ASX Release

8 October 2014

ASX Code: SEG

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

MAIDEN DEEP DRILLING PROGRAM STARTED AT PLUMRIDGE NICKEL PROJECT

HIGHLIGHTS:

- **Aircore drilling results confirm mafic/ultramafic geology with PAC006 intersecting 6m @ 0.28% Ni;**
- **Drilling programme has commenced to test four high priority EM conductors at the E21 Target;**
- **Three (3) significant bedrock EM conductors identified at the E28 Target; and**
- **New conductor at E28 Target planned to be drilled as part of the current RC drilling program.**

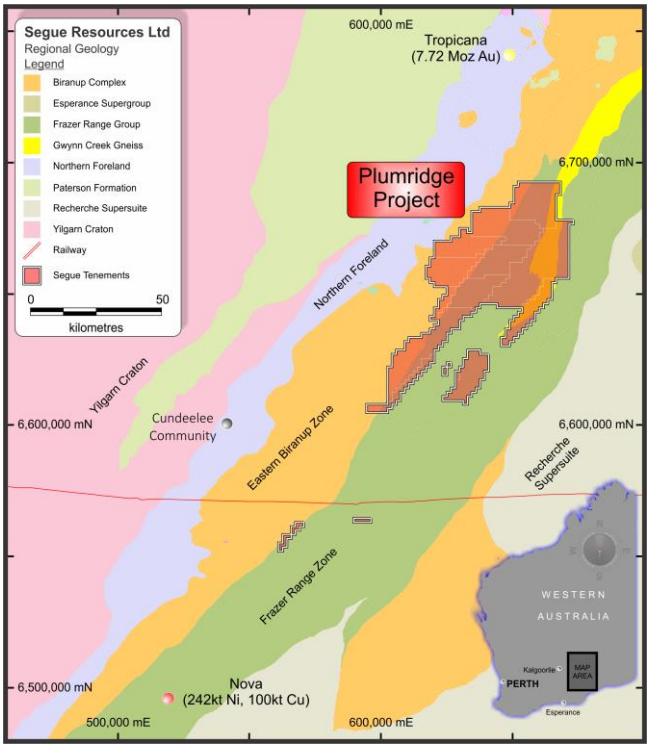

Figure 1 – Plumridge Nickel Project Location Map

Key Facts:

Segue Resources Limited

ASX Code:	SEG
Share price (6/10/14):	1.1¢
52 week range:	0.2¢-1.8¢
Shares on issue:	2,003m
Market cap.:	$22.0m

Plumridge Nickel Project

Location:	Fraser Range, WA
Primary commodity:	Nickel-copper
Tenement holding	
- 100% interest	2,466km^2
- 80% interest[1]	641km^2
Total:	3,013km^2

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

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AIRCORE DRILLING RESULTS IDENTIFY ANOMALOUS NICKEL

Segue Resources Limited (**Segue** or the **Company**) is pleased to announce the assay results from the recent 48 hole (2,162 metre) aircore drilling program completed over seven (7) targets at the Plumridge Nickel Project (**Figure 2**) (See ASX announcement 18th September 2014). The objective of the drilling was to collect geological and lithogeochemical data to provide an initial test of the target zones that had been identified in airborne magnetic and Ground Moving Loop EM (**MLEM**) data. Over 700 samples were sent to ALS Minerals in Perth for multi-element geochemical assaying.

The assay results included a maximum assay of 3,130ppm nickel (0.31% Ni), with associated elevated chromium, in PAC006 within a broader intersection of 16 metres at 0.16% Ni from 20 metres (including 6 metres at 0.28% Ni from 22 metres). The lithogeochemistry in PAC006 is indicative of a mafic-ultramafic rock and demonstrates the success of the program in identifying the target mafic-ultramafic rocks that will now require follow up assessment. Significant results (above 0.1% Ni) are reported in Table 1.

