



ASX Code: **SEG**

18 September 2014

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

DRILLING OF BEDROCK CONDUCTORS TO COMMENCE AT PLUMRIDGE NICKEL PROJECT

HIGHLIGHTS:

- **Diamond and reverse circulation drilling programme has been approved to test four high priority EM conductors (C1-4) at the E21 Target. Drilling contracts have been awarded and rigs will be mobilised by the end of September.**
- **Aircore drilling program (48 holes for 2,162 metres) has intersected favourable geology with mafic/ultramafic rocks identified. Assay results are expected shortly.**
- **Recently acquired detailed airborne magnetic data over E39/1731 is currently being integrated and reviewed by Newexco.**
- **Moving Loop EM survey over E28 is nearing completion.**

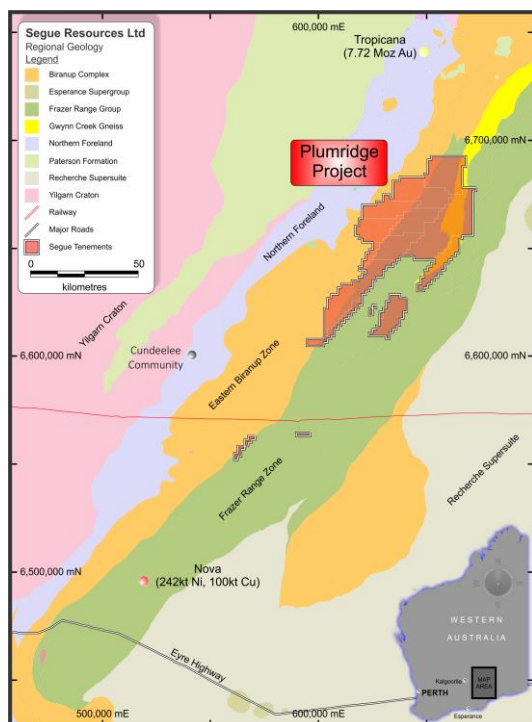


Figure 1 – Plumridge Nickel Project Location Map

Key Facts:

Segue Resources Limited

ASX Code:	SEG
Share price (17/9/14):	1.4¢
52 week range:	0.2¢-1.8¢
Shares on issue:	1,994m
Market cap.:	\$27.9m

Plumridge Nickel Project

Location:	Fraser Range, WA
Primary commodity:	Nickel-copper
Tenement holding	
- 100% interest	2,466km ²
- 80% interest ¹	<u>641km²</u>
Total:	3,013km ²

1. Segue 80%, Fraser Range Metals Group 20%

BEDROCK CONDUCTOR DRILLING PROGRAMME

Segue has received approval from the WA Department of Mines and Petroleum (**DMP**) for its maiden diamond and reverse circulation (**RC**) drilling programme at the E21 Target. The programme is designed to test four bedrock electromagnetic (**EM**) conductors which have been defined through both Moving Loop Electromagnetic (**MLEM**) and Fixed Loop Electromagnetic (**FLEM**) surveys. The four conductors (C1-4) are located around the northern edge of an interpreted intrusive complex (E21 Target) which lies within tenement E39/1731 (**Figures 2a & 2b**).

