors.

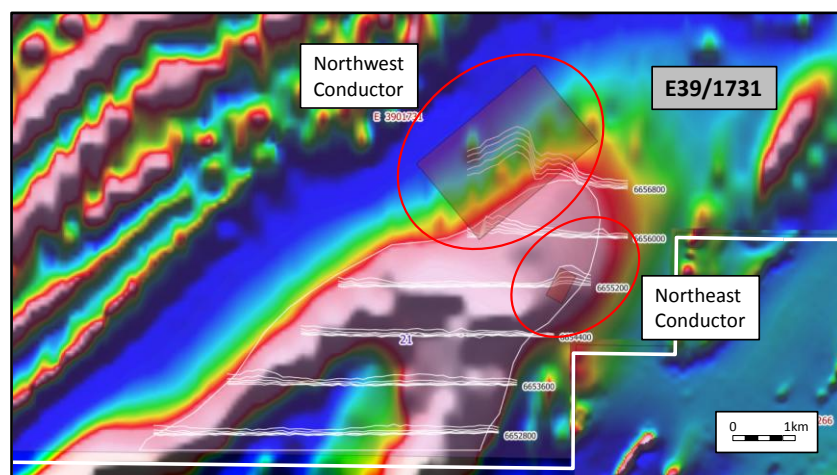


Figure 1: E21 interpreted intrusion. White profiles indicate the Z component B-Field response, late-time linear channels 35 to 39 (156 – 371 ms) overlaid on the TMI_RTP raster image. Preliminary modelled plates (semitransparent) also shown.

The E21 target is within Segue's recently acquired tenement E39/1731 (Segue 80%, ASX: FRN 20%) and 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. Further, E39/1731 is located within the eastern margin of the Fraser Complex, a terrain characterised by lower strain than that of the western Fraser Complex and is interpreted to be more amenable for the preservation of massive nickel sulphide ore bodies.

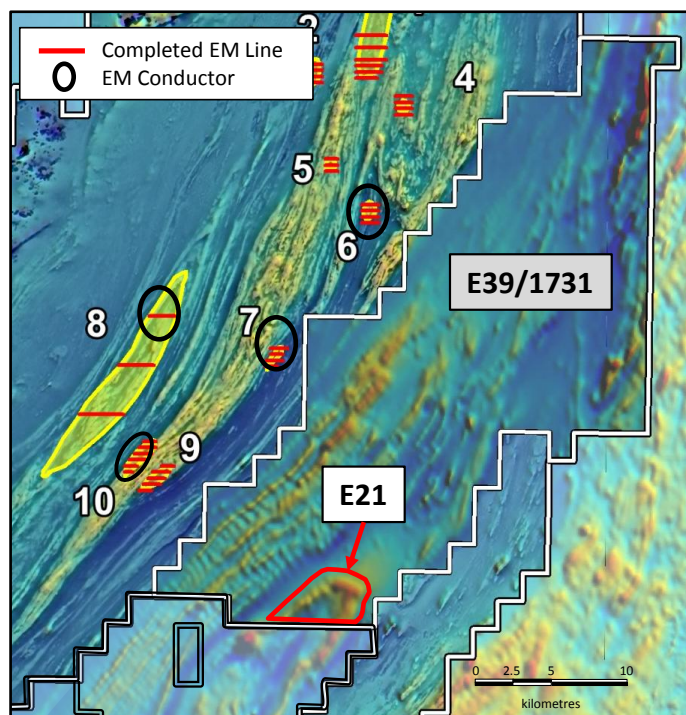


Figure 2: E21 Magnetic Anomaly on Tenement E39/1731.

Commenting on the bedrock conductors identified at E21, Segue's Technical Director, Dr Howard Carr, said:

The two bedrock MLEM conductors identified at E21 are of exactly the response style and location relative to the margins of the magnetic "eye" feature that we have been hunting for. We are excited that our eye-focussed Ground EM survey has delivered some very positive results and look forward to the first phase of AirCore drilling.