Hole ID	Easting	Northing	From (m)	To (m)	Width (m)	Ni (ppm)	Cu (ppm)	Co (ppm)	Cr (ppm)	Max Ni[1] (ppm)
PAC006	**639449**	**6662003**	**20**	**36**	**16**	**1,623**	**37**	**158**	**4,063**	**3,130**
		(including)	22	28	6	2,853	26	294	4,767	3,130

1. Maximum assay value over a 2m interval.

Table 1 – Significant Drilling Results (using a 0.1% Ni cut-off)

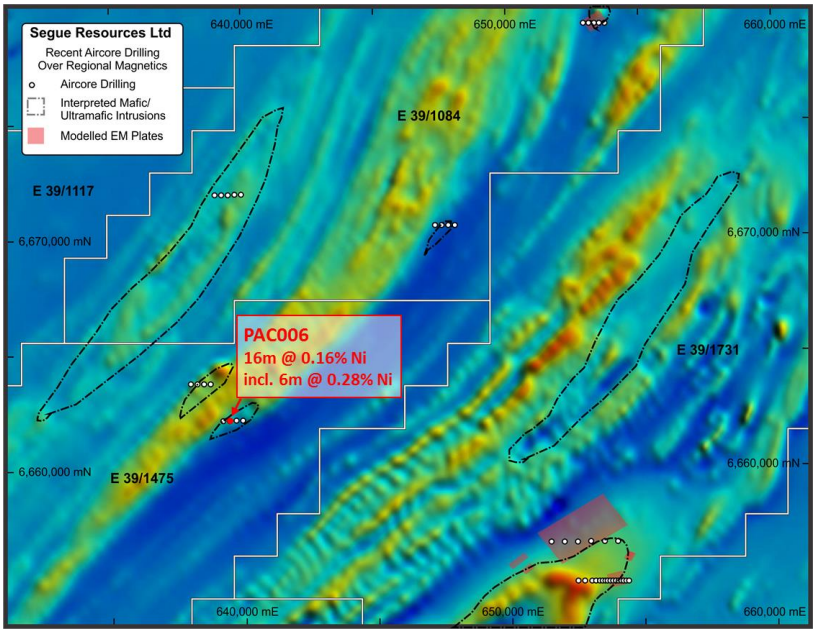

Figure 2 – Location of aircore drill collars over regional magnetics

The aircore drilling programme is an important step in Segue's exploration strategy and has provided detailed geological and geochemical information that will enable the Company to prioritise exploration targets for further work. Specifically, additional aircore drilling around PAC006 will be undertaken to better understand the significance of the identified nickel anomaly within the regional structural setting.

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MAIDEN DEEP DRILLING PROGRAMME UNDERWAY

Segue has commenced its maiden diamond and reverse circulation (**RC**) drilling programme at the E21 Target. Omni GeoX and Strike Drilling are currently on site with the RC pre-collar to approximately 300 metres at C1 the first hole to be drilled. The programme is designed to test four bedrock electromagnetic (**EM**) conductors (C1-4) located around the northern edge of an interpreted intrusive complex (E21 Target) which lies within tenement E39/1731.

After the RC pre-collar is completed at C1, a diamond tail through the conductor plate, which has been modelled at 650 metres to the centre of the plate will be completed. The hole is expected to be completed by the end of October 2014. 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 250-300 metres. The RC hole planned at C2 will test two interpreted conductor plate orientations (**Figure 4**).