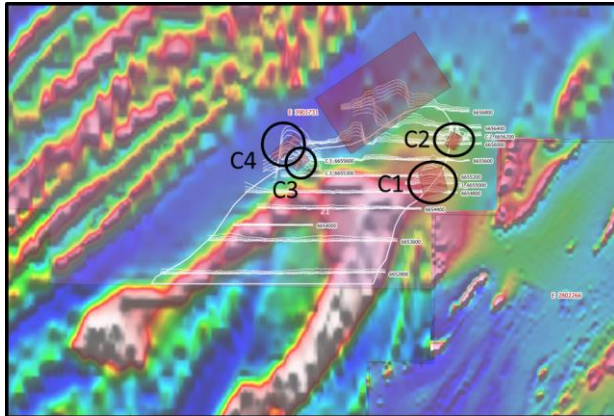


Figure 2a – Bedrock Conductors at E21 Target

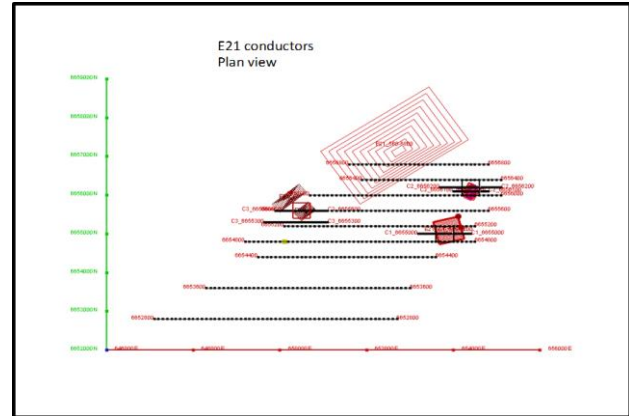


Figure 2b – Modelled Conductors

Drilling contracts (both RC and diamond) have been awarded and the RC rig will be mobilised by the end of September. The diamond drill rig is likely to be onsite by the first week of October. The drilling programme is expected to take four weeks to complete.

Segue's highest priority drilling target, C1, will be drilled first with an RC pre-collar to approximately 300m and a diamond tail through the conductor plate, which has been modelled at 650m to the centre of the plate. A down-hole EM survey will be undertaken to provide a diagnostic test of the bedrock conductor. Conductors C2, C3 and C4 will be drilled with RC holes to target depths of 250m - 300m. The RC hole planned at C2 will test two interpreted conductor plate orientations (**Figure 3**).

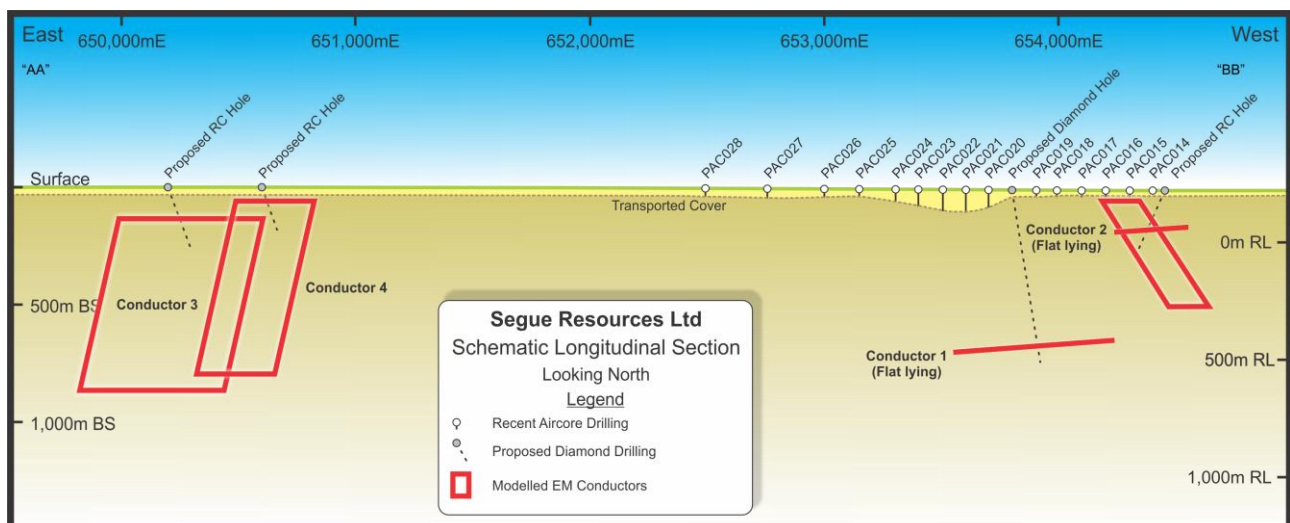


Figure 3 – Long Section through E21 showing conductor plates and proposed drill holes

AIRCORE DRILLING

A 48 hole (2,162 metre) aircore drilling program has been completed over seven (7) targets at the Plumridge Nickel Project (**Figure 4**). The objective of the drilling was to collect geological and lithochemical data to provide an initial test of the target zones that had been identified in airborne magnetic and MLEM data. Over 700 samples have been sent to ALS Minerals in Perth for multi-element geochemical assaying. The assay results are expected to be received within 10 days. Full details of the aircore drilling programme are in Appendix A.