As previously announced, we plan to AirCore drill the surface bedrock overlying the conductors and assay fresh rock samples for a suite of Nova-style mineralisation pathfinder elements. The Exploration Incentive Scheme diamond core drilled into the Nova "eye" feature has recently been reported by the GSWA¹ and provides a valuable insight into the unique geochemistry of the Nova "eye" gabbro.

Further we will acquire high resolution (100m line spaced) aeromagnetic data over the entire E39/1731 tenement. This data will be processed by Newexco with the same algorithms as that of the phase 1 study, to identify new targets within this highly prospective terrain. Our successful MLEM survey and follow-up AirCore programme will be rolled out over new targets within E39/1731.

¹ http://www.dmp.wa.gov.au/downloads/Record2014_6_Seismic_workshop.pdf (48Mb)

Segue lodged a Programme of Work (**POW**) with the Department of Mines and Petroleum for a proposed AirCore drilling programme covering E21 in mid-June 2014. The POW has been amended following the identification of the two bedrock conductors at E21 and Segue anticipates approval of the POW to be received by mid-July. The AirCore drilling programme will commence immediately following POW approval.

Segue has engaged Thomson Aviation to acquire high resolution (100m line space) 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. Data acquisition is scheduled for 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.

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

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JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>Moving Loop Electro Magnetic survey specifications:</p> <p>Configuration: Moving Loop</p> <p>Line spacing: 800m</p> <p>Transmitter Loop Size: 400m diameter</p> <p>Receiver Loop Size: 100m diameter</p> <p>Receiver station spacing: 100m</p> <p>Transmitter current: 50 amp</p> <p>Receiver sensor type: Fluxgate</p> <p>Components: Bz, Bx, By</p> <p>Base Frequency: 0.5Hz</p> <p>Coordinates: GDA94/MGA51</p>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> No drilling was undertaken.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure 	<ul style="list-style-type: none"> No drill sample recovery applicable.

Criteria	JORC Code explanation	Commentary
	<p><i>representative nature of the samples.</i></p> <ul style="list-style-type: none"> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	
<i>Logging</i>	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> No logging undertaken.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> No sub-sampling or sample preparation was undertaken.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> No assays or laboratory tests were undertaken.

Criteria	JORC Code explanation	Commentary
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No verification of sampling or assaying applicable.
<i>Location of data points</i>	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Handheld GPS used for receiver station location. Accuracy ~2m. Coordinates: GDA94/MGA51. Terrain is very flat, maximum elevation variation <15m.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<p>Line spacing: 800m</p> <p>Transmitter Loop Size: 400m diameter</p> <p>Receiver Loop Size: 100m diameter</p>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> MLEM line oriented E-W; as close to orthogonal to regional strike as possible.
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All data transmitted from field to HQ by encrypted satellite system.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> All data collected and reviewed by independent consultants.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> E39/1731 is owned 100% by Plumridge East Pty Ltd, an 80% owned subsidiary of Segue Resources Limited (SEG). The tenement is wholly within an area with no Native Title, Nature Reserve or Pastoral Leases.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> No nickel exploration has been previously conducted in the area.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Nova-Style NiS mineralisation.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Easting and Northings of the survey area are clearly visible on the attached map. No drilling was undertaken and therefore no drill hole information is applicable.
<i>Data</i>	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high 	<ul style="list-style-type: none"> Not applicable to the style of exploration undertaken.

Criteria	JORC Code explanation	Commentary
<i>aggregation methods</i>	<p>grades) and cut-off grades are usually Material and should be stated.</p> <ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Not applicable to the style of exploration undertaken.
<i>Diagrams</i>	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Attached maps show all relevant information.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Not applicable to the style of exploration undertaken.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Not applicable to the style of exploration undertaken.
<i>Further work</i>	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling 	<ul style="list-style-type: none"> AirCore drilling is planned to test the surface bedrock geochemistry overlying the MLEM conductors.

Criteria	JORC Code explanation	Commentary
	<i>areas, provided this information is not commercially sensitive.</i>	

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.