Figure 3 – RC drill rig over C1

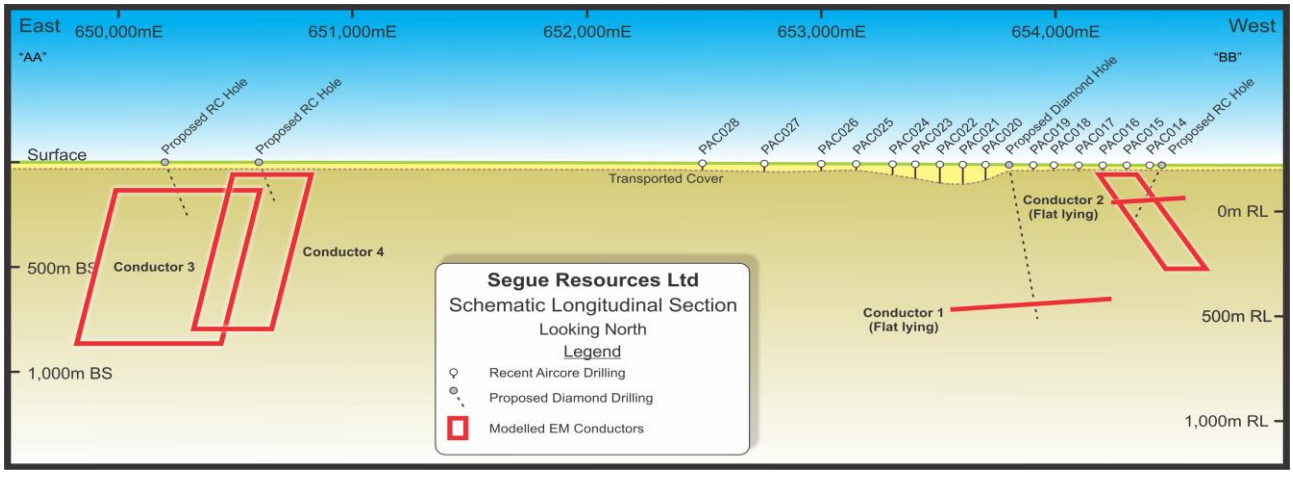

Figure 4 – Long Section though E21 showing conductor plates and proposed drill holes

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NEW EM CONDUCTORS IDENTIFIED AT E28 TARGET

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. An MLEM survey has been completed with 381 stations over 36.3 line kilometres along 17 profiles (**Figures 5a,b,c**).

The survey has identified three (3) discrete bedrock conductors that require additional evaluation. The most prospective target at this point is E28_C1 that has been identified as a 1.2 kilometre long north plunging body. The other conductors (E28_C2 and C3) need further assessment and detailed interpretation to determine their relationship to the interpreted geology.

The modelling of the conductor suggests that it reaches a near surface position in the south and plunges away to the north. RC drill testing of the near surface position is currently being planned and is, subject to permitting, likely to be completed as part of the current RC drilling program at E21.

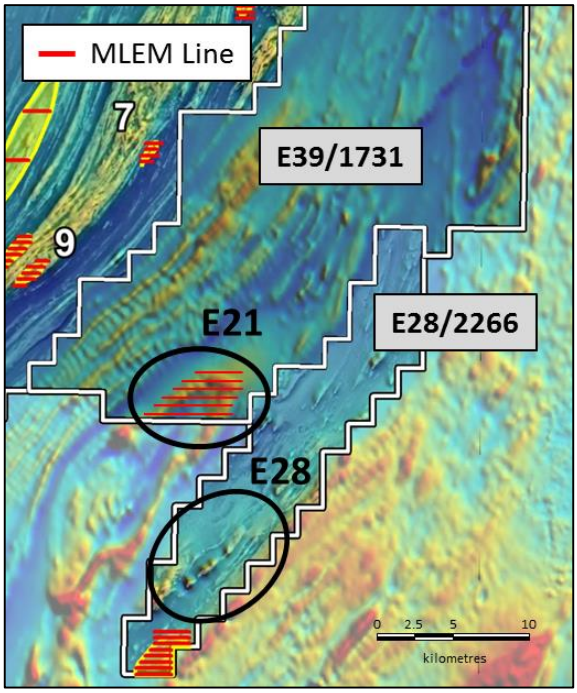

Figure 5a – E28 Target Location

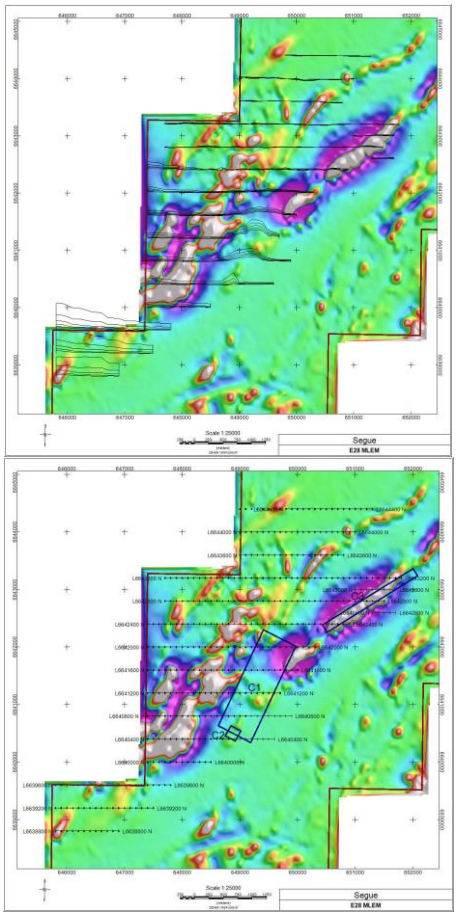

Figure 5b-c – E28 Target MLEM Survey Coverage and Conductor Location

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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.