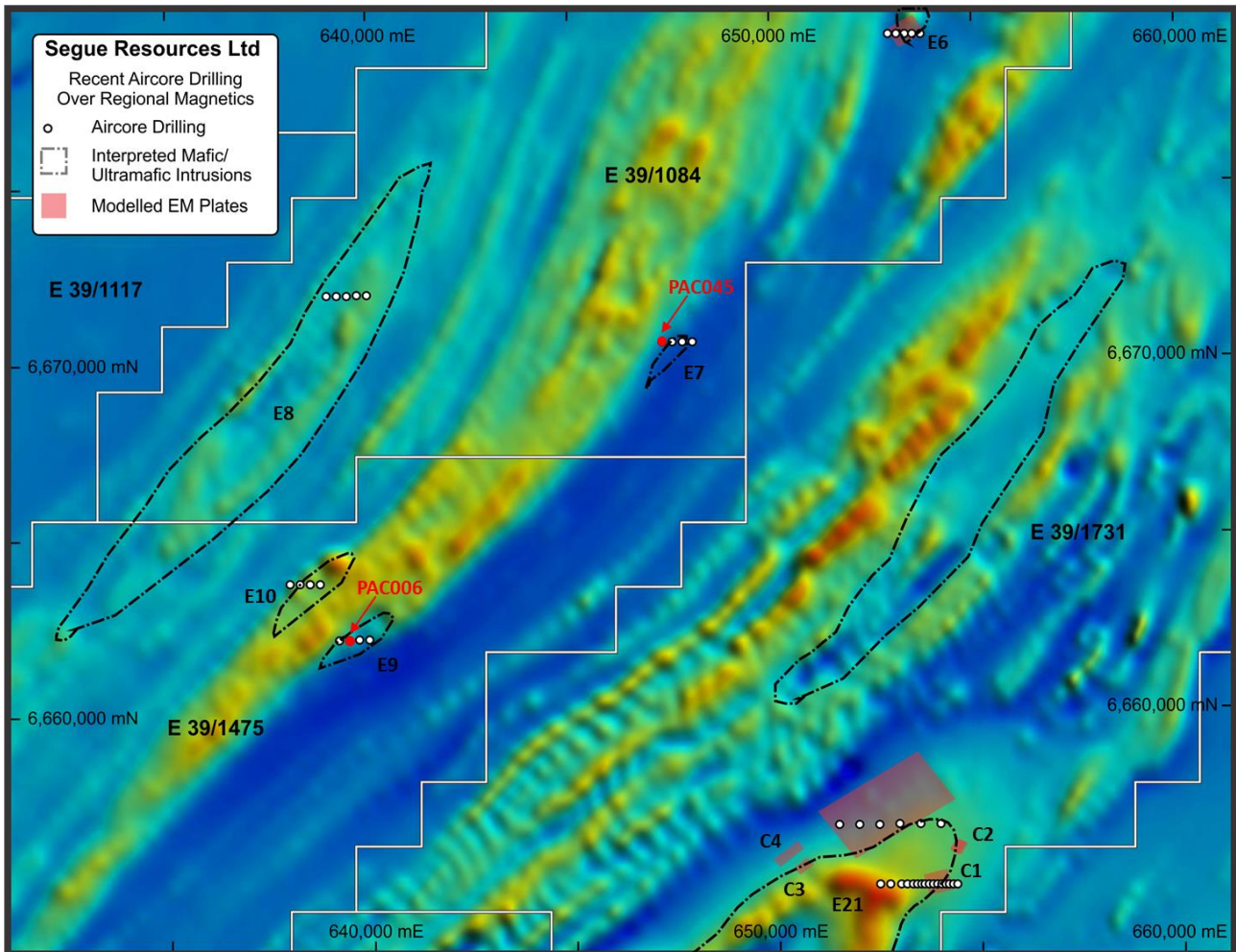


Figure 4 – Location of aircore drill collars over regional magnetics

Aircore holes PAC006 and PAC045 successfully intersected coarse grained, doleritic–gabbroic, mafic intrusive rocks (**Figure 5**) which have been interpreted to be the same suite of intrusive rocks that host the Nova-Bollinger nickel deposits. The intersection of mafic intrusive rocks in Segue’s maiden drilling campaign has proven a success for the exploration methodology developed between Segue, Newexco and OMNI GeoX, with the identification of magnetic features akin to the “Nova Eye” allowing exploration focus in the form of detailed ground EM surveys and the subsequent drill testing of conductive targets.