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Appendix A – Aircore Drilling Assay Results

Hole ID	Easting	Northing	From (m)	To (m)	Width (m)	Ni (ppm)	Cu (ppm)	Co (ppm)	Cr (ppm)	Max Ni (ppm)
PAC001	633798	6630501	38	40	2	29	22	21	78	69
PAC002	634107	6630499	28	29	1	8	11	7	78	44
PAC003	634400	6630501	28	30	2	16	7	11	56	34
PAC004	634706	6630501	20	21	1	15	11	9	51	36
PAC005	639207	6662002	24	25	1	153	145	130	192	153
PAC006	**639449**	**6662003**	**34**	**36**	**2**	**350**	**72**	**51**	**873**	**3130**
PAC007	639692	6661999	18	19	1	13	15	14	26	60
PAC008	639942	6661999	40	41	1	63	38	46	175	63
PAC009	638750	6663603	54	55	1	112	171	68	60	112
PAC010	638497	6663606	52	53	1	7	24	6	19	55
PAC011	638248	6663603	46	48	2	31	63	45	23	58
PAC012	638095	6663601	56	57	1	127	52	36	182	128
PAC013	654399	6655105	20	21	1	8	16	3	36	120
PAC014	654302	6655101	42	43	1	19	19	11	49	40
PAC015	654202	6655098	44	46	2	24	21	12	24	40
PAC016	654102	6655098	20	21	1	22	9	22	33	23
PAC017	653995	6655097	28	29	1	20	15	42	53	31
PAC018	653903	6655100	46	48	2	16	12	8	42	48
PAC019	653804	6655098	48	49	1	24	16	18	69	90
PAC020	653701	6655104	78	80	2	12	6	8	35	48
PAC021	653601	6655101	102	104	2	18	13	8	42	50
PAC022	653505	6655100	94	95	1	23	15	375	52	58
PAC023	653401	6655102	72	73	1	18	13	11	46	50
PAC024	653303	6655100	52	54	2	30	20	12	62	44
PAC025	653151	6655101	34	35	1	16	12	18	77	33

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Hole ID	Easting	Northing	From (m)	To (m)	Width (m)	Ni (ppm)	Cu (ppm)	Co (ppm)	Cr (ppm)	Max Ni (ppm)
PAC026	653001	6655100	36	37	1	47	18	24	59	55
PAC027	652758	6655101	46	47	1	40	13	17	65	67
PAC028	652492	6655102	44	46	2	31	1	21	45	45
PAC029	653998	6656797	32	34	2	19	46	15	69	39
PAC030	653502	6656797	62	63	1	22	10	26	127	39
PAC031	653004	6656800	38	39	1	7	18	8	19	51
PAC032	652503	6656801	30	32	2	26	50	14	76	77
PAC033	651994	6656804	26	27	1	10	7	29	100	37
PAC034	651515	6656803	30	31	1	65	43	37	88	65
PAC035	653783	6679283	32	33	1	102	35	53	62	106
PAC036	653600	6679309	46	48	2	26	16	10	62	70
PAC037	653400	6679298	60	61	1	30	23	17	83	59
PAC038	653208	6679253	42	43	1	74	126	55	89	78
PAC039	653010	6679306	30	31	1	119	49	68	329	171
PAC040	639000	6671980	38	40	2	96	155	63	245	369
PAC041	639238	6671983	44	45	1	37	21	19	59	95
PAC042	639502	6672010	46	48	2	168	190	52	60	317
PAC043	639767	6672014	56	58	2	40	70	43	78	77
PAC044	639996	6672005	60	62	2	136	65	47	365	153
PAC045	647311	6670498	48	50	2	184	17	86	1640	397
PAC046	647549	6670498	34	36	2	44	131	55	96	89
PAC047	647801	6670500	30	32	2	107	195	62	152	107
PAC048	648051	6670501	62	63	1	20	42	21	59	261