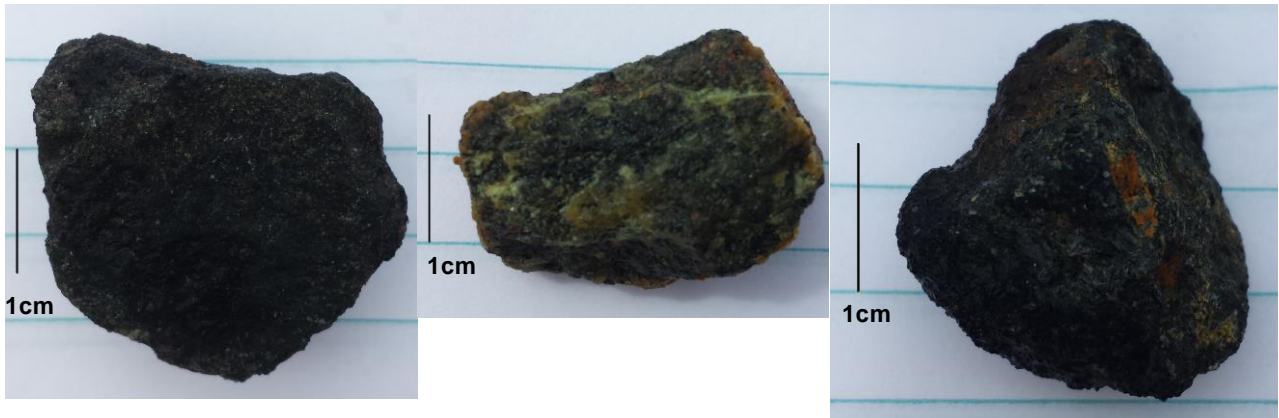


Figure 5a – PAC045 (50m)

Figure 5b – PAC006 (27m)

Figure 5c – PAC006 (33m)

Figure 5 - Coarse grained, doleritic-gabbroic, mafic intrusive rocks from aircore drilling

First pass aircore drilling at the E21 Target intersected a variety of felsic and intermediate schist and gneiss to an average depth of 48m (refusal). This package of rocks is interpreted to have been thrust over the E21 magnetic anomaly/intrusion, which appears to be plunging to the northeast beneath the gneiss and schist that was intersected in drilling. Figure 3 shows the position of the C1 conductor plate relative to the depth of aircore drilling over E21.

MOVING LOOP ELECTROMAGNETIC SURVEY (MLEM)

The E28 Target (tenement E28/2266) is located to the immediate south east of the E21 Target and is covering a newly identified prospective magnetic feature. The survey is currently 50% complete with 187 stations completed over 17.7 line kilometres (Figures 6a & 6b). The survey is scheduled for completion by the end of September 2014.

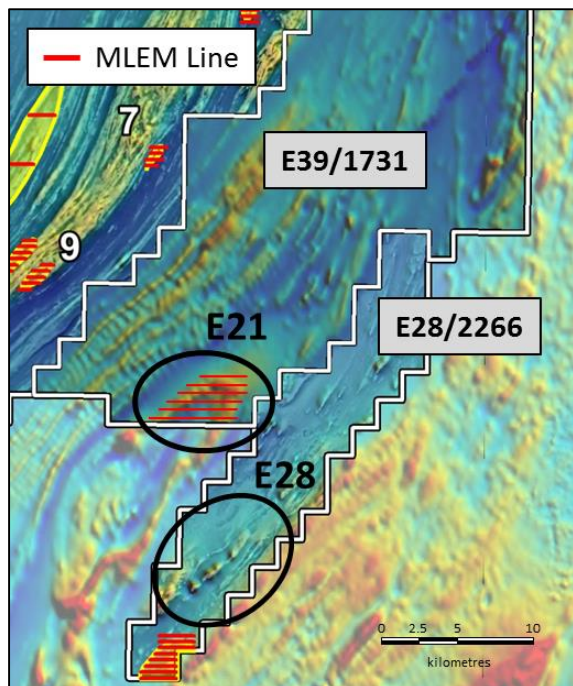


Figure 6a – E28 Target

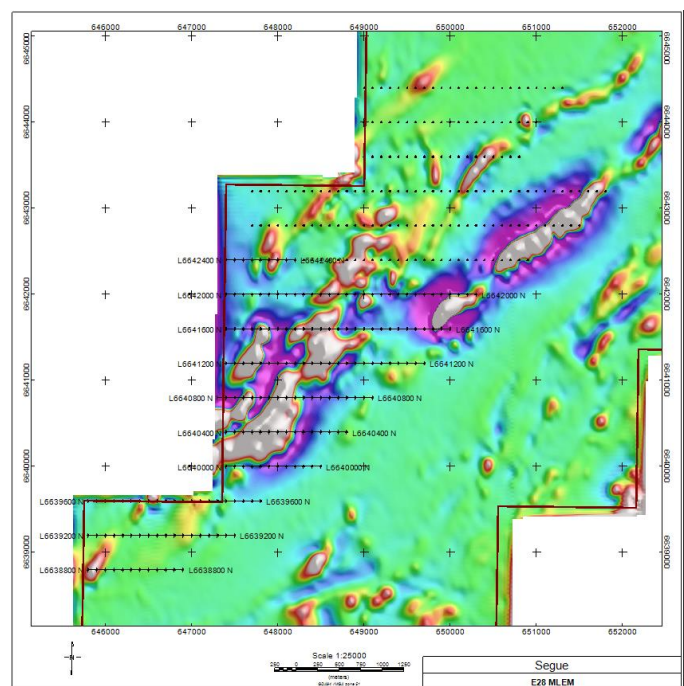


Figure 6b – E28 Target MLEM Survey Coverage

AIRBORNE MAGNETIC SURVEY

A 7,080 line kilometre detailed airborne magnetic survey has been completed over E39/1731 (approximately 600km²) and is currently with Newexco for processing and interpretation. This 100m line spaced survey supercedes the existing regional data and will be merged with the wider detailed magnetic data set. The results, including a more detailed interpretation of the margins of E21, are expected by the end of September 2014.

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

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr 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 – Aircore Drilling Details

Hole ID	Easting	Northing	RL (m)	BOTR (m)	Depth (m)	Lease ID
PAC001	633798	6630501	204	33	40	E28/2266
PAC002	634107	6630499	197	24	29	E28/2266
PAC003	634400	6630501	198	25	30	E28/2266
PAC004	634706	6630501	198	20	21	E28/2266
PAC005	639207	6662002	270	18	25	E28/1475
PAC006	639449	6662003	270	24	36	E28/1475
PAC007	639692	6661999	270	16	19	E28/1475
PAC008	639942	6661999	270	31	42	E28/1475
PAC009	638750	6663603	290	47	55	E28/1475
PAC010	638497	6663606	289	47	53	E28/1475
PAC011	638248	6663603	289	42	48	E28/1475
PAC012	638095	6663601	290	43	57	E28/1475
PAC013	654399	6655105	232	17	21	E39/1731
PAC014	654302	6655101	232	10	43	E39/1731
PAC015	654202	6655098	232	11	48	E39/1731
PAC016	654102	6655098	232	12	21	E39/1731
PAC017	653995	6655097	232	28	29	E39/1731
PAC018	653903	6655100	242	31	48	E39/1731
PAC019	653804	6655098	238	32	49	E39/1731
PAC020	653701	6655104	246	79	80	E39/1731
PAC021	653601	6655101	229	103	104	E39/1731
PAC022	653505	6655100	236	92	95	E39/1731
PAC023	653401	6655102	211	72	73	E39/1731
PAC024	653303	6655100	251	53	54	E39/1731
PAC025	653151	6655101	246	33	35	E39/1731
PAC026	653001	6655100	241	36	37	E39/1731
PAC027	652758	6655101	242	41	47	E39/1731
PAC028	652492	6655102	242	34	46	E39/1731
PAC029	653998	6656797	231	29	34	E39/1731
PAC030	653502	6656797	239	60	63	E39/1731
PAC031	653004	6656800	244	32	39	E39/1731
PAC032	652503	6656801	241	29	32	E39/1731
PAC033	651994	6656804	239	23	27	E39/1731
PAC034	651515	6656803	248	24	31	E39/1731
PAC035	653783	6679283	276	31	33	E39/1084