1. All collar locations are based on GDA94/MGA Zone 51.
2. All holes drilled vertically (dip -90°).

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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
Sampling techniques	• *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.*	• A 48 holes aircore drilling program was undertaken where 1m samples were collected from the rig sampling equipment. 1, 2 or 4m composite samples were collected from the drill cuttings using a metal scoop and placed in calico bags ready for assay. • Approximately 2kg of cuttings was collected for each sample. Samples were submitted to ALS Laboratories in Perth where they were pulverised, 4 acid digestion and analysed via Induced Coupled Plasma - Atomic Emission Spectroscopy (ICP-AES). • Moving Loop EM Survey Specifications: - Configuration: Moving Loop - Line Spacing: 400m - Transmitter Loop Size: 400m - Receiver Loop Size: 100m - Transmitter current: 50 amp - Receiver sensor type: Fluxgate - Components: Bz, Bx, By - Base frequency: 0.5 Hz - Datum/Projection: GDA94-MGA Zone 51
Drilling techniques	• *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).*	• The drilling technique used was aircore with a 3 inch blade. An aircore hammer was occasionally used when drilling conditions were difficult.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Sample recovery was assessed visually and documented by the geologist in charge of the rig activities and sampling. Where no sample was collected, a note was made within necessary databases. • Drill cuttings were collected at the rig using an enclosed collection box. Samples were then collected from spoil piles using a steel scoop. • Not investigated - Not applicable for the commodity under

Criteria	JORC Code explanation	Commentary
		investigation at this stage of exploration.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drill chips were sieved, washed and placed in chip trays for reference. A qualified geologist with suitable training in the type and style of mineralisation being explored then logged all of the chips to an industry accepted convention.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Samples were collected by steel scoop which was deemed suitable for the type of sample being created from the drill rig. Samples on the whole were dry. CRM's were inserted with the samples at a rate of 1:20
Quality of assay data and laboratory tests	• *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.*	• Samples were assayed by ALS laboratories, Perth. The laboratory is deemed to have the necessary procedures to ensure sample integrity. The assay technique was deemed total. The instrument used for analysis was an ICP-AES. 31 CRMS were inserted into the sample string. These were assessed and deemed to have acceptable levels of accuracy.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *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.*	• No verification by independent or alternative companies has been undertaken. No twin holes have been undertaken. All data was recorded digitally and ultimately stored on the company DB.
Location of data points	• *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.*	• All holes were located using a handheld Garmin GPS, accurate to ±4m. • GDA94 - MGA51
Data spacing and distribution	• *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.*	• Samples were composited at the geologist's discretion.
Orientation of data in relation to geological structure	• *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.*	• Nothing is known about the structure of the underlying rock and due to the nature of drilling undertaken nothing will be learnt.
Sample security	• *The measures taken to ensure sample security.*	• All samples were originally stored on site within the operational footprint. Samples were transported to the laboratory by field personnel and dropped at ALS laboratories who have suitable security to ensure sample integrity.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• All data has been reviewed by exploration consultants OMNI GeoX Pty Ltd or Geophysical Consultants Newexco Pty. Ltd.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.*	• Tenements E28/1475, E28/2266, E28/2267, E39/1084, E39/1117, E39/1118, E39/1709 & E39/1710 are 100% owned by entities that are completely owned by Segue Resources Ltd. • Tenements E39/1731 and E28/2317 are subject to the Plumridge East JV where Segue has an 80% farmin right. • The tenements are wholly within an area with no Native Title, Nature Reserves or Pastoral leases.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No Nickel exploration has previously been conducted in the area. Some previous mineral sand and gold exploration has been undertaken by various parties in the past.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Nova-Style Ni-Cu mineralisation – Mafic-ultramafic intrusive related sulphides.

Drill hole Information	• *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:*
	  ○ *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.*
		• Drill collars with pertinent information can be found in Appendix A.

Data aggregation methods	• *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*	• Where necessary, standard weight averaging techniques have been applied due to varied sample sizes.

Criteria	JORC Code explanation	Commentary
	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.*	
Relationship between mineralisation widths and intercept lengths	• *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').*	• The true width of any intercepted mineralisation is unknown at this time.
Diagrams	• *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.*	• See body of text for applicable diagrams.
Balanced reporting	• *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.*	• Not applicable.
Other substantive exploration data	• *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.*	• Not applicable.
Further work	• *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 areas, provided this information is not commercially sensitive.*	• Further work is planned for the project area including ground EM, detailed magnetics, gravity and RC/Diamond drill testing of targets generated from previously reported exploration programs.