Hole ID	Easting	Northing	RL (m)	BOTR (m)	Depth (m)	Lease ID
PAC036	653600	6679309	282	47	48	E39/1084
PAC037	653400	6679298	285	60	61	E39/1084
PAC038	653208	6679253	287	38	43	E39/1084
PAC039	653010	6679306	290	27	31	E39/1084
PAC040	639000	6671980	287	30	40	E39/1084
PAC041	639238	6671983	290	32	45	E39/1084
PAC042	639502	6672010	286	34	48	E39/1084
PAC043	639767	6672014	290	39	58	E39/1084
PAC044	639996	6672005	290	39	62	E39/1084
PAC045	647311	6670498	262	26	50	E39/1084
PAC046	647549	6670498	261	22	36	E39/1084
PAC047	647801	6670500	265	20	32	E39/1084
PAC048	648051	6670501	266	32	63	E39/1084

1. All holes drilled vertically
2. All collar locations are based on GDA94/MGA Zone 51
3. BOTR = Bottom of Transported Regolith

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"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> • <i>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.</i> 	<p><u>Moving Loop Electro Magnetic survey specifications:</u></p> <p>Configuration: Moving Loop</p> <p>Line spacing: 800m</p> <p>Infill line spacing: 400m</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> <p><u>Fixed Loop Electro Magnetic survey specifications:</u></p> <p>Configuration: Fixed Loop</p> <p>Line spacing: 200m infill between MLEM lines</p> <p>Transmitter Loop Size: 400m diameter</p> <p>Receiver station spacing: 50m</p> <p>Transmitter current: 50 amp</p>

Criteria	JORC Code explanation	Commentary
		Receiver sensor type: Fluxgate Components: Bz, Bx, By Base Frequency: 0.5Hz Coordinates: GDA94/MGA51
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • Aircore drilling was undertaken and ceased at point of refusal (fresh rock).
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <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> 	<ul style="list-style-type: none"> • Not applicable until aircore results are released.
<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"> • Logging was undertaken by an experienced geologist familiar with the style of mineralisation and commodity being explored for.
<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> 	<ul style="list-style-type: none"> • Not applicable until results released.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • Whether sample sizes are appropriate to the grain size of the material being sampled. 	
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • 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. • 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. 	<ul style="list-style-type: none"> • Not applicable until results released.
<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"> • Not applicable until results released.
<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. 	<ul style="list-style-type: none"> • See sampling techniques section. • Not applicable until aircore results are released.
<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. • Not applicable until aircore results are released.

Criteria	JORC Code explanation	Commentary
<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. Not applicable until aircore results are released.
<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. Not applicable until aircore results are released.

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 Ni-Cu mineralisation – Mafic-ultramafic intrusive related sulphides.
<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 	<ul style="list-style-type: none"> See Appendix A. – ‘Aircore drilling details’

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ 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. 	
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> ● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. ● 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. 	<ul style="list-style-type: none"> ● Not applicable.
<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.
<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</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 	<ul style="list-style-type: none"> ● Not applicable to the style of exploration undertaken.

Criteria	JORC Code explanation	Commentary
<i>exploration data</i>	<i>samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
<i>Further work</i>	<ul style="list-style-type: none"> <i>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Targeted RC and Diamond drill program testing Conductors as described within this announcement. • Continuation of ground EM survey as mentioned within this announcement